

EXIMGARANT OF BELARUS

Annual Report 2011

1,1 BYR trillion

cover provided

44 countries

covered

186,2 BYR billion

profit

123,5 %

profitability

591,7 BYR billion

owners' equity

Rating (Fitch Ratings) B-. The Rating Outlook is Stable

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EXIMGARANT OF BELARUS. MARKET POSITION



In 2011 Eximgarant of Belarus has demonstrated high performance indicators. In terms of profit the company became the leader in Belarusian insurance market with profitability ratio of 123.5 per cent. Besides, by plowing back the profit, Eximgarant of Belarus shows progressive approach to financial management. Low level of claims paid under business risk insurance and high recovery results testify to high-class underwriting principles and risk management strategy. The company knows how to assess and manage the risk.

Eximgarant of Belarus holds leading positions among other insurance companies in key performance indicator which is collection of insurance premiums.

Working with the country's largest enterprises Eximgarant established its reputation as a reliable State insurer that supports your business and protects the interest of Belarusian companies in the domestic market and abroad.

Eximgarant of Belarus has developed and implemented national system of export credit

insurance with State support that meets the interests of the Republic of Belarus and facilitates exports.

Today Eximgarant of Belarus is one of the largest participants in the insurance market of the Republic of Belarus. That is also proved by domestic and international ratings obtained by Eximgarant of Belarus

and its position in the Berne Union Prague Club.

2011 was a jubilee year for Eximgarant of Belarus. I wish the company and its staff to keep moving forward, to strengthen its status of the reliable insurer and to implement new experience in the Belarusian insurance practice.

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

First Deputy
Minister of Finance
Vladimir Amarin

GENERAL MANAGER'S STATEMENT

**Dear Clients, Colleagues,
Partners and Friends!**

Presenting the report, first of all, I would like to express my deepest gratitude for the support provided to Eximgarant of Belarus in the period of its formation and development. In particular, for the assistance in establishing the system of export credit insurance with State support.

Thanks to you, experience of our foreign colleagues, mutual understanding and support of State authorities, Eximgarant team managed to ensure the dynamic development of the company and achieve the desired goals.

The past year can be considered as a milestone for our company: it was ten years of company operation on the insurance

market of the Republic of Belarus and the fifth anniversary since the establishment of the national system of export credit insurance with State support.

Although five years is a small historical period, but I would say, it is the most important performance milestone since the foundation of Eximgarant of Belarus. During this short period of time, together with other interested parties we have managed to create the Belarusian national system of export promotion. Today, it accumulates the best practices of the leading export credit insurance agencies meets the principles of the International Union of Credit and Investment Insurers (the Berne Union) and conforms to the rules and norms of the Common Economic Space. For now, export credit insurance is in demand by enterprises-exporters and investors, what is especially important for us.

In this Annual report, you have an opportunity to get acquainted not only with the results of our financial and economic activity, but also find out more about export credit insurance in our country – core business of Eximgarant of Belarus.

The report also contains the results of regulatory framework improvement and company structure optimization. We think that it will allow us to create and adopt new insurance products for Belarusian exporters.

At the new stage of its development Eximgarant of Belarus will continue to accumulate its financial and human resources to increase its capacity. This is not an easy task. But Eximgarant of Belarus, being a national export credit agency, will definitely manage to provide a solution.

In addition, the company is ready to provide insurance protection

to the risks accompanying the realization of investment programs carried out with participation of foreign capital on the territory of the Republic of Belarus.

For the moment, equity capital of Eximgarant of Belarus amounts to 74 USD million, total exposure provided under contracts of export credit insurance for the past five years exceeded 870 USD million. The company has a well-developed branch network with highly-skilled staff. We have all the necessary facilities for qualitative risk management, loss settlement and recovery.

In a word, Eximgarant of Belarus is ready to offer up to date tools that our exporters and investors may use to minimize their risks and successfully conduct their business.

In return we guarantee mutually advantageous partnership.



General Manager
Gennady Mitskevich



Find

NEW

MARKETS

We'll

cover POLITICAL

RISK

<http://www.eximgarant.by>



NATIONAL SYSTEM OF EXPORT PROMOTION

10 years have passed since Eximgarant of Belarus entered the insurance market. As before, our main goal now is the development and improvement of the national system of export promotion.

An important milestone of the decade was the formation of the legal base regulating export credit insurance. As a result of this work the Decree of the President of the Republic of Belarus dated August 25, 2006 No. 534 "On promoting the development

of exports of goods (works, services)" came into effect. With the adoption of the Decree, Eximgarant of Belarus obtained an opportunity to provide export credit insurance with State support which makes the company services unique in the insurance market.

EXIMGARANT OF BELARUS OFFERS A UNIQUE PRODUCT

Today, after 5 years of successful operation of the national system of export promotion Eximgarant of Belarus offers its customers a wide range of the insurance products:

1. Insurance of Short-, Medium- and Long-term Export Contracts against Political and/or Commercial Risks
2. Pre-Export Risk Cover
3. Investment Insurance against Political Risks
4. Leasing Transactions Cover

5. Buyer Credit Insurance
6. Supplier Credit Insurance
7. Insurance of the Non-Repayment Risk under Export Credit Granted to a Resident for Investment Purposes
8. Bonds and Letter of Credit Insurance
9. Export Factoring Insurance

Using export credit mechanisms helps Belarusian companies to avoid losses. At the same time Eximgarant of Belarus will help to evaluate possible risks,

give legal advice throughout all export stages. Doing thorough evaluation of the financial health of a Buyer and its reputation Eximgarant of Belarus helps

to plan export volume. Thus, Eximgarant of Belarus becomes your partner as a reliable financial manager and a professional legal advisor.

Besides, the Belarusian exporter has access to credit resources in US dollar or EURO provided at the CIRR based rate.

The national system of export promotion:

1. Is a progressive instrument of export support guaranteed by the State that have gained world best practices
2. Develops and strengthens export potential of the country
3. Brings positive impact on the balance of foreign trade
4. Position of Eximgarant of Belarus in the framework of the Berne Union Prague Club has a positive influence on the company's reputation as well as the reputation of the country in the world community
5. Guarantees revenue return to the Republic of Belarus
6. Insurance premium is released to production costs thereby attracting additional foreign currency funds to the Republic of Belarus

UPCOMING TRENDS

Insurance of financial risks is one of the major business lines that our company actively develops. This line of insurance business is well developed abroad and we also believe in the prospects of its development in our country. And today this insurance product is in demand among Belarusian enterprises.

Bank's Risk Insurance

By supporting high-risk transactions of a bank Eximgarant of Belarus encourages business development of the country such as production and trade growth, fixed assets renewal, capital movement and so on.

Insurance support provided by Eximgarant of Belarus lets Belarusian enterprises as Belarusian Steel Works, OJSC "Naftan",

RUE "Belorusneft-Orgneftekhim", OJSC "BELKOMMUNMASH", LLC "Eurotorg" get financial resources.

Eximgarant of Belarus closely cooperates with Belarusian banks:

Belarusbank;
Bank BelVEB;
Belinvestbank;
Belagroprombank;
BPS-Sberbank;
Belgazprombank;
Paritetbank and others.

**EXIMGARANT OF
BELARUS ENCOURAGES
BUSINESS DEVELOPMENT
OF THE COUNTRY**

Bond Insurance

Bonds serve as an additional source of funds for the Obligor. This tool is actively used in the construction industry. Today the building organizations in addition to the traditional mechanisms of investment attraction such as own funds, bank loans and co-investment agreements have recourse to housing bonds issuance.

Bonds insurance will give a bond holder a possibility to get

the insurance indemnity, if the Obligor for any reason will not be able to settle its obligations.

Thus, the Obligors are able to issue securities, using insurance policy of Eximgarant of Belarus as collateral. Besides, the bond holder obtains guaranteed investment return in the event of unforeseen circumstances. Moreover, Eximgarant of Belarus performs additional

supervision over the activities of the Obligor.

Through 2011 Eximgarant of Belarus actively supported the Obligors in the expansion of their business. The cover was provided to the largest construction companies such as "Univest-M" Group, JLLC "Aresa-Service", JSC "Grodnozhilstroy", JV "TAMBAZ", JSC "Minskpromstroy".

Export Leasing Transactions Insurance

One of the promising insurance products of Eximgarant of Belarus is export leasing transactions insurance.

The main client of Eximgarant of Belarus in this business direction is the national leasing operator JSC "Promagroleasing" which is the first specialized leasing company created with the participation of the Government to promote Belarusian products to foreign markets.

85 insurance agreements have been concluded since the beginning of cooperation between Eximgarant of Belarus and Promagroleasing. Our company supported Promagroleasing for delivery of goods of such Belarusian enterprises as

RUE "Gomselmash", JSC "Minsk Automobile Plant", JSC "BELAZ", PA "Minsk Tractor Works" on terms of leasing.

The potential is huge and we'll continue to move forward in this direction in order to expand sales geography.

