



**CREDIT GUARANTEE**

ENABLING GROWTH WITHOUT RISK

# **INSURING YOUR SUCCESS**

**2018 CORPORATE HIGHLIGHTS**

A Member of the



**OLDMUTUAL**

Group



# Q & A

**With Charles Nortje**

CEO of Credit Guarantee Insurance Corporation

**Q 2018 was another challenging 12 months in the South African economy. What were the standout events for the year?**

**A** The year started off with a stutter, South Africa still reeling from the shock of alleged fraud at Steinhoff exposed in December 2017. It was also the year where State Capture was uncovered and the massive problems facing some State-owned enterprises, especially Eskom which probably poses the biggest risk to the South African economy. A change in political leadership toward year-end brought new hope to business confidence. The largest issue CGIC had to deal with was several large listed contractors filing for business rescue, revealing the very precarious state of our construction industry.

**Q What is CGIC doing to weather the storm?**

**A** CGIC aspires to be the credit insurer of choice in South Africa. To achieve this we need to do business in a responsible and sustainable way. This means having to take a defensive stance in the current environment and apply disciplined underwriting on every risk offered to us.

**Q Which sectors of the economy have given rise to the majority of claims?**

**A** Most of our large cases have arisen in construction-related businesses, but we have seen a steady rise in attritional losses across all sectors of the economy. The retail sector has come under pressure as consumers feel the pinch. We have also seen claims in the growing mobile telecommunications sector.

**Q In tough economic times, does CGIC offer relevant and affordable insurance products?**

**A** Our product is certainly relevant – especially in times of uncertainty, our customers are seeking comfort that they will receive payment on due date. Affordability has to be judged according to the consequences of a possible uninsured bad debt arising – if large enough, this could sink their whole business. It is difficult to say these days, what constitutes a blue chip credit risk, with so many listed companies getting into difficulty. CGIC provides essential peace of mind.



*“...being able to help every single one of our clients grow their business without risk, is the success story of which we are proudest.”*

**Q What is CGIC’s value proposition to customers?**

**A** At the core of our business, we take on the risk of payment default faced by our customers, arising out of the supply of goods or services to their buyers. In short, the risk of bad debts. The risk is transferred to us in exchange for a premium. We are able to do this cost effectively, because CGIC has exposure to a wide portfolio of buyer risks over all industries. Our extensive database of credit information is a significant value-add to our customers, assisting them with better decision-making on when to extend credit.

**Q Any notable success stories?**


**A** We supported a large apparel retailer by providing cover on their business through some very tough times, until they completed their balance sheet restructure in early 2019. Many thousands of jobs were saved in the process. In the end event being able to help every single one of our clients grow their business without risk is the success story of which we are proudest.

**Q What is your outlook for the year ahead?**

**A** Economic cycles will come and go, but our customers will ultimately judge us on our track record of consistency and trust, through both good years and lean years. We have taken the necessary steps to trade through further tough conditions. Of course all South Africans are hopeful of better times ahead.

