Export Credit Insurance Corporation of South Africa SOC Ltd (ECIC)

ANNUAL PERFORMANCE PLAN

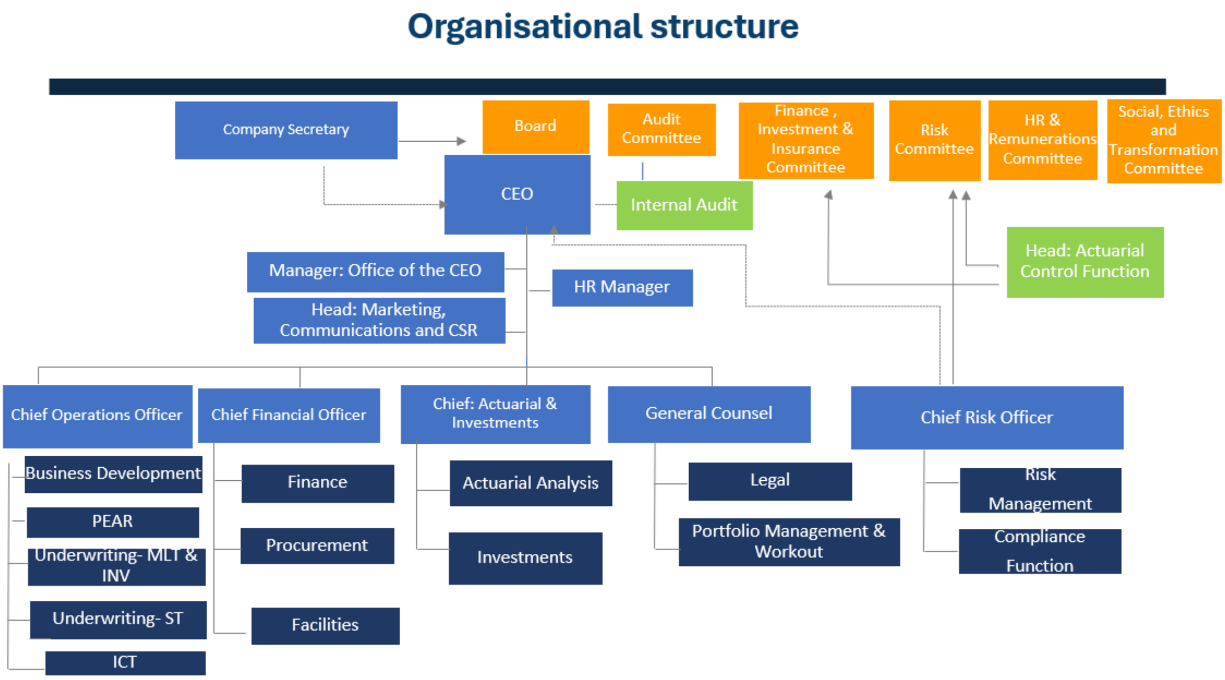
2025/26

1. ACRONYMS AND ABBREVIATIONS

BAC Report	External Audit Report to ECIC Audit Committee
B-BBEE	Broad Based Black Economic Empowerment
ECA	Export Credit Agency
Government	The government of the Republic of South Africa
GNU	Government of National Unity
IBNR	Incurred but not yet reported
IFRS	International Financial Reporting Standards
IMU	Interest Make-up
JKPI	Joint Key Performance Indicator of **the dtic** and its entities
NDP	National Development Plan 2019-2024
PFMA	Public Finance Management Act
R / ZAR	Rand currency
SA EXIM Bank	South African Export-Import Bank
SAM	Solvency Assessment and Management prudential regulatory regime
SATIPP	South Africa – Africa Trade and Investment Promotion Programme
SCR	Solvency Capital Requirement (regulatory capital required determined on standard formula)
SMART Principles	Specific Measurable Achievable Realistic and Timebound
SOC	State Owned Company
the dtic	The Department of Trade, Industry and Competition
$ / US$ / USD	United States Dollar

2. CONTENTS

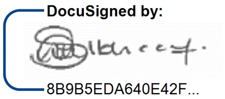
3. CORPORATE STRUCTURE



4. OFFICIAL SIGN OFF

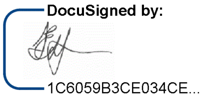
It is hereby certified that this Corporate Plan was developed by the management of Export Credit Insurance Corporation of South Africa SOC Ltd ("ECIC") under the guidance of the Board.

The Corporate Plan accurately reflects the performance targets which ECIC will endeavour to achieve given the resources made available in the budget for 2025/26 - 2029/30.



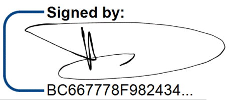
Noluthando Mkhathazo:

Chief Financial Officer



Sias Esterhuizen:
Acting Chief Executive Officer

Recommended for approval by:



Dheven Dharmalingam
Independent Board Chairperson

5. FOREWORD BY MINISTER

This Annual Performance Plan (APP) has been developed at a time when South Africa is facing an important inflection point. The May 2024 national election results provided a clear message that the electorate expects more from government. No political party won an outright majority and after intense negotiations, a Government of National Unity (GNU) was announced on 17 June 2024. The GNU agreed upon a minimum programme of action to which all parties of the GNU contributed.

Industrial policy remains at the centre of our economic policy and will ensure a 'whole of government' approach to re-industrialise the South African economy. This is essential to create large numbers of decent jobs – at appropriate skill levels – to ensure that the full potential of our citizens is developed.

Even though economic growth has been relatively low, however South Africa is in the fortunate position of having negotiated significant trade preferences with key trading partners such as the EU, SADC, BRICS+, US, UK and Africa. Therefore, the dtic will strengthen its export promotion and exporter development activities to substantially increase manufactured exports including from SMMEs, black- and women-owned firms. In addition, we continue to work with our African counterparts to fully operationalise the AfCFTA and its economic benefits.

The 2025/26 Annual Performance Plan of the Export Credit Insurance Corporation reflects the continued efforts of the dtic group to align our financing activities around a common purpose; grounded in efforts to support Industrialisation; drive Transformation to build an inclusive economy; and build a Capable State to ensure improved impact of public policies.

The Annual Performance Plan 2025/26 is hereby submitted in accordance with the Revised Framework on Strategic and Annual Performance Plans.

Mr Parks Tau, MP
Minister of Trade, Industry and Competition

6. FOREWORD BY THE INDEPENDENT CHAIRPERSON

ECIC has undergone a remarkable evolution over the past 24 years as we've pursued our vision to be a world-class export credit insurer in facilitating South African export trade and cross-border investment globally. One of the most profound changes over this time has been the richer understanding of the challenges facing us, and deeper commitment to the economic development of the country.

The landscape for the Corporation is built around equally strong commitment to customers, shareholder, employees and stakeholders. The Corporation's leadership vision brings together what we believe are the essential prerequisites for maintaining the long-term sustainability and growth of this organisation. It is also what our stakeholders expect in an industry whose actions carry such far-reaching implications for the economy, the environment and the people who rely on business growth to conduct their activities responsibly.

The global slowdown in trade growth, intensified by protectionist policies and geopolitical tensions, has significantly impacted emerging markets, including South Africa. The shift towards localizing global value chains and the imposition of tariffs on key sectors have reduced market access for South African exports. Additionally, the volatility in commodity markets, with falling prices for key exports, has further strained the economic environment.

Transformation continues to be an integral part of ECICs vision, as well as a strategic imperative in achieving our objective of enhancing our portfolio to grow our business beyond borders. We believe our strategy is the right strategy to capitalise on the opportunities the export credit environment would offer. The Corporation is determined to increasingly adapt our strategies, operations and culture to drive positive results across the line. These strategies are embedded deeply with our core values and attributes to the overall success of who we are, and the Corporation will continue to strive toward its goal in building the sustainability of the export industry in the year ahead.

As ECIC builds on past lessons while focusing on amplifying the brand's relevance in key areas, we can look forward to growth through geographical diversification, implementation of various initiatives to deliver best practice, outstanding customer experience, and amazing content.

I want to thank all ECIC employees for your continued commitment and effort. Every one of us has an important role to play in the work ahead and I'm confident that together we will achieve great things.

Signed by:

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Dheven Dharmalingam

Independent Chairperson

PART A: OUR MANDATE

7. BACKGROUND

7.1 Constitutional mandate

The mandate of the Export Credit Insurance Corporation (ECIC) can be linked to the following sections of the South African Constitution:

- Section 22 (Bill of Rights): This section guarantees the right to choose a trade, occupation, or profession freely. By supporting South African businesses in international trade, the ECIC helps realize this right.
- Section 195 (Public Administration): This section outlines the basic values and principles governing public administration, including promoting efficient, economic, and effective use of resources, and being accountable. The ECIC, as a public entity, is expected to adhere to these principles.
- Section 217 (Procurement): This section mandates that procurement of goods and services by the government must be fair, equitable, transparent, competitive, and cost-effective. The ECIC's operations align with these principles by ensuring that its services support fair and transparent trade practices.
- Section 214 (Finance): This section deals with the equitable division of revenue raised nationally among the national, provincial, and local spheres of government. The ECIC's role in promoting exports can contribute to the economic growth that underpins this revenue.

7.2 Legislative and policy mandates

The Export Credit Insurance Corporation of South Africa SOC Ltd (ECIC) was founded on 2 July 2001 in terms of the Export Credit and Foreign Investments Insurance Act, 1957 (as amended) with the objective of providing political and commercial risk insurance on behalf of Government for the facilitation of export trade and cross-border investments.

Since its inception the mandate of ECIC has been the facilitation of export trade and cross-border investments. Historically, ECIC has been supporting capital goods exports and services. In 2021, the ECIC mandate was expanded beyond capital goods exports. The authorisation to support non-capital goods exports lays the basis for ECIC to insure consumer goods and short-term export transactions with a tenor of less than two years. The Addendum to the 2016 Agreement between the Minister and the Corporation, which became effective on 31 May 2021, authorises ECIC to insure non-capital goods and identifies sectors related to the various Industrial Sector Master Plans concluded by **the dtic** from time to time as priority areas of focus (on a non-exclusive basis).

As a self-sustaining, limited liability and registered financial service provider (FSP 30656), the Corporation is regulated by the Financial Sector Conduct Authority and the Prudential Authority, respectively. As a Schedule 3B entity under the Public Finance Management Act, 1999 (as amended) the Corporation is subject to legislation applicable to state-owned companies.

The Corporation's mandate is to make South African exporters attractive to international buyers to stimulate economic growth through export transactions that contribute to job creation and global competitiveness. The Corporation's insurance products facilitate international trade and protects financing institutions and exporters against the insured political and commercial risk events. The Corporation's particular focus is on Africa and other emerging markets outside the continent that are considered too risky for conventional insurers.

The competitive and collaborative landscape is within the international export credit agency market. The Corporation's competitive advantage derives from its footprint in Africa; substantial appetite for insuring against political risk despite political volatility; underwriting large, long-term projects with flexible terms and conditions that suit project-specific needs and cash-flow profiles.

7.3 Institutional policies and strategies related to the five-year planning period

The Corporation's objectives are developed based on the alignment of the ECIC mandate with Government priorities as represented by:

- Industrial Sector Master Plans;
- National Development Plan (NDP);
- National Industrial Policy 2025;
- Medium-Term Development Plan (MTDP) 2024–2029; and
- **the dtic** 5-year Strategic Plan.

PART B: OUR STRATEGIC FOCUS

8. VISION

To be a world-class export credit insurer.

9. MISSION

To provide insurance solutions in support of South African goods and services by applying best practice underwriting and risk management principles.

10. VALUES

The Corporation has six values being:

- **Integrity** - We strive to conduct every aspect of our business with honesty, integrity, and fairness.
- **Accountability** - We accept transparency and responsibility for our decisions and actions.
- **Excellence** - We are committed to the highest level of performance through continuous improvement of our knowledge, skills and business practices.
- **Innovation** - We encourage open-mindedness and support innovation and the development of new ideas and processes for the continued improvement of the services delivered by our Corporation.
- **Teamwork** - We work together as a team internally and collaborate externally with our stakeholders and customers. We appreciate that as a team, we can achieve much greater things than as individuals.
- **Care** - We care about people and the impact we have on the environment.

These values are reinforced by the Code of Ethics and Business Conduct "the Code" and are also reflected in our policies and procedures.

11. STRATEGIC OBJECTIVES OF THE ENTITY

11.1. Strategic Themes

- **Stakeholder and customer engagement**
  Engage with key stakeholders to know and understand their legitimate and reasonable needs, interests and expectations on an ongoing basis to assist the Corporation in effectively executing its mandate.
- **Grow and diversify the business**
  Increase market presence, customer-focused solutions, grow and diversify our portfolio of supported transactions.
- **Operational excellence**
  Continuous investment in effective and efficient integrated systems and processes, invest in our human capital, build knowledge and skills, and a culture of professionalism, innovation and team work to enhance organisational capacity and operational excellence.
- **Good governance and risk management**

Pursue good governance and sound underwriting and risk management practices to ensure a self-sustainable and socially relevant and economically impactful enterprise.

12. ECIC TIER ONE STRATEGY MAP

12.1. Strategy Map

ECIC Tier One Strategy Map

Customer / Stakeholder		**Stakeholder and customer engagement**	
Finance	**Enhance financial sustainability**		**Contribute to trade facilitation that results in job creation**
Internal Processes	**Improve business processes and systems**		**Embed risk management practices**
Organisational Capacity	**Enhance transformation**		**Enhance corporate governance**

To execute the strategy, the Corporation has identified 7 key strategic objectives as follows:

i. **CONTRIBUTE TO TRADE FACILITATION THAT RESULTS IN JOB CREATION**
Proactively attract business from new and existing customers to facilitate more exports and cross border investments.

ii. **ENHANCE TRANSFORMATION**
To ensure a transformed Corporation.

iii. **IMPROVE BUSINESS PROCESSES AND SYSTEMS**
Automate business processes and systems to improve operational efficiencies of the Corporation.

iv. **EMBED RISK MANAGEMENT PRACTICES**
Embed sound underwriting and risk management practices to ensure a self-sustainable Corporation that transacts within the risk appetite limits.

v. **ENHANCE FINANCIAL SUSTAINABILITY**
Grow the business on a financially sustainable basis to fulfil the ECIC mandate of facilitating export trade and cross-border investments.

vi. **STAKEHOLDER AND CUSTOMER ENGAGEMENT**
Engage stakeholders, customers and employees for the improved facilitation of export trade and cross-border investments.

vii. **ENHANCE CORPORATE GOVERNANCE**
To ensure effective governance and internal control measures to make ECIC a good corporate citizen.

