



2019 Financial Brief

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Africa's Multilateral Guarantee Institution

- **One of Africa's largest Development Finance Institutions**
(as measured by portfolio size)
- **One of Africa's most robust financial institutions**
Rated A/Stable (S&P) & A3/Stable (Moody's)
- **Africa is in ATI's DNA**
With offices in 6 countries, ATI has been guaranteeing cross-border trade and investments since 2001
- **Able to de-risk the full spectrum of debt and equity across the continent**
- **Focused on development impact in ATI member countries**
and on ATI's commercial success. ATI currently insures an average of 1 to 2% of member countries' GDP annually

-  ATI supported new trade and investments exceeding **US\$1.5 Bn** in 2019.
-  ATI's portfolio reached **a record US\$6.4 Bn Gross Exposure** in 2019 reflecting continued strong demand for ATI's products globally and across the African continent.
-  ATI's net profit grew to **US\$28 M** representing a 134% increase over the same period in 2018.
-  Significant **membership expansion and corporate shareholding** with paid in capital from four new shareholders; Chubb, ECGC, Ghana and Nigeria, and capital increases from Côte d'Ivoire and Madagascar. Total new paid-up capital of **US\$62 M**.
-  Brought **new institutional investors to Africa** from Asia and Europe and cemented global Financial Sector partnerships. MOUs signed with EIB, Mizuho, MUFG, NEXI and SMBC providing African governments with access to longer duration and more competitive financing.



Membership Support*

African
Development
Bank

➔ US\$40 M concessional financing for membership of Côte d'Ivoire, Ethiopia, South Sudan & Zimbabwe & capital increase for Benin. Pipeline of new countries of Liberia, Mali & Mozambique with a US\$15 million capital increase for the Bank's own shareholding expected.

European
Investment Bank

➔ US\$37.5 M concessional financing for membership of Cameroon, Niger & Togo. App. US\$150 M pipeline available to all African countries.

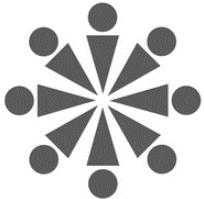
KfW

➔ US\$30 M grant for capital increases of Côte d'Ivoire & Madagascar, and Ghana's membership. Ethiopia's capital increase is in the pipeline.

Millennium
Challenge
Corporation

➔ US\$10 M grant to fund Burkina Faso's membership.

* The World Bank provided initial capital, funding 7 initial African member countries in 2001.



Product Support

European
Investment Bank,
& Munich Re



Renewable Energy Products

Launched the Africa Energy Guarantee Facility (AEGF) to provide added insurance capacity to US\$1.4 Bn of clean energy investments across Africa.

KfW
(financed by the
German Development
Cooperation)



Launched the Regional Liquidity Support Facility (RLSF) and provided technical assistance with a total value of €65 M to protect the small-scale renewable projects of Independent Power Producers against payment default risks, helping more clean energy projects reach financial close.

African
Development Bank,
GuarantCo &
ICIEC



Increased Insurance Capacity in Africa

Joined the Co-Guarantee Platform for Africa to increase availability of insurance & guarantees for project sponsors & their banks.

In recognition of the growing importance and need to optimize Environmental, Social and Governance impacts, ATI is addressing a number of these issues both in its existing structures and with new initiatives.



Environment

- Greenhouse gas emissions
- Natural Conditions
- Pollution
- Other Environmental Factors
- Environmental Benefits

ATI's Response:

Focus on Renewable Energy projects (nearly US\$500 M Gross Exposure) plus new initiatives:

- ✓ Regional Liquidity Support Facility (RLSF)
- ✓ Creation of the Africa Energy Guarantee Platform (AEGF) in partnership with EIB & Munich Re
- ✓ Projects supported are in line with IFC and EU standards



Social

- Human capital management
- Social benefits

ATI's Response:

- ✓ Revised processes to improve the monitoring of job creation and other social impacts in supported projects
- ✓ More focus on economic impact that empowers women.

