Annual Report & Accounts

2016

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African Trade Insurance Agency

Agence pour l'Assurance du Commerce en Afrique

"In this uncertain global environment, ATI is here to reduce the risks of doing business in Africa. We are Africa's trusted risk partner - here for the long term.

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KEY DATA

Volume of Business Supported Since Inception
USD25 billion **(+ 16%)**

Insured Trade & Investments (Gross Exposure)
USD1.9 billion **(+ 15%)**

Gross Written Premium
USD29.5 million **(+ 27%)**

Shareholders' Capital
USD202 million **(+ 11%)**

Profit
USD6.4 million **(+ 36%)**
On a comparable basis

Rating (S&P)
A/negative

MILESTONES

- ATI held an extraordinary General Assembly during which member states reaffirmed their will to honour commitments to ATI related to outstanding sovereign recoveries
- Two new member countries joined ATI - Ethiopia and Zimbabwe
- UK Export Finance (UKEF), United Kingdom's national export credit agency, became a member of ATI helping to broaden ATI's international footprint
- ATI won Global Trade Review's (GTR) Leaders in Trade Award for the Best Political Risk and Trade Credit Insurer in Africa
- With Board approval, ATI has become a fully pan-African institution with the ability to underwrite selective transactions across Africa
- ATI co-hosted with the Berne Union the first global energy sector specialist meeting and the first meeting to be held in Africa

"If we are able to seize this unique moment in history, this decade has the potential to truly be Africa's decade.

MESSAGE FROM THE CHAIRMAN OF THE ANNUAL GENERAL ASSEMBLY MEETING

Africa is at crossroads. After two decades of record growth rates averaged 5 – 6 percent, 2016 saw growth slowing down to record lows of 1.4 percent for the first time in 20 years – according to the IMF. This slowdown was largely due to the impacts of depressed commodity prices, higher borrowing costs and a less supportive global economic environment. While this situation certainly poses a challenge, more importantly, it presents an opportunity for the continent to take a huge leap towards self-sustainability.

With geopolitical tensions increasing in several regions impacting trade, confidence, and financial flows, Africa has an opportunity to begin carving out its own path. Organisations such as the African Union have chosen to take the leap with its Agenda 2063 strategy designed to create an Africa that is self-reliant, peaceful and forward looking.

The African Trade Insurance Agency (ATI) is a pan-African institution that provides solutions to help countries achieve sustainable growth. ATI's risk solutions for investors and companies can support the continent's plans to increase integration and to attract more investments. In the last decade, ATI has covered over USD25 billion worth of investments in the region.

To ramp up the benefits, we must encourage all African countries to join ATI and commit to strategically sensitize its products to different investors and businesses.

ATI can be one of the milestones to helping Africa attract needed investments in this quest towards self-reliance.

If the last decade was characterized as 'Africa Rising', the next decade could become the decade of 'One Africa', where countries work together with a commitment to continuously alleviate all barriers that have stopped us from trading with each other, and that have prevented the free flow of people and goods from one end of the continent to the other.

To realize the 'One Africa' vision, we must start by making full use of our institutions including ATI. Then, if we are able to seize this unique moment in history, this decade has the potential to truly be Africa's decade.

Ambassador Claver Gatete
Minister of Finance & Economic Planning
Republic of Rwanda

"ATI is increasingly seen as a strategic partner in projects that are critical to a country's long-term vision.

MESSAGE FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS

In 2016, sub-Saharan Africa faced the same headwinds that impacted it in 2015. In addition to low oil prices, high borrowing rates, and economic slowdown in China, there was also a more protectionist trade environment that slowed the growth of Africa's exports to Europe and North America.

ATI has continued to position itself to effectively help governments navigate these global headwinds. The good news to our shareholders is that our business volumes, gross premium earnings as well as our bottom line are still on an upward trajectory, a performance that we have maintained in the last six years. During the year 2016, we continued to refine our corporate strategy to reflect the company's increasing importance in the face of economic challenges affecting some of our member countries.

To help ATI better respond to demand, the company has begun to build technical reserves for political risk claims as a prudent way of managing our exposures in light of a rapidly growing business portfolio and the economic challenges facing some of our member countries.

The process of reviewing our corporate strategy has also entailed initiating reforms to regulate the tenure of the Directors. Members of the Board will now serve a limited term of three years, renewable only once so as to achieve the widest possible participation and infusion of new talent on the Board as well as to reflect the geographical diversity of ATI. As ATI's membership expands, it has become necessary to establish constituencies in Board composition, reflecting the amount of shareholding, and geographical and economic grouping as well as ATI's pan-African character.

This year, ATI continued to back its member governments by supporting their strategic priorities such as improving infrastructure, and health services. These projects signify a positive shift in ATI's relationship with its member countries. ATI is increasingly seen as a strategic partner in projects that are critical to a country's long-term vision. This trend is reflected in the uptake of ATI's products, where, in 2016, the company posted gross exposure of nearly USD2 billion representing a 175 percent increase in business volume in just five years.

Another noteworthy achievement is ATI's membership expansion. In 2016 the company set an important record, attracting three new members in one year. Ethiopia, Zimbabwe and UK Export Finance (UKEF) – the United Kingdom's national export credit agency – all became members of ATI. This trend is expected to continue with Côte d'Ivoire's membership nearing completion in 2017.

Significantly, in 2016, the Board appointed a new Chief Underwriting Officer allowing for a smooth hand-over process between Jef Vincent, who retired, and his able successor, John Lentaigne. The new CUO brings over 13 years of credit and political risk experience working in progressive leadership positions at Lloyd's syndicates in both London and Bermuda.

I would like to take this opportunity to thank Mr. Vincent for his substantial contribution to ATI. On behalf of the Board, I wish Mr. Vincent all the best in his post-retirement life.

As ATI moves into another phase of growth with the new Chief Underwriting Officer on board, member countries should be confident in the company's ability to help governments weather the storms that may come and go.

Israel L. Kamuzora
Chairman of the Board of Directors

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As a trusted partner to governments, investors and a variety of companies, we cover projects and help them to materialize.

MESSAGE FROM THE CEO

In 2016, ATI celebrated another victory. Global Trade Review (GTR) honoured us with the “Leaders in Trade Award” for the Best Political Risk and Trade Credit Insurer in Africa. This prize is a culmination of many years of discipline and commitment by our management team and staff. While we appreciated the kudos from our peers, we continued to push forward this year, harder than ever, with impressive results.

Two results in particular stand out. For the first time in ATI's history, our share capital crossed the USD200 million mark, and our profitability continued to increase - this year by 36%. These milestones reflect demand and our relevance to help member countries achieve their objectives.

Our drive to be the best energy sector underwriter in Africa is still at the forefront of our strategy. Our partnership with two key European development banks entered a new phase and in 2017 we plan to unveil innovative facilities providing needed liquidity to utilities for small scale renewable energy projects.

Improved infrastructure across Africa will be the bridge that connects countries, enabling them to conduct business with each other more easily. This bridge will also lead international companies to our shores, providing new and competitive markets for manufacturing.

To ensure continuing support of our member countries' priorities, in 2016, we received approval for a pan-African mandate allowing ATI to underwrite select deals in all countries across Africa. We also increased our reserves to add cushion against political risk claims. And, importantly, we addressed the issue of outstanding sovereign recoveries at an Extraordinary General Assembly, where governments reaffirmed their commitment to ATI.

We see this support as key to providing better services to our government partners as they continue to improve and build infrastructure in order to attract companies and investments.

In our discussions with governments and investors, one important fact stands out – both see opportunities with challenges sometimes standing in the way of implementation. This is ATI’s unique proposition. As a trusted partner to governments, investors and a variety of companies, we cover projects and help them to materialize.

Energy is an important pillar of our ongoing support to African member governments. In one project, ATI supported a hydro power plant in East Africa, which is expected to help move the population toward increased energy access and to greener energy options.

Trade also remains an important part of our vision and support to member governments. From our vantage point, inter-regional trade will continue building momentum as a way of countering the obstacles to doing business outside of Africa. In years to come, with a growing nationalist surge in the West, necessity may prove to be the mother of invention that propels domestic companies to build markets for their goods and services within Africa.

Whatever the case, ATI will continue to stand with our member governments, investors and companies interested in doing business in Africa. In 2016 we supported close to USD4 billion worth of investments and trade into our African member countries. As we increase our footprints in more African countries, we will surely have the capability to double and triple the investments we facilitate into the continent.

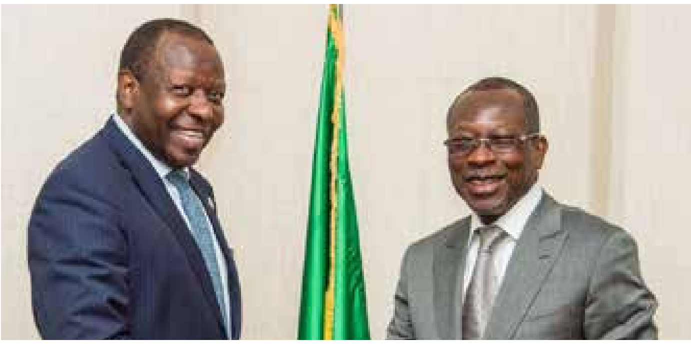
George Otieno
Chief Executive Officer

PARTNERSHIPS & ACTIVITIES

2016 Outreach Initiatives

> The Prime Minister of Rwanda emphasized the importance of ATI to the continent's economic development during ATI's 16th Annual General Meeting.

AFRICA'S STRATEGIC PARTNER



BENIN

George Otieno met with H.E. Patrice Talon, President of the Republic of Benin, pledging ATI's support of the country's visionary five year economic plan towards sustainability.

RWANDA

ATI held its 16th Annual General Meeting in Kigali, Rwanda. During the meeting, shareholders stressed the importance of honouring commitments to preserve the institution.

Pictured, Guest of Honour H.E. Anastase Murekezi, Prime Minister of Rwanda (centre), Current AGM Chair Amb. Claver Gatete, Min of Finance & Economic Planning (left) & past Chair Hon. Christopher Mvunga, Deputy Min of Finance, Zambia

TANZANIA

In a bid to find viable financial solutions to the country's energy challenges, ATI hosted an energy sector forum in Tanzania, bringing together key private and public sector stakeholders.

PARTNERSHIPS & ACTIVITIES

2016 Outreach Initiatives

> In 2016, we welcomed Ethiopia, Zimbabwe and the UK Export Finance into membership.

PARTNERSHIPS & ACTIVITIES

MALI & PROSPECTIVE MEMBERS

Mali's Ambassador Fafre Camara signed documents signaling the country's intent to join ATI and ensuring ATI's continued expansion into West Africa. Other countries pursuing membership include Cameroon, Ghana and Nigeria.

UK EXPORT FINANCE

British High Commissioner to Kenya, Nic Hailey signed on behalf of the UKEF. The government agency becomes the second European export credit agency to join into membership, after Italy's SACE, helping expand ATI's international footprint.

THE LONDON MARKET

Insurers and brokers in the Lloyd's of London market continue to be a strategic partner, helping ATI bring effective risk solutions to some of the key projects in member and non-member countries across Africa.

Pictured an ATI-hosted forum in London

PARTNERSHIPS & ACTIVITIES

2016 Outreach Initiatives

ATI continues to attract global partners who are looking for the best risk solutions in Africa.

INTERNATIONAL PARTNERSHIPS

OPIC - USA

ATI and OPIC are seeking ways to do more together. To further this goal, ATI's CEO participated in an OPIC-hosted Forum and a meeting with their President and CEO in Washington, DC.

Pictured Elizabeth L. Littlefield, OPIC's President and CEO

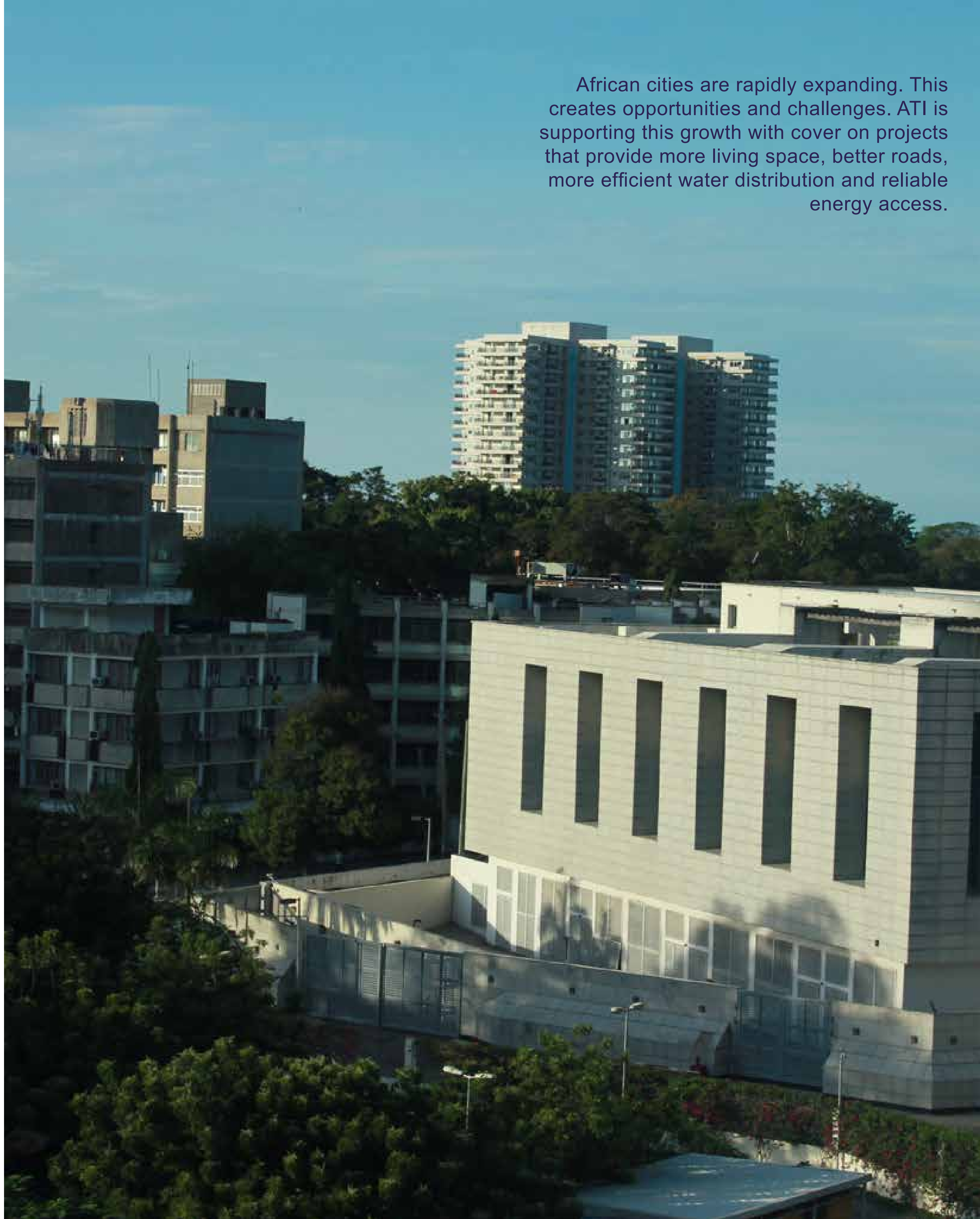
BNDES - BRAZIL

ATI team members met with Brazil's development bank to explore opportunities for ATI's support of two-way trade flows between Brazil and Africa.

