African Risk Capacity

IMPACT INVESTMENT IN ADAPTATION TO CLIMATE RELATED DISASTERS

ASSESSING THE NEED FOR PARAMETRIC INSURANCE INSTRUMENTS IN AFRICA

The proliferation of early warning systems is African is indicative of a political will across the continent to better understand and manage climate change risk. The vast majority of Africa's least developed countries recognised investment in early warning systems as a key priority in their National Adaptation Programmes of Action (NAPAs) and the current development of their National Adaptation Plans (NAPs[1]). However, while these predictive weather models have been increasingly drawn on to inform food security governance across the continent, translating this into effective climate change adaptation services requires financing mechanisms that can be rapidly mobilised to respond to the early warning signals. Over the last ten years, African governments and development actors have demonstrated their commitment to the adoption of rapid response mechanism to address adaptation challenges on the continent.

This rapid response is crucial in an African context, where significantly limited insurance penetration and the lack of household-level safety nets such as personal savings or national relief funds increase vulnerability to climate change induced shocks. With over 95 percent of African food production reliant on rainfed agriculture, the introduction of financing mechanisms that can be rapidly deployed are essential to safeguarding food security on the continent. Agricultural households should be provided with adaptation strategies before negative coping mechanisms - such as selling of agricultural assets, skipping meals[2] , or withdrawing children from school[3] are deployed, thereby safeguarding. Development gains made in productive years.

[1] UNFCCC (n.d) National Adaptation Programmes of Action

[2] Tsegaye, A et al (2018). Reducing amount and frequency of meal as a major coping strategy for food insecurity

[3] UNICEF (2022) Regional Call to Action: Horn of Africa drought crisis: climate change is here now

WHAT MAKES US UNIQUE?

LARGEST AFRICAN PROVIDER OF INSURANCE AGAINST EXTREME WEATHER

We cover droughts, floods and tropical cyclones and are working to provide comprehensive multi-peril insurance that addresses the particular risk ecosystems and compounded risk in African countries. As the frequency and severity of these events increase, climate adaptation action needs to be taken at a national and sub-nation level and with state and non-state actors. The ARC is growing its portfolio to assist diverse actors to better manage and plan for climate change induced disasters.

AFRICAN LED AND AFRICAN OWNED

As the first sovereign disaster risk management instrument in Africa, ARC prides itself on the fact that our shareholders consist of African countries and development banks. We are organised under the auspices of the African Union and are therefore fully aligned with local as well as regional development priorities.

WE PAY CLAIMS

Since inception we have paid over US$125 million to African countries. Through a rigorous underwriting and monitoring and reporting framework, we ensure that pay-outs are effectively utilized to safeguard those most vulnerable to disaster events. We pay claims within 10 business days which gives governments immediate liquidity to launch relief efforts, thereby improving outcomes and preventing the erosion of development gains.

ABOUT ARC GROUP

The ARC Group was established in 2012 as a specialised agency of the African Union (AU) and the first treaty based sovereign disaster risk mechanism on the continent. With the aim of supporting African governments to strengthen their capacity in planning, preparing, and responding to increasingly frequent and severe climate change induced extreme weather events.

The ARC Group comprises two complementary institutions, ARC Agency and ARC Ltd.

ARC AGENCY ....

ARC Ltd is the financial affiliate of the African Risk Capacity Group (ARC). It is the first disaster insurance pool that aggregates risk by issuing insurance policies to participating member states and transferring risk to international markets. As a specialist insurance company, ARC Ltd provides parametric insurance cover to African governments (referred to as sovereign partners) and humanitarian actors (referred to as replica Partners) against extreme weather events and natural disasters.

OUR VISION

To be the development partner of choice, leading innovative disaster risk management solutions for climate resilience in Africa.