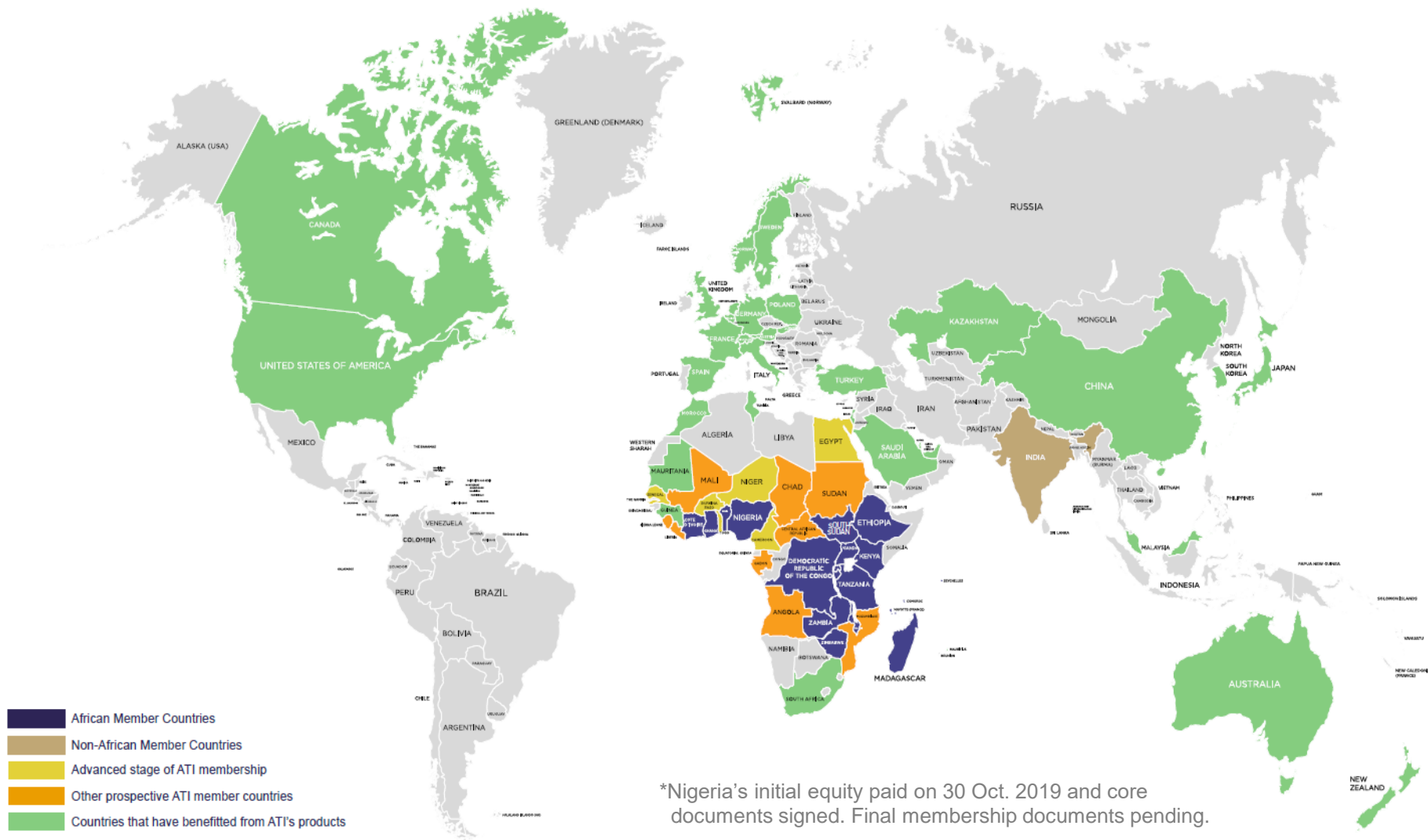


Governance

- Strategy execution & monitoring
- Risk management & internal controls
- Transparency

ATI's Response:

- ✓ Creation of a new management level position of Chief Risk Officer tasked with ESG oversight
- ✓ Increase in staff resources in claims management
- ✓ Transparency Tool – created in partnership with KfW
- ✓ Strengthened KYC process.



(Figures are in M US\$ and include Capital & Share Premiums)

Central AfricaDR Congo **19.4****East Africa**

Burundi **15.4**
 Ethiopia **7.0**
 Kenya **28.7**
 Rwanda **8.8**
 S. Sudan **9.0**
 Tanzania **17.0**
 Uganda **22.9**

Southern Africa

Malawi **17.5**
 Madagascar **7.1**
 Zambia **17.2**
 Zimbabwe **13.0**

West Africa

Benin **14.0**
 Côte d'Ivoire **20.1**
 Ghana **17.6**
 Nigeria** **14.1**

Institutional Members

African Development Bank **15.0**
 Chubb **10.0**
 Sace SpA **10.0**
 African Reinsurance Corp. **1.0**
 Kenya Reinsurance Corp. **1.0**
 Trade Development Bank **1.0**
 ZEP-Re **0.5**
 COMESA **0.1**
 UK Export Finance **0.1**
 Atradius **0.1**

Non-African Member CountriesIndia (ECGC) **11.7****Prospective Members
(Expected to join in 2020)**

Angola
 Cameroon
 Chad
 Egypt
 Gabon

Mali
 Niger
 Senegal
 Togo
 West African Devpt.
 Bank (BOAD)



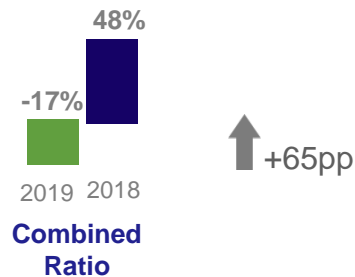
Equity grew by 33% with the addition of capital from new members – Chubb, Ghana, Nigeria & increases from Côte d'Ivoire & Madagascar.

