



# 2021 Half Year Report



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



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# Contents

Disclaimer	3
2021 Highlights	4
Updates on COVID-19	5
Development Impact	6
ATI's Global Footprint	8
Financials	9
Credit Rating	13
Risk Portfolio	16
Investment Portfolio	22





# Disclaimer

Management believes that these financial performance measures provide useful information regarding ATI's financial and operating performance even though the figures have not been externally audited or reviewed. Figures disclosed may be subject to amendments. ATI makes no representations or warranties about the accuracy, completeness or reliability of this information and specifically disclaims any responsibility for any liability, loss or risk that is incurred from the use or application of the information provided herein.

# Highlights for H1 2021

A claim of US\$10.1M for a deal in Zambia was fully paid in Q2, owing to ATI's preferred credit status, proactive management and monitoring of the portfolio.

Equity grew by 9% to US\$445.9M from December 2020 from reinvestment by shareholders, half year earnings and additional capital from Benin.

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 in the near future.

Gross Exposure stood at US\$6.5B - a 3% increase from December 2020.

Significant improvements have been registered in product performance, with most lines of business experiencing strong growth – an overall 10% increase in GWP in comparison to June 2020.



Over the two decades, ATI has grown into a market leader for risk mitigation in Africa. As ATI enters its third decade of operations, we continue to be the catalyst in trade and investments and the de facto business risk mitigation tool for Africa.

The Board of Directors recently approved the CSR Strategy. ATI will provide financial support of US\$300,000 as part of our social investment in Africa.



# Updates on COVID-19

- The first half of 2021 has demonstrated the strength of our business model as we see our underwriting actions deliver results. While ATI remains in an uncertain pandemic situation, we are confident that all our business is well positioned to continue to perform strongly.
- Whilst Africa continues to experience the time lag effects of the COVID-19 pandemic, the GWP has increased by 10% and there is a strong pipeline of deals that should help keep a steady growth in premiums over the next two quarters of the year.
- ATI remains prudent and continues to proactively monitor its portfolio in order to early identify any potential distressed transactions and try to mitigate them in timely manner.
- Staff continue to work from home with limited travel as the continent continues to roll out the vaccination program.



A large construction crane is silhouetted against a vibrant sunset sky. The crane's long jib extends across the frame, with a load suspended from its end. The background shows a cityscape with lights and distant mountains under a cloudy sky.

# Development Impact

ATI is actively working on ways to optimize ESG impacts to more effectively support African member countries.

We have a portfolio of projects near US\$282M on renewable energy projects.

# Development Impact



## Environment

- Climate Change
- Natural conditions
- Water & Energy Efficiency
- Environmental Management

## ATI's Response:

- Increased focus on Renewable Energy projects
- Regional Liquidity Support Facility (RLSF) in partnership with KfW
- The Africa Energy Guarantee Platform (AEGF) in partnership with EIB, KfW & Munich Re
- Projects supported are in line with IFC and EU standards



## Social

- Human capital management
- Social benefits
- Impartiality towards stakeholders

## ATI's Response:

- Revised processes to improve the monitoring of job creation and other social impacts in supported projects
- Consensual social contract between staff & stakeholders
- Introduction of CSR policy as part of our social investment in Africa



## Governance

- Business Ethics
- Strategy execution & monitoring
- Risk management & internal controls Transparency
- Shareholder Democracy

## ATI's Response:

- Treaty review to align with current and future market practices
- Confidentiality, transparency and completeness of information
- Transparency Tool – created in partnership with KfW
- Prioritize and allocate resources on risks that underpin the sustainability of ATI







# Financials

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

# Capital\* (As at 30.06.21)

Central Africa		Southern Africa		Non-African Member Countries	
DR Congo	20.0	Malawi	18.0	India (ECGC)	11.9
		Madagascar	7.3		
		Zambia	17.4		
		Zimbabwe	13.4		

East Africa		West Africa		Institutional Members	
Burundi	15.4	Benin	32.3	African Development Bank	15.0
Ethiopia	7.2	Côte d'Ivoire	20.5	Chubb	10.0
Kenya	28.7	Ghana	17.6	Sace SpA	10.0
Rwanda	8.8	Nigeria	14.1	CESCE	1.4
S. Sudan	9.1	Niger	12.5	African Reinsurance Corp.	1.0
Tanzania	17.0	Togo	12.3	Kenya Reinsurance Corp.	1.0
Uganda	23.0			Trade Development Bank	1.0
				ZEP-Re	0.5
				COMESA	0.1
				UK Export Finance	0.1
				Atradius	0.1