2011 HIGHLIGHTS

January New product:
Insurance of the non-repayment risk under export credit granted to a resident for investment purposes

February Annual meeting dedicated to the results achieved in 2010

March Participation in conference "Insuring Export Credit & Political Risk", London, Great Britain
The 3rd Belarusian-Turkmenian Commission for Economic Cooperation, Ashgabat

April Eximgarant of Belarus visited Armenian-Belarusian Trading House "AR-BE" in Erevan, Armenia as a part of the Belarusian delegation for monitoring and evaluation of the financial standing
Participation in Belarus -Taiwan Business Forum, Minsk

May Eximgarant of Belarus took part in Prague Club Spring Meeting, Thailand
Participation in Belarusian-German Non-governmental Council of Business Cooperation, Berlin, Germany

June Eximgarant of Belarus took part in Joint Belarus-Israel Commission for Trade and Economic Cooperation, Minsk

July Speech about national system of export promotion at the meeting in Belarusian Chamber of Commerce to Ambassadors of the Republic of Belarus abroad

August Eximgarant of Belarus together with Promagroleasing visited Batumi, Georgia to discuss delivery of Belarusian goods on terms of finance lease

September Eximgarant of Belarus visited National Exhibition of the Republic of Belarus in Almaty, Kazakhstan
Eximgarant team took first place at futsal competitions among insurance companies

October Eximgarant of Belarus together with JSC "MAZ" visited Cuba to monitor the implementation of the existing contracts and to strengthen the business cooperation
Eximgarant of Belarus attended seminar "Insurance Fraud. Identification, Investigation. Action-oriented recommendations", Moscow, Russia
Speech at the meeting with Belarusian exporters organized by Ministry of Foreign Affairs on the topic "Foreign Economic Activities Within a Framework of The Customs Union between Belarus, Kazakhstan, and Russia"

November Eximgarant of Belarus took part in 10th Belarus-Slovakia Joint Commission on Trade, Economic, Scientific and Technical Cooperation, Minsk, Belarus
Eximgarant of Belarus took the part in Prague Club Autumn Meeting, Oman
Participation at 6th conference "Bank. Insurance. Leasing", Minsk, Belarus

December Eximgarant of Belarus assisted in the organization of the Berne Union delegates visit to the Republic of Belarus
Eximgarant of Belarus took part in economic forum "Dobrososedstvo 2011" in Biala-Podlaska and Bialystok, Poland
General Manager of Eximgarant of Belarus was included in the Presidium of Belarusian Chamber of Commerce

On December 13, 2011 Eximgarant of Belarus hosted gala evening dedicated to its 10 years' anniversary

Officials, business partners, clients, friends and colleagues of the company came to congratulate us. At the event Eximgarant of Belarus took a look back at the history of its creation

and the main milestones of its activity: development of national system of export promotion, entry to the Berne Union Prague Club, obtainment of a rating by Fitch Ratings, etc. The company presented an

analytical material about activity indicators of the company and the results of the decade, as well as presented in detail a range of insurance products with an explanation of all kinds of advantages and bonuses.



Left to right: Boris Chernyavskiy, Valentyna Motornaya, Lubov Skakun, Sergey Lavrushko



Deputy Minister of Finance Ivan Shunko



Left to right: Natalya Lazorenko, Anton Trushin

Eximgarant of Belarus expressed its gratitude to its clients for the possibility of qualitative and quantitative development of the business, to the officials for assistance in the improvement of the legal framework in terms of optimizing the implementation of the company's core business.



Left to right: Dmitry Olhovik, Lubov Karvetskaya, Eugeny Brovka

OUR CLIENTS 2011

Cover provided



JSC "Minsk Automobile Plant"

45 025,62
USD thousand



31 834, 58
USD thousand



RUE "Minsk Tractor Works"

31 226,39
USD thousand



JV "Conte Spa" LLC

23 022,34
USD thousand



RUE "Belmedpreparaty"

19 683,71
USD thousand



CJSC "Atlant"

16 963,06
USD thousand



JSC "Promagroleasing"

16 586,77
USD thousand

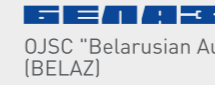


OJSC «Belshina»

8 847,56
USD thousand



8 688,04
USD thousand



6 197,73
USD thousand



4 006,63
USD thousand



OJSC "Volkovskiy meat processing plant"

2 399,27
USD thousand



JSC "Polotsk-Steklovolokno"

2 397,68
USD thousand



OJSC «Lenta»

1 949,44
USD thousand



OJSC "Oshmiyany meat processing plant"

1 820,69
USD thousand



CJSC "Dilis Cosmetic"

1 344,48
USD thousand



OJSC "Savushkin product"

1 151,73
USD thousand



"Mostovskiy kumpiachok" branch of PE "Skidelagroproduct"

1 089,85
USD thousand



JSC "Slutsk Sugar Plant"

927,49
USD thousand



OJSC "Krasnoselsk-stroymaterialy"

764,54
USD thousand



Subsidiary enterprise "Minojtoivsky repair plant"

633,35
USD thousand



Holding "Belorusskie oboi"

441,87
USD thousand



OJSC "VOLATAVTO"

435,37
USD thousand



JSC "Slonim meat processing plant"

389,05
USD thousand



KUP Vitebsk Confectionary Plant "Vitba"

272,14
USD thousand



Volkovskiy OJSC "Bellakt"

227,50
USD thousand



OJSC "Zhabinkavski Sugar Factory"

195,37
USD thousand



OJSC "Kalinkovichi meat processing plant"

188,54
USD thousand



OJSC "Oktyabrskiy plant of dry non-fat milk"

183,28
USD thousand



PLLC "Techmash"

138,54
USD thousand



OJSC «Brest Stocking Mill»

91,91
USD thousand



JV "Midea-Horizont"

79,83
USD thousand



Production Association "Gomselmash"

56,23
USD thousand



JSC "Slutsk meat processing plant"

46,39
USD thousand



OJSC "Gomeldrev"

32,65
USD thousand



"Milavitsa" JV JSC

15,77
USD thousand

NEW OPPORTUNITIES

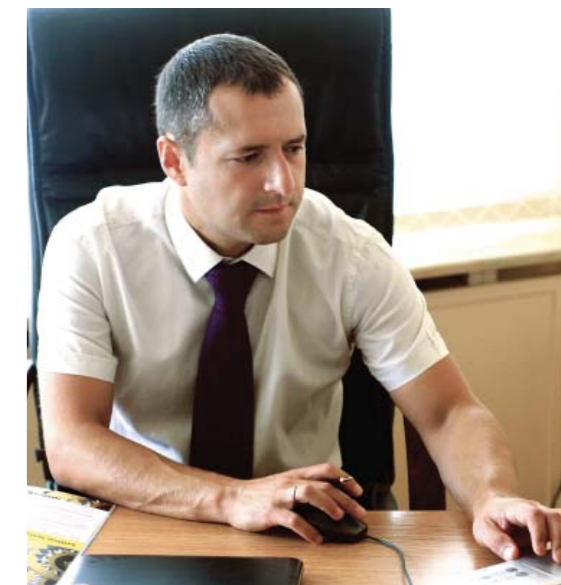
Throughout 2011 Eximgarant of Belarus has been actively working on the improvement of the major business lines and has improved the existing mechanisms of work with a view to ensure high rates of its development in 2012.



Left to right: First Deputy General Manager Michail Olshansky, Deputy General Manager Vitaly Voitik

During 2011 the company has developed two new insurance products oriented to the protection of the interests of Belarusian exporters. The first product is "Insurance of the non-repayment risk under export credit granted to a resident for investment purposes", the second one is "Export factoring insurance". Both of insurance products are aimed at the interaction with banks: the first one will allow to finance investment expansion of the Belarusian capital

abroad without any risk, and the second one will allow to avoid the high costs, reduce risks in the transaction with the use of expensive banking instruments and mechanisms: letter of credit, cooperation with foreign banks and factoring companies (import-factors). We are confident that these trends are promising, and they will be popular among Belarusian banks.



In order to protect the property interests of the Republic of Belarus, Eximgarant of Belarus has opened a new direction of business – investment risk insurance.

DURING 2011 THE COMPANY HAS DEVELOPED TWO NEW INSURANCE PRODUCTS. THE FIRST PRODUCT IS "INSURANCE OF THE NON-REPAYMENT RISK UNDER EXPORT CREDIT GRANTED TO A RESIDENT FOR INVESTMENT PURPOSES", THE SECOND ONE IS "EXPORT FACTORING INSURANCE"



In the framework of this direction we plan to provide insurance coverage on terms of co-insurance and reinsurance of the largest projects of our State in the field of high technologies, innovative

development, construction thereby activating and strengthening cooperation with foreign investors.

In addition to the development of new directions, we were

actively working on the optimization of the existing mechanisms. Throughout the year we have developed solutions to problematic issues and introduced the perspective changes.

**As a result of this work,
new opportunities
will appear already in 2012:**

1. Compensation of the losses from providing export credit will be paid to a bank in the currency of the loan.
2. The procedure of export credit obtaining will be simplified. For compensation of the losses from export credit providing, banks will have to notify State authorities in writing about the conclusion of credit agreement. The decision on compensation in the amount up to \$ 500,000 will be taken by the Ministry of Finance, and above this amount by the Council of Ministers, which will significantly reduce the terms of export credits granting.
3. Eximgarant of Belarus will be more independent in making decisions about the possibility for insurance of one or another project. This will be possible because the decision of the Government of the Republic of Belarus on providing insurance cover should be required only in case, when the responsibility of Eximgarant of Belarus exceeds 10% of its own capital.
4. New mechanism of funding will be available to Belarusian enterprises. Eximgarant of Belarus will have a possibility to place deposit in escrow to finance export projects.
5. Having a policy of export credit insurance issued by Eximgarant, an enterprise will be exempted from the necessity to extend the term of foreign trade operation in the National Bank for the waiting period and the period of the insurance indemnity payment.

**IN ORDER TO PROTECT
THE PROPERTY INTERESTS
OF THE REPUBLIC
OF BELARUS, EXIMGARANT
OF BELARUS HAS OPENED
A NEW DIRECTION
OF BUSINESS – INVESTMENT
RISK INSURANCE**

Recovery as one of the traditional business activities for export credit agencies was also rapidly developing in 2011. Insurance indemnity paid in 2009-2010 has not become a heavy burden of losses to our company.

Analyzing our performance on bad debt recovery, it can be concluded that Eximgarant of Belarus trends reflect classical trends of the Berne Union. Previously made payments with the time have been returned to the insurer as a result of the financial recovery of

the debtor and the hard work of debt collection.

It is particularly noteworthy that we have been able to demonstrate these trends already for 5 years of work, and that means we are moving in the right direction and keeping pace with our colleagues.

Recovery rating (3rd place) in the framework of the Berne Union Prague Club shows high level of professionalism and success of the company in this business direction.

Daily work on pre-trial loss settlement is being conducted by our company: advice on the measures necessary to be made in the waiting period, interaction with international organizations, regulating legal relations in the financial and banking spheres.

