



# 2020 Financial Brief

*Robust. Reliable. Transformational.*



African Trade Insurance Agency  
Agence pour l'Assurance du Commerce en Afrique



# Contents



- 2. Our Purpose
- 3. About ATI
- 4. 2020 Highlights
- 6. Impact of COVID-19 on 2020 Financial Results
- 7. Development Impact
- 9. ATI's Global Footprint
- 11. Strategy
- 13. Financials
- 22. Risk Portfolio: Exposures
- 26. Investment Portfolio
- 28. H1-2021 Highlights

*2020 Financial Brief*







# Our Purpose

## **Vision**

To transform Africa into a prime trade and investment destination.

## **Mission**

To turn African Risk into opportunity – as we Re-think Risk – by providing innovative insurance and financial products, in partnership with the private and public sector.

## **Values**

We strive to carry out our business with a customer first approach combined with innovation, integrity, creativity, unity of purpose and an attitude of getting it right the first time.

## **Mandate**

To facilitate, encourage and develop the provision of, or the support for insurance, including coinsurance, reinsurance, guarantees and other financial services for the purposes of promoting trade, investment and other productive activities in supplement to those which may be offered by the private sector, or in cooperation with the private sector – resulting in the development of the African continent.





# About ATI

## 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).*
- ▶ Deep knowledge of Africa: *With offices in 6 countries, ATI has been guaranteeing cross-border trade and investments across Africa 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.*

2020 Financial Brief

# 2020 Highlights

## Our New Management



**Manuel Moses,**  
*Chief Executive Officer*



**Benjamin Mugisha,**  
*Chief Underwriting Officer*



**Deepak Dave,**  
*Chief Risk Officer*



**Elizabeth Mutafungwa,**  
*Ag. General Counsel  
& Corporate Secretary*

*2020 Financial Brief*





## 2020 Highlights

1. Despite the COVID-19 pandemic, ATI posted profits for 9 consecutive years, recording a net profit of USD39.4m in 2020.
2. Niger, Togo & CESCE, the Spanish ECA, finalised membership in ATI. Additionally, some member states further reinvested dividends, increasing equity to USD 411m, an 18% increase over 2019.
3. Dividends increased by 179% since the first payment done in 2018.
4. Solid growth in return on capital with highest percentage since inception due to increase in earnings despite a higher capital base.
5. Our rebranding initiative commenced, which aims to realign the brand to our business strategy and to grow the brand's identity, reputation and visibility.

*2020 Financial Brief*

# Impact of COVID-19 on 2020 Financial Results



- Despite the challenging market conditions that the Covid-19 pandemic has generated, ATI has shown great resilience, posting a net profit growth of 43%.
- Furthermore, ATI still managed to achieve a 12% increase in Gross Written Premium but recorded a marginal decrease in the underwriting portfolio due to the combined effects of a hardening reinsurance market and the reduced capacity of commercial lenders resulting from the current economic circumstances. Investment returns were slightly lower than expected due to the low interest rate environment.
- ATI regularly stress tested its portfolio and is satisfied that there will be minimum impact from Covid-19 which can be absorbed and has been provided for. Liquidity levels and solvency position remain positive and within target under the circumstances.
- There is still uncertainty over how the future development of the outbreak will impact ATI's business and operations. However, management remains positive that they will be able to navigate these unprecedented times.



ATI has shown great resilience

*2020 Financial Brief*





## Development Impact

ATI is actively working on ways to optimize ESG impacts. To more effectively support African member countries, we have developed an in-house ESG framework for assessing the risks we underwrite, which has been ratified by our key partner institutions such as KfW and EIB.

*2020 Financial Brief*



# Development Impact (Continued)



## ► *Sustained Growth Leading to Greater Development Impact across Africa.*

- ATI believes that the best ways to measure its impact is by looking at the Gross Exposure insured annually. In the last five years, this has grown from USD 1.9 billion to USD 6.2 billion in 2020.
- This growth trend is projected to accelerate in the coming years as trade and investment continues to grow under the AfCFTA.
- Furthermore, for effective Risk Management, there is continuous improvement being undertaken through increased resources devoted to portfolio data analysis and risk models with the ongoing revamping of the Enterprise Risk Management framework, increased focus on environmental, social and governance (ESG) impact evaluation such as the recent hiring of a Senior ESG Officer and recruitment of more risk specialists.
- We will continue to support private sector and sovereigns with innovative solutions to attract FDI into the region creating opportunities for private sector growth and many jobs.



