



БЕЛЭКСИМГАРАНТ  
EXIMGARANT of BELARUS

ANNUAL  
REPORT

2019





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## WELCOME ADDRESS BY THE CHAIRMAN OF THE BELARUSIAN CHAMBER OF COMMERCE AND INDUSTRY



Eximgarant of Belarus has been a member of the Belarusian Chamber of Commerce and Industry since 1998. More than 20 years of cooperation between the two organizations is aimed at promoting the development of all forms of entrepreneurial initiative in the Republic of Belarus, supporting small and medium-sized businesses,

furthering the interests of national companies and the “Made in Belarus” brand.

The conditions of growing competition in the global market require new professional competencies of companies supporting business and the implementation of effective, modern working mechanisms to solve priority tasks in the field of foreign economic activity, geographical diversification of supplies, optimization conditions for Belarusian products and services access to foreign markets and export financing tools, as well as strengthening investment cooperation. As a national insurer and expert on export and investment risks, Eximgarant successfully solves these tasks.

Export and investment are not only sources of economic growth. These are the key parameters that characterize the ability of the national economy to be a full participant in international economic relations. We do our best to ensure that our organizations contribute greatly to the development of the country’s export potential and to strengthening its position in the international arena.

A wide range of opportunities of the Belarusian Chamber of Commerce and Industry to support Belarusian enterprises foreign economic activity, establish business contacts, modern marketing communications, provide effective information and legal assistance in combination with the use of Eximgarant’s insurance products contribute to the exporters activities, opening up new horizons for doing business.

I wish Eximgarant of Belarus further development and prosperity! Together we create success!

The Chairman of the  
Belarusian Chamber of Commerce and Industry  
Vladimir Ulahovich

## WELCOME ADDRESS BY THE DIRECTOR GENERAL



Dear friends, colleagues, partners!

I present to you the Annual Report of Eximgarant of Belarus for the year 2019. We ended this year with a rather good result in terms of the volume of collected insurance premiums, ensured the profitability of financial, economic and insurance activities, and increased the company’s profit. Specific figures are provided later in the report.

The strategic goal of Eximgarant of Belarus in the near future remains to be stimulation of the national exports growth through the use of insurance and financial tools provided for by Belarusian legislation and international principles of doing business.

However, today I would like to note the following.

The global economy is entering a difficult period caused by the current epidemiological situation. In order to prevent the impact of global economic downturn, governments around the world will use financial support institutions, including export credit agencies (ECAs), created specifically for that matter. Due to this, the response of the International Union of Credit and Investment Insurers (Berne Union) to this situation, namely, the exchange of measures between ECAs, experience in developing new methods and forms possible to support business and trade, investors and exporters, was very timely. It is obvious that cooperation and cooperative actions will become the main elements in strengthening national economies, and, as a result, the global economy as a whole.

I wish you good health, a successful business, a happy future!

Director General  
Gennady Mitskevich



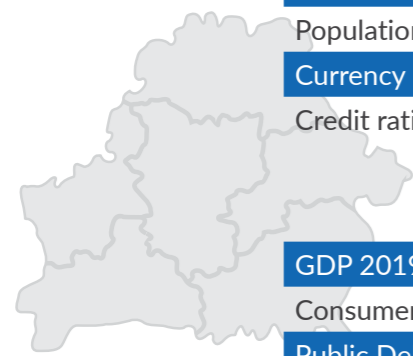
# ECONOMIC DEVELOPMENT AND INVESTMENT POTENTIAL





## MACROECONOMIC SITUATION

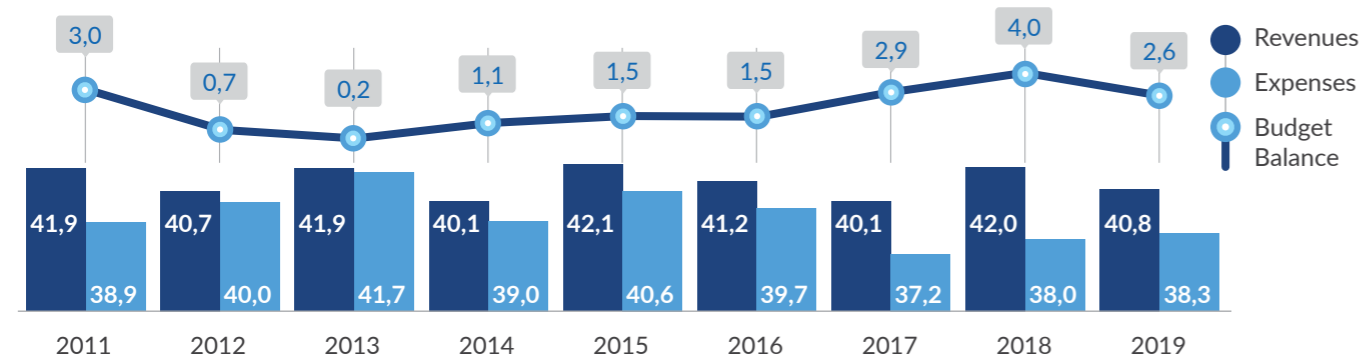
### Facts about Belarus



Area	207,6 thousand km <sup>2</sup>
Population	9,408* million people
Currency	BYN
Credit ratings	<ul style="list-style-type: none"> <li>Fitch – B (Stable)</li> <li>Standard &amp; Poor's – B (Stable)</li> <li>RAEX-Europe – B (in foreign currency)</li> <li>VI position in OECD country risk classification</li> </ul>
GDP 2019	63,2 billion USD (+ 1,2%)
Consumer prices	4,7%
Public Debt	33,7% GDP

\* preliminary data as of 01.01.2020.

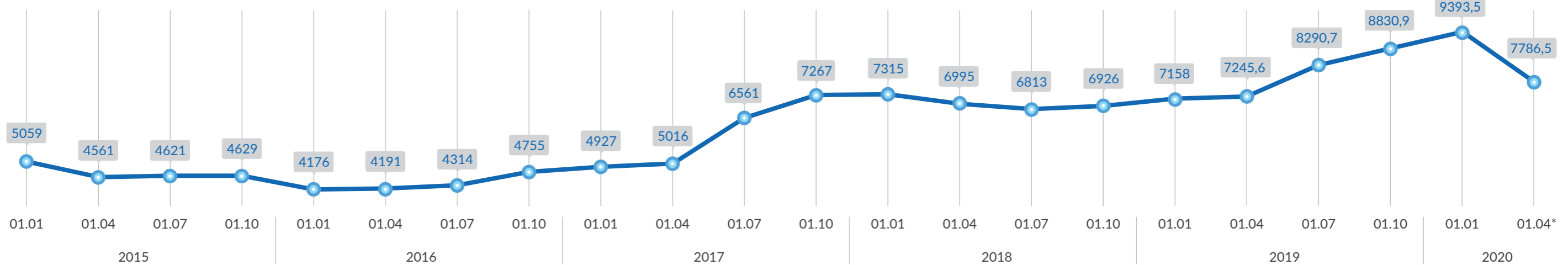
### Public Sector Budget, % GDP\*



\* Public sector budget consists of consolidated budget, extra-budgetary funds and extra-budgetary assets of budget organisations

Source: Ministry of Finance of the Republic of Belarus

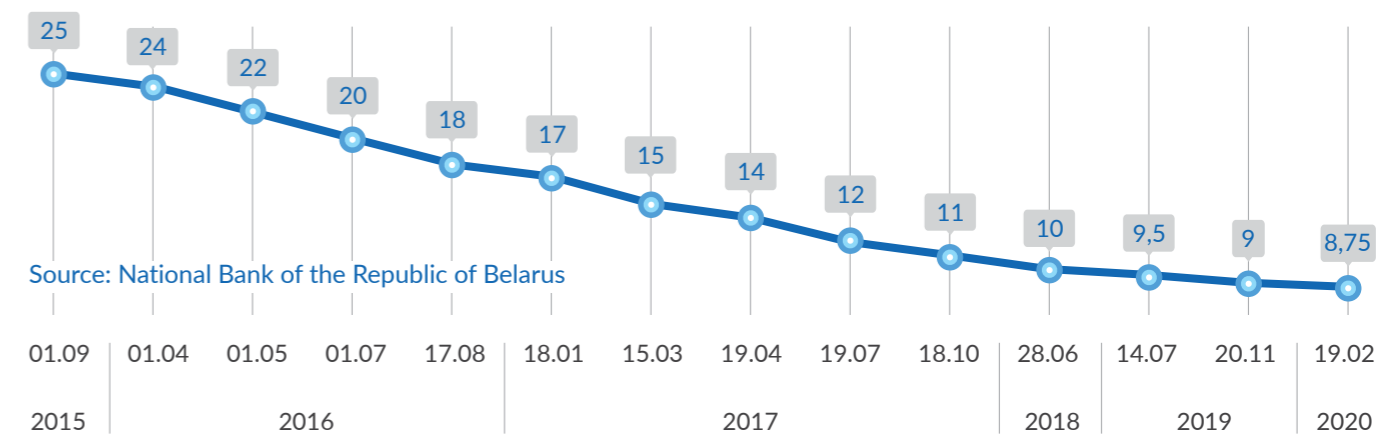
### Foreign Reserve Assets, million USD



\* preliminary data

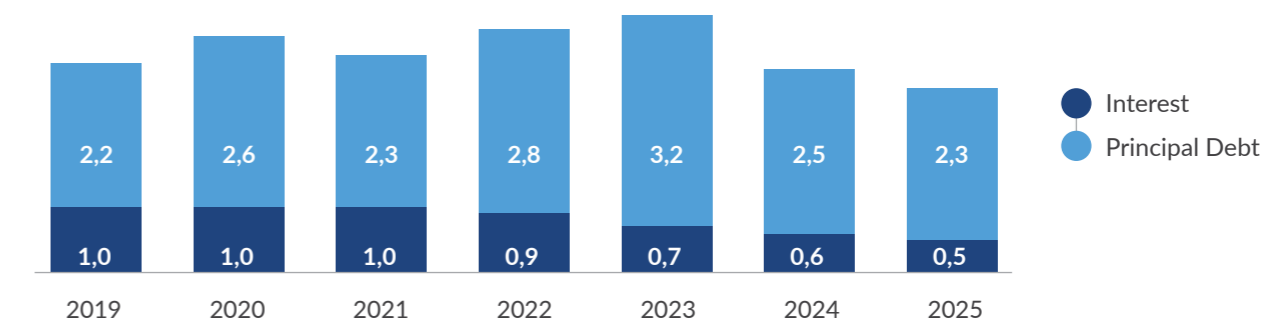
Source: National Bank of the Republic of Belarus