13. SITUATIONAL ANALYSIS

13.1 Global

13.1.1 Global Economic Outlook: Moderate Growth Amid Persistent Risks

The global economy is expected to maintain a stable but lacklustre growth trajectory in the near term, with projections indicating modest expansion tempered by significant downside risks. Trade wars, geopolitical tensions, and financial market volatility continue to cast uncertainty over the economic outlook, potentially dampening momentum. In 2024, global GDP growth is estimated at 3.2%, reflecting a gradual recovery from previous years' challenges. Looking ahead, growth is forecast to edge slightly higher to 3.3% in 2025/26, supported by resilient demand in key emerging markets and a steadying macroeconomic environment. However, this subdued pace underscores the lingering structural constraints and external headwinds facing the global economy.

13.1.2 Inflation Trends: Divergence Between Headline and Core Measures

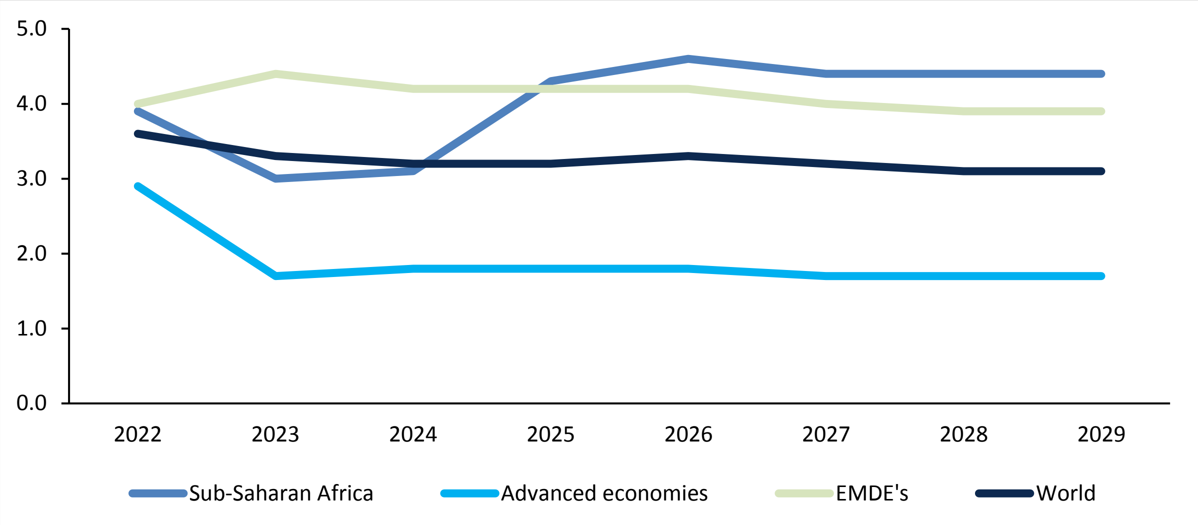
On the inflation front, headline price pressures are expected to ease further as supply chain disruptions diminish and energy prices stabilize. This trend is particularly evident in advanced economies, where tighter monetary policies have contributed to cooling demand. However, core inflation—excluding volatile food and energy prices—has decelerated below historical trends, signalling moderating underlying price pressures. Despite this, services inflation remains stubbornly elevated compared to pre-pandemic levels, driven by persistent wage growth and strong demand in labour-intensive sectors. This divergence presents a challenge for central banks as they navigate the balance between sustaining disinflation and avoiding premature policy easing.

13.1.3 Global Trade: Record Highs Amid Regional Disparities

Global trade reached an unprecedented $33 trillion in 2024, expanding by 3.7% year-on-year. This growth was largely fuelled by robust export activity in developing economies, particularly in East and South Asia, where manufacturing and digital trade continue to thrive. In contrast, advanced economies experienced stagnant trade volumes, with a notable 2% contraction in the fourth quarter, reflecting weaker industrial output and subdued consumer demand. While these trends highlight the shifting dynamics of global commerce, the outlook remains clouded by escalating geoeconomic tensions, including trade restrictions and supply chain realignments. If these pressures intensify, the gains achieved in 2024 could partially reverse, posing risks to global economic stability.

While the global economy demonstrates resilience, the path forward is fraught with challenges. Policymakers must remain vigilant in addressing inflationary risks, fostering trade cooperation, and mitigating geopolitical disruptions to sustain growth. The coming years will test the ability of economies to adapt to an increasingly fragmented and uncertain global landscape.

Figure 1: Global Economic Growth (%)



Source: IMF 2025

13.1.4 Global commodity outlook:

Commodity markets showed mixed trends in 2024, with agricultural prices diverging as cereals and rice declined while cocoa and coffee rose due to weather and supply concerns, though trade disruptions and export restrictions posed ongoing risks. Oil prices remained steady at US$83 per barrel due to OPEC+ production cuts and Middle East tensions. However, looking ahead, oil prices are expected to average at US$70 per barrel by the end of 2025.

The metals index exhibited a 7.7% aggregate price increase from February to August 2024, with significant divergence among key commodities: gold prices surged 21.9% amid geopolitical volatility and anticipated monetary easing by the Federal Reserve, while copper rose 8.1%, supported by robust demand from renewable energy and EV sectors. Conversely, iron ore contracted sharply by 19.9%, reflecting weakened demand from China's steel and construction industries due to macroeconomic headwinds.

13.1.5 Global Top Risks and political outlook

The current risk landscape is shaped by escalating geopolitical tensions, including state-based conflicts and geoeconomic confrontations in the short to medium term, alongside deepening societal fragmentation driven by inequality, polarization, and the proliferation of misinformation. Concurrently, environmental risks—such as extreme weather, biodiversity loss, and pollution—demand urgent business strategies for sustainable development, while technological risks, including AI-driven disruptions and cyber threats from digital dependency, pose growing challenges to data security and operational resilience.

The global geopolitical landscape remains highly unstable, with prolonged conflicts like the Russia-Ukraine war and the Israel-Hamas war persisting without clear resolution. These tensions, alongside trade disruptions such as Trump-era tariffs, threaten financial stability and security. The Russia-Ukraine conflict continues to strain European energy supplies, while the Israel-Hamas war fuels Middle Eastern instability, further disrupting supply chains and undermining inflation control. In the Asia-Pacific, geopolitical friction is rising in the South China Sea, though the Taiwan Strait and Korean Peninsula remain relatively stable for now. Meanwhile, shifting U.S.-Russia relations are deepening EU divisions, with key economies like Germany and France pursuing greater strategic autonomy. These dynamics are accelerating the decline of globalization and reinforcing the shift toward a multipolar world order.

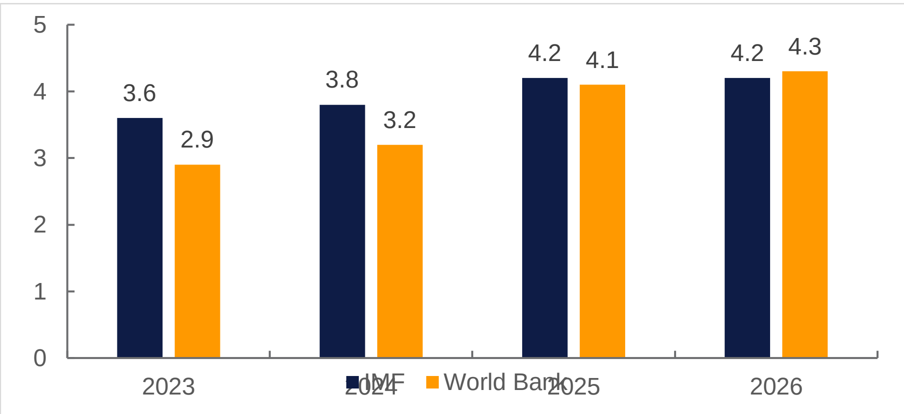
13.2 Regional

13.2.1 Regional economic growth

Sub-Saharan Africa (SSA) is projected to see a growth rebound to 4.1% in 2025, returning to pre-pandemic levels, driven by improved monetary policy dynamics, fiscal recoveries in major economies such as South Africa and Nigeria, and stronger performance in non-resource-rich countries. However, growth will remain uneven, with roughly 70% of SSA economies expected to post improvements, while others face headwinds from domestic structural constraints, shifting global demand, and regional instability.

Despite the overall positive outlook, significant downside risks persist, including heightened geopolitical tensions, potential escalation of regional conflicts, worsening political instability, and more frequent extreme weather events. These factors could dampen growth momentum, particularly in fragile and commodity-dependent markets, underscoring the region's vulnerability to external and internal shocks.

Figure 2: Regional growth (%)



Source: IMF and World Bank, 2025

13.2.2 Regional climate and inflation outlook

In the first half of 2024, Africa recorded total economic losses of US$ 0.5 billion due to climate-related disasters, highlighting systemic vulnerabilities across the region. West Africa was severely impacted by widespread flooding, affecting over 6.6 million people in Nigeria, Chad, and Niger. Chad and Niger rank among the world's most climate-vulnerable nations, placed 187th and 176th, respectively, on the Notre Dame Global Adaptation Initiative Index. Globally, 2024 was the hottest year on record, exacerbating climate pressures. Southern Africa faced extreme drought conditions, disrupting livelihoods for more than 14 million people in Zambia, Malawi, Namibia, and Zimbabwe, with Zambia alone estimating economic damages at USD 228 million. Projections indicate that rising sea levels could reduce Sub-Saharan Africa's GDP by 2-4% by 2050, further destabilizing fragile economies.

The compounding effects of climate shocks and preexisting vulnerabilities are intensifying macroeconomic risks across the region. Recurrent disasters threaten developmental progress, underscoring the need for enhanced climate adaptation strategies and financing. Without intervention, Sub-Saharan Africa faces heightened fiscal strain, worsening poverty, and long-term socioeconomic setbacks for vulnerable populations.

Inflation in Sub-Saharan Africa (SSA) is projected to continue its gradual decline from 2023 peaks, with a slow moderation expected through 2026. Several SSA economies have successfully re-anchored inflation within their target bands, supported by easing global commodity prices—particularly lower oil prices—and the effects of synchronized monetary policy tightening. However, some outlier economies, including Angola, Nigeria, and Zambia, are expected to maintain stubbornly high double-digit inflation in 2025, albeit at reduced levels compared to 2024. Food inflation remains a persistent concern, exacerbated by climate-related supply shocks.

13.2.3 Regional debt outlook

African nations continue to face significant fiscal pressures stemming from external liquidity constraints and mounting debt obligations. Many governments are grappling with unsustainable debt levels, with several currently undergoing restructuring or reprofiling processes. The debt service burden has intensified as countries increasingly rely on market-based financing and non-Paris Club creditors. In a positive development, Ghana and the IMF recently completed the third review of their Extended Credit Facility arrangement, paving the way for $360 million in disbursements, with the Fund acknowledging progress on debt restructuring efforts.

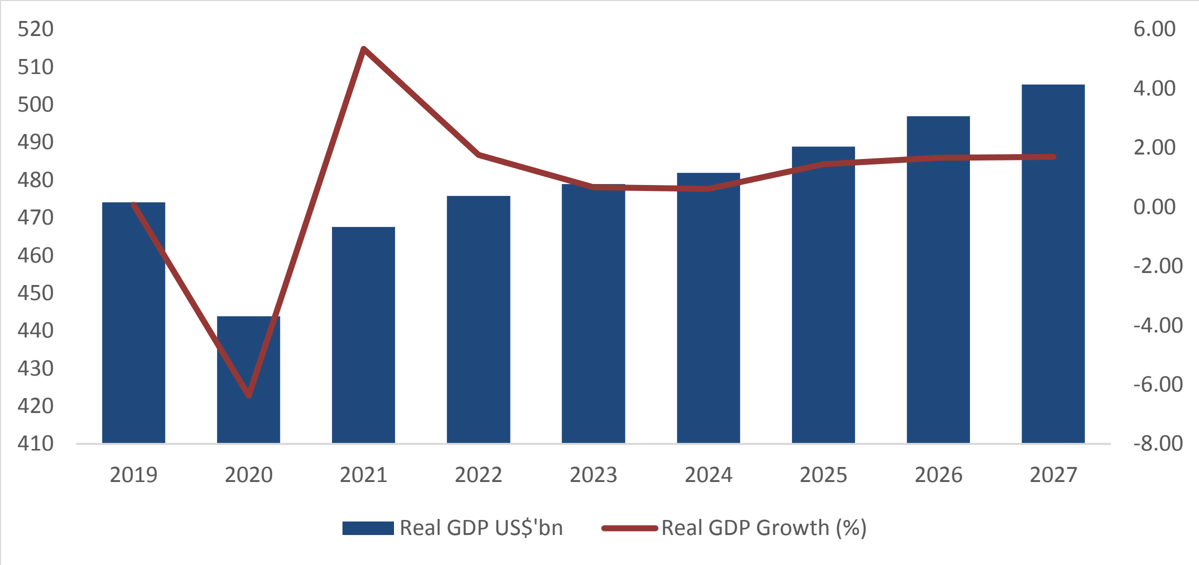
Debt sustainability assessments reveal diverging trajectories across the continent. Algeria and Angola have graduated to the Moderate-Income Country Debt Sustainability Analysis framework, benefiting from more lenient debt ratio thresholds. Conversely, Equatorial Guinea and Gabon have seen their risk ratings downgraded to high, reflecting worsening debt sustainability concerns. While Eswatini improved its rating, Egypt's long-term risk profile deteriorated. Some nations, including Angola and Morocco, are preparing Eurobond issuances contingent on favourable market conditions. These developments occur against a backdrop of shifting donor patterns, with traditional development assistance increasingly being replaced by loan instruments, exacerbating Africa's debt challenges.

Sub-Saharan African currencies remain particularly exposed to exchange rate volatility due to diminished foreign exchange reserves. These currencies face mounting pressures from dollar strength, commodity price fluctuations, widening interest rate differentials, and shifting global risk sentiment. Many countries in the region maintain concerningly low import cover ratios, elevating risks of currency depreciation and potential capital control measures.
However, these vulnerabilities are partially mitigated by ongoing multilateral financial support and the current pause in global monetary tightening as inflationary pressures subside. Several regional central banks - including those of Rwanda, Mozambique, South Africa, and Kenya - have already initiated rate cuts, with expectations of further monetary policy easing in the coming months. This monetary accommodation may help alleviate some currency pressures while supporting domestic economic activity.

13.3 South Africa

South Africa’s economy has shown only modest recovery since 2020, with growth remaining constrained by persistent energy insecurity and transport infrastructure bottlenecks. To address fiscal pressures, the government plans to increase VAT by 0.5% in an effort to bolster revenue and reduce the fiscal deficit, which stands at 3.8% of GDP. However, key economic indicators—including elevated unemployment, sluggish growth, and an inflation rate hovering near the upper bound of the target range—continue to pose significant policy challenges.

The country’s industrial competitiveness is eroding due to weak demand for fixed investment, leading to job cuts and a drain of skilled engineering talent. Structural inefficiencies, particularly chronic electricity shortages and logistical constraints, are expected to prolong subpar economic performance. Growth projections for 2024 have been revised downward to 0.6%, with only a marginal improvement to 1.5% anticipated in 2025. These trends underscore the urgent need for structural reforms to revive investment and restore sustainable growth.