\* Unaudited H1 2021 figures

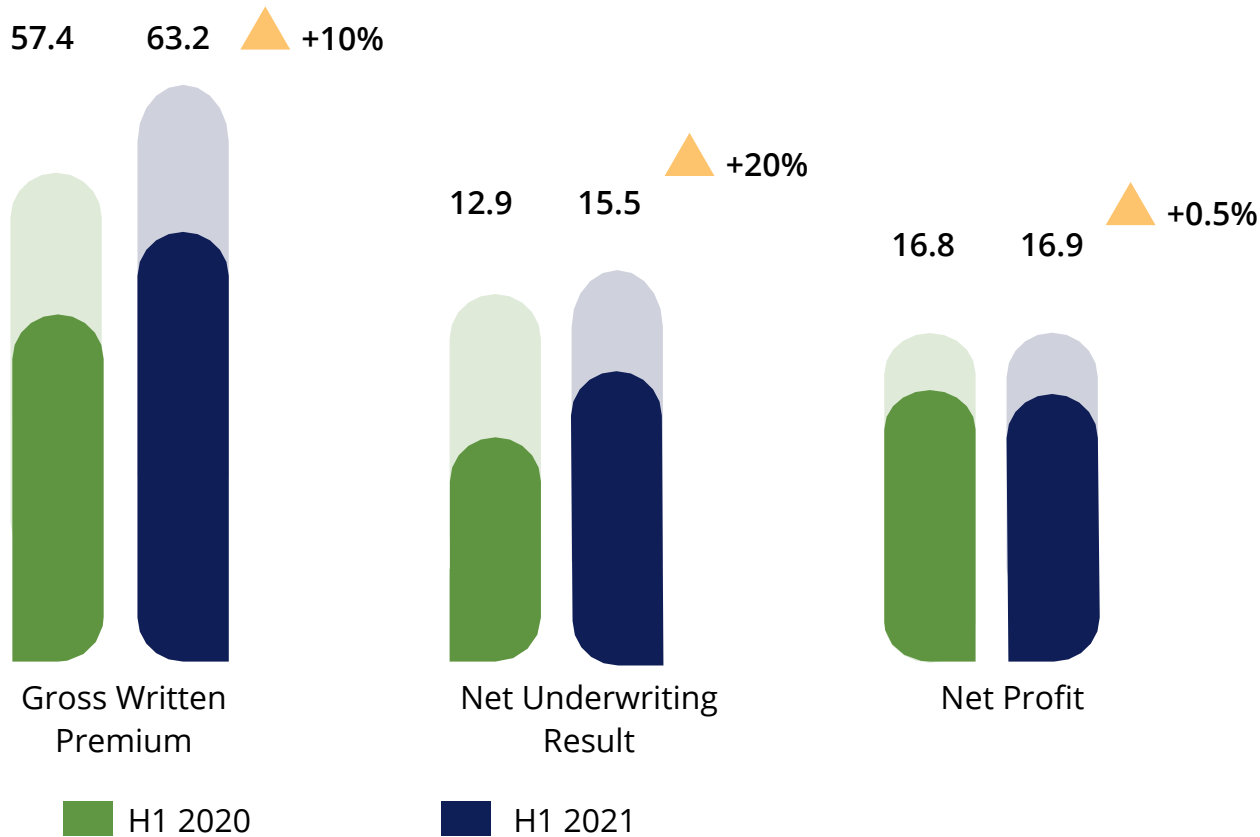
**Total Capital**  
US\$ 346.6m

**Total Equity**  
US\$ 445.9m

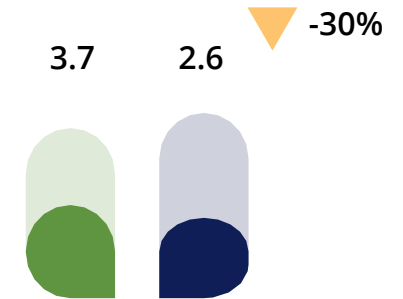
# Financial Performance Highlights\*

Growth remains strong reflecting demand.

Earnings (in M US\$)



Financial Income (in M US\$)

