

INTEGRATED REPORT

2026





Unlocking Exports. De-risking Cross-Border Investments.

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ABOUT THIS REPORT

OUR APPROACH TO REPORTING

This Integrated Report explains how the ECIC used its mandate, capital, partnerships and risk appetite to support South African export trade and cross-border investment during the year ended 31 March 2026. It provides a balanced account of how we create, preserve and protect value through our role as South Africa’s official export credit agency. It also explains our operating context, strategy, business model, material matters, stakeholder relationships, risks and opportunities, performance, governance and outlook.

As South Africa’s official export credit agency, the ECIC operates in a complex environment shaped by global trade conditions, geopolitical developments, sovereign risk, regulatory requirements, stakeholder expectations and South Africa’s industrialisation and export growth priorities. This report is structured to show how these factors influenced our decisions, performance and future focus during the year.

SCOPE AND BOUNDARY

This report covers the ECIC’s performance for the period 1 April 2025 to 31 March 2026.

The reporting boundary includes our core activities as a Schedule 3B public entity, registered financial services provider and licensed insurer. It includes matters that affect our ability to fulfil our mandate, maintain financial sustainability, manage risk, serve stakeholders and support South Africa’s export and industrial development priorities.

The outlook in this report is informed by the ECIC’s approved Corporate Plan, the operating environment after year-end, stakeholder engagements and strategic priorities for the year ahead.

REPORTING FRAMEWORKS AND STANDARDS

This report has been prepared with reference to the International Integrated Reporting Framework, King V™, the PFMA, the Companies Act, the Export Credit and Foreign Investments Insurance Act, Insurance Act, Short-Term Insurance Act, B-BBEE requirements, National Treasury requirements, and relevant Prudential Authority and FSCA requirements.

OUR REPORTING SUITE

The ECIC’s FY2025/26 reporting suite consists of this Integrated Report and the Annual Financial Statements.

Stakeholder relationships are central to our mandate, legitimacy and long-term sustainability. We therefore report on stakeholder engagement within this Integrated Report, showing how our relationships with government, financial institutions, exporters, partners, regulators, employees and importing-country stakeholders inform strategy, risk management, performance and future priorities.

The audited Annual Financial Statements, including the Directors’ Report and the independent auditor’s report, are available on the ECIC’s website.

KING V™ TRANSITION

The ECIC continued to apply King IV™ during FY2025/26 while preparing for the transition to King V™.

MATERIALITY AND REPORTING JUDGEMENT

This report focuses on the matters that are material to the ECIC’s ability to create, preserve or erode value over the short, medium and long term.

Our material matters were informed by the operating environment, strategic priorities, Board and committee discussions, risk assessments, stakeholder engagement, financial performance, portfolio exposure, policy developments, regulatory requirements and the Corporate Plan.

In applying reporting judgement, the ECIC considered matters that could affect mandate delivery, financial sustainability, stakeholder trust, risk appetite, underwriting capacity, operational effectiveness, governance, reputation and developmental impact.

FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements relating to the ECIC’s future strategy, performance, risks, opportunities, operating environment and outlook. These statements are based on current assumptions, available information and approved plans.

Actual results may differ materially due to changes in the global economy, geopolitical conditions, trade flows, sovereign risk, claims experience, investment markets, regulatory requirements, stakeholder expectations and other factors beyond the ECIC’s control. Forward-looking statements should therefore be read as expectations rather than guarantees of future performance.

ICONS USED IN THIS REPORT

Capitals

FIN

Financial

MAN

Manufactured

INT

Intellectual

HUM

Human

S&R

Social and Relationship

NAT

Natural

Stakeholders

Government

Customers

Partners

Media

Employees

Regulators

Importing countries

Outlook

Risk

Country

Concentration

Claims

Solvency

Market

Operational

Compliance

Reputation

Strategy

Transformation

Operational efficiency

Financial stability

Culture

Governance

Leadership

Board oversight

Committees

Delegation

Assurance

Technology

Remuneration

King IV™ / King V™

THE ECIC AT A GLANCE

MANDATE, MARKETS AND IMPACT:
ECIC makes strategic African trade and investment opportunities bankable

OUR VISION
To be a world-class export credit agency in facilitating South African export trade and investment globally.

OUR MISSION
To provide export credit and investment insurance solutions in support of South African capital goods and services by applying best practice risk management principles.

OUR MANDATE
To facilitate cross-border investment and export trade by providing commercial and political risk insurance to South African exporters of capital/consumables goods and related services, supporting medium- and long-term loans advanced by banks and other financial institutions, including trade finance products for the short-term insurance business.

FY2025/26 PERFORMANCE AT A GLANCE

Mandate delivery and developmental impact
How the ECIC turns opportunities into outcomes

Transactions approved
USD320 million
R5.7 billion

Short-term insurance approvals
USD113.7 million
R1.9 billion

Medium and long-term insurance approvals
USD206.5 million
R3.8 billion

Achieved B-BBEE Level 1

ECIC voted as winner for EXCELLENCE IN EXPORT CREDIT ENABLEMENT AFRICA 2026
Market recognition as an export credit enabler CFI.co 2026 Awards

VALUE CREATED

Manufactured exports supported
R120 million

Project drawdown recorded
R109 million

Total ESD disbursement
R12.5 million

Total jobs
535

Gross written premium
R331 million

Profit after tax
R1.3 billion

The ECIC cumulative impact (10 years)

Jobs facilitated
35 694

Value of projects supported
R29 billion

OUTLOOK AND STRATEGIC OBJECTIVES FY2026/27

Export Growth

South African Export-Import Bank Operational by 2028

Enhance Economic Transformation

Improve Business Processes and Systems

Enhance Financial Sustainability

Improve Organisational Culture

Financial sustainability and resilience
Strong capital, disciplined underwriting and prudent risk management.

**Total Assets**
R11.5 billion

Solvency position

SCR cover
308%

ECR cover
348%

Risk appetite breaches
Nil


Claims paid
R184.4 million

Portfolio and market reach
A diversified portfolio with reach across markets and sectors.

Risk covered
USD376 million
R6.4 billion

Countries supported
11

Sectors covered
6

Sum insured by country

Ghana

Zimbabwe

Mozambique

Other countries

9.73%

14.04%

43.84%

32.39%

Growth Platforms
Unlocking value with strategic partnerships

Afreximbank SATIPP 2.0
+USD3 billion

Reinsurance, co-insurance and MOUs with NEXI, SaudiExim and KSure



Economic sector exposure

Mining and minerals

Power (electricity)

Construction

Manufacturing

Civil engineering structures

Transport and storage

0.7%

61.1%

32.49%

1.39%

2.7%

1.6%

OUR PEOPLE

Women Representation in Leadership and Governance



Management Positions
55%

Board Composition
50%

Training, skills and leadership development
R6 million

Employee Gender Composition

Male
49%

Female
51%

6Export Credit Insurance Corporation of South Africa SOC LTD
Integrated Report 2026

UNLOCKING EXPORTS. DE-RISKING CROSS-BORDER INVESTMENTS.

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LEADERSHIP REFLECTIONS

FOREWORD BY THE

MINISTER OF TRADE, INDUSTRY AND COMPETITION



Mr Parks Tau, MP
MINISTER OF TRADE, INDUSTRY AND COMPETITION

South Africa’s ability to expand exports, strengthen industrial capacity and participate more competitively in regional and global value chains is central to building a more inclusive, resilient and growing economy.

The FY2025/26 financial year unfolded in a challenging global environment. Geopolitical instability, changing trade relationships, supply-chain disruption and growing pressure on the international trading system continued to reshape markets and investment decisions. These developments reinforce the importance of institutions capable of helping South African businesses compete beyond our borders.

The Export Credit Insurance Corporation of South Africa SOC Ltd (ECIC) is one such institution. As South Africa’s official export credit agency, the ECIC helps exporters, investors and financial institutions manage the political and commercial risks associated with cross-border trade and investment. Its mandate supports government’s wider objectives of export-led industrialisation, economic transformation and regional integration.

Government’s industrial policy is focused on the pathways of decarbonisation, diversification and digitalisation. These priorities recognise that South Africa must build industrial depth, strengthen sectors with export potential and support competitive and sustainable localisation. Businesses must also be able to access the markets, finance and risk-mitigation instruments required to participate in regional and global value chains.

South African exporters compete with firms supported by well-established export credit agencies, export-import banks and trade-finance institutions in their home countries. Strengthening South Africa’s export-finance architecture is therefore an economic-policy imperative.

An important development during the year was Parliament’s approval of South Africa’s accession as a sovereign member and Class A shareholder of Afreximbank. This milestone strengthens South Africa’s position within the continental trade-finance landscape and reinforces our commitment to the African Continental Free Trade Area. It also provides a stronger platform from which to support intra-African trade, regional value chains and the expansion of South African goods and services across the continent.

The proposed South African Export-Import Bank is another important component of this policy architecture. Working alongside the ECIC, a future SA Eximbank could help address gaps in export-related finance and provide more coordinated support to businesses seeking to enter international markets.

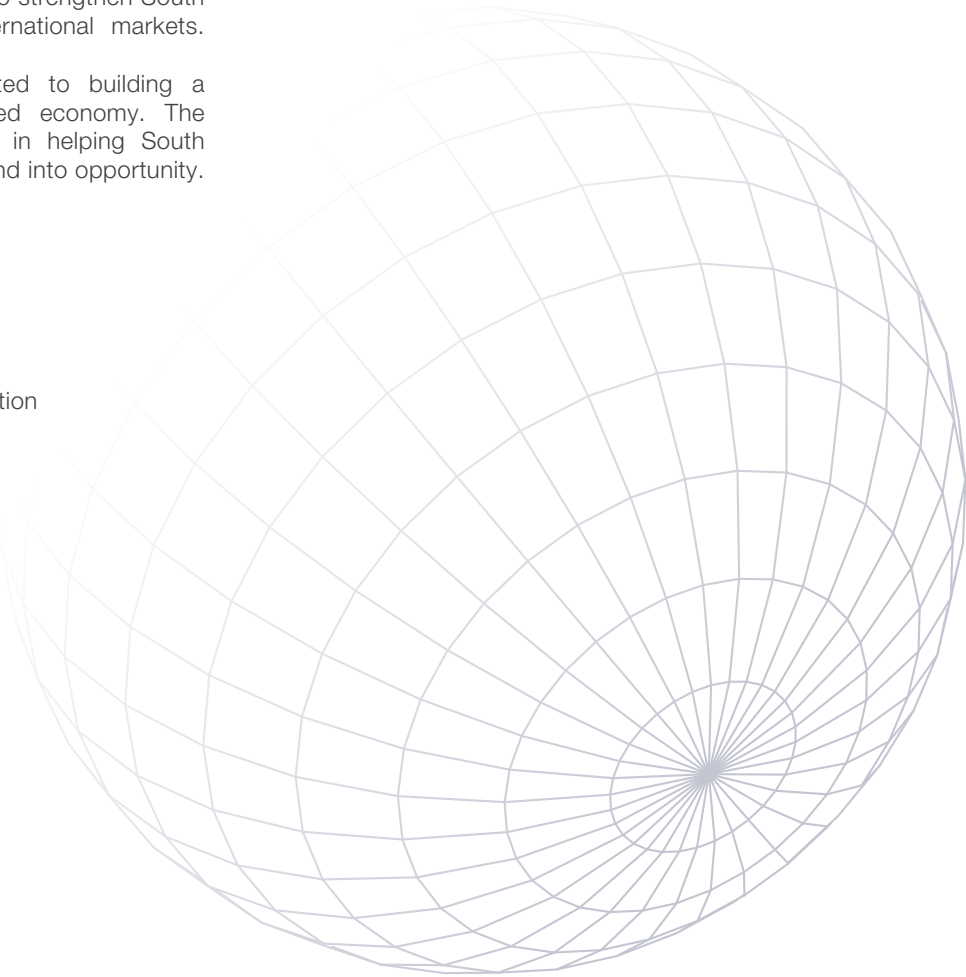
The benefits of a stronger export-finance system must extend beyond established exporters. Government expects this evolving architecture to broaden participation by SMMEs, Black Industrialists, women-and youth-led enterprises and emerging exporters. Expanding access to regional and global markets is essential to advancing transformation, employment creation and inclusive growth.

The ECIC’s contribution must ultimately be evident in more competitive South African exporters, increased trade, greater industrial participation and measurable economic impact. Government will continue to support an enabling policy and institutional environment in which the Corporation can fulfil this role.

I commend the Board, management and employees of the ECIC for their contribution during the year. I also acknowledge the exporters and institutions working to strengthen South Africa’s position in regional and international markets.

As government, we remain committed to building a dynamic, competitive and transformed economy. The ECIC has an important role to play in helping South African businesses move beyond risk and into opportunity.

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



MESSAGE FROM THE CHAIRPERSON



Delia Ndlovu
INDEPENDENT CHAIRPERSON

I am pleased to present the Chairperson's Report for the FY2025/26 financial year.

The year was shaped by geopolitical uncertainty, sovereign debt pressures and changing global trade relationships. Against this backdrop, the Board remained focused on stewardship, oversight and accountability, ensuring that the ECIC remained financially resilient, responsive to the needs of South African exporters and positioned to deliver meaningful developmental impact.

STEWARDSHIP, OVERSIGHT AND ACCOUNTABILITY

A key Board priority during and immediately after the year was the appointment of a permanent Chief Executive Officer. Following a rigorous and transparent recruitment process, supported by global executive search firm Heidrick & Struggles, the Board appointed Ms Linda Seroka as the ECIC's first female Chief Executive Officer with effect from 1 June 2026. Her appointment provides leadership continuity and positions the Corporation to pursue its strategic priorities with renewed focus.

The Board also commissioned an independent performance evaluation by the Institute of Directors in South Africa. The evaluation confirmed that the Board is functioning effectively and recognised the contribution of its committees. To strengthen alignment across the Board's oversight responsibilities, a Strategy Subcommittee comprising the Chairs of all Board committees was established. This provides a clearer line of sight across strategy, risk, opportunity and execution.

Engagement with the Department of Trade, Industry and Competition and relevant Parliamentary committees continued during the year. These engagements reinforce accountability and help align the ECIC's activities with South Africa's trade, industrialisation and development priorities.

BALANCING IMPACT AND FINANCIAL RESILIENCE

The ECIC's value lies in enabling South African exporters to participate in markets where political and commercial risks may limit access to conventional insurance and finance. Transactions approved during the year had a combined value of approximately USD320 million. These transactions create opportunities for South African manufacturers, suppliers and service providers to participate in major regional developments.

The Board also continued to oversee the implementation of the ECIC's Short-Term Insurance Strategy. This expanded offering is intended to broaden access to export support, including for SMMEs, Black-owned businesses and enterprises led by women and young people.

MANAGING RISK AND STRENGTHENING PARTNERSHIPS

Disciplined risk management remains central to the ECIC's mandate. During the year, the Board maintained close oversight of sovereign and concentration risks, claims exposure and the implications of operating in higher-risk markets. Rigorous underwriting, portfolio diversification, reinsurance and other risk-sharing mechanisms remain important to protecting capital while creating capacity for new business.

The ECIC cannot deliver its mandate alone. Strong relationships with **the dtic**, National Treasury, regulators, commercial banks, development finance institutions, Afreximbank, peer export credit agencies and exporters are fundamental to its effectiveness.

The Board continued to support work towards a more integrated and competitive South African export-finance ecosystem, including the proposed South African Export-Import Bank. A suitably structured SA Eximbank could complement the ECIC's insurance offering, broaden access to export finance and strengthen the competitiveness of South African exporters. AfCFTA also presents important opportunities to expand intra-African trade and strengthen regional value chains.

GOVERNANCE AND SUSTAINABLE VALUE CREATION

Strong external partnerships must be matched by institutional readiness. The Board therefore continued to oversee the systems, leadership and organisational culture required to improve execution, stakeholder experience and accountability.

The ECIC continued to apply King IV™ during the year while preparing for the transition to King V™. The Board remained focused on ethical culture, good performance, effective control and legitimacy. Sustainability and ESG considerations also continued to inform underwriting and investment oversight, supporting responsible decision-making while protecting the ECIC's financial position and considering the broader consequences of the projects it supports.

PRIORITIES FOR FY2026/27

The Board's immediate priority is to support the Chief Executive Officer and her management team while holding management accountable for implementing the Board-approved Corporate Plan. Oversight will focus on:

- Accelerating deal origination and pipeline conversion.
- Growing and diversifying short-term and medium-to long-term insurance business.
- Protecting capital through disciplined underwriting, portfolio management and risk-sharing.
- Strengthening strategic partnerships and the wider export-finance ecosystem.
- Improving organisational capability, accountability and stakeholder experience.

Growth must remain disciplined and aligned with South Africa's trade, industrialisation and transformation objectives.

IN CLOSING

I thank our shareholder and stakeholders, my fellow Board members, management and all ECIC employees for their commitment and professionalism throughout the year.

The Board remains committed to ensuring that the ECIC converts its financial resilience into stronger mandate delivery, broader developmental impact and sustainable value for South Africa. Our legacy will be measured not only by the progress achieved during the year, but by the strength of the organisation and the opportunities it creates for those who follow.

Delia Ndlovu
Independent Chairperson

CHIEF EXECUTIVE OFFICER'S REVIEW



Linda Seroka
CHIEF EXECUTIVE OFFICER

I joined the ECIC as Chief Executive Officer on 1 June 2026, shortly after the end of the reporting period. While I was not responsible for leading the Corporation during FY2025/26, the year's performance provides a clear starting point for my tenure. My responsibility is to assess that performance honestly, build on what worked and address the areas in which delivery did not meet our expectations.

The ECIC occupies a distinctive position in South Africa's economic architecture. Our mandate is to enable South African exporters to compete and grow in markets where political and commercial risks may otherwise constrain viable transactions. In fulfilling this role, we do more than provide insurance: we help unlock trade and investment, support South African industrial capability and enable our exporters to participate more confidently in opportunities across Africa and other strategic markets. Our success must therefore ultimately be measured by the extent to which our financial capacity and institutional capabilities translate into sustainable export growth and developmental impact.

The central message from FY2025/26 is that the ECIC remains financially strong, but our operating performance did not consistently reflect the full capacity of the organisation or the scale of our mandate. We achieved four of nine annual corporate targets. This result requires a clear management response. The strength of our balance sheet gives us the capacity to support South African exporters and lenders in challenging markets. Our task now is to convert that financial capacity more consistently into completed transactions, premium income and demonstrable developmental outcomes.

A CLEAR-EYED ASSESSMENT OF PERFORMANCE

The ECIC delivered several important achievements during the year. We retained our B-BBEE Level 1 status, recorded no breaches of risk appetite limits, achieved a clean audit and maintained underwriting operating costs below the R140 million ceiling. Equity growth, excluding foreign-exchange movements and the related tax effect, was 10.44%, exceeding the annual target of 5%.

Since the South African Government introduced Operation Clean Audit in 2009, the ECIC has achieved clean audit outcomes in 15 of the 17 financial years. The ECIC has also achieved B-BBEE Level 1 in 5 of the last 7 years, with the other 2 years being Level 2.

Profit reached approximately R1.3 billion and total assets increased to approximately R11.5 billion. Investment performance made a significant contribution to these results, while our solvency and liquidity positions remained strong. The CFO's review provides a more detailed assessment of our financial performance, capital position, claims and investment outcomes.

Our strong financial position is an important institutional asset, but it is not the ultimate measure of our success. For an export credit agency, financial strength creates the capacity to take considered risks in support of the national mandate. We must therefore translate our capital strength more effectively into viable transactions, increased utilisation of our products, sustainable premium income and measurable economic impact. The quality of our balance sheet gives us the ability to act; the measure of management performance is how effectively that capacity is deployed in support of South African export growth.

These positive results must nonetheless be considered alongside the areas in which we fell short.

Our performance against the annual corporate plan was below the standard we expect of ourselves. While the ECIC delivered important financial, governance and transformation outcomes, the overall result demonstrates that institutional strength must be matched by more consistent execution against our strategic commitments. Management has therefore examined not only which targets were missed, but the underlying causes of those outcomes and the changes required to improve delivery. This is essential if our annual performance is to reflect the full capability of the organisation and the scale of the mandate entrusted to the ECIC.

UNDERSTANDING THE DELIVERY CONSTRAINTS

Several large medium- and long-term transactions took longer than anticipated to reach financial close. Export credit transactions are inherently complex and can depend on financing arrangements, regulatory approvals, technical requirements and decisions involving multiple parties. Sovereign debt pressures, foreign-currency constraints and lender caution added to these challenges during the year.

Not all transaction delays are within the ECIC's control. However, management remains accountable for the aspects that we can influence. These include the quality of pipeline information, the early identification of obstacles, the allocation of internal resources, the speed of our own processes and the consistency with which we engage exporters, lenders and project sponsors.

We must also be more rigorous in distinguishing between early-stage opportunities and transactions with a realistic prospect of reaching financial close. A substantial pipeline is valuable only when it is actively managed and progressively converted into business.

We are therefore strengthening the way transactions are assessed, prioritised and monitored. This includes clearer milestones, earlier identification of financing or structuring constraints, named accountability for each transaction and more regular management review of progress.

CONVERTING APPROVALS INTO ACTIVE BUSINESS

Short-term insurance was one of the strongest areas of performance during the year, with approvals of US\$113.7 million exceeding the annual target of US\$90 million. This demonstrates demand for the expanded product offering and its potential to broaden the ECIC's reach.

Approvals are only the first step. The next measure of success is utilisation.

Our focus will be on converting approved short-term facilities into active transactions that support South African trade and generate sustainable premium income. This will require closer engagement with participating banks, brokers and exporters, as well as efficient systems and competitive turnaround times.

Short-term insurance can provide a more regular flow of business alongside our larger medium- and long-term transactions. It can also help diversify the portfolio and extend our support to a broader range of exporters. To achieve this, we need to understand where approved facilities are not being used, identify the barriers to utilisation and take practical action to resolve them. In the medium- and long-term portfolio, our priority is to focus resources on transactions that are sufficiently developed and capable of progressing towards financial close. Earlier involvement with exporters, lenders and project sponsors should allow us to identify obstacles sooner and structure transactions more efficiently.

IMPROVING THE WAY WE WORK

Operational modernisation did not progress as quickly as planned. Business-process automation reached 11.9% against a target of 20%, as implementation timelines for the Customer Relationship Management system, actuarial modelling capability and Insurance Management System were extended. These delays affected our ability to achieve the intended improvements in data quality, workflow management, customer information and turnaround times. The CRM implementation has now been prioritised, while the Insurance Management System will be introduced in phases. Management will monitor these projects against defined milestones and ensure that responsibilities, dependencies and delivery dates are clearly understood.

CHIEF EXECUTIVE OFFICER'S REVIEW (continued)

Technology alone will not resolve operational inefficiencies. We are also reviewing the processes that support origination, underwriting, approvals, policy administration, portfolio monitoring and stakeholder engagement. The objective is to remove unnecessary delays, improve the flow of information and provide employees with the tools and decision-making support needed to perform effectively.

Better systems and processes should ultimately be visible to our customers. They should result in clearer communication, more reliable information, improved turnaround times and a more consistent experience when engaging with the ECIC.

Our modernisation agenda is ultimately about building a more responsive and execution-focused ECIC. Technology, data and redesigned processes must make it easier for customers to do business with us, enable employees to make well-informed decisions more quickly, and give management greater visibility over the transaction pipeline and organisational performance. The success of CRM, the Insurance Management System and our broader process improvements will therefore be judged not simply by implementation milestones, but by whether they improve turnaround times, customer experience, management information and our ability to convert opportunities into completed business.

ACTING ON STAKEHOLDER FEEDBACK

The 2025 Corporate Reputation Index Performance survey produced an overall score of 68%. Governance and compliance remained our strongest area, while image and brand recorded the lowest result.

This indicates that the ECIC is recognised as a credible institution, but that we need to improve our visibility, communication and market engagement. We must make it easier for potential clients to understand what the ECIC offers, how our products can support them and how to engage with us.

For the ECIC, stakeholder engagement must go beyond reputation and communication. Our relationships with exporters, banks, project sponsors, government institutions and strategic partners are an important source of market intelligence and a critical part of our ability to unlock transactions. We will use these engagements more deliberately to identify emerging export opportunities, understand the barriers preventing viable transactions from progressing, improve our products and processes, and coordinate interventions where issues extend beyond the ECIC's direct control. Strong stakeholder relationships should ultimately increase our relevance to the market and strengthen our ability to deliver the mandate.

BUILDING ORGANISATIONAL ACCOUNTABILITY

Our employee engagement results highlighted concerns relating to leadership communication, organisational agility and reward practices. These findings require sustained attention. During the year, management invested in leadership development, succession planning and culture interventions. The next step is to ensure that these initiatives produce observable improvements in the way the organisation operates.

Employees need clarity about priorities, decision-making responsibilities and expected standards of performance. Leaders must be visible, communicate consistently and address obstacles that prevent teams from delivering. Performance management must reinforce accountability while recognising meaningful contribution.

As Chief Executive Officer, I will place particular emphasis on creating a culture in which commitments are followed through, difficult issues are addressed openly, and teams work across functional boundaries to achieve shared outcomes.

Culture will be a critical enabler of this agenda. The organisation we are building must combine technical excellence with urgency, collaboration and accountability for outcomes. Our people need to understand not only their individual responsibilities, but how their work contributes to moving transactions forward and delivering the ECIC's mandate. We will therefore continue strengthening a culture in which teams work across functional boundaries, decisions are made at the appropriate level, obstacles are surfaced early and commitments are followed through. Strategy will only become meaningful when it is visible in the everyday behaviours and execution disciplines of the organisation.

The lessons from FY2025/26 also require us to look beyond operational improvement to how the ECIC can play a more catalytic role in enabling export growth. During FY2026/27, we will deepen our engagement with South African exporters and financial institutions, strengthen strategic partnerships that can expand financing and risk-sharing capacity, and position the ECIC earlier in the development of viable export transactions. Our objective is to use our balance sheet, products, partnerships and institutional relationships more deliberately to unlock transactions that might otherwise not proceed, while maintaining the underwriting discipline and financial sustainability required of a credible export credit agency.

WHAT MANAGEMENT WILL DO DIFFERENTLY

During FY2026/27, management will organise delivery around four management execution priorities:

Convert pipeline and grow premium

We will strengthen pipeline discipline, improve transaction readiness, engage earlier with exporters, lenders and project sponsors, and focus resources on transactions with a realistic path to financial close. We will also work to increase the utilisation of approved short-term facilities and grow sustainable premium income.

Mobilise capacity through partners

We will work more deliberately with banks, development finance institutions, reinsurers, peer export credit agencies and other partners to expand financing and underwriting capacity through facility-sharing, guarantees, reinsurance, co-financing and syndication.

Modernise execution and client experience

We will prioritise the implementation of the CRM system, accelerate business-process redesign, introduce insurance management capabilities in phases and improve data quality, turnaround times, communication and the consistency of the client experience.

Strengthen accountability and culture

We will clarify priorities and decision-making responsibilities, strengthen leadership communication, reinforce performance accountability and build a culture in which commitments are followed through and teams work across functional boundaries.

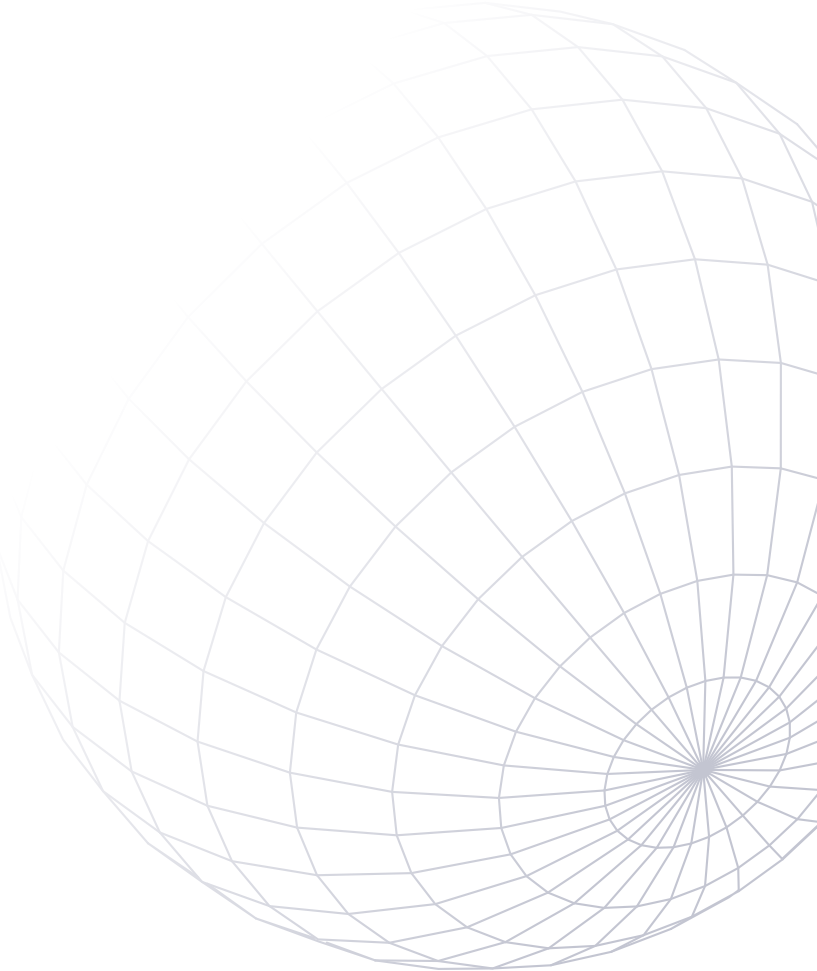
The strategic shift is clear: the ECIC's strong balance sheet must increasingly serve as a platform for export growth, not simply as evidence of financial resilience. Progress must be evident in transactions concluded, facilities utilised, premiums generated, systems implemented and stakeholder experiences improved.

IN CLOSING

I am encouraged by the expertise and commitment within ECIC. I thank our employees for their contribution during a demanding year and the Executive Management Team for supporting the leadership transition. I also thank our clients and stakeholders for their continued engagement and feedback.



Linda Seroka
Chief Executive Officer



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OUR OPERATING CONTEXT



OPERATING IN A CHANGING EXPORT ENVIRONMENT

The ECIC operates at the intersection of global trade, export finance, political and commercial risk, and South Africa's industrial-development priorities.

During FY2025/26, geopolitical tension, trade fragmentation, sovereign debt pressures, currency volatility and constrained access to finance continued to affect cross-border investment and export activity. These conditions increased the complexity of structuring transactions in emerging and frontier markets, affecting project timelines, lender appetite, repayment certainty and the cost of finance.

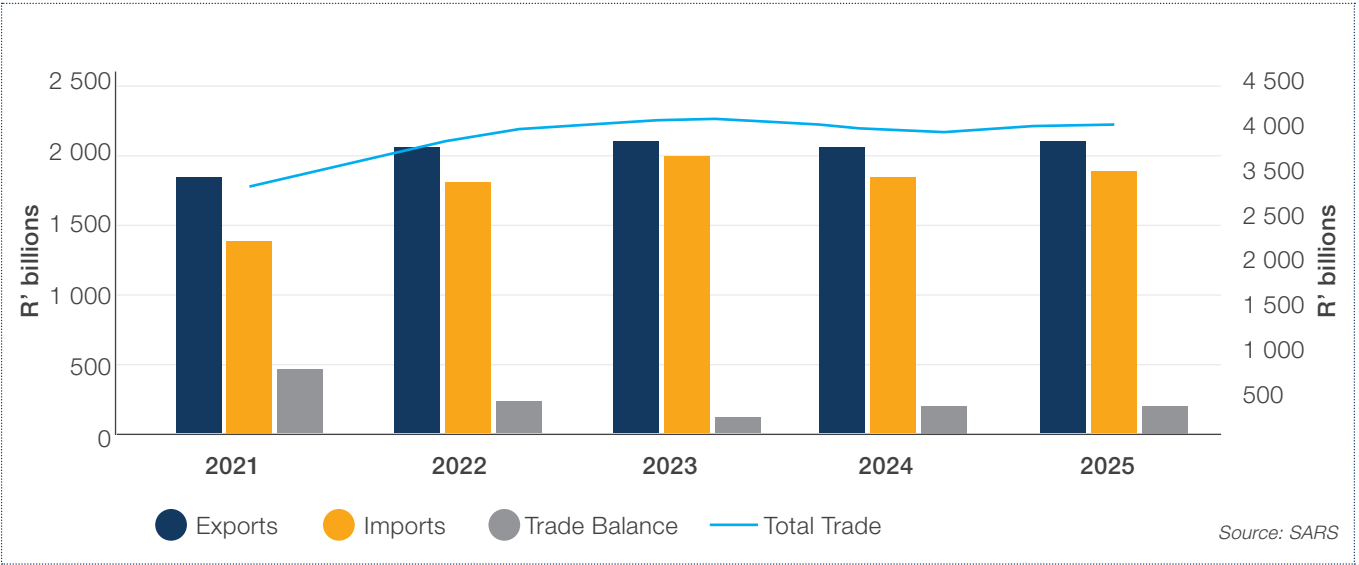
The environment also reinforced the structural characteristics of the ECIC's business. Medium- and long-term transactions are typically capital-intensive, subject to lengthy development and approval cycles, and dependent on financial close. At the same time, the

ECIC's expanded mandate provides an opportunity to grow short-term insurance, support a broader range of exporters and diversify insurance revenue over time.

Africa remained the ECIC's principal opportunity market. Infrastructure investment, regional integration and industrial development continue to create demand for South African goods and services. However, sovereign, currency and political risks require disciplined underwriting, appropriate transaction structuring and effective risk-sharing.

AfCFTA, stronger export-finance partnerships and the proposed SA Eximbank could broaden the support available to South African exporters, subject to the necessary policy and implementation decisions. The implications of this environment for the ECIC's strategy are summarised at the end of this section.

South Africa's trade with the rest of the world, 2021-2025



South Africa's economy grew modestly in 2025, with GDP expanding by 1.1% - its strongest annual performance since 2022- and quarterly growth reaching 0.4% in Q4. Household consumption and fixed investment supported growth, although exports declined and imports increased. Total trade rose by 1.7% to R4 trillion, with imports growing by 1.9% and exports by 1.6%, driven largely by mineral fuels, machinery and vehicles on the import side, and precious metals, passenger vehicles and iron ore on the export side.

EXPORT CREDIT AGENCY LANDSCAPE



Export credit agencies and Eximbanks play an important role in supporting national exporters in complex markets. Depending on their mandates, these institutions may provide insurance, guarantees, direct lending, working-capital support and risk-sharing.

South African exporters frequently compete against firms supported by coordinated financing and insurance arrangements in their home markets. This can affect pricing,

financing terms and the competitiveness of South African bids.

For the ECIC, this reinforces the importance of relationships with lenders, development finance institutions, peer export credit agencies and reinsurers. These relationships can expand capacity, support risk-sharing and strengthen the competitiveness of South Africa's export-finance offering.

REGULATORY AND LEGISLATIVE ENVIRONMENT



The ECIC operates within a highly regulated environment as a PFMA Schedule 3B public entity and national government business enterprise. Its activities are governed by the Export Credit and Foreign Investments Insurance Act, the PFMA, the Companies Act, Insurance Act, Short-Term Insurance Act and the Shareholder's Compact with **the dtic**. This framework supports accountability, prudential discipline, transparency and sound governance. It also influences the ECIC's product offering, capital requirements, transaction approvals and reporting obligations.

During FY2025/26, legislative modernisation remained an important strategic consideration. Matters under discussion included the ECIC's enabling legislation and the broader evolution of South Africa's export-finance architecture. As these matters remain subject to policy and regulatory processes, the report distinguishes between:

- Existing legal requirements
- Decisions already approved
- Outcomes outside the ECIC's direct control

STRATEGIC OPPORTUNITIES



The operating environment presents opportunities for the ECIC while reinforcing the need for disciplined risk management and stronger execution.

	Operating development	Strategic implication for the ECIC
	AfCFTA and African infrastructure demand	Wider access to African markets and opportunities for South African goods and services across infrastructure and industrial value chains.
	Geopolitical and sovereign risk	Greater demand for political-risk insurance, supported by rigorous country assessment, transaction structuring and portfolio monitoring.
	Trade fragmentation and supply chain diversification	Increased uncertainty, but also potential openings for competitive South African exporters in new markets.
	Constrained access to export finance	A stronger case for more integrated financing and insurance support, including the proposed SA Eximbank, subject to policy approval and implementation.
	Growth of short-term insurance	Broader exporter reach, support across a wider export value chain and potential diversification of insurance revenue.
	Partnerships and risk-sharing	Additional capacity through reinsurance, guarantees, co-financing and syndication without placing disproportionate pressure on ECIC's balance sheet.
	ESG and sustainable-development expectations	Continued emphasis on ESG screening, due diligence, monitoring and responsible underwriting.

HOW THE OPERATING ENVIRONMENT SHAPED OUR STRATEGIC PRIORITIES

Accelerate mandate delivery and diversify the portfolio

Improve pipeline conversion, expand short-term insurance and pursue opportunities across a broader range of sectors and markets.

Protect financial resilience

Maintain disciplined underwriting, strong solvency and liquidity, and active management of country, sector and obligor concentration.

Expand partnership and risk-sharing capacity

Use reinsurance, guarantees, co-financing and syndication to support transactions while managing balance-sheet exposure.

Support export-finance reform

Contribute to the development of a more integrated South African export-finance ecosystem, including the proposed SA Eximbank and related legislative processes.

Modernise execution and stakeholder experience

Strengthen systems, data, automation and client management to improve turnaround times, decision-making and stakeholder experience.

Broaden participation in export trade

Work with export-finance partners to improve access for SMEs, black industrialists and emerging exporters within the ECIC's mandate and risk appetite.

03

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HOW WE CREATE, PRESERVE AND PROTECT VALUE



OUR MATERIAL MATTERS

The ECIC’s material matters are the issues that most significantly affect its ability to create, preserve or constrain value over the short, medium and long term.

They influence our ability to deliver on our mandate, support export-led growth, manage political and commercial risk, maintain financial sustainability and respond to stakeholder expectations. The material matters provide the connection between our operating environment, strategy, resource allocation, risks and opportunities, performance, governance and outlook.

HOW WE DETERMINED OUR MATERIAL MATTERS

Our material matters were identified through a structured review of the internal and external developments that affected the ECIC during FY2025/26 and are expected to influence its future direction.

The review considered:

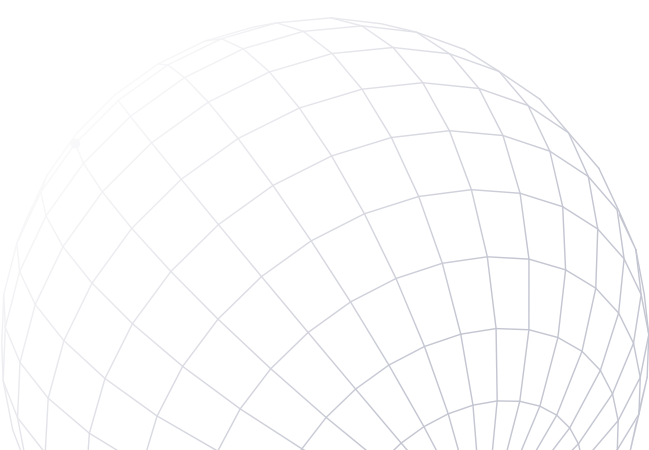
- The global, African and South African operating environment.
- The ECIC’s Corporate Plan, strategic objectives and performance.
- Enterprise and portfolio risks.
- Stakeholder engagement and reputation insights.
- Capital adequacy, liquidity, solvency, underwriting and claims exposure.
- Operational capability, systems, people and culture.
- Governance, compliance and assurance requirements.
- The capitals on which the ECIC depends and affects.

Management assessed these inputs against the ECIC’s mandate, strategy, business model and ability to create value. The resulting matters were considered through the relevant executive and governance structures and presented to the Board.

This did not constitute a formal double-materiality assessment. The ECIC plans to undertake a structured assessment during FY2026/27 and progressively integrate the resulting impact-materiality considerations into future planning and reporting.

This broader perspective is relevant because the ECIC must balance commercial discipline with developmental impact.

The Corporation must protect its financial resilience while supporting export transactions that contribute to trade, investment, industrial development, employment and South Africa’s participation in regional and international markets.



HOW WE ASSESS MATERIAL MATTERS:

The ECIC considered two related perspectives:

**Implications for the ECIC**

How the matter could affect mandate delivery, financial sustainability, capital, the portfolio, operations, risks and future performance.

**Implications for stakeholders and development**

How the matter could affect exporters, lenders, government, employees, partners, the export ecosystem and wider socio-economic outcomes.

STAKEHOLDER INPUTS, RISKS AND STRATEGIC PRIORITIES CONSIDERED

The materiality process drew on issues raised through stakeholder engagement, risk management, strategy development and performance monitoring. The following inputs were particularly important during the year:

Stakeholder	Requirements	Where to read more
Exporters and project sponsors	Accessible, responsive and competitive insurance support	Stakeholders Strategy Business model
Banks and lenders	Risk mitigation, structuring certainty and technical capability	Stakeholders Risk management
Shareholder and policy departments	Trade, industrialisation, transformation and economic-diplomacy priorities	Operating context Strategy Governance
Regulators and governance stakeholders	Financial soundness, compliance, ethical leadership and transparent reporting	Governance Risk management AFS
Employees	Leadership, capability, systems, culture and organisational clarity	Human capital Performance
Export-finance partners	Origination, financing, reinsurance and risk-sharing	Stakeholders Strategy Outlook
Enterprise and portfolio risk	Country, credit, concentration, claims, liquidity, solvency and operational risk	Risk management
Corporate Plan priorities	Growth, short-term insurance, partnerships, efficiency, transformation and sustainability	Strategy Performance

OUR MATERIAL MATTERS FOR THE YEAR UNDER REVIEW

Material matter	Why it matters	The ECIC's response	Key risks and opportunities	Capitals most affected
Mandate relevance and export-finance reform	Legislative reform and the proposed SA Eximbank will enhance the ECIC's mandate, operating model, capital structure and future market position.	Drive the legislative reform to enhance mandate and prepare for resultant institutional changes.	Opportunity: A more integrated and effective export-finance ecosystem. Risk: Delayed legislative reforms may constrain ECIC's ability to execute growth ambitions.	FININTS&R
Financial sustainability and portfolio resilience	The ECIC requires sufficient capital, liquidity and solvency to underwrite long-term risks and discharge claims obligations.	Apply disciplined underwriting, capital management, portfolio monitoring and risk-based decision-making.	Opportunity: Capacity to support larger and more diverse transactions. Risk: Claims, concentration, liquidity pressure and market volatility.	FININT
South Africa's export competitiveness, development of cross-border supply chains, and regional integration	The ECIC's developmental impact is driven by the competitiveness of South African exporters in international transactions.	Strengthen origination, market engagement, short-term insurance and export-finance partnerships.	Opportunity: Increased exports and regional trade. Risk: Regional trade barriers and infrastructure constraints, trade finance gap.	FINS&RMAN
Stakeholder trust and ecosystem coordination	The ECIC depends on capable people and on the confidence and cooperation of exporters, lenders, government, regulators, employees and partners.	Strengthen stakeholder engagement and strategic partnerships to build a responsive export-finance ecosystem.	Opportunity: Integrated origination, capital mobilisation, and market diversification. Risk: Constrained mandate delivery, reputational risk.	S&RINTHUM
Governance, ethics and King V™ readiness	Effective governance supports compliance, legitimacy, sound control and stakeholder confidence.	Maintain Board oversight, strengthen assurance and risk management, and prepare for King V™.	Opportunity: Improved transparency and accountability. Risk: Non-compliance, weak controls and loss of confidence.	INTS&RFINHUM

CONSIDERING OUR STRATEGY

No substantive prior-year material matter was removed in FY2025/26. The matters were renamed, combined and, in several cases, elevated in importance to provide a more integrated account of the factors affecting the ECIC's mandate and value creation.

Legislative reform and the proposed SA Eximbank were broadened into a matter addressing the ECIC's future mandate relevance and possible institutional transition. Tax leakage, the Interest Make-Up (IMU) Scheme shortfall, solvency, liquidity, claims exposure and capital considerations were combined under financial sustainability and portfolio resilience. Sovereign distress, geopolitical developments and concentration exposure were elevated into a standalone country, credit and geopolitical risk matter.

Stakeholder feedback, reputation and export-finance partnerships were consolidated under stakeholder trust and ecosystem coordination, while systems, automation, capability and culture were combined under operational efficiency and internal capacity. Governance and compliance

were broadened to include ethics and King V™ readiness, and ESG, transformation and socio-economic impact were integrated into a single developmental impact and sustainability matter.

These refinements do not represent a change in the ECIC's mandate. They reflect changes in the operating environment, stakeholder expectations and strategic priorities, and provide a clearer connection between material matters, strategy, risks and opportunities, the capitals, performance and outlook.

Link to strategy, risks, opportunities, capitals and performance

The material matters provide the connection between the ECIC's operating environment, strategy, risks and opportunities, capitals, stakeholder interests, performance and outlook. These links are reflected throughout the report through consistent cross-references and the use of common material-matter labels.

Our strategic focus over the short, medium and long term

Horizon	Strategic intent	Narrative
Short term	- Strengthen the platform - Execute and build readiness	Deliver the Corporate Plan while strengthening underwriting discipline, financial resilience, execution capability and responsiveness to exporters and financing partners.
Medium term	- Scale and diversify - Expand ECIC's reach	Diversify the portfolio, scale short-term insurance, deepen bank, DFI and African ECA partnerships, and modernise systems and processes to increase transaction capacity and market reach.
Long term	- Amplify developmental impact - Become a stronger export-finance catalyst	Position ECIC as a stronger catalyst for South African export growth and African trade by mobilising capital, enabling cross-border value chains and supporting industrial development across priority markets.

Turning strategy into action

Our strategic objectives translated our mandate and long-term direction into focused areas of action for FY2025/26. They guided how we allocated resources, built capability and prioritised management attention during the year.

Strategic objective	What we set out to achieve	Principal resources allocated
 Grow and diversify the business	Increase origination, market presence and the range of supported transactions.	Underwriting capacity, business development, market intelligence and stakeholder relationships.
 Improve processes and systems	Automate priority processes and improve data, efficiency and service delivery.	ICT, process redesign, data, cybersecurity and specialist capability.
 Enhance financial sustainability	Protect capital and maintain the financial capacity required for mandate delivery.	Financial capital, investments, cost control, claims and salvage management.
 Embed risk management	Strengthen risk awareness, portfolio oversight and risk-based decisions.	Risk, actuarial, compliance, underwriting and assurance capability.
 Strengthen people and culture	Improve engagement, leadership, capability, retention and organisational effectiveness.	Human capital, leadership development, communication and skills development.
 Deepen stakeholder and partner engagement	Strengthen trust, market awareness, origination and export-finance collaboration.	Relationship capital, business development, marketing and engagement platforms.
 Advance transformation	Maintain transformation performance and broaden participation.	Procurement, enterprise and supplier development, employment equity and skills development.
 Enhance governance	Maintain ethical leadership, oversight, compliance and transparent reporting.	Board oversight, assurance, compliance and reporting systems.

THESE OBJECTIVES REFLECT THE FY2025/26 CORPORATE PLAN AND THE ECIC'S ALIGNMENT WITH SHAREHOLDER PRIORITIES AND SOUTH AFRICA'S EXPORT-DEVELOPMENT AGENDA.

HOW THE ECIC CREATES VALUE



OUR STAKEHOLDERS



Relationships and value creation

Trusted relationships support our mandate, transaction development, risk-sharing, market intelligence, compliance and access to finance. Priority stakeholders include government, exporters, lenders, employees, regulators and strategic partners.

During FY2025/26, engagement focused on export growth, short-term insurance, commercial-bank collaboration, Afreximbank-related developments, the proposed SA Eximbank and improvements in stakeholder experience and reporting.

Our material stakeholder groups

These groups materially influence our ability to deliver our mandate, manage risk, protect our reputation and support export-led growth.

Stakeholder group	Why they matter and key expectations	How we engage
Shareholder, government and policy stakeholders	Provide mandate, policy and oversight; expect delivery, sustainability, governance, transformation, reform and progress on the proposed SA Eximbank.	Formal reporting, Parliamentary and ministerial engagement and policy consultation.
Exporters and project sponsors	Generate transactions; require responsive cover, clear processes, claims support and access to higher-risk markets.	Deal origination, workshops, roadshows and product discussions.
Banks, lenders and DFIs	Provide finance; require risk mitigation, structuring certainty, capital treatment and reliable turnaround times.	Transaction structuring, technical workshops and policy discussions.
Employees	Provide specialist capability; expect visible leadership, fair reward, development, wellbeing and organisational clarity.	Town halls, communication, surveys, development and wellness initiatives.
Strategic and international partners	Expand capacity, risk-sharing and market intelligence; seek deal flow and cooperation.	MOUs, ECA and reinsurance engagement, and international forums.
Governments of importing countries	Influence approvals, political risk, sovereign obligations and recoveries.	Bilateral and project-specific engagement.
Regulators	Influence licensing and prudential standing; expect compliance, sound governance and fair treatment.	Regulatory submissions, monitoring and meetings.
Media and market participants	Shape understanding of our mandate and impact; expect credible information.	Media engagement, campaigns, newsletters and events.

How stakeholder oversight flows through the ECIC



What mattered to stakeholders and how we responded

Main matter	FY2025/26 response and status	FY2026/27 focus
South Africa's Afreximbank relationship	We supported accession and the proposed Class B-to-Class A shareholding transition. Both were completed by February 2026.	Convert the relationship into measurable financing, origination and risk-sharing outcomes.
SATIPP 2.0	Discussions on a renewed cooperation framework continued; it remained under development at year-end.	Operationalise SATIPP 2.0 to unlock additional financing capacity and expand support for South Africa.
Greater export-finance capacity	We engaged lenders on regulation, risk-sharing, reinsurance, blended finance and transaction development. Structured workstreams followed after year-end.	Mobilise greater export-finance capacity through bank partnerships, risk-sharing and blended finance.
Commercial-bank collaboration	In April 2026, we engaged five leading banks on capital treatment, the IMU scheme, reform, local content, reinsurance, blended finance and debt substitution.	Unlock bank financing capacity through improved capital treatment, risk-sharing and joint transaction origination.
Short-term insurance	We developed the strategy and engaged on working-capital, trade-credit and bond needs. Uptake data remains to be confirmed.	Increase facilities, uptake and emerging-exporter participation.
Efficiency and client experience	CRM, insurance management, automation and turnaround initiatives remained in progress; some benefits had not been realised.	Link milestones to turnaround, issue resolution and experience.
SMME and transformation participation	Engagement emphasised export readiness, trade missions, facilities and short-term insurance; measurable outcomes remain incomplete.	Improve conversion and disaggregated reporting.
International cooperation	Technical engagement strengthened knowledge and partner access; commercial outcomes require further measurement.	Translate relationships into reinsurance, co-insurance and pipeline outcomes.
Brand and confidence	The 2025 survey returned a 68% CRIP score. Governance anchored trust; Image and Brand was the weakest pillar.	Improve visibility, stakeholder experience and impact communication.



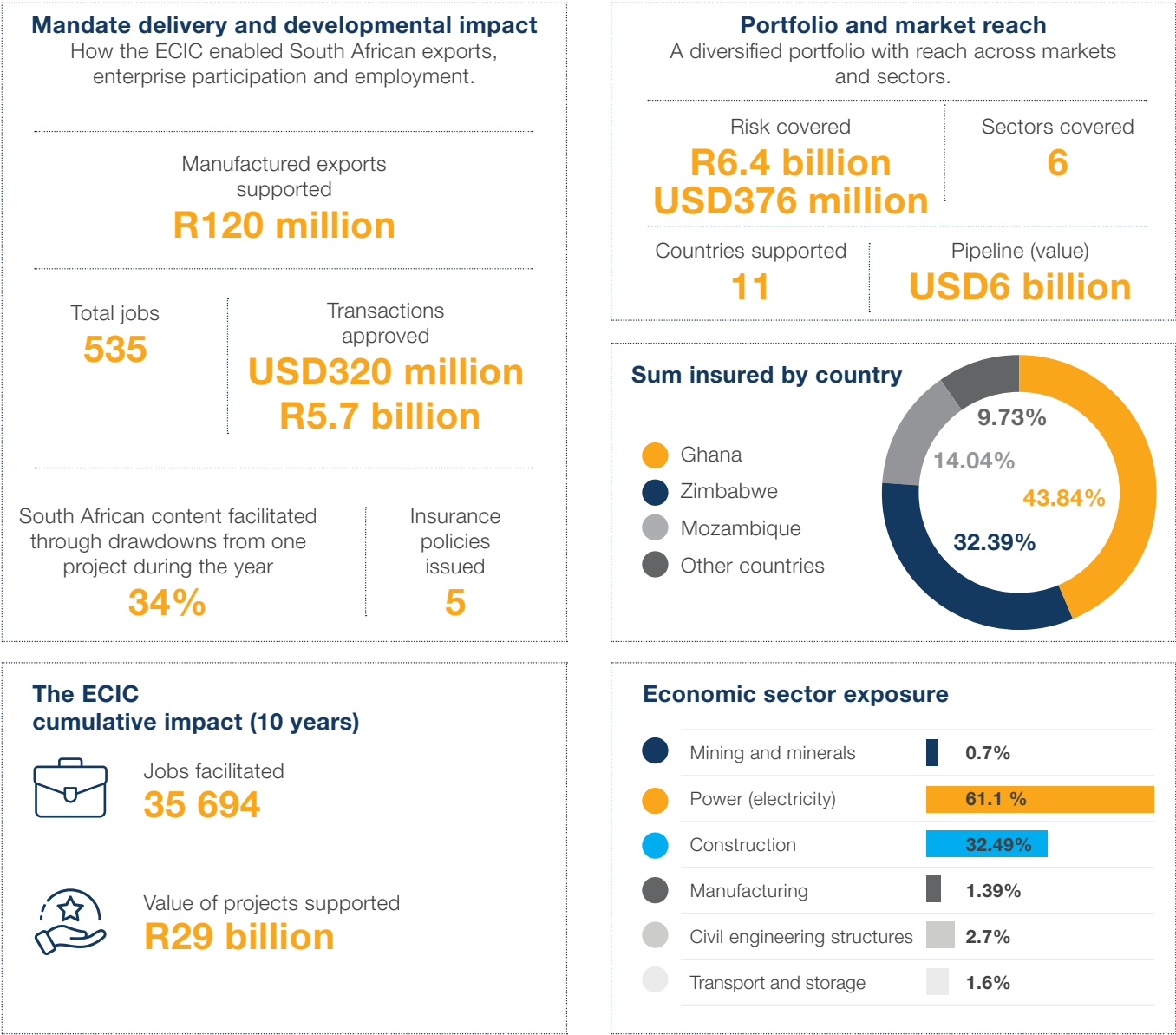
OUR PERFORMANCE AGAINST STRATEGY

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FY2025/26 PERFORMANCE AT A GLANCE



The graphic below summarises the ECIC's key performance outcomes for FY2025/26 and shows how these support the Corporation's priorities for FY2026/27.



OUR EXECUTIVE MANAGEMENT



The ECIC’s Executive Management team is responsible for implementing the Board-approved strategy, managing day-to-day operations and delivering against the Corporate Plan. During FY2025/26, the team focused on export growth, pipeline conversion, short-term insurance expansion, financial sustainability, claims and recoveries, operational efficiency, stakeholder engagement and culture transformation.



Linda Seroka (49)
Chief Executive Officer

Qualifications
MBA; BCompt (Hons); Postgraduate Diploma in Accounting; BCompt; YPO/ Harvard Presidents’ Programme.