### Dynamics of the Average Refinance Rate of the National Bank of the Republic of Belarus, %



Source: National Bank of the Republic of Belarus

### Public Debt Repayment Schedule in 2019–2025, billion USD

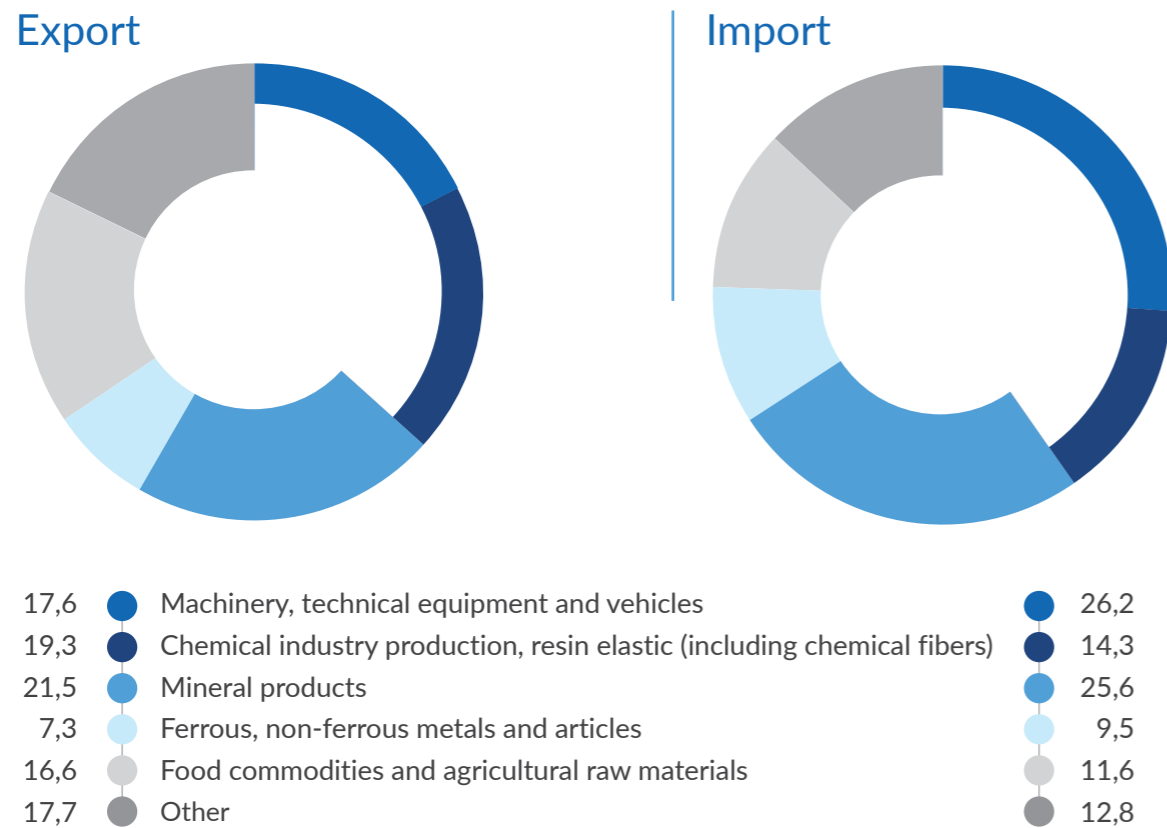


Source: Ministry of Finance of the Republic of Belarus

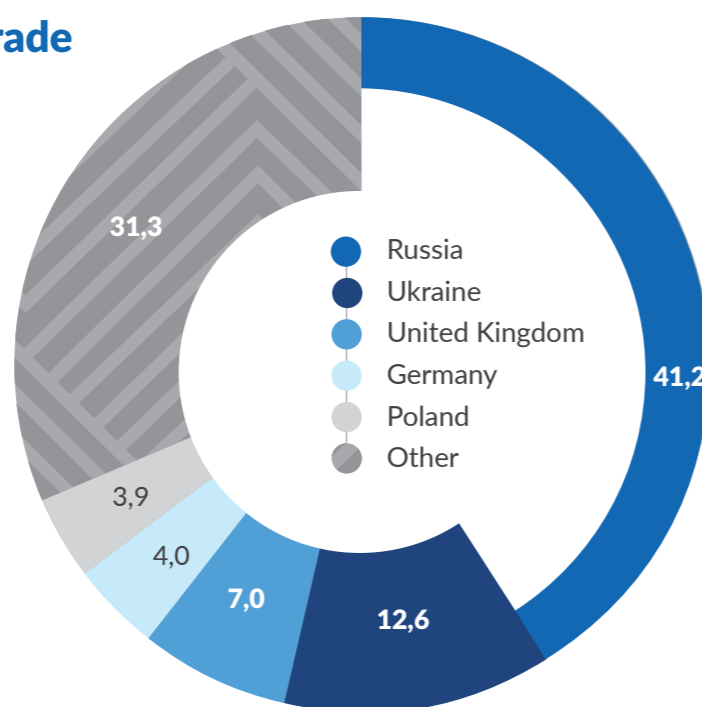


## FOREIGN TRADE

### Export and Import Structure in 2019, %



### Export by Countries – Main Trade Partners in 2019, %



Source: National Statistical Committee of the Republic of Belarus

## BANKING SECTOR

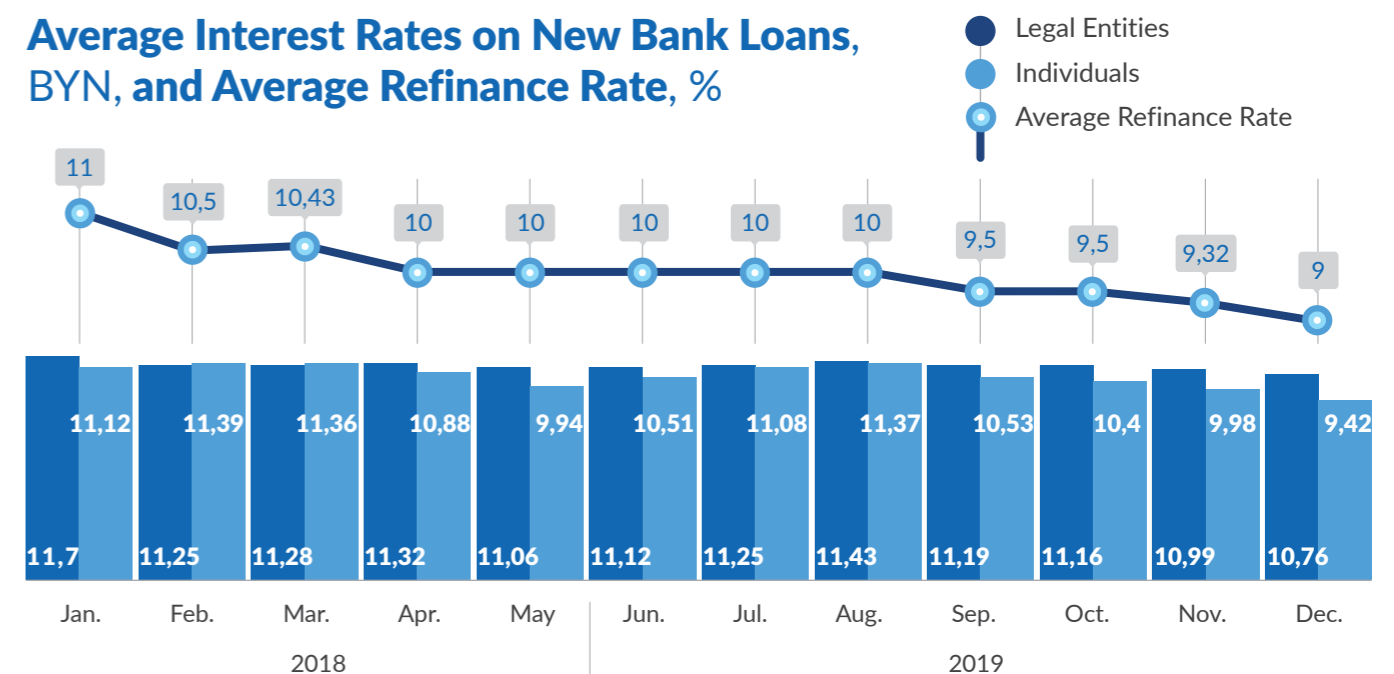
### Banks



### Sector Indicator

Authorized Capital	5,54 billion BYN (2,6 billion USD)
Total Assets	78,31 billion BYN (36,75 billion USD)
Foreign Currency Assets	50,3%
Return on Assets	1,52%
Regulatory Capital	11,61 billion BYN (5,45 billion USD)
Return on Regulatory Capital	10,92%
Regulatory Capital Adequacy Ratio (Minimal Regulatory Capital)	17,8%
Non-Performing Loans	4,6%
Profit of Operating Banks	1175,2 million BYN (551,7 million USD)
Debt of the Economy in Bank Assets	70%

### Average Interest Rates on New Bank Loans, BYN, and Average Refinance Rate, %

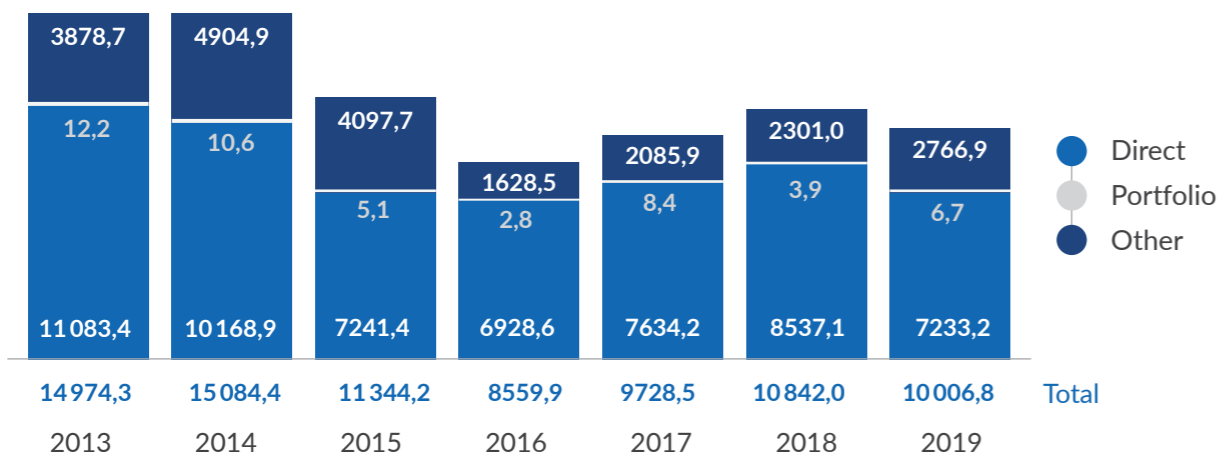


Source: National Bank of the Republic of Belarus



## FOREIGN INVESTMENTS

### Foreign Investments, million USD



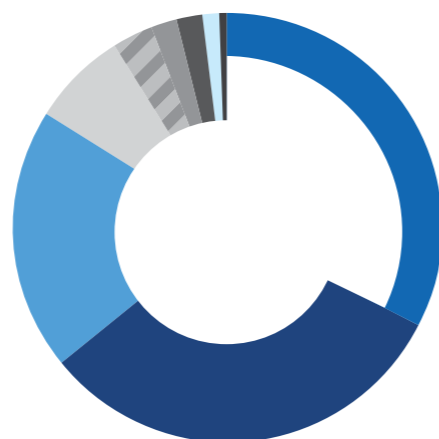
### Total foreign investments in the real sector of economy, %

Foreign Investments in the Real Sector of Economy in 2019 – Geographic Split



- 45,1 ● Russia
- 18,0 ● United Kingdom
- 16,8 ● Other
- 7,6 ● Cyprus
- 4,4 ● Poland
- 4,4 ● Austria
- 3,7 ● Ukraine