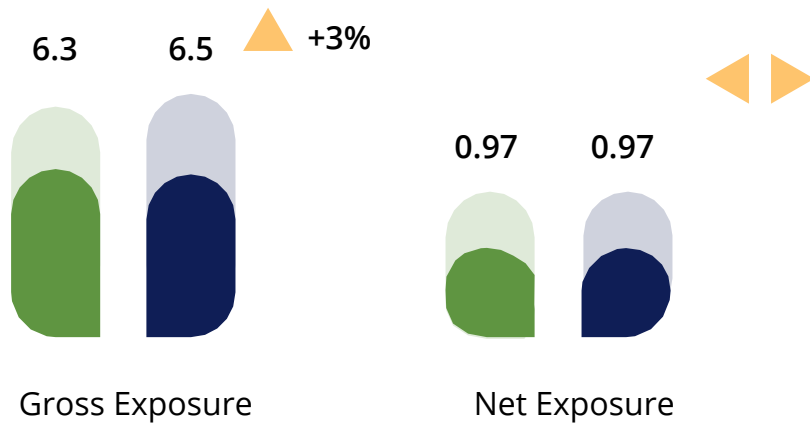


\* Unaudited H1 2021 figures

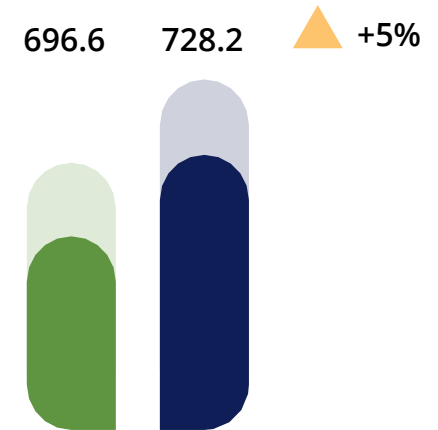


# Financial Position\*

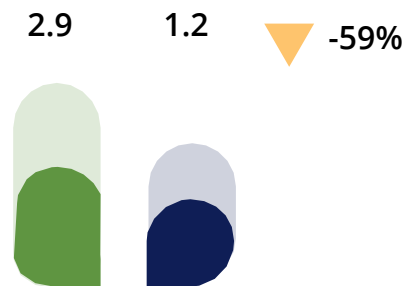
Total Exposure (in Bn US\$)



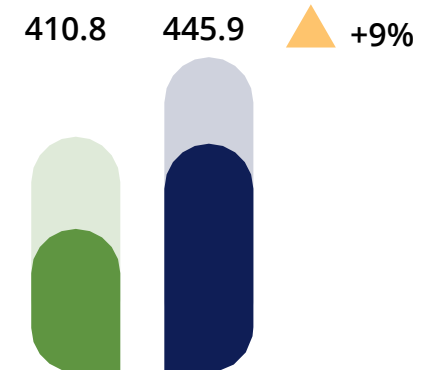
Total Assets (in M US\$)



Net Claims (in M US\$)



Total Equity (in M US\$)



\* Unaudited H1 2021 figures

31.12.20

30.06.21



# Credit Ratings

**S&P Global**  
Ratings

A/Stable

**MOODY'S**

A3/Stable

ATI's "A" Credit rating was maintained by both Moody's and S&P after full recovery of sovereign claims paid in 2020. The positive ratings are based on the commitment of ATI's shareholders to continue upholding the preferred creditor treatment.

# Summarized Income Statement

Financial performance

(in '000 US\$)	YTD June 2021*	YTD June 2020	Growth
Gross Written Premiums (GWP)	63,199	57,364	10%
Net Earned Premiums	9,430	9,639	-2%
Net Commissions	11,049	9,891	12%
Net Operating Expenses	(3,975)	(3,691)	-3%
<b>Net Underwriting Profit After Claims</b>	<b>16,504</b>	<b>12,920</b>	<b>20%</b>
Net Claims	(1,170)	(2,919)	60%
<b>Net Underwriting Profit After Claims</b>	<b>15,334</b>	<b>12,798</b>	<b>20%</b>
Net Financial Income	2,618	3,705	-29%
Other Gains/Losses	(1,086)	345	-415%
<b>Net Profit</b>	<b>16,866</b>	<b>16,848</b>	<b>0%</b>
<b>Cost Ratio on Net Earned Premiums</b>	<b>-75%</b>	<b>-63%</b>	
<b>Loss Ratio on Net Earned Premiums</b>	<b>12%</b>	<b>30%</b>	
<b>Combined Ratio on Net Earned Premiums</b>	<b>-63%</b>	<b>-33%</b>	

\* Unaudited H1 2021 figures



# Financial Position

(in '000 US\$)	30.06.2021*	31.12.2020
<b>ASSETS</b>		
Cash and Cash Equivalents	133,369	112,016
Insurance and Reinsurance Receivables	13,310	18,269
Other Assets	2,972	2,997
Recoveries & Reinsurers' Share of the Claims Reserves	131,537	119,339
Claim Recoveries	16,201	30,996
Reinsurers' Share of Unearned Premiums	44,716	46,114
Deferred Brokerage Commissions	1,294	1,524
Vehicles and Equipment	315	330
Intangible Assets	272	282
Other financial assets	22,274	6,765
Investments in Money Market funds	4,118	16,436
Investments in Floating Rate Notes	83,530	78,815
Investments in Bonds	274,333	262,726
<b>Total Assets</b>	<b>728,241</b>	<b>696,609</b>
<b>LIABILITIES</b>		
Insurance and Reinsurance Payables	32,508	27,686
Other Liabilities	3,501	5,785
Claims Reserves	147,107	140,166
Reinsurer's Share of Recoveries	16,606	26,768
Unearned Premiums	52,349	54,421
Unearned Ceding Commissions	10,216	10,151
Unearned Grant Income	11,923	12,331
Defined Benefit Post-Employment Plan	-	134
IDA Loan	8,173	8,382
<b>Total Liabilities</b>	<b>282,383</b>	<b>285,824</b>
<b>EQUITY</b>		
Share Capital	322,500	309,900
Share Premium Account	22,985	17,339
Unallocated Share Capital	1,119	1,158
Retained Earnings	99,254	82,388
<b>Total Equity</b>	<b>445,858</b>	<b>410,785</b>
<b>Total Equity &amp; Liabilities</b>	<b>728,241</b>	<b>696,609</b>

