



БЕЛЭКСИМГАРАНТ
EXIMGARANT OF BELARUS

ANNUAL
REPORT
2020



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WELCOME ADDRESS BY THE MINISTER OF FINANCE OF THE REPUBLIC OF BELARUS



The Republic of Belarus has a comprehensive national system of export stimulation within the framework of which certain mechanisms for export crediting and insurance of export risks with the support of the state are implemented. The foundations of the system are enshrined in the Decree of the President of the Republic of Belarus dated August 25, 2006 № 534 "On promoting the development of exports of goods (works, services)".

Export credit agencies are the essential part of this system and their role in the context of the ongoing pandemic has grown substantially. The mechanism of providing insurance and credit support for national exporters and investors pursues such global goal as development of world trade, and therefore it requires constant attention and improvement.

On this basis, with a view to strengthen export potential and enhance the competitiveness of Belarusian goods and services, the Government of the Republic of Belarus is interested in elaboration of new forms of support of exports and investments as well as in an overall positive result for Eximgarant of Belarus.

In order to expand the use of export insurance and crediting instruments, on February 4, 2021, the Decree of the President of the Republic of Belarus № 39 "On Amendments to Decrees of the President of the Republic of Belarus" was issued. The act has broadened the list of export risk insurance types, introduced the concept of "beneficiary" to government backed export risk insurance, and provided such backing for export risk reinsurance operations. Moreover, having retained for Eximgarant of Belarus the exclusive right to provide exporters with the state supported insurance coverage, it enlarged the list of insurance companies involved in exporters support in general.

It should be noted that Eximgarant of Belarus, using a wide range of insurance products, has created a fairly reliable system of export risks insurance with government support.

I am convinced that considering its proactive position in cooperation with foreign partners, in foreseeable future Eximgarant of Belarus will overcome today's challenges and obstacles in international trade and investment markets and maintain its stable position in the system of export-import insurance.

Minister of Finance of the Republic of Belarus

Yury Seliverstau

WELCOME ADDRESS BY THE CHIEF EXECUTIVE OFFICER



current pace of economic development not forgetting such essential things as health care, social security and employment of citizens.

Decline in production rate as well as financial markets volatility result in global negative effect on world trade, so that the role of export credit agencies around the world became even more significant. By fulfillment of such state function as support of national system of exports and foreign investments, Eximgarant of Belarus is taking measures to diversify its insurance portfolio in order to develop export risks insurance.

In accordance with the development strategy, in 2020 the company was able to maintain its growth velocity for such key performance indicators as insurance premiums amount, profitability and income. We have also increased our equity and charter capital. Export risks insurance share in company's portfolio structure increased up to 34% while the insurance geography today covers 40 countries. In 2020, assumed liability in terms of export risks insurance remained at the level of 2019 amounting to 605 million USD, and since 2007 (the beginning of export risks insurance operations) total amount of insurance coverage provided by Eximgarant of Belarus has already exceeded 7 billion USD. Detailed performance information is presented in this 2020 Annual Report.

This year, Eximgarant of Belarus will keep on working on insuring the foreign economic activities of Belarusian exporters, taking advantage of its financial and human potential and introducing new lines of business.

I am confident that through joint efforts we will succeed in minimizing the negative consequences for the world economy.

Let me wish you all good health and vitality, optimism and success!

Gennady Mitskevich
Chief Executive Officer

ECONOMIC DEVELOPMENT AND INVESTMENT POTENTIAL



MACROECONOMIC

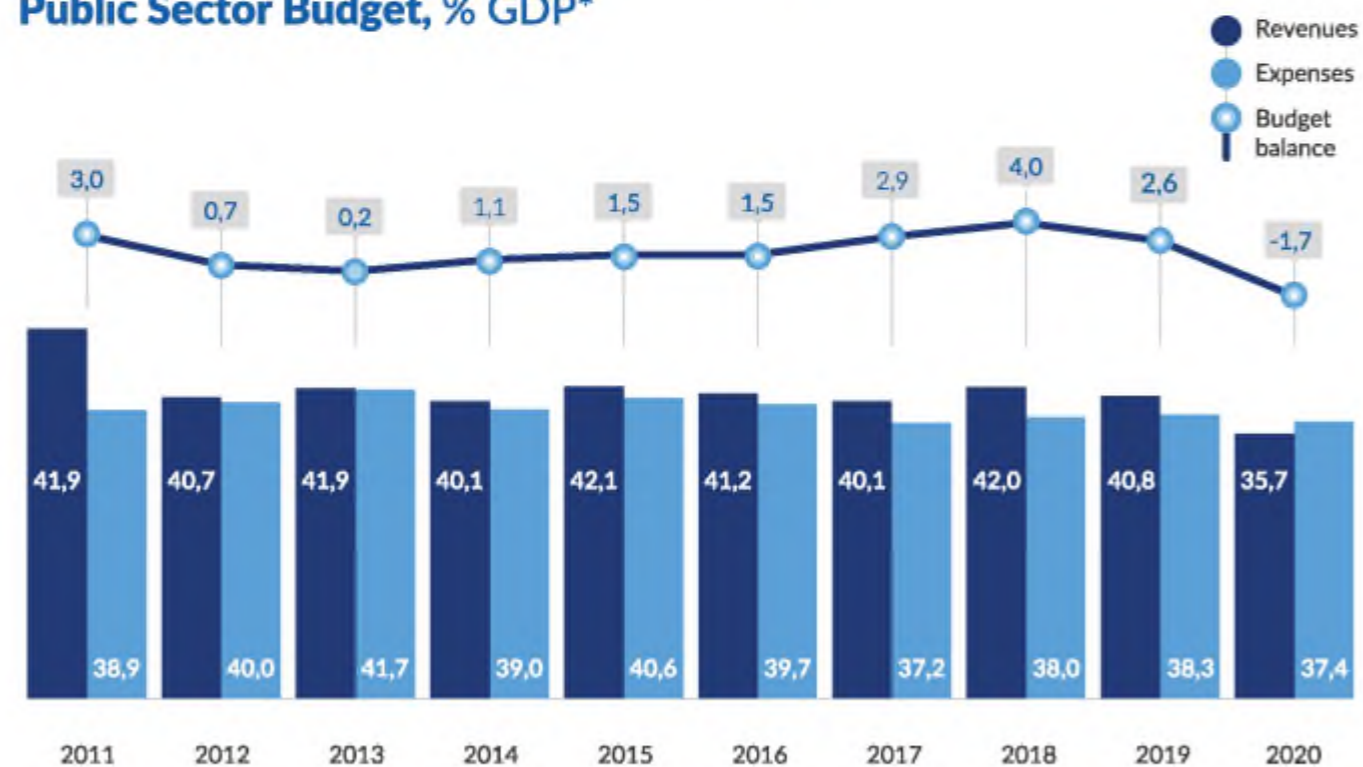
Facts about Belarus

| | |
|------------------------|--|
| Area | 207,6 thousand km ² |
| Population | 9 408,4 million people |
| Currency | BYN |
| Credit ratings | <ul style="list-style-type: none"> Fitch – B (Negative) Standard & Poor's – B (Negative) |
| OECD | VI position in country risk classification |
| GDP | 147 billion USD (-0,9%) |
| Consumer prices | 4,7% |
| Public Debt | 33,7% GDP |
| Foreign Reserve Assets | 7114,5* million USD |

* preliminary data of the National Bank of the Republic of Belarus as of 01.03.2021

- In order to mitigate the consequences of the spread of coronavirus infection COVID-19 on the economy of Belarus, the Decree of the President of the Republic of Belarus of April 24, 2020 №143 "On support to economy" was adopted. The Decree aims to support the financial condition of economic entities in the industries most susceptible to the influence of the epidemiological situation.
- A loan of the International Bank for Reconstruction and Development in the amount of 90 million EUR was raised to support the health care system during the pandemic.
- In support of the Government's efforts to control COVID-19, funding has been received from the Eurasian Fund for Stabilization and Development in the amount of 500 million USD.