Investment Structure by Type of Activity in 2019



- 32,37 ● Wholesale and retail trade; repair of motor vehicles and motorcycles
- 31,08 ● Industry
- 19,55 ● Transport, storage, postal and courier services
- 7,02 ● Information and communication
- 3,08 ● Finance and insurance
- 2,07 ● Construction
- 1,83 ● Real estate transactions
- 1,75 ● Other services
- 1,25 ● Professional, scientific and technical activities

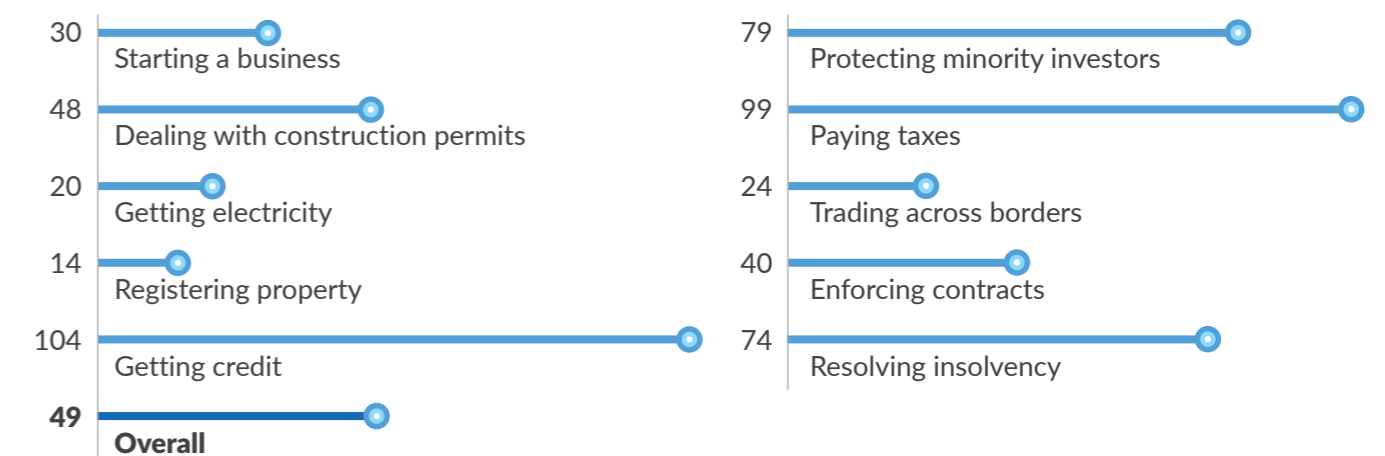
Source: National Statistical Committee of the Republic of Belarus

## The Main Preferential Legal Regimes of Investment in the Republic of Belarus

Free Economic Zones (FEZ)	High-Tech Park (HTP)
<ul style="list-style-type: none"> <li>income tax exemption;</li> <li>VAT rate – 10% when selling goods, works and services</li> </ul>	<ul style="list-style-type: none"> <li>income and real estate tax exemption;</li> <li>VAT exemption on sales turnover</li> </ul>
The territory of medium-sized and small towns, rural areas	SME
<ul style="list-style-type: none"> <li>exemption from income, real estate and land tax</li> </ul>	<ul style="list-style-type: none"> <li>the right to use the simplified tax system by small businesses with income not exceeding the statutory amount</li> </ul>
Industrial Park	Pripyat Polesie
<ul style="list-style-type: none"> <li>exemption from income, real estate and land tax</li> <li>tax on income of foreign organizations without permanent establishment – 0%</li> </ul>	<ul style="list-style-type: none"> <li>exemption from income, real estate and land tax;</li> <li>tax on income of foreign organizations without permanent establishment – no more than 12%</li> </ul>
Investment Agreement with the Republic of Belarus	The Augustow Canal
<ul style="list-style-type: none"> <li>construction of facilities in parallel with the approval of the necessary project documentation;</li> <li>the lease of a land plot without an auction;</li> <li>exemption from import customs duties and VAT on technological equipment imported into Belarus</li> </ul>	Residents are exempt from: <ul style="list-style-type: none"> <li>tax on profit from sales of own production;</li> <li>estate tax;</li> <li>VAT on sales of own production on the territory of Belarus;</li> <li>payment for the right to conclude a land lease agreement</li> </ul>
Special Economic Zone “Bramino-Orsha”	
<ul style="list-style-type: none"> <li>income and real estate tax exemption, exemption from tax on dividends and equivalent income;</li> <li>non-inclusion of exchange differences in non-operating income and expenses;</li> <li>exemption from VAT and customs duty when importing equipment, components, spare parts, raw materials and materials for an investment project</li> </ul>	

Source: Ministry of Economy of the Republic of Belarus

## Belarus in DOING BUSINESS 2020





# EXPORT CREDIT INSURANCE

## Products for exporters

- **Export credit insurance against political and commercial risks**

Insurance of export contracts is an upmarket insurance product that ensures effective completion of foreign trade transaction. It comprises risk management procedure as well as advice on the essential details of an export contract both at the stage of its conclusion and at the stage of its execution. Insurance premium is included in production costs. In case the insurance indemnity is paid, the Insurer is responsible for debt collection.

- **International leasing transactions insurance**

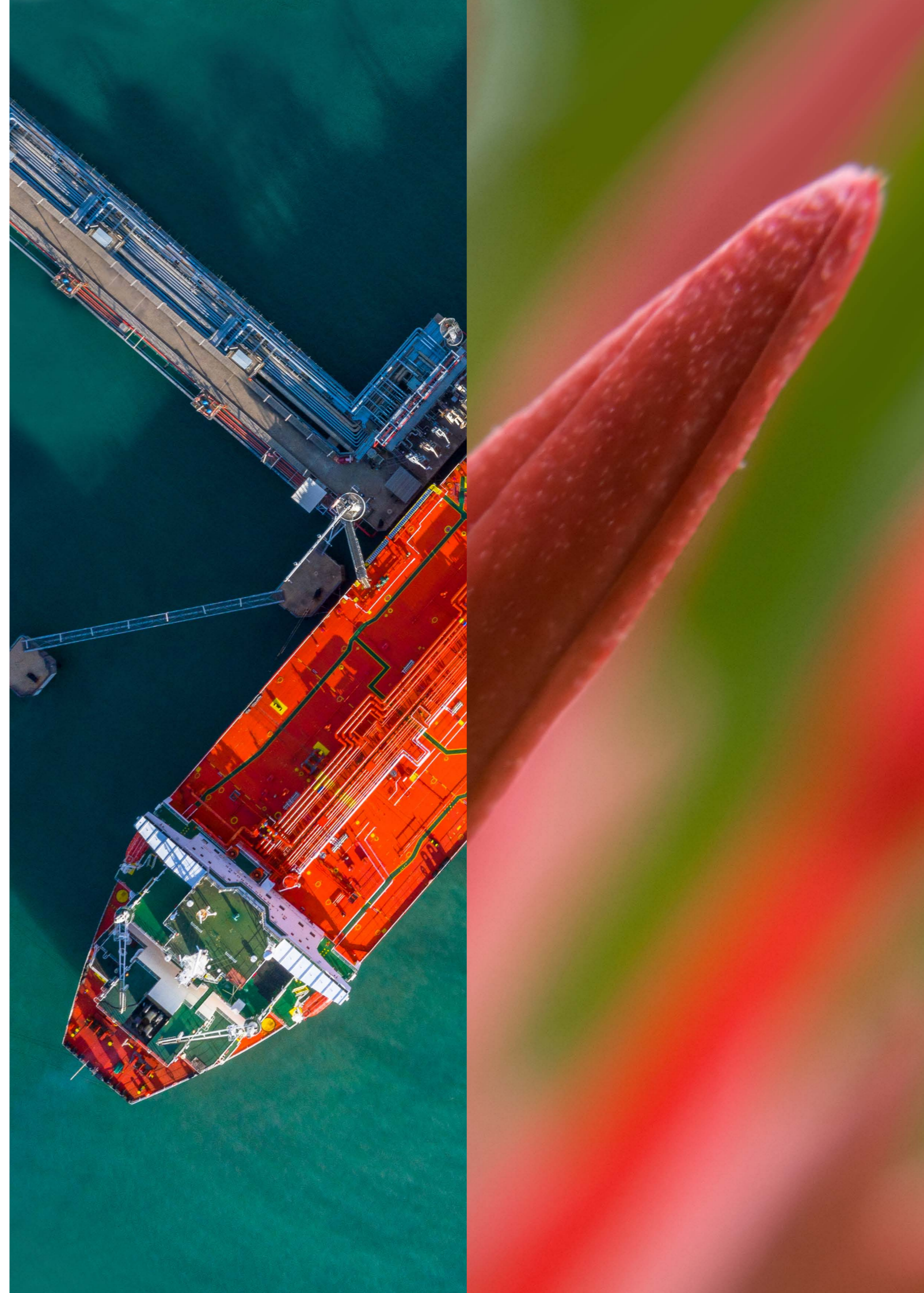
International leasing insurance covers losses incurred by the lessor in case the foreign lessee fails to fulfill obligations under the circumstances of political or commercial risks.

- **Pre-export risk insurance**

The risk of withdrawal of an overseas contractor from the settled export contract is covered with an insurance policy. Through paying the insurance indemnity Eximgarant of Belarus covers the costs incurred by the insured while fulfilling obligations under the insured contract.

- **Investment insurance against political risks**

Investment insurance is used to mitigate political risks while investing abroad. The insurance covers risks related to investing by means of placing a property deposit, transferring financial and intangible assets, executing works for the benefit of an overseas company, granting financial loans.





## Products for banks

### ● Buyer credit insurance

The insurance covers losses incurred by the Development bank of the Republic of Belarus resulting from the debtor's failure to fulfil obligations under the loan agreement due to commercial or political risks.

### ● Pre-export finance insurance for lease companies

The loan is provided by the Development Bank of the Republic of Belarus to national lease companies for the purposes of buying the goods produced in Belarus that will further be leased to a foreign buyer. The insurance policy covers losses resulting from the borrower's failure to fulfil obligations under the loan agreement in terms of its repayment.

### ● Export factoring insurance

Export factoring insurance is aimed at protecting the factor from the risk of non-fulfilment by an overseas debtor its obligations under the export contract concerning the receivables that were sold to the bank. Export factoring insurance provides an opportunity to finance all the projects of exporters even when the credit risk is excessively high for a bank. Insurance coverage is also provided in terms of recourse factoring operations.

### ● Bank guarantee and Letter of Credit insurance

Bank guarantee insurance covers losses that result from a fair or unfair calling off a guarantee due to political and other non-commercial risks. Losses of the confirming bank due to the execution of a letter of credit issued by a foreign bank in favour of the exporter may also be covered by the insurance policy.

## UNDERWRITING POLICY

*The development of political and commercial risks insurance is driven by global market trends and macroeconomic situation.*

The main issue today is the lack of liquidity and coherent increasing of the risk of non-payment. In this context, underwriting becomes of paramount importance for Eximgarant.

The quality and depth of the analysis of counterparty's goodwill, its financial standing and political situation in the respective region not only facilitate the effectiveness of project realisation but also broaden recovery possibilities.

