



# CORPORATE PLAN

2026/27 – 2030/31



YOUR EXPORT **RISK** PARTNER

## 1. ACRONYMS AND ABBREVIATIONS

<b>B-BBEE</b>	Broad Based Black Economic Empowerment
<b>ECA</b>	Export Credit Agency
<b>Government</b>	The Government of the Republic of South Africa
<b>GNU</b>	Government of National Unity
<b>IFRS</b>	International Financial Reporting Standards
<b>IMU</b>	Interest Make-up
<b>IPS</b>	Investment Policy Statement
<b>MLT</b>	Medium- and Long-Term Transactions
<b>NDP</b>	National Development Plan
<b>PFMA</b>	Public Finance Management Act
<b>R / ZAR</b>	Rand Currency
<b>SA Eximbank</b>	South African Export-Import Bank
<b>SAM</b>	Solvency Assessment and Management prudential regulatory regime
<b>SATIPP</b>	South Africa – Africa Trade and Investment Promotion Programme
<b>SCR</b>	Solvency Capital Requirement (regulatory capital required determined on standard formula)
<b>SOC</b>	State Owned Company
<b>STI</b>	Short-Term Insurance
<b>the dtic</b>	The Department of Trade, Industry and Competition
<b>\$ / US\$ / USD</b>	United States Dollar

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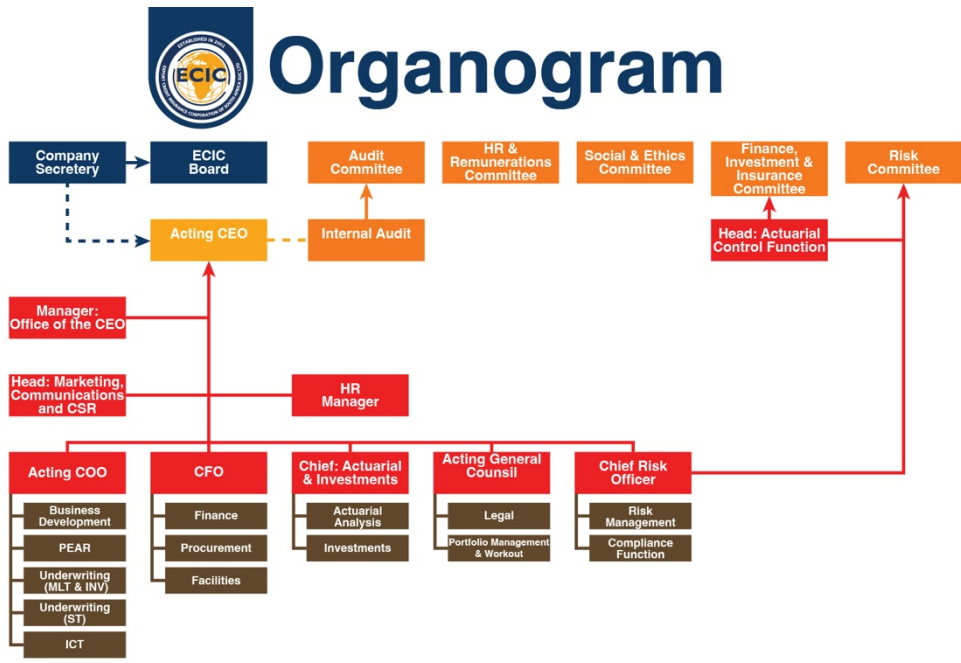
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### 3. CORPORATE STRUCTURE




#### 4. OFFICIAL SIGN OFF


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

The Corporate Plan accurately reflects the performance targets which ECIC will endeavour to achieve given the resources made available in the budget for 2026/27 - 2030/31.

**Noluthando Mkhathazo:**  
*Chief Financial Officer*

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**Ntshengedzeni Maphula:**  
*Acting Chief Executive Officer*

DocuSigned by:  
  
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Recommended for approval by:

**Delia Ndlovu:**  
*Independent Board Chairperson*

  
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## 5. FOREWORD BY MINISTER – MR PARKS TAU, MP

It is my privilege to present the Corporate Plan of the Export Credit Insurance Corporation of South Africa SOC Ltd (ECIC) for the 2026/27 financial year.

The ECIC remains a key enabler of South Africa's export ambitions. The ECIC's 2026/27 Corporate Plan is aligned with **the dtic** group's strategic priorities—advancing industrialisation, driving transformation, and building a capable state. These efforts are vital to ensuring that public policy delivers inclusive growth and meaningful economic impact for all South Africans.

**the dtic** is committed to expanding South Africa's export footprint through targeted trade missions, specialised exhibitions, and exporter development initiatives. Our goal is to grow export value to R3 trillion by 2029/30 – an essential pillar of our broader strategy to achieve 3% GDP growth.

The ECIC is at the forefront of efforts to establish a fully operational Export-Import Bank of South Africa by 2028. It played a pivotal role in developing the business case that led to Parliament's approval of sovereign shareholding in the African Export-Import Bank (Afreximbank). This strategic move will expand access to affordable financing for South African exporters.

The establishment of an Eximbank will address the liquidity gap in export-related financing, enabling more manufacturers and exporters – particularly SMMEs and Black Industrialists – participate in global trade. Together, the ECIC and the future Eximbank will offer integrated financing and insurance solutions that enhance the competitiveness of South African exporters, both locally and internationally. Importantly, the Eximbank will also serve a countercyclical role, supporting exporters during periods of economic stress.

Afreximbank's deep expertise in trade finance will be instrumental in the operationalisation of the Eximbank, including the development of governance frameworks and risk management systems. It will also provide credit lines, loans, and guarantees to South African DFIs and commercial banks, facilitating direct support to emerging exporters. The ECIC and Afreximbank have already demonstrated the power of partnership through the \$1 billion South Africa–Africa Trade and Investment Promotion Programme (SATIPP), and discussions are underway to launch SATIPP 2.0 to further support trade in the SADC and Sub-Saharan Africa regions.

The Corporate Plan 2026/27 is hereby submitted in accordance with the PFMA and Treasury Regulations.



**Mr Parks Tau, MP:** \_\_\_\_\_  
*Minister of Trade, Industry and Competition*

## 6. DEPUTY MINISTER STATEMENT – MS ALEXANDRA ABRAHAMS, MP

It is a privilege to contribute to the Corporate Plan of the Export Credit Insurance Corporation of South Africa (ECIC), an institution that continues to play a pivotal role in supporting the country's export-led growth, industrial development, and global competitiveness.

South Africa operates within a global landscape shaped by tightening financial conditions, heightened geopolitical uncertainty, and several domestic structural challenges. Yet, within this environment, there is renewed determination to position the country as a competitive trading nation—one capable of expanding export opportunities, strengthening industrial capacity, and integrating more deeply into regional and global value chains.

Against this backdrop, the ECIC remains a strategic enabler of trade and investment. By mitigating the risks associated with cross-border transactions, the Corporation enhances the ability of South African exporters to access new markets, compete effectively, and drive industrial expansion at home. Its work in facilitating finance, securing payments, and sharing risks with financial institutions ensures that local exporters are well supported in an increasingly dynamic global economy.

The ECIC's evolving focus on supporting African economic integration is particularly noteworthy. Alignment with the African Continental Free Trade Area (AfCFTA) positions the Corporation to unlock new intra-African trade prospects and contribute meaningfully to regional development. Equally important is its commitment to inclusive growth—extending solutions to emerging exporters, small and medium enterprises, and new entrants seeking to participate in export markets.

These priorities mirror national efforts to advance economic reconstruction, industrialisation, and sustainable development. They also reflect a deep commitment to ensuring that South African businesses are equipped not only to manage risk but to seize opportunities in an interconnected global environment.

Appreciation is extended to the ECIC's Board, management, and employees for their continued dedication to developmental impact, operational excellence, and financial sustainability. Their work is central to building a resilient, inclusive, and export-driven economy.

Through strong collaboration between the public sector, private sector, and institutions such as the ECIC, we can support South African enterprises to grow, innovate, and compete on the global stage.

**Ms Alexandra Abrahams, MP:** \_\_\_\_\_  
*Deputy Minister of Trade, Industry and Competition*

## 7. DEPUTY MINISTER STATEMENT - MR ZUKO GODLIMPI, MP

The ECIC's work remains central to strengthening the country's capacity to expand trade, unlock new markets, and support exporters as they navigate an increasingly complex global trading environment.

South Africa's export performance in 2025 demonstrated notable resilience. SARS recorded a trade surplus of R21.8 billion in September 2025, with exports reaching R186.4 billion against imports of R164.6 billion. Beyond the numbers, this reflects a recovering national capacity to produce, earn, and compete globally. These gains reaffirm a critical lesson: when we address constraints in logistics, ports, and market access, South African firms can expand exports even under volatile global conditions.

Stability, however, is not an end point—it is the platform on which sustained, inclusive growth must be built. To reduce unemployment meaningfully, the economy must grow at 3% and beyond, a threshold at which new firms emerge at scale and the labour market absorbs new entrants more effectively.

Yet the global trading landscape continues to shift. Rising protectionism, unilateral measures, and intensified competition in supply chains require South Africa's trade strategy to be simultaneously defensive and expansionary. This means safeguarding existing market access that supports jobs, while accelerating diversification into new regions and developing regional value chains.

On the African continent, the African Continental Free Trade Area (AfCFTA) presents one of the most significant opportunities for industrial expansion. In 2024, South Africa's exports to AfCFTA-implementing countries were R32.75 billion, with R28.19 billion recorded for the first nine months of 2025. However, preferential utilisation remains low—3.85% between January 2024 and October 2025—indicating substantial untapped potential. Exports have predominantly flowed to Ghana, Kenya, Egypt, Rwanda, Cameroon, and Algeria, pointing to both progress and concentration risks. With 90% tariff coverage already opened in 13 non-SADC countries, the task ahead lies in deepening utilisation, firm by firm and product by product, to position South African manufactured goods across the continent.

At the same time, diversification beyond Africa remains a strategic priority. South Africa continues to pursue new market openings and defend existing ones, recognising that trade remains a powerful lever for industrialisation.

If we consolidate recent gains—strengthening logistics performance, promoting beneficiation, expanding into new export markets, enhancing AfCFTA utilisation, and combating the illicit economy—South Africa can move decisively toward a consistent growth path above 3%, where the real economy expands and unemployment begins to decline meaningfully.

The ECIC's mandate—providing export credit and investment insurance to facilitate and encourage South African participation in medium- and long-term export projects—places the institution at the heart of this national growth trajectory. By underwriting political and commercial risk, the ECIC enables South African companies to compete confidently in global markets, particularly in regions that present both significant opportunity and elevated risk. The Corporation's instruments are essential for unlocking large-scale infrastructure, industrial, and capital-goods projects across Africa and beyond. As market dynamics shift, the ECIC's role becomes even more critical: de-risking exporters, enabling entry into new markets, supporting industrial capacity, and expanding the footprint of South African goods and services in alignment with national economic objectives.

This Annual Performance Plan reflects both the challenges and the opportunities of the current environment. It also demonstrates the ECIC's commitment to strengthening its capabilities, enhancing its relevance, and delivering on its mandate in ways that contribute directly to South Africa's export performance, industrialisation efforts, and long-term growth.



**Mr Zuko Godlimpi, MP:**

*Deputy Minister of Trade, Industry and Competition*

## 8. FOREWORD BY THE INDEPENDENT CHAIRPERSON – MS DELIA NDLOVU

It is a privilege to present my inaugural Corporate Plan as the chair of the ECIC. I joined the Corporation at a time when the global environment and the local landscape was at an inflection point. I am deeply encouraged by the resilience of our teams and invite all stakeholders to join us in shaping the next chapter of ECIC's journey, which we endeavour will be marked by relevance, trust and inclusive impact.

### **Relevance In a Rapidly Changing Global and Local Landscape**

As we navigate an increasingly dynamic global and domestic environment, adaptability remains essential. The economic landscape, marked equally by uncertainty and opportunity, requires us to stay agile, forward-thinking, and responsive to rapid shifts driven by globalisation and technological change. While volatility, geopolitical tensions, and accelerating transformation present real challenges, they also open new avenues for growth. For the ECIC, this is a moment to sharpen our strategic focus, strengthen our capabilities, and ensure our mandate continues to support the ambitions of South Africa's export community.

Our relevance hinges on anticipating market changes and responding proactively. Whether through strengthened risk management, enabling access to new markets, or advancing sustainable solutions, the ECIC is committed to ensuring exporters are equipped to compete and succeed in an interconnected world.

South Africa remains a key player on the African continent. As global supply chains diversify, interest in Africa as a sourcing and investment destination continues to grow. Agile exporters are entering new markets across Africa, Asia, and the Middle East, while the African Continental Free Trade Area (AfCFTA) unlocks significant long-term opportunities.

Against this backdrop, the ECIC's role is more crucial than ever. Over the past year, we have enhanced our risk frameworks, expanded underwriting capacity, and refined our evaluation processes to remain effective in a fast-changing environment. Rising demand for short-term cover, long-term solutions, and political risk insurance highlights the increasing complexity of the markets our exporters serve.

As we look ahead, the ECIC remains steadfast in its commitment to anticipate risks, unlock opportunities, and enable South African exporters to thrive. Guided by this Corporate Plan, we will continue to build a resilient, future-focused institution that supports national growth and positions our exporters for success in the decade to come.

Looking forward, it is encouraging that the Corporation has a pipeline of projects that are currently being implemented/reviewed which are over \$4 billion. These projects are expected to generate significant Gross Written Premium revenue. It is important that the Corporation continues to achieve its core mandate of underwriting projects and the facilitation of exports of South African goods and services.

### **Strategic Reflections and the Road Ahead**

As the world confronts a period of exceptional turbulence, the ECIC must rise to the occasion—not only safeguarding trade, but actively enabling inclusive and future-fit growth. The Corporation must reaffirm its relevance, positioning itself not only as a financial instrument of export support, but as a catalyst for sustainable and inclusive economic development.

To achieve this, the Board will exercise steadfast stewardship, rigorous oversight, and clear accountability to ensure the Corporation advances the following priorities:

- **Diversify its revenue base:**

The ECIC must rebalance its product mix between short-term premiums and medium- to long-term project cover. Heavy dependence on long-dated infrastructure transactions heightens concentration risk and limits agility. Expanding revenue streams—particularly through short-term transactions and support for emerging exporters—will strengthen resilience and developmental impact. The ongoing review of the ECIC legislation, together with the potential establishment of a South African Exim Bank, will significantly enhance the

nation's export financing ecosystem, a cornerstone of South Africa's inclusive growth strategy.

- **Expand into high-impact sectors:**

The ECIC will remain vigilant in supporting exporters in sectors that drive future competitiveness, including renewable energy, digitalisation, and industrial value chains.

- **Continue building institutional capacity:**

The Board has initiated the process to appoint a permanent CEO, who will work closely with the Board to confirm the optimal organisational structure and fill critical vacancies, ensuring the Corporation is fit for purpose.

- **Foster an inclusive culture rooted in ethical leadership:**

Our people remain our greatest asset. We will cultivate a culture that values transparency, accountability, performance excellence, and shared purpose. Strengthening the employee value proposition and enabling an environment where every employee can thrive—while ensuring performance in hybrid and flexible work arrangements—will be key priorities.

- **Embed sustainability at the core of the mandate:**

The Corporation will ground its decisions in a strong sense of purpose, ensuring that societal impact remains central to its mandate and that its licence to operate is continually strengthened. The ECIC will apply a double materiality perspective—recognising both external impacts on the organisation and the ECIC's own impact on society and the environment. ESG will continue to serve as a critical risk management and reporting framework. Aligned with this, the ECIC will invest in initiatives that reinforce financial resilience and social development, with a focus on transformational tertiary education, consumer financial literacy, and supplier and enterprise development.

As we look ahead, the Board remains committed to guiding the ECIC toward a future marked by greater agility, deeper impact, and stronger alignment with the nation's development priorities. Together with our stakeholders, we will build a resilient institution that not only protects South African exporters, but helps unlock the next chapter of inclusive and sustainable growth.

### **Appreciation**

I extend my sincere appreciation to all ECIC employees for your unwavering dedication and hard work. Each of you plays a vital role in driving our organisation forward, and I remain confident that, through our collective efforts, we will accomplish our shared ambitions and reach new heights together.

**Delia Ndlovu:**

*Independent Chairperson*



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## PART A: OUR MANDATE

### 9. BACKGROUND

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

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

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

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

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

- Industrial Sector Master Plans;
- Growth and Inclusion Strategy (GAIN) Framework;
- National Development Plan (NDP);
- National Industrial Policy;
- Medium-Term Development Plan (MTDP) 2024–2029; and
- **the dtic** Strategic Plan.

## PART B: OUR STRATEGIC FOCUS

### 10. VISION

To be a world-class export credit insurer.

### 11. MISSION

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

### 12. VALUES

The Corporation has six values being:

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

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

### 13. STRATEGIC OBJECTIVES OF THE ENTITY

To execute the strategy, the Corporation has identified 5 key strategic objectives as follows:

- i. **EXPORT GROWTH**  
Proactively attract business from new and existing customers to facilitate more exports and cross border investments.
- ii. **ECONOMIC TRANSFORMATION**  
To ensure a transformed Corporation which drives economic transformation.
- iii. **OPERATIONAL EFFICIENCY**  
Automate business processes and systems to improve operational efficiencies of the Corporation.
- iv. **ENHANCE FINANCIAL SUSTAINABILITY**  
Grow the business on a financially sustainable basis to fulfil the ECIC mandate of facilitating export trade and cross-border investments.
- v. **CULTURE TRANSFORMATION**  
A strong, healthy culture directly influences how effectively the Corporation can execute its strategy and achieve business outcomes.

## 14. SITUATIONAL ANALYSIS

### 14.1 GLOBAL

The global economy has demonstrated notable resilience throughout 2025, despite widespread concerns about a sharper slowdown arising from rising trade barriers and heightened policy uncertainty. While geopolitical tensions and protectionist measures have continued to disrupt trade flows, global output has remained relatively stable. This resilience reflects stronger-than-expected domestic demand in several major economies, alongside continued fiscal and monetary support in key regions.

Global GDP growth was projected to ease gradually over the medium term. After expanding by an estimated 3.3% in 2024, global growth was forecasted to moderate to 3.2% in 2025 and further to 2.9% in 2026. This deceleration reflects tighter financial conditions, weaker global trade momentum, and persistent structural challenges in major economies. Nevertheless, growth remains above recessionary levels, particularly in the United States and India, highlighting the resilience of global demand.

Inflationary pressures are expected to continue easing across most major economies. Annual consumer price inflation in the G20 countries is forecast to moderate to 2.8% in 2026 and further to 2.5% by the end of the year 2025. This gradual disinflation reflects easing supply-side constraints, lower energy prices, and the lagged effects of tighter monetary policy.

Energy prices dropped by 14% over the first nine months of the year driven by excess supply and weak global growth but spiked after the announcements of new United States sanctions targeting Russian oil firms. While metals continued to perform significantly well as gold climbed for eight consecutive quarters, remaining a safe haven during the current heightened geopolitical strife. Silver has also reported record highs due to its dual function as both a safe haven investment and a critical material in the rapidly expanding renewable energy sector.

The global outlook remains fragile, largely due to the vulnerability of trade barriers escalating further, particularly those affecting critical inputs such as energy, semiconductors, and food could severely disrupt global supply chains and dampen economic growth. For South Africa, this risk is especially significant in the manufacturing sector given its reliance on major trading partners such as the United States, India, Germany and China, all of which face evolving economic and policy challenges. If left unmitigated, these risks could undermine industrialisation efforts, as the manufacturing sector's contribution to GDP continues to decline.

The United States economy recorded strong momentum in 2025. Real GDP increased at an annual rate of 4.3% in the third quarter of 2025, following growth of 3.8% in the second quarter. This expansion was driven primarily by robust consumer spending, increased exports, and higher government expenditure, although these gains were partly offset by a decline in private investment. Moreover, inflation in the United States showed encouraging signs of moderation towards the end of the year 2025. Consumer prices rose less than expected in November 2025, fuelling expectations that inflationary pressures are cooling faster than anticipated. By November 2025, the consumer price index increased at an annual rate of 2.7%, coming well below the market forecast of 3.1%. This development has raised expectations that U.S monetary policy may ease sooner than previously anticipated.

