

Annual  
report  
2014  
Eximgarant  
of Belarus  
Together we  
are stronger!

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# WELCOME ADDRESS. FIRST DEPUTY MINISTER OF FINANCE OF THE REPUBLIC OF BELARUS



Eximgarant of Belarus is an active participant of the insurance market of the Republic of Belarus. The company's insurance portfolio includes both conventional and unique insurance products – Export credit insurance with Official support. Over the years of its performance in the insurance market Eximgarant has managed to create and implement new international mechanisms of insurance support into the business practice of Belarusian economic entities as well as to set up a market of export credit and investment insurance.

Insurance company possesses all the necessary financial instruments and mechanisms that allow the Belarusian exporters to feel confident when

performing export contracts. Being an export credit agency of the Republic of Belarus, Eximgarant is recognized by the international alliance of credit insurers – members of the International Union of Credit and Investment Insurers (the Berne Union). Over the years of company's activity Eximgarant signed about 30 cooperation agreements with foreign export credit agencies and banks, which make provision not only for the exchange of experiences, but also for foreign investments attraction.

At this stage of development of the Belarusian economy Eximgarant should make emphasis on the support of export diversification, sales geography expansion of enterprises, research and penetrating into new markets. Towards this objective it is advised to integrate the innovative products into export practice more actively. These products should conform to the requirements of all types of enterprises including also small and medium enterprises. The development and expansion of export as well as inflow of foreign currency gains into the country should be the results of this work.

I would like to wish successful and well coordinated work of the Eximgarant team in the activities aimed at export potential of the Republic of Belarus support

First Deputy Minister of Finance  
Maksim Ermolovich

A handwritten signature in black ink, appearing to be 'Maksim Ermolovich', written over a horizontal line.

# GM'S MESSAGE



Dear ladies and gentlemen, clients, partners and colleagues!

Eximgarant of Belarus is pleased to represent its Annual Report which reflects the data for company's performance in the insurance market of the Republic of Belarus in 2014.

The Annual Report presents the financial position of Eximgarant, the volume of its commitments. With the information provided in this Report you can analyze company's operation in the sphere of export credit insurance, which is the main company's area of work in the insurance market of Belarus. I suppose that you will also draw special attention to the main vectors of partnership and cooperation development with the colleagues within Berne Union as well as to the main information on the economic development of the Republic of Belarus, which is known to have good investment attractiveness and high export potential.

The data mentioned in the report reflects the company's progress in the sphere of export credit insurance in 2014. It is the first time when the new business exceeded US \$1 billion, and the new business as a percentage of national exports (including export of commodities and prepayment transactions) increased to 2.83 per cent.

The remarkable fact is that these results were achieved in an environment of demand decreasing in the major commodity markets of Belarusian exporters, slight decrease in consumers' solvency and, as the result of these events, increased probability of delays in currency gain inflow. Eximgarant of Belarus together with its

clients gained invaluable experience in penetrating into new markets, and building pragmatic and mutually beneficial relationship with respective consumers. All this provide both Eximgarant and the exporters with certain confidence and good prospects for further work.

Last year Eximgarant of Belarus succeeded in broadening its experience in conducting Buyer Credit Insurance. Such a mechanism increases competitiveness of Belarusian enterprises as well as provides a great opportunity for consumers to purchase effective and technologically advanced Belarusian products with high added value.

Export support scheme has perceptible economic effects for businesses in the form of prompt and guaranteed currency gain inflow, capacity utilization, including also companies working in intrabranh cooperation, and, ultimately, creates the necessary conditions for export increase.

The top-priority task of Eximgarant is the concentration of financial potential, human resources and accumulated experience in order to implement the export credit insurance mechanism into practice with a view to achieve the following strategic goals of national economic development: export diversification and sales increase. Financial strength of Eximgarant is based on its large equity, adequate insurance reserves as well as on official support stipulated in the State budget. And the company intends to use these reserves efficiently when achieving abovementioned goals.

Eximgarant of Belarus expects further development of cooperation within Berne Union which may contribute to high level of company's competitiveness in the insurance market, extension of its export credit insurance product portfolio with a view to attract new exporters and foreign investors. The Report shows possibilities for international cooperation with export credit agencies when attracting foreign investments in Belarus.

As one of the Belarusian institutions of business development Eximgarant together with its colleagues in Eurasian Economic Union member-countries maintains the creation of effective joint export support mechanism and the establishment of full-scale cooperation among ECAs of Eurasian Economic Union member-countries. First of all it concerns insurance and reinsurance of investments and common projects for export of goods produced in EAEU as well as trade increase among the members of the Union.

Summarizing, I would like to emphasize the fact that today Eximgarant of Belarus is a successful and steady developing universal insurer, a reliable partner always interested in cooperation. Eximgarant carries out its activities adequately, on the basis of mutual respect and credibility for the clients' sake.

Sincerely Yours,  
General Manager  
Gennady Mitskevich

A handwritten signature in black ink, appearing to read 'Gennady Mitskevich', written over a horizontal line.

# TOP MANAGEMENT



## Gennady Mitskevich

General Manager  
Member of the Supervisory Board of the JSC «Promagroleasing»  
Member of the Supervisory Board of the OJSC «Belarusian Universal Commodity Exchange»  
Member of the Supervisory Board of JSC Belarusian Potash Company  
Member of the Board of the Polish-Belarusian Chamber of Commerce  
Date of birth: August 22, 1959  
Company seniority – since the establishment of the company  
Responsibilities: provides general management of the company.  
Contact details:  
Reception office: +37517 209 40 28  
e-mail: sec@eximgarant.by



## Michail Olshansky

First Deputy General Manager  
Member of the Supervisory Board of the JSC «JSSB Belarusbank»  
Date of birth: October 31, 1971  
Company seniority – 5 years  
Responsibilities: Coordinates business risks insurance, financial and legal matters of the company, reinsurance.  
Contact details:  
tel.: +37517 203 37 40  
e-mail: m.olshanskiy@eximgarant.by



## Igor Lyskovets

Deputy General Manager  
Date of birth: April 28, 1962  
Company seniority – 1 year  
Responsibilities: Coordinates export credit risk insurance.  
Contact details:  
tel.: +375 17 306 02 24  
e-mail: i.lyskovets@eximgarant.by



## Oleg Aniskevich

Deputy General Manager  
Date of birth: December 7, 1964  
Company seniority – 5 years  
Responsibilities: Coordinates financial risks, leasing transactions and investment risks insurance.  
Contact details:  
tel.: +37517 209 44 95  
e-mail: o.aniskevich@eximgarant.by



## Oleg Pavlovskiy

Deputy General Manager  
Date of birth: December 18, 1977  
Company seniority – 12 years  
Responsibilities: Is in charge of the economic analysis, forecasting and regional development, insurance process & methodology. Coordinates compulsory health insurance, advertising activities, logistical support.  
Contact details:  
tel.: +37517 306 04 32  
e-mail: o.pavlovski@eximgarant.by

TOGETHER WE ARE STRONGER!

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

Belarus ranks 7<sup>th</sup> in the world in ensuring contract execution in accordance with the “Doing Business–2015” rating of World Bank.

- Strategically advantageous location
- Direct access to EAEU market of Armenia, Belarus, Kazakhstan and Russia
- Competitive investment and tax climate
- Developed transport and logistics infrastructure
- Distinctive privatization opportunities
- Highly qualified workforce
- Decent living standards

# REPUBLIC OF BELARUS: ECONOMIC DEVELOPMENT AND INVESTMENT POTENTIAL

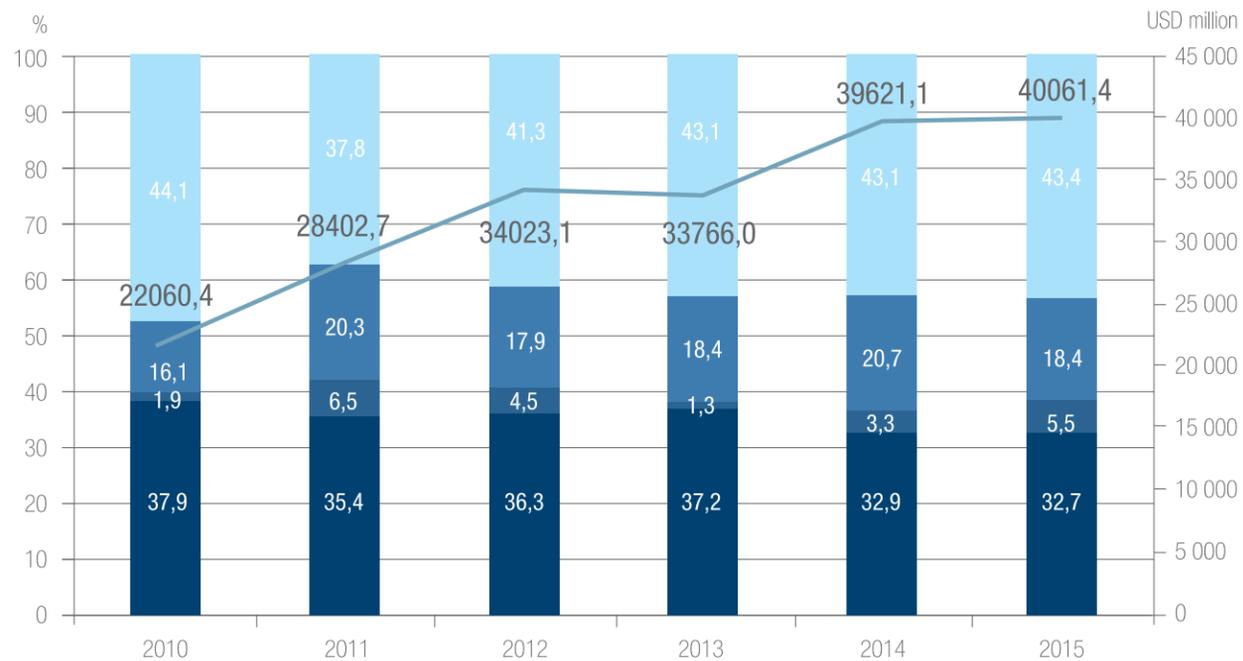


# MAJOR MACROECONOMIC INDICATORS

## Belarus Overview

Area	207,6 th. km <sup>2</sup>
Population	9,47 mn
Currency	BYR
Credit ratings (S&P/M)	B- (STABLE) / B3 (RUR)

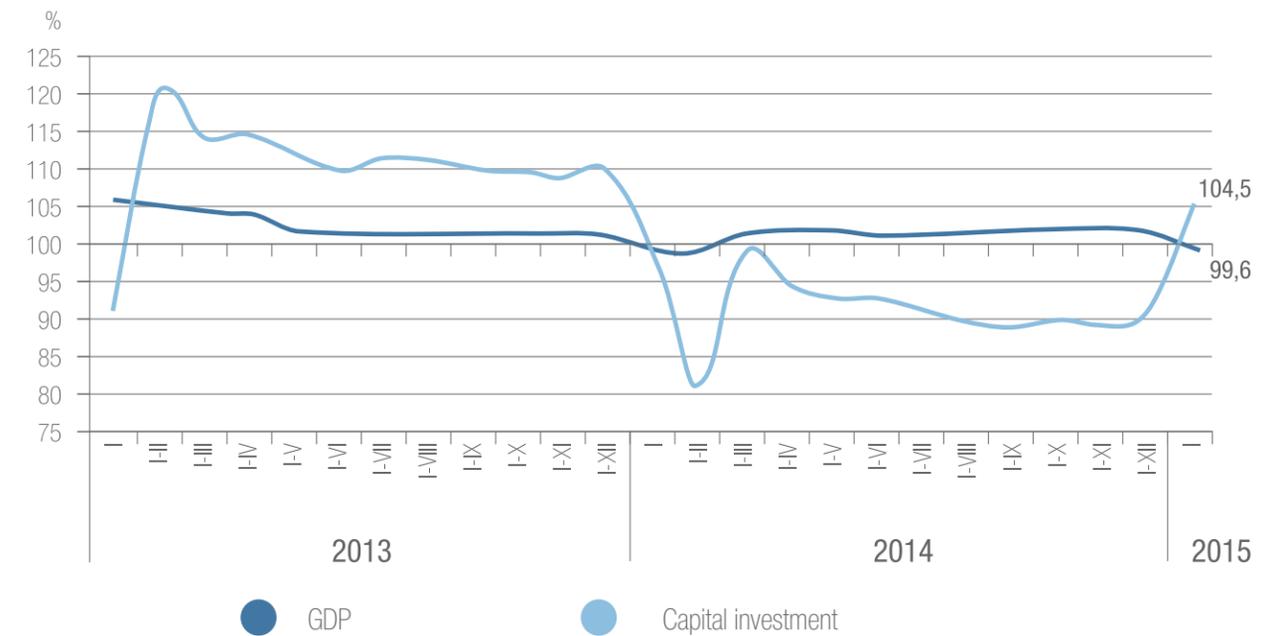
## External debt of the Republic of Belarus January, 2010-2015