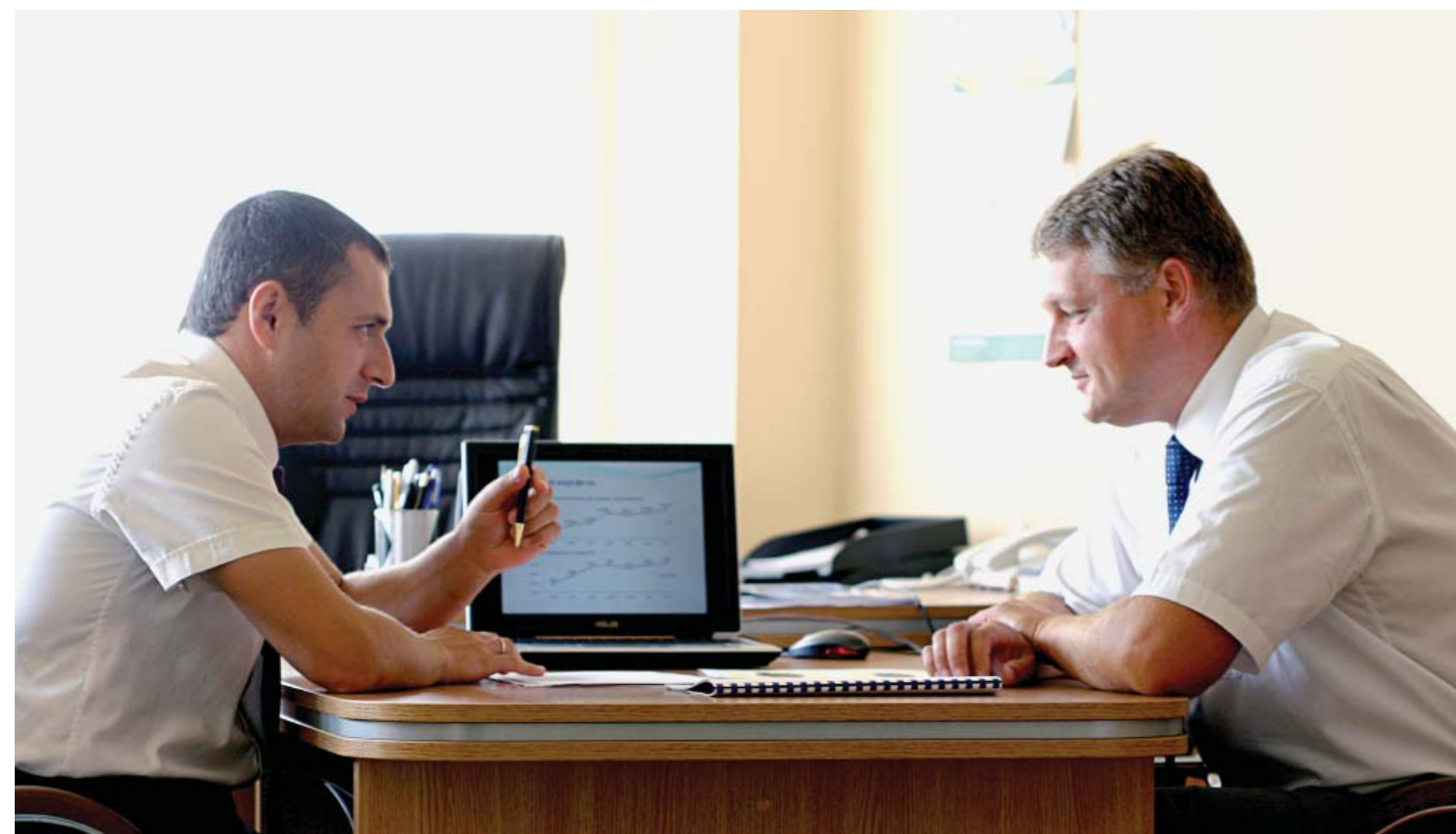
In addition, we have moved to a qualitatively new level of interaction with the judicial system of the country: we have managed to form rich jurisprudence of debt collection from foreign counterparties.

We have developed new directions of cooperation with foreign export

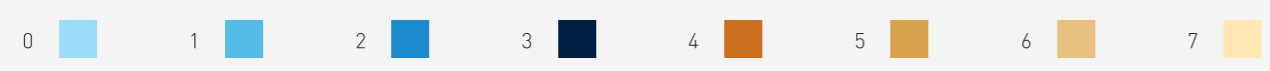
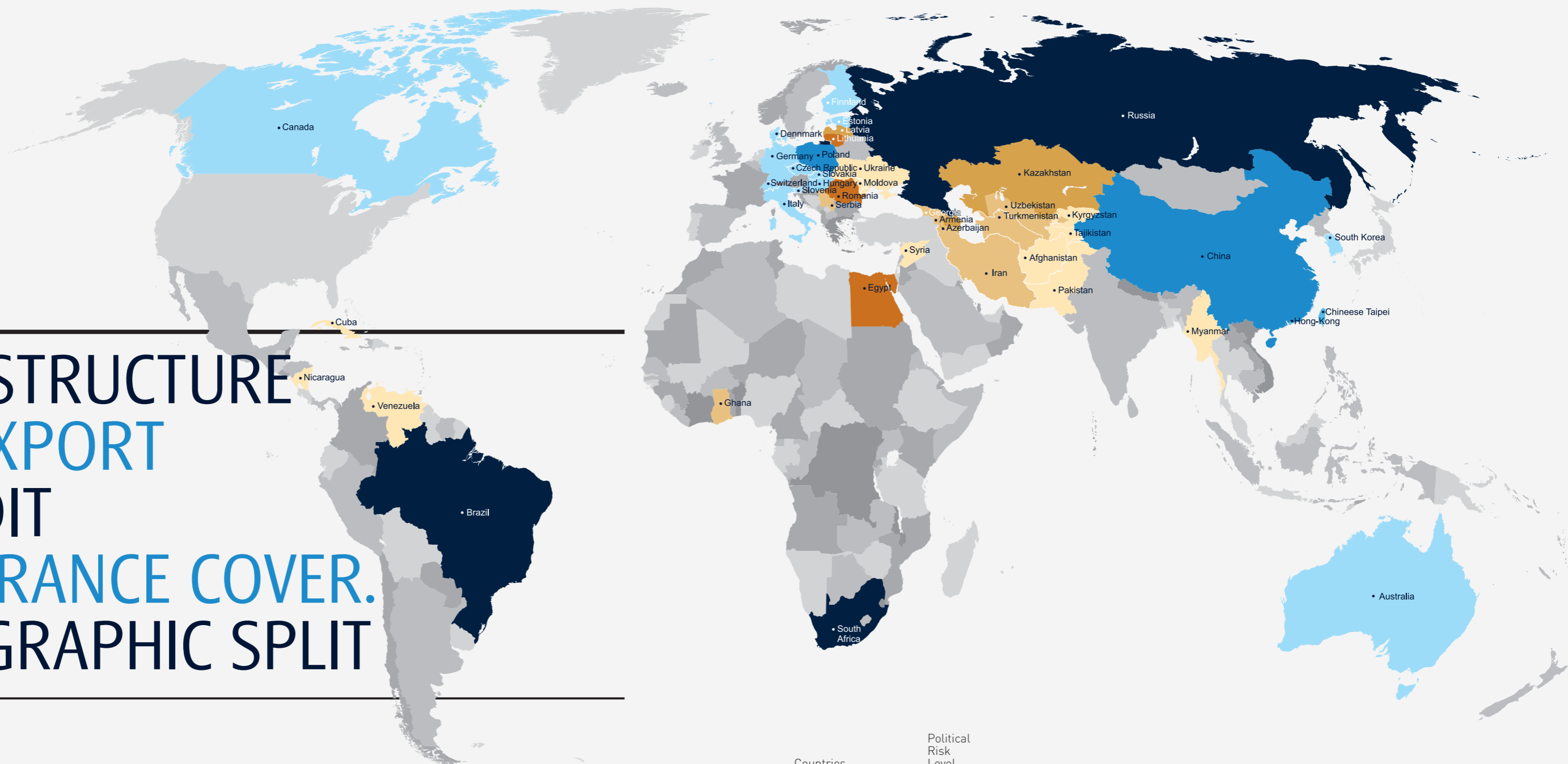
credit agencies as EXIMBANKA SR (Slovakia), SACE (Italy), ASHRA (Israel), EXIAR (Russia).

We have been working on options for a joint insurance of foreign investment projects in Belarus secured not only by government guarantee but also in the form of insurance cover provided

by Eximgarant of Belarus on terms of co-insurance or reinsurance. In the framework of this direction we strive to achieve the effective and mutually beneficial cooperation.