Whilst the escalation of United States ordered military strikes in Venezuela that led to the capture of President Nicolas Maduro on narco-terrorism charges has further complicated an already complex and uncertain geopolitical environment, there has been very little market reaction. OPEC+ countries confirmed that oil production will be kept steady during quarter one of 2026, reaffirming their commitment to market stability amid a steady global economic outlook. With Venezuela currently producing less than a million barrels per day, down from 3 million in the early nineties, resuscitating the country's oil industry will neither be immediate nor affordable. Therefore, in the short term, Venezuela is not expected to see increased production to an extent of impacting oil prices. As political demonstrations in Iran intensify, the US' President announced the implementation of 25% tariffs for countries doing business with Iran. While this was deemed to be effective immediately, it is yet to be codified in law and therefore not clear which legislation provision the President relied on. Although this may be construed to be a negotiating tactic, the announcement adds to the already uncertain trade policy environment. Iran's largest trading partners include China, India, and Turkey. South Africa's trade with the oil producing nation is insignificant, with exports to that country totalling just under R360 million in 2024. This is less than 0.2% of South Africa's total exports to the rest of the world.

According to the International Monetary Fund (IMF), the UK economy was projected to grow by 1.3% in 2025 owing to higher public spending. This growth projection is slightly higher than the previous forecast of 1.1%. Similarly, the Eurozone's annual average real GDP growth was expected to reach 1.4% in 2025, revised upward from earlier projections of 0.9% due to a notable reduction in trade policy uncertainty risks than was anticipated, improved external demand, and lower energy prices. Reflecting this improvement, the Eurozone economy expanded by 0.2% quarter-on-quarter in the third quarter of 2025, up from 0.1% in the preceding quarter.

India remained one of the fastest-growing emerging economies in 2025, with GDP expanding by 6.5% in the year 2025, supported by strong 7.4% growth in the fourth quarter of 2025. The growth improvement was driven by the strong performance of the agriculture and services sectors. Whereas earlier growth was constrained by election-related policy caution, uneven rainfall, and ongoing global trade uncertainties.

Nevertheless, inflation in India has remained well below the lower tolerance threshold, reflecting strong price stability. By November 2025, CPI inflation edged up slightly to 0.7%, remaining exceptionally low across a broad range of consumer goods. This inflation environment has provided policymakers with room to support growth while maintaining macroeconomic stability.

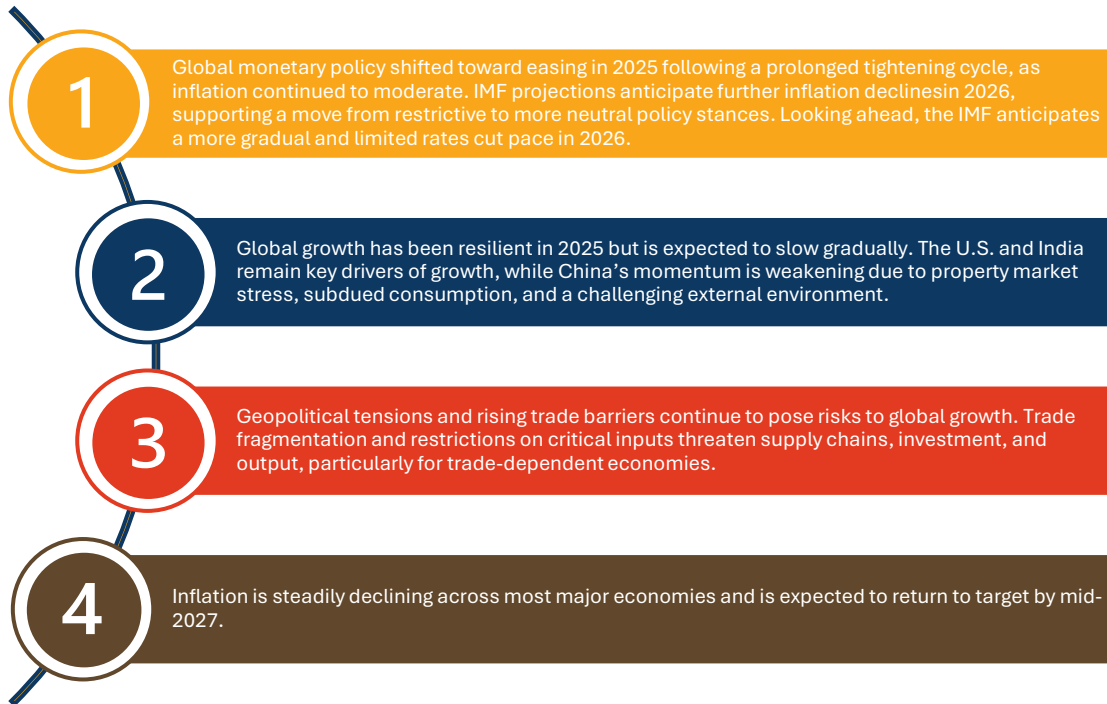
China's economic growth showed mixed signals in 2025. The annual growth averaged 5.2% over the first three quarters, supported by consumption stimulus measures, including expanded trade-in programs for automobiles and household electronics. However, in the second half of the year, the payback effects of these policies became more evident, with leading indicators and factory production plans pointing toward a slowdown.

Despite ongoing trade policy uncertainty, strong demand from developing economies helped sustain China's export growth. Expansionary fiscal policy, robust industrial output, and solid exports contributed to stronger-than-expected GDP growth in the first half of 2025. However, a weaker external environment and continued property market fragility are expected to exert downward pressure on growth into 2026.

The inflation dynamics in China remain challenging. Consumer inflation rose to 0.7% year-on-year in November 2025, its highest level in nearly two years, driven largely by rising food prices. This is against the forecasted inflation at 0% in 2025 and 0.4% in 2026. These conditions underscore the difficult balance Chinese policymakers face in stimulating demand while managing structural economic risk.

Tensions in the Middle East escalated further between the world’s largest oil exporters - Saudi Arabia and UAE in December 2025 when a UAE-associated arms consignment in Yemen was struck by a Saudi air raid. This serves as part of Saudi’s ongoing intervention to eradicate the UAE’s support in Yemen and its impact in the Red Sea. Implications of this conflict include elevated instability risks in the Horn of Africa and uncertainty in energy and maritime security. Meanwhile Israel became the first country to recognise Somaliland as a sovereign state after it broke away from Somalia 34 years ago. This has sparked discontent from Somalia, its allies and the African Union. There are concerns that this could heighten tensions, with Somaliland possibly becoming a target for the Houthis to weaken any strategic influence Israel might aim to gain.

**Diagram 1: Summary of Global Developments**



## 14.2 REGIONAL

The region's economy is expected to expand by 4.2% in 2025 and 4.3% for 2026. These projections are 0.3 percentage points higher for each year than was previously expected in June 2025.<sup>1</sup> This broad-based outlook sees 26 countries registering upward revisions to their 2025 growth projections and 33 countries receiving upward projections to their 2026 projections which highlights the continent's improved macroeconomic management and diversification efforts over the past decade. The projections are underpinned by stronger consumption spending in countries like Ghana and South Africa due to higher wages, a weaker dollar and stronger export performance despite the increasing trade protectionism from the US which was counterbalanced by the lifting of tariffs by China with all African partners. The imminent extension of the Africa Growth Opportunities Act (AGOA) following the House of Representatives' passing of the Act in early 2026 will add further impetus to Africa's growth prospects in the medium term.

Africa's inflation outlook points to a positive development, in part due to the weaker US dollar which supports disinflation, with implications for monetary policy space and financial stability across the continent. Inflation averaged 18.7% in 2024, with 15 countries operating at double-digit rates. The projected decline to 13.7% in 2025 and 10.3% in 2026 hides a structural shift from post-pandemic inflationary pressures to a more normalised price environment, assuming policy consistency and favourable commodity dynamics. This inflation descent is 0.1 percentage points below the May 2025 forecast for 2025 and 0.5 percentage point above for 2026. Despite the gradual aggregate decrease, the double-digit inflation numbers are driven by elevated supply constraints due to adverse weather and conflicts, weak domestic currencies, and ongoing fiscal pressures.<sup>2</sup>

The public debt-to-GDP ratios are stabilising with projections for 2025 reaching 62% and 61.4% for 2026 (down from 66.3% in 2023)<sup>3</sup>, marking tangible progress from the pandemic-era spike to above 70% levels. However, African countries pay approximately 500% more in interest when borrowing on international capital markets compared to rates achievable through multilateral development banks such as the World Bank or African Development Bank. As a share of total borrowing, commercial borrowing has increased from 35% in 2010 to 46% by the end of 2023. The debt service burden has consequently become more acute: principal repayments on external debt alone are projected at \$61 billion in 2025, representing 69% of total debt service obligations and creating severe liquidity pressures.

Positively, African countries' fiscal consolidation efforts are yielding measurable results in select markets. Ghana and Gambia have been upgraded from debt distress to high-risk debt distress status during 2025, reflecting successful debt restructuring and revenue mobilisation initiatives. The number of countries in actual debt distress has remained stable at 7-9 since 2021, suggesting that, despite vulnerabilities, a systemic debt crisis remains contained. However, for individual countries with limited fiscal space and high debt repayments—including Mozambique, Malawi, and various Sahel economies—debt sustainability remains perilous and warrants heightened monitoring.

<sup>1</sup>[Africa's Macroeconomic Performance and Outlook - November 2025 update](#)

<sup>2</sup>[Africa's Macroeconomic Performance and Outlook - November 2025 update](#)

<sup>3</sup>[International Debt Report 2025](#) World Bank

**Ghana** proactively finalised an early payment of US \$709 million on a Eurobond obligation on 30 December 2025, which supports its debt carrying capacity and economic recovery. This payment is part of a US \$ 1.4 billion total. Total public debt had decreased from 61.8% of GDP in December 2024 to 45% of GDP by October 2025, marking one of the largest reductions in the country's history. Separately, Ghana settled Afreximbank a US\$750 million facility included in its debt restructuring on 25 December 2025. The agreement was reached in the context of the G20 Common Framework, allowing the bank to continue its partnership with Ghana, although it is likely to face challenges as it is now classified as a commercial creditor.

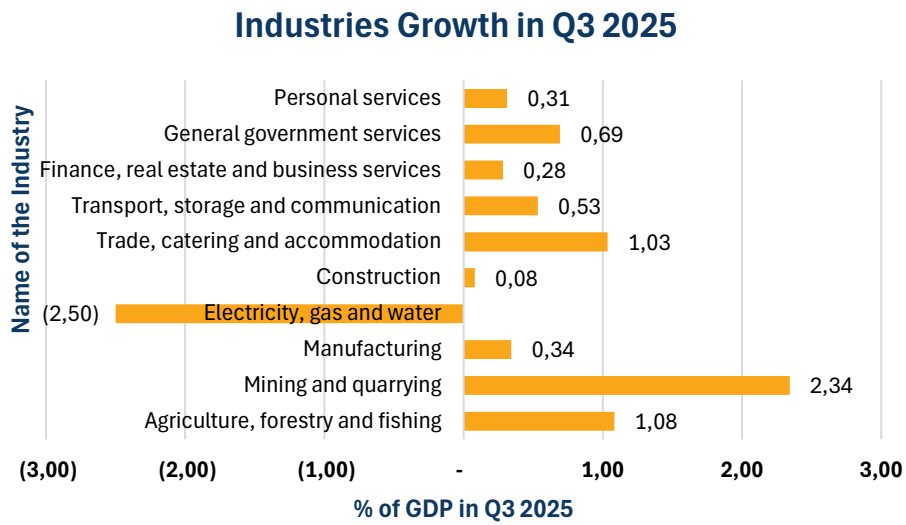
**Ethiopia's** Ministry of Finance announced that it has reached an agreement in principle with the Official Creditor Committee (OCC) - an Ad Hoc Committee representing bondholders - to restructure its US \$1 billion 6.625% Notes due 2024 on 2 January 2026. The discussions, held between 23 December 2025 and 01 January 2026, involved institutional investors who hold over 45% of the outstanding notes. Ethiopia's agreement in principle with its bondholders reduces uncertainty and improves medium-term debt sustainability prospects, assuming final terms include maturity extension and/or coupon reduction consistent with IMF parameters.

At least 10 African countries held presidential elections in 2025, with outcomes which predominantly solidified incumbent leadership rather than enabling political transition. In **Tanzania** (October 28, 2025) President Samia Suluhu Hassan's Chama Cha Mapinduzi (CCM) party secured an overwhelming electoral victory. However, media outlets documented pre-election repression, opposition detention, and a violent post-election crackdown which resulted in hundreds of deaths and widespread arrests. **Cameroon** (October 2025) witnessed President Paul Biya's (age 92) re-election to his eighth consecutive term. **Côte d'Ivoire** (October 25, 2025) saw President Alassane Ouattara secure a fourth consecutive term with a commanding margin, after opposition candidates Laurent Gbagbo and Tidjane Thiam were barred from running. **Guinea-Bissau** (November 23, 2025) experienced a presidential election disruption when armed forces seized and destroyed key election materials. Security forces moved against President Umaro Sissoco Embaló around November 26-27, taking control of institutions and preventing the announcement of results. **Benin** (Early December 2025) experienced an attempted coup when soldiers briefly seized state television, announced the suspension of the constitution, and claimed to have removed President Patrice Talon. However, loyal security forces quickly retook control within hours, arrested suspected ringleaders, and authorities characterised the episode as an isolated mutiny lacking broad military backing.

### 14.3 SOUTH AFRICA

South Africa's economic performance in the third quarter of 2025 (calendar year) continues to show encouraging momentum, marking the fourth consecutive quarter of expansion. GDP is expected to reach 1% by year-end, with growth forecast to strengthen to 1.4% in 2026, supported by tourism, manufacturing, mining, and robust exports of minerals, vehicles, and agricultural goods. Within the quarter, real GDP grew by 0.5%, following a revised 0.9% in quarter two. Nine of the ten production industries recorded increases, with mining and quarrying, agriculture, forestry and fishing, and trade, catering and accommodation posting the strongest gains.

**Figure 1: Industries Growth in Q3 2025**



Source: Statistics South Africa, 2025

The labour market showed further improvement. The unemployment rate declined from 32.9% in quarter two to 31.9% in quarter three, driven by both a reduction in the labour force and a substantial rise in employment. As a result, the number of unemployed persons fell by 360,000. Six of the ten major sectors recorded employment growth, led by construction (+130,000 jobs created), community and social services (+116,000), and trade (+108,000). However, manufacturing (-62,000), finance (-54,000), and utilities (-30,000) experienced job losses, with manufacturing declines likely linked to persistent competitiveness pressures and the impact of rising U.S tariff measures.

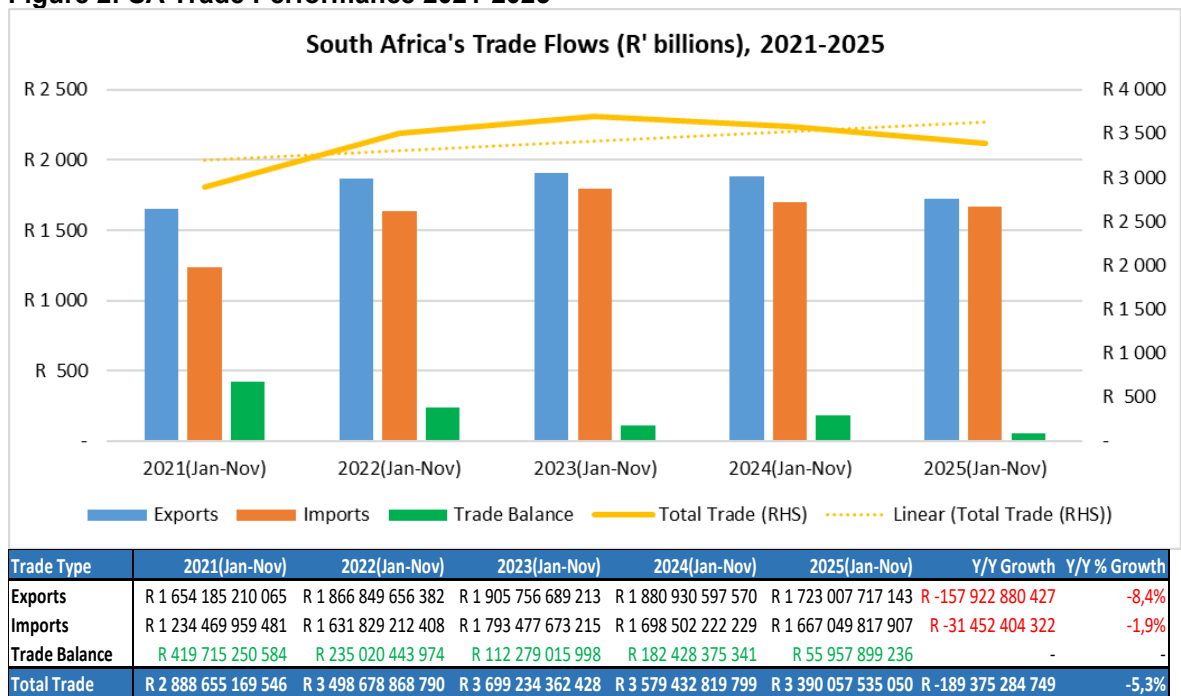
The country’s fiscal policy performance and outlook was outlined in the Medium-Term Budget Policy Statement (MTBPS) delivered on 12 November 2025 which strengthened market sentiment. The MTBPS provided a clear and credible fiscal trajectory, reaffirming government’s commitment to stabilising and reducing public debt over the medium term, with debt projected to stabilise at 77.9% of GDP in 2025/26. Even so, the target debt-to-GDP remains above the IMF’s recommendation of around 60% for emerging markets, reinforcing the importance of sustained primary surpluses to reduce debt over time. These measures are complemented by ongoing public consultations on the Fiscal Anchors Document, aimed at reinforcing long-term debt sustainability. Meanwhile monetary policy developments included a significant policy shift in its inflation-targeting framework, moving away from an inflation target range to an inflation target point – in line with emerging market peers. The South African Reserve Bank will target inflation at 3% with a 1-percentage-point tolerance band, replacing the previous 3–6% range, to be phased in over a two-year period.

In October, South Africa was removed from the Finance Action Task Force (FATF) grey list after being grey listed in early 2023. South Africa is part of a few African countries that have successfully exited FATF monitoring in under 3 years. The removal further underscores reform momentum and strengthens South Africa’s standing in the global financial system. Collectively, these developments point to an improving macroeconomic environment, reduced sovereign risk premiums, and a foundation for more sustainable long-term growth.

These positive developments contributed to S&P Global Ratings announcement to upgrade South Africa’s sovereign credit status on 14 November 2025. The nation's foreign currency rating moved up from BB- to BB, while the local currency rating improved from BB to B. This represents a stronger commitment to price stability, which could potentially lower borrowing costs, enhance monetary policy credibility, and improve macroeconomic predictability. Whilst Moody’s and Fitch maintained the Ba2 and BB- respective ratings with a stable outlook, largely underpinned by weak growth, rising government debt and deep structural constraints.

South Africa’s external sector also delivered strong results. Total exports in quarter three 2025 rose by 10% compared with the constant levels recorded in 2023 and 2024. This performance was driven largely by mining-related products, particularly gold, platinum, chromium, and non-agglomerated iron ore as well as strong contributions from vehicles and horticultural agriculture. South Africa’s imports grew by 8% over the period, a slower pace than exports, resulting in the trade surplus increasing by 50% to R48 billion. This is a notably strong outcome, particularly given the challenging global trade environment facing several of South Africa’s key partners. In terms of annual performance, South Africa’s total trade declined for the first eleven months of the year on the back of lower exports, which decreased by 8.4% year-on-year. Higher commodity prices, particularly gold and PGMs, were not sufficient to offset the negative impact of lower exports of vehicles that resulted in the negative export performance.

**Figure 2: SA Trade Performance 2021-2025**



Source: South African Revenue Service, 2025

In conclusion, South Africa’s G20 Presidency was deemed successful, despite the absence of the United States. All the G20 member states, 16 guest countries and six states representing regional economic communities across Africa, the Caribbean and East Asia were in attendance. The G20 Leader’s Declaration was adopted, focused on commitment to multilateral cooperation and various global concerns that include food security, debt relief for low-income countries and climate change.