KENYA

ATI co-hosted, along with the Berne Union, the umbrella body for the world's largest export credit and investment insurance industry, the first global energy sector specialist meeting in Africa.

African cities are rapidly expanding. This creates opportunities and challenges. ATI is supporting this growth with cover on projects that provide more living space, better roads, more efficient water distribution and reliable energy access.



"Our proximity to governments and our strengthened partnerships with them can provide an opportunity to help create more fertile ground for investors and businesses to thrive.

Pictured Jef Vincent (seated) and incoming CUO, John Lentaigne

AN INTERVIEW WITH THE CHIEF UNDERWRITING OFFICER

At the end of 2016, Jef Vincent retired from ATI. This interview reflects on the achievements of the team, which he led from 2011, while also focusing on the future. John Lentaigne became the new CUO in 2016 after a three-month hand-over process. John brings over 13 years of credit and political risk insurance experience with progressive leadership positions at Lloyd's syndicates in both London and Bermuda.

Looking back at the successes you've logged, what counsel would you give to your successor in order for ATI to reach even greater results?

ATI is heading into a new direction with some interesting challenges that could also lead to opportunities. Six years ago we had very little claims and our main focus was to achieve a critical mass that would reduce the cost ratio and lead to underwriting profitability. Today, the situation is very different. We have consistently achieved underwriting profitability in the last three years and we have matured into a full-fledged insurer paying sizeable claims and honouring our commitment to our clients.

The challenge now, which is also an opportunity, is to underwrite more strategic business so that we are able to support big ticket priority projects in our member countries. Second, we need to strike a balance between profitability and our development mandate so that we continue to be profitable. This will allow us to pay dividends to our shareholders and to attract more strategic partners. These measures could push us into a new bracket where we become a vital partner for investors and others doing business in Africa.

Where do you see the biggest risks and opportunities coming from in the next five years and how should ATI navigate them?

Many of the fundamentals we have been developing are linked to defending and even increasing our Standard & Poor's issued rating. When we first earned our rating in 2008, we had low volumes of business and our capital was invested in a conservative portfolio. Today, we have an exposure that has increased dramatically, from USD593 million in 2011 when I first started, to USD1.9 billion. This contrasts to our capital, which has increased more modestly. Our challenge now is to continue to protect our balance sheet in order to support this business growth.

Our biggest opportunities come from the new member states, especially Ethiopia and soon Côte d'Ivoire, which represent two of the largest and fastest growing economies in Africa. The other important development has been our breakthrough in the energy sector, both in terms of expertise and reputation. Thanks to the technical support we received from the European Investment Bank and Germany's KfW, we are on the verge of implementing a groundbreaking solution for the energy sector. This initiative has the potential to position ATI as a centre of expertise for insuring energy related risks in Africa.

In terms of the geopolitical landscape and its potential impact on ATI's member countries, what has kept you awake at night?

While we still don't know the impact of the new US administration on Africa, there have been some developments to definitely watch. With large infrastructure projects and ambitious development agendas, governments have been earnestly searching for capital. This has led to increasing indebtedness, which, if not carefully managed, may lead to a mismatch in terms of GDP growth versus debt. This is an area that investors pay close attention to and could erode their confidence.

The current geopolitical environment could be a positive development for African countries if it continues to move them towards less donor dependence. This would need to be tied to an overhaul of policies that lead to greater public sector efficiency and reduced levels of fraud. There is so much more that could be done with existing funds and there is so much more that could be made available if investors and donors had increased confidence in the rule of law and the continuity of polices across election cycles and beyond.

AN INTERVIEW WITH THE CHIEF UNDERWRITING OFFICER

On ATI's part, there is a role for us to play. Our proximity to governments and our strengthened partnerships with them can provide an opportunity to help create more fertile ground for investors and businesses to thrive. When ATI participates in nationally strategic projects from the stage of conception, we are able to help structure deals that reduce costs to governments and that bring more comfort to investors. This is both an opportunity for ATI and for its member countries.

Going forward, how do you think ATI can better leverage its solutions to help African countries attract more investments into their economies?

While we have done a tremendous amount of work in the past five years to increase our visibility, there is still much more to be done. Many governments are not aware of our existence and the potential that we have to reduce their cost of borrowing. Similarly, many investors and financial institutions don't have a full view of ATI's capabilities. With growing debt levels, increased financing costs and the tentative nature of donor funding, there is an opportunity for ATI to play a more central role in helping member countries access funding at more reasonable rates.

ATI also has to continue to develop its partner network. We already work with many of the world's most reputable reinsurers, export credit agencies and banks, but we have just scratched the surface. We should continue to create synergies and to find more creative ways to increase the impact we can achieve with our existing capital base.

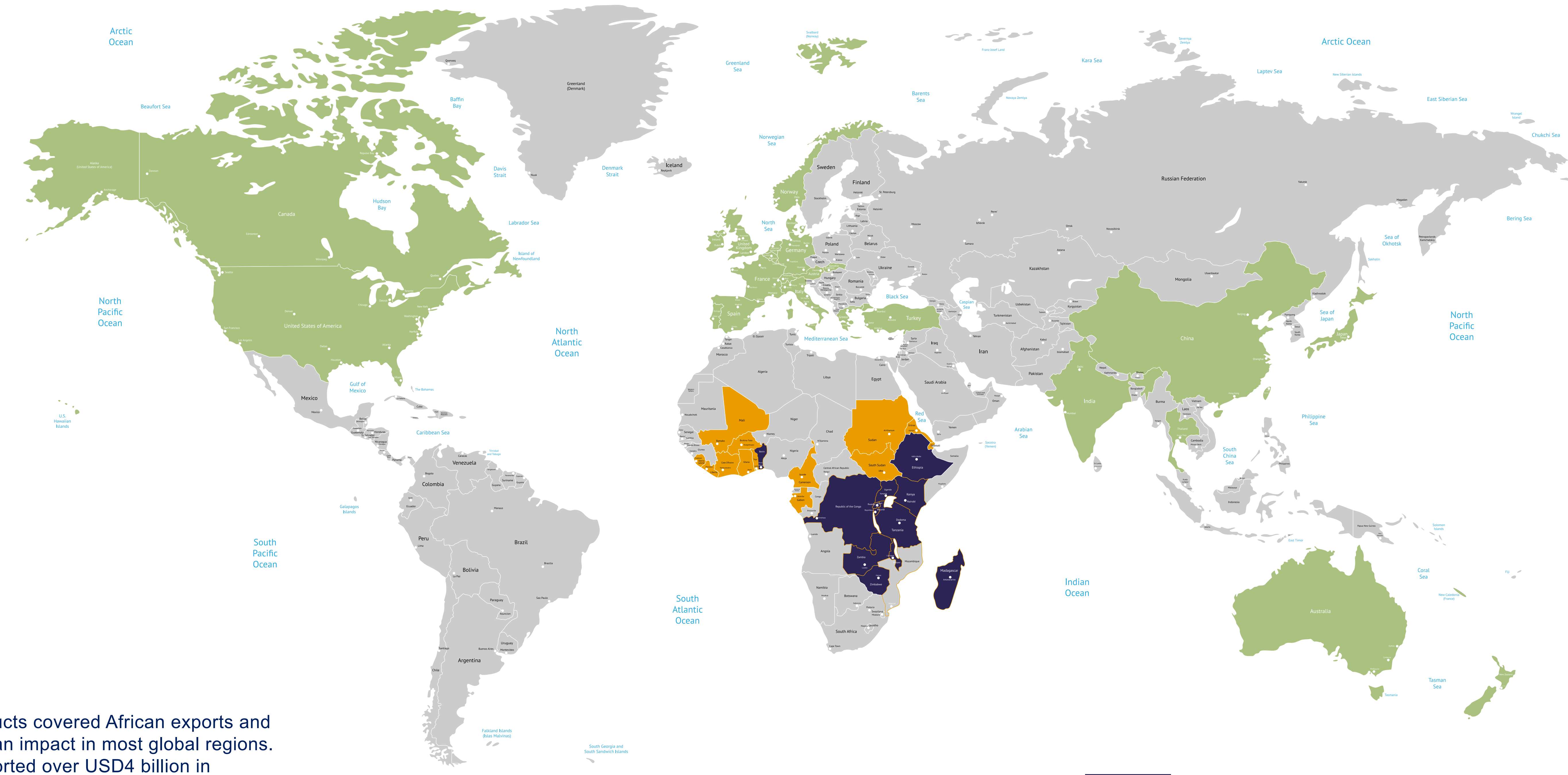
Lastly, I would like to echo a phrase that has become my mantra: in this business, big is beautiful! Quite simply, the more capital we have, the more countries we attract into membership, the better we can spread our risk. With all these elements in place, we will be able to improve our rating, insure bigger projects, get better reinsurance conditions, invest more in our people, and so on. ATI has the ability to be present in every African country and this should absolutely remain the ultimate goal.

Jef Vincent
Chief Underwriting Officer (CUO)

With the support of multilateral partners, ATI plans to unveil innovative facilities to increase clean energy access in Africa.

ATI'S IMPACT

ATI'S IMPACT



In 2016, ATI's products covered African exports and imports which had an impact in most global regions. Last year, we supported over USD4 billion in investments and trade - USD25 billion cumulatively.

African Member Countries

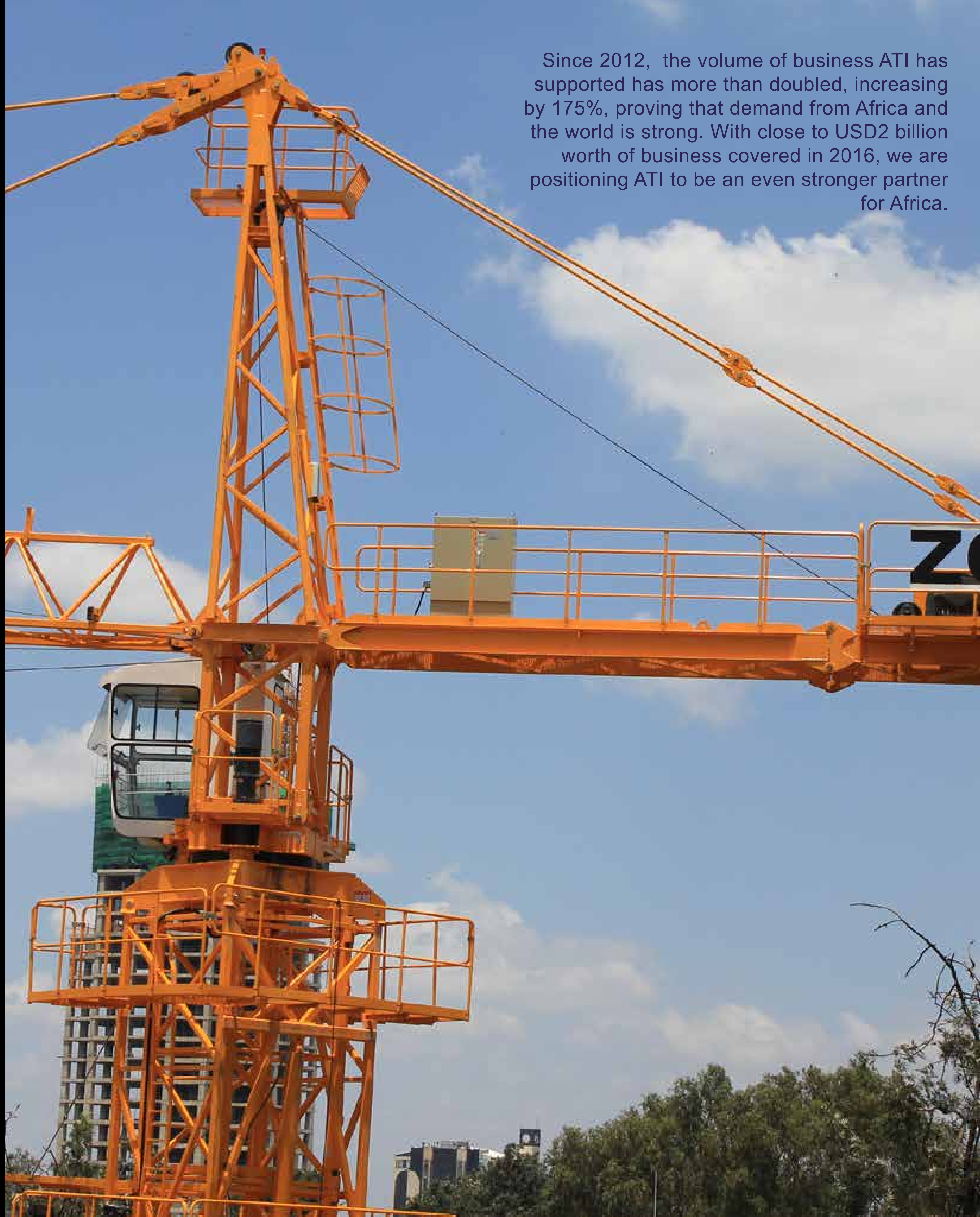
Prospective ATI Member Countries

Countries Impacted by ATI's Products

A SELECTION OF PROJECTS SUPPORTED IN 2016

Region	Country	Project	Priority Area	Sector	Transaction Value (USD M)
Central Africa	Democratic Republic of Congo (DRC)	Supply of electrical cables to a government agency to rehabilitate transmission lines	Investment	Power (Transmission)	6. 0
	DRC	A pre-export facility for the supply of copper cathodes	Trade	Extractive (Mining)	5.0
East Africa	Kenya	A facility providing government hospitals with medical equipment	Investment	Services (Healthcare)	78.0
	Rwanda	A lending facility to support a government transport agency	Investment	Transportation	171.0
Southern Africa	Zambia	Support of an economic diversification program to increase agricultural outputs – supply of seeds & fertilizer	Investment	Agriculture & Agri-food	25.0
	Zimbabwe	Cover on a financing facility to support national exports	Trade	Extractives (Mining)	115.0
West Africa	Benin	Cover of a loan to support a processing plant exporting agri-foods	Trade	Agriculture & Agri-food	3.0
	Benin	Supply of fertilizer to the cotton industry	Investment	Agriculture & Agri-food	6.5

Since 2012, the volume of business ATI has supported has more than doubled, increasing by 175%, proving that demand from Africa and the world is strong. With close to USD2 billion worth of business covered in 2016, we are positioning ATI to be an even stronger partner for Africa.



MANAGEMENT'S REPORT

From left to right

Cyprien Sakubu, Chief Investor Relations Manager
Cyprien was appointed in 2002 as the principal liaison to the Board of Directors and Investors. In 2016, he was appointed General Counsel and Corporate Secretary.