THE STRUCTURE OF EXPORT CREDIT INSURANCE COVER. GEOGRAPHIC SPLIT



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

PRACTICES

Keep your

SALES TERMS

UP TO DATE

We'll share
best

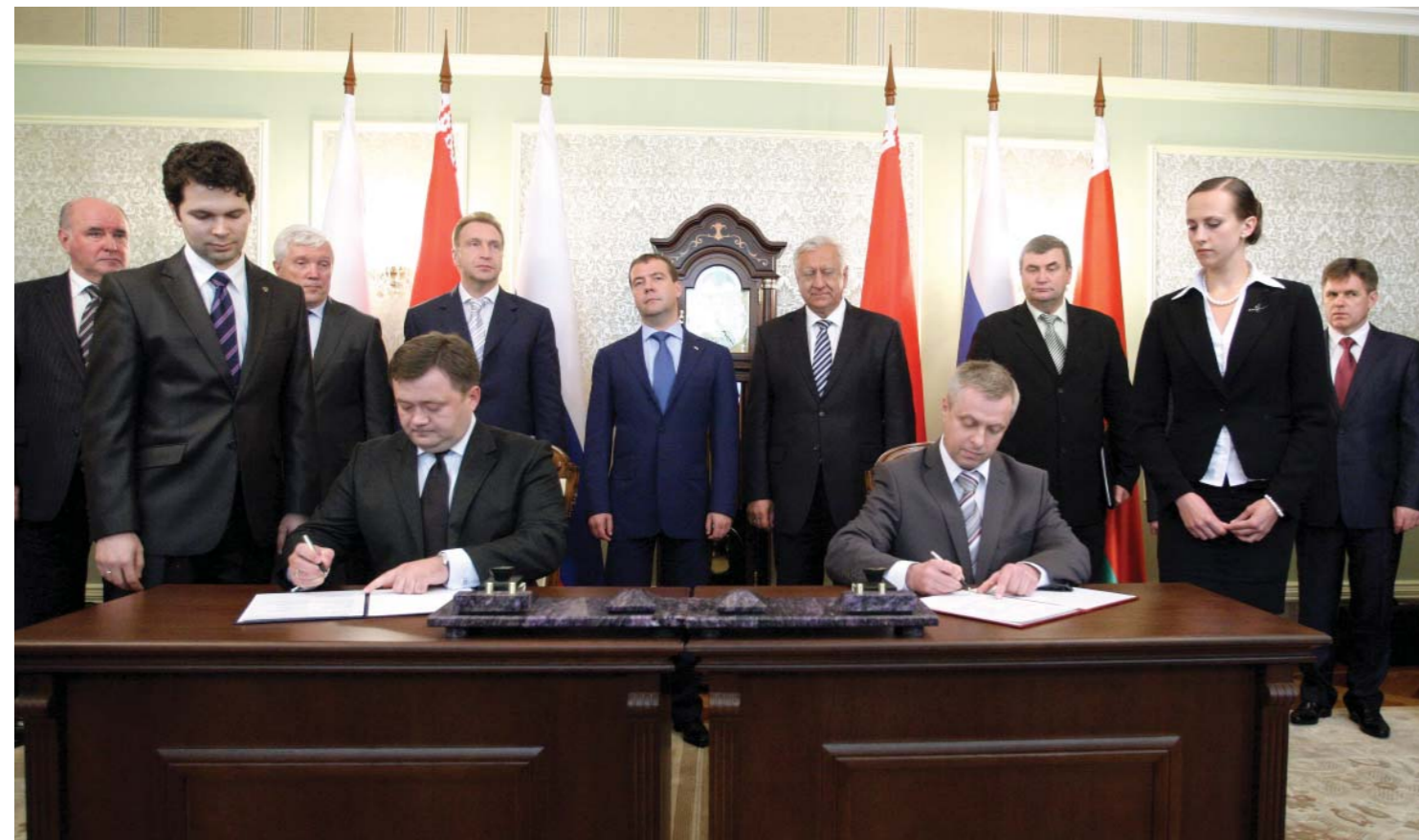
INTERNATIONAL PRACTICES

<http://www.eximgarant.by>



IMPLEMENTING INNOVATIONS

Since joining the Berne Union Prague Club, Eximgarant of Belarus have been actively involved in the work of the Club. Cooperation between the Prague Club Members allows sharing different approaches toward doing business, helps to provide reinsurance protection, improve and develop new products and underwriting policy.



Signing of Cooperation Agreement between Eximgarant of Belarus and EXIAR

Companies share information about existing legal standards in their country of residence.

That allows to evaluate counterparty's financial standing when analyzing risks, ways to debt recovery and other factors affecting the level of risk when underwriting export contracts.

Furthermore Prague Club members comment and share their approach towards doing business in different parts of the globe, country risk, underwriting aspects.

One form of cooperation between Prague Club members is the conclusion of bilateral agreements. As of today, Eximgarant of Belarus has signed agreements with 18 export credit agencies:



Signing of Cooperation Agreement between Eximgarant of Belarus and SACE

1. KazExportGarant (Kazakhstan)
2. KUKE (Poland)
3. MEHIB (Hungary)
4. EXIAR (Russia)
5. SACE (Italy)
6. EGAP (Czech Republic)
7. ASHR'A (Israel)
8. EXIMBANKA SR (Slovakia)
9. HBOR (Croatia)
10. AOFI (Serbia)
11. EXIM R (Romania)
12. SID Bank (Slovenia)
13. KREDEX (Estonia)
14. TEBC (Chinese Taipei)
15. ECGA O (Oman)
16. EGFI (Iran)
17. ECGC (India)
18. BAEZ (Bulgaria)

We actively develop bilateral relations with export credit agencies in the framework of signed agreements. As part of our visit to the Republic of Kazakhstan, Eximgarant visited its colleagues from KazExportGarant. As a result of this visit Eximgarant worked on

the adaptation of the mechanism developed by KazExportGarant – trade finance program. And in 2012, this mechanism will be available to Belarusian exporters.

During the meeting it also became clear that the two companies are involved in

the development of new product – export factoring operations insurance. Eximgarant of Belarus and KazExportGarant therefore agreed to accumulate experience and professional capacity of the two companies and develop the abovementioned product together.

As previously stated we develop new directions of cooperation with foreign export credit agencies as EXIMBANKA SR (Slovakia), SACE (Italy), ASHR'A (Israel), EXIAR (Russia). We work on options for a joint insurance of foreign investment projects in Belarus secured not only by the government guarantee but also in the form of insurance cover provided by Eximgarant of Belarus on terms of co-insurance or reinsurance.

In December 2011 representatives of the leading export credit agencies of the world such as EGAP (Czech Republic), Euler Hermes (Germany), KUKE (Poland), ASHR'A (Israel), FINNVERA (Finland), together with Deputy Secretary-General of the Berne Union Mr. Fabrice Morel visited the Republic of Belarus. The main aim of this visit was to evaluate country risk as well as develop payment mechanism and guarantees. Eximgarant of Belarus provided organizational support to the Berne Union delegates and held presentation on system of export promotion in the Republic of Belarus.



Business meeting with KazExportGarant, Almaty, Kazakhstan



Seminar ECAs in CIS- impetus to economic development, Moscow

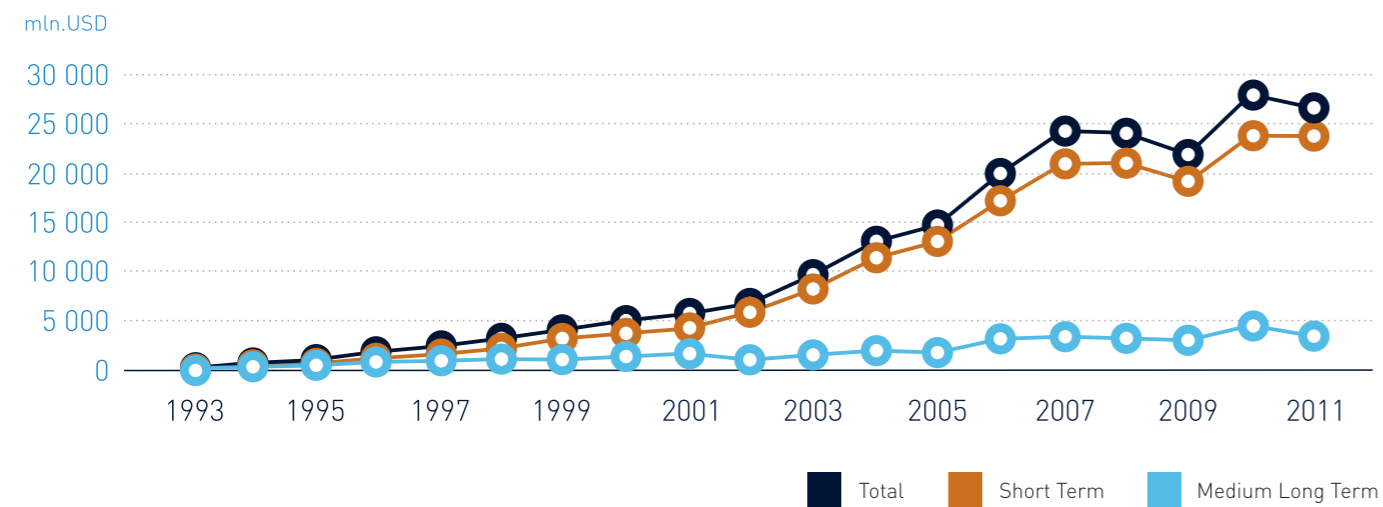


Deputy Secretary-General, Fabrice Morel
International Union of Credit & Investment Insurers (Berne Union)