(in M US\$)

Impactful Performance



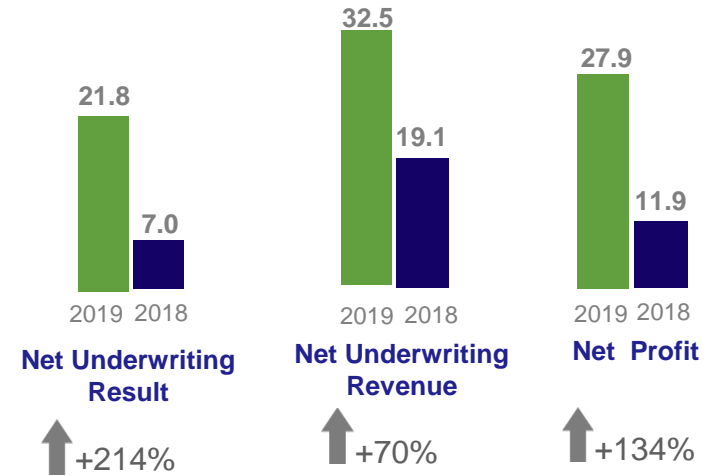
2019 Combined Ratio



Higher commissions and higher claim recoveries led to a record low combined ratio.

* Unaudited 2019 figures

2019 Earnings



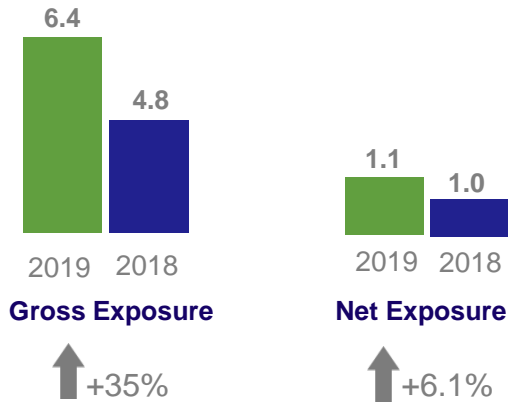
2019 Financial Income



Steady growth despite a decrease in USD rates and global market challenges.

As at 31.12.19 Total Exposure

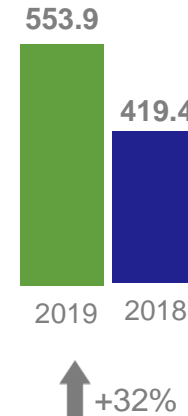
(in Bn US\$)



**Near US\$350 m
in total equity.**

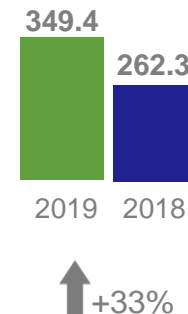
As at 31.12.19 Total Assets

(in M US\$)



Total Equity

(in M US\$)



Credit Ratings

S&P Global
Ratings

A/Stable

MOODY'S

A3/Stable

* Unaudited 2019 figures

2019 Summarized Income Statement*

(in '000 US\$)	2019 *	2018	Growth 2019/2018
Gross Written Premiums (GWP)	111,936	66,154	69%
Net Earned Premiums	18,107	12,806	41%
Net Commissions	14,385	6,268	129%
Net Operating Expenses	(7,941)	(6,953)	-14%
Net Claims	(2,710)	(5,160)	47%
Net Underwriting Profit After Claims	21,840	6,961	214%
Net Financial Income	7,158	5,280	36%
Unrealized/Realized Gains and (Losses)	(464)	(33)	-1287%
Net Profit Before Bonus	28,534	12,208	134%
Bonus Accrual	(591)	(280)	-111%
Net Profit After Bonus	27,943	11,927	134%
Cost Ratio on Net Earned Premiums	-32%	8%	
Loss Ratio on Net Earned Premiums	15%	40%	
Combined Ratio on Net Earned Premiums	-17%	48%	

Robust financial performance driven by near doubling of GWP.



2019 Financial Position*

(in '000 US\$)	31.12.2019	31.12.2018
ASSETS		
Cash and Cash Equivalents	80,346	73,215
Insurance and Reinsurance Receivables	20,756	19,671
Recoveries & Reinsurers' Share of the Claims Reserves	85,352	48,925
Claims Recoveries	32,755	2,602
Reinsurers' Share of Unearned Premiums	48,348	38,483
Deferred Brokerage Commissions	1,921	1,503
Other Assets	3,503	2,874
Other Financial Assets	79,296	11,439
Investments in Money Market Funds	8,430	8,410
Investments in Floating Rate Notes	69,776	54,805
Investments in Bonds	168,866	157,519
Total Assets	599,349	419,446
LIABILITIES		
Insurance and Reinsurance Payables	24,044	18,351
Other Liabilities	15,282	3,379
Claims Reserves	117,578	64,747
Reinsurers' Share of Recoveries	15,021	384
Unearned Premiums	57,602	47,152
Unearned Ceding Commissions	10,337	7,682
Unearned Grant Income	105	5,645
Defined Benefit Post-Employment Plan	1,658	1,239
IDA Loan	8,297	8,595
Total Liabilities	249,924	157,174
EQUITY		
Share Capital	289,100	236,200
Share Premium Account	9,319	60
Unallocated Share Capital	883	850
Retained Earnings	50,123	25,162
Total Equity	349,425	262,272
Total Equity & Liabilities	599,349	419,446

Continued growth in equity reflects a strong demand & sound growth.