ATI believes in creating opportunities for private sector growth and many jobs

*2020 Financial Brief*



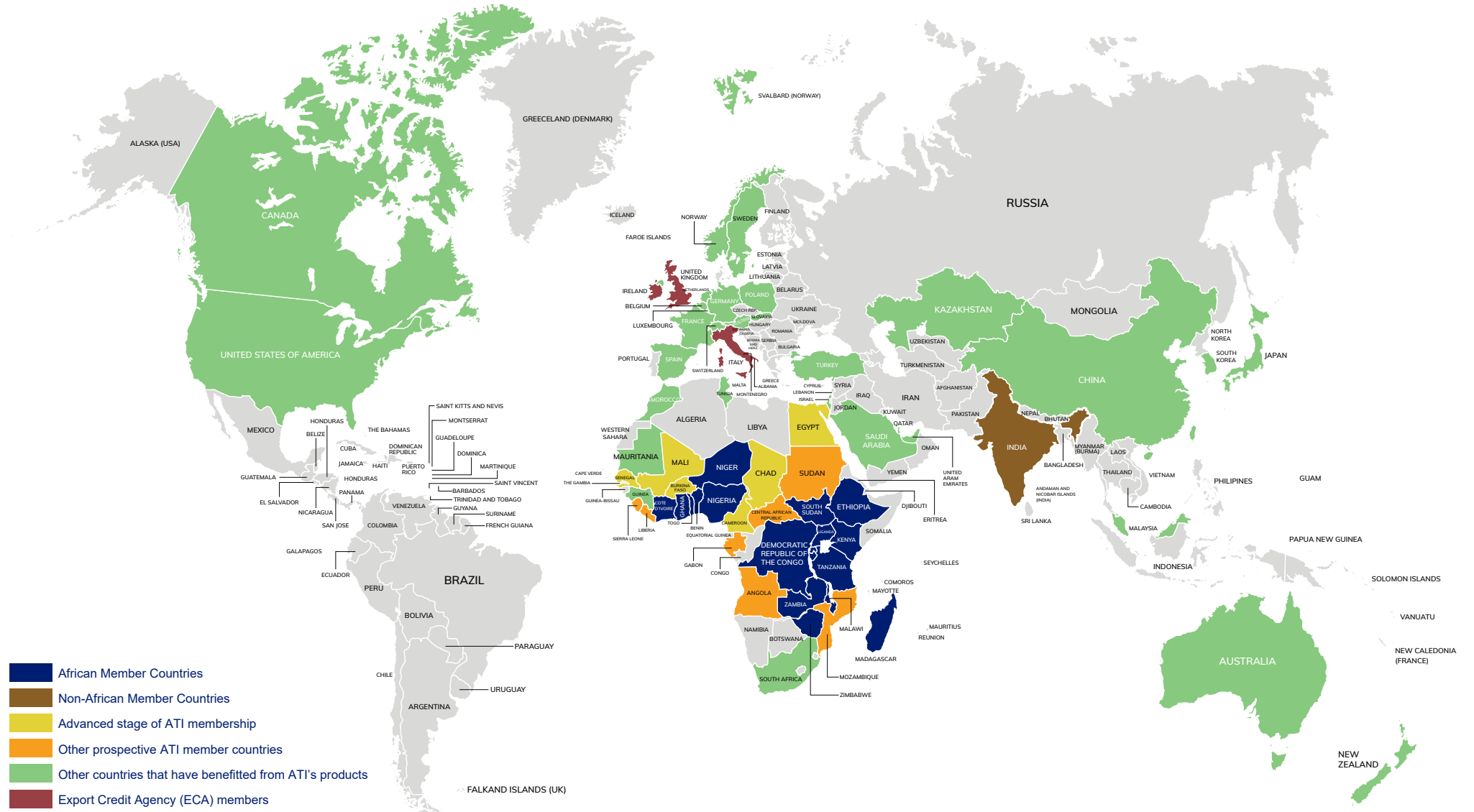


## ATI's Global Footprint

ATI underwrites transactions across Africa and globally, thus enabling an increased diversity and spread of risks. In 2020, ATI underwrote projects worth USD 6.2bn in Africa, with the top three sectors being: Financial & Insurance Activities, Construction and Energy & Gas sectors accounting for 79% of total Gross Exposure.

*2020 Financial Brief*

# ATI's Global Footprint







## Strategy

2020 was a remarkably difficult year all over the world with the pandemic, which forced the world to contend with a new normal. Through this period, ATI supported African businesses, investors and governments to navigate risks in the COVID-19 landscape.

However, ATI remains robust and reliable as we are on course to finalizing our 2018 – 2022 corporate strategy. The strategy takes a multi-pronged approach - namely: making ATI bigger, better and more relevant, as reflected under the following pillars.