Once risks have been identified and assessed, all techniques to mitigate them fall into one or more of these four major categories:

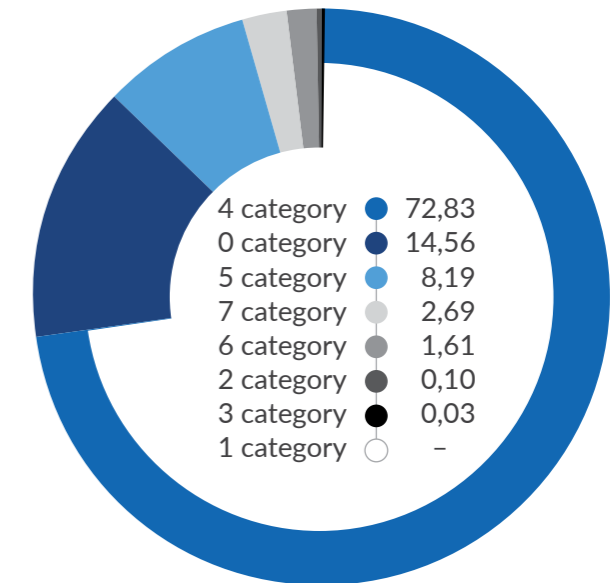
- Avoidance of "too risky business" (Method of Avoidance);
- Preventive measures and diversification (Method of Reduction);
- Outsourcing (Method of Sharing);
- Creation of reserves (Method of Acceptation).

In case the identified risk is extremely high, the underwriter considers the means to reduce it and, in conjunction with the company's lawyers, identifies possible ways of recovery in case of insurance indemnification.

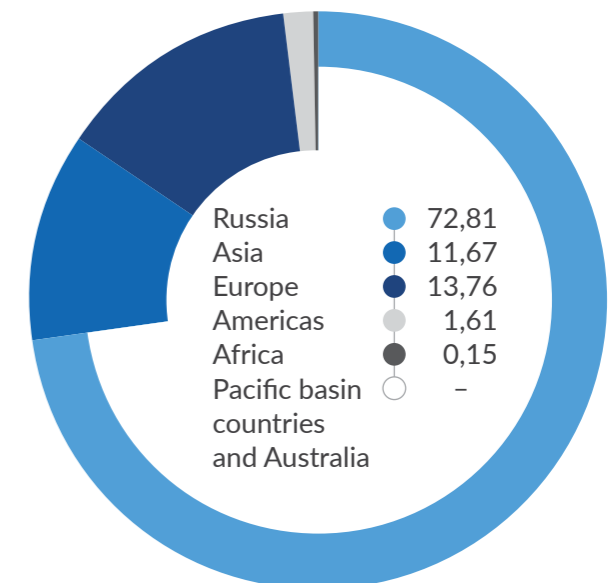
Risk is subject to permanent monitoring, updating financial and other information about counterparty within the period of insurance.

By the insurance agreement expiry date the evaluation of results achieved is made and, if necessary, risk strategy is adjusted.

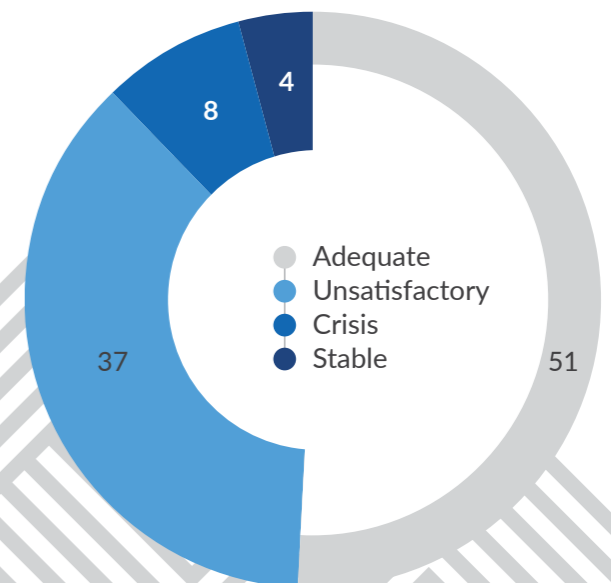
### Insurance cover structure according to OECD Country Risk Classification, %



### Insurance cover structure, %



### Insurance cover structure in terms of financial standing of foreign buyer, %





## EXPORT CREDIT INSURANCE IN FIGURES

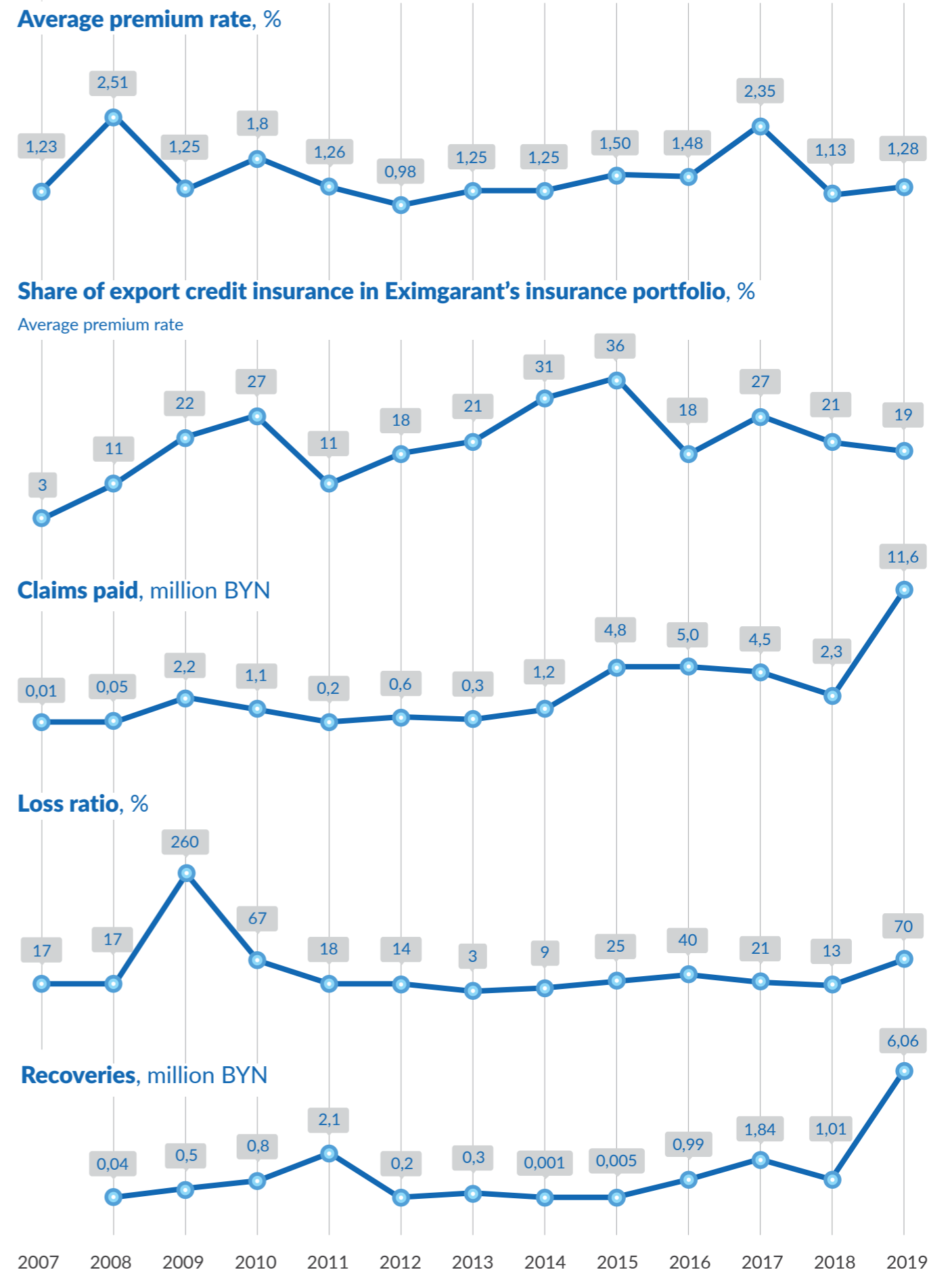
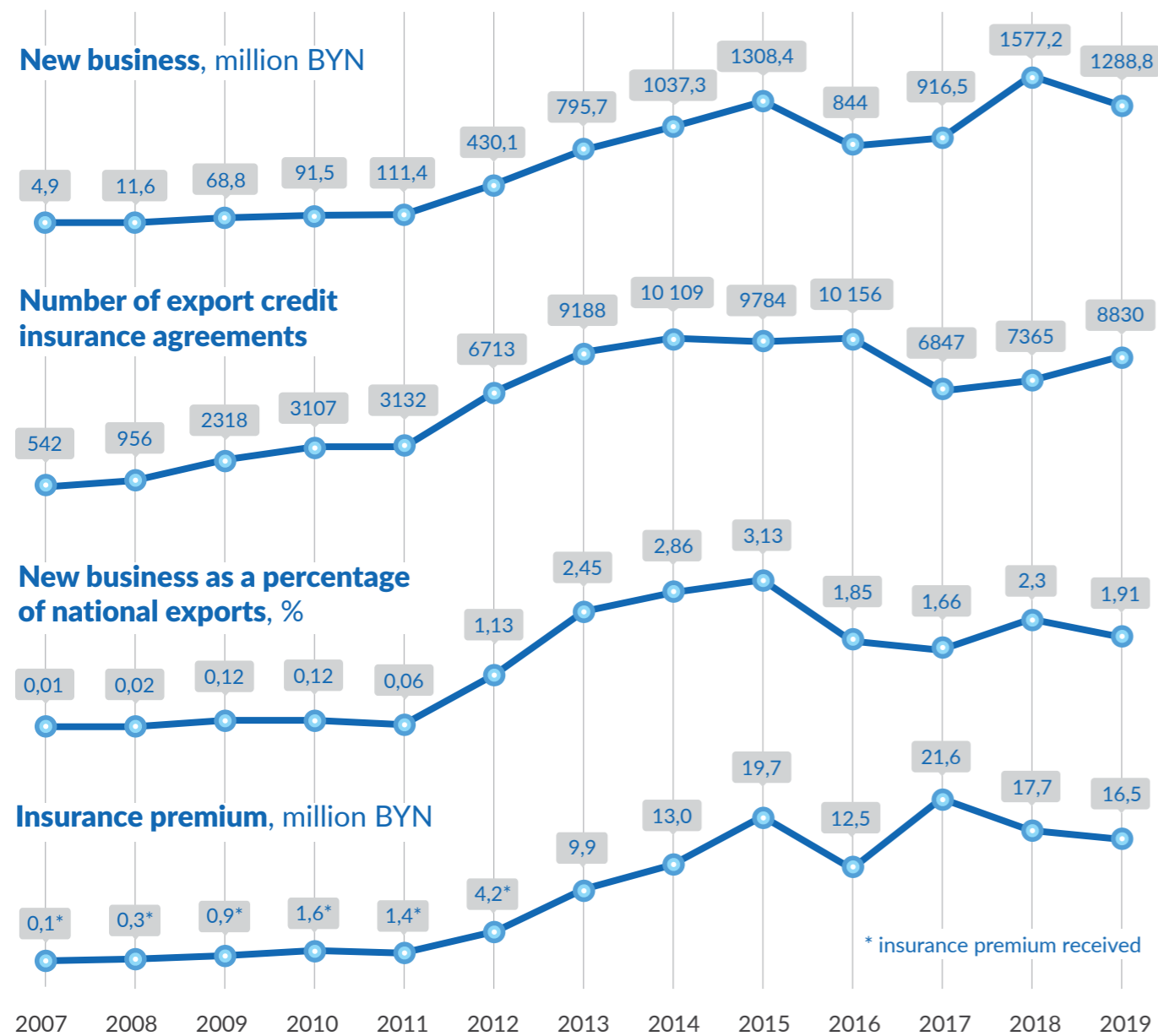
Eximgarant is rendered with the exclusive right to insure export credits with state support.