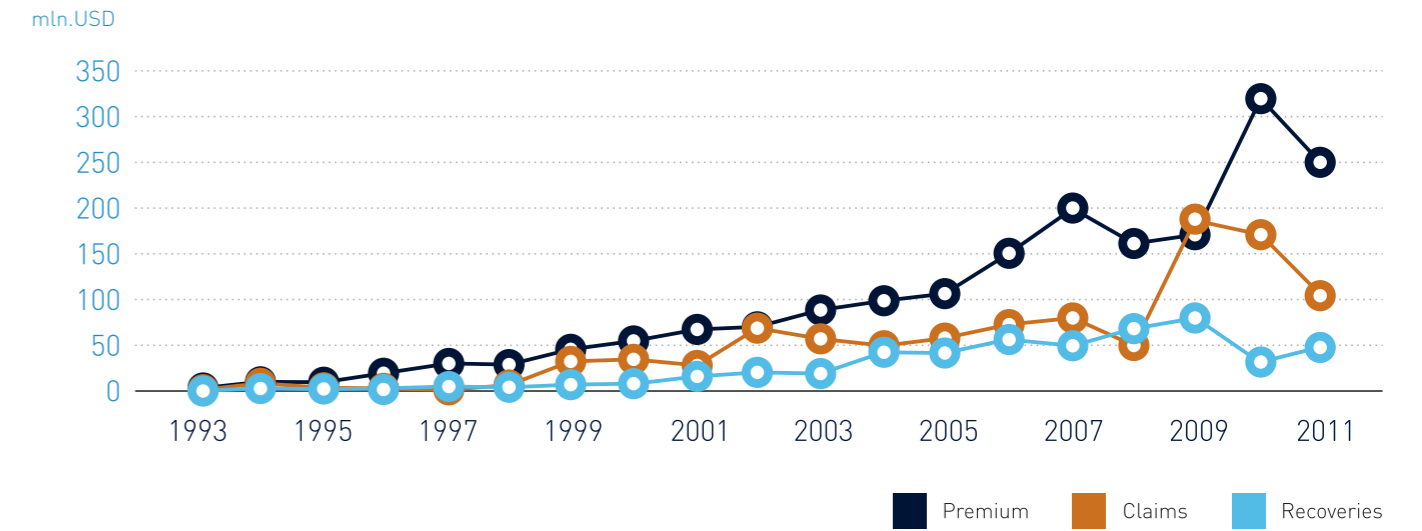
INTERNATIONAL TRENDS

based on the Berne Union Prague Club data

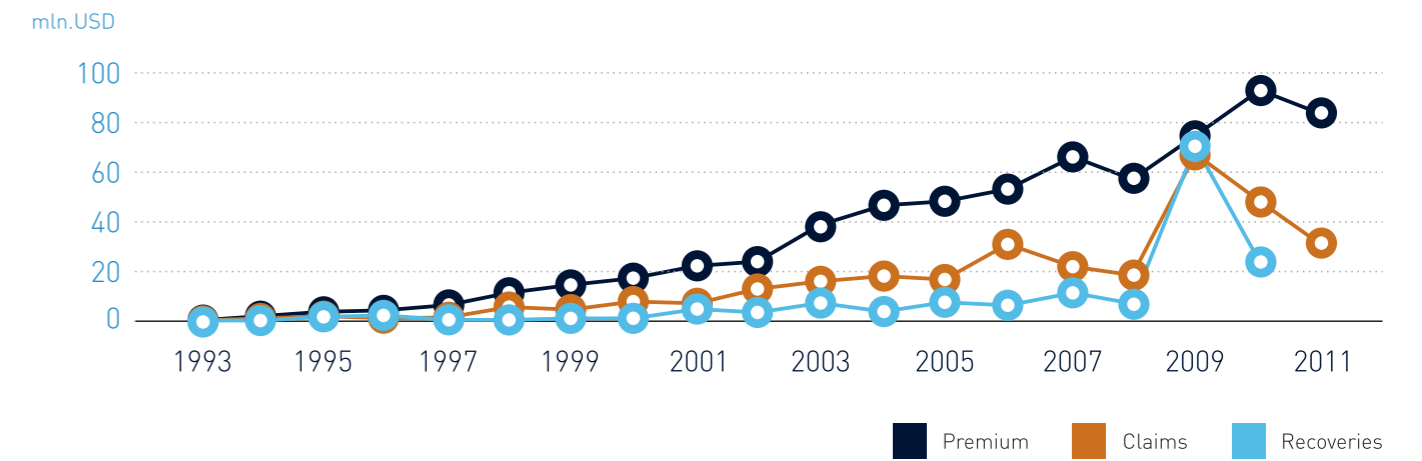
New Business



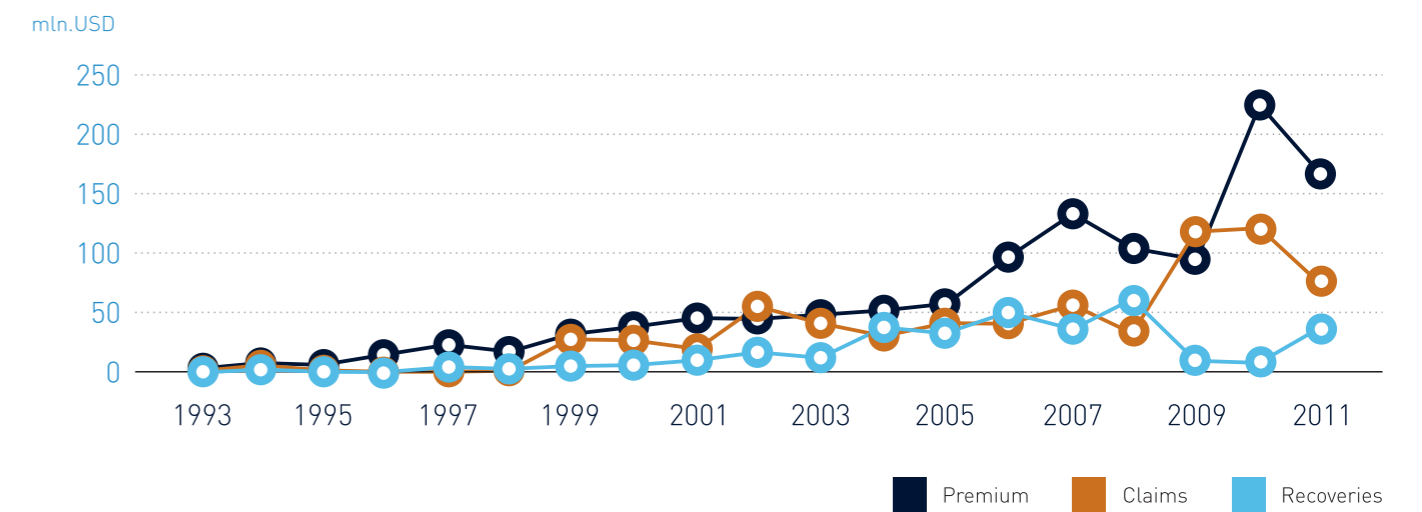
Total Premium/Claims/Recoveries



ST Premium/Claims/Recoveries



MLT Premium/Claims/Recoveries



Eximgarant of Belarus Rating in the Prague Club

New Business, USD million

1	SID	4 825,63
2	THAI EXIM	4 489,73
3	KUKE	4 317,62
4	ICIEC	2 425,70
5	EGAP	1 956,68
6	DHAMAN	1 138,64
7	LCI	1 016,14
8	EXIMBANKA SR	979,67
9	ECIO	811,65
10	SEP	716,60
11	EGFI	684,80
12	AOFI	564,12
13	MEHIB	503,58
14	HBOR	475,51
15	BAEZ	314,66
16	ECGA O	220,20
17	EXIMGARANT	207,40
18	NZECO	159,29
19	KREDEX	147,00
20	ECIC SA	142,37
21	ECGE	141,79
22	KEG	140,90
23	UZBEKINVEST	102,72
24	ATI	101,22
25	NAIFE	90,00
26	MBDP	33,78
27	IGA	5,21
28	LGA	2,50
29	BECI	0,00
30	ECIE	Not reported
31	EXIM R	Not reported
32	JLGC	Not reported
33	PHILEXIM	Not reported
34	TASDEER	Not reported
	Total	26 715,12

Premium, USD million

1	EGAP	102,26
2	KUKE	29,98
3	SID	22,41
4	ECIC SA	18,58
5	ICIEC	12,59
6	NZECO	9,83
7	EGFI	9,36
8	THAI EXIM	5,93
9	EXIMBANKA SR	5,19
10	LC	5,08
11	MEHIB	3,92
12	DHAMAN	3,08
13	ECIO	3,06
14	EXIMGARANT	2,80
15	HBOR	2,74
16	BAEZ	1,97
17	AOFI	1,93
18	ATI	1,93
19	ECGA O	1,10
20	SEP	0,97
21	ECGE	0,66
22	KREDEX	0,66
23	KEG	0,46
24	LGA	0,36
25	UZBEKINVEST	0,36
26	IGA	0,28
27	MBDP	0,28
28	NAIFE	0,05
29	BECI	0,04
30	ECIE	Not reported
31	EXIM R	Not reported
32	JLGC	Not reported
33	PHILEXIM	Not reported
34	TASDEER	Not reported
	Total	247,87

Claims, USD million

1	EGAP	43,60
2	EGFI	14,50
3	MEHIB	13,94
4	SID	10,65
5	EXIMBANKA SR	7,15
6	KUKE	5,84
7	ECIC SA	2,74
8	HBOR	1,42
9	LCI	0,97
10	ECIO	0,89
11	BAEZ	0,67
12	EXIMGARANT	0,53
13	AOFI	0,39
14	IGA	0,27
15	DHAMAN	0,14
16	NZECO	0,14
17	ICIEC	0,11
18	LGA	0,09
19	THAI EXIM	0,09
20	NAIFE	0,08
21	SEP	0,07
22	KREDEX	0,04
23	ECGE	0,03
24	ATI	0,00
25	BECI	0,00
26	ECGA O	0,00
27	KEG	0,00
28	MBDP	0,00
29	UZBEKINVEST	0,00
30	ECIE	Not reported
31	EXIM R	Not reported
32	JLGC	Not reported
33	PHILEXIM	Not reported
34	TASDEER	Not reported
	Total	104,35

Recoveries, USD million

1	EGAP	23,98
2	ECIC SA	11,85
3	EXIMGARANT	5,32
4	KUKE	1,73
5	MEHIB	1,62
6	EXIMBANKA SR	1,35
7	SID	1,17
8	THAI EXIM	0,30
9	LCI	0,25
10	ICIEC	0,15
11	DHAMAN	0,06
12	ECIO	0,06
13	BAEZ	0,05
14	HBOR	0,03
15	NZECO	0,03
16	AOFI	0,02
17	ATI	0,00
18	BECI	0,00
19	ECGA O	0,00
20	ECGE	0,00
21	EGFI	0,00
22	IGA	0,00
23	KEG	0,00
24	KREDEX	0,00
25	LGA	0,00
26	MBDP	0,00
27	NAIFE	0,00
28	SEP	0,00
29	UZBEKINVEST	0,00
30	ECIE	Not reported
31	EXIM R	Not reported
32	JLGC	Not reported
33	PHILEXIM	Not reported
34	TASDEER	Not reported
	Total	47,97

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WHAT WE DO AND WHY WE DO IT?

The process of export credit insurance includes a range of activities such as risk assessment of the project, conclusion and support of an insurance contract, loss settlement and recovery.



Lefty to right: Veronika Sidorova, Alexander Timoshishin



Dmitry Yakubitsky

At the first stage the package of documents on export transaction is formed, and risk is assessed. Risk assessment includes the evaluation and monitoring of the political and economic situation in the counterparty's host country, market research, as well as in-depths study of the counterparty's business reputation, its financial standing and solvency analysis.

Besides, in that stage Eximgarant of Belarus provides due diligence of the project.

It should be noted that Eximgarant of Belarus is focused not only on providing high-

quality insurance protection to the participants of foreign economic transactions but the company also gives its expert advice on the essential terms and legal aspects of foreign trade contracts at the stage of their conclusion. This allows to develop the most reliable schemes and mechanisms of export project implementation and minimizes the risk. Therefore, the best option for the exporter is prior approval of export contract conditions with Eximgarant of Belarus.

The decision on the possibility of export contract cover is made after a comprehensive analysis and risk assessment.



Deputy General Manager
Oleg Aniskevich

In case of high-risk projects consideration as well as projects that are of high importance to Eximgarant of Belarus, the decision on the possibility for insurance is taken by the Insurance Committee of Eximgarant of Belarus.

The stage of contract support includes thorough work of Eximgarant of Belarus in providing a high level of customer service:

1. Monitoring of counterparty performance and obligations under the export contract
2. Risk control
3. Informing about discounts provided by Eximgarant of Belarus
4. Notification on insurance premium dates payment
5. Notification on the necessity of contract renewal or termination
6. Approval of amendments to the export contract and/or other documents of the transaction insured

Loss settlement and recovery are the essential part of our work.

When possible loss notification is received by Eximgarant of Belarus, we give to the Insured recommendations on risk mitigation and also take possible steps to prevent loss occurrence as well as

investigate the reasons of the loss.

In case of loss occurrence, Eximgarant of Belarus collects all necessary documents and carries out a comprehensive risk-analysis of the documents received. Only after that insurance compensation

is paid. Insurance compensation paid by Eximgarant of Belarus allows Belarusian exporters not to divert funds from turnover and not to violate the production process thereby ensuring the reproduction of the assets. Besides, it makes possible for the Insured to complete a deal, without paying penalties.