Areas of expertise
Strategy, finance, operational transformation, infrastructure, trade and complex stakeholder environments, management consulting, strategy execution, operational efficiency, governance turnaround, business performance improvement

Years of service: Appointed 01 June 2026



Noluthando Mkhathazo (43)
Chief Financial Officer

Qualifications
CA(SA); Management Advancement Programme

Areas of expertise
Finance, auditing and financial management

Years of service: 15



Ntshengedzeni Gilbert Maphula (54)
Acting Chief Executive Officer for FY2025/26
Acting Chief Operations Officer from 1 June 2026

Qualifications
BProc, UNIVEN; LLB, UP; LLM, UP; LLM, UNISA

Areas of expertise
Cross-border financing, export credit insurance, political risk, international trade, foreign investment, project finance and sovereign lending

Years of service: 19



John Omollo (58)
Chief Risk Officer

Qualifications
MBA, Wits; Certified Public Accountant of Kenya, CPA II and III

Areas of expertise
Risk management, project and structured finance, banking and credit rating of financial institutions

Years of service: 15



Dianne Naicker (47)
Acting General Counsel

Qualifications
BProc Law, UKZN; LLM International Commercial Law, Manchester; Company Secretarial and Governance Practice, CSSA; Advanced Certificate in Management Practice, Henley Business School

Areas of expertise
Export credit insurance and project finance

Years of service: 14



Sias Esterhuizen (46)
Chief Actuarial & Investment

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

Years of service: 10

Gilbert Maphula continued to serve as Acting Chief Executive Officer throughout the reporting period, while the process to appoint a permanent Chief Executive Officer progressed.

OUR PERFORMANCE AGAINST STRATEGY

This section explains our performance against our FY2025/26 strategic objectives, including what we achieved, where performance fell short, the factors that influenced delivery and the corrective actions being taken.

The measures reported represent different stages of transaction development and should not be read as interchangeable. Pipeline opportunities are potential transactions under development, while approvals represent authority to support a transaction, generally subject to specified conditions. Depending on the product and transaction structure, an approved transaction may then progress through financial close and the issuing or activation of insurance cover.

Facility utilisation or drawdowns indicate that approved financing or capacity has been used. Gross written premium reflects premium written in accordance with policy terms, while developmental impact is assessed from qualifying project activity or drawdowns.

These distinctions are important in export credit insurance, where the period between identifying an opportunity, approving support, reaching financial close, activating cover and recording premium or developmental impact may extend across more than one reporting period.

OUR PERFORMANCE OVERVIEW

Performance during FY2025/26 reflected the structural challenges associated with supporting export transactions in complex markets. Short-term insurance approvals exceeded target and no breaches of risk appetite limits were recorded. However, the conversion of medium- and long-term opportunities into financially closed transactions and effective policies remained affected by lengthy project-development cycles, sovereign risk and lender appetite.

Short-term insurance approvals reached USD113.7 million, exceeding the annual target of USD90 million. These approvals demonstrate growing market interest in our expanded product offering but do not, on their own, represent facility utilisation, drawdowns or premium generated.

Medium-and long-term insurance approvals reached USD206.5 million against a target of USD580 million, reflecting the slower progression of several large transactions. Gross written premium reached R331 million against a target of R400 million, largely because anticipated premiums from transactions approaching financial close were not written before year-end.

Two policies became effective during the fourth quarter: the USD161.5 million Saurimo Water Treatment Plant policy in Angola, providing 100% political risk cover, and a short-term trade-credit policy for United Pharmaceutical Distributors supporting buyers in Eswatini and Namibia.

At 31 March 2026, our existing insured portfolio, measured as total insured exposure, amounted to R6.44 billion. This represents insurance cover in force at year-end and is distinct from the value of pipeline opportunities or transactions approved during the year.

Operational performance was mixed. Business-process automation reached 11.9% against a target of 20%, while employee engagement remained below target. These outcomes reinforce the need to improve transaction conversion, operational execution, leadership communication and organisational accountability.

Detailed analysis of our financial results, capital position, solvency and liquidity is provided in Part 6: Financial strength for long-term impact.

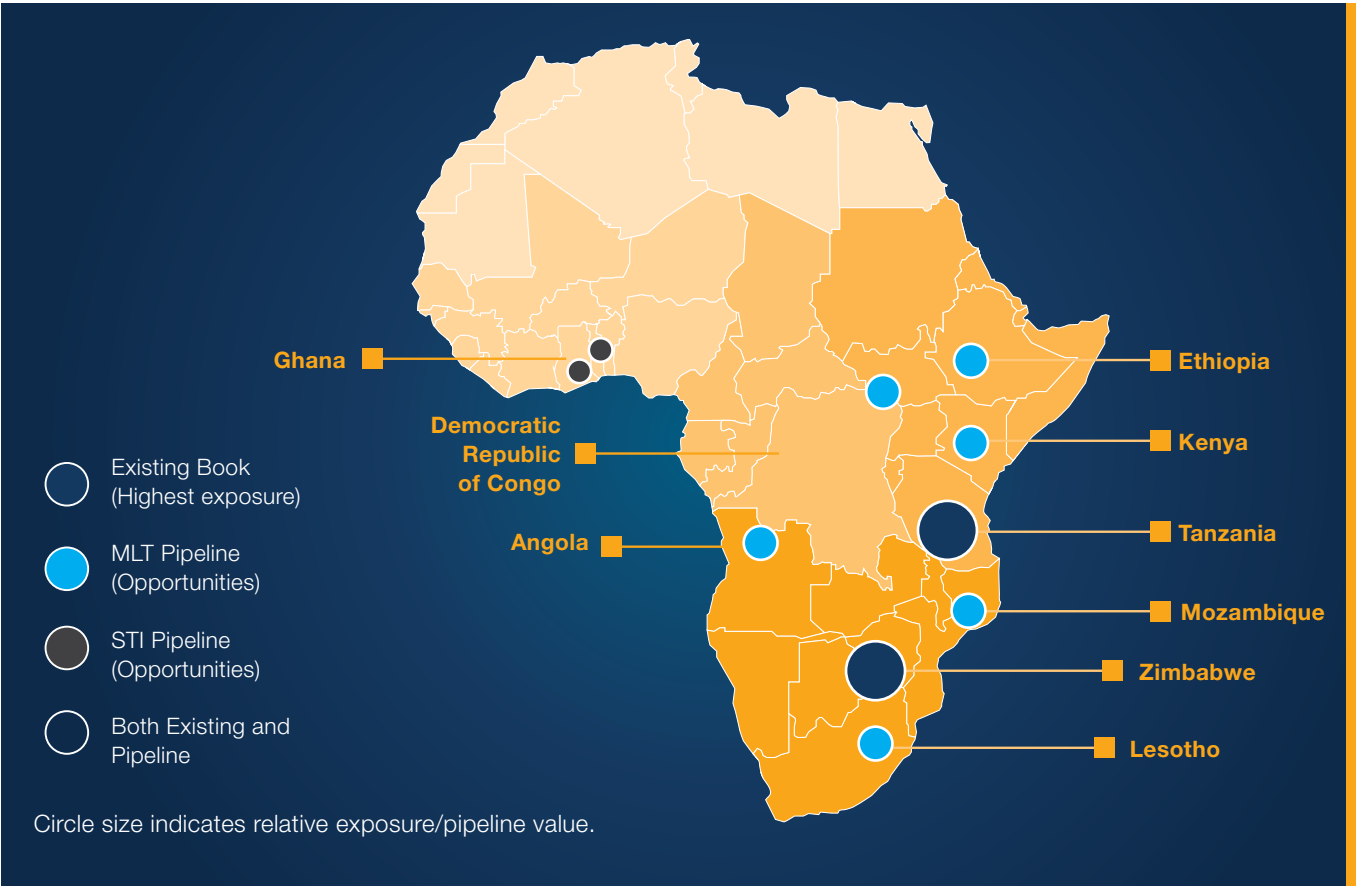
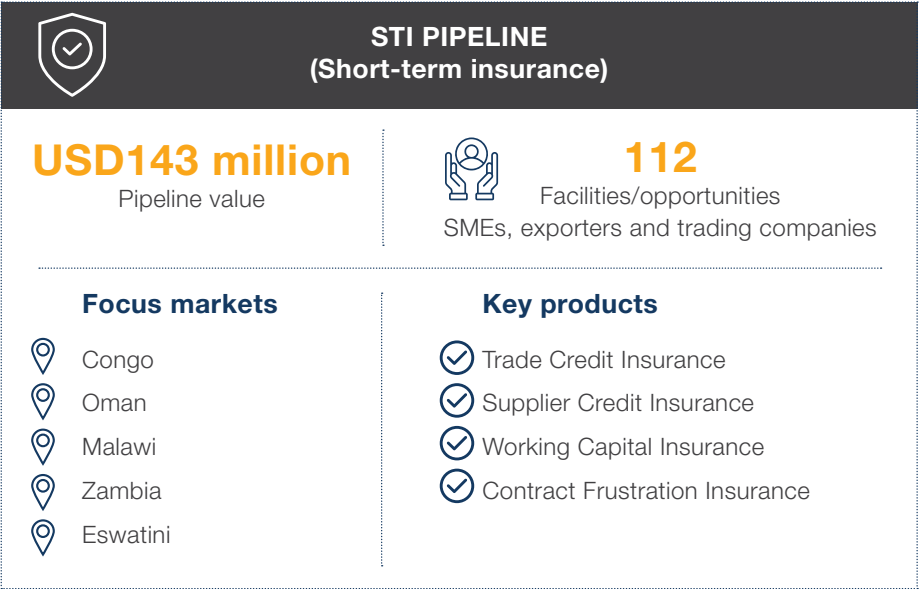
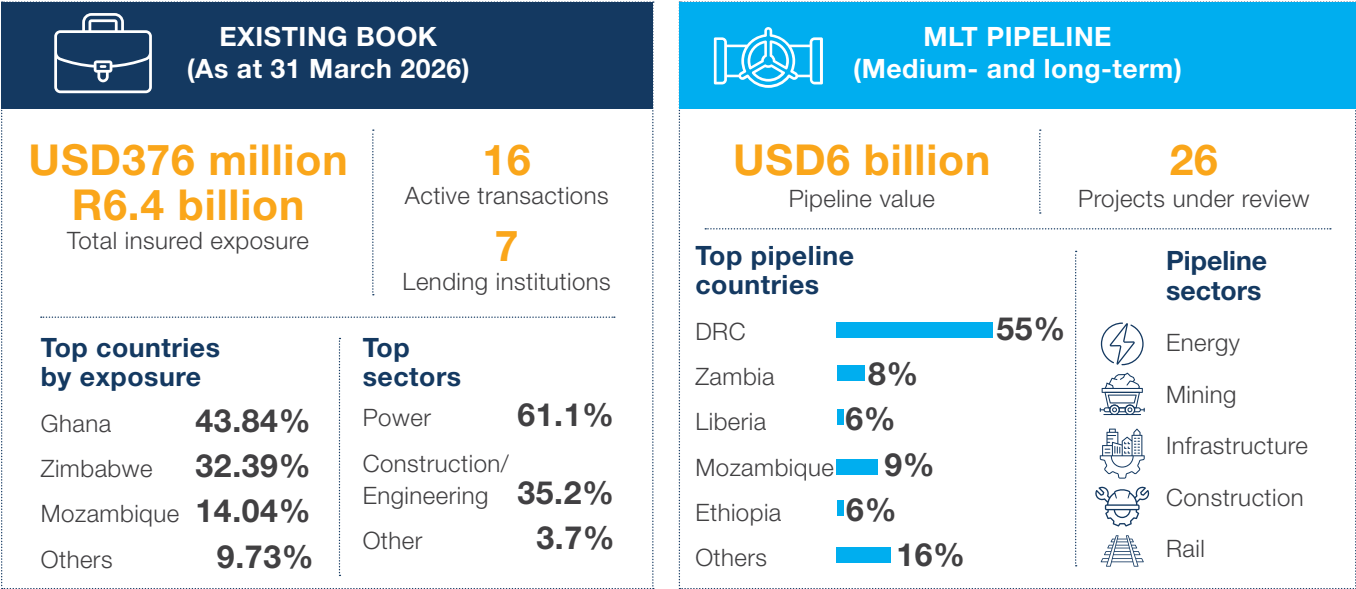


FY2025/26 Performance Report							
Target No.	Output	Performance Measure or Indicator	FY2025/26 Annual Target	Q4 Target	Actual Achievement	Reason for underachievement	Corrective Action
STRATEGIC MARKET ACCESS: EXPORTS FOR GLOBAL MARKETS							
Contribution TO TRADE FACILITATION THAT RESULTS IN JOB CREATION							
1	Facilitation of exports and cross border investments	Gross Written Premium	R400m	R400m	Target not achieved. R331 million	Anticipated premium for projects about to reach financial close was not written before 31 March 2026.	The ECIC still expects to underwrite a Gross Written Premium on the MozLNG and other transactions of more than R3 billion in FY2026/27. Work is being finalised on projects about to reach financial close.
WORKFORCE READINESS AND SKILLS FOR THE ECONOMY; AND MARKET CONCENTRATION AND ECONOMIC INCLUSION							
ENHANCE TRANSFORMATION							
2	Maintain B-BBEE Score	B-BBEE Level	Level 1	N/A	Target achieved B-BBEE Level 1 obtained	N/A	N/A
RED TAPE REDUCTION							
IMPROVE BUSINESS PROCESSES AND SYSTEMS							
3	Automation of business processes	% Of business processes automated	20% Of business processes automated (new business automation plan)	20% Of business processes automated (new business automation plan)	Target not achieved. 11.90% of the business process automation plan implemented.	The pre implementation phase of the Insurance Management System (IMS), the Actuarial Modelling, and Customer Relationship Management (CRM) systems could not be completed timeously. Delays were experienced in finalising international ECA benchmarking sessions (including the visits) and the resulting business process refinements. CRM has been prioritised for FY2027 to support the dtic objective of reducing red tape.	Prioritise the implementation of CRM as part of the APP target for FY2027 while finalising business process mapping for IMS and Actuarial Modelling.
BUILDING A CAPABLE, ETHICAL AND DEVELOPMENTAL STATE							
EMBED RISK MANAGEMENT PRACTICES							
4	Embed risk management practices	No breaches on risk appetite limits over the 5-year period	No breaches on risk appetite limits (from 1 April 2022)	No breaches on risk appetite limits (from 1 April 2022)	Target achieved. No breaches on risk appetite limits during the year.	N/A	N/A
ENHANCE FINANCIAL SUSTAINABILITY							
5	Increase in capital base	% Increase in equity (excluding foreign exchange movements and related tax)	5% Increase in equity	5% Increase in equity	Target achieved. For the period ended 31 March 2026, the equity excluding foreign exchange movements and related tax, increased by 10,44% which is above the annual target of 5% largely due to the significant investment income generated.	N/A	N/A
6	Achieving a tax-exempt status for the ECIC	Tax-exempt status for the ECIC	Tax-exempt status for the ECIC	Tax-exempt status for the ECIC	Target not achieved. The Study Report was submitted to the dtic on 31 October 2025.	Submitted to the dtic and awaiting consideration by the dtic and National Treasury.	Tax exemption request to be presented to the dtic .
7	Track the operating cost base of underwriting activities	Operating cost base of underwriting activities	Operating cost below R140 million	Operating cost below R140 million	Target achieved. For the period ended 31 March 2026, the operational costs for the underwriting business amounted to R104 million against the annual targeted ceiling of R140 million.	N/A	N/A
STAKEHOLDER AND CUSTOMER ENGAGEMENT							
8	Improve employee engagement and organisational culture	Employee Engagement Score	Employee Engagement Score of 70%	Employee Engagement Score of 70%	Target not achieved. Employee Engagement Score of 60% achieved.	The primary development areas relate to leadership, communication, organisational agility, and rewards, which are likely influencing employees' perception of the work environment and their longer-term commitment to the organisation.	A Leadership Development Programme was completed by Management in Q4. Culture change projects are underway to address the findings.
ENHANCE CORPORATE GOVERNANCE							
9	Effective governance and internal control measures	Clean audit with no repeat findings and no more than 3 new findings on the BAC Report (judgmental differences not considered)	Clean audit with no repeat findings and no more than 3 new findings on the BAC Report (judgmental differences not considered)	N/A	Target not achieved. Clean audit with repeat findings achieved.	The findings were partially resolved.	The findings were partially resolved and will be cleared in the FY 2027.

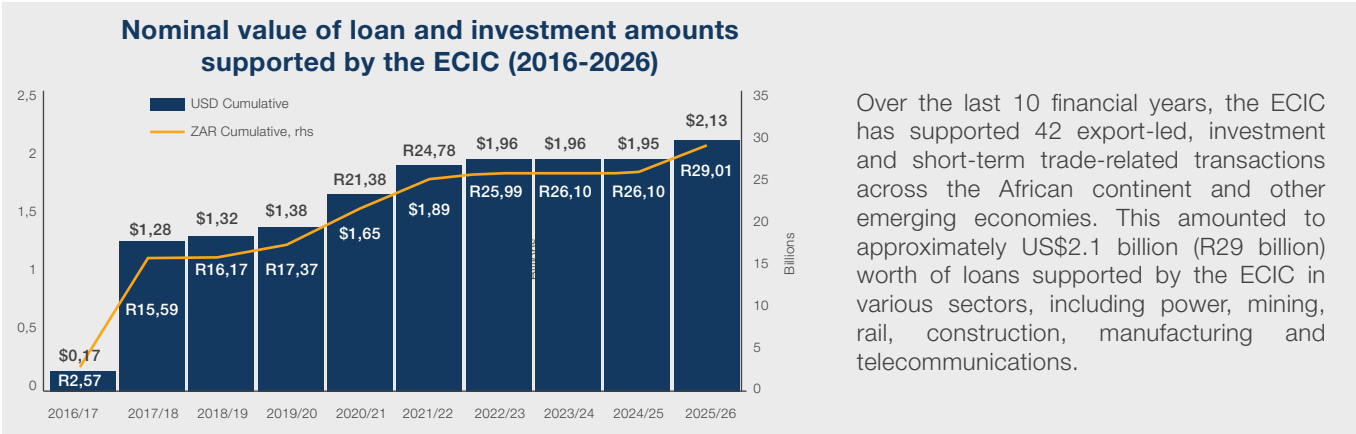


OUR PORTFOLIO AND PIPELINE OVERVIEW

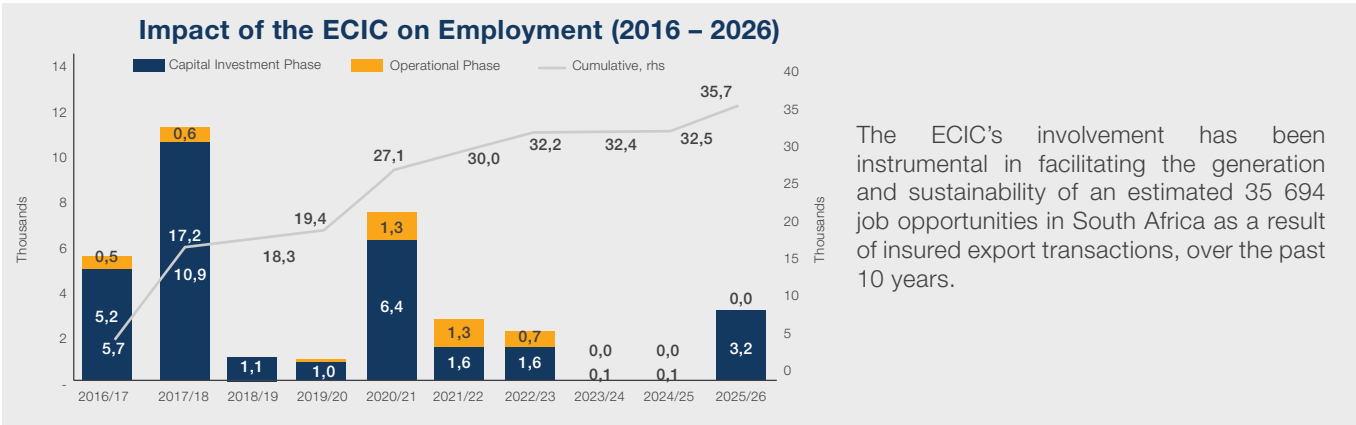
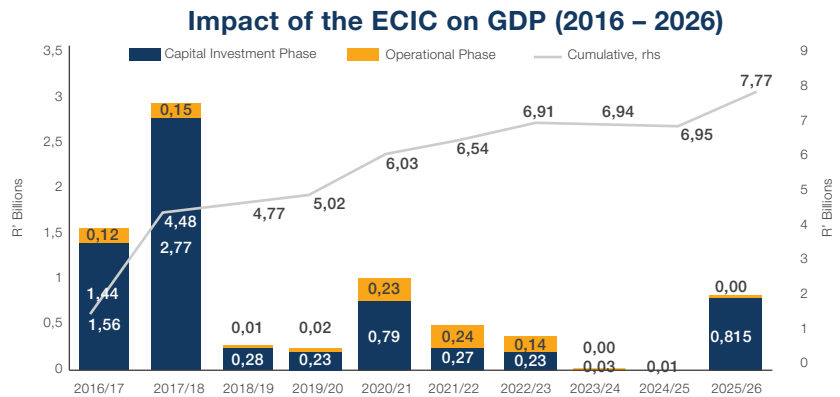
The ECIC's portfolio and pipeline reflect our mandate to support South African exports and cross-border investment in higher-risk markets.



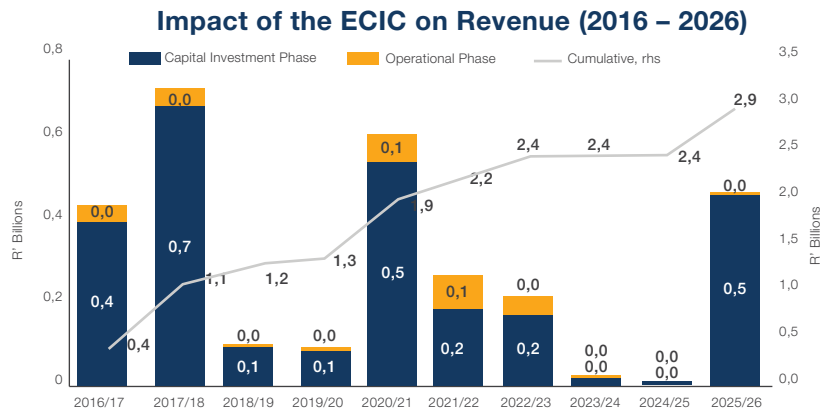
A DECADE OF IMPACT: 2016–2026



An estimated R 7.8 billion has been added to the South African GDP.



An estimated R 2.9 billion has been added to the South African fiscus.



Vodacom Investment into Safaricom Ethiopia

Vodacom Group completed a landmark US\$2.1 billion transaction to acquire an additional 20% effective stake in Safaricom PLC, raising its total shareholding to roughly 55% and securing majority control. This strategic investment anchors Safaricom's aggressive subscriber expansion in Ethiopia and fast-tracks the cross-border scale of the M-Pesa fintech ecosystem across East Africa.

ECIC had initially covered Vodacom's equity investment amounting to US\$120 million for over two years from 2023 to 2025. The equity contribution was utilised to fund the rollout of the network.



Upgrades of the Beitbridge Border Post Zimbabwe

The US\$300 million Beitbridge Border Post Modernisation Project transformed Southern Africa's busiest land crossing via a public-private partnership with the Zimborders Consortium. It replaced multi-day truck queues with digital automation, separating freight, buses, and private vehicles to slash cargo transit times from 3–5 days to under 3 hours.

Several major South African financial institutions, private equity firms, and construction companies provided funding, equity, and contracting services for the Zimborders Consortium Beitbridge Border Post modernisation project.



Saurimo Water Project

The Project entails the design, construction and equipping of a new water treatment plant with a potable water capacity of 60,000m³ per day and associated water infrastructure for the City of Saurimo, the provincial capital of Lunda Sul, Angola ("Project"). The plant will service a ca. 540 000 population in the city. The total project costs, of this sovereign project, amounts to US\$169,3 million.



RISK AND OPPORTUNITY MANAGEMENT



Sound risk management and prudent underwriting are critical aspects of measured risk taking and enables ECIC to support transactions in markets with elevated risks of default. During the year, the Corporation provided insurance cover to South African exports to high-risk markets whilst maintaining risk discipline. A key constraint remains the Basel capital treatment of the ECIC insurance policy issued to participating banks, which can limit the extent to which ECIC cover translates into additional lending capacity. This has had a knock-on effect on

the mandate in terms of slow pipeline conversion in the period under review. As it is, banks have often resorted to ECIC as a cover of last resort in difficult jurisdictions, resulting in portfolio concentration in high-risk countries. These risks also created opportunities to strengthen portfolio diversification, expand short-term insurance, deepen partnerships with export-finance institutions and increase the use of reinsurance and other risk-sharing mechanisms.

Corporate risk register summary

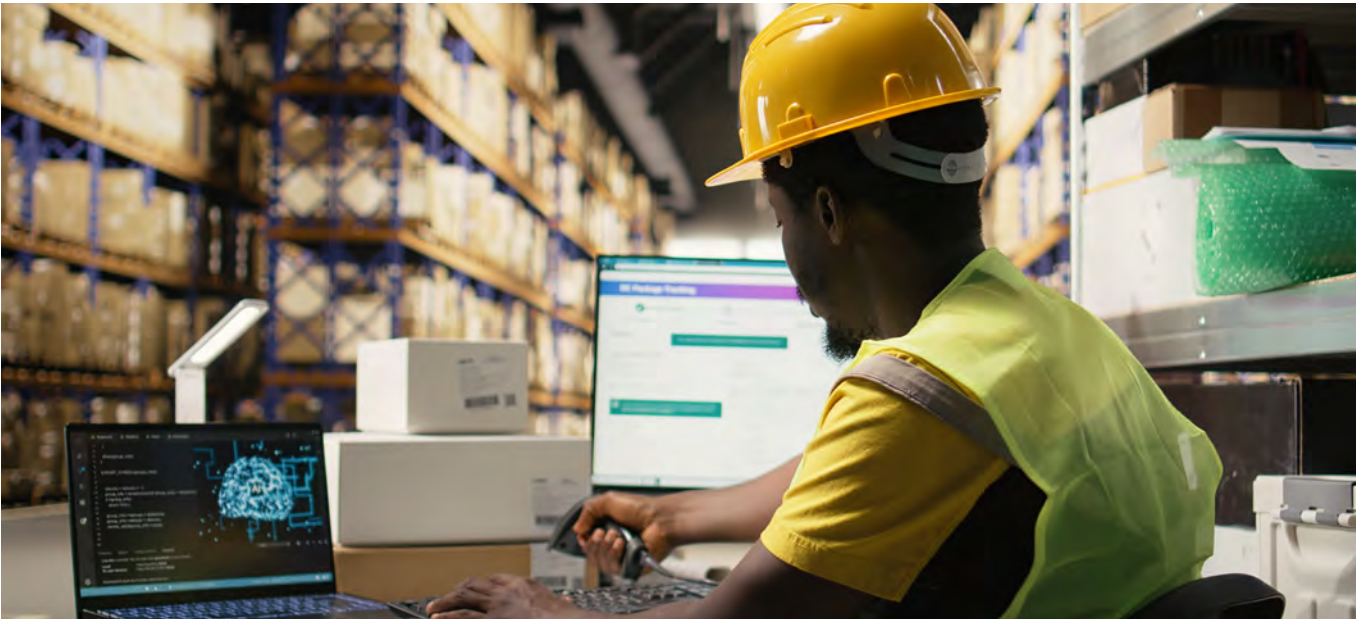
The corporate risk register reflected 13 risk items at year-end. Of these, six had residual risk scores of high, related to the following strategic objectives:

- Export Growth,
- Financial Sustainability;
- Culture Transformation.

Management monitors these risks quarterly, with action plans tracked to support mitigation and resolution.

Most of the high residual risks were due to temporary volatility, particularly financial sustainability risks.

Residual risk rating	Number of risks	Strategic objectives affected
High	6	Export Growth, Financial Sustainability, Culture Transformation
Moderate	3	Operational Efficiency, Culture Transformation
Low	4	Export Growth, Financial Sustainability, Operational Efficiency, Culture Transformation
Total	13	



Concentration risk

Concentration risk remained elevated due to structural challenges relating to the overall high risk nature of most countries on the continent and limited capital relief that funders receive from the ECIC paper. Ghana represented the largest country concentration, with the power sector as the lead sector, reflecting the ECIC's commitment to support South African exporters who undertake infrastructure projects on the continent.

Sovereign default risk remained elevated in parts of the underwriting portfolio, particularly where high debt levels and fiscal pressures weakened countries' repayment capacity. These conditions continued to influence underwriting decisions, country exposure management and portfolio diversification imperatives.

Liquidity and solvency risk

The Corporation's liquidity risk measured by the Insurance Liquidity Ratio (ILR) remains very low for the period under review. This is underpinned by the Corporation's strategy to keep investments in high quality liquid assets (HQLA) for purposes of meeting claims payments and liquidity needs without incurring breakage costs on long-dated asset classes.

Solvency risk measured by both the regulatory standard and the internal view remained very low, as the cover ratios in both measures exceeded the regulatory threshold by more than two times.

Strong liquidity and solvency ratios provide sufficient buffer against claims and supports continued underwriting capability.

Emerging risks and opportunities

The ECIC identified climate risk and artificial intelligence risk as two emerging risks requiring increased management attention.

Climate risk

Climate-related risks, include flooding and drought, may disrupt access to project sites, constrain water availability and affect workforce health and safety at project site. Transition risks may also arise from more stringent climate-related regulation and policy requirements, potentially increasing project-development and compliance costs for the ECIC supported transactions. These risks reinforce the need to consider climate-related factors through prudent underwriting, project due diligence and ongoing ESG monitoring.

Artificial intelligence risk

The rapid development of Artificial Intelligence (AI) presents both opportunities and risks to the Corporation. Applicable opportunities include automation of routine reporting requirements, meeting transcriptions, research, as well as more advanced use cases in fraud detection, claims management, underwriting and customer service. AI adoption also introduces risks such as ethical dilemmas, privacy breaches, cybersecurity vulnerabilities, algorithm/

decision biases, workforce and compliance risks. As a result, in the period under review, the Corporation adopted an incremental approach that included approval of an AI management policy, adoption of meeting transcription tools, and conducting cybersecurity awareness campaign focused on AI related threats. The Corporation remains in the exploratory phase of AI adoption, with future implementations expected to balance innovation, operational efficiency, appropriate governance and risk management.

Risk specific outlook

In FY2026/27, the ECIC will focus on converting the transaction pipeline, expanding short-term insurance, strengthening bank and DFI partnerships, progressing the SA Eximbank architecture, finalising and deepening strategic cooperation with Afreximbank, and improving operational efficiency through systems modernisation.

The ECIC enters FY2026/27 with a strong capital base, disciplined risk management and a broader platform for mandate delivery. The priority is to convert this resilience into stronger transaction conversion, premium generation, exporter reach and developmental impact.

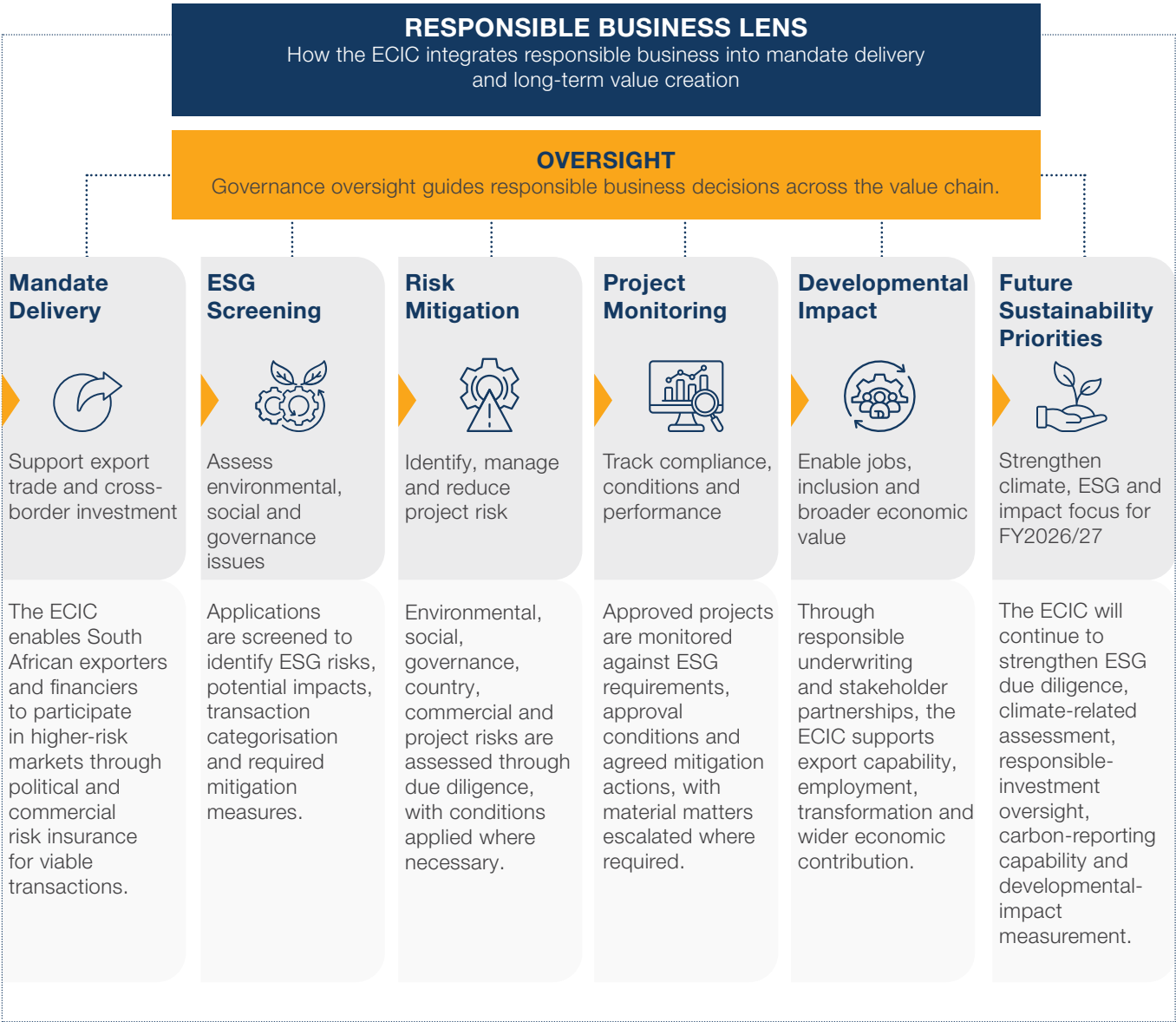
Achieving this will require the ECIC to balance growth with prudent capital management, improve execution and operational capability, and use partnerships and risk-sharing more effectively to unlock export opportunities.

SUSTAINABILITY APPROACH



The ECIC’s approach to sustainability is shaped by its mandate as South Africa’s export credit agency. The Corporation supports export trade and cross-border investment in markets where environmental, social, governance, political and commercial risks may be elevated. Responsible business therefore requires the ECIC to balance mandate delivery with disciplined underwriting, sound risk management, stakeholder responsiveness and long-term financial sustainability.

Sustainability is integrated into how the ECIC assesses transactions, identifies and manages ESG risks, monitors insured projects, engages stakeholders, oversees responsible investment and contributes to South Africa’s developmental priorities. This helps the ECIC support export-led industrialisation while protecting its balance sheet, reputation and licence to operate. Detailed governance oversight of sustainability, ethics, transformation and stakeholder matters is addressed in the Governance section.

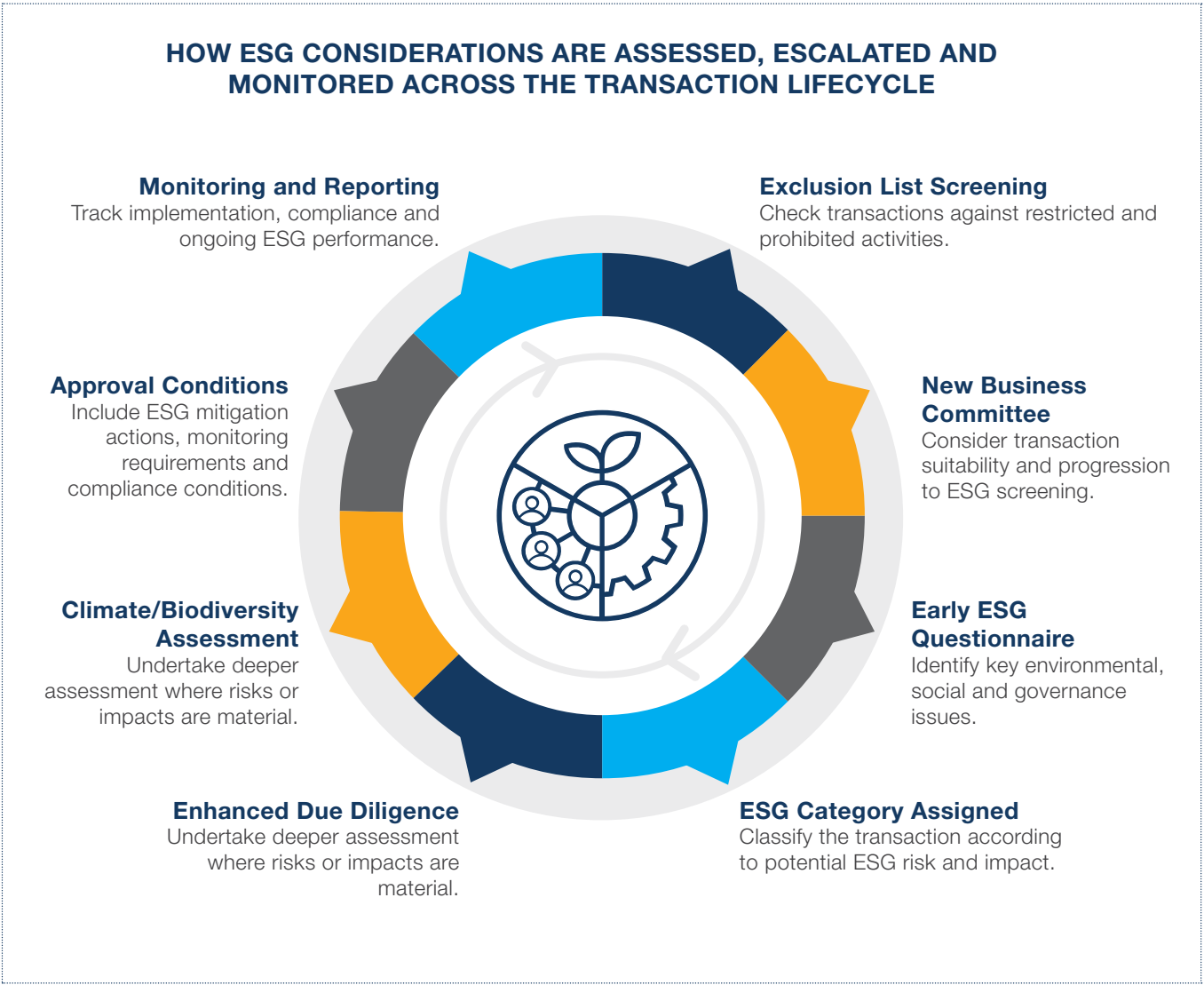


ESG SCREENING, DUE DILIGENCE AND MONITORING



All new and approved applications are screened for ESG considerations. The ECIC uses an early ESG screening process to identify potential environmental, social and governance issues, assess the likely scale and nature of impacts, determine the transaction’s ESG categorisation and identify mitigation measures where required.

The process is intended to ensure that ESG risks are identified early, assessed in proportion to their significance and monitored through the transaction lifecycle.



05



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HOW WE GOVERN

GOVERNANCE FRAMEWORK AND DELEGATED OVERSIGHT



Governance at the ECIC is more than a matter of regulatory compliance. It is the mechanism through which the Board safeguards public value and sustains the confidence of our shareholder, stakeholders and the people of South Africa. During the year, the Board discharged its responsibilities through three mutually reinforcing pillars: stewardship, oversight, and accountability. Guided by these principles, the Board embarked on a journey to pursue the King V governance outcomes by cultivating an ethical culture founded in values and principled decision-making. In an increasingly complex and uncertain global environment, the Board remained focused on enabling sustainable value creation and performance whilst maintaining rigorous oversight of strategy execution, risk mitigation and sound internal controls. Above all, the Board remained steadfast in its commitment to the ECIC’s developmental purpose: unlocking exports, enabling cross-border investment, advancing industrialisation, strengthening regional integration, creating employment, and contributing to inclusive economic growth. Through this approach, the ECIC continues to earn legitimacy and the social licence to operate.

Stewardship: Safeguarding the resilience and sustainability of the Corporation

Through deliberate stewardship the Board discharged its fiduciary duty by driving leadership decisions, sound risk governance, and a steadfast focus on long-term value creation, the Board remains committed to safeguarding the ECIC’s sustainability and its ability to deliver meaningful economic impact for generations to come. A hallmark of the Board’s stewardship during the year was the successful appointment of a permanent Chief Executive Officer by 1 June 2026, fulfilling a critical governance priority and strengthening the leadership foundation upon which the ECIC’s future will be built. The significance of this appointment extends beyond succession planning. It represents the Board’s commitment to ensuring leadership continuity, reinforcing organisational capability, nurturing a high-performance and values-driven culture, and translating strategic aspirations into measurable and sustainable outcomes. Through this decisive action, the Board strengthened the Corporation’s ability to create enduring value and remain resilient in a rapidly evolving global landscape. The Board’s stewardship also extended to the preservation of the ECIC’s financial strength and institutional resilience. Through rigorous oversight, the Board ensured the continued application of a multifaceted risk mitigation framework anchored in strong capital adequacy, disciplined underwriting, strategic reinsurance partnerships, revenue ring-fencing, and prudent syndication structures. These measures provide a robust buffer against uncertainty while enabling the Corporation to pursue its mandate with confidence, responsibility, and foresight.

Oversight: vigilance in a complex regulatory environment

The ECIC operates within a demanding and highly regulated environment. It is a Schedule 3B public entity under the Public Finance Management Act, was established under the Export Credit and Foreign Investments Insurance Act, 1957, and is incorporated in accordance with the Companies Act. Its conduct is further subject to the regulatory requirements applicable to financial services and insurance institutions. The PFMA provides the overarching framework for the efficient and effective management of public revenue, expenditure, assets and liabilities, as well as for the responsibilities of those entrusted with public financial management. Within this layered statutory and regulatory framework, the Board has remained vigilant in ensuring that the ECIC not only complies with its obligations, but sustains the systems, controls, judgement and organisational culture necessary for responsible performance. The Board is supported in discharging this responsibility by five standing committees:

- the Audit Committee;
- the Risk Committee;
- the Finance, Investment and Insurance Committee;
- the Social, Ethics and Transformation Committee; and
- the Human Resources and Remuneration Committee.

Each committee operates under Board-approved terms of reference and an annual work plan. Committee chairpersons report to the Board on deliberations, recommendations and matters requiring Board consideration. The committees provide the depth of scrutiny required across finance, insurance, investment, risk, human capital, remuneration, ethics and transformation, while their composition and mandates are governed by defined independence and membership requirements.

Accountability: The cornerstone of legitimate governance

Accountability is where governance finds its legitimacy and public trust is earned. The ECIC Board accepts responsibility not only for the decisions it takes, but for the outcomes those decisions deliver in service of South Africa’s economic development. Through the Shareholder’s Compact and ongoing engagement with the Department of Trade, Industry and Competition and Parliamentary oversight structures, the Board remains accountable for the ECIC’s strategic direction, performance, and stewardship of public resources.

The true test of accountability lies not in what we report, but in the value we create and the trust we sustain. It is measured by our ability to keep the ECIC true to its purpose, ensure responsible stewardship of public resources, and deliver lasting developmental impact. This remains the Board’s enduring commitment and the standard by which we govern.

Board composition as at 31 March 2026



Total Non-Executive directors

8

Women 50%

Men 50%

Board Attendees by Invitation

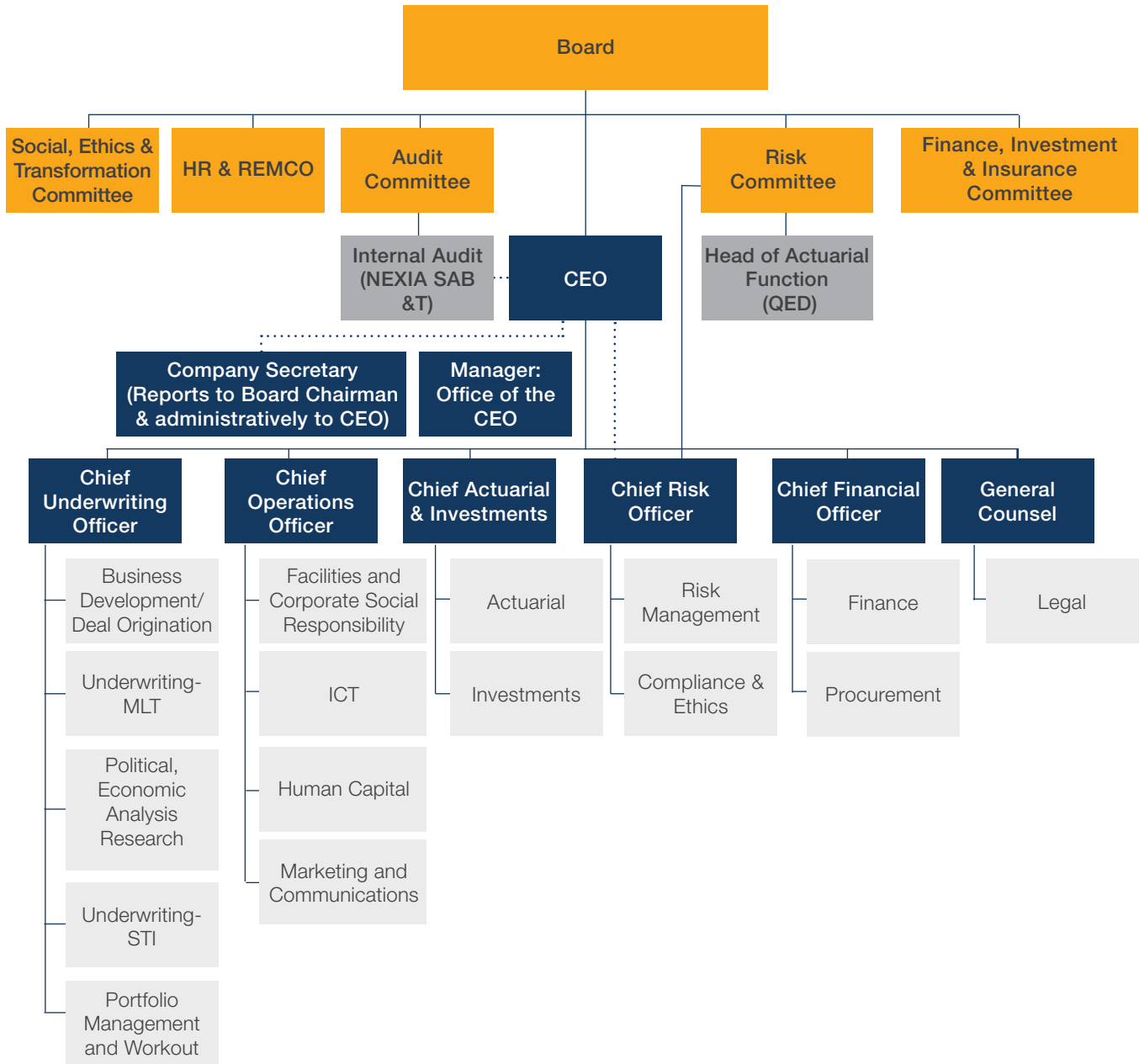
N Maphula

(in his capacity as acting CEO)

S Bhanisi

(appointed by the Minister of Finance)

Our organisational structure



OUR NON-EXECUTIVE DIRECTORS AT DATE OF REPORTING



The ECIC’s governance framework supports its role as South Africa’s export credit agency and its responsibility to operate as a financially sustainable, ethical and accountable state-owned company. The Board is responsible for the ECIC’s governance and compliance framework and provides oversight of strategy, risk, performance, capital, stakeholder relationships, ethics, sustainability and reporting.

During FY2025/26, governance oversight remained central to the ECIC’s ability to deliver on its mandate in a complex operating environment. The Board and its committees focused on the matters most material to our long-term sustainability and mandate delivery, including export growth, financial sustainability, risk appetite, claims and recoveries, portfolio concentration, operational efficiency, short-term insurance expansion, stakeholder relationships, culture transformation and the continued evolution of South Africa’s export-finance ecosystem.



Delia Ndlovu (57)
Independent chairperson

Qualifications:
MBA; HDip Tax; BAdmin Hons; Master Tax Practitioner (SAICA); Director Certificate, Toronto University; Member of the IoDSA

Areas of expertise:
Energy, mining, telecommunications, manufacturing, financial services and consumer sectors.

- Other board positions**
- Matla Rock Energy (Pty) Ltd
 - Oasis Asset Management Ltd
 - Petra Rock Capital (Rf) (Pty) Ltd
 - Baobab Innovations (Pty) Ltd
 - Nisheti (Pty) Ltd
 - Matla Operations (Pty) Ltd
 - Insightum (Pty) Ltd (Previously Forgeminds AI)
 - Araxi Limited



Philisiwe Mthethwa (61)
Independent non-executive director

Qualifications:
BA Economics; MBA Corporate Finance; Certificate in Central Banking, South African Reserve Bank; French Language Diploma

Areas of expertise:
Experience in risk management practices of financial institutions. Her broad experience base also covers Private Equity, Project Finance and Corporate Finance.

- Other board positions**
- Araxi Limited
 - Hero Serv (Pty) Ltd



Siobhain O'Mahony (39)
Independent non-executive director

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, loyalty programme design and modelling.

- Other board positions**
- 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 NPC
 - Member of the Enforcement Committee of the Information Regulator of South Africa
 - Legal Practitioners Indemnity Insurance Fund NPC
 - The Rand Mutual Assurance Company Ltd
 - RMA Life Assurance Company Ltd
 - Intellectual Property Rights Studio (Pty) Ltd
 - Lux Actuaries and Consultants (Pty) Ltd
 - Settlehub (Pty) Ltd
 - Marco Polo Advisory (Pty) Ltd
 - The Marmalade Club (Pty) Ltd
 - Omo Investments (Pty) Ltd



Bheki Mkhize (47)
Independent non-executive director

Qualifications:
BSc Actuarial Science

Areas of expertise:
Actuarial, risk management and investment management.

- Other board positions**
- Khula Credit Guarantee SOC Ltd



Sisa Mayekiso (43)
Independent non-executive director

Qualifications:
BCom Honours Accounting; CA(SA); CFA

Areas of expertise:
Accounting, treasury, investment and risk management.

- Other board positions**
- Executive director of companies with personal investments
 - Southern African Music Rights Organisation
 - Mines 1970 Unclaimed Benefits Preservation Pension and Provident Fund



Xoliswa Daku (51)
Independent non-executive director

Qualifications:
MSc Real Estate; Executive MBA; School for Legal Practice, UCT; LLM; BProc; MDP Diploma; Advanced and Postgraduate Diploma in Project Management; Postgraduate Diploma in Human Resource Management

Areas of expertise:
Legal and business leadership, strategic design and development, project and programme management, property development and management.

- Other board positions**
- Daku Group (Pty) Ltd
 - SEDFA
 - Lead Independent Chair: ACSA



Willem van der Spuy (53)
Non-executive director: **the dtic**

Qualifications:
BA Honours International Relations

Areas of expertise:
International trade and investment.

Other board positions
None



Luke Govender (56)
Alternate non-executive director: **the dtic**

Qualifications:
MSc Investment Promotion and Economic development; Executive Development Programme on International Business; Executive Education Programme for South African Senior Government Officials; Leadership in Economic Diplomacy; Doctor Honoris Causa

Areas of expertise:
Investment and trade promotion, economic development, policy coordination, strategy development, supportive representation, institutional management and governance reporting.

- Other board positions**
- Fresh Produce Exporters' Forum
 - South African Fruit and Vegetable Cannery Export Council
 - South African Oil and Gas Alliance

OUR BOARD (Continued)



Sipho Bhanisi (47)
Non-executive director
(National Treasury
Representative)

Qualifications:
B Com (Economics and Finance),
B Com Honours (Economics),
M Com (Economics)

Areas of expertise:
Infrastructure Finance,
Concessional and Climate Finance,
Asset and Liability Management.

Other board positions
None



Nettie Moffatt (46)
Company Secretary

Qualifications
LLB; Postgraduate Certificate
in Advanced Taxation; LLM
Commercial Law; FCIS; admitted
attorney, conveyancer and notary

Areas of expertise
Corporate and commercial law.

Other board positions
None

Board appointments at the date of reporting



Appointments/term extended				
Director	Role	Nature of change	Effective date	Governance impact
Delia Ndlovu	Chair	Appointment	1 July 2025	Skills and independence
Bheki Mkhize	Independent non-executive director	Appointment	1 July 2025	Skills and independence
Andile Mabizela	Independent non-executive director	Appointment	1 July 2025	Skills and independence
Philisiwe Mthethwa	Independent non-executive director	Appointment	1 July 2025	Skills and independence
Xoliswa Daku	Independent non-executive director	Appointment	20 October 2025	Skills and independence
Siobhain O'Mahony	Independent non-executive director	Term extended	1 July 2025	Continuity and skills
Sisa Mayekiso	Independent non-executive director	Term extended	1 July 2025	Continuity and skills

Board skills, succession planning and development



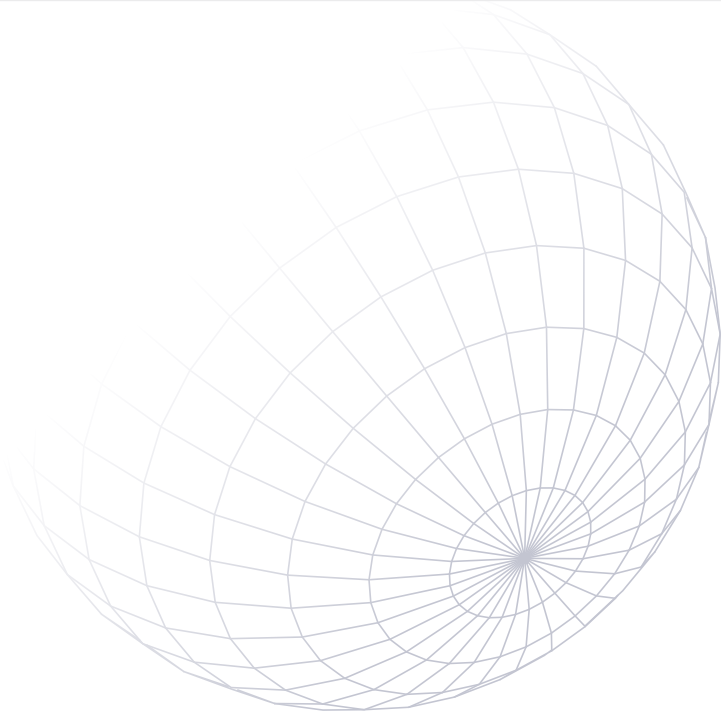
The Board's collective skills are essential to the ECIC's ability to govern a specialist export credit insurance business. The skills required include export finance, insurance, actuarial science, risk management, investments, governance, law, public-sector accountability, stakeholder management, ESG, development finance, trade policy and African markets. The ECIC's Corporate Plan highlights Board expertise across areas such as financial services, investment banking, development finance, actuarial science, asset-liability matching, capital adequacy, legal and business leadership, project management, international trade and investment, mining, manufacturing, energy and risk management.

Board effectiveness is supported through a comprehensive director induction and ongoing education programme. The programme assists new and existing directors to understand the ECIC's legislative framework, governance processes, delegation of authority and business operations. Board members also attend internal and external briefings and training to stay abreast of industry developments, technology, risk management, legislation, regulation and corporate governance best practice. Board succession planning remains a priority. The Human Resources and Remuneration Committee considers Board and executive succession, induction and continuing development. This is particularly important as the ECIC continues to strengthen institutional capacity, fill critical roles and support the execution of its strategic objectives.

