



БЕЛЭКСИМГАРАНТ
EXIMGARANT OF BELARUS



Together We Are Stronger

Annual Report 2010

*When you believe in your crew and know
your destination then every wind is favorable!*



БЕЛЭКСИМГАРАНТ
EXIMGARANT of BELARUS

Annual Report 2010

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National System of Export Promotion

The rapid development of the world economy introduces the new requirements to the level of development and the organization of foreign economic activities. Furthermore, the world market assumes growing competition. Such market conditions initiate domestic companies to found and implement new ways of business conduct that will guarantee competitive power growth and credibility. Compliance with international standards of running a business is a keystone of success of the country.

It has been proved by the experience of leading developed countries where such financial institutes as Euler Hermes (Germany), Coface (France), EGAP (the Czech Republic), MEHIB (Hungary), KUKE (Poland) and others deal with issues mentioned above.

Initiative of Eximgarant of Belarus together with Ministry of Industry, Ministry of International Affairs, Belarusbank gave impetus to the development of national system of export

promotion. As a result of this work Decree of the President of the Republic of Belarus No.534 "On promoting the development of exports of goods (works, services)" came in force on August 25.2006.

For more than four years exporters, banks and investors use innovative financial mechanisms accepted in the world practice that stimulate the development and strengthen export potential.

Possibilities that provide system of export promotion meets the requirements of the World Trade Organization (WTO) and are increasingly in demand by progressive economies of the world. Today we may support domestic enterprises in their expansion of new markets and increase of export volumes without direct export subsidies.

Using export credit insurance we act as a creditor of foreign economies and attract additional currency resources to our country. Deferred payment sales and export credits provided by Belarusian banks allow to avoid dumping and discounts that result in decrease of foreign trade balance deficit. And only the constant expansion of sales markets will intensively improve the macroeconomic indicators of foreign trade. Thus, export credit insurance should be especially in demand by domestic enterprises.

Today leading Belarusian exporter such as Minsk Tractor Works (MTZ), Minsk Automobile Plant (MAZ), Belita, Viteks, ATLANT, BELAZ use export credit insurance as a tool to promote their export and offer more favorable terms to foreign buyers.

It is a common fact that domestic exporters take high risk by providing commodity loans to foreign buyers especially when entering new markets. And often an enterprise is not able to assess possible risks due to some objective reasons and prevent losses. That's why we have developed


national system of export promotion with State support. Eximgarant of Belarus is authorized to provide export credit risk insurance with State support as the official export credit agency of the Republic of Belarus. Eximgarant helps domestic exporters to focus on new markets by providing timely and accurate information regarding foreign markets and buyers.

As on today Belarusian exporters have rather developed distribution networks in CIS region that help to satisfy market requirements. But we have to expand our trade and economic cooperation, first of all among members of the Common Free Market Zone by providing to Russian and Kazak buyers export credits and offer deferred payment terms.

Besides domestic exporters should actively develop new markets, promote Belarusian products to more risky regions that need our products. And invaluable assistance to develop new markets may provide Eximgarant of Belarus that will help to evaluate possible risks, give legal advice as on pre-export stage or after concluding export contract.

Using export credit mechanisms helps to avoid possible losses. It's also necessary to mention that insurance premium paid to Eximgarant of Belarus is charged to the cost of production, attracting additional foreign currency funds to our country.

It is important to emphasize that only joint effort of exporters, banks, government representatives and Eximgarant of Belarus will give a possibility to obtain high results of foreign trade development and improve macroeconomic indicators of the Republic of Belarus.



Cooperation, support and interaction of the participants of the national system of export promotion will allow not only to increase the profitability of export transactions to specific economic entities, but also to open new horizons of national economy development and to strengthen its positions in the international arena.

I would like to thank Eximgarant of Belarus for the initiative in establishing the national system of export promotion that absorbed best international practice as well as in the rule-making and improving the legislative base for the successful functioning of domestic exporters.

For 10 years the company managed to achieve high results in the establishment and improvement of the national system of export promotion. Today, we can trace the evolution of the legislation, starting from 'export support fund' (Joint Resolution of the Ministry of finance, Ministry of economy, the Ministry of foreign affairs and the Ministry of industry dated January 31, 2001 No.10/29/1/2) to export credit insurance with State support (the Decree of the President of the Republic of Belarus dated 25 August 2006 No.534).

Today Eximgarant of Belarus holds leading positions among other insurance companies of the republic by the volume of own capital, cover provided and premiums growth rate. The insurance company was the first among the insurers of the Republic of Belarus that received the rating from FitchRatings.

Eximgarant of Belarus has managed to strengthen its positions in the international community. As a member of the Prague Club of the International Union of Credit and Investment Insurers (Berne Union) since 2002, Eximgarant is in top ten (among 30 members) in terms of premium received. For 8 years of membership in the Prague Club Eximgarant has managed not only to adopt the practice of creating and functioning of the national systems of export promotion, but also to achieve a level sufficient to share experience and help foreign colleagues.

On a personal note, I would like to congratulate Eximgarant of Belarus on the 10th anniversary and wish you new ideas, constant movement forward and brilliant victories for the benefit of our country!

*First Deputy Prime Minister of Belarus
Vladimir Semashko*





Eximgarant's Position on the Insurance Market

The dynamic development of the insurance industry in 2010 was the result of hard work of all insurance organizations of the Republic of Belarus, including Eximgarant of Belarus which has been demonstrating high insurance premiums growth rate and exposure for many years.

Since its establishment in 2001 as national export credit agency aimed at professional support for exporters in promoting products and services to foreign markets, Eximgarant of Belarus with the active participation of the State and exporters has organized so far well-functioning system

of export credit insurance with State support. On the other hand, Eximgarant of Belarus puts emphasis on the development of other voluntary types of insurance. Significant progress has been made in the development of medical expense insurance which is one of the upcoming trends of insurance market development in Belarus. In 2010 Eximgarant of Belarus strengthened its presence in this market segment and received one-third of all premiums.

Successful development of Eximgarant of Belarus relies on high level of credibility of both insurers and business partners. This is confirmed by the financial strength rating assigned by Fitch Ratings.

In the year of the 10th anniversary of Eximgarant of Belarus I'd like to convey my sincere congratulations to the team and wish you not to stop at the level achieved, constantly improve your professional skills, to keep up with the time, strengthen the status of a reliable insurer and promising partner.

*First Deputy Minister of Finance
Vladimir Amarin*

A handwritten signature in black ink, appearing to read 'Amarin'.



GM's Message

Dear ladies and gentlemen, partners and colleagues!

It seems Eximgarant of Belarus has entered Belarusian insurance market quite recently. But for already 10 years we act as export credit agency in the Republic of Belarus.

Analyzing the history of our development we understand how difficult and thorny the way of establishment of the company was. These years were filled with everyday complicated, tense, often new and innovative work on formation

of strategy, normative and legal basis. Our supreme goal was also to find highly skilled professionals ready to cope with challenges faced. It's also necessary to mention the support of Eximgarant of Belarus by the Government of our country, republican and local bodies of State administration.

Today Eximgarant of Belarus is a universal and effective company that achieved high position in Belarusian insurance market with more than 8 000 corporate clients.

Our business is also focused on cooperation development with other export credit agencies – members both of the International Union of Credit and Investment Insurers (Berne Union) and the Berne Union Prague Club.

An important milestone of the decade was the creation of the national system of export promotion with State support. Eximgarant actively participated in the formation of the normative legal base regulating export credit insurance – Decree of the President of the Republic of Belarus dated August 25, 2006 No. 534 "On promoting the development export of goods (works, services)". According to the Decree Eximgarant of Belarus is authorized to provide export credit risk insurance with State support as the official export credit agency of the Republic of Belarus.

Practice shows, that the established upstream mechanisms and instruments of export promotion fully meet the international standards and principles of the World Trade Organization.

So far, among our clients are major domestic exporters. In 2010, the insurance cover of export transactions has increased by 33 percent and encompasses 31 countries on 5 continents.

Export credit insurance with State support has been and remains the priority direction of Eximgarant of Belarus. We look forward with optimism, confidence and willingness to develop export credit insurance together with the Government, national exporters and banks.

Our dynamically developing company never stops at what has been accomplished. We'll continue to perfect our work style with our clients and partners, monitor the insurance market of the Republic of Belarus. We always aspire to immediately react to the needs of our clients and improve quality of insurance services.

In a word, Eximgarant of Belarus will have a lot of interesting and necessary work to do.

On the 10-year anniversary of Eximgarant I send words of congratulations and gratitude to those, who stood at the origins of creation of the company, set up traditions and the basis of its future, as well as to the employees who today contribute to its stability and reliability.

In addition, let me express to all clients, partners, and friends of the company, representatives of the Government deep gratitude and appreciation for the cooperation, understanding and assistance. I am sure that in future we will also successfully provide reliable support for domestic exporters and other enterprises by rendering upstream insurance services.

Words of gratitude I also address to our colleagues from the Berne Union Prague Club for the invaluable experience, which they share with us.

General Manager
Gennady Mitskevich

Republic of Belarus: economic
development & investment potential

Together We Are Stronger: Efficiency of the State



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EXIMGARANT OF BELARUS

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Republic of Belarus: economic development
& investment potential

01

Belarus at a Glance

Area:	207,600 km ²
Population:	9.5 million
GDP in 2010	\$54 billion
Currency:	Belarusian ruble (BYR)
Ratings:	B / negative (S&P) B2 / negative (Moody's)

Socially-oriented market economy.

