



SPECIAL EDITION INTEGRATED REPORT 2018

CHIEF EXECUTIVE OFFICER'S OVERVIEW

Given the cyclical nature of our market and its strong correlation to GDP, ECIC is keenly aware of the effects of market trends in export trade finance and insurance on the corporation. During the review period and for the year ahead, these included the acceleration in global growth, imperative for trade credit insurance in an increasingly fast-changing risk environment and possible risk rating upgrades in some countries, especially in Africa. I reflect upon our preparedness, positioning and proactive response to these and other trends during the period reported on and looking ahead for ECIC in this overview.

Strategically, our focus on establishing and enhancing key partnerships with relevant institutions locally, in Africa and in the global export credit arena remained robust during the past financial year. The importance of partnering and continuously leveraging these partnerships was exemplified by a significant achievement in March 2018: the signing of a Memorandum of Understanding (MoU) between the corporation and the African Export-Import Bank (Afreximbank). Signed in Cairo, Egypt at the end of the current reporting period, this agreement launched a \$1 billion financing programme that is set to promote and expand trade and investments between South Africa and the rest of Africa.

Jointly with Afreximbank, ECIC will implement a South Africa- Africa Trade and Investment Promotion Programme (SATIPP) that will identify,

prepare and appraise trade transactions and projects, explore co-financing and risk-sharing opportunities and share knowledge, particularly on intra-African trade through research, technical cooperation, staff exchange and joint events.

Facilitated by the dti and the National Treasury, South Africa became an Afreximbank shareholder in November 2017 with ECIC as its investor agency and eligible for participation in the Bank's trade promotion programmes and financial services. This joint ECIC/Afreximbank initiative will support business growth through capacity building and market information initiatives, as well as help small and medium-sized entrepreneurs join regional supply chains and provide advisory services and guarantees to South African investors seeking trade and investment opportunities in Afreximbank member states in Africa.

I continue to appreciate the smooth collaboration between ECIC's management team and the Board. Our Board drives our compliance with best practices and good governance and ensures our alignment with the Organisation for Economic Co-operation and Development (OECD) guidelines for officially supported export credits or the so-called OECD arrangement. We voluntarily manage this business in close alignment with these OECD principles and the recommendations of the International Union of Credit and Investment Insurers, also known as the Berne Union, an international non-profit association and community for the global export



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credit and investment insurance industry. We are involved in international working groups (IWG) of the group of export credit agencies (ECAs) globally working towards defining the common export credit and investment industry underwriting standards.

I thank the Board for its continued support and wise counsel and my management team and all ECIC employees for their unstinting contributions to our performance over the past year. On behalf of ECIC, we are grateful to our shareholder, the dti, and all relevant government departments for their support and assistance in delivering on our mandate. And as always, we thank our development partners for actively participating in our endeavours to create transformation in and prosperity for our continent.



LATEST ECIC INTEGRATED REPORT

AT A GLANCE



INTEGRATED REPORT 2018

This integrated annual report attempts to provide the shareholders and key stakeholders of the Export Credit Insurance Corporation of South Africa SOC Ltd (ECIC) with a transparent summary of our financial and sustainability performance and a balanced appraisal of the material issues that affected our ability to create value.

Material issues are strongly aligned with the company's strategic objectives and identified risks. The ECIC Board and Executive team engage regularly in processes that identify material issues, such as risk identification, strategy development and stakeholder engagement to respond timely and appropriately to such issues.

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