Public Sector Budget, % GDP*



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

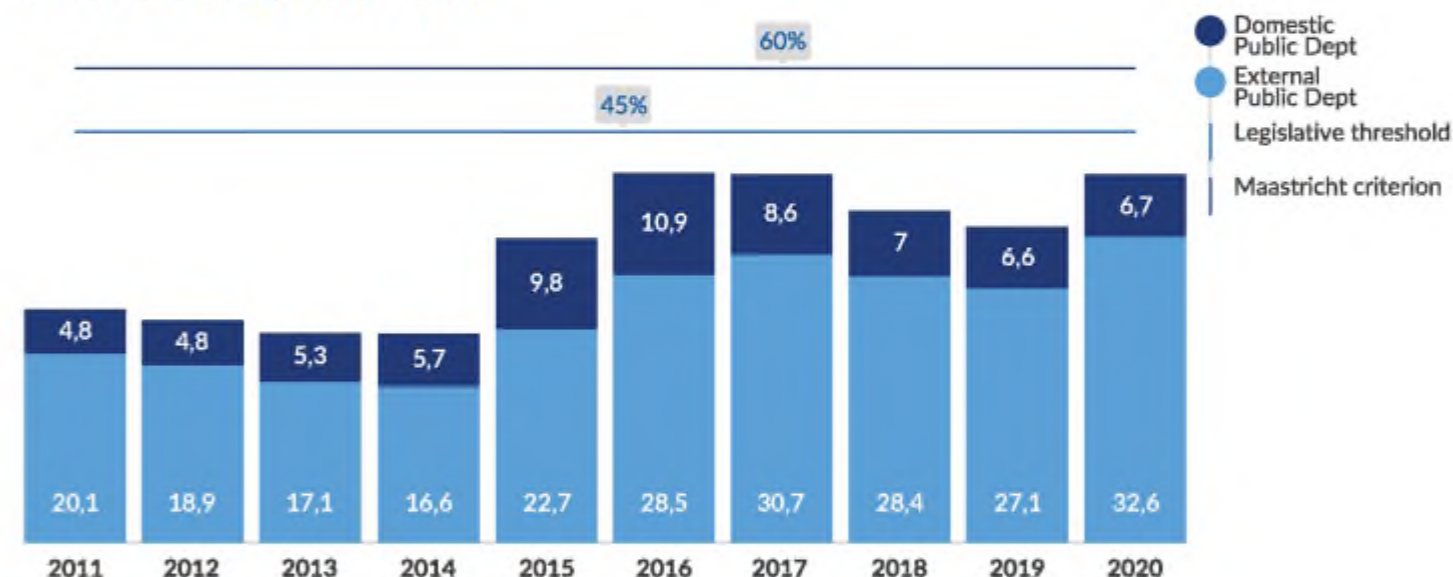
Source: Ministry of Finance of the Republic of Belarus

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



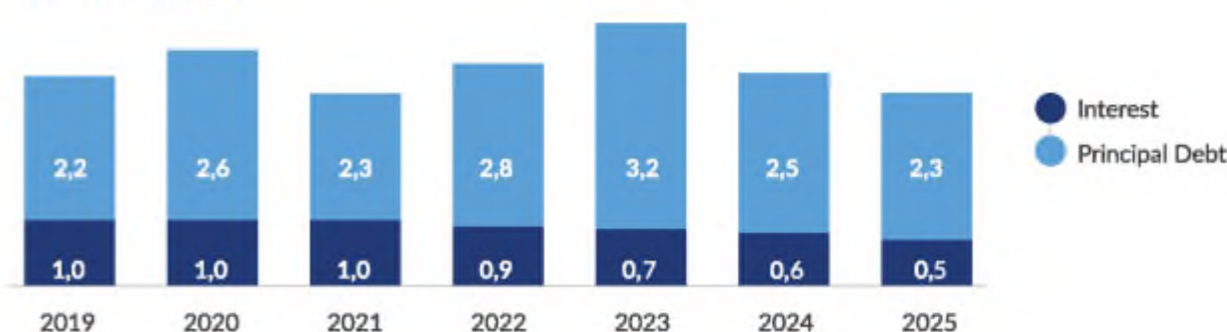
Source: National Bank of the Republic of Belarus

Public Debt, % of GDP



Source: Ministry of Finance of the Republic of Belarus

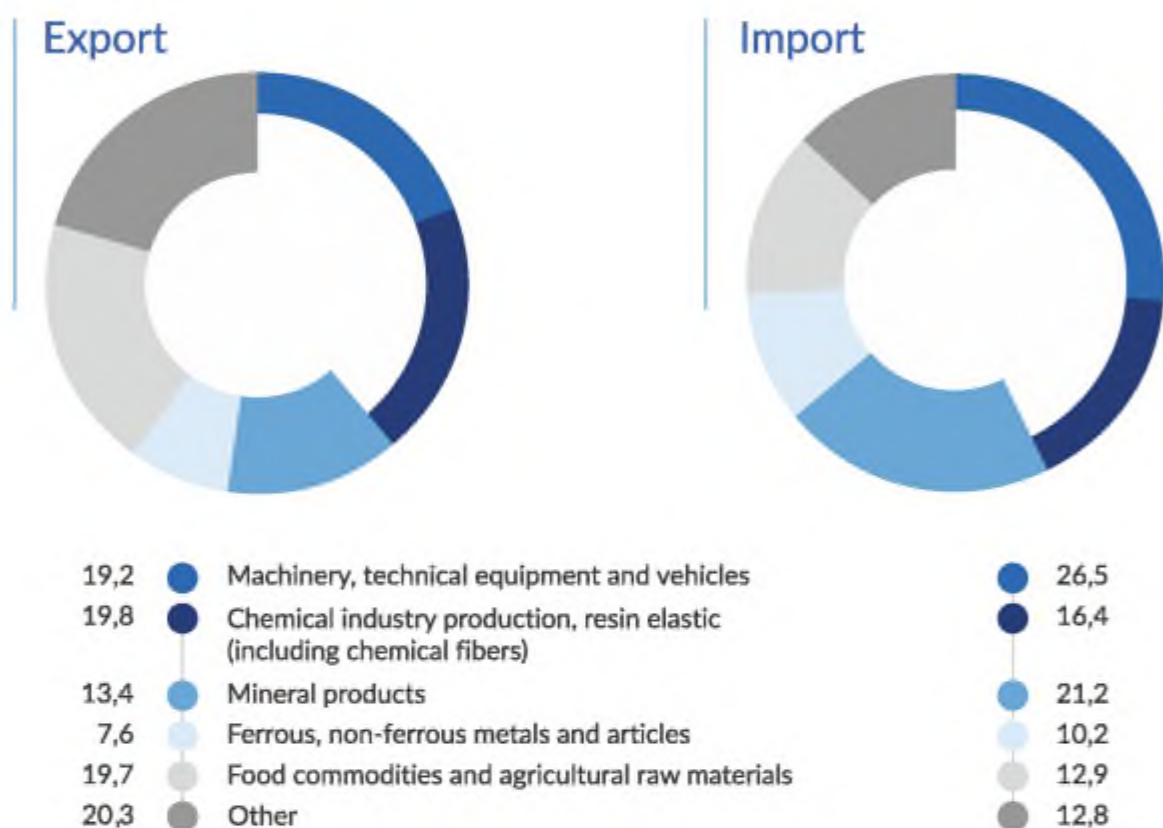
Public Debt Repayment Schedule in 2019–2025, billion USD