Changes in committee leadership

The changes in Board composition resulted in the following transitions in committee leadership:

Committee	Outgoing Chair	Incoming Chair
Audit Committee	Lerato Mothae	Sisa Mayekiso
Risk Committee	Siobhain O'Mahony	Bheki Mkhize
Human Resources and Remuneration Committee	Vuyelwa Matsiliza	Siobhain O'Mahony
Finance, Investment and Insurance Committee	Sisa Mayekiso	Philisiwe Mthethwa
Social and Ethics Transformation Committee	Deshni Subbiah	Xoliswa Daku



Board and committee attendance

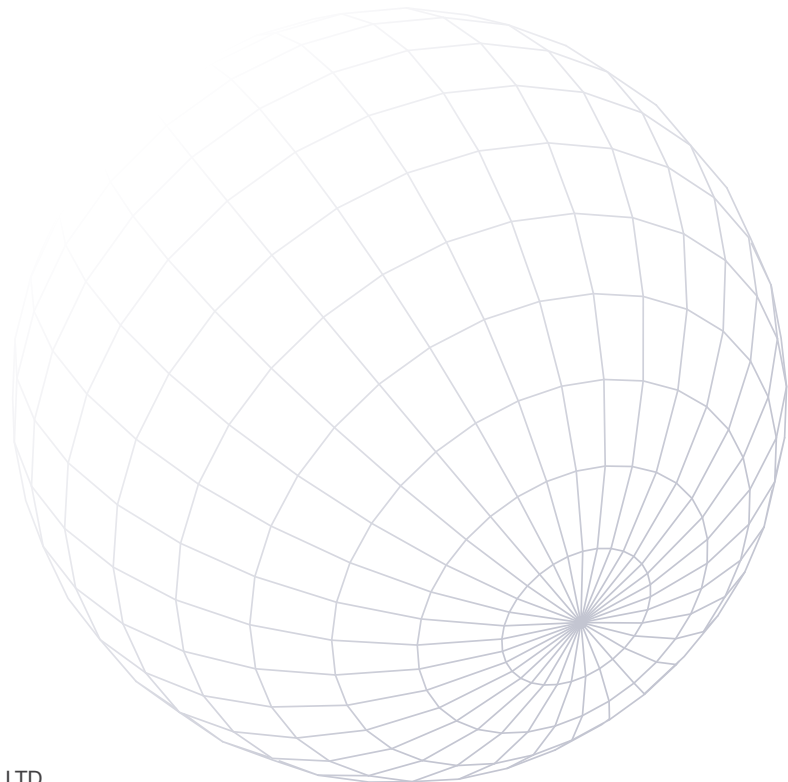


The Board, supported by the office of the Company Secretary, develops and adopts an annual work plan that covers its mandate and sets meeting dates and agendas. Special meetings are convened when required for material matters, including project approvals, claims, audit matters, solvency issues, risk appetite and strategic decisions.

In FY2025/26, the Board met twelve times, including special meetings to consider material operational matters, project approvals and claims.

Board and committee attendance FY2025/26						
Director	Board	Audit	Risk	FIIC	SETCO	HRREMC
Dheven Dharmalingam	3/3 ¹		1/1		1/1	0/1
Siobhain O'Mahony	10/12	6/7	4/4 ¹		3/4	8/8 ²
Sisa Mayekiso	12/12	6/7 ²	3/4	8/8 ¹		1/1
Errol Makhubela	2/3					
Deshni Subbiah	3/3		1/1	3/3	1/1 ¹	
Vuyelwa Matsiliza	2/3	3/3		3/3		1/1 ¹
Lerato Mothae	2/3	3/3 ¹			1/1	1/1
Delia Ndlovu	9/9 ²		3/3		3/4	
Bheki Mkhize	8/9	3/4	2/3 ²	4/5		6/7
Philisiwe Mthethwa	6/9		1/3	4/5 ²		
Xoliswa Daku	4/4	1/1			1/1 ³	3/3
Willem van der Spuy/ Luke Govender	12/12			7/8		

¹Chairperson until 31 May 2025
²Chairperson from 1 July 2025
³Chairperson from 30 October 2025



Board evaluation outcomes and action taken



An annual evaluation assesses the effectiveness of the Board, its committees and the Chairperson, while identifying opportunities for improvement and future skills and development requirements. The Board submits the evaluation results and a progress report to the dtic each year. In June 2025, the ECIC appointed the Institute of Directors in South Africa NPC (IoDSA) to conduct an independent evaluation of the Board and its committees.

The evaluation found that the Board performed at a “Good” level, scoring 3.5 out of 5.0, with Board committees identified as the strongest-performing governance area. All committees were also rated “Good”, achieving an overall score of 3.8. Board members were found to have the necessary knowledge, skills and experience, while oversight of strategy and risk was assessed as satisfactory. Appropriate ESG oversight was in place, although stakeholder relationship management required further attention.

Areas identified for improvement included Board induction, decision-making and feedback between meetings, the content and size of meeting packs, the quality of minutes, ongoing member development, executive succession planning and the formalisation of the CEO’s annual performance review. Actions taken or under way include induction for newly appointed Board members, improvements to Board packs and minutes, implementation of a continuous professional development programme, strengthened succession planning and support for the integration of the new Chief Executive Officer. The Social, Ethics and Transformation Committee is also prioritising ESG oversight and stakeholder relationship management.

COMMITTEE REPORTS



Board committees support the Board by providing focused oversight of the matters within their respective mandates. To avoid duplication, the committee reports below focus on the key oversight themes considered during the year, how these matters supported governance outcomes, and the areas that will remain important in the year ahead.



AUDIT COMMITTEE REPORT



The Audit Committee is constituted as a statutory committee in terms of the Companies Act, 71 of 2008 as amended, and is also responsible for all other duties assigned to it by the Board. During the year under review, the committee consisted of four (4) independent non-executive directors appointed by the shareholder at the Annual General Meeting. The Audit Committee met seven (7) times during FY2025/26, with one (1) of those meetings being a special meeting to consider the integrated report. The committee operates in terms of a formal terms of reference and Board-approved annual work plan.

The external and internal auditors attend committee meetings, have unrestricted access to the committee and Chairperson and can address the Audit Committee at each meeting without the presence of management. The Audit Committee has not recommended the engagement of an external assurance provider on material sustainability issues to the Board, as it regards the internal assurance as adequate, given the maturity of existing processes.

The committee believes that it has complied with its legal and regulatory responsibilities for the year under review (refer to the Audit Committee Report).

Assurance statements

The Audit Committee is satisfied that:

- The ECIC complied with its legal, regulatory, and other responsibilities.

- Correct and up-to-date quarterly returns, required by the PFMA and Treasury Regulations, were lodged with **the dtic**.
- Accounting policies and financial statements are appropriate and comply with IFRS Accounting Standards and the requirements of the Companies Act, 71 of 2008.
- The internal auditor, Nexia SAB&T Chartered Accountants Incorporated was suitably independent.
- Internal controls and risk management measures, including internal financial controls, are effective, as outlined in the internal auditor's written assessment. The committee executed its duties in terms of the requirements of King IV™.
- The external auditor was appointed in line with sections 25(1)(b), (2), (3) and (4) of the Public Audit Act, 25 of 2004.
- The external auditor is independent in accordance with King IV™, which considers previous appointments, other work undertaken for the ECIC, and possible conflicts of interest as described by the Independent Regulatory Board for Auditors.
- The external auditor provided suitable assurance that internal governance processes within the ECIC support and demonstrate its claim to independence.

Activities in FY2025/26	Plans for FY2026/27
The Committee undertook, among others, the following activities:	The Committee's plans for FY2026/27 include, among others, the following:
• Considered the Annual Financial Statements; • Recommended the reappointment of the external auditors and supervised the external audit process; • Reviewed and monitored the implementation of the Annual Procurement Plan; • Reviewed the Combined Assurance Plan to ensure that it addresses all significant risks facing the Corporation; • Reviewed the Corporation's integrated report and processes and recommended the same to the Board for approval; • Approved the audit plan and budget for the external audit firms and the internal audit firm; • Reviewed accounting policies and practices and considered any significant changes or departure from accounting policies and practices; • Reviewed the basis on which the Corporation has been determined as a going concern; • Oversight on tax compliance; and • Considered and recommended for Board's approval, the quarterly performance reports to be submitted to the Department of Trade, Industry and Competition (the dtic).	• Oversee the compliance with the law and regulations of any other applicable statute and of controlling bodies (legal and regulatory provisions) that may have a material impact on the Corporation's financial statements or compliance policies; • Improve on the ICT governance; • Identify key matters arising in the current year's external auditor's management letter and satisfy itself that they are being properly followed up; and • Consider the Corporation's tax liability and ensure there are measures in place to ensure that the Corporation addresses and/or mitigates any actual or potential tax leakages.

RISK COMMITTEE REPORT



The Risk Committee is responsible for assisting the board of directors in identifying and monitoring all material risks to ensure that Board's decision-making capability and accuracy of its reporting is adequately maintained.

The Committee provides oversight over the effectiveness and function of the:

- Risk management function
- Compliance function
- Information and communication technology (ICT) function
- Actuarial function.

The Committee assists the Board by ensuring that risk management processes and controls effectively identify, assess, monitor and report on key risks in an integrated and timely manner. Risk mitigation measures against identified risks are implemented appropriately.

In support of the Board, the Risk Committee performs the following functions:

1. Assist the board of directors in developing its risk management strategy.
2. Assist the board of directors in evaluating the adequacy and effectiveness of the risk management system.
3. Assist the board of directors in identifying any build-up and concentration of the various risks to which the Corporation is exposed.

4. Facilitate and promote communication regarding any build-up and concentration of various risks the Corporation is exposed to.
5. Facilitate and ensure the appropriate segmentation of duties of the risk management function from operational business line responsibilities in line with regulation.
6. Introduce measures to enhance the adequacy and effectiveness of the risk management system.
7. Oversee the monitoring of risk management on an enterprise-wide and individual business unit basis.

In the period under review, the Risk Committee reviewed all regulatory submissions to the Prudential Authority. The regulatory submissions included the Own Risk and Solvency Assessment ("ORSA") report, the quarterly and annual quantitative returns (QRT). The Head of Actuarial Function (The HAF) provides independent oversight and expert guidance to the committee. Committee members serve on the Audit Committee; Finance, Investment, and Insurance Committee (FIIC); Human Resources and Remuneration Committee (HR&REMCO); and Social, Ethics and Transformation Committee (SETCO) for ease of collaboration on risk issues. The Committee met five (5) times during the FY2025/26.

Activities in FY2025/26	Plans for FY2026/27
During the financial year, the Committee undertook a range of activities in fulfilment of its oversight responsibilities, including the following: • Advised the Board on the Corporation's overall risk appetite, tolerance levels, and risk strategy, taking into account both the prevailing and anticipated macroeconomic and monetary environment; • Provided guidance to the Board, prior to decision-making, on the risk implications of proposed strategic transactions and their potential impact on the Corporation's risk appetite and tolerance levels; • Received, considered, and monitored all significant risk matters reported to the Board and its Committees; • Assessed the adequacy and effectiveness of the Corporation's enterprise-wide risk management framework and processes; • Reviewed key risk management policies, including the Underwriting Risk Policy and the Operational Risk Policy. • Exercised oversight of the Business Continuity Management and Disaster Recovery frameworks to ensure organisational resilience; and • Evaluated the effectiveness and independence of the control function including Actuarial, Risk and Compliance and Ethics functions.	The Committee's plans for FY2026/27 include, among others, the following: • Review the Corporation's overall risk profile, including major risk taking transactions and exposures, and provide recommendations to the Board on the appropriateness of the profile; • Review and recommend to Board all risk, compliance and actuarial policies; • Ensure that significant and emerging risks affecting the Corporation are promptly brought to the Board for notification and/or decision making; • Monitor and support the continued embedding and effective implementation of governance and risk management frameworks across the Corporation; • Ensure that ICT-related risks are appropriately identified, assessed, monitored and managed as part of the Corporation's overall risk management framework; and • Continue to monitor and support the full integration and embedding of the Own Risk and Solvency Assessment (ORSA) framework across the Corporation to strengthen capital management, solvency oversight and regulatory compliance.

Activities in FY2025/26 (continued)

- Regularly reviewed the Corporation's available capital, required capital, and overall solvency position.
- Approved the Corporation's reinsurance policy for final approval by Board.
- Monitored the effectiveness of the Corporation's Information and Communication Technology (ICT) governance framework, cybersecurity posture, and strategic technology initiatives.

The Committee is satisfied that it effectively discharged its responsibilities during the year in relation to risk management, regulatory oversight, compliance, ICT governance, capital management, solvency, and reinsurance activities, and that it provided appropriate assurance and advice to the Board in these areas.

FINANCE, INVESTMENT AND INSURANCE COMMITTEE REPORT



The Finance, Investment and Insurance Committee assists the Board in discharging its oversight responsibilities relating to the Corporation's financial, investment and insurance activities. Its mandate includes overseeing the prudent management and investment of the Corporation's assets, monitoring budget planning and execution, reviewing the effectiveness of investment strategies, and ensuring compliance with applicable legislative and regulatory requirements.

In support of the Corporation's mandate to facilitate South African exports and cross-border investments, the Committee also exercises oversight of insurance and underwriting activities. This includes considering insurance applications, contract amendments and claims within its delegated authority, reviewing underwriting criteria for Working Capital, Trade Credit Insurance and Bonds, and overseeing pricing methodologies and the Short-Term Insurance Strategy. Through these activities, the Committee helps ensure that ECIC maintains a balanced risk appetite, safeguards its financial sustainability, and provides appropriate insurance support to strategic export and investment projects that contribute to economic growth and development.

The Committee has delegated authority to approve projects with values exceeding USD20 million and up to USD50 million, as well as claims exceeding USD10 million and up to USD50 million. Projects and claims exceeding USD50 million are considered by the Committee and, where appropriate, recommended to the Board for approval.

The Committee is comprised of three independent non-executive directors and two non-executive directors (the **dtic** representative and the National Treasury representative). Meetings are also attended by the statutory actuary and investment managers on invitation. The committee met eight (8) times during FY2025/26 under review, with three of those meetings being special meetings to consider matters relating to projects.

Committee oversight and strategic focus areas: FY2025/26 During the period under review, the Committee discharged its oversight and advisory responsibilities by undertaking, among others, the following key activities:

- Reviewed and approved short-term insurance and underwriting transactions within its delegated authority, ensuring compliance with the Corporation's mandate, policies and risk appetite framework;
- Approved transactions during the year, with a combined value of approximately USD320 million, including the Saurimo Water Treatment Plant Project and Zimborders Project (Beitbridge Border Post improvements);
- The Committee considered and recommended for Board approval a USD100 Million Facility Agreement between the ECIC and Absa Bank, subject to an additional condition relating single obligor requirement of no more than 5% (i.e. USD 5 million or Euro 5 million or ZAR equivalent) of the maximum facility amount to be covered per transaction per exporter;
- Projects approved by the Project Exco and reported to the Committee included:
 - Clicks;
 - Vuka Timbers; and
 - Flowtite
- The cumulative value of the STI projects approved during FY2025/26 was USD113.7 million;
- The cumulative value of the MLT projects approved during FY2025/26 was USD206.5 million;
- The Committee approved the Liqhobong Mine claim and R184 million was paid during the year;
- The Committee's contribution to advancing the developmental impact of cross-border supply value chains is discussed in Part 4 of this Integrated Annual Report;
- Considered and recommended for Board approval the Corporation's short-term insurance strategy and underwriting criteria to support the implementation of its expanded mandate;

- The STI strategy seeks to achieve the following:
 - Support of short-term trade transactions for SMMEs;
 - Provide insurance support for trade financing and facilities
 - Partnerships with banks through master risk sharing facilities
 - Partnerships through Binder Agreements
- Monitoring of the African continent and the Corporation's country exposures, which are within countries facing fiscal challenges;
- Reviewed and assessed the adequacy and effectiveness of the Corporation's investment policies to ensure alignment with its strategic objectives and regulatory requirements;
- Oversaw the development, refinement and implementation of the Corporation's underwriting and investment strategies to support sustainable growth and financial stability;
- Monitored and guided the execution of asset managers' mandates, and regularly assessed the performance of the Corporation's asset managers and the statutory actuary against agreed objectives and benchmarks;
- Provided the Board with regular updates on the performance, achievements and challenges of the Corporation's fund managers, as well as insights into local and global economic trends and their potential impact on the investment portfolio;
- Monitored the Corporation's investments to ensure optimal risk-adjusted returns and the effective management of the investment portfolio in line with approved investment objectives;
- Oversaw local investment mandates, including the appointment of new asset managers, the review of existing mandates and the termination of underperforming or unsuitable managers where necessary;
- Monitored the absorption of the IMU liability into the Corporation's books and oversaw the associated financial and operational implications; and
- Reviewed, monitored and oversaw the utilisation of the annual budget to ensure prudent financial management and alignment with approved business plans.

SOCIAL, ETHICS AND TRANSFORMATION COMMITTEE REPORT



The Social, Ethics and Transformation Committee is constituted as a statutory committee of the Board under section 72(4) of the Companies Act, 71 of 2008 as amended (read with Regulation 43 of the Companies Regulations). The Committee Chairperson presented a report on the Social and Ethics matters at the Corporation's 24th Annual General Meeting held on 9 December 2025. The Committee met four (4) times during FY2025/26.

Plans for FY2026/27

The Committee's priorities and planned activities for the FY2026/27 financial year include, among others, the following:

- Continuing to monitor developments across the African continent, with particular focus on the Corporation's country exposures in jurisdictions experiencing fiscal and economic challenges, to ensure that risks are proactively identified, assessed and appropriately managed;
- Enhancing oversight of Environmental, Social and Governance (ESG) matters, with specific emphasis on governance-related risks and failures that may adversely affect investments and insurance transactions. The Committee will seek to strengthen ESG integration within decision-making processes and risk assessments;
- Undertaking a comprehensive review of the Corporation's insurance portfolio to determine the optimal portfolio composition, ensuring that business underwritten by the Corporation remains aligned to its strategic objectives, risk appetite and development mandate;
- Assessing existing underwriting and insurance strategies to ensure that transactions submitted for consideration and approval are strategic, aligned with the Corporation's mandate, financially sustainable and commercially sound, while continuing to deliver developmental impact;
- Strengthening the Corporation's stakeholder engagement and transformation strategies to enhance relationships with key stakeholders, improve organisational effectiveness and support the achievement of transformation objectives;
- Overseeing the implementation of targeted initiatives aimed at addressing identified shortcomings in stakeholder management, transformation outcomes and operational processes, while monitoring progress against agreed performance measures; and
- Continuing to monitor market developments, geopolitical risks and emerging trends that may impact the Corporation's investment and insurance activities, and providing strategic guidance to support informed decision-making.

The Committee fulfils its functions and responsibilities in terms of the Companies Regulations 2011 and, from time to time, other Board-assigned functions. These responsibilities are documented in the Committee's Terms of Reference and annual work plan.

During FY2025/26, the Committee's work was shaped by the need to strengthen trust, stakeholder responsiveness, ethical conduct, transformation and responsible business practices. This was particularly important as the ECIC considered the transition to King V™, deepened its stakeholder-inclusive approach, responded to the 2025 Brand and Reputation

Survey and continued to embed ESG considerations into underwriting, investment and broader decision-making.

The Committee paid particular attention to the ECIC's Stakeholder Management Framework, Stakeholder Engagement Plan, reputation management, CRIP survey findings, B-BBEE and employment equity, SED and ESD initiatives, ESG reporting on projects, occupational health and safety, marketing and communication initiatives, consumer relationships and complaints. This oversight supported relationship quality, responsible corporate citizenship, transformation, ESG accountability and mandate credibility.

The 2025 Brand and Reputation Survey recorded a rounded CRIP score of 68%. Governance and Compliance remained the ECIC's strongest reputation pillar at 79.44%, while Relationship Management was 69.4%, Satisfaction 66.93%, Product Offering 65.2%, Economic Upliftment 65.55%, and Image and Brand 60%. These findings provide useful stakeholder evidence for the Committee's oversight of reputation, relationship quality and stakeholder responsiveness.

The Fraud Prevention Policy, Whistle-Blowing Policy and Code of Ethics and Business Conduct are in place and were reviewed to combat corruption, manage identified fraudulent activities and ensure that the essential features of ethical conduct are governed and managed effectively. These policies are communicated adequately to staff.

The ECIC's conduct is guided by several policies, including:

- The Code of Ethics and Business Conduct;
- Fit and Proper Policy;
- Whistle blowing policy;
- Fraud prevention policy;
- Sanctionable practices and combating financing of terrorism policy;
- The Conflict of Interest Policy;
- The Gifts Policy; and
- The Procurement Policy.

The committee is of the view that the ECIC assigned the necessary importance to its environmental, social, and ethical governance responsibilities and aligned its initiatives with the Company's business strategy. No substantive legislative or regulatory non-compliance or transgressions of codes of best practice that fall within the committee's mandate were brought to its attention. The Committee has no reason to believe that any such non-compliance or non-adherence occurred.

The Committee recognises the dynamic nature of its environmental, social and ethics mandate and will ensure that relevant policies, plans, and programmes are in place to promote and sustain social and economic development, good corporate citizenship, environmental responsibility, fair labour practices and good consumer relations. Going forward, the focus will be on ethics management, performance oversight and industry peer-benchmarking and a heightened focus on transformation.

The Committee's focus areas for FY2026/27 are, amongst others, the following:

- Implementation and monitoring of the stakeholder engagement strategy and plan;
- Implementation of an improved transformation strategy with greater focus on transformation, beyond the B-BBEE scorecard;
- Improved ESG Reporting (including reporting on projects);
- Continued implementation of the ECIC Ethics Framework;
- Ensuring that all whistleblowing matters are dealt with in accordance with the whistleblowing policy;
- Ensuring that the Corporation has measures in place to ensure the safety and security of employees;
- Consider the remunerative and non-remunerative work undertaken by employees, to ensure that there are processes in place to safeguard the interests of the Corporation; and
- Enhancements of the role of the Committee to align with industry best practice.

This report should be read together with the Value Creation and Performance sections, where the ECIC discusses stakeholder engagement outcomes, ESG due diligence, SED and ESD, transformation, social impact and responsible business practices in more detail.

HUMAN RESOURCES AND REMUNERATION COMMITTEE REPORT



The ability to deliver on ECIC's developmental mandate ultimately depends on the capability, commitment and diversity of its people. During FY2025/26, we continued to strengthen the human capital foundations required to support sustainable export growth, increasingly complex transactions and the Corporation's long-term relevance as a development finance institution.

The year reflected a stable and increasingly capable workforce. Voluntary turnover was 3.5%, well below the 15% tolerable threshold, while the staff complement increased from 93 to 99 as critical vacancies were filled to strengthen organisational capacity. Transformation remains embedded in how we build the institution: women represented 51% of employees, Black representation on the Executive Committee was 80%, and representation of persons with disabilities increased to 5%, exceeding the Financial Services Sector numerical target of 3%.

We also increased investment in skills development from R4.6 million to R6 million. Leadership development, 360-degree assessments, bursaries, employee development interventions and our graduate programme are strengthening the pipeline of skills and leadership required for the future. Our development commitment extends beyond our permanent workforce: eight learners living with disabilities

were supported through an NQF Level 5 learnership, while the Graduate Development Programme has supported 59 young professionals since its inception.

Employee voice is equally important to this journey. An 87% participation rate in the employee engagement survey demonstrated a strong willingness to contribute to ECIC's evolution. The 60% engagement score, against a 70% target, provides a necessary improvement agenda. Management has commenced focused actions to strengthen engagement, culture and the employee experience, supported by continued investment in wellbeing, ethical leadership and our values. Together, these actions are building a more agile, inclusive and high-performing ECIC, equipped to convert our mandate into greater development and export impact.

The Human Resources and Remuneration Committee assists the Board in overseeing the Corporation's human capital, remuneration and talent management practices. The Committee is responsible for ensuring that remuneration policies and practices are fair, responsible, transparent and aligned with the Corporation's remuneration philosophy, strategic objectives, risk appetite and regulatory requirements. It oversees the development, implementation and effectiveness of the remuneration policy and makes recommendations to the Board regarding the remuneration of the Chief Executive Officer, senior management, employees and non-executive directors. The Committee also oversees employment equity, workforce and talent management, performance management, executive and Board succession planning, leadership development, and the Corporation's human resources strategy. In addition, the Committee monitors the effectiveness of Board induction, mentorship

and continuing professional development programmes, and advises the Board on matters relating to Board composition, skills, experience and succession.

The Human Resources and Remuneration Committee is constituted in accordance with its Board-approved Terms of Reference and comprises only independent non-executive directors. The Committee is chaired by an independent non-executive director and includes the Chairperson of the Board as a member. During the year under review, the Committee comprised the Board Chairperson and four independent non-executive directors. Of the four non-executive members, Ms Daku was appointed as a member on 30 October 2025. The Committee held eight (8) meetings and fulfilled its oversight responsibilities as per the Terms of Reference. Of the 8 meetings, there were 3 special meetings to discuss the Corporate Scorecard and grievances raised.

In discharging its mandate, the Human Resources and Remuneration Committee focused during the year on the people, leadership and remuneration matters that underpin ECIC's strategic objectives and long-term sustainability. The Committee's work was shaped by the need to strengthen leadership continuity, organisational culture, capability and fair reward within a specialist export credit insurance environment. Key areas of attention included executive succession, organisational design, culture transformation, employee engagement, performance alignment, human capital policies, employment equity and remuneration policy implementation. This oversight supported the ECIC's ability to attract, develop and retain the skills and leadership capability required to deliver on its mandate.

Activities in FY2025/26	Plans for FY2026/27
During the financial year, the Committee carried out the following activities in fulfilment of its oversight mandate, including the following: • Initiated and oversaw the recruitment process for the vacant Chief Executive Officer position, resulting in the appointment of Ms Linda Seroka, who assumed office on 1 June 2026; • Reviewed the Corporate Balanced Scorecard, which measures performance against the Corporation's agreed strategic objectives, and recommended it to the Board for approval; • Considered and recommended the performance contracts of the Acting Chief Executive Officer and Divisional Executives to the Board to ensure alignment with the Corporation's strategic objectives, performance expectations and accountability framework; • Assessed the performance of the Acting Chief Executive Officer and Executive Management against agreed performance objectives and recommended the resultant performance outcomes to the Board; • Considered the Corporation's broader talent management, skills development and workforce planning priorities, including attraction and retention of critical skills;	The Committee's priorities for FY2026/27 will include, amongst others, the following: • Providing oversight of organisational culture and transformation initiatives, with particular focus on fostering behaviours and ways of working that support the Corporation's strategy, values and organisational performance; • Monitoring key people and culture risks and associated mitigation measures, including material workforce, leadership, succession and employee engagement risks; • Overseeing strategic workforce planning to ensure that the Corporation has the organisational capacity, capabilities and critical skills required to deliver its current and future strategic objectives; • Strengthening alignment between corporate, divisional/team and individual performance objectives, and overseeing the effectiveness of the Corporation's performance management framework; • Overseeing the continued professional development of Directors, informed by the skills and development needs of the Board and its Committees;

Activities in FY2025/26	Plans for FY2026/27
- Reviewed and provided oversight of the Corporation's human capital and remuneration strategies, policies and practices, including talent management, succession planning, employee performance and remuneration, to support organisational effectiveness, sound governance and alignment with the Corporation's strategic objectives; - Monitored material human capital-related legislative and regulatory compliance, including employment equity, skills development and related transformation objectives; - Reviewed the Corporation's remuneration framework and practices to ensure they remained appropriate, equitable and aligned with organisational objectives and applicable governance principles; - Considered salary adjustment proposals and recommended these to the Board for approval; - Reviewed the Corporation's succession plan and monitored succession planning for key and critical roles to support leadership continuity and organisational sustainability; - Reviewed the organisational structure and considered its continued alignment with the Corporation's strategic priorities and operational requirements; - Reviewed the Committee's Terms of Reference and annual work plan to ensure continued alignment with its mandate and governance responsibilities; - Considered key people and culture-related risks and monitored the adequacy of management's proposed mitigation measures; - Monitored organisational culture and employee-related indicators, including material trends arising from employee engagement processes; - Reviewed employee engagement initiatives and considered management's actions to strengthen employee engagement and organisational culture; - Developed a continuing professional development programme for Directors, which was subsequently approved by the Board; - Monitored progress in implementing the Corporation's Employment Equity Plan and considered progress against its objectives and targets; - Reviewed the Remuneration Report and recommended it to the Board for approval; - Considered the Committee's own effectiveness/performance and whether it had discharged the responsibilities contained in its Terms of Reference; and - The Committee is satisfied that it discharged its responsibilities effectively during the financial year and provided appropriate oversight of the Corporation's human capital and remuneration matters.	- Providing oversight of the Corporation's talent management and development agenda, including leadership development, employee upskilling, attraction and retention of critical skills, and succession planning for key and critical roles; - Providing strategic oversight of the Corporation's human capital priorities and advising the Board on material people, organisational and remuneration matters; - Reviewing human capital and remuneration policies in accordance with the Corporation's approved policy review cycle, including completing the review of policies carried over from FY2025/26 and monitoring the effective implementation of approved policies; - Monitoring implementation of the Employment Equity Plan, including progress against agreed objectives and targets; - Reviewing and making recommendations to the Board on its structure, size, composition and collective skills, knowledge, experience and diversity, as well as the composition of Board Committees and any changes considered necessary; - Monitoring developments in human capital, remuneration and corporate governance legislation, regulation and related requirements, including the South African Companies Amendment Acts, and overseeing the Corporation's readiness for and compliance with applicable requirements; - Overseeing the required governance and shareholder engagement processes in relation to the Corporation's Remuneration Policy, including its submission to the shareholder for the requisite advisory vote at the AGM; - Reviewing the Committee's Terms of Reference and Annual Work Plan (Cycle of Agenda) to ensure that they remain appropriate and aligned with the Committee's mandate and evolving governance requirements; - Finalising the design of the Corporation's short-term and long-term incentive frameworks and making the necessary recommendations to the Board for approval; - Overseeing the performance assessment of the Chief Executive Officer and Executive Management against agreed performance objectives, and making recommendations to the Board on performance outcomes and associated remuneration, where applicable; - Reviewing the Corporation's remuneration framework and practices to promote appropriate, fair and responsible remuneration and alignment with the Corporation's strategic objectives and applicable governance requirements; and - Monitoring employee engagement and organisational culture indicators and overseeing management's response to material themes and areas requiring improvement.

This report should be read together with the Remuneration report, where the ECIC discusses people priorities, culture, employee engagement, transformation, reward principles and remuneration outcomes in more detail.

EXECUTIVE MANAGEMENT COMMITTEE



The Executive Management Committee supports the Chief Executive Officer in managing day-to-day operations and ensuring that matters delegated by the Board are implemented effectively. EXCO's responsibilities include strategy and budget development, operational oversight, insurance cover applications, project amendments and consents, claims and salvages, employee development, risk management, stakeholder relationships, ICT resources, corporate social investment, enterprise and supplier development, and progress against corporate performance targets.

During FY2025/26, EXCO provided an important link between Board oversight and management execution. Its role was particularly important in relation to strategy implementation, underwriting delivery, operational efficiency, stakeholder engagement, risk management and performance reporting.

REMUNERATION REPORT



On behalf of the Board, and in my capacity as Chair of the Human Resources & Remuneration Committee, I am pleased to present the Remuneration Report for the year ended 31 March 2026. It is structured in accordance with the requirements of King V™ and the Companies Act amendments. It is divided into the following three sections:

- Section 1** – A background statement regarding committee considerations and decisions for the financial year.
- Section 2** – An overview of the Corporation's remuneration philosophy and policy applicable to the coming year.
- Section 3** – The implementation report which deals with how we have implemented the remuneration policy during the past year.

Part 1: Background Statement

The Corporation's remuneration structures are built on principles of performance-based pay and the commitment to value creation.

The level of achievement against the Corporation's approved performance targets has a direct impact on the short-term incentives payable to employees, reinforcing the principle of linking reward to organisational performance.

Remuneration Governance

The Human Resources and Remuneration Committee assists the Board in ensuring that the Corporation maintains competitive remuneration-related policies and a governance framework that is aligned with its strategic objectives and organisational performance goals. The Chief Executive Officer (CEO), supported by the Executive Management Team, recommends remuneration and human resources policies to the Human Resources and Remuneration Committee. The Committee reviews these policies and, where appropriate, recommends them to the Board for approval.

Shareholder engagement

The Corporation remains committed to maintaining constructive engagement with the Shareholder to better

understand its expectations and to ensure that remuneration practices strike an appropriate balance between shareholder interests, the Corporation's strategic objectives and performance outcomes. Through an advisory vote at the Annual General Meeting (AGM), the Shareholder is provided with an opportunity to express its views on the remuneration policy, its implementation, and the fees payable to Non-Executive Directors.

Remuneration Policy and Report shareholder voting outcomes

On 9 December 2025, the shareholder endorsed, through a non-binding advisory vote, the Corporation's FY2024/25 remuneration policy and its implementation report. The shareholder's endorsement of the Remuneration Policy and Implementation Report confirms that the remuneration framework and outcomes continue to align with the Corporation's strategic priorities, performance, and shareholder expectations. The FY2025/26 Remuneration Policy, prepared in accordance with Section 30 of the amended Companies Act, requires the remuneration policy to be approved by ordinary resolution and remains effective for three years once approved. Material amendments require new shareholder approval before implementation. If the Remuneration Policy is not approved, it must be presented at the next AGM for shareholder's approval.

The FY2025/26 Remuneration Report, prepared in accordance with the recently enacted amendments to the Companies Act, will be submitted for shareholder consideration at the AGM scheduled for December 2026. Should the Remuneration Report not be approved by ordinary resolution, the Non-Executive Directors (NEDs) serving in the Human Resources and Remunerations Committee (the Committee) will be required, at the next AGM, to provide the shareholders with an explanation of how their concerns have been considered and addressed. At that AGM, the NEDs serving on the Committee must also stand for re-election as Committee members. If at the AGM immediately following the presentation of such explanations, the remuneration report for the preceding financial year is again not approved by ordinary resolution, the NEDs serving on the Committee will be disqualified from serving on the Committee for a period of two years thereafter.

Part 2: Remuneration Philosophy, Policy and Framework

Remuneration Philosophy and Policy

The ECIC's remuneration philosophy is founded on the principle of providing fair, competitive, and market-aligned remuneration to attract, motivate, reward, and retain high-performing employees. The Corporation recognises that remuneration, reward, and recognition play a critical role in driving employee engagement, performance, and long-term organisational success. Accordingly, the ECIC seeks to remunerate and reward employees in a manner that is aligned with prevailing market practices and reflective of the value they create for the Corporation and its stakeholders. The total remuneration framework comprises a balanced mix of fixed remuneration, variable pay, employee benefits, and recognition awards, designed to support the achievement of strategic objectives while promoting a performance-driven culture.

The remuneration policy sets out the principles and methodology, approved by the Board for determining employee remuneration. It is designed to ensure that remuneration outcomes are fair, transparent, and aligned

with the Corporation's strategic priorities, while facilitating the appropriate sharing of value between the Corporation and its employees.

Executive & Staff Remuneration

The ECIC applies a Total Cost to Company (TCTC) remuneration approach, referred to as guaranteed pay. Under this approach, all employees, including the Chief Executive Officer, receive guaranteed pay aligned with the scope of their responsibilities, experience, and role expectations within the Corporation. Guaranteed pay comprises cash salary as well as the Corporation's contributions towards medical aid, retirement funding, and insured risk benefits. In addition to guaranteed pay, eligible employees may participate in the Corporation's annual short-term incentive scheme. The scheme is designed to reward the achievement of approved individual and organisational performance objectives, thereby reinforcing the link between performance, accountability, and reward.

Remuneration Structure

The remuneration structure consists of two key components, namely fixed guaranteed pay and short-term incentives (STIs), as detailed below.

Guaranteed Pay

The Corporation aims to attract, motivate, and retain high-performing talent through the provision of competitive and market-related remuneration. Guaranteed pay comprises base salary and employee benefits, including medical aid and retirement fund contributions. Pay levels are determined based on the size, complexity, accountability and requirements of each role and are benchmarked against relevant market comparators to ensure ongoing competitiveness and fairness.

Remuneration is reviewed annually, taking into consideration a range of factors, including the Consumer Price Index (CPI), prevailing market remuneration trends, individual and organisational performance, internal pay equity, and the Corporation's financial sustainability and affordability. Any approved remuneration adjustments are implemented with effect on 1 April each year.

The Corporation's pay philosophy is to position guaranteed pay at the market median (50th percentile). To support this objective, annual benchmarking exercises are conducted to ensure that the Corporation's total rewards offering remains competitive, appropriately aligned with the market, and capable of attracting and retaining the talent required to deliver its strategic objectives.

As a component of total guaranteed remuneration, the Corporation offers a flexible benefits framework that can be customised, within defined parameters, to meet individual employee needs. The benefits available include:

- Retirement fund contributions
- Group life insurance cover
- Medical aid or medical insurance benefits

This flexible approach enables employees to structure their benefits package in a manner that best aligns with their personal circumstances and preferences.

The Corporation pays an acting allowance to employees who are appointed to perform the duties and assume the responsibilities of positions that are higher than their designated roles.

Short-term Incentives

Short-term incentives are designed to foster a high-performance culture and encourage the achievement of short-term objectives that contribute to the Corporation's long-term success. These incentives are discretionary in nature and are awarded as a percentage of an employee's total guaranteed remuneration. The actual incentive awarded is determined by a weighted assessment of both the Corporation's performance and the individual's performance.

The pool available for short-term incentives is based on the Corporation's financial performance against pre-approved targets, as well as the value created during the performance period.

The Board has discretion regarding the payment of short-term incentives, and such payments are not guaranteed or automatically due. The discretion of the Board is dependent on the Corporation's annual financial results and/or any other factors as determined by the Corporation from time to time.

Sign-on, Retention and Restraint Payments

The Corporation will offer sign-on bonuses and retention bonuses under exceptional circumstances, and these will be preapproved by the Human Resources & Remuneration Committee. These special-purpose short-term variable remuneration arrangements are typical in the context of hiring senior and key employees to compensate for loss of certain accrued benefits. Sign-on bonuses for the Executive Director(s), Executives and/ or Prescribed Officers must be approved by the Shareholder Minister.

Payments on Termination of Employment

On termination of employment, the ECIC will pay employees the benefits that were due to them less any amounts owing to the Corporation. The Human Resources & Remuneration Committee has discretion regarding all terms of such agreements (to be exercised on a case-by-case basis).

Board Remuneration

Board members are remunerated an hourly meeting attendance fee for each Board and committee meeting attended, as prescribed by the National Treasury Regulations and endorsed by the Minister of Trade, Industry and Competition. In addition to the meeting attendance fees, Board members are compensated for research and meeting preparation at an hourly rate, capped at 16 hours for Board meetings and 8 hours for committee meetings. Board members also receive an annual retainer and are compensated for all the costs incurred in carrying out their ECIC duties.

Part 3: Implementation Report

This section of the remuneration report sets out the reward decisions taken in the FY2025/26 pertaining to the Corporation's executive director, prescribed officers, and the general workforce.

Total Remuneration

In accordance with the provisions of the recently implemented amendments to the South African Companies Act, the required details of the total remuneration of our employees is tabled adjacent for the financial year ended 31 March 2026.

The table adjacent sets out the remuneration paid to all prescribed officers as defined in the Companies Act and related regulations during the reporting period. In applying executive remuneration, no deviations were made from the Corporation's Remuneration Policy, as approved by the Board.

Executive Management remuneration for FY2025/26

2026 R'000	Basic salary	Performance bonuses paid	Provident fund	Cell phone allowance	Acting allowance	Other benefits ¹	Total
N Maphula – (Acting Chief Executive Officer & COO) ²	2 770	1 104	367	48	418	293	5 000
N Moffatt – Company Secretary ³	1 321	-	132	18	-	30	1 501
N Mkhathazo – Chief Financial Officer	2 710	1 022	269	30	-	133	4 164
S Esterhuizen- Chief Actuarial & Investment	2 990	1 109	297	32	-	75	4 503
J Omollo – Chief Risk Officer	2 810	-	450	30	-	74	3 364
D Naicker- Acting General Counsel ⁴	-	-	-	12	180	-	192
	12 601	3 235	1 515	170	598	605	18 724

Executive Management remuneration for FY2024/25

2025 R'000	Basic salary	Performance bonuses paid	Provident fund	Cell phone allowance	Acting allowance	Other benefits ¹	Total
N Maphula –(Acting Chief Executive Officer & COO) ²	2 261	-	354	60	308	244	3227
N Moffatt – Company Secretary ³	327	-	33	4	-	9	373
N Mkhathazo – Chief Financial Officer	2615	-	260	30	-	90	2 995
S Esterhuizen- Chief Actuarial & Investment	2864	-	306	28	-	45	3 243
J Omollo – Chief Risk Officer	2 709	-	435	30	-	45	3 219
D Naicker- Acting General Counsel ⁴	-	-	-	12	180	-	192
X Mpanza – Company Secretary Resigned	525	-	53	8	-	28	614
M Rakau – Acting Chief Risk Officer ⁵	-	-	-	7	147	-	154
R Ntshiyantshiya- Acting Company Secretary ⁶	-	-	-	3	24	-	27
	11 301	-	1 441	182	659	461	14 044

¹Other benefits comprise of travel allowance, medical benefits, connectivity allowance, daily travel allowance and social security contributions.

²Mr. N Maphula – (General Counsel) (Acting CEO and Acting COO) was appointed to act as CEO from July 2023.

³Ms. N Moffatt – Company Secretary was appointed on 03 January 2025.

⁴Ms. D Naicker (Head: Legal) was appointed to act as General Counsel in July 2022.

⁵Ms. M Rakau – Head of Risk was acting Chief Risk Officer from 1 August 2024 – 28 February 2025.

⁶Ms. R Ntshiyantshiya – Assistant Company Secretary was acting Company Secretary from 01 Nov 2024 – 31 December 2024.

In accordance with the provisions of the recently implemented amendments to the South African Companies Act, the required details of the total remuneration of our employees are tabled below for the financial year ended 31 March 2026.

Pay gap disclosure notes

Note 1

The pay gap disclosure references the total remuneration received consisting of salary, fringe benefits and STI earned during the year.

Note 2

The total remuneration of our lowest-paid employee excluding trainees who are on a 24-month development period. If graduate trainees were included, lowest remuneration would be R193 000.

Note 3

Average remuneration of 99 employees.

Note 4

Middle value of all employee remuneration organised in ascending order from lowest to the highest paid.

Note 5

The ratio of the 5% highest and 5% lowest-paid employees (excluding graduate trainees) expressed as a multiple. The ratio is within the normative range of 10-50:1 recommended by the United Nations Research Institute for Social Development for developing countries as a responsible range for executive remuneration to minimum wage.

R'000 2026	Note	Total remuneration (pre-tax)
Total remuneration of all employees	1	125 250
Total remuneration of the highest-paid employee		5 000
Total remuneration of the lowest-paid employee	2	274
Average	3	1 265
Median	4	1 117
The ratio of the highest 5% to the lowest 5%	5	10:1

Salary increases for FY2025 /26

The salary increase process for the FY2025/26 was concluded, providing an average increase of 4,62% across the Corporation. In awarding annual salary increases, the increase percentages granted to general staff are generally higher than those granted to senior and Executive Management, thereby narrowing the pay gap that exists between the highest and lowest paid employees.

Disclosure of directors' remuneration

Payments to directors for the year ended 31 March 2026 for services rendered are as follows:

2026 R'000	Fees	Other benefits	Total
DP Ndlovu ²	312	30	342
S Mayekiso	331	65	396
S O'Mahony	261	-	261
B Mkhize ²	201	5	206
P Mthethwa ²	106	-	106
A Mabizela ³	21	-	21
X Daku ⁴	106	2	108
D Dharmalingam ⁵	56	-	56
V Matsiliza ⁶	76	-	76
L Mothae ⁶	57	-	57
D Subbiah ⁵	68	-	68
E Makhubela ¹	-	29	29
W Van der Spuy ¹	-	-	-
L Govender ¹	-	-	-
L Mataboge ¹	-	-	-
	1 595	131	1 726

2025 R'000	Fees	Other benefits	Total
D Dharmalingam	175	-	175
V Matsiliza	250	11	261
S Mayekiso	265	42	307
L Mothae	167	-	167
S O'Mahony	206	-	206
D Subbiah	194	-	194
W Van der Spuy ¹	-	-	-
E Makhubela ¹	-	-	-
L Mataboge ¹	-	-	-
L Govender ¹	-	-	-
	1 257	53	1 310

¹The director is a government representative (the dtic or National Treasury) and is not paid meeting attendance fees.
²Term started on 01 July 2025.
³Term started 01 July 2025 and resigned on 22 July 2025.
⁴Term started on 20 October 2025.
⁵Term ended 31 May 2025.
⁶Term ended 30 June 2025.

The increase in Non-Executive Directors' remuneration in 2026 compared to the FY2024/25 is attributable to the annual adjustment in directors' fees. The Human Resources & Remuneration Committee is satisfied that all benefits are justified and suitably disclosed.

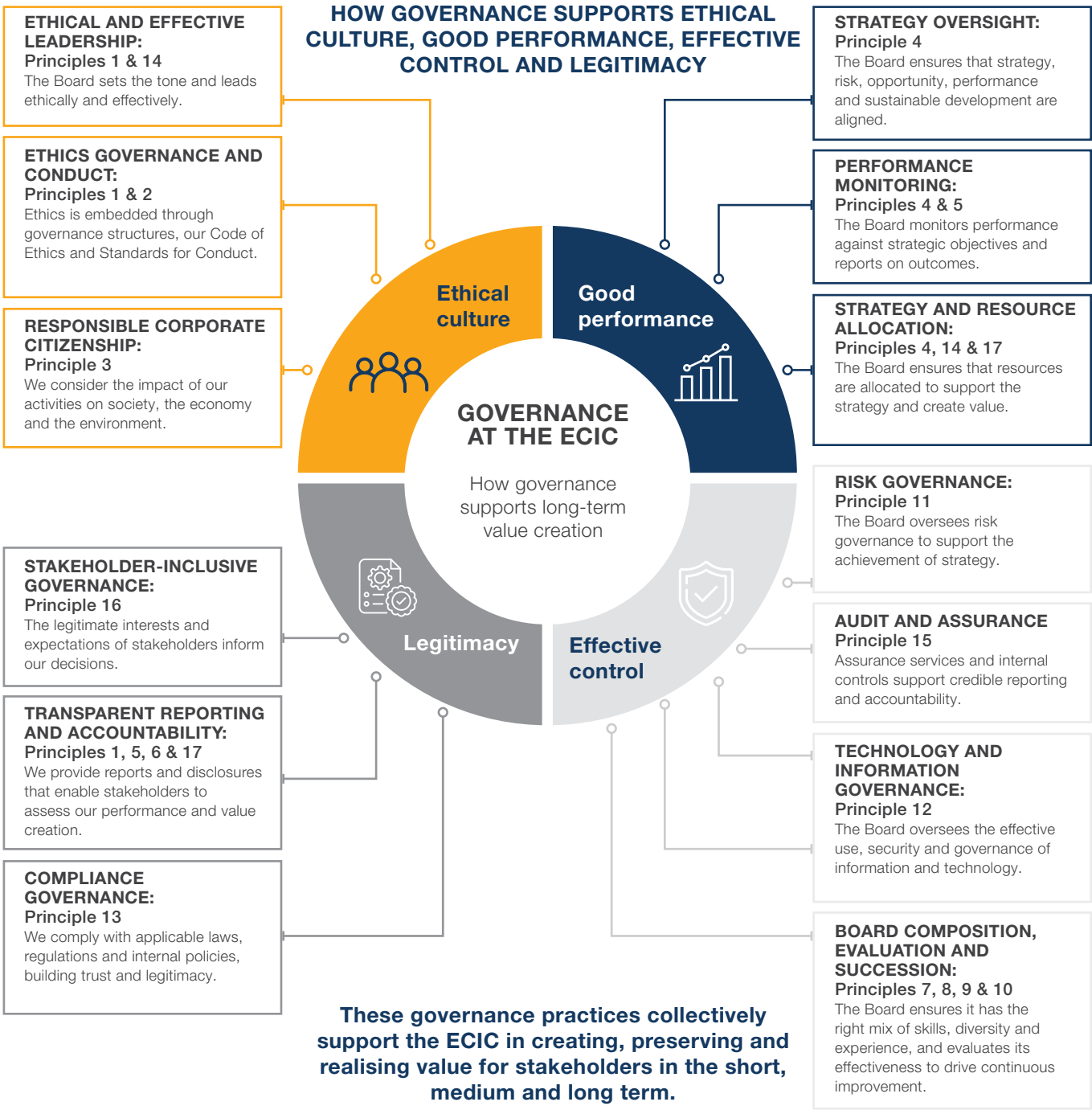
Executive Contracts

Except for the Chief Executive Officer, all executives are employed on permanent employment contracts, with notice periods ranging from one to three months. The Chief Executive Officer is appointed on a five-year fixed-term contract and is subject to a three-month notice period. Employment contracts are generally offered up to the normal retirement age of 65 years.

KING IV™ GOVERNANCE OUTCOMES INFORMING OUR TRANSITION TO KING V™



The outcomes wheel shows how the ECIC's existing King IV™ governance practices support ethical culture, good performance, effective control and legitimacy. These practices provide the foundation for the ECIC's transition to King V™ and the further development of its governance disclosures.





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REFLECTIONS BY OUR CHIEF FINANCIAL OFFICER

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FY2025/26 reinforced the importance of maintaining a strong balance sheet while continuing to deploy capital in support of the ECIC’s developmental mandate. Our business is inherently exposed to long transaction cycles, sovereign and commercial risk, claims volatility and the timing of financial close. Financial resilience is therefore not an end in itself; it is what enables us to continue underwriting through changing market conditions.

Our financial performance was strong. Profit after tax of R1.3 billion, ahead of the R725 million budget, supported principally by investment income of approximately R1.06 billion and favourable foreign exchange movements. These results strengthened the ECIC’s capital position and provided an important buffer against the volatility inherent in our underwriting portfolio.

The composition of earnings nevertheless remains important. Gross written premium of R331 million was below the R400 million target because premiums anticipated from several medium- and long-term transactions were not written before year-end. This highlights the timing sensitivity of our insurance revenue and reinforces the importance of converting the transaction pipeline, diversifying premium sources and growing the short-term insurance book responsibly.

Claims and recoveries remained a significant area of financial management. During the year, the ECIC settled Absa’s protracted default claim relating to Lighobong Diamond Mine for R184.4 million excluding VAT. We also continued to manage Ghana-related recoveries and signed a bilateral agreement with Ghana in March 2026 in alignment with the Official Creditor Committee framework. Salvages collected during the year amounted to USD4.71 million, exceeding target. Our capital position remained robust. At 31 March 2026, the ECIC reported ECR cover of 348% and SCR cover of 308%, both well above applicable thresholds. This provides capacity to absorb volatility and continue supporting exporters and lenders without compromising financial sustainability.

Looking ahead, our focus is on converting capital strength into stronger underlying insurance performance. This means improving premium generation, progressing viable transactions to financial close, scaling short-term insurance in a controlled manner, managing claims and recoveries closely and protecting liquidity.

We will also continue to address structural financial pressures, including the IMU shortfall and tax-related capital leakage, while maintaining the discipline required to preserve the ECIC’s capacity to support South African exporters through the cycle.

MANAGING OUR FINANCIAL CAPITAL FOR LONG-TERM IMPACT



Financial capital underpins the ECIC’s ability to fulfil its mandate. It provides the capacity to underwrite political and commercial risk, honour valid claims, absorb volatility and support exporters and lenders through changing market cycles. During FY2025/26, the ECIC remained financially resilient and continued to balance mandate delivery with prudent capital management. Strong investment performance, favourable foreign exchange movements and disciplined risk management supported profitability and capital strength, while solvency remained well above required thresholds and no risk appetite limits were breached.

The year also highlighted the importance of the quality and timing of underlying insurance activity. Gross written premium remained below target as several medium- and long-term transactions expected to reach financial close did not convert before year-end. This reinforces the need to strengthen premium generation, improve pipeline conversion and diversify the insurance book while maintaining underwriting discipline.

The ECIC’s financial-capital strategy therefore remains focused on protecting solvency and liquidity, managing claims and recoveries, optimising investment returns, preserving underwriting capacity and deploying capital in a way that supports sustainable mandate delivery over the long term.

FINANCIAL PERFORMANCE

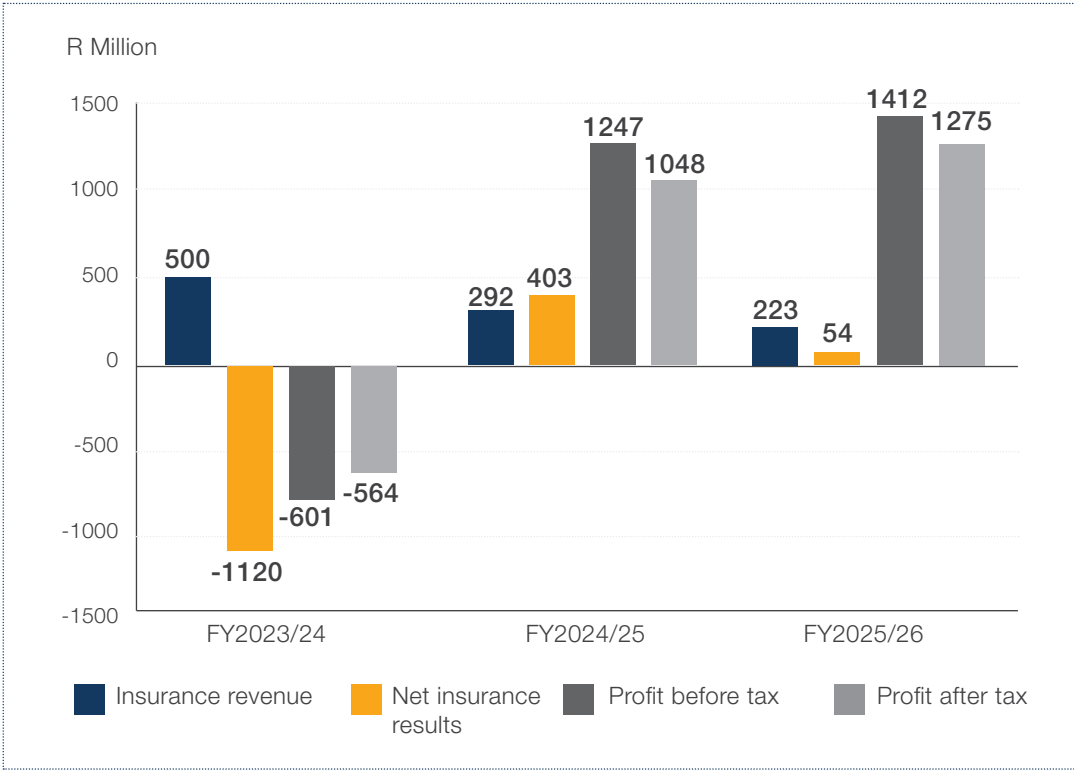


The ECIC’s FY2025/26 financial performance was shaped by investment returns, foreign exchange movements, underwriting activity, claims experience, operating costs and taxation.

Financial measure	FY2025/26	FY2024/25	Commentary
Insurance revenue	R222.6 million	R291.5 million	Declined year on year as the existing portfolio continued to run off and new pipeline transactions converted more slowly than anticipated.
Gross Written Premium	R331 million	R32 million	Increased substantially year on year but remained below the R400 million target due to delayed financial close on transactions expected to generate premium before year-end.
Net insurance results	R53.6 million	R403.2 million	Declined primarily due to the claim incurred and paid in respect of the Lesotho mining exposure, lower insurance revenue and the 2025 restatement relating to Ghana salvages. Refer to Note 37 of the AFS.
Net investment income	R1.058 billion	R664.7 million	Increased significantly, supported by strong returns from the multi-asset investment portfolios.
Gains on exchange differences	R268.5 million	R102.4 million	Increased due mainly to foreign exchange movements following the reclassification of Ghana salvages from US dollars to euros. US dollar-denominated salvages do not generate foreign exchange movements because the US dollar is the ECIC’s functional currency.
Profit before tax	R1.412 billion	R1.247 billion	Exceeded the R810 million budget, driven mainly by stronger investment performance and higher foreign exchange gains.
Taxation	R136.9 million	R199.8 million	Decreased due to higher foreign exchange losses reflected in the rand-based tax computation. Refer to Note 38 of the AFS.
Profit after tax	R1.275 billion	R1.048 billion	Increased year on year, supported principally by stronger investment income and foreign exchange gains.
Total comprehensive income	R752.5 million	R867.5 million	Declined due mainly to currency translation effects arising from the appreciation of the rand against the US dollar.