OUR MISSION

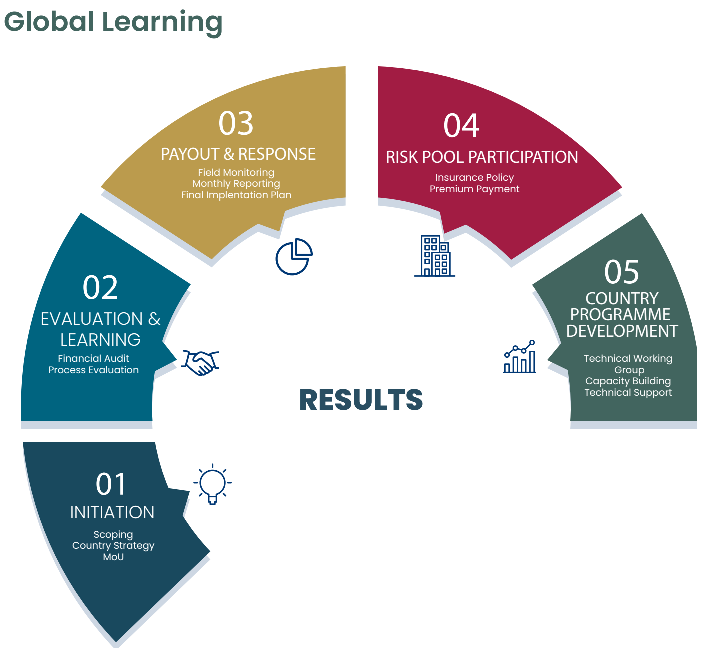
To promote harmonised resilience solutions for protecting African lives and livelihoods vulnerable to natural disasters caused by climate change

.and other perils of importance to the continent.

ARC aims at increasing the number of people protected by insurance from currently 30 million per year to the 700 million that need it. These are people whose economic activities can be severely disrupted by extreme weather.

Central to the ARC Ltd intervention logic is our developmental approach to risk pooling and insurance cover. Under this approach, we ensure that countries are fully capacitated to effectively participate in the risk pool through a rigorous country engagement process – leading to risk transfer, premium pay-out, and premium utilisation.

FIGURE 1: PHASES OF THE ARC COUNTRY ENGAGEMENT PROCESS



The ARC capacity development activities ensure that countries not only have the capital to respond to climate change risks, but also the adaptation planning and capacity (through the contingency planning process) to utilise funds in the most effective manner. Our aim is therefore to mainstream pro-active climate and disaster risk financing in Africa and ensure that all countries have a national strategy to finance and effectively respond to, the devastation caused by climate change.

TABLE 1: COUNTRY ENGAGEMENT

Country engagement phase	Activities
Initiation	Sign an MoU with the ARC group demonstrating their intention to participate in the risk pool.
Country Programme Development	The ARC Group work with in-country partners to establish a technical working group, undergo tailor-made capacity development activities, and strengthen policy and regulatory frameworks in support of ARC Ltd participation. This process also includes the development of contingency plans to ensure that ARC Ltd pay-outs are embedded in evidence-based climate change adaptation planning.
Risk pool participation	Insurance policies are issued based on a rigorous underwriting process that includes the in-country customization of African RiskView models (the ARC Group's risk modelling platform) to ensure that countries participate in the ARC risk pool based on their specific food security needs. Once country level risk models have been customized, a risk transfer workshop is held as well as targeted engagement with key stakeholders to ensure the premium finance can be mobilised to ensure the issuing of policies.
Pay-out and response	To ensure that pay-outs are utilized in accordance with contingency plans, technical experts conduct seasonal monitoring through the ARV software and issue end of season reports. They also conduct field monitoring and support partners to develop a final implementation plan based on the priorities identified during the contingency planning process.
Evaluation and Learning	Our technical experts also conduct financial audits and process evaluations after pay-outs are made and response activities are carried out. This ensures increased accountability and transparency of the process

Capacity-building programmes are a cornerstone of the ARC business model and set us apart from other parametric insurers. This model delivers critical support to member states, helping them to better plan for and manage climate-related risks, and in so doing transform their disaster risk management architecture from reactive to proactive.

MAJOR ACHIEVEMENTS

ARC Ltd has played an essential role in safeguarding lives and livelihoods on the continent. Through its risk insurance tools, it protects 18.1 million individuals against the negative effects of extreme weather events.