\* Unaudited H1 2021 figures

# Risk Portfolio: Exposures

Country Risk Exposure (in '000 US\$)	H1 2021*		31.12.2020	
	Gross Exposure	Net Exposure	Gross Exposure	Net Exposure
Benin	954,823	64,022	1,018,780	67,698
Burundi	998	50	-	-
Côte d'Ivoire	1,038,056	90,723	1,002,154	79,391
DR Congo	145,163	25,601	159,097	30,837
Ethiopia	307,518	34,026	271,125	25,550
Ghana	380,289	59,072	136,850	35,761
Kenya	805,262	147,508	704,356	139,113
Madagascar	33,917	10,946	33,917	10,946
Malawi	300,200	39,412	279,800	38,542
Niger	217,873	24,677	219,216	24,687
Nigeria	271,088	64,346	273,497	63,595
Rwanda	140,850	47,698	157,947	54,445
South Sudan	96,800	24,200	102,000	25,500
Tanzania	334,673	66,611	419,814	82,067
Togo	313,395	33,569	304,490	31,266
Uganda	212,182	57,525	220,324	61,400
Zambia	393,706	26,214	400,446	29,627
Zimbabwe	99,227	27,020	107,932	27,921
<b>Sub-Total Member Countries</b>	<b>6,046,018</b>	<b>843,218</b>	<b>5,811,745</b>	<b>828,346</b>
<b>Sub-Total Non-Members &amp; Multilaterals</b>	<b>421,826</b>	<b>127,696</b>	<b>450,661</b>	<b>140,040</b>
<b>Grand Total</b>	<b>6,467,844</b>	<b>970,914</b>	<b>6,262,406</b>	<b>968,386</b>

# Risk Portfolio: Exposures (continued)

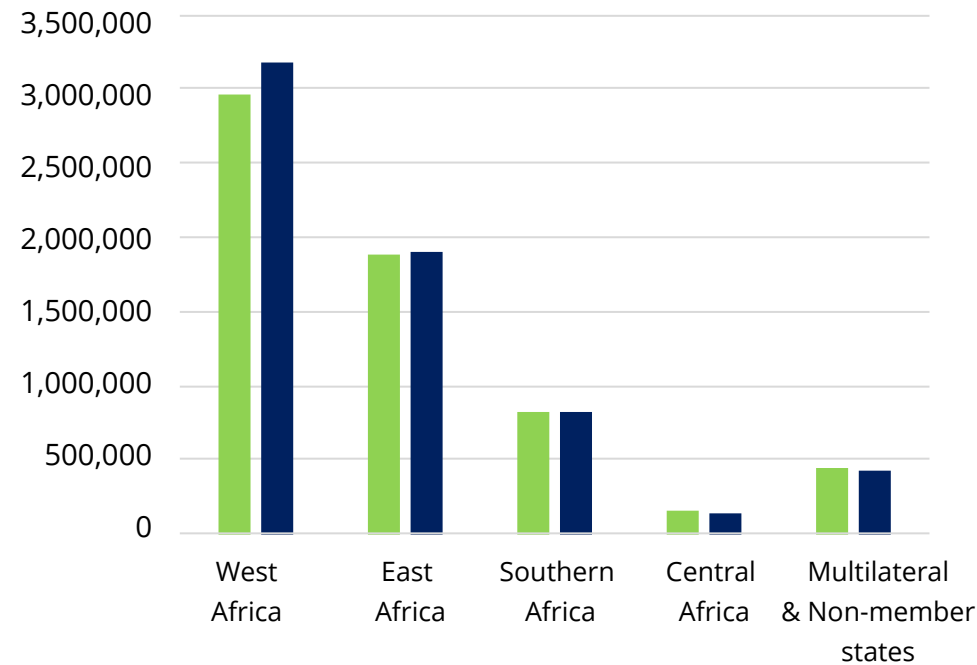
Country Risk Exposure (in '000 US\$)	H1 2021*		31.12.2020	
	Gross Exposure	Net Exposure	Gross Exposure	Net Exposure
Sub-Total Member Countries	6,046,018	843,218	5,811,745	828,346
<b>Multilaterals</b>				
Multilaterals	75,890	11,939	85,076	13,260
<b>Non-Member Countries**</b>				
Angola	34,099	2,875	34,099	2,875
Burkina Faso	13,152	3,299	22,729	5,695
Cameroon	14,168	4,306	14,168	4,306
Central Africa Republic	-	-	2,125	531
China	26,915	9,325	26,915	9,325
Egypt	40,769	4,952	50,555	9,042
Eritrea	10,764	2,153	25,000	5,000
Gabon	29,323	7,331	29,250	7,313
Japan	7,763	7,677	7,763	7,677
Luxembourg	2,925	1,755	2,925	1,755
Mali	4,272	1,068	1,948	487
Mauritania	438	219	7,875	2,188
Mauritius	4,983	2,491	5,537	2,768
Mozambique	83,051	22,908	27,084	13,542
South Africa	12,333	4,633	13,830	5,381
South Korea	9,915	4,713	9,915	4,713
Senegal	-	-	21,860	5,465
Tunisia	-	-	10,945	2,667
United Kingdom	17,637	16,812	17,637	16,812
United States of America	33,429	19,239	33,429	19,239
<b>Sub-Total Non-Members</b>	<b>345,936</b>	<b>115,757</b>	<b>365,586</b>	<b>126,780</b>
<b>Grand Total</b>	<b>6,467,844</b>	<b>970,914</b>	<b>6,262,406</b>	<b>968,386</b>