- Government (32,7%)
- Central bank (5,5%)
- Depository institutions, expert Central bank (18,4%)
- Other sectors, intercompany financing included (43,4%)
- Gross External Debt - total

Source: The National Bank of the Republic of Belarus

## GDP and capital investment as percent of the relevant period of the previous year

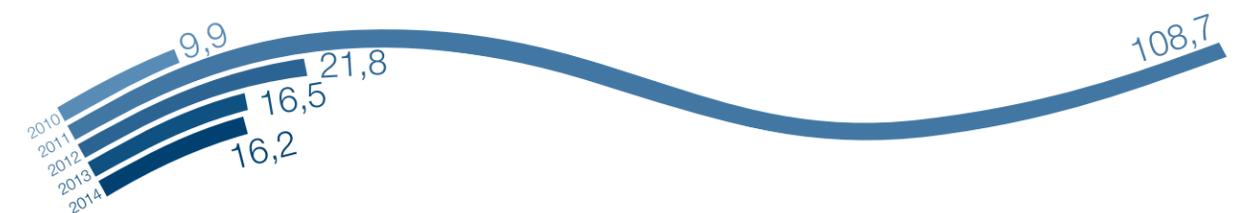


## Dynamics of the Average Refinance Rate of the National bank of the Republic of Belarus (January-December), %\*

\* - Calculated on basis of the calendar number of days



## CPI growth rate, as percent of december of previous year



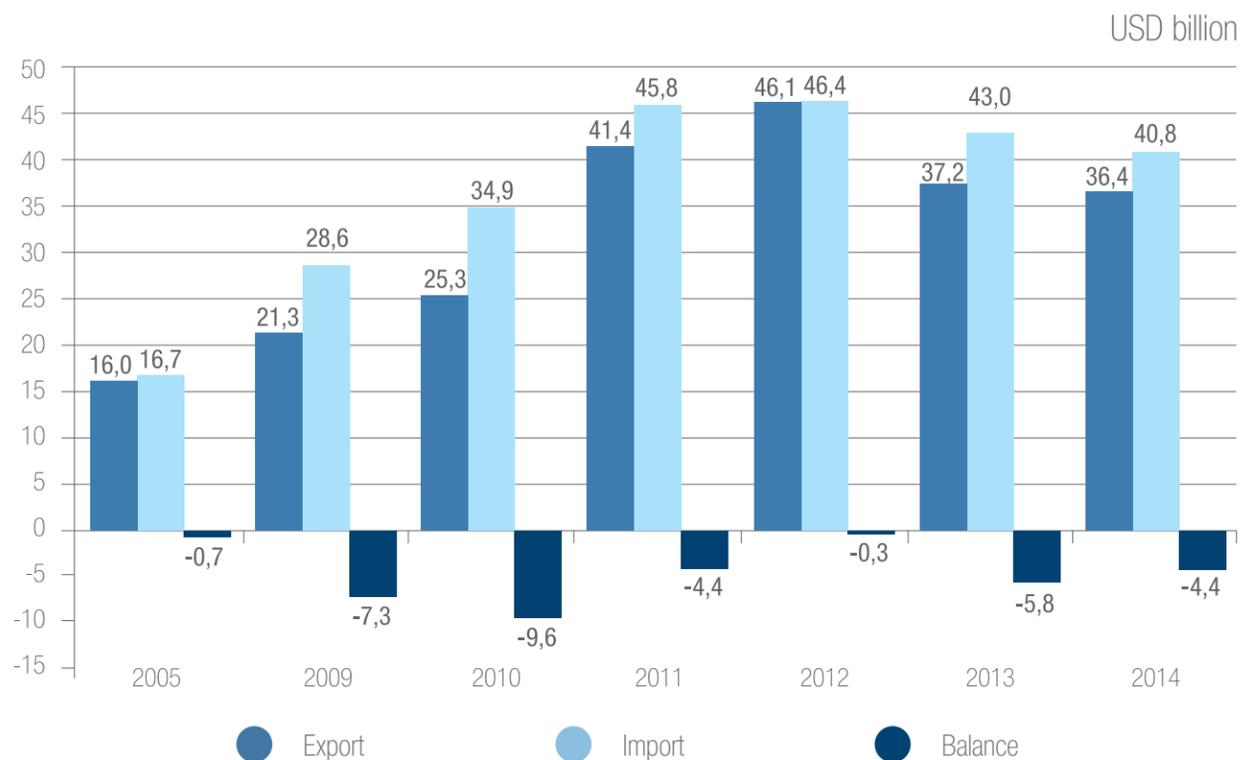
Source: The National Bank of the Republic of Belarus

# FOREIGN TRADE

## Key priorities of the state policy in the area of foreign trade

- Priority 1.** Changes in the national system of export support and development towards its adaptation to current and potential threats.
- Priority 2.** Application of opportunities in frames of the Union State, MERCOSUR, ASEAN, NAFTA and other integration associations with the view of enhancing and balancing geographic split of export.
- Priority 3.** Broad and more intensive cooperation in trade and economic sphere in frames of Eurasian Economic Union as well as improvement of government regulation of foreign economic activity in compliance with legal framework of the EAEU.
- Priority 4.** Further improvement of customs administration with the view to facilitate export activity, to reduce costs of foreign trade participants, to enhance transit potential of the country as well as to increase export of services.
- Priority 5.** Implementation of innovative export development strategy through the expansion of export of science intensive products and technologies.

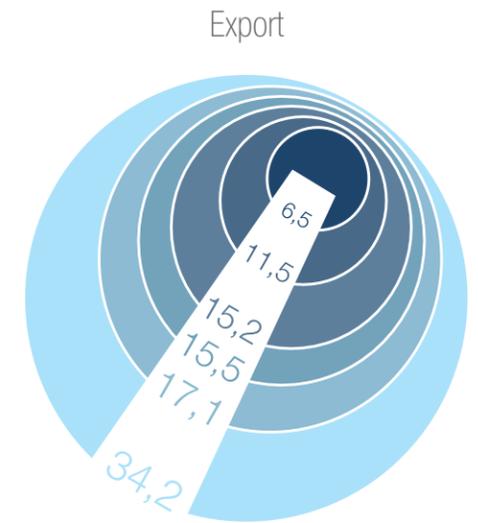
## Foreign trade turnover in 2014 (goods)



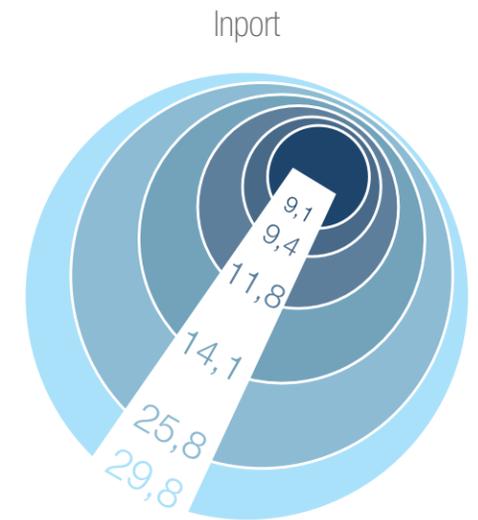
Source: The National Bank of the Republic of Belarus

## Export and Import structure in 2014

- Mineral products
- Chemical industry production, resin elastic (including chemical fibers)
- Food commodities and agricultural raw material
- Machinery, technical equipment and vehicles
- Other
- Ferrous and non-ferrous metals

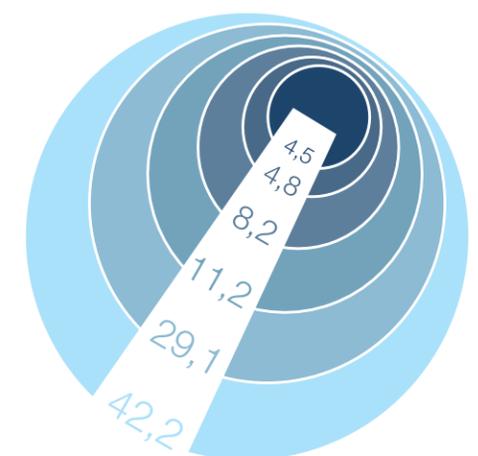


- Mineral products
- Machinery, technical equipment and vehicles
- Chemical industry production, resin elastic (including chemical fibers)
- Food commodities and agricultural raw material
- Other
- Ferrous and non-ferrous metals



## Geographic split of export in 2014

- Russia
- Other
- Ukraine
- United Kingdom
- The Netherlands
- Germany



Source: The National Bank of the Republic of Belarus

# BANKING SECTOR

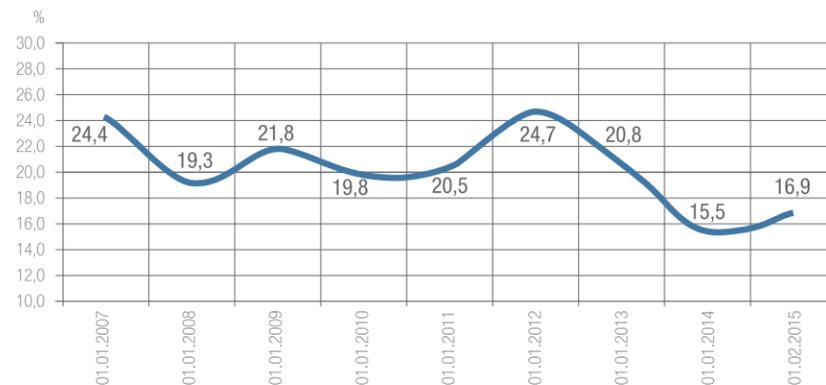
Number of banks	31 bank (6 banks with foreign capital, equal to 100%)
Total assets	35,7 USD billion, 69,6% GDP
Legal capital	4,2 USD billion, 8,2% GDP
Requirements for legal capital	Lower limit – 25 million Euro Capital adequacy ratio – not less than 10%
Credit risk	Share of problematic assets - 5.0%