Toavina Ramamonjiarisoa, Chief Financial Officer
Toavina was appointed CFO in 2011 and manages ATI's investments and financial activities.

Joseph (Jef) Vincent, Chief Underwriting Officer
Jef was appointed in 2011 with the key responsibility of growing ATI's business. In 2016, Jef retired from ATI and spent several months in a hand-over process with his successor.

John Lentaigne, Incoming Chief Underwriting Officer
John was appointed in 2016 upon the retirement of Jef Vincent.

George Otieno, Chief Executive Officer
George was appointed in 2010 to lead ATI's expansion strategy and to manage the company's operations.

"With a new pan-African mandate we expect to see an increase in results and our impact on Africa's economic growth.

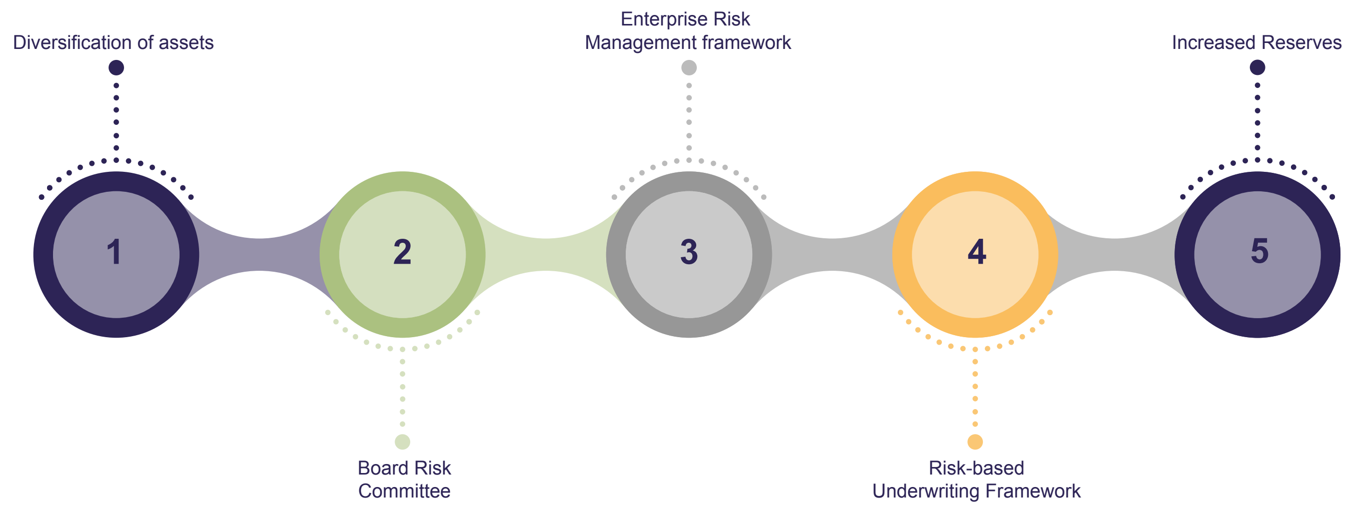
MANAGEMENT'S REPORT

KEY EVENTS

- Strengthened ATI's financial position with the implementation of a new technical reserve
- Improved our risk spread with the addition of Ethiopia and Zimbabwe
- Reinforced our relationship with governments resulting in stronger commitments to ATI's projects
- Expanded ATI's footprint with the approval of a pan-African mandate to underwrite strategic risks across Africa

Prudent Risk Management
In 2016, we had a singular focus – to continue building a strong foundation in support of future growth. Prudent risk management measures are the core of initiatives that have been implemented in the past five years.

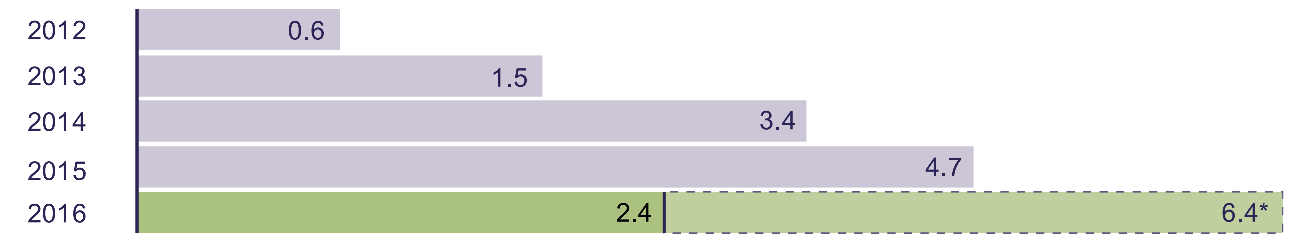
Since 2011, ATI has been gradually improving its risk management framework. Working simultaneously we diversified our assets and reduced the counterparty risks, which has significantly increased the credit quality of our investments. Second, ATI revised its Enterprise Risk Management (ERM) framework, which requires every layer of the organization to identify and manage potential risks. Third, ATI established a Board Risk Committee in 2014 to manage all significant risks to ATI's strategic objectives. Fourth, we implemented a risk-based underwriting framework in 2015. And lastly, this year, we added a reserve pool for political risks.



MANAGEMENT'S REPORT

KEY ACHIEVEMENTS

NET RESULT (USD M)



In 2016, ATI's bottom line growth continued with a USD6.4 million profit on a comparable basis.

NET UNDERWRITING RESULT (USD M)

For the third consecutive year, ATI posted an underwriting profit owing to sound risk management.

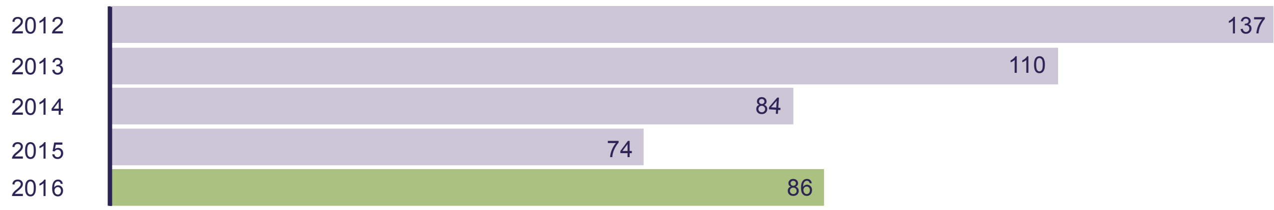
NET EARNED PREMIUM (USD M)

The expansion of ATI's activities enabled a strong and steady NEP growth.

* *Adjusted from USD4 million set aside for reserves.*

MANAGEMENT'S REPORT

COMBINED RATIO ON NET EARNED PREMIUM (%)

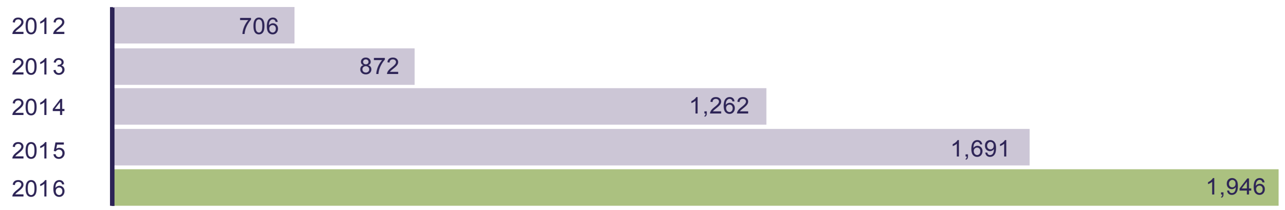


ATI is operating on par with international insurers which average a combined ratio of 90%, despite the impact of adding a new technical reserve.

NET CLAIMS PAID (USD M)

In 2016, ATI's risk solutions eased cash flow concerns for various companies facing non-payments.

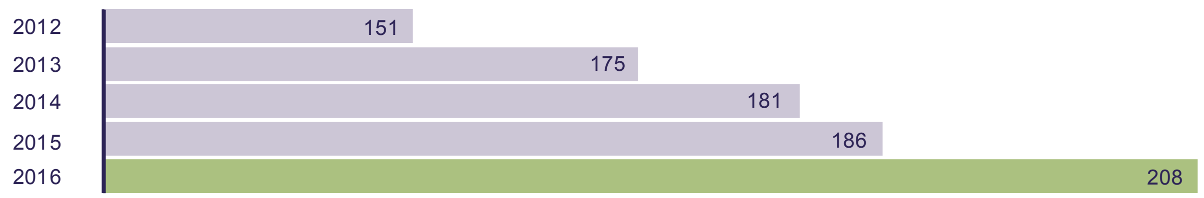
GROSS EXPOSURE (USD M)



We continue to target strategic projects that create greater impact in our member countries.

MANAGEMENT'S REPORT

EQUITY GROWTH (USD M)



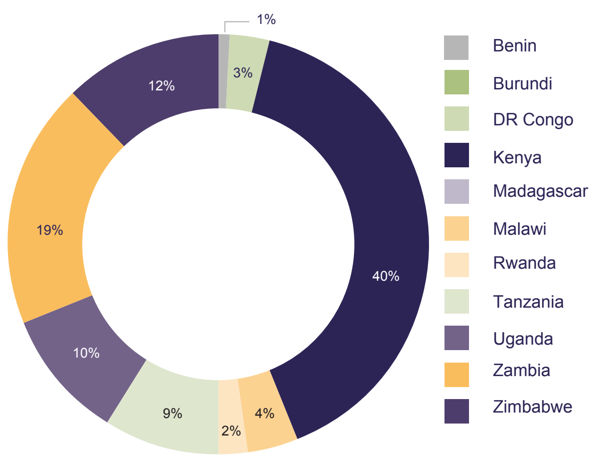
The addition of three new shareholders, combined with our profitability, provided a positive injection to our equity growth.

BUSINESS PORTFOLIO

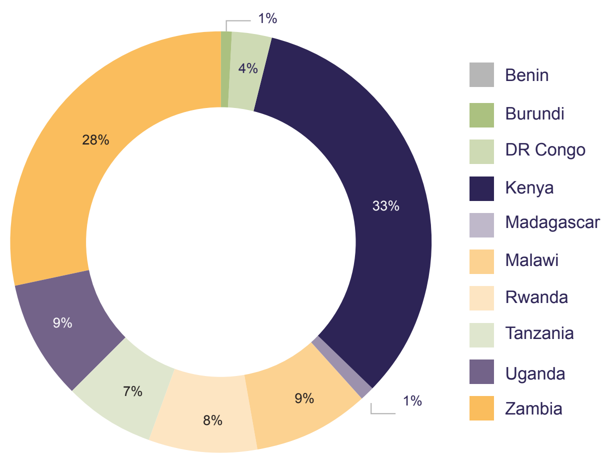
ATI's four-level risk control structure is prudent. It ensures sustainable growth for ATI and its shareholders.

PORTFOLIO PERFORMANCE BY COUNTRY (GWP) (%)

2016



2015



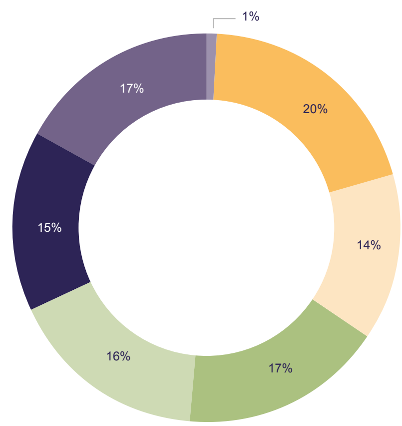
MANAGEMENT'S REPORT

INVESTMENT PORTFOLIO

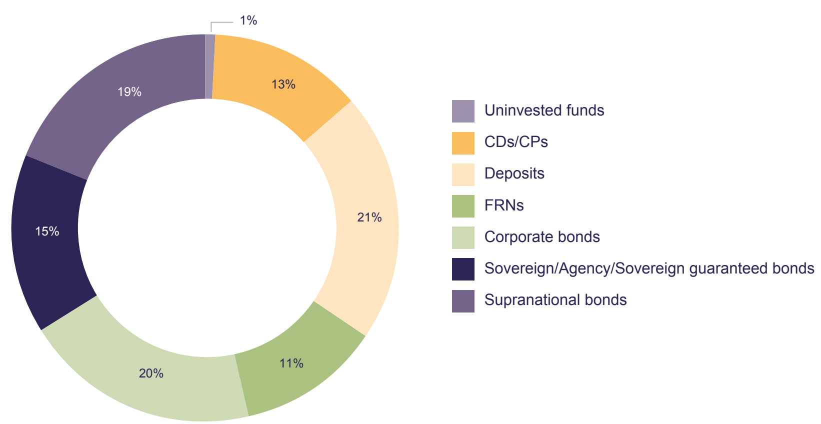
ATI's robust investment policy and governance helps ensure solid results on investments despite an erratic market.

DISTRIBUTION OF THE INVESTMENT PORTFOLIO (%)

2016

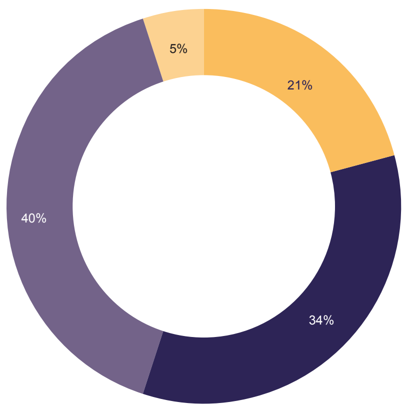


2015

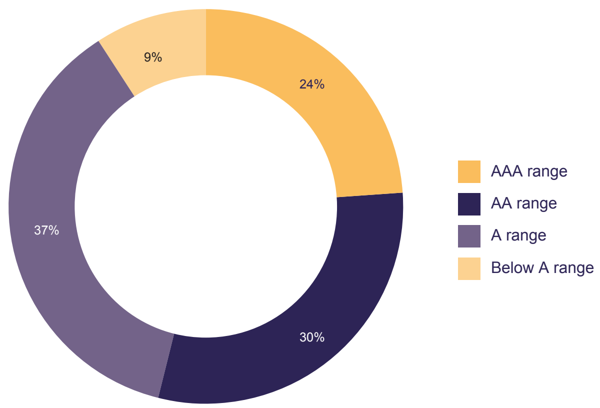


CREDIT QUALITY OF THE INVESTMENT PORTFOLIO

2016



2015



MANAGEMENT'S REPORT

STRATEGY & OUTLOOK

The starting point for ATI's growth strategy is sustainability. As more countries, particularly larger economies, continue to join into membership, we must be ready to accommodate the demand.

To support this growth, we will continue to implement sound risk management measures, taking stock of our Enterprise Risk Management structure on an annual basis along with other measures designed to ensure our foundation remains strong.

