



CORPORATE
HIGHLIGHTS

2015



CREDIT GUARANTEE

ENABLING GROWTH WITHOUT RISK

60 YEARS OF ENABLING GROWTH WITHOUT RISK

A Member of the  **OLDMUTUAL** Group

310
employees

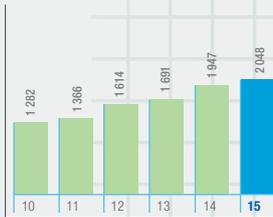
GCR
'AA'
rating

Underwriting risk across
149 countries

BEE level 2

Total assets

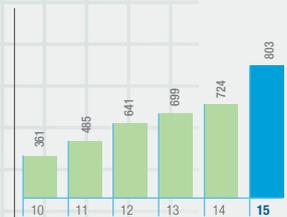
R2,048 billion



3 500
Policyholders



Shareholder funds
R803 million



150 000
Buyers

OUR SOCIAL CONSCIENCE

Assisting **6** schools and thousands of learners;
3 hospices; **3** orphanages and **25** feeding schemes annually.

Insured turnover

R187 billion

AFRICA FOOTPRINT

Expanding our presence into Africa throughout the **14** territories in which Old Mutual operates.

CHIEF EXECUTIVE OFFICER'S REPORT

"To our more than 3 500 policyholders and many intermediaries, thank you for your continued business support."



Charles Nortje



Welcome to the 2015 edition of our financial and business highlights. We sincerely appreciate your interest and trust you will find this short review informative.

2015 was a year in which South African GDP growth faltered above 1% and the Rand weakened by 25% against the US dollar in 12 months. Internationally, commodity prices continued to test new lows eroding our export base, with oil falling below \$40. In Europe we saw the human tragedy of the migrant crisis starting to unfold, as well as the near-exit of Greece from the Eurozone. Continued concern over growth prospects in China weighed heavily on world markets giving rise to significant volatility. Once considered a safe bet for investors, at least two global mining giants and the largest international steel company nearly went bust. Terror attacks in Europe claimed hundreds of civilian lives. The year ended with a dramatic reshuffle of finance ministers in South Africa triggering fresh fears of a sovereign rating downgrade.

Quite plainly, 2015 was not a year for a timid business enterprise based in South Africa. It is precisely in this type of uncertain and volatile environment that Credit Guarantee becomes most relevant to our clients. Despite the challenges I am pleased to report another solid year in our track record of service to our clients, paying claims, revenue growth, and satisfactory returns to our stakeholders.

A significant milestone in the life of the company was the increase in shareholding in CGIC in October 2015 by the Old Mutual Group, via our parent company Mutual & Federal. The Old Mutual Group provides us with a strengthened balance sheet, access to international resources, and a significantly expanded geographic footprint from which to serve our clients. Over the course of 2016 we will be undertaking a process of alignment of our financial and operating practices with Old Mutual. Our branding has been refreshed to signal this journey. Every CGIC staff member has become part of a global community of 53 000 colleagues

operating across 153 countries providing exciting new career horizons.

Our slogan of "Why Risk it Without Us?" has also been updated to "Enabling Growth Without Risk". This is why we exist – to enable our policyholders to grow their businesses without the anxiety of the credit risk associated with new customers or new markets.

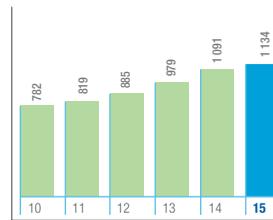
Our credit rating has been affirmed as AA Claims Paying Ability (GCR). Credit Guarantee is a level 2 BEE contributor, and we hold an ISO 9001 quality certification across the business. All of these combine to provide a base for continued confidence from our policyholders and our intermediaries, that CGIC is able to provide safe, secure and cost-effective trade credit and bonding solutions.

We will continue to work hard to meet and exceed your expectations. To each member of our 310 management and staff, thank you for making our service a daily reality.

WE ENABLE OUR CLIENTS TO GROW THEIR BUSINESS BY INSURING THEM AGAINST NON-PAYMENT BY THEIR CUSTOMERS

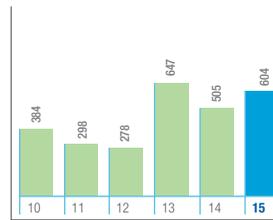
What really matters!

- Our clients are provided the best trade credit insurance support with well thought out credit limits and unrivalled breadth of cover
- We strive to make quick decisions and maintain a 'can-do' attitude
- Claims paid when they are due
- Competitive but not necessarily the lowest pricing
- Cementing long term relationships with our policyholders and brokers
- Remaining dependable through adverse economic conditions and avoiding 'knee-jerk' reactions



R1,134 billion

Gross written premium (before performance bonuses paid to policyholders)



R604 million

Gross claims paid after deduction of salvages but before reinsurer's share of claims



5,6% Increase in gross written premium after performance bonuses



23,0% Return on shareholders' funds



184% Capital adequacy ratio



16,4% Increase in gross claims paid after deduction of salvages

OUR VISION

To be the most trusted provider of trade credit insurance and surety solutions in Africa which:



Understands clients' needs



Brokers recommend



Employees are proud of



Strives for excellence through continuous improvement



Delivers superior returns to our shareholder through collaboration



Society respects for our contribution to uplifting economic growth, creating jobs and reducing inequality

OUR VALUES

CARE

We create a truly caring environment for our people, our clients and our brokers, through collaboration and communication

INTEGRITY

We do things the ethical way because that is the only way

RESPECT

We treat our clients and each other with respect, dignity and fairness

PUSHING BEYOND BOUNDARIES

We are committed to continually bettering ourselves through innovation and learning

ACCOUNTABILITY

We relish the responsibility arising from the commitments we make and the actions we take

PRODUCTS AND SERVICES

“Because of the risk involved in credit management, the question of the insurance of that risk becomes a matter to be carefully considered by the board.”

Mervyn King, SC. Chairman of the King Commission

DOMESTIC TRADE CREDIT INSURANCE

Cover against non-payment by your customers in South Africa arising from:

- Insolvency
- Liquidation
- Business rescue
- Protracted default

Debtors must arise as a result of the supply of goods or services against payment terms not exceeding 180 days.

BENEFITS OF INSURING

- Indemnity against bad debts arising from sales to your customers on credit terms
- Confidence and security in expanding sales into new customers and new markets
- Enhances access to bank finance if your receivables are insured
- CGIC credit information database

BONDS AND SURETY

- Performance bonds
- Advanced payment bonds
- Retention bonds

Maximum five year term

ZAR or USD denominated

Pure financial guarantees excluded

EXPORT TRADE CREDIT INSURANCE

Cover against non-payment by your export customers situated outside of South Africa:

- Commercial risks
- Political risks including confiscation
- Foreign currency inconvertibility
- War risks
- Insolvency
- Liquidation
- Protracted default
- Repudiation

ATRADIUS CO-OPERATION

CGIC has a network agreement with Atradius NV, one of the "big 3" trade credit insurers in the world, with 160 offices across 50 countries and information on 200 million companies.

Credit Guarantee Insurance Corporation of Africa Limited

Reg No 1956/000368/06

Authorised Financial services provider No 17691

Head office

Credit Guarantee House
31 Dover Street, Randburg
PO Box 125, Randburg, 2125

Tel +27 11 889 7000

Fax +27 11 886 1027 or 886 5715

E-mail address: #info@cgic.co.za

Website: www.creditguarantee.co.za

A Member of the  **OLDMUTUAL** Group