Developed export-oriented industry is the basis of the economy.

Political stability.

Highly qualified workforce. Belarus ranks the 61th in the UN human development index.

High unrealized potential for FDI.

High rates of economic growth. Average GDP growth rate in 2005–2010 nearly 8 percent.

Weathering the global economic crisis well. The economy moved out of recession in the 4th quarter of 2009, GDP grew by 7.6% in 2010.

The stability of monetary and banking system has been maintained throughout the crisis.

Sustainable public finances – Belarus has a traditionally balanced budget and low debt burden indicators.

Access to capital markets. Successful issue of the debut Eurobonds in August 2010 (\$1 billion).

Key Historical Events



Economic Growth

Real GDP growth (%)



Source: National Statistical Committee

- GDP has doubled in 2001–2010.
- Recovery of economic growth started since Q4 2009.
- In 2010 GDP grew by 7.6 percent.

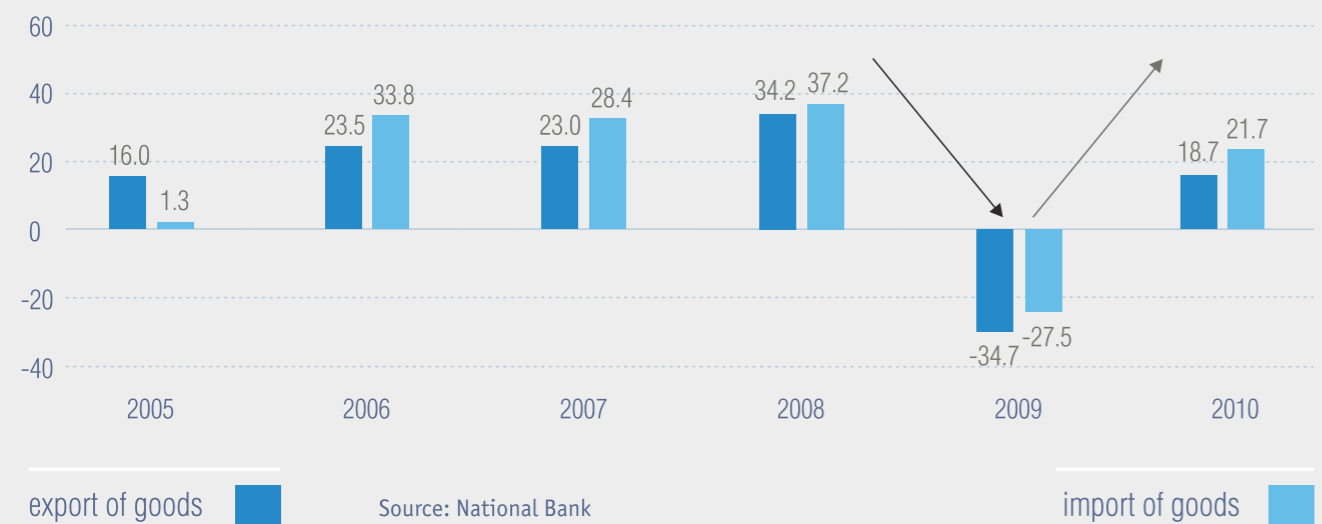
Foreign Trade and Current Account Deficit

- Higher growth of imports led to deterioration of current account deficit to 15.6 percent of GDP in 2010
- Export demonstrated robust growth in 2010. Increase by 18.7 percent in 2010
- Reasons for trade balance improvement:
 - recovery of demand in major trade partner countries
 - improvement of international potash fertilizers market and new contracts
 - opening of new markets

Current account decomposition



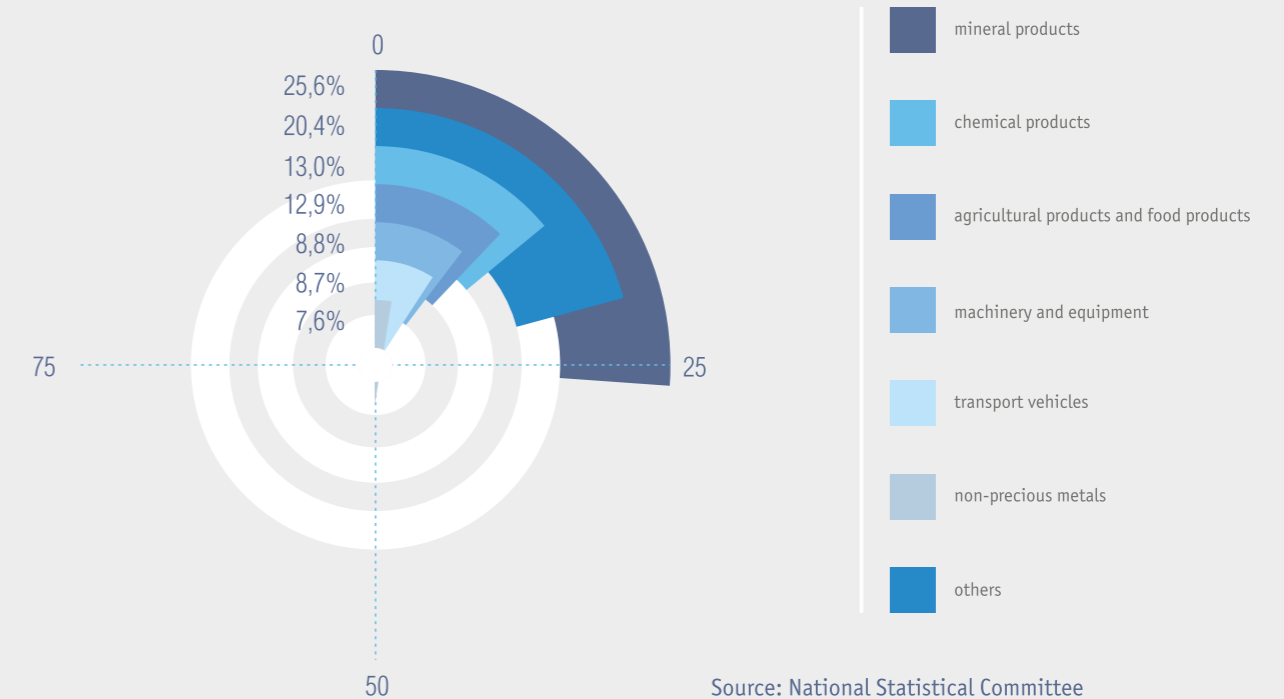
Foreign trade (% change)



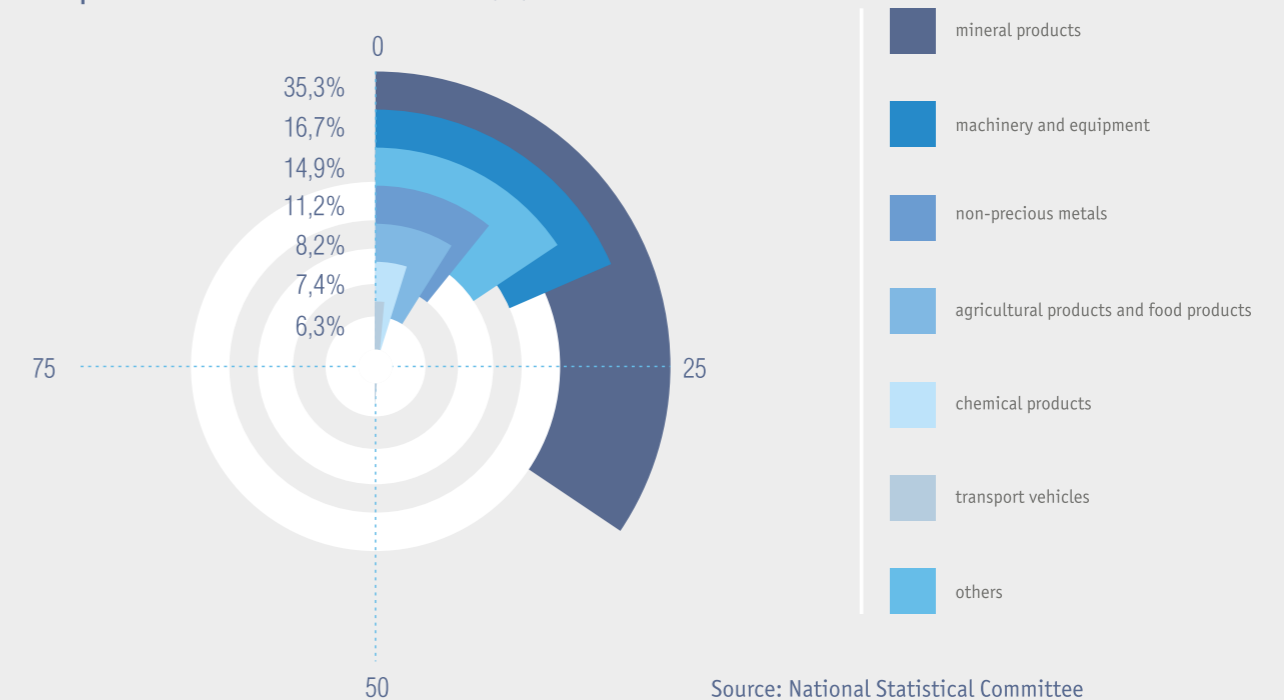
Foreign Trade Structure

- Ranks the 3rd in the world by exports of potash fertilizers (nearly 9 percent of export of goods in 2010)
- 7 percent of global tractor market share
- 30 percent of global rock handler market share