Source: FitchConnect 2025

The Monetary Policy Committee (MPC) kept the repo-rate unchanged 7.5% on the 20th of March 2025. The rate remaining unchanged is on the back of managing South Africa's domestic risks despite favourable inflation. The Reserve Bank Governor also maintained that the rate was kept unchanged due a new era of navigating geo-political tensions and uncertainties.

The government continues to spend far more than it collects in revenue, resulting in a fiscal deficit. The rate of gross government debt, however, is expected to moderate over the medium term due to lower gross borrowing needs, including the budget deficit, maturing loans, and Eskom debt relief. The current account is expected to broaden in the short term as exports remain weak. Risks to the outlook include: (i) high wage bill, (ii) social spending pressures, (iii) devaluation of the Rand and (iv) weak financial position of SOEs.

In 2025, South Africa will champion the region's political and development priorities during its G20 Presidency (December 1, 2024 – November 30, 2025), becoming the first African nation to lead the group. This historic role offers a pivotal platform to elevate Africa's agenda on the global stage. Taking the presidency from Brazil, South Africa has pledged to prioritize three key areas: inclusive economic growth, industrialization, employment, and equity; food security; and artificial intelligence and innovation for sustainable development. Through this leadership, the country aims to steer critical international discussions while advancing the continent's strategic interests.

14. SWOT ANALYSIS

14.1 Internal strengths and weaknesses

STRENGTHS	WEAKNESSES
• Open to cover most African countries based on in-depth knowledge and proximity to the market	• Limited diversity of transactions that generate premium income
• Flexibility in underwriting terms (tenure, risk rating etc.)	• Limited experience in short-term trade credit insurance
• Strong adherence to good corporate governance principles	• Inherently long gestation period of typically supported transactions
• Embedded Own Risk and Solvency Assessment related processes	• Portfolio concentration – country, sovereign/ultimate sovereign receivables
• Skilled, competent and resilient workforce	• Taxation leakages
• Government backing as a shareholder	
• Peer recognition on large and complex projects	
• Strong balance sheet and solvency position	
• Expanded mandate that includes the underwriting of short-term insurance business	
• Ability to stay the long haul in the workout of distressed transactions	

14. 2 External opportunities & threats

OPPORTUNITIES	THREATS
• Leveraging on strategic partnerships	• Sovereign credit downgrades for the country that could increase the cost of funds for ECA finance
• Opportunities in the execution of the African Continental Free Trade Area (AfCFTA)	• Lingering effects of Covid-19 and the threat of other pandemics
• Advance the use of reinsurance	• Ongoing competition from other ECAs and the private market insurance
• Diversification of currencies covered (i.e. ZAR, USD, EUR)	• Balance sheet erosion due to exchange rate volatility
• Collaborate with other DFIs, ECAs and private market insurers and commercial banks	• Cyber security breaches/attacks
• Diversify funding sources for SA exports by broadening ECIC cover to non-SA financial institutions	• Negative impact of a large claim and/or several claims
• Leveraging technology to enhance business processes to increase efficiencies and competitiveness	• Impact of grey listing of South Africa

• Revision of ECIC legislation • Cover for short-term trade credit insurance and Black Industrialists	• Challenge in full recovery of IMU shortfall from shareholder • Over-indebted sovereigns on the African continent • Lack of bilateral influence • Unfavourable restructuring terms at *Paris Club* • Lack of competitiveness of SA exporters

14.3 Strategies to address opportunities and threats

The SWOT Analysis is used to identify strategic targets that address the weaknesses and threats, and take advantage of the strengths and opportunities.

Strengths-Opportunities Strategies	**Strengths-Threats Strategies**
• Enhance transformation • Enhance corporate governance • Embed underwriting and risk management practices • Contribute to trade facilitation that results in job creation • Effective stakeholder and customer engagement	• Enhance financial sustainability • Effective stakeholder and customer engagement
Weakness-Opportunities Strategies	**Weakness-Threats Strategies**
• Improve business processes and systems • Contribute to trade facilitation that results in job creation • Effective stakeholder and customer engagement	• Improve business processes and systems • Contribute to trade facilitation that results in job creation • Effective stakeholder and customer engagement

15. ALIGNMENT TO GOVERNMENT PRIORITIES

The Corporation's objectives are developed based on the alignment of the ECIC mandate with Government priorities as represented by the Industrial Sector Master Plans, the National Development Plan (NDP), the National Industrial Policy 2025 and the Medium-Term Development Plan (MTDP) 2024–2029.

15.1 Industrial Policy

The Industrial Policy is informed by the policy priorities of the Government of National Unity or Seventh Administration policy priorities, which are centred on the following:

- Inclusive growth and job creation;
- Poverty reduction and strengthening the social wage; and
- A capable, ethical and developmental state

In deepening ECIC's underwriting activities, the Corporation will, in line with the Industrial Policy, place its focus on three areas:

1. **Decarbonisation**
    a. Support projects that pursue climate change initiatives and carbon-emission reduction including the following sectors targeted by **the dtic**, amongst others:
        i. Battery Value Chains and Beneficiation of Critical Minerals
        ii. Green Economy
2. **Digitalisation**
    a. In order to improve our efficiency, especially in the short-term insurance business, the Corporation will embark on an automation journey for its key processes which will contribute to red-tape reduction; and
    b. Support projects in the following sectors targeted by **the dtic**, amongst others:
        i. Pharmaceuticals, Vaccines and Medical Technologies
        ii. Electro-Technical industries and White Goods
        iii. Aerospace and Defence
        iv. Digital Economy
3. **Diversification**
    a. The Corporation will seek to diversify its insurance portfolio to prevent concentration risk, both in terms of countries and sectors, by supporting projects in the following sectors targeted by **the dtic**, amongst others:
        i. Cannabis and Hemp
        ii. Clothing, Textile, Footwear and Leather (CTFL)
        iii. Agro-processing
        iv. Steel, Metal Fabrication and Aluminium sector
        v. The Global Business Services (GBS) sector
        vi. Automotives industry
        vii. Chemicals
        viii. Plastics sector
        ix. Cosmetics sector
        x. Oceans Economy

ECIC contributes to the following Strategic Interventions stated in the Industrial Policy:

1. Leverage the AfCFTA to create regional value chains and fast-tracking the industrialisation agenda;
    a. ECIC business activities and the projects it underwrites already fall within the ambit of the AfCFTA (e.g. Nacala rail project which covers 1200km crossing Malawi and Mozambique to the Nampula deep-sea water port – Tripartite agreement between Zambia, Malawi and Mozambique)
2. To develop a global export strategy for identified key target markets and products backed by a comprehensive support package; and
    a. ECIC primary business is to support cross-border export transactions and investments
    b. ECIC does targeted research for specific countries and sectors for the benefit of South African exporters and financial institutions.

3. Mining and Capital Equipment Export Programme.
    a. Historically, ECIC's business was anchored on supporting cross-border mining projects which involved the supply of heavy equipment and related services i.e. construction of mineral processing plants and yellow equipment.

ECIC is seeing a resurgence of mining activities in Zimbabwe, Angola, Tanzania, Sierra Leone, Mali and DRC amongst others. ECIC estimates these transactions to be around $2,5 billion over the next 5 years. South Africa's share of global mining exploration will be enhanced by involvement in these countries to mine and beneficiate the following critical minerals:

- Lithium;
- Cobalt;
- Nickel;
- Rare earth minerals; and
- PGMS.

Most of the projects are at bankable feasibility study stage and others have already declared definitive investment dates and are going through fundraising and due diligence.

These projects present massive opportunities for South African companies to provide goods and technical services.

ECIC also contributes to addressing the identified "Threats of the Gas Cliff" through its support of the development of the Liquified Natural Gas (LNG) projects in Northern Mozambique which could serve as a vital source of gas to the South African market. Furthermore, ECIC is considering supporting the development of a gas pipeline and an LNG regasification terminal infrastructure in the port of Maputo to supply LNG from Mozambique to South Africa through the existing ROMPCO pipeline infrastructure. This source of gas will be vital as feedstock for refineries and domestic gas supply.

15.2 Medium-Term Development Plan

The main objective of the MTDP is to strategically guide the work of the 7th Administration to achieve the goals set out in the Statement of Intent of the GNU and the National Development Plan (NDP).

To achieve these goals, the MTDP identifies three Strategic Priorities which will be implemented across the state:

- Strategic Priority 1: Drive inclusive growth and job creation.
- Strategic Priority 2: Reduce poverty and tackle the high cost of living.
- Strategic Priority 3: Build a capable, ethical and developmental state.

ECIC will further contribute to the implementation of the AfCFTA through the short-term insurance business line and the support of the priority sectors included in the various Master Plans as we seek to support a larger portion of the export value chain. The Addendum to the 2016 Agreement between the Minister and the Corporation, which became effective during the 2021/22 financial year, identifies sectors related to the various Industrial Sector Master Plans concluded by **the dtic** from time to time as priority areas of focus. The Corporation's expanded mandate will enhance the ECIC contribution to **the dtic** AfCFTA Export Plan and to the direct and indirect creation of jobs, value addition and competitiveness in export markets.

The below table details the alignment of applicable ECIC strategic objectives to the MTDP.

ALIGNMENT TO THE NATIONAL DEVELOPMENT PLAN

<table>
<tr><th>MTDP Priority</th><th>MTDP Outcome</th><th>Intervention Indicators</th><th>ECIC Target</th><th>How does it contribute?</th></tr>
<tr><td rowspan="6">Drive Inclusive Growth and Job Creation</td><td>Increased employment and work opportunities</td><td>Number of learners or students placed in workplace-based learning (internships, learnerships, work integrated learning)</td><td rowspan="2">Maintain a Level 1 B-BBEE Score</td><td>Supported through the ECIC Graduate Programme.

Absorption of graduates targeted per the requirements of the B-BBEE Scorecard.

The current ECIC headcount allows for 15 graduates on two-year contracts.</td></tr>
<tr><td rowspan="4">Accelerated growth of strategic industrial and labour-intensive sectors</td><td>Number of small enterprises supported financially and non-financially.</td><td>Supported through Supplier Development and Enterprise Development Programme.

Spend targeted per the requirements of the B-BBEE Scorecard.</td></tr>
<tr><td>Increase in SA's share of global mining exploration expenditure</td><td rowspan="4">SA EXIM Bank operational by 2028

Gross Written Premium of R400 million</td><td rowspan="4">The Corporation's insurance products facilitate international trade and protects financing institutions and exporters against the insured political and commercial risk events.

The Corporation's particular focus is on Africa and other emerging markets outside the continent that are considered too risky for conventional insurers.</td></tr>
<tr><td>% of global market for processed critical minerals captured</td></tr>
<tr><td>Growth in value of agricultural exports to target countries (measured within identified key sub-sectors)</td></tr>
<tr><td>Increased trade and investment</td><td>Rand value increase in SA exports to the rest of Africa</td></tr>
<tr><td>Build a Capable, Ethical, and Developmental State</td><td>Mainstreaming of gender, empowerment of youth and persons with disabilities</td><td>Percentage of procurement spend to enterprises owned by women, youth and persons with disabilities</td><td>Maintain a Level 1 B-BBEE Score</td><td>Implemented through the ECIC Preferential Procurement Policy.

Percentage targeted per the requirements of the B-BBEE Scorecard.</td></tr>
</table>

The ECIC mandate contributes directly to the targeted R1,1 trillion in annual exports to Africa and R3 trillion in export market access across all 22 target global markets which represents the targeted interventions of **the dtic** towards the MTDP to achieve 3% GDP growth by the end of the Seventh Administration.

The ECIC is targeting $670 million in approved transactions per year which would result in approximately R6 billion in exports over the period of the approved transactions (average of 5-7 years). The approved transactions over the strategic period ($3,35 billion) are expected to result in R30 billion in exports over the next 5 years.

As an outcome of the $670 million in approved transactions per year, the ECIC Economic Impact Assessment Model anticipates an average of 14 000 work opportunities to be created over the period of the approved transactions (average of 5-7 years). The approved transactions over the strategic period ($3,35 billion) are expected to result in 70 000 work opportunities over the next 5 years.

ECIC does targeted annual research for specific countries and sectors for the benefit of South African exporters and financial institutions, as well as targeted marketing campaigns in African countries. The 22 target global markets will be considered for ECIC research and marketing campaigns over the strategic period.

15.3 Alignment with the dtic Strategic Plan

The below table details how ECIC contributes to **the dtic** Strategic Plan key focus areas:

The dtic Focus Area	ECIC target
Unlocking Access to Capital / Finance Outside the State • Launch a SA EXIM Bank by 2028 capitalised in excess of R20 Billion, to be leveraged for additional private placements • Achieve R20 Billion in capital for the export bank, with incremental funding milestones reached each year over the next 3 years (by 2028)	**2025/26** Tax-exempt status for ECIC **2028/29** SA EXIM Bank operational
Red Tape Reduction - Digitisation of 50% of **the dtic** entities processes in 6 months	More than 50% of the ECIC processes are already digitised through the Business Process Automation Plan that was implemented since 2020/21. A new Business Process Automation Plan is being implemented from 2025/26. **2025/26** 21% of business processes automated (new business automation plan) **2026/27** 65% of business processes automated **2027/28** 100% of business processes automated
Strategic Market Access : Exports for Global Markets	Gross Written Premium of R400 million
Workforce Readiness & Skills for the Economy	Maintain a Level 1 B-BBEE Score Through the ECIC Graduate Programme, absorption of graduates targeted per the requirements of the B-BBEE Scorecard. The

	current ECIC headcount allows for 15 graduates on two-year contracts.
Market Concentration and Economic Inclusion	Maintain a Level 1 B-BBEE Score Through the ECIC Supplier Development and Enterprise Development Programme and the ECIC Preferential Procurement Policy.

15.4 The Need for a South African Export-Import Bank (SA EXIM Bank)

The dtic Strategic Plan identifies the need to establish SA EXIM Bank to support international trade and economic growth by 2028.

In most developed and developing economies, exporters are internationally competitive due to the financing and insurance products which are offered by their home countries' export credit agencies and Eximbanks. As such, they can compete based on pricing and quality of goods and services, and comparatively, obtain cheaper financing from domestic ECAs and Eximbanks. In South Africa the lack of a dedicated export financing entity and ECIC's lack of financing or lending capability has left the country primarily relying on commercial banks to provide liquidity which is often priced at higher interest rates due to high funding costs. The state-owned development financing institutions such as the IDC and DBSA, currently provide limited term financing for exports into the continent but lack sophistication and capabilities that would be inherent with a dedicated export financing entity such as an Eximbank.