\* Unaudited H1 2021 figures \*\*ATI supports investments & trade, including exports, explaining the exposures in non-African countries

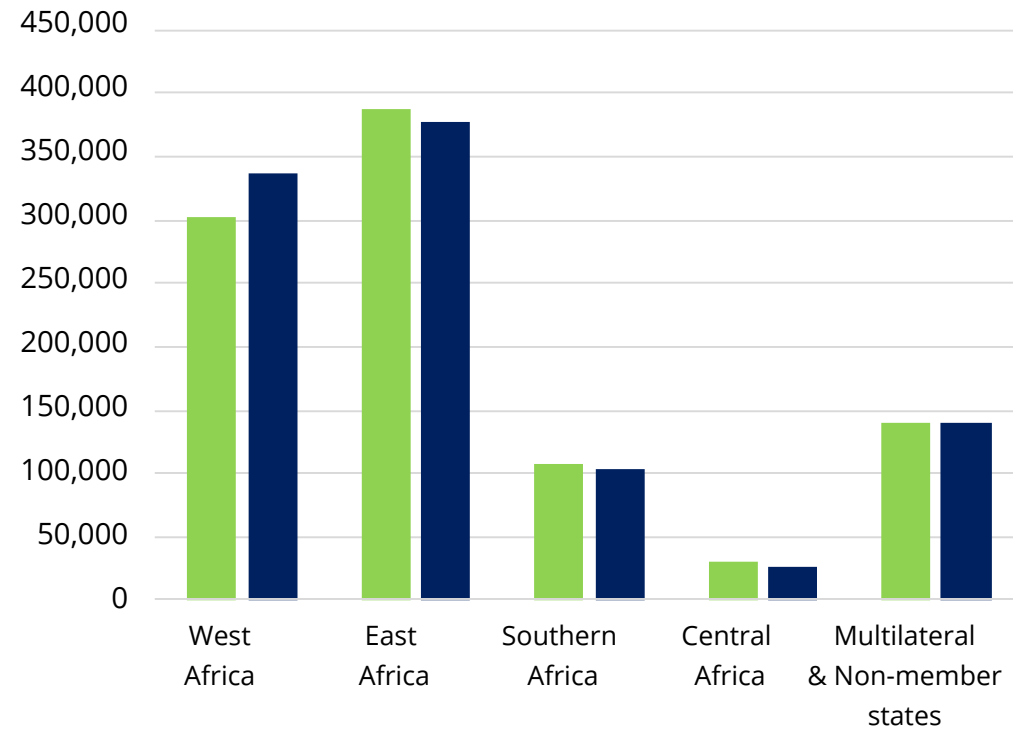


# Risk Portfolio: Regional Exposures\*

Gross Exposures (in 000 US\$)



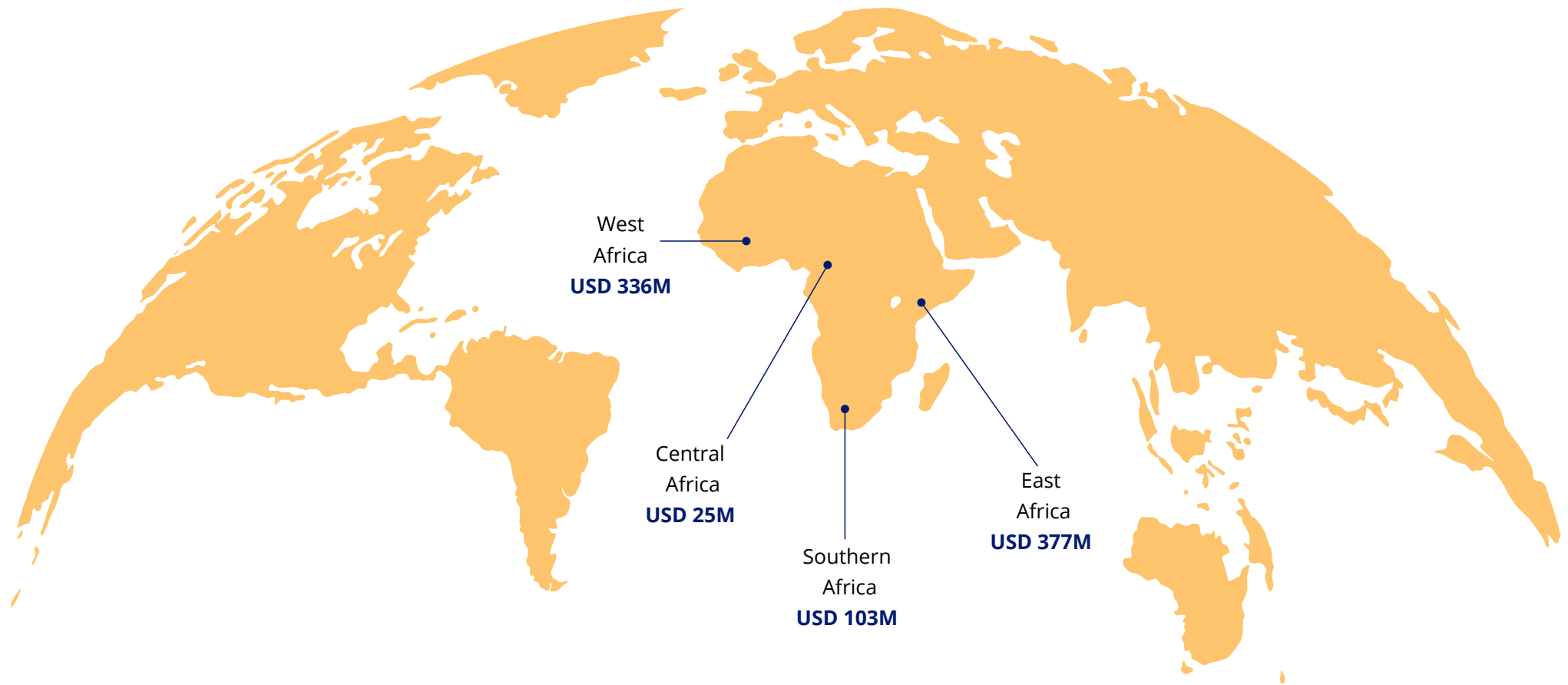
Net Exposures (in 000 US\$)



