



ANNUAL REPORT 2012

EXIMGARANT OF BELARUS

TOGETHER WE ARE STRONGER



БЕЛЭКСИМГАРАНТ
EXIMGARANT OF BELARUS

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Welcome address: Minister of Finance of the Republic of Belarus



Eximgarant of Belarus is fast growing and advanced company of the Republic of Belarus that holds leading positions in the insurance market. In a relatively short period Eximgarant of Belarus managed to implement new mechanisms of export and investment promotion available for Belarusian companies and banks thus developing new market segment – export credit insurance.

The company is a member of the Prague Club of International Union of Credit and Investment Insurers (Berne Union). The established upstream mechanisms of export promotion fully meet the international standards and principles of the World Trade Organization and the Berne Union and accumulate the best practices in the organization of financial support to producers all over the world.

It is important to mention, that by using market mechanisms focused on export promotion (insurance and financing) contributes to the increase of exports of goods and services, their competitiveness on external markets.

At the present stage of the development of Belarusian economy Eximgarant of Belarus should turn attention on support of the enterprises in terms of exports diversification, entrance to new

markets, strengthening of foreign economic relations of producers. This requires the development of new insurance products and financial instruments which will be in demand by companies and SMEs' and will provide them access to credit resources.

I wish Eximgarant of Belarus not to stop at the level achieved, constantly improve professional skills in the sphere of export credit insurance further develop and deepen cooperation with exporters. All this will help to develop and strengthen export potential of our country.

Minister of Finance
of the Republic of Belarus
Andrei Kharkovets

Welcome address: Chairperson of the Board National Bank of the Republic of Belarus



The Republic of Belarus currently seeks to establish its place in the global economy among other developed countries. Our economy is open towards international cooperation as we are highly involved in buying and selling. Belarus is marked by quite a wide geography of foreign trade which includes approx. 160 countries.

At the present stage of social and economic development the effective usage of export capacity becomes of a great importance for the equilibrium of foreign trade. The external demand for the local goods is a key factor for the use of production capacities, maintenance of high employment rate and active economic growth. Moreover, the foreign trade balance surplus ensures the financial solidity at the macro level thus providing for such basic parameters of the country's economic security as gold and foreign exchange reserves, gross and foreign national debt, local currency

exchange rate and budget revenue.

Close cooperation between banks and insurance companies in the framework of foreign trade activities helps to enhance the reliability and profitability of export operations, creates favorable environment for the integration of domestic enterprises to external markets.

In 2012 a special focus has been given to measures aimed to balance foreign trade activity and provide a foreign trade surplus. The National Bank and other banks have been supporting the development of export activities. By encouraging the financing of export and import-substituting projects as well as by developing effective export financing and lease mechanisms bank system has contributed to the increase of foreign currency revenue. Joint efforts of state administration bodies,

banks, Eximgarant of Belarus and exporters helped to set new trends in exporting domestic goods with the implementation of up-to-date financial instruments. Throughout its activity Eximgarant of Belarus has accumulated an extensive experience in providing export credit insurance and reducing losses in foreign trade activities, thus contributing to the improvement of the national system of export promotion.

Wide branch network of Eximgarant of Belarus facilitates its cooperation with the banks and enterprises located all over the Republic of Belarus. As a result of close collaboration between Eximgarant of Belarus and Belarusbank, BPS-Sberbank, Belinvestbank, Belagroprombank, Bank BelVEB in 2012 export projects of RUE "Gomselmash", JSC "Mogilevdrev", JSC "Mogilevkhimvolokno", JSC "Lenta" and other companies were granted the required financing by the said banks.

In the long run the economy faces the task of carrying out a large-scale modernization which should be aimed

not only at meeting the needs of the domestic market, but also to consolidate the position of the Republic of Belarus in foreign markets.

The State has granted a unique opportunity to get low-cost loans for financing export activities. The only thing which remains is to build up the economic strategy of expanding exports, develop a business plan and achieve a positive outcome awaited by the whole country.

I'd like to wish the Eximgarant of Belarus to have a prosperous year ahead, implement all the plans and go to a new level carrying on its fruitful work on improving the national system of export promotion, strengthening the credibility of the Republic of Belarus in the international arena.

Chairperson of the Board
National Bank
of the Republic of Belarus
Nadezhda Ermakova

GM's Message



Dear clients, partners, ladies and gentlemen!

Presenting the 2012 Annual Report of Eximgarant of Belarus I would like to, first of all, express my deep appreciation and sincere gratitude for close cooperation and that you have chosen us. Time has showed that we are able to meet your expectations and implement planned projects in real business.

We try to strictly adhere to rules and principles that are common for international insurance market – provide high-level service to customers and partners, offer up-to-date insurance

technologies, be reliable and able to meet obligations.

Being a universal insurance company we offer 53 insurance products and constantly develop new ones that meet the requirements of our customers. Priority was and remains export credit insurance with State support. More than 6,700 insurance contracts were concluded that covered export risks of our clients. The total liability taken by Eximgarant of Belarus reached 516 million U.S. dollars that is two times more that in the previous year.

The present Annual Report also contains a number of other important details that characterize the work of Eximgarant, including changes in the regulatory framework, results of financial and economic activity, geographical spread of the risk exposure and our customer's

data. I believe that all that information will allow determining the full scope of work that we do to develop our business.

It is noteworthy that in 2012, we have managed not only to strengthen our material and technical facilities, increase our financial stability, but also with the help of the State significantly increase the authorized capital of the company. At present it reached 455 USD million. According to this indicator Eximgarant of Belarus ranks the first in the list of Belarusian insurance companies and one of the largest export credit agencies on the European continent.

The availability of significant financial resources, qualified management and specialists, understandable normative legal documents, regulating our work give a possibility to open up new opportunities and prospects in the insurance

business, first of all in the sphere of export credit insurance.

We have done a great job by transformation of our accounting policies in compliance with the standards of International Financial Reporting System (IFRS).

In the past year, as in the previous, the staff of Eximgarant worked with high sense of responsibility and constant care about our clients, helping them to meet their aspirations and took individual approach when working together. That is our policy that will be always upgraded. In many respects it ensures the success of our customers and Eximgarant of Belarus.

By using our products you are guaranteed to become a strong and effective. We are always ready to be of any assistance.

General Manager
Gennady Mitskevich

Economic Development and Investment Potential

Belarus is a young sovereign state and is on its way of building of socially oriented market economy model. In its final form the socially oriented market economy model is a highly effective economy with a well-developed business and market infrastructure, effective state regulation. All that factors motivate new businesses as well as workforce to develop.

Doing business in Belarus:

- direct access to the market of the three CES countries (Belarus, Russia, Kazakhstan)
- competitive investment and taxation conditions
- strategically advantageous location
- highly qualified workforce
- developed industrial sector

Belarus Overview

Area	207,595 km ²
Population	9.46 mn
Currency (as of 30.01.2013)	1 USD = 8,650 BYR
Credit ratings (M/S&P)	B3 (Positive) / B- (Stab.)
GDP, USD billion	63,0
GDP growth y-o-y	1,5
GDP per capita, USD thsd	6,7
Foreign trade turnover, USD billionn (2012)	100,9
Industrial production, % of GDP	31,8
Inflation	21,8
Budget Revenues, USD bn	25,8
Budget Expenditures, USD bn	25,7
Budget Balance, % of GDP	0,7
Public debt, % of GDP	23,8
External public debt, % of GDP	19,0

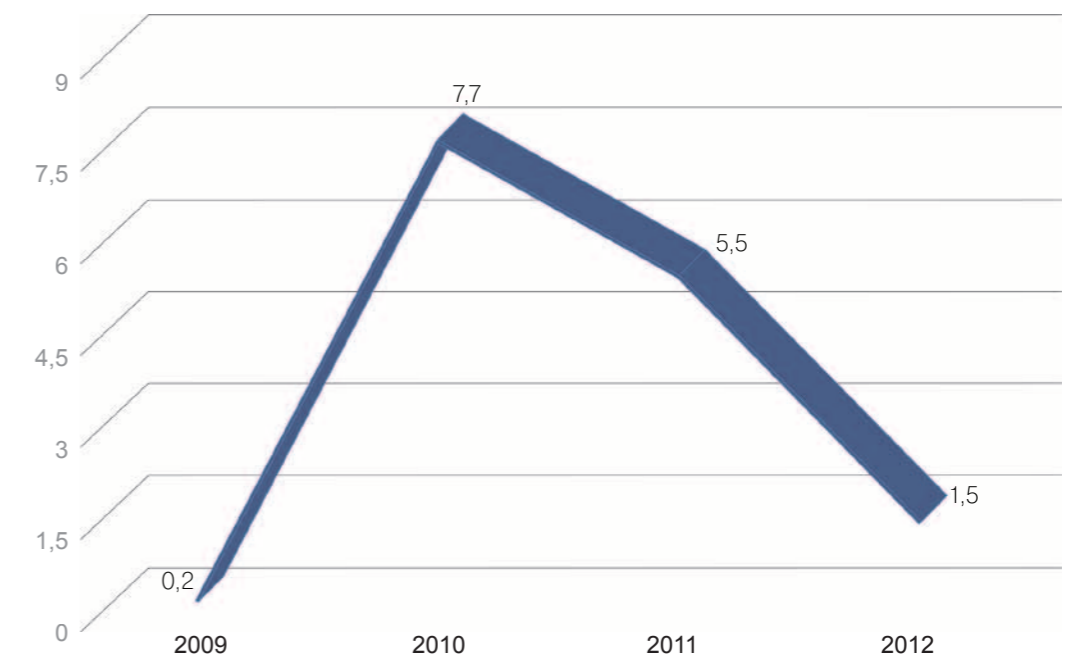
Source: National Statistical Committee of the Republic of Belarus, National Bank

- Well-diversified economy with focus on industrial production
- Improving business environment and increasing competitiveness
- Effective macroeconomic and budgetary policies
- One of the most qualified labor force in Eastern Europe
- Active foreign trade player
- Ability to absorb external turbulence
 - Managed floating exchange rate mechanism
 - International reserves increase

Economic Growth

- Developed and diversified industrial production
- Strong market positions in the following industries:
 - potash fertilizer
 - harvest market
 - heavy truck market
 - tractor market
- Major foreign trade partners: Russia, EU and Asia/Africa

Real GDP Growth, % Y-o-Y



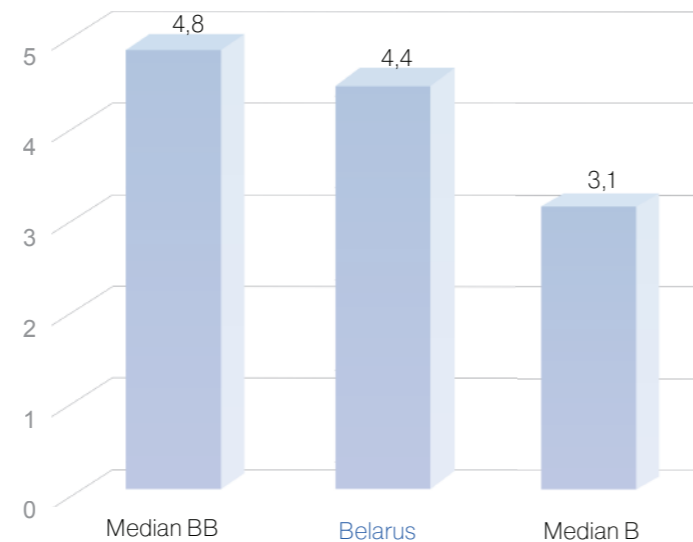
Source: National Statistical Committee, Ministry of Economy