Although profit after tax reached R1.3 billion, earnings were driven principally by net investment income of R1.058 billion and foreign-exchange gains of R268.5 million. By comparison, the net insurance result was R53.6 million, while gross written premium of R331 million remained below the R400 million target.

THREE-YEAR PROFITABILITY



The FY2025/26 result confirms that the ECIC remained profitable and financially sustainable. However, the composition of earnings should be understood in the context of the ECIC’s operating model.

The ECIC’s business is predominantly medium- to long-term, with written premiums earned over extended policy durations. As a result, only a relatively small portion of premium income may be recognised during the early years of a transaction, while investment income begins to accrue from the time premiums are received and invested. This contributes to investment income representing a comparatively large share of total earnings relative to insurance revenue.

Premium income can also vary materially from year to year because large medium- and long-term transactions depend on financial close, while the timing of insurance revenue is influenced by the repayment profile of the underlying insured projects. The investment portfolio therefore remains an important source of financial resilience during periods when underwriting activity or transaction conversion is delayed. As short-term insurance grows, the earnings mix is expected to become more balanced because premium revenue is earned over shorter policy durations. The ECIC is therefore progressing a number of initiatives to accelerate the scale-up of short-term insurance and diversify its sources of insurance revenue.

COST EFFICIENCY AND FINANCIAL DISCIPLINE



The ECIC continued to manage its operating cost base while investing in the people, systems and capabilities required to deliver its mandate. The underwriting operating cost base amounted to R104 million, remaining below the R140 million annual ceiling. This demonstrates continued cost discipline within the core underwriting business despite higher overall expenditure during the year.

Cost performance

Cost measure	FY2025/26	FY2024/25	Commentary
Operating expenses	R136.0 million	R69.5 million	Increased mainly due to payment of prior-year performance bonuses, the provision for FY2025/26 bonuses payable in FY2026/27, and higher SED and ESD contributions linked to the prior year’s stronger profitability.
Underwriting operating cost base	R104 million	R108 million	Remained below the R140 million Corporate Plan ceiling.
Cost-to-income ratio, excluding bonuses	31%	26%	Increased primarily because lower insurance revenue reduced the income base against which costs are measured.
Employee costs	R151 million	R97 million	Increased mainly due to payment of FY2024/25 performance bonuses during the year and the provision for FY2025/26 bonuses payable in the following financial year.
Automation/systems investment	R8.3 million	R11.9 million	Expenditure on automation and systems amounted to R8.3 million in FY2025/26, compared with R11.9 million in FY2024/25. These figures represent actual expenditure and are separate from the performance measure tracking implementation of the business-process automation plan.

The increase in total operating expenditure should therefore be viewed alongside the continued containment of the ECIC’s core underwriting cost base. Maintaining this discipline is important to the ECIC’s self-sustaining model, while sufficient investment must also be made in systems, skills and operational capability to support future growth and improve execution.

PFMA FINANCIAL DISCLOSURES



As a Schedule 3B public entity, the ECIC reports irregular expenditure and fruitless and wasteful expenditure in accordance with the PFMA and applicable National Treasury requirements.

Irregular expenditure

	FY2025/26 R'000	FY2024/25 R'000
Confirmed incidents		
Opening balance	396	-
Current year expenditure	-	396
Closing balance	396	396

The incident above relates to professional services received from a service provider that was tax non-compliant

	FY2025/26 R'000	FY2024/25 R'000
Items under assessment		
Opening balance	-	-
Current year expenditure	728	-
Closing balance	728	-

The incident under assessment is relating to temporary services which were procured through a recruitment agency by following recruitment process instead of procurement processes as outlined in the procurement policy.

Fruitless and wasteful expenditure

	FY2025/26 R'000	FY2024/25 R'000
Confirmed incidents		
Opening balance	2	1 017
Current year expenditure	21	3
Written off	-	(1 015)
Recovered	(3)	(3)
Closing balance	20	2

A further R9,834 was recovered subsequent to year-end.

- The additions for the current year relates to the following:
- Refreshment incurred for meeting and training which was cancelled
 - Interest penalties on VAT relating to imported services.

	FY2025/26 R'000	FY2024/25 R'000
Incidents under assessment		
Opening balance	398	398
Current year expenditure	-	-
Closing balance	398	398

The expenditure relates to costs incurred after the auto renewal of the contract. The letter of cancellation was sent to the service provider however invoices were still sent by the services provider for payment. The invoices are under dispute.

	FY2025/26 R'000	FY2024/25 R'000
Total fruitless and wasteful expenditure not yet concluded		
Under assessment	398	398
Under determination	7	7
Under investigation	-	-
Closing balance	404	405

No criminal steps were taken in relation to the current-year fruitless and wasteful expenditure, as the matters did not involve criminal activity.

Potential fraud
There is potential fraud relating to the Supplier Development Programme. The initial investigation is concluded, we are now embarking on a detailed assessment which will include quantification of the amount.

PROCUREMENT BY OTHER MEANS AND CONTRACT VARIATIONS



Procurement by other means and contract expansions or variations will be disclosed in line with PFMA requirements and the ECIC's procurement policy.

Disclosure item	FY2025/26	Commentary
Number of procurements by other means	11	6 items to the value of R1.3 million related to continuation of services. 5 items to the value of R0.3 million were for sole suppliers
Total value of procurements by other means	R1.6 million	
Number of contract expansions/ variations	20	9 items to the value of R2.0 million resulted in variation in excess of 15% of the contract value while the remaining 11 items valued at R2.1 million were below the 15% threshold.
Total value of contract expansions / variations	R 4.1 million	
Any material governance concern	No	

No material losses through criminal conduct were reported. Fruitless and wasteful expenditure remained immaterial, while irregular expenditure related to a prior-year matter and no new irregular expenditure was confirmed in FY2025/26.

NOTE: Detailed PFMA disclosures are provided in Appendix A.

BALANCE SHEET STRENGTH AND RESILIENCE



The ECIC’s balance sheet remained strong at year-end. Total assets increased to R11.465 billion from R10.779 billion, while total liabilities decreased to R1.380 billion from R1.447 billion. Total equity increased to R10.085 billion from R9.332 billion, strengthening the ECIC’s capital position and capacity to absorb volatility.

Balance sheet measure	FY2025/26	FY2024/25 restated	Commentary
Total assets	R11.465 billion	R10.779 billion	Increased mainly due to growth in financial assets, supported by strong investment returns.
Financial assets at fair value	R8.674 billion	R7.969 billion	Remained the largest component of the ECIC’s asset base and increased during the year.
Cash and cash equivalents	R454.8 million	R335.6 million	Improved year-end liquidity position.
Insurance contract assets	R1.664 billion	R1.698 billion	Decreased slightly, reflecting the appreciation of the rand against the US dollar and euro, partly offset by an increase in the present value of salvage recoveries following movements in the yield curve.
Total liabilities	R1.380 billion	R1.447 billion	Decreased due mainly to currency movements, IMU claim payments and settlement of IFRS 17 transition tax obligations.
Insurance contract liabilities	R433.1 million	R576.7 million	Declined due to currency movements and the earning of insurance revenue during the year.
IMU liability	R183.9 million	R311.5 million	Reduced due to IMU claim payments and the appreciation of the rand against the US dollar.
Total equity	R10.085 billion	R9.332 billion	Strengthened by profitability, including investment income, foreign exchange gains and fair-value movements relating to the ECIC’s Afreximbank investment.

The stronger equity position supports the ECIC’s underwriting capacity and provides an important buffer against claims volatility and long-dated recoveries. This is particularly important given the duration and risk profile of the Corporation’s insurance exposures.

CAPITAL ADEQUACY, SOLVENCY AND LIQUIDITY



Maintaining adequate capital and liquidity is fundamental to the ECIC’s ability to absorb volatility, meet claims and sustain underwriting capacity. The Corporation monitors both regulatory and economic capital and assesses liquidity across different time horizons to ensure that it remains resilient under normal and stressed conditions.

At 31 March 2026, the ECIC remained well above applicable capital thresholds and reported no breaches of risk appetite limits.

Capital and solvency measure	FY2025/26	FY2024/25	Risk appetite/ requirement	Status
Economic capital cover ratio (ECR)	348%	366%	Above the 110% economic capital threshold	Within appetite
Solvency capital requirement (SCR) cover	308%	302%	Above the 100% regulatory minimum and the applicable internal risk appetite threshold	Within appetite
Risk appetite breaches	Nil	Nil	No breaches expected	Achieved
Insurance liquidity ratio (up to 12 months)	2115,1%	974,01%	ILR above approved limit	A strong liquidity position driven by high quality liquid assets against liquidity requirements
Increase in equity excluding foreign exchange and related tax	10.44%	12.93%	5% target	Achieved

The increase in equity, excluding foreign exchange movements and related tax, was 10.44%, exceeding the annual target of 5%, largely due to strong investment income generated during the year. The ECIC’s Own Risk and Solvency Assessment remains a key component of capital planning. It supports assessment of the capital required for underwriting and investment activities while considering claims exposure, concentration risk, liquidity, market movements and future business plans.

Liquidity also remained strong across the one-month, three-month and 12-month horizons, with high-quality liquid assets exceeding projected insurance liquidity requirements.

CASH FLOW MANAGEMENT

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Cash flow management remained important during FY2025/26, particularly in managing insurance claims, IMU obligations, investment activity and taxation. Operating cash flow improved significantly during the year, moving from a R370.3 million outflow in FY2024/25 to a R270 million inflow in FY2025/26. Closing cash and cash equivalents increased to R454.8 million.

Cash flow item	FY2025/26	FY2024/25	Commentary
Cash used in underwriting activities	R295.7 million outflow	R595.5 million outflow	The underwriting cash outflow reduced significantly, primarily reflecting lower insurance claims paid during the year.
Interest received	R291 million	R328.1 million	Cash interest receipts declined year on year. Overall investment income nevertheless increased, supported by higher realised and fair-value gains.
Dividends received	R104.4 million	R85.1 million	Dividend receipts increased during the year.
IMU grant receipts	R167.9 million	R162.5 million	Grant receipts increased slightly in line with the allocation letter received from the dtic.
IMU claims paid	R136.8 million	R145.7 million	Lower than prior year due to the appreciation of the rand against the USD and the reduction of the outstanding loan balance.
Taxation refunded/paid	R140.5 million refund	R203.2 million paid	Positive cash flow impact due to tax refunds as the provisional tax estimates were higher than the final figures following the approval of the insurance claims and IFRS 17 transition adjustments.
Net cash from operating activities	R270 million inflow	R370.3 million outflow	Improved operating cash flow due mainly due to the reduction in the insurance claims paid.
Net cash from investing activities	R133.9 million outflow	R381.7 million outflow	Lower investment outflow due to funds which were subsequently invested following the payment of insurance claims in 2025. In the FY2023/24, the funds were initially invested in fixed deposits in anticipation of the claims which were payable in the FY2024/25.
Closing cash and cash equivalents	R454.8 million	R335.6 million	The ECIC ended the year with a stronger cash position.

The ECIC's cash position supports its liquidity and claims-paying capacity. This remains important given the timing uncertainty associated with insurance claims, long-dated salvage recoveries and sovereign exposures.

THE ECIC INSURANCE PORTFOLIO



The ECIC's insurance portfolio reflects its mandate to support transactions in markets where political, sovereign, commercial and project risks may be elevated. The composition of the portfolio therefore requires disciplined underwriting, active concentration management and prudent use of capital.

At 31 March 2026, total sum insured was R6.443 billion, compared with R9.261 billion at 31 March 2025. On the AFS-reported rand basis, this represents a decline of approximately 30.4%. Excluding currency translation effects, the underlying portfolio declined by 25.7%, reflecting exposure run-off, claims payments and limited conversion of new transactions into the insured book.

Portfolio measure	FY2025/26	Commentary
Total sum insured	R6.443 billion	Down from R9.261 billion in FY2024/25
Portfolio movement – AFS ZAR basis	-30.4%	Reflects the movement in reported rand-denominated total sum insured
Portfolio movement excluding currency translation	-25.7%	Reflects run-off, claims payments and limited new-business conversion
Largest country concentration	Ghana – 43.84%	R2.824 billion of total sum insured
Second-largest country exposure	Zimbabwe – 32.39%	R2.087 billion of total sum insured
Third-largest country exposure	Mozambique – 14.04%	R904.7 million of total sum insured
Largest sector concentration	Power/electricity – 61.14%	R3.939 billion of total sum insured
Second-largest sector concentration	Construction – 32.49%	R2.094 billion of total sum insured
Risk appetite breaches	Nil	No breaches reported as at 31 March 2026

The difference between the 30.4% reported decline and the 25.7% underlying portfolio decline reflects the effect of currency translation on the rand value of predominantly foreign-currency exposures. Portfolio concentration remains a material strategic consideration. The ECIC's response is to broaden the insured book across products, sectors, geographies and counterparties while increasing the use of reinsurance, guarantees and other risk-sharing mechanisms to protect capital and support sustainable underwriting growth.

CLAIMS, RECOVERIES AND SALVAGES



Claims and recoveries remain an important part of the ECIC’s financial-capital management. Valid claims must be honoured, while salvage recoveries and disputed exposures require active management to protect liquidity, capital and future underwriting capacity. During FY2025/26, the ECIC settled Absa’s protracted default claim relating to Liqhobong Diamond Mine in Lesotho in full for R184.4 million, excluding VAT. The ECIC continued to engage

relevant stakeholders on the future of the mine, while salvage prospects remained limited.

Ghana-related recoveries continued to progress through the sovereign debt-treatment process. In March 2026, the ECIC signed a bilateral agreement with Ghana aligned with the Official Creditor Committee framework. Salvages collected during the year amounted to USD4.71 million, exceeding the annual target.

Claims and recoveries measure	FY2025/26	Commentary
Claims paid (excl. VAT)	R184.4 million	Liqhobong Diamond Mine claim
Salvages collected	USD4.71 million	Exceeded annual target
Ghana bilateral agreement	Signed March 2026	Aligned with the Official Creditor Committee framework
Claims loss ratio	50%	Reflects the impact of the Liqhobong claim
Outstanding disputed claims exposure	R277.7 million	Relates to rejected claims under dispute, as disclosed in note 9 of the AFS
Salvage receivable	R1.664 billion	Represents amounts recognised as recoverable from projects following claims previously paid

The distinction between **salvages collected** and **salvage receivable** is important. Salvages collected represent cash recovered during the year, while salvage receivable reflects amounts recognised as recoverable over time and may remain subject to uncertainty regarding timing and ultimate recovery. Claims and recoveries will continue to be managed within the ECIC’s capital, liquidity and risk-appetite parameters, with particular focus on long-dated recoveries and disputed exposures.

MANAGEMENT OF FINANCIAL CAPITAL



The ECIC manages financial capital through disciplined underwriting, exposure management, liquidity planning, investment oversight and ORSA-based solvency assessment. Together, these mechanisms help the Corporation preserve capital, absorb volatility and maintain the underwriting capacity required to deliver its mandate over the long term.

Capital and liquidity are monitored against regulatory requirements, internal risk appetite and forward-looking business needs. Detailed information on the ECIC’s SCR and ECR cover ratios, liquidity and capital position is provided in the Capital adequacy, solvency and liquidity section and the AFS. Financial-capital decisions require the ECIC to balance mandate delivery with capital preservation, portfolio growth with concentration risk, claims obligations with financial resilience, and investment returns with liquidity requirements. These trade-offs are discussed in detail in How we create, preserve and protect value.

TAX, IMU AND IFRS 17 MATTERS



Certain structural financial matters continue to affect the ECIC’s long-term financial sustainability and the efficiency with which capital can be deployed. These include the tax treatment of unrealised foreign exchange movements, the tax implications of IFRS 17 salvage recognition and the cumulative Interest Make-Up Scheme shortfall.

The ECIC continues to experience capital leakage arising from the mismatch between the accounting and tax treatment of foreign exchange movements. The ECIC estimates that approximately R968 million in excess tax

paid over 18 years. IFRS 17 also creates potential liquidity pressure where expected salvage recoveries are recognised for accounting purposes and become taxable before the related cash is received. This is particularly relevant where recoveries are long dated or remain subject to uncertainty.

The cumulative IMU shortfall stood at R837.7 million at 31 March 2026. Based on total assets of approximately R11.465 billion, this represents approximately 7.3% of total assets, excluding lost investment income.

Matter	FY2025/26 status	Financial implication
Tax leakage on unrealised foreign exchange movements	Ongoing	Estimated R968 million in excess tax paid over 18 years
Tax-exempt status	Target not achieved	Initial study Report submitted to the dtic on 31 October 2025
IFRS 17 salvage recognition	Ongoing	Potential liquidity pressure where taxable recognition precedes actual cash recovery
IMU shortfall	R837.7 million	Approximately 7.3% of total assets, excluding lost investment income
Engagement with the dtic and National Treasury	Ongoing	Intended to address structural tax, IMU and legislative matters affecting long-term financial sustainability

PLEASE NOTE: Part six should be read together with the AFS for the year ended 31 March 2026, which provide the detailed audited financial statements and supporting notes, including insurance contract disclosures, PFMA disclosures, capital management, taxation, related-party transactions and directors’ and executives’ emoluments.

07

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INTO THE FUTURE

25 YEARS OF TURNING RISK INTO OPPORTUNITY

In FY2026/27, the ECIC marks 25 years of helping South African exporters and financiers pursue opportunities in markets where political and commercial risks might otherwise prevent transactions from proceeding. Over this period, we have helped transform risk into possibility - supporting cross-border trade, investment and the participation of South African businesses in markets across the world.

Our anniversary is both a moment of reflection and a call to action. The ECIC enters its next chapter with a strong capital base, deep underwriting expertise and enduring relationships across the export-finance ecosystem. The opportunity now is to deploy these strengths more deliberately: converting a greater share of viable opportunities into insured transactions, extending our reach to more exporters and markets, and increasing the developmental value created through our mandate.

The environment in which we operate is changing rapidly. Geopolitical uncertainty, sovereign debt pressures, constrained access to finance and intensifying competition are reshaping global trade. At the same time, the African Continental Free Trade Area, regional infrastructure investment and South Africa's export-growth ambitions present significant opportunities. Seizing them will require the ECIC to work differently, build new capabilities and remove constraints that limit the reach of South African exporters. Our detailed strategy and performance priorities are set out on pages 36-40. This section highlights the material issues that will shape the ECIC's next phase of mandate delivery.

OUR FY2026/27 PRIORITIES

Unlocking strategic partnerships

No single institution can meet South Africa's export-finance needs alone. The ECIC will deepen its collaboration with commercial banks, development finance institutions, Afreximbank, peer export credit agencies, reinsurers and other partners capable of extending the reach of our balance sheet and mandate.

These partnerships will enable the ECIC to share risk, mobilise additional capacity and support transactions that may be too large or complex for one institution to carry independently. Through reinsurance, guarantees, syndication and co-financing structures, we can support greater volumes of South African exports while managing concentration risk and protecting long-term financial resilience.

Modernising legislation to enable further domestic export-development capability

The ECIC's founding legislation was designed for an earlier export environment. Modernising this framework is important if South Africa is to respond more effectively to the way international trade and export finance are now structured.

The ECIC will continue working with the dtic and other policy stakeholders to progress the required legislative and institutional reforms. These include addressing limitations on the ECIC's ability to insure certain non-South African financing institutions where doing so could unlock funding for South African goods and services.

This work also supports the longer-term ambition of establishing a South African Export-Import Bank. Combining the ECIC's insurance capability with dedicated export-finance instruments could create a more integrated and competitive platform through which South African businesses are supported in global markets.

Innovative solutions

The changing needs of exporters require solutions that extend beyond traditional, transaction-specific insurance. The ECIC will continue developing more flexible and responsive products, including facility-based and shorter-tenor solutions that complement our established medium- and long-term offering.

Innovation will also involve structuring transactions differently. By combining insurance with guarantees, reinsurance, syndication and other forms of risk participation,

the ECIC can help close financing gaps, improve transaction bankability and support larger export values without placing disproportionate pressure on its capital.

Our aim is to make the ECIC's offering more accessible and relevant to a wider range of exporters - including emerging exporters, SMMEs and Black Industrialists while maintaining disciplined underwriting and appropriate risk protection.

Fixing regulatory constraints

Certain regulatory and structural financial matters continue to reduce the efficiency with which the ECIC can deploy its capital. These include the tax treatment of unrealised foreign exchange movements, the liquidity implications arising from the taxation of IFRS 17 salvage recognition and the legacy IMU Scheme shortfall.

Many of these matters cannot be resolved by the ECIC acting alone. We will therefore continue engaging the dtic, National Treasury, the South African Revenue Service and other relevant stakeholders to pursue practical and sustainable solutions. Addressing these constraints would help protect the ECIC's capital, strengthen underwriting capacity and enable more resources to be directed towards mandate delivery.

Liaising with our partners on critical industries

The ECIC will strengthen its engagement with government, industry bodies, exporters, lenders and project sponsors to identify the industries and value chains in which export-credit support can have the greatest strategic and developmental effect.

Earlier engagement will help the ECIC better understand financing constraints, anticipate transaction requirements and align its solutions with South Africa's industrial and export-development priorities. It will also support the development of stronger pipelines in industries capable of expanding South African content, creating employment and improving the country's participation in regional and global value chains.

Digitisation

Digital capability will be central to building a faster, more responsive and more accessible ECIC. As discussed in the CEO's report, the Corporation will prioritise improvements to customer relationship management, insurance-management capability, process automation, data and reporting.

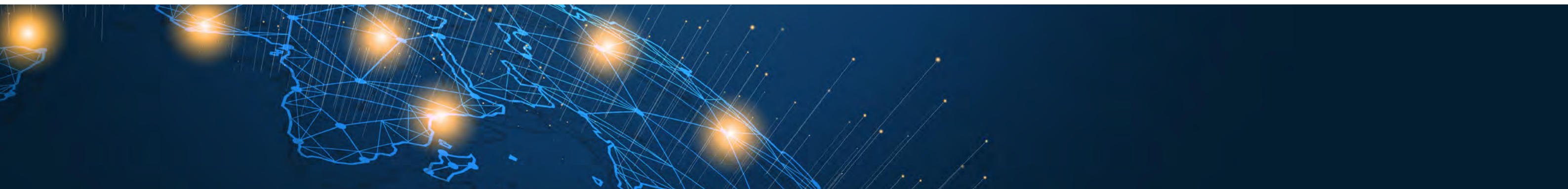
The value of digitisation will ultimately be measured through better execution: improved pipeline visibility, shorter turnaround times, more consistent client service and stronger decision-making.

Diversification of markets

The ECIC's future resilience depends on broadening its exposure across markets, sectors, products and counterparties. Africa will remain central to our mandate, with the AfCFTA creating new opportunities to support regional trade, infrastructure and value-chain development. We will also pursue opportunities beyond the continent where South African exporters can compete successfully.

Greater market diversification, supported by short-term insurance and partnership-led risk sharing, will reduce reliance on a limited number of large, long-cycle transactions. It will also enable the ECIC to reach more exporters and build a more balanced and sustainable insurance portfolio.

Our 25th anniversary is not only a celebration of what the ECIC has achieved. It marks the beginning of a more ambitious chapter in which we use our experience, capital and partnerships to unlock new markets, strengthen South Africa's export capabilities and turn more opportunities into lasting economic value.



KEY RISKS TO FUTURE DELIVERY



The ECIC operates in higher-risk markets by design. Future growth therefore depends on balancing mandate delivery with concentration management, financial resilience and disciplined underwriting.

Risk	Potential impact	Our response
Delayed financial close and weak pipeline conversion	Lower transaction conversion, delayed premium generation and slower export impact	Strengthen origination, pipeline monitoring, lender engagement and transaction follow-up
Sovereign and country risk	Higher claims exposure, delayed recoveries and pressure on risk appetite	Apply country limits, early-warning indicators, disciplined underwriting and risk-sharing
Portfolio concentration	Greater sensitivity to individual countries, sectors and obligors	Diversify products, geography, sectors and counterparties
Slow STI scale-up	Reduced ability to diversify the book and broaden exporter access	Improve product readiness, systems capability and bank-linked facilities
Claims, recoveries and structural financial pressures	Potential pressure on liquidity, solvency and available underwriting capital	Actively manage claims and salvage recoveries and maintain strong capital and liquidity disciplines
Operational and capability constraints	Slower turnaround times and weaker execution	Prioritise systems modernisation, succession, skills development, leadership and employee engagement

LOOKING AHEAD



The 25-year milestone recognises what the ECIC has helped enable since 2001, but its greater significance lies in what comes next. The next phase will require faster execution, a broader and more diversified portfolio, stronger partnerships, improved digital capability and clearer evidence of developmental impact.

Success will ultimately be measured not only by the ECIC’s financial resilience, but by its ability to convert that resilience into more transactions, more competitive South African exporters, broader participation in export markets and sustainable value creation. By strengthening execution while maintaining disciplined risk management, the ECIC intends to deepen its role as South Africa’s export risk partner and contribute to a more competitive, inclusive and outward-looking economy.

MARKING 25 YEARS AND BUILDING OUR NEXT CHAPTER

Focus	What we will do	Value we aim to create
Grow exports	Convert pipeline and approve new transactions	More South African goods and services reaching international markets
Scale STI	Expand facility-led, trade-credit and bond solutions	Broader exporter access, including SMMEs and emerging businesses
Protect capital	Maintain disciplined underwriting and increase risk-sharing	Sustainable underwriting capacity through economic cycles
Build partnerships	Work with banks, DFIs, Afreximbank and peer ECAs	Greater financing, underwriting and risk-sharing capacity
Modernise operations	Implement CRM and automate priority processes	Faster, more responsive client service
Strengthen capability	Build leadership, skills, succession and accountability	Stronger execution and organisational resilience
Support transformation	Maintain Level 1 B-BBEE and broaden exporter participation	More inclusive export-led growth
Mark 25 years	Strengthen understanding of the ECIC’s mandate, products and impact	Greater stakeholder awareness and trust

25 YEARS | 2001-2026 | UNLOCKING EXPORTS. DE-RISKING CROSS-BORDER INVESTMENTS.



CORPORATE PLAN TARGETS FOR FY2026/27



The following targets will guide the ECIC’s delivery in 2026/27

Strategic focus area	FY2026/27 target	
Number of SMEs participating in transactions underwritten by the ECIC	✓	At least 20
Job opportunities facilitated for manufactured exports	✓	At least 10 000
Priority business-process automation	✓	CRM implemented; complaint acknowledgement reduced from five days to two days; leads acknowledged within two days
Combined ratio	✓	No more than 80%
Gross investment portfolio performance against IPS asset benchmark	✓	Outperform benchmark by at least 1%
Clean audit	✓	Clean audit
Culture Entropy score	✓	30% Or below
Succession coverage for key positions	✓	At least 55%
Value of approved transactions	✓	USD 530 million
Value of approved short-term transactions	✓	USD 180 million
MLT portfolio disbursements	✓	USD 385 million
STI portfolio disbursements	✓	USD 40 million
Gross written premium	✓	R 1.8 billion ¹
Syndication or reinsurance	✓	At least 25%
B-BBEE status	✓	Maintain Level 1
SA Eximbank	✓	Feasibility study, enabling SA Eximbank/ ECIC legislation submitted to the dtic

These targets reflect the ECIC’s intention to increase mandate delivery while protecting financial sustainability and strengthening transformation, operational performance and organisational capability. Performance will continue to be influenced by transaction-development cycles, sovereign risk, lender appetite, regulatory developments and the timing of financial close.

¹After applying 60% weighted probabilities in the corporate plan.

STRATEGIC OPPORTUNITIES



The ECIC’s 25-year milestone comes at a time when its mandate remains highly relevant. South African exporters face a competitive and uncertain global environment, but opportunities are emerging through African integration, infrastructure investment, industrial development, new technologies and changing global value chains.

The FY2026/27 Corporate Plan positions the ECIC to strengthen its role as an enabler of export growth, economic transformation and regional integration.

Opportunity	Why it matters for the ECIC	Value creation potential
AfCFTA, regional value chains and new export markets	AfCFTA creates opportunities to deepen intra-African trade and increase participation by South African goods and services. The ECIC will also consider opportunities in the dtic’s priority global markets.	Increased exports, broader market access, stronger regional value chains and industrial participation.
SA Eximbank development	A dedicated export-finance institution could complement the ECIC’s insurance role with financing, loans, guarantees and credit lines.	More integrated and competitive support for manufacturers, SMMEs, Black Industrialists and emerging exporters.
Afreximbank and regional trade-finance cooperation	Afreximbank can provide funding, guarantees, technical expertise and risk-sharing capacity while broader export-finance architecture develops.	Greater financing capacity, co-financing, transaction scale and regional reach.
Partnership-led short-term insurance growth	Bank, DFI, broker and ECA partnerships can extend the ECIC’s reach and support working-capital, trade-credit and bond-related solutions.	Greater SME participation, improved access to working capital and broader exporter inclusion.
Reinsurance, syndication and guarantees	Risk transfer can help manage country, sector and obligor concentration while preserving underwriting capital.	Greater underwriting capacity, diversification and financial resilience.
Mining, critical minerals and capital equipment	Infrastructure and mining activity across African markets creates opportunities for South African equipment, processing capability and technical services.	Increased capital-goods exports, beneficiation and participation in African value chains.
Decarbonisation and the green economy	Battery value chains, renewable energy, critical-mineral beneficiation and transition-related investment present emerging opportunities where the ECIC’s mandate and underwriting criteria can be met.	Climate-related infrastructure, new export industries and longer-term developmental impact.
Digital and diversified industrial sectors	Opportunities exist across pharmaceuticals, medical technologies, digital industries, aerospace and defence, agro-processing, automotive, metals, chemicals, textiles and the oceans economy.	Greater sector diversification, reduced concentration and broader market relevance.
Digital transformation and client experience	CRM, stronger enterprise architecture, data capability and responsible AI adoption can improve execution.	Faster turnaround, improved decision-making and stronger client confidence.

These opportunities will be pursued selectively. Transactions and partnerships must remain aligned with the ECIC’s mandate, transformation objectives, South African content requirements and risk appetite.





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APPENDICES

APPENDIX A: PFMA AND PROCUREMENT DISCLOSURES

REPORTING OF PROCUREMENT BY OTHER MEANS

No	Project Description	Name of supplier	Contract Number	Reason for the procurement by other means		Value of contract	Award date	Contract start date	Contract expiry
1	Short Term Incentive (STI) Scheme Work-shop	21st Century Pay Solutions (Pty) Ltd (Reg. No 2015/186537/07)	ECIC001D-FY2025/26	21st Century Pay Solutions designed the ECIC's current STI Scheme and has recently reviewed the STI Scheme and Policy.		R42 607,50	30 April 2025	30 April 2025	31 May 2025
2	Consolidating Survey Report Data and Facilitating a Strategic Workshop with Management	Daniel Tobias Eksteen t/a Strategic Human Capital Consulting (Reg. No: X60X2X5X450X9)	ECIC002D-FY2025/26	For continuity of services since the service provider conducted the Barrett values and culture assessment in 2022 and a repeat survey in 2025.		R113 994,00	02 May 2025	02 May 2025	31 May 2025
3	Team rebuilding session	Serenity Corporate Mental Health and Wellness (Pty) Ltd (Reg. No. 2020/550618/07)	ECIC003D-FY2025/26	For continuity of services since the service provider has already concluded phase one.		R519 800,00	19 May 2025	01/June/2025	31/May/2026
4	Support of the CaseWare Software	Adapt IT (Pty) Ltd (Reg. No. 1996/006272/07)	ECIC004D-FY2025/26	The ECIC uses CaseWare Software for the preparation of its financial statements. The service provider is a sole distributor of CaseWare Software and products in South Africa, and therefore they are the only ones authorised to work on the software.		R17 776,06	06 May 2025	06 May 2025	30 May 2025
5	Tip-Offs Anonymous	Deloitte Tip-Offs Anonymous (Pty) Ltd (Reg. No. 1998/020207/07)	ECIC05D-FY2025/26	Continuation of services due to ongoing cases.		R20,700.00	26 August 2025	01 August 2025	31 January 2026
6	Facilitate a Management Leadership Development Programme	Daniel Tobias Eksteen t/a Strategic Human Capital Consulting (Reg. No. X60X2X5X450X9)	ECIC06D-FY2025/26	Continuation of services.		R458 738,00	22 September 2025	22 September 2025	31 March 2026
7	Security Services	Selkirk Security (Pty) Ltd (Reg. No: 2014/019174/07)	ECIC07D-FY2025/26	Continuation of services whilst the tender process is being finalised.		R124 315,00	14-Oct-25	01 November 2025	31 December 2025
8	2025 Trade Credit Insurance Global Market Report	TBRC Business Research Private Limited (Reg. No. U93000AP2014PTC 093061)	ECIC08D-FY2025/26	The 2025 Trade Credit Insurance Global Market Report is a publication of TBRC and it can only be procured from them (TBRC).		R48 666,52	19-Nov-25	Once-off procurement	Once-off procurement
9	Training for the ECIC Board members on King V™ Code	The Institute of Directors of South Africa (Reg. No. 1985/002734/08)	ECIC09D-FY2025/26	The King V™ code was released on 31 October 2025 and approaching the market will not yield the desired results, considering the newness of the report. The IODSA has proposed to provide a resource (Professor Rossouw) that was part of the Committee that drafted the Code and their knowledge may be of benefit to the ECIC. IODSA has completed the Board evaluation for the directors of the ECIC and they are the issuer of the King V™ Code.		R32 200,00	01-Dec-25	Once-off procurement	Once-off procurement
10	Assist the Corporation with the identification, enrolment and training of nine students	Alternative Prosperity Advisory and Products (Pty) Ltd	ECIC010D-FY2025/26	False Bay College is the only accredited college that offers the QCTO Occupational Certificate: Boat Builder and Repairer qualification for the boat building industry, teaching skills in constructing and repairing boats, and installing and maintaining marine systems.		R46 205,28	19-Dec-25	01 January 2026	31 December 2026
11	Assist the Corporation with the identification, recruitment and management of students to be funded towards their Actuarial Science qualification.	Alternative Prosperity Advisory and Products (Pty) Ltd	ECIC011D-FY2025/26	South African Actuaries Development Programme is the only entity that plays an active role in the development of actuarial professionals and qualified actuaries. The programme has similar objectives to that of the Corporation of addressing the shortage of qualified black actuaries by providing financial support that benefit black beneficiaries as defined in the B-BBEE codes.		R191 969,82	19-Dec-25	01 January 2026	31 December 2026

REPORTING OF EXPANSIONS AND VARIATIONS OF CONTRACTS

No	Project description	Name of supplier	Contract number	Reason for expansion or variation of contract		Original contract value	Value of contract expansion or variation of contract	Value of previous contract expansion or variation of contract	Total varied contract	Award date	Contract start date	Contract expiry
1	Monthly temporary accountant contract extension	Sinakho Staffshop (Pty) Ltd (Reg. No. 1997/006842/07)	SLA044/2024/24	The temporary accountant placed by Sinakho Staffshop is familiar with the ECIC processes and appointing a new temporary resource will not meet the ECIC requirements. It will be impractical for the Finance Team to train a new temporary accountant on the ECIC finance processes given they are short staffed.		R193 697,05	R250 205,22	R283 856,14	R727 758,41	31 March 2025	11 October 2024	30 June 2025
2	Internal audit services	SAB&T Chartered Accountants Incorporated t/a Nexia SAB&T (Reg. No. 1997/018869/21)	ECIC-001/2020	The current contract expires on 30 September 2025. There is a challenge of aligning the internal audit plan to the financial year, as the current contract expires mid-year, meaning that a new contract will start mid-year as well. This will result in two misaligned Internal Audit Plans (at the start of the contract and the final six months of the contract). In addition, National Treasury Regulation 27 requires that an institution must have an approved twelve months internal audit plan. Extending the contract will resolve the issue and not end up having two internal audit plans during the first year and last year of the contract if an incumbent service provider is not re-appointed during the procurement process.		R3 368 717,17	R907 949,15	R0,00	R4 276 666,32	06 May 2025	01 October 2020	31 May 2026
3	Server hosting services for a period of 5 years	Saicom Voice Services (Pty) Ltd (Reg. No. 2000/000684/07)	ECIC07P-2024/25	1. To ensure business continuity, the contract must be varied due to the following reasons: 1.1. The specifications for the ECIC07P-2024/25 omitted the fifth server required for the operations of the ECIC and were published with four servers instead of five. In addition, the required fifth server was omitted during contract negotiations and the need was only picked up during the commissioning stage. 1.2. To ensure unimpaired business systems performance, alignment with industry best practices and mitigate cybersecurity-related risks, the contract must be varied to include an additional server. The total allocated server resources (processing power, RAM and storage) as part of the contract will be shared by five servers instead of four resulting in no additional costs for server resources; the only cost applicable, which will be absorbed within the current approved value are associated with server data backups, disaster recovery services and related management services. 1.3. The migration from the current cloud hosting provider, CHM Vuwani, to the new service provider, SAICOM, must commence by 1 June 2025 (commenced on) to ensure no services are provided by CHM from 1 June 2025.		R3 431 299,23	R135 035,69	R0,00	R3 566 334,92	03 June 2025	01 June 2025	31 May 2030
4	Travel management services	Atlantis Corporate Travel (Pty) Ltd (Reg. No. 2005/015065/07)	ECIC07P-2024/25	1. The contract must be varied due to the following reasons: 1.1. There is not enough time to complete the procurement process, considering that the current contract is due to expire on 8 June 2025. The procurement process will be through a public tender instead of a request for quotation. 1.2. To ensure that the travellers travelling on behalf of the ECIC are not impacted. 1.3. To incorporate, in the new contract, online booking, including training of end users once the appointment is made, before the online system is brought into use.		R54 850,21	R0,00	R0,00	R54 850,21	01 June 2025	08 November 2021	07 December 2025
5	Provision of physical security and guarding services	Selkirk Security (Pty) Ltd (Reg. No. 2014/019174/07)	ECIC006Q-2024/25	1. The contract must be varied due to the following reasons: 1.1. It is estimated that the current procurement process may not be finalised at the expiry of the current contract on 31 July 2025. To ensure that the operations of the ECIC are not impacted, the contract must be varied to accommodate the closeout of the procurement process under bid ECIC01P-FY2025/26. 1.2. Due to the number of proposals received on bid ECIC01P-FY2025/26, the Bid Evaluation Committee anticipate that it will only be able to finalise the evaluation process during mid July 2025. This leaves only two weeks for adjudication and contracting.		R774 870,00	R186 472,50	R0,00	R961 342,50	30 June 2025	01 August 2024	31 October 2025
6	Panic monitoring and armed response	Monitor Net (Pty) Ltd (Reg. No.2021/995984/07)	PO-000010701-1	For continuity purposes, the required services must be rendered by the same service provider as they are already providing the Corporation with the panic monitoring and armed response. It will be impractical for the Corporation to appoint a new service provider to support the infrastructure that has been installed by Monitor Net.		R10 382,19	R904,01	R0,00	R11 286,20	04 June 2025	05 June 2025	10 April 2027
7	Provision of external audit services for a period of 5 years	Forvis Mazars in South Africa Inc (Reg. No. 2021/080580/21)	SLA013/2024-25	Overruns for FY2024/25 audit as tabled at Audit Committee meeting.		R19 840 950,20	R922 852,40	R0,00	R20 763 802,60	28 July 2025	12 June 2024	11 June 2029

REPORTING OF EXPANSIONS AND VARIATIONS OF CONTRACTS (continued)

No	Project description	Name of supplier	Contract number	Reason for expansion or variation of contract		Original contract value	Value of contract expansion or variation of contract	Value of previous contract expansion or variation of contract	Total varied contract	Award date	Contract start date	Contract expiry
8	Provision of Microsoft licenses plus support and maintenance of ERP solution for a period of three years.	MMT Inland (Pty) Ltd (Reg. No. 2003/023030/07)	SLA023-2023/24	To ensure business continuity, the contract must be varied due to the following reasons: 1. Microsoft licenses are key to the operations of the ECIC, and not having sufficient licenses could negatively impact the operations of the ECIC. 2. If a new employee is appointed or a new system is acquired, a licensed account will be required to access the network, and it must be configured. ICT will not have a license to assign, and therefore, no access will be granted to the network to enable the users or system service to access any of the business systems. 3. The MS SharePoint online is used together with MS Teams™ for collaboration and document storage. Once the MS SharePoint™ online storage reaches full capacity, it will impact the saving and sharing of documents. 4. To address the business, the need to improve the efficiency and quality of the secretariat meetings transcription.		R11 661 253,29	R309 233,61	R0,00	R11 970 486,90	12 August 2025	12 August 2025	28 February 2027
9	Provision of external audit services for a period of 5 years	Forvis Mazars in South Africa Inc (Reg. No. 2021/080580/21)	SLA013/2024-25	For attendance of meetings requested by the Prudential Authority.		R19 840 950,20	R169 827,40	R922 852,40	R20 933 630,00	14 August 2025	12 June 2024	11 June 2029
10	External audit fees overruns	SizweNtsaluba Gobodo Grant Thornton Inc (Reg. No. 2005/034639/21)	ECIC-005/2018	The submission relates to the approval of the external audit fees overruns for opening balance test when Mazars took over the external audit of the ECIC and additional fees incurred by SNG for the IFRS 9&17 implementation plan.		R12 516 221,00	R74 007,10	R337 304,20	R12 927 532,30	28 July 2025	29 May 2019	31 March 2024
11	Board Strategic Session 15-17 September 2025	Irene Country Lodge (Pty) Ltd (Reg. No.1997/017343/07)	PO 00001155-1	It is recommended that the contract be varied due to the following reason: Additional IT equipment set-up for the day prior to the session and beverages.		R104 696,00	R27 355,00	R0,00	R132 051,00	10 September 2025	15 September 2025	17 September 2025
12	Board Strategic Session 15-17 September 2025	Irene Country Lodge (Pty) Ltd (Reg. No.1997/017343/07)	PO 00001155-1	It is recommended that the contract be varied due to the following reason: Directors and presenters attending online will be able to see the room and the room will be able to see the online attendees.		R104 696,00	R15 177,50	R27 355,00	R147 228,50	12 September 2025	15 September 2025	17 September 2025
13	Foreign exchange services for a period of three years	Global Foreign Exchange (Pty) Ltd (Reg. No. 1999/027016/07)	PO-00005701	Based on the findings under paragraph 4 supra, and to ensure that the ECIC procures the services required in line with the applicable legislative regime, it is recommended that the contract be varied by term to expire on 31 December 2025, instead of the current 30 September 2025.		R70 456,48	R6 087,52	R0,00	R76 544,00	04 September 2025	01 October 2025	31 December 2025
14	Transcription services for 5 days for hearing	Cliffe Dekker Hofmeyer Inc (Reg. No 2008/018923/21)	PO-000011304-1	For confidentiality purposes, the required services must be rendered by DLA Cliffe Dekker Hofmeyer Inc. as they are already providing the Corporation with the chairing of the disciplinary hearing. In addition, the hearing will be held at the premises of DLA Cliffe Dekker Hofmeyer Inc, and appointing another supplier to provide the services may be impractical due to the arrangements at those offices. It will be impractical for the Corporation to appoint a new service provider to do the transcription as the grievance needs to start urgently. Approaching the market competitively may not result in the desired outcome and may delay the grievance process, considering that there will be a need for time to issue a Request for Quotation, evaluate and adjudicate bids received.		R228 120,80	R28 000,00	R0,00	R256 120,80	11 September 2025	12 September 2025	30 September 2025
15	Appointment of the second chairperson for the grievance hearing.	Cliffe Dekker Hofmeyer Inc (Reg. No 2008/018923/21)	PO-000011203-1	For confidentiality reasons and a seamless process, it is recommended that the Corporation appoint a second chairperson from DLA Cliffe Dekker Hofmeyer Inc., as they are already providing the Corporation with the chairing of the other grievance hearing that is related to the 3 new grievances. It will be impractical for the Corporation to appoint a new service provider to chair the grievances, as the grievances need to start urgently.		R228 120,80	R308 140,00	R28 000,00	R564 260,80	10 October 2025	13 October 2025	At the completion of the task
16	Security services for a period of two months.	Selkirk Security (Pty) Ltd (Reg.No. 2014/019174/07)	PO-000011780-1	It is estimated that the sign-off of the new contract may be finalised during the last working week of December 2025 or the second working week of January 2026. This will result in less time for the supplier onboarding. To ensure continuity of the critical service whilst finalising the contracting process.		R124 315,00	R124 315,00	R0,00	R248 630,00	18 December 2025	01 January 2026	28 February 2026

REPORTING OF EXPANSIONS AND VARIATIONS OF CONTRACTS (continued)

No	Project description	Name of supplier	Contract number	Reason for expansion or variation of contract		Original contract value	Value of contract expansion or variation of contract	Value of previous contract expansion or variation of contract	Total varied contract	Award date	Contract start date	Contract expiry
17	Appointment of a legal firm to provide a legal opinion.	DLA Cliffe Dekker Hofmeyer Inc (Reg.No. 2008/018923/21)	PO-000011906-1	For confidentiality, continuity and to minimise the costs of instructing a new attorney who would need to be briefed on the matter, it is recommended that the Corporation appoint DLA Cliffe Dekker Hofmeyer Inc. to provide the requisite legal opinion, as they have already dealt with the other matters which are the subject of the legal opinion and would thus be in the best position to provide the aforesaid legal opinion. It will be impractical for the Corporation to appoint a new service provider to provide the legal opinion as it would be time consuming to provide the brief to the attorney and given the urgency of the opinion, it is more suitable to provide the instruction to the law firm that already has the context.		R228 120,80	R56 925,00	R336 140,00	R621 185,80	05 February 2026	06 February 2026	At the completion of the task
18	Provision of IFRS 17 and 18 training to the ECIC Directors.	Forvis Mazars in South Africa Inc (with IRBA Reg. No. 900222)		The purpose of the variation is to ensure that the ECIC Directors are equipped with the necessary skills to carry out their fiduciary duties as required by the Companies Act (Act No 71 of 2008) and King IV™ read with King V™. The above training will ensure that decisions taken by directors are sound and in line with applicable accounting standards and governance principles.		R19 840 950,00	R57 502,30	R1 162 679,90	R21 061 132,20	08 January 2026	09 January 2026	11 June 2029
19	Support and maintenance of the investment management system (Invest Insight)	Digiata Technology Services (Pty) Ltd (Reg.No. 2007/022238/07)		The original estimate of 10 hours monthly support and maintenance hours is not sufficient to meet the system support maintenance needs that may arise from implementing a bespoke system due to either a gap in system requirements gathering, implementation issues or new requirements. Hours for year 1 are almost depleted, and the balance is not sufficient to cover the amount of software development work required based on enhancements known to the ECIC currently. If the system enhancements are not implemented, the Investment Unit will not achieve its targets of finalising the data upload and parallel by Q4 FY2025/26, which will lead to even longer delays for the ECIC to realise benefits from investing in developing Invest Insight. Based on the magnitude of enhancements required, it is evident that even with the current hours for year 2 and year 3 combined, these hours will not be sufficient to sustain the ECIC requirements. There is a need to correct the contract duration to align with the actual support and maintenance period. The signed contract was not aligned with the milestones as per the tender response and ToR.		R3 254 720,23	R396 552,80	R0,00	R3 651 273,03	07 January 2026	01 May 2024	31 March 2028
20	Additional Leadership 360-degree assessment for 22 managers as part of Management Leadership Development programme (MLDP)	Daniel Tobias Eksteen t/a Strategic Human Capital Consulting (Reg. No: X60X2X5X450X9)		9.1. Continuity. Strategic Human Capital Consulting has been appointed to implement the MLDP programme for a period of (6) months. Appointing a same provider will help with continuity and alignment with the previous assessment reports. It was recommended by management that a leadership 360-degree review will add a significant value to the ECIC leadership development programme. 9.2. Cost implications and efficiencies Appointing a new service provider to do 360-degree assessment feedback will be more costly since the new service provider would have to spend time analysing the SDI assessments reports together with the 360-degree feedback report. We're of the view that the Corporation cannot appoint another service provider to conduct the required 360-degree assessment at lower costs than quoted by Strategic Human Capital Consulting. Any costs already incurred by the ECIC on Strategic Human Capital Consulting may be considered fruitless and wasteful expenditure, considering that, same work will be done at least once.		R458 738,00	R137 468,75	R0,00	R596 206,75	10 February 2026	18 August 2025	At the completion of the task

The ECIC is a licensed non-life insurer and authorised Financial Services Provider (FSP 30656). Currently exempted in terms of FAIS Notice 78 of 2019.

Physical address:	Bylsbridge Boulevard Office Park 11 Byls Bridge Boulevard Building 9 Fourth Floor Highveld Extension 73 Centurion
Postal address	P.O. Box 7075, Centurion, 0004
Contact number	+27 12 471 3800
Email address	info@ecic.co.za
Website	www.ecic.co.za
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FIDELITY
 verification

VDCF04/V16

time • value • impartiality

Specialized Generic FSC B-BBEE Certificate

Export Credit Insurance Corporation of South Africa SOC Ltd

Registration No: 2001/013128/30 VAT No: 4170197125

Address: Byls Bridge Boulevard Office Park, Building 9, Fourth Floor, Byls Bridge Boulevard, Highveld Extension 73, Centurion, 0157

Level One Contributor

Scorecard Details	Score	Other Details	Results
Ownership	N/A	Procurement Recognition	135.00%
Management Control	19.89	Black Ownership	N/A
Skills Development	23.49	Black Women Ownership	N/A
Enterprise Supplier Development	47.72	Black New Entrants	N/A
Socio-Economic Development	5.05	Black Youth	N/A
Total Score	96.15	Black Military Veterans	N/A
Exclusion Principle	N/A	Designated People in Rural Areas	N/A
Empowering Supplier	Yes	Group Disabled	N/A
YES, Absorption Percentage Achieved	No	Unemployed	N/A
Continued Recognition	N/A	Certificate Number	G2026FV0109
Discounting Principle Applied	No	Issue Date	27 August 2026
Participated in Y.E.S. Initiative	No	Re-Issue Date	N/A
Modified Flow Principle Applied	No	Expiry Date	26 August 2027
Financial Period	01 April 2025 – 31 March 2026		

- Achieve Y.E.S. Target and 2.5% Absorption: No
- Achieve 1.5 x Y.E.S. Target and 5% Absorption: No
- Achieve Double Y.E.S. Target and 5% Absorption: No


 Technical Signatory: Motlatsi Malefane

This B-BBEE certificate is based on the information provided to FIDELITY VERIFICATION and represents an impartial and independent opinion. The Department of Trade and Industry's Amended FSC Sector Code, Gazette No. 41287 of 01 December 2017 & Amended Codes of Good Practice on Broad-Based Black Economic Empowerment, Gazette No. 42495 of 31 May 2019, have been applied.

Contribution Level	Qualification Points	Procurement Recognition Level
Level One Contributor	> =90.09	135.00%
Level Two Contributor	> =85.59 But < 90.09	125.00%
Level Three Contributor	> =81.08 But < 85.59	110.00%
Level Four Contributor	> =72.07 But < 81.08	100.00%
Level Five Contributor	> =67.57 But < 72.07	80.00%
Level Six Contributor	> =63.06 But < 67.57	60.00%
Level Seven Contributor	> =49.55 But < 63.06	50.00%
Level Eight Contributor	> =36.04 But < 49.55	10.00%
Non-Compliant Contributor	< 36.04	0.00%



BVA243

+27 11 028 0417 | info@fidelityverification.co.za | www.fidelityverification.co.za





ACRONYMS AND ABBREVIATIONS

ACRONYM / TERM	MEANING
AfCFTA	African Continental Free Trade Area
Afreximbank	African Export-Import Bank
AFS	Annual Financial Statements
AGSA	Auditor-General of South Africa
ALM	Asset-Liability Matching
B-BBEE	Broad-Based Black Economic Empowerment
BAC Report	Board Audit Committee Report
Berne Union	International Union of Credit and Investment Insurers
CCRA	Climate Change Risk Assessment
CEO	Chief Executive Officer
CFO	Chief Financial Officer
COO	Chief Operations Officer
CRIP	Corporate Reputation Index Performance
CRISA	Code for Responsible Investing in South Africa
CRM	Customer Relationship Management
CSR	Corporate Social Responsibility
DFI	Development Finance Institution
EC	Economic Capital
ECA	Export Credit Agency
ECIC	Export Credit Insurance Corporation of South Africa SOC Ltd
ESD	Enterprise and Supplier Development
ESG	Environmental, Social and Governance
EXCO	Executive Management Committee
Eximbank	Export-Import Bank
FAIS	Financial Advisory and Intermediary Services Act
FATF	Financial Action Task Force
FIIC	Finance, Investment and Insurance Committee
FSCA	Financial Sector Conduct Authority
GDP	Gross Domestic Product
GWP	Gross Written Premium
HAF	Head of Acturial Function
HQLA	High Quality Liquid Assets

ACRONYM / TERM	MEANING
ICT	Information and Communications Technology
IFRS	International Financial Reporting Standards
ILR	Insurance Liquidity Ratio
IMU	Interest Make-Up
<IR> Framework	International Integrated Reporting Framework
IPAP	Industrial Policy Action Plan
KPI	Key Performance Indicator
MLT	Medium and Long-Term Insurance
MTSF	Medium-Term Strategic Framework
NDP	National Development Plan
NED	Non-Executive Director
NPS	Net Promoter Score
OECD	Organisation for Economic Co-Operation and Development
ORSA	Own Risk and Solvency Assessment
PA	Prudential Authority
PEAR	Political and Economic Analysis and Research
PFMA	Public Finance Management Act, 1 of 1999
PRI	Political Risk Insurance
QSE	Qualifying Small Enterprise
SA Eximbank	South African Export-Import Bank
SAA	Strategic Asset Allocation
SAM	Solvency Assessment and Management
SATIPP	South Africa–Africa Trade and Investment Promotion Programme
SCR	Solvency Capital Requirement
SED	Socio-Economic Development
SETCO	Social, Ethics and Transformation Committee
SMME	Small, Medium and Micro Enterprise
SOC	State-Owned Company
STI	Short-Term Insurance
the dtic	Department of Trade, Industry and Competition
TOR	Terms of Reference
UNPRI	United Nations Principles for Responsible Investment
VAT	Value-Added Tax



info@ecic.co.za
www.ecic.co.za

ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2026



Export Credit Insurance Corporation
of South Africa SOC Ltd

(Registration number 2001/013128/30)

Annual financial statements
for the year ended 31 March 2026

These annual financial statements were prepared under the supervision of:
N Mkhathazo CA(SA)
Chief Financial Officer

These annual financial statements have been audited
in compliance with the applicable requirements
of the Companies Act 71 of 2008

GENERAL
INFORMATION

Country of incorporation and domicile	South Africa	
Nature of business and principal activities	Export credit and investment insurance	
Directors		
	DP Ndlovu	(Independent non-executive director & chairperson)
	S Mayekiso	(Independent non-executive director)
	S O'Mahony	(Independent non-executive director)
	BI Mkhize	(Independent non-executive director)
	P Mthethwa	(Independent non-executive director)
	X Daku	(Independent non-executive director)
	W Van der Spuy	(Non-executive director)
	L Govender	(Non-executive director alternate to W Van der Spuy)
	LR Seroka	(Chief executive officer executive director)
Business address	11 Byls Bridge Boulevard Byls Bridge Office Park, Building 9, Fourth Floor Highveld Extension 73 Centurion 0157	
Bankers	First National Bank Nedbank	
Auditor	Forvis Mazars Chartered accountants (SA) Registered auditor	
Secretary	N Moffatt	
Company registration number	2001/013128/30	

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AUDIT COMMITTEE REPORT

The Audit Committee ('the committee') is an independent statutory committee whose membership is appointed at the Annual General Meeting.

Terms of reference

The committee has adopted its formal terms of reference as approved by the Board. The committee has discharged these responsibilities and conducted its affairs in compliance with these terms of reference.

