



KAZAKHEXPORT
EXPORT CREDIT AGENCY OF KAZAKHSTAN

INSTRUMENTS FOR SUPPORTING

THE EXPORT CREDIT AGENCY
OF KAZAKHSTAN

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kazakhexport.kz



KazakhExport

ABOUT THE EXPORT CREDIT AGENCY OF KAZAKHSTAN (ECA)

National Institute
for Development and Promotion
of Non-Raw Exports.

Promotion of Kazakhstani
producers of non-raw goods
and suppliers of works/services
through insurance, guarantee
and financial support measures
at all stages of the export cycle.

International representative
offices are established in
the Russian Federation,
Kyrgyzstan, Tajikistan,
Uzbekistan and China.



117.4

KZT billion

The net worth

541.4

KZT billion

The state guarantee
of insurance liabilities



Subsidiary of Baiterek NMH JSC



Official member of the Berne Union/ Prague Club since 2004



A full member of the Association of Major Export Credit Agencies
of Islamic Countries and the Arab World since 2014



Financial strength rating of Baa2, with a positive outlook
(level of Kazakhstan's sovereign rating)

SUPPORT AT ALL STAGES OF THE EXPORT CYCLE



Reducing the risk of non-payment under export contracts

Insurance of export credits and receivables



Establishment of an export-oriented enterprise

Attracting investment loans under the cover of ECA

OPPORTUNITIES AND BENEFITS OF COOPERATION



Strategy of safe access to new markets



Export on deferred payment terms



Bank financing if there is a shortage of collateral for working capital and investments



Financing a foreign buyer to purchase Kazakhstan goods/works/services

COVERED INSURANCE RISKS

POLITICAL RISKS

- ◆ Restriction or ban on a currency conversion, transfer of payments
- ◆ Riots, civil unrest, war
- ◆ Cancellation or default of a contract by a foreign government authority
- ◆ Restriction or prohibition to deliver goods by a foreign country
- ◆ Insurance payment of up to 100% of the export credit amount



Modernization of production, capacity increase



Increase export volume and entry into new markets

Insurance of letters of credit and foreign buyer financing



Assistance in the attraction of turnover capital

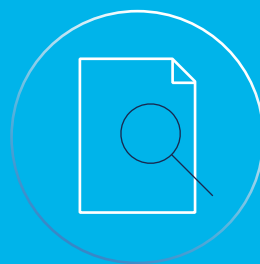
Financing of working capital and reduction of cash gaps



Protecting Kazakh investments abroad against political risks



Improving exporter and importer credit conditions



Assuming the risk of non-payment by a foreign buyer



Free verification of the reliability of a foreign buyer

COMMERCIAL RISKS

- ◆ The buyer's failure to meet the contractual obligations
- ◆ The bankruptcy of the buyer, liquidation without legal successors
- ◆ The bankruptcy of a foreign bank
- ◆ Insurance payment up to 100% of export credit amount





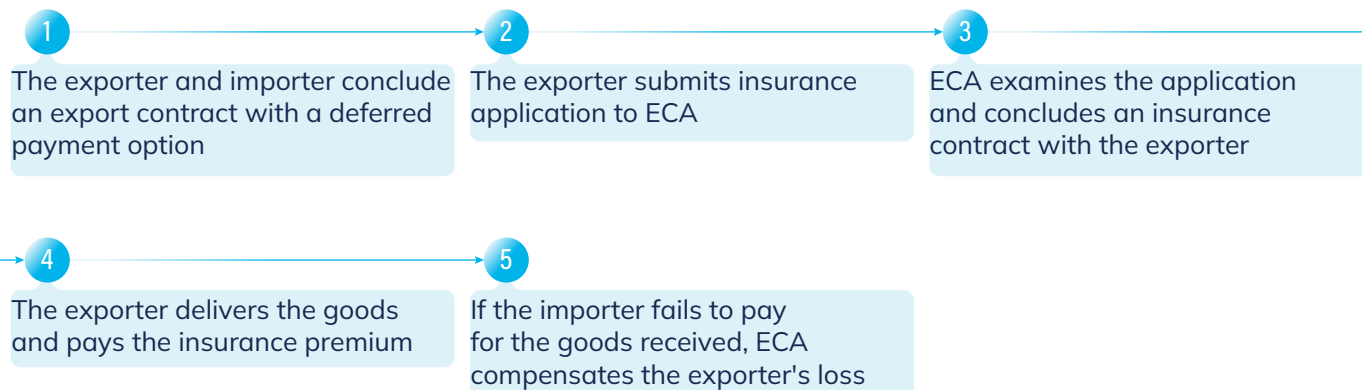
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EXPORT CREDIT INSURANCE