## Bank assets, %

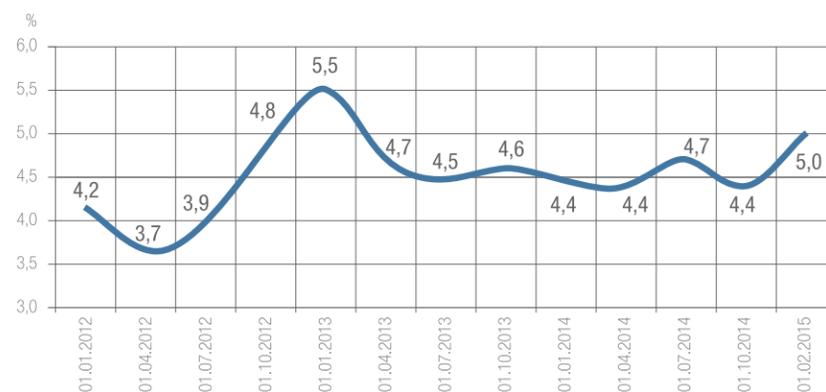


## Banking sector financial stability

Capital adequacy ratio, %



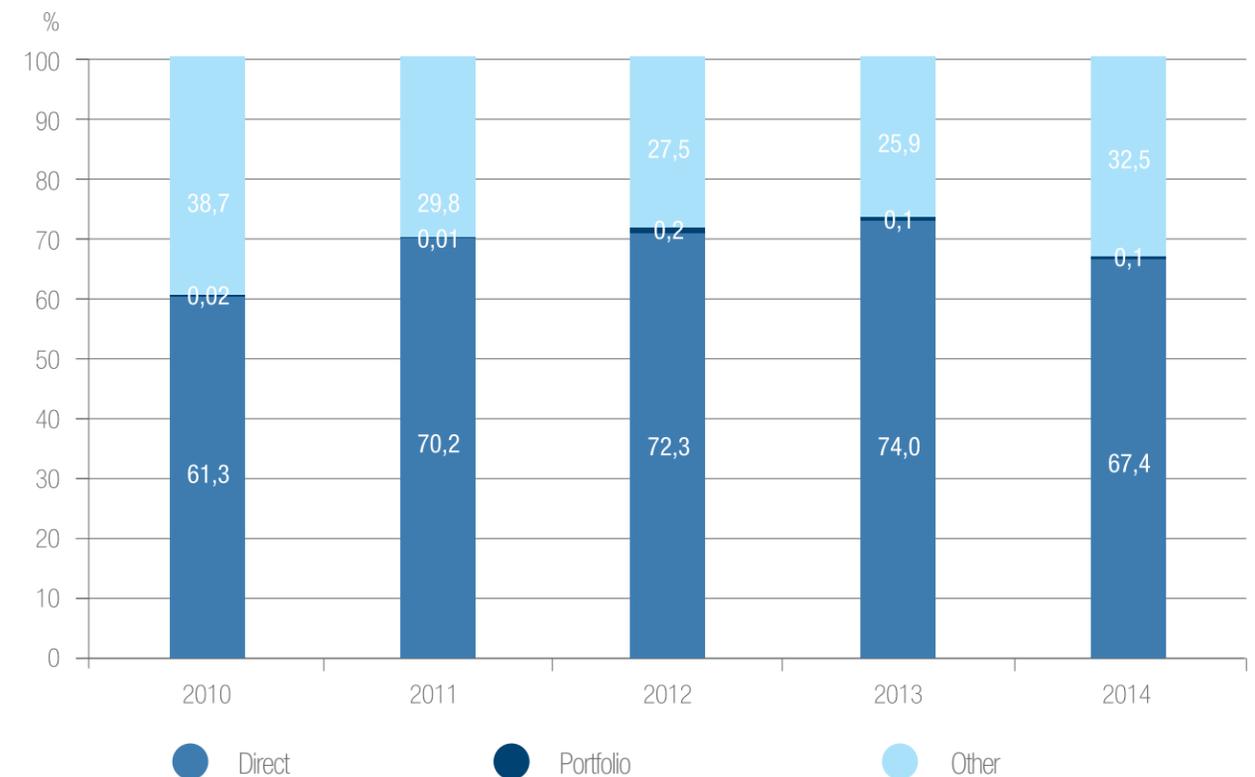
Share of problematic assets, %



Source: The National Bank of the Republic of Belarus

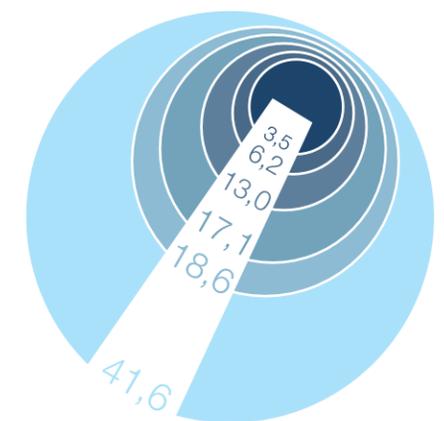
# FOREIGN INVESTMENTS

Foreign investments in the real sector of economy (as percent of the total)



Foreign investments in the real sector of economy in 2014. Geographic split. (as percent of the total)

- Russia
- United Kingdom
- Other
- The Netherlands
- Cyprus
- Austria

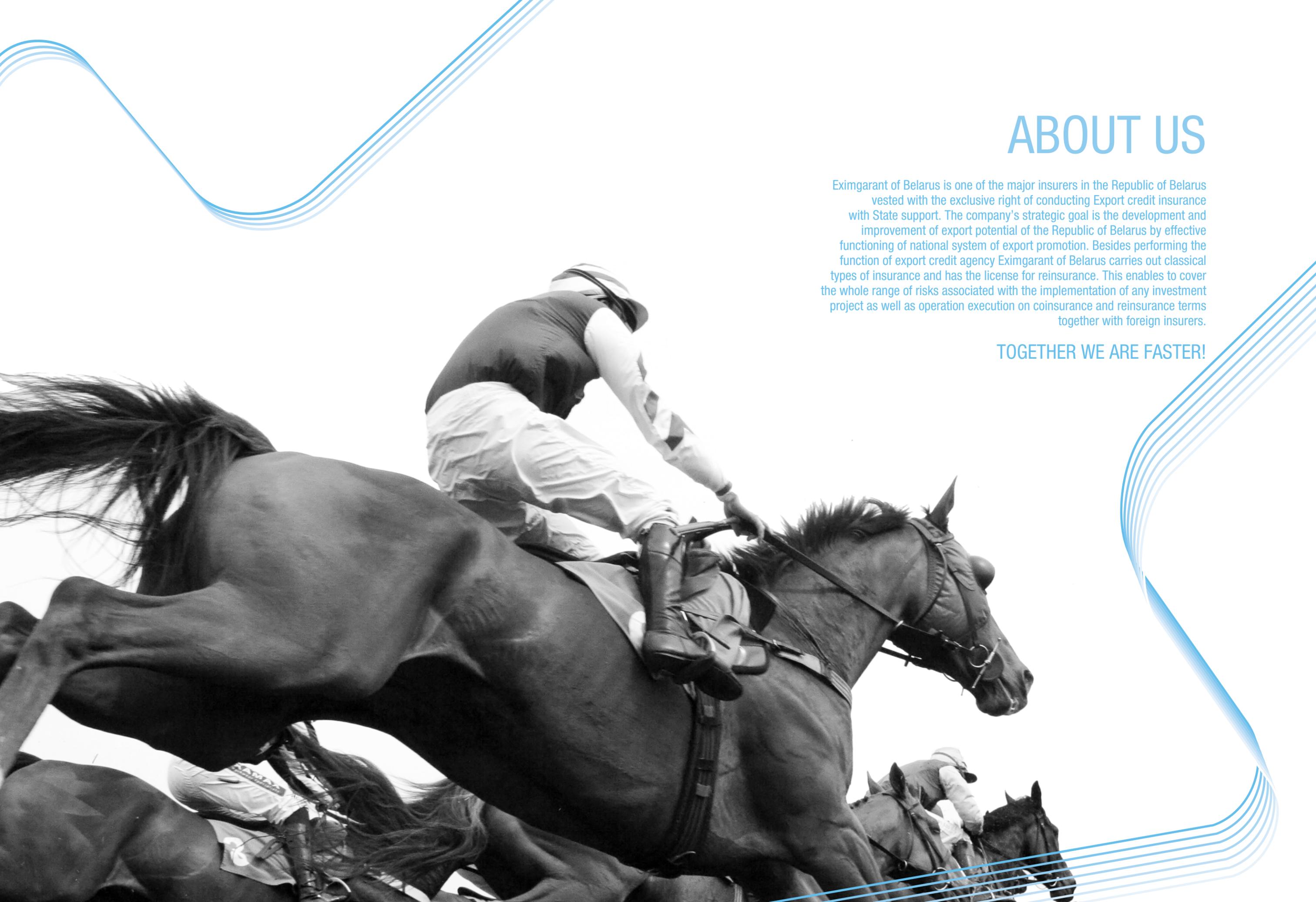


Source: National Statistical Committee of the Republic of Belarus

# ABOUT US

Eximgarant of Belarus is one of the major insurers in the Republic of Belarus vested with the exclusive right of conducting Export credit insurance with State support. The company's strategic goal is the development and improvement of export potential of the Republic of Belarus by effective functioning of national system of export promotion. Besides performing the function of export credit agency Eximgarant of Belarus carries out classical types of insurance and has the license for reinsurance. This enables to cover the whole range of risks associated with the implementation of any investment project as well as operation execution on coinsurance and reinsurance terms together with foreign insurers.

**TOGETHER WE ARE FASTER!**



# EXPORT CREDIT INSURANCE

## Products for exporters

### **INSURANCE OF SHORT-, MEDIUM- AND LONG-TERM EXPORT CONTRACTS AGAINST POLITICAL AND/OR COMMERCIAL RISKS**

Up-market insurance product that ensures successful and operative completion of a deal and includes risk management of the project as well as advice on the essential details of the export contract both at the stage of its conclusion and at the stage of its management. Insurance premium is released to production costs thereby attracting additional foreign currency to the Republic of Belarus. Besides, being entitled to an insurance compensation, you don't have to go through a long process of collecting debts abroad.

### **PRE-EXPORT RISK COVER**

In case the overseas contractor refuses to execute the export contract which has been concluded, Eximgarant of Belarus pays out an insurance compensation covering costs incurred by your enterprise to carry out obligations under the export contract.

### **INVESTMENT INSURANCE AGAINST POLITICAL RISKS**

Investment Insurance covers a broad range of political risks resulting from unpredictable events that could threaten your overseas investment. The insurance covers risks related to the following fields of investment: property deposit, financial as well as intangible assets transfer, performance of work for an overseas company, financial loans.

### **INTERNATIONAL LEASING TRANSACTIONS COVER**

The insurance covers losses incurred by the lessor in case the lessee fails to carry out his obligations under the circumstances of political or commercial risk. We assist the lessor in conducting negotiations, signing contracts, evaluating the lessee's solvency and in arranging the financing of a deal. Cooperation with Eximgarant of Belarus not only allows the lessor to receive lease payments in due course and to secure timely cash receipts, but also gives him an opportunity to gather complete and reliable information on his contractor.

# Products for banks

### **SUPPLIER FINANCING INSURANCE**

To optimize foreign trade activity Belarussian exporters have a possibility to take out an export supplier loan which is subject to commercial and political risks. The insurance covers losses resulting from the borrower's default on obligations under the credit contract with regard to the repayment of credit (the principal amount of liabilities) within the time as provided in the credit contract due to the borrower's vulnerable economic standing or insolvency.

### **BUYER CREDIT INSURANCE**

The insurance covers receivables of the insured from the debtor resulting from repayment of the loan principal as well as the interests under the credit contract. Advantages of the product: the Bank has the ability to exercise control over the targeted use of export credit; credit resources are directly transferred to the exporter.

### **INSURANCE OF THE NON-REPAYMENT RISK UNDER EXPORT CREDIT GRANTED TO A RESIDENT FOR INVESTMENT PURPOSES**

The insurance covers losses resulting from the investor's default on the obligations under the credit contract due to vulnerable economic standing or insolvency. The insurance contract will allow to avoid any risks when financing the investment expansion of Belarussian capital abroad, thus strengthening our country's export potential.

### **BONDS AND LETTER OF CREDIT INSURANCE**

Our Bond Insurance covers the risk of fair or unfair calling on bonds (due to political and other non-commercial risks). This insurance product also allows to cover any losses suffered by the confirming bank due to the execution of a letter of credit drawn by the overseas buyer's bank in favor of the domestic exporter.

### **EXPORT FACTORING INSURANCE**

Export Factoring Insurance is aimed at protecting the bank from the risk of non-fulfilment by the overseas debtor of monetary obligations under the export contract, in case the monetary claim thereunder has been transferred according to the contract of international factoring, due to events involving political or commercial risk.

# INTERNATIONAL COOPERATION

Along with principal activities Eximgarant of Belarus contributes to the attraction of foreign direct investments in the Republic of Belarus. Cooperation with foreign export credit agencies as well as investment project support with the company's classical insurance services portfolio promotes a successful realization of business-plans.

## COVERING RISKS ASSOCIATED WITH THE IMPLEMENTATION OF INVESTMENT PROJECTS ON THE TERRITORY OF THE REPUBLIC OF BELARUS

One of the priority areas is the insurance of risks arising during the implementation of investment projects in the area of construction including the construction with foreign participation. The insurance coverage on projects of republican value is provided within this direction. Insurance support is provided on the following types:

- 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 employees medical expenses
- Insurance of bonds issuer's liability for non-fulfilment of obligations

## COOPERATION WITH FOREIGN BANKS

Direct form of support to attract foreign financing is insurance against the risk of non-repayment of credit granted to a Belarusian resident by a foreign bank.