2020 H1 2021

\* Unaudited H1 2021 figures

# Risk Portfolio: Regional Exposures (Net)\*



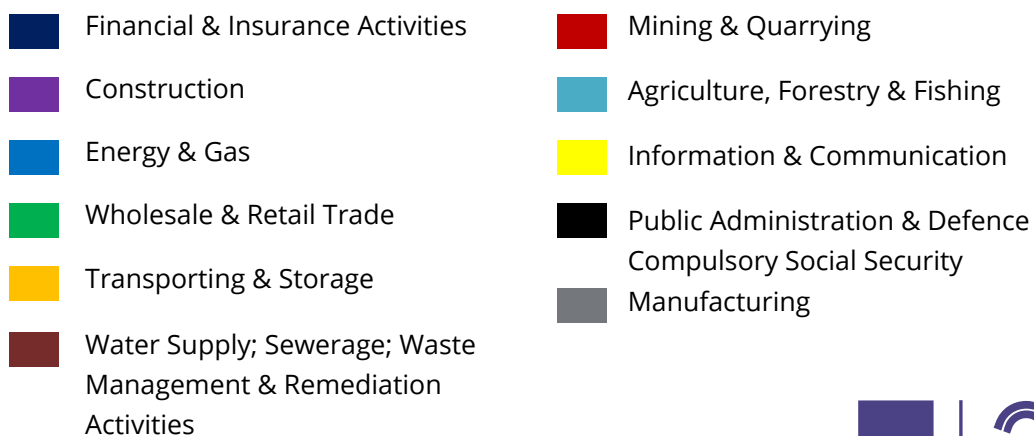
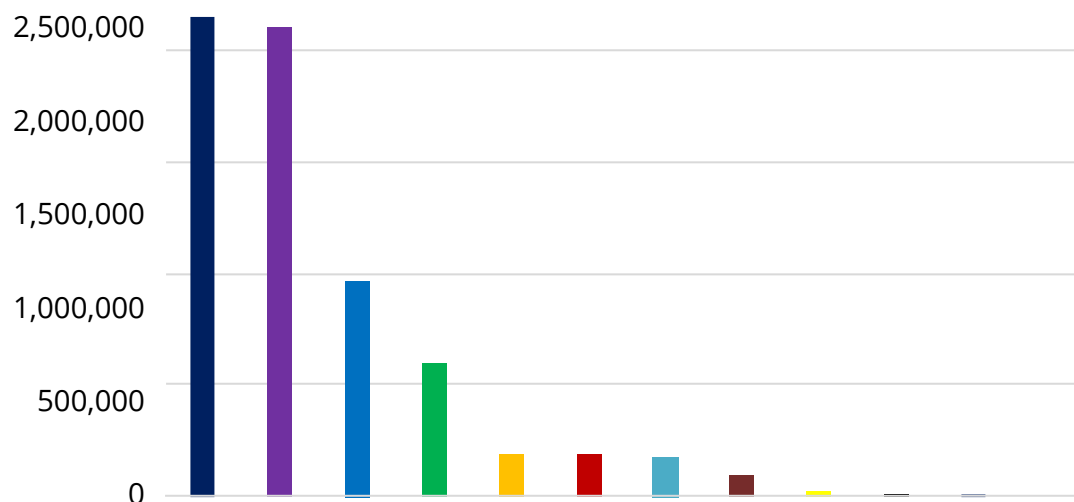
\* Unaudited H1 2021 figures

# Risk Portfolio: Product & Sector Exposures

Gross Exposures per Product (in 000 US\$)

	H1 2021*	31.12.2020
Bond	58,575	65,725
CRI - SO	1,461,773	1,200,927
CRI - WTO	6,377	6,377
PRI	4,941,120	4,762,801
<b>Total</b>	<b>6,467,844</b>	<b>6,262,406</b>