Another important aspect of managing our risks continues to be regional diversification. With the addition of two economies added to our portfolio - Ethiopia and Zimbabwe, we expect to achieve a better spread of risk along with the expansion of our footprint across Africa. Tied to this this is a more strategic approach to underwriting risks in our member countries. This approach should see ATI become the partner of choice for African governments.

With the support of the African Development Bank, in the coming three years, we will continue to target countries in West Africa for membership with a view to creating greater impact and support to all our member countries.

The growing demand from member governments for infrastructure support particularly in the power, road and construction sectors, are areas that we will target. Specifically, we expect to roll out two initiatives in 2017 aimed at providing liquidity to small-scale renewable energy projects in partnership with other multilaterals, while also providing insurance support to a broader range of energy projects across Africa.

Lastly, with increased regional spread, we would like to bring our products closer to our clients. We will review our regional office strategy with a view to eventually creating regional hubs that are able to better serve the needs of all our stakeholders.

George Otieno
Chief Executive Officer

> The future is beckoning. In response, we are building reserves to ensure that we are able to respond effectively.

Financial Statements

2016

DIRECTORS' REPORT

The Directors submit their report and the audited financial statements for the year ended 31 December, 2016, which disclose the state of affairs of the African Trade Insurance Agency (ATI).

PRINCIPAL ACTIVITY

Pursuant to its objectives, ATI's main activities in 2016 were:

- Political Risk Insurance;
- Credit Risk Insurance;
- Bonds; and,

Political Violence and Terrorism & Sabotage Insurance

RESULTS FOR THE YEAR

The results for the year are set out in the statement of profit or loss and other comprehensive income on page 33. The Directors recommend to transfer the profit for the year of USD2.4 M (2015 – Profit of USD4.7 M) to the revenue reserve. The Directors do not recommend any distribution of income to members (2015 – Nil).

AUDITORS

The auditors, KPMG Kenya, were appointed at the Annual General Meeting held on 29th June, 2016 for a period of three years.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The ATI Treaty requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of ATI as at the end of the financial year and its operating results for that year. It also requires the Directors to ensure that ATI keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of ATI. They are also responsible for safeguarding ATI's assets.

The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the ATI Treaty, and for such internal controls as Directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards and in the manner required by the ATI Treaty. The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of ATI and of its operating results.

The Directors further accept responsibility for the maintenance of accounting records which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the Directors to indicate that ATI will not remain a going concern for at least the next twelve months from the date of this statement.

APPROVAL OF FINANCIAL STATEMENTS

The financial statements on pages 33 to 68 were approved by the Board of Directors on 31 March, 2017 and were signed on its behalf by:

Israel L. Kamuzora
Chairman of the Board of Directors

Sindiso Ngwenya
Director

Nairobi
31 March, 2017

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE AFRICAN TRADE INSURANCE AGENCY ON THE SECURITY TRUST ACCOUNTS AND INCOME ACCOUNTS

Report on the audit of the financial statements

Opinion

We have audited the financial statements of the African Trade Insurance Agency (ATI) set out on pages 33 to 68, which comprise the statement of financial position as at 31 December, 2016, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements give a true and fair view of the financial position of ATI as at 31 December, 2016, and of the financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of ATI in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Kenya, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Directors' responsibilities for the financial statements

As stated on page 30, the Directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the ATI Treaty and for such internal control, as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing ATI's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate ATI or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for overseeing ATI's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE AFRICAN TRADE INSURANCE AGENCY ON THE SECURITY TRUST ACCOUNTS AND INCOME ACCOUNTS

material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of ATI's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on ATI's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause ATI to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of ATI or business activities of ATI to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the entity's audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The Engagement Partner responsible for the audit resulting in this independent auditors' report is CPA Alexander Mbai – P/2172.

KPMG Kenya

KPMG Kenya
8th Floor, ABC Towers
Waiyaki Way
PO Box 40612
00100 Nairobi GPO

Date: 31 March, 2017

ANNUAL FINANCIAL STATEMENTS

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER, 2016

(in thousands of USD)		2016			2015		
	NOTES	**GROSS**	**CEDED**	**NET**	**GROSS**	**CEDED**	**NET**
Written Premiums		29,545	(16,766)	12,779	23,256	(13,094)	10,162
Change in Unearned Premiums		(3,590)	2,398	(1,192)	(4,085)	2,594	(1,491)
Earned Premiums		**25,955**	**(14,368)**	**11,587**	**19,171**	**(10,500)**	**8,671**
Commissions		(1,363)	4,191	2,828	(753)	3,359	2,606
Change in Unearned Commissions		183	(655)	(472)	155	(770)	(615)
Earned Commissions		**(1,180)**	**3,536**	**2,356**	**(598)**	**2,589**	**1,991**
Claims Paid		(6,701)	88	(6,613)	(8,707)	30	(8,677)
Change in Incurred Claims		(7,474)	11,210	3,736	(4,924)	101	(4,823)
Recoveries & Outstanding Recoveries		11,568	(10,304)	1,264	12,092	-	12,092
Change in Other Reserves		(10,773)	6,594	(4,179)	(1,529)	889	(640)
Claims Handling costs		(8)	-	(8)	-	-	-
Claims Net of Recoveries	**6**	**(13,388)**	**7,588**	**(5,800)**	**(3,068)**	**1,020**	**(2,048)**
Underwriting Profit before Operating Expenses				**8,143**			**8,614**
Net Other Income	7			165			188
Operating Expenses	8			(6,614)			(6,517)
Underwriting Profit after Operating Expenses				**1,694**			**2,285**
Interest Income	9			3,145			3,042
Interest Expenses	10			(86)			(83)
Foreign Exchange Gains / (Losses)	11			117			(192)
Realised Gains on Disposal of Bonds				60			34
Impairment Charges	12			(2,120)			-
Asset Management Fees				(400)			(423)
Net Financial Result				**716**			**2,378**
PROFIT FOR THE YEAR OTHER COMPREHENSIVE INCOME				2,410			4,663
TOTAL COMPREHENSIVE INCOME FOR THE YEAR				**2,410**			**4,663**

The notes on pages 37 to 68 are an integral part of these financial statements.

ANNUAL FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER, 2016

(in thousands of USD)	Notes	31-Dec-16	31-Dec-15
ASSETS			
Cash and Cash Equivalents	12	73,246	54,353
Security Trust Accounts	13	926	919
Insurance and Reinsurance Receivables	14(a)	11,126	6,172
Other Assets	15	1,620	1,621
Reinsurers' Share of the Claims Reserves	16	20,027	2,193
Recoveries	17	27,241	15,981
Reinsurers' Share of Unearned Premiums		9,723	7,325
Deferred Acquisition costs		876	693
Vehicles and Equipment	18	253	214
Intangible Assets	19	292	246
Other Financial Assets (at amortised cost)	20	9,495	18,695
Investments in Floating Rate Notes (at amortised cost)	21	35,475	22,350
Investments in Bonds (at amortised cost)	22	104,319	104,032
Total Assets		**294,619**	**234,794**
LIABILITIES			
Insurance and Reinsurance Payables	14(b)	7,133	4,120
Other Liabilities	23	2,962	777
Claims Reserves	16	34,222	15,996
Reinsurers' Share of Recoveries		10,304	-
Unearned Premiums Reserve		19,292	15,702
Unearned Ceding Commissions		2,182	1,527
Unearned Grant Income	24	373	456
Defined Benefit Post-Employment Plan	25	1,075	723
Financial Liabilities (at amortised cost) - IDA Loan	26	8,792	9,320
Total Liabilities		**86,335**	**48,621**
EQUITY			
Share Capital	27	202,000	181,400
Share Premium Account	27	482	481
Underwriting Capital		-	900
Revenue Reserve		5,802	3,392
Total Equity		**208,284**	**186,173**
Total Equity & Liabilities		**294,619**	**234,794**

The financial statements on pages 33 to 68 were approved by the Board of Directors on 31 March, 2017 and were signed on its behalf by:

Israel L. Kamuzora
Chairman of the Board of Directors

Sindiso Ngwenya
Director

ANNUAL FINANCIAL STATEMENTS

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER, 2016

(in thousands of USD)	Notes	Share Capital	Share Premium Account	Share Underwriting Capital	Revenue Reserve/ Accumulated Deficit	Total
At 1 January, 2016		181,400	481	900	3,392	186,173
Capital Disbursement	27	19,800	52	-	-	19,852
Capital Reduction	27	(100)	(51)	-	-	(151)
Capital Transfer (*)		900		(900)	-	-
Total Comprehensive Income for the Year		-	-	-	2,410	2,410
At 31 December, 2016		**202,000**	**482**	**-**	**5,802**	**208,284**
At 1 January, 2015		180,500	481	900	(1,271)	180,610
Capital Disbursement	27	900	-	-	-	900
Total Comprehensive Income for the Year		-	-	-	4,663	4,663
At 31 December, 2015		**181,400**	**481**	**900**	**3,392**	**186,173**

(*) *In 2016, Madagascar's Underwriting Capital was transferred to Share Capital since the country had completed the legal and capital restructuring.*

ANNUAL FINANCIAL STATEMENTS

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER, 2016

(in thousands of USD)	Notes	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES			
Net Cash Generated From Operating Activities	**28**	**4,398**	**514**
CASH FLOWS FROM INVESTING ACTIVITIESS			
Purchase of Vehicles and Equipment	18	(135)	(125)
Purchase of Intangible Assets	19	(131)	(92)
Proceeds of Disposal of Vehicles and Equipment		5	1
Net Redemptions / (Investments) in Other Financial Assets	20	9,200	(18,695)
Net (Investments) / Redemptions in Floating Rate Notes	21	(13,125)	18,400
Net Investments in Bonds	22	(763)	(9,233)
Madagascar STA Net Investments		(7)	(456)
Net Cash Used in Investing Activities		**(4,956)**	**(10,200)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of IDA Development Credit	26	(250)	(189)
Capital Increase	27	19,852	900
Capital Reduction	27	(151)	-
Net Cash Generated from Financing Activities		**19,451**	**711**
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		**18,893**	**(8,975)**
CASH AND CASH EQUIVALENTS AS AT 1 JANUARY		54,353	63,328
CASH AND CASH EQUIVALENTS AS AT 31 DECEMBER	**12**	**73,246**	**54,353**

NOTES TO THE FINANCIAL STATEMENTS

1. Company Information

The African Trade Insurance Agency (ATI) is a legal entity established under the ATI Treaty which came into force on 20 January, 2001, and amended on 20 January, 2007. ATI is registered as a multilateral entity with the United Nations under the Certificate of Registration No. 49593 pursuant to the provisions of Article 102 of the Charter of the United Nations.

ATI has been established to provide, facilitate, encourage and otherwise develop the provision of, or the support for, insurance, including coinsurance and reinsurance, guarantees, and other financial instruments and services, for purposes of trade, investment and other productive activities in African States in supplement to those that may be offered by the public or private sector, or in cooperation with the public or private sector.

To serve its objective and purpose, ATI facilitates the development of trade, investments and other productive activities in its African Member States by providing insurance or reinsurance covers against political and commercial risks as well as bond products.

ATI currently has 12 African Member States (2015: 10 members) and 9 other shareholders (2015: 8 other shareholders).

2. Accounting Policies

(a) Basis of Preparation

ATI's financial statements are prepared in accordance with International Financial Reporting Standards (IFRS). The principal accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied to all financial years presented, unless otherwise stated.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates and assumptions. Actual results could differ from these estimates. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in note 3: "*Accounting Estimates and Judgments*".

NOTES TO THE FINANCIAL STATEMENTS

2. Accounting Policies (continued)

(b) Adoption of new and revised International Financial Reporting Standards (IFRSs)

(i) New and revised IFRSs that are effective for the year ending 31 December, 2016

Below is a list of the amendments to IFRSs and the new interpretation that are mandatorily effective for accounting periods that begin on or after 1 January, 2016:

Standard	Description	Effective Periods Beginning on or After:
Amendments to IFRS 10, IFRS 12 and IAS 28	Investment Entities: Applying the Consolidation Exception	1-Jan-16
Amendments to IFRS 11	Accounting for Acquisitions of Interests in Joint Operations	1-Jan-16
Amendments to IFRS 14	Regulatory Deferral Accounts	1-Jan-16
Amendments to IAS 41	Agriculture: Bearer Plants	1-Jan-16
Amendments to IAS 27	Equity Method in Separate Financial Statements	1-Jan-16
Amendments to IAS 1	Disclosure Initiative	1-Jan-16
Amendments to IAS 16 and IAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation	1-Jan-16
Annual Improvements to IFRS's 2012 – 2014 Cycle	Covering Various Standards	1-Jan-16

- Amendments to IFRS 11, IFRS 14, IFRS 10, IFRS 12, IAS 28, IAS 41 and IAS 27 do not apply to ATI.

- The amendments to International Accounting Standards 1 (IAS 1) Disclosure Initiative clarify the concept of materiality in practice as the wording of some of the requirements in IAS 1 had in some cases been read to prevent the use of judgment. Certain key highlights in the amendments are as follows:
  - An entity should not reduce the understandability of its financial statements by obscuring material information with immaterial information or by aggregating material items that have different natures or functions; and
  - An entity need not provide a specific disclosure required by an IFRS if the information resulting from that disclosure is not material.

  The adoption of these changes did not have a significant impact on the Financial Statements of ATI.

- The amendments to IAS 16 Property Plant and Equipment and IAS 38 Intangible Assets prohibit entities from using a revenue-based depreciation or amortisation method for items of property, plant and equipment. These amendments do not affect ATI as it does not use this approach to depreciate or amortise assets rather it uses the assets' useful lives.

NOTES TO THE FINANCIAL STATEMENTS

2. Accounting Policies (continued)

(b) Adoption of new and revised International Financial Reporting Standards (IFRSs) (continued)

(i) New and revised IFRSs that are effective for the year ending 31 December, 2016 (continued)

- The Annual Improvements to IFRS's 2012 – 2014 Cycle include amendments to IFRS 5 (Non-current Assets Held for Sale and Discontinued Operations), IFRS 7 Financial Instruments: Disclosures (with consequential amendments to IFRS 1), IAS 19 (Employee Benefits) and IAS 34 (Interim Financial Reporting). These amendments have no impact on ATI apart from amendments to IAS 19 (Employee Benefits). The amendments to IAS 19 clarify that:
  - The high quality corporate bonds used to estimate the discount rate for post-employment benefits should be issued in the same currency as the benefits to be paid; and
  - It is the currency that the liabilities are denominated in that is important and not the country where they arise.

  These amendments did not require any change in the determination of the defined benefit obligation for ATI.