Risk Portfolio: Exposures*

Country Risk Exposure	2019*		2018	
	Gross Exposure	Net Exposure	Gross Exposure	Net Exposure
	US\$	US\$	US\$	US\$
Benin	1,055,544	71,293	751,556	46,055
Burundi	-	-	4,047	4,047
Côte d'Ivoire	1,084,912	99,545	436,813	61,105
DR Congo	230,045	46,881	195,180	42,425
Ethiopia	346,125	25,550	168,012	37,020
Ghana	170,500	44,473	18,000	5,973
Kenya	724,771	165,993	828,040	198,365
Madagascar	4,649	2,801	1,177	1,177
Malawi	200,000	25,417	316,417	116,289
Nigeria**	293,970	64,664	200,447	42,461
Rwanda	173,122	60,323	190,096	64,598
South Sudan	125,696	33,943	27,621	10,868
Tanzania	447,041	99,727	259,363	101,084
Uganda	251,360	84,029	182,628	71,838
Zambia	522,628	56,820	684,546	79,689
Zimbabwe	152,149	40,811	169,924	52,082
Sub-Total Member Countries	5,782,512	922,270	4,433,867	935,076
Sub-Total Non-Members & Multilaterals	666,762	151,371	347,974	70,062
Grand Total	6,449,273	1,073,640	4,794,342	1011,804

**Continued
diversification.**



* Unaudited 2019 figures

**Nigeria's initial equity paid on 30 Oct. 2019 and core documents signed. Final membership documents pending.

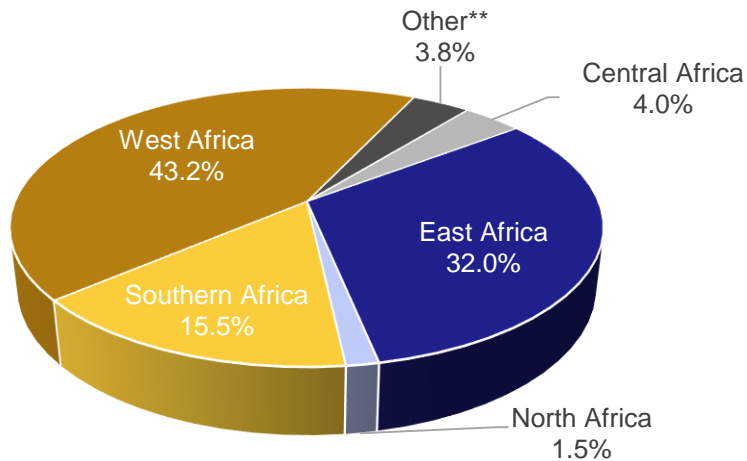
Risk Portfolio: Exposures* (cont'd.)

(in '000 US\$)	2019*		2018	
	Gross Exposure	Net Exposure	Gross Exposure	Net Exposure
	US\$	US\$	US\$	US\$
Country Risk Exposure				
Sub-Total Member Countries	5,782,512	922,270	4,433,867	935,076
Multilaterals				
Multilateral	156,822	20,585	169,089	23,381
Non-Member Countries**				
Angola	44,099	6,208	32,599	3,333
Burkina Faso	10,353	2,602	16,531	4,549
Cameroon	19,168	5,556	9,168	3,056
Central African Republic	-	-	5,000	1,667
China	10,803	5,000	-	-
Egypt	66,498	8,000	-	-
Gabon	29,250	7,313	10,000	3,667
Guinea	9,000	3,000	9,000	3,000
Japan	8,457	8,457	-	-
Luxembourg	2,760	1,656	-	-
Mali	-	-	4,927	1,711
Mauritania	9,967	3,233	5,063	2,530
Mauritius	18,402	6,283	25,249	8,191
Mozambique	26,648	6,662	-	-
Senegal	-	-	3,872	1,367
South Africa	32,113	8,284	41,297	10,115
South Korea	10,803	5,000	-	-
Togo	125,790	7,748	-	-
Tunisia	30,391	7,468	21,180	5,161
United Kingdom	19,035	18,135	-	-
United States of America	36,402	20,180	-	-
Sub-Total Non-Member Countries	666,761	151,370	352,975	71,728
Grand Total	6,449,273	1,073,640	4,786,842	1,006,804