Since its inception in 2014, ARC Ltd has provided USD 124.3 million in pay-outs. We have expanded our product offering from drought risk insurance to include flood, tropical cyclone, and multi-peril insurance products.

2021 was a big year for ARC Ltd with the introduction of micro-insurance for smallholder farmers through international development organisations and sub-national governments. This successfully integrated our disaster risk management and financing tools at a micro, and meso level.

In 2021, we also became the first African company to join the UN-convened Net-Zero Asset Owner Alliance and received the global insurance industry's top overall environmental, social, and governance (ESG) score by Sustainalytics.

FIGURE 3: OUR ACHIEVEMENTS IN NUMBERS

- **01** — 18.1 MILLION INDIVIDUALS COVERED (2020: 11.7 MILLION)
- **02** — 35 MEMBERS (2020: 34)
- **03** — 25 MEMORANDUMS OF UNDERSTANDING
- **04** — AWARDED FIRST PLACE IN INTERNATIONAL RATINGS FOR ENVIRONMENTAL, SOCIAL AND GOVERNANCE
- **05** — AWARDED BBB+ FITCH RATING
- **06** — 6 COUNTRIES RECEIVED DROUGHT COVER HELD BY REPLICA PARTNERS
- **07** — 12 COUNTRIES PARTICIPATED IN THE SOVEREIGN DROUGHT PROGRAMME
- **08** — 14 PAYOUTS (SOVEREIGN AND REPLICA PARTNERS*) TOTALLING USD 59.6 MILLION (2020: USD 2.2 MILLION)
- **09** — USD 21.7 MILLION PAYOUT WAS TRIGGERED FOR THE DROUGHT IN MALI

CONTEXT AND BASELINE

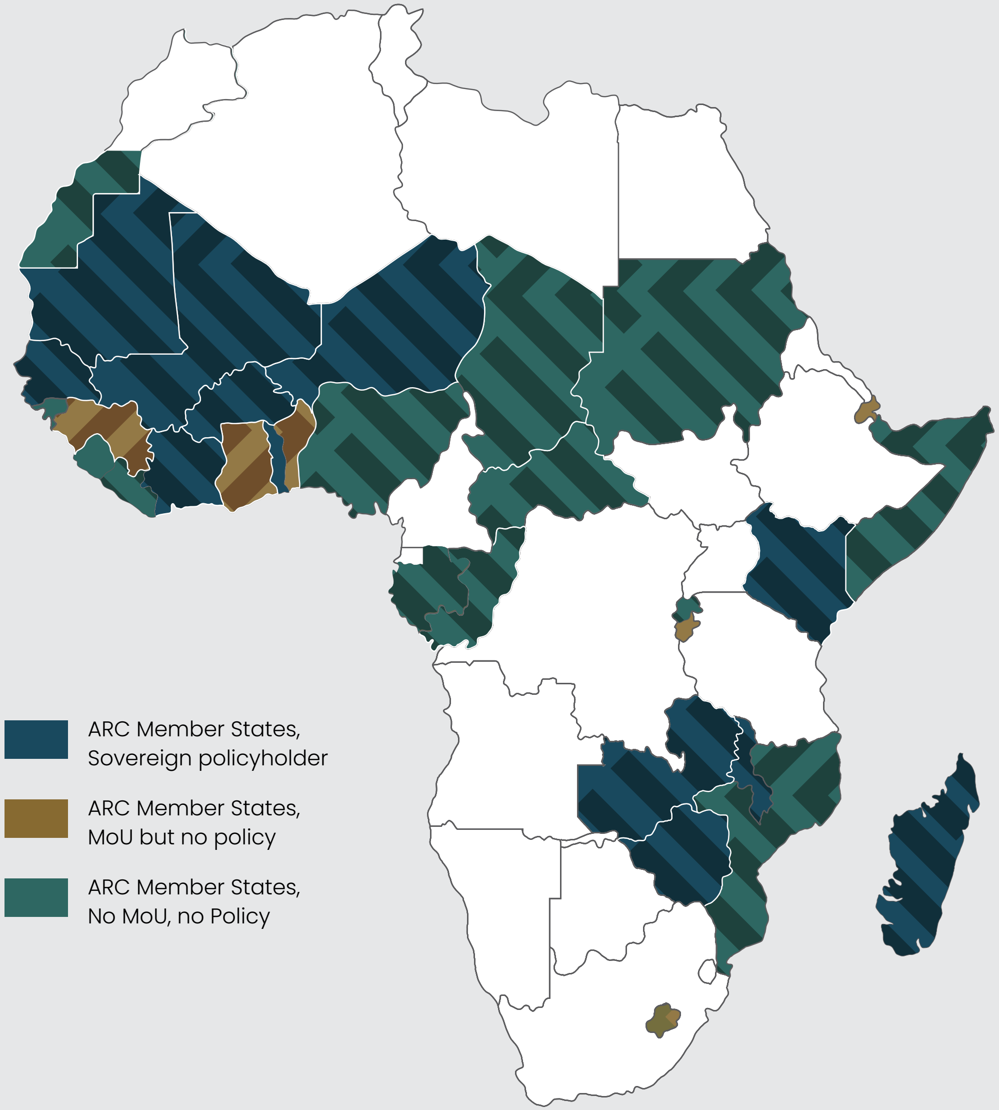
There are 35 potential sovereign participants of ARC Ltd. These countries have signed the ARC Treaty, thereby making them eligible for participation in ARC Ltd.'s capacity development activities and for eventual participation in the ARC Ltd risk pool. Out of these 35 countries, only 25 have signed memorandums of understanding (MoUs) – entering them into the country programme development process. Out of the 25 countries who have signed MoUs with the ARC Group, only 14 have been issued with insurance policies and are currently contributing premiums to the ARC Ltd risk pool. The remaining countries (Benin, Comoros, Djibouti, Ghana, Guinea, Mozambique, Nigeria, Rwanda, Somalia, and Uganda) need to be prioritised for risk pool participation. Out of these countries, only Ghana, Guinea, and Benin have been issued certificates of good standing (see table 2), demonstrating the need for more rigorous country engagement.