Economic Policy Priorities

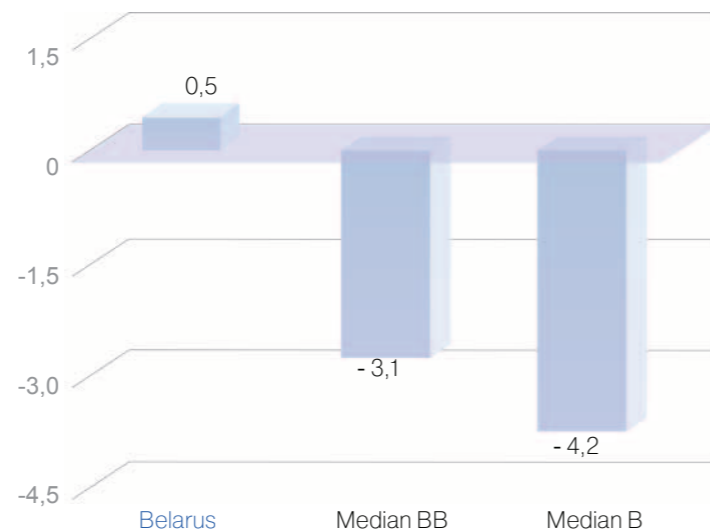
- Macroeconomic stabilisation/inflation decrease
- Consistency and predictability of macroeconomic policy
- Preservation of sustainable long-term growth:
 - productivity increase
 - competitiveness gains
 - CES export potential
 - FDI attraction
 - economy modernization
 - industrial innovative development
- Lowering dependence on external financing and external debt reduction
- Rising productivity efficiency
- Preserving social achievements and human capital development

Credit Metrics Comparison

GDP per Capita, USD thousand



Budget Balance, % of GDP

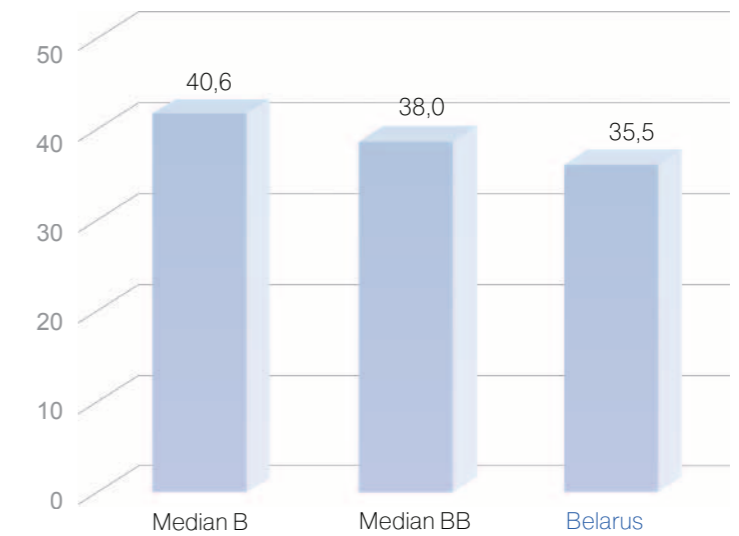


Rating Upgrade Triggers

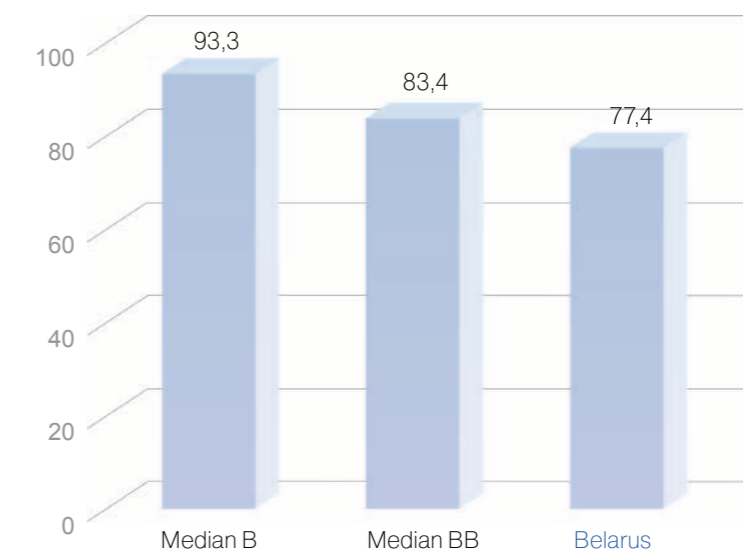
- sustained improvement in competitiveness
- diversification of funding sources
- increased availability of foreign exchange
- improvement in external balances

MAY 30, 2012, Standard and Poor's

Public Debt, % of GDP



Gross External Debt, % of current account inflows



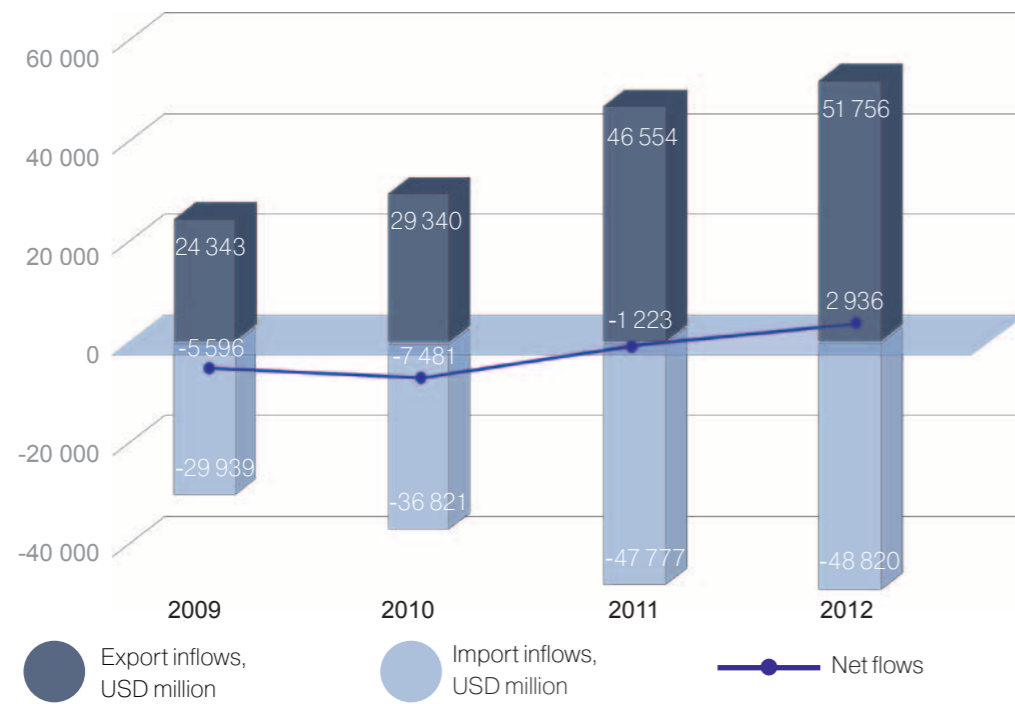
Source: Sovereign Risk Indicators (S&P, December 2012) based on 2012E

Belarus' fiscal metrics have appeared strong relative to its B-rated peers. Its financial balance has, since 2002, consistently placed it in the top half among the 24 currently B-rated countries...

Belarus's economic strength...based on the country's relatively high average annual real growth rate, a diversified industrial sector and high levels of per capita income, which are reflected in a workforce that is generally well-educated and, thanks to low unemployment, maintains strong job-related skills