Gross Exposure Per Sector

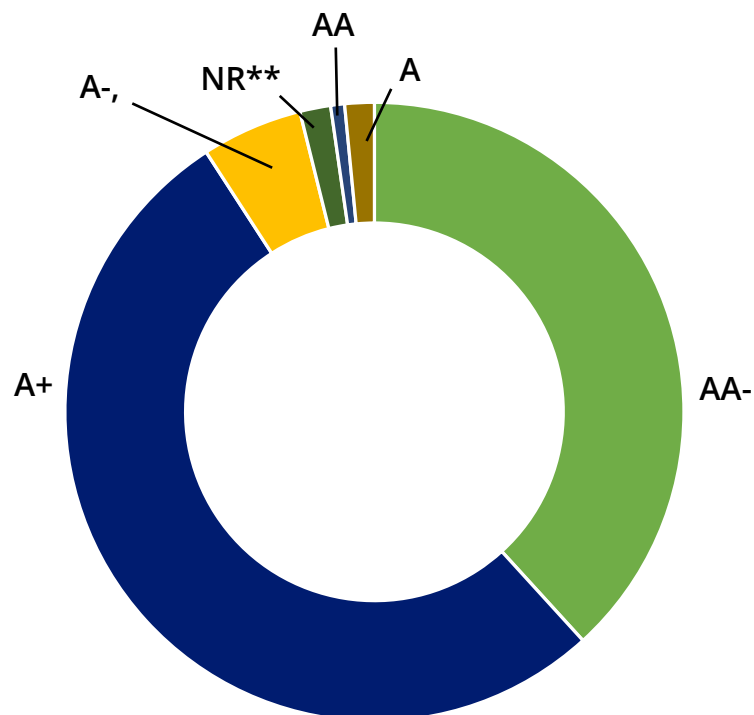


\* Unaudited H1 2021 figures

# 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 30.06.2021



S&P	Sum of Ceded amount (in M US\$)
AA-	2,101.61
A+	2,892.42
A-	289.92
NR	88.45
AA	39.84
A	84.69
<b>Grand Total</b>	<b>5,496.93</b>