TABLE 2: REQUIREMENTS FOR GRANTING CERTIFICATES OF GOOD STANDING

Requirements	Details
Signatory to the treaty	Only countries that are signatories to the Treaty are eligible to obtain CGS from the Board.
Approval of contingency plans	Contingency Plans detailing the intended use of any ARC Ltd insurance pay-out are required before participation in the risk pool. Contingency plans consist of Operation Plans (OPs) and Final Implementation Plans (FIPs). Both of these plans need to be approved for the Certificate of Good Standing to be issued
Customisation of Africa RiskView (ARV) Parameters	To receive a CGS, an ARC member State must have completed its customization and validation of ARV, as reflected in the Customization and Validation Report that has been signed by the Government and be satisfied that the model adequately describes the country's drought, flood, or cyclone risk.
Up to date in Payment of ARC Agency Annual Membership Fees	ARC Member States must be up to date in the payment of annual membership fees to the ARC Agency.
In conformity with compliance rules	For countries to remain in good standing, they are required to use the ARC Ltd pay-outs in full alignment with contingency plans.

Increasing the number of countries participating in the risk pool is essential to the diversification and therefore long-term financial sustainability of the risk pool. But it is just one strategy in portfolio diversification. This also includes diversification in terms of participating actors, as well as the perils covered.

FIGURE 2: ARC LTD PENETRATION



Diversification of participants: Only 25 countries are currently being engaged for risk pool participation. This needs to be increased to all 35 member countries. The 25 countries who do have MoUs require targeted capacity development to increase their risk transfer readiness and to increase the absorption capacity of these countries for future ARC Ltd pay-outs. In addition, the inclusion of sub-national and non-government actors in risk pool participation can contribute significantly to the diversification of the risk pool.

While African governments are willing to allocate more domestic resources towards disaster funding, the portion of risk covered by their insurance premium remains limited compared to the transferable risk. Under ARC's Replica coverage, humanitarian actors (Replica Partners) can take insurance coverage from ARC by purchasing a 'Replica policy'. The role of humanitarian actors is therefore to provide a window through which either (i) they complement the country's insurance cover and thus cover a greater percentage of the country's transferrable risk and/or (ii) take out insurance cover independent of the government's preferred disaster risk finance (DRF) option to curtail the magnitude of a potential humanitarian crisis, should an extreme weather event occur.