This tool protects the exporter against the risk of non-fulfilment of financial obligations by foreign contractors when selling goods, works/services for export with a deferred payment term

Insurance procedure



Implemented projects:	Products:	Export destination:
KSP Steel LLP	Seamless steel pipes	Russia
IT&M LLP	Heat insulation	Kyrgyzstan, Russia, Uzbekistan
Prombaza-7 JSC	Sunflower oil	Germany, China, Poland, Russia, Tajikistan, Uzbekistan
Trading house MALU LLP	Tea, coffee	Kyrgyzstan
SWEET ideas-KZ LLP	Confectionery products	Kyrgyzstan



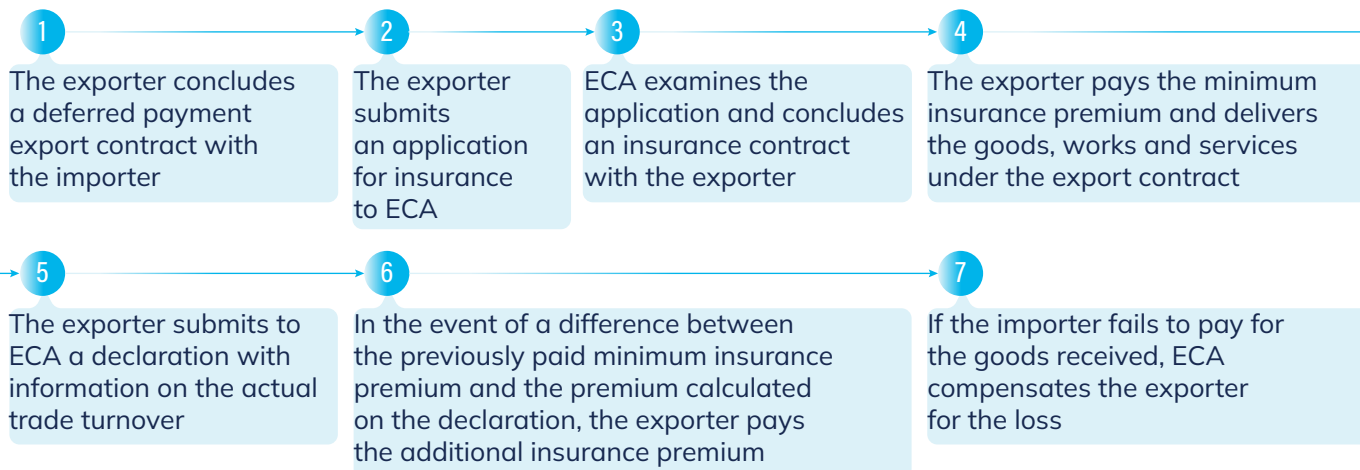
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SHORT-TERM RECEIVABLES INSURANCE

The instrument protects exporters against the risk of foreign buyers' non-payment when selling products or services with deferred payment terms. This product allows an exporter to insure the entire portfolio of export contracts with deferred payment terms

