



PORTFOLIO COMMITTEE ON TRADE, INDUSTRY AND COMPETITION

ECIC REVISED APP; AND 3RD QUARTER FINANCIAL & NON-FINANCIAL PERFORMANCE FOR THE 2024/25 FINANCIAL YEAR

26 March 2025

YOUR EXPORT **RISK** PARTNER

ECIC VISION AND MISSION

Vision

To be a world-class export credit insurer in facilitating South African export trade and cross-border investment globally.

Mission

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



ECIC MANDATE

Enabling Act is the Export Credit and Foreign Investments Insurance Act, Act No. 78 of 1957, as amended. Presently, under review by **the dtic**.

ECIC is a schedule 3B entity and is subject to the supervision and regulation by the Prudential Authority and Financial Services Conduct Authority in terms of the Insurance Act, 2017.

Since its inception the mandate of ECIC has been the facilitation of export trade and cross-border investments. Historically, ECIC has been supporting the export of capital goods and related services. In 2021, the ECIC mandate was expanded beyond capital goods exports. The authorisation to support non-capital (consumable) goods exports lays the basis for ECIC to insure consumer goods and short-term export transactions with a tenor of less than two years. ECIC is currently implementing a short-term insurance strategy which was approved by the Board in 2023.

On 15 May 2024, the ECIC mandate was extended to cover Euro-denominated transactions. This presents new opportunities in new markets addressing the request from both exporters and SA banks.





REVISION TO 2024/25 CORPORATE PLAN



Economic Cluster Results Framework Summary

Jobs Created

4 million

Investment

R3 trillion

SMMEs Supported

255,000

Intl. Tourist Arrivals

14.9 million

Work Experience

2.1 million

Subsistence Farmers

441,000

Transformation

200 Industrial
Parks + DDM

New Mines

20 Junior Miners
+

Exports

R1 trillion

Red-tape Reduction

xxx Processes
Improved

= 5.4% GDP Growth

Strategic Approach - Desired Impacts



▪ End of Term Impact: 3.5% to 4.4%  GDP and Gini Co-efficient  0.60

Jobs & Work Opportunities created 6,8 million	Investment R3 trillion	MSMEs Supported 1 055 000 - 1 million small enterprises supported financially and non-financially, - 5,000 small enterprises' products and services linked to domestic and export markets, - 50 000 start-up and new MSMEs supported financially and non-financially)	Domestic tourism trips 45,1 million
Work Experience 2.9 million	Subsistence and Smallholder Farmers 441,000	Township Economy 45 Industrial Parks + township incentive	New Mines 5% Share of Global Exploration Spend
Exports R55 billion	Red-tape Reduction Introduce E registration system to 100 municipalities	Induced Demand 30 Products or Technologies Designated	Transformation - 800,000 workers benefiting through ESOPs - R100 billion fund

ECIC CONTRIBUTION

The ECIC mandate contributes directly to the Economic Cluster target of R55 billion in exports.

The ECIC is targeting \$670 million in approved transactions per year which would result in approximately R6 billion in exports over the period of the approved transactions (average of 5-7 years).

The approved transactions over the strategic period (\$3,35 billion) are expected to result in R30 billion in exports over the next 5 years.

As an outcome of the \$670 million in approved transactions per year, the ECIC Economic Impact Assessment Model anticipates an average of 14 000 job opportunities to be created over the period of the approved transactions (average of 5-7 years).

The approved transactions over the strategic period (\$3,35 billion) are expected to result in 70 000 job opportunities over the next 5 years.

Current approved projects that are likely to draw in the coming financial years:

1. Moz LNG, Mozambique -	\$800m	\$400m SA exports
2. Yellow Equipment, DRC -	\$308m	\$154m SA exports
3. NMSI Hospitals, Zimbabwe -	\$193m	\$96m SA exports
4. Exxon Mobil LNG, Mozambique -	\$600m	\$300m SA exports





Q3 PERFORMANCE REPORT

INDUSTRIALIZATION AND GROWING THE ECONOMY

2024/25 Target

Target 1: Value of approved transactions - \$570 million

Target 2: Number of approved transactions – 4

Target 3: Value of approved transactions within expanded sectoral coverage - \$80 million

Target 4: Companies benefiting under the Export Passport Programme – At least 7

Q3 Year-To-Date Achievement

Target 1 and 2:

One transaction to the equivalent value of USD7,2 million approved

Target 3:

One transaction to the equivalent value of USD1,44 million approved

Target 4:

No beneficiaries approved to date.