*2020 Financial Brief*

# Strategy (Continued)



- **Bigger** with more business volume, extended geographic reach and increased visibility, to be achieved through the following:
  1. Greater Pan-African reach
  2. Ensure increased visibility
- **Better** by mobilizing more resources, training and developing staff, increased efficiency, to be achieved through the following:
  1. Sustainable business model
  2. Organizational excellence
  3. Risk and cost efficiency
  4. Targeting an A+ rating
- **More relevant** by increasing access to and lowering the cost of financing for Governments and investors in Africa and closer engagement with member countries, to be achieved through enhanced:
  1. Market impact
  2. Business penetration in member countries
  3. Responsiveness to member countries strategic development needs

ATI remains at the forefront of supporting our African member states to help reduce the economic impacts of COVID-19.



Increasing business penetration  
in member countries



## Financials

ATI is financially sound. This has been reflected in our rating since 2008, which places us as the highest-rated African insurer. Our credibility has attracted a client base that includes regional and international banks, equity and debt investors, infrastructure contractors and suppliers of goods.

*2020 Financial Brief*



# Key Data



**USD 411 m** (+18%)

Equity

**USD 125.6 m** (+12%)

Gross Written Premiums

**USD 66 bn** (+6%)

Volume of Investments & Trade supported since inception

**12.6%** (+22%)

Return on Capital

**USD 6.3 bn** (-3%)

Gross Exposure

**USD 39.4 m** (+43%)

Net Profit

## Ratings

**S&P Global Ratings**      A/Stable

**MOODY'S**                      A3/Stable

\* Audited 2020 figures



# Capital\* (as at 31.12.20)



ATI has an open-ended capital stock based on an initial authorized nominal capital of USD1Bn divided into 10,000 shares with a par value of USD 100,000 each, which are available for subscription by members and shareholders. The status of the share capital at 31 December 2020 is shown below, in millions of USD:

Central Africa		Southern Africa		Non-African Member Countries	
DR Congo	19.8	Malawi	17.8	India (ECGC)	10.1
		Madagascar	6.9		
		Zambia	17.3		
		Zimbabwe	13.2		

East Africa		West Africa		Institutional Members	
Burundi	15.3	Benin	14.0	African Development Bank	15.0
Ethiopia	7.1	Côte d'Ivoire	19.3	African Reinsurance Corp.	1.0
Kenya	28.6	Ghana	15.0	Atradius	0.1
Rwanda	8.7	Nigeria	11.9	CESCE	1.0
S. Sudan	9.0	Niger	9.0	Chubb	8.5
Tanzania	16.9	Togo	8.8	COMESA	0.1
Uganda	22.9			Kenya Reinsurance Corp.	1.0
				Sace SpA	10.0
				Trade Development Bank	1.0
				UK Export Finance	0.1
				ZEP-Re	0.5

Total Capital  
**US\$ 309.9m**

Total Equity  
**US\$ 411m**



Equity grew by 18% with the addition of capital from new members – Niger, Togo, CESCE and dividends reinvested from shareholders

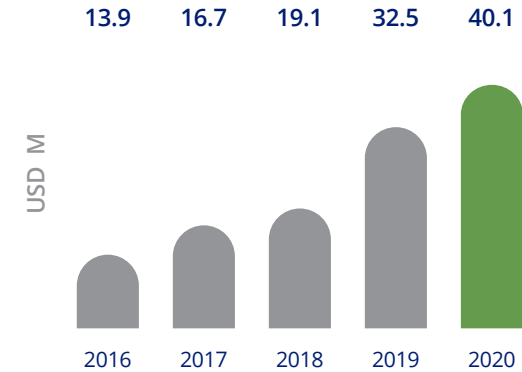
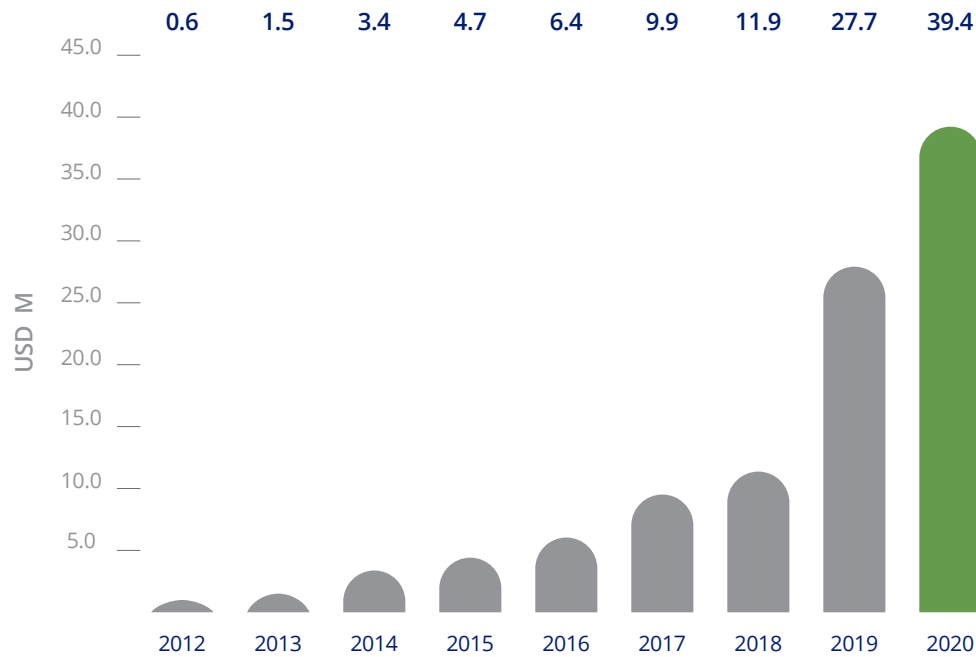
\* Audited 2020 figures