Diversification of perils insured: The launch of our flood model presents a significant opportunity for risk pool diversification. As such, capacitating flood vulnerable countries to transfer their risk to ARC Ltd is a key priority in the next two years. In addition, the issuing of multi-peril insurance policies is also a key priority as countries across the continent are increasingly faced with compounded climate change risks. For example, many countries in the Horn of Africa experience compounded flood-drought events (or flooding in certain regions and drought in others) - requiring multi-peril coverage.[4]

LIST OF TARGET COUNTRIES

Target countries for initiation: Sudan, Chad, Nigeria, Mozambique, Gabon, Somalia, Lesotho

Target countries for upscaling country programme development: Benin, Comoros, Djibouti, Ghana, Guinea, Rwanda, and Uganda

Target countries for risk pool participation: Burundi, Central African Republic, Guinea Bissau, Liberia, Libya, Democratic Republic of São Tomé and Príncipe, and Sierra Leone

To reach all our target countries and achieve the long-term financial sustainability of ARC Ltd, we have developed a comprehensive capitalisation strategy that includes diverse financing partners and tools.

[4] Matanó, A (2021) Compound Drought-Flood Events in Fragile Contexts: Examples from the Horn of Africa. Session on Multi-hazards: Innovative approaches for disaster risk reduction and climate change adaptation. Vrije Universitieit Amsterdam

ARC LTD CAPITALISATION STRATEGY

There are several typologies used by development finance institutions (DFIs), impact investors and international development organisations to capitalize ARC Ltd and support its operations. Our diversified funding model includes grants, guarantees, premium finance, sub-debt, and equity. This mix of financing instruments has allowed us to grow our impact and ensure the future sustainability of our operations.

Sub-debt in the form of interest free loans have been provided by The United Kingdom's Commonwealth and Development Office (FCDO) and Germany's Federal Ministry for Economic Cooperation and Development (BMZ). This seed funding has provided the necessary capitalisation for research and development and country engagement activities. Development finance institutions and governments have also provided capitalisation through premium finance that allow member countries to purchase policies. These premium support partners include organisations such as USAID, KfW, BMZ, IFAD, AfDB, Start Network and others.

TABLE 3: FUNDING TYPOLOGIES

Premium support partners	Subprime and interest free lenders	Donor partners	Equity investment partners
Provide premium finance that allow member countries to purchase policies	Provide long term debt at low or zero interest as seed capital	Provide grants for no return that contribute to the everyday operations and research and development activities of ARC Ltd	Provide mezzanine finance and other impact investment instruments

ARC Ltd was established and operates with ODA development loans from the UK and German governments, grants from institutional donors, and insurance premiums paid by (or on behalf of) ARC countries. As a multilateral development agency, ARC Ltd can receive grants, loans, and socially responsible equity. Given its regional/continental nature, the costs, and benefits of ARC Ltd cannot be easily attributed to national programs, but instead serves as an institutional cooperation mechanism for coordinated interventions in the interest of regional public good.

We see our work as an essential bridge between public, private and civil society partners – and this is translated in our capitalisation model. ARC Ltd has demonstrated the effectiveness of blended finance models on the continent and the success of market-based solutions to address the continent's development challenges.

Achieving the long-term sustainability of ARC Ltd and ensuring that its mandate of serving all African Union member states is achieved requires further investment in 3 main areas – (i) Widening the product range; (ii) Securing premium financing, and (iii) Diversifying ARC Ltd clients.

I) WIDENING THE PRODUCT RANGE

The ARC Ltd technical team will continue the development and refinement of its tropical cyclone, flood, and outbreak models. This includes refinement of the African RiskView (ARV) software through the addition of data sets and the in-country verification of results. While the flood and tropical cyclone models have already been launched, refinement is required before insurance policies can be issued on these models.