Export structure in 2010 (%)

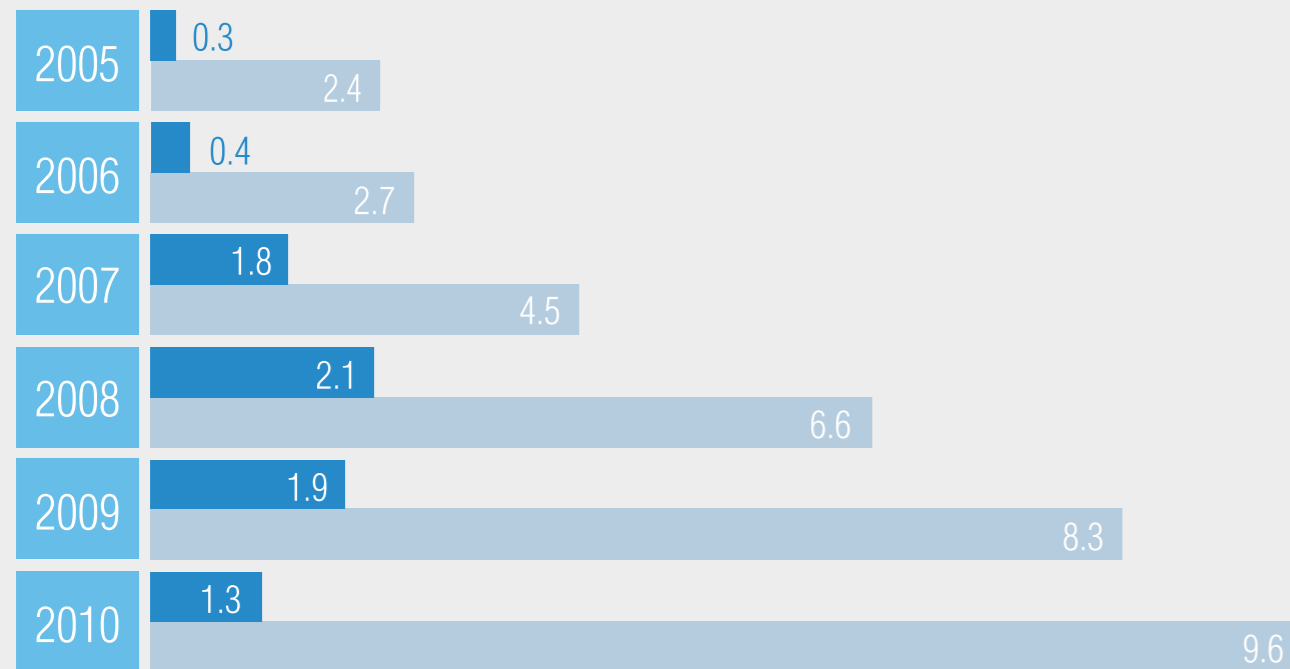


Import structure in 2010 (%)



Privatization and FDI

Net FDI inflow (USD billion)



FDI (commulative total, since 1991)

Source: National Bank

FDI (for relevant period)

- Main investor countries: Russia, EU, Switzerland
- Net FDI inflow in 2010 was \$1.3 bn

Privatization proceeds (USD million)

2006	31.7
2007	1 236.1
2008	1 006.3
2009	913.3
2010 (e)	858.1

In 2010 improving the legislation and institutions for privatization have been continued:

- amendments to the Law on Privatization, bringing it to the international standards
- President Decree on the Foundation of the National Agency for Investments and Privatization

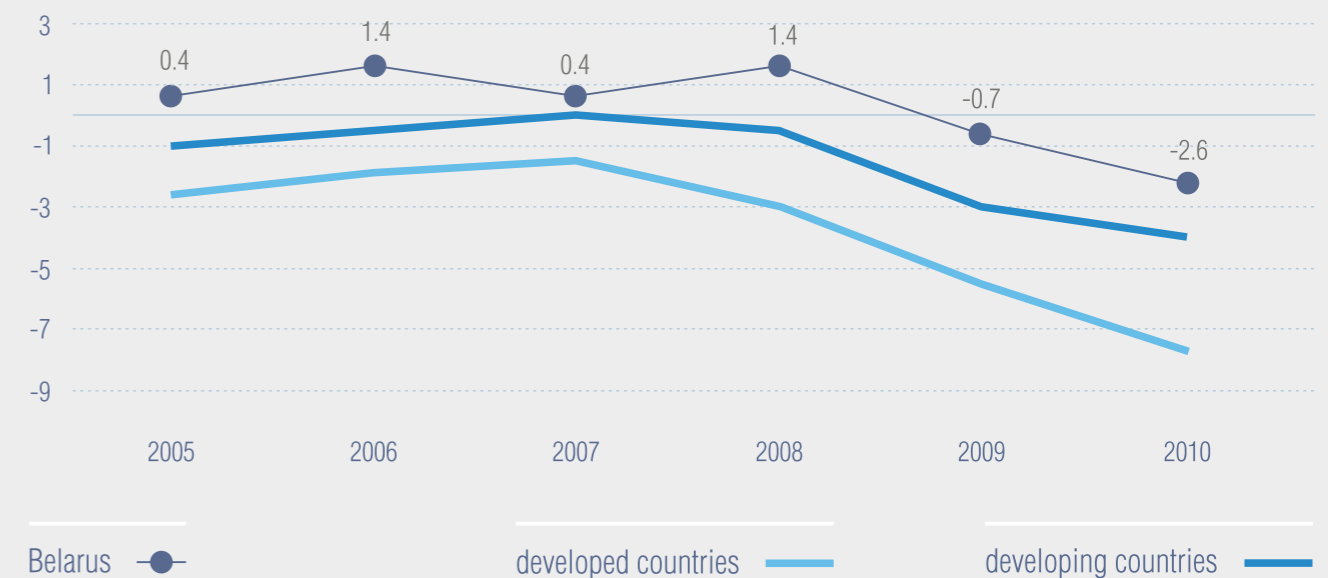
Fiscal Policy

Main features of state budget in 2011:

- Reduction of the tax burden and further simplification of the tax administration
- Considerable growth of social expenditures at the cost of increase of ages, salaries, pensions and grants as well as providing the other social guarantees for the population

Retaining the level of supporting of the economy and stimulating its innovation development

Consolidated budget balance (% of GDP)