The precedents in this area already exist. Within the Russian-Belarusian cooperation the first-ever voluntary insurance agreement for Insurance against the risks of non-repayment of credit was signed by the parties as part of the Russian-Belarusian Business Council session.

## COOPERATION WITH FOREIGN EXPORT CREDIT AGENCIES

Successful development of business assumes ensuring its profitability and efficiency. In the sphere of insurance one of the instruments of risk management is risk's reinsurance that allows to provide balance of the company's insurance portfolio. Export credit insurance is a specific, high-risk product, so that there are difficulties in reinsurance. Eximgarant of Belarus is ready to look into options for reinsurance of such projects with a view to support the attraction of foreign investments to the Republic of Belarus.

The benefits of such cooperation are evident:

### Underwriting

- Wider access to information: experience in working directly with the counterparty as well as its reputation in the market
- Information support for projects

### Insurance

- Reducing transaction costs
- Increasing the country limits
- Weakening requirements for the warranty
- Increasing the insurance capacity of the projects

### Claim management

- Operative support
- Opportunities for pre-trial settlement of losses

Being an institutional superstructure of real sector of economy, export credit agencies have to create necessary financial infrastructure principally for the interests of business. Eximgarant of Belarus is opened for possibilities of cooperation with foreign banks and export credit agencies. The company is ready to consider all cooperation proposals to support two-way trade and capital flow.

For a variety of reasons the Eximgarant insurance coverage corresponds to the high level of reliability that allows to attract investments to our country without government guarantees:

1. Eximgarant of Belarus is a state-owned company; the Council of Ministers of the Republic of Belarus is the company's general 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 budgetary loans for Eximgarant of Belarus for insurance claims payment are annually provided for in the budget of the Republic of Belarus.
3. Strict underwriting policy causes positive financial results of Eximgarant's activities.
4. Eximgarant of Belarus has an international rating of financial stability according to Fitch Ratings and affirms it annually at "B-".
5. Eximgarant of Belarus is a member of Berne Union Prague Club and possesses firm business contacts with members of the international organization.
6. As a universal insurance company Eximgarant covers the whole range of risks associated with the implementation of any project as well as carries out operations within the coinsurance and reinsurance together with foreign insurers.

# UNDERWRITING POLICY

The tendency of export risk insurance development is closely connected with world market environment as well as macroeconomic situation.

The main issue today is the lack of liquidity and coherent increasing of risk of non-payment. In this context underwriting is of paramount importance for Eximgarant. The quality and depth of the analysis of counterparty goodwill, its financial standing and political situation in respective region causes not only the effectiveness of project realization but also recovery possibilities.

In 2014 the loss ratio of Eximgarant amounts to 0,1%, which reflects high quality and irreproachable underwriting in the company.

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

- Avoidance (eliminate, withdraw from or not become involved)
- Reduction (optimize – mitigate)
- Sharing (transfer – outsource or insure)
- Retention (accept and budget)

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

Risk is subject to permanent monitoring, updating financial and other information about the counterparty within the period of cover. By the closing date of the contract evaluation of results achieved is made and if necessary risk strategy is adjust.

## Insurance cover structure according to OECD Country Risk Classification, 2014

Country Risk Level



Share, %

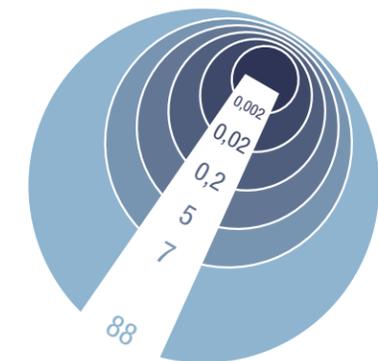


## Insurance cover structure, 2014

Area



Share, %

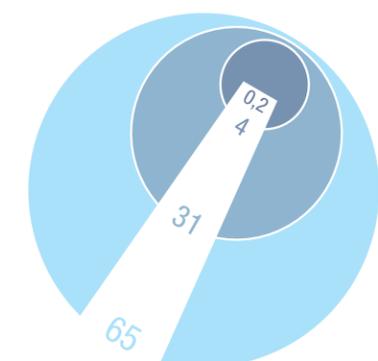


## Insurance cover structure in terms of financial standing of foreign buyer, 2014

Financial standing



Share, %



# OUR CLIENTS IN 2014

Insurance cover, BYR million

	Belarusbank 2 578 686.5		BPS-Sberbank 100 299.1		Gomel PO Kristall 33 153.5		Baranovich Cotton Production Amalgamation 7166.6
	Development Bank of the Republic of Belarus 1 323 915.1		Belmedpreparaty 98 857.3		Mogilevsky Zavod "Electrodivigatel" 30 495.6		SvetlogorskKhimvolokno 6685.8
	Belagroprombank 605 568.1		ATLANT 87 009.9		Beryozastroymaterialy 28 230.9		Belkosmex 5839.1
	Belarusian Railway 427 123.9		BELGEE 79 737.2		Paper-Mill Spartak 27 503.7		Modum – nasha Cosmetics Perfume and Cosmetic Factory 4728.5
	Belinvestbank 363 474.4		558 Aircraft Repair Plant 80 884.4		LIDAGROPROMMASH 25 736.4		Decora Ist 3633.5
	BELAZ 357 101.8		Vitebsk Carpets 77 726.4		Lenta 23 072.8		Priorbank 2074.5
	Conte Spa 313 034.3		Mogotex 74 624.6		Kommunarka 24 889.1		BATE 1723.3
	Belita Joint Venture Ltd., Vitex 183 592.6		Krinitza 68 897.3		Gomeldrev 22 364.9		Vitebsk Confectionary Plant Vitba 1488.4
	Minsk Automobile Plant 169 463.3		Ivatsevichdrev 65 618.0		Alutech Doors Systems, Alutech Incorporated 21 338.7		Firma ABC 1015.8
	Lakokraska 137 797.4		Svetlogorsk Pulp and Board Plant 55 420.1		Dilis Cosmetic 21 137.1		Novogrudok Gas Equipment Plant 809.8
	Bank BelVEB 135 883.0		Krichevceментnoshifer 45 911.9		Bobruiskagromash 18 902.1		ASB Leasing 703.2
	Mogilev Metallurgical works 129 911.9		Aliansplast 43 479.9		Uniflex 19 554.6		ELIZ 388.9
	Krasnoselskstroyaterialy 119 655.5		Grodno Azot 35 083.9		Savushkin Product 17 558.9		Orsha Linen Mill 364.8
	Rechitsa Metizny Plant 115 451.2				Gomeloboi 16 840.1		Lidselmash 311.9
	Promagroleasing 107 232.8				Brest Electric Lamp Plant 15 462.7		Mogilevliftmash 262.3
	Bellakt 102 628.1				Minsk Tractor Works 11 626.6		
					Spartak 7435.1		

# EXPORT CREDIT INSURANCE in figures

Eximgarant of Belarus is authorized to provide export credit risk insurance with state support as the official export credit agency of the Republic of Belarus. Export credit insurance mechanism has become an integral part of foreign trade policy of the State. Applying this mechanism to the activity, Belarusian exporters can win market outlets without any risk, enhance their business competitiveness as well as increase the volume of foreign currency inflow into the economy of the Republic of Belarus.

As the result of concerted efforts of enterprises, Belarusian banks and Eximgarant, the New business as a percentage of national exports amounts to 2,83% in 2014. At the same time the Geographic split of export credit insurance cover includes 33 countries. 143 business entities used Export credit insurance mechanism, 40 of which used it for the first time.

## New business



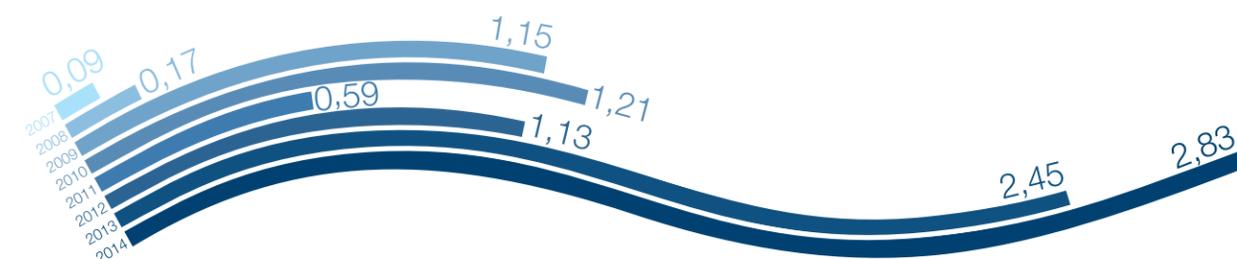
New business, BYR billion

## Number of export contracts covered



Number of export contracts covered

## New business as percentage of national exports



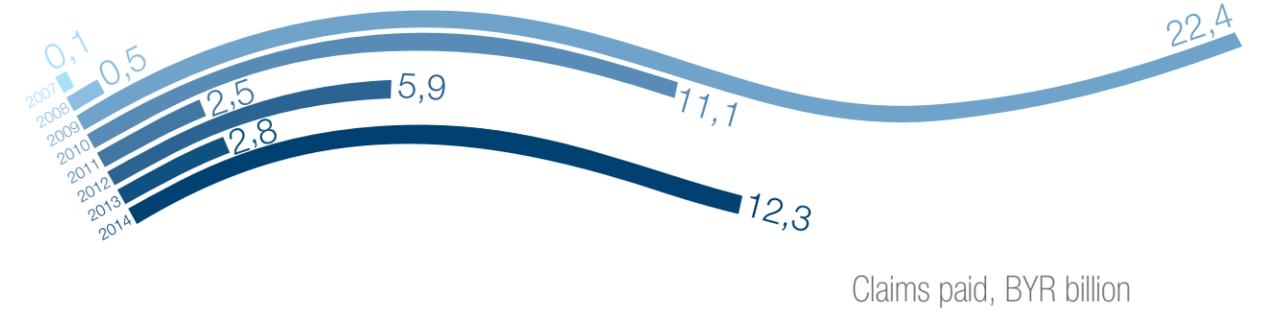
New business as percentage of national exports, %