Our flood insurance product has been launched, but no insurance policies have been issued yet under this peril. ARC's Outbreaks and Epidemics (O&E) Programme was born in the wake of the devastating 2014 - 2016 West African Ebola crisis. The lessons from this outbreak revealed that, in addition to weaknesses in health systems, slow unpredictable funding was also a major contributing factor to the inability of affected countries to rapidly respond to the initial outbreak.

II) SECURING PREMIUM FINANCING TO ENSURE THE CONSISTENT PARTICIPATION OF AFRICAN UNION MEMBER STATES

ARC Ltd provides technical assistance to our participating member states to identify and secure opportunities for premium financing. Premium support partners assist member countries to purchase policies and include organisations such as the Swiss Agency for Development and Cooperation, the German Federal Ministry of Economic Cooperation and Development, and Foreign Commonwealth and Development Office, USAID, the French Ministry for Europe and Foreign Affairs, the African Development Bank, WFP, KfW, the Canadian government, Start Network, and IFAD.

While the cost of individual premiums is relatively low due to the increased number of countries participating in the risk pool, support is needed to ensure the participation of some of the most vulnerable geographies across Africa. Premiums are a key component of the ARC capitalization model and financing, or co-financing of premiums is central to the geographic diversification of the ARC Ltd risk pool and therefore the long-term financial sustainability of the institution.

III) SCALING UP THE COVERAGES IN NON-SOVEREIGN CLIENTS

We have made significant investments in the diversification of our risk pool. The diversification includes the addition of micro and meso insurance-NGOs who act as "Replica Partners" such as WFP, sub-national governments, national agricultural insurance schemes, and aggregators. We have invested in additional skills to support underwriting, and risk management in the provision of micro and meso insurance programmes, and the inclusion of "replica partners". For example, the ARC Replica programme complements and supports the efforts of the government in Mali to fight food insecurity and malnutrition.

Through the development of our ARC Ltd premium support facility, our Multi-Donor Trust Fund (MTF), and our Replica Programme, ARC Ltd created additional opportunities funders to invest in our work. Our strong ESG rating in 2021 and BBB+ Fitch rating peak volumes about our standing in the insurance and has established us a trusted investment opportunity for international impact investors, governments, and agencies. As set forth below, ARC Ltd income statement and balance sheet projections for the years 2021 - 2025 are based on the growth objectives outlined above. The projections facilitate the evaluation of the strategic issues facing ARC Group and specifically the path to financial sustainability given the existing capital structure and the established need for premium financing.

These projections also provide a capital adequacy view from a regulatory and credit rating perspective from 2021 – 2025. We provide ourselves on high levels of compliance and as a result, ARC Ltd fully adheres to;

- the Regulatory Capital Requirements prescribed by the Bermuda Monetary Authority (where we are registered and regulated), and
- the Credit Capital Requirements prescribed by the Fitch Credit Rating agency.

The injection of additional grant equity in ARC Ltd company would guarantee its long-term viability to ensure that the insurance mechanism becomes a long-lasting component of Africa's disaster risk finance and management landscape. It would allow for the generation of increased investment income and facilitate greater retention of premiums and profits for the benefit of the African countries.

The income projections detailed in the tables below will only be realised through our diversified capitalization strategy and the support of premium support partners, donor partners, sub-prime and interest free lenders, and equity partners. ARC Ltd prides itself in working collaboratively with our funding partners to achieve mutual benefits for all involved while delivering on its mandate to safeguard food security and agricultural livelihoods across Africa.

Over the next five years, the capital requirement to ensure financial sustainability and fulfil its mandate of providing parametric insurance in all 35 participating member states is US$ 100 000 000. This has been based on extensive modelling broken down in the balance sheet, income statement, and capital adequacy projections below.

EXISTING RELATIONSHIP WITH ARC GROUP AND HOW THIS FUNDING COMPLEMENTS WHAT THEY ALREADY DO WITH US

BALANCE SHEET PROJECTIONS

The table below show the balance sheet through to the year 2025 assuming a capital injection of $100 million and the effect of the injection on the balance sheet.