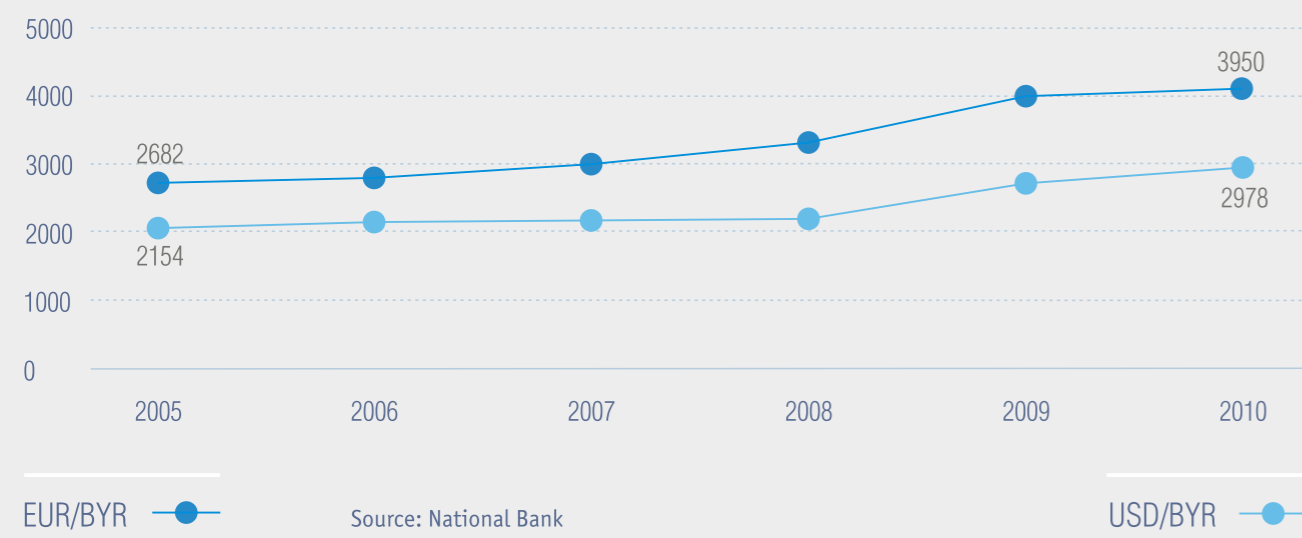
Source: IMF, Ministry of Finance

Monetary Policy

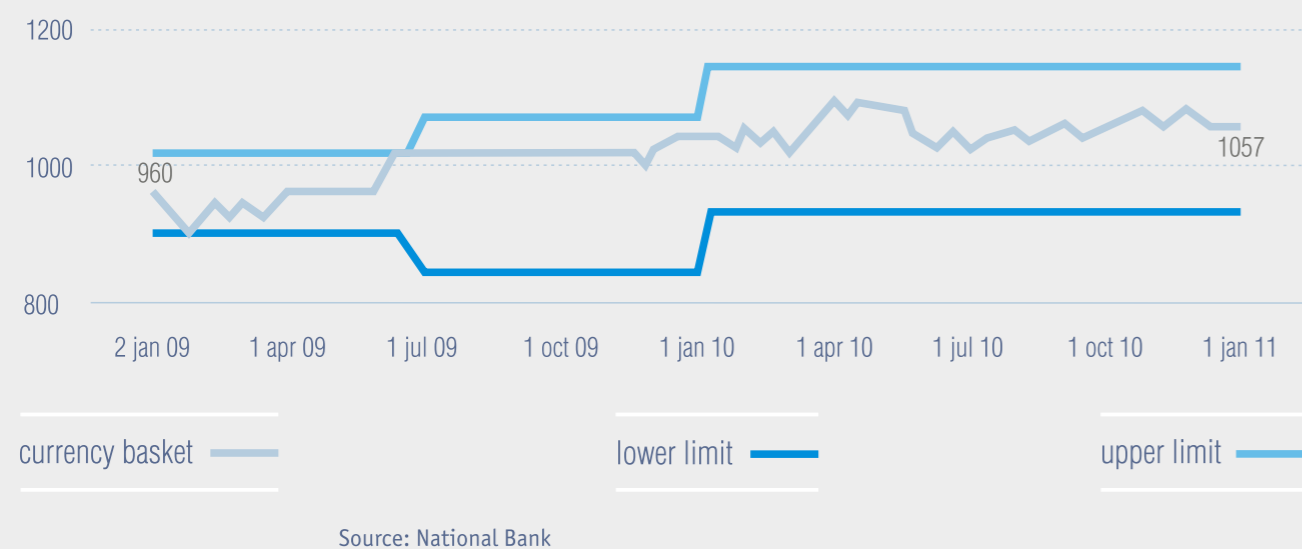
Monetary policy presently implemented: targeting of the exchange rate of BYR.
 Since January 2009 the BYR has been pegged to the currency basket consisting of USD, EUR and RUB taken with equal weights.

The main goal of the interest rate policy is keeping the real interest rates at positive levels.

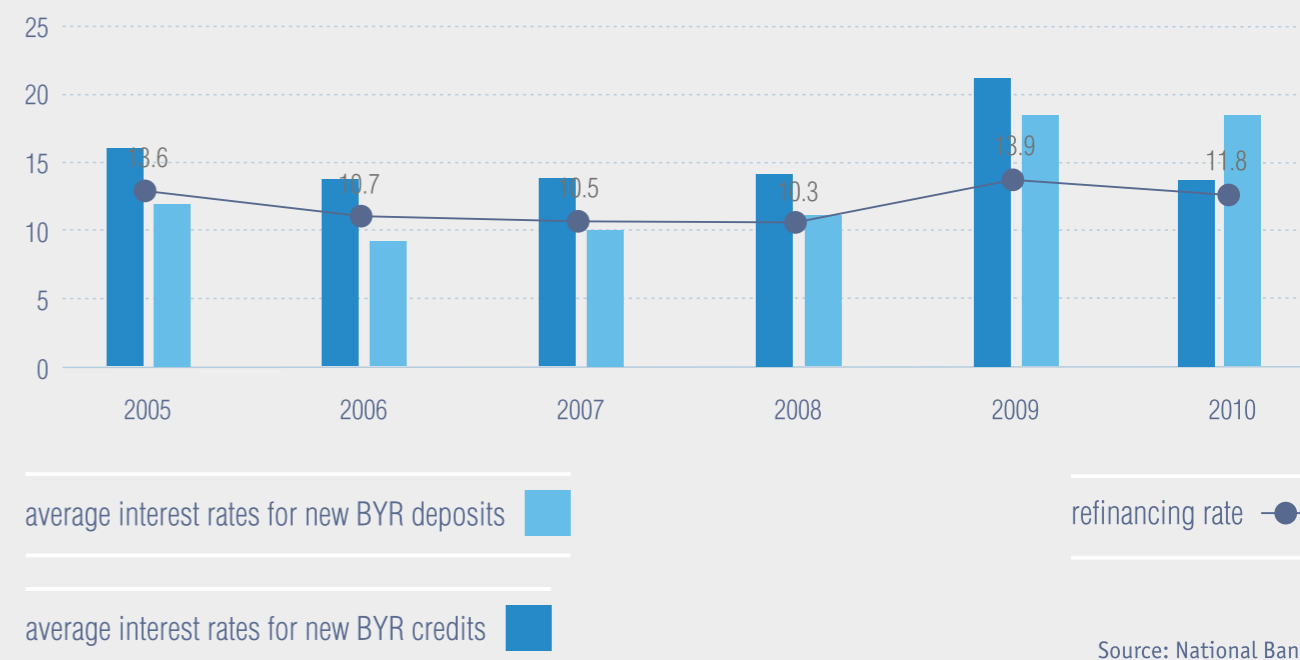
Average exchange rate of BYR to USD and EUR



Exchange rate of BYR to the currency basket



Level of interest rates (%)



Medium-to-Long-term Priorities in Economic Policy

- Strengthening of structural reforms, acceleration of privatization and inflow of FDI.
- Further liberalization of the economy and improvement of the business environment.
- Active modernization of the economy. Further development of innovative competitive enterprises.
- Maintaining stable growth rates.
- Strengthening resistance to external shocks.
- Ensuring stability of the budget combined with safe and manageable level of public debt.
- Ensuring a stability of banking and financial system.
- Strengthening of business ties with the CIS and EU.

Together We Are Stronger: Team Potential



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About Us

02



Developing Export Potential of the Republic of Belarus

Belarusian enterprises now have access to progressive financial instruments used in international trade due to the creation of national system of export promotion in the Republic of Belarus. It allows Belarusian companies to compete on foreign markets, by both quality and sales tools.

Flexible forms of payments that enterprises use when conducting their business show not only top level of trust to foreign buyer but also bear risk of contractual obligations non-fulfillment, especially regarding payment terms.

Eximgarant of Belarus has developed upmarket product with the aim of exporter's loss minimization and guaranteed currency earnings. Eximgarant of Belarus not only protects you from possible economic losses, but also becomes your partner as reliable financial manager and professional legal adviser.

Eximgarant of Belarus covers your losses in case of non-fulfillment of contractual obligations by your Buyer. At the same time we open new possibilities for your business:

- Granting commodity loans to buyers that result in sales increase
- Ability to compete with other market players, offering more favorable sales terms
- Development of new markets
- Deferred payment sales allows to avoid dumping and discounts
- Obtaining CIRR-based export credit in accordance with the OECD Arrangement (for EUR & USD) or credit in Russian rubles at the refinancing rate of Central bank of Russian Federation
- Reduction of production cost due to the low-rate credit resources, which gives a competitive advantage when entering new markets
- Viable investment opportunities for exporters, which allow creating joint ventures, assembly lines and expanding commodity distribution network
- Investment expansion offers the possibility to scale up production, develop new technologies and attract available agents of production (land, labor)
- Thorough evaluation of the financial health of a Buyer and its reputation by Eximgarant of Belarus
- Business environment, market and infrastructure capacity analysis

- Political situation analysis in buyers' country, detecting political risks that may hamper foreign trade cooperation and particular deal performance
 - Legal advice: terms and conditions of the export contract, implementation schemes and mechanism for foreign trade transactions
 - Development of financing mechanisms
 - Insurance indemnity is paid in currency of contract. Thus, companies have possibility not to divert turnover funds and not to disrupt the production process
 - Payment of insurance indemnity frees companies from debt collection
 - Company gets an opportunity to complete a foreign trade deal on time, avoiding penal sanctions in case of insurance indemnification receipt
 - Absence of overdue accounts receivable
- As a result, you receive high-quality and flexible insurance product. Besides, insurance premium paid to Eximgarant of Belarus is charged to the cost of production attracting additional foreign currency funds to our country.

Export Contracts Cover: Your trade is protected

Eximgarant of Belarus offers **insurance of Short-, Medium- and Long- term Export Contracts against Political and/or Commercial Risks.**

Today it's very important to provide for an exporter more flexible terms of payment such as commodity credit. Insurance contract concluded with Eximgarant of Belarus will cover losses that may occur in case of a buyer's non-fulfillment (unduly fulfillment) of obligations related to performance of the export contract concluded on deferred payment terms.

Cooperating with us you'll get an exclusive insurance product that facilitates successful and timely completion of export transaction. In addition, we place our emphasis on risk management of the export project, counselling assistance at the stage of contract conclusion and its enforcement. Also payment of the insurance indemnity frees you from the lengthy process of debt collection abroad.

Pre-Export risk cover

In order to avoid the influence of political and economic factors that may harm contract implementation **Eximgarant of Belarus has developed special solution to Exporters - Pre-Export risk cover.**

Cover is provided for losses arising from the failure of an exporter to fulfill contractual obligations (manufacture goods or provide services for export) on pre-export stage. Eximgarant of Belarus will cover your losses in case of foreign buyer refuses to accept goods or services.

To provide complex protection of your business, we offer to combine this insurance product with such insurance products as insurance of Short-, Medium- and Long- term Export Contracts against Political and/or Commercial Risks, Buyer/Supplier Credit Insurance.

Leasing transactions cover

Eximgarant of Belarus offers insurance solution which is directed to protect leasing companies – **Insurance of Export Risks of the Residence of the Republic of Belarus that takes possession of products manufactured by other residents of the Republic of Belarus in order to lease them to companies non-residents of the Republic of Belarus, including banks.**

Cover is provided for losses resulting from lessee's non-fulfillment of lease-payment obligations. We are open to cooperation with all the leasing companies of Belarus and are ready to offer modern and high-quality insurance product that will assist you when entering foreign markets. We provide legal advice and assistance for a leasing company in conducting negotiations, signing of contracts, transactions financing. Thus, you'll get both guaranteed lease-payments and meaningful and comprehensive information on your counterparty.