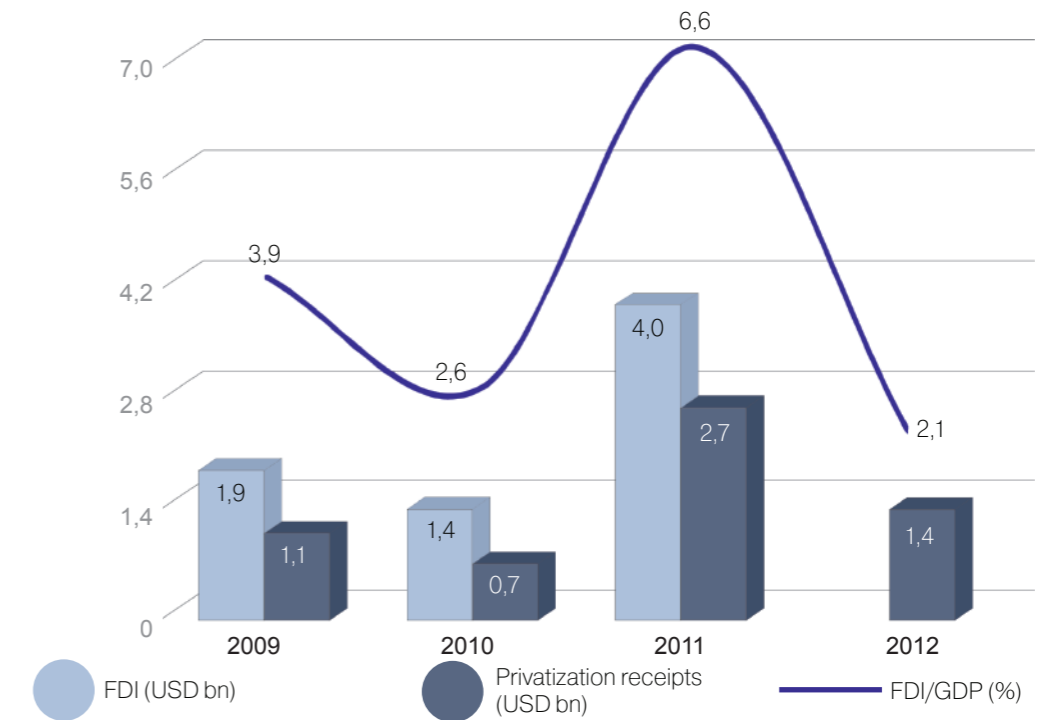
JULY 4, 2012, Moody's, Credit Analysis

Foreign Trade



External Capital Flows

FDI Inflow



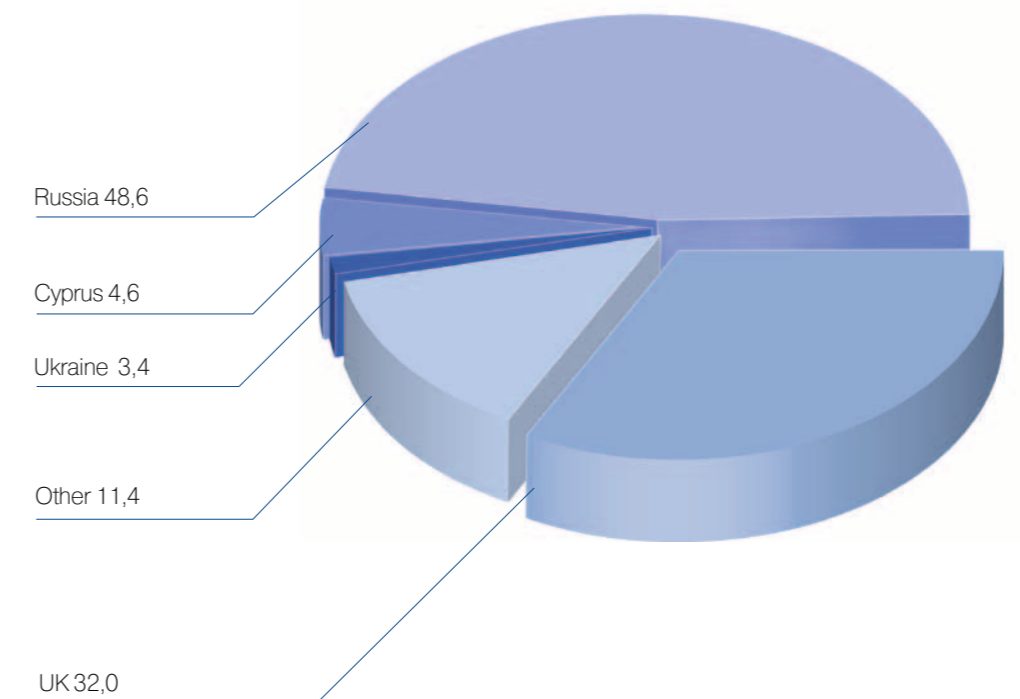
CES Export Opportunities

- Compliance with WTO principles
- Integrated oil, gas and telecom market
- Free movement of capital and workforce
- Coordination of macroeconomic and industrial policy, unification of exchange arrangements
- Technical regulation
- Common principles of regulation in the field of protection and defense of intellectual property rights, etc.
- Catalyst for reforms, competitiveness development and sustainable policy mix

The Customs Union of Russia, Belarus and Kazakhstan is the first successful example in regional economic integration between countries of the former Soviet Union....Potentially the union can bring further benefits such as improved cross-border infrastructure and strengthened institutions

Source: EBRD, Transition Report 2012 «Integration Across Borders», November 2012

FDI Inflow by Countries, % as of 2012



About Us



Eximgarant of Belarus is one of the leading insurance company in the Republic of Belarus. Today we offer more than 50 types of insurance products that help to cover property, liability, and financial risks.

Our main goal is the development and improvement export potential of the Republic of Belarus by providing export credit insurance with State support.

Today we together with state administration bodies continue to develop and find new mechanisms that will further improve national system of export promotion.

National System of Export Promotion

The main goal of Eximgarant of Belarus is the development and improvement of the national system of export promotion.

The history of export credit insurance started in Belarus with joint resolution of the Ministry of Finance, Ministry of economy, Ministry of foreign affairs, Ministry of industry “On the procedure of export credit insurance” in the year of 2001.

An important milestone was the development of legal base. 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.

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

Today, after 6 years of successful operation of the national system of export promotion Eximgarant of Belarus offers its customers a wide range of the insurance products:

- Short-, Medium- and Long-Term Export Contracts against Political and/or Commercial Risks
 - Pre-Export Risk Cover
 - Investment Insurance against Political Risks
 - Leasing Transactions Cover
 - Buyer Credit Insurance
 - Supplier Credit Insurance
 - Insurance of the Non-Repayment Risk Under Export Credit Granted to a Resident for Investment Purposes
 - Bonds and Letter of Credit Insurance
 - Export Factoring Insurance

It's worth mentioning that our insurance products include basic

insurance services as well as additional ones. Using export credit mechanisms helps Belarusian companies to avoid losses. At the same time Eximgarant of Belarus will give legal advice throughout all export stages starting from export contract execution to its management. Besides 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.

National exporters develop and strengthen their business operations by using up-to-date market mechanisms. In addition to that, those mechanisms allow to avoid using of fiscal instruments.

The national system of export promotion:

- Is a progressive instrument of export support guaranteed by the State that gain world best practices;
 - meets the requirements of International Union of Credit and Investment Insurers (Berne union);
 - Develops and strengthens export potential of the country;
 - Brings positive impact on the balance of foreign trade;
 - Guarantees revenue return to the Republic of Belarus;
 - Insurance premium is released to production costs thereby attracting additional foreign currency funds to the Republic of Belarus

Our Clients, 2012

In 2012 Eximgarant of Belarus provided insurance cover to more than 93 exporters of the Republic of Belarus



Belarusbank
896 422
BYR million



Minsk Automobile Plant
807 755
BYR million



Conte Spa
260 583
BYR million



Rechitsa Metizny Plant
212 432
BYR million



BPS-Sberbank
198 241
BYR million



Servolux
159 904
BYR million



Belita Joint Venture Ltd CJSC Vitex
246 221
BYR million



Skidel Sugar Plant
131 575
BYR million



OJSC Zhabinkovskiy Sugar Factory
119 442
BYR million



ATLANT
106 917
BYR million



Belmedpreparaty
105 863
BYR million



Промагролизинг
Promagroleasing
86 542
BYR million



Belinvestbank
67 920
BYR million



Gomselmash
61 985
BYR million



Trading house Svetlogorsk Ferro-Concrete Plant
45 597
BYR million



Lakokraska Lida
45 051
BYR million



Volkovysk Meat Processing Plant
39 948
BYR million



Oshmiyan Meat Processing Plant
39 715
BYR million



NOV FIDMASH
35 026
BYR million



Mogilevsky Zavod Electrodvigatel
33 282
BYR million



Lenta
29 886
BYR million



Verkhnedvinsk Butter-Cheese Plant
29 206
BYR million



Gorodeya Sugar Plant
28 677
BYR million



Bank BelVEB
25 650
BYR million



Белобой
Holding Belorusskie Oboi
39 321
BYR million



Dilis Cosmetic
17 829
BYR million



Savushkin Product
17 679
BYR million



Vitebsk Confectionary Plant Vitba
6 726
BYR million



SvetlogorskKhimvolokno
6 640
BYR million



Techmash
4 008
BYR million



Bellakt
3 648
BYR million



Kalinkovichi Meat-Processing Plant
2 938
BYR million



МяскоВит
Vitebsk Meat-Packing Plant
2 661
BYR million



Gomel PO Kristall
2 651
BYR million



Mostovskiy Kumpiachok Branch of Skidelagroproduct
2 544
BYR million



Polotsk-Steklovloknno
2 119
BYR million



Belkosmex
1 868
BYR million



Minoitovskiy Repair Plant
1 533
BYR million



Brest Stocking Mill
1 186
BYR million



Midea-Horizont
691
BYR million



Milavitsa
264
BYR million



Kampari
262
BYR million



Keramin
132
BYR million

Export Financing

National system of export promotion also includes crediting mechanism. In accordance to the abovementioned mechanism, Belarusian exporters have a possibility to obtain credit resources provided by domestic banks for financing their foreign economic activity. In this case, the credit resources are provided in euros and dollars at the commercially oriented interest rates (CIRRs). Furthermore, bank losses shall be compensated from the republican budget. Such mechanism meets the standards of international organizations and will not be considered as subsidies for export.

Export credit insurance is of the essence when obtaining supplier's export credit at CIRR-based rate. In that case bank bears the risk of loan non-return as the loan is granted for the purposes of sales terms optimization subject to political and commercial risk.

When planning and developing an export expansion strategy the company should take into consideration the following guidelines:

- Economy cut and optimality of decisions subject to the terms of business-plan implementation;
- Priority in investments to equipment and technology;
- Efficient funds management, achievement of targeted results with minimum costs;
- Comparison of costs for business plan accomplishment;
- Comparison of expenditures on accomplishment of business plan for the investment projects with the counterparts operating in the world.

When developing a business plan the enterprise should be focused on achieving positive result both for itself and for the benefit of the country as part of interest on credit is compensated from the republican budget. On the one hand, such type of investment from the government side should be effective, guarantee export growth and have a positive impact on trade balance. On the other hand, it should prevent from debts creation.

At the next stage bank analyses financial data and projections meanwhile helping the exporter to correct inaccuracies, if any. In addition, possible financing options of the project, credit terms

and conditions are worked out. At this point, political and commercial risks are determined and subjected to coverage by Eximegarant of Belarus on behalf and supported of the State.

Using a complex approach that includes insurance of receivables and supplier credit insurance helps the exporter to expand its export activities. Herewith, each participant of the scheme (exporter, bank, Eximgarant of Belarus) should be guided by a common goal to develop the export potential of the Republic of Belarus.

Average CIRR rate in 2012 (%)

Repayment terms	USD			EUR		
	≤ 5 years	> 5 to 8,5 years	≥ 8,5 years	≤ 5 years	> 5 to 8,5 years	≥ 8,5 years
15.01.12 – 14.02.12	1,39	1,89	2,43	1,93	2,68	3,24
15.02.12 – 14.03.12	1,36	1,84	2,38	1,83	2,54	3,12
15.03.12 – 14.04.12	1,38	1,83	2,37	1,75	2,45	3,04
15.04.12 – 14.05.12	1,51	2,02	2,56	1,72	2,40	3,00
15.05.12 – 14.06.12	1,43	1,89	2,43	1,67	2,33	2,91
15.06.12 – 14.07.12	1,39	1,76	2,21	1,49	2,07	2,61
15.07.12 – 14.08.12	1,39	1,71	2,08	1,50	2,07	2,59
15.08.12 – 14.09.12	1,33	1,62	1,98	1,25	1,80	2,34
15.09.12 – 14.10.12	1,37	1,71	2,14	1,20	1,75	2,29
15.10.12 – 14.11.12	1,34	1,67	2,12	1,28	1,82	2,36
15.11.12 – 14.12.12	1,37	1,71	2,15	1,29	1,80	2,33
15.12.12 – 14.01.13	1,36	1,67	2,08	1,21	1,69	2,20

Buyer Credit Insurance

Today Belarusian banks offer a complex of banking solutions for national exporters. Those products bring effect not only to exporters, but also to a wide network of their contract partners.

The benefits that importer gains include the following:

- low borrowing costs;
- sufficiently long maturity period.

That means that the importer has a possibility not to divert funds from current assets thus increasing its efficiency and effectiveness. On the other hand, the exporter expands sales terms opportunities as well as mitigate non-payment risk.

However, bank bears high risk when providing a loan to the importer. In that case Eximgarant of Belarus offers to cover the possible risks.

Under the terms of Buyer Credit insurance Eximgarant of Belarus covers political and commercial risks. Typical commercial risks include the borrower's insolvency or unwillingness to pay its debt without any legal reason (protracted default) on a due date. To political reasons belong e.g. administrative decisions or legislative measures of the importer's country preventing the importer from payment, or restrictions in conversion of payments as a result of political occurrences in the country of the importer as well as other events in the country of the importer as war, revolution, civil disorders and natural catastrophes.