## 15. SWOT ANALYSIS

Strengths to leverage	Weaknesses to manage	Opportunities to exploit	Threats to mitigate
<ul style="list-style-type: none"> <li>Financially stable – R1.6bn profit YTD vs R693m YTD budget</li> <li>Strong capital adequacy without government recapitalization – AUM of R9bn; ECR- 366 ; SCR - 292</li> <li>Supporting SA exporters doing business in African countries</li> <li>Adhering to strong corporate governance principles</li> <li>Established relationships with Banks</li> <li>Strong investment performance</li> </ul>	<ul style="list-style-type: none"> <li>Need to continue emphasizing jobs and industrial impact</li> <li>Limited capital base compared to global peers</li> <li>Portfolio concentration – exposure to African sovereign risk; project finance emphasis</li> <li>Taxation leakages- tax paying entity with approximately R4bn of taxes paid to date</li> <li>Legacy system slowing responsiveness</li> <li>No integrated export lending arm</li> <li>High cultural entropy indicating the need for cultural transformation</li> <li>Medium- to Long-Term Business has Inherently long gestation period which results in underwriting losses</li> </ul>	<ul style="list-style-type: none"> <li>Opportunities in the execution of the African Continental Free Trade Area (AfCFTA);</li> <li>BRICS expansion</li> <li>Reduce exposure through the use of reinsurance and guarantees e.g., Afreximbank and NEXI</li> <li>Decarbonisation – green economy, battery value chains, beneficiation of critical minerals</li> <li>SMME export inclusion to create jobs and to build an inclusive economy</li> </ul>	<ul style="list-style-type: none"> <li>Stiff competition: State –backed ECAs and private market insurers</li> <li>Sovereign debt distress of some African countries</li> <li>Climate catastrophe risk</li> <li>Cyber security breaches/attacks</li> <li>Balance sheet erosion due to exchange rate volatility</li> <li>Negative impact of a large claim and/or several claims eg. Ghana</li> <li>Protectionists trade shifts</li> </ul>

### 15.1 Priorities to address the SWOT Analysis

WHERE TO PLAY	HOW TO WIN	
<p><b>Geographic markets – Diversification</b></p> <ul style="list-style-type: none"> <li>SADC is our primary market</li> <li>East Africa corridor</li> <li>Select Middle East linkages</li> <li>Far East Asean region</li> </ul> <p><b>Sector Focus/ Diversification – \$5bn projects in the pipeline in the following sectors:</b></p> <ul style="list-style-type: none"> <li>Energy and renewables</li> <li>Oil and Gas</li> <li>Transport and logistics</li> <li>Infrastructure</li> <li>Aerospace and Defence</li> <li>Mining( critical minerals)</li> <li>Medical supplies</li> </ul> <p><b>Decarbonisation</b></p> <ul style="list-style-type: none"> <li>Renewables underwriting</li> <li>Climate resilient infrastructure and technologies</li> </ul> <p><b>Digitisation</b></p> <ul style="list-style-type: none"> <li>Short term insurance digital platform/Insurance management system</li> </ul>	<p><b>A. Product innovation for Short Term Insurance( STI)</b></p> <ul style="list-style-type: none"> <li>Discounting and factoring</li> <li>Master Risk Participation, Facilities arrangements (Bonds and working capital)</li> </ul> <p><b>B. Focus on existing STI products</b></p> <ul style="list-style-type: none"> <li>Trade credit insurance</li> <li>Pre and post delivery</li> <li>Supplier credit</li> <li>Performance bonds and Working Capital</li> <li>Lease and return of equipment</li> </ul> <p><b>C. Focus on existing MLT products</b></p> <ul style="list-style-type: none"> <li>Buyers credit/Project Finance/Sovereign/ Corporate</li> <li>Investment insurance</li> </ul> <p><b>D. Strategic partnerships</b></p> <ul style="list-style-type: none"> <li>Afreximbank SATIPP 2.0- USD3 billion</li> <li>Syndication/guarantees/reinsurance to reduce ECIC exposure especially on LNG projects</li> <li>Partnership with SA Banks and DFIs</li> </ul>	<p><b>E. Establishment of a South African Export-Import Bank</b></p> <p><b>Fact 1:</b> South Africa's trade finance ecosystem exhibits significant market failures that constrain export growth and limit access for Small, Medium and Micro Enterprises (SMMEs).</p> <p><b>Fact 2:</b> 5% of SA exporters (less than 200 companies) contribute 95% of total exports. These exports are concentrated in the automotive, mining and agriculture sectors</p> <p><b>Fact 3:</b> South Africa has by far the most untapped export potential of any African country – about \$75 billion, or 20% of the country's current Gross Domestic Product, according to the latest RMB 'Where to Invest in Africa' Report.</p> <p><b>Fact 4:</b> South Africa faces a critical trade finance gap of approximately R151.2 billion that severely constrains export growth and economic development.</p> <p><b>Purpose:</b> Direct export credit lending, buyer's credit, SME working capital, Trade finance lines, climate- aligned project finance</p> <p><b>Structure:</b> ECIC-insurance &amp; guarantees, SA Exim Bank: lending arm, ring-fenced capital, coordinated governance</p> <p><b>Phased implementation,</b> beginning with a feasibility study and legislative changes in FY2026/27 and Exim bank launched in FY2027/28</p>
<p><b>REQUIREMENTS</b></p> <p><b>CAPABILITIES REQUIRED</b></p> <p>Structured finance expertise, Portfolio guarantee modelling, reinsurance optimisation, Advanced diplomatic and government relations</p>	<p><b>MANAGEMENT SYSTEMS REQUIRED</b></p> <p>Clear risk appetite framework, Capital allocation discipline, Concentration risk dashboards, Early warning country monitoring, Digital claims system, Development impact tracking</p>	

## 16. ALIGNMENT TO GOVERNMENT PRIORITIES

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

### 16.1 Industrial Policy

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

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

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

#### 1. Decarbonisation

- a. Support projects that pursue climate change initiatives and carbon-emission reduction including the following sectors targeted by **the dtic**, amongst others:
  - i. Battery Value Chains and Beneficiation of Critical Minerals
  - ii. Green Economy

#### 2. Digitalisation

- a. In order to improve our efficiency, especially in the short-term insurance business, the Corporation will embark on an automation journey for its key processes which will contribute to red-tape reduction; and
- b. Support projects in the following sectors targeted by **the dtic**, amongst others:
  - i. Pharmaceuticals, Vaccines and Medical Technologies
  - ii. Electro-Technical industries and White Goods
  - iii. Aerospace and Defence
  - iv. Digital Economy

#### 3. Diversification

- a. The Corporation will seek to diversify its insurance portfolio to prevent concentration risk, both in terms of countries and sectors, by supporting projects in the following sectors targeted by **the dtic**, amongst others:
  - i. Cannabis and Hemp
  - ii. Clothing, Textile, Footwear and Leather (CTFL)
  - iii. Agro-processing
  - iv. Steel, Metal Fabrication and Aluminium sector
  - v. The Global Business Services (GBS) sector
  - vi. Automotives industry
  - vii. Chemicals
  - viii. Plastics sector
  - ix. Cosmetics sector
  - x. Oceans Economy

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

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

3. Mining and Capital Equipment Export Programme.

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

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

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

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

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

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

**16.2 Medium-Term Development Plan**

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

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

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

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

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

### ALIGNMENT TO THE NATIONAL DEVELOPMENT PLAN

MTDP Priority	MTDP Outcome	Intervention Indicators	ECIC Target	How does it contribute?
<b>Drive Inclusive Growth and Job Creation</b>	Increased employment and work opportunities	Number of learners or students placed in workplace-based learning (internships, learnerships, work integrated learning)	Maintain a Level 1 B-BBEE Score	Supported through the ECIC Graduate Programme. Absorption of graduates targeted per the requirements of the B-BBEE Scorecard. The current ECIC headcount allows for 15 graduates on two-year contracts.  Number of job opportunities facilitated for manufactured exports. Tracked through the ECIC Economic Impact Assessment Model.
			Number of job opportunities facilitated for manufactured exports	
	Accelerated growth of strategic industrial and labour-intensive sectors	Number of small enterprises supported financially and non-financially.	Number of SMEs that participated in transactions underwritten by ECIC	Supported through Supplier Development and Enterprise Development Programme. Spend targeted per the requirements of the B-BBEE Scorecard.  Number of SMEs that participated in transactions underwritten by ECIC. Tracked through the SA content declarations made on insured transactions.
			SA Eximbank operational by 2028	The Corporation's insurance products facilitate international trade and protects financing institutions and exporters against the insured political and commercial risk events.  The Corporation's particular focus is on Africa and other emerging markets outside the continent that are considered too risky for conventional insurers.
			Value of approved transactions overall of \$530 million	
			Value of approved transactions under Short-term products of \$180 million	
			Value of disbursements on MLT Portfolio of \$385 million	
Increased trade and investment	Rand value increase in SA exports to the rest of Africa	Value of disbursements on STI Portfolio of \$40 million	Gross Written Premium of R1,8 billion	
<b>Build a Capable, Ethical, and Developmental State</b>	Mainstreaming of gender, empowerment of youth and persons with disabilities	Percentage of procurement spend to enterprises owned by women, youth and persons with disabilities	Maintain a Level 1 B-BBEE Score	Implemented through the ECIC Preferential Procurement Policy.  Percentage targeted per the requirements of the B-BBEE Scorecard.

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

The ECIC is currently evaluating approximately \$3 billion in transactions which would reach financial close over the strategic period. Should all of those transactions be realised, it would result in at least \$1,5 billion in South African exports of goods and services over the strategic period.

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

**16.3 Alignment with the dtic Strategic Plan**

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

the dtic Focus Area	ECIC target
Strategic Market Access: Exports for Global Markets	<p><b>2026/27</b>                      Value of approved transactions overall of \$530 million</p> <p>Value of approved transactions under Short-term products of \$180 million</p> <p>Value of disbursements on MLT Portfolio of \$385 million</p> <p>Value of disbursements on STI Portfolio of \$40 million</p> <p>Gross Written Premium of R1,8 billion</p> <p>Syndication or reinsurance by at least 25%</p> <p>SA Eximbank feasibility study and Eximbank enabling legislation and draft ECIC Legislation submitted to <b>the dtic</b></p>
Unlocking Access to Capital / Finance Outside the State	<p><b>2027/28</b>                      Value of approved transactions overall of \$555 million</p> <p>Value of approved transactions under Short-term products of \$270 million</p> <p>Value of disbursements on MLT Portfolio of \$355 million</p> <p>Value of disbursements on STI Portfolio of \$45 million</p> <p>Gross Written Premium of R1,1 billion</p> <p>SA Eximbank operational</p>
	<p><b>2028/29</b>                      Value of approved transactions overall of \$583 million                      Value of approved transactions under Short-term products of \$300 million</p> <p>Value of disbursements on MLT Portfolio of \$315 million</p>

	<p>Value of disbursements on STI Portfolio of \$50 million</p> <p>Gross Written Premium of R790 million</p> <p>Collaboration with SA EXIM Bank to support export trade financing facilities (MLT &amp; STI)</p>
Red Tape Reduction	<p>Implementation of prioritised business process automations to improve turnaround times and operational efficiency:</p> <p><b>2026/27:</b> CRM system implemented to reduce complaint acknowledgement from 5 to 2 days and lead acknowledgement in 2 days.</p> <p><b>2027/28:</b> Automation of (Short-term Insurance) STI processes to shorten 60% of project (transactions) approval decisions from 5 months to 1 month.</p> <p><b>2028/29</b> Automation of STI processes to shorten 80% of project approval decisions 1 month.</p>
Workforce Readiness & Skills for the Economy	<p><b>Maintain a Level 1 B-BBEE Score</b> Through the ECIC Graduate Programme, absorption of graduates targeted per the requirements of the B-BBEE Scorecard. The current ECIC headcount allows for 15 graduates on two-year contracts.</p> <p><b>Number of job opportunities facilitated for manufactured exports</b> Tracked through the ECIC Economic Impact Assessment Model.</p>
Market Concentration and Economic Inclusion	<p><b>Maintain a Level 1 B-BBEE Score</b> Through the ECIC Supplier Development and Enterprise Development Programme and the ECIC Preferential Procurement Policy.</p> <p><b>Number of SMEs that participated in transactions underwritten by ECIC</b> Tracked through the SA content declarations made on insured transactions.</p>

#### 16.4 The Need for a South African Export-Import Bank (SA Eximbank)

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

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

The current lack of a dedicated export financing entity has highlighted a big challenge in the provision of internationally competitive export financing in pursuit of government policy

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

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

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

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

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

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

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

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

1. In conjunction with **the dtic**, facilitate the approval process of the draft legislation through Cabinet and Parliament;

2. Embarking on a fundraising process for the initial funding requirements of R20 billion (Contribution of initial capital from ECIC and other South African DFIs, private placements/borrowings and injection by SA Government to fund the balance); and
3. Launching of SA Eximbank for operations in 2028.

## 16.5 Partnership with Afreximbank

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

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

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

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

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

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

## 17. BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT

### 17.1. Board of directors

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



**INDEPENDENT CHAIRPERSON**

**DELIA NDLOVU**

**Age:** 57

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

**Areas of expertise:** Various industries, including Energy, Telecommunications, Manufacturing, Mining, Financial Services and Consumer

**Position on other boards:** Co-Founder of Matla Rock Energy Consortium, Co-founder of Women on Boards, Former Chair of Deloitte Africa; Non-Executive director on the following Boards:

- Professional Provident Society (PPS)
- Oasis Crescent Asset Management
- Lifeline Johannesburg (NGO)
- Climate Governance Chapter Zero (NGO)
- Philasande Healthcare (new startup)

**Years of service:** 0



**INDEPENDENT NON-EXECUTIVE DIRECTOR**

**PHILISIWE MTHETHWA**

**Age:** 61

**Qualifications:** B.A. in Economics, MBA (Corporate Finance), Certificate in Central Banking, South African Reserve Bank, French Language Diploma

**Areas of expertise:** Investment Banking, DFI, Venture Capital, Strategy and Management, Risk Management

**Position on other boards:** Non-executive director at Industrial Development Corporation (IDC) and Sodexo SA

**Years of service:** 0



**INDEPENDENT NON-EXECUTIVE DIRECTOR**

**SIOBHAIN O'MAHONY**

**Age:** 39

**Qualifications:** BSc (Hons) (Actuarial Science), Fellow of the Actuarial Society of South Africa, Fellow of the Institute and Faculty of Actuaries

**Areas of expertise:** Actuarial valuations, Asset-liability matching, Capital adequacy requirements and calculations, Analytics, Pricing and profitability (banking), Loyalty programme design and modelling

**Positions on other boards:**

The South African Cities Network, Chairperson of The South African Institute of Professional Accountants Risk and Compliance Committee, HISP Health Information Systems Program South Africa NPA , Member of the Enforcement Committee of the Information Regulator of South Africa, Legal Practitioners Indemnity Insurance Fund NPC, Rand Mutual Assurance, Executive Director of companies with personal investments

**Years of service:** 12



**INDEPENDENT NON-EXECUTIVE DIRECTOR  
BHEKI MKHIZE**

**Age:** 47

**Qualifications:** BSc (Actuarial Science)

**Areas of expertise:** Actuarial, Risk Management, Investment Management

**Positions on other boards:** Independent Non-Executive Director of Khula Credit Guarantee SOC Ltd

**Years of service:** 0



**INDEPENDENT NON-EXECUTIVE DIRECTOR  
SISA MAYEKISO**

**Age:** 43

**Qualifications:** BCom Honours (Accounting), CA(SA), CFA

**Areas of expertise:** Accounting, Treasury, Investment & Risk Management.

**Positions on other boards:** Executive Director of companies with personal investments, Southern African Music Rights Organisation – Board member, Mines 1970 Unclaimed Benefits Preservation Pension & Provident Fund – Board member

**Years of service:** 8



**INDEPENDENT NON-EXECUTIVE DIRECTOR**

**Xoliswa Daku**

**Age:** 51

**Qualifications:** MSC Real Estate, Executive MBA, Attended School for Legal Practice at UCT, LL.M Degree, B. Proc degree, MDP Diploma, Advanced and postgraduate diploma in Project Management, Post Grad Diploma in Human Resource Management

**Areas of expertise:** Legal and Business Leadership, Strategic Design and Development, Project and Programme Management, Property Development and Management

**Position on other boards:** Chair: Organization of Women in International Trade (OWIT), Chair: SEDA, non-executive director: Greater Tygerberg Partnership and Deputy Chair: University of the Western Cape

**Years of service:** 0



**NON-EXECUTIVE DIRECTOR (the dtic)**

**Willem van der Spuy**

**Age:** 53

**Qualifications:** BA (Honours) International Relations

**Areas of expertise:** International Trade and Investment

**Position on other boards:** None

**Years of service:** 3



**ALTERNATE NON-EXECUTIVE DIRECTOR (the dtic)**

**LUKE GOVENDER**

**Age:** 56

**Qualifications:** Master of Science (MSc) in 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; Governance Reporting

**Positions on other boards:** Ex-officio member on the Boards of the Fresh Produce Exporters' Forum and the South African Fruit and Vegetable Cannery Export Council; Non-Executive Director on the South African Oil and Gas Alliance

**Years of service:** 0



**COMPANY SECRETARY**

**Nettie Moffatt**

**Age:** 46

**Qualifications:** LLB, Post Graduate Certificate in Advanced Taxation, LLM (Commercial Law), FCIS, Admitted Attorney, Conveyancer and Notary

**Areas of expertise:** Corporate and Commercial law

**Position on other boards:** None

**Years of service:** 1

## 17.2 Executive Management

The CEO is responsible for the Corporation's day-to-day operations and is supported by the Chief Operations Officer, Chief Financial Officer, Chief Risk Officer, Chief Actuarial and Investment, and General Counsel. Various units report to the CEO and his executive team. Except for the CEO, who is on a five-year contract with a three-month notice period, all other executives are permanent employees who are required to give a month's notice when resigning. Executives are not bound by a restraint of trade agreement when leaving the Corporation.

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



**ACTING CHIEF EXECUTIVE OFFICER AND ACTING CHIEF OPERATING OFFICER  
NTSHENGEDZENI GILBERT MAPHULA**

**Age:** 54

**Qualifications:** BPROC (UNIVEN), LLB (UP), LLM (UP), LLM (UNISA)

**Areas of expertise:** Cross Border Financing, Export Credit Insurance, Political Risk, International Trade and Foreign Investments Project Finance and Sovereign Lending

**Positions on other boards:** None

**Years of service:** 19



**CHIEF FINANCIAL OFFICER  
NOLUTHANDO MKHATHAZO**

**Age:** 43

**Qualifications:** CA(SA), Management Advancement Programme

**Areas of expertise:** Finance, auditing and financial management

**Positions on other boards:** None

**Years of service:** 15



**CHIEF RISK OFFICER  
JOHN OMOLLO**

**Age:** 58

**Qualifications:** Master of Business Administration (MBA) Wits, Certified Public Accountant of Kenya (CPA II, III)

**Areas of expertise:** Risk Management, Project & Structured Finance, Banking and Credit Rating of Financial Institutions

**Positions on other boards:** None

**Years of service:** 15



**CHIEF ACTUARIAL & INVESTMENTS  
SIAS ESTERHUIZEN**

**Age:** 46

**Qualifications:** BSc (Financial Mathematics), BSc Hons (Actuarial Mathematics), FASSA (Fellow of the Actuarial Society of South Africa)

**Areas of Expertise:** Actuarial pricing, reserving, capital modelling and risk management disciplines

**Positions on other boards:** None

**Years of service:** 10



**ACTING GENERAL COUNSEL  
DIANNE NAICKER**

**Age:** 47

**Qualifications:** BProc Law (UKZN), LLM (International Commercial Law-Manchester, UK), Company Secretarial and Governance Practice (CSSA), Advanced Certificate in Management Practice (Henley Business School)

**Areas of expertise:** Export Credit Insurance and Project Finance

**Positions on other boards:** None

**Years of service:** 15

## 18. DESCRIPTION OF THE PLANNING PROCESS

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

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

The ECIC Strategy Facilitation Session charted a forward-looking plan to strengthen the Corporation's role as South Africa's export credit agency and respond to evolving market conditions. Central priorities such as partnership expansion, digital transformation, financial sustainability, market diversification, and developmental impact were at the heart of the discussions. The session outcomes are expected to reposition ECIC from being primarily a risk guardian towards becoming an opportunity enabler that actively drives South Africa's export ambitions and contributes to broader national and regional economic goals.