EFFECT OF CAPITAL INJECTION ON BALANCE SHEET

	2019	2020	2021	2022	2023	2024	2025
With capital injection							
Total assets	91 201 298	104 549 707	108 253 187	215 574 885	222 864 633	231 649 491	245 160 810
Total liabilities	73 243 880	85 783 139	85 749 832	87 966 588	88 862 006	89 925 913	93 566 541
Total members' equity	17 957 419	18 766 569	22 503 355	127 608 296	134 002 627	141 723 578	151 5994 269
Total liabilities and members equity	**91 201 298**	**104 549 707**	**108 253 187**	**215 574 885**	**222 864 633**	**231 649 491**	**245 160 810**
With no capital injection							
Total assets	91 201 298	104 549 707	108 253 187	113 283 895	118 112 155	124 211 055	134 335 560
Total liabilities	73 243 880	85 783 139	85 749 832	87 966 588	88 862 006	89 925 913	93 566 541
Total members' equity	17 957 419	18 766 569	22 503 355	25 317 306	29 250 150	34 285 142	40 769 019
Total liabilities and members equity	**91 201 298**	**104 549 707**	**108 253 187**	**113 283 895**	**118 112 155**	**124 211 055**	**134 335 560**

(B) INCOME STATEMENT PROJECTIONS

The table below show the income statement through to the year 2025 with a capital injection of $100 million and the effect of the injection on the income statement.

INCOME STATEMENT WITH $100 MILLION CAPITAL INJECTION

	2019	2020	2021	2022	2023	2024	2025
Sovereign premium							
Drought	16 049 587	18 728 698	24 144 686	25 007 186	25 382 186	25 513 436	30 538 436
Tropical cyclone	-	2 000 000	2 775 000	2 775 000	2 775 000	3 337 500	3 337 500
Flood	-	-	-	1 950 000	1 950 000	1 950 000	1 950 000
Non-sovereign premium	-	413 795	3 000 000	5 000 000	7 500 000	10 000 000	12 500 000
Gross premium written	**16 049 587**	**21 142 493**	**29 919 686**	**34 732 186**	**37 607 186**	**40 800 936**	**48 325 936**
Reinsurance premiums	(4 554 000)	(12 448 375)	(11 245 435)	(11 270 841)	(10 342 304)	(9 464 025)	(9 474 041)
Net premiums	**11 495 587**	**8 694 117**	**18 674 251**	**23 461 346**	**27 264 883**	**31 336 911**	**38 851 895**
UPR brough forward	-	1 112 868	7 825 746	11 421 905	12 982 925	13 677 950	14 500 475
UPR carried forward	(1 112 868)	(7 825 746)	(11 421 905)	(12 982 925)	(13 677 950)	(14 500 475)	(2 555 025)
Change in UPR	**(1 112 868)**	**(6 712 878)**	**(3 596 158)**	**(1 561 020)**	**(695 025)**	**(822 525)**	**(2 555 025)**
Reinsurer's change in UPR	315 771	4 145 271	1 270 780	541 738	255 970	352 703	790 505
Net earned premium	**10 698 490**	**6 126 510**	**16 348 873**	**22 442 064**	**26 825 828**	**30 867 089**	**37 087 375**
Net earned commission	**-**	**685 836**	**720 556**	**721 501**	**661 235**	**604 162**	**603 725**
Gross claims	26 490 113	2 185 100	21 752 615	25 005 890	26 936 390	29 021 577	24 439 577
Incurred in previous year	-	2 631 15	-	4 746 343	5 660 878	6 376 828	7 123 715
Incurred in current year	-	-	(4 746 343)	(5 6600 878)	(6 376 828)	(5 527 889)	(8 537 165)
Gross claims incurred	**26 490 113**	**4 816 215**	**17 006 272**	**24 091 355**	**26 220 440**	**28 274 690**	**33 026 127**
Reinsurance recoverable	-	(1 092 550)	(4 745 644)	(5 527 889)	(4 603 552)	(3 570 495)	(2 768 203)
Net claims incurred	**26 490 113**	**3 723 665**	**12 260 628**	**18 563 466**	**21 616 888**	**24 704 195**	**30 257 176**