The global slowdown in trade growth, intensified by protectionist policies and geopolitical tensions, has significantly impacted emerging markets, including South Africa. The shift towards localizing global value chains and the imposition of tariffs on key sectors have reduced market access for South African exports. Countries are experiencing renewed conflicts, while others face political challenges that could affect economic stability.

These conditions increase the risk of defaults and non-payment, making it harder for ECIC to provide insurance coverage.



TRANSFORMATION

2024/25 Target

Target 5: Maintain B-BBEE Score – Level 1

Q3 Year-To-Date Achievement

Target 5:

The B-BBEE verification will take place as soon as the 2024/25 external audit is finalised as the agency requires the audited financial results.

The results are expected to be received in July/August 2025.

ECIC implements its Transformation Strategy alongside the use of a B-BBEE Tracking Tool to ensure that the Corporation maintains a B-BBEE Level 1 Score.



BUILDING A CAPABLE STATE

2024/25 Target

Target 6: Percentage staff retained – At least 85%
(Only target tracked quarterly)

Target 7: Percentage of business processes automated – 90%

Target 8: Employee cost to earned premium (3-year average) ratio – Below 31%

Target 9: No breaches on risk appetite limits (from 1 April 2022) – Zero

Target 10: Risk maturity levels of the Corporation - Level 3 across 75% of metrics

Target 11: % increase in equity (excluding foreign exchange movements and related tax) – 5% or above

Target 12: Operating cost base of underwriting activities – Below R164 million

Q3 Year-To-Date Achievement

Target 6: 94% retained to-date.

Target 7: 80% of business process automation plan implemented.

Target 8: Staff efficiency ratio of 19% achieved to-date.

Target 9: No breaches on risk appetite

Target 10: The survey will be done in Q4

Target 11: Increase of 4% achieved to-date

Target 12: Operating cost of underwriting activities is R113 million to-date.



BUILDING A CAPABLE STATE

2024/25 Target

Target 13: Click Through Rate (CTR) on the AfCFTA media campaign – 0,20%

Target 14: Culture Entropy Score – Below 30%

Target 15: External Audit results - Clean audit with no repeat findings and no more than 3 new findings on the BAC Report (judgmental differences not taken into account).

Q3 Year-To-Date Achievement

Target 13:

Campaign 1 which focused on SA, Tanzania and Namibia ended 30 June 2024 and achieved a CTR of 0.77 in Q1.

Campaign 2 which focuses on SA, Benin and Mauritius started 1 November 2024 and achieved a CTR of 5.65 in Q3.

Target 14: The survey will be done in Q4

Target 15: External audit is expected to be finalised by July 2025.



FINANCIAL PERFORMANCE

FINANCIAL PERFORMANCE – Q3 2025

Description of item	Actual YTD R'000	YTD Budget R'000	YTD Variance R'000	% Variance
Insurance revenue	221 376	226 839	(5 463)	-2%
Insurance service expenses	935	(4 832)	5 767	119%
Net expenses from reinsurance contracts held	(5 114)	(5 028)	(85)	-2%
Insurance service result	217 197	216 979	219	0%
Finance expenses from insurance contracts issued	(37 155)	90 879	(128 035)	-141%
Finance income from reinsurance contracts held	5 613	(268)	5 881	2194%
Net insurance result	185 654	307 590	(121 935)	-40%
Unallocated underwriting expenses	(67 063)	(68 066)	1 003	1%
Underwriting results	118 591	239 524	(120 932)	-50%
Bonus	-	-	-	0%
Underwriting results after bonus	118 591	239 524	(120 932)	-50%
Investment Income	616 757	712 190	(95 433)	-13%
Investment management expense (Inc. Operating Expenses)	(18 779)	(22 136)	3 357	15%
Other income	4 198	4 198	-	0%
Interest expense	(1 213)	(1 212)	(0)	0%
IMU income	162 488	162 488	-	0%
IMU expenses	(30 125)	(33 885)	3 760	11%
Profit before CSI, foreign exchange gains/losses and tax	851 919	1 061 167	(209 249)	-20%
SED & ESD Contributions (Inc. Operating Expenses)	(6 741)	(6 034)	(707)	-12%
Foreign Exchange gain/(Loss)	349 875	135 009	214 866	159%
Profit Before Tax	1 195 052	1 190 141	4 910	0%

Underwriting results

The R121 million underperformance is due to the discount curve shifting upwards, reducing the present value of expected future salvage cashflows which are far in the future

Net investment income

Due to market movements, the high returns generated in the first half of the year were partially reversed while these are still included in the budget

Impact on equity and cashflows

Equity increased by 7% from R8.5 billion in Mar 2024 to R9.1 billion in Dec 2024.

There was an outflow of R505 million from operations due a payment of a claim in Ghana. Existing cash resources were used to fund the claim.