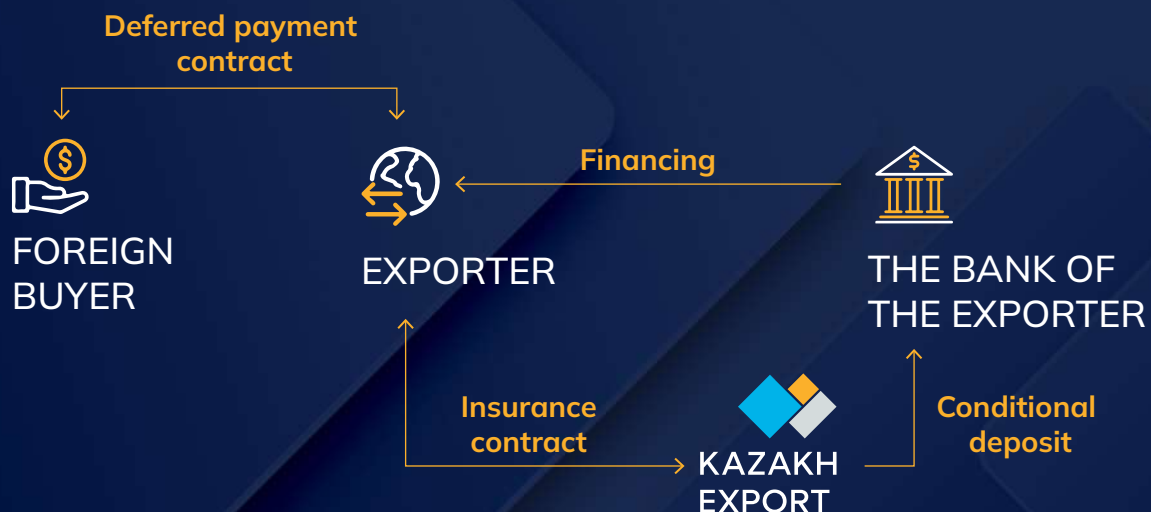
Insurance procedure



Implemented projects:	Products:	Export destination:
Bacchus JSC	Alcoholic drinks	Korea, Europe
LOTTE Rakhat JSC	Confectionery products	Mongolia, Russia, Tajikistan, Uzbekistan
Shymkentmay JSC	Oil and Fat Products	Afghanistan, Kyrgyzstan, Russia, Tajikistan, Uzbekistan
Aluminium of Kazakhstan LLP»	Aluminium profiles	Italy, Kyrgyzstan, Lithuania, Poland, Russia, Uzbekistan, Ukraine
LUKOIL Lubricants Central Asia LLP	Petroleum products	Kyrgyzstan, Tajikistan, Turkmenistan, Uzbekistan