Cooperation with Eximgarant of Belarus exempts the exporter from the lengthy process of debt collection abroad. We take upon ourselves all the legal proceedings. It's also worth mentioning that while working in this direction Eximgarant of Belarus has significantly succeeded in recovery.

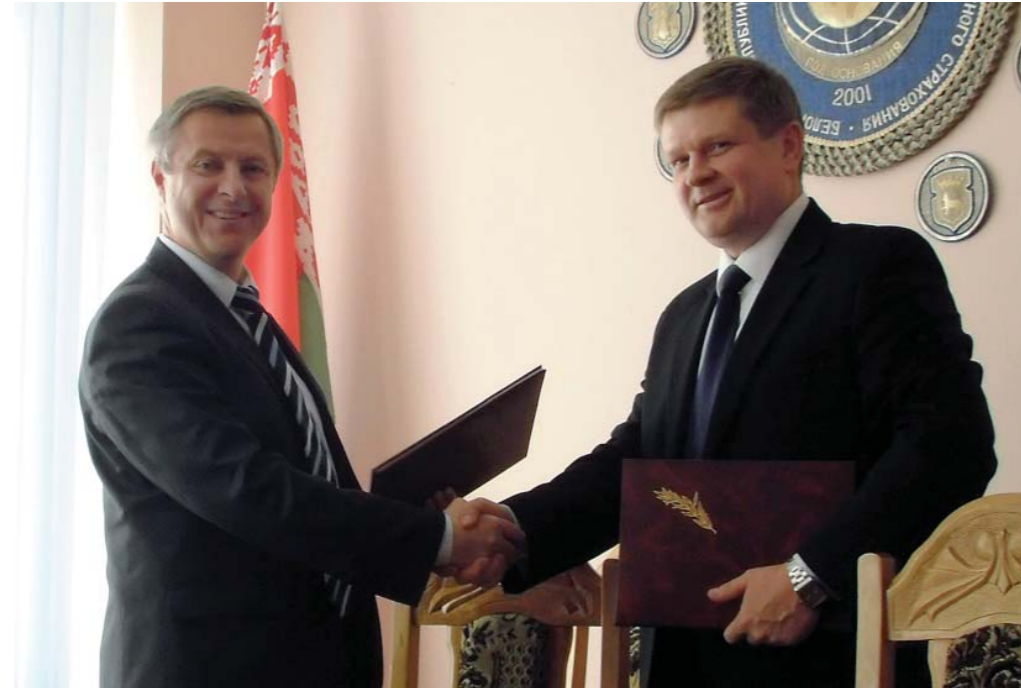
Promotion of export credit insurance won't be so effective without regional branch network which covers Minsk and all regional centers of the Republic of Belarus.

More than 1 250 agreements on export credit insurance with State support were concluded by Eximgarant branches in 2011 with total liability 334.6 BYR Billion, premium earned – 5.9 BYR Billion.

Seminars, training courses and roundtables are organized by Central office on a quarterly basis. In the framework of such meetings interim results of the work are summed up, the specific insurance projects and cases are discussed. Participants share their experience.



Deputy General Manager
Oleg Pavlovskiy



Signing of bargaining contract



Left to right: Eduard Medkov,
Olga Babarikina

In our work we:

- maximally take into account Your interests
- assess Your needs
- quickly and qualitatively satisfy Your requests
- control quality level of our services
- constantly upgrade our skills to provide professional and quality service
- consider current trends and upstream international experience



Left to right: Andrey Rybak, Boris Chernyavskiy, Oleg Pavlovskiy, Lubov Skakun,
Valentyna Motornaya, Sergey Lavrushko, Eduard Medkov

COMPANY'S HUMAN CAPITAL

The key to success in the company's activity and dynamic development is the professional and close-knit team.



Left to right: Polina Maslova, Dmitry Shishkovets

Today the staff of Eximgarant of Belarus is formed by highly qualified specialists who provide quality customer service in Minsk city and other regions of Belarus. Therefore, Eximgarant of Belarus is eager to create favorable conditions for career and professional development of its employees and to take care of their social security.

One of the main trends in staff management of the company is to increase the skill level of its team. In 2011 forty employees of the company took a course of advanced professional training in State Educational Centre of the Ministry of Finance of the Republic of Belarus. Besides, the workers of Eximgarant took part in seminars held by the Belarusian Association of Insurers, as well as in number of foreign conferences and forums.



Left to right: Oleg Rutkovski, Polina Maslova

The social policy of the Eximgarant of Belarus is focused on the creating of good working conditions which encourage the performance of employees, contribute to their health promotion and social welfare.



Natalya Fandeeva



Left to right: Oleg Aniskevich, Maria Belousova

In 2011 the primary trade union organization "Eximgarant of Belarus" was founded and the collective agreement was signed which are granting to the employees the new social guarantees and the opportunities for self-fulfillment.

In order to implement the social protection measures,

Eximgarant of Belarus has signed the contract on voluntary supplementary pension insurance with the employees over 45 years old. Besides, all the employees of Eximgarant of Belarus are provided with voluntary health insurance.

In order to promote the healthy lifestyle and to involve

the employees in fitness and health recreation events, we participate in various local sport competitions and other sports activities. Eximgarant's sports team has won a number of prizes and top places which is the evidence of a sound team spirit.