Roles and responsibilities

Governance of risk

The committee fulfils an oversight role on financial reporting risks, internal financial controls, compliance risks, fraud risk and information and communications technology ('ICT') risks as these relate to financial reporting.

Internal audit

The committee is responsible for the appointment, compensation, retention and oversight of the internal auditor, who is responsible for reviewing and providing assurance on the adequacy of the internal control environment.

This function is outsourced to SAB&T Chartered Accountants Incorporated t/a Nexia SAB&T. The committee approved the risk based internal audit plan for the 2026 financial year. The engagement partner of the internal audit firm has unrestricted access to anyone in the organisation and reports the findings of the internal audit work to the committee on a regular basis. Internal audit reports functionally to the committee and operationally to the manager in the office of the chief executive officer (CEO). The committee is satisfied with the effectiveness of this arrangement for internal audit.

The committee assesses the need to meet with the internal auditors without management being present, as and when the need arises, in order to consider any material matters that are required to be brought to the Committee's attention. During the year under review, the committee did not have a closed session with the internal auditors as it was deemed as not required. The committee considers internal audit to be functioning effectively and to have addressed material risks pertinent to the Export Credit Insurance Corporation of South Africa SOC Ltd ('the Corporation' or the 'ECIC') in its audit.

External audit and non-audit services

The 2024 financial year was the first year of the tenure of Forvis Mazars in South Africa subcontracting to Growthstone Assurance Incorporated as the Corporation's external auditors for a period of five years (2023/24 to 2027/28 financial years). The committee is satisfied with the independence and objectivity of the external auditors, which

includes consideration of compliance with criteria relating to independence or conflicts of interest as prescribed by the Independent Regulatory Board for Auditor. Requisite assurance was sought from and provided by Auditor-General of South Africa (AGSA) that internal governance processes within the firm support and demonstrate its claim to independence.

During the year under review, the committee as and when the need arose, met with the external auditors without management being present. To assess the effectiveness of the external auditor's, the committee considered the external auditors' fulfilment of the agreed audit plan and any variations from the plan, and the robustness and perceptiveness of the external auditors in their handling of key accounting treatments and disclosures. The committee and executive management, approved the engagement letter, audit plan and budgeted audit fees for the 2026 financial year.

Any non-audit services to be provided by the external auditor are governed by a formal written policy and all such services are to be pre-approved by the committee to ensure that such services do not impair the independence of the external audit firm. There were no non-audit services provided in the current financial year.

The committee has recommended, for approval at the Annual General Meeting, the appointment of Forvis Mazars in South Africa subcontracting to Growthstone Assurance Incorporated as external auditors of the Corporation for the 2026 financial year.

The committee, as and when the need arises, meets with the external auditor to ensure there are no unresolved issues.

Financial statements and accounting practices

The committee has reviewed the accounting policies and the financial statements of the Corporation and is satisfied that they are appropriate and comply with the IFRS® Accounting Standards, the requirements of the Companies Act and Public Finance Management Act (PFMA).

Internal financial controls

A high-level review of the design, implementation and effectiveness of the Corporation's internal financial controls was performed as per the internal audit plan.

The review aimed to provide comfort on financial reporting controls, which are relied on in preparing the annual financial statements. Based on the information and explanations given by management and the internal auditors, and

AUDIT COMMITTEE REPORT (continued)

discussions with the independent external auditor on the results of their audit, the committee believes the system of internal controls for the period under review were adequate, efficient and effective.

Finance function

The committee is satisfied that the chief financial officer has the appropriate expertise and experience to meet the responsibilities of the role. Furthermore, the committee has considered and satisfied itself with the appropriateness of the expertise and adequacy of resources of the finance function.

Integrated reporting

The committee has reviewed the integrated report of the Corporation for the year ended 31 March 2026 and submits that management is presenting an appropriate view of the entity's position and performance.

The quality of the in-year management and monthly/quarterly reports submitted in terms of legislation

The committee is of the opinion, based on the information and explanations provided by management as well as the results of audits performed by the internal and external auditors, that the financial information provided by management to users of such information is adequate, reliable and accurate.

Evaluation of financial statements

The committee has evaluated the annual financial statements of the ECIC for the year ended 31 March 2026. It has also reviewed:

- The external auditor's report;
- The external auditor's management report and management's responses thereto;
- Any changes in accounting policies and practices;
- The Corporation's compliance with applicable legal and regulatory provisions;
- Information on predetermined objectives included in the annual report;
- The quality and timeliness of the financial information availed to the committee for oversight purposes during the year; and
- Any significant adjustments resulting from the audit.

Significant matters considered by the committee in relation to the audit of the annual financial statements and how these were addressed by the committee

No significant matters were identified during the audit.

Summary of main activities undertaken by the committee during the financial year under review

The committee performed the following activities amongst others during the year:

- Reviewed the Corporation's integrated report and processes and recommended the same to the Board for approval;
- Approved the audit plan and budget for the external audit firms and the internal audit firm;
- Considered the Corporation's annual financial statements;
- Reviewed accounting policies and practices and considered any significant changes or departure from accounting policies and practices;
- Reviewed the basis on which the Corporation has been determined as a going concern;
- Oversight on tax compliance; and
- Considered and recommended for Board's approval, the quarterly performance reports to be submitted to the Department of Trade, Industry and Competition (the dtic).

The arrangements in place for combined assurance and the committee's views on their effectiveness

The committee reviewed the Combined Assurance Plan that stipulates three lines of defence in accordance with the Institute of Internal Auditors and recommended by King IV™ Report on Corporate Governance for South Africa, 2016 (King IV). The Committee further noted that the Board is assessing developments relating to King V to ensure ongoing alignment with evolving corporate governance standards. The Corporation's plan was recommended to the Board for approval.

It is the Committee's responsibility to ensure commensurate assurance levels are achieved to satisfy itself that risks are managed within approved risk appetite levels.

AUDIT COMMITTEE REPORT (continued)

Conclusion

Based on the information provided by management, internal audit and external audit, the committee considers that these statements comply, in all material respects, with the IFRS Accounting Standards, the requirements of the Companies Act and the PFMA, and the basis of preparation as set out in the material accounting policies in note 1.2 of the annual financial statements.

The committee concurs that adopting the going concern assumption in preparing the annual financial statements is appropriate.

At its meeting on 24 July 2026, the committee recommended the approval of the annual financial statements to the Board.



S Mayekiso
Chairperson: Audit Committee

29 July 2026

DIRECTORS' RESPONSIBILITIES AND APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS

The external auditor is responsible for auditing the financial statements whereas the Board of Directors ('Board') is responsible for the preparation, integrity and fair presentation of the financial statements. The Board acknowledges its duty to ensure balanced content and fair presentation that provides a comprehensive assessment of the Corporation's performance for the financial year ended 31 March 2026.

In terms of the Companies Act (2008), the directors are required to maintain adequate accounting records and to prepare annual financial statements that fairly present the Corporation's financial position at year end and the results and cash flows for the year.

To enable the Board to discharge its responsibilities, management has developed and continues to implement standards and systems of internal controls to provide reasonable assurance as to the integrity and reliability of the financial statements and to safeguard, verify and maintain the accountability of the Corporation's assets. The Board has ultimate responsibility for this system of internal controls and reviews the effectiveness of its operations, primarily through the Audit Committee.

The internal controls include risk based systems of accounting and administrative controls designed to provide reasonable, but not absolute, assurance that assets are safeguarded and that transactions are executed and recorded in accordance with sound business practices and the Corporation's written policies and procedures.

As part of internal controls, the Corporation's internal audit function conducts inspections, financial audits and specific audits. The external auditor is responsible for reporting on the Corporation's financial statements. The financial statements were audited by the independent auditor, the consortium of Forvis Mazars and Growthstone Corporation, which was given unrestricted access to all financial records and related data, including minutes of meetings of the Board and committees of the Board. The directors believe that all representations made to the independent auditors during its audit were valid and appropriate.

The Corporation's annual financial statements are prepared in accordance with IFRS Accounting Standards, the requirements of the Companies Act and PFMA, and incorporate responsible disclosures in line with the accounting policies. The appropriate accounting policies are consistent with those applied in the annual financial statements for the year ended 31 March 2025 and supported by reasonable and prudent judgements and estimates.

The performance information fairly reflects the operations, actual output against planned targets for performance indicators as per the Corporation's strategic plan and annual performance plan for the financial year ended 31 March 2026. The performance information has been reported on in accordance with the requirements of the guidelines on annual reports as issued by National Treasury.

Based on the information received from management, as well as the internal and external auditors, nothing has come to the attention of the directors to indicate a material breakdown in the systems of internal controls during the year under review.

Disclosure in terms of section 55(2)(b) of the PFMA:

- Material losses through criminal conduct and any irregular expenditure and fruitless and wasteful expenditure that occurred during the year: refer to note 23.1 of the annual financial statements;
- Any criminal or disciplinary steps taken because of such losses or irregular expenditure or fruitless and wasteful expenditure: there were no instances where the Corporation sustained material losses; and
- Any losses recovered or written off: no material losses were recovered or written off other than in the ordinary course of business.

The directors are of the view that the Corporation has adequate resources to operate in the foreseeable future and they have adopted the going concern basis in preparing the financial statements.

The financial statements of the Corporation for the year ended 31 March 2026 that appear on pages 8 to 10 and 20 to 123 were approved by the Board of Directors on 29 July 2026 and are signed on its behalf by:



DP Ndlovu
Chairperson

29 July 2026



N Maphula
Acting Chief Executive Officer

29 July 2026

COMPANY SECRETARY'S CERTIFICATION

Declaration by the company secretary in respect of Section 88(2)(e) of the Companies Act of South Africa

I certify that, in respect of the reporting period, the Corporation has lodged with the Companies and Intellectual Property Commission all returns and notices required in terms of the Companies Act, 71 of 2008, as amended.



N Moffatt
Company Secretary

29 July 2026

DIRECTORS' REPORT

The directors have the pleasure of submitting their report on the financial statements of Export Credit Insurance Corporation of South Africa SOC Ltd for the year ended 31 March 2026.

Nature of business

The Corporation is a self-sustained, state-owned, national export credit agency that is supervised and regulated by the Financial Sector Conduct Authority (FSCA) and the Prudential Authority (PA). The Corporation’s main business is to facilitate export trade and cross-border investments between the Republic of South Africa and other countries by providing political and/or commercial risk insurance on behalf of the Government of South Africa for such transactions.

Review of financial results and activities

The annual financial statements have been prepared in accordance with IFRS Accounting Standards, South African Financial Reporting Requirements and the requirements of the Companies Act of South Africa. The accounting policies have been applied consistently compared to the prior year. The financial results of the Corporation are fully disclosed on pages 8 to 10 and 20 to 123.

Share capital

There have been no changes to the authorised or issued share capital during the year under review.

Corporate governance

The Board of Directors embraces the principles of King IV and attempts to comply with these recommendations as far as possible. With regards to King V™, the Board is preparing to apply and explain the principles which will be incorporated during 2026/27. The Corporation’s adherence to these principles are outlined in the Governance section in the 2025/26 Integrated Report.

Board of Directors

In the current financial year, there were changes in the membership of the Board of Directors, see note 31.

Executive management

Mr S Esterhuizen resigned as chief actuarial & investment officer on 31 March 2026.

Dividends

No dividend has been declared for the current and previous financial years in line with the Corporation’s dividend policy.

Taxation status

The Corporation pays income tax in terms of the Income Tax Act of 1962, as amended. The Corporation is also subject to and complies with all other South African tax laws, including employees’ tax and value-added tax. At year end, the Corporation was in good standing with respect to its tax responsibilities.

Changes in accounting policies

The accounting policies applied during the year ended 31 March 2026 are in all material respects consistent with those applied in the annual financial statements for the year ended 31 March 2025.

Significant events

During the financial year, the Corporation paid a claim relating to a mining project in Lesotho amounting to R184 million excluding VAT.

Escalating geopolitical tension in the Middle East significantly affected the Corporation’s investment portfolio during the final quarter of the financial year. Following the outbreak of armed conflict between Israel and the United States on the one hand and Iran on the other on 28 February 2026, and the subsequent disruption to shipping through the Strait of Hormuz, global energy prices rose sharply. The resulting fuel price increases reignited inflation concerns, drove domestic bond yields higher and weakened the rand, triggering a broad-based sell-off across South African financial markets in March 2026.

These conditions adversely affected all of the Corporation’s investment tranches with the exception of the liquidity (money market) portfolio. Over March 2026, the FTSE/JSE Capped All Share Index fell 10.5% — its sharpest monthly decline since the 2008 global financial crisis — with precious metals counters hardest hit (gold miners down approximately 18% and platinum miners down approximately 25% for the month) and the banking sector down approximately 10%. The FTSE/JSE All Bond Index declined approximately 7%, the second largest monthly fall in the index’s 25-year history, as the Government’s ten-year borrowing rate rose 1.2% to 9.3%, while the rand weakened 5.9% against the US dollar. As a result, the Corporation experienced a weighted drawdown of 4.8% on its investment portfolio. Because the market dislocation occurred before the reporting date, these losses impacted

the fair value of investments at 31 March 2026 and in the Corporation’s results for the year then ended.

Events after the reporting period

On 7 May 2026, the Cabinet of the Republic of South Africa concurred to the appointment of Ms Linda Seroka as chief executive officer of the Corporation.

Going concern

The Board of Directors believes that the Corporation will continue to be a going concern in the foreseeable future. For this reason, the directors have adopted a going concern basis in preparing the annual financial statements, refer to note 36 for a detailed assessment.

Audit Committee information

The names of the Audit Committee members and attendance records are reflected below:

	2025/04/24	2025/05/20	2025/05/26	2025/07/28	2025/08/13 *	2025/10/23	2026/01/28
Current members							
S Mayekiso	✓	✓	✓	✓	✓	✗	✓
S O’Mahony	✗	✓	✓	✓	✓	✓	✓
B Mkhize	n/a	n/a	n/a	✓	✓	✓	✗
X Daku	n/a	n/a	n/a	n/a	n/a	n/a	✓
Previous members							
L Mothae	✓	✓	✓	n/a	n/a	n/a	n/a
V Matsiliza	✓	✓	✓	n/a	n/a	n/a	n/a

✓ in attendance ✗ did not attend n/a Was not a member of the committee

* A special meeting for the approval of integrated report.

Litigation statement

The Corporation rejected two protracted default claims and, as a result, the insured has instituted litigation action, challenging the Corporation’s decision to reject the insured’s claims. The Corporation is defending the litigation action. The impact of the litigation is accounted for in the liability for incurred claims (LIC) as part of note 9 and does not form part of contingent liabilities under IAS 37 (note 32).

Related-party transactions

The related-party transactions are specified in note 30 of the annual financial statements.

Performance against predetermined objectives

The Corporate strategic objectives and targets are developed and approved by the Board of Directors, with the Corporate Plan approved by the Minister for tabling in Parliament. The table below compares the actual performance for 2025/26 financial year on the high-level corporate strategic objectives and indicates the degree to which the Corporation performed against its strategic objectives for the year under review.

FY2025/26 Performance Report							
Target No.	Output	Performance Measure or Indicator	FY2025/26 Annual Target	Q4 Target	Actual Achievement	Reason for underachievement	Corrective Action
STRATEGIC MARKET ACCESS: EXPORTS FOR GLOBAL MARKETS							
Contribution TO TRADE FACILITATION THAT RESULTS IN JOB CREATION							
1	Facilitation of exports and cross border investments	Gross Written Premium	R400m	R400m	Target not achieved. R331 million	Anticipated premium for projects about to reach financial close was not written before 31 March 2026.	The ECIC still expects to underwrite a Gross Written Premium on the MozLNG and other transactions of more than R3 billion in FY2026/27. Work is being finalised on projects about to reach financial close.
WORKFORCE READINESS AND SKILLS FOR THE ECONOMY; AND MARKET CONCENTRATION AND ECONOMIC INCLUSION							
ENHANCE TRANSFORMATION							
2	Maintain B-BBEE Score	B-BBEE Level	Level 1	N/A	The B-BBEE verification is expected to be finalised in August 2026	N/A	N/A
RED TAPE REDUCTION							
IMPROVE BUSINESS PROCESSES AND SYSTEMS							
3	Automation of business processes	% Of business processes automated	20% Of business processes automated (new business automation plan)	20% Of business processes automated (new business automation plan)	Target not achieved. 11.90% of the business process automation plan implemented.	The pre implementation phase of the Insurance Management System (IMS), the Actuarial Modelling, and Customer Relationship Management (CRM) systems could not be completed timeously. Delays were experienced in finalising international ECA benchmarking sessions (including the visits) and the resulting business process refinements. CRM has been prioritised for FY2027 to support the dtic objective of reducing red tape.	Prioritise the implementation of CRM as part of the APP target for FY2027 while finalising business process mapping for IMS and Actuarial Modelling.
BUILDING A CAPABLE, ETHICAL AND DEVELOPMENTAL STATE							
EMBED RISK MANAGEMENT PRACTICES							
4	Embed risk management practices	No breaches on risk appetite limits over the 5-year period	No breaches on risk appetite limits (from 1 April 2022)	No breaches on risk appetite limits (from 1 April 2022)	Target achieved. No breaches on risk appetite limits during the year.	N/A	N/A
ENHANCE FINANCIAL SUSTAINABILITY							
5	Increase in capital base	% Increase in equity (excluding foreign exchange movements and related tax)	5% Increase in equity	5% Increase in equity	Target achieved. For the period ended 31 March 2026, the equity excluding foreign exchange movements and related tax, increased by 10,44% which is above the annual target of 5% largely due to the significant investment income generated.	N/A	N/A
6	Achieving a tax-exempt status for the ECIC	Tax-exempt status for the ECIC	Tax-exempt status for the ECIC	Tax-exempt status for the ECIC	Target not achieved. The Study Report was submitted to the dtic on 31 October 2025.	Submitted to the dtic and awaiting consideration by the dtic and National Treasury	Tax exemption request to be presented alongside IDC to the dtic .
7	Track the operating cost base of underwriting activities	Operating cost base of underwriting activities	Operating cost below R140 million	Operating cost below R140 million	Target achieved. For the period ended 31 March 2026, the operational costs for the underwriting business amounted to R104 million against the annual targeted ceiling of R140 million.	N/A	N/A
STAKEHOLDER AND CUSTOMER ENGAGEMENT							
8	Improve employee engagement and organisational culture	Employee Engagement Score	Employee Engagement Score of 70%	Employee Engagement Score of 70%	Target not achieved. Employee Engagement Score of 60% achieved.	The primary development areas relate to leadership, communication, organisational agility, and rewards, which are likely influencing employees' perception of the work environment and their longer-term commitment to the organisation.	A Leadership Development Programme was completed by Management in Q4. Culture change projects are underway to address the findings.
ENHANCE CORPORATE GOVERNANCE							
9	Effective governance and internal control measures	Clean audit with no repeat findings and no more than 3 new findings on the BAC Report (judgmental differences not considered)	Clean audit with no repeat findings and no more than 3 new findings on the BAC Report (judgmental differences not considered)	N/A	Target not achieved. Clean audit with repeat findings achieved.	The findings were partially resolved.	The findings were partially resolved and will be cleared in the FY 2027.

INDEPENDENT AUDITOR'S REPORT

Independent Auditor's Report to Parliament on Export Credit Insurance Corporation of South Africa SOC Ltd

Report on the audit of the financial statements

Opinion

1. We have audited the financial statements of Export Credit Insurance Corporation of South Africa SOC Ltd (the public entity) set out on pages 20 to 121, which comprise the statement of financial position as at 31 March 2026, statement of profit or loss and other comprehensive income, statement of changes in equity and the statement of cash flows, for the year then ended, as well as notes to the financial statements, including material accounting policy information.
2. In our opinion, the financial statements present fairly, in all material respects, the financial position of Export Credit Insurance Corporation of South Africa SOC Ltd as at 31 March 2026, and its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Public Finance Management Act 1 of 1999 (PFMA) and the Companies Act of South Africa (Companies Act).

Basis for opinion

3. We conducted our audit in accordance with the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.
4. We are independent of the public entity in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code), as applicable to audits of financial statements of public interest entities, and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.
6. In terms of the IRBA Rule on Enhanced Auditor Reporting for the Audit of Financial Statements of Public Interest Entities, published in Government Gazette No. 49309 dated 15 September 2023 (EAR Rule), we report:

Final Materiality

7. The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error, and they are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

INDEPENDENT AUDITOR’S
REPORT

8. Our determination of materiality is a matter of professional judgement and is affected by our perception and understanding of the financial information needs of intended users, which is the quantitative and qualitative factors that determine the level at which relevant decisions taken by users would be affected by a misstatement. These factors helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.
9. Based on our professional judgement, we determined final materiality for the financial statements as follows:

Final materiality amount	R115 million
Basis for determining materiality	1% of Total Assets has been used as the basis for determining final materiality.
Rationale for benchmark applied	The public entity’s main business is to facilitate export trade and cross-border investments between the Republic of South Africa and other countries by providing political and/or commercial risk insurance on behalf of the Government of South Africa for such transactions. Therefore, Total Assets is an appropriate quantitative indicator of materiality as Total Assets best reflects the financial health position of the public entity and its ability to pay claims. We selected 1% based on our professional judgement, which considers the regulatory environment that the public entity operates within, state ownership, compliance requirements and oversight by National Treasury and Minister of Finance.

Key audit matters

10. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the current period. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion, and we do not provide a separate opinion on these matters.
11. In terms of the EAR Rule, we are required to also report the outcome of audit procedures or key observations with respect to the key audit matters.

Key audit matter(s)	How the matter was addressed in the audit
Matter #01: Valuation of Insurance Contract Assets and Liabilities – refer to accounting policy 1.5 and notes 2 and 9	Our audit procedures, amongst others, included the following: - We obtained an understanding of the processes related to the valuation of insurance contract assets and liabilities and the relevant key controls within these processes; - We tested the reliability, completeness and accuracy of the underlying data inputs used by the actuaries as the basis for the underlying IFRS 17 estimates and year-end
As at 31 March 2026, the public entity recorded insurance contract assets amounting to R1,664 million and insurance contract liabilities amounting to R433 million. Insurance contract assets and liabilities are measured using the general measurement model in accordance with IFRS 17 Insurance Contracts (IFRS 17).	

Key audit matter(s)	How the matter was addressed in the audit
Insurance contract assets and liabilities are comprised of the liability for remaining cover (LRC) and liability for incurred claims (LIC) components. Under the LRC this includes the Best Estimate Liability (BEL), Risk Adjustment (RA) and Contract Service Margin (CSM). Under the LIC this includes the BEL and RA. A high degree of judgement and estimation was required in determining the value of insurance contracts to be recognised in the financial statements. This involved careful selection of actuarial methods and assumptions concerning the present value of expected future cash flows and the risk adjustment for non-financial risks, collectively comprising the LIC and LRC. The most significant inputs in determining the LIC are the expected salvages received from paid claims. For the LRC, the most significant input assumptions are the probabilities of default, rating transition matrix and discount rates. Complex models were developed to quantify both the LRC and LIC components. The discount rate is determined at a risk-free rate plus an illiquidity premium where applicable. The public entity determines the risk adjustment using a confidence level approach (value to risk), calibrated to the technical reserves being held at a 75th percentile as at 31 March 2026. Due to the complexity described and the significance on the financial statements as a whole, the valuation of insurance contract assets and liabilities as at 31 March 2026 has been designated as a key audit matter.	valuations by agreeing selected information to supporting records and source documentation; - We assessed the appropriateness of management’s valuation methodology applied for compliance with IFRS 17, most recent applicable actuarial guidance and compared the methodology with standard actuarial practices and industry standards; - With the assistance of our actuarial experts, we obtained the calculations of the insurance contract assets and liabilities from management and performed the following procedures: - We assessed the reasonableness of the insurance contract assets and liabilities by reviewing reserve movements between - reporting periods. For a sample of contracts, we independently recalculated selected line items to confirm that the movements were accurately stated and compared the results with the public entity’s actuarial team and comparable industry models. Where recalculations were not feasible due to complexity, we performed reasonableness checks on the relevant line items; - We assessed the reasonability of identified significant assumption changes, including the sensitivity analysis, by evaluating the discount rate used by management as well as the unwinding of the discounting, the lapse rate based on historical experience observed by the public entity and updated using more recent data; and - We assessed the appropriateness of management’s data and assumptions applied in determining the CSM and RA, including the coverage units for reasonability. - We evaluated the appropriateness of the disclosures in note 9 to the financial statements against the requirements of IFRS 17. Based on the procedures performed over the valuation of insurance contract assets and liabilities, we did not identify any significant matters requiring further consideration in concluding on our procedures.
Matter #02: Valuation of level 3 investment – refer to accounting policy 1.9 and notes 2 and 11	Our audit procedures, amongst others, included the following: - We obtained an understanding of the processes for determining the fair value of the investments with unobservable market inputs and the relevant key controls within these processes; - We tested the accuracy of the underlying data used in the fair value estimation by management
As at 31 March 2026, the public entity recorded an investment of unlisted equities with unobservable inputs to the value of R873 million (10% of total financial assets at fair	

INDEPENDENT AUDITOR’S
REPORT

Key audit matter(s)	How the matter was addressed in the audit
value and amortised cost) at fair value through other comprehensive income. The level 3 investment relates to unlisted equities held in African Export-Import Bank (“Afreximbank”). Afrximbank is a supranational financial institution whose purpose is to facilitate, promote and expand intra- and extra-African trade. The fair value is determined in accordance with the requirements of IFRS 13: Fair Value Measurement (IFRS 13) using a discounted cash flow method of valuation over a five-year forecast period at an appropriate risk adjusted discount rate. Significant judgement and subjectivity are involved in assessing the value of the shares, making this area particularly sensitive and critical in the audit process. Given the complexity and subjectivity of the valuation process, the valuation of the level 3 investment was identified as a key audit matter.	by agreeing the information to source documentation; • With the assistance of our internal valuation specialists, we: - Assessed the appropriateness of the valuation methodology with reference to IFRS 13, and industry practice; - Evaluated the reasonableness of the discount rate and beta used by management by benchmarking it against risk-free rates, country risk premiums, market risk premiums and comparable entity data; - Identified key assumptions used in the determination of the investment’s fair value and assessed the reasonableness of the assumptions by comparing to listed peers in Africa operating in the Specialised Finance industry benchmarks; - Evaluated the accuracy of the valuation calculation performed by management by calculating an independent estimate and comparing it to the public entity’s fair value estimate; and • We assessed the appropriateness of the classification and disclosure relating to the determination of the this as a level 3 instrument at fair value, including the sensitivity analysis, against the requirements of IFRS 13. Based on the procedures performed over the valuation of the level 3 investment, we did not identify any significant matters requiring further consideration in concluding on our procedures.

Responsibilities of the accounting authority for the financial statements

12. The board of directors, which constitutes the accounting authority, is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the PFMA and the Companies Act, and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
13. In preparing the financial statements, the accounting authority is responsible for assessing the public entity’s ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the accounting authority either intends to liquidate the public entity or to cease operations or has no realistic alternative but to do so.

Auditor’s responsibilities for the audit of the financial statements

14. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

15. A further description of our responsibilities for the audit of the financial statements is included in the annexure to this auditor’s report. This description, which is located at pages 18 to 19, forms part of our auditor’s report.

Report on the audit of the annual performance report

16. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, we must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected objectives presented in the annual performance report. The accounting authority is responsible for the preparation of the annual performance report.
17. We selected the following objectives presented in the annual performance report for the year ended 31 March 2026 for auditing. We selected objectives that measure the public entity’s performance on its primary mandated functions and that are of significant national, community or public interest.

Objective	Purpose
Objective 1 - Contribute to trade facilitation that results in job creation	Facilitation of exports and cross border investments
Objective 2 - Enhance transformation	Maintain B-BBEE score
Objective 3 - Improve Business Processes and Systems	Automation of business processes
Objective 5 - Enhance Financial Sustainability	Increase in capital base Achieving a tax-exempt status Track the operating cost base of underwriting activities
Objective 6 - Stakeholder and Customer Engagement	Improve employee engagement and organisational culture
Objective 7 - Enhance Corporate Governance	Effective governance and internal control measures

18. We evaluated the reported performance information for the selected objectives against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the public entity’s planning and delivery on its mandate and objectives.
19. We performed procedures to test whether:
- the indicators used for planning and reporting on performance can be linked directly to the public entity’s mandate and the achievement of its planned objectives
 - all the indicators relevant for measuring the public entity’s performance against its primary mandated and prioritised functions and planned objectives are included
 - the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that we can confirm the methods and processes to be used for measuring achievements

INDEPENDENT AUDITOR’S REPORT

- the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
- the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
- the reported performance information is presented in the annual performance report in the prescribed manner and is comparable and understandable
- there is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets

20. We performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion.

21. We did not identify any material findings on the reported performance information for the selected objectives.

Other matter

22. We draw attention to the matter below.

Achievement of planned targets

23. The annual performance report includes information on reported achievements against planned targets and provides explanations for and under achievements.

Report on compliance with legislation

24. In accordance with the PAA and the general notice issued in terms thereof, we must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting authority is responsible for the public entity’s compliance with legislation.

25. We performed procedures to test compliance with selected requirements in key legislation in accordance with the Auditor-General of South Africa (AGSA) findings engagement methodology. This engagement is not an assurance engagement. Accordingly, we do not express an assurance opinion or conclusion.

26. Through an established AGSA process, we selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the public entity, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor’s report.

27. We did not identify any material non-compliance with the selected legislative requirements.

Other information in the financial statements

28. The accounting authority is responsible for the other information. The other information comprises the information included in the document titled “Export Credit Insurance Corporation of South Africa SOC Ltd Financial statements for the year ended 31 March 2026”, which includes the audit committee report, company secretary’s certification and directors’ report as required by the Companies Act. The other information does not include the financial statements, the auditor’s report and those selected objectives presented in the annual performance report that have been specifically reported on in this auditor’s report.

29. Our opinion on the financial statements and our reports on the audit of the annual performance report and compliance with legislation do not cover the other information, and we do not express an audit opinion or any form of assurance conclusion on it.

30. In connection with our audit, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected objectives presented in the annual performance report, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

31. If, based on the work we have performed, we conclude that there is a material misstatement in this other information, we are required to report that fact. We have nothing to report in this regard

Internal control deficiencies

32. We considered internal control relevant to our audit of the financial statements, annual performance report and compliance with applicable legislation; however, our objective was not to express any form of assurance on it.

Other reports

33. We draw attention to the following engagements conducted by various parties. These reports did not form part of our opinion on the financial statements or our findings on the reported performance information or compliance with legislation.

34. We were engaged to perform the following audit-related services:
Audit and review of the quantitative reporting template in compliance with the Insurance Act, 2017 for the year ended 31 March 2026. This report was issued on 31 July 2026.

Auditor tenure

35. In terms of the IRBA Rule published in Government Gazette No. 39475 dated 4 December 2015, we report that Forvis Mazars has been the auditor of Export Credit Insurance Corporation of South Africa SOC Ltd for 3 years.

Forvis Mazars

Forvis Mazars
Partner: Riana Groenewald
Registered Auditor
31 July 2026
Cape Town

INDEPENDENT AUDITOR’S REPORT

Annexure to the auditor’s report

- The annexure includes the following:
- the auditor’s responsibility for the audit
 - the selected legislative requirements for compliance testing.

Auditor’s responsibility for the audit

Professional judgement and professional scepticism

As part of an audit in accordance with the ISAs, we exercise professional judgement and maintain professional scepticism throughout our audit of the financial statements and the procedures performed on reported performance information for selected objectives and on the public entity’s compliance with selected requirements in key legislation.

Financial statements

- In addition to our responsibility for the audit of the financial statements as described in this auditor’s report, we also:
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
 - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the public entity’s internal control
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made
 - conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. We also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the public entity to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify our opinion on the financial statements. Our conclusions are based on the information available to us at the date of this auditor’s report. However, future events or conditions may cause a public entity to cease operating as a going concern
 - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

We communicate with the accounting authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the accounting authority with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to have a bearing on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the current period and are therefore key audit matters. We describe these matters in this auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in this auditor’s report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest of such communication.

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act 1 of 1999	Section 49(1); 50(3)(a); 50(3)(b); 51(1)(a)(ii); 51(1)(a)(iii); 51(1)(b)(i); Section 51(1)(b)(ii); 51(1)(e)(iii); 52(b); 53(4) Section 54(2)(c); 54(2)(d); 55(1)(a); 55(1)(b); Section 55(1)(c)(i); 57(b); 66(3)(b)
Treasury Regulation, issued under the Public Finance Management Act 1 of 1999	TR 16A9.1(b)(ii); 16A9.1(e); 16A9.1(f); 27.1.1; 27.1.3; 27.1.4; 27.1.8(a); 27.1.8(b); 27.1.8(c); 27.1.8(d); 27.1.8(e); 27.1.8(f); 27.1.8(g); 27.2.2; 27.2.7(a); 27.2.7(c); 27.2.7(d); 29.1.1; 29.1.1(a); 29.1.1(c); 29.2.1; 29.2.2; 29.3.1; 30.2.1; 31.1.2(c); 33.1.1; 33.1.3;
National Treasury SCM Instruction No. 03 of 2021/22	Paragraph 4.2
Preferential Procurement Policy Framework Act 5 of 2000	Section 1; 2.1(a); 2.1(f)
Preferential Procurement Regulations 2022	Regulation 4.1; 4.2; 4.3; 4(4); 5.1; 5.2; 5.3; 5(4)
Companies Act Section	45(2); 45(3)(a)(ii); 45(3)(b)(i); 45(3)(b)(ii); 45(4); 46(1)(a); 46(1)(b); 46(1)(c) Section 69(2); 69(7); 69(8); Section 72(4)(a); 75(6); 86(1); 86(4) Section 88(2)(d) Section 112(2)(a); 129(7);
Companies Regulations, 2011, issued under the Companies Act 71 of 2008	Regulation 43(2)(a)
Instruction note No. 4 of 2022/2023: PFMA Compliance and Reporting Framework	Paragraph 4.12; 4.15
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)

STATEMENT OF FINANCIAL POSITION

as at 31 March 2026

	Note(s)	2026 R'000	2025 restated* R'000	01-April-24 restated* R'000
Assets				
Property and equipment	7	10 840	17 575	24 917
Insurance acquisition costs	8	266 589	297 082	267 597
Insurance contract assets	9.1	1 664 213	1 698 453	1 191 281
Reinsurance contract assets	9.1	-	-	84 620
Current tax receivable	29	-	397 131	524 783
Other receivables	10	394 014	64 245	408 825
Financial assets at fair value and amortised cost	11	8 674 260	7 968 888	7 246 984
Cash and cash equivalents	12	454 804	335 588	1 077 021
Total assets		11 464 720	10 778 962	10 826 028
Equity and liabilities				
Equity				
Share capital and share premium	13	316 051	316 051	316 051
Foreign currency translation reserve		3 714 368	4 371 402	4 683 219
Fair value adjustment through other comprehensive income reserve		131 904	(2 986)	(134 784)
Retained income		5 922 603	4 647 938	3 600 427
Total equity		10 084 926	9 332 405	8 464 913
Liabilities				
Insurance contract liabilities	9.1	433 079	576 697	1 239 184
Reinsurance contract liabilities	9.1	75 732	78 478	-
Liability for interest make-up	14	183 882	311 549	444 097
Deferred tax	15	152 609	267 936	379 859
Lease liabilities	16	10 127	15 301	19 224
Current tax payable		30 817	-	-
Employee benefits liability	17	31 547	5 141	5 274
Other payables	18	455 018	128 860	273 022
Derivatives instruments	11	6 983	62 595	455
Total liabilities		1 379 794	1 446 557	2 361 115
Total equity and liabilities		11 464 720	10 778 962	10 826 028

* – Refer to restatement note 37

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

as at 31 March 2026

	Note(s)	2026 R'000	2025 restated* R'000
Insurance revenue	20	222 626	291 511
Insurance service expenses	20	(185 251)	29 010
Net (expense)/income from reinsurance contracts	20	(886)	(7 603)
Insurance service result		36 489	312 918
Net finance income/(expense) from insurance contracts issued		18 738	86 993
Net finance income/(expense) from reinsurance contracts held		(1 620)	3 282
Net insurance finance income/(expenses)		17 118	90 275
Net insurance results		53 607	403 193
IMU grant receipts		167 881	162 488
Other income	21	23 855	15 222
Gains/(losses) on exchange differences	22	268 476	102 440
Operating expenses	23	(135 971)	(69 468)
Fair value movements on IMU liability	14	(22 296)	(29 623)
Net investment income	24	1 058 196	664 671
Interest expense	25	(2 154)	(1 566)
Profit /(loss) before taxation		1 411 594	1 247 357
Taxation	26	(136 929)	(199 846)
Profit /(loss) for the year		1 274 665	1 047 511
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Currency translation differences	27	(657 034)	(311 817)
Fair value adjustments of financial assets	11	158 217	161 774
Deferred tax on fair value of financial assets		(34 175)	(34 943)
Tax on forex movements through OCI		10 848	4 967
Total items that will not be reclassified to profit or loss		(522 144)	(180 019)
Other comprehensive (loss)/income for the year net of taxation		(522 144)	(180 019)
Total comprehensive income for the year		752 521	867 492

* – Refer to restatement note 37

STATEMENT OF
CHANGES IN EQUITY

as at 31 March 2026

	Share capital and share premium	Foreign currency translation reserve**	Reserve for valuation of financial instruments***	Total reserves & (foreign currency & fair value adjustment)	Retained income	Total equity
	R'000	R'000	R'000	R'000	R'000	R'000
Balance at 01 April 2024 as previously reported	316 051	4 685 885	(134 784)	4 551 101	3 799 037	8 666 189
Prior period error	-	(2 666)	-	(2 666)	(198 610)	(201 276)
Balance at 01 April 2024 restated*	316 051	4 683 219	(134 784)	4 548 435	3 600 427	8 464 913
Profit for the year*	-	-	-	-	1 047 511	1 047 511
Effects of translation to presentation currency - restated (note 27)*	-	(311 817)	-	(311 817)	-	(311 817)
Fair value adjustment net of taxation	-	-	126 831	126 831	-	126 831
Tax on forex movements through OCI	-	-	4 967	4 967	-	4 967
Total comprehensive income for the year	-	(311 817)	131 798	(180 019)	1 047 511	867 492
Balance at 1 April 2025	316 051	4 371 402	(2 986)	4 368 416	4 647 938	9 332 405
Profit for the year	-	-	-	-	1 274 665	1 274 665
Effects of translation to presentation currency (note 27)	-	(657 034)	-	(657 034)	-	(657 034)
Fair value adjustment net of taxation	-	-	124 042	124 042	-	124 042
Tax on forex movements through OCI	-	-	10 848	10 848	-	10 848
Total comprehensive income for the year	-	(657 034)	134 890	(522 144)	1 274 665	752 521
Balance at 31 March 2026	316 051	3 714 368	131 904	3 846 272	5 922 603	10 084 926

Note(s)

* – Refer to restatement note 37.

** This reserve relates to the translation of monetary and non-monetary items to the presentation currency, see note 1.6.

*** This reserve relates to the fair value adjustment of unlisted equities. The fair value adjustments are recognised and measured through other comprehensive income (OCI), see note 11.

STATEMENT OF
CASH FLOWS

as at 31 March 2026

	Note(s)	2026 R'000	2025 R'000
Cash flows from operating activities			
Cash used in underwriting activities	28	(295 690)	(595 528)
Interest received		290 977	328 067
Dividends received		104 356	85 129
Interest paid	25	(1 132)	(1 566)
Interest make-up grant receipts		167 881	162 488
Interest make-up claims paid	14	(136 843)	(145 680)
Taxation refund/(paid)	29	140 485	(203 235)
Net cash from operating activities		270 034	(370 325)
Cash flows from investing activities			
Purchase of property and equipment	7	(1 080)	(526)
Proceeds/(refunds) from sale of equipment	7	(1)	177
Purchases of investments at fair value	11	(6 179 291)	(6 126 979)
Proceeds from sales of investments at fair value	11	6 046 442	5 745 678
Net cash from investing activities		(133 930)	(381 650)
Cash flows from financing activities			
Payments of lease liabilities	16	(5 174)	(3 923)
Total cash movement for the year		130 930	(755 898)
Cash and cash equivalents at the beginning of the year		335 588	1 077 021
Effect of foreign currency translation on cash and cash equivalents	27	(28 392)	7 160
Unrealised foreign exchange profit/(loss) on cash and cash equivalents	22	16 678	7 305
Cash and cash equivalents at the end of the year	12	454 804	335 588

ACCOUNTING POLICIES

1. Material accounting policies

1.1 General information

The ECIC is a state-owned entity incorporated in South Africa. The nature of the risk underwritten by the Corporation in pursuant to its objectives as set out in the Export Credit and Foreign Investment Re-insurance Act of 1957, as amended, is set out in note 3.1.

The Corporation provides risk mitigation solutions for South African exporters who have cross-border investments or offer goods and services into the international market. The focus is on Africa and other emerging markets outside the continent that are considered too risky for conventional insurers. The Corporation's goal, as mandated by the South African government as the sole shareholder and aligned with South Africa's national imperatives, is to make South African exports attractive to international buyers. The aim is to stimulate economic growth through exports that contribute to the generation of foreign currency-denominated income, job creation and global competitiveness.

1.2 Basis of preparation

The annual financial statements of the Corporation are prepared on the going concern basis in compliance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB); the IFRIC® interpretations as issued by the IFRS Interpretations Committee; South African Reporting Requirements; and the requirements of the Public Finance Management Act No. 1 of 1999 of South Africa, as amended; and the Companies Act No. 78 of 2008 of South Africa, as amended. As at 31 March 2026, the Corporation was solvent with total assets exceeding total liabilities by R10.1 billion (2025: R9.3 billion).

The annual financial statements are prepared on the historical cost basis, adjusted by the revaluation of financial assets that are measured at fair value and translation of functional currency to the presentation currency as detailed in 1.6 below. Insurance contracts are prepared on a fulfilment cash flow basis. The amounts in the annual financial statements have been rounded to the nearest thousand.

The financial statements of the ECIC have been authorised for issue by the Board of Directors on 29 July 2026.

These accounting policies are consistent with the previous period, unless stated otherwise.

1.3 New standards, amendments and interpretations issued

(a) New standards, amendments and interpretations issued and effective but not early adopted in the prior financial year and implemented in the current financial year.

(i) IAS 21 The Effects of Changes in Foreign Exchange Rates

Lack of Exchangeability

The amendments require an entity to apply a consistent approach to assessing whether a currency is exchangeable into another currency and, when it is not, to determining the exchange rate to use and the disclosures to provide.

The amendment is effective for financial years beginning on or after 1 January 2025. There is no material impact as a result of the amendment as the Corporation mainly trades in USD, ZAR, EUR and GBP.

(b) New standards, amendments and interpretations issued but not effective for the financial year and not early adopted

(i) IFRS 7 Financial Instruments: Disclosures

Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7

The amendments to IFRS 7 introduce additional disclosure requirements to enhance transparency for investors regarding investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features, such as features tied to ESG-linked targets.

ACCOUNTING POLICIES

1.3 New standards, amendments and interpretations issued (continued)

The amendment is effective for financial years beginning on or after 1 January 2026. No material impact is expected as a result of the amendment.

(ii) IFRS 9 Financial Instruments

Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7

Narrow scope amendments to address diversity in accounting practice by making the classification and measurement requirements of IFRS 9 more understandable and consistent, by:

- Clarifying the classification of financial assets with environmental, social and corporate governance (ESG) and similar features; and
- Clarifying the date on which a financial asset or financial liability is derecognised when a liability is settled through electronic payment systems. These amendments also introduce an accounting policy option to allow a company to derecognise a financial liability before it delivers cash on the settlement date if specified criteria are met.

Annual Improvements to IFRS Accounting Standards—Volume 11

Two narrow scope amendments were made to IFRS 9:

- Derecognition of lease liabilities. The amendment clarifies that, when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to recognise any resulting gain or loss arising from the difference between the carrying amount of the lease liability extinguished or transferred and any consideration paid in profit or loss.

The amendment is effective for financial years beginning on or after 1 January 2026. No material impact is expected as a result of the amendment.

(iii) IFRS 18 Presentation and Disclosure in Financial Statements

- IFRS 18 is the culmination of the IASB's Primary Financial Statements project.
- IFRS 18 introduces three sets of new requirements to improve companies' reporting of financial performance and give investors a better basis for analysing and comparing companies:
- Improved comparability in the statement of profit or loss (income statement) through the introduction of three defined categories for income and expenses—operating, investing and financing—to improve the structure of the income statement and a requirement for all companies to provide new defined subtotals, including operating profit.
- Enhanced transparency of management-defined performance measures with a requirement for companies to disclose explanations of those company-specific measures that are related to the profit or loss.
- More useful grouping of information in the financial statements through enhanced guidance on how to organise information and whether to provide it in the primary financial statements or in the notes, as well as a requirement for companies to provide more transparency about operating expenses.
- This standard replaces IAS 1 Presentation of Financial Statements. It carries forward many requirements from IAS 1 unchanged.

The standard is effective for financial years beginning on or after 1 January 2027. A change to the primary financial statements is expected. The impact is still being assessed.

1.4 Significant judgements and sources of estimation uncertainty

The preparation of the annual financial statements in conformity with IFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are

ACCOUNTING POLICIES

1.4 Significant judgements and sources of estimation uncertainty (continued)

believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from the estimates. The most significant judgements, estimates and assumptions relate to:

- Insurance contract assets and liabilities (issued and reinsured);
- Fair value measurement of assets and liabilities; and
- Impairment of financial and non-financial assets.

See note 2 for the details of the estimates, judgements and assumptions made.

1.5 Recognition and measurement of insurance contracts (issued and reinsured)

Insurance contracts are those contracts under which the Corporation accepts significant insurance risk from the policyholder by agreeing to compensate the policyholder if the insured event adversely affects them. Such contracts may also transfer financial risk.

1.5.1 Definition and classification

All ECIC products are deemed to fall within the scope of IFRS 17, given that the ECIC accepts significant insurance risk through providing cover against uncertain future events. The uncertainty is in relation to the probability of the insured events, the potential timing of such events and, for some products, the payment amount as well.

It could potentially be argued that certain elements of the Performance Bond Insurance product are of the nature of a financial guarantee. The ECIC has always accounted for this product as an insurance product in line with the applicable insurance accounting standard and elects to continue to do so under IFRS 17.

1.5.2 Summary of measurement approaches

The valuation method referred to as general measurement model (GMM) is used. This method consists of the following components:

- Fulfilment cash flows (updated at each reporting date), which are defined as:
 - The present value of probability-weighted expected cash flows (best estimate cash inflows and outflows relevant to the fulfilment of the insurance contract);
 - An explicit risk adjustment for non financial risk; and
 - Contractual service margin (CSM), which is the expected profit from the unearned portion of the contract.

1.5.3 Unit of account (aggregation of insurance contracts)

The Corporation's contracts are aggregated into portfolios based on whether they are managed together and share similar risks, then the subsequent classification is grouped into profitability groups.

In broad terms, the ECIC sees its business in three main business lines and a number of sub-business lines, these being as follows:

- Investment guarantee business
 - Investment Insurance
 - Bond Insurance
- Trade credit business
 - Investment guarantee – Commercial loans
 - Export Credit Insurance
 - Working Capital Facilities
- Short-term credit business
 - Short-term credit cover is where the tenure is less than two years.

ACCOUNTING POLICIES

1.5 Recognition and measurement of insurance contracts (issued and reinsured) (continued)

However, the risk profile and underlying project/investment specifics of each project, investment or transaction is unique. Each project, investment or transaction might include a number of insurance contracts, for example multiple banks lending to one project where each bank has a separate ECIC insurance policy.

For all related policies or contracts for a single project, investment or transaction, the recognition and measurement requirements are applied at a project, investment or transaction level per sub-business line. Such grouping of contracts is not followed if the contracts are issued more than 12 months apart.

1.5.4 Recognition

The earliest recognition date for the ECIC is on the effective date of the contract. The effective date could be the date on which the coverage period begins, the premium is invoiced or received, or the first loan draw is made. The determination of the effective date involves significant judgement, as it depends on identifying the point at which the Corporation becomes substantively obligated to provide insurance contract services or has received consideration from the policyholder. This assessment takes into account the terms of the contract, the nature of the underlying exposure and the operational processes tied to premium payment or loan disbursement. Accordingly, an onerous contract assessment is required between the date of signature and the effective date, which requires recognition of contracts that are onerous before coverage begins or premiums are due. Assessment of onerous contracts (for issued and reinsured contracts) is conducted at underwriting stage and, if the contract is deemed onerous, the contract is recognised on the date of signature. An insurance contract is deemed onerous if the fulfilment cash flows, any previously recognised acquisition cash flows and any cash flows arising from the contract at the date of initial recognition in total are a net outflow. An assessment is also done for contracts that do not have a significant possibility of becoming onerous.

All these grouping assessments are done on initial recognition and reassessed subsequently based on future changes in risk.

1.5.5 Accounting for contract modification and derecognition

The decision to derecognise a contract by the ECIC may arise in specific scenarios. The potential scenario for the ECIC in which a decision of derecognition needs to be applied before the expiry of the policy is when a transaction is restructured. The exercise of a right included in the contract is not deemed a modification. If the terms of a contract are modified in a way that would have significantly changed the accounting for the contract had the new terms always existed, then the modification triggers the derecognition of the original contract and recognition of a new contract. Contract modifications that necessitate derecognition include those that lead to a significantly different contract boundary or would have placed the modified contract in a distinct group if the new terms had been present initially. Hence, the ECIC considers contract modifications on a case-by-case basis to determine whether the required conditions of derecognition have been met, refer to note 2(a) for additional information. If the contract modifications are not significant, they are treated as a change in accounting estimate.

1.5.6 Measurement

Fulfilment cash flows

For the ECIC, for the liability of remaining coverage, the expected cash in and out flows are the following:

- Inflows
 - Remaining premiums receivable in future as per the contract, either up front or on an annualised basis;
 - Penalty premium that would apply on early lapse
- Outflows
 - Expected claim payments net of expected claim salvages (see note 2 - Claim Salvages and note 6);
 - Expected claims handling expenses;
 - Expected policy administration expenses;
 - Acquisition costs

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1.5 Recognition and measurement of insurance contracts (issued and reinsured) (continued)

Fulfilment cash flows within contract boundary

Cash flows are within the contract boundary if they arise from substantive rights and obligations under an insurance contract. Given that for all contracts the contract boundary is the same as the full term of the contract, all fulfilment cash flows are within the contract boundary.

Contract boundary

For all ECIC products, the period of obligation is the full term of the contract, because the ECIC does not have the unilateral ability to reassess and reprice the contract and hence present enforceable obligations for the full term of the contract.

For all ECIC reinsurance contracts, the period of obligation is the full term of the contract, because the reinsurer does not have the unilateral ability to reassess and reprice the contract and hence present enforceable obligations for the full term of the contract.

Insurance acquisition costs

For a typical insurance company, new acquisitions of insurance contracts would be expected to occur uniformly throughout the year. The volume of new insurance contracts is generally of a sufficiently large magnitude such that overall acquisition costs could be allocated to policies incepting during the period. For the ECIC, however, the business model is different, with long lead times in underwriting new insurance contracts meaning the period could stretch across multiple financial years. To allocate acquisition expenses appropriately to insurance contracts, the starting point for acquisition costs is that they accumulate in a pre recognition acquisition cost asset. Significant judgement is applied in estimating and managing this pre-recognition acquisition cost asset. This includes determining the appropriate allocation of acquisition costs to potential future contracts and assessing their recoverability. Acquisition costs are allocated to potential individual contracts based on two factors:

- Relative effort expended in pursuing each contract in the given year, assessed as low, medium or high by the underwriting team; and
- Anticipated premiums, used to indicate the relative size of each transaction and the related complexity.

For the period between underwriting and the inception date the pre-recognition acquisition cost asset is tested each year for impairment based on anticipated premiums from the contract. Where costs have been allocated to a new contract that was pursued unsuccessfully, those cost are reallocated to the other contracts anticipated to incept in the same financial year.

This approach reflects the nature of the ECIC's business model and requires the use of management judgement in forecasting contract outcomes, estimating expected premiums, and attributing acquisition efforts reliably and consistently across pending transactions. The acquisition costs related to the contract that became effective in the current year are adjusted to the LRC and amortised over the contract period.

Initial measurement of insurance contracts measured using the GMM

Fulfilment cash flows

Fulfilment cash flows represent the expected future cash flows required to fulfil the Corporation's obligation under the insurance contract. It reflects the Corporation's best estimate of future premiums, claims and expenses associated with the remaining coverage period. It refers to the present value of an unbiased and probability-weighted estimate of future cash flows. The uncertainty of future cash flows is allowed in the risk adjustment.

Risk adjustment for non-financial risks

The risk adjustment (RA) is an adjustment to the expected value in the determination of the liability for an insurance contract. The RA is an additional amount included in the liability for remaining coverage (LRC) to account for the inherent uncertainty and risk associated with insurance contracts. It represents the Corporation's assessment of the compensation required to assume the risks inherent in the insurance contracts. The RA reflects the possibility that the actual cash flows may deviate from the best

ACCOUNTING POLICIES

1.5 Recognition and measurement of insurance contracts (issued and reinsured) (continued)

estimate due to factors such as uncertainty in claims experience, policyholder behaviour, and other relevant risks. RA being the amount used to cover the adverse deviation that can be expected in normal circumstances, with capital to cover the adverse deviation in the more extreme circumstance.

The uncertainty on future interest payments as part of the fulfilment cash flows for LIC is deemed to be part of the insurance obligations but are based on a market observable rate and hence measured under financial risks.

The risk adjustment for non-financial risk is accounted for in profit or loss as part of insurance revenue (LRC) or insurance services expense (LIC).

Contractual service margin (CSM)

The CSM is a component of the carrying amount of the asset or liability for a group of insurance contracts issued representing the unearned profit that the Corporation will recognise as it provides coverage in the future.

At initial recognition, the CSM is an amount that results in no income or expenses (unless a group of contracts is onerous) arising from:

- The initial recognition of the fulfilment cash flows;
- The derecognition at the date of initial recognition of any asset or liability recognised for insurance acquisition cash flows; and
- Cash flows arising from the contracts in the group at that date.

A negative CSM at the date of inception means the group of insurance contracts issued is onerous. A loss from onerous insurance contracts is recognised in profit or loss immediately with no CSM recognised on the statement of financial position on initial recognition.

For groups of reinsurance contracts held, any net gain or loss at initial recognition is recognised as the CSM unless the net cost of purchasing reinsurance relates to past events, in which case the Corporation recognises the net cost immediately in profit or loss. For reinsurance contracts held, the CSM represents a deferred profit that the Corporation will recognise as a reinsurance expense as it receives reinsurance coverage in the future.

For reinsurance contracts acquired, at initial recognition, the CSM is an amount that results in no income or expenses arising from:

- The initial recognition of the fulfilment cash flows; and
- Cash flows arising from the contracts in the group at that date, including the fair value of the groups of contracts acquired as at the acquisition date as a proxy of the premiums received.

Loss component

The loss component quantifies the size of the loss associated with an insurance contract. It represents the portion of the fulfilment cash flows that is not funded by the premiums expected under the contracts. It is established at initial measurement (i.e. contract inception) when a contract is onerous, when expected outflows and risk adjustment exceed expected inflows.

The loss component recognised during the year was primarily driven by an increase in operating expenses allocated to insurance contracts and a reduction in portfolio volumes. These factors increased the expected fulfilment cash outflows of certain groups of contracts, resulting in the recognition of onerous contracts and the associated loss component.

Discounting

It is performed separately for liabilities denominated in rand (ZAR), euro (EUR) and US dollars (USD). The discount rates are determined with a bottom-up approach using the applicable liquid risk-free yield curve and adding an illiquidity premium where relevant. The discount rates are consistent with observable market prices and uses a separate risk-free yield curve for each applicable currency, as at the measurement period.