# Financial Performance\*

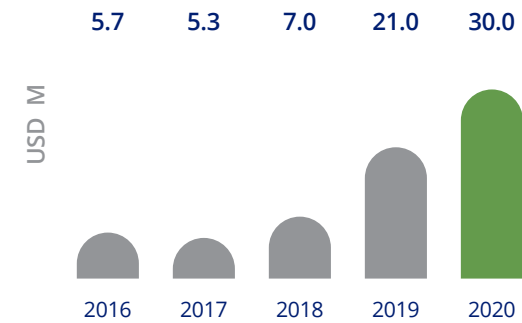


► *Exceptional growth despite COVID-19 pandemic.*

## Net Result



## Net underwriting income



## Net Underwriting Result

\* Audited 2020 figures



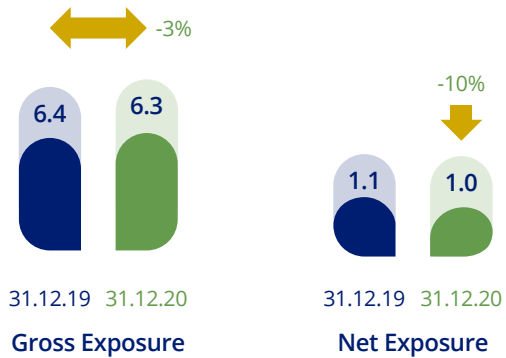


# Financial Position\*

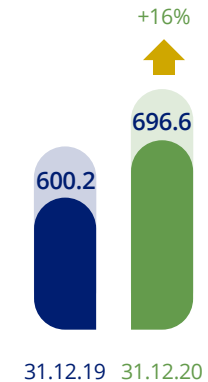


► *Near USD411m in total equity.*

Total Exposure (in USD B)



Total Assets (in USD M)

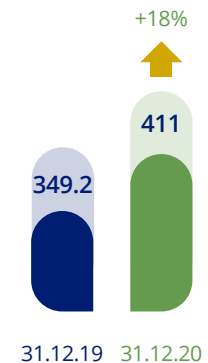


Combined Ratio



Higher ceding commissions and reduced claims payments resulted in a significant negative combined ratio.

Total Equity (in USD M)



\* Audited 2020 figures

# Summarized Income Statement\*



## ► *Financial performance.*

(in '000 US\$)	2020	2019	Growth
Gross Written Premiums (GWP)	125,612	111,892	12%
Net Earned Premiums	19,520	18,061	8%
Commissions	20,843	16,628	25%
Operating Expenses	(7,734)	(8,978)	-14%
Claims Paid	(1,051)	(1,861)	-44%
<b>Net Underwriting Profit After Claims</b>	<b>29,804</b>	<b>21,022</b>	<b>42%</b>
Net Investment Result	7,315	6,993	5%
Other Gains/Losses	2,389	(172)	-1,489%
<b>Net Profit</b>	<b>39,449</b>	<b>27,678</b>	<b>43%</b>
<b>Cost Ratio on Net Earned Premiums</b>	<b>-68%</b>	<b>-33%</b>	
<b>Loss Ratio on Net Earned Premiums</b>	<b>15%</b>	<b>16%</b>	
<b>Combined Ratio on Net Earned Premiums</b>	<b>-53%</b>	<b>-16%</b>	