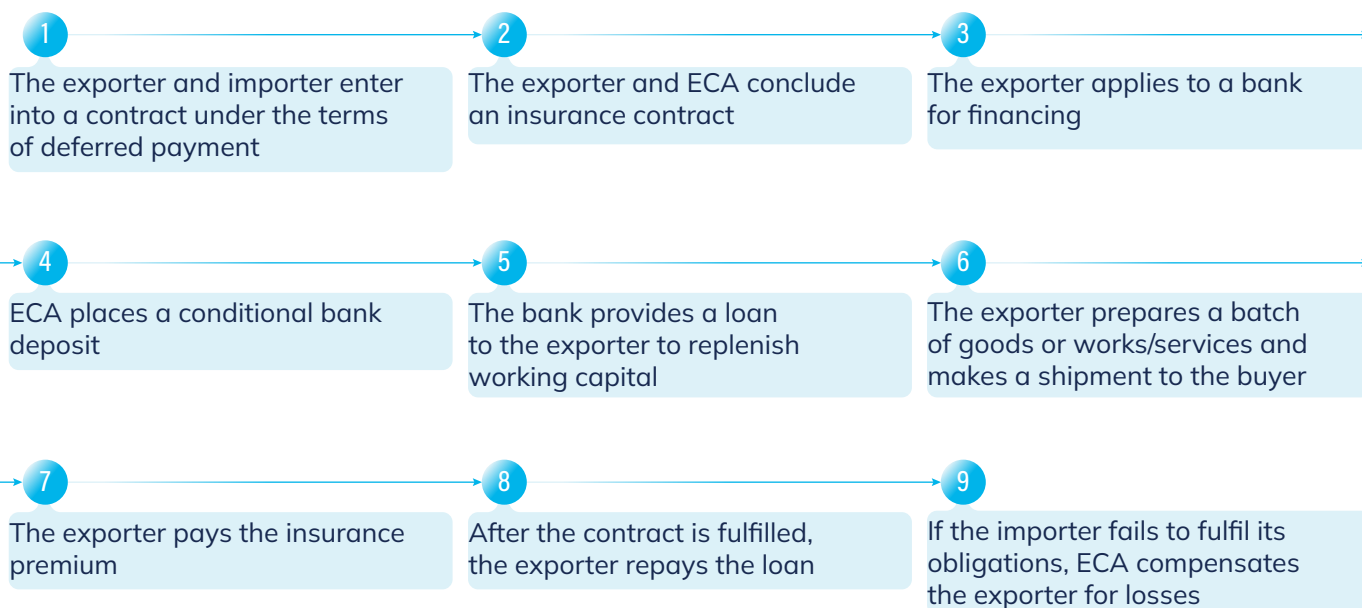
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PRE-EXPORT FINANCING

The exporter is provided with financing at a reduced rate of interest for the replenishment of working capital to produce exported goods, works/services

Insurance procedure



Implemented projects:

AdiCom 2000 LLP
(Sergek Group)

Almaty Product LLP

Export/Products:

Sergek - intelligent public and road safety system

Confectionery products

Export destination:

Uzbekistan

Germany, Kyrgyzstan, Mongolia, Russia, Tajikistan, Uzbekistan



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ADVANCE PAYMENT INSURANCE

This tool provides protection to a foreign company (Importer) purchasing Kazakhstani goods/services from a Kazakhstan company on advance payment terms

Insurance procedure



Implemented projects:	Products:	Export destination:
KAZ-IR AGRO LLP	Safflower oil	Czech Republic, Germany, the Netherlands, China
EFKO KAZAKHSTAN LLP	Fat and oil products	Russia, Uzbekistan, Tajikistan



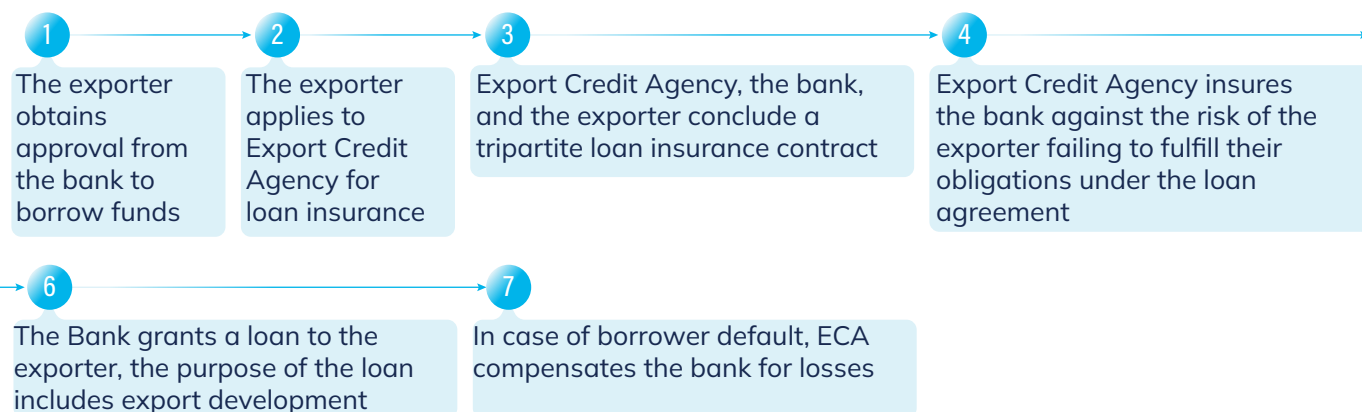
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LOAN INSURANCE