The three-day session, held from 15th to 17th September 2025, brought together the Board of Directors and Executive Management. It served as a critical platform to align ECIC's strategic direction with South Africa's trade and industrial policy priorities, as well as with regional integration opportunities under the African Continental Free Trade Agreement (AfCFTA). Discussions emphasised agility, the use of new instruments (e.g., through partnerships with Afreximbank), the adoption of AI and digital tools to streamline operations, and a mindset shift towards actively unlocking growth in new markets.

The strategy session combined presentations, facilitated discussions, breakout groups, and plenary reflections, allowing for both broad strategic debate and detailed exploration of thematic areas. Interactive tools such as the "woo clap" word cloud exercises were used to capture collective sentiment and highlight recurring themes. The process emphasised participatory engagement, neutrality, and structured guidance, ensuring that the session remained outcomes-focused and inclusive.

The session's primary goal was to reassess ECIC's current positioning and to define actionable strategies that will allow the Corporation to address pressing challenges and capitalize on emerging opportunities. These challenges include slow turnaround times, limited awareness of ECIC products, sustainability pressures, and the need for stronger collaboration with other DFIs and ECAs. At the same time, opportunities lie in expanding trade under AfCFTA, developing ESG-linked insurance products, supporting SMEs and black industrialists, and leveraging digital platforms for improved underwriting and claims.

The 2025 ECIC Strategy Facilitation Workshop was a defining moment for the Corporation, providing a platform for the Board, Executive Management, and sector experts to critically reflect on past performance while shaping a bold and future-ready agenda. Over the course of three days, the discussions revealed both the urgency of current challenges and the magnitude of opportunity available to ECIC. What emerged most clearly was the recognition that ECIC must move beyond being seen solely as a guardian of risk and firmly establish itself as an enabler of growth, industrialisation, and regional integration for South Africa and the wider continent.

A recurring theme throughout the conference was the importance of execution. Across diverse sessions—whether on trade finance, the African Continental Free Trade Area, digital transformation, or organisational culture—the message was consistent: vision alone is not enough. ECIC's strategies must be translated into concrete actions, measurable outcomes, and demonstrable developmental impact. Quick wins are essential to build credibility with stakeholders, while long-term ambitions such as establishing a South African Eximbank will require persistence, sequencing, and disciplined coalition-building.

Several strategic imperatives were identified as non-negotiable for ECIC's future. Partnerships and scale emerged as critical, with repeated emphasis on the need to work with brokers, banks, DFIs, and peer ECAs to multiply reach and accelerate underwriting, particularly in the short-term insurance business. Equally significant was the recognition that digitisation and innovation are no longer optional but core to competitiveness. AI, automation, and CRM integration represent not only tools for efficiency but also opportunities to redefine the client experience and build digital trust.

The external trade environment also featured prominently in the discussions. Unlocking markets under AfCFTA, focusing on mineral beneficiation, and supporting industrial corridors align directly with national industrial policy. ECIC was called upon to act as an industrial diplomat, embedded in trade missions and equipped with financial instruments that de-risk exporters in sectors such as automotive, agro-processing, renewables, and critical minerals. At the same time, internal reflections highlighted the centrality of people and culture. Sobering insights from recent culture assessments revealed declining morale and rising inefficiencies, underscoring that without engaged and energised employees, even the best-designed strategies will falter. Embedding values into everyday behaviours, strengthening leadership accountability, and embracing ethical leadership were identified as essential foundations for sustainable transformation.

Governance and sustainability also came to the fore, with the Board emphasising its dual role as steward and challenger. A clear linkage between financial forecasts and developmental outcomes was requested, along with stronger accountability for delivery. Underwriting revenues must become the bedrock of financial sustainability, while transparency and impact measurement are necessary to strengthen credibility with stakeholders.

The breakaway sessions distilled these themes into a small set of high-impact priorities: leveraging the goodwill of government and the dtic, scaling short-term insurance through partnerships and binder agreements, embedding digital systems to enhance efficiency and responsiveness, rolling out the culture transformation plan to reinvigorate staff morale, and laying the groundwork for an Eximbank that positions South Africa as a continental leader in export credit. Together, these priorities, sequenced across short-, medium-, and long-term horizons, represent the pathway for ECIC to achieve its mandate.

Ultimately, the workshop underscored that ECIC stands at a crossroads. The external environment is volatile and competitive, yet rich with opportunity. Internally, the organisation must overcome cultural inertia, capacity constraints, and process inefficiencies. The conference revealed, however, a deep well of goodwill, capability, and shared ambition across the Board and management. If ECIC can harness this momentum, act decisively on a few bold priorities, and hold itself accountable to clear outcomes, it has the potential to establish itself as Africa's export credit agency of choice—one that not only protects against risk but actively drives South Africa's industrialisation, regional integration, and inclusive growth.

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

The Board convened and approved the Corporate Plan at its meeting of 27 February 2026.

## 19. FINANCIAL PLAN

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

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

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

R'000	2026	2027	2028	2029	2030	2031
<b>STATEMENT OF FINANCIAL PERFORMANCE</b>						
Insurance revenue	230 836	282 868	351 140	437 897	500 405	575 607
Insurance service expenses	-246 432	-125 670	-108 349	-177 397	-195 827	-206 466
Net expenses from reinsurance contracts held	0	-16 207	-53 102	-81 648	-104 959	-119 883
<b>Insurance service result</b>	<b>-15 595</b>	<b>140 991</b>	<b>189 689</b>	<b>178 852</b>	<b>199 620</b>	<b>249 257</b>
Finance expenses from insurance contracts issued	42 620	47 752	-13 797	-43 659	-51 905	-58 025
Finance income from reinsurance contracts held	-3 013	784	19 021	28 658	27 641	24 970
<b>Net insurance result</b>	<b>24 011</b>	<b>189 527</b>	<b>194 912</b>	<b>163 851</b>	<b>175 356</b>	<b>216 202</b>
Other Operating expenses (Excl. Investments and SED & ESD Contributions)	-71 542	-62 503	-62 859	-66 919	-68 767	-78 963
Bonus services	-25 045	-32 047	-33 489	-34 996	-36 571	-38 217
Investment Income	675 264	620 371	696 185	753 410	791 588	817 504
Investment management expense (Incl. Opex)	-34 902	-41 269	-46 143	-50 650	-54 529	-57 374
IMU income	167 881	172 704	179 595	185 177	19 506	-
IMU expenses	-21 378	-13 303	-7 039	-2 749	-383	-
Other income	14 447	-	-	-	-	-
Interest expense	-1 131	-642	-958	-2 547	-2 074	-1 535
<b>Profit Before Tax (before SED &amp; ESD Contributions)</b>	<b>727 605</b>	<b>832 838</b>	<b>920 203</b>	<b>944 577</b>	<b>824 126</b>	<b>857 617</b>
SED & ESD Contributions (4%) (Incl. Operating expenses)	-32 845	-17 519	-23 966	-32 759	-27 013	-27 502
Foreign Exchange gain/(Loss)	114 791	101 232	0	0	0	-0
<b>Profit Before Tax</b>	<b>809 551</b>	<b>916 551</b>	<b>896 238</b>	<b>911 818</b>	<b>797 113</b>	<b>830 115</b>
Taxation	-84 172	-120 375	-195 394	-196 935	-210 057	-224 131
<b>Profit/(Loss) After Tax</b>	<b>725 378</b>	<b>796 175</b>	<b>700 844</b>	<b>714 883</b>	<b>587 056</b>	<b>605 984</b>
Dividends paid	-	-	-	-	-	-
<b>Retained profits for the current period</b>	<b>725 378</b>	<b>796 175</b>	<b>700 844</b>	<b>714 883</b>	<b>587 056</b>	<b>605 984</b>

R'000	2026	2027	2028	2029	2030	2031
<b>STATEMENT OF FINANCIAL POSITION</b>						
<b>ASSETS</b>						
Equipment	12 040	6 708	32 832	24 947	17 272	10 760
Investments	9 613 126	11 166 855	12 405 154	13 374 306	14 020 460	14 790 443
Loans and receivables	14 224	15 534	16 449	18 219	17 148	5 063
Insurance acquisition cost	135 581	95 127	106 140	135 665	149 678	210 106
Insurance contract assets	1 529 995	1 506 374	1 336 495	1 404 275	1 486 834	1 580 330
Reinsurance contract assets	-	402 343	622 061	619 552	555 550	478 635
Cash and Cash Equivalent	17 185	18 545	19 067	18 141	18 807	19 473
Taxation receivable	-	-	-	-	-	-
<b>Total Assets</b>	<b>11 322 151</b>	<b>13 211 485</b>	<b>14 538 198</b>	<b>15 595 105</b>	<b>16 265 748</b>	<b>17 094 810</b>
<b>EQUITY AND LIABILITIES</b>						
<b>Equity</b>						
Share Capital and Premium	316 051	316 051	316 051	316 051	316 051	316 051
Foreign Currency Translation Reserve	4 000 985	3 659 409	3 659 332	3 659 010	3 658 607	3 658 607
Other OCI Reserves	-6 741	324	324	324	324	324
Retained Income - Previous Years	4 755 066	5 480 444	6 276 619	6 977 463	7 692 346	8 279 403
- Current Year	725 378	796 175	700 844	714 883	587 056	605 984
<b>Total Equity</b>	<b>9 790 739</b>	<b>10 252 403</b>	<b>10 953 170</b>	<b>11 667 731</b>	<b>12 254 384</b>	<b>12 860 368</b>
<b>Liabilities</b>						
Insurance contract liabilities	1 039 617	2 540 526	3 211 352	3 627 407	3 765 907	3 976 725
Reinsurance contract liabilities	37 852	-	-	-	-	-
Deferred Tax	79 432	72 657	72 657	72 657	72 657	72 657
Taxation payable	-	-	-	-	-0	-
IMU liability	204 173	120 871	61 210	19 123	-	-
Reinsurance liabilities	-	-	-	-	-	-
Trade and other payables	129 674	180 134	166 870	134 380	102 920	120 037
Lease Liabilities	10 127	5 368	31 603	26 617	20 712	13 788
Employee benefit liability	30 539	39 528	41 335	47 190	49 167	51 235
<b>Total Liabilities</b>	<b>1 531 412</b>	<b>2 959 082</b>	<b>3 585 028</b>	<b>3 927 374</b>	<b>4 011 364</b>	<b>4 234 442</b>
<b>Total Equity and Liabilities</b>	<b>11 322 151</b>	<b>13 211 485</b>	<b>14 538 197</b>	<b>15 595 104</b>	<b>16 265 747</b>	<b>17 094 810</b>

R'000	2026	2027	2028	2029	2030	2031
<b>CASHFLOW</b>						
<b>Cash flows from operating activities</b>						
Cash generated by underwriting activities	772 814	1 192 485	634 053	280 432	74 801	187 362
Interest received	258 483	620 371	696 185	753 410	791 588	817 504
Dividends received	65 107	-	-	-	-	-
Dividends paid	-	-	-	-	-	-
IMU Grant received	167 881	172 704	179 595	185 177	19 506	-
IMU Claims Paid	-122 844	-91 902	-66 699	-44 836	-19 506	-
Interest paid	-1 131	-642	-958	-2 547	-2 074	-1 535
Taxation paid	306 512	-120 375	-195 394	-196 935	-210 057	-224 131
<b>Net cash inflow from operating activities</b>	<b>1 446 822</b>	<b>1 772 640</b>	<b>1 246 781</b>	<b>974 700</b>	<b>654 257</b>	<b>779 199</b>
<b>Cash flows from investing activities</b>						
Net acquisition of fixed and intangible assets	-2 419	-1 125	-2 393	-1 487	-1 532	-1 626
Net (acquisition)/disposal of investments	-1 494 685	-1 763 722	-1 238 299	-969 152	-646 154	-769 984
Net proceeds on sale of fixed assets	-	-	-	-	-	-
<b>Net cash (outflow)/inflow from investing activities</b>	<b>-1 497 104</b>	<b>-1 764 848</b>	<b>-1 240 692</b>	<b>-970 640</b>	<b>-647 686</b>	<b>-771 609</b>
Lease payments	-5 174	-6 050	-5 567	-4 987	-5 905	-6 924
<b>Net cash (outflow)/inflow from financing activities</b>	<b>-5 174</b>	<b>-6 050</b>	<b>-5 567</b>	<b>-4 987</b>	<b>-5 905</b>	<b>-6 924</b>
<b>Net increase in cash and cash equivalents</b>	<b>-55 456</b>	<b>1 743</b>	<b>522</b>	<b>-926</b>	<b>666</b>	<b>666</b>
Cash and cash equivalents at beginning of year	78 302	17 185	18 544	19 066	18 140	18 806
Unrealised foreign exchange gain/(loss) on cash and cash equivalents	-5 661	-384	-	-	-	-
<b>Cash and cash equivalents at end of year</b>	<b>17 185</b>	<b>18 544</b>	<b>19 066</b>	<b>18 140</b>	<b>18 806</b>	<b>19 472</b>

### 19.1 Capital expenditure projects

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

R'000	2026	2027	2028	2029	2030	2031
Total capital expenditure	2 419	1 125	2 393	1 487	1 532	1 626

### 19.2 Infrastructure plans

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

### 19.3 Dividend policies

The Corporation follows the practice of no dividend payments.

### 19.4 Borrowing Plans

The Corporation has no borrowing plans.

### 19.5 Economic and financial assumptions

The exchange rates listed below have been obtained from Bloomberg:

R'000	2026	2027	2028	2029	2030	2031
USD/ZAR	17,60	17,00	17,00	17,00	17,00	17,00

### 19.6 Assumptions used for insurance revenue and expenses

The budgeted insurance revenue and insurance services expenses are based on the expected and actual cash flows for premium receipts, claim payments, allocated policy administration and claims handling expenses, as well as allocated acquisition costs. It is assumed that the approved projects will materialise at 60%. A 40% probability was assumed for the pipeline not approved (including short-term insurance business). Placeholders are included towards the end of the strategic planning period. In addition to the above, it has been assumed that 33,75% of

LNG Total Mozambique, and 50% of Exxon Mobile and BGC/MGC will be reinsured, with cover effective from the 1st drawdown date.

*Insurance revenue is driven by the following elements:*

- Difference in actual premium received compared to expected
- Release of provisioned expected claims
- Release of provisioned Risk Adjustment
- Release of Contractual Service Margin (CSM)

*Insurance services expense is driven by the following elements:*

- Actual incurred claims
- Raising a Loss Component (LC) for contract becoming onerous or changes to the LC held
- Offset by release of the LC raised previously

Given the lumpiness of ECIC exposures, it is difficult to estimate the size of potential future claims. Incurred claims were budgeted as follows:

- Retain GIC claim provision for \$16m (R280m) throughout the planning period.
- FY2026 claim for Lihobong of R190m
- Raise claim provision September 2025, settled in December 2025 and assume zero salvage.
- Allowed for new incurred claims equal to the expected claims in the best estimate LRC
- Salvage provision: ECIC is anticipating salvages for the projection period from the following policies and hence hold technical provision for them: Iraq, Seychelles 128364, Seychelles 173322, Zomay, Amandi Hospital, Amandi Rail and Thengashep. This salvage receivables are assets to ECIC. No provision made for BiWater and Lihobong salvages, given that no restructure has been done.

#### **19.7 Assumptions used for Investments Income**

The assumptions used for investment income:

- ZAR portfolio – assumed an average return of 9,3%
- USD portfolio - assumed an average return of 5,3%

#### **19.8 Other Assumptions for the Corporation's budget**

The following assumptions were applied on expenses:

- The average increase of total operating expenses over the strategic planning period is 11%;
  - Salary increment is at 4,5% per annum during the strategy period; and
  - Bonus based on the latest approved policy.
- Tax – no exemption over the strategic period
- IMU grant – based on latest allocation letter and limited to claims paid from 2029

#### **19.9 SA Eximbank**

The financial projections above do not include the establishment of an SA Eximbank; only provided for setup costs as follows:

- Travelling expenses for 2 trips annually for 2026 and 2027 financial years; and
- Professional expenses R2 million annually.

## PART C: MEASURING OUR PERFORMANCE

### DTIC FOCUS AREA: STRATEGIC MARKET ACCESS: EXPORTS FOR GLOBAL MARKETS; AND UNLOCKING ACCESS TO CAPITAL / FINANCE OUTSIDE OF THE STATE

#### 20. EXPORT GROWTH

##### 20.1. Purpose

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

##### 20.2. Description

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

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

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

- Value of approved transactions overall;
- Value of approved transactions under Short-term products;
- Value of disbursements from MLT Portfolio;
- Value of disbursements from STI Portfolio;
- Gross Written Premium; and
- Secure syndication or reinsurance or guarantees for identified transactions.

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

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

The ECIC is currently evaluating approximately \$4 billion in transactions which would reach financial close over the strategic period. Should all of those transactions be realised, it would result in at least \$2 billion in South African exports of goods and services over the strategic period.

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

**20.3 Performance indicators and performance targets (Export Growth)**

Goal/ Outcome	Output	Performance Indicator/ Measure	Actual Performance			Estimated Performance	Medium-Term Targets				
			2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Proactively attract business from new and existing customers to facilitate more exports and cross border investments	Facilitation of exports and cross border investments	Value of approved transactions overall	\$509 million	R nil	\$7 million	\$307 million	At least \$530 million	At least \$555 million	At least \$583 million	At least \$612 million	At least \$643 million
		Value of approved transactions under Short-term products	\$8 million	\$8 million	\$10 million	\$90 million	At least \$180 million	At least \$270 million	At least \$300 million	At least \$330 million	At least \$360 million
		Value of disbursements from MLT Portfolio				\$97 million	At least \$385 million	At least \$355 million	At least \$315 million	At least \$290 million	At least \$305 million

		Value of disbursements from STI Portfolio				\$33,5 million	At least \$40 million	At least \$45 million	At least \$50 million	At least \$54 million	At least \$58 million
	Sustainable growth through Gross Written Premium	Gross Written Premium	R150 million	R338 million	R32 million	R320 million	At least R1,8 billion	At least R1,1 billion	At least R790 million	At least R570 million	At least R670 million
	Maintain a diversified project portfolio	Secure syndication or reinsurance or guarantees for identified transactions	N/A	N/A	N/A	12%	At least 25%	At least 25%	At least 25%	At least 25%	At least 25%

### 20.4 Quarterly milestones (Export Growth)

Goal/ Outcome	Output	Performance Indicator/ measure	Baseline	2026/27 Annual Target	Quarterly milestones			
					1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Proactively attract business from new and existing customers to facilitate more exports and cross border investments	Facilitation of exports and cross border investments	Value of approved transactions overall	\$530 million	At least \$530 million	N/A	N/A	N/A	At least \$530 million
		Value of approved transactions under Short-term products	\$90 million	At least \$180 million	N/A	N/A	N/A	At least \$180 million
		Value of disbursements from MLT Portfolio	\$97 million	At least \$385 million	N/A	N/A	N/A	At least \$385 million
		Value of disbursements from STI Portfolio	\$33,5 million	At least \$40 million	N/A	N/A	N/A	At least \$40 million
	Sustainable growth through Gross Written Premium	Gross Written Premium	R320 million	At least R1,8 billion	N/A	N/A	N/A	At least R1,8 billion
	Maintain a diversified project portfolio	Secure syndication or reinsurance or guarantees for identified transactions	12%	At least 25%	N/A	N/A	N/A	At least 25%

**20.5. Financial Plan (Expenditure estimates for Export Growth)**

Programme Name: Contribute to Export Growth									
Economic classification	Expenditure outcome			Adjusted Appropriation	Medium-Term Expenditure Estimate				
	2022/23 R '000	2023/24 R '000	2024/25 R '000	2025/26 R '000	2026/27 R '000	2027/28 R '000	2028/29 R '000	2029/30 R '000	2030/31 R '000
<b>Current payment</b>									
Compensation of employees	16 161	9 346 <sup>1</sup>	13 583	21 094	23 503	24 536	25 638	26 789	27 993
Goods & services, etc	7 342	5 601	6 304	13 280	12 179	12 714	12 476	12 258	13 066
<b>Payments of capital assets</b>									
Building and other fixed structure									
Machinery & equipment	-	-	-	-	-	-	-	-	-
<b>Other classifications</b>									
	-	-	-	-	-	-	-	-	-

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

## 21. SOUTH AFRICAN EXPORT-IMPORT BANK OPERATIONAL BY 2028

### 21.1. Purpose

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

### 21.2. Description

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

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

As a consequence of considering having an SA Eximbank which will collaborate closely with ECIC, there is a need to refresh the ECIC Founding Legislation to align with the SA Eximbank Legislation. Therefore, the drafting of the SA Eximbank Legislation should be done in parallel with the review of the ECIC Legislation.