The current lack of a dedicated export financing entity has highlighted a big challenge in the provision of internationally competitive export financing in pursuit of government policy objectives, which amongst others include, the promotion of an export-led investment and industrialization of the economy. Government through **the dtic** had to offer interest make-up subsidies in respect of loans provided by commercial banks to fund export credit transactions. This was to enable South African banks to provide competitive pricing on long-term export loans to foreign buyers in support of South African export of capital goods and services. While this was an attractive scheme and benefitted the country's export community immensely, it was proven to be unsustainable over the long term and an unquantified burden on the fiscus due to a currency mismatch between the budget, which was in Rand and the IMU liabilities or payments were in US$ currency. The IMU Scheme had proven to be too costly to maintain and was discontinued in 2016.

It is the responsibility of **the dtic** to ensure that the proposed review or overhaul of the Export Credit Act aligns with Government's market diversification and export strategies and policies which will have the benefit of promoting South African exports to global markets and increase export growth and manufacturing capabilities and at the same time growing the economy and creating the necessary jobs. It is therefore necessary to review and overhaul the Export Credit Act to create a conducive legislative environment to reposition the mandate of the ECIC, including the establishment of a dedicated Eximbank to provide or offer export related financing and trade finance products.

The dtic carries, amongst others, a mandate to broaden the participation of South African exporters and investors in the global economy and integration into the continental value chains as envisaged under AfCFTA. **The dtic** remains committed and steadfast that the continued existence of entities such as the ECIC and the establishment of a complimentary financing entity such as an SA EXIM Bank will assist it in accomplishing its policy objectives.

Since the establishment of the ECIC in 2001, many exporters have been battling to access liquidity which is necessary in financing their working capital needs, as commercial banks have stringent credit requirements. The lack of liquidity or credit at favourable rates has had a negative impact on most exporters, especially the Small and Medium Enterprises. They are not able to compete internationally based on the price of their goods and inability to provide competitive funding package and payment terms to foreign buyers of their goods and services.

The South African economy has faced stagnation over the last decade, and many sectors have deindustrialised and have lost competitiveness in areas such as provision of construction services, and the country is facing a high unemployment rate. Therefore, there is a need to jumpstart the economy to realise higher growth that will result in job creation. Furthermore, the cost of liquidity is relatively high even though inflation has regressed.

The establishment of an Eximbank to provide export related financing, including trade financing products, will alleviate the deficit of the required liquidity to fund the manufacturing of exports and facilitate the participation of a greater number of exporters in export trade, both domestically and internationally. Furthermore, the combined value of ECIC and SA EXIM Bank will improve the competitiveness of South African exporters in providing consolidated and/or comprehensive financing and insurance solutions to export transactions, including foreign investment transactions at competitive prices or rates. It is important that SA EXIM Bank is established to, amongst others, play a countercyclical role in supporting South African exporters, both domestically and internationally.

The reliance on financing provided by commercial banks has its own related challenges such as the high cost of funding which make the loans slightly expensive. Furthermore, commercial banks have credit assessment criteria and customer risk rating processes which tend to exclude some of the exporters, especially previously disadvantaged budding exporters, from accessing the financing required to support the manufacturing and export of goods and rendering of services.

In accelerating the creation of an SA EXIM Bank, ECIC will play a major role in the following:

1. Drafting the business case and the draft legislation for the establishment of an SA EXIM Bank;
2. In conjunction with **the dtic**, facilitate the approval process of the draft legislation through Cabinet and Parliament;
3. Embarking on a fundraising process for the initial funding requirements of R20 billion (Contribution of initial capital from ECIC and other South African DFIs, private placements/borrowings and injection by SA Government to fund the balance); and
4. Launching of SA EXIM Bank for operations in 2028.

15.5 Partnership with Afreximbank

Pending the establishment of SA EXIM Bank, it would be ideal for Afreximbank to fill the gap by supporting transactions that are likely to be carried by SA EXIM Bank once it is launched, especially providing credit lines, loans and guarantees to South African DFIs and Commercial Banks, to avail funding directly to SMMEs and Black Industrialists.

Afreximbank and ECIC have previously launched the South Africa – Africa Trade and Investment Promotion Programme (SATIPP), a $1 billion financing programme to promote trade and investments between South Africa and other African nations. Both parties are in discussion for a renewed SATIPP 2.0 pending the ECIC shareholding being converted to Class A. The SATIPP 2.0 aims to provide funding between $3 and $5 billion to support transactions in the SADC region and Sub-Saharan Africa.

Furthermore, Afreximbank has extensive experience in trade finance and could provide valuable technical assistance in the setup and operationalization of the new bank. This would include setting up operational systems for risk management and governance structures.

15.6 Key Stakeholders / Champions in ECIC's contribution to Government Priorities

ECIC will be collaborating on the following key deliverables with the identified key stakeholders and Champions:

- In seeking approval for the legislation which will establish the SA EXIM Bank, and the tax exemption status for ECIC, ECIC will be working closely with **the dtic** and National Treasury;
- In establishing an SA EXIM Bank, ECIC will be working closely with Afreximbank;
- In raising the funding for capitalising the SA EXIM Bank, ECIC will work closely with:
    - **the dtic**;
    - institutional investors such as the Public Investment Corporation;
    - sovereign wealth funds in Saudi Arabia, Qatar, United Arab Emirates;
    - local and international Developmental Financing Institutions;
- In promoting the Aerospace and Defence industry exports, ECIC will collaborate with Denel SA and other exporters within the industry;
- In resolving the SA Gas Cliff threat, ECIC will be working closely with Total, Sasol and Petro SA; and
- Generally, in facilitating exports of goods and services, ECIC will be collaborating with South African Commercial Banks and Development Financing Institutions in providing finance; and South African exporters who will be providing the goods and services.

16. BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT

16.1. Board of directors

The ECIC Board is responsible for determining its strategic direction and ensuring that the implementation of the strategy is legislatively and regulatory compliant. The directors serve a maximum of two three-year terms each. The six Board committees include representatives from National Treasury and **the dtic**, as shareholder, and help the Board to fulfil its roles.

INDEPENDENT CHAIRPERSON
DHEVEN DHARMALINGAM
Age: 59
Qualifications: CA (S.A), Member of the Institute of Directors
Areas of expertise: Finance; Taxation and Insurance; Strategy; Change management and Organizational Redesign
Position on other boards: Board member at African Bank Limited, Executive Director of Companies with personal investments
Years of service: 7

INDEPENDENT NON-EXECUTIVE DIRECTOR
VUYELWA MATSILIZA, Cert. Dir., CD(SA)
Age: 58
Qualifications: MBL, BA Honours in Economics (Cum Laude), Secondary Teachers Diploma
Areas of expertise: Corporate finance and investment management, Governance, Project finance, Treasury management
Position on other boards: Board member at Bayport Financial Services South Africa, Phakamani Foundation NPC (pro Bono), IsivandeSethu NPC (pro Bono)
Years of service: 11

INDEPENDENT NON-EXECUTIVE DIRECTOR
SIOBHAIN O'MAHONY
Age: 38
Qualifications: BSc (Hons) (Actuarial Science), Fellow of the Actuarial Society of South Africa, Fellow of the Institute and Faculty of Actuaries
Areas of expertise: Actuarial valuations, Asset-liability matching, Capital adequacy requirements and calculations, Analytics, Pricing and profitability (banking), Loyalty programme design and modelling
Positions on other boards: The South African Cities Network, Chairperson of The South African Institute of Professional Accountants Risk and Compliance Committee, HISP Health Information Systems Program South Africa NPA, Member of the Enforcement Committee of the Information Regulator of South Africa, Legal Practitioners Indemnity Insurance Fund NPC, Executive Director of companies with personal investments
Years of service: 11

INDEPENDENT NON-EXECUTIVE DIRECTOR
LERATO MOTHAE
Age: 49
Qualifications: CA(SA)
Areas of expertise: Auditing, Finance, Financial Management
Positions on other boards: The South African National Accreditation System (SANAS)
Years of service: 7

INDEPENDENT NON-EXECUTIVE DIRECTOR
DESHNI SUBBIAH, **Certified. Director**
Age: 41
Qualifications: BSc Actuarial Science (Cum Laude), Fellow of the Actuarial Society of South Africa, Chartered Enterprise Risk Actuary (CERA), Post-Graduate Diploma in General Management (Distinction), Masters in Business Administration (MBA), Certificate in Investments from the Institute of Actuaries (UK)
Areas of expertise: Actuarial, Risk Management, Governance, Investments, ESG, Audit, Legal and Compliance
Position on other boards: Capitec Life, Sasria, Land Bank Insurance Company, Land Bank Life Insurance Company, South African Institute of Professional Accountants
Years of service: 6

NON-EXECUTIVE DIRECTOR (the dtic)
LERATO MATABOGE
Age: 46
Qualifications: BA (Law and International Relations), Honours (International Relations), Masters (International Political Economy and International Trade and Global Finance), Certificates in Trade Negotiations, Bilateral Investment Treaty Negotiations and Project Management, Executive training In Infrastructure Project Conceptualisation and Preparation
Areas of expertise: Strategy, Trade and Investment
Position on other boards: None
Years of service: 6

INDEPENDENT NON-EXECUTIVE DIRECTOR
SISA MAYEKISO
Age: 42
Qualifications: BCom Honours (Accounting), CA(SA), CFA
Areas of expertise: Accounting, Treasury, Investment & Risk Management.
Positions on other boards: Executive Director of companies with personal investments, Southern African Music Rights Organisation – Board member, Mines 1970 Unclaimed Benefits Preservation Pension & Provident Fund – Board member
Years of service: 7

NON-EXECUTIVE DIRECTOR (National Treasury)
ERROL MAKHUBELA
Age: 48
Qualifications: BCom Finance and Economics, Post graduate diploma in the Law of Banking and Finance, Master of Business Leadership
Areas of expertise: Economics, International Trade Finance, Strategy and Risk Management
Position on other boards: SANRAL
Years of service: 2

ALTERNATE NON-EXECUTIVE DIRECTOR (the dtic)
Willem van der Spuy
Age: 52
Qualifications: BA (Honours) International Relations
Areas of expertise: International Trade and Investment
Position on other boards: None
Years of service: 2

COMPANY SECRETARY
Nettie Moffatt
Age: 45
Qualifications: LLB, Post Graduate Certificate in Advanced Taxation, LLM (Commercial Law), FCIS, Admitted Attorney, Conveyancer and Notary
Areas of expertise: Corporate and Commercial law
Position on other boards: None
Years of service: 0

16.2 Executive Management

The Chief Executive Officer (CEO) is responsible for the Corporation's day-to-day operations and is supported by the Chief Operations Officer, Chief Financial Officer, Chief Risk Officer, Chief Actuarial and Investments and General Counsel. Various units report to the CEO and his executive team. Except for the CEO, who is on a three-year contract with a three-month notice period, all other executives are permanent employees who are required to give a month's notice when resigning.

Executives are not bound by a restraint of trade agreement when leaving the Corporation.

ACTING CHIEF EXECUTIVE OFFICER AND ACTING CHIEF OPERATING OFFICER
NTSHENGEDZENI GILBERT MAPHULA
Age: 53
Qualifications: BPROC (UNIVEN), LLB (UP), LLM (UP), LLM (UNISA)
Areas of expertise: Cross Boarder Financing, Export Credit Insurance, Political Risk, International Trade and Foreign Investments Project Finance and Sovereign Lending
Positions on other boards: None
Years of service: 18

CHIEF FINANCIAL OFFICER
NOLUTHANDO MKHATHAZO
Age: 42
Qualifications: CA(SA), Management Advancement Programme
Areas of expertise: Finance, auditing and financial management
Positions on other boards: None
Years of service: 14

CHIEF RISK OFFICER
JOHN OMOLLO
Age: 57
Qualifications: Master of Business Administration (MBA) Wits, Certified Public Accountant of Kenya (CPA II, III)
Areas of expertise: Risk Management, Project & Structured Finance, Banking and Credit Rating of Financial Institutions
Positions on other boards: None
Years of service: 14

ACTING GENERAL COUNSEL
DIANNE NAICKER
Age: 46
Qualifications: BProc Law (UKZN), LLM (International Commercial Law-Manchester, UK), Company Secretarial and Governance Practice (CSSA), Advanced Certificate in Management Practice (Henley Business School)
Areas of expertise: Export Credit Insurance and Project Finance
Positions on other boards: None
Years of service: 14

CHIEF ACTUARIAL & INVESTMENTS
SIAS ESTERHUIZEN
Age: 45
Qualifications: BSc (Financial Mathematics), BSc Hons (Actuarial Mathematics), FASSA (Fellow of the Actuarial Society of South Africa)
Areas of Expertise: Actuarial pricing, reserving, capital modelling and risk management disciplines
Positions on other boards: None
Years of service: 9

17. DESCRIPTION OF THE PLANNING PROCESS

In developing the Corporate Plan, the Corporation has considered the National Development Plan as the overarching program that guides the government priorities of the current administration. This is captured in the table demonstrating the link between the ECIC objectives/initiatives and the objectives and vision of the National Development Plan.

Secondly, the priorities of **the dtic** were considered, to ensure that there is alignment between the ECIC objectives and **the dtic** priority areas. This alignment is captured in the table demonstrating the link between **the dtic** priorities and the ECIC mandate and initiatives.

A four-day workshop was held between management and the Board. The strategic themes and objectives will guide the programmes to be implemented by the Corporation for the next five years. These strategic themes and objectives are captured in the strategic map which is a visual representation of how the strategy and the various themes and objectives work together on an integrated basis to enable the Corporation to achieve the intended results.

This allowed management and the Board to take stock of the external operational and competitive environment to help the Corporation better position itself to address the current and impending challenges that are lurking on the horizon. This process has enabled the Corporation to develop programmes, performance targets and measurements in line with the SMART principles.

The different programmes of the Corporation are underpinned by a budget which is predicated on the ability of the Corporation to write new business to fulfil its mandate in the first instance, whilst ensuring that we generate sufficient levels of revenue to ensure financial sustainability of the Corporation as a going concern over the planning period and beyond. The overall financial plan ensures that the Corporation has adequate levels of capital and liquidity to meet the regulatory and operational requirements on a sustainable basis. The increase of the capital base is being pursued because it enables the Corporation to have bigger underwriting capacity towards the fulfilment of its mandate. The capital base will increase du the growth in investment income and the underwriting profits.

The Board convened and approved the draft Corporate Plan at its meeting of 30 October 2024. Pursuant to the review of the draft Corporate Plan by **the dtic**, the updated Corporate Plan was approved by the Board at its 29 January 2025 meeting. Further engagement with **the dtic** and its entities in finalising **the dtic** Strategic Plan led to additional changes being made to the Corporate Plan, specifically adding new targets relating to the following:

1. South African Export-Import Bank operational by 2028; and
2. Tax-exempt status for ECIC.

18. FINANCIAL PLAN

The budget is prepared using the US Dollar (USD) functional currency in line with the requirements of the International Financial Reporting Standards. The functional currency is defined as the currency of the primary economic environment in which the entity operates while a foreign currency is defined as a currency other than the functional currency of the entity.