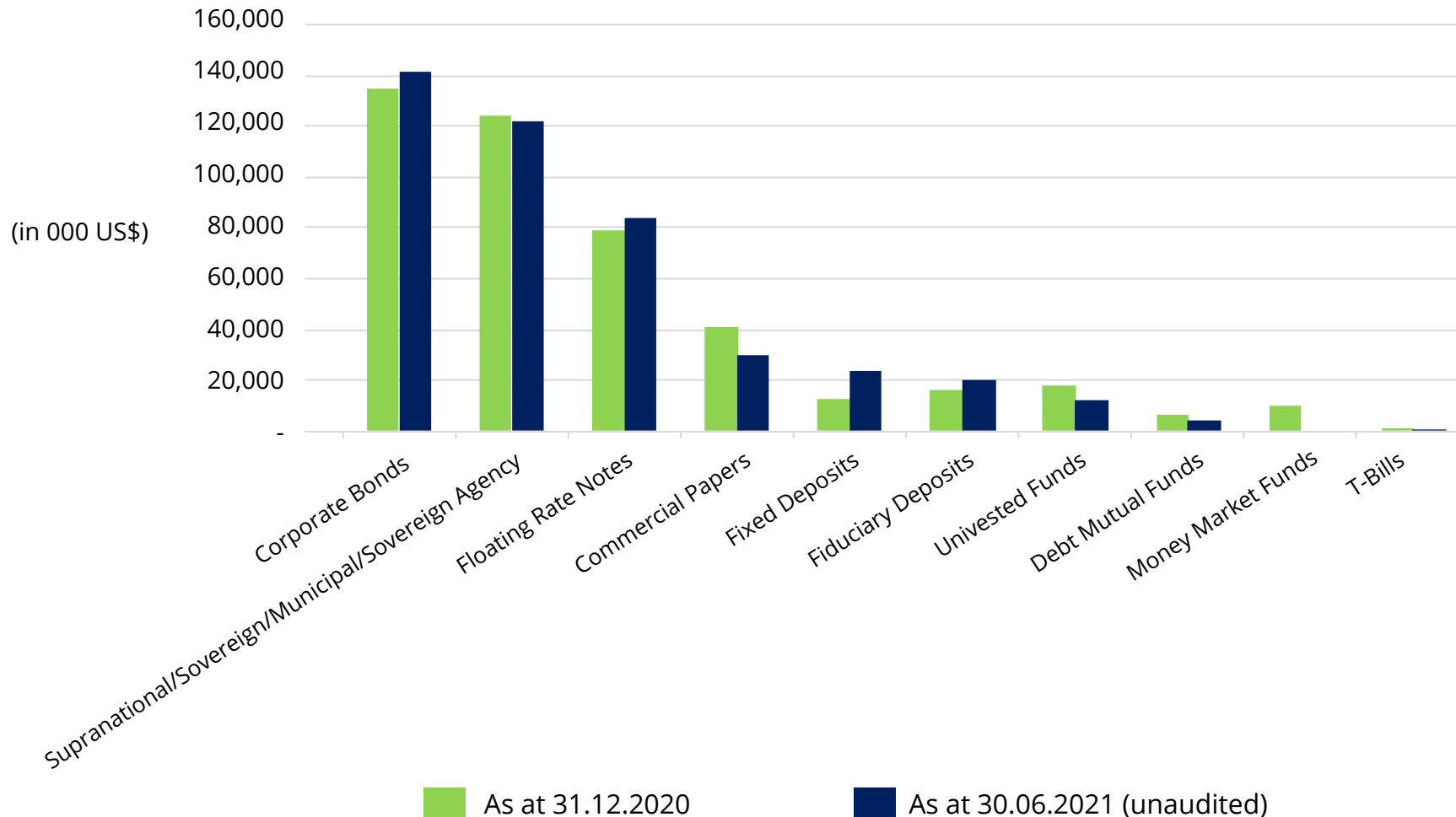
\* Unaudited H1 2021 figures

\*\* 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.



# Investment Portfolio: By Asset Class

High liquidity ensures our continued flexibility.

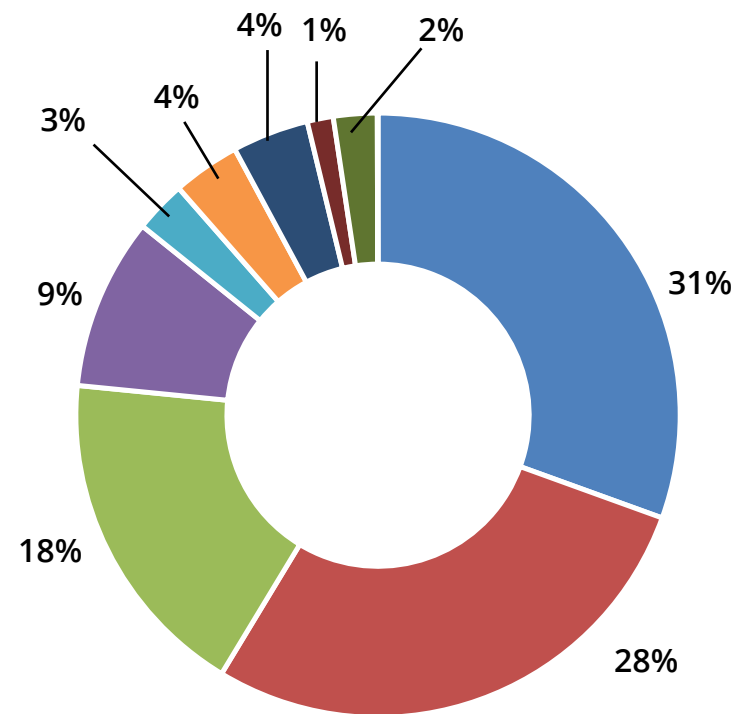
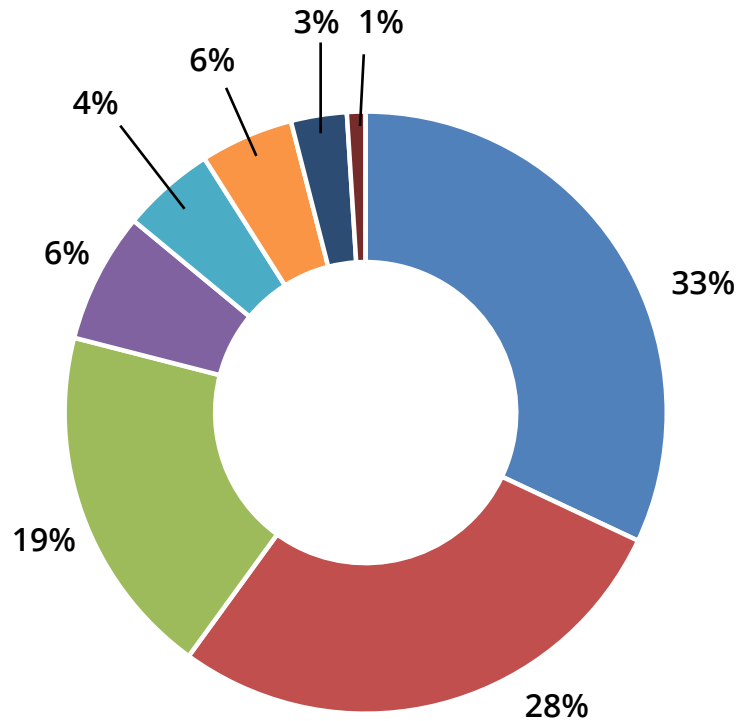


# Investment Portfolio: By Asset Class

High credit quality.

30.06.2021\*

31.12.2020



- Corporate Bonds
- Supranational/Sovereign/Municipal/Sovereign Agency
- Floating Rate Notes
- Commercial Papers

- Fixed Deposits
- Fiduciary Deposits
- Uninvested Funds
- Debt Mutual Funds

- Money Market Funds
- \* Unaudited H1 2021 figures



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