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

- SA Eximbank Feasibility Study, Eximbank enabling legislation, and Draft ECIC legislation submitted to the dtic;
- SA Eximbank operational by 2028; and
- Collaboration with SA Eximbank to support export trade financing facilities (MLT and STI).

**21.3 Performance indicators and performance targets (South African Export-Import Bank operational by 2028)**

Goal/Outcome	Output	Performance Indicator/ Measure	Actual Performance			Estimated Performance	Medium-Term Targets				
			2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
SA Eximbank to support international trade and economic growth operational by 2028	SA Eximbank operational by 2028 and Revised ECIC Legislation	SA Eximbank operational	N/A	N/A	N/A	First draft legislation enabling the SA Eximbank and Draft ECIC legislation completed and awaiting finalization of the feasibility study.	SA Eximbank Feasibility Study, Eximbank enabling legislation, and Draft ECIC legislation submitted to <b>the dtic</b>	SA Eximbank launched	Collaboration with SA Eximbank to support export trade financing facilities (MLT and STI)	Collaboration with SA Eximbank to support export trade financing facilities (MLT and STI)	Collaboration with SA Eximbank to support export trade financing facilities (MLT and STI)

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

Goal/ Outcome	Output	Performance Indicator/ measure	Baseline	2026/27 Annual Target	Quarterly milestones			
					1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
SA Eximbank to support international trade and economic growth operational by 2028	SA Eximbank operational by 2028	SA Eximbank operational	First draft legislation enabling the SA Eximbank and Draft ECIC legislation completed and awaiting finalization of the feasibility study.	SA Eximbank Feasibility Study, Eximbank enabling legislation, and Draft ECIC legislation submitted to <b>the dtic</b>	N/A	N/A	N/A	SA Eximbank Feasibility Study, Eximbank enabling legislation, and Draft ECIC legislation submitted to <b>the dtic</b>

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

Programme Name: Establishment of a South African Export-Import Bank									
Economic classification	Expenditure outcome			Adjusted Appropriation	Medium-Term Expenditure Estimate				
	2022/23 R '000	2023/24 R '000	2024/25 R '000	2025/26 R '000	2026/27 R '000	2027/28 R '000	2028/29 R '000	2029/30 R '000	2030/31 R '000
<b>Current payment</b>	-	-	-	-	-	-	-	-	-
Compensation of employees	-	-	-	2 539	2 613	2 000	2 000	2 000	2 000
Goods & services, etc									
<b>Payments of capital assets</b>									
Building and other fixed structure									
Machinery & equipment	-	-	-	-	-	-	-	-	-
<b>Other classifications</b>	-	-	-	-	-	-	-	-	-

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

**22. ENHANCE TRANSFORMATION**

**22.1. Purpose**

To ensure a transformed Corporation which drives economic transformation.

**22.2. Description**

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

- Implementing the ECIC Transformation Strategy to maintain a Level 1 B-BBEE score;
- Tracking the number of SMEs benefiting under ECIC cover; and
- Tracking the number of job opportunities created/sustained.

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

- B-BBEE level score;
- Number of SMEs that participated in transactions underwritten by ECIC; and
- Number of job opportunities facilitated for manufactured exports.

The B-BBEE target will be achieved through the B-BBEE verification that takes place after the external audit of the 2026/27 financial year. Therefore, there are no quarterly targets due to the once-off verification after year-end.

### 22.3 Performance indicators and performance targets (Enhance transformation)

Goal/ Outcome	Output	Performance Indicator/ measure	Actual Performance			Estimated Performance	Medium-Term Targets				
			2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
To ensure a transformed Corporation which drives economic transformation	Maintain B-BBEE Score	B-BBEE Level	Level 1	Level 2	Level 1	Level 1	Level 1	Level 1	Level 1	Level 1	Level 1
	Increasing SME participation in exports	Number of SMEs that participated in transactions underwritten by ECIC	N/A	N/A	N/A	N/A	At least 20	At least 25	At least 30	At least 35	At least 40
	Sustainable job creation	Number of job opportunities facilitated for manufactured exports	4 487	661	435	168	At least 10 000	At least 20 000	At least 25 000	At least 30 000	At least 30 000

**22.4 Quarterly milestones (Enhance transformation)**

Goal/ Outcome	Output	Performance Indicator/ measure	Baseline	2026/27 Annual Target	Quarterly milestones			
					1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter	3 <sup>rd</sup> Quarter	4 <sup>th</sup> Quarter
To ensure a transformed Corporation which drives economic transformation	Maintain B-BBEE Score	B-BBEE Level	B-BBEE Level 1	B-BBEE Level 1	N/A	N/A	N/A	N/A
	Increasing SME participation in exports	Number of SMEs that participated in transactions underwritten by ECIC	N/A	At least 20	N/A	N/A	N/A	At least 20
	Sustainable job creation	Number of job opportunities facilitated for manufactured exports	168	At least 10 000	N/A	N/A	N/A	At least 10 000

## 22.5 Financial Plan (Expenditure estimates for Enhance transformation)

Programme Name: Enhance transformation									
Economic classification	Expenditure outcome			Adjusted Appropriation	Medium-Term Expenditure Estimate				
	2022/23 R '000	2023/24 R '000	2024/25 R '000	2025/26 R '000	2026/27 R '000	2027/28 R '000	2028/29 R '000	2029/30 R '000	2030/31 R '000
<b>Current payment</b>									
Compensation of employees	3 815	3 182 <sup>1</sup>	4 625	5 058	5 742	8 643	9 123	9 629	10 062
Goods & services, etc	6 878	3 450	6 360	28 941	13 586	19 766	28 351	23 330	23 705
<b>Payments of capital assets</b>									
Building and other fixed structure									
Machinery & equipment	-	-	-	-	-	-	-	-	-
<b>Other classifications</b>									
	-	-	-	-	-	-	-	-	-

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

**DTIC FOCUS AREA: RED TAPE REDUCTION****23. IMPROVE BUSINESS PROCESSES AND SYSTEMS****23.1. Purpose**

Drive digital transformation by securely leveraging innovation and technology to automate key processes to improve efficiency and customer experience.

**23.2. Description**

In five years, we endeavour to accelerate digitalisation by advancing the digital transformation and innovation agenda beyond basic process automation. This shift is aimed at enhancing customer experience, operational efficiency, institutional resilience, and competitiveness.

Building on the strong foundation laid by the 2020/21FY enterprise architecture review, which informed the current ICT Strategy, the corporation now benefits from stable ICT operations, high system availability, and a skilled workforce. Yet weaknesses persist. Reporting remains fragmented, often reliant on spreadsheets; analytics capability is limited; and siloed working arrangements constrain collaboration. The result is an ICT function that secures operations but has not yet unlocked business-wide value.

Digital transformation, by contrast, aligns technology with shareholder expectations, business objectives, and customer needs. It addresses not only systems but also people, processes, and culture.

As Artificial Intelligence (AI) presents both opportunities and risks, digital transformation and innovation must be anchored in digital trust to safeguard the Corporation's digital assets and ensure stakeholders have confidence in the transparent, ethical, and compliant use of data — preserving confidentiality, integrity, and accountability across the Corporation's digital platforms.

The new strategic direction calls for a full revision of the enterprise architecture and technology strategy during the 2026/27 FY. This review will inform the development of a new digital transformation strategy for the 2027/28 to 2030/31 period. The new strategy will reprioritise business enablement investments and define clear benefits, timelines, and costs. In the interim, the sourcing and implementation of an insurance management system focused on STI, along with a customer relationship management system, remain top priorities.

The successful execution of this programme will be demonstrated based on the implementation of prioritised business process automations to improve turnaround times and operational efficiency.

**23.3 Performance indicators and performance targets (Improve business processes and systems)**

Goal/ Outcome	Output	Performance Indicator/ measure	Actual Performance			Estimated Performance	Medium-Term Targets				
			2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Improved operational efficiency	Automation of business processes	Implementatio n of prioritised business process automations to improve turnaround times and operational efficiency	N/A	N/A	N/A	N/A					
							CRM system implem ented to reduce complaint acknowle dgement from 5 to 2 days and lead acknowle dgement in 2 days.	Automation of Short-term Insurance (STI) processes to shorten 60% of project approval decisions from 5 months to 1 month	Automation of STI processes to shorten 80% of project approval decisions to 1 month	Automation of STI processes to shorten 90% of project approval decisions to 3 weeks	Automation of processes to shorten over 90% of project approval decisions to 3 weeks

**23.4 Quarterly milestones (Improve business processes and systems)**

Goal/ Outcome	Output	Performance Indicator/ measure	Baseline	2026/27 Annual Target	Quarterly milestones			
					1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter	3 <sup>rd</sup> Quarter	4 <sup>th</sup> Quarter
Improved operational efficiency	Automation of business processes	Implementation of prioritised business process automations to improve turnaround times and operational efficiency	No CRM and Insurance System implemented	CRM system implemented to reduce complaint acknowledgem ent from 5 to 2 days and lead acknowledgem ent in 2 days.	N/A	N/A	N/A	CRM system implemented to reduce complaint acknowledge ment from 5 to 2 days and lead acknowledge ment in 2 days.

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

Programme Name: Improve business process and systems									
Economic classification	Expenditure outcome			Adjusted Appropriation	Medium-Term Expenditure Estimate				
	2022/23 R '000	2023/24 R '000	2024/25 R '000		2025/26 R '000	2026/27 R '000	2027/28 R '000	2028/29 R '000	2029/30 R '000
<b>Current payment</b>									
Compensation of employees	7 967	3 854 <sup>1</sup>	5 602	9 837	10 989	11 473	11 988	12 526	13 089
Goods & services, etc	4 530	4 372	7 373	5 913	14 107	11 574	15 205	14 311	16 201
<b>Payments of capital assets</b>									
Building and other fixed structure									
Machinery & equipment	-	-	-	-	-	-	-	-	-
<b>Other classifications</b>									
	-	-	-	-	-	-	-	-	-

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

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

**24. ENHANCE FINANCIAL SUSTAINABILITY**

**24.1. Purpose**

To grow the business on a financially sustainable basis to fulfil the ECIC mandate of facilitating export trade and cross-border investments, and to ensure effective governance and internal control measures.

**24.2. Description**

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

- Underwriting profitable business;
- Managing the existing insurance portfolio;
- Collecting salvages; and
- Earning investment income.

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

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

- Combined ratio;
- Gross investment portfolio performance against IPS asset benchmark;
- Economic Capital (ECR) and regulatory Solvency Capital Requirement (SCR) cover ratios; and
- Clean audit.

A clean audit refers to a financially unqualified audit opinion with no material findings on reporting on performance objectives or non-compliance with legislation.

The ECR and SCR cover ratios will be based on the Capital Management Report and audited annual regulatory Quantitative Regulatory Template which is finalised after year-end. Therefore, there are no quarterly targets for the ECR and SCR cover ratios.

**24.3 Performance indicators and performance targets (Enhance financial sustainability)**

Goal/ Outcome	Output	Performance Indicator/ measure	Actual Performance			Estimated Performance	Medium-Term Targets				
			2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Support the growth and sustainability of the Corporation	Track underwriting profitability	Combined ratio	N/A	N/A	N/A	138%	At least 80%	At least 80%	At least 80%	At least 80%	At least 80%
	Track investment performance	Gross investment portfolio performance against IPS asset benchmark	-0.1%	2%	3.2%	2.5%	Outperform benchmark by at least 1%	Outperform benchmark by at least 1%	Outperform benchmark by at least 1%	Outperform benchmark by at least 1%	Outperform benchmark by at least 1%
	Track solvency	Economic Capital (ECR) and regulatory Solvency Capital Requirement (SCR) cover ratios	ECR 291% SCR 267%	ECR 337% SCR 289%	ECR 366% SCR 302%	ECR 344% SCR 288%	ECR above 125% and SCR above 130%	ECR above 125% and SCR above 130%	ECR above 125% and SCR above 130%	ECR above 125% and SCR above 130%	ECR above 125% and SCR above 130%
To ensure effective governance and internal control measures	Effective governance and internal control measures	Clean audit	Clean audit	Unqualified audit opinion with findings	Clean audit	Clean audit	Clean audit	Clean audit	Clean audit	Clean audit	Clean audit

**24.4 Quarterly milestones (Enhance financial sustainability)**

Goal/ Outcome	Output	Performance Indicator/ measure	Baseline	2026/27 Annual Target	Quarterly milestones			
					1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Support the growth and sustainability of the Corporation	Track underwriting profitability	Combined ratio	138%	At least 80%	N/A	N/A	N/A	At least 80%
	Track investment performance	Gross investment portfolio performance against IPS asset benchmark	2.5%	Outperform benchmark by at least 1%	N/A	N/A	N/A	Outperform benchmark by at least 1%
	Track solvency	Economic Capital (ECR) and regulatory Solvency Capital Requirement (SCR) cover ratios	ECR 344% SCR 288%	ECR above 125% and SCR above 130%	N/A	N/A	N/A	N/A
To ensure effective governance and internal control measures	Effective governance and internal control measures	Clean audit	Clean audit	Clean audit	N/A	Clean audit	N/A	N/A

**24.5 Financial Plan (Expenditure estimates for Enhance financial sustainability)**

Programme Name: Enhance financial sustainability									
Economic classification	Expenditure outcome			Adjusted Appropriation	Medium-Term Expenditure Estimate				
	2022/23 R '000	2023/24 R '000	2024/25 R '000	2025/26 R '000	2026/27 R '000	2027/28 R '000	2028/29 R '000	2029/30 R '000	2030/31 R '000
<b>Current payment</b>									
Compensation of employees	60 190	40 692 <sup>1</sup>	59 807	87 700	97 181	99 089	103 438	107 978	112 820
Goods & services, etc	1 581 939	1 587 454	-89 721	199 248	65 407	64 198	155 350	193 340	221 139
<b>Payments of capital assets</b>									
Building and other fixed structure									
Machinery & equipment	1 072	3 749	3 749	941	1 559	1 125	2 093	1 487	1 532
<b>Other classifications</b>	1 863	286 515	259 089	113 694	141 810	211 387	211 282	221 319	233 805

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

## 25. IMPROVE ORGANISATIONAL CULTURE

### 25.1. Purpose

A strong, healthy culture directly influences how effectively the Corporation can execute its strategy and achieve business outcomes.

### 25.2. Description

In the next five years we aim to improve organisational culture. This programme will include:

- Measuring employee engagement and organisational culture through annual surveys; and
- Implementing succession planning for key roles with identified successors ready within one year.

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

- Culture Entropy Score; and
- Succession Coverage for Key Positions.

The Culture Entropy Survey measures the percentage of energy consumed in unproductive work. It is a measure of the conflict, friction and frustration that exists in a group. The survey provides a cultural snapshot of:

- the values of the people currently working in the Corporation
- the values experienced in the current culture (the way work really gets done)
- the values of the desired culture (what would need to be present in the culture for people to express their full potential)

Succession planning is a critical strategic imperative that ensures the Corporation's long-term stability, leadership continuity, and organisational resilience. Effective succession planning mitigates risks associated with leadership vacancies, protects the organisation from the loss of institutional knowledge, and supports seamless transitions that sustain operational performance.

### 25.3 Performance indicators and performance targets (Improve organisational culture)

Goal/ Outcome	Output	Performance Indicator/ measure	Actual Performance			Estimated Performance	Medium-Term Targets				
			2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Improve organisational culture	Improve organisational culture	Culture Entropy score	Culture Entropy score of 26%	N/A	Culture Entropy score of 47%	N/A	Culture Entropy score of 30% or below	Culture Entropy score of 26% or below	Culture Entropy score of 20% or below	Culture Entropy score of 15% or below	Culture Entropy score of 15% or below
	Create capabilities to optimise performance	Succession Coverage for Key Positions	N/A	N/A	N/A	44%	At least 55%	At least 65%	At least 75%	At least 85%	At least 85%

### 25.4 Quarterly milestones (Improve organisational culture)

Goal/ Outcome	Output	Performance Indicator/ measure	Baseline	2026/27 Annual Target	Quarterly milestones			
					1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Improve organisational culture	Improve organisation al culture	Culture Entropy score	Culture Entropy score of 47% in 2024/25	Culture Entropy score of 30% or below	N/A	N/A	N/A	Culture Entropy score of 30% or below
	Create capabilities to optimise performance	Succession Coverage for Key Positions	44%	At least 55%	N/A	N/A	N/A	At least 55%

**25.5 Financial Plan (Expenditure estimates for Improve organisational culture)**

Programme Name: Stakeholder and customer engagement									
Economic classification	Expenditure outcome			Adjusted Appropriation	Medium-Term Expenditure Estimate				
	2022/23 R '000	2023/24 R '000	2024/25 R '000	2025/26 R '000	2026/27 R '000	2027/28 R '000	2028/29 R '000	2029/30 R '000	2030/31 R '000
<b>Current payment</b>									
Compensation of employees	19 241	8 056 <sup>1</sup>	11 708	17 063	19 064	19 755	20 643	21 570	22 539
Goods & services, etc	8 365	3 677	8 167	13 384	10 361	11 744	11 350	10 431	10 488
<b>Payments of capital assets</b>									
Building and other fixed structure									
Machinery & equipment	-	-	-	-	-	-	-	-	-
<b>Other classifications</b>									
	-	-	-	-	-	-	-	-	-

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

## PART D: LINKS AND OTHER PLANS

### 26. ASSET MANAGEMENT PLAN

The nature of the liabilities assumed by ECIC such as claim payment obligations, future expenses and stakeholders' expectations (e.g., regulatory requirements and strategic investments or payments), essentially drive the determination of its investment strategy. ECIC has an imperative to ensure payment obligations are fulfilled timeously whilst maintaining or improving financial soundness by charging competitive premiums and generating investment returns to create value for all stakeholders. This delicate balancing act necessitates an integrated approach to managing risk arising from investment activities, those inherent in its liabilities and changes in the structure of liabilities.

Consequently, ECIC adopts an Asset Liability Matching approach and liability cognisant investment philosophy. The aim is to minimise asset-liability mismatching risk by investing in suitable assets after taking account of the nature, timing and amount of its liabilities and expected cash flows within the corporation's risk tolerance and solvency framework.

The Corporation implements the investment strategy by appointing suitable external fund managers and setting appropriate investment guidelines for the management of the various asset classes. Relevant market benchmarks are allocated to each fund manager, and performance and risk is measured, reported and monitored regularly.

The main principles underlying the Corporation's investment strategy, process and associated investment decisions is captured in the ECIC Investment Policy Statement (IPS). The IPS establishes appropriate investment guidelines and specifies measures to actively monitor the achievement of investment objectives. It furthermore references investment decisions within the risk management and solvency framework of the Corporation, and the mitigation and monitoring of other investment related risks. The Corporation manages and maintains three currency investment portfolios in Rand, US Dollars and Euros.

The investment portfolio is constructed by segmenting it into parts and allocating matching assets for each currency's cashflow, liability and capital requirements. Residual or excess assets are invested to seek investment growth.

This approach ensures strategic and reporting emphasis on the most material components of the corporation's obligations in setting the investment strategy and allows matching assets and individualised risk and return objectives for each identified tranche. As the asset allocation to each tranche is intuitively based on liability values which are recalculated quarterly, shifts between tranches can be tracked and timeously updated.

The investment tranche approach allows for excess assets to be invested in longer dated instruments. These assets will not be used for frequent rebalancing or short- to medium-term cashflow and claims requirements. This reduces the risk of disinvesting higher risk-return assets at times of heightened market volatility and downturns. The working capital, technical provisions and capital requirement tranches are collectively referred to as the Total Reserving Tranche. The tranches for each currency portfolio are defined as follows:

- Working Capital Tranche: provides liquidity to meet operational expenses or known other payments over the next 12 months. Funds are invested in this tranche with time-, operational and cost-effective access to meet payments as they fall due;
- Technical Provisions Tranche: provides assets that are reserved for liability obligations or provisions (including IMU liability) to maximise capital efficiency and solvency. The assets consider the duration of the liabilities to mitigate increases in liability values that are due to interest rate changes;

- Capital Requirements Tranche: provides low-risk liquid assets that are reserved for non-life underwriting capital requirements and risk margin. The tranche serves as a buffer for large, unexpected claim payments or other obligations. It also serves as a low-risk asset class that can be used for tranche shifts and other asset transitions during times of heightened volatility or adverse market conditions; and
- Excess Tranche: the funds left over after funding the working capital, the technical provisions and the capital requirements tranches. Assets in this tranche will seek to maximise investment growth by investing in riskier assets over longer periods.