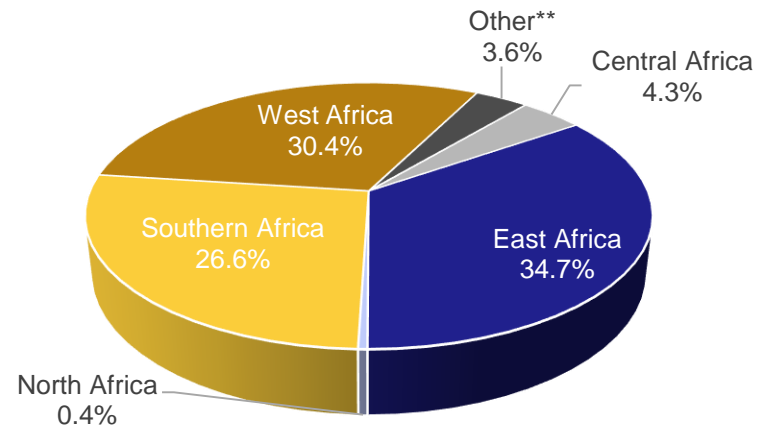
**ATI supports investments & trade, including exports, explaining the exposures in non-African countries.

Risk Portfolio: Regional Exposures*

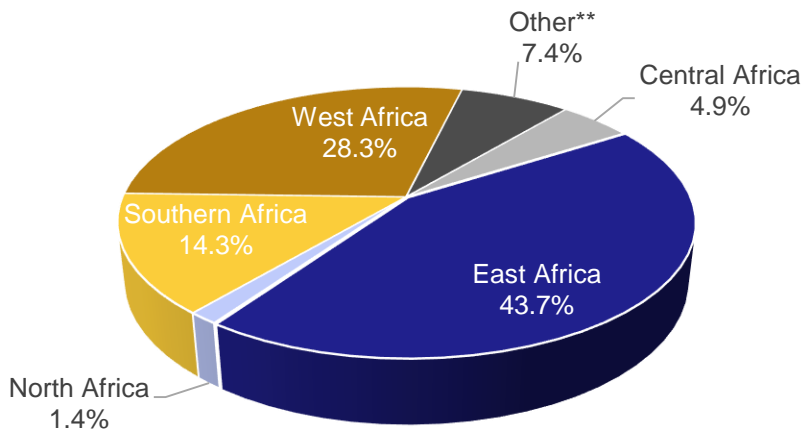
2019: Gross Exposures by Region



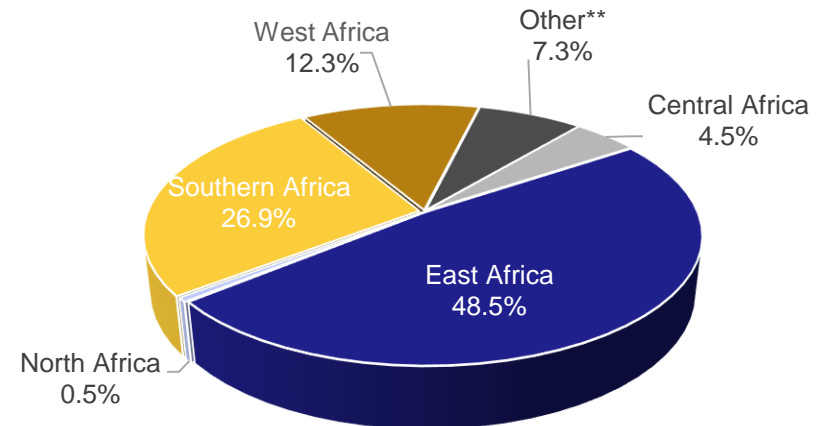
2018: Gross Exposures by Region



2019: Net Exposures by Region



2018: Net Exposures by Region



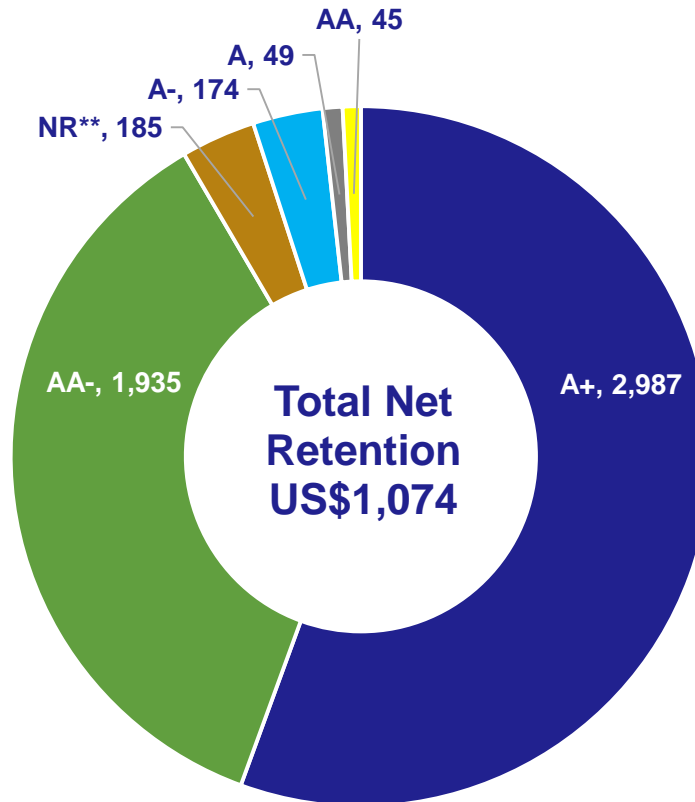
* Unaudited 2019 figures

** Other = Countries outside Africa & Multilaterals.

Risk Portfolio: Reinsurance Ceded Risk Distribution*

(M US\$)