The illiquidity premium is determined from a top-down analysis, using a reference portfolio. The reference portfolio is chosen

ACCOUNTING POLICIES

1.5 Recognition and measurement of insurance contracts (issued and reinsured) (continued)

as a useful, albeit imperfect, starting point for matching the liquidity and other characteristics of the underlying insurance contracts. It is a portfolio of listed and traded bonds, which has the advantage of readily available yields and spreads. If the portfolio includes assets with credit risk, the spread includes a credit risk premium that can be determined as a percentage of the total spread and needs to be removed. Also, a listed and traded portfolio may have greater liquidity than a completely illiquid insurance contract, requiring a necessary adjustment. Therefore, the portfolio illiquidity premium requires an addition to reflect liquidity differences between the reference portfolio and the insurance contracts.

Therefore, the estimated illiquidity premium is a constant plus a percentage of the spread on the reference portfolio. To incorporate the fact that different insurance contracts have different illiquidity characteristics, the contracts are categorised into illiquidity buckets. Then an application ratio is applied to the illiquidity premium for each illiquidity bucket.

Subsequent measurement – Groups of contracts measured using the GMM

Changes in fulfilment cash flows

Some changes in fulfilment cash flows relating to future service goes towards adjusting the CSM, except where such increases in the fulfilment net cash outflows exceed the carrying amount of the CSM, giving rise to a loss. Or such decreases in the fulfilment net cash outflows are allocated to the loss component of the LRC. The experience adjustments arising from premiums received in the period that relates to current and past services and the changes for current services are recognised in profit or loss.

Changes in loss component

The loss component is established for the first time in subsequent measurement when there are unfavourable changes in fulfilment cash flows arising from changes in the estimate of future cash flows relating to future service exceeding the carrying amount of the CSM of an initially profitable contract. This loss component would subsequently change when there are unfavourable or favourable changes in fulfilment cash flows that relate to future services. The loss component is amortised in line with the release of fulfilment cash flows in profit or loss. This amortisation is seen as a reversal of losses incurred when raising the loss component and are expressed as a reduction of insurance service expenses.

Changes to the CSM

The CSM at the end of the reporting period represents the profit in the group of insurance contracts that has not yet been recognised in profit or loss because it relates to the future service to be provided under the contracts in the group. The CSM at the end of the reporting period equals the carrying amount at the start of the reporting period adjusted for:

- The effect of any new contracts added to the group;
- Interest accreted on the carrying amount of the CSM during the reporting period, measured at the discount rates;
- The changes in fulfilment cash flows relating to future service as, except to the extent that:
 - Such increases in the fulfilment net cash outflows exceed the carrying amount of the CSM, giving rise to a loss; or
 - Such decreases in the fulfilment net cash outflows are allocated to the loss component of the LRC
- The effect of any currency exchange differences on the CSM; and
- The amount recognised as insurance revenue because of the transfer of services in the period, determined by the allocation of the CSM remaining at the end of the reporting period (before any allocation) over the current and remaining coverage period applying.

Some changes in the CSM offset changes in the fulfilment cash flows for the LRC, resulting in no change in the total carrying amount of the LRC. To the extent that changes in the CSM do not offset changes in the fulfilment cash flows for the LRC, the Corporation shall recognise income and expenses for the changes.

ACCOUNTING POLICIES

1.5 Recognition and measurement of insurance contracts (issued and reinsured) (continued)

The locked-in initial discount curve is used to measure adjustments that adjust the CSM. Changes in the value of insurance contracts due to changes in the time value of money and financial risk are captured in the profit and loss and do not result in adjustments to the CSM.

Coverage units

The coverage units for a period should reflect the quantity of benefits provided in the period. To determine the quantity of benefits provided should consider the benefits expected to be received by the policyholder, not the costs of providing those benefits expected to be incurred by the ECIC. A policyholder benefits from the ECIC standing ready to meet valid claims, not just from making a claim if an insured event occurs. The quantity of benefits provided therefore relates to the amounts that can be claimed by the policyholder. The coverage units will be determined using the expired exposure relative to the total exposure of the contract. The exposure used is the political sum insured of each contract as that represents the maximum benefit payable to the insured. This exposure years profile captures the profile of the risk the ECIC is exposed to, given the non-uniformity of the exposures. For example, it captures a typical loan profile, where the outstanding balance increases with drawdowns and then reduce again with repayments. The commercial risk cover is always relative to political risk cover; hence, the coverage unit profile is appropriate for both risks. The exposures are discounted to the valuation date to allow for the time value of money.

1.5.7 Amounts recognised in profit and loss

Insurance service result from insurance contracts issued

Insurance revenue

As the ECIC provides services under insurance contracts, it reduces the LRC and recognises insurance revenue. The insurance revenue comprises from the change in LRC through:

- Insurance claims and expenses incurred in the period measured at the amounts expected at the beginning of the period. Excluding amounts related to the loss component and acquisition expenses;
- Changes in the risk adjustment for non-financial risk, excluding changes related to future coverage, which adjust the CSM and amounts allocated to the loss component;
- Amount of CSM recognised in profit or loss for the services provided in the period;
- Experience adjustments arising from premiums received in the period that relates to current and past services.

Insurance service expenses

Insurance service expenses include the following:

- Incurred claims and benefits excluding investment components;
- Other incurred directly attributable insurance service expenses;
- Changes that relate to past service (i.e. changes in the fulfilment cash flows relating to the LIC; and
- Changes that relate to future service (i.e. losses or reversal on onerous groups of contracts from changes in the loss components).

Insurance service result from reinsurance contracts held

Net income or expenses from reinsurance contracts held

The ECIC presents financial performance of reinsurance contracts held which comprise of the following amounts:

- Reinsurance expenses;
- Incurred claims recovery;

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1.5 Recognition and measurement of insurance contracts (issued and reinsured) (continued)

- Other incurred directly attributable insurance service expenses;
- Effects of changes in risk of reinsurer non performance;
- Changes that relate to future service (i.e. changes in the future fulfilment cash flows that do not adjust the CSM), and
- Changes relating to past service in adjustments to incurred claims.

Insurance finance income or expenses

Insurance finance income or expenses comprise the change in the carrying amount of the group of insurance contracts arising from the effect of the time value of money and changes in the time value of money, and the effect of financial risk and changes in financial risk. The Corporation has elected to present the full impact of insurance finance income or expenses in profit or loss.

The main amounts within insurance finance income or expenses are:

- Interest accredited on the fulfilment cash flows and the CSM; and
- The effect of changes in interest rates and other financial assumptions.

The ECIC chose to use the locked-in initial discount curve to unwind discounting and to split the change in the risk adjustment for non-financial risk between the insurance revenue or insurance service expenses and insurance finance income or expenses.

The insurance finance income or expenses does not relate to the same assets for which investment income is earned on. The insurance finance income or expenses relates to the unwinding of insurance contract assets and liabilities while the investment income relates to funds invested by the Corporation.

The quantum of the insurance contract liabilities does however inform the duration of the investment and the type of classes invested in.

1.6 Foreign currency translation

Functional and presentation currency

The financial statements are presented in South African rand, which is the presentation currency of the shareholder. The US dollar is the functional currency for the Corporation, the functional currency being the currency of the primary economic environment in which the Corporation operates.

Reporting foreign currency transactions in functional currency

Foreign currency transactions are transactions that are denominated or require settlement in a foreign currency.

A foreign currency transaction is recorded, on initial recognition in the functional currency, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of each reporting period:

- All foreign currency monetary items are translated using the closing rate;
- Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognised in profit or loss in the period in which they arise.

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Translation from functional to presentation currency

The annual financial statements are translated from the functional currency to the presentation currency using the average rate or spot rate at transaction date for profit or loss items and the closing rate for the statement of financial position items.

Average rates are used for transactions where there are multiple transaction dates that are not easily identifiable as the exchange rates did not move significantly. Spot rates are used for transactions where the transaction date is easily identifiable.

The resulting exchange differences are recognised in other comprehensive income and accumulated separately in a foreign currency translation reserve, which is a separate component of equity. There are no tax implications on the foreign currency translation reserve as the Corporation is taxed in ZAR, as disclosed in note 39. The foreign currency translation reserves are not reclassified from equity to profit and loss when the statement of financial position items are disposed.

1.7 Property and equipment

1.7.1 Owned property and equipment

At initial recognition, equipment is measured at historic cost. Historic cost includes all expenditure that is directly attributable to the acquisition of an asset and to bringing it to a working condition for its intended use.

Subsequent to initial recognition, equipment is measured at historical cost less accumulated depreciation and impairment losses. Subsequent expenditure relating to equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Corporation and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

Depreciation is calculated to write off the cost of the assets to residual values on a straight-line basis over their expected useful lives.

The different categories of assets are depreciated over the following estimated useful lives:

Furniture and fixtures	5–9 years
Office equipment	5–9 years
Computer equipment	3–6 years
Motor vehicles	9 years

The residual values, estimated useful lives and depreciation methods are reviewed at each reporting date and adjusted if appropriate at each reporting date. The estimation of useful life and residual value for the assets is based on the experience of the Corporation with similar assets as well as the manner that reflects the benefits to be derived from those assets. The effects of any revision are recognised in profit or loss when the changes arise. The revisions are treated as changes in estimates.

The carrying amount of equipment is derecognised on disposal or where no future economic benefits are expected from its use or disposal.

The gain or loss arising from the derecognition of an item of equipment is included in profit or loss when the item is derecognised. The gain or loss arising from the derecognition of an item of equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item. The proceeds received for indemnity payments on loss or damage of equipment are recognised in profit or loss as other income when they are received.

Please refer to 1.10 for impairment of property and equipment.

1.7.2 Right-of-use assets

The right-of-use asset is measured at cost less accumulated depreciation and accumulated impairment losses. Cost is made up of the initial measurement of the lease liability, plus any initial direct costs incurred by the Corporation.

The Corporation depreciates the right-of-use assets on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset. The Corporation also assesses the right-of-use asset for impairment indicators at each reporting date.

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Right-of-use assets are depreciated over the lease term as indicated below:	
Buildings:	5 years
Computer equipment (printers):	5 years (including two-year renewal option)

The carrying amount of leased assets is derecognised on termination of the lease agreement.

1.8 Lease liabilities and short-term leases

Identification of the lease

For any new contracts entered into, the Corporation considers whether a contract is, or contains, a lease. A lease is defined as ‘a contract, or part of a contract, which conveys the right to use an asset (the underlying asset) for a period in exchange for consideration’.

Measurement and recognition of leases as a lessee

a) Initial measurement of the right-of-use asset and lease liability

At lease commencement date, the Corporation recognises a right-of-use asset and a lease liability on the statement of financial position.

The lease liability is measured at the present value of the lease payments unpaid at that date, discounted using the incremental borrowing rate. The interest rate implicit in the lease cannot be readily determined because the lease agreements do not provide sufficient information regarding the lessor’s expected residual value of the leased asset, initial direct costs, or the lessor’s required return.

Lease payments included in the measurement of the lease liability are made up of fixed payments, i.e. variable payments are excluded.

b) Subsequent measurement of the right-of-use asset and lease liability

Subsequent to initial measurement, the liability is accounted for by applying the effective interest method and will be reduced by payments made and increased by finance costs. The lease liability is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. The finance costs are recognised in profit or loss.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit or loss if the right-of-use asset is already reduced to zero.

For the short-term leases and leases of low-value assets, lease payments on lease agreements are recognised as an expense on a straight-line basis over the lease term. Associated costs, such a maintenance and insurance, are expensed as incurred.

1.9 Financial assets and liabilities

The Corporation recognises a financial asset or financial liability on its statement of financial position when, and only when, it becomes a party to the contractual provisions of the instruments.

Financial assets

The Corporation classified its financial assets into the following categories: financial assets designated at fair value through profit and loss (FVTPL), financial assets through Other Comprehensive Income (OCI) and financial assets measured at amortised cost. The classification is dependent on the business model and the characteristics of the cash flows.

Financial assets designated at fair value through profit and loss

These assets are managed, and their performance is evaluated, on a fair-value basis. Information about the financial assets is provided internally on a fair-value basis. The intention of the Corporation’s investment strategy is to maximise returns within the investment portfolio through active buying and selling. This is done by investing in fixed or variable rate instruments such as

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1.9 Financial assets and liabilities (continued)

bonds and equity, and evaluating them with reference to their fair value. Assets included in this portfolio are classified on initial recognition.

Financial assets at amortised cost

The Corporation invests in fixed-term deposits, which are measured at amortised cost using the effective interest method. The intention in holding these investments is to earn interest while providing the Corporation with the liquidity to settle immediate claims and operational requirements.

Financial assets through other comprehensive income (equity)

These assets are investments in unlisted equities held for strategic reasons. The intention is not to sell the shares. The income valuation approach is used to determine the fair value of the instrument.

Cash and cash equivalents

Cash and cash equivalents are measured at amortised cost using the effective interest method. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value. Investments (short-term deposits) normally only qualify as cash equivalents if they have a short maturity of three months or less from the date of acquisition and are highly liquid.

Other receivables

Other receivables consist of financial and non-financial assets.

Financial assets

Other receivables comprise receivables from policyholders, staff loans and advances, deposits and other receivables, and are measured, subsequent to initial recognition, at amortised cost.

The amortised cost is the amount initially recognised on the receivable, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method, of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Non-financial assets

These include VAT, travel advances and prepayments, which are measured at cost and not subsequently impaired as there is no associated increase in significant risk.

Financial liabilities

The Corporation classified its financial liabilities into the following categories: financial liabilities designated at fair value through profit or loss and financial liabilities at amortised cost.

Financial liabilities at amortised cost

These financial liabilities are made up of other payables.

Financial liabilities measured at fair value through profit or loss

The liability for interest make-up (IMU) is designated as financial liability at fair value through profit or loss; refer to note 14 for more details.

Derivative instruments that form part of the investment portfolio for the Corporation are evaluated on a fair value basis.

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1.9 Financial assets and liabilities (continued)

The Corporation invests in derivative instruments for efficient portfolio management. The objectives of this strategy are:

- Asset Allocation: To allocate funds effectively across different asset classes;
- Currency hedging: To mitigate or eliminate the impact of multiple currency exposures;
- Interest rate hedging: To mitigate or eliminate the impact of different duration profiles; and
- Cost and operational efficiency: To access exposure to an instrument in a more cost and/or operationally efficient manner than a direct purchase.

Below are the types of derivative instruments utilised by the Corporation and the risk that is mitigated by each instrument (see note 11):

Nature of derivative instrument		Risk mitigation
Futures	Interest rate futures	Protects the portfolio against interest rate movements
Futures	Equity and index futures	Protects the portfolio against market movements.
Forwards	Forward exchange rate agreement	Protects the portfolio against currency exposure movements
Credit derivatives	Total return swap	Protects the portfolio against interest rate and credit spreads movements
Put options	Bond options	Protects the portfolio underlining instrument against falling prices

1.9.1 Initial measurement

Financial instruments are initially recognised at fair value, plus or minus, for financial instruments not at fair value through profit and loss, any directly attributable transaction costs.

Purchases and disposals of financial assets are recognised on trade date. Transaction costs for fair value through profit and loss are recognised in profit or loss.

1.9.2 Subsequent measurement

Financial assets measured at fair value through profit or loss

Financial assets measured at fair value through profit or loss are subsequently carried at fair value through profit or loss.

The fair value of listed financial assets is calculated using stock exchange-quoted bid prices at close of business on the reporting date.

Unlisted equities are shown at fair value, which is calculated by reference to expected future cash flows, discounted by applicable risk-adjusted discount rates for similar instruments; see note 11.

Unrealised gains and losses arising from changes in fair value of financial assets during a reporting period are recognised in the profit or loss for that period.

Realised gains and losses are the difference between net sales proceeds and the original cost and are recorded on occurrence of the sale transaction.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income are subsequently carried at fair value.

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1.9 Financial assets and liabilities (continued)

Gains and losses as a result of fair value movements are accounted for under other comprehensive income and are not recycled to profit or loss but reclassified in equity. Dividend income is accounted for under profit or loss.

Unlisted financial assets are equities measured at fair value, which is calculated by reference to expected future cash flows, discounted by applicable risk adjusted discount rates for similar instruments.

Other payables

Other payables consist of financial and non-financial liabilities.

Financial liabilities

These include accrued expenses that are recognised when the Corporation has a present obligation arising from past events, the settlement of which is probable to result in an outflow of economic benefits.

These payables are stated at amortised cost using the effective interest method.

Non-financial liabilities

These include payroll taxes that are measured at cost.

Liability for IMU

Liability for IMU is measured at fair value, which is determined on a discounted cash flow basis of all future IMU payments on existing agreements using a US Treasury Bills Yield Curve adjusted for credit default spread. The value is adjusted to avoid double counting for contracts for which claims reserves are already allowed.

Derivative instruments

Derivative instruments are measured at fair value at each reporting date; any changes in fair value or gains or losses on derecognition are recognised in profit or loss in the period in which the change arises.

1.9.3 Interest and dividends

Dividends are recognised when the right to receive payment is established, meaning on the last day for registration in respect of listed securities and when declared in respect of unlisted securities. Dividends and interest accrued from financial assets designated at fair value through profit or loss are recognised in profit or loss as part of investment income.

Interest on financial assets is accounted for using the effective interest method.

1.9.4 Derecognition

Financial assets are derecognised when the Corporation loses control over the contractual rights that comprise the asset and consequently transfers the substantive risks and benefits associated with the asset. This occurs when the rights are realised, expire or are surrendered.

A financial liability is derecognised when it is exhausted, i.e. discharged, cancelled or expired.

1.10 Impairment

Financial assets

The expected credit losses (ECLs) is based on historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecast conditions.

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1.10 Impairment (continued)

Loss allowances relating to staff debtors are measured at an amount equal to lifetime ECL when there has been a significant increase in credit risk (risk of default) since initial recognition. If the credit risk has not increased significantly since initial recognition, then the loss allowance for that instrument is measured at 12-month ECL. The amount of ECLs is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective instruments. This means that at each reporting date, the ECL for a specific instrument will either be based on lifetime ECL or 12-month ECL depending on the credit risk at reporting date compared to the credit risk at initial recognition.

When assessing if there was a significant increase in credit risk, both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort are considered. Forward-looking information includes determining annual leave days to be used for employee debtors as security.

The credit risk on other receivables is always presumed to have increased significantly since initial recognition if the contractual payments are more than 30 days past due, unless the company has reasonable and supportable information that demonstrates otherwise. The Corporation defines default as occurring when the debt is outstanding for 90 days; this does not apply to staff debtors as acknowledgement of debt is signed and may impact the period of debt outstanding.

By contrast, if an instrument is assessed to have a low credit risk at the reporting date, then it is assumed that the credit risk of the receivable has not increased significantly since initial recognition.

The measurement of ECLs incorporates the probability of default, loss given default and the exposure at default, taking the time value of money, historical data and forward-looking information into consideration.

The movement in credit loss allowance is recognised in profit or loss with a corresponding adjustment to the carrying amount of the instrument through a loss allowance account. As an exception, for investments at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income and accumulated in the reserve for valuation of financial instruments, rather than through a loss allowance account.

The Corporation uses appropriate groupings to determine the expected loss as its historical credit loss experience shows significantly different loss patterns for different customer segments. Other receivables will be grouped per type of customers as follows:

Group 1 – Employee/staff receivables: The probability of default and non-recovery of the debt for staff debtors who are still under ECIC employment is significantly low as the debt is deducted on the employee's last salary and leave payment on termination if it is not deducted on a monthly basis (advance/study loan).

Staff debtors who terminated their employment with ECIC in the previous years, based on historical information have defaulted on payments as they cannot be reached and there is no form of collateral that ECIC still holds. From initial recognition of these debts, the credit risk has therefore increased significantly. The expected credit loss is recognised at lifetime and is provided for in full at 100%.

Group 2 – Travel reimbursements receivables: Travel reimbursements are payable within 45 days of invoice date rather than the normal 30 days. There has been no default in the past and based on forward-looking information, including expected future cash inflows there is no default expected, as these were agreed for each trip.

Group 3 – Dividend receivables, unsettled investment trades and accrued income: This is made up of the dividend receivable from Afreximbank, unsettled investment sales made by fund managers and accrued income on investments with fund managers. The receivables arise due to timing differences and the probability of default is significantly low. Accordingly, the receivables are not impaired.

Group 4 – Other receivables: This is made up of amounts owed by previous suppliers for services not rendered or accruals for income. Since initial recognition of these debts, the credit risk has increased significantly. The ECL is recognised on a lifetime basis and is provided for in full at 100%.

Cash and cash equivalents

The expected loss on cash and cash equivalents is measured at an amount equal to 12-month ECLs, which is calculated as zero. This is because cash and cash equivalents are typically held with reputable financial institutions with high credit ratings,

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1.10 Impairment (continued)

and the instruments (such as demand deposits and short-term highly liquid investments) carry an insignificant risk of default. As a result, the probability of default is considered negligible, leading to an immaterial ECLs.

Write-off policy

The Corporation writes off an instrument when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Instruments written off may still be subject to enforcement activities under the Corporation's recovery procedures. Any recoveries made are recognised in profit or loss.

Non-financial assets

The carrying amount of the Corporation's non-financial assets, other than deferred tax assets, is reviewed at each reporting date to determine whether there is any indication of impairment. If such an indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that are largely independent from other assets. Impairment losses are recognised in profit or loss.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less cost to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

Impairment losses recognised in prior periods are assessed at each reporting date for indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

The total amount of the ECL and related movements are disclosed in notes 5.3.2 and 5.3.3.

1.11 Components of equity

Fair value adjustments through other comprehensive income

The reserve comprises fair value movements from revaluing financial assets recognised at fair value through other comprehensive income net of the related deferred tax.

1.12 Taxation

Tax expenses

Taxation for the year in profit or loss comprises current tax, deferred tax and withholding tax. Income tax is recognised in profit or loss, except to the extent that it relates to items recognised directly in equity, in which case the related taxation is also recognised in equity.

For the purposes of calculating income tax expenses, taxable income is determined in ZAR in accordance with local tax legislation. Although the Corporation's functional currency is the USD, tax computations are based on ZAR (see note 38) as required by South African tax authorities.

Current tax assets and liabilities

Current tax is calculated on the basis of the expected taxable income for the year, using the tax rates enacted at the reporting date, and any adjustment of tax payable for previous years. Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities/(assets) for the current and prior periods are measured at the amount expected to be paid to/ (recovered from) the tax authorities, using the tax rates that have been enacted or substantively enacted by the end of the reporting period.

ACCOUNTING POLICIES

1.12 Taxation (continued)

Interest received on excess tax payments made is recognised as other income in profit or loss in the period when it is accrued from the South African Revenue Services as per the statement of account.

Deferred tax assets and liabilities

Deferred tax is recognised in full, except when the deferred tax arises from the initial recognition of an asset or liability that affects neither accounting nor taxable profit or loss at the time of the transaction. Temporary differences are differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax recognised is based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities using tax rates enacted or substantively enacted at the reporting date. Deferred tax is charged to profit or loss, except to the extent that it relates to a transaction that is recognised directly in equity.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the associated unused tax losses and deductible temporary differences can be utilised.

Value added tax

Transactions and assets are recognised net of the VAT amount where applicable. The net amount of VAT recoverable from, or payable to, the South African Revenue Service is included as part of receivables or payable in the statement of financial position.

All tax-related balances are classified as non-financial assets/liabilities on the basis of being statutory obligations or receivables.

1.13 Employee benefits

Pension obligation

The Corporation uses a defined contribution pension plan. The Corporation has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee services in the current and prior periods. The contributions are expensed through profit and loss.

Leave pay

Leave pay is measured based on the unused leave entitlement of employees at the reporting date, multiplied by their contractual remuneration rates per day. The estimate considers:

- The number of leave days accrued but not yet taken by employees;
- The probability that employees will take or be paid out for the leave;
- Any legislative or contractual obligations requiring payment for unused leave.

The liability is recognised as a current provision under employee benefits, as it is expected to be settled within 12 months of the reporting date. The estimate is reviewed at each reporting date and adjusted to reflect current conditions.

In addition, payment of leave will be limited to a maximum of 21 days for employees employed for less than five years by the Corporation and 26 days for employees employed by ECIC for longer than 5 years. This is covered by the statement that any legislative or contractual obligations requiring payment.

Employee entitlements to annual leave is recognised when they accrue to employees. A provision is made for the estimated liability of this leave as a result of services rendered by employees up to the reporting date.

Performance bonus

Short-term incentives in the form of an annual cash bonus are linked to achieving financial, strategic and operational objectives.

Short-term incentives are discretionary and depend on business performance and individual contribution. The pool available for short-term incentives is determined by financial performance against previously set and agreed targets.

ACCOUNTING POLICIES

1.13 Employee benefits (continued)

Employee entitlements to bonuses are recognised when they accrue to employees. A provision is made for the estimated liability of this bonus as a result of past performance by the employees up to the reporting date against employee cost.

Salaries and other benefits

Salaries and other benefits, e.g. connectivity cost and medical aid are recognised as an expense in profit or loss during the reporting period in which the employee renders the related service.

1.14 IMU grant receipts

The Corporation took over **the dtic's** IMU obligations that arose from the IMU Scheme Support Agreements (see note 14). The IMU Scheme is an incentive scheme that limits the interest rate charged to borrowers of export credit loans. The Government (through the ECIC) compensates the financial institutions for the loss of income they would have received from the borrowers had interest been levied at the usual rate.

The Corporation receives IMU grants from **the dtic** to assist in funding the IMU obligations towards the financial institutions (see the statement of cash flows).

The IMU grant is recognised as income when received and all the conditions are met. When it is received in advance it is recognised as a liability.

1.15 Irregular expenditure

Irregular expenditure is accounted for according to the nature of the expense. When confirmed, irregular expenditure must be disclosed separately in the notes to the financial statements. The amount of irregular expenditure incurred disclosed in the notes is equal to the value of the transactions recognised in terms of IFRS Accounting Standards in profit or loss or the statement of financial position.

Irregular expenditure is removed from the note when it is either: (a) condoned by the relevant authority; or (b) transferred to receivables for recovery. A receivable related to irregular expenditure is measured at the amount that is expected to be recovered and must be derecognised when the receivable is settled or subsequently written off as irrecoverable.

In instances where recovery is not possible, such irregular expenditure will be written off and removed from the note on approval by the Accounting Authority.

Cases of a criminal nature are reported to the responsible authorities. Any criminal or disciplinary steps taken as a consequence of such losses or irregular expenditure are also disclosed.

1.16 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is accounted for according to the nature of the expense and recognised as an expense when they are incurred and, where they are recoverable, they are recognised as a receivable. When confirmed, fruitless and wasteful expenditure is disclosed separately in the notes to the financial statements. The amount to be recorded in the note is equal to the value of the fruitless and wasteful expenditure incurred.

Measures are implemented to ensure that such expenditure does not reoccur and where possible the expenditure is recovered. Expenditure to be recovered is transferred to receivables for recovery. A receivable related to fruitless and wasteful expenditure is measured at the amount that is expected to be recovered and is derecognised when the receivable is settled or subsequently written off as irrecoverable.

In instances where recovery is not possible, such fruitless and wasteful expenditure will be written off and removed from the note on approval by the Accounting Authority.

Cases of a criminal nature are reported to the responsible authorities.

Any criminal or disciplinary steps taken as a consequence of fruitless and wasteful expenditure are also disclosed.

NOTES TO THE FINANCIAL STATEMENTS

2. Critical accounting judgements, estimates, assumptions and uncertainties

2.1 Critical judgements, estimates and assumptions in applying the accounting policies are described below:

(a) Insurance contract assets and liabilities

The Corporation considers that all contracts that it underwrites carry significant insurance risk and fall within the scope of the standard. Refer to 1.5 in accounting policies.

When contracts are modified, judgement might be applied to establish whether the modification meets the criteria for derecognition. In particular, after the modification, judgement is applied to determine whether:

- Significant insurance risk still exists;
- There are elements that are to be distinct from the contract;
- Contract boundaries have changed;
- The contract would have to be included in a different group subject to aggregation requirements; and
- The contract no longer meets the requirements of the measurement model.

In modelling the fulfilment cash flows, it is assumed that claim payments will be made as a lump sum and not via multiple payments as per the loan schedule; hence, no interest payments are allowed for.

Judgement was required to identify suitable application ratios for the various insurance contract liquidity buckets.

Approach to fulfilment cash flows and CSM

The fulfilment cash flows and CSM were determined under the modified retrospective approach (as referred to in note 9) through a comprehensive assessment that considered the adjusted historical information and assumptions outlined above. This assessment involved a careful calibration process, taking into account the available data and ensuring consistency with the principles of IFRS 17. The specific methodologies and key factors influencing the determination of fulfilment cash flows and CSM are documented in the supporting documentation and actuarial assessments, available for review by stakeholders and auditors.

Estimates and assumptions

Discount rates

The fulfilment cash flows are discounted using a discount curve, which is determined with a bottom-up approach using the applicable liquid risk-free yield curve. The discount curve is consistent with observable market prices and a separate risk-free yield curve is used for each applicable currency, as at the measurement period.

A term-independent illiquidity premium loading is applied where the illiquidity features of insurance contracts warrant it. This is done using an application ratio assumption per liquidity bucket and uses an estimate of illiquidity premium from a suitable corporate investment grade 5 to 10 year bond portfolio based on publicly available market information. The liquidity bucket is a classification of insurance contracts which represent contracts with similar liquidity characteristics.

When it happens that a new contract needs to be added to a group of contracts, it results in a change to the discount curve by using a weighted average discount curve at the dates of initial recognition. The revised discount curve will be applied from the start of the reporting period in which the new contract is added to the group. Hence, there is no retrospective catch up adjustment for previous reporting periods, the effect of the change is therefore recognised prospectively.

Estimates of future cash flows to fulfil insurance contracts

Probability-weighted premium inflows, claim payments and expense outflows are simulated and the mean is taken as the expected value. The future claim payment outflows are equal to the sum at risk, less a potential claim salvage and related claims handling expenses. The future cash inflows are the premiums that will be received, provided there has been no claim up to that point and the contract has not lapsed. For some contracts, all premiums have already been received upfront, in leaving only potential cash outflows under the policy. The cash flows are probability weighted using point-in-time probabilities of default (PDs) associated with country rating and commercial risk insured under the contract together with the contract lapse

NOTES TO THE FINANCIAL STATEMENTS

2.1 Critical judgements, estimates and assumptions in applying the accounting policies (continued)

probabilities. The assumed political and commercial PDs cover all claim perils, respectively, and are modelled as a single default risk. The premium inflows are probability weighted using survival probabilities (i.e. 100% less the cumulative default and lapse probabilities up to the relevant future point in time).

Probability of default (i.e. claim likelihood)

A one-year PD was calibrated separately for political risk peril and commercial risk peril for each country risk rating and each commercial risk rating consistent with the ECIC's pricing models.

Rating transition probabilities

The probabilities of rating migration and default are calibrated as a transition matrix using the latest available rating agency study on historical global one-year average transitions per issuer credit rating (long-term local currency issuer credit ratings). The study provides a transition matrix indicating movement between ratings over a one-year period. For entities that obtained a rating in the past year that were not rated in the previous years, these are distributed proportionally to all the other transition classes.

Claim salvages

The fulfilment cash flows include probable claim salvages, which for the ECIC refer to the insurer's rights to recover amounts from a debtor or third party after a claim has been paid to the policyholder. The claim salvage recovery rate is modelled as 1 – Loss Given Default (LGD). The mean LGD rate is set per contract and ranges between 35% and 75%. The ECIC's exposures are predominantly senior unsubordinated exposures with a form of collateral through a security asset or a sponsor guarantee or a government commitment. The expected recoveries are different between export credit business and investment business. The mean LGD for each contract is determined using the following approach:

- For export credit business the mean LGD is assumed to be 45% and, if collateral exists, it is reduced to 35%; and
- For investment business the mean LGD is assumed to be 75% and, if collateral exists, it is reduced to 45%.

The variance observed on the ultimate recoveries for defaults on senior secured corporate bank loans is assumed to be a suitable proxy for the variance assumption in modelling the claim salvages.

Lapse rate

The assumed rate of early termination of insurance contracts by the policyholders (i.e. lapse rate) is based on the ECIC's historical policy lapse experience for export credit business and investment insurance.

Expenses

The acquisition costs, claim-handling costs, contract administration and maintenance costs that relate directly to the fulfilment of the contracts are allocated to the underlying contracts. This includes an allocation of fixed and variable overhead costs to the extent that it is directly attributable to fulfilling insurance contracts.

Given the nature of the ECIC's operations, no acquisition costs are incurred post the contract inception. For this reason, ongoing acquisition costs (e.g. commission) are not factored into the LRC or LIC calculations. Contract administration and maintenance costs form part of the LRC at initial and subsequent recognition. Claim-handling costs form part of the LRC at initial recognition, and LRC and LIC at subsequent recognition dates.

Costs that are deemed not related to the fulfilment of the insurance contracts were deemed unallocated and reflected in profit and loss as incurred.

Cost allocation to these categories is done at a business unit level and informed by investigations on the individual expense items of each unit. The allocated costs are then allocated to individual contracts in proportion to premiums. Project costs over the life of the contract, using budgeted costs over the budget period and projected costs beyond that, assume increases up to the expiry date of the contract.

NOTES TO THE FINANCIAL STATEMENTS

2.1 Critical judgements, estimates and assumptions in applying the accounting policies (continued)

Methods used to measure insurance contracts

For all ECIC insurance contracts and reinsurance contracts the valuation method referred to as GMM was used. For contracts that were in existence prior 1 April 2023, the transition values were determined by applying a modified retrospective approach.

Methods used to measure the risk adjustment for non-financial risk

The risk adjustment reflects the compensation that the ECIC requires for bearing the uncertainty about the amount and timing of future cash flows arising from non-financial risk. It is an explicit adjustment to the expected value of future cash flows, capturing the inherent variability in those estimates. The expected value represents the probability-weighted average of possible outcomes, while the risk adjustment quantifies the uncertainty around this mean estimate.

The risk adjustment cannot be negative, consistent with its role in reflecting compensation for non-financial risk. The ECIC applies a percentile-based approach to determine the risk adjustment, using simulation techniques to capture outcome variability. The risk adjustment is calculated as the difference between the 70th and 50th percentiles of the simulated loss distribution. This is added to the mean, which corresponds to the 60th percentile, thereby positioning the final estimate close to the 80th percentile of outcomes. This methodology ensures that the liabilities reported provide an appropriate degree of confidence that future obligations will be met.

Although the ECIC's policies are structured to permit only a single claim per contract – after which the contract expires – there remains significant uncertainty related to:

- Claim frequency: The probability of a claim occurring varies significantly across counterparties and countries;
- Claim recovery: Salvage and subrogation assumptions introduce material uncertainty into the estimation of net claim costs, especially given the unique and often unpredictable legal and commercial contexts of cross-border exposures;
- Country and commercial risks: These are key drivers of the probability of default. For contracts in jurisdictions with weak sovereign or commercial credit profiles, the uncertainty around expected outcomes increases, resulting in a higher risk adjustment;
- Correlations within risk portfolios: While the ECIC does not assume diversification benefits across contracts – since pricing does not incorporate such effects – certain economic or political events may lead to correlated risk exposures within countries. These correlations are accounted for in the simulated cash flow distributions, although the development of one transaction does not directly impact another.

Legal and regulatory risk is considered limited due to the nature of the ECIC's policy framework, which is based on current legal standards and does not anticipate unknown future legislative changes. Similarly, the ECIC is not exposed to the emergence of new types of claims or novel causes of loss under the current product structure, and such unknowns are not considered in the estimation of the risk adjustment, in line with IFRS 17 guidance.

The key characteristics influencing the level of risk adjustment include:

- Severity: Higher potential claim amounts (sum at risk) result in larger adjustments, especially in low-frequency, high-severity scenarios;
- Duration: Longer policy terms increase the time horizon for potential defaults, thus increasing uncertainty;
- Volatility: Wider probability distributions of default, particularly in lower-rated countries or commercial sectors, drive higher risk adjustments;
- Emerging experience: As experience develops (e.g., defaults, recoveries, economic changes), the associated uncertainty may either increase or decrease. This feedback loop is reflected in both the input assumptions (e.g. probability of default) and the resulting risk adjustment.

(b) Fair value measurement

Liability for IMU

IMU is an export incentive scheme. This allowed local banks and other financiers to offer buyers of South African export goods and services financing for projects at internationally competitive rates.

NOTES TO THE FINANCIAL STATEMENTS

2.1 Critical judgements, estimates and assumptions in applying the accounting policies (continued)

The Corporation no longer provides for new IMU transactions; however, IMU payments for the existing contracts continue to October 2029.

The fair value of the liability is determined on a discounted cash flow basis of all future IMU payments on existing agreements. The IMU payments extend to 2029 and are discounted to allow for the time value of money using a US Treasury Bills Yield Curve adjusted to allow for credit default spread. To avoid double counting in anticipation of a default event, the IMU liability is adjusted to isolate the portion of IMU housed within the claims reserve. This is done by recalculating the fair value of the IMU liability on the contracts that carry a claims reserve and applying the corresponding LGD and claim likelihood. This eliminates the exact portion of the IMU liability held within the insurance provisions. The projected IMU payments are determined by multiplying the IMU rate with the projected outstanding balance of the facility. The IMU rate is a function of the applicable liquidity premium, funding margin, earnings margin and the statutory costs.

The liability is not tax deductible as it is an existing liability that was taken over from **the dtic**. However, foreign exchange gains and losses arising from currency movement are taxable or deductible for taxation purposes.

Financial assets with a fair value hierarchy of level 3

Fair value through other comprehensive income

The fair value of the investment is determined on a discounted cash flow basis of expected future free cash flows to equity during the explicit forecast period and in perpetuity at a rate that reflects the risk inherent in the future cash flows, see note 11

The discount rate applied in determining the fair value is the cost of equity, which is determined using the Capital Asset Pricing Model (CAPM).

The Corporation makes estimates and judgements when forecasting the expected future free cash flow and the discount rate. When making estimates and judgements, management takes into account the following:

- The nature of the investee's business;
- The historical and projected financial information; and
- The global and regional economic outlook.

(c) Impairment of financial and non-financial assets

Recoverability of other receivables

The Corporation calculates ECLs using the simplified approach, which involves recognising lifetime ECLs for all other receivables. ECLs are determined using a provision matrix based on historical loss experience, adjusted for forward-looking information e.g. whether acknowledgement of debt has been signed, probability of the project becoming effective. In cases where a receivable is considered credit impaired, the ECL may approximate the full outstanding balance, net of expected recoveries.

Impairment of non financial assets

The process for determining the critical estimates, judgements and assumptions made has been disclosed in note 1.10.

The following are matters considered when impairing non-financial assets:

- The physical condition of the asset; and
- For computer equipment, whether the items with outdated technology can still be used.

2.2 Critical uncertainties

In addition to applying the specific disclosure requirements of IFRS Accounting Standards, management has considered whether additional disclosures are necessary to enable users of these financial statements to understand the effects of material uncertainties on the Corporation's financial position and financial performance, as required by paragraph 31 of IAS 1 Presentation of Financial Statements. This assessment encompasses not only climate-related uncertainties, but also geopolitical, macroeconomic, regulatory and sovereign credit uncertainties that are inherent in the nature of the Corporation's operations.

NOTES TO THE
FINANCIAL STATEMENTS

2.2 Critical uncertainties (continued)

Materiality judgements and the effect of uncertainties on the financial statements

In making these materiality judgements, management considers both quantitative and qualitative factors, including:

- The nature and magnitude of the Corporation's exposures to the relevant uncertainties;
- The significance of those uncertainties to the Corporation's future operations;
- The sensitivity of carrying amounts of assets and liabilities to changes in key assumptions;
- The degree of subjectivity or complexity involved in the judgements; and
- External market, economic, regulatory and geopolitical developments that increase the likelihood that users of the financial statements would be influenced by such information.

The following sections describe the material uncertainties identified by management and how those uncertainties have been reflected in the financial statements. The principles and requirements applied are not limited to any single type of uncertainty and apply equally to all material sources of estimation uncertainty that the Corporation faces.

Country, geopolitical and sovereign-credit uncertainty

The Corporation's Own Risk and Solvency Assessment (ORSA) for the 2025/2026 reporting period identifies country risk as a high residual risk, driven by sovereign over-indebtedness in most countries on the African continent and the cascading effects of geopolitical instability. Approximately 92% of the current underwriting portfolio is concentrated in watchlist countries – Mozambique (13.7%), Ghana (43.6%), Zimbabwe (31.6%) and the Democratic Republic of Congo (3.1%) – underscoring the acute sensitivity of the Corporation's financial position to sovereign and geopolitical developments in these jurisdictions.

Application and key assumptions

Management has assessed the effect of country and sovereign credit uncertainties on the recognition and measurement of insurance contract assets and liabilities and on financial assets measured under IFRS 9. The key assumptions to which the Corporation's financial position is most sensitive are included in note 2.

Probability of default (PD): The majority of the portfolio is concentrated in lower-rated jurisdictions (ratings 5 to 7); a relatively small upward revision to assumed PDs could result in a material increase in insurance contract liabilities or a reduction in contract assets. In calibrating these assumptions, management actively monitors geopolitical developments – including sovereign policy shifts, sanctions, civil unrest, and deterioration in bilateral trade relationships – and updates country risk ratings prior to each valuation date. Rating adjustments flow directly into the one-year PD calibration and the rating transition matrix used in fulfilment cash flow calculations.

Loss given default (LGD): The mean LGD per contract ranges between 35% and 75%, depending on the nature of the exposure and the existence of collateral or sponsor guarantees. For export credit business, the mean LGD is 45% (35% where collateral exists); for investment business, the mean LGD is 75% (45% where collateral exists). The variance assumption is proxied by observed variance on ultimate recoveries for defaults on senior secured corporate bank loans.

Country rating transitions: The probabilities of rating migration and default are calibrated using the latest available global one-year average transition matrices per issuer credit rating. Frequent geopolitical developments – such as changes of government, imposition of sanctions, or deterioration in fiscal positions – increase the risk that country ratings may be revised within the next financial year, which could materially affect the carrying amounts of insurance contract assets and liabilities.

The ORSA identifies the following specific geopolitical and macroeconomic conditions in watchlist countries as directly influencing measurement assumptions at 31 March 2026:

Country	Key geopolitical and macroeconomic risk drivers at 31 March 2026
Mozambique	Sustained insurgency in Cabo Delgado province; debt to GDP of 89.7%; current account deficit of 15.9%; elevated external debt denominated in foreign currency. The ECIC country rating: 5. These factors increase the uncertainty of PD assumptions applied to the LNG project pipeline and existing exposures.

NOTES TO THE
FINANCIAL STATEMENTS

2.2 Critical uncertainties (continued)

Ghana	Active debt restructuring under the IMF Extended Credit Facility and G20 Common Framework; Paris Club OCC agreement defers salvage receipts to 2039–2042. The ECIC is closed for new sovereign exposure. The long lead time to salvage realisation creates material uncertainty in the carrying value of salvage receivables.
Zimbabwe	Debt to GDP of 69.8%; inflation at 71%; near-zero import cover (0.99 months); ongoing engagement with Paris Club and IMF for arrears clearance. The ECIC country rating: 7. Sovereign default risk and currency inconvertibility risk remain elevated.
DRC	Conflict escalation in Eastern DRC; M23 seizure of Goma. Despite resilient GDP growth of 6.5% (2024), geopolitical instability creates significant uncertainty for a project approaching drawdown. ECIC country rating: 5.

Management has concluded that, given the size of the portfolio concentrated in high-risk jurisdictions, the high degree of subjectivity in estimating PDs and LGDs for cross-border sovereign and commercial exposures, and the frequency of geopolitical and macroeconomic developments in the markets in which the Corporation operates, additional disclosure beyond the specific requirements of IFRS 17 is necessary to enable users of the financial statements to understand the effect of these uncertainties on the Corporation's financial position. Accordingly, management has disclosed qualitative and quantitative information about the key assumptions and their sensitivity in notes 2 and 9.

Disaggregation of insurance contract information by risk profile

The Corporation has determined that the insurance contracts in its portfolio have significantly different risk profiles depending on whether they provide political risk cover or commercial risk cover, and depending on the credit quality of the host country. Political risk exposures are concentrated in lower-rated jurisdictions (ratings 5 to 7) and are subject to sovereign and institutional risks that differ fundamentally from commercial risk exposures in the same jurisdictions.

One-year PD assumptions are calibrated separately for each peril using distinct rating transition matrices – political risk PDs are referenced to sovereign credit ratings, while commercial risk PDs are referenced to commercial issuer credit ratings – reflecting the fundamentally different risk drivers of each category. Possible future changes in sovereign credit conditions or regulatory environments could affect these two categories of exposure in significantly different ways, including the probability and timing of claims, the recoverability of claims paid (salvage rates), and the carrying amounts of the respective insurance contract assets and liabilities.

Notwithstanding these differences in assumption calibration, insurance contracts are aggregated for measurement purposes in accordance with IFRS 17 on the basis of profitability and annual cohort. Management has assessed whether separate presentation of political risk and commercial risk contract groups would provide additional useful information. Given that the majority of the ECIC's active portfolio comprises financier policies that carry both political and commercial risk cover within a single contract, a further disaggregation by peril would not be practicable and would not reflect the manner in which risk is managed internally. Management has concluded that disaggregating information between political risk and commercial risk portfolios, and by country risk rating band, provides material information to users. The Corporation, accordingly, presents disaggregated information about its insurance portfolio in notes 4, 9 and 10, consistent with the principles in paragraph 31 of IAS 1.

Climate-related risks

Management has assessed the potential impact of climate-related risks on the Corporation's assets, liabilities, income and expenses as at 31 March 2026. Climate risk is assessed under two categories:

Physical risks: For underwritten projects, physical risks are most material for power and mining sector exposures in Mozambique, Lesotho and Ghana (refer to the climate risk table below).

Transition risks: Changes in climate related policies and regulations, including the South African Climate Change Bill and equivalent host country legislation, could increase project costs, affect the viability of fossil fuel projects, and reduce demand for certain export goods. Stringent climate policy implementation could increase wrap costs for ECIC policy buyers and delay cover issuance.

NOTES TO THE
FINANCIAL STATEMENTS

2.2 Critical uncertainties (continued)

The Corporation’s primary exposures are to financial credit risk arising from cross-border export credit and investment insurance contracts, rather than physical assets. To the extent that climate-related developments could affect the creditworthiness of counterparties or the economic conditions of insured countries, these risks are captured indirectly through country risk ratings and PD assumptions.

The following projects in the ECIC portfolio have been assessed as having high exposure to climate-related risks at 31 March 2026:

Project	Country	Sector	Policy Expiry
Project 1	Ghana	Power	30 September 2029
Project 2	Mozambique	Power	31 August 2027
Project 3	Mozambique	Power	31 August 2027
Project 4	Lesotho	Mining	31 May 2027
Project 5	Lesotho	Power	30 January 2030
Project 6	Mozambique	Power/LNG	Pipeline

Management has concluded that, other than through the indirect mechanism described above (country risk ratings and PD assumptions), climate-related risks do not give rise to a material incremental adjustment to fulfilment cash flows or the risk adjustment for non-financial risk as at 31 March 2026. For policies expiring before 2027, the time horizon is insufficient for climate regulatory changes to materially affect project economics. For Project 1 and Project 5 (expiring 2029–2030), the financial statement impact is assessed in the ORSA. This assessment will be revisited at each reporting date as the climate risk landscape evolves.

3. Terms and conditions of insurance contracts

The terms and conditions of insurance contracts that have a material effect on the amount, timing and uncertainty of future cash flows arising from insurance contracts are set out below:

3.1 Nature of risk covered

The principal objective of the Corporation is to facilitate and encourage South African export trade by underwriting loans issued by financial institutions and financial assets outside the country, in order to enable foreign buyers to purchase goods and services from South Africa.

The Corporation thus enters into insurance contracts with and for the benefit of persons carrying out business in South Africa for purposes of outward trade and/or investments to other countries primarily for medium- to long-term tenures.

Cover is provided on contracts for political risks, and where unavailable in the private sector, commercial risk. Two main types of policies available are:

- A contractor’s policy, which protects the contractor against buyer default during the development phase; and
- A financier’s policy, which protects the lender against buyer default during the loan-repayment phase.

The majority of the Corporation’s exposure is to financier policies.

In addition to the policies described above, the Corporation also provides investment guarantees to cover political risk on South African offshore financial assets. The insured amount equals the capital investment plus dividends to date. Furthermore, political risk cover is provided to financiers who finance non-shareholders’ loans to foreign entities.

Underwriting is complex and requires specialised staff. The same applies to claims assessors, where staff are not only required to process complex claims but are also involved in recovering losses from collateral securities and litigation. The nature of claims and the longer-tail nature of business make the calculation of provisions a critical element in the Corporation’s financial reporting process; see note 1.5 and 2.

The return to shareholders under this business arises from the total premiums charged to policyholders less the amounts paid

NOTES TO THE
FINANCIAL STATEMENTS

3.1 Nature of risk covered (continued)

to cover claims (net of reinsurance recoveries) and the expenses incurred by the Corporation. There is scope for the Corporation to earn investment income owing to the time delay between the receipt of premiums and the payment of claims.

The event giving rise to a claim typically occurs with the insolvency, liquidation and protracted default of a buyer or a political event in a foreign country that gives rise to default payment. Claims are notified to the Corporation in terms of specific policy conditions.

Risk factors include:

- Country;
- Industry;
- Private company, government or parastatal;
- Length of repayment term;
- Source of financing the repayment;
- Guarantees provided; and
- Whether initial repayments have already been met.

4. Underwriting risk management

The risk under any one insurance contract is the possibility that a policyholder suffers a loss due to the occurrence of an insured event to trigger a claim. By the very nature of an insurance contract, the amount and likelihood of the claim is uncertain.

For a portfolio of insurance contracts where the theory of probability is applied to pricing and provisioning, the principal risk that the Corporation faces under its insurance contracts is that the actual claims and benefit payments exceed the carrying amount of the insurance liabilities. This could occur because the frequency or severity of claims and benefits are greater than estimated. Insured events are uncertain and the actual number and amount of claims and benefits will vary from year to year from the estimate established using statistical techniques.

Experience shows that the larger the portfolio of similar insurance contracts, the smaller the relative variability about the expected outcome will be. In addition, a more diversified portfolio is less likely to be affected across the board by a change in any subset of the portfolio. The Corporation has developed its insurance underwriting strategy to diversify the spread of insurance risk accepted to reduce the variability of the expected outcomes.

The Corporation manages its insurance risk through underwriting processes, approval procedures for transactions, pricing guidelines and monitoring of emerging issues including claims development.

Underwriting risk is the risk that actual claims experience varies from expected claims due to fluctuations in timing, frequency and severity of claims. This risk is managed primarily through sensible pricing, product design and risk selection. The Corporation therefore monitors and reacts to changes in the general economic and business environment in which it operates. An additional liability is recognised for contracts that are onerous and are recorded in the loss component.

When there are indicators that claims might arise, a claims reserve is raised for the expected claim amount. The legal unit would assess a claim once it has been lodged and the Board approves the claim for settlement. The amount settled on a claim is limited to exposure of unpaid amounts as per the repayment schedule.

Following claim settlement, the ECIC may enter into repayment or restructuring agreements with the relevant counterparty to facilitate the recovery of salvage amounts. These arrangements relate solely to the recovery of amounts due to the ECIC and do not alter the rights, obligations, coverage or terms of the original insurance contract.

Policyholder persistency risk

In assessing the insurance liabilities, policyholder persistency is estimated based on historical experience. There is a risk that the actual experience will differ from that assumed. The main reason for policyholders terminating the insurance cover is because cover is no longer required and not because an alternative cover has been sourced. The corporation manages this risk through varying product features.

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4. Underwriting risk management (continued)

Expense risk

Expense risk is the risk of unexpected increases in policy maintenance, claim handling and other costs relating to fulfilment of insurance contracts. The risk is managed through budgeting and periodic cost evaluations.

4.1 Concentrations of insurance risk

As part of the Corporation's risk management strategy, the Board has approved risk appetite limits that determine how much risk the Corporation can underwrite in terms of country, industry and obligor. The limits are set based on the Corporation's capital both on a regulatory (Solvency Capital Requirement (SCR) and internal view basis economic capital (EC) to limit over-concentration in a particular risk type. The Corporation concentration limits are set for individual country, industry and/or obligor. Currently the respective risk appetite limits are as stipulated below:

- Country limit: US\$593 million (USD267 million on 100% LGD);
- Industry limit: US\$593 million (USD267 million on 100% LGD); and
- Single obligor Limit: USD267 million (100% LGD).

The risk appetite limits ensure that if an adverse event occurs in any of the concentration risk categories – be it a sovereign, industry or obligor event – the Corporation will be able to meet its claim obligations without impairing its financial position and going concern capabilities.

Concentration determination

The Corporation provides political and commercial risk insurance to support exports of goods and services, as well as investments. Consequently, a country risk event would give rise to claims under the political risk cover. Similarly, a commercial event affecting a particular sector, industry or obligor would give rise to claims under commercial risk cover. As a result, it is important to limit the extent of loss the Corporation would absorb and remain a going concern in case of an adverse political (country) or commercial (industry, obligor) risk event.

To determine the level of loss the Corporation can absorb, two calculations have been done. One is to determine the maximum amount of loss the Corporation can suffer and remain economically viable. Where economic viability is based on a minimum solvency requirement as stipulated by the regulator (SCR) as well as internal view of risk (EC). The second calculation is an LGD. An LGD has been calculated to determine the amount of cents in a dollar that the Corporation would lose based on historical as well as industry claims experience. The amount of loss before SCR or EC are breached is then grossed up by the LGD to determine the concentration limit for both country and industry. The concentration limit for a single obligor is not grossed up and is set at 100% LGD due to lack of diversification.

Shared characteristics

All exposures within a country, industry or obligor share the common risk that an adverse risk event affecting the country, industry or obligor would have a similar effect on all exposures within a particular concentration.

Nature of risk

The nature of risk in the ECIC's underwriting portfolio are predominantly credit risk and market risk that could be triggered by various risk events such as expropriation, currency inconvertibility, commodity price changes. The manifestation of all the risks covered is inability to pay, which is a credit risk event.

- Insurance exposure arises from policies of cover provided to policyholders for export of goods, services and investments;
- Management's objective is to minimise the amount of loss that would arise in case of adverse risk events in the portfolio;
- Risk exposures are measured based on the level of cover, i.e. 85% for commercial risk and 100% for political risk.

4.1 Concentrations of insurance risk (continued)

The total country sum insured of the insurance portfolios is as follows:

	2026		2025	
	R'000	Country rating	R'000	Country rating
Ghana	2 824 387	5	4 198 474	5
Mozambique	904 723	5	1 150 714	5
Zimbabwe	2 086 719	7	2 885 769	7
Lesotho	46 383	5	223 862	5
Angola	210 525	5	354 033	5
Zambia	-	5	48 759	5
Tanzania	-	5	11 832	5
Democratic Republic of the Congo	209 995	5	279 776	5
Republic of Congo Brazzaville	57 062	6	61 072	6
Cote d'Ivoire	43 741	5	46 814	5
Eswatini	50 000	5	-	5
Namibia	5 835	3	-	3
Botswana	3 513	3	-	3
	6 442 883		9 261 105	

The Corporation uses an internal country rating method to assess country risks. The country rating method is benchmarked with that of other export credit agencies, and where there is inadequate information, consultations are made with the Department of International Relations and Cooperation to ascertain the view on the political environment in countries where the Corporation carries or plans to take risk.

Below are the country rating definitions:

1. **Highest credit quality.** A '1' rating denotes the lowest expectation of credit risk. It is assigned only in cases of exceptionally strong capacity for timely payment of financial commitments. This capacity is highly unlikely to be adversely affected by foreseeable events.
2. **Very high credit quality.** A '2' rating denotes a very low expectation of credit risk. It indicates very strong capacity for timely payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events.
3. **High credit quality.** A '3' rating denotes a low expectation of credit risk. The capacity for timely payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to changes in circumstances or in economic conditions than is the case for higher ratings.
4. **Good credit quality.** 'A 4' rating indicates that there is currently a low expectation of credit risk. The capacity for timely payment of financial commitments is considered adequate, but adverse changes in circumstances and in economic conditions are more likely to impair this capacity.
5. **Speculative.** A '5' rating indicates that there is a possibility of credit risk developing, particularly as the result of adverse economic change over time; however, business or financial alternatives may be available to allow financial commitments to be met.
6. **Highly speculative.** A '6' rating indicates that significant credit risk is present, but a limited margin of safety remains. Financial commitments are currently being met; however, capacity for continued payment is contingent upon a sustained, favourable business and economic environment.
7. **High default risk.** A '7' rating indicates that default is a real possibility. Capacity for meeting financial commitments is solely reliant upon sustained, favourable business or economic developments.

