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Ratings

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Research Update:

# African Trade Insurance Agency 'A' Rating Affirmed; Outlook Stable

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## Overview

- The government of Zambia's delay in fully reimbursing the African Trade Insurance Agency, commercially known as African Trade & Investment Development Insurance (ATIDI), for a noncommercial claim payout within our 180-day recovery window constitutes an arrears event under our criteria.
- Despite this event, we think that ATIDI is unlikely to experience meaningful volatility in its capital or earnings relative to private credit insurers, supported by a robust capital buffer at the 99.99% confidence level, strong reinsurance coverage, and the statutory ability to subrogate noncommercial claims to member states.
- Consequently, we have reassessed ATIDI's enterprise risk profile to adequate, from strong, and its financial risk profile to very strong, from strong, under our criteria for multilateral lending institutions.
- We affirmed our 'A' long-term issuer credit rating on the African Trade Insurance Agency. The outlook is stable.

## Rating Action

On July 21, 2026, S&P Global Ratings affirmed its 'A' long-term issuer credit rating on the African Trade Insurance Agency, commercially known as African Trade & Investment Development Insurance (ATIDI). The outlook remains stable.

We also affirmed our financial strength and enhancement ratings at 'A'.

## Outlook

The stable outlook reflects our view that ATIDI will continue to consolidate its role and relevance on the continent through steady progress expanding its shareholder base and through underwriting activities while strengthening key managerial and risk functions supporting its growth. Additionally, we think that ATIDI will manage sovereign claims within the 180-day recovery period, despite increased stress in the region.

### Downside scenario

We could lower the ratings if we were to see evidence of fading shareholder support, such as a further weakening of preferred creditor treatment (PCT) indicated by an additional increase in arrears or protracted failure to pay from sovereigns currently in arrears, or if ATIDI's immunity and privileges as a multilateral insurance entity are not upheld by member states. Furthermore, if ATIDI relaxes its risk constraints, or there is a lag between the revamping of its enterprise risk management framework and its growing underwriting business, we could also lower the rating.

### Upside scenario

We could raise the ratings if a significant expansion of the shareholder base drives regional market penetration, alongside strengthening shareholder support evidenced by improved PCT through timely payments from sovereigns currently in arrears.

## Rationale

**On Jan. 30, 2026, ATIDI processed an insurance claim payout related to a noncommercial exposure in Zambia.** We understand the government of Zambia has not reimbursed ATIDI for these claims within our 180-day reimbursement window (which expired on June 30, 2026) due to complexities associated with Zambia's debt restructuring process under the G20 Common Framework. Discussions remain ongoing to establish a repayment plan.

**As the Zambia claim was not reimbursed within the 180-day recovery period, it is classified as an arrears event under our criteria.** Consequently, ATIDI's calculated PCT arrears ratio increased to 11.6%, from 8.5%, which is commensurate with a moderate assessment. Because our PCT assessment is based on a 10-year period, the ratio also includes current arrears from Ghana and Niger, as well as past delayed payments from Malawi and Tanzania.

**ATIDI has generally successfully recovered claims from its member states, notwithstanding occasional delays in settlement.** To reinforce its PCT, ATIDI has, in recent years, introduced mandatory notifications and no objection requests for political risk insurance (PRI) transactions and a sanctions regime involving interest charges on payment delays of more than 180-days. Notwithstanding these measures, ATIDI is negotiating with the governments of Niger and Ghana to secure full recoveries on claims paid out in 2023 and 2024, respectively.

**Despite challenging macroeconomic dynamics, ATIDI continues to expand its market presence and membership base.** The agency increased equity by 12% to $883 million as of Dec. 31, 2025, and is on track to achieve its $1 billion equity goal by 2027. In 2026, KfW joined ATIDI as its 13th institutional shareholder, bringing a capital contribution of $32 million, while the African Development Bank (AfDB) increased its shareholding by a further $125 million, representing a fivefold increase in its investment. The entity also continues to demonstrate resilient performance, recording insurance revenue of about $164 million as of Dec. 31, 2025, underpinned by notable expansion in Benin, Burkina Faso, Burundi, Rwanda, and Uganda.

**We positively reassessed ATIDI's financial risk profile to very strong, from strong, under our criteria for rating multilateral lending institutions.** Despite reimbursement delays, ATIDI's financial risk profile benefits from its statutory right to seek reimbursement for noncommercial claim payments from member states (about 80% of ATIDI's gross exposure is noncommercial, which includes sovereign nonpayment risk, PRI, and subsovereign underwriting). This recovery mechanism materially reduces net losses and provides an important source of capital preservation, distinguishing ATIDI's risk profile from that of conventional insurers. In our view, the reimbursement framework supports access to reinsurance capacity and reduces earnings volatility. This strengthens the insurer's ability to maintain capital adequacy through periods of elevated claims activity.

**We expect ATIDI to maintain a balanced growth strategy characterized by prudent reinsurance usage and conservative underwriting standards.** While we believe noncommercial claims may increase as debt distress and macroeconomic challenges persist, ATIDI remains sufficiently capitalized to absorb this risk. Both commercial and noncommercial exposures are partially mitigated by appropriate treaty and facultative reinsurance, resulting in a reduced net exposure of $1.0 billion as of Dec. 31, 2025, compared to gross exposure of $9.2 billion.

**We view ATIDI's liquidity as robust.** In our view, liquid assets will remain well in excess of the likely and stressed claim outflow.

**Our ratings on the African Trade Insurance Agency reflect its adequate enterprise risk profile and very strong financial risk profile.** Combined, these factors result in a stand-alone credit profile (SACP) of 'a'. ATIDI does not benefit from any mechanism for extraordinary shareholder support; therefore, we equalize our ratings on the agency with its SACP.

# Related Criteria

- Criteria | Governments | General: Multilateral Lending Institutions And Other Supranational Institutions Ratings Methodology, Oct. 13, 2025
- Criteria | Insurance | General: Insurer Risk-Based Capital Adequacy--Methodology And Assumptions, Nov. 15, 2023
- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings, Oct. 10, 2021
- Criteria | Insurance | General: Insurers Rating Methodology, July 1, 2019
- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011

# Ratings List

| Ratings List | |
|---|---|
| **Ratings Affirmed** | |
| **African Trade Insurance Agency** | |
| Issuer Credit Rating | |
| Foreign Currency | A/Stable/-- |
| Financial Strength Rating | |
| Local Currency | A/Stable/-- |
| Financial Enhancement Rating | |
| Local Currency | A/--/-- |