SAVE your

COSTS

We'll
help to obtain

CREDIT

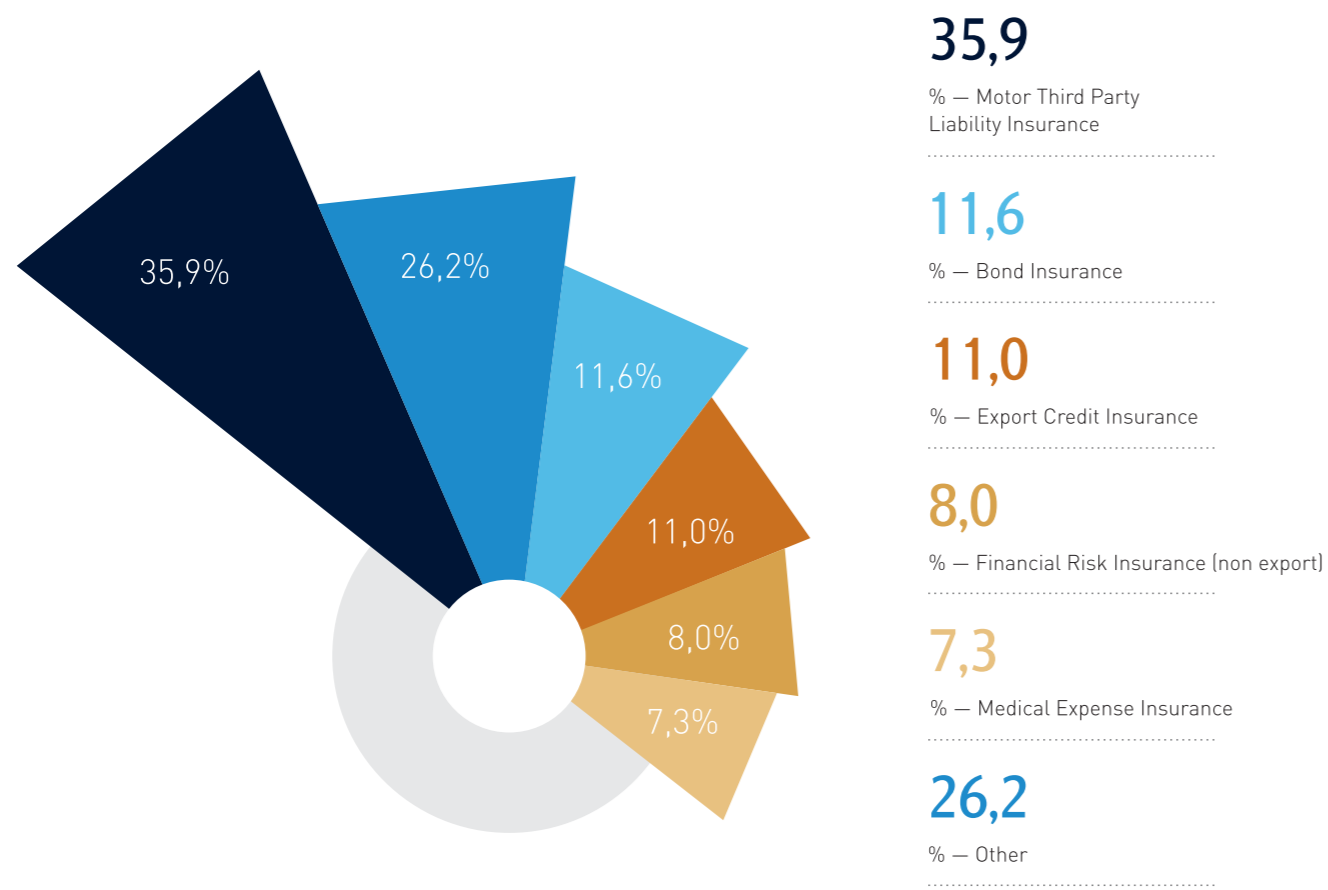
on FAVOURABLE TERMS

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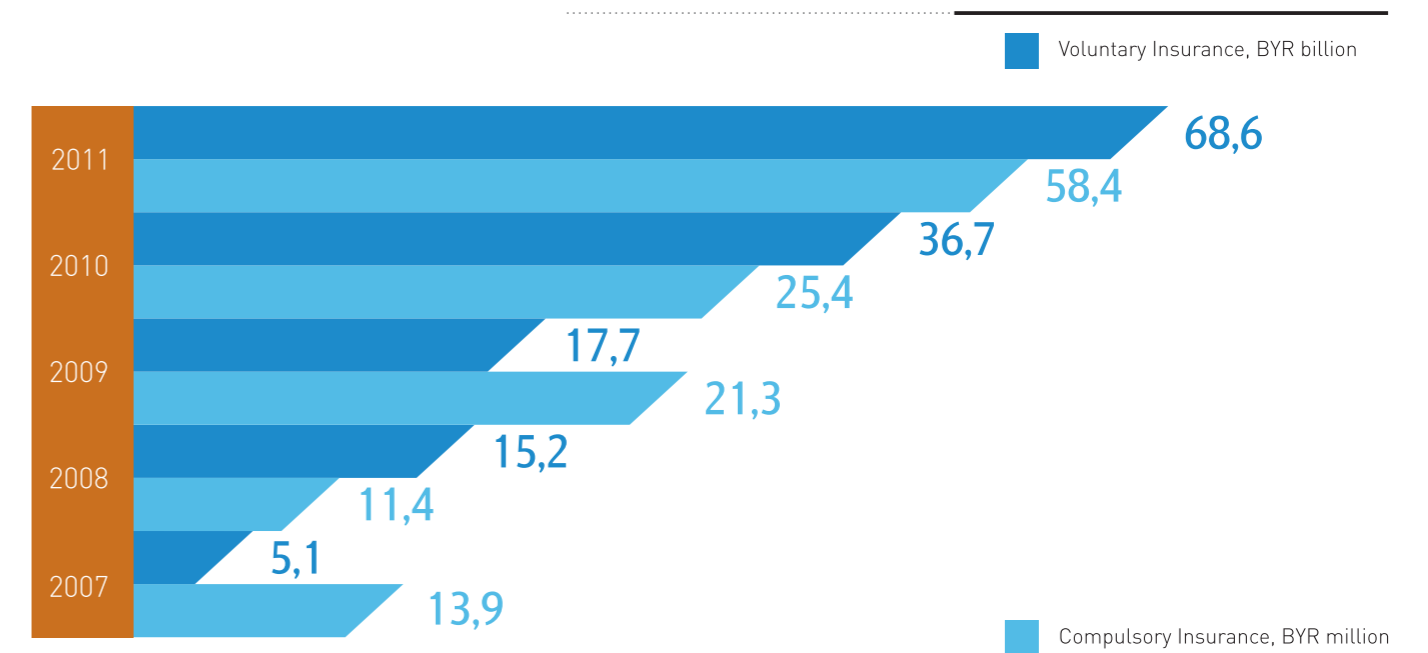


GENERAL FINANCIAL RESULTS

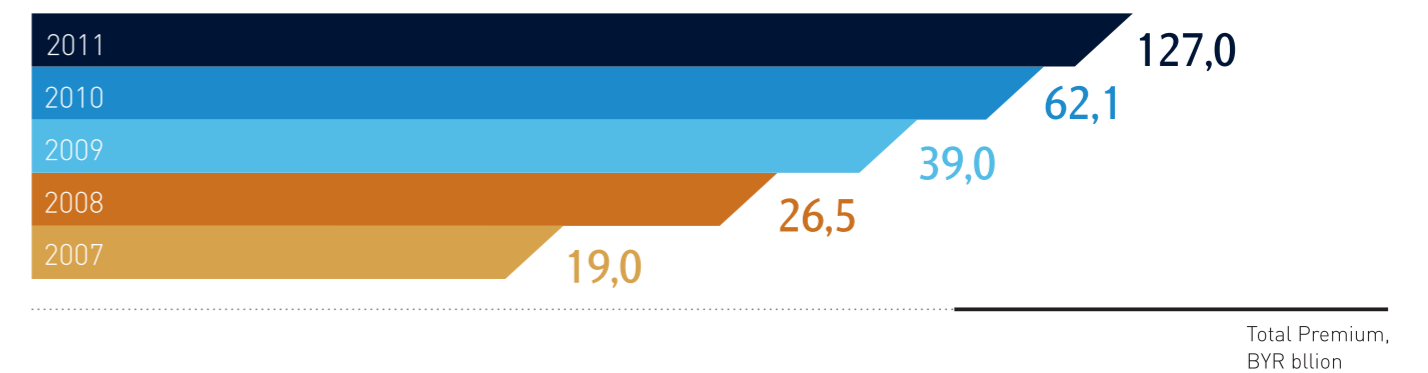
Insurance Portfolio



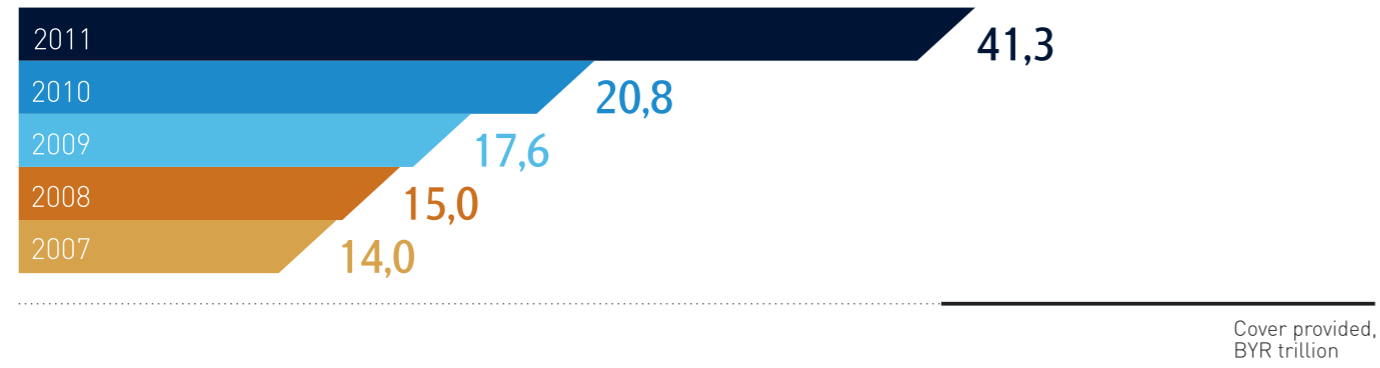
Voluntary and Compulsory Insurance in the Structure of the Eximgarant's Insurance Portfolio



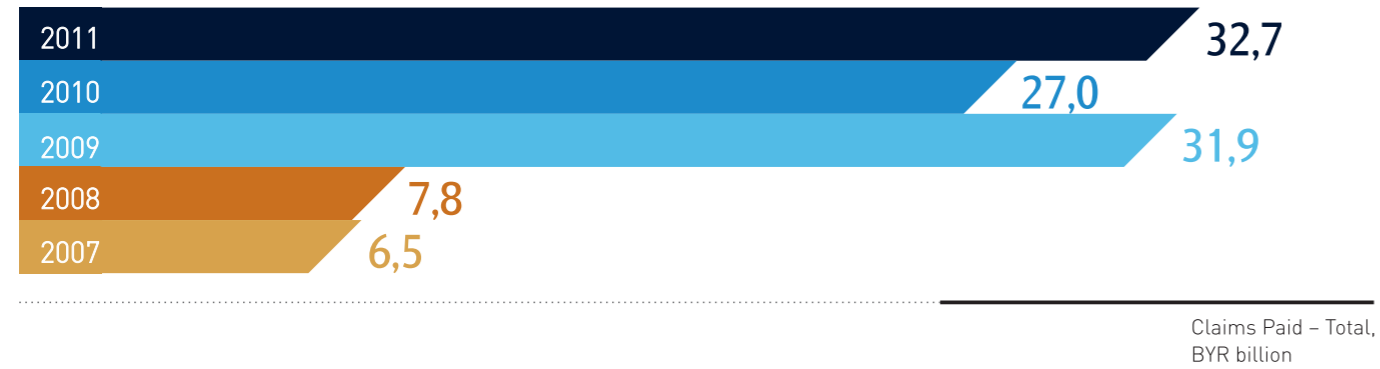
Total Premium



Cover Provided - Total



Claims Paid - Total

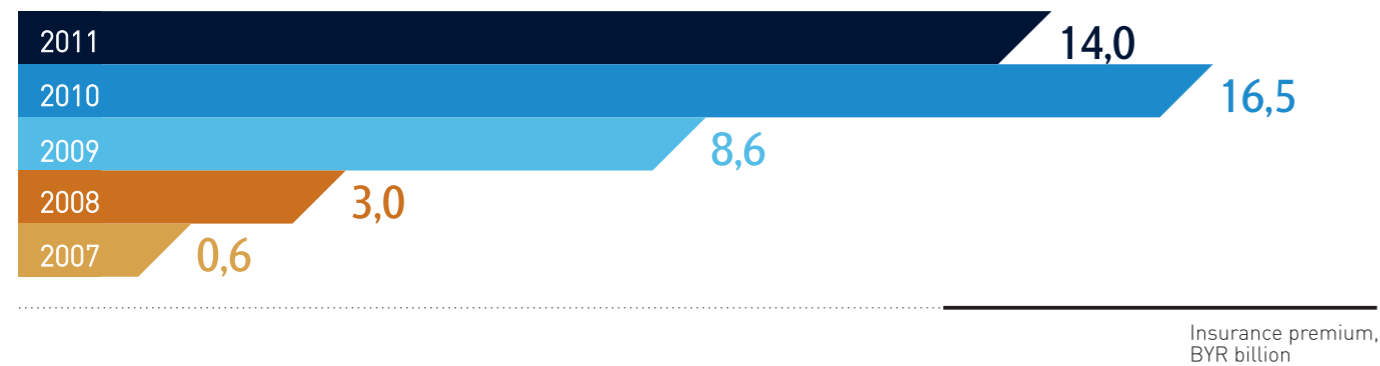


Key performance indicators

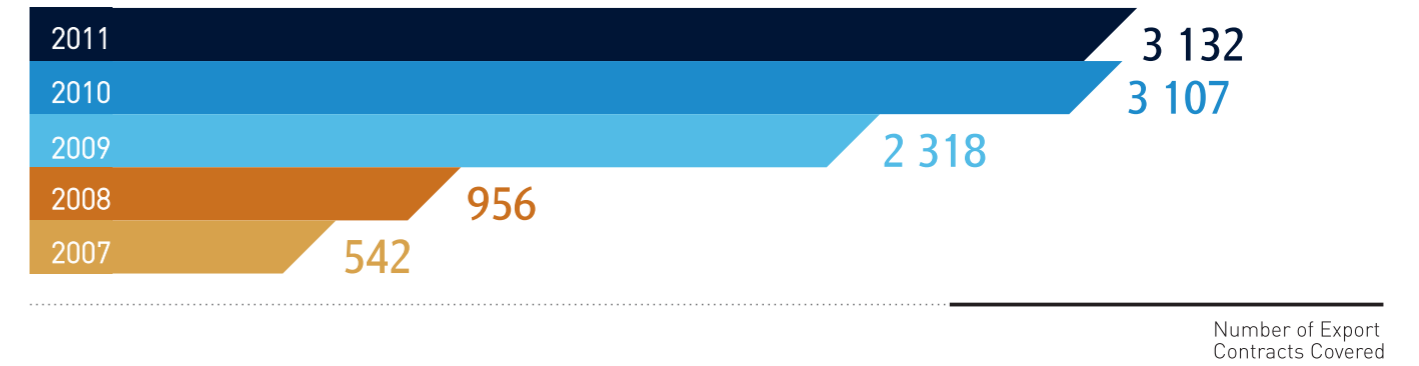
	2007	2008	2009	2010	2011
Direct insurance –premium received, BYR billion	19,0	26,5	39,0	62,1	127,0
Gross profit, BYR billion	7,0	11,8	24,4	25,0	186,2
Profitability, %	40,0	47,0	40,6	37,5	123,5
Payments to budgetary and extra-budgetary funds, BYR billion	4,4	7,0	13,8	13,9	39,2
Exposure - Total, BYR billion	14,0	15,0	17,6	20,8	41,3
Insurance reserves and funds, BYR billion	9,2	13,7	22,5	31,0	86,8
Insurance contracts - Total	319 396	529 389	482 205	529 268	605 535
Equity, BYR billion	82,3	88,0	450,1	463,1	591,7
Legal capital, BYR billion	80,0	81,3	435,7	448,1	454,7
Average number of employees	226	252	284	324	374