(ii) New and revised IFRSs in issue but not yet effective (but allow for early application) for the year ending 31 December, 2016

Below is a list of new and revised IFRSs that are not yet mandatorily effective (but allow early application) for the year ending 31 December, 2016:

Standard	Description	Effective Periods Beginning on or After:
IFRS 9	Financial Instruments	1-Jan-18
IFRS 15	Revenue from Contracts with Customers and the Related Clarifications	1-Jan-18
IFRS 16	Leases	1-Jan-19
Amendments to IFRS 2	Classification and Measurement of Share-Based Payment Transactions	1-Jan-18
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture	*(date to be determined)*
Amendments to IFRS 4	Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts	1-Jan-18
Amendments to IAS 7	Disclosure Initiative	1-Jan-17
Amendments to IAS 12	Recognition of Deferred Tax Assets for Unrealised Losses	1-Jan-17

NOTES TO THE FINANCIAL STATEMENTS

2. Accounting Policies (continued)

(b) Adoption of new and revised International Financial Reporting Standards (IFRSs) (continued)

(ii) New and revised IFRSs in issue but not yet effective (but allow for early application) for the year ending 31 December, 2016 (continued)

- ATI has opted to early adopt IFRS 9 (2010) – see section (iii), 'Early adoption of standards'.
- IFRS 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. Its core principle is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This new standard does not apply to insurance activities and therefore does not apply to ATI.

- IFRS 16 provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors. It supersedes IAS 17.

  - IFRS 16 introduces significant changes to lessee accounting: it removes the distinction between operating and finance leases under IAS 17 and requires a lessee to recognise a rightofuse asset and a lease liability at lease commencement for all leases, except for short-term leases and leases of low value assets.
  - The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability.
  - The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, among others.

  This new standard is likely to affect the presentation of ATI's financial position. The potential impact on its financial statements is being assessed.

- The Amendments to IFRS 2, IFRS 10, IFRS 4, IAS 28 and IAS 12 do not apply to ATI.

- The amendments to IAS 7 Disclosure initiative requires an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and noncash changes. The amendments do not prescribe a specific format to disclose financing activities; however, an entity may fulfill the disclosure objective by providing reconciliation between the opening and closing balances in the statement of financial position for liabilities arising from financing activities. This disclosure will be added to ATI's Financial Statements in 2017.

NOTES TO THE FINANCIAL STATEMENTS

2. Accounting Policies (continued)

(b) Adoption of new and revised International Financial Reporting Standards (IFRSs) (continued)

(iii) Early adoption of standards (continued)

- ATI chose to early adopt IFRS 9 (2010) in 2011.

  The International Accounting Standards Board (IASB) completed the final version of IFRS 9 (2014) in July 2015. This version replaces earlier versions of IFRS 9 and completes the IASB's project to replace IAS 39 in its entirety. The package of improvements introduced by IFRS 9 (2014) includes:

  - A logical model for classification and measurement driven by cash flow characteristics and the business model in which an asset is held, and introduces a new category of assets: "fair value through other comprehensive income". The introduction of this new category does not affect ATI's asset classification. ATI exclusively invests in financial assets with cash flows that are solely payments of principal and interest and its principal objective is to hold the financial asset to collect the contractual cash flows;
  - A single, forward-looking 'expected loss' impairment model. As at 31 December, 2016, ATI held deposits with Chase Bank Kenya Limited which was put in receivership on 7 April, 2016. ATI has therefore impaired these balances net of the recoverable amounts (note 4b); and
  - A substantially-reformed approach to hedge accounting which did not apply to these financial statements as ATI had no hedging arrangements in place in 2016.

(c) Foreign Currency Translation

The financial statements are presented in thousands of US Dollars (USD).

The USD is ATI's functional and presentation currency. Transactions in currencies other than USD are converted into USD at the spot rates ruling at the dates of the transactions. Financial instruments and monetary assets and liabilities denominated in currencies other than USD are translated into USD at the rates of exchange ruling at the end of the financial year. Gains and losses on currency exchange are charged or credited to the profit or loss in the period in which they arise.

(d) Underwriting Activities and Reinsurance

(i) Premiums

Gross premiums correspond to premiums invoiced and estimated premiums earned but not yet invoiced in the period with respect to both direct insurance policies and inward reinsurance treaties. They are stated net of premium cancellations and rebates. Gross premiums include commitment fees on loans covered.

NOTES TO THE FINANCIAL STATEMENTS

2. Accounting Policies (continued)

(d) Underwriting Activities and Reinsurance (continued)

(ii) Unearned premiums

Unearned premiums represent the prorated portion of written premiums that relates to unexpired risks at year-end. Unearned premiums are calculated individually for each policy. The amount charged to the unearned premiums reserve corresponds to the fraction of written premiums relating to the period between the year-end and the end of policy period for which the gross written premiums were calculated. Unearned premiums are reported as a liability. Changes in unearned premiums relating to the period are recognised through profit or loss.

(iii) Deferred acquisition costs

Acquisition costs are deferred over the life of the contracts concerned according to the same rules as unearned premium provisions. The amount of deferred acquisition costs corresponds to business acquisition costs related to the period between the year-end and the end of the policy period for which the acquisition costs were calculated. Deferred acquisition costs are reported as an asset. Changes in deferred acquisition costs relating to the period are recognised through profit or loss.

(iv) Claims paid

Paid claims correspond to insurance settlements (indemnifications) plus claims handling expenses, which include, but are not limited to, any related legal fees.

(v) Claims reserves

Claims reserves include provisions to cover the estimated total cost of reported claims not settled at the year-end (outstanding claims), case reserves, provisions for claims incurred but not reported and provisions for unknown claims.

Provisions for unknown claims are determined based on "best estimate" internal methods using both internal and market information due to lack of actual claims experience.

(vi) Recoveries

Recoveries represent receivable or estimated recoveries determined on the basis of the total amount expected to be recovered in respect of all underwriting periods relating to the claims.

(vii) Outward reinsurance (cessions)

This represents premiums that are ceded to other reinsurance companies based on existing treaties and facultative reinsurance arrangements and in line with the company's capacity limits. Gross ceded premiums are accounted for in accordance with the terms and conditions of the related reinsurance covers and are earned over the life of the covers. Reinsurers' share of claims and share of technical provisions or recoveries are determined on the basis of the claims and technical provisions recorded either under liabilities or assets.

Ceding commissions are calculated by reference to ceded premiums. They are deferred and changes in ceding commissions are recognised in profit or loss on the same basis as ceded unearned premiums. Unearned commissions are reported as a liability.

NOTES TO THE FINANCIAL STATEMENTS

2. Accounting Policies (continued)

(e) One-off Commissions

One-off commissions are recognised and fully earned when they arise.

(f) Other Income

Other income includes grant income, credit limit income, and any other incidental income earned in the normal course of business.

Grants are recognised as earned income at the same time as the expenses related to or reimbursable under the grant are paid or accrued.

Credit limit income is stated net of any related expenses (purchase of information).

(g) Interest Income

Interest income represents interest income from bonds, notes, fixed deposits, call deposits and security trust accounts. Interest income is accrued on a time basis by reference to the principal outstanding and at the effective interest rate applicable which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset.

(h) Cash and Cash Equivalents

Cash and cash equivalents include cash-in-hand and at bank, time deposits and short-term investments in money market funds. These are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Cash and cash equivalents exclude cash held in security trust accounts which is disclosed separately in the statement of financial position.

(i) Motor Vehicles and Equipment

(i) Initial recognition

Motor vehicles and equipment are recognised at their acquisition costs and are measured at cost. Acquisition costs include the purchase price and any incidental costs such as freight, insurance and installation costs. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to ATI and the cost of the item can be measured reliably. All other costs, repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

(ii) Measurement

Motor vehicles and equipment are measured at cost. Depreciation is calculated monthly on the straight-line basis from the date of purchase to the date of disposal or the expiry of the expected useful life of the relevant asset at the following annual rates:

NOTES TO THE FINANCIAL STATEMENTS

2. Accounting Policies (continued)

(i) Motor Vehicles and Equipment (continued)

(ii) Measurement (continued)

Motor Vehicles	25%
Computers and Related Equipment	33⅓%
Other Office Equipment	20%
Furniture and Fittings	20%

Items of lasting value with an initial acquisition cost of USD1,000 or above are systematically capitalised. Items with an initial acquisition cost of less than USD1,000 are capitalised but fully depreciated in the month of purchase. However, depending on their nature, small value items can be depreciated over their useful life.

(iii) Disposal gains and losses

Gains and losses on disposals are determined by comparing proceeds with the carrying amount (net book value) of the assets. These are recognised in profit or loss in the period of disposal.

(iv) Impairment

Motor vehicles and equipment are reviewed at each reporting date. Where there is an indication that an asset may be impaired, ATI makes an estimate of the asset's recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses are recognised in profit or loss in the period in which the losses arise.

(j) Intangible Assets

(i) Initial recognition

Intangible assets comprise costs of acquired computer software programs and costs associated with developing or maintaining computer software programs.

Under IAS 38, IT development costs must be capitalised and amortised over their estimated useful life when certain criteria are met. In such cases, the entity must be able to demonstrate the following:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- its intention to complete the intangible asset and use or sell it;
- its ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the current and future availability of adequate resources to complete the development and use or sell the intangible asset; and
- its ability to reliably measure the expenditure attributable to the intangible asset during its development.

NOTES TO THE FINANCIAL STATEMENTS

2. Accounting Policies (continued)

(j) Intangible Assets (continued)

(ii) Measurement

Intangible assets are amortised over their estimated useful life (3 to 5 years) using the straight-line method.

(iii) Impairment

Intangible assets are reviewed at each reporting date. Where there is an indication that an asset may be impaired, ATI makes an estimate of the asset's recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses are recognised in the profit or loss in the period in which the losses arise.

(k) Financial Instruments

IFRS 9 (2010) is effective for annual periods beginning on or after 1 January, 2018. As permitted by the International Accounting Standards Board (IASB), ATI chose the earlier adoption of the 2010 version of this standard in 2011.

(i) Initial recognition

All financial instruments are initially measured at fair value plus or minus, in the case of a financial asset or financial liability, not at fair value through profit or loss transaction costs. The fair value corresponds to the market price (purchase price in the case of a financial asset or issuance price in the case of a financial liability) at the transaction date.

Transactions are recognised on their settlement dates.

(ii) Measurement

Financial assets

IFRS 9 divides all financial assets into three classes: those measured at amortised cost; those measured at fair value through other comprehensive income; and those measured at fair value through profit or loss.

ATI classifies its financial assets to be measured at amortised cost as it exclusively invests in financial assets with contractual cash flows that are solely payments of principal and interest and its principal objective is to hold the financial asset to collect the contractual cash flows.

Financial liabilities

Under IFRS 9, financial liabilities are classified either at fair value through profit or loss or at amortised cost. As of 31 December, 2016, all ATI's financial liabilities were measured at amortised cost.

2. Accounting Policies (continued)

(k) Financial Instruments (continued)

(iii) Impairment of financial assets measured at amortised cost

ATI assesses at the end of each financial year whether there has been a material increase in the probability of the occurrence of a default since the initial recognition of each of its financial assets. Expected credit losses are measured through a loss allowance at an amount equal to either the 12 month expected credit losses or the full lifetime expected credit losses, if credit risk has increased significantly since initial recognition of the financial instrument.

(l) Employee Benefits

(i) Post-employment benefits

ATI operates a defined contribution post-employment plan for its employees. Under the defined contribution scheme, ATI pays fixed contributions into various schemes on a monthly basis, and its obligation is limited to those contributions. In consequence, actuarial risk (that benefits will be less than expected) and investment risk (that assets invested will be insufficient to meet expected benefits) fall, in substance, on the employees. ATI's contributions to the defined contribution plan are charged to the income statement in the year to which they relate.

ATI also operates a defined benefit post-employment plan for its employees. The employees' entitlements under this plan depend on each employee's years of service and terminal salary. The liability recognised in the statement of financial position in respect of the defined post-employment plan is the present value of the defined benefit obligation at the reporting date.

(ii) Other employee benefits

The estimated monetary liability for employees' accrued annual leave entitlement at the end of the reporting period is recognised as an expense accrual. Other short-term employee benefits are recognised when they accrue to employees.

(m) Taxation

In accordance with the ATI Treaty, ATI and its assets are not subject to any direct or indirect taxation in its Member States.

(n) Comparatives

Where necessary, comparative figures have been adjusted to conform to changes and maintain consistency with the presentation in the current year.

NOTES TO THE FINANCIAL STATEMENTS

3. Accounting Estimates and Judgments

The area that management views as most critical with respect to the application of estimates and assumptions is the establishment of its claims reserves. The claims reserves for unknown claims (statistical reserves) are determined by product. In 2016, a change in statistical reserves of USD0.2 M (2015: USD0.6 M) on ATI's commercial portfolio was recorded in its accounts. ATI also introduced claims reserves for unknown claims on its political risk portfolios. The amounts of political risk provisions booked in the year amounted to USD4 M (2015: Nil). As a result, the total amount of statistical reserves reported on the Statement of Financial Position as at 31 December, 2016 amounted to USD7.3 M against USD3.1 M as at 31 December, 2015. Provisions for unknown claims have been determined based on "best estimate" internal methods using both internal and market information due to lack of actual claims experience. There can be no assurance that the ultimate liability will not differ from such estimates.

The determination of the defined benefit obligation requires actuarial assumptions on some factors mainly demographic and financial factors. Changes in these assumptions might require ATI to recognize past service cost in future financial years. Actual settlements might also differ from the amount of the estimate defined benefit obligation carried in the balance sheet and might require the recognition of any potential gain or loss.

4. Risk Management

ATI recognises the importance of risk management and the fact that strong systems of internal control are essential for effective risk management. It currently has four levels of risk control.

The first level is the operational permanent controls which are governed by ATI's various policies and procedures and are performed by each department.

The second level is the Enterprise Risk Management framework (ERM). The ERM framework involves the staff, the management team and the Board of Directors; and is designed to identify potential events that may affect ATI, and to manage risks to be within its risk appetite. Quarterly ERM monitoring is conducted to review and assess the key risks and key risk mitigations, and to adjust them if necessary. ATI also revises and updates its overall ERM framework every 3 to 4 years.

The third level is the internal audits performed by an independent audit firm. The Board has chosen to externalize ATI's internal audit function since 2011. In this regard, a new independent audit firm was appointed in 2015.

The last level is the Board Risk Committee, which was established by the Board of Directors in May 2014, with a mandate to identify, assess, monitor and manage underwriting, financial and non-financial risks faced by ATI.

As an insurance provider, ATI is exposed to two principal types of risks. The first type of risk is the risk inherent to its underwriting activities which encompasses the risk of losses arising from claims and the risk of losses arising from the default of its reinsurers (counterparty risk). The second type of risk is the risk inherent in its investment activities which encompasses market risk (interest rate risk, market price risk, and exchange rate risk), credit risk and liquidity risk.

NOTES TO THE FINANCIAL STATEMENTS

4. Risk Management (continued)

(a) Underwriting Risk

(i) Risk of losses arising from claims

The insurance policies underwritten by ATI involve the possibility of insured events occurring and the resulting uncertainty of the amount and timing of insurance claims. ATI recognises that adequate control of insurance risk is paramount and central to the integrity of its operation as a credit and investment insurer. In this context, ATI has established underwriting management frameworks and processes designed to effectively identify, measure, control, mitigate, share and monitor risks inherent in its underwriting activities, which include the following:

- Country ratings;
- Use of portfolio risk analysis;
- Prudent credit risk assessment and underwriting on individual insured buyers or obligors;
- Comprehensive technical and contract risk assessment of political risks;
- Purchase of reinsurance; and
- Selection of strongly rated reinsurers.