Cooperation with us opens new opportunities and advantages for banks:

- growing list of services and their geographical spread including countries with moderate and high risk level;
- provision of competitive financing conditions resulting in improvement of the banks' image;
- control of intended use of credit;
- bank losses are covered by the republican budget;
- credit resources are transferred directly to the exporter.

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

Today we see trends that domestic companies are interested in setting up joint ventures abroad. Among the main reasons of starting business in foreign countries is markets expansion, access to advanced technologies and equipment, competitive growth. At the same time, companies sometimes face a shortage of funds for investment purposes.

Implementation of major investment projects abroad with attraction of credit resources testifies to the progressivity of the business and high level of real sector development in the financial aspect. At the same time banks may bear high risks when providing export credit granted to a resident for investment purposes due to inability to implement the investment project. The reasons for such failures can serve as adverse conditions dictated by the foreign market as well as discriminatory measures on the part of authorities of a foreign state. Insurance in this case becomes a solid safety cushion for the bank.

Development Bank of the Republic of Belarus was created in 2011 by the relevant presidential decree. The bank is designed to focus on financing government programs and socially important investment projects.

The major objectives of the Development Bank are:

- investment projects as well as leasing transactions financing;
- providing export credits worth at least \$ 1 million: supplier credit, buyer credit.

The establishment of the Development Bank of the Republic of Belarus will reduce the cost of credit resources by cutting down bank margin. At the same time there will be a possibility to finance projects standing on the government's priority list as well as support small and medium-sized businesses and export-oriented projects.

Promising Trends

Insurance of Bank Guarantees or Other Services Provided by the Bank to Foreign Buyers

Issuance of bank guarantees and confirmation of letters of credit on export transactions as well as foreign trade operations financing involve a high level of risk, both commercial and political.

When issuing a Bank guarantee, the Bank bears the risk of unfair calling. It means that that the buyer (beneficiary) may illegally request payment from the issuing bank, regardless of the actual performance of export contract by an exporter.

To protect banks from unfair calling Eximgarant of Belarus has developed new insurance product. However, specific requirements are set to the export contract. First of all, the buyer is obliged to make up losses of the exporter in the event when the exporter's obligations were executed properly.

This insurance tool is especially important while "unfair calling" of the bond as well as legal consequences for the parties are not defined by any international or national legal acts.

Eximgarant of Belarus may also insure letter of credits issued by Belarussian banks in favor of foreign buyers.

Export Factoring Insurance

International factoring is now universally accepted as vital to the financial needs of exporters.

At the same time provision of finance through immediate cash advances against outstanding receivables bears high risk due to a number of objective factors:

- investigating the creditworthiness of buyers;
- collection and management of receivables;
- provision of long-term commodity credit;
- political instability;
- peculiarities of legislation in the country of the importer, etc.

Export factoring insurance provided by Eximgarant of Belarus 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). At the same time our product gives a possibility to avoid debt collection.

Export factoring insurance helps a bank to provide complex service for its customers – financing through immediate cash advances against outstanding receivable all customers' projects even when the level of credit risk is too high for the bank. That also means that cover provided by Eximgarant of Belarus will stimulate the development of export financing mechanism thus attracting companies to develop their export potential due to favorable conditions and prompt provision of credit resources.

Leasing Transactions Cover

One of the priority areas to increase of export potential of the Republic of Belarus is finance lease. Economic protection of the lessor is

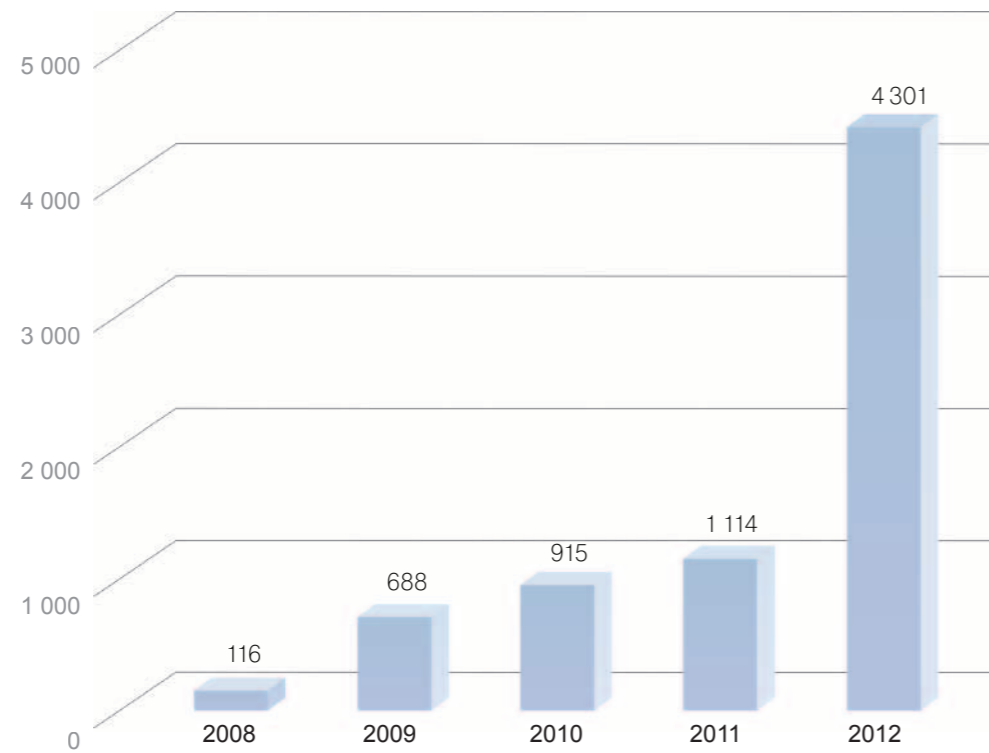
very important in the implementation of export operations.

Eximgarant of Belarus offers insurance solution, which is directed to protect leasing companies – Leasing transactions cover. This is 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.

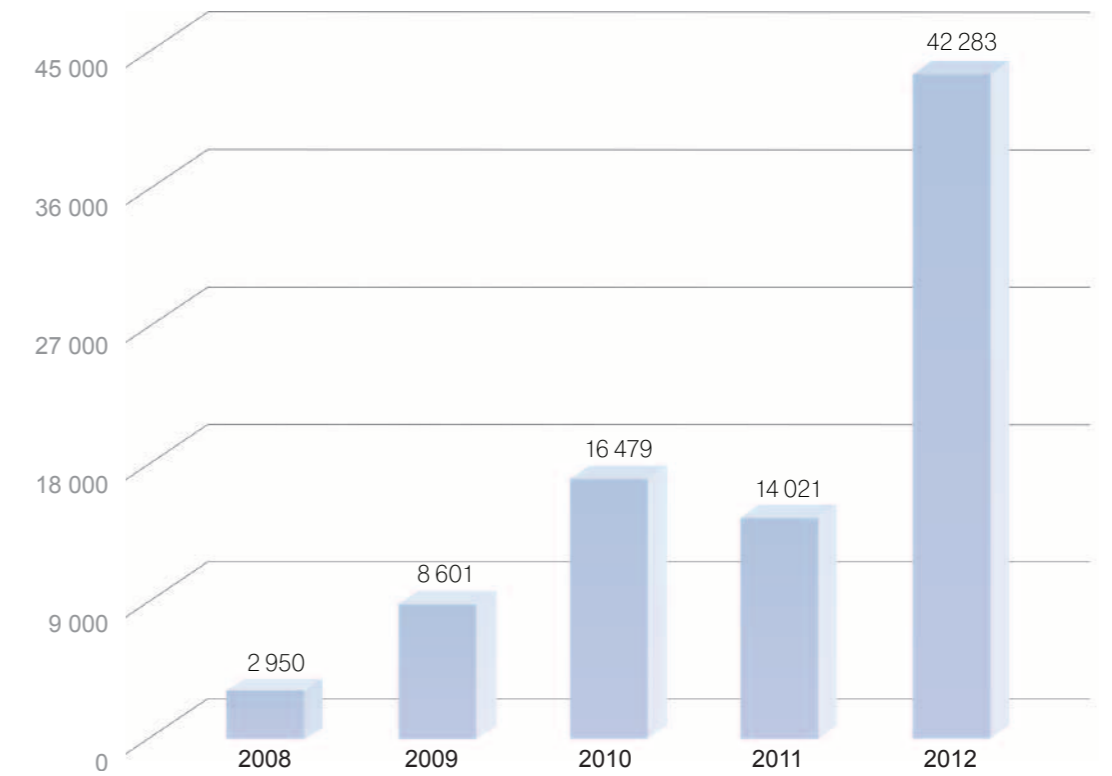
Our main client is Promagroleasing is the first national specialized leasing company established with the assistance of the state government body for execution of State projects on re-equipment of agriculture with up-to-date machinery.