## 26.1 Portfolio Structure

The Corporation manages and maintains three currency investment portfolios in Rand, US Dollars and Euros.

The Rand portfolio is primarily managed to back Rand denominated liabilities and absorb all operational expenses of the Corporation. It is a diversified moderate risk portfolio which invests in Rand-denominated Equities, Listed Property, Government Bonds, Corporate Bonds, Cash, and global equities and bonds.

The US Dollar and Euro portfolios are primarily managed to back the relevant currency denominated liabilities and IMU payments. It is invested in cash, government and corporate bonds, and multi asset class portfolios. The Corporation has approval to retain its US Dollar and Euro premium income in their respective foreign currency portfolios.

## 27. INFORMATION AND COMMUNICATION TECHNOLOGY PLAN

### 27.1 Introduction

The ICT Strategic Plan 2024/25 – 2026/27, which is a continuation from the 202/21 – 2023/24 ICT Strategic Plan, provides a roadmap for the digital transformation of the Corporation over a 3-year period with a focus on the automation of core business processes such as Customer Relationship Management (CRM) and Insurance Management System (IMS) to align with the dtic focus area to reduce red tape. A key priority for FY2026/27 is a full revision of the current strategy and the development of a forward-looking Digital Transformation Strategy that harnesses emerging technologies and AI to enhance ECIC's operational efficiency and customer experience

### 27.2 ICT Strategy Priorities

The ICT Strategic Plan 2024/25 – 2026/27 identified 4 focus areas and 11 strategic initiatives that have been prioritised by the Corporation to enable the delivery of its mandate. These strategic initiatives stem from the 2020/21 enterprise architecture review. While implementation is ongoing, a new review will be prioritised in 2026/27 to reassess the current state, identify gaps, and inform the Digital Transformation Strategy for 2027/28–2030/31. This strategy aims to strengthen ECIC's competitive edge, operational efficiency, and customer experience, driven by innovation, emerging technologies, artificial intelligence, and digital trust—ensuring secure, transparent, and ethical use of technology and data.

To support this, additional strategic initiatives and focus areas have been added to the ICT Strategic Plan 2024/25–2026/27. These initiatives emphasize strengthening cybersecurity controls and prioritising a comprehensive revision of the current ICT Strategy. The revised strategy due in 2026/27 will enable an impactful digital transformation journey, which will include the responsible and effective adoption of AI by the Corporation.

Focus Areas	Strategic Initiatives	Priority	Revised Completion \ Target Date
1. Enhance ICT Governance	1.1 ICT Governance Review (based on the COBIT framework)	Medium	Q4 2024/25
	1.2 ISO27001 Assessment	Medium	Q3 2024/25 & Q3 2026/27
	1.3 Enterprise Architecture Review	High	Q4 2026/27
	1.4 Development of a Data Governance Framework	Medium	Q4 2026/27
	1.5 Development and approval of the digital transformation strategy	High	Q4 2026/27
2. Automate Core Business Processes	2.1 Investment Valuations Solution	High	Q2 2023/24 – Q4 2024/25
	2.2 Insurance Management Solution	High	Q4 2024/25 – Q4 2029/30
	2.3 Pricing Engine	High	
	2.4 Actuarial Modelling Solution	Medium	Q2 2024/25 – Q4 2027/28
	2.5 Customer Relations Management	High	Q1 2025/26 – Q4 2026/27
	2.6. Governance, Risk and Compliance	Medium	Q2 2026/27 – Q1 2027/28
3. Improve Decision Making Capacity	3.1 BI and Data Analytics Readiness Assessment	Medium	Q1 2025/26 – Q2 2026/27
	3.2 Develop a BI and Data Analytics Platform	Medium	Q3 2026/27 – Q4 2027/28
4. Develop ICT Capacity and Capability	4.1 Refresh Computer Hardware	Medium	Annually
	4.2 Rebalance the ICT Team Structure	Medium	Q1 2024/25 – Q2 2025/26
5. Improvement of Cybersecurity Controls	5.1 SIEM implemented	High	Q1 2026/27 – Q4 2026/27
	5.2. DMARC implemented	High	Q1 2026/27 – Q4 2026/27

### **27.3 Defining and measuring success**

The measure of success for the implementation of the ICT Strategic plan 2024/25 – 2026/27 has been based on the value delivered for the Corporation, including the percentage (%) of business processes automated resulting in process and cost efficiencies. However, for 2026/27, the target is to have the CRM system implemented and utilised to improve turnaround times.

### **27.4 Reporting**

The strategy implementation progress is reported quarterly to the ICT governance structures, including the ICT Steering Committee, Executive Committee, Risk Committee and Board.

## **28. RISK MANAGEMENT**

### **28.1 Risk Management Plan (incl. risk strategy and process)**

Risk management provides the Corporation with guardrails to ensure continued risk taking is done in a prudent and sustainable manner. As a regulated entity, ECIC risk management standards and practices must align to the regulators' standards and ongoing requirement to ensure license conditions are met. Similarly, as an outward looking entity that operates within the global arena, ECIC risk management practices are continually aligned to international best practice.

The Corporation has also constructed risk appetite limits and tolerances to ensure judicious and prudent underwriting that does not allow for excessive risk taking whilst sufficiently deploying capital. The risk appetite ensures obligor, sector and country concentration are kept within pre-set bounds while ensuring adequate liquidity is adequately sustained within limits even under stressed market conditions. The Corporation's investible assets are also allocated in-line with risk-based principles considering risk-return constraints.

The Board, whilst responsible for providing oversight is the custodian of the Corporation's risk management and governance structures, accountability for risk management remains with each individual within their respective functional areas. In line with good and effective corporate governance, the Board has delegated the responsibility of reviewing the effectiveness of the risk management system to the Risk Committee that is charged with risk oversight, compliance as well as ICT governance.

### **28.2 The three lines-of-defence principle**

At the forefront are the business units whose day-to-day activities give rise to varied types of risk. Typically, the first line of defence consists of the operational and support areas of the business and are responsible for managing own risks emanating from their respective areas of responsibility. The risk management process is a continuous iteration that comprise of establishment of context, identification of risks, risk measurement, risk treatment, and reporting on a continuous basis.

The second line of defence consists of the control functions of Risk, Compliance and Actuarial Control. The primary responsibility of the risk control function is to establish and maintain the risk management framework which is the totality of risk policies, procedures and processes; as well as provide independent risk oversight and report risks to executive management, Board-level committees and the Board.

The audit function is responsible for providing assurance and is the third line of defence. It provides an independent assessment of the adequacy and effectiveness of the Corporation's overall system of internal controls and risk governance structures. The audit function reports independently to the Audit Committees of the Board.

### 28.3 Risk management framework, policies and procedures

The Corporation’s Risk Management Framework comprise of the totality of risk policies procedures and processes. The risk policies set out minimum control measures that ensures alignment and consistency in treatment of major risks that include identification, measurement, treatment and reporting. Implementation of the risk management policies is the responsibility of the executive and business unit managers. Compliance with risk policies is monitored through self-assessments and independent reviews by the internal audit function.

The capital adequacy measurement using the solvency capital required (SCR) from the standard formula is one of the key features of the solvency assessment and management (SAM) regime.

The Corporation has determined that the standard formula does not sufficiently reflect the risk of the corporation. To compensate for the deficiency, the Corporation has adopted the use of economic capital.

### 28.4 Risk appetite

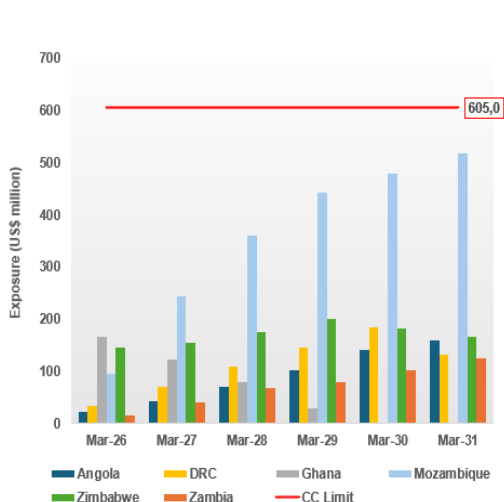
#### Risk appetite underwriting metrics

Given that concentration is a major risk for the Corporation, concentration limits are set within the Risk Appetite as follows:

- Maximum underwriting capacity that can be sustained by the available capital as at 31 March 2025. The measure is the leverage ratio of underwritten insured value relative to the corporation’s equity.
- The maximum combined loss (gross of claim salvages) of a single event from exposures in a single country.
- The maximum combined loss (gross of claim salvages) of a single event from exposures in an industry.
- The maximum loss (gross of claim salvages) of a single obligor/project.

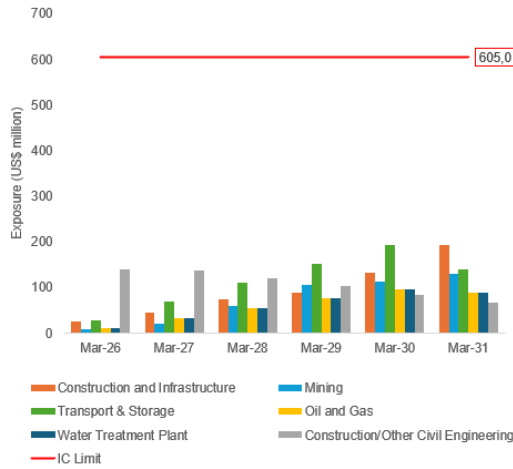
The graphs below show the projected exposures against country, industry and single obligor limits respectively. No breaches to any of the limits are projected over the planning period.

#### Country Concentration



- No breaches in country concentration forecast over the strategic planning period
  - Country concentration risk appetite limit based on the current limit against the projected pipeline.
  - From March 2027 Mozambique represents the highest country concentration however, it does not breach the appetite limit
  - New projects in the pipeline include MozLNG, ExxonMobil and BGC/MGC in the oil and gas sector.
  - Reinsurance was sought for MozLNG and is envisaged for the remaining two projects.
- \* Change in concentration limits anticipated throughout the years as the pipeline converts.

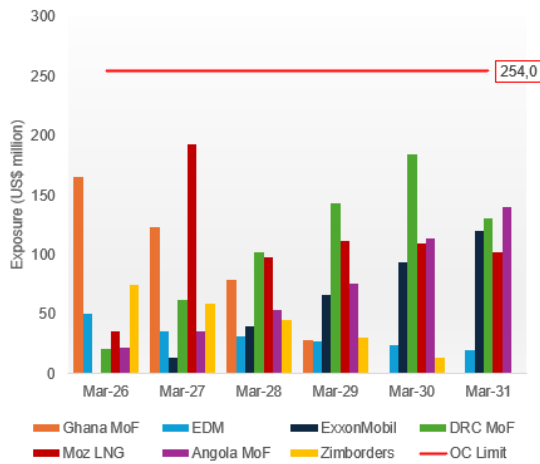
### Industry Concentration



- No breaches are projected over the strategic planning period.
- The construction sector is projected to represent the largest concentration prior March 2029.
- Projects in sector include Zimborders, Infralink and new investment guarantee exposure to Pembani Remgro to the Zimborders project.
- From March 2029 the transport and storage sector is projected to represent the largest concentration.
- Pipeline projects include Lowveld Nuts and Yellow Equipment infrastructure project in the DRC.
- March 2031 the construction and infrastructure sector represents the largest concentration followed closely by the transport and storage sector.

\* Change in concentration limits anticipated throughout the years as the pipeline converts.

### Single Obligor Concentration



- No breaches are projected over the strategic planning period.
- The Ghanaian Ministry of Finance, through Cenpower, represents the largest single obligor exposure until March 2026.
- From March 2027-2029, LNG project MozLNG (net reinsurance) becomes the single largest obligor.
- In March 2030, the DRC MoF represents the largest concentration through the Yellow Equipment project.
- In March 2031, the Angolan MoF becomes the single largest obligor owing to the various sovereign loans for Vamed hospitals, Saurimo water treatment plant, Saurimo-Luena railway etc.

\* Change in concentration limits anticipated throughout the years as the pipeline converts.

## 28.5 Risk appetite liquidity risk metric

The liquidity risk appetite set for the Corporation is to ensure continued liquidity access even in stressed market conditions to enable the Corporation to meet its insurance obligations and carry out its strategic objectives. To ensure the liquidity risk is kept low, the Corporation shall ensure that the insurance liquidity ratio (ILR) does not fall below 150% across all durations under non-stress conditions and shall be maintained above 110% during stress conditions.

### ILR risk appetite thresholds

ILR Limit	up to 1 month	up to 3 months	up to 12 months
Low Risk	> 150%	> 150%	> 150%
Medium Risk	110% - 150%	110% - 150%	110% - 150%
High Risk	< 110%	< 110%	< 110%

## 28.6 Risk Budget

The Corporation has allocated capital to three risk measures; underwriting, investments and currency. The first two reflect the Corporation's income generating activities, the third item is a default US dollar currency position by virtue of the Corporation's business being predominantly dollar based. The capital allocation between these three is split 75:20:5 respectively. Capital allocation to operational risk is minimal and has been aggregated into the underwriting capital allocation.

The US dollar assets accord the Corporation a natural currency hedge in claim incidents. The rand portfolio caters for operational expenses and settling tax liabilities, whilst also available for claims payment in case of shortfalls in US dollar assets. For every dollar asset that ECIC holds in excess of its liabilities, the regulatory solvency calculation imposes a currency risk charge, thus attracting a capital charge, purely from the fact that US dollar assets exceed US dollar liabilities. This is premised on the argument that a strong rand would impair the US dollar assets if converted to meet rand liabilities.

## 28.7 Risks and Opportunities

### Risk outlook

Following the April announcement and imposition of tariffs by the US government against its trading partners the impact on global growth was projected to range from modest to significant. However, six months later the impact on global growth is on the modest end of the range. This has been achieved on the back of private sector's ingenuity to stock up on inputs in the first half of the year, as well as timely reorganization of supply chains to reorganize trade flows as well as renegotiated tariffs between some countries and the US, amongst other interventions. As a result, global growth is now projected at 3.2 percent for 2025 and 3.1 percent for 2026 which is still below the pre-pandemic average growth rate of 3.7 percent.

Projected growth in advanced economies continues to be underwhelming and projected lower from previous projections of 1.8 percent to 1.4 percent for 2025-26. Upward projections for the United States growth have been revised down to 2 percent from 2.2 percent for 2025 on the back of policy uncertainty eradicating gains from higher household consumption that were experienced previously, and the effects of strict immigration policies that have reduced the labour supply, adding another negative shock. The euro area growth is projected to slow again from its previous projection of 1.2 percent to 0.8 percent in 2025.

Growth in emerging and developing economies is expected to moderate to 4 percent in 2025 which is an upward revision from April projections. Growth in sub-Saharan Africa is unchanged at 3.8 percent in 2025 and 4.2 percent in 2026 with the larger economies such as South Africa and Nigeria having growth revised downward on the back of deterioration in sentiment and heightened uncertainty as a result of intensifying protectionist policies.

Low-income countries with hard currency external debt continue to flounder under cost of debt service as their sovereign bonds and credit default swap spreads widen.

### Climate change

The PA, through the Guidance Notice 1 of 2024 ("Guidance on climate-related governance and risk practices") provides a set of guidance on integrating climate-related risks into the risk and governance frameworks and the ORSA. The guidance notice stipulates that climate change may occur due to physical and transition risks. Physical risks arising from climate change could be floods, which can damage infrastructure, prevent accessibility to sites and drought affecting water supply and health of workers on site. Additionally, when considering transition risks, this can be elicited by the changes or implementation of climate related policies, regulations, etc. This can increase the costs of the project/transaction and therefore increase the cost of funding and delay issuance of cover to the detriment of exports. The table below represent the projects that have high climate risk, with relation to transition risks. For example, the Climate Change Bill, which deals with the reduction off greenhouse gas emissions, building climate resilience, while reducing the risk of job losses, and promoting opportunities for new job opportunities in

the emerging green economy. This would require an update of the Corporation’s ESG Policy to include comprehensive climate change risks and mitigations and/or develop a Climate Change Policy.

The Corporation’s Head Office in Centurion is exposed to physical risk arising from heavy rains that could result in flooding. Therefore, causing curtailing access to the office premises. Additionally, should there be drought/water shortages, there will be no water to sustain the people and for sanitation. These has the potential to cause health and safety issues.

A comprehensive climate change risk assessment and proposed mitigations and management is conducted for each project that is exposed to climate change risk impacts. Examples include mining, water and LNG projects. These projects are presented to the Social, Ethics and Transformation Committee (a sub-committee of the Board), in addition to the normal approval governance reporting. Monitoring is conducted and reported to management and the Social, Ethics and Transformation Committee on a quarterly basis.

In the period under review, the climate change risk is rated as medium to high based on the fact that ECIC’s portfolio is mostly concentrated in the power and mining sectors. Management plans are being implemented and monitored by management and the Board.

### Artificial Intelligence

Artificial Intelligence (AI) technology evolution offers great opportunities for the Corporation to innovate and transform. These opportunities range from automating basic capabilities such as report generation, meeting transcription, and automated research to advanced solutions that will enhance processes such as fraud detection, claims handling, underwriting and customer experience.

While AI can improve business processes it also presents business risks and challenges such as ethical concerns, privacy and cybersecurity concerns, technological bias, integration with legacy systems, workforce adaption and compliance.

The Corporation is in the exploration phase of AI technology adoption focusing on policy requirements and areas of prioritisation.

## 29. ETHICS AND FRAUD PREVENTION PLAN

The Corporation Fraud Prevention Policy, and Ethics and Fraud Prevention Plan cover all acts of dishonesty including fraud, corruption and theft. The success of any fraud prevention initiative or fraud prevention plan inevitably depends on the buy-in and co-operation of the management and staff. The risk management philosophy at ECIC, that also covers fraud and corruption, is that everyone in their roles is responsible for risks that emanate or impact their area of responsibility.

Objective	Initiative	2026/27 Target
Training	Provide comprehensive and formalised training to assist in highlighting the risks of fraud; thereby empowering employees to recognize fraud in its infancy.	Rollout Ethics and Fraud workshops to all staff.
		Planned Ethics workshops that includes Fraud and Corruption awareness.
Annual Ethics and Fraud Awareness Week (Internal and External)	Provide awareness through online, internal Comm’s and other possible means.	Create poster badges, screen savers badges, competition quizzes etc.
		Planned Ethics Day (including Fraud and Corruption awareness) in November 2025.
		Internal newsletters to further create awareness.
		Share industry Ethics and Fraud related experiences and initiatives through our newsletters to create fraud risk awareness within the organization.

Objective	Initiative	2026/27 Target
	Completion of annual staff and Gift declarations.	Completion and submission of all internal staff declarations, i.e., Conflict of Interest management, FAIS declarations, Gifts and Code of Ethics.
Tip-Offs Anonymous	Implement communication awareness of the whistle blowing hotline.	Conduct x2 awareness sessions on the hotline facility.
	Coordinate forensic investigation where applicable.	Professional Forensic investigators will be procured as and when Tip Off's fraud or possible fraud and corruption reports are received.
Recognition	Support a recognition program to appropriately recognize persons who identify gaps and provide Ethics and Fraud related information or potential.	Through the Bounty points system promote Ethics and anti-fraud by offering rewards points on recommendations and reports to improve the Ethics and anti-Fraud culture received.
Supplier, Outsourced and third-party due diligence	Monitor and assist with supplier and third-party due diligence to ensure compliance with applicable legislation i.e. FICA, POCA, POCDATARA and related laws.	Continuously conduct KYC due diligence screening of potential supplier, Outsourced and third-party entities.
Pre-Employment Vetting	Monitor vetting processes, to limit exposure to hiring potential fraudsters, are in place and effective.	
Proactive unethical conduct and Fraud Detection	Identify fraud-prone environments and review underlying root causes to detect fraud.	Have Ethics and Fraud as part of every BU risk register to proactively identify gaps and detect fraud within the vulnerable areas.