Source: Ministry of Finance of the Republic of Belarus

FOREIGN TRADE

Export and Import Structure in 2020, %



Export by Countries – Main Trade Partners in 2020, %



Source: National Statistical Committee of the Republic of Belarus

BANKING SECTOR

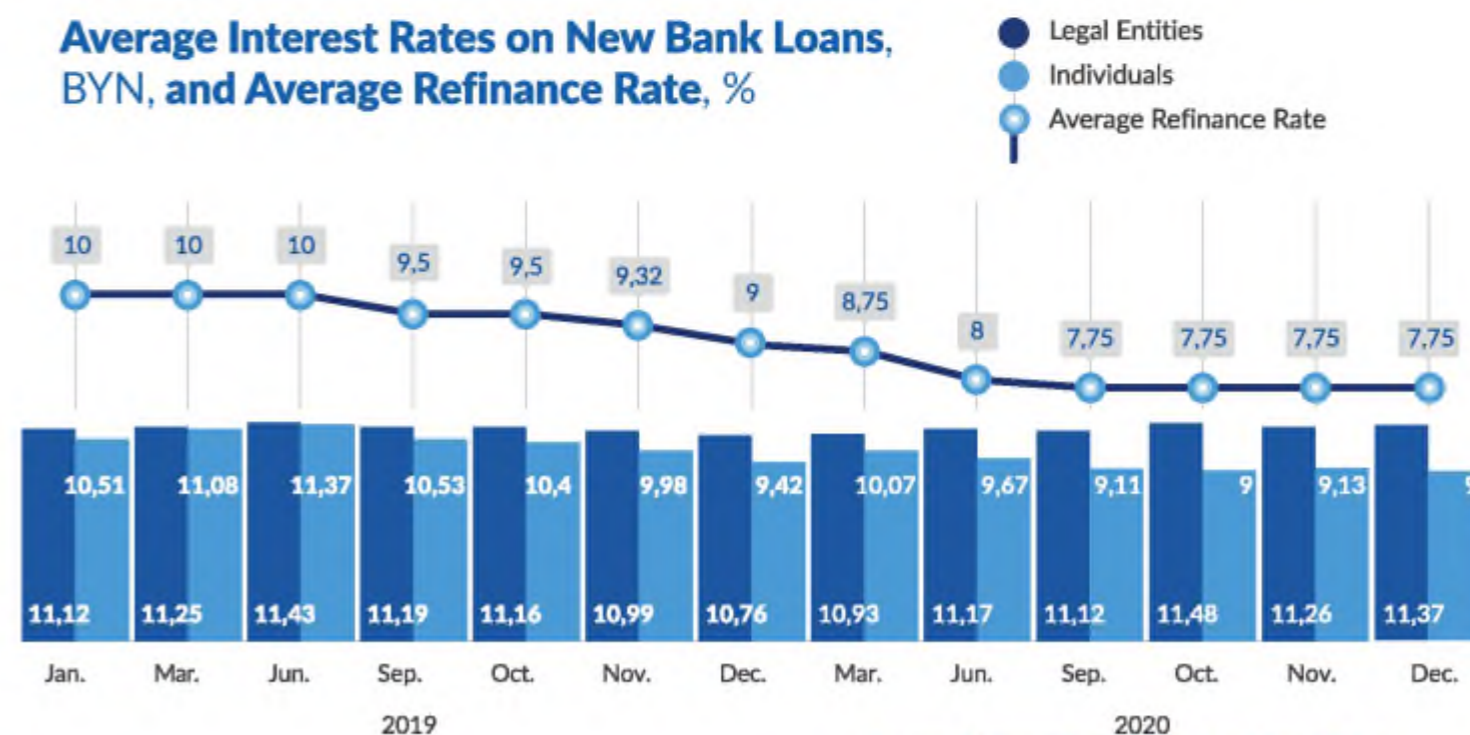
Banks



Sector Indicator

| | |
|--|---------------------------------------|
| Authorized Capital | 5,8 billion BYN (2,4 billion USD) |
| Total Assets | 90,55 billion BYN (37,13 billion USD) |
| Foreign Currency Assets | 52,4 % |
| Return on Assets | 1,14 % |
| Regulatory Capital | 12,23 billion BYN (5,02 billion USD) |
| Return on Regulatory Capital | 8,9 % |
| Regulatory Capital Adequacy Ratio (Minimal Regulatory Capital) | 17,2 % (10 %) |
| Non-Performing Loans | 4,8 % |
| Profit of Operating Banks | 1 017 million BYN (417 million USD) |
| Debt of the Economy in Bank Assets | 74 % |

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



Foreign Investments in the Real Sector of Economy in 2020, %

Investments Structure by Geographic Split



Investment Structure by Type of Activity



- 41,4 ● Russia
- 26,3 ● Other
- 9,4 ● Cyprus
- 6,8 ● United Kingdom
- 7,4 ● Austria
- 3,5 ● Ireland
- 5,2 ● Ukraine

- 34,52 ● Industry
- 1,64 ● Construction
- 28,04 ● Wholesale and retail trade; repair of motor vehicles and motorcycles
- 22,13 ● Transport, storage, postal and courier services
- 7,31 ● Information and communication
- 2,19 ● Finance and insurance
- 1,34 ● Real estate transactions
- 1,06 ● Professional, scientific and technical activities
- 1,78 ● Other services

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

Source: Ministry of Economy of the Republic of Belarus

Belarus in DOING BUSINESS 2020



EXPORT RISK INSURANCE

Products for exporters

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

Insurance of export contracts is a unique 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 on all stages of contract execution while insurance premium is included in production costs. Insurance indemnity provides the closure of the foreign trade operation, and the debt collection from the foreign counterparty is carried out by the insurer

- **Leasing operations insurance**

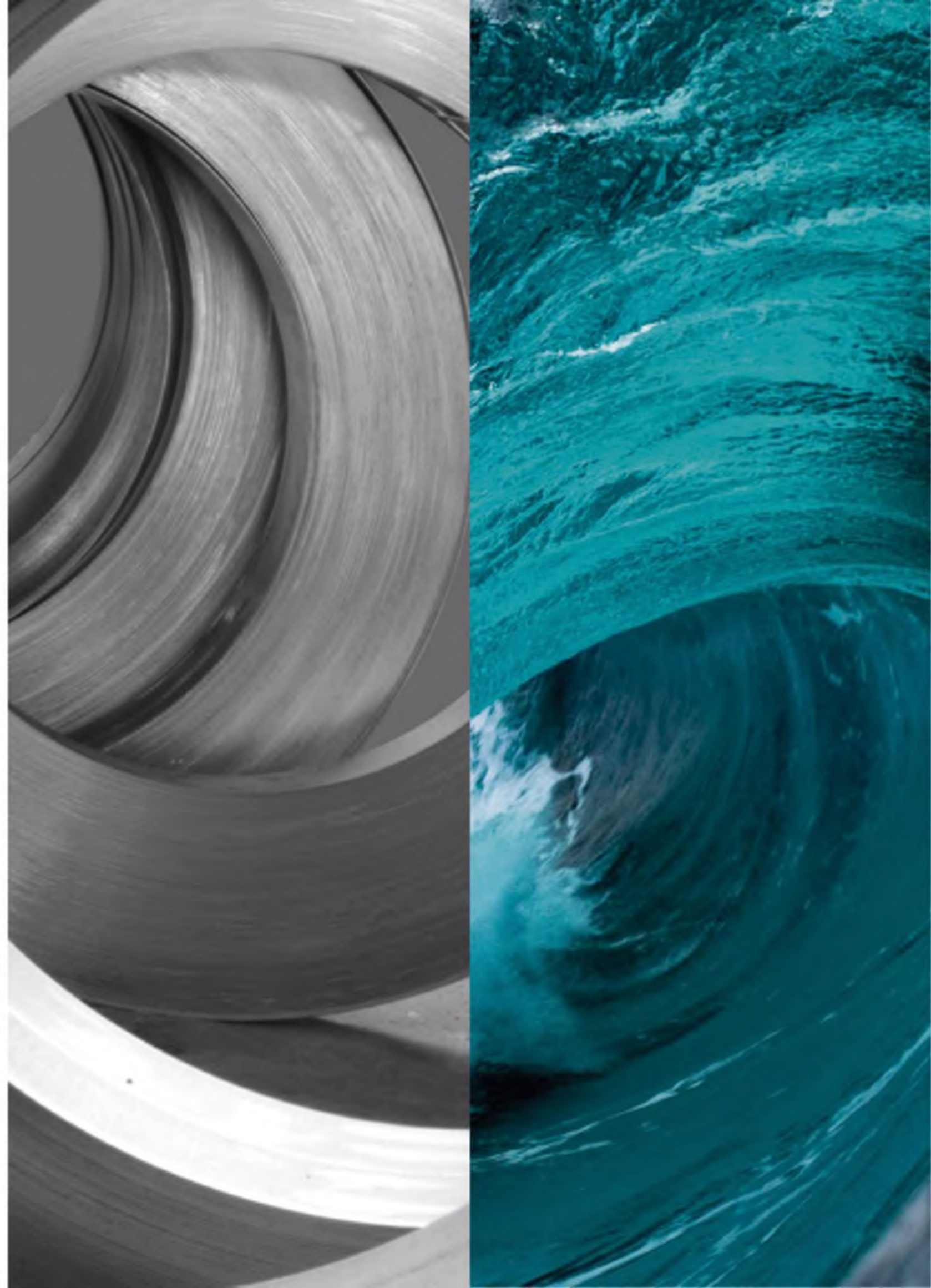
International leasing insurance covers losses incurred by the lessor in case the foreign lessee fails to fulfill obligations under the circumstances of political or commercial risks.

- **Exporters loss insurance**

The risk of failure by an overseas contractor to fulfill their obligations under the export contract is covered by an insurance policy. Insurance indemnity covers all the damages incurred to the insured due to the inability of implementing the export contract by the counterparty.

- **Foreign investment insurance**

Investment insurance is used to mitigate political risks of Belarusian residents while investing abroad. This insurance covers investments risks associated with placing a property deposit, transferring financial and intangible assets, executing works for the benefit of an overseas company, granting financial loans.



Products for banks

• Non-resident credit insurance

The insurance covers losses incurred by the Development bank of the Republic of Belarus in the event when foreign buyer (importer, bank) fails to fulfil obligations under the loan agreement due to commercial or political risks.

• Lease companies credit insurance

The risk of non-repayment of a loan provided by the Development Bank of the Republic of Belarus to a leasing organization in order to purchase goods for the purpose of further export shipments under international leasing or under direct foreign trade contracts is covered.

• Factoring insurance

Losses of the factor bank arising from financing to the exporter against the assignment of a monetary claim are covered. Insurance is provided either with or without recourse factoring.

• Insurance of bank guarantees, letters of credit and other services

The insurance covers losses of the guarantor bank arising from payment at the request of beneficiary (importer of Belarusian products) under the guarantee issued to secure the export contract.