\* Audited 2020 & 2019 figures

# Financial Position



(in '000 USD)	31.12.2020*	31.12.2019
<b>ASSETS</b>		
Cash and Cash Equivalents	112,016	125,765
Insurance and Reinsurance Receivables	18,269	21,029
Recoveries & Reinsurers' Share of the Claims Reserves	119,339	86,149
Claims Recoveries	30,996	32,495
Reinsurers' Share of Unearned Premiums	46,114	48,348
Deferred Acquisition Costs	1,524	1,921
Vehicles & Equipment	330	462
Intangible Assets	282	315
Other Assets	2,997	3,512
Other Financial Assets	6,765	27,100
Investments in Money Market Funds	16,436	8,429
Investments in Floating Rate Notes	78,815	75,680
Investments in Bonds	262,726	169,748
<b>Total Assets</b>	<b>696,609</b>	<b>600,176</b>
<b>LIABILITIES</b>		
Insurance and Reinsurance Payables	27,686	24,312
Other Liabilities	5,785	4,064
Claims Reserves	140,166	118,375
Reinsurers' Share of Recoveries	26,768	15,021
Unearned Premium Reserves	54,421	57,604
Unearned Ceding Commissions	10,151	10,337
Unearned Grant Income	12,331	11,329
Defined Benefit Post-Employment Plan	134	1,658
IDA Loan	8,382	8,297
<b>Total Liabilities</b>	<b>285,824</b>	<b>250,997</b>
<b>EQUITY</b>		
Share Capital	309,900	289,100
Share Premium Account	17,339	9,319
Unallocated Share Capital	1,158	902
Revenue Reserve	82,388	49,858
<b>Total Equity</b>	<b>410,785</b>	<b>349,179</b>
<b>Total Equity &amp; Liabilities</b>	<b>696,609</b>	<b>600,176</b>

\* Audited 2020 figures





The fundamental objective of ATI is to mitigate the risks it insures. The Claims unit continues to be strengthened, which contributed to the exceptional underwriting results in 2020 despite the turbulent market conditions brought by the pandemic. Over the past five years, the unit has been able to post record recoveries and reductions in claims losses.

## Stats for claims

Total amount of claims paid by ATI in the last 5 years

**USD  
30.7 m**

**USD  
25 m**

Total recoveries of paid claims in the last 5 years

**USD109 m**

Total potential claims mitigated before need for payment arose

\* Audited 2020 figures

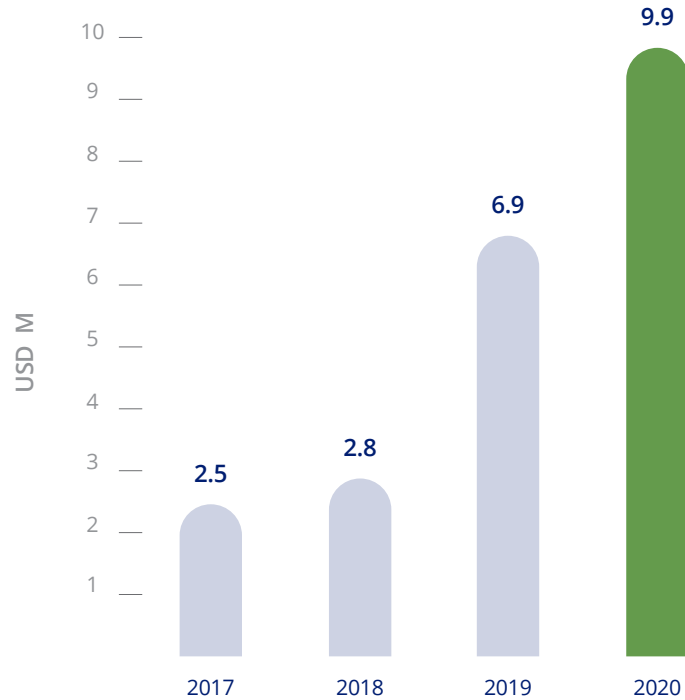


# Dividends and Adjusted Net Asset Value

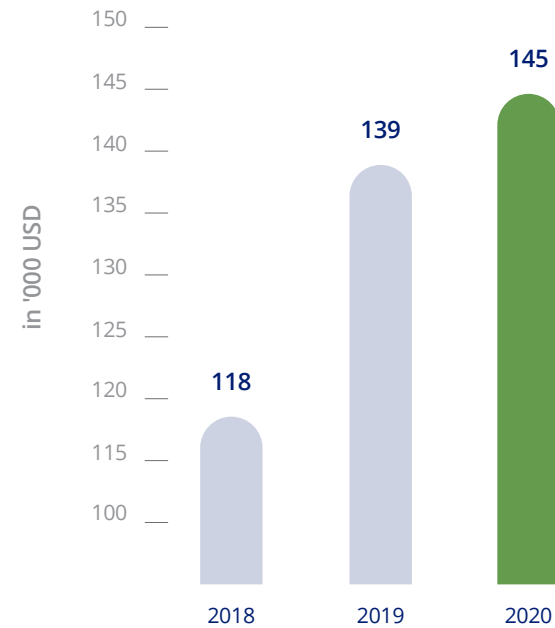


ATI has declared a dividend of USD9.9m in 2020, representing an annual growth rate of 139% from 2019.