Investments cover

Eximgarant of Belarus offers you Political Risk Insurance that protects your overseas investment against political risk – such as nationalization, embargo or civil disorders – which may cause loss of the invested capital.

Eximgarant of Belarus covers risks for the following kinds of investment activities:

- Property deposit
- Remittance of financial assets
- Intangible assets transfer
- Execution of works for a foreign company on the territory of the host country
- Financial loans issued to a foreign company

It's necessary to mention that Investment Insurance gives you the possibility of obtaining credit resources on favorable terms. Eximgarant of Belarus in its turn guarantees investment return in case of insurance event.



New Market Development

In addition to export insurance policy with State support the national system for export promotion, also includes financing of export transactions.

So, exporters and investors have an opportunity to finance their foreign economic activities, subject to the conclusion of export insurance

policy with State support. In such a case there is a possibility to obtain CIRR-based export credit in accordance with the OECD Arrangement on Officially Supported Export Credits (for EUR & USD) or credit in Russian rubles at the refinancing rate of Central bank of Russian Federation. Furthermore, bank losses shall be compensated from the republican budget.

The promotion of national exports and investment on such terms and conditions is consistent with the requirements of the World trade organization and will not be considered as export subsidies.

However, the financing of foreign trade operations, as well as the issue of bank guarantees and confirmation of letters of credit on export transactions involve a high level of risk, both commercial and political. Therefore, the use of insurance mechanisms for the financing of foreign markets entry and expansion by domestic exporters and investors opens to the bank a number of opportunities and advantages:

- Expansion of activity geography and the list of rendered services
- Convenient credit conditions for the customer resulting in banks' goodwill
- Bank losses shall be compensated from the republican budget when granting export credit
- Export insurance policy is equal to first class collateral
- In case of foreign counterparty crediting, credit resources persist on the territory of the Republic of Belarus and are appropriated to domestic exporter
- Control of intended use of credit granted to foreign buyer

Average CIRR rate, %

Repayment terms	2006		2007		2008		2009		2010	
	USD	EUR	USD	EUR	USD	EUR	USD	EUR	USD	EUR
≤ 5 years	5.75	4.42	5.46	5.11	3.41	4.76	2.40	3.07	2.14	2.34
> 5 to 8.5 years	5.73	4.55	5.51	5.14	3.96	4.91	3.12	3.79	2.96	3.05
> 8.5 years	5.74	4.64	5.57	5.17	4.32	5.08	3.71	4.31	3.65	3.61

Refinancing Rate of The Central Bank of the Russian Federation, %

31.12.2006	11
31.12.2007	10
31.12.2008	13
31.12.2009	8.75
31.12.2010	7.75



Supplier Credit Insurance

Special insurance product has been developed by Eximgarant of Belarus for banks – **Supplier credit insurance.**

Under supplier credit insurance, Eximgarant of Belarus takes responsibility to indemnify credit resources (principal debt) provided to an exporter to finance the purchase of capital goods and/or services from an exporter carrying on business in the Republic of Belarus in case of exporters' economic insolvency or bankruptcy.

Insuring supplier credit you'll get not only additional collateral on the amount of principal debt but also the possibility to go away from debt collection.

Buyer Credit Insurance

Another solution for banks – **Buyer Credit Insurance.**

This insurance covers losses of a Belarusian commercial bank or other financial institution resulting from providing loans to a foreign importer who purchases goods and services from a Belarusian exporter. Losses may be incurred when the Belarusian commercial bank is unable to receive repayment of the loan due to war, revolution, prohibition of foreign currency exchange, suspension of remittance or force majeure such as natural disaster or bankruptcy or default of an importer.

Also it's not an obligation to set up reserves when insuring buyer credit.

Investment Insurance

Safeguard your losses together with Eximgarant of Belarus Investment insurance policy.

An overseas investment insurance policy covers the risk of loss (principal debt) resulting from certain political events in connection with an investment made by a Belarusian investor in an enterprise outside the Republic of Belarus. Typical insured risks include confiscation, nationalization, expropriation, currency inconvertibility and non-transfer, terrorism, war, insurrection, political interference and other.

Investment insurance policy offers much more than just the assurance that losses will be paid by Eximgarant of Belarus. It helps you to invest to new markets thus strengthening export potential of the Republic of Belarus.

Bond and Letter of Credit Insurance

International trade construes the use of a broad spectrum of financial instruments. In its turn such instruments promote cooperation of foreign buyers with domestic exporters. Among them are bonds and letter of credit (L/C). **Eximgarant of Belarus has a possibility to insure bonds and L/C issued by Belarusian banks in favor of foreign buyers.**

Risks covered:

- Non-reimbursement risk in case confirming bank does not fulfill its obligations
- Counter-guarantee non-performance issued by foreign bank on the instructions of an importer in favor of exporter or exporter's bank
- Non-performance of obligations by an exporter in case of issuing tender bond
- Non-performance of obligations by an exporter in case of issuing advance payment guarantee

Insurance services provided by Eximgarant of Belarus are for domestic exporters, where a Belarusian bank issues a bond/provides other services. It protects a bank not only against loss caused by political or commercial risks but also promote accurate contract execution.

International Cooperation

Putting Progressive Experience into Life

The Berne Union, also known as The International Union of Credit & Investment Insurers was formed in 1934 by four public and private export credit institutions in an attempt to reduce commercial risk by exchanging reliable information on foreign buyers.

Today the Berne Union is the leading international organization of public and private sector providers of export credit and investment insurance.

In the early 90s the Berne Union Prague Club was established as a structural unit that united export credit agencies from the countries of Central and Eastern Europe, Africa, Asia and the CIS such as Poland, the Czech Republic, Hungary, Slovakia, Slovenia, Russia and so on.

Since its establishment the Prague Club regularly holds meetings that provide a forum for sharing information and promoting the best available practices in the field of underwriting, reinsurance, setting up and developing export credit and investment insurance programs. All this helps members to develop their export credit and investment insurance schemes.

The total volumes of all members of the Berne Union reached US\$ 1.43bn in 2010 (approximately 10 percent of world trade) up from US\$ 1.36bn the year before. This fact shows that the world has moved beyond the global financial crisis.

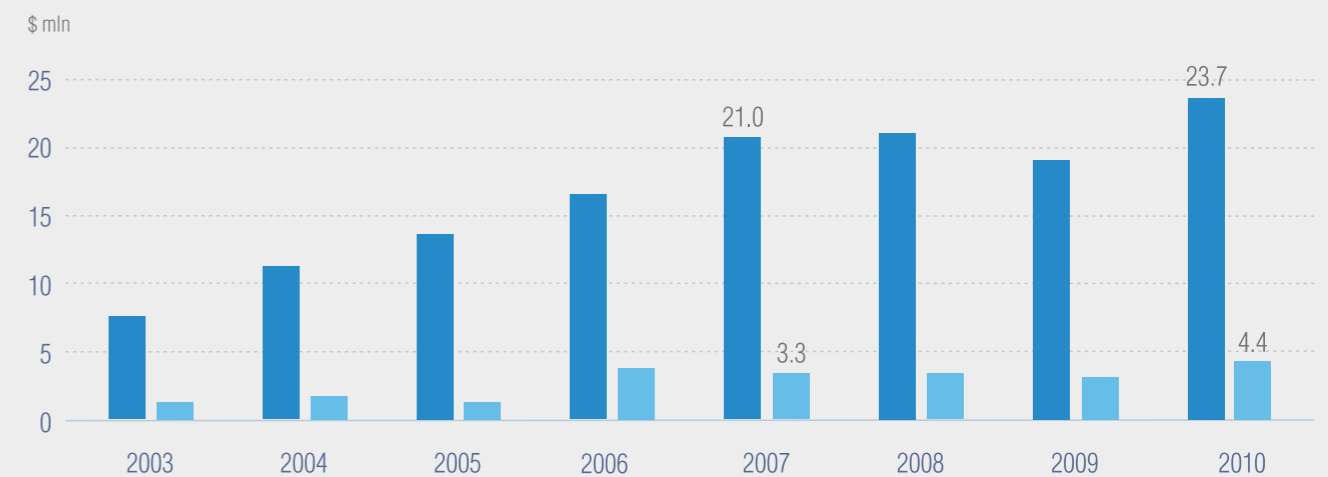
Over the history of the Berne Union, the higher indicator of export credit and investment cover was recorded only in 2008 pre-crisis year, when all the processes in the world economy developed rapidly and gained high speed. Thus, the indicators of the 2010 show high operating efficiency of the Berne Union members and rapid growth of their professionalism and trends of export credit and investment insurance promotion in the developed countries.

It should be mentioned that the Berne Union Prague Club also performed well. According to statistics, short-term business of the Prague Club members increased in 2010 by 24 percent compared to 2009. At the same time claims paid in 2010 decreased by 28 percent compared to 2009.

Eximgarant of Belarus brings significant impact in the work of the Prague Club. Thus, at the end of 2010 Eximgarant ranks No.14 (out of 33 members) in terms of short-term business, No.9 in terms of received premium, No.8 in terms of claims paid and No.3 in terms of recovery.

Therefore, Eximgarant of Belarus benefits much from other members' experience and practices used in export credit insurance business for the past nine years of membership in the Prague Club. By studying upstream experience of export credit agencies from Europe, Asia, CIS, MENA we improve our business and offer world best practices to domestic exporters.