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:

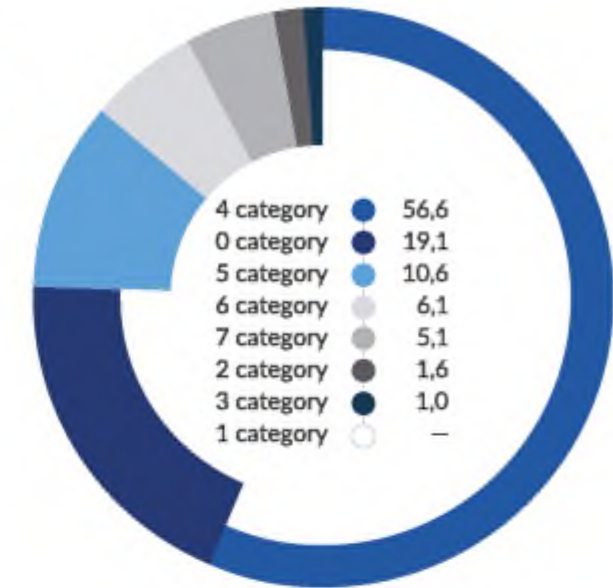
- Avoidance of "too risky business" (Method of Avoidance);
- Preventive measures and diversification (Method of Reduction);
- Outsourcing (Method of Sharing);
- Creation of reserves (Method of Acceptation).

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.

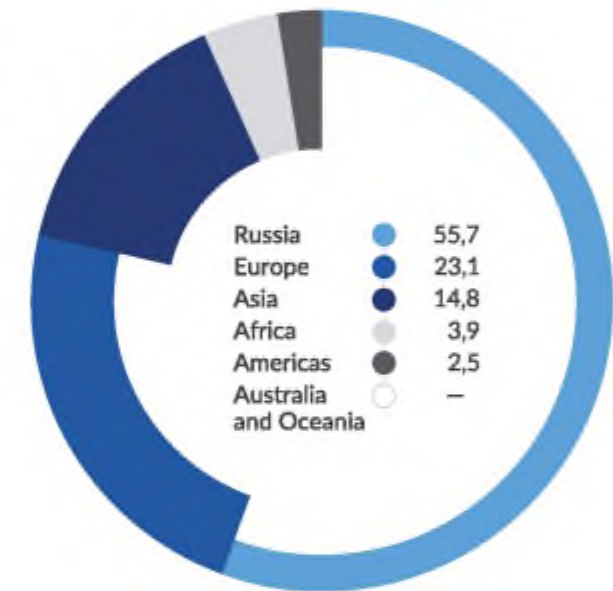
Risk is subject to permanent monitoring, updating financial and other information about counterparty within the period of insurance.

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

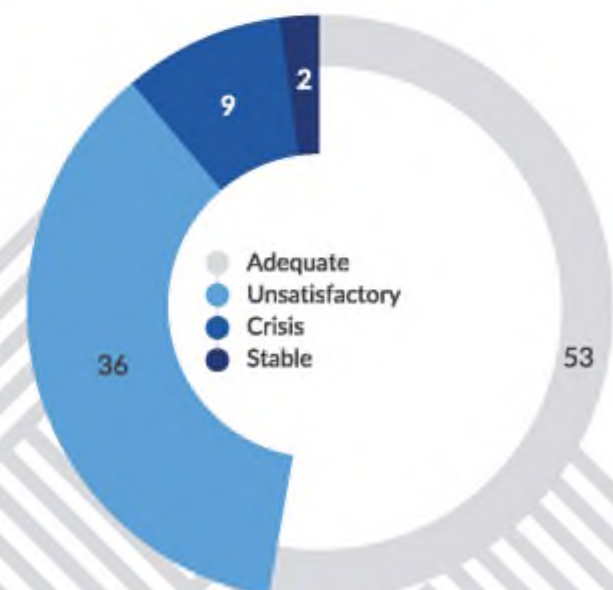
Insurance cover structure according to OECD Country Risk Classification, %



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 2020 new business as a percentage of national exports amounted to 2.14% of the total amount of country's exports. The insurance cover was provided for 40 countries, including 3 new markets: Zimbabwe, Brazil and India. Exactly 153 enterprises enjoyed export credit insurance services, 32 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.

New business, million BYN



Number of export credit insurance agreements



New business as a percentage of national exports, %



Insurance premium, million BYN



* insurance premium received

Average premium rate, %



Share of export credit insurance in Eximgarant's insurance portfolio

Average premium rate



Claims paid, million BYN



Loss ratio, %



Recoveries, million BYN



INVESTMENT PROJECTS INSURANCE

Provision of insurance coverage within the framework of investment projects being implemented in the Republic of Belarus is one of the most significant directions of Eximgarant of Belarus activity. In 2020, with the support of Eximgarant of Belarus some of previously considered projects were successfully implemented, at the same time, there were new investment projects of republican significance that were considered and accepted for insurance.



Tinplate and cold-rolled steel plant construction in Miory, Vitebsk region

LLC "MMPZ-group" investment project for the construction of a high-tech plant, equipped with up-to-date production lines by German company SMS Group GmbH, as well as complete equipment of the production base, including its own mini-CHP station, was successfully implemented in 2020. The plant was designed and built according to European standards in compliance with legislation of the Republic of Belarus and requirements for industrial safety and ecological awareness.

Total investment in the project is estimated at about 340 million EUR.

Canned food plant construction in Stankovo, Dzerzhinsky district

This investment project for a canned food and baby food plant construction implemented by "LVL Evolution" LLC has entered its final phase in 2020.

From August to October 2020, construction and finishing works were completed, the production lines were commissioned, so that by November 2020 the plant was put into operation. The company has successfully passed the audit from TÜV – the world leader in terms of compliance with international standards, as a result of which the FSSC 22000 and ISO 22000 certificates were issued, confirming the safety and high quality of products, which opens the way for the company to enter the European market.



Successful fulfillment of this investment project became possible among other things thanks to the insurance coverage of Eximgarant of Belarus, which acts as a guarantee for the investment loans provided by Belarusian banks. Total amount of insurance coverage under this project exceeded 11 million EUR.

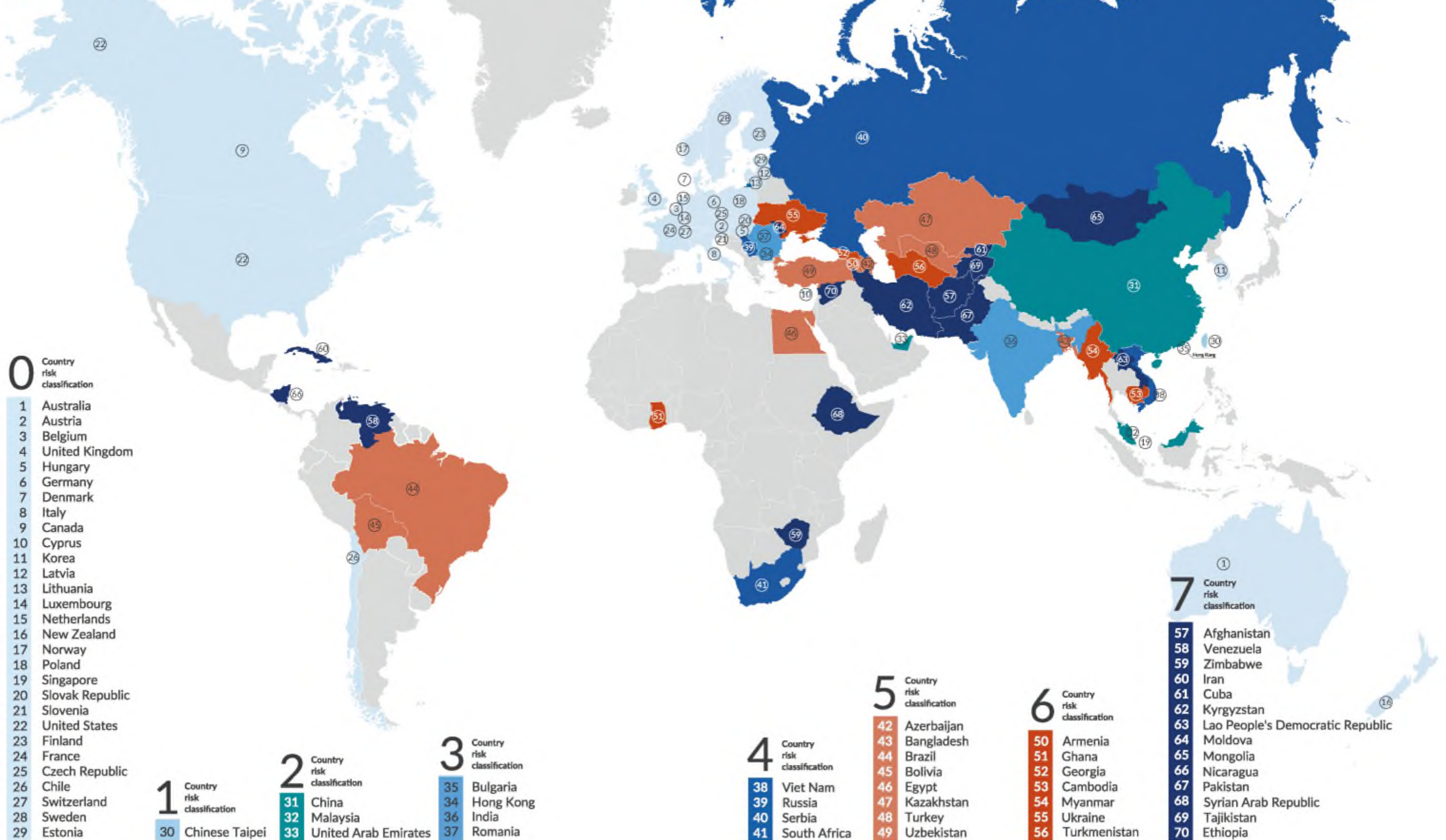
Organization of a full cycle high-tech agro-industrial production in Pukhovichi district of the Minsk region