In order to prevent excessive risk concentration, ATI sets, in addition to its overall underwriting capacity, exposure limits by country, sector, buyer and project and monitors its exposures.

The table below shows the risk exposure by product and by country as at 31 December, 2016 and 2015:

Exposure by product:

(in thousands of USD)	2016		2015	
	Gross Exposures	**Net Exposures**	**Gross Exposures**	**Net Exposures**
BONDS	68,210	34,161	42,281	42,281
CRI-SO	688,720	358,224	496,526	224,424
CRI-WTO	79,991	39,996	93,153	46,576
CRI-PRI	20,516	19,516	37,252	31,002
PRI	1,015,674	346,018	939,370	317,657
PV & TS	72,570	72,570	82,328	82,328
TOTAL	**1,945,681**	**870,485**	**1,690,910**	**744,268**

NOTES TO THE FINANCIAL STATEMENTS

4. Risk Management (continued)

(a) Underwriting Risk (continued)

(i) Risk of losses arising from claims (continued)

Exposure by country:

(in thousands of USD)	2016		2015	
	Gross Exposures	**Net Exposures**	**Gross Exposures**	**Net Exposures**
Benin	11,383	11,383	4,859	4,859
Burundi	9,675	9,675	9,758	9,758
DRC	46,127	40,627	55,212	52,712
Kenya	765,449	320,823	738,512	312,217
Madagascar	3,825	2,848	9,022	6,559
Malawi	129,222	98,395	145,050	80,550
Rwanda	111,102	34,802	110,609	34,309
Tanzania	170,558	85,824	135,777	72,176
Uganda	219,444	117,251	142,628	76,235
Zambia	310,706	102,002	339,483	94,893
Zimbabwe	168,190	46,855	-	-
TOTAL	**1,945,681**	**870,485**	**1,690,910**	**744,268**

ATI's standalone PV&TS portfolio is covered by an excess of loss reinsurance treaty. However, the figures reported in the above tables do not take into account this treaty cover.

(ii) Reinsurance counterparty risk

ATI uses reinsurance to enhance its capacity but also to cap its risks. A significant portion of its insurance risk is ceded to external reinsurers, through a number of reinsurance arrangements that include proportional and non-proportional treaties, and facultative programs. Most of the reinsurance agreements are renewed and reassessed annually. Reinsurance does not, however, discharge ATI's liability as primary insurer.

If a reinsurer fails to pay a claim for any reason, ATI remains liable for the full payment of that claim to the policyholder. To mitigate the reinsurance counterparty risk, all reinsurers with whom ATI has reinsurance contracts are required to have a minimum credit rating as stated below unless otherwise approved by the Board of Directors:

Moody's, Standard & Poor's or Fitch	A
or	
A.M. Best	A-

NOTES TO THE FINANCIAL STATEMENTS

4. Risk Management (continued)

(a) Underwriting Risk (continued)

(ii) Reinsurance counterparty risk (continued)

The table below shows ATI's reinsurers rating profile as per Standard & Poor's (S&P) rating as of 31 December, 2016:

S&P Rating	Weight in % of Ceded Exposures	
	2016	2015
AA	14.2%	15.6%
AA-	30.0%	20.5%
A+	17.2%	23.4%
A	16.3%	19.5%
A- (*)	2.3%	5.5%
Not Rated (*)	20.0%	15.5%
Total	**100.0%**	**100.0%**

(*) Rated A or equivalent by at least one of the other rating agencies.

The table below shows ATI's reinsurers rating profile as per A.M. Best rating as of 31 December, 2016:

A.M. Best Rating	Weight in % of Ceded Exposures	
	2016	2015
A++	4.4%	-
A+	30.1%	21.2%
A	63.6%	74.0%
Not Rated	1.9%	4.8%
Total	**100.0%**	**100.0%**

(*) Rated A or equivalent by at least one of the other rating agencies.

(b) Investment Risk

ATI's investments are exposed to market risk, credit risk and liquidity risk:

- market risk is the risk of loss from adverse movements in market variables such as interest rates, market prices and currency exchange rates;
- credit risk is the risk of loss resulting from client or counterparty default or downgrade and arises on credit exposure in all forms, including settlement risk; and
- liquidity risk is the risk that ATI is unable to meet its payment obligations when due, at a reasonable cost.

NOTES TO THE FINANCIAL STATEMENTS

4. Risk Management (continued)

(b) Investment Risk (continued)

ATI's investment policy defines its broad investment guidelines and strategic asset allocation which can be amended from time to time subject to the approval of the Board of Directors. One of the main objectives of the investment policy is capital preservation.

The Management Investment Committee (MIC) ensures that investments are allocated within both the investment guidelines and the strategic asset allocation. The MIC frequently reviews the portfolio positioning and performance and assesses any new proposed investments. The MIC reports to the Board of Directors through its Finance & Audit Committee on a quarterly basis.

Where ATI externalises the management of its assets, the manager has to strictly abide by the contractual investment guidelines and strategic asset allocation which are defined in conformity with ATI's investment policy.

(i) Market risk

Market risk is the risk that the value of ATI will be adversely affected by movements in market variables such as interest rates, market prices and currency exchange rates.

The risk of loss due to changes in ***interest rates*** is limited:

- As of 31 December, 2016, ATI's investment portfolio was comprised of 84% (2015: 90%) of fixed-rate instruments which largely covered its fixed-rate borrowings (IDA loan - USD8.8 M against USD9.3 M in 2015). Therefore, any increase in interest rate should not impact ATI's result negatively.
- LIBOR rates remained at very low levels in 2016 and 2015. Hence the risk of further decrease is limited. The US Federal Reserve is likely to continue to gradually increase its base rate in the coming year. This in turn is expected to improve the USD market rates. An improvement of the LIBOR rates would allow ATI to improve its interest income on the floating rate instruments it holds. The following table shows the potential effects of changes in LIBOR rates on ATI's interest income and net result.

USD3 M LIBOR *(in bps)*	**Expected Improvement of ATI's Income** *(in thousands of USD)*	
	2016	**2015**
25	-	-
50	-	3
75	6	7
100	18	16
150	92	53
200	250	118

None of ATI's financial instruments are measured at fair value through profit or loss, therefore changes in market prices should not have any impact on ATI's financial position or income statement unless the assets are sold before their maturity

NOTES TO THE FINANCIAL STATEMENTS

4. Risk Management (continued)

(b) Investment Risk (continued)

(i) Market risk (continued)

dates. Apart from the time deposits, ATI's funds are exclusively invested in money market instruments and debt securities which are measured at amortised cost. In addition, ATI's investment policy does not permit any speculative investments.

ATI's functional and reporting currency is the US Dollar (USD). As ATI carries out the majority of its transactions in USD, it has chosen to allocate more than 98% (2015: more than 98%) of its investments in this currency to minimise exposure to ***currency risk.***

(ii) Credit risk

To minimise the chances that a default by a counterparty or an adverse event in any particular country might have a disproportionate impact on ATI's financial position or profit or loss, ATI maintains a diversified portfolio and defines various limits which can be revised periodically.

In addition to portfolio diversification, ATI permanently seeks to maintain the credit quality of its assets. As at 31 December, 2016, 95% of ATI's investment portfolio was rated above A against 91% in 2015.

Besides its financial investments, ATI also monitors regularly its overall assets. The table below presents ATI's maximum exposure to credit risk:

(in thousands of USD)	Fully Performing	Past Due	Impaired	Total
As at 31 December, 2016				
Cash and Bank Balances	13,980	-	(1,042)	12,938
Deposits with Financial Institutions	18,909	-	(964)	17,945
Money Market Instruments	42,363	-	-	42,363
Security Trust Accounts	926	-	-	926
Insurance and Reinsurance Receivables	11,385	-	(259)	11,126
Receivable Recoveries	22,287	6,457	(1,503)	27,241
Other Receivables	1,560	-	(76)	1,484
Other Financial Assets	9,495	-	-	9,495
Investment in Floating Rate Notes	35,475	-	-	35,475
Investment in Bonds	104,319	-	-	104,319
Total	**260,699**	**6,457**	**(3,844)**	**263,312**
As at 31 December, 2015				
Cash and Bank Balances	9,614	-	-	9,614
Deposits with Financial Institutions	20,030	-	-	20,030
Money Market Instruments	24,709	-	-	24,709
Security Trust Accounts	919	-	-	919
Insurance and Reinsurance Receivables	6,363	-	(191)	6,172
Receivable Recoveries	17,484	-	(1,503)	15,981
Other Receivables	1,522	-	-	1,522
Other Financial Assets	18,695	-	-	18,695
Investment in Floating Rate Notes	22,350	-	-	22,350
Investment in Bonds	104,032	-	-	104,032
Total	**225,718**	**-**	**(1,694)**	**224,024**

NOTES TO THE FINANCIAL STATEMENTS

4. Risk Management (continued)

(b) Investment Risk (continued)

(iii) Liquidity risk

Liquidity risk is the risk that ATI is unable to meet its financial obligations as they fall due.

The table below presents the undiscounted remaining contractual maturities of amounts payable by ATI as at year end.

(in thousands of USD)	0-3 Months	3-12 Months	1-5 Years	Over 5 Years	Total
As at 31 December, 2016					
Insurance and Reinsurance Payables	7,133	-	-	-	7,133
Other Liabilities	2,943	-	-	-	2,943
Claims Reserves	7,192	1,252	299	9,522	18,265
Financial Liabilities - at Amortised Cost	154	154	1,277	8,017	9,602
Total Payable	**17,422**	**1,406**	**1,576**	**17,539**	**37,943**
As at 31 December, 2015					
Insurance and Reinsurance Payables	4,120	-	-	-	4,120
Other Liabilities	757	-	-	-	757
Claims Reserves	7,526	1,572	1,451	263	10,812
Financial Liabilities - at Amortised Cost	160	159	1,258	8,648	10,225
Total Payable	**12,563**	**1,731**	**2,709**	**8,911**	**25,914**

As an insurance provider, in addition to its financial obligations arising from the normal operating activities, ATI is exposed to calls on its available cash for unexpected losses under claims settlement.

Almost 40% (2015: 40%) of ATI's funds are invested in various instruments with maturities below one year. Consequently, ATI considers its investment portfolio to be sufficiently liquid to cover its operating cash flows and any potential claims it may be required to pay.

5. Capital Management

(in thousands of USD)	2016	2015
Current Net Exposure (A) (*)	870,485	744,268
Equity (B)	208,284	186,173
Capacity (C)=6*(B) (2015:6*(B)) (**)	1,249,704	1,117,038
Capital Cushion (C-A)	**379,219**	**372,770**

(*) Before the PV & TS excess of loss cover.

(**) Based on ATI's internal underwriting capacity.

6. Claims Net of Recoveries

The claims net of recoveries for the year ended 31 December, 2016 amounted to USD5.8 M (2015: USD2.1 M) and USD5.8 M included a change in statistical reserves of USD4.2 M (2015: USD0.6 M). ATI first implemented reserves on its political risk portfolios in 2016 which resulted in an additional charge of USD4 M. In addition a change in the commercial risk reserves of USD0.2 M was booked in the year compared to USD0.6 M in 2015. As at 31 December, 2016, the amount of statistical reserves reported in the Statement of Financial Position amounted to USD7.3 M (note 16) compared to USD3.1 M as at 31 December, 2015.

7. Net Other Income

(in thousands of USD)	2016	2015
Grant	83	99
Gain on Sale of Disposal of Equipment	5	1
Net Credit Limit Charges	70	83
Miscellaneous	7	5
Total Net Other Income for the Year Ended 31 December	**165**	**188**

ATI received grants from the African Development Bank's Fund for African Private Sector Assistance (FAPA) amounting to USD1 M for the enhancement of its operational effectiveness. The first disbursement was received in 2011 and the second and last disbursement in 2013. This grant is earned when the related expenses are recognized in the accounts. In 2016, an amount of USD83,000 was earned against USD99,000 in 2015 (note 24).

NOTES TO THE FINANCIAL STATEMENTS

8. Operating Expenses

(in thousands of USD)	2016	2015
Salaries & Other Short-Term Benefits	3,811	3,578
Defined Contribution Post-Employment Plan	359	328
Defined Benefit Post-Employment Plan (note 25)	352	723
General Administration Costs	518	513
Consultancy Fees	304	267
Depreciation on Vehicles and Equipment (note 18)	96	94
Travel Costs	356	404
Recruitment Expenses	96	38
Annual General Meeting	194	50
Board Expenses	166	122
Marketing Costs	216	187
Amortisation of Intangible Assets (note 19)	85	48
Change in Provision for Bad Debts	61	165
Total Operating Expenses for the Year Ended 31 December	**6,614**	**6,517**

9. Interest Income

(in thousands of USD)	2016	2015
Interest from Time Deposits and Money Market Instruments	904	1,230
Interest from Investments in Floating Rate Notes	450	202
Interest from Investments in Bonds	2,092	2,229
Bond Amortisation (note 22)	(476)	(727)
Miscellaneous	175	108
Total Interest Income for the Year Ended 31 December	**3,145**	**3,042**

Investments in bonds are recognised at their fair value at the purchase dates (which correspond to their face value plus any discount, premium, purchased accrued interest and transaction costs, if any). Subsequent to their initial recognition, they are individually carried at amortised cost by using the effective interest rates. The difference between the coupon and the effective interest rate is recognised in profit or loss as 'Bond Amortisation'.

NOTES TO THE FINANCIAL STATEMENTS

10. Interest Expenses

(in thousands of USD)	2016	2015
IDA Service Charges	71	70
Other Finance Charges	15	13
Total Interest Expenses for the Year Ended 31 December	**86**	**83**

ATI pays a service charge of ¾% per annum on the outstanding principal amount on the IDA Development Credit (note 26).

11. Foreign Exchange Losses

(in thousands of USD)	2016	2015
IDA Loan-Foreign Exchange Gains (note 26)	278	429
Other Foreign Exchange Losses	(161)	(621)
Total Foreign Exchange Gain / (Losses) for the Year	**117**	**(192)**

The IDA loans (note 26) were issued and are payable in SDR and are translated into USD using the spot rate as at each reporting period.

12. Cash and Cash Equivalents

(in thousands of USD)	31-Dec-2016	31-Dec-2015
Cash and Bank Balances	13,980	9,614
Deposits with Financial Institutions	18,909	20,030
Money Market Instruments	42,363	24,709
Provision for Impaired Deposits and Cash Balances	(2,006)	-
Total Cash and Cash Equivalents as at 31 December	**73,246**	**54,353**

Included in cash and cash equivalents is an amount of USD2 M which was held at Chase Bank Kenya Limited as at the end of the financial period. The unrecoverable balance related to this amount has been fully impaired.