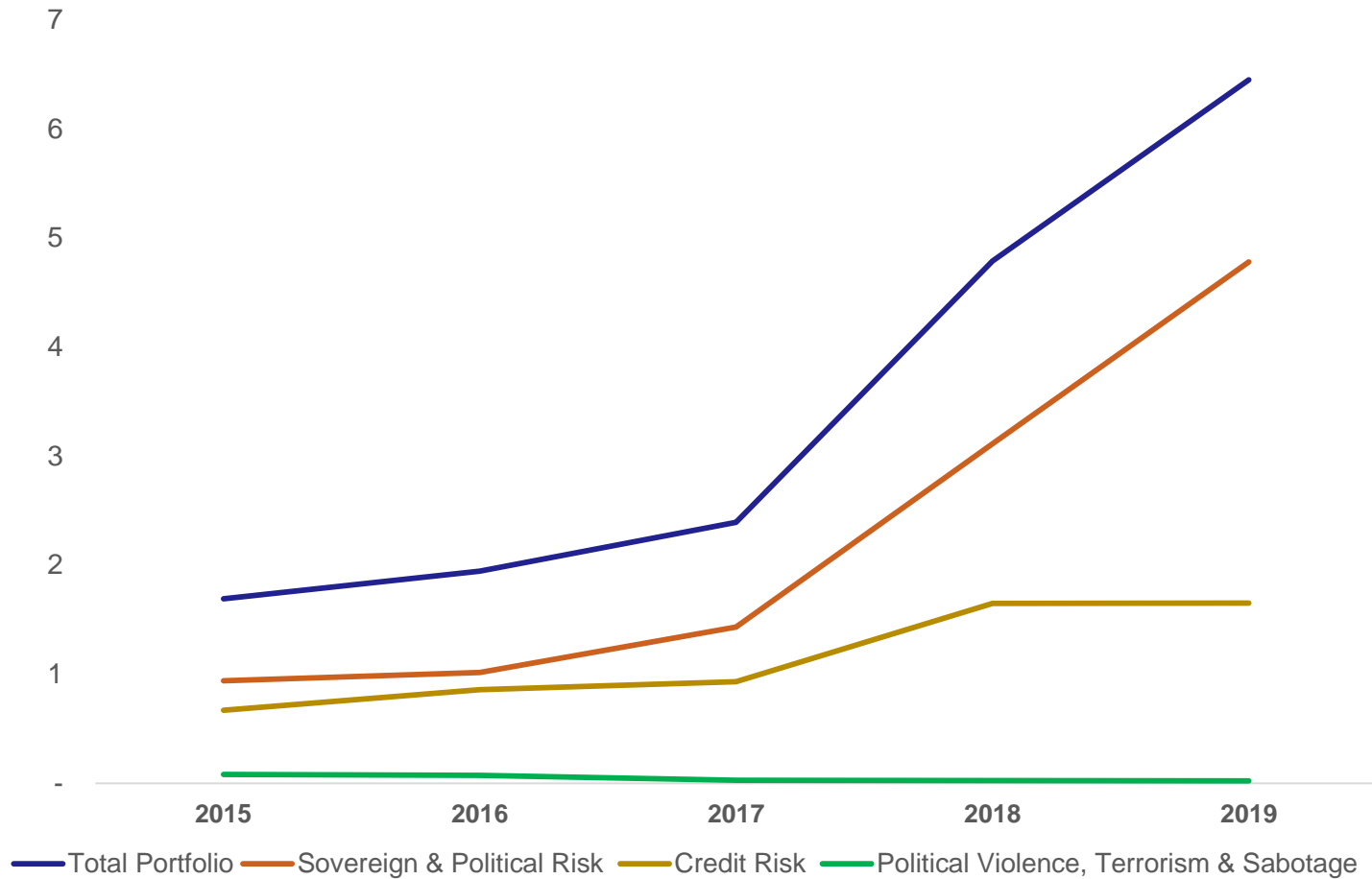
Reinsurance as per S&P Rating of Reinsurer as at 31.12.19