Export Credit Insurance with State Support

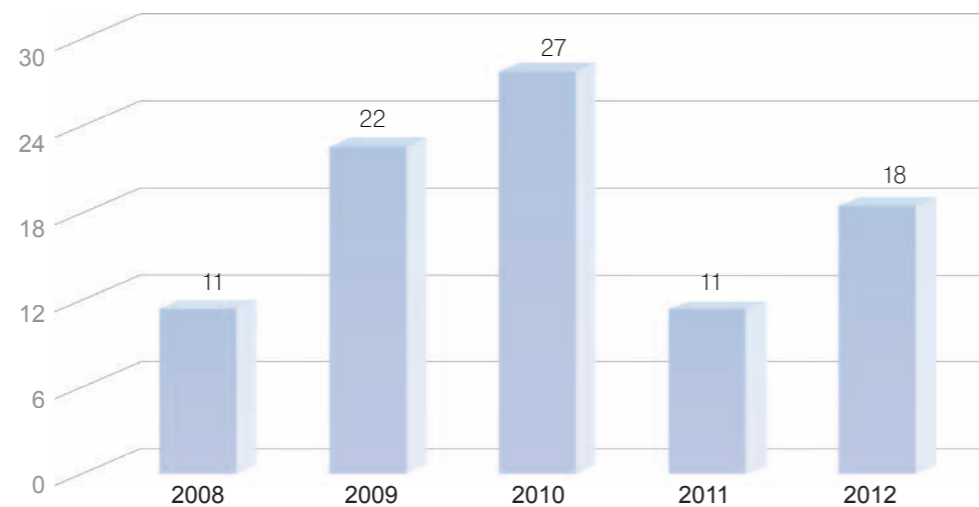
New Business, BYR billion



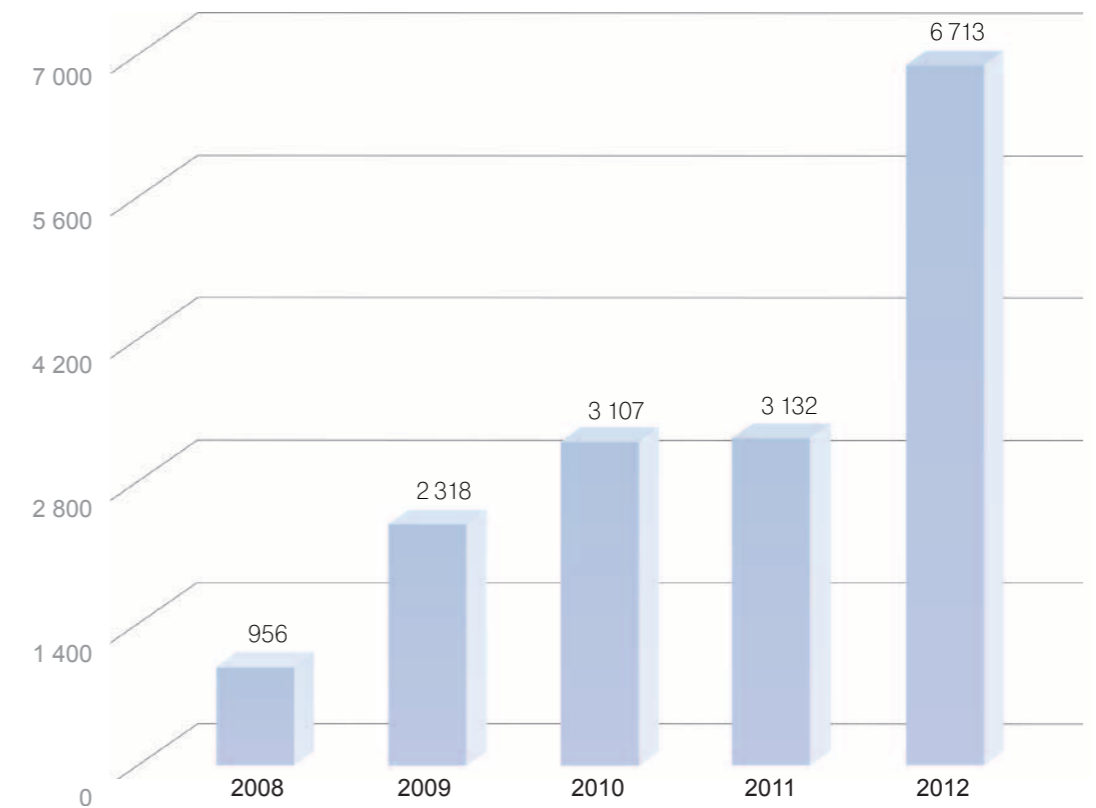
Insurance Premium, BYR million



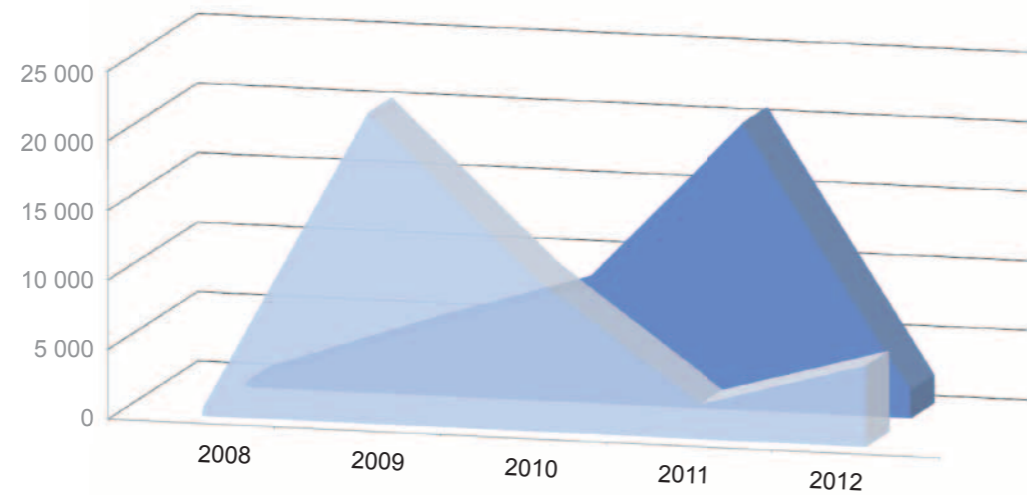
Share of Export Credit Insurance in Eximgarants' Portfolio, %



Number of Export Contracts Covered

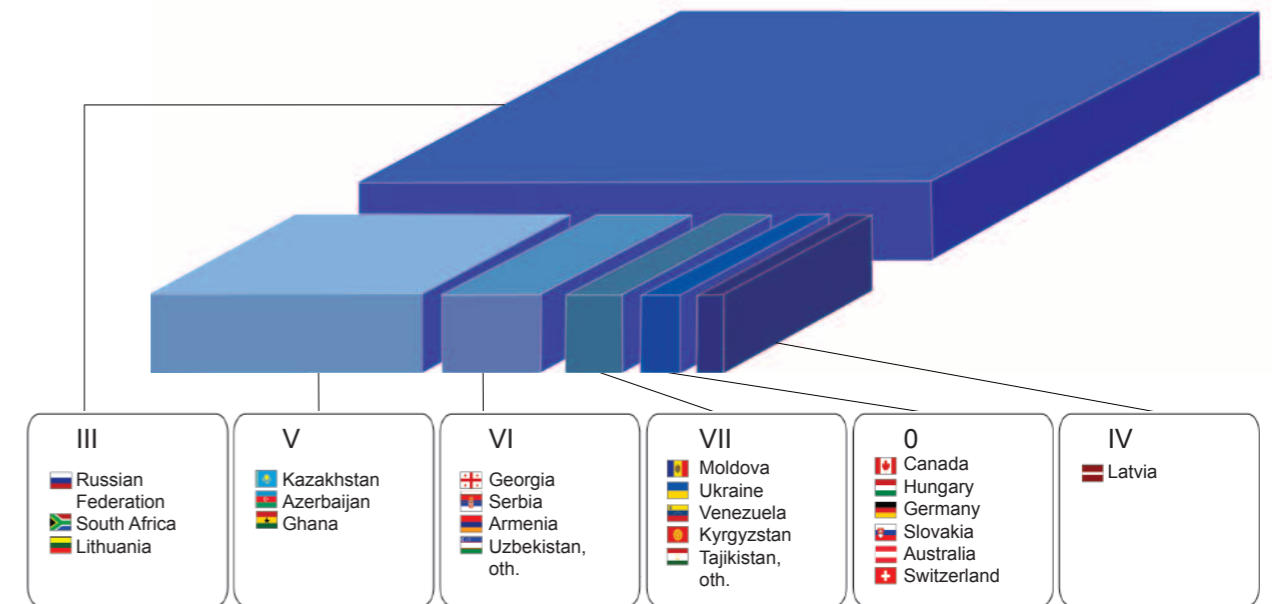


Claims Paid and Recovery, BYR million



	2008	2009	2010	2011	2012
Claims paid, BYR million	477	22 394	11 111	2 493	5 860
Recovery, BYR million	413	4 549	8 240	20 700	2 010

Insurance Coverage Structure According to OECD Country Risk Classification



Political Risk Level	Covered, BYR million	Share, %
0	72 829	2,42
III	2 224 199	74,05
IV	2 333	0,08
V	311 890	10,38
VI	108 885	3,62
VII	283 606	9,44

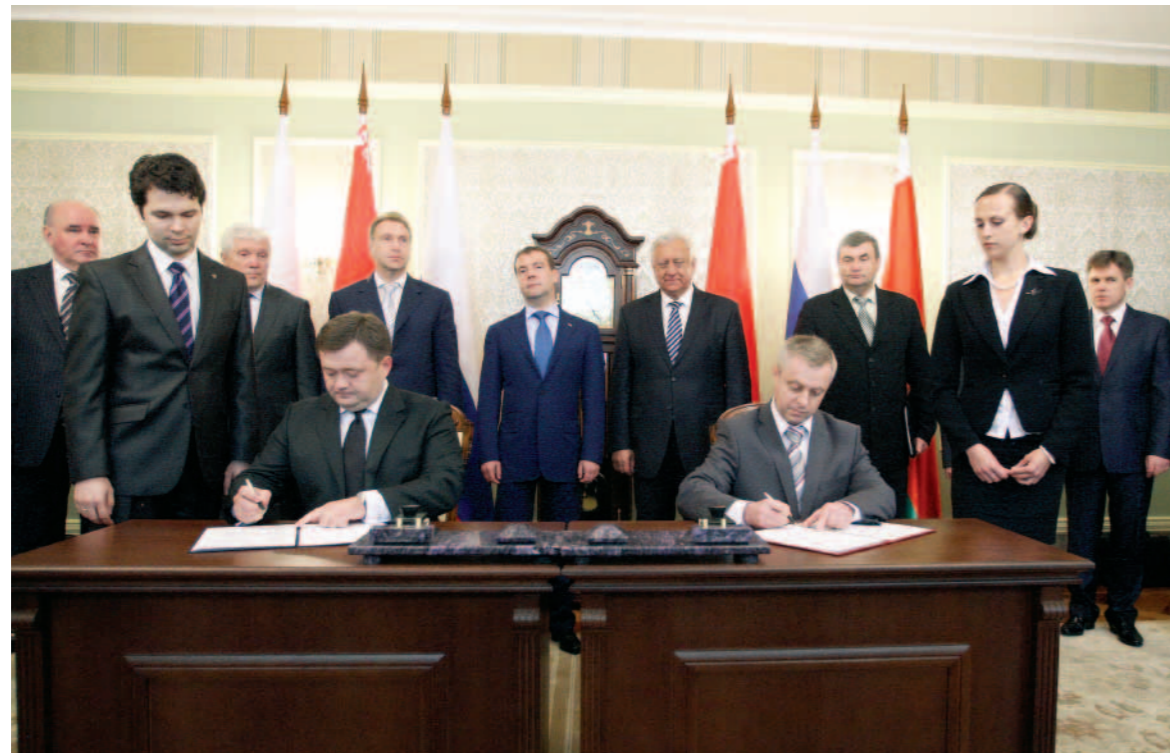
International Cooperation



Our primary areas of international cooperation include: information and knowledge exchange, political risk analysis, contacts establishment and strengthening cooperation with foreign export credit agencies.

For more than 10 years Eximgarant of Belarus is a member of the Berne Union Prague Club.