NOTES TO THE FINANCIAL STATEMENTS

12. Cash and Cash Equivalents (continued)

Impairment Charges

(in thousands of USD)	2016	2015
Principal Amount Impairment	2,006	-
Interest Impairment (note 15)	76	-
Foreign Exchange Loss on Impairment	38	-
Impairment Charges for the Year Ended 31 December	**2,120**	**-**

The following table shows the breakdown of the fixed deposits and money market instruments by currency:

	2016		2015	
	Amount *(USD'000s)*	**Weighted Average Interest Rate**	**Amount** *(USD'000s)*	**Weighted Average Interest Rate**
Fixed Deposits in USD	14,768	2.01%	16,811	2.91%
Fixed Deposits in EUR	2,181	3.33%	3,219	3.77%
Fixed Deposits in KSH	1,960	8.80%	-	-
Deposits as at 31 December	**18,909**	**2.86%**	**20,030**	**3.05%**
Money Market Instruments in USD	**42,363**	**1.25%**	**24,709**	**1.17%**
Deposits & Money Market Instruments as at 31 December	**61,272**	**1.75%**	**44,739**	**2.01%**

13. Security Trust Accounts

(in thousands of USD)	31-Dec-2016	31-Dec-2015
Madagascar – Principal	900	900
Madagascar - Capitalised Interest	26	19
Security Trust Accounts as at 31 December	**926**	**919**

The balances in the Security Trust Accounts represent funds for Madagascar. This balance will be transferred to an ATI account as soon as all the required approvals are obtained since Madagascar has completed the legal and capital restructuring.

Funds held in the Security Trust Accounts are denominated in USD. ATI earns interest on these accounts. The effective interest rate as of 31 December, 2016 was 0.61% (2015 – 0.29%).

NOTES TO THE FINANCIAL STATEMENTS

14. Insurance and Reinsurance Receivables and Payables

(in thousands of USD)	31-Dec-2016	31-Dec-2015
(a) Insurance and Reinsurance Receivables		
Insurance & Inward Reinsurance Balances Receivable	11,107	6,229
Outward Reinsurance Balances Receivable	278	134
Provision for Bad Debts	(259)	(191)
Insurance and Reinsurance Receivables as at 31 December	**11,126**	**6,172**
(b) Insurance and Reinsurance Payables		
Insurance & Inward Reinsurance Balances Payable	1,854	1,184
Outward Reinsurance Balances Payable	5,279	2,936
Insurance and Reinsurance Payables as at 31 December	**7,133**	**4,120**

15. Other Assets

(in thousands of USD)	31-Dec-2016	31-Dec-2015
Pre-payments	136	99
Deposits	32	32
Staff Loans and Advances	197	173
Interest Receivable	1,322	1,225
Provision for Interest Receivable Impaired	(76)	-
Others	9	92
Total Other Assets as at 31 December	**1,620**	**1,621**

16. Claims Reserves

(in thousands of USD)	31-Dec-2016			31-Dec-2015		
	Incurred & IBNER(*)	Statiscal Reserves	Total	Incurred & IBNER(*)	Statiscal Reserves	Total
Claims	(18,265)	(15,957)	(34,222)	(10,1812)	(5,184)	(15,996)
Reinsurer's Share of claims	11,371	8,656	20,027	131	2,062	2,193
Recoveries (Note 17)	27,241	-	27,241	15,981	-	15,981
Reinsurer's Share of Recoveries	(10,304)	-	(10,304)	-	-	-
Total Net Claims Reserves	**10,043**	**(7,301)**	**2,742**	**5,300**	**(3,122)**	**2,178**

(*) IBNER stands for Incurred But Not Enough Reported.

NOTES TO THE FINANCIAL STATEMENTS

16. Claims Reserves (continued)

The table below shows the gross claims development for the past five years:

Accident Year *(in thousands of USD)*	Y1	Y2	Y3	Y4	Y5	Gross Claims Outstanding as at 31-Dec-2016	Gross Claims Outstanding as at 31-Dec-2015
2012	100	18	-	-	-	-	-
2013	6,362	4,968	4,310	1,036	-	1,036	4,310
2014	1,179	72	60	-	-	60	72
2015	6,430	1,549	-	-	-	1,549	6,430
2016	15,620	-	-	-	-	15,620	-
Grand Total						**18,265**	**10,812**

17. Recoveries

(in thousands of USD)	31-Dec-2016			31-Dec-2015		
	Receivable Recoveries	Bad Debt	Net Receivable Recoveries	Receivable Recoveries	Bad Debt	Net Receivable Recoveries
Receivable Recoveries from Member States	13,427	(1,503)	11,924	8,221	(1,503)	6,718
Other Recoveries	15,317	-	15,317	9,263	-	9,263
Total Recoveries	**28,744**	**(1,503)**	**27,241**	**17,484**	**(1,503)**	**15,981**

NOTES TO THE FINANCIAL STATEMENTS

18. Vehicles and Equipment

(in thousands of USD)	Motor Vehicles	Computers & Office Equipment	Furniture &Fittings	Total
As at 31 December, 2016				
Cost				
As at 1 January, 2016	176	698	558	1,432
Additions	112	23	-	135
Disposals	(17)	(104)	-	(121)
As at 31 December, 2016	**271**	**617**	**558**	**1,446**
Depreciation				
As at 1 January, 2016	132	539	547	1,218
Charge for the Year	18	74	4	96
Eliminated on Disposals	(17)	(104)	-	(121)
As at 31 December, 2016	**133**	**509**	**551**	**1,193**
As at 31 December, 2015				
Cost				
As at 1 January, 2015	148	602	558	1,308
Additions	28	97	-	125
Disposals	-	(1)	-	(1)
As at 31 December, 2015	**176**	**698**	**558**	**1,432**
Depreciation				
As at 1 January, 2015	120	464	541	1,125
Charge for the Year	12	76	6	94
Eliminated on Disposals	-	(1)	-	(1)
As at 31 December, 2015	**132**	**539**	**547**	**1,218**
Net Book Value				
As at 31 December, 2015	**44**	**159**	**11**	**214**
As at 31 December, 2016	**138**	**108**	**7**	**253**

NOTES TO THE FINANCIAL STATEMENTS

19. Intangible Assets

(in thousands of USD)	31-Dec-2016	31-Dec-2015
Cost		
As at 1 January	421	329
Addition	131	92
As at 31 December	**552**	**421**
Amortisation		
As at 1 January	175	127
Charge for the Year	85	48
As at 31 December	**260**	**175**
Net Book Value		
As at 31 December	**292**	**246**

The intangible assets represent the computer software's book value.

20. Other Financial Assets (at amortised cost)

(in thousands of USD)	31-Dec-2016	31-Dec-2015
Outstanding Value as at 1 January	18,695	-
New Placements	-	18,695
Maturities	(9,200)	-
Total Other Financial Assets as at 31 December	**9,495**	**18,695**

These represent USD fiduciary deposits placed with various financial institutions with an average yield of 1.54% and an average maturity period of 7 months (2015: 1.20% average maturity period 14 months).

21. Investments in Floating Rate Notes (at amortised cost)

(in thousands of USD)	31-Dec-2016	31-Dec-2015
Outstanding Value as at 1 January	22,350	40,750
New Placements	13,125	13,600
Maturities	-	(32,000)
Total Floating Rate Notes as at 31 December	**35,475**	**22,350**

The effective interest rate on the floating rate notes as at 31 December, 2016 was 1.43% (2015: 1.46%).

NOTES TO THE FINANCIAL STATEMENTS

22. Investments in Bonds (at amortised cost)

(in thousands of USD)	31-Dec-2016	31-Dec-2015
Outstanding Value as at 1 January	104,032	95,526
New Purchases	27,340	43,599
Sales and Redemptions	(26,594)	(34,367)
Amortisation (note 9)	(476)	(727)
Change in Accrued Interest on Bonds Purchased	17	1
Total Investments in Bonds as at 31 December	**104,319**	**104,032**

The table below shows the maturity profile of the bonds by face value:

Maturity	31-Dec-2016		31-Dec-2015	
	Face Value (in USD'000)	Weight (%)	Face Value (in USD'000)	Weight (%)
2016	-	-	19,382	18.8%
2017	20,460	19.8%	24,310	23.6%
2018	36,750	35.6%	28,950	28.1%
2019	26,803	25.9%	19,382	18.8%
2020	12,350	12.0%	6,695	6.5%
2021	6,765	6.5%	4,265	4.2%
2022	200	0.2%	-	-
Total as at 31 December	**103,328**	**100%**	**102,984**	**100.0%**

The following table shows the average maturity and yield of ATI's bond portfolio:

(in thousands of USD)	2016	2015
Bond Portfolio's Average Maturity	1.96 years	2.21 years
Bond Portfolio's Gross Average Yield	1.53%	1.56%

NOTES TO THE FINANCIAL STATEMENTS

23. Other Liabilities

(in thousands of USD)	31-Dec-2016	31-Dec-2015
Accrued Expenses	401	513
Defined Contribution Post-Employment Plan Payable	2,253	-
Non-Trade Accounts Payable	289	244
IDA Commitment and Service Charges	19	20
Total Other Liabilities as at 31 December	**2,962**	**777**

24. Unearned Grant Income

(in thousands of USD)	31-Dec-2016	31-Dec-2015
Unearned Grant as at 1 January	456	555
Expenditure Incurred	(83)	(99)
Unearned Grant as at 31 December	**373**	**456**

25. Defined Benefit Post-Employment Plan

(in thousands of USD)	31-Dec-2016	31-Dec-2015
As at 1 January	723	-
Defined Benefit Obligation accrual for the year (Note 8)	352	723
As at 31 December	**1,075**	**723**

Actuarial basis

Actuarial Method : Projected Unit Method
Rate of interest : 3.1% per annum
Rate of salary escalation : 3.0% per annum
Retirement Age : 62 years
Pre-retirement mortality : A1949/52 Ultimate
Withdrawal : Based on the average experience of other similar Arrangement

Sensitivity tests

Additional actuarial calculations to show the impact of change in the economic assumptions on the present value of the accrued benefits at the valuation date have been considered. Sensitivity tests have been done assuming the following bases:

25. Defined Benefit Post-Employment Plan (continued)

(in thousands of USD)	Base Scenario	Scenario A	Scenario B
Discount Rate	3.10%	4.10%	3.10%
Salary Escalation Rate	3.00%	3.00%	2.10%
Present Value of the Accrued (past service) Benefits	1,075	963	973

26. Financial Liabilities - IDA Development Credit (Loan)

(in thousands of USD)	31-Dec-2016	31-Dec-2015
As at 1 January	9,320	9,938
Foreign Exchange Gains (note 11)	(278)	(429)
Repayments	(250)	(189)
IDA Loan as at 31 December	**8,792**	**9,320**

Under the Development Credit Agreement (DCA) between IDA and ATI dated 8 June, 2001, the Agreement Amending the Development Credit Agreement dated 19 July, 2005, and the Agreement providing for the Amendment and Restatement of the Development Credit Agreement dated 23 March, 2007, IDA granted ATI a development credit amounting to SDR 7.2 M to finance ATI's operational costs. This amount includes: (a) an original Credit of SDR 3.9 M and (b) a supplemental Credit of SDR 3.3 M. The full development credit amounting to SDR 7.2 M has been fully disbursed. The principal amount is repayable in semi-annual installments over a 25 year period, effective with respect to: (a) the original credit, from 15 September, 2012 to 15 March, 2036; and (b) the supplemental credit, from 15 September, 2016 to 15 March, 2040

27. Share Capital

In accordance with the ATI Treaty, ATI has an open-ended capital stock based on an initial authorized nominal capital stock of USD1 Bn divided into 10,000 shares with a par value of USD100,000 each, which are available for subscription by Members.

Each fully paid up share held by a Member shall carry one vote at any ordinary or extraordinary General Meeting. All decisions of any ordinary and extraordinary General Meeting shall be by way of simple majority of the representatives of the Members present and voting save as expressly provided by the ATI Treaty.

In 2016:

- ATI recorded a capital increase of USD19.8 M (USD0.9 M in 2015) from Zimbabwe (USD12.8 M), Ethiopia (USD6.9 M) and the UK Export Finance (USD0.1 M).
- ATI transferred Madagascar's Underwriting Capital of USD0.9 M to Share Capital following the completion of the capital and legal restructuring.
- ATI deducted USD0.15 M from Malawi's Capital contribution in order to recover a long outstanding recovery.

NOTES TO THE FINANCIAL STATEMENTS

27. Share Capital (continued)

The status of the issued and called share capital at 31 December 2016 is shown below:

(in thousands of USD)	31-Dec-2016		31-Dec-2015	
Member/Shareholder	**Number Of Shares**	**Paid Up Capital**	**Number Of Shares**	**Paid Up Capital**
Benin	72	7,200	72	7,200
Burundi	153	15,300	153	15,300
DR Congo	192	19,200	192	19,200
Ethiopia	69	6,900	-	-
Kenya	283	28,300	283	28,300
Madagascar	10	1000	1	100
Malawi	171	17,100	172	17,200
Rwanda	87	8,700	87	8,700
Tanzania	169	16,900	169	16,900
Uganda	229	22,900	229	22,900
Zambia	169	16,900	169	16,900
Zimbabwe	128	12,800	-	-
Total Country Members	**1,732**	**173,200**	**1,527**	**152,700**
Kenya Reinsurance Corporation	10	1,000	10	1,000
Total Public Entities	**10**	**1,000**	**10**	**1,000**
African Development Bank	150	15,000	150	15,000
Africa Reinsurance Corporation	10	1,000	10	1,000
Atradius Participations Holding	1	100	1	100
COMESA	1	100	1	100
Trade Development Bank – formerly trading as PTA Bank	10	1,000	10	1,000
PTA Reinsurance Company	5	500	5	500
SACE SpA	100	10,000	100	10,000
UK Export Finance	1	100		
Other Shareholders	**278**	**27,800**	**277**	**27,700**
TOTAL SHARES	**2,020**	**202,000**	**1,814**	**181,400**

27. Share Capital (continued)

The following is the breakdown of the share premium:

(in thousands of USD)	31-Dec-2016			31-Dec-2015		
Country Member	**Paid up Capital**	**Nominal Value of Shares Allotted**	**Share Premium**	**Paid up Capital**	**Nominal Value of Shares Allotted**	**Share Premium**
Benin	7,210	7,200	10	7,210	7,200	10
Burundi	15,390	15,300	90	15,390	15,300	90
DR Congo	19,244	19,200	44	19,244	19,200	44
Ethiopia	6,937	6,900	37	-	-	-
Kenya	28,315	28,300	15	28,315	28,300	15
Madagascar	1,000	1,000	-	100	100	-
Malawi	17,124	17,100	24	17,275	17,200	75
Rwanda	8,779	8,700	79	8,779	8,700	79
Tanzania	16,971	16,900	71	16,971	16,900	71
Uganda	22,937	22,900	37	22,937	22,900	37
Zambia	16,960	16,900	60	16,960	16,900	60
Zimbabwe	12,815	12,800	15	-	-	-
TOTAL	**173,682**	**173,200**	**482**	**153,181**	**152,700**	**481**

NOTES TO THE FINANCIAL STATEMENTS

28. Net Cash from Operating Activities

(in thousands of USD)	**2016**	**2015**
Profit for the Year	2,410	4,663
Adjustments for:		
Depreciation -Vehicles and Equipment (notes 8 & 18)	96	94
Amortisation - Intangible Assets (notes 8 & 19)	85	48
Amortisation - Bonds (notes 9 & 22)	476	727
Gain on Disposal of Vehicles and Equipment (note 7)	(5)	(1)
Foreign Exchange Gains on IDA Loan (note 26)	(278)	(429)
Movements in Working Capital Items:		
Increase in Insurance and Reinsurance Receivables	(4,954)	(1,060)
Decrease/(Increase) in Other Assets	1	(19)
Increase in Reinsurers' Share of the Claims Reserves	(17,834)	(2,677)
Increase in Recoveries	(11,260)	(10,998)
Increase in Reinsurers' Share of Unearned Premiums	(2,398)	(2,594)
Increase in Deferred Acquisition Costs	(183)	(155)
Increase in Insurance and Reinsurance Payables	3,013	1,259
Increase/(Decrease) in Other Liabilities	2,185	(18)
Increase in Claims Reserves	18,226	6,195
Increase in Reinsurers' Share of Recoveries	10,304	
Increase in Unearned Premiums	3,590	4,085
Increase in Unearned Ceding Commissions	655	770
Decrease in Unearned Grant Income (note 24)	(83)	(99)
Increase in Employee End of Service Allowance Provision	352	723
NET CASH GENERATED FROM OPERATING ACTIVITIES	**4,398**	**514**

NOTES TO THE FINANCIAL STATEMENTS

29. Fair Value of Financial Instruments Carried at Amortised Cost

Except as detailed in the following table, the carrying amounts of any other financial instruments carried at amortised cost are assumed to be close to their fair value.