## Insurance premium

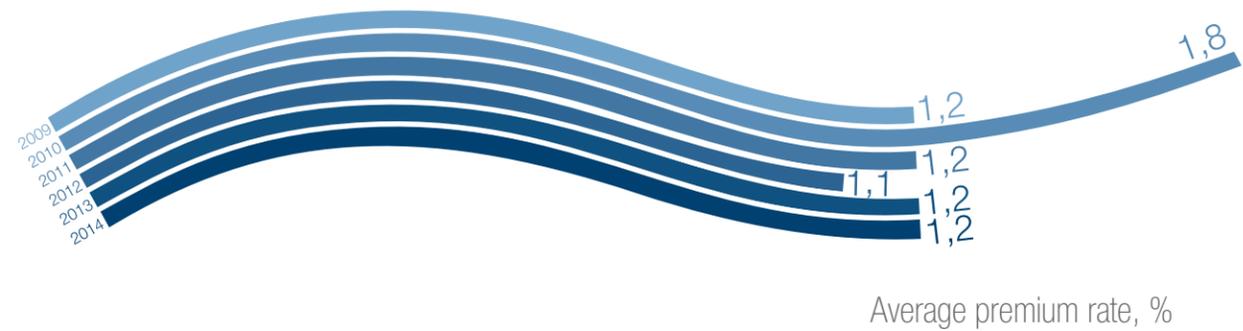
\* - Total premiums earned



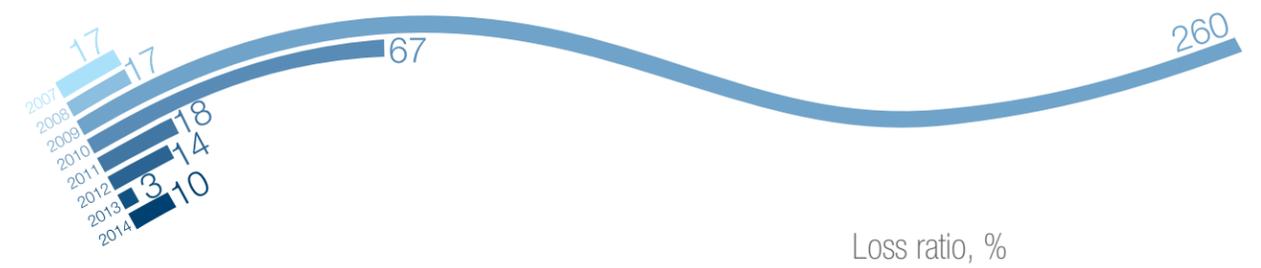
## Claims paid



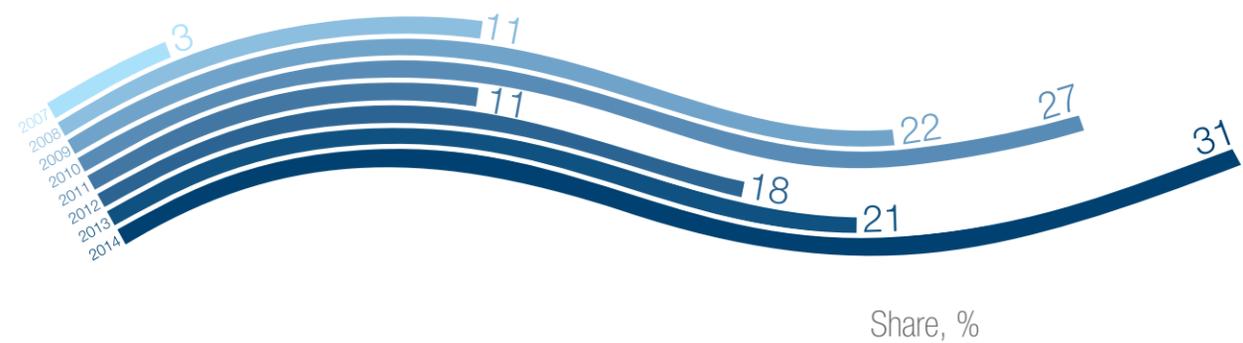
## Average premium rate



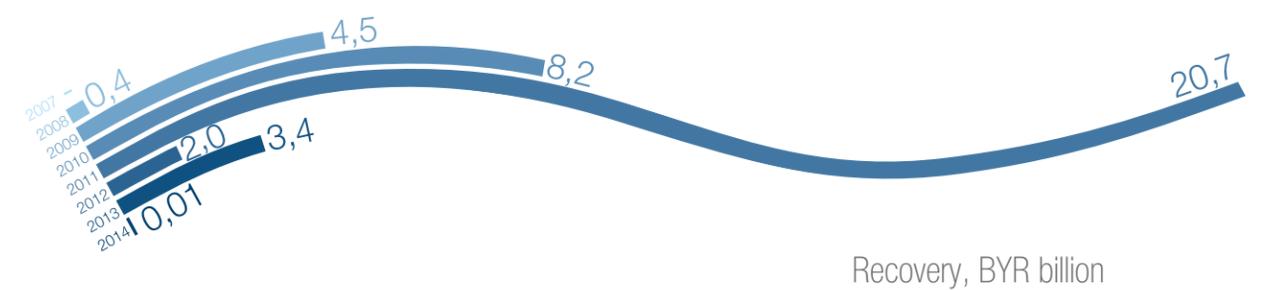
## Loss ratio



## Share of export insurance in Eximgarant's portfolio

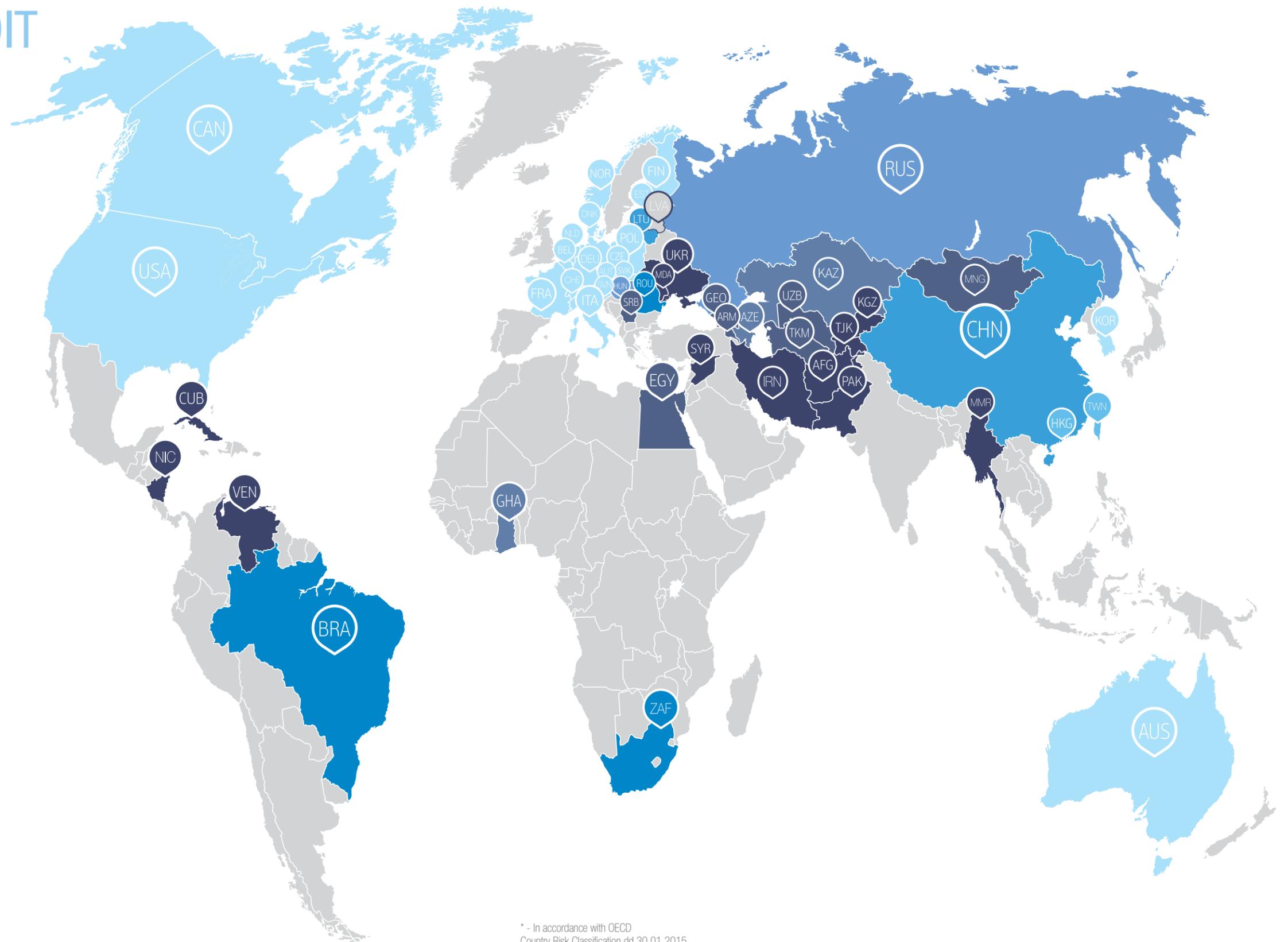


## Recovery



# EXPORT CREDIT INSURANCE. GEOGRAPHIC SPLIT '14

Country Risk Classification	Country
0	Australia Austria Belgium Germany Denmark Italy Canada Korea The Netherlands Norway Poland Slovakia Slovenia USA Finland France Czech Republic Switzerland Estonia
1	Hong Kong Taiwan
2	China Lithuania
3	Brazil Romania Republic of South Africa
4	Hungary Russian Federation
5	Azerbaijan Ghana Kazakhstan
6	Armenia Georgia Egypt Mongolia Serbia Turkmenistan Uzbekistan
7	Afghanistan Venezuela Iran Cuba Kyrgyzstan Moldova Myanmar Nicaragua Pakistan Syria Tajikistan Ukraine
-	Latvia



\* - In accordance with OECD Country Risk Classification dd 30.01.2015

# EVENTS

## KUKE S.A. AND EXIMGARANT OF BELARUS

Within implementation of the agreements reached during the visit of the delegation of the Polish export insurance agency KUKE S.A. in September 2013, 25 February 2014 the delegation of Eximgarant of Belarus visited Warsaw, where Facultative reinsurance agreement was signed between two companies. On behalf of Eximgarant the document was signed by Deputy General manager Mr. Oleg Pavlovsky, on behalf of KUKE S.A. - by Chairman of the Management Board Mr. Dariusz Poniewierka.



## EXIMBANKA SR AND EXIMGARANT OF BELARUS

During the visit of the delegation of the Slovak government and the business community, led by the State Secretary of the Ministry of Economy of the Slovak Republic, Mr. Pavol Pavlis, a meeting between Eximgarant and Eximbanka SR was held. Eximgarant and Eximbanka SR maintain business relationship since 2008. The parties discussed prospects for the common support of the Belarusian-Slovak economic and trade cooperation, and agreed to assist respective business circles intention to develop Belarusian-Slovak trade.

## BUSINESS MEETING WITH EULER HERMES/PRICEWATERHOUSECOOPERS HELD IN MINSK

Mr. Thomas Baum, Chief of underwriting and risk management of the consortium Euler Hermes and PricewaterhouseCoopers (Germany) visited Eximgarant of Belarus on March 21, 2013. During the meeting Eximgarant of Belarus, informed about the existing export promotion system in the Republic of Belarus, the products offered by Eximgarant of Belarus to Belarusian exporting enterprises and banks, as well as about the performance results of the company. A similar statement was made by Mr. Thomas Baum. In the framework of the meeting Eximgarant of Belarus expressed its readiness to provide insurance cover of risks, associated with the implementation of investment programs covered by Euler Hermes on the territory of the Republic of Belarus. The sides agreed to maintain close contacts, and agreed to hold such meetings on a regular basis.



## CESCE AND EXIMGARANT OF BELARUS

Belarusian delegation led by Minister of Economy Mr. Nikolai Snopkov was on a working visit to Spain on 11-14 June. The delegation took part in the presentations of the opportunities for the trade, economic and investment cooperation between Belarus and Spain. The presentations were held in Madrid and Barcelona on 11-13 June.

During the visit Eximgarant of Belarus took part in bilateral negotiations with the Spanish export insurance Agency CESCE. ECAs signed Memorandum of Understanding. On behalf of Eximgarant of Belarus the Memorandum was signed by Deputy General Manager Oleg Aniskevich, on behalf of CESCE – by Chief Operating Officer Beatriz Reguero. The Memorandum between the export insurance agencies of Belarus and Spain assumes the development and strengthening of cooperation between countries.

## EXIMGARANT OF BELARUS PARTICIPATED IN THE PRAGUE CLUB SPRING MEETING

The Prague Club Spring Meeting was held in Ljubljana from 16 to 18 June 2014 hosted by SID Banka (Slovenia).

The first meeting day started with workshop for delegates of the Prague Club. The lecturers were the representatives of Nationale Borg Reinsurance – one of the leading world reinsurers, specializing in reinsurance of bank guarantees and export risks. Mr. Mario Grillo and Mr. Michael de Smet highlighted the main aspects of insurance guarantees, including basic insurance products, the global market of bank guarantees, and the difference from credit risks insurance in terms of underwriting.

Traditionally Mr. Fabrice Morel, the Deputy Secretary General, represented the main trends of export risks insurance in 2013. The trends confirm the growth and development of this business worldwide.

During the meeting, the presentation of the two companies (public and private) of Euler Hermes was organized. Speakers traversed the methodology for political risk levels determination as well as the methodology for country risk classification of OECD. At the meeting, the delegates discussed country risks with a special focus on Russia, Ukraine, Kazakhstan and Belarus. Eximgarant of Belarus outlined some macroeconomic indicators based on the presentation of the Ministry of Economy of Belarus, published on the Prague Club website and available to all members of organization.

The delegates discussed technical issues regarding export credit insurance with official support as well as organizational issues of the Club.