Prague Club ST&MLT Export Credit Insurance



MLT New Bussiness - insured during each year

ST New Bussiness - insured during each year



As Secretary-General of the Berne Union, it is a great honour for me to congratulate EXIMGARANT of Belarus on its 10th anniversary. I am sure that I represent all of the credit insurance community, when I say that it is a privilege and a pleasure for all of us to have you in our association. Over the past 10 years, EXIMGARANT has established a strong business supporting the nation's exporters with insurance cover which helps them to expand their trade on a world wide basis.

As the national export credit agency of the Republic of Belarus, EXIMGARANT, is a dynamic organisation that has built up a team of specialised and highly qualified personnel who actively serve the needs of its policyholders, banks and other business partners. EXIMGARANT's ability

to adapt to a changing environment is reflected in its business practice. The company's business has expanded rapidly since it was established and I have every confidence that EXIMGARANT will continue to meet and exceed the needs of its customers, even during the difficult economic times we are encountering today.

Since joining the Berne Union Prague Club in 2001, EXIMGARANT has been an enthusiastic member who has wholly fulfilled its duties being very actively engaged by regularly attending all the Spring and Autumn meetings as well as the specialist workshops.

Having first hosted the 2003 Prague Club Spring meeting, EXIMGARANT kindly hosted members once again in June 2009. Both events were very successful with over 25 member companies attending along with special guests from the World Bank and the European Commission. I am sure every participant keeps a very special recollection of their visit to Minsk; not only thanks to the efficiency of EXIMGARANT in organising the events, but equally due to the warm hospitality, deep kindness and impressive generosity of our hosts.

Therefore, it is with great pleasure for me, both personally and on behalf of the Berne Union Prague Club, to congratulate EXIMGARANT of Belarus, its Chairman and all of its staff on its 10th anniversary. We wish you all the best and hope in the future to be able to benefit from your presence and professionalism as we have in the past.

Congratulations.

Kimberly Wiehl
Secretary-General of the Berne Union

No.	The Prague Club 2010 Export Credit Annual Report: (Total St & MLT) USD million	
1	EGAP (Czech Republic)	7 022.17
2	SID Bank (Slovenia)	4 491.76
3	KUKE (Poland)	3 663.86
4	THAI EXIM (Thailand)	3 077.14
5	ICIEC (Multilateral)	1 562.80
6	EGFI (Iran)	1 361.00
7	EXIMBANKA SR (Slovakia)	1 194.22
8	SEP (Saudi Arabia)	865.23
9	LCI (Lebanon)	792.40
10	DHAMAN (Multilateral)	768.00
11	AOFI (Serbia)	561.55
12	MEHIB (Hungary)	508.04
13	HBOR (Croatia)	477.10
14	EXIMGARANT (Belarus)	307.10
15	BAEZ (Bulgaria)	292.36
16	ECGA O (Oman)	276.10
17	ECIE (UAE)	220.00
18	ECGE E (Egypt)	152.00
19	ECIC SA (South Africa)	101.82
20	UZBEKINVEST (Uzbekistan)	95.66
21	NAIFE (Sudan)	79.00
22	KREDEX (Estonia)	67.38
23	KAZEXPORTGARANT (Kazakhstan)	64.32
24	NZECO (New Zealand)	63.03
25	ATI (Multilateral)	23.24
26	MBDP (Macedonia)	20.99
27	IGA (Bosnia & Herzegovina)	11.80

*Together We Are Stronger:
Stay on a Track of Development*



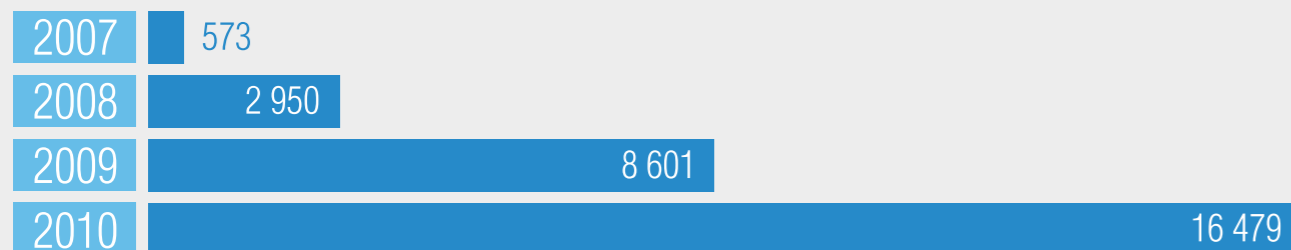
**БЕЛЭКСИМГАРАНТ
EXIMGARANT OF BELARUS**