(in thousands of USD)	**31-Dec-2016**	**31-Dec-2015**
Fair Value of Bonds	103,913	103,770
Book Value of Bonds	104,319	104,032
Unrealised (Loss) as at 31 December	**(406)**	**262**

30. Related Party Disclosures

(in thousands of USD)	**31-Dec-2016**	**31-Dec-2015**
(i) Key Management Compensation;		
– Salaries & Other Short-Term Benefits	1,039	948
– Defined Contribution Post-Employment Plan	128	115
– Defined Benefit Post-Employment Plan	386	262
Total Key Management Compensation	**1,553**	**1,325**
(ii) Directors - Sitting Allowances & Per Diem	112	95
(iii) Loans Advanced to Management		
Loan Advanced in the Year	60	-
Loan Repayment Received	(24)	-
At the End of the Year	**36**	**-**

CORPORATE INFORMATION

Corporate Governance

The 2016 Extraordinary General Assembly

During the 16th Annual General Meeting held in Kigali, the General Assembly took the decision to form a committee to agree on a revised Board governance structure and a review of the sovereign claims process. This committee met on the sidelines of the World Bank and IMF annual meetings in Washington, DC.

The outcome led to a framework for a more robust Board structure that will accommodate ATI's regional expansion while also devising a plan that will streamline the sovereign claims process.

ATI's Governance Structure

As outlined by the ATI Treaty, the highest policy organ is the General Assembly Meeting of the shareholders. ATI is governed by a Board of Directors who, in 2016, met three times. Board members are appointed for a term of three years that is renewable once by the General Assembly, which meets annually. The term of office of the Chairman and the Vice-Chairman can be renewed by the Board members.

The Directors are responsible for managing the business and general operations of the institution. In addition, they Board has established these three committees to better support ATI:

- The Finance and Audit Committee
- The Risk Committee; and
- The Human Resources Committee.

The committees meet separately on the sidelines of board meetings or as business dictates. Each committee is guided by individual terms of reference.

The Finance and Audit Committee

This committee supports the Board of Directors in fulfilling its supervisory and monitoring duties with respect to the assurance of the integrity of the company's state of affairs, financial statements, the external auditor's qualifications, and the performance of internal and external auditors. It monitors, independently and objectively, the financial reporting process within ATI and the system of internal controls. The committee met twice in 2016.

The Risk Committee

This committee is responsible for adopting policies and to determine and govern the nature and extent of any significant risk that ATI is willing to take in achieving its strategic objectives. The committee met twice in 2016.

The Human Resources Committee

This committee is responsible for providing the Board of Directors with proposals for the appointment of members of the management team, the remuneration policy and other corporate governance matters relating to Human Resources. The committee met four times in 2016.

" ATI is currently preparing to accommodate its regional expansion with a revised Board Governance Framework that makes room for more countries to participate while increasing the Board's effectiveness.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Standing from left:
Leonard Ntibagirirwa – *Director, Burundi* | **Gerome Kamwanga** – *Director, Democratic Republic of Congo* | **Michal Ron** – *Director, Class D Shareholders*| **Mohamed Kalif** – *Alternate Director, Class E Shareholders* | **Gerard van Brakel** – *Alternate Director, Class C Shareholders*
Solomon Rubondo – *Director, Uganda*

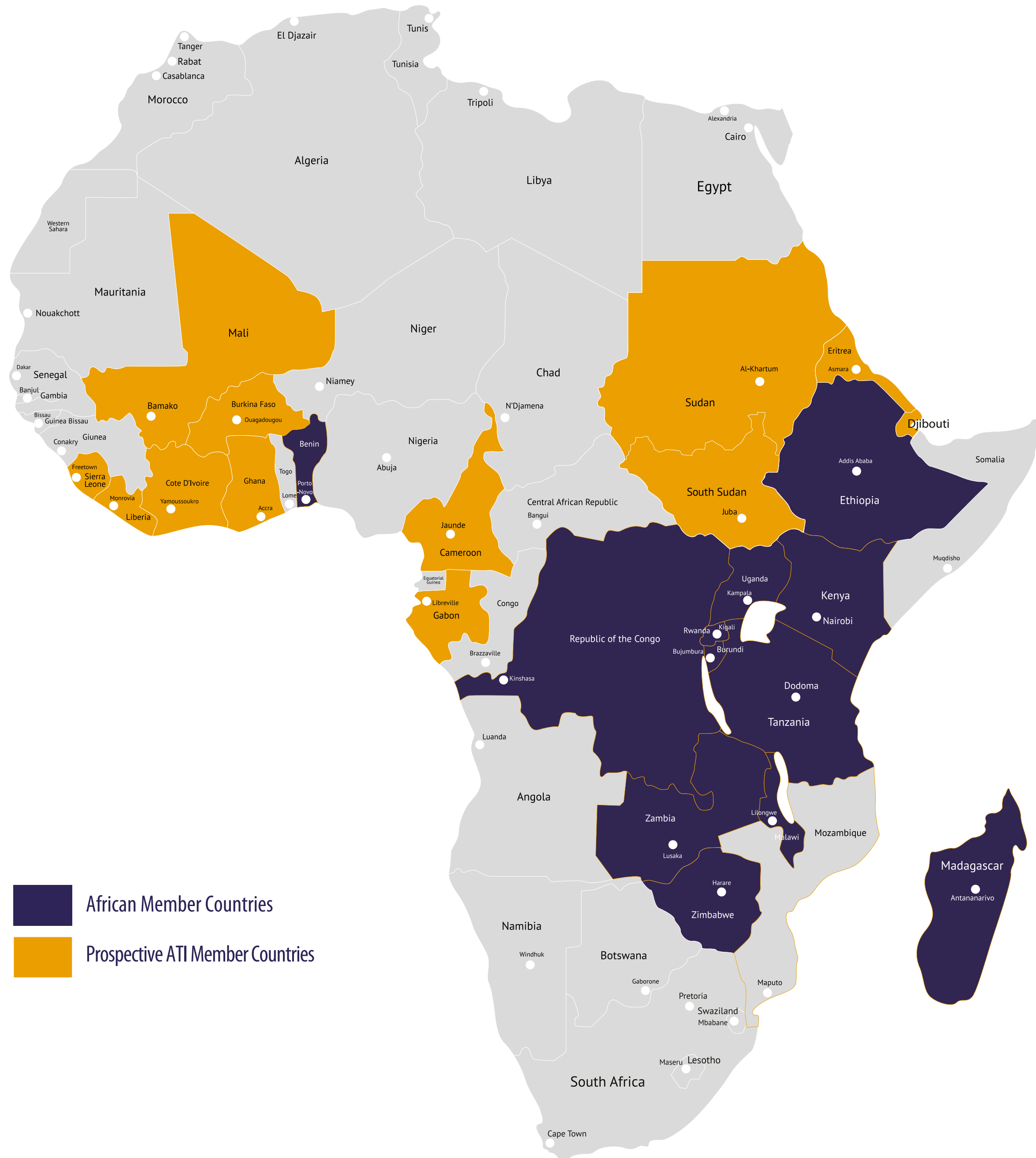
Seated from left:
H.E. Sindiso Ngwenya – *Vice Chair and Director, Class D Shareholders* | **Josephine Winnie Birungi** - *Director, Rwanda*
Israel L. Kamuzora – *Chair and Director, Tanzania*

Not included
Trinitas Girukwishaka – *Alternate Director, Burundi*
Dr. Kamau Thugge – *Director, Kenya*
Isaac Awuondo – *Alternate Director, Kenya*
Robert Bayigamba – *Alternate Director, Rwanda*
Basil Anthon Saprapasen – *Alternate Director, Tanzania*
Fredrick Matyama – *Alternate Director, Uganda*
Gerard van Brakel – *Alternate Director, Class C Shareholders*

Daniel Stausberg – *Director, Class C Shareholders*
Corneille Karakezi – *Alternate Director, Class D Shareholders*
Rajni Varia – *Alternate Director, Class D Shareholders*

CORPORATE INFORMATION

Current Members & Shareholders



CORPORATE INFORMATION

Current Members & Shareholders

Membership to ATI is open to all African Union member states,
non-African states, private corporations and other regional and international institutions.

Member States

(As of 31 December, 2016)

Benin
Burundi
Democratic Republic of Congo
Ethiopia
Kenya
Madagascar
Malawi
Rwanda
Tanzania
Uganda
Zambia
Zimbabwe

Other Shareholders

African Development Bank
African Reinsurance Corporation (Africa Re)
Atradius Participations Holding
Kenya Reinsurance Corporation (Kenya Re)
SACE
The Common Market of Eastern and Southern Africa (COMESA)
The PTA Re Insurance company (Zep Re)
Trade Development Bank – formerly trading as PTA Bank
UK Export Finance (UKEF)

CORPORATE INFORMATION

ATI's Products

Trade Credit Insurance

This insurance protects against non-payment risks. As an added benefit, you can also receive valuable credit information on buyers, access to financing on improved terms, help in debt collection and bringing discipline in the credit management process.

There are two types of Trade Credit Products:

1. For multiple buyers we can insure your entire portfolio of buyers or debtors. Typically this is a one-year policy that covers business-to business sales with credit terms of up to 180 days.
2. For single buyers we can cover one buyer or debtor but it is flexible in terms of the type of transactions it covers. This policy covers an average credit period of one to two years.

For lenders, ATI offers protection against borrowers' default on loans and other lending facilities and it also includes political risk cover for cross border transactions.

Risks Covered:

- A corporate buyer/borrower who refuses to pay or is unable to pay due to insolvency
- A corporate buyer/borrower who fails to pay due to deteriorating financial circumstances
- A corporate buyer/borrower who delays your payment beyond the agreed credit period (protracted default)
- Public buyers (public institutions) can also be included

Political Risk / Investment Insurance

This insurance protects your investments, projects, assets and contracts against unfair political action or inaction by a government that could deprive you of investments, ownership benefits or use, causing financial loss in any of our member countries. It can also cover loss due to war & civil disturbance.

Risks Covered:

- Expropriation of your assets
- Inability to transfer money out of the country or to convert local funds into freely convertible currency such as US dollars
- Inability to operate or damage to your assets due to war or civil disturbance
- Breach of contract by a host government
- Unilateral cancellation of your operating contract or license
- Non-payment by host governments or public institutions
- Default by a host government on an arbitration award
- A host government or a public institution unfairly refuses to reimburse you for a performance, bid or other pre-paid project bond
- Trade embargoes or any other sanctions imposed by the Security Council of the United Nations

Political Violence, Terrorism & Sabotage Insurance

This insurance protects you against financial losses directly resulting from politically motivated violence or terrorism and sabotage events. We can insure you directly on a stand-alone basis or through an insurer under a reinsurance contract.

Risks Covered:

- Damage to property
- Loss of income or revenues due to business interruption
- Third party liability

Surety Bonds

This product protects employers, which includes government agencies and contracting companies, to ensure that contracts are completed according to mutually agreed terms. ATI's role is to support issuers of bonds (banks and insurance companies) with counter guarantees, in the event that a bond is called and the contractor is unable to perform or reimburse the issuer.

Current Offerings:

- Advance Payment Bonds
- Bid Bonds
- Customs and Warehousing Bonds
- Performance Bonds
- Retention and Maintenance Bonds

CORPORATE INFORMATION

Reinsurance

Reinsurance is insurance for insurance companies. It allows the primary insurer to increase its capacity and to share liability when a loss occurs. ATI offers this product to insurance companies supporting business in any of our African member states.

Eligibility

For Political Risk Insurance or Reinsurance:
The investment/project must be located in at least one of our African member countries (visit our website for a current list of our member countries).

For Credit Insurance Involving Trade Transactions:
- Either the seller or buyer must be located in one of our African member countries.
- Whole Turnover: ATI can, under certain conditions, insure clients based outside of our member
- countries for risks that are also external to our member territories.

For Trade Credit Insurance Involving Financing Transactions:
- Either the lender, borrower or project must be located in one of our African member countries (for
- international and domestic trade).

Get Started

The first step is to submit an insurance enquiry form, which is available on ATI's website. Once the enquiry is approved, we will issue a Non-Binding Indication (NBI). If the terms and conditions quoted on the NBI are acceptable to you, we will ask to receive an application for insurance which we will review together with other documents, including an Environmental Information Note (EIN), where applicable. Once we receive all relevant documents, we strive to underwrite deals and issue policies promptly. To submit an enquiry form online, visit our website.

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ABBREVIATIONS

ATI	African Trade Insurance Agency
CRI	Credit Risk Insurance
CRI/PRI	Combined Policies
CRI-SO	Credit Risk Insurance – Single Obligor
CRI-WTO	Credit Risk Insurance – Whole Turnover
DCA	Development Credit Agreement
FAPA	Fund for African Private Sector Assistance
IDA	International Development Association
IAS	International Accounting Standards
IFRS	International Financial Reporting Standards
PRI	Political Risk Insurance
PV&TS	Political Violence and Terrorism & Sabotage Insurance
S&P	Standard & Poor's
SDR	Special Drawing Rights
STA	Security Trust Account
STAA	Security Trust Account Agreement

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