USD is the functional currency as a significant portion of the revenue is received from the USD revenue stream. The foreign currency risk is thus on the Rand transactions and not the USD transactions i.e., when an insurance claim is lodged, ECIC may need to utilise its Rands to purchase USD to pay USD claims. The foreign exchange movements are therefore based on Rand transactions.

When calculating the income tax charge and the spend for ESD and SED, the foreign exchange movements are based on USD transactions in terms of the Income Tax Act. This now creates a misalignment between the Profit Before Tax, Taxation, and ESD and SED Contributions as the last two items are not calculated on a USD functional currency basis.

R'000	2025	2026	2027	2028	2029	2030
STATEMENT OF FINANCIAL PERFORMANCE						
Insurance revenue	308 716	297 289	391 436	520 872	662 312	775 290
Insurance service expenses	51 242	-134 262	-138 797	-176 008	-238 947	-273 822
Net expenses from reinsurance contracts held	-5 058	-14 254	-48 442	-110 538	-169 344	-219 252
Insurance service result	**354 900**	**148 773**	**204 198**	**234 326**	**254 020**	**282 216**
Finance expenses from insurance contracts issued	107 576	25 576	-14 735	-93 558	-149 924	-142 451
Finance income from reinsurance contracts held	-1 312	5 404	19 783	50 225	60 411	57 364
Net insurance result	**461 164**	**179 753**	**209 245**	**190 993**	**164 508**	**197 130**
Other Operating expenses (Excl. Investments and SED & ESD Contributions	-49 657	-52 094	-51 328	-57 559	-55 970	-57 819
Bonus services	-28 245	-30 416	-30 782	-29 552	-32 956	-34 116
Investment Income	852 123	620 377	711 534	810 280	924 513	964 391
Investment management expense (Incl. Opex)	-33 750	-38 635	-45 232	-51 796	-58 940	-61 828
IMU income	162 488	167 881	173 600	181 450	190 523	200 049
IMU expenses	-39 779	-17 997	-11 409	-6 154	-2 389	-330
Other income	4 198	-	-	-	-	-
Interest expense	-1 565	-1 131	-642	-958	-2 547	-1 820
Profit Before Tax (before SED & ESD Contibutions)	**1 326 978**	**827 739**	**954 987**	**1 036 704**	**1 126 741**	**1 205 656**
SED & ESD Contributions (4%) (Incl. Operating expenses)	-11 366	-34 824	-35 383	-36 113	-38 991	-41 065
Foreign Exchange gain/(Loss)	475 599	656	-	-	-	-
Profit Before Tax	**1 791 211**	**793 570**	**919 604**	**1 000 590**	**1 087 750**	**1 164 591**
Taxation	-235 530	-205 327	-204 502	-222 830	-242 896	-260 516
Profit/(Loss) After Tax	**1 555 681**	**588 243**	**715 103**	**777 761**	**844 854**	**904 076**
Dividends paid	-	-	-	-	-	-
Retained profits for the current period	**1 555 681**	**588 243**	**715 103**	**777 761**	**844 854**	**904 076**

R'000	2025	2026	2027	2028	2029	2030
STATEMENT OF FINANCIAL POSITION						
ASSETS						
Equipment	17 956	11 248	5 676	30 836	22 865	16 034
Investments	8 785 272	10 434 386	12 222 412	14 060 230	14 576 835	14 995 225
Loans and receivables	12 022	10 510	11 241	10 447	9 527	4 451
Insurance contract assets	1 471 774	1 686 351	1 610 526	1 439 297	1 490 951	1 563 019
Insurance acquisition cost	77 248	80 257	62 224	41 862	38 009	35 349
Reinsurance contract assets	-49 409	420 855	1 087 888	1 360 949	1 271 846	1 144 301
Cash and Cash Equivalent	33 370	33 933	33 933	33 933	32 433	32 433
Deferred tax	22 496	19 647	19 647	19 647	19 647	19 647
Taxation receivable	-	-	-	-	-	-
Total Assets	**10 370 728**	**12 697 188**	**15 053 547**	**16 997 201**	**17 462 113**	**17 810 460**
EQUITY AND LIABILITIES						
Equity						
Share Capital and Premium	316 051	316 051	316 051	316 051	316 051	316 051
Foreign Currency Translation Reserve	3 874 347	3 981 223	3 981 223	3 981 223	3 981 223	3 981 223
Other OCI Reserves	-739 130	-731 795	-731 795	-731 795	-731 795	-731 795
Retained Income - Previous Years	4 162 664	5 718 345	6 306 940	7 021 662	7 798 935	8 643 908
- Current Year	1 555 681	588 243	715 103	777 761	844 854	904 076
Total Equity	**9 169 613**	**9 872 067**	**10 587 521**	**11 364 901**	**12 209 267**	**13 113 462**
Liabilities	-	-	-	-	-	-
Provision for Outstanding Claims	-	-	-	-	-	-
Provision for Unearned Premiums Reserve	-	-	-	-	-	-
Provision for Unexpired Risk Reserve	-	-	-	-	-	-
Reinsurance deferred acquisition cost	-	-	-	-	-	-
Insurance contract liabilities	756 578	2 368 040	3 972 864	5 222 303	5 086 477	4 594 112
Taxation payable	-	-	-	-	-	-
IMU liability	308 746	214 852	130 931	65 925	20 480	0
Reinsurance liabilities	-	-	-	-	-	-
Trade and other payables	87 996	193 459	316 502	272 364	75 390	37 274
Lease Liabilities	15 301	10 127	4 691	30 927	25 940	19 867
Employee benefit liability	32 494	38 643	41 036	40 781	44 558	45 744
Total Liabilities	**1 201 115**	**2 825 121**	**4 466 026**	**5 632 300**	**5 252 846**	**4 696 998**
Total Equity and Liabilities	**10 370 728**	**12 697 188**	**15 053 547**	**16 997 201**	**17 462 113**	**17 810 460**

	2025	2026	2027	2028	2029	2030
Cash flows from operating activities						
Cash generated by underwriting activities	- 130 598	1 091 831	534 062	379 613	- 300 180	- 455 654
Interest received	424 993	620 377	711 534	810 280	924 513	964 391
Dividends received	17 803	-	-	-	-	-
Dividends paid	-	-	-	-	-	-
IMU Grant received	162 488	167 881	173 600	181 450	190 523	200 049
IMU Claims Paid	- 149 000	- 116 324	- 95 330	- 71 160	- 47 834	- 20 810
Interest paid	- 1 565	- 1 131	- 642	- 958	- 2 547	- 1 820
Taxation paid	154 917	- 205 327	- 204 502	- 222 830	- 242 896	- 260 516
Net cash inflow from operating activities	**479 037**	**1 557 307**	**1 118 723**	**1 076 395**	**521 578**	**425 640**
Cash flows from investing activities						
Net acquisition of fixed and intangible assets	- 131	- 1 559	- 1 125	- 2 093	- 1 487	- 1 532
Net (acquisition)/disposal of investments	- 1 516 633	- 1 551 045	- 1 111 548	- 1 068 735	- 516 604	- 418 035
Net proceeds on sale of fixed assets	165	-	-	-	-	-
Net cash (outflow)/inflow from investing activities	**- 1 516 599**	**- 1 552 604**	**- 1 112 673**	**- 1 070 828**	**- 518 092**	**- 419 567**
Lease payments	- 3 923	- 4 703	- 6 050	- 5 567	- 4 987	- 6 073
Net cash (outflow)/inflow from financing activities	**- 3 923**	**- 4 703**	**- 6 050**	**- 5 567**	**- 4 987**	**- 6 073**
Net increase in cash and cash equivalents	**- 1 041 485**	**- 0**	**- 0**	**- 0**	**- 1 500**	**- 0**
Cash and cash equivalents at beginning of year	1 077 020	33 370	33 933	33 933	33 933	32 433
Unrealised foreign exchange gain/(loss) on cash and cash equivalents	- 2 166	563	-	-	-	-
Cash and cash equivalents at end of year	**33 370**	**33 933**	**33 933**	**33 933**	**32 433**	**32 433**

18.1 Capital expenditure projects

The Corporation has plans to acquire computer systems to modernise its business processes. Improving business processes is one of the corporate objectives highlighted in the strategy. Total budgeted capital expenditure is per the table below

	2025	2026	2027	2028	2029	2030
Total capital expenditure	131	1 559	1 125	2 093	1 487	1 532

18.2 Infrastructure plans

The Corporation does not have infrastructure plans for the period 2025/26 - 2029/30

18.3 Dividend policies

The Corporation follows the practice of no dividend payments.

18.4 Borrowing Plans

The Corporation has no borrowing plans

18.5 Economic and financial assumptions

The exchange rates listed below have been obtained from Bloomberg:

	2025	2026	2027	2028	2029	2030
USD/ZAR	17,7000	18,0200	18,0200	18,0200	18,0200	18,0200

18.6 Assumptions used for insurance revenue and expenses

The budgeted insurance revenue and insurance services expenses are based on the expected and actual cash flows for premium receipts, claim payments, allocated policy administration and claims handling expenses, as well as allocated acquisition costs. It is assumed that the approved projects will materialise at 60%. A 40% probability was assumed for the pipeline not approved (including short-term insurance business). Placeholders are included towards the end of the strategic planning period. In addition to the above, it has been assumed that 46% of LNG Total Mozambique, and 50% of Exxon Mobile, Quantum and Hydropower Lesotho will be reinsured, with cover effective from the 1st drawdown date.

Insurance revenue is driven by the following elements:
- Difference in actual premium received compared to expected
- Release of provisioned expected claims
- Release of provisioned Risk Adjustment
- Release of Contractual Service Margin (CSM)

Insurance services expense is driven by the following elements: •
- Actual incurred claims
- Raising a Loss Component (LC) for contract becoming onerous or changes to the LC held
- Offset by release of the LC raised previously

Given the lumpiness of ECIC exposures, it is difficult to estimate the size of potential future claims. Incurred claims where budgeted as follow:
- In FY2023 IBNR was raised for the following policies:
- The two GIC projects for $17.1m (100% LGD no salvages). Assume GIC IBNR is released March 2025
- Assume in FY2025 IBNR will be raised for Liqhobong Working Capital and Liqhobong Facility C for R50m and R127m (100% LGD and no salvages). Claim payment is assumed to be in June 2025
- Allowed for new incurred claims equal to the expected claims in the best estimate LRC
- Salvage provision: ECIC is anticipating salvages for the projection period from the following policies and hence hold technical provision for them: Iraq, Seychelles 128364, Seychelles 173322, Zomay, Amandi Hospital, Amandi Rail and Thengashep. This salvage receivables are assets to ECIC. No provision made for BiWater and Liqhobong salvages, given that no restructure has been done.

18.7 Assumptions used for Investments Income

The assumptions used for investment income considered 2 sets of information:
- expected investment returns per asset class; and
- expected asset allocation based on the new investment tranche strategy

18.8 Other Assumptions for the Corporation’s budget

The following assumptions were applied on expenses:
- The average increase of total operating expenses over the strategic planning period is 4%;
- Salary increment is between 3,5% and 4,0% per annum during the strategy period; and
- Bonus based on the latest approved policy.

IMU grant receipt for 2025 is based on the actual amount received from **the dtic**. Post 2025, the IMU grant receipts are based on the MTEF allocation letter received in December 2024. IMU grant receipts are exempt for tax purposes.

18.9 SA EXIM Bank

The financial projections above do not include the establishment of an SA EXIM Bank. This will be included in the 2026/27 Corporate Plan.

PART C: MEASURING OUR PERFORMANCE

DTIC FOCUS AREA: STRATEGIC MARKET ACCESS: EXPORTS FOR GLOBAL MARKETS

19. CONTRIBUTE TO TRADE FACILITATION THAT RESULTS IN JOB CREATION

19.1. Purpose

To proactively attract business from new and existing customers to facilitate more exports and cross border investments.

19.2. Description

In five years, we will proactively attract business from new and existing customers to facilitate more exports and cross border investments. This programme will include:

- Proactively conducting research in various countries and sectors to identify trade and investment opportunities for South African companies with the aim for the Corporation to match relevant players to those opportunities; and
- Implementing a business development plan that will seek to establish customer focused initiatives along regional, geographic and sector segments; develop initiatives to leverage on local presence and our strategic partners.

In the next five years the successful execution of this program will be demonstrated in the following key measures:

- Gross Written Premium of R400 million.

When ECIC is receiving premium, it indicates that insured projects are operating, and resultant SA content and work opportunities are being created.

The ECIC mandate contributes directly to the targeted R1,1 trillion in annual exports to Africa and R3 trillion in export market access across all 22 target global markets which represents the targeted interventions of **the dtic** towards the MTDP to achieve 3% GDP growth by the end of the Seventh Administration.

The ECIC is targeting $670 million in approved transactions per year which would result in approximately R6 billion in exports over the period of the approved transactions (average of 5-7 years). The approved transactions over the strategic period ($3,35 billion) are expected to result in R30 billion in exports over the next 5 years.

As an outcome of the $670 million in approved transactions per year, the ECIC Economic Impact Assessment Model anticipates an average of 14 000 work opportunities to be created over the period of the approved transactions (average of 5-7 years). The approved transactions over the strategic period ($3,35 billion) are expected to result in 70 000 work opportunities over the next 5 years.

ECIC does targeted annual research for specific countries and sectors for the benefit of South African exporters and financial institutions, as well as targeted marketing campaigns in African countries. The 22 target global markets will be considered for ECIC research and marketing campaigns over the strategic period.

19.3 Performance indicators and performance targets (Contribute to trade facilitation that results in job creation)

Goal/ Outcome	Output	Performance Indicator/ measure	Actual Performance			Estimated Performance	Medium-Term Targets				
			2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
Proactively attract business from new and existing customers to facilitate more exports and cross border investments	Facilitation of exports and cross border investments	Value of approved transactions.	Gross Written Premium	R196m	R150m	R63m	R32m	R400m	R400m	R400m	R400m

19.4 Quarterly milestones (Contribute to trade facilitation that results in job creation)

Goal/ Outcome	Output	Performance Indicator/ measure	Baseline	2025/26 Annual Target	Quarterly milestones			
					1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Proactively attract business from new and existing customers to facilitate more exports and cross border investments	Facilitation of exports and cross border investments	Gross Written Premium	USD32m	R400m	R100m	R200m	R300m	R400m

19.5. Financial Plan (Expenditure estimates for Contribute to trade facilitation that results in job creation)

Programme Name: Contribute to trade facilitation that results in job creation									
Economic classification	Expenditure outcome			Adjusted Appropriation	Medium-Term Expenditure Estimate				
	2021/22 R '000	**2022/23 R '000**	**2023/24 R '000**	**2024/25 R '000**	**2025/26 R '000**	**2026/27 R '000**	**2027/28 R '000**	**2028/29 R '000**	**2029/30 R '000**
Current payment									
Compensation of employees	15 392	16 161	9 346 [1]	19 795	21 160	22 261	23 684	24 380	25 178
Goods & services, etc	5 353	7 342	5 601	9 485	12 062	10 122	11 601	11 284	11 136
Payments of capital assets									
Building and other fixed structure									
Machinery & equipment	-	-	-	-	-	-	-	-	-
Other classifications	-	-	-	-	-	-	-	-	-

1 - The reduction is mainly due to not raising a bonus provision for 2024 FY and the reversal of the bonus provision relating to the 2023 FY.