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4.1 Concentrations of insurance risk (continued)

The total sum insured of the insurance portfolio per sector and product type is as follows:

	2026 R'000	2025 R'000
Sum insured per sector		
Construction	2 093 564	2 653 708
Construction of civil engineering structure	173 680	586 093
Mining	46 383	223 862
Power (electricity)	3 939 104	5 625 936
Transport & storage (Air transport & services)	100 803	121 749
Transportation (Land transport)	-	4 757
Machinery & equipment	-	45 000
Manufacturing	89 349	-
	6 442 883	9 261 105
Sum insured by product type		
Credit insurance– medium to long term	5 473 093	7 872 489
Credit insurance– short term	89 349	45 000
Investment guarantee	880 441	1 343 616
	6 442 883	9 261 105

4.2 Claims development

4.2.1 Gross claims development

The Corporation takes all reasonable steps to ensure that it has appropriate information regarding its claims exposures. However, given the uncertainty in establishing claims provisions, it is likely that the final outcome will prove to be different from the original liability established. The claims liability comprises a provision for claims notified but not yet paid, and a provision for claims incurred but not reported. The Corporation reports claim provisions net of anticipated claim salvages. The actual claim salvages achieved compared to that estimated in the claim provision also impact the ultimate claim development.

Net claims development

The reinsurance agreements currently in effect are all proportional cover with a follow-the-fortunes provision. Consequently, the development of reinsurance claims follows that of gross claims development.

The Corporation does not disclose the claims development information for claims for which uncertainty about the amount and timing of claims payments is typically resolved within one year. All of the Corporation's claims are typically paid within one year of notification.

For more information pertaining to the sensitivity analysis and change in assumptions on the insurance liabilities, refer to note 5.4.

5. Risk management

The Corporation is exposed to a range of financial risks through its financial assets, financial liabilities, reinsurance assets and insurance liabilities. In particular, the key financial risk is that in the long term, its investment proceeds are not sufficient to fund the obligations arising from its insurance contracts.

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5. Risk management (continued)

The Corporation's risk management objective is to ensure that risk is managed prudently. The Corporation has established a risk management strategy. Appropriate risk limits have been set and approved by the Board of Directors.

The Risk Committee is responsible for providing oversight over the effectiveness of the Corporation's risk management system. Transactions in financial instruments result in the Corporation assuming financial risks. These include market risk, liquidity risk and credit risk. Each of these financial risks is described below, together with ways in which the Corporation manages these risks.

The categories and classes of assets and liabilities are disclosed in note 19.

5.1 Market risk

Market risk can be described as the risk of a change in the fair value of a financial instrument brought about by changes in interest rates, equity prices and foreign exchange rates. The objective of market risk management is to manage market risk exposures within acceptable parameters.

The Corporation would be exposed to market risk in instances where the proceeds from its financial assets are not sufficient to fund insurance obligations.

The Board has established the Finance, Investment and Insurance Committee to provide oversight of the Corporation's investment management activities. The investment policy statement sets out the investment strategy and investment guidelines that must be followed to ensure that the corporate strategy is achieved within its risk appetite.

For methods and assumptions in preparing all sensitivity analyses, refer to note 2, and for sensitivities relating to insurance risk, refer to note 5.4.

5.1.1 Currency risk

The Corporation's policy is to issue insurance contracts and invest in financial assets that are held in USD EUR and ZAR.

Currency risk is the risk arising from fair value and/or changes in future cash flows of financial instruments fluctuating from their expected values as a result of changes in exchange rates. This arises from a mismatch between the currencies of assets and liabilities of the Corporation.

The Corporation is exposed to currency risk for transactions that are denominated in a currency other than the Corporation's functional currency of USD, which is due to the Corporation's revenues being denominated in USD. To minimise the impact of currency risk, the Corporation matches the currency of liabilities with the currency of assets.

The Corporation is exposed to fluctuations in the balances or transactions that are denominated in ZAR.

Below are the Corporation's rand and euro net assets, which are exposed to foreign currency risk as at reporting date:

	2026 R'000	2025 R'000
Cash and cash equivalents	204 569	263 999
Financial assets and liabilities at fair value and amortised cost	3 159 862	2 747 625
Other receivables	109 878	12 849
Lease liability	(10 127)	(15 301)
Other payables	(161 225)	(80 991)
	3 302 957	2 928 181

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5.1.1 Currency Risk (continued)

The exchange rates used are sourced from the South African Reserve Bank, and the following were applied:

	2026	2025
USD to ZAR Rand exchange rates:		
Closing rate	17,0943	18,2953
Average rate	17,3593	18,2308

A 10% depreciation or appreciation in the rand against the USD at the reporting date would have increased or decreased equity and profit or loss by the amounts reflected below. The analysis assumes all other variables remain the same.

	Profit/(loss) after tax		Equity	
	10% depreciation	10% appreciation	10% depreciation	10% appreciation
	R'000	R'000	R'000	R'000
2026	(363 278)	360 024	670 498	(670 498)
2025	(280 402)	337 231	634 791	(634 791)

5.1.2 Interest rate risk

Interest rate risk is the risk arising from fair value and/or future cash flows of a financial instruments fluctuating from their expected values as a result of changes in market interest rates.

The Corporation has exposure to fixed rate financial assets whose value is impacted by changes in interest rates. The Corporation's insurance liabilities and reinsurance assets are also impacted by changes in the interest rates because it provides insurance cover for loan agreements whose values are also impacted by changes in interest rates. The Finance, Investment and Insurance Committee continuously monitors this risk and advises the Board where a change in investment strategy is warranted. The Corporation's fixed interest rate portfolio is managed by external fund managers who are continuously monitored.

The sensitivity analysis for interest rates illustrates how changes in the interest rates will impact the profit or loss after tax and equity.

A change of 100 basis points (bp) in the interest rate at the reporting date would have increased or decreased equity and profit or loss after tax by the amounts reflected below. The analysis assumes that all other variables remained the same.

	Profit/(loss) after tax		Equity	
	100bp increase	100 BP decrease	100bp increase	100bp decrease
	R'000	R'000	R'000	R'000
2026	(259 904)	282 564	(259 904)	282 564
2025	(245 180)	266 958	(245 180)	266 958

5.1.3 Market (or equity) price risk

Market price risk is the risk that actual fair values of equities may fluctuate from expected values as a result of changes in market prices. The Corporation's exposure to equities is capped and defined in the investment policy. The Corporation's exposure to equities is set at a maximum level of investment assets. The Finance, Investment and Insurance Committee actively monitors the equity investment portfolio to ensure that there is no breach of the set parameters. The Committee contracts the services of fund managers to manage the equity investment portfolio.

Financial liabilities are not impacted by changes in the market or equity price.

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5.1.3 Market (or equity) price risk (continued)

The table below reflects the Corporation's exposures on the concentration of equity risk.

	2026 R'000	2025 R'000
Industrials	211 158	162 648
Financials	1 224 276	1 081 134
Health	170 126	169 730
Technology	486 693	426 160
Consumer staples	103 080	115 828
Materials	240 749	143 170
Collective investment scheme	985 100	680 123
Energy	33 588	39 110
Real estate	171 354	128 624
Utilities	25 523	22 369
Consumer discretionary	330 836	317 258
Communication services	206 866	182 223
Note 11 (listed equities, unlisted equities and collective investment scheme only)	4 189 349	3 468 377

A 5% increase or decrease in equity values at the reporting date would increase or decrease equity and profit or loss after tax by the amounts reflected below.

	Profit/(loss) after tax		Equity	
	5% increase	5% decrease	5% increase	5% decrease
	R'000	R'000	R'000	R'000
2026	113 279	(113 279)	147 503	(147 503)
2025	98 356	(98 356)	128 347	(128 347)

5.2 Liquidity risk

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they fall due. The Corporation is exposed to daily cash requirements to meet operational expenses as well as claims as they fall due.

The Corporation has established an operational cash task team, which meets on a weekly basis to review weekly and rolling monthly cash forecasts. The task team is mandated to ensure that funds that are intended to meet operational requirements are made available when required.

The Corporation's investment strategy is set to be cognisant of the term of financial liabilities and assets. The operational cash task team monitors adherence to liquidity requirements.

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5.2 Liquidity risk (continued)

The liquidity profile of all financial assets, financial liabilities and leases is reflected below:

2026	Within 1 year R'000	1 to 5 years R'000	More than 5 years R'000	Total R'000
Financial assets				
Financial assets at fair value and amortised cost*	4 254 298	1 764 015	2 655 947	8 674 260
Other receivables	385 533	-	-	385 533
Cash and cash equivalents	454 804	-	-	454 804
	5 094 635	1 764 015	2 655 947	9 514 597
Financial and lease liabilities				
Other payables	438 766	-	-	438 766
Derivative instruments	6 983	-	-	6 983
Lease liability	6 644	4 209	-	10 853
Liability for interest make-up	73 492	131 228	-	204 720
	525 885	135 437	-	661 322

2025	Within 1 year R'000	1 to 5 years R'000	More than 5 years R'000	Total R'000
Financial assets				
Financial assets at fair value and amortised cost *	3 636 358	1 985 949	2 346 581	7 968 888
Other receivables	54 731	-	-	54 731
Cash and cash equivalents	335 588	-	-	335 588
	4 026 677	1 985 949	2 346 581	8 359 207

Financial and lease liabilities				
Other payables	128 860	-	-	128 860
Derivative instruments	59 667	2 722	206	62 595
Lease liability	6 321	10 838	-	17 159
Liability for interest make-up	121 581	237 753	-	359 334
	316 429	251 313	206	567 948

*The profile is based on the terms of maturity, with all the equities included within one year.

5.3 Credit risk

Credit risk is the risk of financial loss resulting from a counterparty or customer's failure to meet its contractual obligations. The Corporation is exposed on the following levels:

- Amounts due from insurance policyholders and other trade debtors;
- Salvages receivable;
- Reinsurance contract assets;
- Financial assets and cash and cash equivalents.

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FINANCIAL STATEMENTS

5.3 Credit risk (continued)

The Corporation limits the levels of credit risk that it accepts by placing limits on its exposure to a single counterparty or group of counterparties.

Exposures to third parties are monitored as part of the credit control process, which takes into account among other things sector limits, counterparty limits and country limits. Reputable financial institutions are used for investing and cash-handling purposes. The Corporation only contracts with reinsurers with the minimum rating of A- or above. All money market instruments and cash and cash equivalents are placed with institutions that have long-term credit ratings. The Corporation does not take collateral over the financial assets exposed to credit risk.

Financial assets placed with fund managers are governed by investment mandates, which provide for counterparty limits, counterparty type, concentration limits and investment grade. The carrying amount of assets included on the statement of financial position represents the maximum credit exposure.

Reinsurance contracts

Reinsurance risk arises due to uncertainty regarding the timing and amount of future cash flows from reinsurance contracts. This could be due to the financial standing of the reinsurer, or due to changes in the appropriateness of cover in the future.

The credit risk that originates from the reinsurance transactions is managed as follows:

- Published independent credit ratings of all existing and prospective reinsurers are monitored prior to entering into reinsurance transactions;
- The credit ratings of all existing reinsurers are also monitored on an ongoing basis throughout the year and remedial action is taken if required; and
- Reinsurance contracts make allowance to replace reinsurers in the case of a downgrade of the reinsurer's rating below an acceptable level.

Financial assets and cash and cash equivalents

Where possible, the Corporation has defined minimum acceptable counterparty credit ratings on financial assets being managed by fund managers. The Finance, Investment and Insurance Committee also fulfils an oversight role in ensuring adherence to defined credit ratings.

5.3.1 Credit rating

The following table provides information on the credit quality of the Corporation's financial assets.

2026	AAA- A+ R'000	A- BBB+ R'000	BBB and lower R'000	Not rated* R'000	Total R'000
Financial assets at fair value and amortised cost	3 730 615	436 819	1 103 139	3 403 687	8 674 260
Other receivables	-	-	-	385 533	385 533
Cash and cash equivalents	454 804	-	-	-	454 804
	4 185 419	436 819	1 103 139	3 789 220	9 514 597

2025	AAA- A+ R'000	A- BBB+ R'000	BBB and lower R'000	Not rated* R'000	Total R'000
Financial assets at fair value and amortised cost	3 582 228	485 221	1 080 118	2 821 321	7 968 888
Other receivables	-	-	-	54 731	54 731
Cash and cash equivalents	335 588	-	-	-	335 588
	3 917 816	485 221	1 080 118	2 876 052	8 359 207

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5.3.1 Credit rating (continued)

A national rating was applied to all South African investments, while a national equivalent of the international ratings was applied to all foreign investments.

- * - Not rated financial assets at fair value and amortised cost comprise of listed equities
- Not rated other receivable are not externally rated. The Corporation assesses expected credit losses by considering the financial position of counterparties, historical payment behaviour, current economic conditions and forward-looking information.

5.3.2 ECL breakdown for other receivables

2026	Receivables outstanding R'000	Expected loss rate %	Expected loss rate adjusted %	ECL allowance R'000	Receivables net ECL R'000
ECL for output vat due from customers					
<30 days	45 647	0%	0%	-	45 647
ECL for staff debtors					
<30 days	79	0%	0%	-	79
31 - 90 days	32	0%	0%	-	32
91 -120 days	-	0%	0%	-	-
121+ days	164	100%	98%	(160)	4
ECL for assessment fees & reimbursements					
<30 days	543	0%	0%	-	543
31–90 days	-	0%	0%	-	-
91–120 days	-	0%	0%	-	-
121–365 days	299	0%	0%	-	299
365+ days	313	100%	100%	(313)	-
ECL for unsettled investments trades					
<30 days	338 928	0%	0%	-	338 928
31–90 days	-	0%	0%	-	-
91–120 days	-	0%	0%	-	-
121–365 days	-	0%	0%	-	-
365+ days	-	0%	0%	-	-
	386 005			(473)	385 532

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5.3.1 Credit rating (continued)

5.3.2 ECL breakdown for other receivables

2025	Receivables outstanding R'000	Expected loss rate %	Expected loss rate adjusted %	ECL allowance R'000	Receivables net ECL R'000
ECL for staff debtors					
<30 days	138	0%	0%	-	138
31–90 days	15	0%	0%	-	15
91–120 days	-	0%	0%	-	-
121–365 days	163	100%	98%	(159)	4
ECL for assessment fees & reimbursements					
<30 days	1 034	0%	0%	-	1 034
31–90 days	-	0%	0%	-	-
91–120 days	-	0%	0%	-	-
121–365 days	354	0%	0%	-	354
365+ days	310	100%	100%	(310)	-
ECL for unsettled investments trades					
<30 days	53 186	0%	0%	-	53 186
31–90 days	-	0%	0%	-	-
91–120 days	-	0%	0%	-	-
121–365 days	-	0%	0%	-	-
365+ days	-	0%	0%	-	-
	55 200			(469)	54 731

5.3.3 Reconciliation of the ECLs

2026	Opening balance R'000	Additions R'000	Recovered/ reversed R'000	Write-off R'000	Closing balance R'000
Loss allowance	(469)	(4)	-	-	(473)

2025	Opening balance R'000	Additions R'000	Recovered/ reversed R'000	Write-off R'000	Closing balance R'000
Loss allowance	(396)	(73)	-	-	(469)

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5. Risk management (continued)

5.4 Financial risk management disclosure relating to insurance contract assets and liabilities

2026	Updated balances with the changes affecting profit or loss and equity							
	Total R'000	Change %	LRC R'000	Change %	LIC R'000	Change %	CSM R'000	Change %
Sensitivity analysis to underwriting risk variables								
Reported value	1 231 134		(155 349)		1 386 483		(157 382)	
Probability of default (10% increase)	1 189 777	(3,4)%	(159 455)	(2,6)%	1 349 232	(2,7)%	(136 869)	13,0%
Loss given default (increase mean with 500bps and standard deviation by 10%)	1 229 478	(0,1)%	(157 005)	(1,1)%	1 386 483	0,0%	(144 492)	8,2%
Rating transition matrix (5% increase on standard deviation)	1 230 387	(0,1)%	(156 096)	(0,5)%	1 386 483	0,0%	(141 873)	9,9%
Risk adjustment percentile (increase to 75th percentile)	347 157	(71,8)%	(159 157)	(2,5)%	506 314	(63,5)%	(129 237)	17,9%
Lapse rate (100bps increase)	1 231 187	0,0%	(155 296)	0,0%	1 386 483	0,0%	(158 887)	(1,0)%
Maintenance expenses (10% increase)	1 229 271	(0,2)%	(157 212)	(1,2)%	1 386 483	0,0%	(134 225)	14,7%
2026	Updated balances with the changes affecting profit or loss and equity							
	Total R'000	Change %	LRC R'000	Change %	LIC R'000	Change %	CSM R'000	Change %
Sensitivity analysis to market risk variables								
Reported value	1 231 134		(155 349)		1 386 483		(157 382)	
Increase discount rates by 100bps	1 042 193	(15,3)%	(154 149)	0,8%	1 196 342	(13,7)%	(157 382)	0,0%
Decrease discount rates by 100bps	1 451 197	17,9%	(156 625)	(0,8)%	1 607 822	16,0%	(157 382)	0,0%
Depreciation of USD/ZAR exchange rate by 10%	1 354 315	10,0%	(170 814)	(10,0)%	1 525 129	10,0%	(173 120)	(10,0)%
Appreciation of USD/ZAR exchange rate by 10%	1 107 953	(10,0)%	(139 884)	10,0%	1 247 837	(10,0)%	(141 644)	10,0%

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5. Risk management (continued)

2025	Updated balances with the changes affecting profit or loss and equity							
	Total R'000	Change %	LRC R'000	Change %	LIC R'000	Change %	CSM R'000	Change %
Sensitivity analysis to underwriting risk variables								
Reported value	1 121 756		(293 230)		1 414 986		(267 804)	
Probability of Default (10% increase)	1 028 926	(8,5)%	(308 421)	5,2%	1 337 347	(5,5)%	(247 730)	(7,5)%
Loss Given Default (increase mean with 500bps and standard deviation by 10%)	1 066 437	(5,3)%	(348 549)	18,9%	1 414 986	0,0%	(125 779)	(53,0)%
Rating transition matrix (5% increase on standard deviation)	1 118 496	(0,3)%	(296 490)	1,1%	1 414 986	0,0%	(256 093)	(4,4)%
Risk Adjustment percentile (increase to 75th percentile)	188 120	(84,6)%	(306 274)	4,4%	494 394	(65,1)%	(241 373)	(9,9)%
Lapse rate (100bps increase)	1 109 017	(1,2)%	(305 969)	4,3%	1 414 986	0,0%	(261 767)	(2,3)%
Maintenance expenses (10% increase)	1 040 338	(7,8)%	(374 648)	27,8%	1 414 986	0,0%	(210 657)	(21,3)%
2025	Updated balances with the changes affecting profit or loss and equity							
	Total R'000	Change %	LRC R'000	Change %	LIC R'000	Change %	CSM R'000	Change %
Sensitivity analysis to market risk variables								
Reported value	1 121 756		(293 230)		1 414 986		(267 804)	
Increase discount rates by 100bps	930 847	(17,3)%	(291 395)	(0,6)%	1 222 242	(13,6)%	(268 334)	0,2%
Decrease discount rates by 100bps	1 344 497	20,1%	(296 386)	1,1%	1 640 883	16,0%	(268 334)	0,2%
Appreciation of USD/ZAR exchange rate by 10%	1 234 230	10,0%	(322 255)	9,9%	1 556 485	10,0%	(294 091)	9,8%
Depreciation of USD/ZAR exchange rate by 10%	1 009 281	(10,0)%	(264 206)	(9,9)%	1 273 487	(10,0)%	(241 518)	(9,8)%

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6. An analysis of the expected run of the LIC at the end of the reporting period is provided in the following table

Number of years until expected to be recognised	Insurance contracts issued		Reinsurance contracts held	
	Credit R'000	Total R'000	Credit R'000	Total R'000
As at 31 March 2026				
1	(16 292)	(16 292)	4 647	4 647
2	106 802	106 802	(17 457)	(17 457)
3	(91 918)	(91 918)	4 228	4 228
4	(96 134)	(96 134)	4 461	4 461
5	(98 526)	(98 526)	4 606	4 606
6–10	(406 500)	(406 500)	19 197	19 197
>10	1 989 051	1 989 051	(95 414)	(95 414)
Total	1 386 483	1 386 483	(75 732)	(75 732)

Number of years until expected to be recognised	Insurance contracts issued		Reinsurance contracts held	
	Credit R'000	Total R'000	Credit R'000	Total R'000
As at 31 March 2025				
1	(291 192)	(291 192)	4 524	4 524
2	(21 024)	(21 024)	4 743	4 743
3	113 125	113 125	(18 606)	(18 606)
4	(91 225)	(91 225)	4 080	4 080
5	(95 883)	(95 883)	4 281	4 281
6–10	(530 144)	(530 144)	23 708	23 708
>10	2 331 329	2 331 329	(101 208)	(101 208)
Total	1 414 986	1 414 986	(78 478)	(78 478)

NOTES TO THE
FINANCIAL STATEMENTS

6. An analysis of the expected run of the LIC at the end of the reporting period is provided in the following table (continued)

An analysis of the expected recognition of the CSM and deferred acquisition cost remaining at the end of the reporting period in profit or loss is provided in the following table:

Number of years until expected to be recognised	CSM for insurance contracts issued			Acquisition cost	
	Credit R'000	Short-term credit R'000	Total R'000	Credit & Investment R'000	Total R'000
As at 31 March 2026					
1	(31 547)	-	(31 547)	197 855	197 855
2	(24 135)	-	(24 135)	14 808	14 808
3	(17 411)	-	(17 411)	3 195	3 195
4	(10 113)	-	(10 113)	50 731	50 731
5	(9 948)	-	(9 948)	-	-
6–10	(39 163)	-	(39 163)	-	-
>10	(25 065)	-	(25 065)	-	-
Total	(157 382)	-	(157 382)	266 589	266 589

Number of years until expected to be recognised	CSM for insurance contracts issued			Acquisition cost	
	Credit R'000	Short-term credit R'000	Total R'000	Credit & Investment R'000	Total R'000
As at 31 March 2025					
1	(93 751)	(21)	(93 772)	210 488	210 488
2	(71 851)	-	(71 851)	21 895	21 895
3	(52 382)	-	(52 382)	12 360	12 360
4	(36 616)	-	(36 616)	1 861	1 861
5	(6 700)	-	(6 700)	50 478	50 478
6–10	(6 483)	-	(6 483)	-	-
Total	(267 783)	(21)	(267 804)	297 082	297 082

NOTES TO THE FINANCIAL STATEMENTS

6. An analysis of the expected run of the LIC at the end of the reporting period is provided in the following table (continued)

The following table provides information on the credit quality of the Corporation's claims recovered from reinsurers and salvages:

2026	AAA-A+	A-BBB+	BBB and lower	Not rated	Total
	R'000	R'000	R'000	R'000	R'000
Sectors including related countries					
Power - electricity (UK)*	(182 981)	-	-	-	(182 981)
Construction (Ghana)	-	-	2 564 715	-	2 564 715
Power - electricity (Ghana)	-	-	1 151 752	-	1 151 752
Manufacturing (Iraq)	-	-	94 250	-	94 250
Water collection, treatment & supply (Seychelles)	-	-	50 097	-	50 097
Transportation (Nigeria)	-	-	-	2 650	2 650
	(182 981)	-	3 860 814	2 650	3 680 483

2025	AAA-A+	A-BBB+	BBB and lower	Not rated	Total
	R'000	R'000	R'000	R'000	R'000
Sectors including related countries					
Power – electricity (UK)*	(191 583)	-	-	-	(191 583)
Construction (Ghana)	-	-	2 609 214	-	2 609 214
Power – electricity (Ghana)	-	-	1 205 894	-	1 205 894
Manufacturing (Iraq)	-	-	150 519	-	150 519
Water collection, treatment & supply (Seychelles)	-	-	85 550	-	85 550
Transportation (Nigeria)	-	-	-	9 093	9 093
	(191 583)	-	4 051 177	9 093	3 868 687

* - Salvages due to reinsurers.

NOTES TO THE FINANCIAL STATEMENTS

7. Property and equipment

	2026			2025		
	Cost R'000	Accumulated depreciation R'000	Carrying value R'000	Cost R'000	Accumulated depreciation R'000	Carrying value R'000
Owned assets						
Furniture and fittings	4 431	(3 370)	1 061	4 742	(3 029)	1 713
Motor vehicles	226	(226)	-	242	(242)	-
Office equipment	936	(812)	124	1 011	(755)	256
Computer equipment	8 702	(6 991)	1 711	8 130	(6 161)	1 969
Sub total	14 295	(11 399)	2 896	14 125	(10 187)	3 938
Leased assets (right of use)						
Building	23 728	(16 019)	7 709	25 395	(12 064)	13 331
Computer equipment	428	(193)	235	458	(152)	306
Sub total	24 156	(16 212)	7 944	25 853	(12 216)	13 637
	38 451	(27 611)	10 840	39 978	(22 403)	17 575

Reconciliation of property and equipment

2026	Opening balance R'000	Additions R'000	Depreciation R'000	Translation effect R'000	Closing balance R'000
Owned assets					
Furniture and fittings	1 713	-	(583)	(69)	1 061
Office equipment	256	-	(81)	(51)	124
Computer equipment	1 969	1 080	(1 218)	(120)	1 711
Sub total	3 938	1 080	(1 882)	(240)	2 896
Leased assets (right of use)					
Building	13 331	-	(4 801)	(821)	7 709
Computer equipment	306	-	(93)	22	235
Sub total	13 637	-	(4 894)	(799)	7 944
	17 575	1 080	(6 776)	(1 039)	10 840

NOTES TO THE
FINANCIAL STATEMENTS

7. Property and equipment (continued)

Reconciliation of property and equipment

2025	Opening balance R'000	Additions R'000	Disposals R'000	Depreciation R'000	Translation effect R'000	Closing balance R'000
Owned assets						
Furniture and fittings	2 234	-	-	(446)	(75)	1 713
Office equipment	336	6	(13)	(35)	(38)	256
Computer equipment	2 783	520	-	(1 210)	(124)	1 969
Sub total	5 353	526	(13)	(1 691)	(237)	3 938
Leased assets (right of use)						
Building	19 111	-	-	(4 801)	(979)	13 331
Computer equipment	453	-	-	(93)	(54)	306
Sub total	19 564	-	-	(4 894)	(1 033)	13 637
	24 917	526	(13)	(6 585)	(1 270)	17 575

Property and equipment encumbered as security

None of the property and equipment is pledged as security for liabilities.

Changes in estimates

As part of our annual review, management has assessed the useful lives and residual values applied to property and equipment. Based on this assessment, no changes were deemed necessary for the current financial year.

The existing estimates continue to reflect the expected pattern of consumption of the future economic benefits embodied in the assets. Therefore, the useful lives and residual values applied in the current period are consistent with those used in the previous reporting period.

8. Insurance acquisition costs

	2026 R'000	2025 R'000
Opening balance	297 082	267 597
Additions	50 657	53 741
Derecognised on recognition of insurance contracts	(60 591)	(3)
Assessment fees	(292)	-
Impairment of acquisition cost	-	(14 429)
Translation effect	(20 267)	(9 824)
	266 589	297 082

NOTES TO THE
FINANCIAL STATEMENTS

9. Insurance and reinsurance contract assets and liabilities

9.1 Composition of the statement of financial position

	Credit R'000	Investment guarantee R'000	Short-term credit R'000	Total R'000	Current portion R'000	Non- current portion R'000	Total R'000
Note	9.3	9.4	9.5	9.2			
As at 31 March 2026							
Insurance contract assets*	1 664 213	-	-	1 664 213	80 442	1 583 771	1 664 213
Insurance contract liabilities	384 351	47 410	1 318	433 079	(303 694)	736 773	433 079
Reinsurance contract liabilities	75 732	-	-	75 732	-	75 732	75 732
As at 31 March 2025							
Insurance contract assets*	1 698 453	-	-	1 698 453	(91 530)	1 789 983	1 698 453
Insurance contract liabilities	550 157	26 499	41	576 697	346 020	230 677	576 697
Reinsurance contract liabilities	78 478	-	-	78 478	-	78 478	78 478

The Corporation holds provision a for protracted default claims, not withstanding that it is defending a litigation action. The Corporation rejected two protracted default claims and as a result, the insured has instituted litigation, challenging the Corporation's decision to reject the insured's claims.

The impact of the litigation is accounted for in the LIC and does not form part of contingent liabilities under IAS 37 (note 32).

Geopolitical impact

The conflict in the Middle East did not have material impact on the insured project as at the 31 March 2026.

*Insurance contract assets relate to salvages receivable from projects as a result of claims previously paid and are measured as part of fulfilment cash flows

NOTES TO THE FINANCIAL STATEMENTS

9.2. Total business

Insurance contracts issued (assets and liabilities)

Reconciliation of the liability for remaining coverage and the liability for incurred claims

2026	LRC		LIC R'000	Total R'000
	Excluding loss component R'000	Loss component R'000		
Opening insurance contract liabilities	(237 652)	(55 578)	(283 467)	(576 697)
Opening insurance contract assets	-	-	1 698 453	1 698 453
Net balance at beginning of the year	(237 652)	(55 578)	1 414 986	1 121 756
Insurance revenue	234 438	(11 812)	-	222 626
Insurance service expenses				
Incurred claims and other directly attributable expenses	-	-	(186 231)	(186 231)
Changes that relate to past service – adjustments to the LIC	-	-	75 367	75 367
(Losses) on onerous contracts and reversal of those losses	-	879	-	879
Insurance service expenses	-	879	(110 864)	(109 985)
Insurance service result	234 438	(10 933)	(110 864)	112 641
Net finance income/(expense)	6 600	(1 948)	14 086	18 738
Total amounts recognised in comprehensive income	241 038	(12 881)	(96 778)	131 379
Insurance acquisition cash flows amortisation	60 004	587	-	60 591
Translation effect and forex	(28 519)	34 360	(35 350)	(29 509)
	31 485	34 947	(35 350)	31 082
Cash flows				
Premiums and salvages received	(136 942)	(19 766)	(80 763)	(237 471)
Claims and other directly attributable expenses paid	-	-	184 388	184 388
Total cash flows	(136 942)	(19 766)	103 625	(53 083)
Net balance at the end of the year	(102 071)	(53 278)	1 386 483	1 231 134
Closing insurance contract liabilities	(102 071)	(53 278)	(277 730)	(433 079)
Closing insurance contract assets	-	-	1 664 213	1 664 213
Net balance at the end of the year	(102 071)	(53 278)	1 386 483	1 231 134

NOTES TO THE FINANCIAL STATEMENTS

9.2. Total business (continued)

Insurance contracts issued (assets and liabilities) (continued)

Reconciliation of the liability for remaining coverage and the liability for incurred claims (continued)

2025	LRC		LIC R'000	Total R'000
	Excluding loss component R'000	Loss component R'000		
Opening insurance contract liabilities	(322 711)	(111 257)	(805 216)	(1 239 184)
Opening insurance contract assets	-	-	1 191 281	1 191 281
Net balance at beginning of the year	(322 711)	(111 257)	386 065	(47 903)
Insurance revenue	316 598	(25 087)	-	291 511
Insurance service expenses				
Changes that relate to past service – adjustments to the LIC	-	-	49 660	49 660
(Losses) on onerous contracts and reversal of those losses	-	55 536	-	55 536
Insurance service expenses	-	55 536	49 660	105 196
Insurance service result	316 598	30 449	49 660	396 707
Net finance income/(expense)	(13 318)	3 657	96 654	86 993
Total amounts recognised in comprehensive income	303 280	34 106	146 314	483 700
Insurance acquisition cash flows amortisation	3	-	-	3
Translation effect and forex	(992)	21 573	(46 151)	(25 570)
	(989)	21 573	(46 151)	(25 567)
Cash flows				
Premiums and salvages received	(217 232)	-	(85 031)	(302 263)
Claims and other directly attributable expenses paid	-	-	1 013 789	1 013 789
Total cash flows	(217 232)	-	928 758	711 526
Net balance at the end of the year	(237 652)	(55 578)	1 414 986	1 121 756
Closing insurance contract liabilities	(237 652)	(55 578)	(283 467)	(576 697)
Closing insurance contract assets	-	-	1 698 453	1 698 453
Net balance at the end of the year	(237 652)	(55 578)	1 414 986	1 121 756

NOTES TO THE FINANCIAL STATEMENTS

9.2. Total business (continued)

Reconciliation of the measurement components of insurance contract balances

2026	Present value of future cash flows R'000	Risk adjusted for non- financial risk R'000	CSM R'000	Total R'000
Opening insurance contract liabilities	(162 958)	(145 935)	(267 804)	(576 697)
Opening insurance contract assets	2 046 855	(348 402)	-	1 698 453
Net balance at beginning of the year	1 883 897	(494 337)	(267 804)	1 121 756
Changes that relate to current service				
CSM recognised in profit or loss for the services provided	-	-	92 444	92 444
Change in the risk adjustment for non-financial risk for the risk expired	-	33 808	-	33 808
Experience adjustments	108 326	-	-	108 326
Incurred claims	(186 231)	-	-	(186 231)
	(77 905)	33 808	92 444	48 347
Changes that relate to future service				
Changes in estimates that adjust the CSM	(107 855)	22 526	85 329	-
Changes in estimates that result in onerous contract losses or reversal of losses	599	(10 210)	-	(9 611)
Contracts initially recognised in the period	130 370	(51 010)	(80 822)	(1 462)
	23 114	(38 694)	4 507	(11 073)
Changes that relate to past service				
Changes that relate to past service – adjustments to the LIC	80 070	(4 703)	-	75 367
Insurance service result	25 279	(9 589)	96 951	112 641
Net finance income/(expense)	31 402	(10 750)	(1 914)	18 738
Total amounts recognised in comprehensive income	56 681	(20 339)	95 037	131 379
Insurance acquisition cash flows	60 004	587	-	60 591
Translation effect and forex	(66 332)	21 438	15 385	(29 509)
	(6 328)	22 025	15 385	31 082
Cash flows				
Premiums and salvages received	(237 471)	-	-	(237 471)
Claims and other directly attributable expenses paid	184 388	-	-	184 388
Total cash flows	(53 083)	-	-	(53 083)
Net balance at the end of the year	1 881 167	(492 651)	(157 382)	1 231 134
Closing insurance contract liabilities	(128 845)	(146 852)	(157 382)	(433 079)
Closing insurance contract assets	2 010 012	(345 799)	-	1 664 213
Net balance at end of year	1 881 167	(492 651)	(157 382)	1 231 134

NOTES TO THE FINANCIAL STATEMENTS

9.2. Total business (continued)

Reconciliation of the measurement components of insurance contract balances (continued)

2025	Present value of future cash flows R'000	Risk adjusted for non-financial risk R'000	CSM R'000	Total R'000
Opening insurance contract liabilities	(489 895)	(331 962)	(417 327)	(1 239 184)
Opening insurance contract assets	1 427 849	(236 568)	-	1 191 281
Net balance at beginning of the year	937 954	(568 530)	(417 327)	(47 903)
Changes that relate to current service				
CSM recognised in profit or loss for the services provided	-	-	139 783	139 783
Change in the risk adjustment for non-financial risk for the expired risk	-	44 455	-	44 455
Experience adjustments	132 261	-	-	132 261
	132 261	44 455	139 783	316 499
Changes that relate to future service				
Changes in estimates that adjust the CSM	(67 191)	64 935	2 256	-
Changes in estimates that result in onerous contract losses or reversal of losses	55 253	(24 705)	-	30 548
Contracts initially recognised in the period	6 080	(1 899)	(4 181)	-
	(5 858)	38 331	(1 925)	30 548
Changes that relate to past service				
Changes that relate to past service – adjustments to the LIC	46 109	3 551	-	49 660
Insurance service result	172 512	86 337	137 858	396 707
Net finance income/(expense)	170 067	(72 462)	(10 612)	86 993
Total amounts recognised in comprehensive income	342 579	13 875	127 246	483 700
Insurance acquisition cash flows amortisation	3	-	-	3
Translation effect and forex	(108 165)	60 318	22 277	(25 570)
	(108 162)	60 318	22 277	(25 567)
Cash flows				
Premiums and salvages received	(302 263)	-	-	(302 263)
Claims and other directly attributable expenses paid	1 013 789	-	-	1 013 789
Total cash flows	711 526	-	-	711 526
Net balance at the end of the year	1 883 897	(494 337)	(267 804)	1 121 756
Closing insurance contract liabilities	(162 958)	(145 935)	(267 804)	(576 697)
Closing insurance contract assets	2 046 855	(348 402)	-	1 698 453
Net balance at end of year	1 883 897	(494 337)	(267 804)	1 121 756

NOTES TO THE FINANCIAL STATEMENTS

9.2. Total business (continued)

Impact of contracts recognised in the year

2026	Non-onerous contracts originated R'000	Onerous contracts originated R'000	Total R'000
Insurance acquisition cash flows	(60 004)	(587)	(60 591)
Estimates of the present value of future cash flows			
- Estimates of the present value of future cash outflows	(110 450)	(1 255)	(111 705)
- Estimates of the present value of future cash inflows	301 781	885	302 666
Risk adjustment for non-financial risk	(50 505)	(505)	(51 010)
CSM	(80 822)	-	(80 822)
Increase in insurance contract liabilities from contracts recognised in the period	-	(1 462)	(1 462)

2025	Non-onerous contracts originated R'000	Onerous contracts originated R'000	Total R'000
Insurance acquisition cash flows	(3)	-	(3)
Estimates of the present value of future cash flows			
- Estimates of the present value of future cash outflows	(5 430)	-	(5 430)
- Estimates of the present value of future cash inflows	11 513	-	11 513
Risk adjustment for non-financial risk	(1 899)	-	(1 899)
CSM	(4 181)	-	(4 181)
Increase in insurance contract liabilities from contracts recognised in the period	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

9.2. Total business (continued)

Reinsurance contracts held

The reinsurance contracts below relate to credit insurance.
Reconciliation of the remaining coverage and incurred claims

2026	Incurred claims R'000	Total R'000
Opening reinsurance contract liabilities	(78 478)	(78 478)
Net income/(expenses) from reinsurance contracts held		
Changes that relate to past service – adjustments to incurred claims	(886)	(886)
Net income/(expenses) from reinsurance contracts held	(886)	(886)
Net finance income/(expense)	(1 620)	(1 620)
Total amounts recognised in comprehensive income	(2 506)	(2 506)
Translation effect and forex	5 252	5 252
	5 252	5 252
Cash flows		
Net balance at the end of the year	(75 732)	(75 732)
Closing reinsurance contract liabilities	(75 732)	(75 732)

NOTES TO THE FINANCIAL STATEMENTS

9.2. Total business (continued)

9.2 Reinsurance contracts held (continued)

Reconciliation of the remaining coverage and incurred claims (continued)

2025	Remaining coverage (excluding loss component) R'000	Incurred claims R'000	Total R'000
Opening reinsurance contract assets	2 947	81 673	84 620
Net income/(expenses) from reinsurance contracts held			
Reinsurance expenses	(303)	-	(303)
CSM recognised for the services received	(2 753)	-	(2 753)
Changes that relate to past service – adjustments to incurred claims	-	(4 547)	(4 547)
Net income/(expenses) from reinsurance contracts held	(3 056)	(4 547)	(7 603)
Net finance income/(expenses)	60	3 222	3 282
Total amounts recognised in comprehensive income	(2 996)	(1 325)	(4 321)
Translation effect and forex	(841)	(8 875)	(9 716)
	(841)	(8 875)	(9 716)
Cash flows			
Premiums and salvages paid	890	-	890
Recoveries from reinsurance	-	(149 950)	(149 950)
Total cash flows	890	(149 950)	(149 060)
Net balance at the end of the year	-	(78 478)	(78 478)
Closing reinsurance contract liabilities	-	(78 478)	(78 478)

NOTES TO THE FINANCIAL STATEMENTS

9.2. Total business (continued)

9.2 Reconciliation of the measurement components of reinsurance contract balances

2026	Present value of future cash flows R'000	Risk adjusted for non-financial risk R'000	Total R'000
Opening reinsurance contract assets	(95 705)	17 227	(78 478)
Changes that relate to past service			
Changes that relate to past service – adjustments to the LIC	(1 081)	195	(886)
Insurance service result	(1 081)	195	(886)
Net finance income/(expenses)	(1 976)	356	(1 620)
Total amounts recognised in comprehensive income	(3 057)	551	(2 506)
Translation effect and forex	6 406	(1 154)	5 252
	6 406	(1 154)	5 252
Net balance at the end of the year	(92 356)	16 624	(75 732)
Closing reinsurance contract liabilities	(92 356)	16 624	(75 732)

NOTES TO THE FINANCIAL STATEMENTS

9.2. Total business (continued)

Reconciliation of the measurement components of reinsurance contract balances (continued)

2025	Present value of future cash flows R'000	Risk Adjusted for non- financial risk R'000	CSM R'000	Total R'000
Opening reinsurance contract assets	65 633	17 065	1 922	84 620
Changes that relate to current service				
CSM recognised in profit or loss for the services provided	-	-	(2 753)	(2 753)
Experience adjustments	(303)	-	-	(303)
	(303)	-	(2 753)	(3 056)
Changes in estimates that adjust the CSM		877	(877)	-
		877	(877)	-
Changes that relate to past service				
Changes that relate to past service – adjustments to the incurred claims	(4 859)	312	-	(4 547)
Insurance service result	(4 285)	312	(3 630)	(7 603)
Net finance income/(expenses)	2 922	358	2	3 282
Total amounts recognised in comprehensive income	(1 363)	670	(3 628)	(4 321)
Translation effect and forex	(10 915)	(508)	1 706	(9 717)
	(10 915)	(508)	1 706	(9 717)
Cash flows				
Premiums and salvages paid	890	-	-	890
Recoveries from reinsurance	(149 950)	-	-	(149 950)
Total cash flows	(149 060)	-	-	(149 060)
Net balance at the end of the year	(95 705)	17 227	-	(78 478)
Closing reinsurance contract liabilities	(95 705)	17 227	-	(78 478)

Impact of contracts recognised in the year

There were no new contracts for both 2026 and 2025.

NOTES TO THE FINANCIAL STATEMENTS

9.3. Credit

Insurance contracts issued

Reconciliation of the liability for remaining coverage and the liability for incurred claims

2026	LRC		LIC R'000	Total R'000
	Excluding loss component R'000	Loss component R'000		
Opening insurance contract liabilities	(226 631)	(40 059)	(283 467)	(550 157)
Opening insurance contract assets	-	-	1 698 454	1 698 454
Net balance at beginning of the year	(226 631)	(40 059)	1 414 987	1 148 297
Insurance revenue	214 507	(9 747)	-	204 760
Insurance service expenses				
Incurred claims and other directly attributable expenses	-	-	(186 231)	(186 231)
Changes that relate to past service – adjustments to the LIC	-	-	75 367	75 367
(Losses) on onerous contracts and reversal of those losses	-	24 438	-	24 438
Insurance service expenses	-	24 438	(110 864)	(86 426)
Insurance service result	214 507	14 691	(110 864)	118 334
Net finance income/(expense)	4 510	(1 380)	14 086	17 216
Total amounts recognised in comprehensive income	219 017	13 311	(96 778)	135 550
Insurance acquisition cash flows amortisation	60 002	-	-	60 002
Translation effect and forex	(7 943)	12 625	(35 351)	(30 669)
	52 059	12 625	(35 351)	29 333
Cash flows				
Premiums and salvages received	(136 942)	-	(80 763)	(217 705)
Claims and other directly attributable expenses paid	-	-	184 388	184 388
Total cash flows	(136 942)	-	103 625	(33 317)
Net balance at the end of the year	(92 497)	(14 123)	1 386 483	1 279 863
Closing insurance contract liabilities	(92 497)	(14 123)	(277 730)	(384 350)
Closing insurance contract assets	-	-	1 664 213	1 664 213
Net balance at the end of the year	(92 497)	(14 123)	1 386 483	1 279 863

NOTES TO THE FINANCIAL STATEMENTS

9.3. Credit (continued)

Insurance contracts issued (continued)

Reconciliation of the liability for remaining coverage and the liability for incurred claims

2025	LRC		LIC	Total
	Excluding loss component R'000	Loss component R'000		
Opening insurance contract liabilities	(325 952)	(68 638)	(805 214)	(1 199 804)
Opening insurance contract assets	-	-	1 191 281	1 191 281
Net balance at beginning of the year	(325 952)	(68 638)	386 067	(8 523)
Insurance revenue	295 591	(11 870)	-	283 721
Insurance service expenses				
Changes that relate to past service – adjustments to the LIC	-	-	49 660	49 660
(Losses) on onerous contracts and reversal of those losses	-	28 533	-	28 533
Insurance service expenses	-	28 533	49 660	78 193
Insurance service result	295 591	16 663	49 660	361 914
Net finance income/(expense)	(8 420)	2 429	96 654	90 663
Total amounts recognised in comprehensive income	287 171	19 092	146 314	452 577
Translation effect and forex	9 878	9 487	(46 153)	(26 788)
	9 878	9 487	(46 153)	(26 788)
Cash flows				
Premiums and salvages received	(197 728)	-	(85 031)	(282 759)
Claims and other directly attributable expenses paid	-	-	1 013 789	1 013 789
Total cash flows	(197 728)	-	928 758	731 030
Net balance at the end of the year	(226 631)	(40 059)	1 414 986	1 148 296
Closing insurance contract liabilities	(226 631)	(40 059)	(283 467)	(550 157)
Closing insurance contract assets	-	-	1 698 453	1 698 453
Net balance at the end of the year	(226 631)	(40 059)	1 414 986	1 148 296

NOTES TO THE FINANCIAL STATEMENTS

9.3. Credit (continued)

Reconciliation of the measurement components of insurance contract balances

2026	Present value of future cash flows R'000	Risk adjusted for non-financial risk R'000	CSM R'000	Total R'000
Opening insurance contract liabilities	(186 532)	(95 842)	(267 783)	(550 157)
Opening insurance contract assets	2 046 866	(348 412)	-	1 698 454
Net balance at beginning of the year	1 860 334	(444 254)	(267 783)	1 148 297
Changes that relate to current service				
CSM recognised in profit or loss for the services provided	-	-	92 423	92 423
Change in the risk adjustment for non-financial risk for the risk expired	-	27 749	-	27 749
Experience adjustments	93 973	-	-	93 973
Incurred claims	(186 231)	-	-	(186 231)
	(92 258)	27 749	92 423	27 914
Changes that relate to future service				
Changes in estimates that adjust the CSM	(108 295)	22 966	85 329	-
Changes in estimates that result in onerous contract losses or reversal of losses	24 686	(9 634)	-	15 052
Contracts initially recognised in the period	131 278	(50 456)	(80 822)	-
	47 669	(37 124)	4 507	15 052
Changes that relate to past service				
Changes that relate to past service – adjustments to the LIC	80 071	(4 703)	-	75 368
Insurance service result	35 482	(14 078)	96 930	118 334
Net finance income/(expense)	28 266	(9 136)	(1 914)	17 216
Total amounts recognised in comprehensive income	63 748	(23 214)	95 016	135 550
Insurance acquisition cash flows	60 002	-	-	60 002
Translation effect and forex	(64 932)	18 876	15 385	(30 671)
	(4 930)	18 876	15 385	29 331
Cash flows				
Premiums and salvages received	(217 704)	-	-	(217 704)
Claims and other directly attributable expenses paid	184 388	-	-	184 388
Total cash flows	(33 316)	-	-	(33 316)
Net balance at the end of the year	1 885 836	(448 592)	(157 382)	1 279 862
Closing insurance contract liabilities	(124 176)	(102 793)	(157 382)	(384 351)
Closing insurance contract assets	2 010 012	(345 799)	-	1 664 213
Net balance at end of year	1 885 836	(448 592)	(157 382)	1 279 862

NOTES TO THE
FINANCIAL STATEMENTS

9.3. Credit (continued)

Reconciliation of the measurement components of insurance contract balances (continued)

2025	Present value of future cash flows R'000	Risk adjusted for non-financial risk R'000	CSM R'000	Total R'000
Opening insurance contract liabilities	(520 085)	(262 408)	(417 311)	(1 199 804)
Opening insurance contract assets	1 427 849	(236 568)	-	1 191 281
Net balance at beginning of the year	907 764	(498 976)	(417 311)	(8 523)
Changes that relate to current service				
CSM recognised in profit or loss for the services provided	-	-	139 551	139 551
Change in the risk adjustment for non-financial risk for the risk expired	-	37 051	-	37 051
Experience adjustments	93 968	-	-	93 968
	93 968	37 051	139 551	270 570
Changes that relate to future service				
Changes in estimates that adjust the CSM	(39 392)	37 137	2 255	-
Changes in estimates that result in onerous contract losses or reversal of losses	28 489	(11 794)	-	16 695
Contracts initially recognised in the period	5 829	(1 867)	(3 962)	-
	(5 074)	23 476	(1 707)	16 695
Changes that relate to past service				
Changes that relate to past service – adjustments to the LIC	71 098	3 551	-	74 649
Insurance service result	159 992	64 078	137 844	361 914
Net finance income/(expense)	168 471	(67 208)	(10 600)	90 663
Total amounts recognised in comprehensive income	328 463	(3 130)	127 244	452 577
Translation effect and forex	(106 934)	57 862	22 284	(26 788)
	(106 934)	57 862	22 284	(26 788)
Cash flows				
Premiums and salvages received	(282 759)	-	-	(282 759)
Claims and other directly attributable expenses paid	1 013 789	-	-	1 013 789
Total cash flows	731 030	-	-	731 030
Net balance at the end of the year	1 860 323	(444 244)	(267 783)	1 148 296
Closing insurance contract liabilities	(186 532)	(95 842)	(267 783)	(550 157)
Closing insurance contract assets	2 046 855	(348 402)	-	1 698 453
Net balance at end of year	1 860 323	(444 244)	(267 783)	1 148 296

NOTES TO THE
FINANCIAL STATEMENTS

9.3. Credit (continued)

Impact of contracts recognised in the year

2026	Non-onerous contracts originated R'000	Onerous contracts originated R'000	Total R'000
- Insurance acquisition cash flows	(60 004)	-	(60 004)
Estimates of the present value of future cash			
- Estimates of the present value of future cash outflows	(110 450)	-	(110 450)
- Estimates of the present value of future cash inflows	301 781	-	301 781
Risk adjustment for non-financial risk	(50 505)	-	(50 505)
CSM	(80 822)	-	(80 822)
Increase in insurance contract liabilities from contracts recognised in the period	-	-	-

2025	Non-onerous contracts originated R'000	Onerous contracts originated R'000	Total R'000
Estimates of the present value of future cash			
- Estimates of the present value of future cash outflows	(5 311)	-	(5 311)
- Estimates of the present value of future cash inflows	11 140	-	11 140
Risk adjustment for non-financial risk	(1 867)	-	(1 867)
CSM	(3 962)	-	(3 962)
Increase in insurance contract liabilities from contracts recognised in the period	-	-	-

NOTES TO THE
FINANCIAL STATEMENTS

9.4. Investment guarantee

Insurance contracts issued
Reconciliation of the liability for remaining coverage and the liability for incurred claims

2026	LRC		Total R'000
	Excluding loss component R'000	Loss component R'000	
Opening insurance contract liabilities	(10 980)	(15 519)	(26 499)
Insurance revenue	19 534	(1 835)	17 699
Insurance service expenses (Losses) on onerous contracts and reversal of those losses	-	(22 192)	(22 192)
Insurance service expenses	-	(22 192)	(22 192)
Insurance service result	19 534	(24 027)	(4 493)
Net finance income/(expense)	2 085	(551)	1 534
Total amounts recognised in comprehensive income	21 619	(24 578)	(2 959)
Translation effect and forex	(20 276)	21 434	1 158
	(20 276)	21 434	1 158
Cash flows			
Premiums and salvages received	-	(19 110)	(19 110)
Total cash flows	-	(19 110)	(19 110)
Net balance at the end of the year	(9 637)	(37 773)	(47 410)
Closing insurance contract liabilities	(9 637)	(37 773)	(47 410)

NOTES TO THE
FINANCIAL STATEMENTS

9.4. Investment guarantee (continued)

Insurance contracts issued (continued)
Reconciliation of the liability for remaining coverage and the liability for incurred claims (continued)

2025	LRC		Total R'000
	Expected loss component R'000	Loss component R'000	
Opening insurance contract liabilities	3 280	(42 619)	(39 339)
Insurance revenue	20 607	(13 217)	7 390
Insurance service expenses (Losses) on onerous contracts and reversal of those losses	-	27 003	27 003
Insurance service expenses	-	27 003	27 003
Insurance service result	20 607	13 786	34 393
Net finance income/(expense)	(4 878)	1 228	(3 650)
Total amounts recognised in comprehensive income	15 729	15 014	30 743
Translation effect and forex	(10 869)	12 086	1 217
	(10 869)	12 086	1 217
Cash flows			
Premiums and salvages received	(19 120)	-	(19 120)
Total cash flows	(19 120)	-	(19 120)
Net balance at the end of the year	(10 980)	(15 519)	(26 499)
Closing insurance contract liabilities	(10 980)	(15 519)	(26 499)

NOTES TO THE
FINANCIAL STATEMENTS

9.4. Investment guarantee (continued)

Reconciliation of the measurement components of insurance contract balances

2026	Present value of future cash flows R'000	Risk adjusted for non-financial risk R'000	Total R'000
Opening insurance contract liabilities	23 588	(50 087)	(26 499)
Changes that relate to current service			
Change in the risk adjustment for non-financial risk for the risk expired	-	5 930	5 930
Experience adjustments	14 104	-	14 104
	14 104	5 930	20 034
Changes that relate to future service			
Changes in estimates that adjust the CSM	(857)	857	-
Changes in estimates that result in onerous contract losses or reversal of losses	(22 721)	(1 807)	(24 528)
	(23 578)	(950)	(24 528)
Insurance service result	(9 474)	4 980	(4 494)
Net finance income/(expense)	3 141	(1 607)	1 534
Total amounts recognised in comprehensive income	(6 333)	3 373	(2 960)
Translation effect and forex	(2 000)	3 159	1 159
	(2 000)	3 159	1 159
Cash flows			
Premiums and salvages received	(19 110)	-	(19 110)
Total cash flows	(19 110)	-	(19 110)
Net balance at the end of the year	(3 855)	(43 555)	(47 410)
Closing insurance contract liabilities	(3 855)	(43 555)	(47 410)

NOTES TO THE
FINANCIAL STATEMENTS

9.4. Investment guarantee (continued)

Investment guarantee - Insurance contracts issued

2025	Present value of future cash flows R'000	Risk adjusted for non-financial risk R'000	Total R'000
Opening insurance contract liabilities	30 206	(69 545)	(39 339)
Changes that relate to current service			
Change in the risk adjustment for non-financial risk for the risk expired	-	7 366	7 366
Experience adjustments	13 174	-	13 174
	13 174	7 366	20 540
Changes that relate to future service			
Changes in estimates that adjust the CSM	(27 798)	27 798	-
Changes in estimates that result in onerous contract losses or reversal of losses	26 764	(12 911)	13 853
	(1 034)	14 887	13 853
Insurance service result	12 140	22 253	34 393
Net finance income/(expense)	1 602	(5 252)	(3 650)
Total amounts recognised in comprehensive income	13 742	17 001	30 743
Translation effect and forex	(1 240)	2 457	1 217
	(1 240)	2 457	1 217
Cash flows			
Premiums and salvages received	(19 120)	-	(19 120)
Total cash flows	(19 120)	-	(19 120)
Net balance at the end of the year	23 588	(50 087)	(26 499)
Closing insurance contract liabilities	23 588	(50 087)	(26 499)

Impact of contracts recognised in the year

There were no new contracts for both 2025 and 2024.