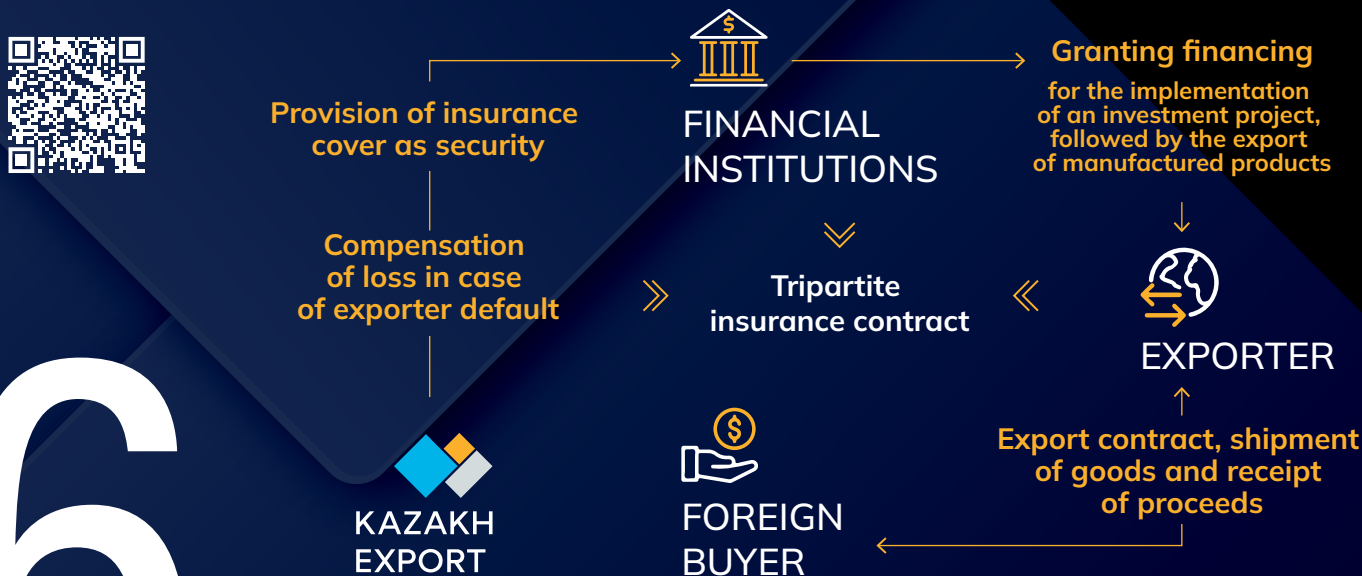
The instrument provides financial institutions with protection against the risk of an exporter defaulting on their financial obligations under a loan agreement. Additionally, it enables exporters to obtain financing even when the collateral is insufficient

Insurance procedure



Implemented projects:	Products:	Export destination:
Bayan Sulu JSC	Confectionery products	Armenia, Azerbaijan, Belarus, Georgia, China, Kyrgyzstan, Mongolia, Russia, Tajikistan, Turkey, Ukraine, Uzbekistan
Hyundai Trans Kazakhstan LLP	Cars	Belarus, Kyrgyzstan, Uzbekistan
Kainar-AKB LLP	Batteries and accumulators	Afghanistan, Armenia, Azerbaijan, Belarus, Georgia, Kyrgyzstan, Russia, Tajikistan, Turkey, Turkmenistan, Ukraine, Uzbekistan
Shin-line LLP	Ice cream	Azerbaijan, Mongolia, Russia, Tajikistan, Turkmenistan
Makinsky Thermal Insulation Plant LLP	Thermal insulation materials	Mongolia, Russia, Uzbekistan, Tajikistan, Kyrgyzstan