The fraud communication and awareness initiatives are reviewed annually with the assistance of independent service providers where applicable to incorporate emerging risks and embed international best practice.

The tip-offs report as well as progress on the achievements under the fraud prevention plan are tabled at Audit; and Social, Ethics and Transformation Committees. In the event of any member of the Board of Directors, or key staff being implicated in fraud, corruption or gross negligence, the matter is also reported to the shareholder, external auditor, the Auditor-General, the Prudential Authority and the Financial Sector Conduct Authority.

The Ethics and Fraud Prevention Plan is a live document that is updated on a continuous basis to ensure the Corporation remains abreast of emerging trends to effectively promote ethical behaviour, entrench sound values as well as fight fraud and corruption.

**30. RISK MANAGEMENT – RISK REGISTER**

#	Outcomes	Performance Indicator/ Measure	Objectives	Risk name	Risk Description	Root causes of the risk	Key Controls	Current RR factor
1	Proactively attract business from new and existing customers to facilitate more exports and cross border investments	Value of approved transactions	Export Growth	Financial Risk	Slow conversion of pipeline	<ul style="list-style-type: none"> <li>1. Loss of Competitiveness of SA exporters</li> <li>2.Lack of local beneficiaries that could increase exports.</li> <li>3. Collapse of construction industry resulting in lack of aggregation ability.</li> <li>4. Geopolitical challenges including effects of tariffs</li> </ul>	<ul style="list-style-type: none"> <li>1. Broadening the base of exporters and supporting new exporters to build capacity for export trade (Export passport programme).</li> <li>2. Forging closer ties with foreign EPC contractors who have interest in utilising SA supply chains.</li> </ul>	16,00

		Value of approved transactions under Short-term products	Export Growth	Financial Risk	Slow conversion of pipeline	<ul style="list-style-type: none"> <li>1. Loss of Competitiveness of SA exporters</li> <li>2.Lack of local beneficiations that could increase exports.</li> <li>3. Collapse of construction industry resulting in lack of aggregation ability.</li> <li>4. Geopolitical challenges including effects of tariffs</li> </ul>	<ul style="list-style-type: none"> <li>1. Broadening the base of exporters and supporting new exporters to build capacity for export trade (Export passport programme).</li> <li>2. Forging closer ties with foreign EPC contractors who have interest in utilising SA supply chains.</li> </ul>	16,00
		Gross Written Premium (GWP)	Export Growth	Financial Risk	GWP targets not met due to lack of deals	<ul style="list-style-type: none"> <li>1. Loss of Competitiveness of SA exporters</li> <li>2.Lack of local beneficiations that could increase exports.</li> <li>3. Collapse of construction industry resulting in lack of</li> </ul>	<ul style="list-style-type: none"> <li>1. Broadening the base of exporters and supporting new exporters to build capacity for export trade (Export passport programme).</li> <li>2. Forging closer ties with foreign EPC contractors who have interest in utilising SA supply chains.</li> </ul>	16,00

						aggregation ability. 4. Geopolitical challenges including effects of tariffs		
SA Eximbank operational by 2028	ECIC Legislation and legislation enabling the SA Eximbank approved by Parliament	Export Growth	Strategic Risk	Failure to implement the strategy on the Eximbank	Delay in parliament processing of the legislation	1. Early submission of updated draft legislation 2. Follow-ups	9,60	
Ensure the business is run on a self-sustaining basis with risks accepted in line with the capital available to absorb any potential losses.	Secure syndication or reinsurance or guarantees for identified transactions	Export Growth	Concentration Risk	High portfolio concentration in high-risk geographies and credit risk	1. Lack of appetite from the reinsurance market or guarantors 2. Risks of slow/non-conversion of pipeline	1. Partnerships with other ECAs 2. Obtain guarantees from DFIs	16,00	

2	Support the growth and sustainability of the Corporation	Gross investment portfolio performance against IPS asset benchmark using a 3-year average	Financial Sustainability	Market Risk	Managers underperformance	1. Market performing under inflation target 2. Fund manager style misaligned to the benchmark 3. Inefficient cashflow management 4. Overweight poor performing managers	Stringent adherence to fund manager mandates	7,80
		Combined ratio computation (gross of reinsurance)	Financial Sustainability	Financial Risk	Growth in revenue lags growth in expenses	1. High OPEX costs 2. Low Insurance Results	1. Reign in OPEX cost to inflation 2. Grow Insurance Results	16,00
3	Effective governance and internal controls	External audit outcomes	Operational Efficiency	Regulatory Risk	Delays in audit completion/late regulatory submission	1. Material adjustments made after the 31 May 2. Late submission of statutory reports	1. Early start audit 2. Internal controls	7,80
	Improved operational efficiency	Implementation of prioritised business process automations	Operational Efficiency	ICT Risk	Failure to implement planned automation	1. Project management and delivery risks 2. Scope and	1. Governance structures 2. Adherence to implementation Plan	12,80

		to improve turnaround times and operational efficiency				requirements risks 3. Change management and adoption		
4	Improved organisational culture	Culture Entropy Score	Culture Transformation	Culture Risk	Inappropriate culture taking root in the organization	1. Increased employee dissatisfaction 2. Culture transformation plan not implemented	1.Culture training 2.Culture transformation plan implementation	14,00
		Succession coverage for key positions	Culture Transformation	Business Continuity Risk	Business constraints due to long wait to fill vacancies	Insufficient pool of ready-now successors	Succession Plan Implementation	16,00
	Export development / Empowerment support	Number of SMEs that participated in transactions underwritten by ECIC	Culture Transformation	Economic Transformation Risk	Failure to achieve transformation targets	1. Reduced procurement from SA 2. Risk of cancellation of contracts due to non-performance	Exporter risk assessment for operational & financial capabilities	11,20
		B-BBEE Score	Culture Transformation		Deterioration of B-BBEE score	1. Reduced procurement from SA 2. Risk of cancellation of contracts due to non-performance	Exporter risk assessment for operational & financial capabilities	5,20

## 31. HUMAN CAPITAL PLAN

### 31.1 Introduction

The Strategic Human Capital Plan (SHCP) sets forth the framework for managing the Corporation’s human capital system through 2030/2031. This Plan builds on the Human Capital Strategic Plan for the period 2022/23 to 2026/27 and aligns with the Corporation’s 2026/27 to 2030/31 Corporate Plan.

### 31.2. Human Capital Strategic Priorities

#### 31.2.1 Human Capital Goals (2026/27 -2030/31)

The 2031 SHCP focuses on three strategic human capital goals relating to attracting, motivating, and retaining diverse talent, building capacity and engaging employees.

#### 31.2.2 Human Capital Goal 1 – Attract, hire and retain key talent

The Corporation seeks to improve each year the quality and diversity of its hires. Further, the Corporation seeks to strengthen its employee value proposition to enable talent acquisition and retention.

Detailed below are the objectives and initiatives to be implemented:

Human Capital Objective	Human Capital Initiative	Rationale	2027 Target
<b>Attract and hire, the best talent to address the evolving talent needs in our business</b>	Recruitment and selection of best talent	Best talent required to implement corporate strategy.	Recruitment and onboarding processes improved.
<b>Foster long-term career growth within the Corporation</b>	Conduct annual talent reviews to identify high potential employees.	Talent reviews help identify high-potential individuals and ensure they receive targeted development.	Annual talent review conducted.
<b>Create talent pipeline through graduate programme</b>	Appoint and develop graduates/interns	Build own talent pipeline through graduate programme	Graduate development programme enhanced
<b>Improve talent diversity</b>	Employment Equity Plan	Talented people we attract to ECIC need to reflect the diversity of South Africa’s population.	Implementation of the 5- year Employment Equity Plan.  Annual progress report.
<b>Improve remuneration &amp; recognition practices</b>	Conduct salary market benchmarking	Remuneration & recognition are key drivers of motivation and retention.	Salary market benchmark conducted and pay scales updated.
<b>Improve employee benefits</b>	Benchmark the Corporation’s benefits for improved employee value proposition.	To attract and retain talent in a competitive labour market	Employee benefits reviewed.

<b>Improve remuneration &amp; recognition practices</b>	Review and improve incentive schemes and recognition programme	Remuneration, reward and recognition play a key role to motivate and retain diverse talent	Review and Improve incentives scheme and recognition programme.  Annual report on incentive scheme and the recognition programme
<b>Improve motivation and retention through secondment initiatives</b>	Compile a secondment plan and budget	Secondments will assist the Corporation with strategic partnerships and knowledge sharing.	Implementation of the 2027FY secondment plan

### 31.2.3 Human Capital Goal 2 – Build capacity to achieve desired performance

The Corporation seeks to improve its skills sets and implement targeted learning initiatives through a blended learning approach comprised of classroom learning, on the job learning, online learning and mobile learning platforms. Indicated below are the objectives and initiatives to be implemented:

Human Capital Objective	Human Capital Initiative	Rationale	2027 Target
<b>Improve knowledge and skills for the new reality</b>	Compile and implement an annual training plan	Targeted learning initiatives	Implementation of the annual training plan
<b>Improve performance management</b>	Continue to improve the performance management system and goal setting	Performance management plays a key role in the achievement of the business strategy	Implementation of the Performance Management Improvement Plan
<b>Implement succession planning programme</b>	Succession plans included in the individual employee’s Personal Development Plan	Availability of key skills is a threat to business growth	Annual Succession plans implemented.

### 31.2.4 Human Capital Goal 3 – Engaged Employees

The Corporation seeks to improve employee engagement, employee wellness and organisational culture with this goal. Detailed below are the objectives and initiatives linked to this goal:

Human Capital Objective	Human Capital Initiative	Rationale	2027 Target
<b>Improve employee engagement levels</b>	Conduct employee engagement survey	Engaged employees are more productive	Annual engagement plan implemented.
<b>Improve the wellness of our employees</b>	Compile and implement wellness plan	Employees that are well perform optimally	Annual Employee wellness plan implemented

<p><b>Define and design organizational culture which will enable achievement of strategy</b></p>	<p>Organizational Culture Project</p>	<p>Corporation to build a customer centric, ethical, performance driven and innovative culture.</p>	<p>Culture assessment and Implementation of the Organizational Culture Transformation Plan.</p>
<p><b>Design a fit for purpose organization</b></p>	<p>Review organisational structure and business processes.</p>	<p>Evolving our organization to suit a changing business and strategic context</p>	<p>Organizational design review project completed.</p>

**31.2.5 Defining and measuring success**

The ultimate measure of success for the 2031 SHCP will be its overall impact on the Corporation’s business strategy results.

**31.2.6 Reporting**

Annual reports on the implementation of the SHCP will be tabled to the Human Resources and Remunerations Committee for monitoring.

**31.2.7 Conclusion**

The Human Capital strategies and objectives as reflected in this SHCP are flexible and will continuously be realigned to the business and organisational requirements as reflected in the Corporate Plan.

**32. STAKEHOLDER MANAGEMENT FRAMEWORK**

**32.1 Introduction and purpose**

The ECIC Board has adopted the principles of openness, integrity and accountability as espoused in King IV. One of the objectives of King IV is to encourage transparent and meaningful reporting to stakeholders. To enable this King IV advocates for a stakeholder-inclusive approach.

There is an interdependent relationship between ECIC and its stakeholders, and the ECIC’s ability to create value for itself depends on its ability to create value for others.

To know and understand the legitimate and reasonable needs, interests and expectations of ECIC’s major stakeholders, management needs an ongoing relationship with those stakeholders. Understanding stakeholder’s expectations will assist the Board in effectively executing the ECIC mandate.

Stakeholder inclusivity involves the balancing of interests over time by way of prioritising and, in some instances, trading off interests. A decision on how to achieve this balance is made on a case-by-case basis, as current circumstances and exigencies require but should always be done in the best interests of ECIC over the longer term.

Balancing the needs, interests and expectations of stakeholders is a dynamic and ongoing process. The measurement of the quality of stakeholder relationships indicates how effectively ECIC can strike this balance in its decisions.

The Stakeholder Management Framework seeks to achieve the following:

- More equitable and sustainable social development by giving those who have a right to be heard the opportunity to be considered in decision-making processes;
- Determine material issues for sustainability management and reporting;
- Enable better management of risk and reputation;

- Allow for a pool of resources (knowledge, people, money and technology) to solve problems and reach objectives that cannot be reached by single organisations;
- Enable understanding of complex operating environments, including market developments and cultural dynamics;
- Enable learning from stakeholders, resulting in product and process improvements, and innovations;
- Inform, educate and influence stakeholders in a way that can improve their decisions and actions, which will in turn have an impact on ECIC and on society; and
- Contribute to the development of trust-based and transparent stakeholder relationships.

To achieve the above goals the Stakeholder Management Framework focuses on the following areas as recommended by King IV:

- Arrangements for governing and managing stakeholder relationships;
- Methodologies for identifying individual stakeholders and stakeholder groupings;
- Determination of material stakeholders based on the extent to which they affect, or are affected by, the activities, outputs and outcomes of the organisation;
- Management of stakeholder risk as an integral part of organisation-wide risk management;
- Key areas of focus;
- Formal mechanisms for engagement and communication with stakeholders, including the use of dispute resolution mechanisms and associated processes;
- Measurement of the quality and effectiveness of material stakeholder relationships, and appropriate responses to the outcomes; and
- Areas of focus.

Formal dispute resolution will be in terms of the ECIC Complaints Resolution Policy.

### **32.2 Governing and managing stakeholder relationships**

ECIC's Social, Ethics and Transformation Committee (SETCO) is responsible for "Reviewing the adequacy and effectiveness of the Company's engagement and interaction with its stakeholders." This Committee sits quarterly. The role of the Committee per its Terms of Reference is to:

- Monitor that there is a robust process for managing the Company's reputation as detailed in the Stakeholder Management Framework;
- Monitor that management proactively deals with stakeholder relationships in an integrated manner;
- Monitor that there is an equitable treatment of stakeholders in line with the Stakeholder Management Framework;
- Monitor that there is a transparent and effective communication with stakeholders to build and maintain their trust and confidence; and
- Monitor that there is a mechanism in place geared at ensuring that disputes are resolved effectively, efficiently and expeditiously as possible.

In terms of the Board Charter, the Board has the following roles and responsibilities regarding stakeholder management:

- Act as the focal point for, and custodian of, corporate governance by managing its relationship with management, the shareholders and other stakeholders of the Company along sound corporate governance principles;
- Appreciate that stakeholder's perceptions affect the Company's reputation; and
- At least once a year, review shareholder, client and other relevant stakeholder relations.

Stakeholder management and engagement has been delegated to the CEO in terms of the ECIC Delegation Matrix. The Manager: Office of the CEO is responsible for the implementation of this Stakeholder Management Framework and reporting back to SETCO and the Board on the progress.

The Stakeholder Management Framework is reviewed by management based on the engagements that have occurred over the period since the previous review, and approved by SETCO and Board.

An annual Stakeholder Engagement Plan to address the identified needs and expectations is approved by SETCO and is monitored by the Manager: Office of the CEO.

### **32.3 Identifying stakeholders and stakeholder groups**

The Stakeholder Management Framework focuses on a broad spectrum of identified stakeholders, each with its own unique environment potentially being of value to the ECIC in our efforts to stimulate exports of goods and services.

Stakeholder identification is informed by the ECIC mandate and is guided by the following attributes:

Dependency:

Groups or individuals who are directly or indirectly dependent on ECIC's activities, products or services and associated performance, or on whom ECIC is dependent to operate.

Responsibility:

Groups or individuals to whom ECIC has, or in the future may have, legal, commercial, operational or ethical/moral responsibilities.

Tension:

Groups or individuals who need immediate attention from ECIC with regard to financial, wider economic, social or environmental issues.

Influence:

Groups or individuals who can have an impact on ECIC's or a stakeholder's strategic or operational decision-making.

Diverse perspectives:

Groups or individuals whose different views can lead to a new understanding of the situation and the identification of opportunities for action that may not otherwise occur.

### **32.4 Determination of material stakeholders based on the extent to which they affect, or are affected by the activities, outputs and outcomes of the organisation**

We map stakeholder importance and influence annually to ensure that we stay abreast of the dynamic environments, locally and in Africa, in which they operate.

Our systems promote and record stakeholder interaction and our responses to their needs, while enhancing our understanding of trends and changes in stakeholder expectations and interests.

Based on this the following material stakeholder groups have been identified:

- Key government stakeholders;
- Employees;
- Customers / SA Inc;
- Partners;
- Governments of Importing Countries; and
- Media / Free opportunities on short notice / Panel discussions.

**32.5 Formal mechanisms for engagement and communication with stakeholders, including the use of dispute resolution mechanisms and associated processes**

Responsibility for the engagement and communication with stakeholders resides with the below Stakeholder group owners.

ECIC Stakeholder group owners:

Stakeholder group	Stakeholder group owners	How addressed
Key Government Stakeholders	Office of the CEO Office of the CFO Office of the COO Compliance	Stakeholder Engagement Plan  Annual Compliance Monitoring Plan
Employees	Human Capital	Stakeholder Engagement Plan  Employee Engagement Plan
Customers / SA Inc	Office of the CEO Office of the COO	Stakeholder Engagement Plan  Deal Origination Plan
Partners	Office of the CEO Office of the COO	Stakeholder Engagement Plan  Deal Origination Plan
Governments of Importing Countries	Office of the CEO Office of the COO	Stakeholder Engagement Plan  Deal Origination Plan
Media / Free opportunities on short notice / Panel discussions	Marketing and Communications	Marketing and Communications Strategy

**32.6 Measurement of the quality and effectiveness of material stakeholder relationships, and appropriate responses to outcomes**

The quality and effectiveness of material stakeholder relationships is measured by the Brand, Reputation & Customer Satisfaction Survey which is tracked as a strategic objective.

Brand, Reputation & Customer Satisfaction Survey

The primary measure of the quality and effectiveness of material stakeholder relationships is the Brand, Reputation & Customer Satisfaction Survey Report. The main objectives of the survey are:

- Brand awareness: Assess ECIC’s brand value and brand equity.
- Corporate reputation: Determine ECIC’s corporate reputation level
- Desired reputation: Develop a roadmap to aid ECIC in realising its desired reputation level
- Perceptions: Ascertain the current perceptions of ECIC amongst its key external stakeholders

The survey is conducted every three years. The latest survey was conducted in November 2025. The annual Customer Engagement Plan, Stakeholder Engagement Plan, and Marketing and Communications Strategy are designed to maintain a high rating on the survey.

The key recommendations from the survey will be used to draft the annual Stakeholder Engagement Plans.

### 32.7 Areas of focus

Based on the identified needs and expectations from engagements since 1 April 2025 the following will be focused on:

1. Clearly delineating the factors impacting the execution of the ECIC mandate and address those within our control;
2. Enhancing stakeholder engagement bulletins informing stakeholders of developments at ECIC, deals supported as well as portfolio analysis;
3. Communication of successful projects;
4. Presenting “one face” to stakeholders even if different ECIC staff interact with the same stakeholder;
5. Improve transparency of communication and effectiveness of information sharing initiatives;
6. Identification of potential business opportunities;
7. Management of risk; and
8. Enabling reporting of unethical behaviour by ECIC representatives.

## 33. MARKETING AND COMMUNICATION STRATEGY

### 33.1 Purpose

#### 33.1.1 Key Objectives for the Marketing and Communications Strategy:

- 33.1.1.1 Revitalizing ECIC’s Competitiveness:**  
Enhance ECIC’s market positioning by increasing visibility and driving brand revitalization efforts. This will establish ECIC as a more dynamic and competitive player in the export credit and insurance industries.
- 33.1.1.2 Targeted Business Growth:**  
Develop and execute tailored marketing strategies that promote both Medium-to-Long-Term (MLT) and Short-Term Insurance (STI) solutions. The goal is to drive business expansion by penetrating new markets and increasing client acquisition.
- 33.1.1.3 Strengthening Global Market Presence:**  
Expand ECIC’s media footprint through comprehensive local and international campaigns. This will increase ECIC’s visibility and influence on a global scale, reinforcing its role as a key player in international trade and export financing.
- 33.1.1.4 Enhancing Strategic Partnerships:**  
Foster stronger, mutually beneficial partnerships with stakeholders by facilitating strategic interactions. These collaborations will lead to shared growth and support the achievement of broader organizational goals.
- 33.1.1.5 Building Synergy with Shareholders and Allies:**  
Strengthen relationships with ECIC’s shareholder and strategic partners to ensure alignment and cohesive efforts. This will enhance collaboration and drive unified strategies that support the organization’s overall growth trajectory.