## LGA AND EXIMGARANT OF BELARUS

Business meeting with Latvian Guarantee Agency was held in Minsk on May 12, 2014. Mr. Andris Gadmanis Member of the Board of Latvian guarantee Agency (LGA), Director of EU Funds



implementation Department of the Ministry of economy of Latvia Mr. Edmunds Valentis, Head of corporate service sector of Citadele bank Mr. Maris Macijevskis and representatives of Latvian business - woodworking company "Dores" visited Eximgarant of Belarus. During the meeting the possible ways of cooperation in the field of export deliveries of Belarussian woodworking and agricultural industry products were discussed as well as the solutions that export credit agencies of Belarus and Latvia may offer.



*find your reason  
to invest*

### EXIMGARANT OF BELARUS BECAME AN OFFICIAL PARTNER OF BELARUSIAN INVESTMENT FORUMS IN NEW YORK AND LONDON

Eximgarant of Belarus was an official partner of Belarusian Investment Forums in New York (September 22, 2014) and London (November 14, 2014).

Belarusian Investment Forums in New York and London were among the most important economic events of the Republic of Belarus in 2014.

An increase of investment attractiveness of the Republic of Belarus by means of creating a platform for direct and open dialogue between business and government, was the main objective of the Forums.

Participants were able to receive precise information about the investment potential of the Republic of Belarus, including the opportunities offered as a result of the formation of The Common Market of CES.

The Forums were also sponsored by The Ministry of Economy of the Republic of Belarus, The Ministry of Foreign Affairs and The National Agency of investments and privatization.



### COFACE AND EXIMGARANT OF BELARUS

During the visit of Belarusian delegation led by Deputy Prime Minister of the Republic of Belarus Piotr Prokopovich to Paris on 5-7 October Eximgarant of Belarus held bilateral negotiations with the COFACE. In frame of the meeting Memorandum of Understanding was signed. On

behalf of Eximgarant of Belarus the Memorandum was signed by First Deputy General Director Mikhail Olshansky, on behalf of CESCE – by Head of government guarantees Christophe Viprei.

### THAI EXIMBANK AND EXIMGARANT OF BELARUS

The Memorandum of Understanding was signed between Export-Import bank of the Kingdom of Thailand and Eximgarant of Belarus. Memorandum is signed by Gennady Mitskevich, Director General of Eximgarant of Belarus, and Kanit Sukonthaman, the President of THAI Eximbank.

The Memorandum involves the development and strengthening of cooperation between the parties, creates favorable conditions for trade between the Republic of Belarus and the Kingdom of Thailand. The document is focused on the stimulation of investment project development between the two

countries. Apart from that, the document stipulates exchange of experience in underwriting and reinsurance, settlement of losses and mutual consulting, regarding peculiarities of national legislation of Thailand and Belarus.

### SACE AND EXIMGARANT OF BELARUS

Considering the agreements reached earlier a special training was provided to Eximgarant of Belarus employees by export credit agency of Italy SACE during the period from March, 31 to April, 4 2014 in SACE training center in Rome. Colleagues from SACE exchanged their experience in export credit international framework, country risk analysis, products, credit risk assessment, underwriting policy, IT platforms, settlement of losses, recovery and reinsurance.



### DAYS OF BELARUS IN SIBERIA

October 21, 2014 in Novosibirsk, the festive opening of the National Exhibition of Belarusian equipment and industrial goods took place. Simultaneously with the exhibition Forum of business cooperation "Belarus-Siberia" was held, where Eximgarant participated in the section "Industrial cooperation - the basis of the development of strategic cooperation". Director General Gennady Mitskevich gave a presentation "National System of export promotion".

### EXPORT INSURANCE AGENCY IN ARMENIA AND EXIMGARANT OF BELARUS

On October 24, 2014 in frames of the Belarusian-Armenian Intergovernmental commission on trade and economic cooperation a Memorandum of cooperation between Eximgarant of Belarus and Export credit agencies in Armenia was signed.



EXPORT INSURANCE  
AGENCY OF ARMENIA

### MEETING IN EEC ON DEVELOPMENT OF EXPORT OF THE EURASIAN ECONOMIC UNION

On October 16, 2014 a joint meeting on the implementation of Article 41 "Measures to promote exports" of the Treaty on the Eurasian Economic Union was held in the Eurasian Economic Commission. The meeting was led by the College (Minister) for Trade Andrei Slepnyov.

The leaders of export credit agencies of Belarus, Russia and Kazakhstan (Eximgarant, EXIAR, KazExportGarant) and representatives of EEC discussed new strategic goals that companies encounter in terms of cooperation and convergence of the Eurasian Economic Union.

# THE TREATY ON THE EURASIAN ECONOMIC UNION. THE MAIN PROVISIONS.

The Eurasian Economic Union is an international organization for regional economic integration. It has international legal personality and is established by the Treaty on the Eurasian Economic Union. The Member-States of the Eurasian Economic Union are the Republic of Armenia, the Republic of Belarus, the Republic of Kazakhstan and the Russian Federation.

The Union is being created to comprehensively upgrade, raise the competitiveness of and cooperation between the national economies, and to promote stable development, as well as to form a common market for goods, services, capital and labor within the Union. Thus, the EAEU provides for free movement of goods, services, capital and labor, pursues coordinated, harmonized and single policy in the sectors determined by the Treaty and international agreements within the Union.

## FREE MOVEMENT OF GOODS

The goal is to establish a common market for goods, allowing entrepreneurs to save time and money.

The absence of customs borders	Unified system of technical regulation	Unified system of veterinary, sanitary and phytosanitary quarantine measures
<p>1. Import and export customs duties (including other duties, taxes and charges with equivalent effect) shall not be applied in mutual trade of goods, as well as any non-tariff measures, special preserving, antidumping and countervailing measures.</p> <p>2. Payment for services of customs authorities were cancelled for entrepreneurs of the Member-States of the Union.</p>	<p>1. Unified requirements for products were imposed. Implementing of this requirements enables entrepreneurs to freely supply the internal market of the Union with products.</p> <p>2. Conformity assessment documents issued in one Member-State of the Union are to be recognized on the territory of another Member-State.</p>	<p>1. Unified sanitary, epidemiological and hygienic requirements and procedures were established for products (goods) that are subject to the state sanitary-epidemiological supervision (control).</p> <p>2. Member-States of the Union mutually recognize veterinary certificates issued by the authorities responsible for the veterinary field and in accordance with the unified form agreed by the Commission.</p>

## FREE MOVEMENT OF SERVICES

The services market liberalization key principles:

- gradual simplification and elimination of excess internal control based on international best practices and the most advanced models of the Member-States (principle of internal control optimization);
- volume of harmonization of legislation and administrative cooperation should be needed and sufficient with the view of assurance of the free movement of services (principle of proportionality);
- liberalization is to be based on mutual interests of the Member-States (principle of mutual benefit);
- priority of liberalization of economically significant service sectors, that influence the costs and competitiveness of goods and services (principle of economic expedience);
- non-worsening conditions of access to services markets in comparison with the current level (principle of consistent liberalization).

Member-States intend to form and operate a common market for services that provides equality between aliens and nationals, MFN treatment, cancellation of quantitative and investment restrictions, exemption from additional establishing of institutions in the form of a legal entity, the recognition of issued permits and licenses, the recognition of imparted qualifications, coverage of all four forms of service delivery, assurance of the rights of service recipients.

## FREE MOVEMENT OF CAPITAL

In order to create a common capital market there will be implemented a range of measures. Coordination of exchange rate policy will be carried out by a separate authority, which will consist of the heads of national (central) banks of the Member-States and procedures of which will be determined to an international treaty within the Union. Also there will be created a supranational authority to regulate the financial market, as well as equality between aliens and nationals, MFN treatment (waivers in accordance with individual national lists).

**FREE MOVEMENT OF LABOR** involves exercise of occupation without authorization (patent), equal tax rate for migrant workers from the first day, the direct recognition of education and qualification, carrying out work on the basis of a civil law contract (contract of independent contractor work, contract for service), equality between aliens and nationals in field of social welfare.

# COOPERATION IN THE “ARMENIA – BELARUS – KAZAKHSTAN – RUSSIA” FORMAT

The Eurasian Economic Commission defines the development and improvement of the Eurasian Economic Union export potential as the main strategic objective of cooperation among Export Insurance Agency of Armenia, Eximgarant of Belarus, KazExportGarant and EXIAR.

In accordance with the orienting point set by the Eurasian Economic Commission, national export credit agencies have worked out the aims focused on objective achievement:

1. Export promotion of the Union production to the third countries.
2. Promotion of two-way trade among Member-States of the Union.
3. Support of subsidiary enterprises of exporters located outside the country of the respective export credit agency, but within the Union.

Privately as part of the targets realization national export credit agencies worked out the areas of cooperation: informational, methodological and cooperation in the sphere of reinsurance (co-insurance).

Within the informational area national export credit agencies are planning to accumulate macroeconomic data into a common database (international commerce, structure of co-production) to identify the goods of co-production as well as to create a common informational platform with data on counterparties - residents of Member-States of the Union.

In the methodological sphere national export credit agencies besides the experience exchange intend to contribute suggestions on conditions harmonization of the official support of export of four countries to enable effective cooperation which doesn't distort the competitive environment of each state.

In the sphere of reinsurance (co-insurance) it is expected the creation of a reinsurance (insurance) pool to support export to the third countries, thereby during the first stage to support active work within the signed agreements for facultative reinsurance. The core subject of cooperation is in support of the respective national content in a total cost of the goods exported to the markets of the third countries, which allows to increase the insurance capacity of the export projects.

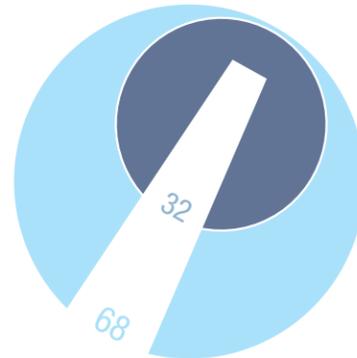


# HUMAN RESOURCES

## Gender Structure, %

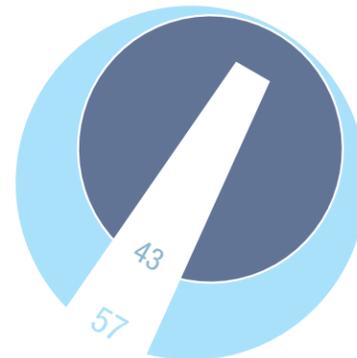
All employees

women ● men ●



Executive positions

women ● men ●



## Age structure, %

Up to 29 years ● 50-59 years ●

30-39 years ● 60 and older ●

40-49 years ●



Behind the performance results of any company there is always a team of professionals working for the general result of the company and realization of strategic and tactical goals.

Eximgarant carries out constant monitoring, control and analysis of the staff, aimed at professional growth and development of employees with a view to find the best specialists in their sphere of competence.

The company's team is stable – more than 60 per cent of the employees have been working in the company for more than 3 years. However, Eximgarant of Belarus is interested in skilled specialists to join the team, so the staff recruitment is carried out very carefully.

Eximgarant of Belarus supports the employees in receiving alternative higher-education degree, broadening and deepening knowledge, improving professional skills. In 2013, 30 employees upgraded their qualifications in the State Educational Institution "Training center for senior executives and specialists of the Ministry of Finance of the Republic of Belarus". Moreover 60 of the Eximgarant employees improve their knowledge at specialized trainings and seminars, and 20 employees attend additional English courses in off work hours.

In 2014 the Eximgarant employees took part in the "Miss Photo Insurance" contest of the Belarusian Association of Insurers as well as "We will paint New Year", "Strong primary employee association is the life-blood of the Trade Union" photo contests, organized by Belarusian trade union of state workers and other institutions.

With a view to promote healthy lifestyle as well as active employees' participation in fitness and health recreation events activities, Eximgarant workers took part in the "Insurance League 2014" futsal tournament, bowling tournament among insurance companies "Insurance Strike", Russian billiards tournament among the insurance companies "Insurance pyramid 2014", annual Republican industry-specific spartakiad of the Ministry of Finance of the Republic of Belarus. Also in 2014 the Spartakiad among the workers of Eximgarant structural divisions was organized and held.