Information Support



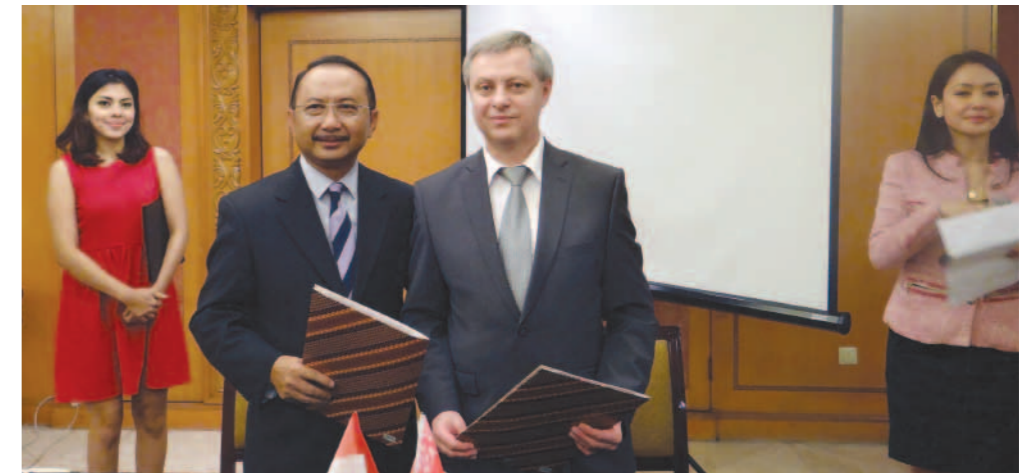
Signing Cooperation Agreement between Eximgarant of Belarus and EXIAR (Russia)

One of the forms of cooperation between the Berne Union and Prague Club members is the conclusion of bilateral agreements, allowing carrying out information support and implementing mutually beneficial projects. As of today Eximgarant of Belarus has signed agreements with 19 export credit agencies:

In addition, Eximgarant of Belarus works closely with the diplomatic missions of the Republic of Belarus abroad, which provide significant information support (market information, buyers profile, etc.)

Our business decisions are also based on the information get from international credit bureaus. Such companies provide the most accurate, complete and current information concerning the legal status and financial position of foreign buyers.

In this regard, information collected by Eximgarant of Belarus from diverse channels enables us to ensure the most accurate data on foreign buyers and markets, achieve maximum efficiency as well as define possible risks.



Signing Cooperation Agreement between Eximgarant of Belarus and PT ASEI (Indonesia)



Signing Cooperation Agreement between Eximgarant of Belarus and SACE (Italy)

Cooperation Agreements signed between Eximgarant of Belarus and other export credit agencies:

- | |
|---------------------------------|
| 1. EXIAR (Russia) |
| 2. KazExportGarant (Kazakhstan) |
| 3. EGAP (Czech Republic) |
| 4. KUKE (Poland) |
| 5. MEHIB (Hungary) |
| 6. SACE (Italy) |
| 7. ASHRA (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. ECGC (India) |
| 17. BAEZ (Bulgaria) |
| 18. ECGE (Egypt) |
| 19. ASEI (Indonesia) |

Ola Gadallah: Prague Club Business Trends



It is a great honor for me to be contributing with a word in your yearbook in my capacity as the chairman of Prague Club.

The Prague Club was established in 1993 with the objective of supporting export credit agencies in developing countries to establish and develop export credit and investment insurance schemes that will eventually facilitate cross border trade and promote exports.

Today we are currently 37 members in the Prague Club representing 34 countries as well as 3 multilateral organizations.

During 2011 Prague Club members collectively covered USD 26.7 billion

worth of exports and had a premium income of USD 248 million

The Berne Union Secretariat is continuously exerting tremendous effort to improve the communication amongst members. The selection of topics to be discussed in our regular meetings together with the workshops are chosen to cover the most recent topics and issues in today's volatile economic environment and changes in the world economy.

Given the current turbulences in the world economy now is the time for ECAs to join forces and be ready to meet the increasing demand from exporters to secure their international trade in such a volatile market.

Once more thank you for allowing me to write in your yearbook and wish Eximgarant all the success in the future.

Chairman of the Prague Club
Ola Gadallah



Prague Club Autumn Meeting, Belgrade (Serbia)



Prague Club Spring Meeting, Almaty (Kazakhstan)

Co-projects



Signing Agreement on Business Credit Insurance between Eximgarant of Belarus and Novikombank (Russia)

Eximgarant of Belarus and Export Insurance Agency of Russia (EXIAR) have signed General Agreement for Cooperation at a session of the Union State Council of Ministers that took place on June 18, 2012 in Minsk.

The companies agreed to create an expert group to discuss possible forms of development cooperation. And already on November 1, 2012

Eximgarant of Belarus hosted in Minsk experts' meeting where the companies signed a second joint document – Facultative Reinsurance Agreement.

Thus, export insurance agencies of the Republic of Belarus and Russian Federation are ready to support projects of the Union State residents which contribute to increasing the mutual trade and expanding opportunities for corporates. At the same time, having signed both agreements, companies can assist each other to provide insurance coverage for Belarusian and Russian export projects as well as for joint projects to third countries.

Meanwhile in December 2012 during the meeting of Board of directors EXIR has declared its willingness to reinsure export transaction. According to the terms of the transaction, Belarusian enterprise supplies trucks to the Bolivarian Republic of Venezuela. It's worth mentioning that the project implementation is carried out with the participation of Russian manufacturers of spare parts that are used for final product assembly.

The beginning of 2013 year was marked by a new stage of cooperation between Eximgarant of Belarus, export credit agencies and largest banks of the CIS countries.

Eximgarant of Belarus and Novikombank (Russia) have signed Agreement on business credit insurance at a session of the the

Russian–Belarusian Business Council. The Agreement was signed by Mr. Gennady Mitskevich, General Director of Eximgarant of Belarus and Mrs. Elena Shirinskaya, Deputy CEO, Novikombank.

In partnership with Eximgarant of Belarus Novikombank allocated credit resources for the Bobruisk plant of tractor parts and units in the amount of \$2 million. Such type of cooperation is unique in the history of Russian–Belarusian banking and insurance sector.

Today Novikombank is among the top 50 largest Russian banks.

High operational efficiency and the good quality of its assets enable Novikombank to remain one of the most stable and reliable Russian banks that serves the needs of the Common Economic Space and the Customs Union of Belarus, Kazakhstan, and Russia. For the past two years the bank together with financial institutions of the Republic of Belarus has supported the local economy using trade finance instruments, syndicated loans, interbank lending, Forex and Swap.



Signing Reinsurance Agreement between Eximgarant of Belarus and EXIAR (Russia)

Fabrice Morel: Berne Union and Prague Club Members – Developments in 2012



Export credit insurance stable in 2012

Against sluggish growth of international trade in 2012, the volume of exports covered by members of the Berne Union and its affiliate the Berne Union Prague Club increased by 1.4%, to reach an amount of USD 1.7 trillion.

Out of the total, about USD 1.5 trillion represented short-term (ST) export credit insurance, while medium and long-term (MLT) export credit insurance amounted to

more than USD 180 billion worth of exports covered.

As expected, claims paid in ST export credit insurance rose in 2012. Claims paid in MLT export credit insurance stayed at the same, relatively high level as in 2011. The combined amount of claims paid during the year in both lines of business totalled USD 4.7 billion.

Since the beginning of the crisis in 2008, credit insurers in the Berne Union and Prague Club have paid approximately USD 20 billion to exporters to compensate them for losses suffered due to defaults by buyers or other obligors.

Despite these challenges, credit insurers have continued to provide stable insurance capacity to facilitate international trade transactions.

Credit insurers have a crucial role to play to strengthen the global economy

2012 was a challenging year for the export credit insurance industry. This is a reflection of continued geo-political and regional tensions, as well as the slowdown of growth in advanced economies.

To support national exports, a number of ECAs, notably in Europe,

have taken initiatives as requested by their governments to attract funding from capital markets and non-banking related sources to support trade finance. This is a welcome development, not only for exporters but also for the banking sector, as the real economy, financiers and insurers have to join forces to keep global trade flowing.

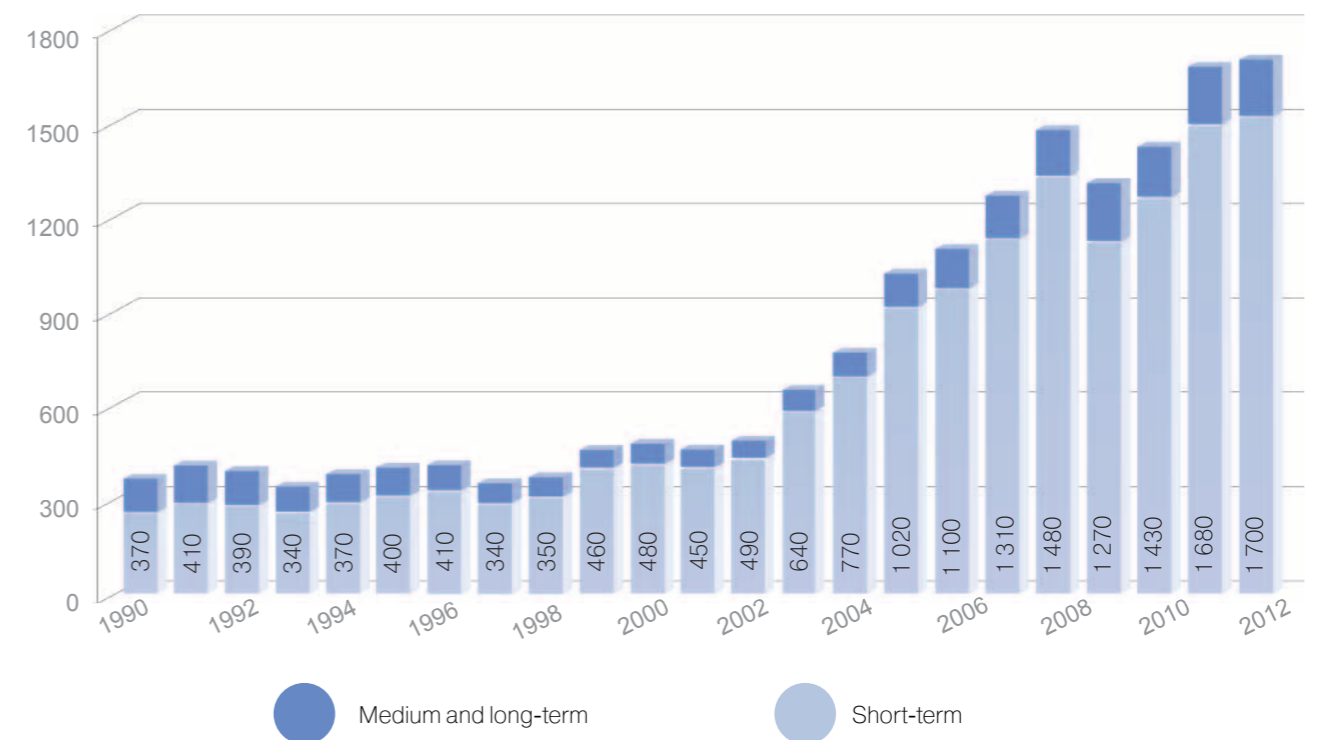
The performance of ECAs and private credit insurers in 2013 will depend on global trade and global growth. At the same time, ECAs like EXIMGARANT of Belarus have a major contribution to make

in sustaining trade flows and to further strengthen the foundations of global economic growth.