This investment project initiated by "BNBC" CJSC is aimed at organizing of deep processing of grain using modern methods of biotechnology in order to obtain irreplaceable amino acids for the production and introduction to local and export markets of highly productive, high-tech and balanced compound feeds and premixes.

As a part of the project, it is planned to develop three factory workshops, as well as a complex for grain receiving, cleaning, drying and storing, and a number of other facilities. The company is expected to create about 300 work places. Total amount of insurance coverage in today's date exceeds 20 million USD.

| | | | |
|--|---|--|---|
|  OJSC "Savings Bank "Belarusbank" |  OJSC "Development Bank of the Republic of Belarus" |  OJSC "BeVEB" |  OJSC "BPS-Sberbank" |
|  OJSC "Minsk Automobile Plant" |  OJSC "Amkodor" |  OJSC "Belagroprombank" |  OJSC "BELAZ" – Management Company of Holding "BELAZ-HOLDING" |
|  OJSC "Belinvestbank" |  CJSC "Stadler Minsk" |  RUE "Belmedpreparaty" |  OJSC "Promagleasing" |
|  CJSC "Alfa-Bank" |  OJSC "Bank Dabrabyt" |  "ATLANT" Inc. |  FINMINING PTE. LTD. |
|  "Priorbank" JSC |  CJSC "Vitex" |  JV "BELITA" Ltd. |  JV JSC "Brestgazoapparat" UE "Gefest – Technika" |
|  OJSC "HOLDING MANAGEMENT COMPANY "BELKOMMUNMASH" |  CJSC "REMEZA" |  PC LLC "Belkosmex" |  RUPTÉ "Orsha Linen Mill" |
|  OJSC «Savushkin Product» |  OJSC "Svitanak" |  OJSC "Rechickij Metiznyj Zavod" |  OJSC "Belsolod" |
|  JV JSC "Kommunarka" |  LLC "SWEP" |  OJSC "Bellakt" |  OJSC "Milkavita" |
|  OJSC "Volkovsk Meat Processing Plant" |  JLLC "Conte Spa" |  OJSC "Confectionery factory "Slodych" |  LLC "Alutech Doors Systems" LLC "Alutech Incorporated" JLLC "AluminTechno" |
|  OJSC "Mogilev Meat Processing Plant" |  OJSC "Slonim Meat Processing Plant" |  OJSC "Molochny Mir" |  OJSC "Gomel MA "Kristall" |

EXPORT CREDIT INSURANCE COVER.
GEOGRAPHIC SPLIT



EVENTS 2020

1 Berne Union Spring Meeting took place in the form of online conference on May 13-14, 2020, opening a new chapter in an already wide range of events. Due to the COVID-19 pandemic, most of the Union members agreed to continue interaction online, choosing the format that over time will probably become an integral part of the organization's activities. The conferences were attended by over 150 representatives of the world's ECAs and funding institutions. The speakers were plenipotentiaries and top managers of such companies and corporations as Paris Club, Oxford Analytica, CESCE (Spain), Coface (France), multinational corporations ATI and SMBC, Clyde & Co (International Law Corporation), CHUBB (Corporation insurance of political and credit risks). Most of the reports were devoted to one subject – "Prospects for the global economy in the period of COVID-19 pandemic and its aftermath". The participants discussed global challenges in the economy, the consequences of force majeure for trade agreements, changes in the approaches and processes of debt collection in countries under different jurisdictions. ECAs officials discussed how governments' COVID-19 related restrictive measures influenced national economies, commodity prices and global trade in general.

2 Berne Union Annual General Meeting took place on October 14-16, 2020 in the format of a video conference. More than 160 ECA's representatives, including Eximgarant of Belarus, took part in the Prague Club Committee and the Short-Term Business Committee meetings. The issues of restructuring the insurance portfolios of the ECAs of the Berne Union in connection with the COVID-19 pandemic were discussed. The participants shared their experience of interaction with export development institutions, as well as new mechanisms of cooperation with financial institutions and banks in new conditions, including in terms of preserving jobs and exercising the right to subrogation under lockdown conditions in most countries of the world.

3 Eurasian Economic Union ECA consultations were held in September–December 2020. The main topic was creation of mutual reinsurance system in Eurasian Economic Union market. Following the consultations, the parties agreed to create a working group on mutual reinsurance issues. The group is comprised of four EAEU member states' ECA representatives: Armenia – "Export Insurance Agency of Armenia"; Belarus – Eximgarant of Belarus; Kazakhstan – "Export Insurance Company "Kazakh-Export"; Russia – Russian Agency for Export Credit and Investment Insurance "EXIAR".

4 The Memorandum of Understanding between Eximgarant of Belarus and Islamic Multinational Corporation for Insurance of Export Credit and Investment ICIEC was signed on December 10, 2020. The Memorandum is set to contribute to facilitating bilateral trade and investment between the Republic of Belarus and the ICIEC member states, confirming the intentions to insure joint export credits. The document also defines other forms of cooperation, such as technical assistance and exchange of experience in export credit insurance. The parties also noted that African region countries are a priority area of cooperation.

COOPERATION OF ECAs OF EURASIAN ECONOMIC UNION MEMBER STATES

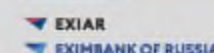
Eurasian Economic Union (EAEU) of the Republic of Belarus, the Republic of Armenia, the Republic of Kazakhstan, the Kyrgyz Republic and the Russian Federation is one of the largest economic and political associations in the world.

The EAEU member states are actively working to consolidate joint efforts to develop mutual trade between its members both within the Union and by implementing joint projects to the third countries.

One of the most important directions in terms of promoting exports of the EAEU countries is close cooperation between the export credit agencies of the EAEU member states. Within the framework of joint cooperation, Eximgarant of Belarus, KazakhExport, ECAA and EXIAR are discussing the issues of unification of approaches to provide insurance coverage of risks while exporting to third countries. Work is underway to harmonize the legislation of the EAEU member states, to form a unified position for all export products in order to grow and develop foreign trade. Based on the professional consultations of the members of the working groups, specific proposals for joint actions are submitted to the Eurasian Economic Commission.

In 2020, the workflow got a new impulse due to fact that the topic of export support was raised in the address of the President of the Republic of Belarus to the heads of the EAEU member states. The implementation of joint efforts for the development of exports and forms of interaction between export support institutions, as well as the creation of mechanisms for stimulating industrial cooperation and promoting exports of manufacturers' products are priority areas in the Strategy of the Development of Eurasian Economic Integration until 2025.

In this regard, the Eurasian Intergovernmental Council issued an order dated October 9, 2020 No. 21 "On joint measures for the development of exports". Eurasian Economic Commission, together with the governments of the member states and national ECAs instructed to work out the issue the expediency of creating a Eurasian reinsurance pool and (or) a Eurasian reinsurance company, taking into account the experience of bilateral reinsurance and co-insurance of export transactions between EAEU ECAs, in order to form a system of joint insurance support for exports.



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.

WELCOME ADDRESS BY THE PRESIDENT OF THE BERNE UNION



It is my pleasure and honour to be part a of Eximgarant of Belarus' Annual Report, in my dual capacity as Berne Union President and Chief International Officer at SACE, the Italian Export Credit Agency.

The Berne Union (International Union of Credit and Investment Insurers) has represented the global credit and political risk insurance industry since 1934. It brings together a wide cross-section of industry representatives, including the largest private credit insurers, the long-established government backed ECAs with global footprints, as well as small regional outfits. Such a diversity of representation, consisting today of 84 member organisations worldwide, is both globally representative and significant to world trade; the resulting exchange of information between its members is hence valuable to Members as well as to the wider Trade Finance community.