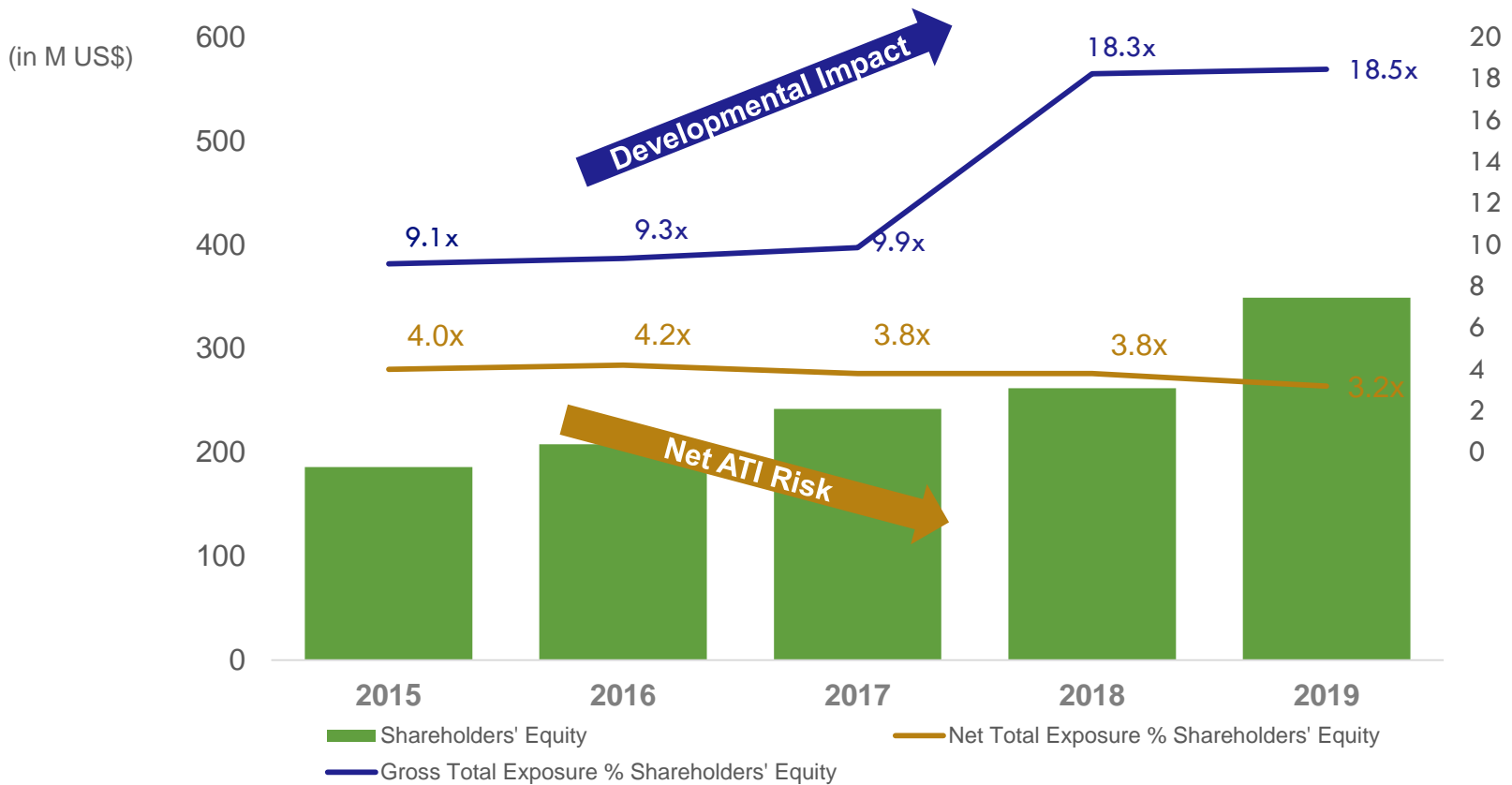
**NR refers to 'Not Rated' - ATI's usual minimum rating threshold for reinsurers is A-/A3 from S&P, Moody's, Fitch and AM Best. Thus the NR amount are simply reinsurers who do not have an S&P rating. Currently, 62 reinsurers collectively cover ATI's US\$5.3bn in ceded risk.

Gross Exposure by Lines of Business

(in Bn US\$)



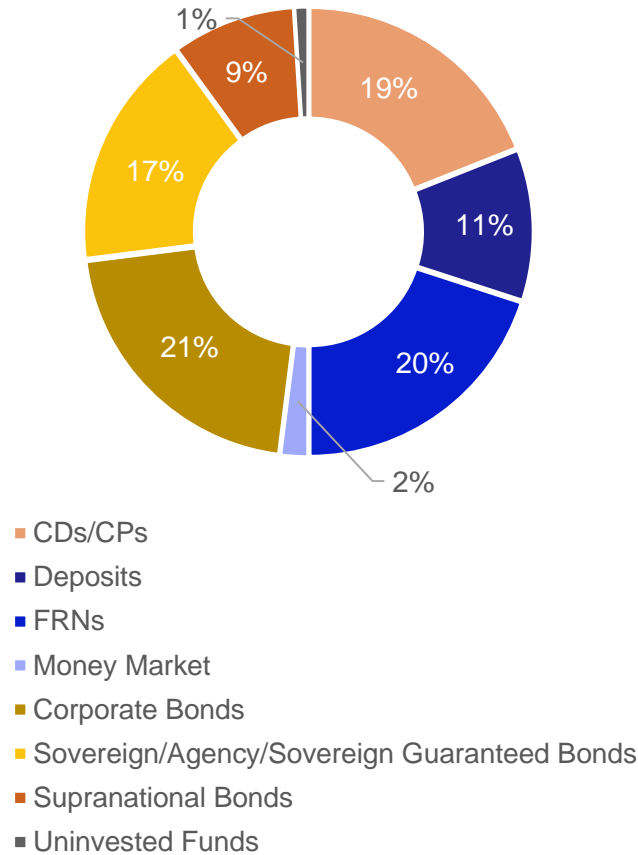
Total Shareholders' Equity* 2015 – 2019: & Portfolio Leverage