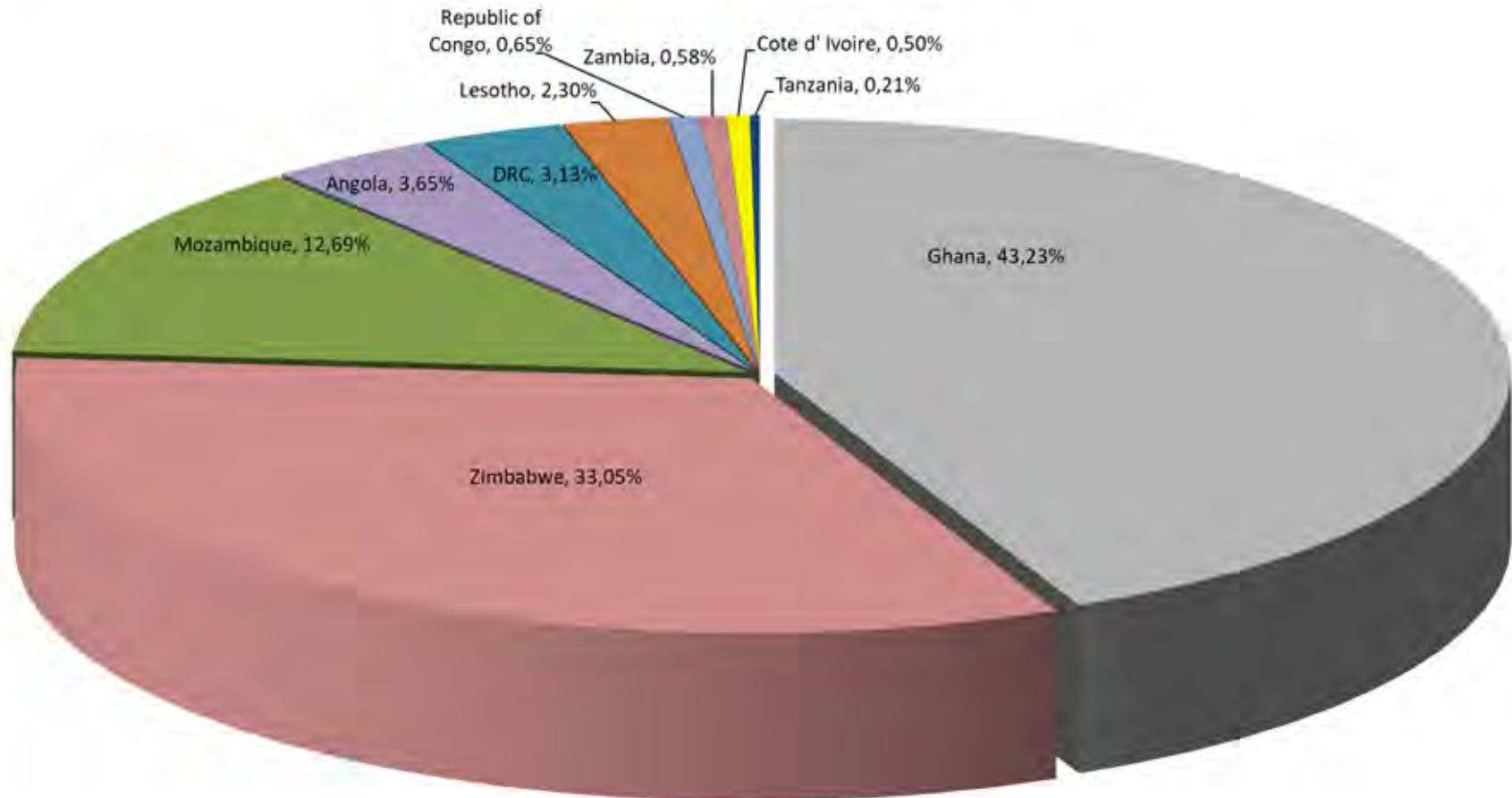




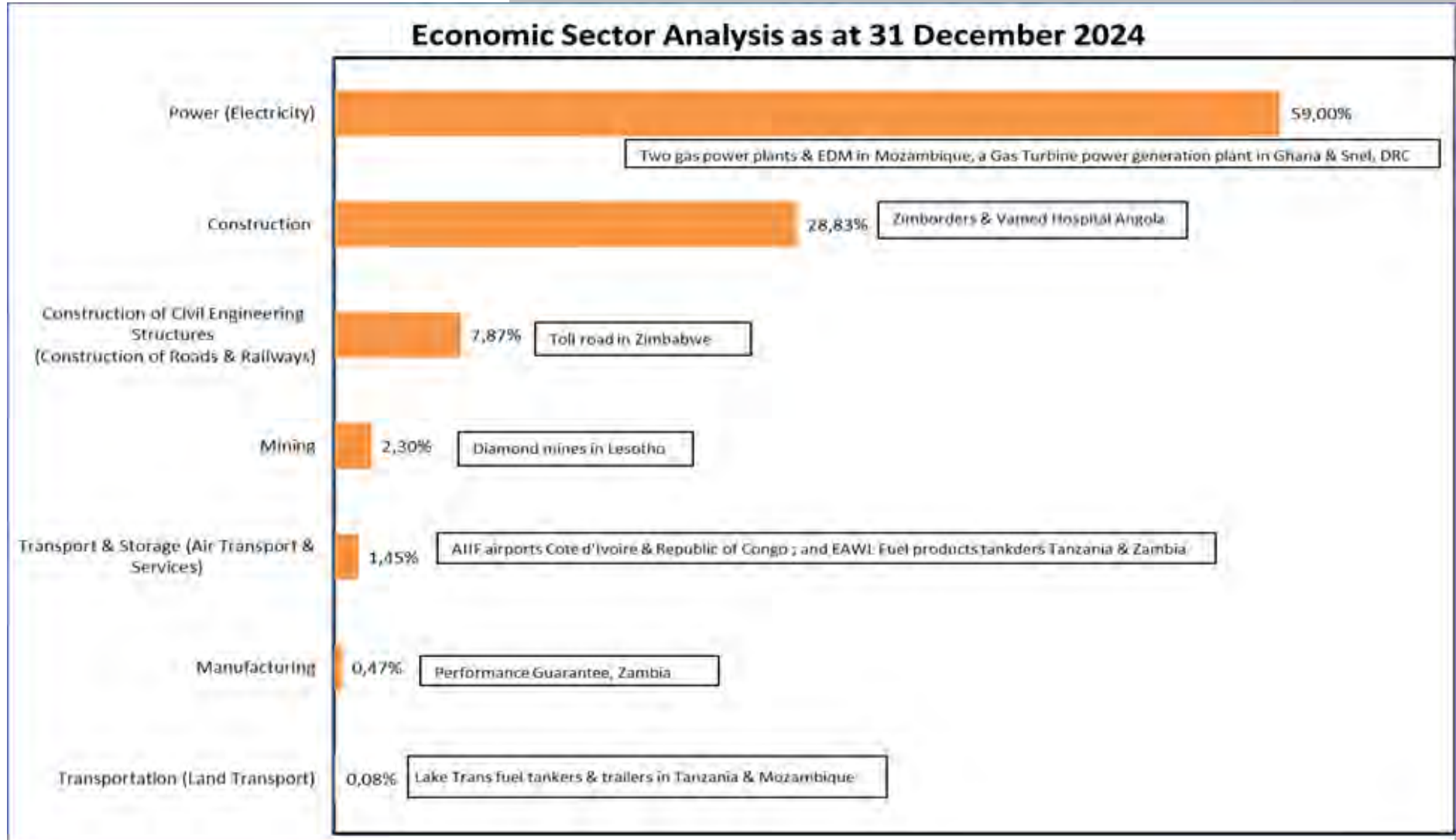
NON-FINANCIAL PERFORMANCE

ECIC INSURANCE PORTFOLIO - 31 DECEMBER 2024 (Q3 REPORT)

Summary of Total Sum Insured by Country - 31 December 2024



ECIC INSURANCE PORTFOLIO – 31 DECEMBER 2024 (Q3 REPORT)



SOCIO-ECONOMIC IMPACT OF ECIC SUPPORT SCHEME

Country	Impact on SA	
	Construction Phase	Operational Phase
Agriculture	-	-
Mining	-	-
Manufacturing	299	3
Construction	-	-
Water and Electricity	-	-
Trade & Accommodation	-	2
Transport & Communication	-	-
Financial & Business Services	80	1
Community & Social Services	-	2
TOTAL EMPLOYMENT IMPACT	379	8

Measurement based on the export credit drawdowns recorded in the ECIC's insurance portfolio from 1 April 2024 – 31 December 2024, confirmed that the ECIC succeeded in facilitating three projects with total drawdowns amounting to R304.9 million.

The estimated impact of the ECIC support scheme reflects the creation/sustainability of 387 job opportunities, of which a total of 379 job opportunities are estimated to be created/sustained during the construction phase, and, an estimated 8 job opportunities are expected to be sustained on an annual basis during the operational phase. Across both phases, the largest beneficiary of employment creation/sustainability is estimated to accrue to the semi-skilled labour category in South Africa.





THANK YOU