#### 33.2 Strategic Alignment with Marketing and Communications Objectives:

To drive business growth and enhance ECIC’s competitiveness, the entity will implement a robust marketing and communications campaign focused on the African Continental Free Trade Area (AfCFTA). This campaign will emphasize ECIC’s expanded mandate and its pivotal role in facilitating trade across Africa.

The Intra-Africa/AfCFTA campaign will amongst other initiatives, leverage programmatic digital marketing and event-driven content to raise awareness and highlight ECIC’s services. By aligning with key trade and business events, the campaign will effectively enhance ECIC’s visibility and strengthen its influence across both local and international markets.

Furthermore, the campaign will include an advocacy initiative aimed at engaging key stakeholders, both locally and globally, to deepen understanding of ECIC's brand, its mandate, and its contribution to fostering intra-African trade. This aligns with ECIC's broader goal of strengthening strategic partnerships and expanding its global market presence.

The success of the campaign will be measured by the increase in brand visibility, reflected in its overall performance. A key indicator of this will be the Click-Through Rate (CTR), with a target range of 0.1 to 0.2.

Reaching this target will demonstrate higher audience engagement and align with ECIC's strategic objective of expanding its presence locally and internationally. It will also reflect greater awareness of ECIC's expanded mandate, particularly in relation to AfCFTA and its role in international trade.

The ECIC will also measure its Corporate Reputation Index Performance (CRIP) score on a triennial basis as part of its broader effort to strengthen brand perception and stakeholder trust. By evaluating the CRIP score, ECIC can assess how its reputation is evolving among key stakeholders, including clients, partners, and the broader financial and trade sectors.

## ANNEXURE A: MATERIALITY AND SIGNIFICANCE FRAMEWORK

### 1. SCOPE

The Board of Export Credit Insurance Corporation (ECIC) is responsible for developing a Materiality and Significance Framework that must be updated annually before the start of the financial year. The Materiality and Significance Framework must be incorporated into the Corporate Plan of the Corporation.

### 2. LEGISLATIVE REQUIREMENTS

Section 54(2) of the Public Finance Management Act (Act no. 1 of 1999) (PFMA) requires that the accounting authority (Board of the Corporation) must inform the relevant treasury and submit relevant particulars to its executive authority for approval in respect of any of the following qualifying transactions:

- participation in a **significant** partnership, trust, unincorporated joint venture or similar arrangements [section 54(2)(b)];
- acquisition or disposal of a **significant** shareholding in a company [section 54(2)(c)];
- acquisition or disposal of a **significant** asset [section 54(2)(d)];
- commencement or cessation of a **significant** business activity [section 54(2)(e)]; and
- a **significant** change in the nature or extent of its interest in a significant partnership, trust, unincorporated joint venture or similar arrangement [section 54(2) (f)].

Section 55(2)(b)(i) of the PFMA requires the annual report and financial statements of a public entity to “include particulars of any **material** losses through criminal conduct and **any** irregular and fruitless and wasteful expenditure that occurred during the financial year”.

In terms of section 55(1)(d) of the PFMA the annual report and financial statements of the Corporation must be submitted to the National Treasury. Based on the submitted information, the National Treasury may decide to conduct further investigations into the activities of the Corporation. As a result, it is important for the Corporation to set the materiality and significance figures at an appropriate level to ensure that the correct information is included in the annual report and financial statements, and communicated to the National Treasury for approval.

The Treasury Regulations state the following:

- TR 28.3.1 – For purposes of material [section 55(2) of the Act] and significant [section 54(2) of the Act], the accounting authority must develop and agree a framework of acceptable levels of materiality and significance with the relevant executive authority.

### 3. DEFINING “MATERIALITY” AND “SIGNIFICANCE”

#### 3.1 Materiality

Materiality is defined in the *Handbook of International Auditing, Assurance, and Ethics Pronouncements* (2005 edition) as follows:

“Information is material if its omission or misstatement could influence the *economic decisions of users taken* based on the financial statements. Materiality depends on the size of the item or error judged in the circumstances of its omission or misstatement. Thus, materiality provides a threshold or cut-off point rather than being a primary qualitative characteristic which information must have if it is to be useful.”

The materiality of losses through criminal conduct, irregular expenditure and fruitless and wasteful expenditure should be evaluated both individually and in aggregate.

### **3.2 Significance**

Significant is defined as “extensive or important enough to merit attention” and may, therefore, be interpreted as of relative importance to the Corporation as a whole. Thus, a transaction will be significant if conducting the transaction is vitally important to fulfil the Corporation’s mandate and for it to operate effectively. These types of transactions could include a major re-structuring of the balance sheet through changes in financing or accounting policies, etc.

As with “material” there is no set rule for calculating a “significant monetary value.” The Corporation should consider the importance of the transaction, that is, the impact of the transaction on the Corporation as a whole.

From the interpretations above, there is a difference between “material” and “significant.” Significant is larger than material, as a significant transaction impacts on the Corporation as a whole. An occurrence may be material but not necessarily significant, whereas any occurrence that is significant will be material.

The materiality figure calculated by the Corporation should not exceed the figure used (reviewed annually) by the external auditors, because it could indicate a difference of opinion regarding the materiality of misstatements.

## **4. DETERMINING THE MATERIALITY / SIGNIFICANCE LEVELS**

Factors to consider in determining the materiality and significance levels for the Corporation include, but are not limited to:

### **4.1 Nature of the Corporation business**

The Corporation should be guided by its accountability and the sensitivity of its accounts, activities and functions regarding its regulatory duties. The Corporation should also consider the impact that its materiality and significance framework, and therefore the information reported to the National Treasury, could have on decisions and actions taken by the National Treasury.

### **4.2 Statutory requirements**

Materiality and significance levels may be influenced by considerations such as the legal impact of those Acts with which the Corporation is required to comply. The Corporation should consider all pertinent statutory requirements in formulating its materiality and significance framework.

### **4.3 Risks**

There is an inverse relationship between materiality / significance and the level of risk; that is, the lower the risk, the higher the materiality / significance level, and vice versa. For example, where the internal controls preventing / detecting irregular, fruitless or wasteful expenditure are insufficient, the control risk is high, and the materiality needs to be set at a lower level. The Corporation should look at risk management limits set for transactions of an operational nature.

### **4.4 Quantitative and qualitative factors**

The Corporation should take both quantitative (amount) and qualitative (nature) factors into consideration. Although significance may contain quantitative elements, it may require more qualitative considerations in comparison to materiality. This in turn requires professional judgment and particular regard for the specific transaction in the context of the Corporation as a whole. Since the decision as to which qualitative factors

should be considered in setting the significance level requires notably more professional judgment, the Board should consider this decision.

**4.5 Nature of the transaction**

In setting a monetary value for significance, it may be practicable to differentiate between the following two types of transactions:

- transactions that are operational in nature, that is, part of the Corporation’s normal, everyday business of regulating financial institutions; and
- transactions that are strategic in nature, that is, outside the Corporation’s normal, everyday business or transactions that are non-routine or that would impact on the business or financial position of the Corporation as a whole.

Losses resulting from criminal conduct may be seen as material based on the public accountability of the Corporation, regardless of the monetary value of the amount.

Refer to Annexure A for the materiality / significance factors that have been considered in arriving at the Materiality and Significance Level for the Corporation.

**5. COMPLIANCE**

To ensure compliance to the PFMA the following steps will be taken:

	<b>DETAIL</b>	<b>Person Responsible</b>	<b>Date</b>
1	Review materiality and significance framework in consultation with external auditor	CFO	As per Treasury guidelines
2	Approval of framework	Board	Annual - January
3	Include framework in Corporate Plan	CFO	Annual – January
4	Include framework in annual report	CFO	Annual – August
5	Include particulars of any losses through criminal conduct, irregular expenditure and fruitless and wasteful expenditure that occurred during the financial year in annual report	CFO	Annual - August
6	Maintain a register on all irregular expenditure and fruitless and wasteful expenditure that occurred during the financial year	Head of Procurement and CFO	In place, relevant items recorded on the register as and when they occur
7	Report all material / significant items to Board	CEO	As and when they occur

## **SUB-ANNEXURE A**

### **DETERMINING THE MATERIALITY AND SIGNIFICANCE LEVELS**

#### **1 Approach**

To determine the materiality and significance levels, the following principles will be applied:

##### **1.1 Main factor to determine material amount**

The operating requirements of the Corporation are to ensure that all its expenses are recovered through insurance premiums and investment income. The Corporation also has legislative requirements to hold a minimum amount of capital to reduce the risk of insolvency from paying claims.

##### **1.2 Percentage to be used**

The percentage used will be calculated by using the following factors as a guideline:

- percentage used in prior year;
- percentage used by external auditor in determining the external audit materiality amount; and
- comparison with possible external entities.

The percentage will be adjusted taking qualitative factors into consideration.

Regarding the information to be presented to National Treasury in terms of the Section 54(2) of the PFMA to the following quantitative factors will be considered:

- Qualifying transactions of an operational nature: 1% of Total Assets
- Qualifying transactions of a strategic nature: 1% of Equity
- Regardless of the monetary value thereof all direct equity investments:
  - greater than 20% require formal information to the Executive Authority; or
  - greater than 50% require approval by the Executive Authority.
- S54(d) Except with regards for salvaging purposes in respect of underwriting activities, any asset that comprises 30% of Total Assets.
- S54(e) If the activity comprises a capital outlay of, or will require an upfront capital outlay of, 30% of Total Assets.
- S54(f) Where the change is not covered by the mandate of ECIC.

A qualifying transaction may also be considered significant based on considerations other than financial when, in the opinion of the Board, it is significant for the application of section 54.

The decision on which non-financial issues may be considered rests with the Board as representative body of the shareholder. As an example, the Board may consider a qualifying transaction as significant when it could impact significantly on a mandate of the Minister.

The following range of percentages is generally used by the audit profession to determine materiality:

- 0.25% to 1% of gross revenue;
- 0.5% to 2% of total assets;
- 1% to 2% of gross profit;
- 2% to 5% of shareholders' equity;
- 2.5% to 10% of pre-tax profit.

**2. Parameters to use for materiality factor**

**2.1 Quantitative bases for consideration**

<b>Revenue</b>	<b>2025/26 R'000 (Forecast)</b>	<b>2024/25 R'000</b>	<b>2023/24 R'000</b>
Net Insurance Premium Revenue	230 836	288 456	497 485
Net Finance income	39 606	12 427	-
Net Investment Income	675 264	664 671	671 777
IMU Grant	167 881	162 488	155 505
Other income	14 447	15 222	98
<b>Total revenue</b>	<b>1 128 034</b>	<b>1 143 263</b>	<b>1 324 865</b>

<b>Assets</b>	<b>2025/26 R'000 (Forecast)</b>	<b>2024/25 R'000</b>	<b>2023/24 R'000</b>
Total Assets	11 322 151	10 617 676	10 686 379

<b>Shareholders' Equity</b>	<b>2025/26 R'000 (Forecast)</b>	<b>2024/25 R'000</b>	<b>2023/24 R'000</b>
Shareholders' Equity	9 790 739	9 434 483	8 526 996

<b>Profit before tax</b>	<b>2025/26 R'000 (Forecast)</b>	<b>2024/25 R'000</b>	<b>2023/24 R'000</b>
Profit/(Loss) before tax	809 551	1 177 271	(601 678)

## 2.2 Quantitative ranges for consideration

<b>Minimum</b>	<b>2025/26 R (Forecast)</b>	<b>2024/25 R</b>	<b>2023/24 R</b>
0.25% of Revenue	2 820 085	2 858 158	3 312 163
0.5% of Assets	56 610 755	53 088 380	53 431 897
2% of Shareholders' Equity	195 814 776	188 689 652	170 539 911
2.5% of Profit before tax	20 238 765	29 431 774	(15 041 950)

<b>Mid</b>	<b>2025/26 R (Forecast)</b>	<b>2024/25 R</b>	<b>2023/24 R</b>
0.5% of Revenue	5 640 171	5 716 316	6 624 325
1% of Assets	113 221 510	106 176 760	106 863 794
2.5% of Shareholders' Equity	244 768 470	235 862 065	213 174 889
5% of Profit before tax	40 477 531	58 863 549	(30 083 900)

<b>Maximum</b>	<b>2025/26 R (Forecast)</b>	<b>2024/25 R</b>	<b>2023/24 R</b>
1% of Revenue	11 280 342	11 432 633	13 248 651
2% of Assets	226 443 021	212 353 519	213 727 588
5% of Shareholders' Equity	489 536 939	471 724 131	426 349 777
10% of Profit before tax	80 955 061	117 727 098	(60 167 799)

## 2.3 Basis percentage to be used

As stated in the framework the materiality amount should not be more than the materiality amount used for external audit purposes. The materiality amount of R106 million used by the external auditors for the 2024/25 audit was 1% of the 2023/24 Total Assets. The norm in the audit industry is to use Profit before tax but due to the volatile nature of this base (as can be seen in 2.1 and 2.2 above) the external auditors chose to use Total Assets due to its stability.

It is therefore recommended that the minimum amount of 0.5% of the 2025/26 Total Assets (R56 610 755) be used for reporting to EXCO, Board and inclusion in the Annual Report.

**3. Calculation of materiality amount**

<b>Statement of Financial Position</b>	<b>2025/26 R (Forecast)</b>	<b>2024/25 R</b>	<b>2023/24 R</b>
Total Assets	11 322 151 033	10 617 675 954	10 686 379 388
Percentage used	0,5%	0,5%	0,5%
<b>Materiality amount</b>	<b>56 610 755</b>	<b>53 088 380</b>	<b>53 431 897</b>

**4. Reasonableness review**

The materiality for the 2024/25 audit as determined by the external auditors was R106 million as per the calculation detailed in 2.3 above.

**5. Conclusion**

The materiality amount recommended for the Corporation for the financial year 2026/27 is R57 million.

All irregular expenditure and fruitless and wasteful expenditure are considered material.

**ANNEXURE B: INDICATOR PROFILES**

**1. Export growth**

1. Indicator title	Value of approved transactions overall	Value of approved transactions under Short-term products	Value of disbursements from MLT Portfolio	Value of disbursements from STI Portfolio	Gross Written Premium	Secure syndication or reinsurance or guarantees for identified transactions
2. Short definition	Value of approved transactions overall	Value of approved transactions under Short-term products	Value of disbursements from MLT Portfolio	Value of disbursements from STI Portfolio	Gross Written Premium	Syndication, reinsurance, and guarantees
3. Purpose/importance	Proactively attract business from new and existing customers to facilitate more exports and cross border investments					
4. Source/collection of data	Resolutions of relevant approval committee		Drawdown declarations		Actuarial reserve model	Resolutions of relevant approval committee
5. Method of calculation	Sum the value of the insurance applications approved per 4 above		Sum the value of the loan disbursements from 4 above		Sum the gross written premium received for the year	Percentage of transactions syndicated, reinsured or guaranteed
6. Data limitations	None	None	None	None	None	None
7. Type of indicator	Lagging	Lagging	Lagging	Lagging	Lagging	Lagging
8. Calculation type	Sum	Sum	Sum	Sum	Sum	Sum
9. Reporting cycle	Annual	Annual	Annual	Annual	Annual	Annual
10. Desired performance	Achieve set targets	Achieve set targets	Achieve set targets	Achieve set targets	Achieve set targets	Achieve set targets

<b>11. Indicator responsibility</b>	COO	COO	COO	COO	COO	COO
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## 2. South African Export-Import Bank operational by 2028

<b>1. Indicator title</b>	<b>SA Exim Bank and ECIC Legislation</b>
<b>2. Short definition</b>	SA Exim Bank and ECIC Legislation
<b>3. Purpose/importance</b>	SA Eximbank to support international trade and economic growth operational by 2028
<b>4. Source/collection of data</b>	Email to <b>the dtic</b>
<b>5. Method of calculation</b>	Number of submissions
<b>6. Data limitations</b>	None
<b>7. Type of indicator</b>	Lagging
<b>8. Calculation type</b>	Sum
<b>9. Reporting cycle</b>	Annual
<b>10. Desired performance</b>	Achieve set targets
<b>11. Indicator responsibility</b>	COO

**3. Enhance transformation**

<b>1. Indicator title</b>	<b>Maintain B-BBEE level</b>	<b>Number of SMEs that participated in transactions underwritten by ECIC</b>	<b>Number of job opportunities facilitated for manufactured exports</b>
<b>2. Short definition</b>	B-BBEE level	SMEs	Jobs
<b>3. Purpose/importance</b>	To ensure a transformed Corporation which drives economic transformation		
<b>4. Source/collection of data</b>	B-BBEE certificate	SA Content Report	Economic Impact Analysis
<b>5. Method of calculation</b>	B-BBEE verification	Sum the number of SMEs	Sum the number of job opportunities created/sustained
<b>6. Data limitations</b>	None	None	None
<b>7. Type of indicator</b>	Lagging	Lagging	Lagging
<b>8. Calculation type</b>	B-BBEE Verification	Sum	Sum
<b>9. Reporting cycle</b>	Annual	Annual	Annual
<b>10. Desired performance</b>	Achieve set targets	Achieve set targets	Achieve set targets
<b>11. Indicator responsibility</b>	CFO	COO	COO

**4. Improve business processes and systems**

<b>1. Indicator title</b>	<b>Implementation of prioritised business process automations to improve turnaround times and operational efficiency</b>
<b>2. Short definition</b>	Process automation and turnaround time reduction via CRM and Insurance Management systems.
<b>3. Purpose/importance</b>	Improve business processes and systems to improve operational efficiency, customer experience and turnaround times
<b>4. Source/collection of data</b>	ICT Governance Report to governance structures and system-generated reports
<b>5. Method of calculation</b>	Annual count of business processes automated within the CRM and Insurance Management System, combined with a comparison of average turnaround times and decision-processing durations for projects (transactions) before and after system implementation.
<b>6. Data limitations</b>	None
<b>7. Type of indicator</b>	Leading
<b>8. Calculation type</b>	Simple count (number of days/weeks) and percentage of project approval decisions.
<b>9. Reporting cycle</b>	Annual
<b>10. Desired performance</b>	Achievement of the agreed milestone
<b>11. Indicator responsibility</b>	Head: ICT COO Senior Compliance Officer

### 5. Enhance financial sustainability

1. Indicator title	Combined ratio	Track investment performance	Track solvency	Effective governance and internal control measures
2. Short definition	Combined ratio	Investment performance	Solvency	Clean audit
3. Purpose/ importance	Track underwriting profitability	Track investment performance	Track solvency	Effective governance and internal controls
4. Source/ collection of data	Management accounts	Management accounts	Capital Management Report	External Audit Report
5. Method of calculation	$(\text{Incurred Claims} + \text{Loss Adjustment Expenses}) \div \text{Earned Premium} + \text{Underwriting Expenses} \div \text{Earned Premium}$	Gross investment portfolio performance against IPS asset benchmark	Economic Capital (ECR) and regulatory Solvency Capital Requirement (SCR) cover ratios	Count
6. Data limitations	None	None	None	None
7. Type of indicator	Lagging	Lagging	Lagging	Lagging
8. Calculation type	Number	Number	Number	Count
9. Reporting cycle	Annual	Annual	Annual	Annual
10. Desired performance	Achieve set targets	Achieve set targets	Achieve set targets	Achievement of agreed milestone
11. Indicator responsibility	COO	CAI	CAI	CFO

**6. Improve organisational culture**

<b>1. Indicator title</b>	<b>Culture Entropy score</b>	<b>Succession Coverage for Key Positions</b>
<b>2. Short definition</b>	Culture Entropy score	Succession coverage
<b>3. Purpose/importance</b>	To improve organisational culture	
<b>4. Source/collection of data</b>	Result of survey	HR Report
<b>5. Method of calculation</b>	Result of survey	% of key roles with identified successors ready within 1 year
<b>6. Data limitations</b>	None	None
<b>7. Type of indicator</b>	Lagging	Leading
<b>8. Calculation type</b>	Percentage	Percentage
<b>9. Reporting cycle</b>	Annual	Annual
<b>10. Desired performance</b>	Achieve set targets	Achieve set targets
<b>11. Indicator responsibility</b>	Head: HR	Head: HR