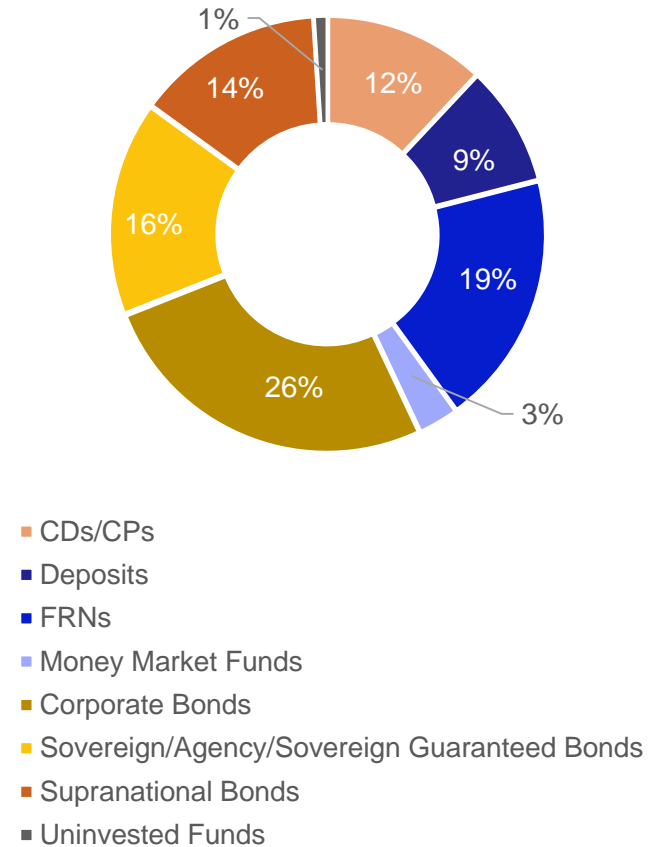
Shareholders Equity is defined as paid in capital + retained earnings (excludes technical reserves).

* Unaudited 2019 figures

31.12.2019 Type of Investments*

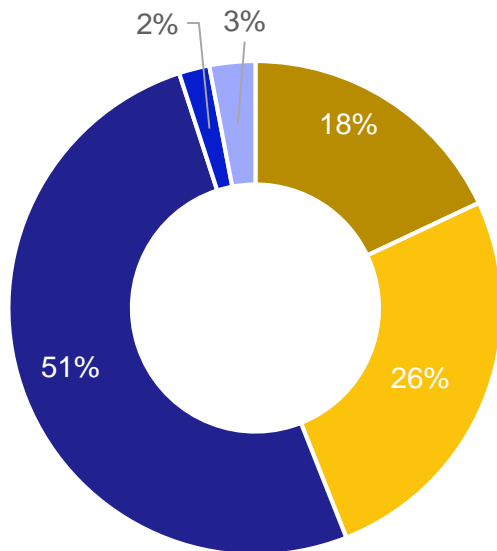


31.12.2018 Type of Investments



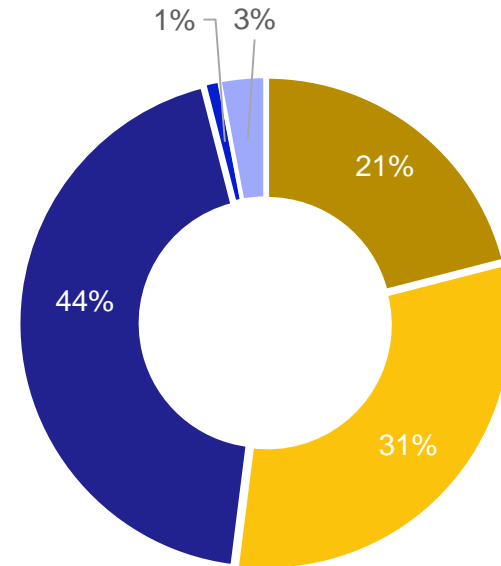
A liquid and diversified portfolio.

31.12.2019 Breakdown by Rating*



- AAA Range
- AA Range
- A Range
- BBB Range
- Non-investment Grade

31.12.2018 Breakdown by Rating



- AAA Range
- AA Range
- A Range
- BBB Range
- Non-investment Grade

Highly rated investment portfolio.

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