Taking care of health and working efficiency of personnel Eximgarant signed an agreement on voluntary insurance against medical expenses. So that over a number of years the employees may appreciate the quality of services in the best healthcare centers of the country. By providing such severance package, the company tackles the following problems: personnel care, working position status value, company's attractive image in the labor market.

Professional growth, active cultural and sports life contribute to the development of corporate culture as well as creation of good morale, which leads the team of Eximgarant to the highest results.



Football teams of central office and Eximgarant - Minsk region branch. Spartakiad among the workers of Eximgarant structural divisions



Volleyball competition. Spartakiad among the workers of Eximgarant structural divisions



Angelina Kaljuzhnaja - contestant of "Miss Photo. Insurance"

# SOCIAL RESPONSIBILITY

Eximgarant of Belarus pays special attention to participation in socially significant projects and community impact activities of republican and local value. So that the company has an opportunity to contribute somehow to creation of promising future for the Belarusian people, thereby showing the social responsibility. Based on voluntary principles of participation, the company's sponsorship takes place systematically and is aimed at introduction of a positive contribution to society development.

Eximgarant is involved in charity activities as well as support of athletes, gifted youth, educational and healthcare institutions.

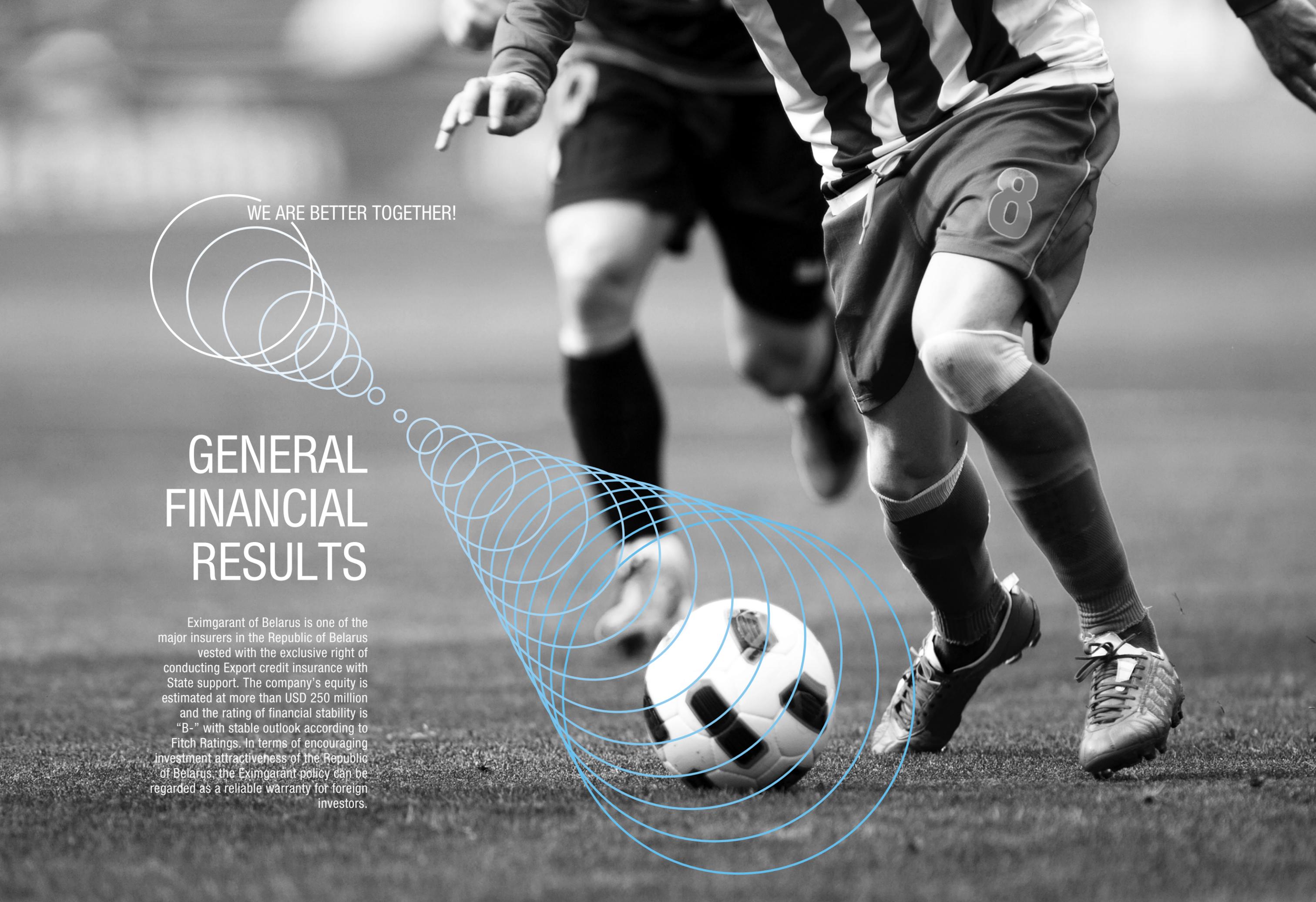


Being in long-term partnership with the National Academic Bolshoi Opera and Ballet Theatre of the Republic of Belarus, Eximgarant provided sponsor support to hold the «Ballet Summer in Bolshoi» Festival. Art lovers were able to see the world-famous ballet performances performed by stars of the Bolshoi Theatre of Russia, the Mariinsky Theatre, Tbilisi State Opera and Ballet, the Berlin State Ballet, Royal Danish Ballet, the Polish National Ballet, St. Petersburg Eifman Ballet.

The support of the sport is one more important component of the Eximgarant charity activity. Such kind of support is aimed at making contribution to success and achievements of Belarusian athletes, those who represent our country at various competitions. Eximgarant of Belarus is the official sponsor of the National Olympic Committee of the Republic of Belarus. The company is in partnership relations with Belarusian Sailing Federation as well as Belarusian Volleyball Federation. The year of 2014 became remarkable to Belarusian athletes: XXII Olympic Winter Games in Sochi (Russia) were the most successful. Belarusian National team won 5 gold medals and 1 bronze medal and therefore ranked 8th and was in advance of Australian, French, China and Swedish national teams.

Priority areas of the company's sponsorship are education, healthcare and care for the rising generation. While supporting these social groups Eximgarant makes its modest contribution to the creation of the future of the Belarusian nation. In 2014 the company provided sponsorship to State Educational Institution "School №134 Minsk", "Grodno Clinical Hospital №3", State Educational Institution "Minsk College of Finance and Economics", "Republican center of rehabilitation for handicapped children".





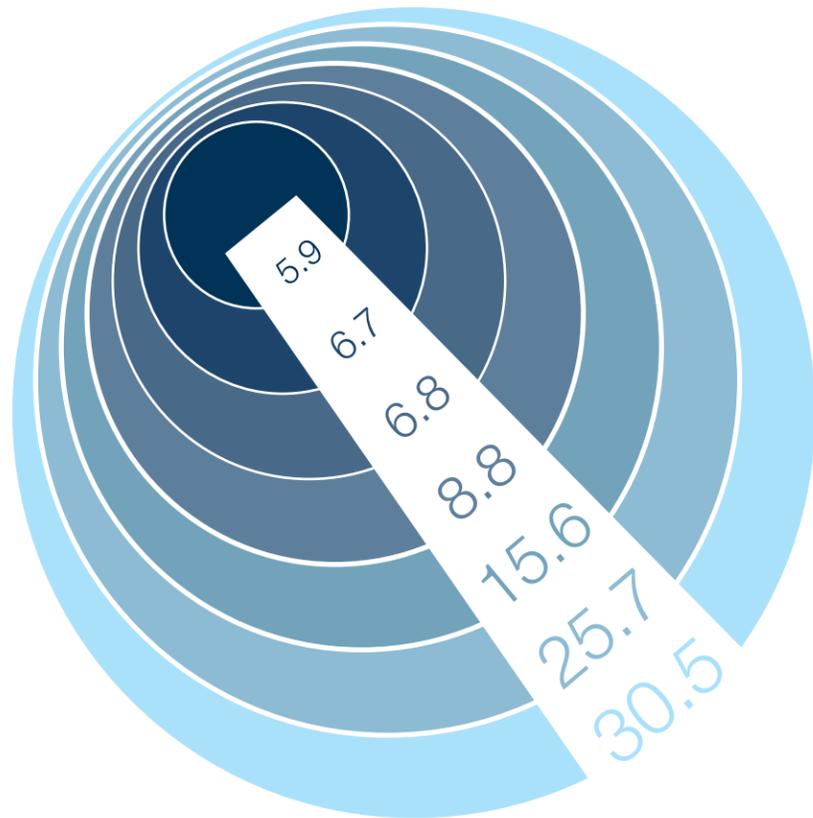
WE ARE BETTER TOGETHER!

# GENERAL FINANCIAL RESULTS

Eximgarant of Belarus is one of the major insurers in the Republic of Belarus vested with the exclusive right of conducting Export credit insurance with State support. The company's equity is estimated at more than USD 250 million and the rating of financial stability is "B-" with stable outlook according to Fitch Ratings. In terms of encouraging investment attractiveness of the Republic of Belarus, the Eximgarant policy can be regarded as a reliable warranty for foreign investors.

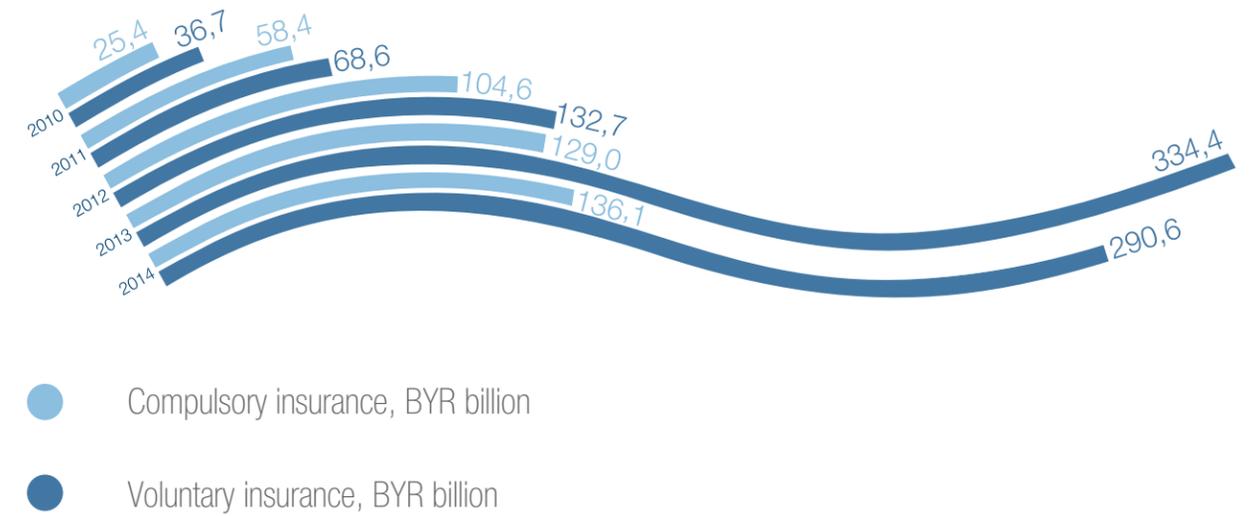
# EXIMGARANT ACTIVITY IN FIGURES

Insurance portfolio, %

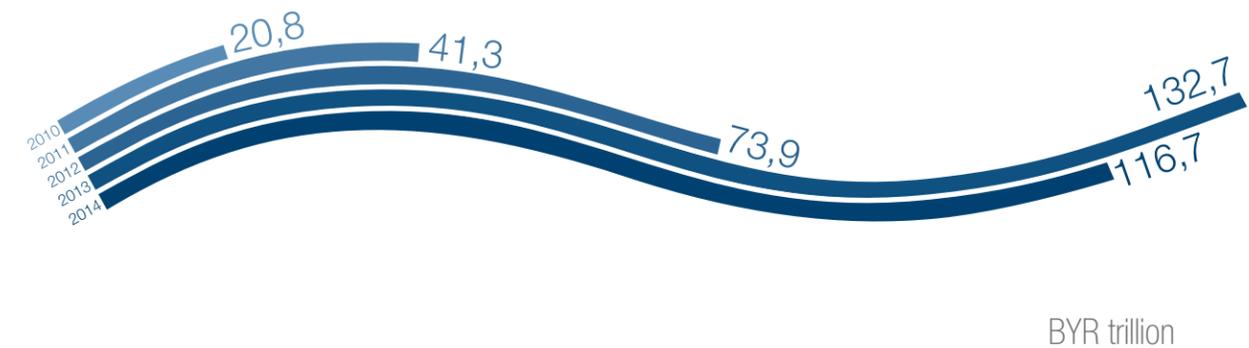


- Export Credit Insurance ●
- Motor Third Party Liability Insurance ●
- Other ●
- Medical Expense Insurance ●
- Bond Insurance ●
- Credit Risk Insurance (domestic) ●
- Financial Risk Insurance ●