EXPORT CREDIT INSURANCE WITH STATE SUPPORT

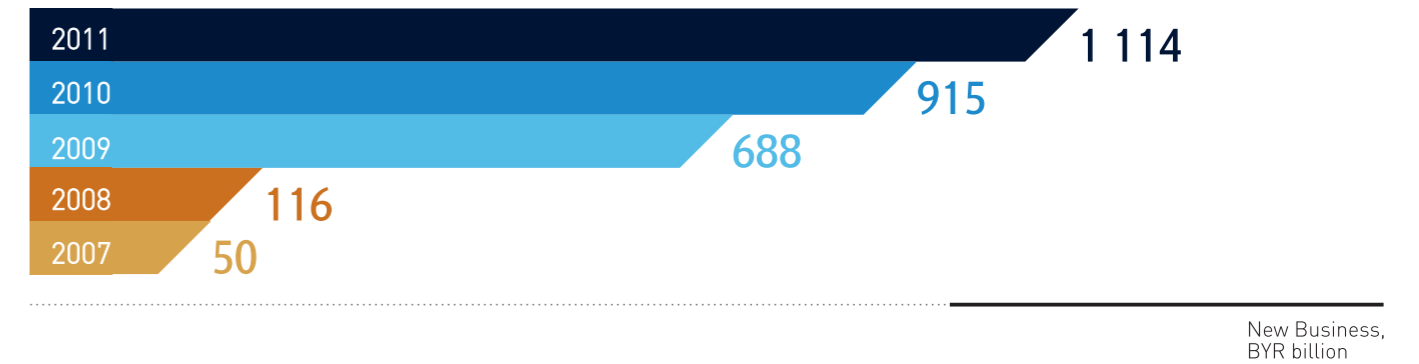
Insurance Premium



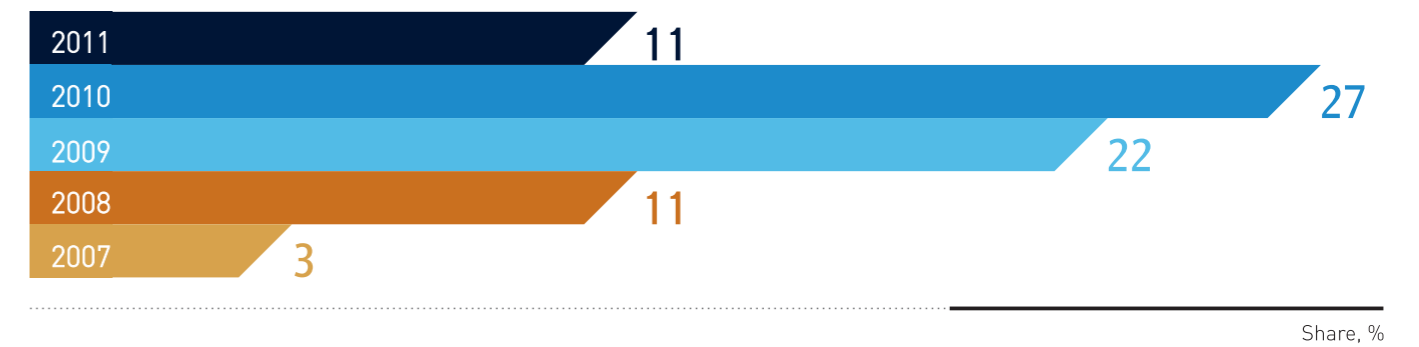
Number of Export Contracts Covered



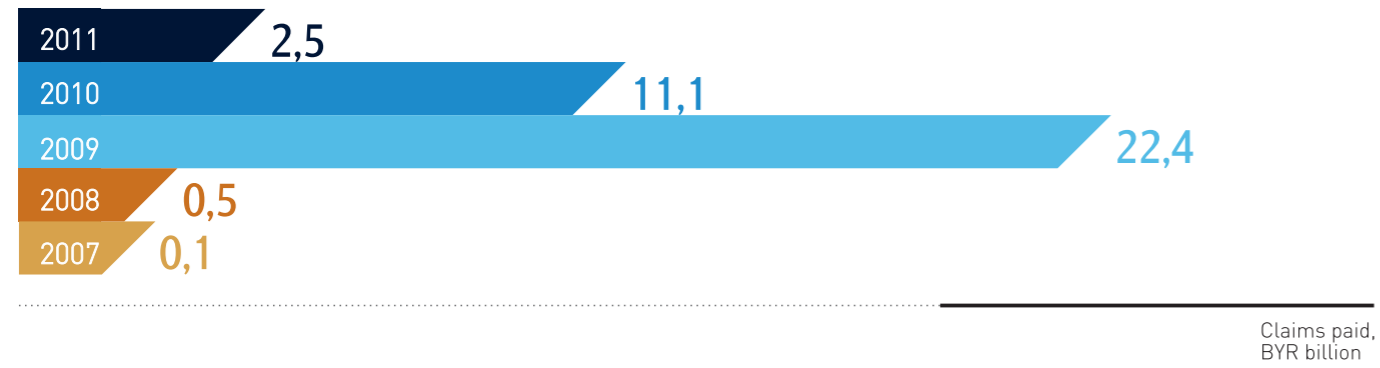
New Business



Share of Export Credit Insurance in Eximgarants' Portfolio



Claims paid



Recovery



Insurance Coverage Structure According to OECD Country Risk Classification (2011)

Political Risk Level	Covered, BYR million	Share, %
0 (Canada, Hungary, Germany, Slovakia, Australia, Switzerland)	15,7	1,4
II (China, Poland)	29,5	2,6
III (Georgia, South Africa, Russia)	715,0	64,2
IV (Lithuania, Egypt, Romania)	21,1	1,9
V (Latvia, Kazakhstan, Azerbaijan)	116,1	10,4
VI (Ghana, Iran, Serbia, Armenia, Uzbekistan, etc.)	36,4	3,3
VII (Moldova, Ukraine, Venezuela, Kyrgyzstan, Tajikistan, etc.)	180,1	16,2

Balance Sheet Eximgarant of Belarus 2011

Assets	Sum	Capital & Liabilities	Sum (BYR thousand)
1	2	3	4
Fixed assets	14 581 988,90	Authorized capital	454 663 225,40
Intangible assets	72 712,20	Treasury stock	—
Income yielding investments into tangible assets	151 099,80	Reserve fund	389 998,10
Investments in non-current assets	67 332,40	Supplimentart fund	13 431 194,80
Including: construction-in progress	—	Net income (loss)	—
Other fixed assets	—	Retained earning	123 724 258,50
Supplies & expenses	2 114 049,50	Special-purpose financing	362,00
Including: raw materials and oth	1 559 602,70	Deferred revenue	26 956 650,50
deffered expenses	554 446,80	Insurance reserves and funds, total	113 472 909,20
other supplies & expenses	—	Including Insurance reserves	110 700 793,30
Re-insurance share in insurance reserves	23 915 167,10	preventive measures reserves	2 772 115,90
Accounts receivable (> 12 months)	25 608,00	Long-term loans	—
Accounts receivable (< 12 months)	28 824 196,40	Other long-term loans	—
Settlement with shareholders	7 110 647,20	Short-term loans	—
Including: equity contributions	—	Accounts payable, total	37 986 569,50
Cash	340 746 293,50	Dividends payable	—
Financial investment	353 016 073,00	Expences and provisions	—
Other current assets	—	Other short-term loand	—
TOTAL	770 625 168,00	TOTAL	770 625 168,00

Income Statement Eximgarant of Belarus, 2011

Index name	Code	Accounting period (BYR thousand)
I. LIFE INSURANCE		
Insurance premium, brutto	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	106 753 664,20
Change of unearned premium reserve including reinsurance, net (+ or -)	067	-38 002 810,20
Claims paid including reinsurance, net	082	26 145 296,00
Change of loss reserve including reinsurance (+ or -)	092	-19 286 077,90
Change of other technical reserves (+ or -)	100	—
Change of other insurance reserves (+ or -)	105	—
Deductions to preventive measure fund and guarantee funds	110	5 204 630,50
Deductions to other funds	115	—
Administrative costs	120	27 584 347,10
Commission fees and bonuses for reinsured risk	122	1 141 721,30
Recovery	125	14 701 714,80
Other income, non-life insurance (+ or -)	130	6 373 938,60
III. OPERATING REVENUE & EXPENSES		
Operational revenue	140	24 539 705,40
Taxes included in operational revenue	141	—
Operational revenue, net	150	24 539 705,40
Operational expenses	160	267 659,40
Prifit/loss from operational revenue/expenses	170	24 272 046,00
IV. NON-OPERATING INCOME & EXPENSES		
Non-operating income	180	155 830 472,60
Taxes included in non-operating income	181	—
Non-operating income, net	190	155 830 472,60
Non-operating expenses	200	229 836,70
Profit/loss from non-operating income and expenses	210	155 600 635,90
Profit, brutto	220	186 246 620,50
Profit tax	260	44 557 891,20
Other taxws	270	15 770 857,20
Other expenses	280	5 810 478,40
Net profit	300	120 107 393,70

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