## Dividends



## Adjusted Net Asset Value



\* Audited 2020 figures



# Risk Portfolio: Exposures



## ► Commitment to developing Africa.

(in thousands of USD)	31.12.2020		31.12.2019	
	Gross Exposure	Net Exposure	Gross Exposure	Net Exposure
Benin	1,018,780	67,698	1,055,544	71,293
Côte d'Ivoire	1,002,154	79,391	1,084,912	99,545
DR Congo	159,097	30,837	230,045	46,881
Ethiopia	271,125	25,550	346,125	25,550
Ghana	136,850	35,761	170,500	44,473
Kenya	704,356	139,113	724,771	165,993
Madagascar	33,917	10,946	4,649	2,801
Malawi	279,800	38,542	200,000	25,417
Niger	219,216	24,687	-	-
Nigeria	273,497	63,595	293,970	64,664
Rwanda	157,947	54,445	173,122	60,323
South Sudan	102,000	25,500	125,696	33,943
Tanzania	419,814	82,067	447,041	99,727
Togo	304,490	31,266	-	-
Uganda	220,324	61,400	251,360	84,029
Zambia	400,446	29,627	522,628	56,820
Zimbabwe	107,932	27,921	152,149	40,811
<b>Total exposure</b>	<b>5,811,745</b>	<b>828,346</b>	<b>5,782,512</b>	<b>922,270</b>

\* Audited 2020 figures





# Risk Portfolio: Exposures (Continued)



(in '000 USD) Country Risk Exposure	31.12.2020		31.12.2019	
	Gross Exposure	Net Exposure	Gross Exposure	Net Exposure
<b>Multilaterals</b>				
Multilaterals	<b>85,076</b>	<b>13,260</b>	<b>156,822</b>	<b>20,585</b>
<b>Non-Member Countries**</b>				
Angola	34,099	2,875	44,099	6,208
Burkina Faso	22,729	5,695	10,353	2,602
Cameroon	14,168	4,306	19,168	5,556
Central African Republic	2,125	531	-	-
China	26,915	9,325	10,803	5,000
Egypt	50,555	9,042	66,498	8,000
Eritrea	25,000	5,000	-	-
Gabon	29,250	7,313	29,250	7,313
Guinea	-	-	9,000	3,000
Japan	7,763	7,677	8,457	8,457
Luxembourg	2,925	1,755	2,760	1,656
Mali	1,948	487	-	-
Mauritania	7,875	2,188	9,968	3,234
Mauritius	5,537	2,768	18,402	6,283
Mozambique	27,084	13,542	26,648	6,662
South Africa	13,830	5,381	32,113	8,284
Korea	9,915	4,713	10,803	5,000
Senegal	21,860	5,465	-	-
Tunisia	10,945	2,667	30,391	7,468
Togo	-	-	125,790	7,748
United Kingdom	17,637	16,812	19,035	18,135
United States of America	33,429	19,239	36,402	20,180
<b>Sub-Total Non-Members</b>	<b>365,586</b>	<b>126,780</b>	<b>509,939</b>	<b>130,785</b>
<b>Grand Total</b>	<b>6,262,406</b>	<b>968,386</b>	<b>6,449,273</b>	<b>1,073,640</b>

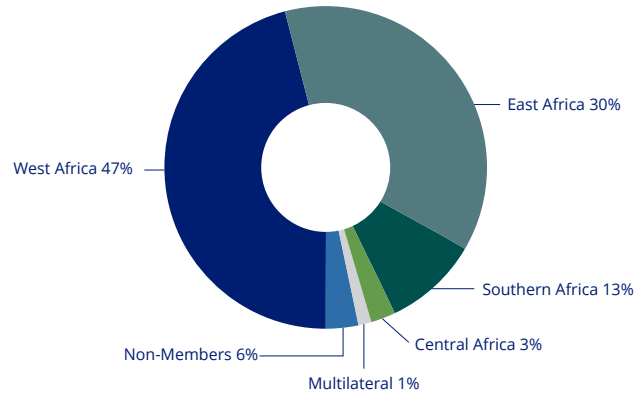
\*\*ATI supports investments & trade, including exports, explaining the exposures in non-African countries