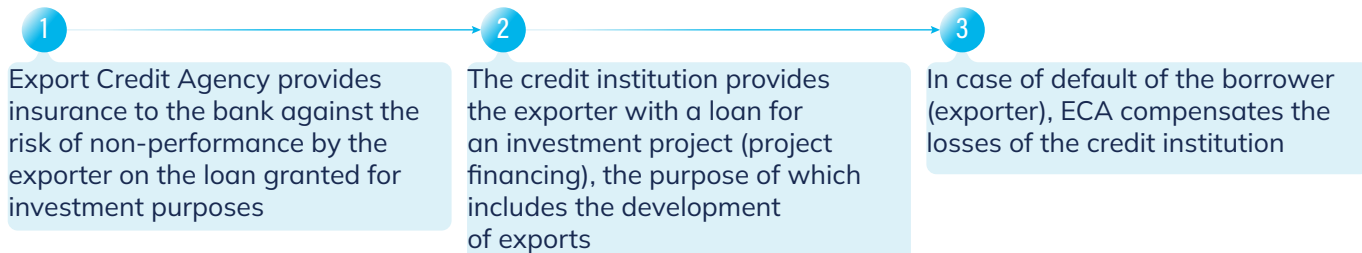
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PROJECT FINANCING INSURANCE

The instrument allows a credit organisation to obtain insurance protection against the risk of non-payment by a Kazakhstani enterprise (exporter) on its obligations under a loan agreement secured for the implementation of an investment project with export potential

Insurance procedure



Implemented projects:	Products:	Export destination:
Prima Kus LLP	Poultry meat, poultry by-products and sausages	Uzbekistan, Kyrgyzstan, Tajikistan, Mongolia, China



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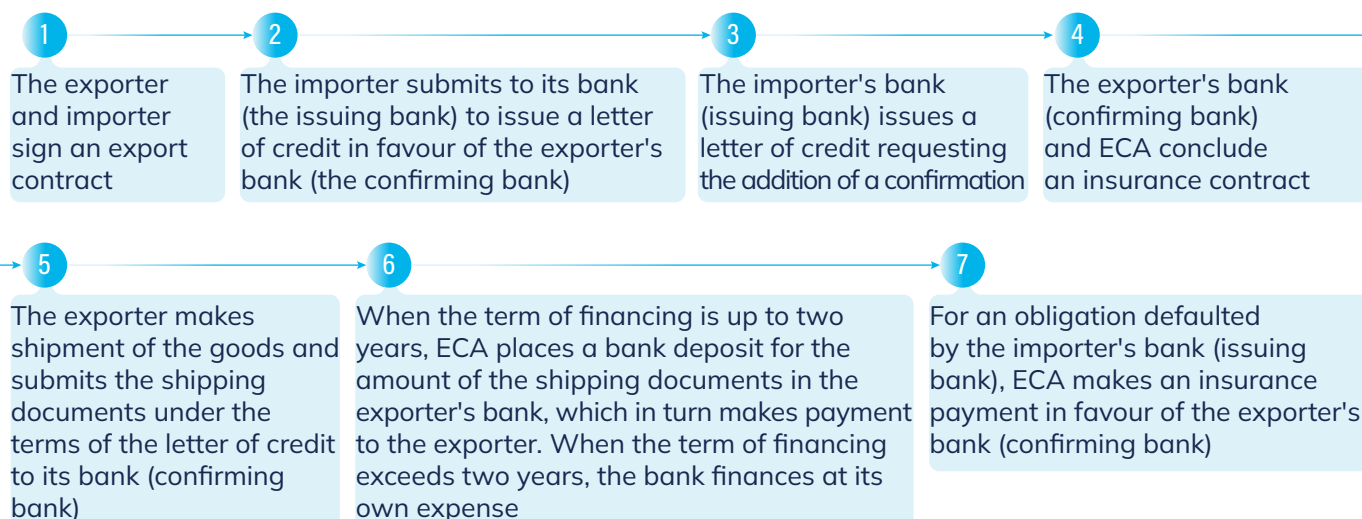