Eximgarant of Belarus
Annual Report 2010 / Part 03

Performance Indicators

Export credit insurance with state support

Insurance Premium



Insurance premium, BYR million

Number of Export Contracts Covered



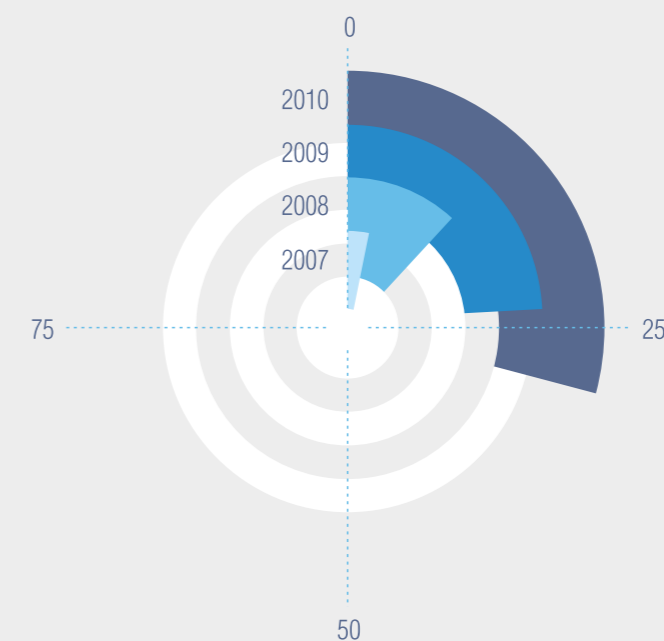
Number of export contracts covered

New Business



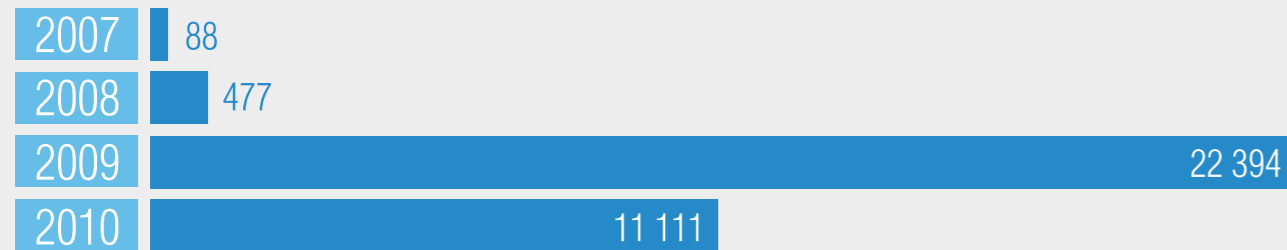
New Business, BYR million

Share of Export Credit Insurance in Eximgarants' portfolio



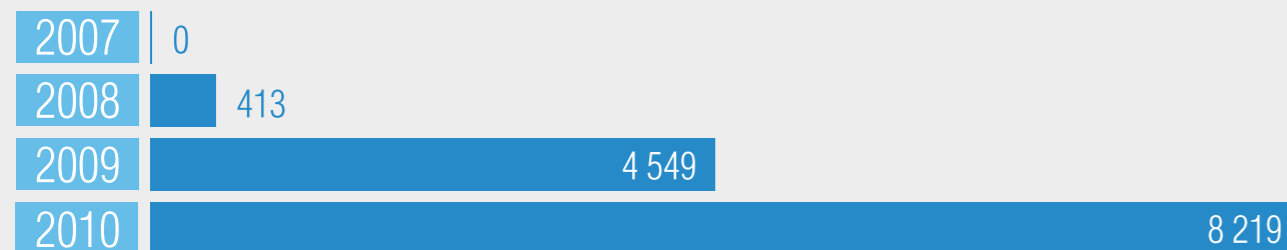
Share, %

Claims paid



Premiums paid, BYR million

Recovery



Recovery, BYR million

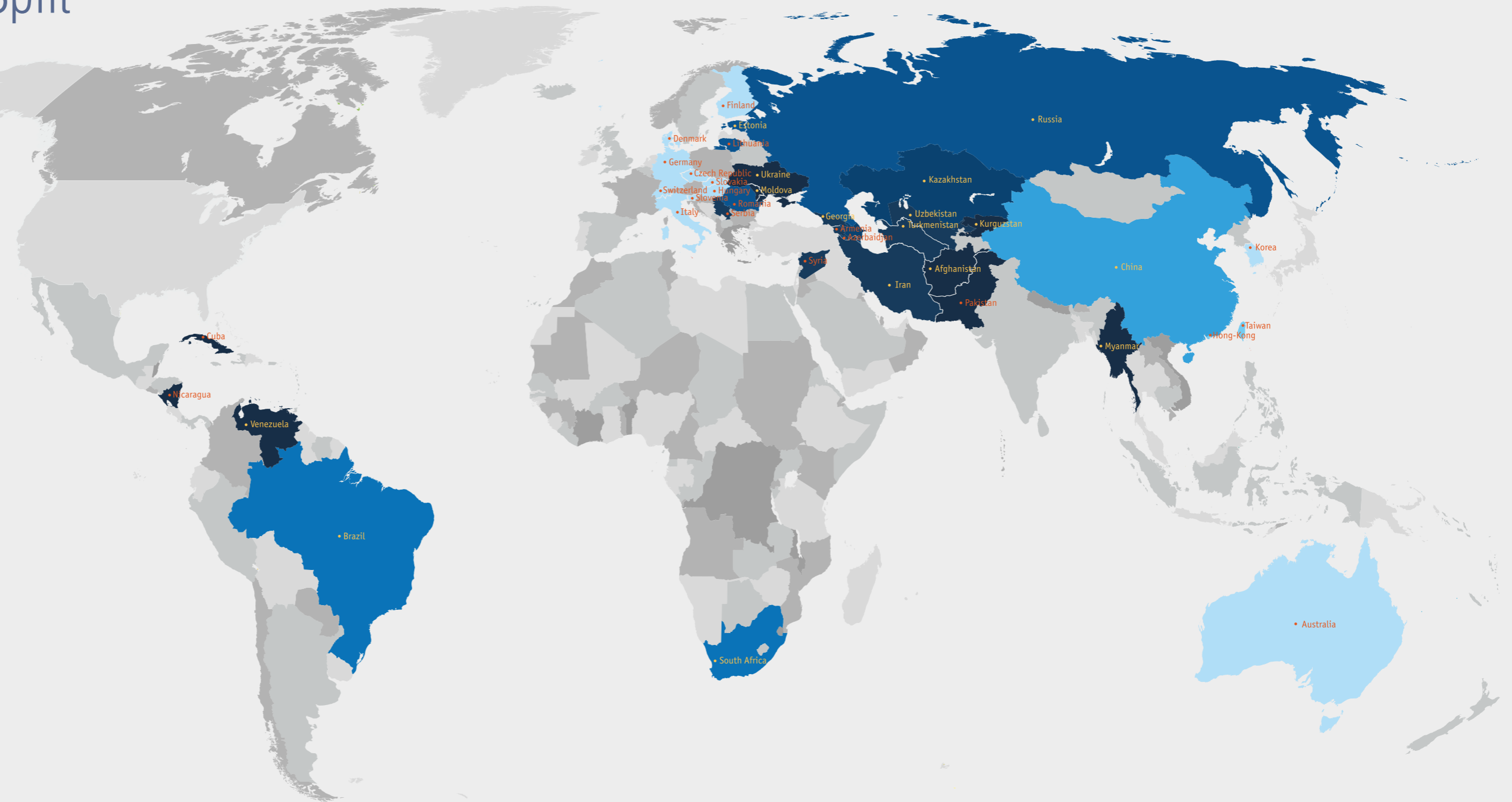
Insurance coverage structure according to OECD Country Risk Classification

Political Risk Level	Cover provided, BYR million	Share, %
0 (Italy, Hungary, Germany, Slovenia, Switzerland etc.)	56 555	6.2
I (Hong-Kong, Chinese Taipei)	2 138	0.2
II (China)	52 468	5.7
III (Brazil, South Africa)	1 556	0.2
IV (Russia, Lithuania, Estonia, Romania)	367 667	40.2
V (Azerbaijan, Kazakhstan)	105 315	11.5
VI (Armenia, Serbia, Turkmenistan, Uzbekistan, etc.)	102 245	11.2
VII (Korea, Venezuela, Kyrgyzstan, Myanmar, Pakistan, Moldova, Afghanistan, Ukraine, etc.)	226 638	24.8

The Structure of Export Credit Insurance Cover

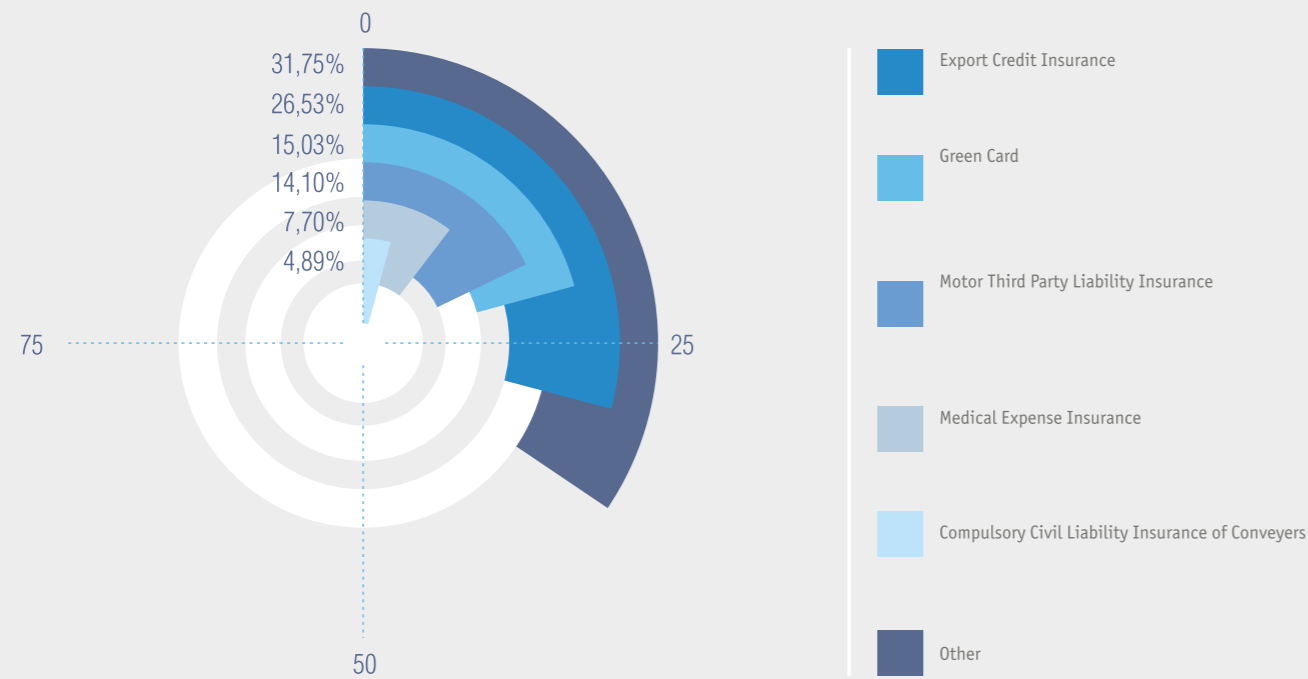
Geographic Split

Countries	Political Risk Level
Armenia	0
Australia	5
Azerbaijan	6
Afghanistan	7
Brazil	3
China	2
Cuba	7
Czech Republic	0
Denmark	0
Estonia	4
Finland	0
Georgia	6
Germany	0
Hong-Kong	1
Hungary	0
Iran	6
Italy	0
Kazakhstan	5
Korea	0
Kyrgyzstan	7
Lithuania	4
Moldova	7
Myanmar	7
Nicaragua	7
Pakistan	7
Romania	4
Russia	4
Serbia	6
Slovakia	0
Slovenia	0
South Africa	3
Switzerland	0
Syria	6
Taiwan	1
Turkmenistan	6
Ukraine	7
Uzbekistan	6
Venezuela	0

