AMNAYA

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Territorial instability and pricing

A transparent loss-mechanism model for examining cost exposure before a commercial quote or capital decision.

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Parametric planning reference. All default quantities, budgets, prices and chart data are illustrative. They are not project performance, approved spending, adopted policy or an investment offer.

Assess the actual entity, site, cash flows and contracts. A territorial premium is a project-specific allowance to review, not an automatic charge based on nationality, a bank quote, a WACC model or an adopted Amnaya pricing policy.

Input	Illustrative base assumption
Base cycle cost / exposed capital	100,000 / 50,000 in the selected currency
100-day event probability / severity	10% / 50% of exposed capital
Recoverable share	0%; only evidenced enforceable recovery may be deducted
Expected delay / daily cost	10 days / 200 per day
Annual incremental funding spread	300 basis points (3%); excludes losses already charged elsewhere
Quoted mitigation / target gross margin	0 / 20%

Define three different exposures

Territory: transfer restrictions, political violence, public-counterparty conduct, enforceability and local rule changes. Sector: technical, safety, product-class and licensing obligations. Project/contract: payment timing, currency mismatch, supplier concentration, scope and claims. A prohibition is a hold condition, not a pricing input.

Calculation and sensitivity

Component	Formula	Base result
Net event loss	50,000 x 10% x 50% x (1 - 0%)	2,500.00
Delay allowance	10 x 200	2,000.00
100-day funding carry	50,000 x 300/10,000 x 100/365	410.96
Mitigation quote	Quoted incremental amount	0.00
Total allowance	Event + delay + carry + mitigation	4,910.96
Proposed price	(100,000 + 4,910.96) / (1 - 20%)	131,138.70

Scenario	Allowance	Proposed price
Low (0.5x)	2,455.48	128,069.35
Base (1x)	4,910.96	131,138.70
Stress (2x)	9,821.92	137,277.40

Scenario multipliers apply only to event probability (capped at 100%), delay days and annual spread. Severity, exposure, recovery, mitigation quote, base cost and gross margin remain fixed. This is a sensitivity convention, not a calibrated forecast.

Review before any use

Document event scope, period, currency, dated evidence, exclusions, deductibles, recovery timing, finance/insurance quotes, approver and expiry. Assign a distinct mechanism to each allowance to avoid double counting. The 100-day annual-carry convention does not turn event probability into an annual estimate. Gross margin is not a markup.

Country equity-risk estimates may inform a separate return analysis; never add an annual equity premium automatically to this operating allowance. A higher price cannot authorise unlawful or unsafe activity.

World Bank: political-risk insurance

NYU Stern: country risk references

Open the scenario model