In 2020 the COVID-19 emergency has affected the global economy severely, leading to a worldwide recession of unprecedented dimensions. Despite the adverse economic conditions, over the past year Eximgarant of Belarus, SACE and the other Berne Union Members have been actively engaged in providing responsive and pragmatic solutions to exporters and commercial banks facing the challenging environment. This support will no doubt continue as we progress towards a new equilibrium in global markets.

The outlook for 2021 and beyond is still difficult to predict with precision and an increase in corporate insolvencies and bankruptcies may still lie ahead. In this difficult economic climate, it is critical for credit and investment insurers to have a first-hand knowledge on global markets – both by geography and by business sectors – in order to manage their risks most effectively. Now more than ever, the Berne Union Members can take advantage of an active network facilitating interaction and leading to sharing insights, best practices and expertise.

In contrast with the surrounding geopolitical context, where protectionist tendencies and political instability have raised concerns in recent years about a potential return to market fragmentation and unilateralism, the Berne Union remains an extraordinary example of multilateralism and inclusiveness. These two themes are central to my presidential programme for 2021-2022 and to the Berne Union's vision overall. All the major players in the Export Credit field are and will continue to work together in order to identify innovative solutions aimed at supporting global trade and improving sustainability in our business practices. Innovation in environmentally friendly technologies is increasingly encouraged, alongside a transition towards a more climate-neutral global economy.

In years of activity, Eximgarant of Belarus has become an active and appreciated Member of the Berne Union, and a valuable partner for SACE, with the first Cooperation Agreement between our two institutions dating back to 2012. I take this opportunity to reaffirm and applaud the importance of our strong cooperation, facilitating trade and investment flows between our respective Countries as well as in other geographies of mutual interest.

To conclude, I wish to congratulate the Eximgarant team for the results achieved thus far, and the increasing commitment that undoubtedly will bear fruit in future results. My sincere wishes for the challenges ahead, with the appreciation that Eximgarant's efforts will positively impact the national economic system.