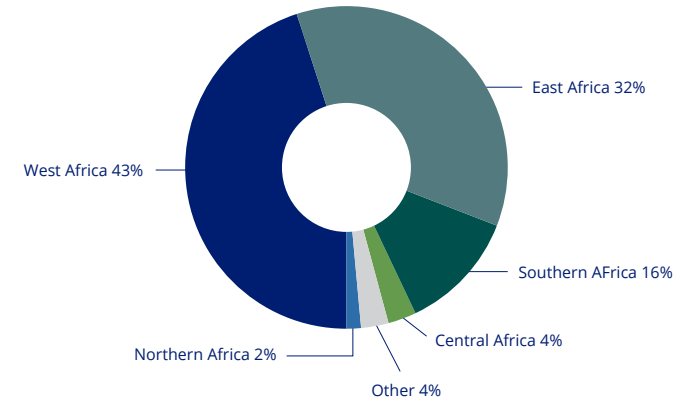
# Risk Portfolio: Regional



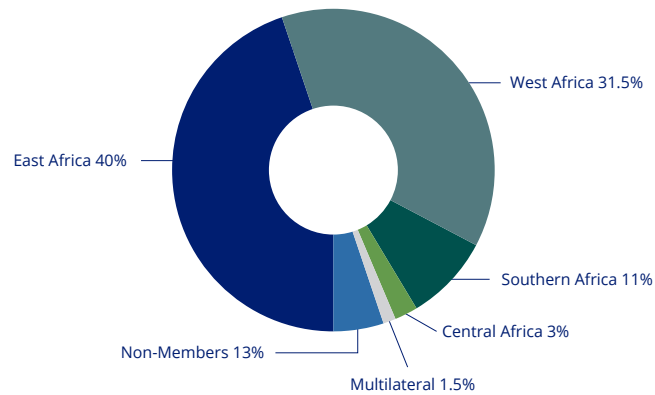
31.12.2020: Gross Exposures



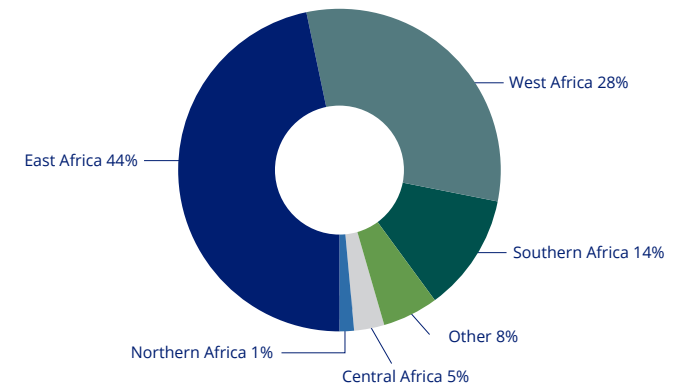
31.12.2019: Gross Exposures



31.12.2020: Net Exposures



31.12.2019: Net Exposures



# Risk Portfolio: Reinsurance - Ceded Risk Distribution\*



▶ *ATI has strong reinsurance partners with a minimum 'A' credit rating from internationally recognised credit rating agencies.*

## Reinsurance as per S&P Rating of Reinsurers as at 31.12.20

S&P Rating	Weight in % of Ceded Exposures	
	31-Dec-2020	31-Dec-2019
AA	0.8%	0.8%
AA-	36.3%	36.0%
A+	55.0%	55.7%
A	2.9%	0.9%
A-	3.7%	3.2%
Not Rated (**)	1.3%	3.4%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

\* Audited 2020 figures

\*\* '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.

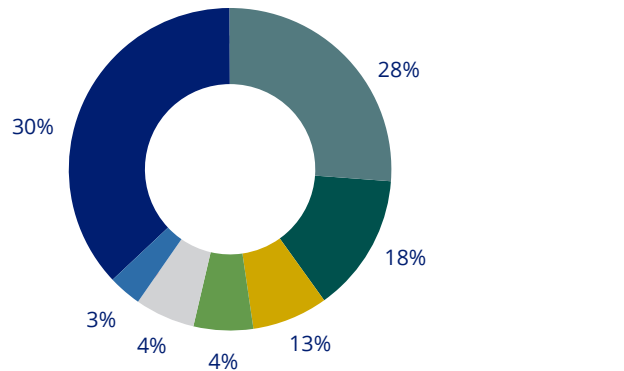
# Investment Portfolio: Type of Investments



## ► *High liquidity ensures our continued flexibility.*

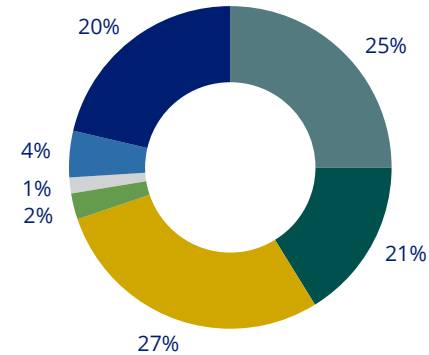
ATI's investment portfolio increased by 19% due to increase in proceeds from capital contributions and reinvested income. Net investment income dropped by 3% despite the increase in the investment portfolio size as a result of monetary policies implemented by major central banks across the world of reducing interest rates.