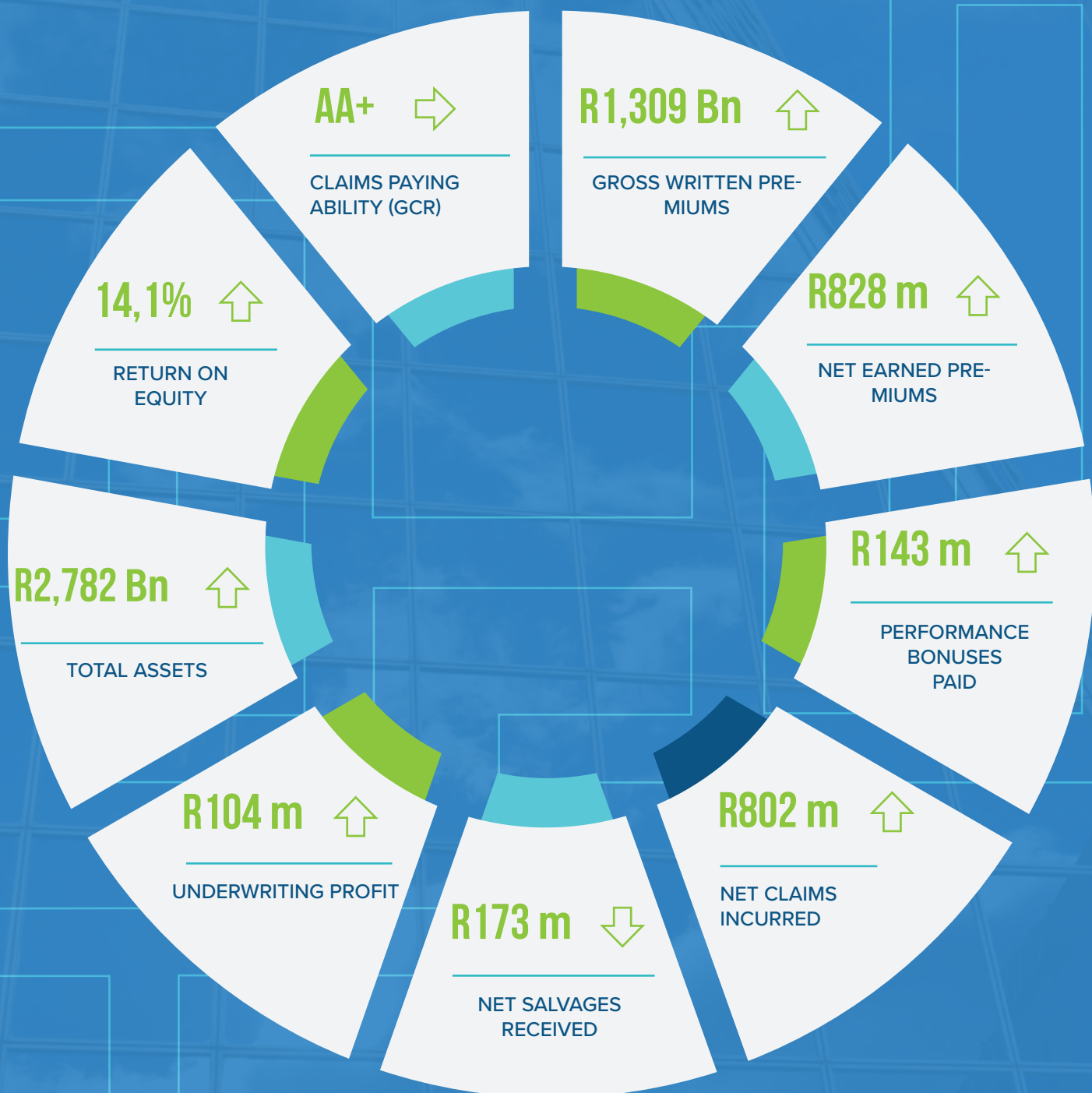
**Q Any parting words?**

**A** Only to record my deep appreciation to all our customers, our staff, brokers and business partners for your support during 2019, and in the time ahead. You are never taken for granted.



# FINANCIAL HIGHLIGHTS

We've worked hard at being the most trusted provider of Trade Credit Insurance in Africa



# RADICAL LEADERSHIP

The values we stand for



Respect for each other and the communities we serve



Trust & Accountability



The power of Diversity & inclusion



Agile Innovation that makes a difference



Championing the customer



Always Act with integrity



Leadership  
(change needs to be led)

# OUR CSI PROJECTS

CGIC Corporate Social Investment Achievements – 2018



## Charitable Institutions

### Medical Equipment and Maintenance R513 616

Recipients: Abraham Kriel, Footprint Hospice, FWC Hospice, Bonolo Nursery for the Disabled, Charity Begins With Me, Ikhohwa Hope for Our Children



## Feeding Schemes

### Food Deliveries R413 890

Recipients: Footprint Hospice, Sparrow, Ikhohwa Hope for Our Children, BHCC, Bonolo Nursery for the Disabled, Thathezakho Primary School, Thandanani House of Refuge



## Education

### Maintenance & School Furniture R668 509

Recipients: Thathezako Primary School, Indoni Junior Primary School, Hector Petersen Primary School, Tiyimise Primary School



## Sport

### Banners & Sport Attire R45 556

Recipients: Kagiso Striders



# INSURING YOUR SUCCESS

Enabling Growth Without Risk



## BENEFITS OF INSURING

- Peace of mind, confidence and security to expand sales to new customers and new markets
- For SME's in particular, the potential of unlocking additional lines of bank credit
- CGIC's extensive database of credit information
- Indemnity against bad debts in the event that a customer fails to pay



## ATRADIUS

Through the strategic shareholding of Atradius (25%), CGIC has a global footprint in 50 countries through a network of 160 offices and access to risk information on 200 million companies worldwide.

# PRODUCTS & SERVICES



## DOMESTIC TRADE CREDIT INSURANCE

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Cover against non-payment by your customers in South Africa or Common Monetary Area arising from:

- Insolvency
- Liquidation
- Business Rescue
- Protracted default



## INTERNATIONAL TRADE CREDIT INSURANCE

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

- **Commercial**
  - Insolvency
  - Liquidation
  - Protracted default
  - Reputation
- **Political Risks**
  - Confiscation
  - War risks
  - Foreign currency inconvertibility



## BONDS & SURETY

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We provide solutions for:

- Bid/Tender Bonds
- Performance Bonds
- Retention Bonds
- Advance Payment Bonds
- Materials Off-site Guarantees
- Customs Bonds
- Fuel Guarantees

For more information visit: [www.creditguarantee.co.za](http://www.creditguarantee.co.za)

### Telephone

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