



BAITEREK

«Байтерек» Ұлттық басқару холдингі» АҚ еншілес ұйымы
Дочерняя организация АО «Национальный управляющий холдинг «Байтерек»
Subsidiary organization JSC National Management Holding «Baiterek»



Overview of KazakhExport



KazakhExport

1

KazakhExport (previously – KazExportGarant) was established as national development institution in accordance with the Resolution of the Government of the Republic of Kazakhstan from May 12, 2003 No.442
As per Resolution of the Government of the Republic of Kazakhstan from March 10, 2017 No.112 status was changed to National Company

The national company operates in the sectors that form the basis of the national economy, or created to promote the development of the economy of regions

2

KazakhExport is the Export Credit Agency of Kazakhstan and provides insurance and reinsurance services under regulation of the National Bank of Kazakhstan

Export credit agencies - is the common name for the structures involved in the financial and insurance support of national exports of their state

3

KazakhExport's sole shareholder is JSC "National Managing Holding "Baiterek" in accordance with the order of the Committee for State Property and Privatization of the Ministry of Finance on August 27, 2013

Holding "Baiterek" was established in May 22, 2013 by the decree of the President of Kazakhstan in order to optimize management of development institutions

4

KazakhExport is a member of the Prague Club of the Berne Union since 2004, the largest Export Credit Agency association of the world, which includes 37 agencies, representing 34 countries and 3 multinational organizations

Prague Club of the Berne Union was established in 1993 in order to facilitate the development of the insuring and crediting of export transactions in countries of Central and Eastern Europe, CIS, Asia and Africa

5

KazakhExport has the current rating of financial reliability "Baa3" by «Moody's Investors Service» (Outlook - "Stable") - sovereign level

KazakhExport is the first insurance organization in Kazakhstan, which received in 2004 rating of financial reliability of "Moody's Investors Service" at level "Ba1

Political risks

- Restriction or ban on the currency conversion, transfer of payments
- Mass riots, civil commotions, war
- The unilateral termination or non-execution of contract by state body of foreign state
- The intervention of the state body of a foreign state, restricting or prohibiting the supply

Insurance amount - up to 100%
Of the amount of export credit

Commercial risks

- Non-execution of contractual liabilities by buyer
- The bankruptcy of the buyer, liquidation without a legal successors
- Bankruptcy of foreign bank

Insurance amount - up to 100%
Of the amount of export credit

A list of major financial and insurance products

1	Insurance of credit of the exporter	Insurance protection of exporter from the risk of non-execution of financial obligations by foreign counterparty at export of goods/works/services on conditions of deferred payment.
2	Pre-export financing of the exporter	In addition to the “Insurance of credit of the exporter”, financing of the exporter to replenishment of circulating assets for the purpose of execution of export contract through conditional contributions to Second-tier banks.
3	Insurance of documentary operations	Insurance protection against the risk of non-fulfillment of financial obligations by issuing bank, which opened on behalf of the importer documentary credit in favor of the exporter.
4	Trade export financing	Insurance of risk of default of a foreign bank in the financing of export contracts with the letter of credit form of payment, where the bank of the exporter acts as the financing bank.
5	Loan insurance	Insurance protection of Creditor against the risk of the default of borrower on loans related with export from Kazakhstan, including provided to importers for the purchase of Kazakhstani goods, pre-export financing, interbank credits.
6	Investment insurance	Protection of the domestic investor against loss of investment abroad in the case of the realization of political risks in the country of investment.
7	Insurance of bank guarantees	Insurance guarantees speeds up the decision-making process for the production of bank guarantees for exporters for the obligations to supply products and services.
8	Advance payment insurance	Protection of the advance payment of the importer in the case of breach of obligations by the exporter.

As per State Program for industrial and innovative development, in 2015 – 2019 Government will focus its efforts on:

- Increase of export of hi-end products;
- increase of workforce productivity;
- increase of capital investments;
- decrease of energy consumptions.

Accordingly, for increase of export, the following steps will be taken:

1

Creation of single export agency

In accordance with Decree of President of Republic of Kazakhstan, Company will be one stop-shop for exporters support.

2

Equity injection

In 2016 Government invested KZT 14 bn. (41,5 mln. USD) in share capital of Company. Additional increase by KZT 13,9 bln. (USD 41,2mln.) took place in March, 2017. As of today, capital of Company equaled KZT 41,2 bn (121 mln. USD)

3

Extension of the product line

In 2017, under the licenses previously obtained, it is planned to develop and implement the following products: insurance of foreign exchange transactions, bond insurance, performance bond insurance, and also products based on principles of Islamic financing.

4

State guarantee

The necessary measures are being taken to introduce appropriate changes into number of legislative acts – as per international practice company will have state guarantee on its liabilities

- Kazakhstan is actively involved in development of alternative energy and sustainable agriculture.
- In summer 2017 Kazakhstan hosted International Exposition – EXPO 2017 Future Energy in Astana to promote safe and sustainable access to energy for all while reducing CO2.
- In particular, KazakhExport within the framework of activities is ready to support Astana Solar – company that produces solar modules and solar power plants.
- By means of export support of agricultural companies Kazakhstan is on the right trend to solve soil erosion issue.



KazakhExport is a member of some international export credit associations, in particular:

- Since 2004, it has been an official member of the Berne Union Prague Club , an association of the largest export credit agencies worldwide;
- Since 2014, it has been an official member of the Aman Union, an association of the largest export credit agencies of the Islamic states and the Arab world.

KazakhExport's Partners

1	Kazakhstan development institutions	Development Bank of Kazakhstan JSC – joint transactions have been made for an overall amount of more than USD 20 mln; Agrarian Credit Corporation JSC - joint transactions have been made for an overall amount of more than USD5 mln, with which an agro-industrial projects support agreement has been also concluded.
2	International Institutions	Eurasian Development Bank - joint transactions have been made for an overall amount of more than USD40 mln. The Islamic Corporation for the insurance of investment and export credit (ICIEC) – joint transactions have been for an overall amount of more than USD 40 mln.
3	Export credit agencies	Nippon Export and Investment Insurance (NEXI), a Japanese Export Credit Agency; Korea Trade Insurance Corporation (K-Sure), a Korean Export Credit Agency; Korporacja Ubezpieczeń Kredytów Eksportowych ” (KUKE), a Poland Export Credit Agency; BelEximGarant, a Belorussian Export Credit Agency; China Export & Credit Insurance Corporation (SINOSURE), a Chinese Export Credit Agency; Russian Agency for Export Credit and Investment Insurance (EXIAR), a Russian Export Credit Agency.

Thank you for attention!

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