Berne Union President

Chief International Officer, SACE

Michal Ron

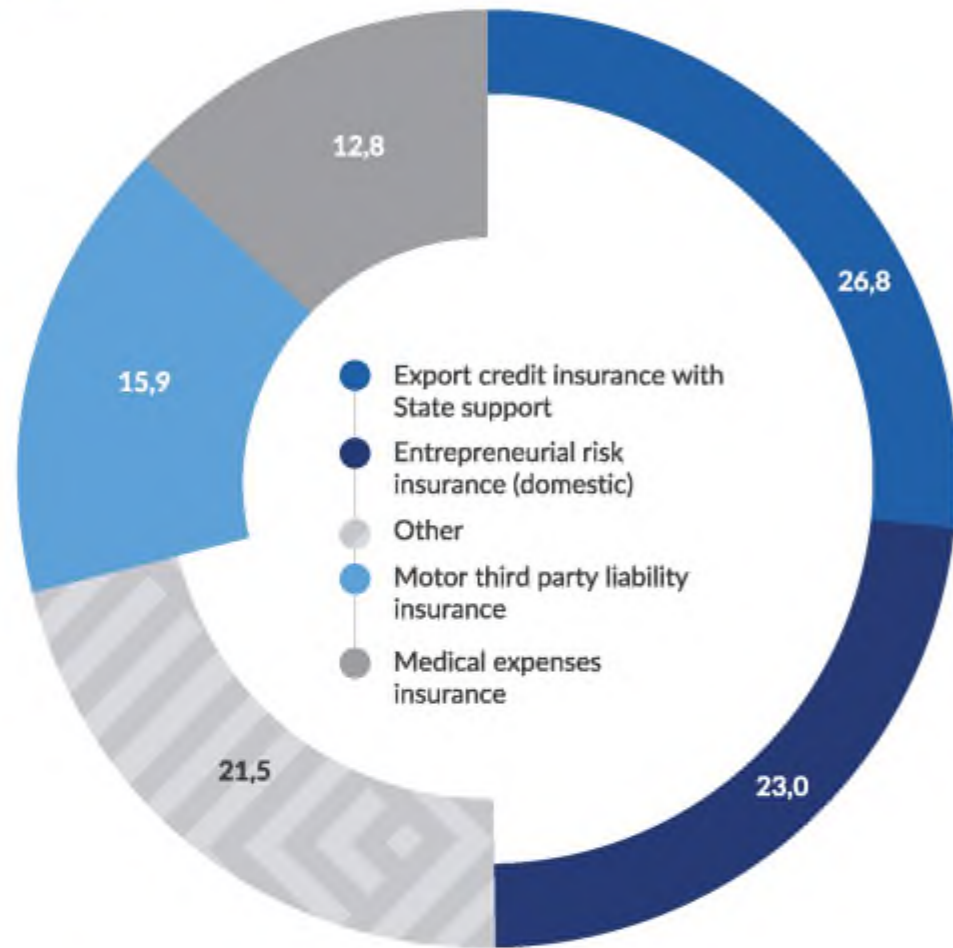
FINANCIAL RESULTS



KEY FINANCIAL INDICATORS

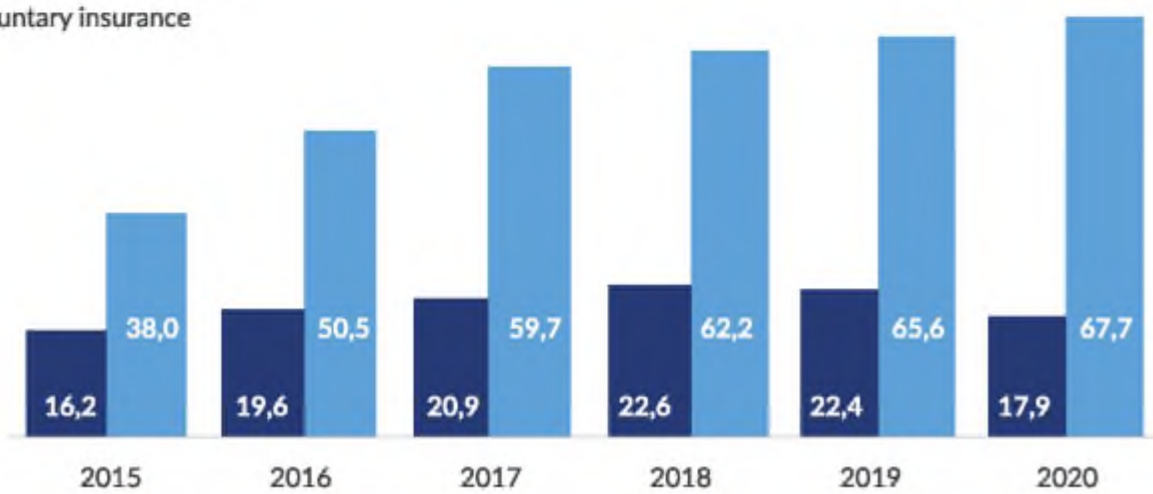
Eximgarant's Activity in Figures %

Average premium rate



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

● Compulsory insurance
● Voluntary insurance



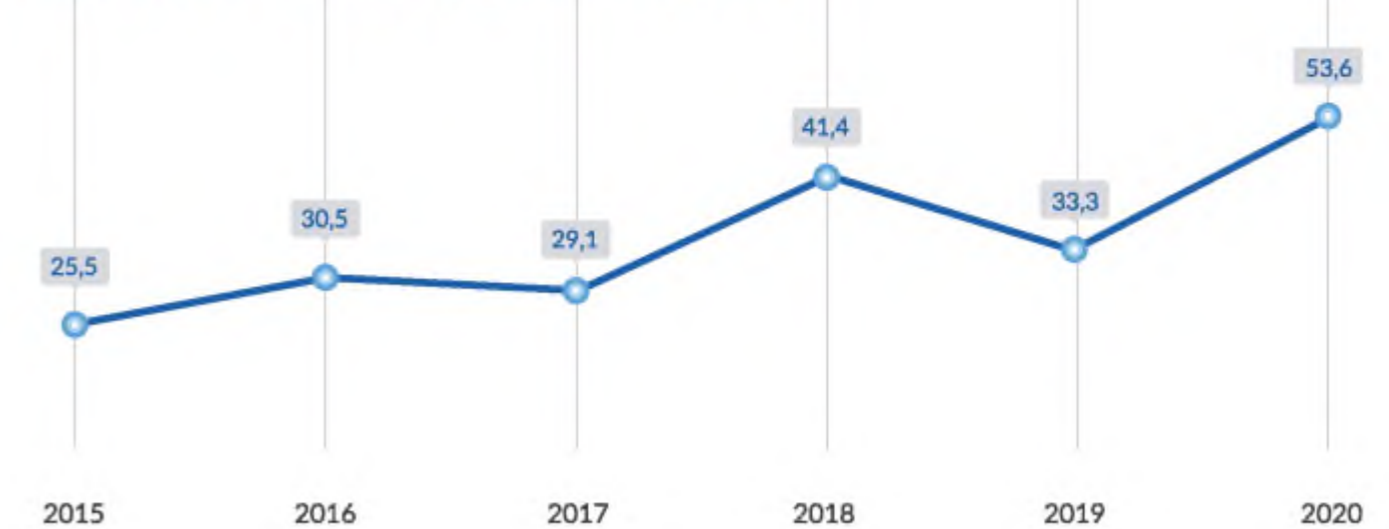
New Business – total, billion BYN



Claims Paid – total, million BYN



Insurance Premium – total, million BYN



Key Performance Indicators

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|--|---------|---------|---------|---------|---------|---------|
| Direct insurance – premium invoiced, million BYN | 54,29 | 70,14 | 80,57 | 84,82 | 88,01 | 85,58 |
| Gross profit, million BYN (before tax) | 32,73 | 28,27 | 21,52 | 12,51 | 17,1 | 40,48 |
| Net profit, million BYN | 18,6 | 24,73 | 18,13 | 8,94 | 11,48 | 29,69 |
| Profitability, % | 39 | 21,8 | 14,7 | 9,2 | 10,77 | 15,3 |
| Payments to budgetary and extra-budgetary funds, million BYN | 16,92 | 14,11 | 19,81 | 9,61 | 10,38 | 12,05 |
| New business – total, billion BYN | 14,87 | 18,9 | 20,26 | 23,25 | 23,89 | 21,36 |
| Insurance reserves and funds, million BYN | 60,6 | 73,59 | 88,24 | 97,88 | 120,39 | 154,99 |
| Insurance contracts – total | 524 145 | 484 142 | 524 780 | 515 244 | 471 260 | 294 363 |
| Equity, million BYN | 431,02 | 443 | 448,46 | 454,71 | 465,15 | 488,36 |
| Statutory fund, million BYN | 407 | 415 | 427 | 435 | 440 | 445 |
| Average number of employees | 492 | 510 | 532 | 532 | 493 | 471 |

On February 22, 2021 FBK-Bel Ltd has issued an audit report on the annual financial statements of Export-import insurance company of the Republic of Belarus Eximgarant of Belarus as of December 21, 2020.

Annual financial statements reliably reflect financial position of Eximgarant in all material aspects in accordance with the legislation The Republic of Belarus as of December 31, 2020, the financial results of its activities and changes in its financial position, including cash flows for the year ended as of the specified date.

Auditor Information:

Limited Liability Company "FBK-Bel" (LLC "FBK-Bel"). State registration certificate of was registered by the Minsk City Executive Committee on February 6, 2009 in the Unified State Register of Legal Entities and Individual Entrepreneurs under No. 690398039. UNP 690398039.

SOCIAL RESPONSIBILITY

In the business community, success is measured not only by the amount of profit, but also by the impact that a business has on the global and local communities. The formation of a developed system of socially oriented business has become traditional for Eximgarant of Belarus.

Eximgarant of Belarus provides financial support to cultural, educational, sports and healthcare institutions.

The company did not stand aside last year, when the COVID-19 outbreak became a pandemic. Business, healthcare institutions and community have united to fight the pandemic together.

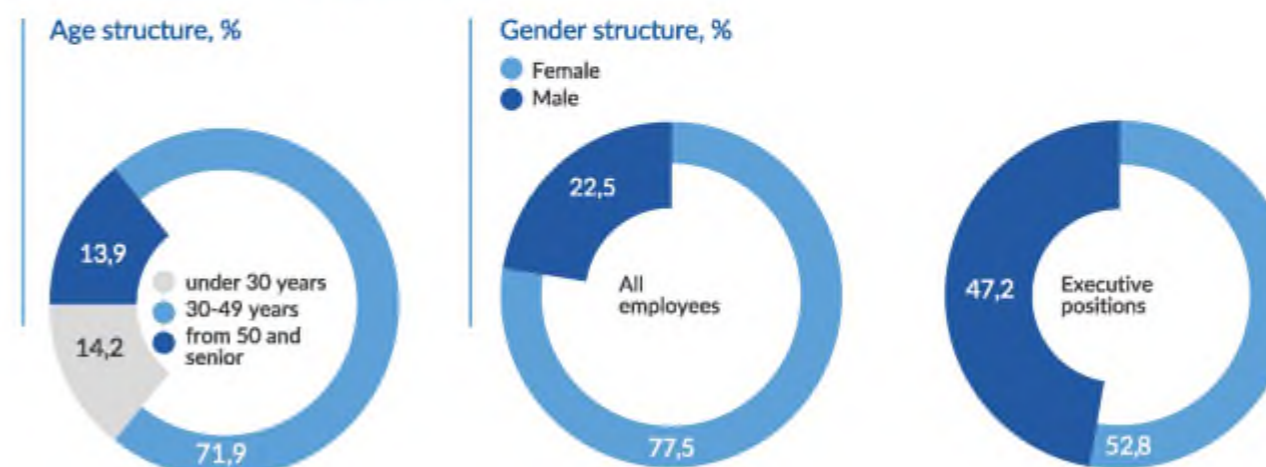
So, over the past year Eximgarant of Belarus allocated about 90 000 BYN for the purchase of protective equipment, medical equipment and inventory, as well as for preventive measures.



Fitch Ratings

In April, 2021 Fitch Ratings has affirmed Export-Import Insurance company of the Republic of Belarus (Eximgarant) Insurer Financial Strength (IFS) rating at "B". The Outlook is Negative.

HUMAN RESOURCES



BALANCE SHEET

| ASSETS | | Line code | 01 January 2021 | 31 December 2019 |
|--|------------|--------------------|--------------------|------------------|
| 1 | 2 | 3 | 4 | |
| I. LONG-TERM ASSETS | | | | |
| Fixed assets | 110 | 4 451 489 | 4 301 054 | |
| Intangible assets | 120 | 227 191 | 164 116 | |
| Income yielding investments into tangible assets | 130 | 138 977 | 23 811 | |
| Including: | | | | |
| investment property | 131 | 138 977 | 23 811 | |
| subject of finance lease | 132 | - | - | |
| other income yielding investments into tangible assets | 133 | - | - | |
| Investment in long-term assets | 140 | 3 904 349 | 3 151 248 | |
| Long-term financial assets | 150 | 338 350 957 | 338 195 187 | |
| Long-term receivables | 160 | 102 828 802 | 67 871 121 | |
| Deferred tax assets | 170 | - | - | |
| Other long-term assets | 180 | - | 15 | |
| TOTAL article I | 190 | 449 901 765 | 413 706 552 | |
| II. SHORT-TERM ASSETS | | | | |
| Supplies | 210 | 949 835 | 919 528 | |
| Including: | | | | |
| raw materials and other materials | 211 | 949 835 | 919 528 | |
| in-process inventory | 212 | - | - | |
| other supplies | 213 | - | - | |
| Long-term assets held for sale | 215 | - | - | |
| Unexpired costs | 220 | 143 101 | 68 823 | |
| Input added value tax | 230 | - | - | |
| Reinsurers share in insurance reserve | 240 | 81 143 043 | 68 354 418 | |
| Including: | | | | |
| reserves for life insurance | 241 | - | - | |
| unearned premium reserve | 242 | 58 655 076 | 58 155 072 | |
| loss reserve | 243 | 22 487 967 | 10 199 346 | |
| other technical reserves | 244 | - | - | |
| Short-term receivables | 250 | 56 832 994 | 73 313 071 | |
| Short-term financial investments | 260 | 30 676 984 | 29 221 261 | |
| Cash and cash equivalents | 270 | 180 788 372 | 141 993 898 | |
| Other short-term assets | 280 | - | - | |
| TOTAL article II | 290 | 350 534 329 | 313 870 999 | |
| TOTAL | 300 | 800 436 094 | 727 577 551 | |
| EQUITY AND LIABILITIES | | Line code | 01 January 2021 | 31 December 2019 |
| 1 | 2 | 3 | 4 | |
| III. EQUITY | | | | |
| Authorized capital | 410 | 445 000 000 | 440 000 000 | |
| Unpaid capital | 420 | - | - | |
| Own shares | 430 | - | - | |
| Reserve capital | 440 | 220 000 | 199 000 | |
| Including salary reserve fund | 441 | 220 000 | 199 000 | |
| Additional fund | 450 | 2 182 809 | 2 326 802 | |