2020



- Supranational/Sovereign/ Municipal/Sovereign Agency
- FRNs
- CDs/CPs
- Money Market Funds
- Uninvested Funds
- Deposits
- Corporate Bonds

2019



- Supranational/Sovereign/ Municipal/Sovereign Agency
- FRNs
- CDs/CPs
- Money Market Funds
- Uninvested Funds
- Deposits
- Corporate Bonds

\* Audited 2020 figures





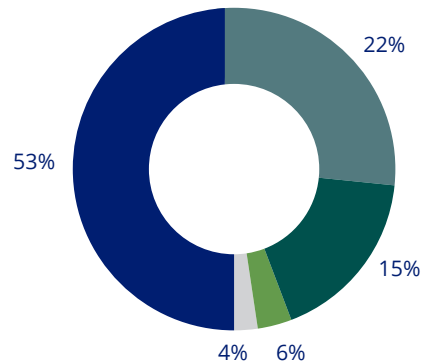
# Investment Portfolio: By Rating



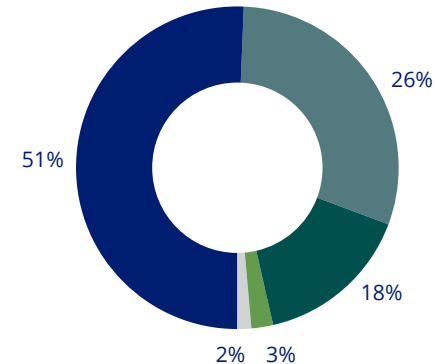
## ► Credit Quality of the Investment Portfolio.

In addition to investment portfolio diversification, ATI permanently seeks to maintain the credit quality of its assets. To date, 96% of ATI's investment portfolio continues to be comprised of investment grade instruments.

2020



2019



\* Audited 2020 figures



# H1-2021 Highlights



- **Claim** - A \$10.1m sovereign claim that ATI had paid in 2020 was fully reimbursed in Q1 2021, owing to ATI's preferred credit status, proactive management and monitoring of the portfolio. As a result of this, S&P removed a 'negative outlook' that they had placed on ATI.
- **Rebranding** - Our new brand will support our refocused business strategy to grow the business through organic growth and innovation. We expect to launch the new brand later this year.
- **20th Anniversary** - This is an exciting year as we mark 20 years of supporting trade and investments in Africa. Given the importance of Uganda as a founding member and the fact that we were launched in Uganda in 2001, we hope to host a physical event in Uganda, later this year.



*2020 Financial Brief*

\* Audited 2020 figures





- **CSR** - The Board of Directors recently approved the CSR Strategy. ATI will provide financial support as part of our social investment in Africa as follows:
  1. A donation to the Commonwealth Education Trust of USD 50,000 to support the initiatives of the Trust to build the capacity of teachers to be more effective in light of the COVID-19 restrictions on movement and social gatherings.
  2. A donation to the African Union Center for Disease Control (AU CDC) of USD 250,000 to support its efforts to bridge the gap in vaccination against COVID-19 across Africa.
- **Organization Structure** - Recently approved organisation structure defines the overarching future operating model and top level organisation structure of ATI. This will be implemented in the near future.



Our organisation structure defines the overarching future operating model

2020 Financial Brief

\* Audited 2020 figures





#### **ATI Headquarters**

5th Floor, Kenya-Re Towers  
Upperhill, Nairobi  
[underwriting@ati-acca.org](mailto:underwriting@ati-acca.org)

#### **ATI West African Regional Headquarters**

28 Piste Amalco, Lot 1151 | Quartier Cadjehoun  
12ème Arrondissement, Cotonou [benin@ati-acca.org](mailto:benin@ati-acca.org)

#### **ATI Côte d'Ivoire Office**

Immeuble la maison de l'Entreprise, 1er étage  
Plateau Avenue Lamblin, Abidjan  
[cotedivoire@ati-acca.org](mailto:cotedivoire@ati-acca.org)

#### **ATI Tanzania Office**

1st Floor, Private Sector Hs., Mwaya Rd.  
Dar es Salaam  
[tanzania@ati-acca.org](mailto:tanzania@ati-acca.org)

#### **ATI Uganda Office**

Workers House, 9th Floor  
Southern Wing Plot 1 Pilkington Rd, Kampala  
[uganda@ati-acca.org](mailto:uganda@ati-acca.org)

#### **ATI Southern African Regional Headquarters**

Kwacha House Annex, Cairo Road, Lusaka  
[zambia@ati-acca.org](mailto:zambia@ati-acca.org)