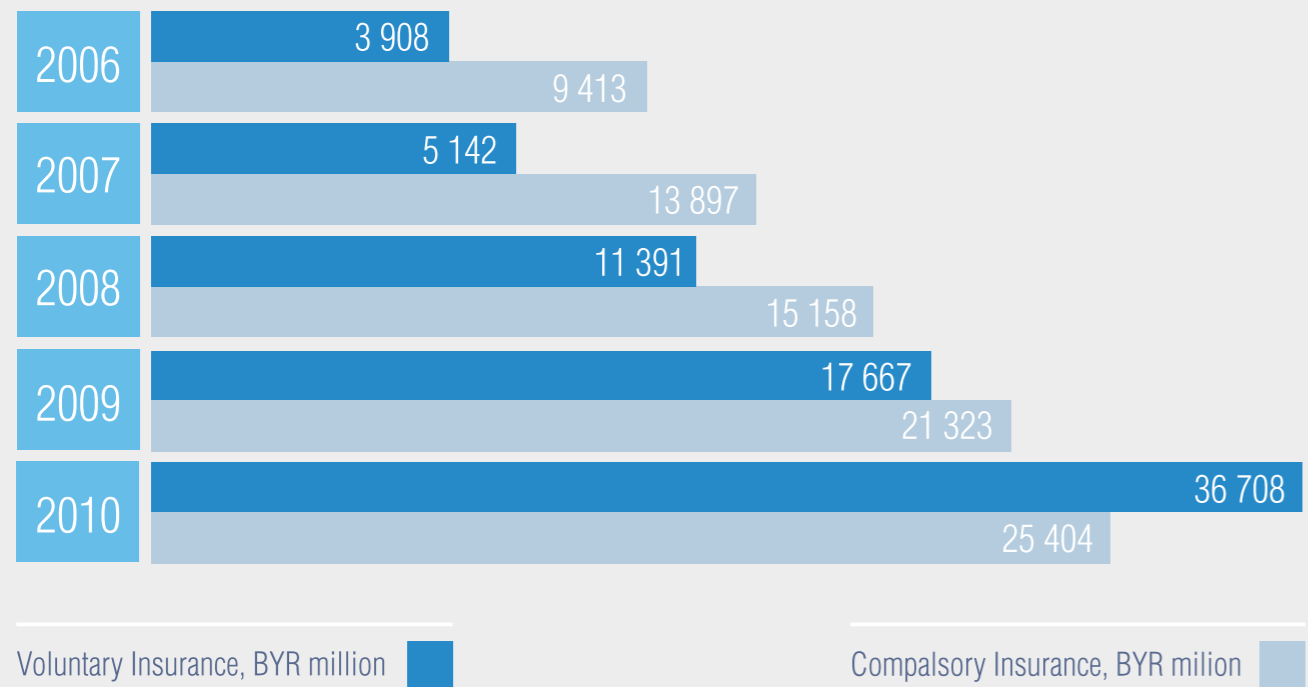


Key Financial Indicators

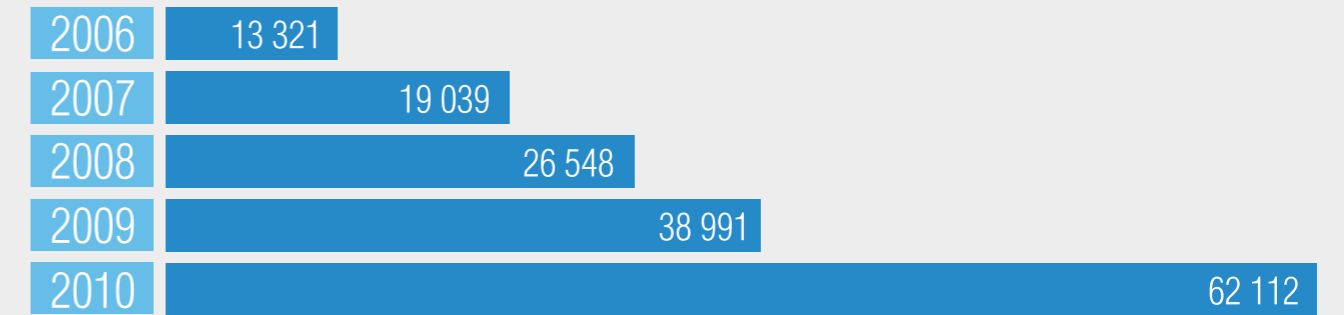
Insurance Portfolio



Voluntary and Compulsory Insurance in the Structure of the Eximgarant's Insurance Portfolio

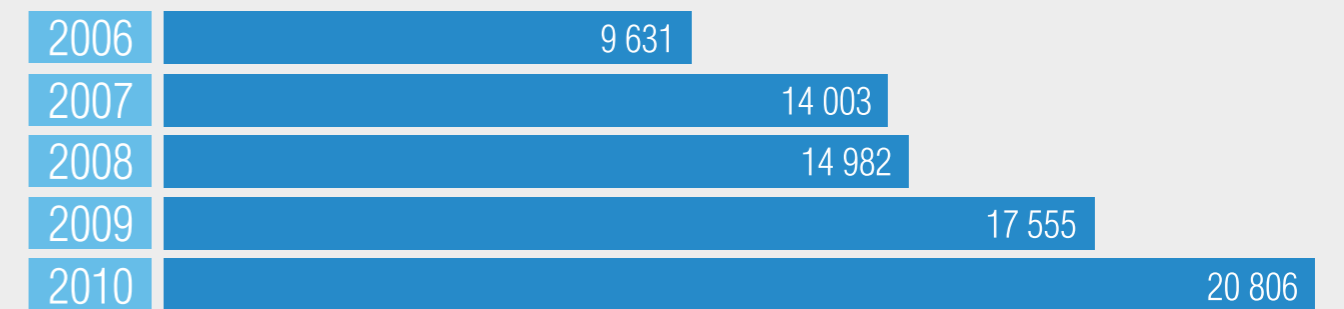


Premium – Total



Premium, BYR million

Cover Provided – Total



Cover Provided, BYR billion

Claims Paid – Total

2006	2 873
2007	6 522
2008	7 847
2009	31 923
2010	26 979

Claims Paid, BYR million

Key performance indicators

	2006	2007	2008	2009	2010
Direct insurance – premium received, BYR million	13 321	19 039	26 548	38 991	62 112
Gross profit, BYR million	2 844	7 008	11 815	24 438	25 018
Profitability, %	23.4	40.0	47.0	40.6	37.5
Payments to budgetary and extra-budgetary funds, BYR million	3 058	4 399	6 990	13 773	13 850
Exposure – Total, BYR million	9 631	14 003	14 982	17 555	20 806
Insurance reserves and funds, BYR million	6 694	9 157	13 653	22 518	30 994
Insurance contracts – Total	270 164	319 396	529 389	482 205	529 268
Equity, BYR million	6 378	82 338	88 031	450 085	463 060
Legal capital, BYR million	4 065	80 000	81 349	435 738	448 114
Average number of employees, including	160	226	252	284	324

Financial Statement, 2010

Balance Sheet

ASSETS	Sum	LIABILITIES	Sum
1	2	3	4
Fixed assets	6568988.4	Authorized capital	448113961
Intangible assets	70810.5	Own shares	-
Income yielding investments into tangible assets	27726.9	Reserve funds	269998.1
Investments in non-current assets	41502.1	Supplementary fund	4851151.6
Including: construction-in-progress		Net income	-
Other fixed assets	-	Retained earnings	10166129.6
Supplies & expenses	1526912.7	Special-purpose financing	362
Including: raw materials and other materials	1257272.4	Deferred revenue	17441242.5
deferred expenses	269640.3	Insurance reserves and funds, total	37571533.2
other supplies & expenses	-	Including: insurance reserves	36074617.4
Re-Insurers share in insurance reserves	6577879.3	preventive measures reserve	1496915.8
Accounts receivable (> 12 months period)	34587	Long-term loans	-
Accounts receivable (<12 months period)	18513400.9	Other long-term loans	-
Settlements with shareholders	231229.5	Short-term loans	-
Including: equity contributions		Accounts payable, total	1250325.3
Cash	133055593	Dividends payable	-
Financial investment	353016073	Expenses and provisions	-
Other current assets	-	Other short-term liabilities	-
TOTAL	519664703.3	TOTAL	519664703.3

Income Statement

Index name	code	accounting period
I. LIFE INSURANCE		
Insurance premium	010	
Claims paid	020	
Change of life insurance reserve (+ or -)	030	
Deductions to guarantee fund	040	
Administrative costs	041	
Life insurance operations income (+ or -)	050	
II. NON LIFE INSURANCE		
Insurance premium including reinsurance, net	064	51619884.6
Change of unearned premium reserve including reinsurance, net (+ or -)	067	-7071460.9
Claims paid including reinsurance, net	082	24520088
Change of loss reserve including reinsurance, net (+ or -)	092	-804500.7
Change of other technical reserves (+ or -)	100	
Change of other insurance reserves (+ or -)	105	
Deductions to preventive measures fund and guarantee funds	110	2587131.4
Deductions to other funds	115	
Administrative costs	120	14424907.6
Commission fees and bonuses for risks reinsured	122	654966.7
Recovery	125	4854782.8
Other income - non-life insurance(+ or -)	130	7721545.5
III. OPERATING REVENUE & EXPENSES		
Operational revenue	140	16082576.6
Taxes included in operational revenue	141	
Operational revenue, net	150	16082576.6
Operating expenses	160	8583.6
Profit/loss from operational revenue & expenses	170	16073993
IV. UNRELATED BUSINESS REVENUE & EXPENSES		
Unrelated business revenue	180	1330133.6
Taxes included in unrelated business revenue	182	
Unrelated business revenue, net	190	1330133.6
Unrelated business expenses	200	107439.1
Profit/loss from unrelated business revenue or expenses	210	1222694.5
Profit, brutto	220	25018233
Profit tax	260	5439336
Other taxes	270	5287416.4
Other expenses	280	5038177.1
Net profit	300	9253303.5

Fitch Ratings-Moscow-07 December 2010: Fitch Ratings has upgraded the Insurer Financial Strength (IFS) Ratings of Eximgarant of Belarus to 'B' from 'B-'. The Outlook on ratings is Stable.

The upgrade and Stable Outlook of the state-owned insurer reflects Fitch's opinion that the ability of the Belarusian authorities to provide support to the entity has strengthened since the height of the global financial crisis. The stronger performance of the Belarusian economy, which reported 6.6 percent GDP growth in 9M10 compared to 0.2 percent in 2009, supports Fitch's view of a more stable near-term outlook for sovereign finances. Fitch also considers the commitment of the local authorities to support Eximgarant of Belarus as strong, taking into account the track record of such support in the past and the relevant guarantees set in the local regulatory framework. Eximgarant's rating will continue to be affected if Fitch considers there are any changes in the financial condition of the Republic of Belarus.

Fitch notes Eximgarant's strong coverage of the regulatory solvency ratio and views the insurers' risk-adjusted capital position as commensurate with the rating level. This is partially offset by the significant concentration of the insurers' investments in state-owned enterprises and banks, which could potentially significantly reduce capital adequacy in the event of financial instability at the sovereign level.

Eximgarant of Belarus was founded in 2001 in the framework of a government programme aimed at promoting national export operations. Eximgarant was the sixth-largest insurer in Belarus by premium volume at end-H110, with BYR22bn in net written premiums and BYR502bn in total assets. Eximgarant of Belarus is a member of the Prague club of the International Union of Credit and Investment Insurers, which includes the largest export credit and investments insurers from developed and developing countries.



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