DTIC FOCUS AREA: UNLOCKING ACCESS TO CAPITAL / FINANCE OUTSIDE OF THE STATE

20. SOUTH AFRICAN EXPORT-IMPORT BANK OPERATIONAL BY 2028

20.1. Purpose

SA EXIM Bank to support international trade and economic growth operational by 2028.

20.2. Description

In accelerating the creation of an SA EXIM Bank, ECIC will play a major role in the following:

- Finalising the business case and the draft legislation for the establishment of an SA EXIM Bank;
- Pursuing a Technical Assistance and Funding Agreement with Afreximbank;
- Achieving R20 Billion in capital for the SA EXIM Bank;
- Implementing the Plan to roll out the South African Export-Import Bank (including consultations with key stakeholder such as the Prudential Authority and the Financial Sector Conduct Authority); and
- Capital raising to fund the initial capital of an SA EXIM Bank (engaging with institutional investors such as PIC, fund managers, SARB, DFIs for equity subscriptions and private placements).

In the next five years the successful execution of this program will be demonstrated in the following key measures:

- SA EXIM Bank operational by 2028.

20.3 Performance indicators and performance targets (Establishment of a South African Export-Import Bank)

Goal/ Outcome	Output	Performance Indicator/ measure	Actual Performance			Estimated Performance	Medium-Term Targets				
			2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
SA EXIM Bank to support international trade and economic growth operational by 2028	SA EXIM Bank operational by 2028	SA EXIM Bank operational	N/A	N/A	N/A	N/A	N/A	N/A	N/A	SA EXIM Bank operational	N/A

20.4 Quarterly milestones (South African Export-Import Bank operational by 2028)

Goal/ Outcome	Output	Performance Indicator/ measure	Baseline	2025/26 Annual Target	Quarterly milestones			
					1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
SA EXIM Bank to support international trade and economic growth operational by 2028	SA EXIM Bank operational by 2028	SA EXIM Bank operational.	N/A	N/A	N/A	N/A	N/A	N/A

20.5. Financial Plan (Expenditure estimates for South African Export-Import Bank operational by 2028)

Programme Name: Establishment of a South African Export-Import Bank									
Economic classification	Expenditure outcome			Adjusted Appropriation	Medium-Term Expenditure Estimate				
	2021/22 R '000	**2022/23 R '000**	**2023/24 R '000**	**2024/25 R '000**	**2025/26 R '000**	**2026/27 R '000**	**2027/28 R '000**	**2028/29 R '000**	**2029/30 R '000**
Current payment	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Compensation of employees	**-**	**-**	**-**	**-**	**2 000**	**-**	**-**	**-**	**-**
Goods & services, etc									
Payments of capital assets									
Building and other fixed structure									
Machinery & equipment	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Other classifications	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

DTIC FOCUS AREA: WORKFORCE READINESS AND SKILLS FOR THE ECONOMY; AND MARKET CONCENTRATION AND ECONOMIC INCLUSION

21. ENHANCE TRANSFORMATION

21.1. Purpose

To ensure a transformed Corporation.

21.2. Description

In the next five years we aim to pursue transformation in accordance with the B-BBEE Act. This program will include:

- Implementing the ECIC Transformation Strategy to maintain a Level 1 B-BBEE score.

In the next five years the successful execution of this program will be demonstrated in the following key measure:

- B-BBEE level score.

21.3 Performance indicators and performance targets (Enhance transformation)

Goal/ Outcome	Output	Performance Indicator/ measure	Actual Performance			Estimated Performance	Medium-Term Targets				
			2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
To ensure a transformed Corporation	Maintain B-BBEE Score	B-BBEE Level	Level 1	Level 1	Level 2	Level 1	Level 1	Level 1	Level 1	Level 1	Level 1

21.4 Quarterly milestones (Enhance transformation)

Goal/ Outcome	Output	Performance Indicator/ measure	Baseline	2025/26 Annual Target	Quarterly milestones			
					1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
To ensure a transformed Corporation	Maintain B-BBEE Score	B-BBEE Level	B-BBEE Level 2	B-BBEE Level 1	N/A	N/A	N/A	B-BBEE Level 1

21.5 Financial Plan (Expenditure estimates for Enhance transformation)

Programme Name: Enhance transformation									
Economic classification	Expenditure outcome			Adjusted Appropriation	Medium-Term Expenditure Estimate				
	2021/22 R '000	**2022/23 R '000**	**2023/24 R '000**	**2024/25 R '000**	**2025/26 R '000**	**2026/27 R '000**	**2027/28 R '000**	**2028/29 R '000**	**2029/30 R '000**
Current payment									
Compensation of employees	**3 637**	**3 815**	**3 182** [1]	**4 747**	**5 169**	**7 842**	**8 427**	**8 763**	**9 050**
Goods & services, etc	**13 914**	**6 878**	**3 450**	**8 373**	**31 187**	**31 397**	**31 896**	**34 552**	**37 602**
Payments of capital assets									
Building and other fixed structure									
Machinery & equipment	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Other classifications	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

1 - The reduction is mainly due to not raising a bonus provision for 2024 FY and the reversal of the bonus provision relating to the 2023 FY.

DTIC FOCUS AREA: RED TAPE REDUCTION

22. IMPROVE BUSINESS PROCESSES AND SYSTEMS

22.1. Purpose

To automate business processes and systems to improve operational efficiencies of the Corporation.

22.2. Description

In five years, we endeavour to significantly enhance and automate the ECIC processes and systems to improve efficiency in the delivery of key services and products. This programme will include driving digital transformation initiatives geared towards enhancing and automating key business processes and systems.

The successful execution of this programme will be demonstrated based on following key performance indicator:

- Percentage (%) of prioritised business processes automated.

The business process automation plan with a target of 90% in the 2024/25 financial year was focused on automating some of the technically complex core business processes that are critical for the Corporation.

The new business process automation plan from the 2025/26 financial year onwards focuses on automating the additional core business processes that are critical to the Corporation such as insurance management, actuarial modelling, customer relations management, and business intelligence.

22.3 Performance indicators and performance targets (Improve business processes and systems)

Goal/ Outcome	Output	Performance Indicator/ measure	Actual Performance			Estimated Performance	Medium-Term Targets				
			2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
Improved operational efficiency	Automation of business processes	% Business processes automated	48% of business processes automated	72% of business processes automated	80% of business processes automated	90% of business processes automated	20% of business processes automated (new business automation plan)	65% of business processes automated	100% of business processes automated	N/A	N/A

22.4 Quarterly milestones (Improve business processes and systems)

Goal/ Outcome	Output	Performance Indicator/ measure	Baseline	2025/26 Annual Target	Quarterly milestones			
					1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Improved operational efficiency	Automation of business processes	% Business processes automated	90% of business processes automated	20% of business processes automated (new business automation plan)	N/A	N/A	N/A	20% of business processes automated

22.5 Financial Plan (Expenditure estimates for Improve business processes and systems)

Programme Name: Improve business process and systems									
Economic classification	Expenditure outcome			Adjusted Appropriation	Medium-Term Expenditure Estimate				
	2021/22 R '000	2022/23 R '000	2023/24 R '000	2024/25 R '000	2025/26 R '000	2026/27 R '000	2027/28 R '000	2028/29 R '000	2029/30 R '000
Current payment									
Compensation of employees	7 597	7 967	3 854 [1]	9 231	9 894	10 409	11 074	11 400	11 773
Goods & services, etc	4 508	4 530	4 372	8 769	6 476	6 975	6 729	6 992	7 040
Payments of capital assets Building and other fixed structure Machinery & equipment	-	-	-	-	-	-	-	-	-
Other classifications	-	-	-	-	-	-	-	-	-

1 - The reduction is mainly due to not raising a bonus provision for 2024 FY and the reversal of the bonus provision relating to the 2023 FY.

DTIC FOCUS AREA: BUILDING A CAPABLE, ETHICAL AND DEVELOPMENTAL STATE

23. EMBED RISK MANAGEMENT PRACTICES

23.1 Purpose

To embed sound risk management practices to ensure a self-sustainable Corporation that transacts within risk appetite limits.

23.2. Description

In the next five years we aim to pursue good governance and sound risk management practices. This programme will include maintaining healthy financial, risk and portfolio management ratios.

In the next five years the successful execution of this program will be demonstrated in the following key measures:

- No breaches on risk appetite limits over the 5-year period (excluding legacy breaches prior to 1 April 2022); and

23.3 Performance indicators and performance targets (Embed risk management practices)

Goal/ Outcome	Output	Performance Indicator/ measure	Actual Performance			Estimated Performance	Medium-Term Targets				
			2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
Self-sustainable Corporation that transacts within risk appetite limits	Embed risk management practices	No breaches on risk appetite limits over the 5-year period	No new transactions breached risk appetite limits	No new transactions breached risk appetite limits	No breaches on risk appetite limits (from 1 April 2022)	No breaches on risk appetite limits (from 1 April 2022)	No breaches on risk appetite limits (from 1 April 2022)	No breaches on risk appetite limits (from 1 April 2022)	No breaches on risk appetite limits (from 1 April 2022)	No breaches on risk appetite limits (from 1 April 2022)	No breaches on risk appetite limits (from 1 April 2022)

23.4 Quarterly milestones (Embed risk management practices)

Goal/ Outcome	Output	Performance Indicator/ measure	Baseline	2024/25 Annual Target	Quarterly milestones			
					1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Self-sustainable Corporation that transacts within risk appetite limits	Embed risk management practices	No breaches on risk appetite limits (from 1 April 2022)	No new transactions breached risk appetite limits	No breaches on risk appetite limits (from 1 April 2022)	No breaches on risk appetite limits (from 1 April 2022)	No breaches on risk appetite limits (from 1 April 2022)	No breaches on risk appetite limits (from 1 April 2022)	No breaches on risk appetite limits (from 1 April 2022)

23.5 Financial Plan (Expenditure estimates for Embed risk management practices)

Programme Name: Embed risk management practices									
Economic classification	Expenditure outcome			Adjusted Appropriation	Medium-Term Expenditure Estimate				
	2021/22 R '000	2022/23 R '000	2023/24 R '000	2024/25 R '000	2025/26 R '000	2026/27 R '000	2027/28 R '000	2028/29 R '000	2029/30 R '000
Current payment									
Compensation of employees	19 395	20 339	12 650 [1]	25 042	26 755	28 321	30 131	31 017	32 032
Goods & services, etc	5 131	5 267	7 037	10 437	12 215	12 174	12 449	11 275	12 448
Payments of capital assets Building and other fixed structure Machinery & equipment	-	-	-	-	-	-	-	-	-
Other classifications	-	-	-	-	-	-	-	-	-

1 - The reduction is mainly due to not raising a bonus provision for 2024 FY and the reversal of the bonus provision relating to the 2023 FY.

24. ENHANCE FINANCIAL SUSTAINABILITY

24.1. Purpose

To grow the business on a financially sustainable basis to fulfil the ECIC mandate of facilitating export trade and cross-border investments.

24.2. Description

In five years, we will seek to increase the capital base of ECIC to support the growth and sustainability of the business. This programme will include:

- Requesting a tax-exempt status for ECIC;
- Underwriting profitable business;
- Managing the existing insurance portfolio;
- Collecting salvages; and
- Earning investment income.

In the next five years the successful execution of this programme will be demonstrated in the following key measure:

- Achieving a tax-exempt status for ECIC;
- Increase in the ECIC equity (excluding foreign exchange movements and related tax); and
- Track the operating cost base of underwriting activities.

24.3 Performance indicators and performance targets (Enhance financial sustainability)

Goal/ Outcome	Output	Performance Indicator/ measure	Actual Performance			Estimated Performance	Medium-Term Targets				
			2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
Support the growth and sustainability of the Corporation	Increase in capital base	% Increase in equity (excluding foreign exchange movements and related tax)	3% increase in equity	8% decrease in equity	24%	5% increase in equity	5% increase in equity	5% increase in equity	5% increase in equity	5% increase in equity	5% increase in equity
	Achieving a tax-exempt status for ECIC	Requesting a tax-exempt status for ECIC	N/A	N/A	N/A	N/A	Tax-exempt status for ECIC.	N/A	N/A	N/A	N/A
	Track the operating cost base of underwriting activities	Operating cost base of underwriting activities	R120m	R130m	R107m	Operating costs not exceeding R164m	Operating costs not exceeding R140m	Operating costs not exceeding R147m	Operating costs not exceeding R154m	Operating costs not exceeding R162m	Operating costs not exceeding R170m

24.4 Quarterly milestones (Enhance financial sustainability)

Goal/ Outcome	Output	Performance Indicator/ measure	Baseline	2025/26 Annual Target	Quarterly milestones			
					1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Support the growth and sustainability of the Corporation	Increase in capital base	% Increase in equity (excluding foreign exchange movements and related tax)	5% increase in equity	5% increase in equity	N/A	N/A	N/A	5% increase in equity
	Achieving a tax-exempt status for ECIC	Tax-exempt status for ECIC	N/A	Tax-exempt status for ECIC.	N/A	N/A	N/A	Tax-exempt status for ECIC
	Track the operating cost base of underwriting activities	Operating cost base of underwriting activities	Operating costs not exceeding R164m	Operating costs not exceeding R171m	N/A	N/A	N/A	Operating costs below R140m

24.5 Financial Plan (Expenditure estimates for Enhance financial sustainability)

Programme Name: Enhance financial sustainability									
Economic classification	Expenditure outcome			Adjusted Appropriation	Medium-Term Expenditure Estimate				
	2021/22 R '000	2022/23 R '000	2023/24 R '000	2024/25 R '000	2025/26 R '000	2026/27 R '000	2027/28 R '000	2028/29 R '000	2029/30 R '000
Current payment									
Compensation of employees	22 243	23 326	18 257 [1]	36 772	38 975	40 918	43 532	44 812	46 279
Goods & services, etc	782 793	1 573 271	1 576 327	-110 066	72 463	96 507	204 694	341 947	388 947
Payments of capital assets									
Building and other fixed structure									
Machinery & equipment	1 072	1 072	3 749	131	1 559	1 125	2 093	1 487	1 532
Other classifications	42 018	1 863	286 515	284 347	232 996	224 217	238 297	256 803	270 794

1 - The reduction is mainly due to not raising a bonus provision for 2024 FY and the reversal of the bonus provision relating to the 2023 FY.

25. STAKEHOLDER AND CUSTOMER ENGAGEMENT

25.1. Purpose

To engage stakeholders, customers and employees for the improved facilitation of export trade and cross-border investments.