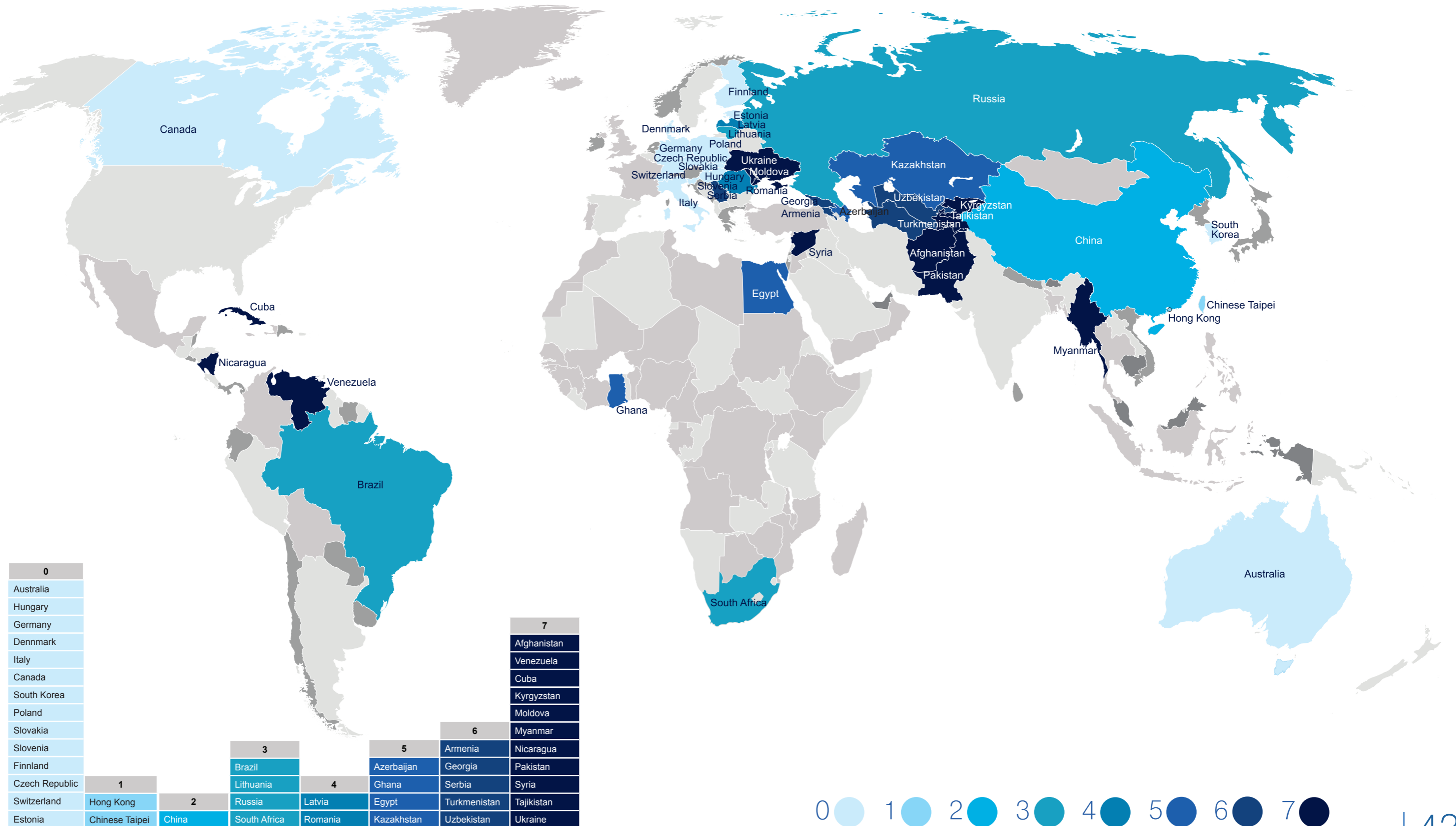
Berne Union and Prague Club members, both public and private, will continue to play their role in providing risk mitigation to exporters and banks, and facilitate trade flows for the benefit of global growth.

Deputy Secretary General
Berne Union
Fabrice Morel

Total new business during year, USD billion



The Structure of Export Credit Insurance Cover. Geographic Split



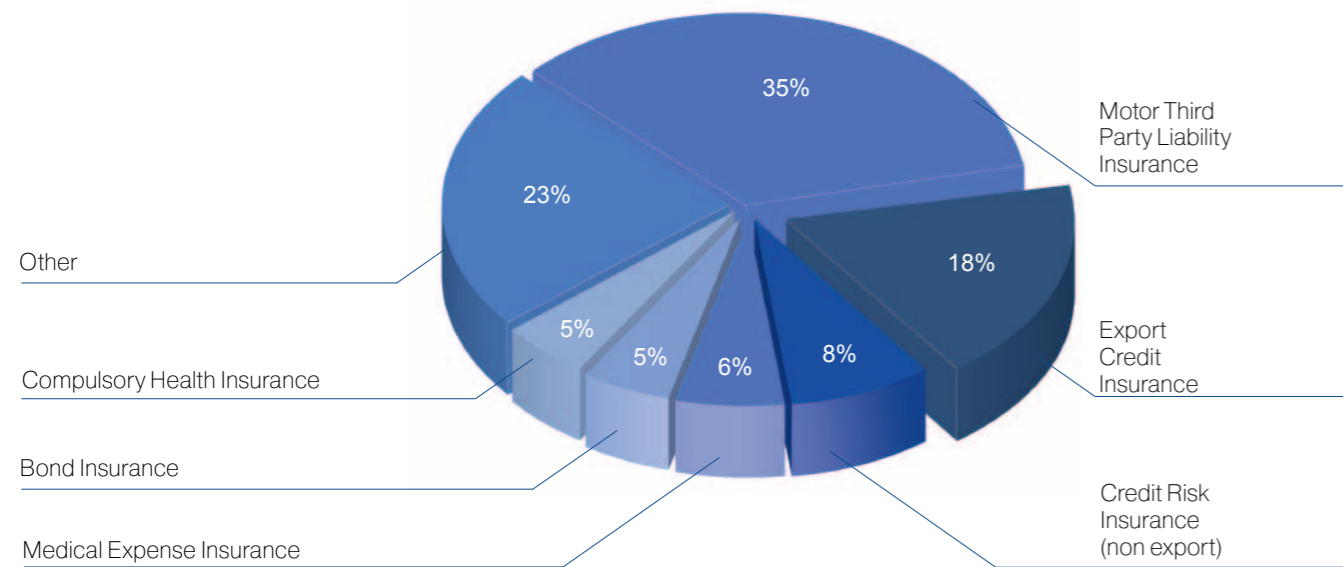
Financials

Cover provided - 4,3 BYR trillion.
Countries covered - 44
Profit - 108,3 BYR billion
Profitability - 40,6%
Own capital - 4 057,4 BYR billion
Rating (Fitch Ratings) – “B-”
The rating outlook is stable