In today's business environment, export risk insurance mechanisms serve as a necessary and sufficient condition for the successful implementation of transactions with residents of foreign countries.

As a result of cooperation between Belarusian enterprises, banks and Eximgarant, in 2019 new business as a percentage of national exports amounted to 1.91% of the total amount of country's exports. The insurance cover was provided for 39 countries, including 2 new markets - Denmark and Luxembourg. Exactly 85 enterprises enjoyed export credit insurance services, 9 of which approached Eximgarant for the first time.

Eximgarant is a member of the Prague Club Committee of the Berne Union and is open for cooperation with both national and international organizations to implement joint projects.





## INSURANCE OF INVESTMENT PROJECTS

Eximgarant supports the implementation of investment projects of national importance, including providing insurance coverage in various areas. Over the past years, this area has been gaining ever greater development. Among the large-scale projects are the following.

### Construction of a plant for production of tinfoil in Miory, Vitebsk region

Implementation is carried out by MMPZ-group. The project involves the construction of the plant itself, as well as full equipment of the production base. Technological equipment is supplied by the German company SMS Group GmbH. The total investment of the project exceeds 340 million euros.

### Construction of a canned food factory in Stankovo village, Dzerzhinsky District

Implementation is carried out by LVL Evolution LLC. The project involves the construction of a modern high-tech enterprise complete with equipment from the best European manufacturers for the production of baby food in glass containers and doypacks, as well as juices in tetrapack packaging. The total investment of the project exceeds 9.3 million euros.

### Construction of a multifunctional complex in Minsk

Implementation is carried out by Foreign Unitary Enterprise Hermes Construction. The project involves the construction of a hotel complex, which includes a 5-star hotel and all the infrastructure. The total investment exceeds 8 million euros.



### Construction of a nuclear power plant in Ostrovets

To fully support the implementation of this project, the Belarusian Nuclear Insurance Pool was created, which allows maximum coverage of risks that may arise during the launch and operation of the Belarusian nuclear power plant. The pool includes Eximgarant, Belgosstrakh and the Belarusian National Reinsurance Organization.

## OUR CLIENTS



OJSC "Savings Bank "Belarusbank"



OJSC "Development Bank of the Republic of Belarus"



OJSC "BelVEB"



OJSC "Minsk Automobile Plant"



OJSC "Amkodor"



OJSC "Belagroprombank"



Belarusian Railway



Belinvestbank  
OJSC "Belinvestbank"



CJSC "Stadler Minsk"



RUE "Belmedpreparaty"



OJSC "BPS-Sberbank"



CJSC "Alfa-Bank"



OJSC "Bank Dabrabyt"



"ATLANT" Inc.



OJSC "Promagroleasing"



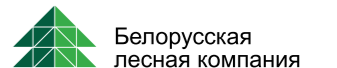
OJSC "Belgazprombank"



CJSC "Vitex"



JV "BELITA" Ltd.



OJSC "Belarusian Forestry company"



OJSC "Holding management company "Belkommunmash"



LLC "Alutech Doors Systems" LLC "Alutech Incorporated" JLLC "AluminTechno"



PC LLC "Belkosmex"



RUPTE "Orsha Linen Mill"



OJSC «Savushkin Product»



OJSC "Svitanak"



JV JSC "Brestgazoapparat" UE "Gefest - Technika"



OJSC "Belsolod"



JV JSC "Kommunarka"



JV JSC "Spartak"



OJSC "Bellakt"



OJSC "Grodno Azot"



OJSC "Volkovysk Meat Processing Plant"



JLLC "Conte Spa"



OJSC "Confectionery factory "Slodych"



JSC "Slutsk Sugar Plant"



OJSC "Mogilev Meat Processing Plant"



OJSC "Slonim Meat Processing Plant"



OJSC "Molochny Mir"



OJSC "Gomel MA "Kristall"



# EXPORT CREDIT INSURANCE COVER. GEOGRAPHIC SPLIT

- 0** Country risk classification
- 1 Australia
  - 2 Austria
  - 3 Belgium
  - 4 United Kingdom
  - 5 Hungary
  - 6 Germany
  - 7 Denmark
  - 8 Italy
  - 9 Canada
  - 10 Cyprus
  - 11 Korea
  - 12 Latvia
  - 13 Lithuania
  - 14 Luxembourg
  - 15 Netherlands
  - 16 New Zealand
  - 17 Norway
  - 18 Poland
  - 19 Singapore
  - 20 Slovak Republic
  - 21 Slovenia
  - 22 United States
  - 23 Finland
  - 24 France
  - 25 Czech Republic
  - 26 Chile
  - 27 Switzerland
  - 28 Sweden
  - 29 Estonia

- 1** Country risk classification
- 30 Chinese Taipei

- 2** Country risk classification
- 31 Hong Kong
  - 32 China
  - 33 Malaysia
  - 34 United Arab Emirates

- 3** Country risk classification
- 35 Bulgaria
  - 36 Romania

- 4** Country risk classification
- 37 Viet Nam
  - 38 Russia
  - 39 Serbia
  - 40 South Africa

- 5** Country risk classification
- 41 Azerbaijan
  - 42 Bangladesh
  - 43 Bolivia
  - 44 Brazil
  - 45 Egypt
  - 46 Kazakhstan
  - 47 Turkey
  - 48 Uzbekistan

- 6** Country risk classification
- 49 Armenia
  - 50 Ghana
  - 51 Georgia
  - 52 Cambodia
  - 53 Mongolia
  - 54 Myanmar
  - 55 Turkmenistan
  - 56 Ukraine

- 7** Country risk classification
- 57 Afghanistan
  - 58 Venezuela
  - 59 Iran
  - 60 Cuba
  - 61 Kyrgyzstan
  - 62 Lao People's Democratic Republic
  - 63 Moldova
  - 64 Nicaragua
  - 65 Pakistan
  - 66 Syrian Arab Republic
  - 67 Tajikistan
  - 68 Ethiopia



## EVENTS 2019

### 1 Berne Union Prague Club Committee Meeting

was held in the Sultanate of Oman from 12 to 14 February 2019 hosted by Credit Oman, an export credit agency with the support of the Berne Union Secretariat.

The meeting was attended by 35 representatives from more than 20 ECAs. The thematic session "Internal benchmarking and risk management" provided information on the risk sharing system and decision-making on export credit insurance in the Belarusian ECA. The meeting also discussed the development of the Persian Gulf and Africa, as well as the specifics of underwriting in the region.

### 2 The Berne Union Spring Meeting

was held in Singapore from 8 to 12 April 2019 hosted by IE SINGAPORE.

An open meeting was held with the representative offices of export-import banks of the Asian region on the financing of foreign trade transactions, namely pre-export financing, credit to the buyer, letters of credit and bank guarantees. The aim of the meeting was creating a cooperation platform between ECAs and financing banks in order to exchange experience and practices on export growth promotion.

Information on key performance indicators of ECAs was provided, according to which, the top 5 in terms of short-term insurance coverage provided are EXIAR (Russia), SID Banka (Slovenia), ICIEC (Multinational Corporation), KUKE (Poland), Thai EXIMBANK (Thailand). The total coverage is more than 37 billion USD. The top 5 in terms of the volume of medium- and long-term insurance coverage are EXIAR (Russia), EGAP (Czech Republic), ECIC SA (South Africa), ICIEC (Multinational Corporation), KUKE (Poland). The total coverage is more than 3 billion USD.

About 50 billion USD of insurance coverage was provided by members of the Prague Club Committee in 2018. The total amount of insurance indemnity payments for all types of export credit insurance for 2018 amounted to about 420 million USD, 80 million USD were returned in subrogation.

### 3 VIII International Economic Forum "Innovation. Investments. Prospects"

was held in Vitebsk on May 16–17, 2019 and gathered more than 85 delegations from 22 countries.

This is a significant platform for dialogue with foreign partners from Latvia, Lithuania, Ukraine, Poland, Kazakhstan, China, the Czech Republic, Vietnam and Germany.

Eximgarant-Vitebsk branch took part in the thematic section of the Export 2019 forum and held talks with enterprises representatives of the Free economic zone "Vitebsk".

### 4 Eximgarant and the UK Export Finance (UKEF)

held a meeting in Minsk on June 26, 2019.

UKEF expressed its readiness to cooperate with Belarusian banks, financial institutions, importers and government authorities in the field of insurance and financial support for attracting investments in Belarus. Currently, UKEF has a limit on the Republic of Belarus in the amount of about 2 billion USD. The Belarusian side is also interested in implementing projects involving British capital.

### 5 The Prime Minister of the Republic of Belarus met with the Russian Export Center and Eximgarant

on August 21, 2019 at the Council of Ministers of the Republic of Belarus.

During the meeting the parties discussed issues of mutually beneficial cooperation and increasing trade between countries using insurance mechanisms.





## 6 Eximgarant and the Russian Export Center Group signed an Agreement on the creation of a unified reinsurance platform

on August 21, 2019. The agreement aimed at stimulating mutual trade between countries, sets the amount of operations at the 500 million USD, which will provide sufficient insurance and financial coverage for joint projects.

The document also provides for opportunities to increase the volume of export of cooperative products, works and services to the markets of third countries using reinsurance mechanisms. The signing of the Agreement was a new stage in the relations development between the ECAs of Belarus and Russia, which have been actively cooperating since 2012.

## 7 The Belarusian-Slovak economic forum

was held in Minsk on September 18, 2019 and gathered more than 100 representatives of Belarusian and Slovak companies.

Eximgarant provided the forum participants with information on the possibilities of export support and investment attraction in Belarus, and also informed about the positive experience of cooperation with Slovak ECA – Eximbanka S.R.

## 8 Eximgarant and Promsvyazbank PJSC held a working meeting

on September 19, 2019.

During this meeting the “pilot” projects were discussed – specific foreign trade transactions, where the financing of Promsvyazbank under the insurance coverage of the Belarusian ECA is provided for. The parties expressed their interest in joint financial support of projects in foreign trade between Belarus and Russia.

During the meeting, a Cooperation Agreement was signed, under which a limit of 20 million USD is set for the Belarusian ECA – the total amount of financing that can be provided to residents of the Republic of Belarus under the insurance coverage of Eximgarant.

## 9 Forum of the Regions of Ukraine and the Republic of Belarus

was held in Zhitomir (Ukraine) from 2 to 4 October 2019, within the framework of which the 8th meeting of the Belarusian-Ukrainian Advisory Council for Business Cooperation took place.