25.2. Description

In the next five years we aim to improve stakeholder satisfaction. This programme will include:

- Measuring employee engagement and organisational culture through annual surveys; and

- Implementing the following annual ECIC Plans to address the survey outcomes:
    i. Marketing and Communications Plan;
    ii. Deal Origination Plan;
    iii. Employee Engagement Plan; and
    iv. Stakeholder Engagement Plan.

In the next three years the successful execution of this programme will be demonstrated in the following key measures:

- Culture Entropy score; and

- Employee engagement score.

25.3 Performance indicators and performance targets (Stakeholder and customer engagement)

Goal/ Outcome	Output	Performance Indicator/ measure	Actual Performance			Estimated Performance	Medium-Term Targets				
			2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
Stakeholder and customer engagement	Improve employee engagement and organisational culture	Employee engagement score / Culture Entropy score	Employee engagement score of 76,6%	Culture Entropy score of 26%	Employee engagement score of 70%	Culture Entropy score below 30%	Employee engagement score of 70%	Culture Entropy score below 20%	Employee engagement score of 70%	Culture Entropy score below 20%	Employee engagement score of 70%

25.4 Quarterly milestones (Stakeholder and customer engagement)

Goal/ Outcome	Output	Performance Indicator/ measure	Baseline	2025/26 Annual Target	Quarterly milestones			
					1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Stakeholder and customer engagement	Improve employee engagement and organisational culture	Employee engagement score	Employee engagement score of 70% in 2023/24	Employee engagement score of 70%	N/A	N/A	N/A	Employee engagement score of 70%

25.5 Financial Plan (Expenditure estimates for Stakeholder and customer engagement)

Programme Name: Stakeholder and customer engagement									
Economic classification	Expenditure outcome			Adjusted Appropriation	Medium-Term Expenditure Estimate				
	2021/22 R '000	**2022/23 R '000**	**2023/24 R '000**	**2024/25 R '000**	**2025/26 R '000**	**2026/27 R '000**	**2027/28 R '000**	**2028/29 R '000**	**2029/30 R '000**
Current payment									
Compensation of employees	**18 347**	**19 241**	**8 056** [1]	**16 012**	**17 164**	**17 923**	**19 069**	**19 630**	**20 272**
Goods & services, etc	**6 804**	**8 365**	**3 677**	**4 138**	**3 880**	**2 866**	**3 540**	**2 688**	**2 409**
Payments of capital assets									
Building and other fixed structure									
Machinery & equipment	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Other classifications	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

1 - The reduction is mainly due to not raising a bonus provision for 2024 FY and the reversal of the bonus provision relating to the 2023 FY.

26. ENHANCE CORPORATE GOVERNANCE

26.1. Purpose

To ensure effective governance and internal control measures.

26.2. Description

In the next five years we aim to pursue good governance. This programme will include maintaining effective governance and internal control measures as assessed by the external assurance providers.

In the next five years the successful execution of this program will be demonstrated in the following key measure:

- Clean Audit with no repeat findings on the BAC report (judgemental differences not considered).

A clean audit refers to a financially unqualified audit opinion with no material findings on reporting on performance objectives or non-compliance with legislation. The BAC Report refers to the External Audit Report to the ECIC Audit Committee.

Judgemental differences are differences in views i.e., auditors view vs management's view. These will usually arise if it is an assumption about the future/ use of estimates or where the accounting standards are not prescriptive on the treatment.

26.3 Performance indicators and performance targets (Enhance corporate governance)

Goal/ Outcome	Output	Performance Indicator/ measure	Actual Performance			Estimated Performance	Medium-Term Targets				
			2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
To ensure effective governance and internal control measures	Effective governance and internal control measures	Clean audit with no repeat findings and no more than 3 new findings on the BAC report (judgemental differences not considered)	Clean audit	Clean audit	Unqualified audit opinion with findings	Clean audit with no repeat findings and no more than 3 new findings on the BAC report (judgemental differences not considered)	Clean audit with no repeat findings and no more than 3 new findings on the BAC report (judgemental differences not considered)	Clean audit with no repeat findings and no more than 3 new findings on the BAC report (judgemental differences not considered)	Clean audit with no repeat findings and no more than 3 new findings on the BAC report (judgemental differences not considered)	Clean audit with no repeat findings and no more than 3 new findings on the BAC report (judgemental differences not considered)	Clean audit with no repeat findings and no more than 3 new findings on the BAC report (judgemental differences not considered)

26.4 Quarterly milestones (Enhance corporate governance)

Goal/ Outcome	Output	Performance Indicator/ measure	Baseline	2025/26 Annual Target	Quarterly milestones			
					1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
To ensure effective governance and internal control measures	Effective governance and internal control measures	Clean audit with no repeat findings and no more than 3 new findings on the BAC report (judgemental differences not considered)	Clean audit with no repeat findings and no more than 3 new findings on the BAC report (judgemental differences not considered)	Clean audit with no repeat findings and no more than 3 new findings on the BAC report (judgemental differences not considered)	N/A	N/A	N/A	Clean audit with no repeat findings and no more than 3 new findings on the BAC report (judgemental differences not considered)

26.5 Financial Plan (Expenditure estimates for Enhance corporate governance)

Programme Name: Enhance corporate governance									
Economic classification	Expenditure outcome			Adjusted Appropriation	Medium-Term Expenditure Estimate				
	2021/22 R '000	2022/23 R '000	2023/24 R '000	2024/25 R '000	2025/26 R '000	2026/27 R '000	2027/28 R '000	2028/29 R '000	2029/30 R '000
Current payment									
Compensation of employees	15 757	16 525	9 785 [1]	20 295	21 586	20 480	21 704	22 254	22 983
Goods & services, etc	3 144	3 401	4 090	3 308	4 488	3 835	3 932	3 995	4 117
Payments of capital assets									
Building and other fixed structure									
Machinery & equipment	-	-	-	-	-	-	-	-	-
Other classifications	-	-	-	-	-	-	-	-	-

1 - The reduction is mainly due to not raising a bonus provision for 2024 FY and the reversal of the bonus provision relating to the 2023 FY.

27. RISK MANAGEMENT – RISK REGISTER

#	Objectives	Risk name	Root causes of the risk	Background/ Consequence to the risk	Key controls	Risk owner	Rating	Action plans	Target date	Status	Comments
1	Contribute to Trade facilitation	Uncertain macro-economic outlook	Business projections may be significantly impacted by uncertain macro-economic outlook	1. Low rate of pipeline conversion 2. Insufficient pipeline due to depressed markets adversely impacting premiums	1. Proactive underwriting deal origination 2. A strong pipeline of ca. 1.2 billion will ameliorate this pipeline risk 3. Restructuring of struggling projects to avoid potential claims 4. Preparation of various stress scenarios for Ghana	Acting COO	16,00	1. Both the 3rd Year AfCFTA marketing campaign activity plan, as well as the STI marketing plan were approved by EXCO. During the 2023/24 FY the AfCFTA campaign will focus on Namibia, Tanzania, as well as South Africa. The STI campaign will have a more digital and programmatic marketing focus and will also be targeting specific trade and industry events. - On-going pipeline monitoring - Existing pipeline (12-24 months) provides more certainty in the near-term - Pipeline certainty beyond 3 years is low	On-going	In progress	The conversion of the pipeline is far too slow. The delays in converting the pipeline are influenced by studies and due diligence issues that need to be addressed to firstly have a bankable project. The combination of global growth slowdown due to COVID-19, South Africa credit downgrade and the Russia/Ukraine war, the deal pipeline could be constrained in the outer years (years 3 & 4). Security issues and post-election violent protests in Mozambique and physical challenges (e.g. in Zimbabwe which is going through a debt restructuring) are impacting then pipeline conversion.
		Uncertain macro-economic outlook	Business projections may be significantly impacted by uncertain macro-economic outlook	Potential sovereign default risk from over-indebted countries due to elevated external debt for COVID containment measures amongst others	1. Use of a debt sustainability framework 2. Transactions adhere to Country limits 3. Monitor fiscal consolidation measures	Acting COO	16,00	1. Ongoing negotiations & possible restructure, with various parties in Ghana i.e., MoF, MoE, Lenders, Borrowers, DFIs, Commissioner 2. CEO's report to Board quarterly and to the Minister of **the dtic** every 2-months. 3. Preparation of	Ongoing	In progress	The debt restructuring discussion at the Paris Club has been concluded in June 2024 with the signing of the MoU between the OCC members and the Government of Ghana. The government of Ghana is expected to contract in line with the terms of the MoU.

#	Objectives	Risk name	Root causes of the risk	Background/ Consequence to the risk	Key controls	Risk owner	Rating	Action plans	Target date	Status	Comments
					in various countries 4. Use of IMF's DSA Framework on debt sustainability to assess new sovereign exposure			various stress scenarios for Ghana 4. ECIC has joined Paris Club negotiations w.e.f. 31/08/23			
		Competition	Increased competition from other ECAs with flexible underwriting criteria	Loss of business due to content constraints	1. Limit cover to achieved content. 2. Utilize co-insurance for the content deficient portion. 3. Exporter undertaking agreement.	Ntshengedzeni Gilbert Maphula – Acting COO	10,40		Ongoing	In progress	If content is not achieved, then ECIC can blacklist the exporter from future cover
		Competition	Uncompetitive SA Exporters	Inability to win international bids	1. Part of the intervention is for SA exporters to form JVs or to sub-contract with experienced international contractors in limited expertise sectors such as Gas, Power etc. 2. Issue letters of support to SA contractors	Ntshengedzeni Gilbert Maphula – Acting COO	10,40		Ongoing	In progress	ECIC crowds in participation of South African contractors as partners or sub-contractors of the major international contractors i.e., the LNG projects. MozLNG has 6 SA Sub-contractors. SA Content is expected to reach more than 50% of the ECIC Covered Loan Amount of USD800 million.

#	Objectives	Risk name	Root causes of the risk	Background/ Consequence to the risk	Key controls	Risk owner	Rating	Action plans	Target date	Status	Comments
		Failure to meet SA content requirement	Structuring of the export contracts, i.e. drawdown of facilities vs SA content achieved at each drawdown.	Not fulfilling the ECIC mandate.	Available penalty is to blacklist the ECIC exporter from future support.	Acting COO & GC	16,00	Only when the insured bank has taken on the obligation to achieve SA content requirement can ECIC limit covered proportionate to SA content achieved.	Ongoing	Planned	SA Content is not measured per draw but cumulatively, but with declaration per drawdown. Furthermore, ECIC does not approve drawdowns, to avoid any bottlenecks on the bank side. Available penalty is to blacklist the ECIC exporter from future support.
2	Enhance Financial Sustainability	Uncertain macro-economic outlook	Investment assumption may be significantly impacted by an uncertain macro-economic outlook	Increased volatility resulting in capital loss in investments	1. Diversification of investment portfolio 2. Conclusion of USD manager funding. 3. Implement Tranching.	CAI	7,20			Final tests & maintain	All new fund managers have been onboarded and funded except for Allianz. The transition plan to fund Allianz will be considered by FIIC in October 2024.
		Sub-investment SA Credit rating	Uncompetitive ECIC paper due to lower credit rating not affording banks sufficient capital relief under Basel 3	1. Sub-investment grade sovereign credit rating force SA banks to seek better rated paper at ECIC's expense. 2. High cost of borrowing for SA banks constrains funding sources for ECIC-backed projects	Differentiation; ECIC underwriting in difficult geographies is a competitive advantage	Acting COO	16,25	1. Need to get a cut-through agreement in instances where reinsurance is taken	Ongoing	In progress	1. Cut-through discussion with reinsurance market on-going. 2. The SARB's advised that the project to direct banks' rating of SA government debt and quasi-government debt was not followed through.
		Liquidity Risk	Long lead times when transferring investment funds	Due to SA being grey listed by the FATF foreign currency transactions take longer to settle	Build in buffers when executing foreign transactions	Head of Investment & CAI	7,80	New risk, action plans to be identified.	Ongoing	In progress	Transfer of USD funds between the banks is smoother since we have established a contact in the FX team within RMB.

#	Objectives	Risk name	Root causes of the risk	Background/ Consequence to the risk	Key controls	Risk owner	Rating	Action plans	Target date	Status	Comments
		Exchange Rate Risk (Tax leakage)	Rand weakness inflating value of US$ assets. Exchange rate risk	Unrealized capital gains arising from currency movement eroding ECIC balance through tax	No control as this is based on current law	CFO	16,00	ECIC will appoint a service provider who will assist with applying for a tax ruling whereby unrealised gain/losses will be excluded when calculating the tax liability.	31 March 2025	In progress	Update-The service provider has been appointed. The project is in progress.
		US Sanctions Risk	Possible US sanctions against SA rising from the Russian ship saga	**Pre-Sanctions** 1. Portfolio outflows as foreign investors exit SA 2. Rand weakness 3. Underperformance of the ZAR investment portfolio	Continuous monitoring of US-SA relations.	1. Acting COO 2. CRO 3. CAI	5,85	Explore investment in asset classes denominated in other currencies other than ZAR and USD		Planned	We have already seen the impact of the selloff in May 2023 when the US diplomat alluded to SA providing weapons to Russia. The bond managers underperformed however, in June the bonds recovered. This is about the same effect that was experienced when SA was downgraded and exited FTSE WGBI. US Congress is processing a bill to review US-SA relationship. This risk to be reviewed once that bill has been passed.
		US Sanctions Risk	Possible US sanctions against SA rising from the Russian ship saga	**Post-sanctions** 1. Inability to execute USD investment trades 2. Shunning of ECIC cover by banks fearing secondary sanctions 3. Loss of new deals and premiums	Continuous monitoring of US-SA relations.	1. Acting COO 2. CRO 3. CAI	5,85	Need to review of ECIC business model with shareholder in terms of non-USD underwriting.		Planned	The US has sanctioned 6 companies adding them to trade restrictions. 1 of the 6, TFASA is a South African entity for training Chinese military pilots using western and NATO resources.