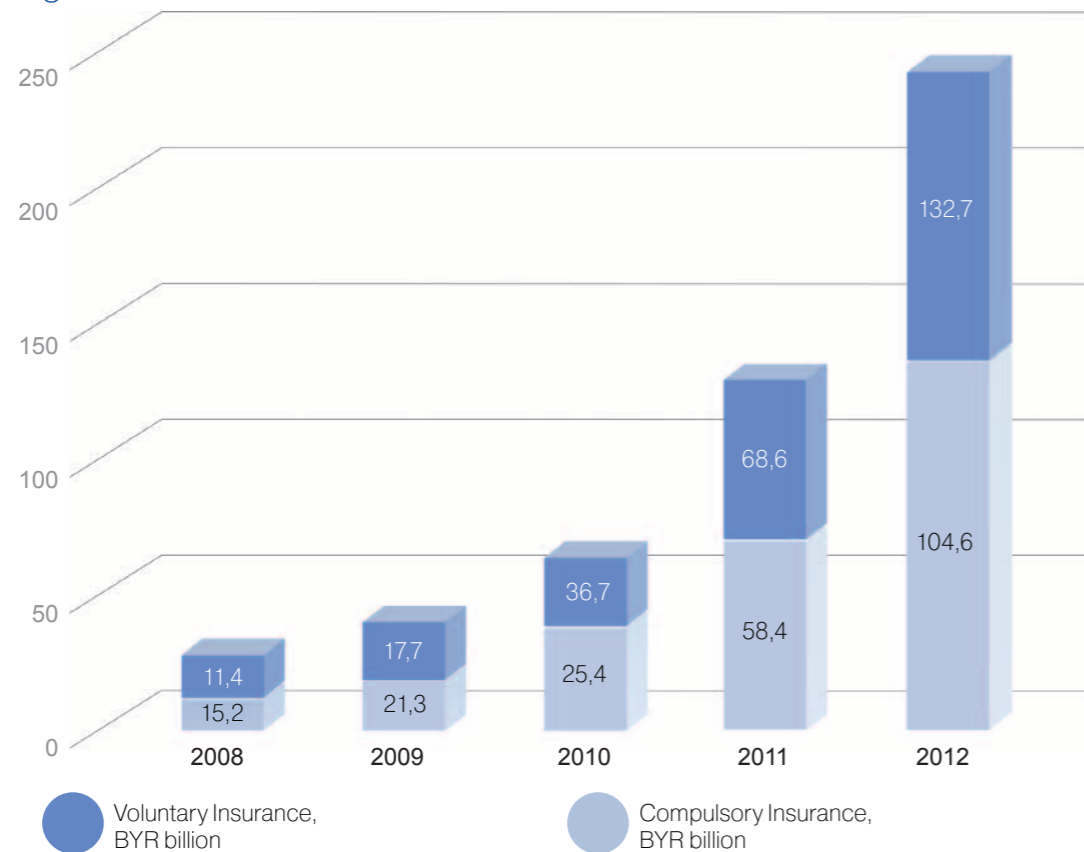


General Financial Results

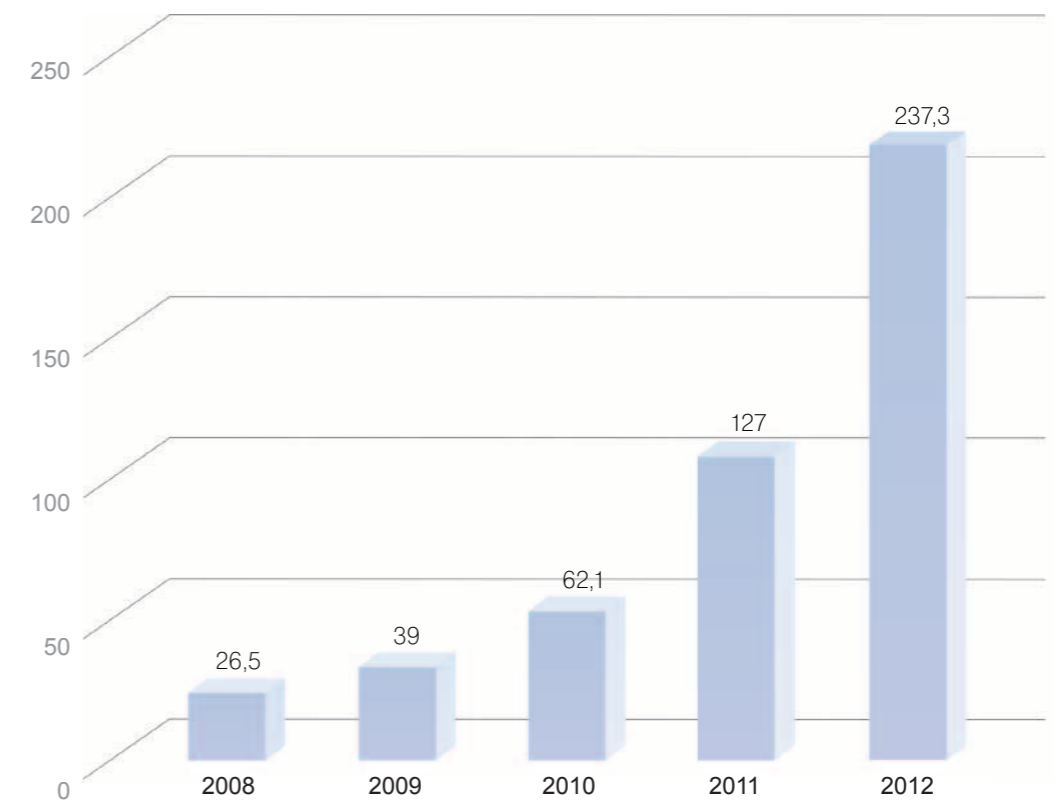
Insurance Portfolio, %



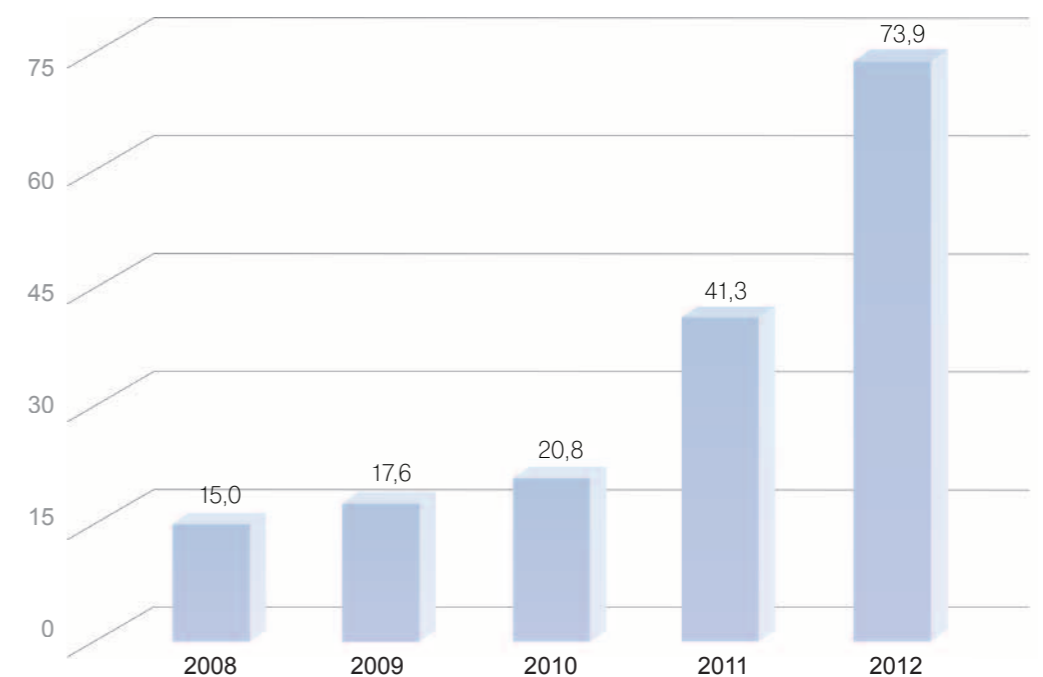
Voluntary and Compulsory Insurance in the Structure of the Eximgarant's Insurance Portfolio



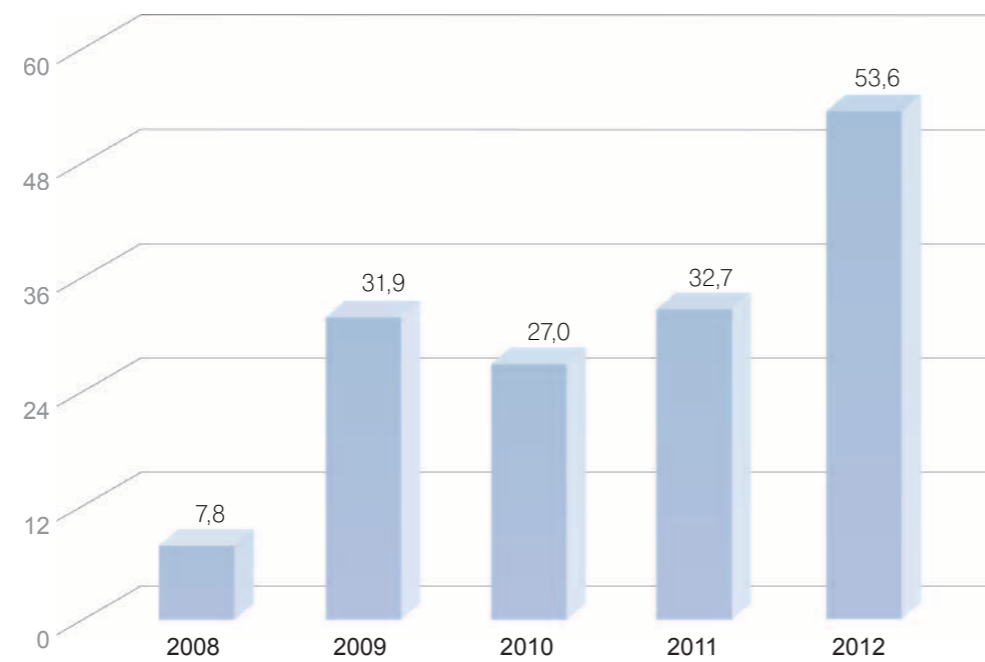
Total Premium, BYR billion



Cover provided, BYR trillion



Claims Paid – Total, BYR billion



Key performance indicators

	2008	2009	2010	2011	2012
Direct insurance – premium received, BYR billion	26,5	39,0	62,1	127,0	237,3
Gross profit, BYR billion	11,8	24,4	25,0	186,2	108,3
Profitability, %	47,0	40,6	37,5	123,5	40,6
Payments to budgetary and extra-budgetary funds, BYR billion	7,0	13,8	13,9	39,2	79,3
Exposure - Total, BYR trillion	15,0	17,6	20,8	41,3	73,9
Insurance reserves and funds, BYR billion	13,7	22,5	31,0	86,8	111,8
Insurance contracts - Total	529 389	482 205	529 268	605 535	684 883
Equity, BYR billion	88,0	450,1	463,1	591,7	4 057,4
Legal capital, BYR billion	81,3	435,7	448,1	454,7	3 937,6
Average number of employees	252	284	324	374	401

Balance Sheet

ASSETS	Sum, BYR thousand
I. LONG-TERM ASSETS	
Fixed assets	20 217 960
Intangible assets	92 098
Income yielding investments into tangible assets	23 999
Including: investment property	23 999
Investment in long-term assets	45 537
Long-term financial assets	3 752 011 770
Long-term receivables	22 868 262
Deffered tax assets	
Other long-term assets	225 104
Total article I	3 795 484 730
II. SHORT-TERM ASSETS	
Supplies	2 993 734
Including: raw materials and other materials	2 993 734
Non-current assets held for sale	
Unexpired costs	725 389
Input added value tax	
Reinsurers share in insurance reserves	31 983 861
Including: unearned premium reserve	28 397 035
loss reserve	3 586 826
other technical reserve	
Short-term receivables	37 964 087
Short-term financial investments	
Cash and cash equivalents	384 239 306
Other short-term assets	
Total article II	457 906 377
TOTAL	4 253 391 107

EQUITY AND LIABILITIES	Sum, BYR thousand
III. EQUITY	
Authorized capital	3 937 586 180
Reserve capital	539 998
Including salary reserve fund	539 998
Additional fund	18 514 360
Retained earnings	101 262 276
Net income	
Target financing	362
Total article III	4 057 903 176
IV. ACTUARIAL RESERVES AND FUNDS	
Life insurance reserve	
Unearned premium reserve	117 378 873
Loss reserve	26 441 617
Other technical reserves	
Other insurance reserves	
Prevention measures fund	4 777 686
Guarantee fund	27 925
Other funds according to legislation	42 549
Total article IV	148 668 650
V. LONG-TERM LIABILITIES	
Long-term loans	
Long-term lease payments	
Deffered tax assets	
Deffered income	22 823 871
Provisions for future expenses	
Other long-term liabilities	
Total article V	22 823 871
VI. SHORT-TERM LIABILITIES	
Short-term loans	
Short-term part of long-term liabilities	
Short-term liabilities	20 098 540
Liabilities for sale	
Deffered income	3 896 870
Expences and provisions	
Other short-term liabilities	
Total article VI	23 995 410
TOTAL	4 253 391 107

Income Statement

INDEX NAME	CODE	Accounting period, BYR thousand
LIFE INSURANCE		
Premium earned, total	010	
Claims paid	020	
Change of life insurance reserves (+ or -)	030	
Deductions to guarantee and preventive fund	040	
Administrative costs	050	
Life insurance operations income	060	
NON-LIFE INSURANCE		
Premium earned, total	070	238 288 544
Including: direct insurance & co-insurance	071	237 311 384
Reinsurance	072	977 160
Ceded premium	073	37 840 207
Insurance premium including reinsurance, net	074	200 448 337
Change of unearned premium, total	080	(38 283 096)
Change of reinsurer share in unearned premium	081	7 728 330
Change of reinsurer share in unearned premium, net	082	(30 554 766)
Premium earned, net	085	169 893 571
Reinsurer share in claims paid	090	53 614 990
Reinsurer share in claims paid	091	1 885 774
Claims paid including reinsurance, net	092	51 729 216
Change of loss reserve, total	095	5 163 400
Change of reinsurer share in loss reserve	096	340 364
Change of loss reserve including reinsurance, net	097	5 503 764
Premium earned excluding claims paid	100	123 668 119
Change of other technical reserves	110	
Change of other insurance reserves	120	
Deductions to guarantee and preventive fund	130	8 091 604
Deductions to other funds according to legislation	140	562 170
Administrative costs, total	150	50 843 556
including commissions and commission on profit (accepted risks)	151	132 835
including commissions and commission on profit (ceded risks)	155	4 537 655
Income & expenses - non-life insurance	160	3 824 322
Profit (loss) - non-life insurance	170	72 532 766
Investment activities income	180	32 078 984
Investment activities expenses	190	214 517
Financial activities income	200	94 403 255
Financial activities expenses	210	79 542 992
Other income & expenses	220	(10 999 413)
Investment and financial activities profit (loss)	230	35 725 317
Accounting period profit (loss)	240	108 258 083
Income tax	250	20 649 089
Other taxes	280	26 148 435
Net income (loss)	290	61 460 559
Long-term assets revaluation surplus not included to net income	300	5 083 165
Other operations profit (loss) not included to net income	310	
Total gains	320	66 543 724

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