Representatives of more than 60 industrial enterprises of Ukraine and Belarus, logistics and transport companies, enterprises of consumer goods industry and agriculture took part in the council. The participants discussed the issues of protection and sustainable use of transboundary environmental territories, the hold of an eco-forum, the development of river navigation on the Dnieper and Pripyat rivers, as well as issues of increasing bilateral trade.

During the advisory board, Eximgarant and Ukrainian export credit Agency signed a Memorandum of Cooperation. The document laid the foundations for collaboration between national ECAs. The parties also had discussions about opportunities to diversify risks while supporting export-import operations through mutual reinsurance.

## 10 Eximgarant and Eximbanka S.R.

held a trilateral working meeting at the Ministry of Finance of the Republic of Belarus on October 23, 2019.

Among the discussed issues were increasing the position of the Republic of Belarus in the OECD country risk classification in order to reduce the cost of export loans for Belarusian enterprises. The parties considered new forms of cooperation between ECAs of Belarus and Slovak Republic regarding insurance and reinsurance of loans provided by Eximbanka S.R. to Belarusian enterprises, as well as in the implementation of joint projects on the markets of third countries.

## COOPERATION WITHIN THE EURASIAN ECONOMIC UNION

The Eurasian Economic Union (EAEU) of the Republic of Belarus, the Republic of Armenia, the Republic of Kazakhstan, the Kyrgyz Republic and the Russian Federation is one of the largest economic and political associations in the world.

The member states of the EAEU are working actively to consolidate joint efforts to develop mutual trade between members both within the Union and in the implementation of joint projects outside it.

One of the most important lines of supporting exports of the EAEU countries is close cooperation between the ECAs of the EAEU member countries. In the framework of the meetings of the Working Group on Financial Support for Exports, Eximgarant of Belarus, KazakhExport, Export Insurance Agency of Armenia (EIAA) and Group of Russian Export Centre discuss the unification of approaches to the provision of insurance coverage against risks when exporting to third countries. Work is underway to harmonize the legislation of the EAEU and form a common position on all export products for the growth and development of foreign trade.

From September 25 to September 27, 2019 in Bishkek (Kyrgyzstan) the leaders of the EAEU ECAs had a working meeting within the framework of the International Forum “Eurasian Week”. The participants discussed the issues of consolidating common efforts in the field of financial and insurance instruments for supporting exports of the EAEU, and also summed up the results of cooperation between agencies, including within the framework of the Quadripartite Memorandum on Cooperation signed in 2017.

The ECA leaders discussed the role of agencies in the system of state support for exports in the Union and other topical issues of developing and strengthening the export potential of the EAEU members, including in the external markets of third countries. At the same time, the parties also outlined prospects for further development of cooperation, including plans for regular exchange of information and experience on the activities of national companies. It was agreed to continue working out mechanisms for providing General support for cooperative projects with the participation of supplier companies from all countries of the Union.



EXPORT INSURANCE  
AGENCY OF ARMENIA



KazakhExport



EXIAR  
EXIMBANK OF RUSSIA



## INTERNATIONAL COOPERATION

*Eximgarant of Belarus is a national export credit agency providing insurance cover of risks and implementing the best practices of world ECAs when exporting goods (works, services) by Belarusian exporters.*

One of the key tasks of Eximgarant is investment attraction assistance in the Republic of Belarus. Having in its portfolio more than 60 types of insurance, Eximgarant is ready to provide a full range of insurance services when implementing investment projects in Belarus, that promotes innovation-driven growth of both domestic and export-oriented industries.

### **Covering risks associated with the implementation of investment projects on the territory of the Republic of Belarus**

Eximgarant contributes to the implementation of investment projects by providing the following insurance products:

- insurance against construction and assembly risks;
- liability insurance when conducting construction works;
- insurance of legal entities' property against fire and other dangers;
- cargo insurance;
- insurance against medical expenses;
- liability insurance of bond issuers.

### **Co-insurance and reinsurance of export projects of joint ventures in the third countries**

The common practice in cases of supporting exports of jointly manufactured goods to third countries is cooperation of ECA's by means of co-insurance or reinsurance. Each ECA's participation in the risk is assumed to cover the part of national content in the final export that fully reflects the practice of supporting exclusively national exports.

### **Reinsurance of export projects to Belarus covered by foreign ECAs**

One of the possibilities to promote investment to the Republic of Belarus is the Eximgarant's opportunity to reinsure risks that may occur when implementation of investment projects involving foreign ECA insurance. Wide access to information on the Belarusian market, as well as risk diversification opportunities when implementation of such projects with reinsurance of Eximgarant, contribute foreign investment flows to the country.

### **Insurance against the risk of non-redemption of a non-resident bank loan by a resident of the Republic of Belarus**

One of the forms of foreign investment flows support to the country is Eximgarant insurance product that allows directly providing insurance coverage in favor of a non-resident bank when lending to a Belarusian resident. Foreign investment flows contribute to the creation of high-tech industries, including export-oriented enterprises creation or renovation of already presented production facilities. In addition to direct insurance support in favor of a non-resident bank, Eximgarant provides a wide range of insurance services that enable full monitoring of the projects implementation and promptly information provision to foreign partners.

### **Eximgarant's cover reflects a high level of reliability**

1. Eximgarant is a state-owned company; the Council of Ministers of the Republic of Belarus is the company's exclusive owner; the company operates under the guidance of the Ministry of Finance of the Republic of Belarus.
2. In case the insurer lacks in insurance reserves, Eximgarant can get budgetary loans for insurance claims payment, which are annually provided for in the budget of the Republic of Belarus.
3. Eximgarant possesses substantial equity capital and insurance reserves, both of which allow performing its obligations under an insurance agreement in due course.
4. Eximgarant has an international financial stability rating according to the Fitch Ratings and affirms it annually at the country level – "B".

## WELCOME ADDRESS BY THE CHAIR OF THE BERNE UNION PRAGUE CLUB COMMITTEE



It gives me great pleasure and honor to be part of Eximgarant Annual Report of 2019. The Berne Union – International Union of Credit and Investment Insurers – has been instrumental in shaping international trade as the leading global association for the export credit and investment insurance industry for just over 86 years. Yearly, Berne Union members provide 2.5 trillion USD of payment risk protection to banks, exporters and investors, which is equivalent to 13% of world cross border trade for goods and services (calculated with respect to WTO statistics).

Within the Berne Union, a separate entity – the "Prague Club", originally formed in 1993, became the newest Committee of the Berne Union in May

2016, following a successful vote to integrate the two organisations. Today, the Prague Club Committee has about 40 member companies: a diverse mix of public, private and multilateral agencies with widely differing business models and products. The majority of these comes from smaller home markets – predominantly from Eastern and Central Europe, Middle East, Central Asia and African regions – with a common objective to support the diversification of national exports.

Eximgarant of Belarus has been a member of the Prague Club since 2002 and signed a cooperation agreement with Credit Oman in 2006 among many other ECAs.

ECAs thrive on information. Hence, having close ties with other ECAs and industry related organizations is a great virtue that Eximgarant has demonstrated throughout the years, and Credit Oman – the national export credit agency of the Sultanate of Oman – participated in the celebration of Eximgarant 15th anniversary in Autumn 2016.

Credit Oman established in November 1991 to promote Oman's non-oil exports as well as support local sales of Omani made goods. Credit Oman has insured Omani exporters in diverse sectors to over 105 countries playing a key role in the promotion and growth of Omani non-oil exports.

National ECA, such as Eximgarant of Belarus will continue to support the promotion of the Republic of Belarus in the international arena by offering innovative solutions for export credit insurance that contribute to business prosperity.

Finally, I wish my friends and colleagues at Eximgarant a successful year ahead which we all know is filled with challenges that will be conquered.