#	Objectives	Risk name	Root causes of the risk	Background/ Consequence to the risk	Key controls	Risk owner	Rating	Action plans	Target date	Status	Comments
		Cash leakage	1. ECIC policy waiting period. 2. Period of assess the claim.	1. Accrued interest during the waiting period.	No controls.	GC	18,00	1. Pay claims as soon as reasonably possible by reducing the waiting period under the ECIC policy. 2. Reduce the time period to assess the claim. 3. Assess the merits of lumpsum payment vs payments over the loan profile.	31/12/2024	Planned	Claims should be assessed on a case-by-case basis. The wating period allows for enough time for an assessment to be done of each claim.
3	Improve Business Processes and systems	ICT Risk	Risk of ICT breach resulting unauthorised access	Unauthorised access of ECIC network resulting in unauthorized activities	1. Firewalls are currently in place; and 2. Use of outsourced hosting services 3. Vulnerability test conducted on an ongoing basis 4. Dedicated information security analyst in place	Acting COO	7,80	1. Perform a limited network penetration test on the ECIC cloud environment 2. Perform a comprehensive penetration test on the ECIC environment at new premises	Ongoing	Final tests & maintain	1. A network penetration test was conducted in March 2022. The overall risk was rated as moderate with possibility of a limited financial loss. Planning for the next network penetration testing will be finalised by 31 March 2025, after the ECIC servers are moved to the new hosting provider. . 2. All findings related to previous vulnerability assessment conducted by internal audit have been resolved. 3. Vulnerability assessments are conducted internally and reported in the cybersecurity posture report on a quarterly basis.
		ICT Risk	Automation targets not met	Long lead times and error prone processes & inconsistent decision making	1. Business process automation plan 2. Implementati	Acting COO	7,80	Implement the business process automation plan & ICT strategy	Ongoing	In progress	The Corporate target for 2023/24 of 80% was achieved as at the end of the financial year. The target for 2024/25 is 90%.

#	Objectives	Risk name	Root causes of the risk	Background/ Consequence to the risk	Key controls	Risk owner	Rating	Action plans	Target date	Status	Comments
					on of the ICT strategic plan						
		Interpretation of accounting standards.	Inconsistent interpretation of the reporting standard.	1. Qualified audit opinion 2. Delayed AFS 3. Non-compliance	1. Internal and External audit reviews. 2. HAF reviews IFRS17 calculations.	CFO & CAI	18,00	Market best practice has not yet been established. ECIC should train staff for best Standards practice.	Ongoing	In progress	Market best practice has not yet been established. ECIC should train staff on best Standards practice. Alignment between assurance functions on the interpretation of standards.
4	Enhance Corporate Governance	Regulatory / Legislative changes	Increased risk of non-compliance	Risk of loss of license in case of breach of solvency	Multiple metrics in use: - Underwriting capacity -Risk appetite -Portfolio concentration limits	CRO & CAI	9,60	Update risk appetite limits post-claims	Ongoing	Final tests & maintain	Risk appetite limits have been updated, following Board approval of the Risk Management Strategy in *April 2024*. Review of the Risk Management Strategy for 2025/26 is in progress.
		Inadequate succession planning	The appointment process where an incumbent leaves and a new board member comes in does not allow for succession planning	1. Inadequate succession planning 2. Weak board continuity 3. Loss of institutional memory	1. Shareholder Compact. 2. Longer extension periods.	Company Secretary	10,40	Stakeholder engagement	2025/05/31	Planned	In May 2024, the **dtic** provided extensions for all NEDS for a period of 1 year.

#	Objectives	Risk name	Root causes of the risk	Background/ Consequence to the risk	Key controls	Risk owner	Rating	Action plans	Target date	Status	Comments
5	Improve Stakeholder and Customer Engagement	Reputational Risk	Voiding of a fraudulent claim	Market jitters on ECIC claim payment process & potential loss of business	1. Stakeholder Engagement Plan 2. The ACEO has held meetings with Nedbank, RMB, Investec, Standard Bank and DBSA.	ACEO & Manager in the office of the CEO	16,00	CEO roadshow to talk on ECIC, its claims process and claims history (paid claims). CFO Engagement Session on the March 2024 AFS.	Ongoing	Planned	The ACEO held meetings with Nedbank, RMB, Investec, Standard Bank and DBSA where the ECIC financial position and impact of the claims paid were presented. The CFO Engagement Session in October/November will further present the ECIC financial sustainability. The same presentations have been made, and are to be made, to the Portfolio Committee.
		Culture Risk	Failure to live the values of the Corporation	The risk of inappropriate culture taking root in the company	1. Employee induction process 2. Ethics sessions held with staff annually 3. Declaration of conflict of interest as and when necessary	Head: HC	10,4	. Increased socialization of the values on an ongoing basis 2. Rotational remote-office work 3. Innovative online collaboration	Ongoing	In progress	Values statements reviewed as part of the corporate strategy review. An additional value of Care has been included. Values workshop planned for November 2024.
		Inadequate succession planning	Inadequate pool of successors	1. Adverse effects on productivity 2. Vacancies for long periods. 3. Poor governance 4. Loss of institutional memory	1. Succession plans. 2. Personal Developmen t Plans (PDPs) 3. Hire for growth beyond current role	Head: HC	13,0	Achievement of succession plan interventions	March 31st, 2025	In progress	Succession plan will be implemented throughout the financial year and review March 2025.
		Employees dissatisfactio n	Employees dissatisfaction ventilated on	1. Demotivated staff 2. Low	1. Surveys 2. Staff Meetings to	Head: HC	10,4	1. Conduct focus group sessions 2. Implement	March 31st, 2025	Planned	The Employee Engagement & Ethics

#	Objectives	Risk name	Root causes of the risk	Background/ Consequence to the risk	Key controls	Risk owner	Rating	Action plans	Target date	Status	Comments
			Employee Engagement survey & the Ethics survey	productivity 3. Attrition at critical roles	share information			engagement & Ethics action plans			surveys highlighted employee dissatisfaction. Ethics and values focus groups held in April 2024. Service provider to conduct ethics awareness workshop s appointed and workshops to resume in November 2024
		Decline in staff productivity	Employees not giving 100% whilst remote working	1. Low productivity	1. Hybrid agreements 2. Attendance registers 3. Unit engagement s/arrangements	Head: HC	10,4	1. Review of the policy 2. Management to implement work schedules to manage deliverables/productivity	March 31st, 2025	Planned	In-Office working days increased to 3 with effect from 01 November 2024. Policy review in progress.
6	Embed Risk Management Practices	Failure to embed ORSA in the company	Slow uptake of the ORSA process	1. Poor decision making 2. Regulatory findings	1. Adoption of ORSA driven decision making 2. Resolution of Independent ORSA review findings 3. EXCO and Board involvement and input into the ORSA process	CRO & CAI	7,80	Resolution of all findings (Internal Audit, HAF, Independent ORSA review)	Ongoing	In progress	The introduction of IFRS 17 resulted in some balance sheet changes that needed to be incorporated in the ORSA model.
		Vendor Risk	1.Lack of capacity to deliver (financial soundness) 2. Not fit for purpose	1. failure to get value for money (financial loss) 2. Business continuity risk	Governance of SCM processes (adherence to PFMA, internal controls/	Noluthando Mkhathazo - CFO	7,80	TO BE UPDATED		Planned	'ECIC's top vendor that participate in high value procurement provide the following services: 1. Fund management 2. Cloud hosting 3. Network Connectivity

#	Objectives	Risk name	Root causes of the risk	Background/ Consequence to the risk	Key controls	Risk owner	Rating	Action plans	Target date	Status	Comments
			3. Lack of governance discipline (risk management) 4. Uncompetitive bidding practices (Weaker SPs winning bids).	3. Reputational Risk (fraud and corruption)	Risk & Compliance management/ approval process).						4. Licences (ICT services, research reporting) 5. Office building lease 6. Custody services 7. Professional services (statutory services, advisory, reinsurance) 8. ICT hardware
7	Enhance Transformation	Failure to ensure a transformed Corporation	- Large Procurement from Low B-BBEE rated suppliers - Failure to meet SED/ESD spend targets 1. ECIC is not generating sufficient profits or making losses, significantly reducing ECIC 's contribution or spend. 2. Failure to comprehensively apply the B-BBEE codes	Non-transformed organisation - Decline in the Corporation's level 1 B-BBEE score	Incremental procurement is directed towards highly rated B-BBEE suppliers Implement Transformation Plan	CFO, CAI & Acting GC	12,80	- Strive towards B-BBEE targets - Continued high value procurement from suppliers with B-BBEE score > 4. Improve BEE rating by increasing revenue and profit in order to have higher spent on BEE.	Ongoing	In progress	The Corporation achieved the status of B-BBEE level 2

Inherent Impact

Insignificant (1)	1	Brief local inconvenience or loss of an asset with minor or no impact on the business / insignificant financial loss
Minor (2)	2	Disruption in business lasting between 8 and 24 hours / Minor impact on costs of less than 5%. Minor impact on underwriting result of less than 2%
Moderate (3)	3	Disruption in business lasting between 24 and 36 hours / Moderate impact on costs between 5% and 10% of applicable budget. Moderate impact on underwriting result of between 2% to 5%
Major (4)	4	Reduction in continuity of business for a period of between 36 and 48 hours / Cost overrun of between 10% and 20% of applicable budget. Affect underwriting result of between 5% and 10%
Catastrophic (5)	5	Risk event will result in widespread and lengthy reduction in continuity of business lasting more than 48 hours. /Cost overrun of > 20% of applicable budget. Affect underwriting results of > 10%

Inherent Likelihood

Rare (1)	1	The risk has never occurred before and is unlikely to occur
Unlikely (2)	2	The risk is unlikely to occur
Possible (3)	3	The risk has occurred before and there is a possibility that it may reoccur
Likely (4)	4	The risk has occurred before and is likely to occur again
Almost Certain (5)	5	The risk is almost certain to occur in the current circumstances

Control Effectiveness

Risk reduced significantly	20%	Risk is totally avoided
Very effective	40%	Risk is significantly transferred
Effective	65%	Effective in managing the risk or risk is moderately transferred
Weak	80%	Controls are effective to mitigate the risk but requires continuous monitoring
Ineffective	100%	Controls are ineffective in managing the risk

Risk Category **Risk Subcategory**

Operational Risk	People Controls Systems Process
Strategy Risk	Strategy Risk
Regulatory Risk	Regulatory Risk
Reputational Risk	Reputational Risk

PART D: TECHNICAL INDICATOR DESCRIPTIONS

TECHNICAL INDICATOR DESCRIPTIONS

1. Contribute to trade facilitation that results in job creation

1. Indicator title	Gross Written Premium
2. Short definition	Gross Written Premium
3. Purpose/importance	To increase revenue generating capacity
4. Source/collection of data	Actuarial reserve model
5. Method of calculation	Sum the gross written premium received for the year
6. Data limitations	None
7. Type of indicator	Lagging
8. Calculation type	Sum
9. Reporting cycle	Annual
10. Desired performance	Achieve set targets
11. Indicator responsibility	COO

2. Establish a South African Export-Import Bank

1. Indicator title	**SA EXIM Bank operational by 2028**
2. Short definition	SA EXIM Bank
3. Purpose/importance	SA EXIM Bank to support international trade and economic growth operational by 2028.
4. Source/collection of data	Establishment of SA EXIM Bank
5. Method of calculation	Count of SA EXIM Bank in operation
6. Data limitations	None
7. Type of indicator	Lagging
8. Calculation type	Count
9. Reporting cycle	Annual
10. Desired performance	Achievement of agreed milestone in 2028/29
11. Indicator responsibility	CEO

3. Enhance transformation

1. Indicator title	**Maintain B-BBEE level**
2. Short definition	B-BBEE level
3. Purpose/importance	Improve B-BBEE level and employment equity initiatives to enhance the national transformation agenda towards and inclusive economy
4. Source/collection of data	B-BBEE scorecard
5. Method of calculation	B-BBEE level
6. Data limitations	None
7. Type of indicator	Lagging
8. Calculation type	B-BBEE level
9. Reporting cycle	Annual
10. Desired performance	Achievement of agreed milestone
11. Indicator responsibility	General Counsel

4. Improve business processes and systems

1. Indicator title	**Percentage of business processes automated**
2. Short definition	% Business processes automated
3. Purpose/importance	Improve business processes and systems to improve operational efficiency
4. Source/collection of data	New business process automation plan Signed-off reports by the respective business process owners.
5. Method of calculation	The business process automation plan identifies a total of 37 business processes to be automated. % Business processes automated = (no. of automated processes / total processes) * 100
6. Data limitations	None
7. Type of indicator	Leading
8. Calculation type	Percentage
9. Reporting cycle	Annual
10. Desired performance	Achievement of agreed milestone
11. Indicator responsibility	Head: ICT

5. Embed risk management practices

1. Indicator title	**Ensure no breaches of risk appetite limits over the 5-year period**
2. Short definition	Risk appetite limits
3. Purpose/importance	Embed sound risk management practices to ensure a self-sustainable Corporation that transacts within risk appetite limits
4. Source/collection of data	Strategic Risk Reports
5. Method of calculation	Number of breaches on Risk Appetite table from 1 April 2022
6. Data limitations	None
7. Type of indicator	Lagging
8. Calculation type	Number
9. Reporting cycle	Annual
10. Desired performance	Achieve set target
11. Indicator responsibility	CRO

6. Enhance financial sustainability

1. Indicator title	**Percentage increase in equity**	**Requesting a tax-exempt status for ECIC**	**Track the operating cost base of underwriting activities**
2. Short definition	Percentage increase in equity	Requesting a tax-exempt status for ECIC	Track the operating cost base excluding bonus of underwriting activities
3. Purpose/importance	Increase capital base to support the growth and sustainability of the Corporation	Achieving a tax-exempt status for ECIC	Increase capital base to support the growth and sustainability of the Corporation
4. Source/collection of data	Management accounts (USD functional currency)	Study Report highlighting the tax leakages and impact on ECIC's balance sheet	Management accounts (USD functional currency and presented in Rands)
5. Method of calculation	Percentage increase of profit after tax (excluding foreign exchange gains/losses and related tax) over the equity at the end of previous financial year. The related tax is the USD equivalent of the ZAR functional currency tax adjustment.	Submission to **the dtic**	Operating cost excluding bonus within the Underwriting Result section of the management accounts
6. Data limitations	None	None	None
7. Type of indicator	Lagging	Lagging	Lagging
8. Calculation type	Percentage	Count	Number
9. Reporting cycle	Annual	Annual	Annual
10. Desired performance	Achieve set targets	Achieve set targets	Achieve set targets
11. Indicator responsibility	CFO	CFO	CFO

7. Stakeholder and customer engagement

1. Indicator title	Culture Entropy score	Employee Engagement score
2. Short definition	Culture Entropy score	Employee Engagement score
3. Purpose/importance	To improve organisational culture	To improve employee engagement
4. Source/collection of data	Result of survey	Result of survey
5. Method of calculation	Result of survey	Result of survey
6. Data limitations	None	None
7. Type of indicator	Lagging	Lagging
8. Calculation type	Percentage	Percentage
9. Reporting cycle	Annual	Annual
10. Desired performance	Achieve set targets	Achieve set targets
11. Indicator responsibility	Head: HR	Head: HR

8. Enhance corporate governance

12. Indicator title	**Effective governance and internal control measures**
13. Short definition	Clean audit with no repeat findings on the BAC report
14. Purpose/importance	To ensure a transformed Corporation with effective governance and internal control measures
15. Source/collection of data	External Audit BAC Report
16. Method of calculation	Count
17. Data limitations	None
18. Type of indicator	Lagging
19. Calculation type	Count
20. Reporting cycle	Annual
21. Desired performance	Achievement of agreed milestone
22. Indicator responsibility	CFO