Voluntary and compulsory insurance in the structure of the Eximgarant's insurance portfolio



Cover provided

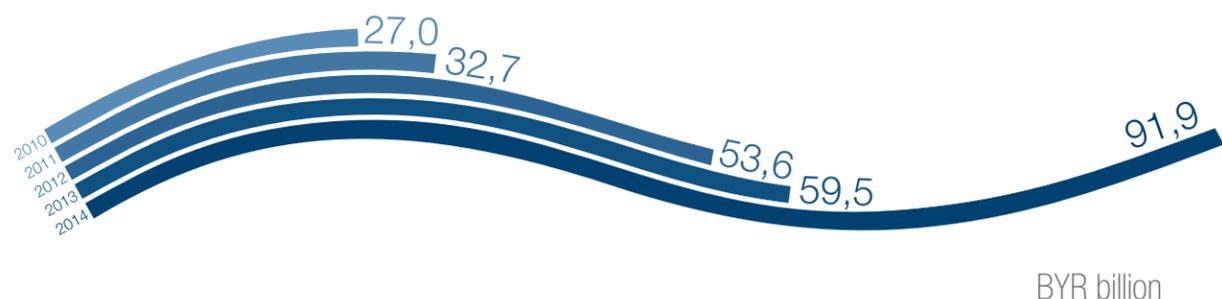


## Total premium

\* - Total premiums earned



## Claims paid – total



## Key performance indicators

	2010	2011	2012	2013	2014
Direct insurance – premium invoiced (*earned), BYR billion	62.1*	127.0*	237.3*	462.1	426.6
Gross profit, BYR billion	25.0	186.2	108.3	159.7	46.3
Profitability, %	37.5	123.5	40.6	26.35	7.01
Payments to budgetary and extra-budgetary funds, BYR billion	13.9	39.2	79.3	98.8	93.8
Exposure – Total, BYR billion	20.8	41.3	73.9	132.7	116.7
Insurance reserves and funds, BYR billion	31.0	86.8	111.8	266.8	467.4
Insurance contracts - Total	529 268	605 535	684 883	709 455	622 622
Equity, BYR billion	463.1	591.7	4 057.4	4 145.6	4 150.9
Legal capital, BYR billion	448.1	454.7	3 937.6	3 991.0	4 060.0
Average number of employees	324	374	401	443	464

**FitchRatings**

In 2014 **Fitch Ratings** has affirmed the financial strength rating of Eximgarant at «B-», the rating outlook is «Stable».

# FINANCIAL STATEMENTS'2014 EXIMGARANT OF BELARUS

**Auditors' report  
on financial statements  
of Eximgarant of Belarus  
for the period 01.01.2014 - 31.12.2014**

### Audited entity:

Eximgarant of Belarus

2, Melnikaite str., Minsk, 220004, Republic of Belarus

Registration information:

registered by Insurance supervision committee of the Ministry of Finance of the Republic of Belarus in Unified State Register of Legal Entities and Individual Entrepreneurs, reference number 101421509

Payer's Identification Number 101421509

**Opinion on the financial statements for 2014** provided by the auditor of the limited liability company "KPMG".

In auditor's opinion, the financial statements reflects faithfully, in all material respects, financial standing of Eximgarant of Belarus as of 01.01.2014, as well as results of its financial and economic activity and cash flow in 2014 in accordance with the Belarusian accounting and reporting standards.

**KPMG**

# BALANCE SHEET 2014

ASSETS	01.01.2015 BYR thousands	31.12.2013 BYR thousands
1	2	3
<b>I. LONG-TERM ASSETS</b>		
Fixed assets	31 948 665	23 948 954
Intangible assets	99 726	97 663
Income yielding investments into tangible assets	30 156	–
Including:		
investment property	30 156	–
subject of finance lease	–	–
other income yielding investments into tangible assets	–	–
Investment in long-term assets	727 043	554 326
Long-term financial assets	3 800 083 760	3 799 652 360
Long-term receivables	62 470 117	78 102 758
Deferred tax assets	984 045	1 309 459
Other long-term assets	4 193	117 955
Total article I	3 896 347 705	3 903 783 475
<b>II. SHORT-TERM ASSETS</b>		
Supplies	4 293 826	3 539 454
Including:		
raw materials and other materials	4 293 826	3 539 454
in-process inventory	–	–
other supplies	–	–
Non-current assets held for sale	–	–
Unexpired costs	1 314 667	836 397
Input added value tax	–	–
Reinsurers share in insurance reserve	449 453 934	351 282 266
Including:		
unearned premium reserve	168 328 415	117 910 107
loss reserve	281 125 519	233 372 159
other technical reserves	–	–
Short-term receivables	221 022 322	139 143 705
Short-term financial investments	–	–
Cash and cash equivalents	623 827 690	487 076 901
Other short-term assets	–	–
Total article II	1 299 912 439	981 878 723
<b>TOTAL</b>	<b>5 196 260 144</b>	<b>4 885 662 198</b>
<b>EQUITY AND LIABILITIES</b>	<b>01.01.2015 BYR thousands</b>	<b>31.12.2013 BYR thousands</b>
<b>III. EQUITY</b>		
Authorized capital	4 060 000 000	3 991 000 000
Unpaid capital	–	–
Own shares	–	–
Reserve capital	939 998	739 998
Including salary reserve fund	939 998	739 998
Additional fund	23 840 935	22 354 788

Including property enlargement (revaluation) get using insurance reserves	–	–
Retained earnings	67 056 148	126 797 080
Net income	–	–
Target financing	–	–
Total article III	4 151 837 081	4 140 891 866
<b>IV. ACTUARIAL RESERVES AND FUNDS</b>		
Life insurance reserve	–	–
Unearned premium reserve	480 698 889	321 437 522
Loss reserve	436 158 179	296 665 160
Other technical reserves	–	–
Other insurance reserves	–	–
Prevention measures fund	13 104 767	9 049 721
Guarantee fund	33 246	34 755
Other funds according to legislation	65 166	52 923
Total article IV	930 060 247	627 240 081
<b>V. LONG-TERM LIABILITIES</b>		
Long-term loans	–	–
Long-term lease payments	–	–
Deferred tax assets	–	11 610
Deferred income	–	–
Provisions for future expenses	–	–
Other long-term liabilities	34 717 031	45 316 293
Total article V	34 717 031	45 327 903
<b>VI. SHORT-TERM LIABILITIES</b>		
Short-term loans	–	–
Short-term part of long-term liabilities	–	–
Short-term liabilities	79 645 785	72 202 348
Including:		
insured	5 252 496	5 614 873
insurance agent and broker	6 822 537	8 553 018
other creditors and co-insurance	14 286 703	10 203 766
reinsurance	48 871 209	32 870 076
premium deposit on reinsurance risks	–	–
Consignors and contract holders	1 086 737	601 494
Advances received	–	–
Taxes and charges	88 631	–
Social insurance	257 077	277 812
Labour expense	1 406 133	1 426 433
Lease-payment	–	–
Property owner (shareholders, participants)	–	9 195 121
Other creditors	1 574 262	3 459 755
Liabilities for sale	–	–
Deferred income	–	–
Expences and provisions	–	–
Other short-term liabilities	–	–
Total article VI	79 645 785	72 202 348
<b>TOTAL</b>	<b>5 196 260 144</b>	<b>4 885 662 198</b>

# INCOME STATEMENT 2014

INDEX NAME	Line code	January-December 2014, BYR thousands	January-December 2013, BYR thousands
1	2	3	4
<b>LIFE INSURANCE</b>			
Premium earned, total	010		
Claims paid	020		
Change of life insurance reserves (+ or -)	030		
Including changes in provision for additional payments	031		
Deductions to guarantee and preventive fund	040		
Administrative costs	050		
Income - life insurance	055		
Expenses - life insurance	056		
Profit/Loss - life insurance	060		
Profit - life insurance	065		
Loss - life insurance	066		
Life insurance operations income	069		
<b>NON-LIFE INSURANCE</b>			
Premium earned, total	070	427 034 558	463 234 306
Including:			
direct insurance and co-insurance	071	426 647 803	462 056 409
Reinsurance	072	386 755	1 177 897
Ceded premium	073	76 597 992	145 267 178
Insurance premium including reinsurance, net	074	350 436 566	317 967 128
Change of unearned premium, total	080	- 159 261 367	- 204 058 649
Change of reinsurer share in unearned premium	081	50 418 308	89 513 072
Change of reinsurer share in unearned premium, net	082	- 108 843 059	- 114 545 577
Premium earned, net	085	241 593 507	203 421 551
Reinsurer share in claims paid	090	92 164 711	59 565 952
Reinsurer share in claims paid	091	3 862 140	2 105 732
Claims paid including reinsurance, net	092	88 302 571	57 460 220
Change of loss reserve, total	095	- 139 493 019	- 270 223 543
Change of reinsurer share in loss reserve	096	47 753 360	229 785 333
Change of loss reserve including reinsurance, net	097	- 91 739 659	- 40 438 210
Premium earned excluding claims paid	100	61 551 277	105 523 121
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	13 521 040	11 631 555
Deduction to other funds according to legislation	140	745 736	655 837
Administrative costs, total	150	87 438 139	83 574 070

Including commissions and commissionon profit (accepted risks)	151	62 473	129 206
Including commissions and commissionon profit (ceded risks)	155	6 386 066	15 332 084
Income - non-life insurance	160	11 206 436	30 491 436
Expenses - non-life insurance	165	8 053 571	4 063 218
Profit (loss) - non-life insurance	170	- 30 614 707	51 421 961
Other income - current activity	175	130 594 190	111 050 062
Other expenses - current activity	176	148 235 548	130 298 090
Profit (loss) - non-life insurance	179	- 48 256 065	32 173 933
Investment activities income	180	38 106 691	84 416 456
Including:			
gains on disposal of fixed, intangible assets and other long-term liabilities	181	7 046	2 007 120
gains on equity holding	182	1 724 012	51 985 764
interest receivable	183	36 359 085	29 816 510
Other investment activities income	184	16 548	607 062
Investment activities expenses	190	247 746	2 008 881
Including:			
disposal of fixed, intangible assets and other long-term liabilities expenditure	191	3 702	2 007 084
Other investment activities expenses	192	244 044	1 797
Financial activities income	200	94 028 431	59 236 056
Including:			
foreign exchange difference	201	94 025 476	59 234 419
Other financial activities income	202	2 955	1 637
Financial activities expenses	210	37 313 280	14 117 462
Including:			
due interest	211	-	-
foreign exchange difference	212	37 309 633	14 116 514
Other financial activities expenses	213	3 647	948
Profit (loss) - investment and financial activity	220	94 574 096	127 526 169
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	240	46 318 031	159 700 102
Income tax	250	11 343 237	21 498 963
Changes in deferred tax assets	260	- 325 414	1 309 459
Changes in deferred tax liabilities	270	11 610	- 11 610
Other taxes	280	17 487 714	30 731 859
Other payments from profit (income)	285	7 948 063	29 771 758
Net income (loss)	290	9 225 213	78 995 371
Long-term assets revaluation surplus not included to net income	300	1 520 003	3 840 428
Other operations profit (loss) not included to net income	310	-	-
Total gains	320	10 745 216	82 835 799
Basic earnings (loss) per share	330	-	-
Diluted earnings (loss) per share	340	-	-

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