Chair of Prague Club Committee  
Imaad S. AL-HARHTY



# FINANCIAL RESULTS

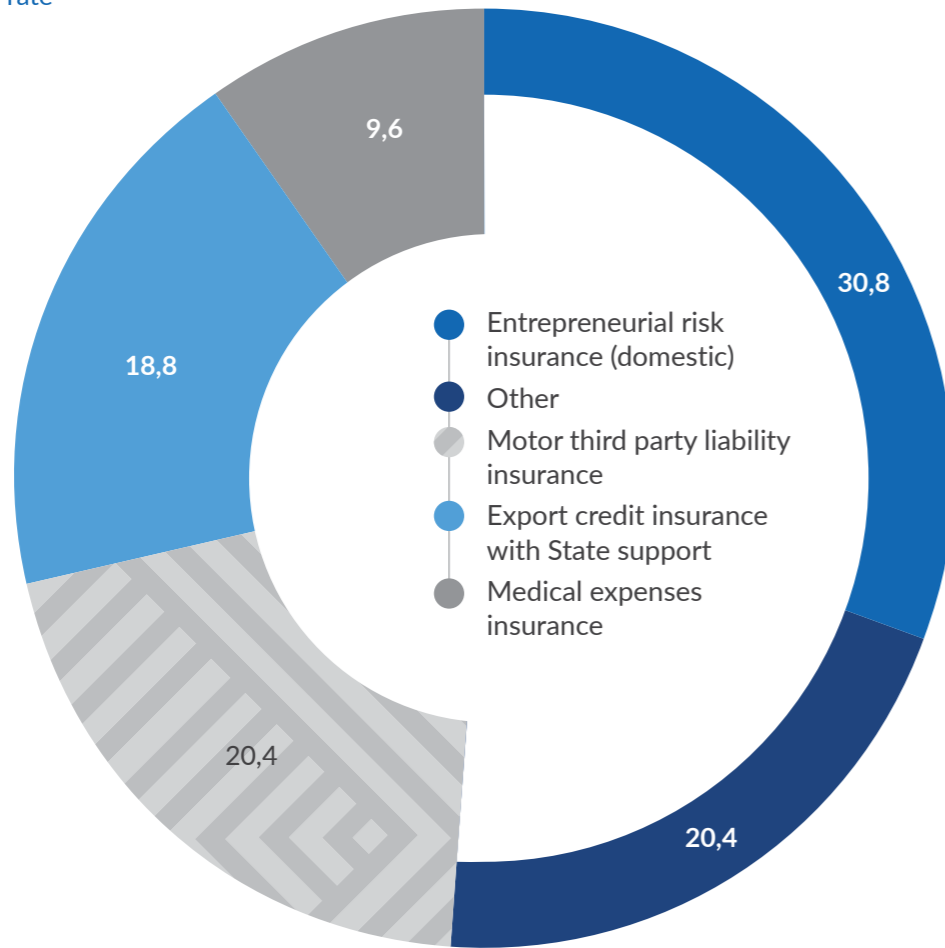




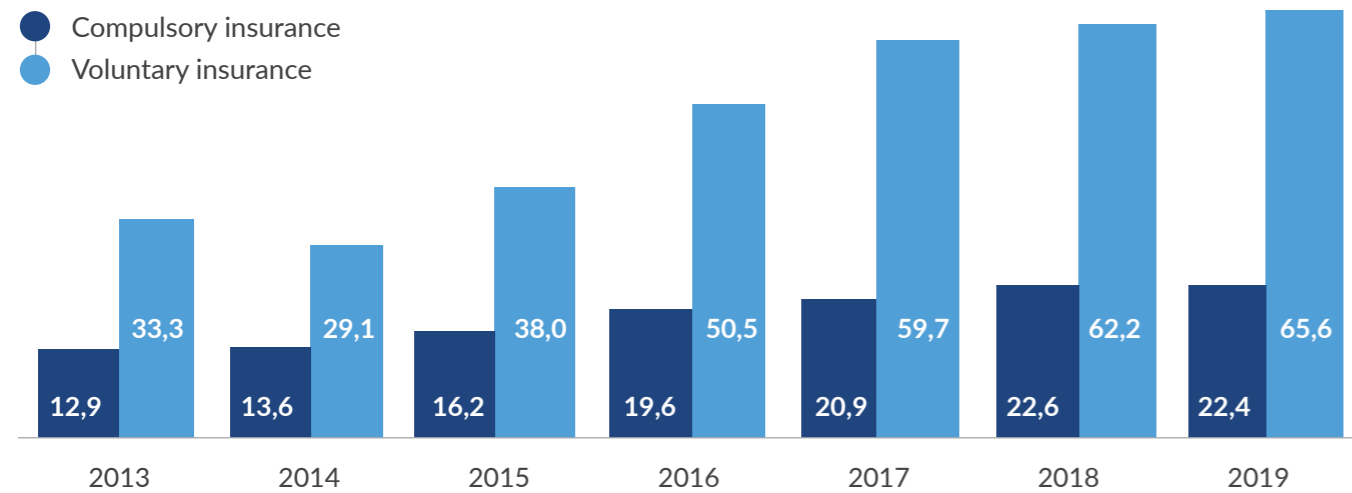
KEY FINANCIAL INDICATORS

Eximgarant's Activity in Figures, %

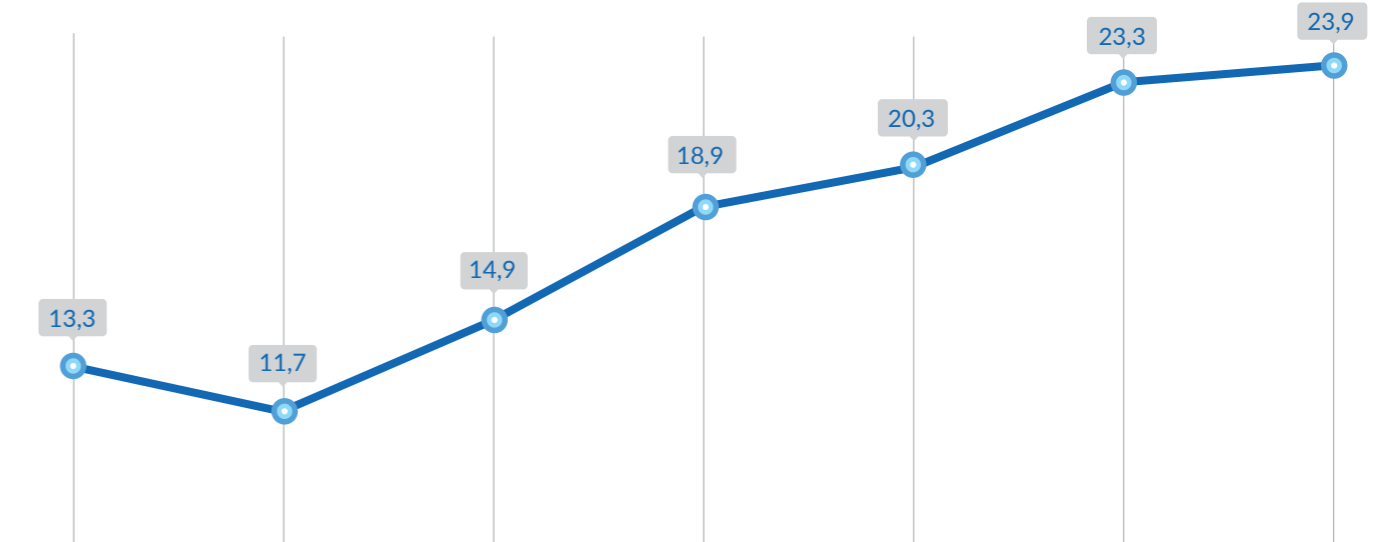
Average premium rate



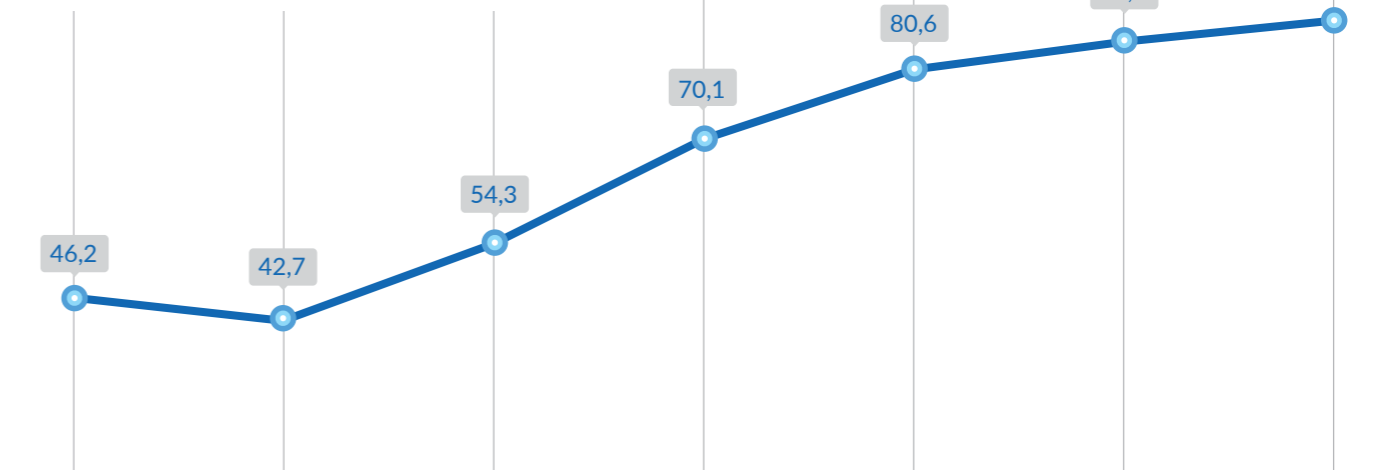
Voluntary and compulsory insurance proportion in the Eximgarant's insurance portfolio, million BYN



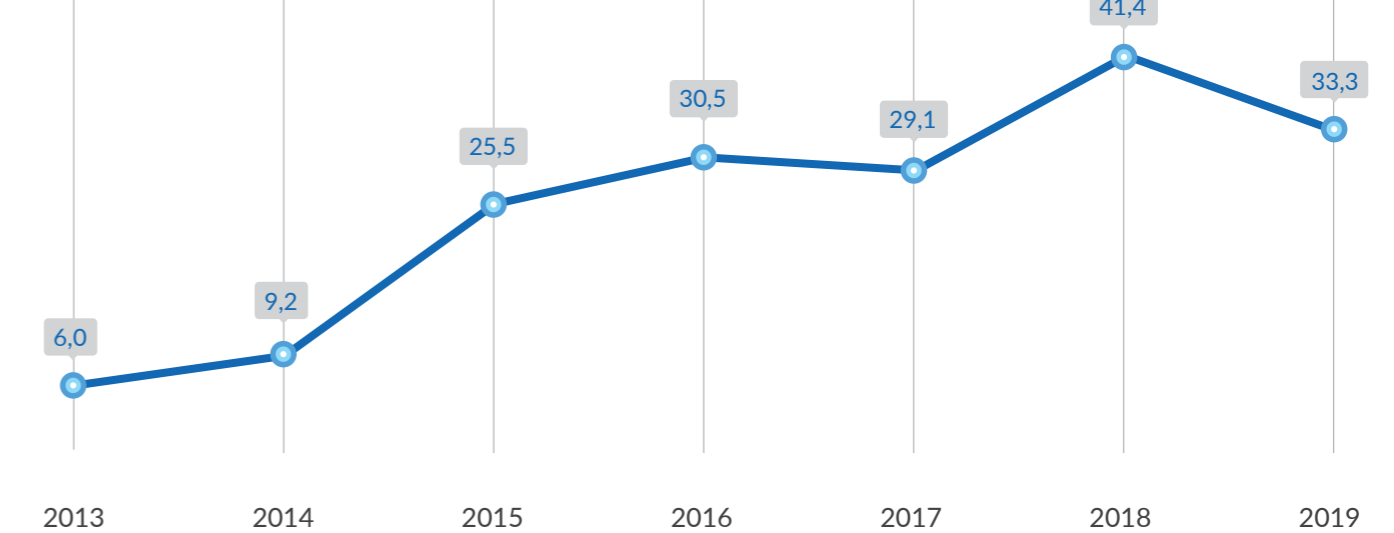
New Business – total, billion BYN



Claims Paid – total, million BYN



Insurance Premium – total, million BYN





Key Performance Indicators

	2011	2012	2013	2014	2015	2016	2017	2018	2019
Direct insurance – premium invoiced (*received), million BYN	12,70*	23,73*	46,16	42,66	54,29	70,14	80,57	84,82	88,01
Gross profit, million BYN	18,62	10,83	15,87	4,61	32,73	28,27	21,52	12,51	17,10
Profitability, %	123,5	40,6	26,2	7,0	39,0	21,8	14,7	9,2	10,81
Payments to budgetary and extra-budgetary funds, million BYN	3,92	7,93	9,88	9,38	16,92	14,11	19,81	9,61	10,38
New business – total, billion BYN	4,13	7,39	13,27	11,67	14,87	18,90	20,26	23,25	23,89
Insurance reserves and funds, million BYN	8,68	11,18	26,64	46,69	60,6	73,59	88,24	97,88	120,39
Insurance contracts – total	605 535	684 883	709 455	622 622	524 145	484 142	524 780	515 244	471 260
Equity, million BYN	59,17	405,74	414,56	415,09	431,02	443,0	448,46	454,71	464,84
Statutory fund, million BYN	45,47	393,76	399,1	406,0	407,0	415,0	427,0	435,0	440,0
Average number of employees	374	401	443	464	492	510	532	532	493

On February 26, 2020 KPMG LLC issued an audit report on the annual individual financial statements of Export-import insurance company of the Republic of Belarus as of December 31, 2019 and for the year ending on that date.

In accordance with the opinion of KPMG LLC, the annual individual financial statements of Eximgarant of Belarus, issued in conformity with the legislation of the Republic of Belarus, give a true and fair view of its financial situation as of December 31, 2019, its financial results and changes in its financial position in accordance with the regulatory legal acts of the Republic of Belarus governing the accounting procedures and compilation of the organizations' annual individual accounting report.

**Auditor**

KPMG Limited Liability Company, a member company of the network of independent KPMG firms that are part of KPMG International; Cooperative KPMG International, an association established under Swiss law.

Member of the Self-Regulated Organization of Auditing Organizations and Auditors in the Republic of Belarus "Audit Chamber".

Registration details: Certificate of registration was issued by Minsk city executive committee on February 10, 2011. Registration number in the Unified State Register of Legal Entities and Individual Entrepreneurs No. 191434140.

SOCIAL RESPONSIBILITY

In the business community, success is measured not only by the amount of profit, but also by the impact that the business has on the global and local communities. The formation of a developed socially oriented system of business in Eximgarant is never-ending. Eximgarant participates actively in the social life of cities and the Republic as a whole, provides financial support to cultural, educational, health care and sport institutions.