| | 1 | 2 | 3 | 4 |
|---|------------|--------------------|--------------------|---|
| Including property enlargement (revaluation) get using insurance reserves | 451 | - | - | |
| Retained earnings | 460 | 41 177 749 | 22 518 027 | |
| Net income | 470 | - | - | |
| Target financing | 480 | - | - | |
| TOTAL article III | 490 | 488 580 558 | 465 043 829 | |
| IV. ACTUARIAL RESERVES AND FUNDS | | | | |
| Life insurance reserve | 500 | - | - | |
| Unearned premium reserve | 501 | 182 427 111 | 151 072 732 | |
| Loss reserve | 502 | 53 652 096 | 37 669 792 | |
| Other technical reserves | 503 | 49 765 | - | |
| Other insurance reserves | 504 | - | - | |
| Prevention measures fund | 505 | 2 488 468 | 2 908 106 | |
| Guarantee fund | 506 | 7 201 | 5 087 | |
| Other funds according to legislation | 507 | 536 | 10 483 | |
| TOTAL article IV | 509 | 238 625 177 | 191 666 200 | |
| V. LONG-TERM LIABILITIES | | | | |
| Long-term loans | 510 | - | - | |
| Long-term lease payments | 520 | - | - | |
| Deferred tax liabilities | 530 | 9 632 288 | 8 902 992 | |
| Deferred income | 540 | 1 182 | 1 857 | |
| Provisions for future expenses | 550 | - | - | |
| Other long-term liabilities | 560 | 38 691 210 | 38 624 286 | |
| TOTAL article V | 590 | 48 324 680 | 47 529 135 | |
| VI. SHORT-TERM LIABILITIES | | | | |
| Short-term loans | 610 | - | - | |
| Short-term part of long-term liabilities | 620 | - | - | |
| Short-term liabilities | 630 | 24 905 325 | 23 338 008 | |
| Including: | | | | |
| insureds | 631 | 155 857 | 89 356 | |
| insurance agents and brokers | 632 | 100 911 | 181 951 | |
| other creditors in insurance and co-insurance transactions | 633 | 8 774 124 | 7 943 909 | |
| reinsurance | 634 | 3 887 187 | 7 798 513 | |
| premium deposit on reinsurance risks | 635 | - | - | |
| consignors and contract holders | 636 | 59 810 | 62 180 | |
| advances received | 637 | - | - | |
| taxes and charges | 638 | 4 416 882 | 13 526 | |
| social insurance | 639 | - | 42 144 | |
| labour expense | 640 | 217 443 | 208 944 | |
| lease-payment | 641 | - | - | |
| property owner (shareholders, participants) | 642 | - | - | |
| other creditors | 643 | 7 293 111 | 6 997 485 | |
| Liabilities for sale | 650 | - | - | |
| Deferred income | 660 | 354 | 379 | |
| Provisions for future expenses | 670 | - | - | |
| Other short-term liabilities | 680 | - | - | |
| TOTAL article VI | 690 | 24 905 679 | 23 338 387 | |
| TOTAL | 700 | 800 436 094 | 727 577 551 | |

INCOME STATEMENT

| Index | Line code | January - December 2020 | January - December 2019 |
|---|------------|----------------------------|----------------------------|
| 1 | 2 | 3 | 4 |
| LIFE INSURANCE | | | |
| 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 | - | - |
| Profit (loss) - life insurance (lines 014 - 022 + (033 - 031) - 040 - 050 + 055 - 056) | 060 | - | - |
| Other income - current activity | 065 | - | - |
| Other expenses - current activity | 066 | - | - |
| Profit (loss) on current activity - life insurance (lines ± 060 + 065 - 066) | 069 | - | - |
| NON-LIFE INSURANCE | | | |
| Premium earned, total | 070 | 89 540 780 | 88 286 911 |
| Including: | | | |
| direct insurance and co-insurance | 071 | 85 584 788 | 88 005 982 |
| reinsurance | 072 | 3 955 992 | 280 929 |
| Ceded premium | 073 | 12 666 093 | 19 953 662 |
| Insurance premium adjusted for reinsurance, net (lines 070 - 073) | 074 | 76 874 687 | 68 333 249 |
| Change of unearned premium reserve, total | 080 | (31 354 379) | (10 914 548) |
| Change of reinsurer share in unearned premium reserve | 081 | 500 004 | (2 934 411) |
| Change of unearned premium reserve adjusted for reinsurance, net (lines 080 and 081) | 082 | (30 854 375) | (13 848 959) |
| Premium earned, net (lines 074 and 082) | 085 | 46 020 312 | 54 484 290 |
| Claims paid, total | 090 | 56 160 579 | 34 858 043 |
| Reinsurer share in claims paid | 091 | 20 194 058 | 9 499 023 |
| Claims paid adjusted for reinsurance, net (lines 090 - 091) | 092 | 35 966 521 | 25 359 020 |
| Change of loss reserve, total | 095 | (15 982 304) | (12 637 215) |
| Change of reinsurer share in loss reserve | 096 | 12 288 621 | 3 981 732 |
| Change of loss reserve adjusted for reinsurance, net (lines 095 and 096) | 097 | (3 693 683) | (8 655 483) |
| Premium earned excluding claims paid (lines 085 - 092 + 097) | 100 | 6 360 108 | 20 469 787 |
| Change of other technical reserves | 110 | (49 765) | - |
| 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 | 2 117 682 | 1 917 947 |
| Deduction to other funds according to legislation | 140 | 33 006 | 121 349 |
| Administrative costs, total | 150 | 14 753 055 | 14 386 083 |
| Including commissions and commission on profit (risks accepted for reinsurance) | 151 | 212 535 | 26 965 |

| | 1 | 2 | 3 | 4 |
|--|------------|--------------------|-------------------|---|
| Including commissions and commission on profit (ceded risks) | 155 | 980 951 | 1 170 886 | |
| Income - non-life insurance | 160 | 19 681 870 | 33 047 462 | |
| Expenses - non-life insurance | 165 | 13 334 686 | 19 278 050 | |
| Profit (loss) - non-life insurance (lines 100 + 110 + (120 - 121) - 130 - 140 - 150 + 155 + 160 - 165) | 170 | 3 265 265 | 18 984 706 | |
| Other income - current activity | 175 | 2 643 483 | 7 612 567 | |
| Other expenses - current activity | 176 | 6 501 872 | 10 789 011 | |
| Profit (loss) on current activity - non-life insurance (lines ± 170 + 175 - 176) | 179 | (7 123 654) | 15 808 262 | |
| Investment activities income | 180 | 36 706 588 | 33 126 112 | |
| Including: | | | | |
| gains on disposal of fixed, intangible assets and other long-term liabilities | 181 | 29 050 358 | 29 020 289 | |
| gains on equity holding | 182 | 757 589 | 233 540 | |
| interest receivable | 183 | 6 853 977 | 3 850 679 | |
| other investment activities income | 184 | 44 664 | 21 604 | |
| Investment activities expenses | 190 | 28 998 663 | 29 006 590 | |
| Including: | | | | |
| disposal of fixed, intangible assets and other long-term liabilities expenditure | 191 | 28 995 290 | 29 004 345 | |
| other investment activities expenses | 192 | 3 373 | 2 245 | |
| Financial activities income | 200 | 155 444 845 | 12 599 600 | |
| Including: | | | | |
| foreign exchange difference | 201 | 155 354 145 | 12 598 957 | |
| other financial activities income | 202 | 90 700 | 643 | |
| Financial activities expenses | 210 | 115 546 806 | 15 427 618 | |
| Including: | | | | |
| due interest | 211 | - | - | |
| foreign exchange difference | 212 | 115 545 506 | 15 414 320 | |
| other financial activities expenses | 213 | 1 300 | 13 298 | |
| Profit (loss) - investment and financial activity (lines 180 - 190 + 200 - 210) | 220 | 47 605 964 | 1 291 504 | |
| Including profit on special insurance reserve for obligatory insurance with official support for agricultural crop, cattle and poultry aimed at the reserve increase | 230 | - | - | |
| Profit (loss) before tax (lines ± 069 ± 179 ± 220 - 230 + 031) | 240 | 40 482 310 | 17 099 766 | |
| Income tax | 250 | 9 180 541 | 1 145 005 | |
| Changes in deferred tax assets | 260 | - | - | |
| Changes in deferred tax liabilities | 270 | (729 297) | (3 408 407) | |
| Other taxes and charges based on profit (income) | 280 | 21 507 | 30 083 | |
| Other payments from profit (income) | 285 | 865 146 | 1 035 807 | |
| Net profit (loss) (lines ± 240 - 250 ± 260 ± 270 - 280 - 285) | 290 | 29 685 819 | 11 480 464 | |
| Long-term assets revaluation result not included in net profit (loss) | 300 | - | - | |
| Other operations result not included in net profit (loss) | 310 | - | - | |
| Total profit (loss) (lines ± 290 ± 300 ± 310) | 320 | 29 685 819 | 11 480 464 | |
| Basic profit (loss) per share | 330 | - | - | |
| Diluted profit (loss) per share | 340 | - | - | |



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