NOTES TO THE FINANCIAL STATEMENTS

9.5 Short-term credit

Insurance contracts issued

Reconciliation of the liability for remaining coverage and the liability for incurred claims

2026	LRC		Total R'000
	Excluding loss component R'000	Loss component R'000	
Opening insurance contract liabilities	(41)	-	(41)
Net balance as at 1 April 2025	(41)	-	(41)
Insurance revenue	398	(230)	168
Insurance service expenses			
Losses on onerous contracts and reversal of those losses	-	(1 366)	(1 366)
Insurance service expenses	-	(1 366)	(1 366)
Insurance service result	398	(1 596)	(1 198)
Net finance income/(expense)	4	(16)	(12)
Finance expenses from insurance contracts issued	4	(16)	(12)
Total amounts recognised in comprehensive income	402	(1 612)	(1 210)
Insurance acquisition cash flows amortisation	-	588	588
Translation effect and forex	(297)	299	2
	(297)	887	590
Cash flows			
Premiums and salvages received	-	(656)	(656)
Total cash flows	-	(656)	(656)
Net balance as at 31 March 2026	63	(1 382)	(1 319)
Closing insurance contract liabilities	63	(1 382)	(1 319)
Net balance as at 31 March 2026	63	(1 382)	(1 319)

NOTES TO THE FINANCIAL STATEMENTS

9.5 Short-term credit (continued)

Insurance contracts issued (continued)

Reconciliation of the liability for remaining coverage and the liability for incurred claims (continued)

2025	LRC		Total R'000
	Excluding loss component R'000		
Opening insurance contract liabilities	(41)		(41)
Net balance as at 01 April 2025	(41)		(41)
Insurance revenue	400		400
Insurance service expenses			
Insurance service result	400		400
Net finance income/(expense)	(20)		(20)
Finance expenses from insurance contracts issued	(20)		(20)
Total amounts recognised in comprehensive income	380		380
Insurance acquisition cash flows amortisation	3		3
Translation effect and forex	2		2
	5		5
Cash flows			
Premiums and salvage received	(385)		(385)
Total cash flows	(385)		(385)
Net balance as at 31 March 2025	(41)		(41)
Closing insurance contract liabilities	(41)		(41)
Net balance as at 31 March 2025	(41)		(41)

NOTES TO THE FINANCIAL STATEMENTS

9.5 Short-term credit (continued)

Reconciliation of the measurement components of contract balances

2026	Present value of future cash flows R'000	Risk adjustment for non-financial risk R'000	CSM R'000	Total R'000
Opening insurance contract liabilities	(14)	(6)	(21)	(41)
Net balance as at 1 April 2025	(14)	(6)	(21)	(41)
Changes that relate to current service				
CSM recognised in profit or loss for the services provided	-	-	21	21
Change in the risk adjustment for non-financial risk for the risk expired	-	129	-	129
Experience adjustments	248	-	-	248
	248	129	21	398
Changes that relate to future service				
Changes in estimates that adjust the CSM	1 298	(1 298)	-	-
Changes in estimates that result in onerous contract losses or reversal of losses	(1 366)	1 231	-	(135)
Contracts initially recognised in the period	(908)	(554)	-	(1 462)
	(976)	(621)	-	(1 597)
Insurance service result	(728)	(492)	21	(1 199)
Net finance income/(expense)	(5)	(7)	-	(12)
Total amounts recognised in comprehensive income	(733)	(499)	21	(1 211)
Insurance acquisition cash flows amortisation	-	588	-	588
Translation effect and forex	589	(588)	-	1
	589	-	-	589
Cash flows				
Premiums and salvages received	(656)	-	-	(656)
Total cash flows	(656)	-	-	(656)
Net balance as at 31 March 2026	(814)	(505)	-	(1 319)
Closing insurance contract liabilities	(814)	(505)	-	(1 319)
Net balance as at 31 March 2026	(814)	(505)	-	(1 319)

NOTES TO THE FINANCIAL STATEMENTS

9.5 Short-term credit (continued)

Reconciliation of the measurement components of contract balances (continued)

2025	Present value of future cash flows R'000	Risk adjustment for non-financial risk R'000	CSM R'000	Total R'000
Opening insurance contract liabilities	(16)	(9)	(16)	(41)
Net balance as at 01 April 2024	(16)	(9)	(16)	(41)
Changes that relate to current service				
CSM recognised in profit or loss for the services provided	-	-	232	232
Change in the risk adjustment for nonfinancial risk for the risk expired	-	38	-	38
Experience adjustments	130	-	-	130
	130	38	232	400
Changes that relate to future service				
Changes in estimates that adjust the CSM	(1)	-	1	-
Contracts initially recognised in the period	251	(32)	(219)	-
	250	(32)	(218)	-
Insurance service result	380	6	14	400
Net finance income/(expense)	(6)	(2)	(12)	(20)
Total amounts recognised in comprehensive income	374	4	2	380
Insurance acquisition cash flows amortisation	3	-	-	3
Translation effect and forex	10	(1)	(7)	2
	13	(1)	(7)	5
Cash flows				
Premiums and salvages received	(385)	-	-	(385)
Total cash flows	(385)	-	-	(385)
Net balance as at 31 March 2025	(14)	(6)	(21)	(41)
Closing insurance contract liabilities	(14)	(6)	(21)	(41)
Net balance as at 31 March 2025	(14)	(6)	(21)	(41)

NOTES TO THE FINANCIAL STATEMENTS

9.5 Short-term credit (continued)

Impact of contracts recognised in the year

2026	Non-onerous contracts originated	Onerous contracts originated	Total
	R'000	R'000	R'000
Insurance acquisition cash flows	-	(587)	(587)
Estimates of the present value of future cash			
- Estimates of the present value of future cash outflows	-	(1 255)	(1 255)
- Estimates of the present value of future cash inflows	-	885	885
Risk adjustment for non-financial risk	-	(505)	(505)
Increase in insurance contract liabilities from contracts recognised in the period	-	(1 462)	(1 462)

2025	Non-onerous contracts originated	Onerous contracts originated	Total
	R'000	R'000	R'000
Insurance acquisition cash flows	(3)	-	(3)
Estimates of the present value of future cash			
- Estimates of the present value of future cash outflows	(119)	-	(119)
- Estimates of the present value of future cash inflows	373	-	373
Risk adjustment for non-financial risk	(32)	-	(32)
CSM	(219)	-	(219)
Increase in insurance contract liabilities from contracts recognised in the period	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

10. Other receivables

	2026 R'000	2025 R'000
Financial assets		
Other receivables (Vat from policyholders, sundry debtors and staff debtors)	46 605	1 546
Unsettled investments trades	333 653	45 453
Accrued income (interest and dividends)	5 275	7 732
Sub Total	385 533	54 731
Non-financial assets:		
VAT	-	1 937
Other receivables (prepayments, CSI and travel costs)	8 481	7 577
Sub Total	8 481	9 514
Total other receivables	394 014	64 245

The carrying amount of these instruments reasonably approximates their fair value due to their short-term nature.

The movement in other receivables presented in note 28 excludes non-cash transactions relating to unsettled investment trades, foreign exchange movements and the translation effect on the other receivables balance. The total of these exclusions is R302 million (2025: R50 million).

11. Financial assets and liabilities at fair value and amortised cost

	2026 R'000	2025 R'000
Through profit or loss: Financial assets (designated)		
Bonds	4 140 284	4 248 812
Listed equities	2 321 797	2 023 187
Collective investment scheme	994 490	680 123
Money market	112 667	203 368
Derivative instruments	82 308	48 331
Sub Total	7 651 546	7 203 821
Financial liabilities		
Derivatives instruments	(6 983)	(62 595)
Sub Total for through profit or loss	7 644 563	7 141 226
Amortised cost		
Fixed deposits	149 653	-
Through other comprehensive income:		
Unlisted equities*	873 061	765 067
Total financial assets and liabilities	8 667 277	7 906 293

*Investment in the Afreximbank.

ECIC does not have the power to participate nor have control over the financial and operating policy decisions of its Investees.

NOTES TO THE
FINANCIAL STATEMENTS

11. Financial assets and liabilities at fair value and amortised cost (continued)

Derivative instruments

	2026 R'000	2025 R'000
Financial assets and (liabilities)		
Bond options	(240)	-
Interest rate futures	60 462	(1 271)
Credit default swap	982	48 125
Total return swap	-	(1 324)
Interest rate swaps	273	(128)
Currency options	(4 986)	(3 600)
Forward exchange rate agreement	17 907	(56 066)
Currency futures	(1 757)	-
Equity and index options	2 683	-
	75 324	(14 264)

Maturity profile of financial assets and liabilities

2026	Within 1 year R'000	1 to 5 years R'000	Greater than 5 years R'000	Total R'000
Financial assets and liabilities				
Bonds	651 164	1 706 483	1 782 637	4 140 284
Listed equities	2 321 797	-	-	2 321 797
Money market	56 142	56 525	-	112 667
Fixed deposits	149 653	-	-	149 653
Collective investment scheme	994 490	-	-	994 490
Unlisted equities	-	-	873 061	873 061
Derivative instrument – asset	81 052	1 007	249	82 308
Derivative instrument – liability	(6 983)	-	-	(6 983)
	4 247 315	1 764 015	2 655 947	8 667 277

2025	Within 1 year R'000	1 to 5 years R'000	Greater than 5 years R'000	Total R'000
Financial assets and liabilities				
Bonds	753 534	1 913 763	1 581 515	4 248 812
Listed equities	2 023 187	-	-	2 023 187
Money market	133 033	70 335	-	203 368
Collective investment scheme	680 123	-	-	680 123
Unlisted equities	-	-	765 067	765 067
Derivative instrument – asset	46 481	1 850	-	48 331
Derivative instrument – liability	(59 667)	(2 722)	(206)	(62 595)
	3 576 691	1 983 226	2 346 376	7 906 293

NOTES TO THE
FINANCIAL STATEMENTS

11. Financial assets and liabilities at fair value and amortised cost (continued)

	2026 R'000	2025 R'000
Level 1		
Listed equities	2 321 797	2 023 187
Collective investment scheme	994 440	680 072
Derivative instruments	60 221	162 965
	3 376 458	2 866 224
Level 2		
Bonds	4 140 284	4 248 812
Money market	112 667	203 368
Collective investment scheme	51	51
Derivative instruments	15 103	(177 229)
	4 268 105	4 275 002
	7 644 563	7 141 226

Included in the level 1 category are financial assets that are measured in whole by reference to published quotes in an active market. A financial instrument is regarded as quoted in an active market if quoted prices are readily available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arms-length basis. The prices for these instruments are sourced from:

- South African listed equities, property management companies - Johannesburg Stock Exchange;
- Global listed equities and bonds – Bloomberg and MSCI indices;
- Money market – Bloomberg;
- Collective investment scheme – Bloomberg and the Exchanges; and
- Derivative instruments - SAFEX

Included in the level 2 category are financial assets measured using valuation techniques based on assumptions supported by prices from an observable current market transaction. However, these prices are not determined in an active market. Inputs used in the valuation techniques include quoted market prices, interest rates, observable yield curves and credit spreads. Below are the valuation techniques and inputs used for level 2 instruments:

- Bonds and Money market – discounted cash flow and spreads;
- Collective investment scheme – net assets value;*
- Derivative instruments – valued using mean quote for traded equivalent contract.

*The underlying instruments are listed instruments but the net assets value of the fund is derived monthly using the inputs from the exchange.

NOTES TO THE
FINANCIAL STATEMENTS

11. Financial assets and liabilities at fair value and amortised cost (continued)

Reconciliation of financial assets and liabilities at fair value through profit or loss

	Opening balance	Interest and dividends net of management fees and other costs	Total gain in profit or loss	Foreign exchange loss and currency translation	Other movements*	Closing balance
	R'000	R'000	R'000	R'000	R'000	R'000
2026						
Financial assets	7 141 226	279 124	754 727	(312 548)	(217 966)	7 644 563
2025						
Financial assets	6 395 477	374 931	342 473	(175 821)	204 166	7 141 226

*The other movements mainly comprise the following components:

- Net disposal/(purchases) of financial assets for -R130 million (2025: -R156 million); and
- Receipt of investment income of R 302 million(2025: R409 million).

Reconciliation of financial assets at amortised cost

	Opening balance	Investment deposit	Interest earned	Foreign exchange loss and currency translation	Maturity	Closing balance
	R'000	R'000	R'000	R'000	R'000	R'000
2026						
Financial assets	-	144 742	411	4 500	-	149 653
2025						
Financial assets	224 766	-	18	-	(224 784)	-

NOTES TO THE
FINANCIAL STATEMENTS

11. Financial assets and liabilities at fair value and amortised cost (continued)

Fair value hierarchy of financial assets through other comprehensive income

	2026 R'000	2025 R'000
Level 3		
Unlisted equities	873 061	765 067

Included in level 3 are financial assets whose fair value is determined using valuation techniques based on assumptions neither supported by prices from observable current market transactions in the same instrument nor based on available market data. The instruments classified in this level were valued by discounting future cash flows from the instruments.

Valuation process

The income approach was used as a primary valuation approach to determine the fair value of instruments. To test the reasonability of the value derived using the income approach, the market approach using the listed price of the comparable shares and net asset value were used.

Significant unobservable inputs and sensitivity analysis

The following is the quantitative information about the significant unobservable inputs and their relationship to fair value, used in level 3 fair value measurements:

2026	Total value R'000	Change in equity R'000	Change %
Reported value	873 061		
Mid-point discount rate of 19.95% – higher by 1%	826 483	(46 578)	(5.34)
Mid-point discount rate of 19.95% – lower by 1%	926 025	52 964	6.07
Terminal growth rate of 4.53% – higher by 0.5%	889 225	16 164	1.85
Terminal growth rate of 4.53% – lower by 0.5%	857 913	(15 148)	(1.74)
Minority discount of 17.4% – higher by 1%	859 853	(13 208)	(1.51)
Minority discount of 17.4% – lower by 1%	886 269	13 208	1.51
Marketability discount of 16.5% – higher by 1%	859 853	(13 208)	(1.51)
Marketability discount of 16.5% – lower by 1%	886 269	13 208	1.51

NOTES TO THE FINANCIAL STATEMENTS

11. Financial assets and liabilities at fair value and amortised cost (continued)

Significant unobservable inputs and sensitivity analysis (continued)

2025	Total value R'000	Change in equity R'000	Change %
Reported value	765 067		
Mid-point discount rate of 18,6% – higher by 1%	723 729	(41 338)	(5,40)
Mid-point discount rate of 18,6% – lower by 1%	812 305	47 238	6,17
Terminal growth rate of 3.88% – higher by 0.5%	777 746	12 679	1.66
Terminal growth rate of 3.88% – lower by 0.5%	753 221	(11 846)	(1.55)
Minority discount of 17.4% – higher by 1%	753 493	(11 574)	(1.51)
Minority discount of 17.4% – lower by 1%	776 641	11 574	1.51
Marketability discount of 16.5% – higher by 1%	753 493	(11 574)	(1.51)
Marketability discount of 16.5% – lower by 1%	776 641	11 574	1.51

Reconciliation of financial assets at fair value through other comprehensive income

2026	Opening balance R'000	Dividend income R'000	Total gain in OCI R'000	Dividends received R'000	Foreign exchange loss and currency translation R'000	Closing balance R'000
Financial assets	765 067	50 278	158 217	(50 278)	(50 223)	873 061

2025	Opening balance R'000	Dividend income R'000	Total gain in OCI R'000	Dividends received R'000	Foreign exchange loss and currency translation R'000	Closing balance R'000
Financial assets	626 286	49 169	161 774	(49 169)	(22 993)	765 067

NOTES TO THE FINANCIAL STATEMENTS

12. Cash and cash equivalents

	2026 R'000	2025 R'000
Cash at bank and on hand	172 895	169 032
Short-term deposits	281 909	166 556
	454 804	335 588

The cash and cash equivalents are available for use by the Corporation in its ordinary business.

The average interest rate on cash at bank and on hand at the reporting date was 4.63% (2025: 1.655%). Included in the short-term deposits is USD fixed deposits invested with the financial institutions valued at R134 million (2025: R149 million).

13. Share capital and share premium

	2026 R'000	2025 R'000
Authorised		
10 000 000 ordinary shares of R1 each	10 000	10 000
The unissued shares are currently under the control of the directors.		
Issued		
Share premium (100 ordinary shares issued at a premium of R3 160 504 each)	316 051	316 051

14. Liability for IMU

	2026 R'000	2025 R'000
At fair value through profit (loss)		
Liability for interest make up	183 882	311 549

The dtic offered the IMU dispensation in order to allow local banks and other financiers to offer buyers of South African export goods and services financing for projects at internationally competitive rates. The IMU dispensation was administered by the Corporation on behalf of the dtic until 1 October 2016 when it took over as the principal. The approvals were obtained from the then FSB, the dtic and the Minister of Finance.

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14. Liability for IMU (continued)

The fair value of the liability is determined on a discounted cash flow basis of all future IMU payments on existing agreements. The IMU payments extend to October 2029; hence, discounting the cash flows to allow for time value of money is appropriate. The discount rate curve used to discount cash flows is the US Treasury Bills BVAL curve obtained from Bloomberg, constructed using the US treasury bonds yield to maturity. The discount rates allow for spread risk (4.810%), which is then added to the discount rates curve.

The projected drawdown and repayment schedules used in calculating the future IMU payments, is as per the relevant loan agreement.

	2026 R'000	2025 R'000
Opening balance	311 549	444 097
Fair value movements on IMU liability	22 296	29 623
Payments	(136 843)	(145 680)
Foreign exchange (gain)/loss and currency translation	(13 120)	(16 491)
Closing balance	183 882	311 549

The contractual amount to be paid is R205 million (2025: R359 million) which is R21 million (2025: R48 million) higher than the carrying amount.

Sensitivity analysis

The table presented below demonstrates the sensitivity of liability estimates to particular movements in assumptions used in the estimation process:

2026	Total value R'000	Impact on profit or loss R'000	Change %
Reported value	183 882		
Increase discount rates by 10%	183 078	(804)	(0.4)
Decrease discount rates by 10%	184 694	812	0.4
Depreciation of USD/ZAR exchange rate by 10%	202 270	18 388	10.0
Appreciation of USD/ZAR exchange rate by 10%	165 493	(18 388)	(10.0)

NOTES TO THE
FINANCIAL STATEMENTS

14. Liability for IMU (continued)

Sensitivity analysis (continued)

2025	Total value R'000	Impact on profit or loss R'000	Change %
Reported value	311 549		
Increase discount rates by 10%	309 961	(1 588)	(0.5)
Decrease discount rates by 10%	313 155	1 606	0.5
Depreciation of USD/ZAR exchange rate by 10%	342 703	31 154	10.0
Appreciation of USD/ZAR exchange rate by 10%	280 394	(31 155)	(10.0)

Fair value hierarchy of financial liabilities at fair value through profit or loss

This liability has been classified as a level 3 as the fair value is determined using valuation techniques based on assumptions neither supported by prices from observable current market transactions in the same instrument nor based on available market data. The instruments classified in this level were valued by discounting future cash flows.

Reconciliation of financial liabilities at fair value through profit or loss measured at level 3

2026	Opening balance R'000	Fair value movements R'000	Settlements R'000	Foreign exchange gain and currency translation R'000	Closing balance R'000
Liability for interest make-up	311 549	22 296	(136 843)	(13 120)	183 882

2025	Opening balance R'000	Fair value movements R'000	Settlements R'000	Foreign exchange gain and currency translation R'000	Closing balance R'000
Liability for interest make-up	444 097	29 623	(145 680)	(16 491)	311 549

NOTES TO THE FINANCIAL STATEMENTS

14. Liability for IMU (continued)

Reconciliation of the liability for interest make-up

	2026 R'000	2025 R'000
Liability taken over	2 032 445	2 032 445
Total claims paid	(2 288 142)	(2 151 299)
Fair value movements on IMU liability	248 699	226 403
Foreign exchange movements	190 880	204 000
Closing balance	183 882	311 549

15. Deferred tax

	2026 R'000	2025 R'000
Deferred tax asset/(liability)	(152 609)	(267 936)
Reconciliation of deferred tax asset/(liability)		
Deferred tax through profit or loss		
Provisions	9 521	2 416
Fair value gain on financial assets	(97 287)	(28 198)
Payments received in advance	79	79
Prepayments	(470)	(489)
Property and equipment	(2 501)	(3 841)
Lease liability	2 734	4 131
	(87 924)	(25 902)
Deferred tax through other comprehensive income		
Fair value on financial assets through other comprehensive income	(34 480)	(307)
Unrealised foreign exchange gain on equities	(30 205)	(41 053)
IFRS 17 transition	-	(200 674)
	(152 609)	(267 936)

NOTES TO THE FINANCIAL STATEMENTS

15. Deferred tax (continued)

Reconciliation of deferred tax asset/(liability)

2026	Opening balance R'000	Recognised in profit or loss R'000	Recognised in other comprehensive income R'000	Closing balance R'000
Assets				
Property and equipment	(3 841)	1 340	-	(2 501)
Financial assets at fair value through profit or loss	(28 198)	(69 089)	-	(97 287)
Financial assets through OCI	(41 360)	-	(23 325)	(64 685)
Prepayments	(489)	19	-	(470)
Liabilities				
Provisions	2 416	7 105	-	9 521
Payments received in advance	79	-	-	79
Lease liability	4 131	(1 397)	-	2 734
IFRS 17 transition	(200 674)	200 674	-	-
	(267 936)	138 652	(23 325)	(152 609)

2025	Opening balance R'000	Recognised in profit or loss R'000	Recognised in other comprehensive income R'000	Closing balance R'000
Assets				
Property and equipment	(5 538)	1 697	-	(3 841)
Financial assets at fair value through profit or loss	(7 580)	(20 618)	-	(28 198)
Financial assets through OCI	(11 383)	-	(29 977)	(41 360)
Prepayments	(146)	(343)	-	(489)
Unused tax losses	42 515	(42 515)	-	-
Liabilities				
Provisions	1 918	498	-	2 416
Payments received in advance	79	-	-	79
Lease liability	2 227	1 904	-	4 131
IFRS 17 transition	(401 951)	201 277	-	(200 674)
	(379 859)	141 900	(29 977)	(267 936)

NOTES TO THE
FINANCIAL STATEMENTS

15. Deferred tax (continued)

Recognition of deferred tax asset

In the previous financial year, the Corporation utilised an assessed loss of R43 million relating to unused capital losses, which was utilised against capital gains.

Use and sales rate

The deferred tax rate applied to the fair value adjustments of financial assets is determined by the expected manner of recovery. Where the expected recovery of the financial assets is through sale, the capital gains tax rate of 80% of the normal tax rate, i.e. 21.6%, is used. If the expected manner of recovery is through indefinite use, the normal tax rate of 27% is applied.

16. Lease liability

During the year, the Corporation had leases for office building and printers, which are reflected in the statement of financial position as a right-of-use asset and a lease liability. The Corporation classifies its right-of-use assets in a consistent manner to its property and equipment (see note 7).

The average effective incremental borrowing rates are as follows:

- Office building: 9.07%;
- Printers: 9.18%.

The lease liabilities are secured by the related underlying assets. Future minimum lease liability repayments as at year end were as follows:

	2026 R'000	2025 R'000
Within one year	6 644	6 321
Later than one but not more than five years	4 209	10 838
	10 853	17 159
Less: future finance charges	(726)	(1 858)
Present value of minimum lease payments	10 127	15 301
Reconciliation of lease liability		
Opening balance	15 301	19 224
Finance charges	1 132	1 565
Capital repayments	(5 174)	(3 923)
Interest repayments	(1 132)	(1 565)
Closing balance	10 127	15 301

NOTES TO THE
FINANCIAL STATEMENTS

17. Employee benefits liability

Reconciliation of employee benefits liability

2026	Opening balance R'000	Additions R'000	Utilisation R'000	Paid R'000	Total R'000
Bonus provision	-	46 427	-	(20 631)	25 796
Leave accruals	5 141	9 147	(6 591)	(1 946)	5 751
	5 141	55 574	(6 591)	(22 577)	31 547

2025	Opening balance R'000	Additions R'000	Utilisation R'000	Paid R'000	Total R'000
Leave accruals	5 274	8 588	(5 977)	(2 744)	5 141

Retirement benefits

The Corporation contributes to the Sanlam Umbrella Fund, which is a defined contribution plan registered in terms of the Pension Funds Act, 1956. Membership is compulsory for all full time employees. As with all defined contribution funds, the liabilities are limited to contributions made and therefore no actuarial valuation is required.

	2026 R'000	2025 R'000
The total group contribution for the year:	9 624	9 040

18. Other payables

	2026 R'000	2025 R'000
Financial liabilities:		
Sundry creditors	19 420	20 257
Unsettled investment trades	416 844	106 489
Accrued expenses	2 502	2 114
Sub Total	438 766	128 860
Non financial liabilities:		
VAT	16 252	-
Sub Total	16 252	-
Total other payables	455 018	128 860

The carrying amount of these instruments reasonably approximates their fair value due to their short-term nature.

The movement in other payables in note 28 excludes the non-cash balance relating to unsettled investment trades and foreign exchange movements of R419 million (2025: R163 million).

19. Categories of assets and liabilities

Categories of assets and liabilities

2026	Note(s)	Financial assets and liabilities at fair value through profit or loss R'000	Financial assets at fair value through other comprehensive income R'000	Financial assets and liabilities at amortised cost R'000	Other non-financial assets and liabilities R'000	Total	Current assets and liabilities R'000	Non-current assets and liabilities R'000
Assets								
Property and equipment	7	-	-	-	10 840	10 840	-	10 840
Insurance acquisition costs	8	-	-	-	266 589	266 589	197 855	68 734
Insurance contract assets	9.2	-	-	-	1 664 213	1 664 213	80 442	1 583 771
Other receivables	10	-	-	385 533	8 481	394 014	394 014	-
Financial assets at fair value and amortised cost	11	7 651 546	873 061	149 653	-	8 674 260	4 254 298	4 419 962
Cash and cash equivalents	12	-	-	454 804	-	454 804	454 804	-
		7 651 546	873 061	989 990	1 950 123	11 464 720	5 381 413	6 083 307
Liabilities								
Insurance contract liabilities	-	-	-	-	433 079	433 079	(303 694)	736 773
Reinsurance contract liability	-	-	-	-	75 732	75 732	-	75 732
Liability for interest make up	14	183 882	-	-	-	183 882	71 470	112 412
Deferred tax	15	-	-	-	152 609	152 609	-	152 609
Lease liabilities	16	-	-	10 127	-	10 127	6 018	4 109
Current tax payable	29	-	-	-	30 817	30 817	30 817	-
Employee benefits liability	17	-	-	-	31 547	31 547	31 547	-
Other payables	18	-	-	438 766	16 252	455 018	455 018	-
Derivatives instruments	11	6 983	-	-	-	6 983	6 983	-
		190 865	-	448 893	740 036	1 379 794	298 159	1 081 635

NOTES TO THE
FINANCIAL STATEMENTS

19. Categories of assets and liabilities (continued)

Categories of assets and liabilities

2025	Note(s)	Financial assets and liabilities at fair value through profit or loss R'000	Financial assets at fair value through other comprehensive income R'000	Financial assets and liabilities at amortised cost R'000	Other non-financial assets and liabilities R'000	Total	Current assets and liabilities R'000	Non-current assets and liabilities R'000
Assets								
Property and equipment	7	-	-	-	17 575	17 575	-	17 575
Insurance acquisition costs	8	-	-	-	297 082	297 082	210 488	86 594
Insurance contract assets	9.2	-	-	-	1 698 453	1 698 453	(91 530)	1 789 983
Current tax receivable	29	-	-	-	397 131	397 131	397 131	-
Other receivables	10	-	-	54 731	9 514	64 245	64 245	-
Financial assets at fair value and amortised cost	11	7 203 821	765 067	-	-	7 968 888	3 636 358	4 332 530
Cash and cash equivalents	12	-	-	335 588	-	335 588	335 588	-
		7 203 821	765 067	390 319	2 419 755	10 778 962	4 552 280	6 226 682
Liabilities								
Insurance contract liabilities		-	-	-	576 697	576 697	346 020	230 677
Reinsurance contract liability		-	-	-	78 478	78 478	-	78 478
Liability for interest make up	14	311 549	-	-	-	311 549	118 242	193 307
Deferred tax	15	-	-	-	267 936	267 936	200 674	67 262
Lease liabilities	16	-	-	15 301	-	15 301	5 187	10 114
Employee benefits liability	17	-	-	-	5 141	5 141	5 141	-
Other payables	18	-	-	128 860	-	128 860	128 860	-
Derivatives instruments	11	62 595	-	-	-	62 595	59 667	2 928
		374 144	-	144 161	928 252	1 446 557	863 791	582 766

NOTES TO THE FINANCIAL STATEMENTS

20. Insurance revenue and expenses

An analysis of insurance revenue, insurance service expenses and net expenses from reinsurance contracts held by product line for 2026 – and 2025 – is included in the following tables. Additional information on amounts recognised in profit or loss and other comprehensive income is included in the insurance contract balances reconciliations below.

20.1. Insurance revenue and insurance service result

2026	Note	Credit R'000	Investment guarantee R'000	Short-term credit R'000	Total R'000
Note		9.3	9.4	9.5	
Insurance revenue					
Contracts not measured under the PAA					
Amounts relating to the changes in the LRC					
- Expected incurred claims and other expenses after loss component allocation		86 667	12 742	16	99 425
- CSM recognised in profit or loss for the services provided		92 423	-	21	92 444
- Change in the risk adjustment for non-financial risk for the risk expired after loss component allocation		27 749	5 930	129	33 808
Experience adjustment premiums		(2 080)	(972)	1	(3 051)
Total insurance revenue		204 759	17 700	167	222 626
Insurance service expense					
Incurred claims and other directly attributable expenses		(186 231)	-	-	(186 231)
Changes that relate to past service – adjustments to the LIC		75 367	-	-	75 367
Losses on onerous contracts and reversal of those losses		24 438	(22 192)	(1 367)	879
Commission paid		(304)	-	-	(304)
Expenses allocated to projects	23	(74 962)	-	-	(74 962)
Total insurance service expenses		(161 692)	(22 192)	(1 367)	(185 251)
Net income/(expenses) from reinsurance contracts held					
Changes that relate to past service – adjustments to incurred claims		(886)	-	-	(886)
Total net expenses from reinsurance contracts held		(886)	-	-	(886)
Total insurance service result		42 181	(4 492)	(1 200)	36 489

NOTES TO THE FINANCIAL STATEMENTS

20.1. Insurance revenue and insurance service result (continued)

2025	Note	Credit R'000	Investment guarantee R'000	Short-term credit R'000	Total R'000
Note		9.3	9.4	9.5	
Insurance revenue					
Contracts not measured under the PAA					
Amounts relating to the changes in the LRC					
- Expected incurred claims and other expenses after loss component allocation		100 626	3 694	130	104 450
- CSM recognised in profit or loss for the services provided		139 551	-	232	139 783
- Change in the risk adjustment for non-financial risk for the risk expired after loss component allocation		37 051	7 366	38	44 455
Experience adjustment premiums		6 493	(3 670)	-	2 823
Total insurance revenue		283 721	7 390	400	291 511
Insurance service expense					
Changes that relate to past service – adjustments to the LIC		49 660	-	-	49 660
Losses on onerous contracts and reversal of those losses		28 533	27 003	-	55 536
Impairment of acquisition cost		(14 429)	-	-	(14 429)
Expenses allocated to projects	23	(61 757)	-	-	(61 757)
Total insurance service expenses		2 007	27 003	-	29 010
Net income/(expenses) from reinsurance contracts held					
Reinsurance expenses – contracts not measured under the PAA					
Amounts relating to the changes in the remaining coverage					
- Expected claims and other expenses recovery		(303)	-	-	(303)
- CSM recognised for the services received		(2 753)	-	-	(2 753)
Reinsurance expenses – contracts not measured under the PAA		(3 056)	-	-	(3 056)
Changes that relate to past service – adjustments to incurred claims		(4 547)	-	-	(4 547)
Total net expenses from reinsurance contracts held		(7 603)	-	-	(7 603)
Total insurance service result		278 125	34 393	400	312 918

NOTES TO THE FINANCIAL STATEMENTS

21. Other income

	2026 R'000	2025 R'000
Interest received from SARS (note 29)	23 820	15 057
Gains on sale of equipment	-	165
Sundry income	35	
	23 855	15 222

22. Profit/(loss) on foreign exchange differences

The foreign exchange differences arise as a result of revaluing rand monetary net assets from historical rates to closing rate.

	2026 R'000	2025 R'000
Cash and cash equivalents	16 678	7 305
Net assets (excluding net insurance contract liabilities and assets, and cash and cash equivalents)	1 676	(5 804)
Financial assets at fair value, amortised cost and derivative instruments	189 554	101 874
Insurance contract liabilities	60 568	(935)
	268 476	102 440

23. Net operating expenses

Operating profit/(loss) for the year is stated after charging/(crediting) the following, amongst others:

	2026 R'000	2025 R'000
Auditor's remuneration – external		
Audit fees for the current year	4 486	3 276
Internal auditors' remuneration	916	792
Remuneration to non employees		
Consulting services	6 033	5 042
Actuarial services	1 130	1 268
Legal services	2 038	979
	9 201	7 289
Directors' emoluments		
Remuneration paid/payable to non-executive directors	1 726	1 310

NOTES TO THE FINANCIAL STATEMENTS

23. Net operating expenses (continued)

	2026 R'000	2025 R'000
Employee costs		
Salaries	103 655	97 268
Bonus paid for prior year	20 631	-
Provision for bonus for current year	25 796	-
Long service awards	1 037	-
Total employee costs	151 119	97 268
Depreciation, write-offs and disposal of assets		
Equipment	1 975	1 784
Building	4 801	4 801
	6 776	6 585
SED & ESD contributions		
Education	6 737	2 229
Enterprise development	5 591	870
Supplier development	6 933	3 104
	19 261	6 203
Expenses allocated to projects		
Acquisition cost (note 8)	(50 657)	(53 741)
Maintenance expenses allocated to projects (note 20)	(74 962)	(61 757)
	(125 619)	(115 498)
General administrative expenses	41 717	38 036
Total operating expenses (excluding portfolio fees)	109 598	45 260
Investment portfolio management fee	26 373	24 208
Total operating expenses	135 971	69 468

Potential fraud

There is potential fraud relating to the Supplier Development Programme. The initial investigation is concluded, we are now embarking on a detailed assessment which will include quantification of the amount.

NOTES TO THE FINANCIAL STATEMENTS

23. Net operating expenses (continued)

23.1. Disclosure as required by section 55 of PFMA

Fruitless and wasteful expenditure

	2026 R'000	2025 R'000
Opening balance	2	1 017
Additions – relating to current year	21	3
Written off	-	(1 015)
Recovered	(3)	(3)
Closing balance	20	2

The additions for the current year relates to the following:

- Refreshments incurred for meeting and training which was cancelled
- Interest penalties on VAT relating to imported services.

Subsequent to year end, R9 834 was recovered. No criminal steps were taken, as what did not involve criminal activities.

	2026 R'000	2025 R'000
Irregular expenditure		
Opening balance	396	-
Add: Irregular expenditure – relating to current year	-	396
Closing balance	396	396

The Corporation received professional services from a service provider who was not tax compliant.

NOTES TO THE FINANCIAL STATEMENTS

24. Net investment income

	2026 R'000	2025 R'000
Dividend income		
Equity instruments at fair value through profit or loss:		
Dividend income – Local	31 611	23 893
Dividend income – Foreign	73 322	60 670
Total dividend income	104 933	84 563
Interest income		
Interest received on cash and cash equivalents	7 761	17 890
Change in fair value of financial assets	336 355	98 451
Realised gain/(loss) on disposal of financial assets	418 372	244 022
Foreign exchange movements	(54 695)	(82 387)
Interest income	245 470	302 132
Total other investment income	953 263	580 108
Total investment income	1 058 196	664 671

Included in the dividend income is net accrued income of R577 000 (2025: -R566 000) which is expected to be settled in the next financial year. The interest received in the current financial year is more than the accrued income by R3.0 million (2025: R3.8 million) as a result of net accruals raised in the previous financial year.

25. Interest expense

	2026 R'000	2025 R'000
Lease liability	1 132	1 565
Interest penalty charges	1 022	1
Total interest expense	2 154	1 566

26. Taxation

Major components of the tax (income)/expense

	2026 R'000	2025 R'000
Current		
Local income tax – current period	74 697	180 200
Local income tax – prior period (IFRS 17 transition)	200 674	201 277
Assessed loss prior years	-	(42 515)
Foreign income tax – current period	212	2 783
	275 583	341 745

NOTES TO THE FINANCIAL STATEMENTS

26. Taxation (continue)

Major components of the tax (income)/expense (continue)

	2026 R'000	2025 R'000
Deferred		
Utilisation of assessed loss	-	42 515
Deferred tax	62 020	16 863
IFRS 17 transition	(200 674)	(201 277)
	(138 654)	(141 899)
Total tax charge for the year	136 929	199 846

	2026 %	2025 %
Reconciliation of the tax expense		
Reconciliation between average effective tax rate and applicable tax rate.		
Applicable tax rate	9.70	16.02
Disallowable fair value movements on interest make up liability	(0.73)	(0.83)
Translation effect	6.88	4.59
Exempt IMU grant income*	5.49	4.52
Exempt income – other**	1.37	0.90
Disallowable expenses – other***	(0.64)	(0.31)
Other^	4.93	2.11
	27.00	27.00

The translation effect is due to the tax expense, which is determined in ZAR, in accordance with local tax legislation, although the Corporation's functional currency is the USD.

* Exempt IMU grant income – the IMU grant income is tax exempt in terms of Schedule 11 of the Income Tax Act.

** Exempt income other – this is mainly dividends.

*** Disallowable expenses – other – comprises of disallowed operating expenses that were not incurred in the production of income.

^ Other – comprises mainly of unrealised foreign gains that relates to equity investments and related parties' receivables and withholdings tax.

NOTES TO THE FINANCIAL STATEMENTS

27. Currency translation differences

The currency translation difference arises because the presentation currency (ZAR) is different to the functional currency (USD). This difference represents the changes in the foreign exchange rates between the historical or average rate and the closing rate on net assets.

For monetary net assets, currency translation differences arise as result of foreign exchange rate movements.

	2026 R'000	2025 R'000
Retained income	(300 696)	581 763
Foreign exchange movements on monetary assets and liabilities (excluding cash and cash equivalents)	(312 586)	(883 806)
Net insurance contracts	70	(52)
Property and equipment	(1 039)	(1 264)
Payments in advance	(84)	17
Movements on insurance and reinsurance contract	5 960	(5 811)
Insurance acquisition costs	(20 267)	(9 824)
Foreign exchange movements on cash and cash equivalents	(28 392)	7 160
	(657 034)	(311 817)

28. Cash used in operations

	2026 R'000	2025 R'000
Profit/(loss) before taxation	1 411 594	1 247 357
Adjustments for non cash items:		
(Profit)/loss on sale of assets	1	(165)
Depreciation and write-off	6 776	6 585
Interest charged	1 022	-
Loss on foreign exchange differences (notes 22 & 24)	(213 781)	(20 053)
Fair value loss on financial assets	(336 355)	(98 451)
Realised loss on disposal of financial assets	(418 372)	(244 022)
IMU grant received	(167 881)	(162 488)
Fair value movements on interest make up liability	22 296	29 623
Impairment of acquisition cost	-	14 429
IFRS17 non-cash items	(179 623)	(537 515)
Interest income (note 21 & 24)	(277 086)	(335 079)
Dividends income	(104 933)	(84 563)
Interest paid	1 132	1 566

NOTES TO THE
FINANCIAL STATEMENTS

28. Cash used in operations (continued)

	2026 R'000	2025 R'000
Changes in working capital:		
Movements in other receivables	(27 422)	394 433
Reinsurance recoveries (note 9)	-	149 950
Reinsurance premiums (note 9)	-	(890)
Insurance claims paid (note 9)	(184 388)	(1 013 789)
Premiums and salvages received (note 9)	237 470	302 263
Movements in other payables	(92 838)	(244 585)
Movements in employee benefits liability	26 406	(134)
Movements in insurance acquisition costs: assessment fees	292	-
	(295 690)	(595 528)

29. Tax (paid) refunded

	2026 R '000	2025 R '000
Balance at beginning of the year	397 131	524 783
Current tax recognised in profit or loss	(74 909)	(182 983)
Current tax recognised in profit or loss (IFRS 17 transition)	(200 674)	(201 277)
Assessed loss utilised	-	42 515
Interest income	23 820	15 057
Interest received	(34 678)	(4 199)
Interest charged	(1 022)	-
Balance at end of the year	30 817	(397 131)
	140 485	(203 235)

NOTES TO THE
FINANCIAL STATEMENTS

30. Related parties

Relationships

Shareholder	Department of Trade, Industry and Competition (the dtic)
Fellow subsidiary entity	Development Bank of Southern Africa SOC Limited (DBSA) South African Revenue Services (SARS) Insurance Sector Education and Training Authority (INSETA) City of Tswane Financial Sector Conduct Authority (FSCA) Prudential Authority (PA)

Related-party balances

Identity of related parties

The Corporation has a related-party relationship with its shareholder, fellow government entities and its directors and executive officers. The sole shareholder is the Government of South Africa through **the dtic**.

Transactions with key management personnel

Details of directors' emoluments are disclosed in note 31. Key management personnel for the purposes of related-party information are defined as directors.

Government guarantee

In terms of the Export Credit and Foreign Investments Insurance Act 1957, as amended, the Government of South Africa acts as a guarantor for the liabilities of the Corporation. Since inception, the Corporation has not called on this government guarantee.

Other related-party transactions

The following transactions were entered into with the Government of South Africa through its various departments and entities on commercial terms and conditions:

	2026 R'000	2025 R'000
Premium		
Statement of profit or loss and other comprehensive income effects:		
Development Bank of Southern Africa SOC Limited (DBSA)	14 936	24 937
Assessment fees		
Development Bank of Southern Africa SOC Limited (DBSA)	-	103
IMU grant receipts		
Department of Trade, Industry and Competition (the dtic)	167 881	162 488
Other income (interest)		
South African Revenue Services (SARS)	23 820	15 057

NOTES TO THE FINANCIAL STATEMENTS

30. Related parties (continued)

	2026 R'000	2025 R'000
Mandatory grants received in terms of the Skills Development Levies Act		
Insurance Sector Education and Training Authority (INSETA)	242	178
Other operating expense		
City of Tshwane	-	6
Development Bank of Southern Africa SOC Limited (DBSA)	-	292
Financial Sector Conduct Authority (FSCA)	570	197
Prudential Authority (PA)	225	96
Road Traffic Management Corporation (RTMC)	1	1
South African Broadcasting Corporation (SABC)	1	1
Interest expense		
South African Revenue Services (SARS)	1 022	-
Taxation (income tax)		
South African Revenue Services	275 371	338 962
Statement of financial position effects:		
Financial assets		
Bonds - Parastatals	20 574	22 542
Bonds - National government	1 437 565	1 453 370
Taxation (income Tax)		
South African Revenue Services	-	397 131
Other receivables (excluding loss allowance)		
Development Bank of Southern Africa SOC Limited	118	118
South African Revenue Services (value added tax)	-	1 937
Total assets	1 458 257	1 875 098
Liabilities		
Other payables		
Development Bank of Southern Africa SOC Limited	-	292
South African Revenue Services (value added tax)	16 252	-
Taxation (income tax)		
South African Revenue Services	30 817	-
Total liabilities	47 069	292

NOTES TO THE FINANCIAL STATEMENTS

31. Directors' and executives' emoluments

Non-executive remuneration

2026 Directors' emoluments	Fees for services as director R'000	Other benefits R'000	Total R'000
DP Ndlovu**	312	30	342
S Mayekiso	331	65	396
S O'Mahony	261	-	261
B Mkhize**	201	5	206
P Mthethwa**	106	-	106
A Mabizela***	21	-	21
X Daku*^	106	2	108
D Dharmalingam^	56	-	56
V Matsiliza [∅]	76	-	76
L Mothae [∅]	57	-	57
D Subbiah^	68	-	68
E Makhubela*	-	29	29
W Van der Spuy*	-	-	-
L Govender*	-	-	-
L Mataboge*	-	-	-
	1 595	131	1 726

2025 Directors' emoluments	Fees for services as director R'000	Other benefits R'000	Total R'000
D Dharmalingam	175	-	175
V Matsiliza	250	11	261
S Mayekiso	265	42	307
L Mothae	167	-	167
S O'Mahony	206	-	206
D Subbiah	194	-	194
W Van der Spuy *	-	-	-
E Makhubela*	-	-	-
L Mataboge*	-	-	-
L Govender*	-	-	-
	1 257	53	1 310

* The director is a government representative (the dtic or National Treasury) and is not paid meeting attendance fees.

** Term started in 01 July 2025

*** Term started 01 July 2025 and ended 22 July 2025

*^ Term started 20 October 2025

^ Term ended 31 May 2025

[∅] Term ended 30 June 2025

NOTES TO THE
FINANCIAL STATEMENTS

31. Directors’ and executives’ emoluments (continued)

Executive remuneration

2026 Executive remuneration	Basic salary R'000	Performance bonuses paid R'000	Provident fund R'000	Cellphone allowance R'000	Other benefits* R'000	Acting allowance R'000	Total R'000
N Maphula – General Counsel (Acting CEO & COO)**	2 770	1 104	367	48	293	418	5 000
N Moffet – Company Secretary***	1 321	-	132	18	30	-	1 501
N Mkhathazo – Chief financial officer	2 710	1 022	269	30	133	-	4 164
S Esterhuisen – Chief Actuarial & Investments	2 990	1 109	297	32	75	-	4 503
J Omollo – Chief Risk Officer	2 810	-	450	30	74	-	3 364
D Naicker – Head: Legal (Acting General Counsel)~	-	-	-	12	-	180	192
	12 601	3 235	1 515	170	605	598	18 724

2025 Executive remuneration	Basic salary R'000	Provident fund R'000	Cellphone allowance R'000	Other benefits* R'000	Acting allowance R'000	Total R'000
N Maphula – General Counsel (Acting CEO & COO)**	2 261	354	60	244	308	3 227
N Moffet – Company Secretary***	327	33	4	9	-	373
N Mkhathazo – Chief financial officer	2 615	260	30	90	-	2 995
S Esterhuisen – Chief Actuarial & Investments	2 864	306	28	45	-	3 243
J Omollo – Chief Risk Officer	2 709	435	30	45	-	3 219
X Mpanza – Company Secretary (resigned)	525	53	8	28	-	614
D Naicker – Head: Legal (Acting General Counsel)~	-	-	12	-	180	192
Mmapuso Rakau – Head of Risk (Acting Chief Risk Officer)^	-	-	7	-	147	154
R Ntshiyantshiya – Assistant Company Secretary (Acting Company Secretary)°	-	-	3	-	24	27
	11 301	1 441	182	461	659	14 044

* Other benefits comprise travel allowance, medical benefits, connectivity allowance, daily travel allowance and social security contributions.
** Mr M Maphula (General Counsel); (Acting CEO and Acting COO) was appointed to act as the CEO from July 2023.
***Ms N Moffet – was appointed as company secretary 3 January 2025
~Ms D Naicker (Head: Legal) was appointed to act as General Counsel in July 2022
^Ms Rakau – (Head of Risk) was acting Chief Risk Officer from 1 August 2024 to 28 February 2025
°Ms R Ntshiyantshiya – (Assistant Company Secretary) was acting Company Secretary from 1 Nov 2024 to 31 December 2024

NOTES TO THE
FINANCIAL STATEMENTS

32. Contingent assets and liability

The Corporation did not have any contingent assets or liabilities in the current financial year.
There is no reimbursement from any third parties for the potential obligations of the company.

33. Capital management

	2026 R'000	2025 R'000
Total equity	10 084 926	9 434 483
Adjustment (regulatory basis)	262 125	287 905
Available capital	10 347 051	9 722 388
Required capital (regulatory)	3 361 273	3 220 723
Required capital (economic)	2 973 890	2 659 900
Regulatory capital cover ratio	308%	302%
Economic capital cover ratio	348%	366%

Capital management policy

The Board ensures that the quantity and quality of capital maintained is adequate and, at a minimum, will meet applicable regulatory capital requirements. The Corporation also monitors economic required capital as an internal view of required capital as part of its risk appetite. The capital philosophy is to use available capital optimally to fulfil the Corporation's mandate and increase its capital base to extend its business underwriting capacity. Sufficient capital should be available to absorb potential losses from accepted risks and tested to ensure post a loss event sufficient capital remains to cover the remaining exposure equivalent to 110% of economic required capital. The Own Risk and Solvency Assessment (ORSA) serves as the Corporation's capital management plan that considers the projected available and required capital over a five-year period. The plan is updated annually and describes any planned capital-raising initiatives and how capital is deployed and managed within the organisation.

Solvency capital requirements

In terms of Prudential Standard of Financial Soundness of Insurers, the Corporation is required to maintain sufficient capital to compensate for the different aspects of risk ranging from insurance risk to operational risk, as well as market risk and credit risk.

The Corporation recognises share premium, retained earnings and other reserves as capital. For internal management purposes, the Corporation refers to the statutory solvency requirements as prescribed by the Prudential Authority (PA).

The Corporation submits quarterly and annual returns to the PA in terms of the Insurance Act, 2017 (the Act). The Corporation is required to maintain, at all times, sufficient eligible own funds as defined in the Act. The returns submitted by the Corporation to the regulator showed that the Corporation met the minimum capital requirements throughout the year.

Cover ratios

The cover ratios measure the degree to which the available capital covers the required capital. The Corporation retains a strong solvency position, with the solvency capital requirement (SCR) cover ratio above 100% as required by the PA. The Corporation has met all external regulatory requirements.

NOTES TO THE FINANCIAL STATEMENTS

34. Dividend payable

No dividends were paid or declared in the current financial year and prior year.

35. Events after the reporting period

On 7 May 2026, the Cabinet of the Republic of South Africa concurred to the appointment of Ms Linda Seroka as chief executive officer of the Corporation.

36. Going concern

We draw attention to the fact that at 31 March 2026, the Corporation had accumulated profit of R5.9 billion (2025: R4.6 billion) and that the Corporation's total assets exceed its liabilities by R10.1 billion (2025: R9.3 billion). The total comprehensive income for the year is R753 million (2025: R867 million). The net cash generated/(utilised) in operating activities of R270 million (2025: -R370 million) is due to a claim paid.

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business

NOTES TO THE FINANCIAL STATEMENTS

37. Restatement note

The restatement was due to the following:

- 2024: An error identified in the release of the deferred tax relating to IFRS 17 transition; and
 - 2025: (a) adjusting the salvages relating to the Ghana project from USD currency to EUR currency following the signing of the bilateral agreement with the Government of Ghana in March 2026, which confirmed salvages will be paid in euro currency. The change to euro was effective in May 2024; and (b) also an error identified in the utilisation of the assessed loss, the entry relating to utilised assessed loss – was not passed.
- The correction of the error(s) results in reclassification adjustments as follows:

	2025 previously presented R'000	restatement R'000	2025 Restated figures R'000	2024 previously presented R'000	restatement R'000	1 April 2024 restated figures R'000
Statement of financial position						
Insurance contract assets	1 620 654	77 799	1 698 453	1 191 281	-	1 191 281
Current tax receivables	376 238	20 893	397 131	524 783	-	524 783
Total assets	10 680 270	98 692	10 778 962	10 826 028	-	10 826 028
Foreign currency translation reserve	4 366 355	5 047	4 371 402	4 685 885	(2 666)	4 683 219
Retained income	4 755 066	(107 127)	4 647 939	3 799 037	(198 610)	3 600 427
Total equity	9 434 486	(102 080)	9 332 406	8 666 189	(201 276)	8 464 913
Deferred tax	67 164	200 772	267 936	178 582	201 276	379 859
Total liabilities	1 245 784	200 772	1 446 556	2 159 839	201 276	2 361 115
Total equity and liabilities	10 680 270	98 692	10 778 962	10 826 028	-	10 826 028
Statement of financial performance						
Net finance income/(expense) from insurance contracts issued	9 145	77 848	86 993	(60 222)	-	(60 222)
Net insurance finance income/(expenses)	12 427	77 848	90 275	(51 531)	-	(51 531)
Net insurance results	325 345	77 848	403 193	(1 120 010)	-	(1 120 010)
Gains/(loss) on exchange differences	110 205	(7 765)	102 440	(193 228)	2 666	(190 562)
Profit/(loss) before taxation	1 177 274	70 083	1 247 357	(603 520)	2 666	(600 854)
Taxation	(221 245)	21 399	(199 846)	238 512	(201 276)	37 236
Profit/(loss) for the year	956 029	91 482	1 047 511	(365 008)	(198 610)	(563 619)
Currency translation difference	(319 530)	7 713	(311 817)	603 025	(2 666)	600 359
Total comprehensive income for the year	768 297	99 195	867 492	174 540	(201 276)	(26 737)

SUPPLEMENTARY INFORMATION

38. Translated financial information in South African rand

The financial statements are prepared using the USD as the functional currency, in accordance with IFRS accounting standards. However, as the entity operates in South Africa, local tax regulations require the calculation of tax expense in ZAR. Accordingly, the following schedule presents the statement of financial position and the statement of profit or loss and other comprehensive income translated into ZAR for informational purposes.

	Note(s)	2026 R'000	2025 R'000
Statement of financial position			
Assets			
Property and equipment	7	11 068	16 763
Financial assets at fair value and amortised cost	11	8 674 260	7 968 888
Insurance contract assets		1 664 189	1 698 499
Current tax receivable	29	-	397 131
Other receivables	10	394 011	64 158
Insurance acquisition costs	8	236 806	247 032
Cash and cash equivalents	12	454 804	335 588
Total assets		11 435 138	10 728 059
Equity and liabilities			
Equity			
Share capital and share premium	13	316 051	316 051
Fair value adjustment through other comprehensive income reserve		81 681	(25 980)
Retained income		9 657 612	8 991 431
Total equity		10 055 344	9 281 502
Liabilities			
Insurance contract liabilities	9.2	433 079	576 697
Reinsurance contract liabilities	9.2	75 732	78 478
Deferred tax	15	152 609	267 936
Employee benefits liability	17	31 547	5 141
Other payables	18	455 018	128 860
Derivative instruments	11	6 983	62 595
Lease liabilities	16	10 127	15 301
Liability for interest make up	14	183 882	311 549
Current tax payable	29	30 817	-
Total liabilities		1 379 794	1 446 557
Total equity and liabilities		11 435 138	10 728 059

SUPPLEMENTARY INFORMATION

38. Translated financial information in South African rand (continued)

	Note(s)	2026 R '000	2025 R '000
Statement of profit or loss and other comprehensive income			
Insurance revenue	20	215 396	286 990
Insurance service expenses	20	(181 481)	30 297
Net income from reinsurance contracts	20	(1 003)	(7 556)
Insurance service result		32 912	309 731
Net finance expense from insurance contracts issued		19 170	80 919
Finance income from reinsurance contracts held		(1 544)	3 513
Net insurance finance expenses		17 626	84 432
Net insurance result (before allocating maintenance costs)		50 538	394 163
IMU grant receipts		167 881	162 488
Other operating income	21	23 855	15 222
Profit/(loss) on exchange differences		(313 948)	(166 230)
Other operating expenses	23	(135 971)	(69 468)
Fair value movements on interest make-up liability		(22 296)	(29 623)
Net investment income	24	1 058 195	664 671
Interest expense	25	(2 154)	(1 566)
Profit/(loss) before taxation		826 100	969 657
Taxation	26	(136 929)	(199 846)
Profit/(loss) for the year		689 171	769 811
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Fair value adjustments of financial assets		158 217	161 774
Deferred tax on fair value of financial assets		(34 175)	(34 943)
Forex movements through OCI		(50 223)	(22 994)
Tax on forex movements through OCI		10 848	4 967
Total items that will not be reclassified to profit or loss		84 667	108 804
Other comprehensive income for the year net of taxation		84 667	108 804
Total comprehensive income for the year		773 838	878 615