II European Games 2019



National Olympic Committee of the Republic of Belarus



National Academic Bolshoi Opera and Ballet Theater of the Republic of Belarus



Republican public association Belarusian Tennis Federation



National Academic Theater of the Yanka Kupala Estate



Public association Volleyball Club Shakhter



Belarusian Ice Hockey Association



Public association Belarusian Handball Federation



Belarusian Public Association "Table Tennis Federation"



Specialized Children's and youth School of the Olympic Figure Skating Reserve of the Main Department of Sports and Tourism of the Minsk City Executive Committee



Fitch Ratings

May 5, 2020 Fitch Ratings has affirmed Export-Import Insurance company of the Republic of Belarus's (Eximgarant) Insurer Financial Strength (IFS) rating at "B". The Outlook is Stable.



## BALANCE SHEET

ASSETS	Line code	01 January 2020		31 December 2018	
		1	2	3	4
<b>I. LONG-TERM ASSETS</b>					
Fixed assets	110		4 300 617		4 178 976
Intangible assets	120		164 116		123 570
Income yielding investments into tangible assets	130		23 811		24 986
Including:					
investment property	131		23 811		24 986
subject of finance lease	132		-		-
other income yielding investments into tangible assets	133		-		-
Investment in long-term assets	140		3 151 248		3 304 524
Long-term financial assets	150		338 195 187		350 763 187
Long-term receivables	160		67 915 360		65 180 185
Deferred tax assets	170		-		-
Other long-term assets	180		15		77
<b>TOTAL article I</b>	<b>190</b>		<b>413 750 354</b>		<b>423 575 505</b>
<b>II. SHORT-TERM ASSETS</b>					
Supplies	210		917 756		758 306
Including:					
raw materials and other materials	211		917 756		758 306
in-process inventory	212		-		-
other supplies	213		-		-
Long-term assets held for sale	215		-		-
Unexpired costs	220		68 823		51 022
Input added value tax	230		-		-
Reinsurers share in insurance reserve	240		68 348 521		67 307 097
Including:					
unearned premium reserve	241		58 155 072		61 089 483
loss reserve	242		10 193 449		6 217 614
other technical reserves	243		-		-
Short-term receivables	250		73 053 391		43 437 804
Short-term financial investments	260		29 221 261		29 257 791
Cash and cash equivalents	270		141 993 898		116 636 475
Including:					
cash account	271		-		-
bank deposits	272		137 015 188		111 258 491
cash equivalents	273		-		-
other funds	274		4 978 710		5 377 984
Other short-term assets	280		-		-
<b>TOTAL article II</b>	<b>290</b>		<b>313 603 650</b>		<b>257 448 495</b>
<b>TOTAL</b>	<b>300</b>		<b>727 354 004</b>		<b>681 024 000</b>
<b>EQUITY AND LIABILITIES</b>					
	Line code	01 January 2020		31 December 2018	
	1	2	3	4	
<b>III. EQUITY</b>					
Authorized capital	410		440 000 000		435 000 000
Unpaid capital	420		-		-
Own shares	430		-		-

	1	2	3	4
Reserve capital	440	199 000	174 000	
Including salary reserve fund	441	199 000	174 000	
Additional fund	450	2 326 802	2 338 976	
Including property enlargement (revaluation) get using insurance reserves	451	-	-	
Retained earnings	460	22 824 606	17 401 206	
Net income	470	-	-	
Target financing	480	-	-	
<b>TOTAL article III</b>	<b>490</b>	<b>465 350 408</b>	<b>454 914 182</b>	
<b>IV. ACTUARIAL RESERVES AND FUNDS</b>				
Life insurance reserve	500	-	-	
Unearned premium reserve	501	151 073 282	140 158 734	
Loss reserve	502	37 126 807	25 032 577	
Other technical reserves	503	-	-	
Other insurance reserves	504	-	-	
Prevention measures fund	505	2 908 114	2 985 467	
Guarantee fund	506	5 087	5 256	
Other funds according to legislation	507	10 483	9 990	
<b>TOTAL article IV</b>	<b>509</b>	<b>191 123 773</b>	<b>168 192 024</b>	
<b>V. LONG-TERM LIABILITIES</b>				
Long-term loans	510	-	-	
Long-term lease payments	520	-	-	
Deferred tax liabilities	530	8 914 069	5 494 585	
Deferred income	540	1 857	2 237	
Provisions for future expenses	550	-	-	
Other long-term liabilities	560	38 624 286	32 300 629	
<b>TOTAL article V</b>	<b>590</b>	<b>47 540 212</b>	<b>37 797 451</b>	
<b>VI. SHORT-TERM LIABILITIES</b>				
Short-term loans	610	-	-	
Short-term part of long-term liabilities	620	-	-	
Short-term liabilities	630	23 339 232	20 119 964	
Including:				
insureds	631	89 356	123 734	
insurance agents and brokers	632	181 952	258 533	
other creditors in insurance and co-insurance transactions	633	7 943 909	7 679 294	
reinsurance	634	7 799 562	9 779 614	
premium deposit on reinsurance risks	635	-	-	
consignors and contract holders	636	62 020	112 695	
advances received	637	-	-	
taxes and charges	638	13 526	25 479	
social insurance	639	42 445	61 344	
labour expense	640	208 973	236 630	
lease-payment	641	-	-	
property owner (shareholders, participants)	642	-	41 088	
other creditors	643	6 997 489	1 801 553	
Liabilities for sale	650	-	-	
Deferred income	660	379	379	
Provisions for future expenses	670	-	-	
Other short-term liabilities	680	-	-	
<b>TOTAL article VI</b>	<b>690</b>	<b>23 339 611</b>	<b>20 120 343</b>	
<b>TOTAL</b>	<b>700</b>	<b>727 354 004</b>	<b>681 024 000</b>	



## INCOME STATEMENT

Index	Line code	January – December 2019	January – December 2018
1	2	3	4
<b>LIFE INSURANCE</b>			
Premium earned, total	010	-	-
Claims paid, total	020	-	-
Change of reserves for life insurance	030	-	-
Including change of reserve for arrears payments	031	-	-
Deductions to guarantee and preventive fund	040	-	-
Administrative costs, total	050	-	-
Income – life insurance	055	-	-
Expenses – life insurance	056	-	-
<b>Profit (loss) – life insurance</b> (lines 010 - 020 + (030 - 031) - 040 - 050 + 055 - 056)	<b>060</b>	-	-
Other income – current activity	065	-	-
Other expenses – current activity	066	-	-
Profit (loss) on current activity - life insurance (lines ± 060 + 065 - 066)	069	-	-
<b>NON-LIFE INSURANCE</b>			
Premium earned, total	070	88 286 911	90 389 498
Including:			
direct insurance and co-insurance	071	88 005 982	84 824 742
reinsurance	072	280 929	5 564 756
Ceded premium	073	19 953 662	30 045 164
Insurance premium adjusted for reinsurance, net (lines 070 - 073)	074	68 333 249	60 344 334
Change of unearned premium reserve, total	080	(10 914 548)	(26 263 503)
Change of reinsurer share in unearned premium reserve	081	(2 934 411)	17 015 830
Change of unearned premium reserve adjusted for reinsurance, net (lines 080 and 081)	082	(13 848 959)	(9 247 673)
Premium earned, net (lines 074 and 082)	085	54 484 290	51 096 661
Claims paid, total	090	34 858 046	42 811 708
Reinsurer share in claims paid	091	9 499 023	7 848 612
Claims paid adjusted for reinsurance, net (lines 090 - 091)	092	25 359 023	34 963 096
Change of loss reserve, total	095	(12 094 230)	(2 472 500)
Change of reinsurer share in loss reserve	096	3 975 835	2 082 541
Change of loss reserve adjusted for reinsurance, net (lines 095 and 096)	097	(8 118 395)	(389 959)
Premium earned excluding claims paid (lines 085 - 092 + 097)	100	21 006 872	15 743 606
Change of other technical reserves	110	-	-
Change of other insurance reserves	120	-	-
Including increase in special insurance reserve for obligatory insurance with official support for agricultural crop, cattle and poultry due to income on the investment of the reserve	121	-	-
Deductions to guarantee and preventive fund	130	1 917 955	2 208 661
Deduction to other funds according to legislation	140	121 349	120 685
Administrative costs, total	150	14 386 702	14 061 541
Including commissions and commission on profit (risks accepted for reinsurance)	151	26 965	278 481

	1	2	3	4
Including commissions and commission on profit (ceded risks)	155		1 170 886	1 553 724
Income – non-life insurance	160		33 047 462	11 245 661
Expenses – non-life insurance	165		19 236 273	9 978 940
<b>Profit (loss) – non-life insurance</b> (lines 100 + 110 + (120 - 121) - 130 - 140 - 150 + 155 + 160 - 165)	<b>170</b>		<b>19 562 941</b>	<b>2 173 164</b>
Other income – current activity	175		7 612 567	23 298 524
Other expenses – current activity	176		10 788 744	26 350 427
<b>Profit (loss) on current activity – non-life insurance</b> (lines ± 170 ± 175 - 176)	<b>179</b>		<b>16 386 764</b>	<b>(878 739)</b>
Investment activities income	180		33 119 859	5 729 472
Including:				
gains on disposal of fixed, intangible assets and other long-term liabilities	181		29 020 289	50 670
gains on equity holding	182		233 540	2 816 755
interest receivable	183		3 844 426	2 842 379
other investment activities income	184		21 604	19 668
Investment activities expenses	190		29 006 590	27 835
Including:				
disposal of fixed, intangible assets and other long-term liabilities expenditure	191		29 004 345	26 381
other investment activities expenses	192		2 245	1 454
Financial activities income	200		12 601 208	16 724 619
Including:				
foreign exchange difference	201		12 601 114	16 724 619
other financial activities income	202		94	-
Financial activities expenses	210		15 428 531	9 033 965
Including:				
due interest	211		-	-
foreign exchange difference	212		15 415 288	9 033 965
other financial activities expenses	213		13 243	-
Profit (loss) – investment and financial activity (lines 180 - 190 + 200 - 210)	220		1 285 946	13 392 291
Including profit on special insurance reserve for obligatory insurance with official support for agricultural crop, cattle and poultry aimed at the reserve increase	230		-	-
<b>Profit (loss) before tax</b> (lines ± 069 ± 179 ± 220 - 230 + 031)	<b>240</b>		<b>17 672 710</b>	<b>12 513 552</b>
Income tax	250		1 277 015	2 136 619
Changes in deferred tax assets	260		-	-
Changes in deferred tax liabilities	270		(3 419 485)	(807 323)
Other taxes and charges based on profit (income)	280		30 083	206
Other payments from profit (income)	285		1 057 901	627 823
<b>Net profit (loss)</b> (lines ± 240 - 250 ± 260 ± 270 - 280 + 285)	<b>290</b>		<b>11 888 226</b>	<b>8 941 581</b>
Long-term assets revaluation result not included in net profit (loss)	300		-	-
Other operations result not included in net profit (loss)	310		-	-
<b>Total profit (loss)</b> (lines ± 290 ± 300 ± 310)	<b>320</b>		<b>11 888 226</b>	<b>8 941 581</b>
Basic profit (loss) per share	330		-	-
Diluted profit (loss) per share	340		-	-





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