Net underwriting income (loss)	**(15 791 623)**	**3 088 681**	**4 808 800**	**4 600 800**	**5 870 175**	**6 767 057**	**7 433 176**
General and admin expenses	(2 731 941)	(2 747 453)	(3 994 597)	(4 013 762)	(4 513 934)	(4 650 117)	(4 940 853)
Investment income	2 944 134	431 713	1 482 460	3 639 127	4 252 300	4 435 513	5 866 963
Other income	7 338 325	1 133 021	343 310	843 310	843 310	1 264 965	1 686 620
Net profit (loss)	**(8 241 105)**	**1 905 962**	**2 639 974**	**5 122 774**	**6 451 851**	**7 817 418**	**10 045 907**
Ratios							
Expense ratio (Exp/GP)	17%	13%	13%	12%	12%	11%	10%
Expense ratio (Exp/NEP)	26%	45%	24%	18%	17%	15%	13%
Gross loss ratio (GL/GP)	165%	10%	73%	72%	72%	71%	71%
Net loss ratio (NL/NEP)	248%	61%	75%	83%	81%	80%	82%
Retention ratio	72%	41%	62%	68%	72%	77%	80%
RI recovery/RI Premium	0%	9%	42%	49%	45%	38%	29%
Combined ratio (NL + Admin Exp/NEP)	273%	106%	99%	101%	97%	95%	95%

C) CAPITAL ADEQUACY PROJECTIONS

The table below shows the capital adequacy ratios for regulatory, credit and economic capital.

CAPITAL ADEQUACY RATIO WITH $100 MILLION CAPITAL INJECTION

	2019	2020	2021	2022	2023	2024	2025
Regulatory Capital							
Capital available	84 489 378	87 427 325	89 035 314	194 140 256	200 534 586	208 255 538	218 126 229
Required Capital	10 141 175	8 574 229	18 517 850	25 894 084	27 728 014	29 715 991	34 009 165
Regulatory Capital Ratio	**833%**	**1020%**	**481%**	**750%**	**723%**	**701%**	**641%**
Credit Capital							
Capital available	84 489 378	87 427 325	89 035 314	194 140 256	200 534 586	208 255 538	218 126 229
Required Capital	19 208 876	18 168 784	24 835 228	42 267 982	45 535 491	49 196 503	55 430 693
Credit Capital Ratio	**440%**	**481%**	**359%**	**459%**	**440%**	**423%**	**394%**
Economic Capital							
Capital available	17 957 419	18 766 569	22 503 355	127 608 296	134 002 627	141 723 578	151 594 269
Required Capital	23 730 350	26 195 326	27 512 711	43 002 731	44 131 509	45 494 757	47 762 680
Economic Capital Ratio	**76%**	**72%**	**82%**	**297%**	**304%**	**312%**	**317%**
With No Capital Injection							
Regulatory Capital							
Capital available	84 489 378	87 427 325	89 035 314	93 640 256	99 534 586	106 505 538	115 376 229
Required Capital	10 141 175	8 574 229	18 517 850	21 740 213	23 558 486	25 519 220	29 778 174
Regulatory Capital Ratio	**833%**	**1020%**	**481%**	**431%**	**422%**	**417%**	**387%**

Credit Capital							
Capital available	84 489 378	87 427 325	89 035 314	93 640 256	99 534 586	106 505 538	115 376 229
Required Capital	19 208 876	18 168 784	24 835 228	28 480 337	31 679 251	35 237 370	41 334 369
Credit Capital Ratio	**440%**	**481%**	**359%**	**329%**	**314%**	**302%**	**279%**
Economic Capital							
Capital available	17 957 419	18 766 569	22 503 355	27 108 296	33 002 627	39 973 578	48 844 269
Required Capital	23 730 350	26 195 326	27 512 711	28 631 231	29 688 509	30 944 507	33 069 430
Economic Capital	**76%**	**72%**	**82%**	**95%**	**111%**	**129%**	**148%**

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Annual Report: https://www.arc.int/sites/default/files/2021-10/ARC-Ltd_Annual-Report_2020-final.pdf

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