EXPORT TRADE FINANCE AND LETTER OF CREDIT INSURANCE

These tools were introduced to stimulate demand for Kazakhstan products from foreign buyers. Financing is provided to foreign companies to buy Kazakhstan goods through Kazakhstan banks in the framework of the letter of credit payment method

* A Letter of Credit is a form of settlement. It is an obligation of the issuing bank to make payment to the seller/exporter upon submission of shipping documents that comply with the terms of the Letter of Credit

Insurance procedure



Implemented projects:	Products:	Export destination:
TERRA LLP	Meat on bone, meat	Uzbekistan
KAINAR-AKB LLP	Accumulators	Uzbekistan
SHYMKENTTEMIR LLP	Steel billets	Uzbekistan
Zharkent Starch Factory LLP	Starch molasses	Uzbekistan
SaryarkaAvtoProm LLP	Cars	Tajikistan



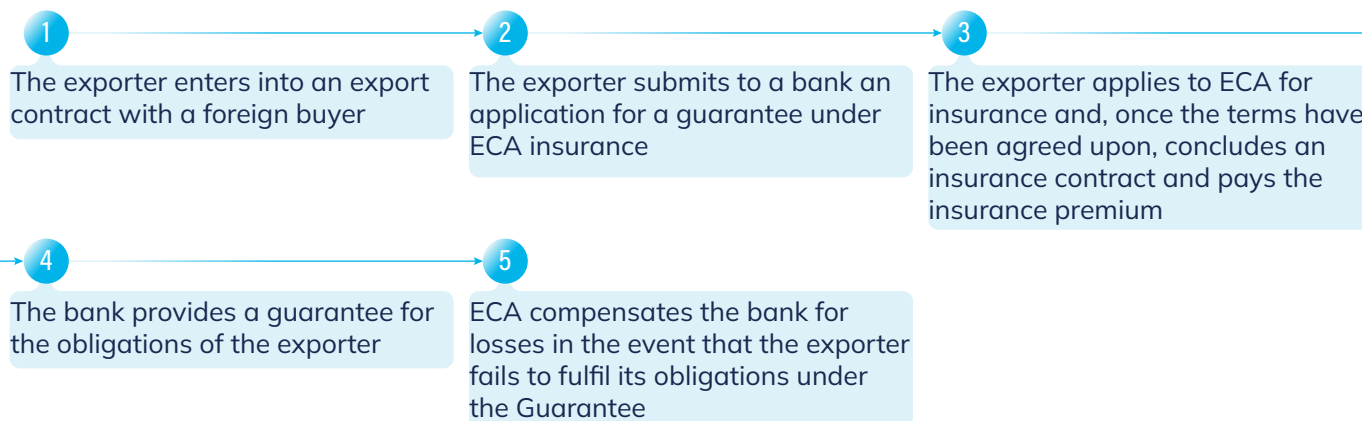
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INSURANCE OF THE EXPORTER'S LEGAL LIABILITY TO FINANCIAL ORGANIZATIONS

The tool allows a financial institution to get insurance coverage against the risk of a Kazakhstan enterprise (exporter) defaulting on its obligations under the guarantee

Insurance procedure



Implemented projects:

AgromashHolding KZ JSC

AAEngineering Group LLP

Export/Products:

Agricultural machinery

Design and construction services

Export destination:

Russia, Belarus

Kyrgyzstan



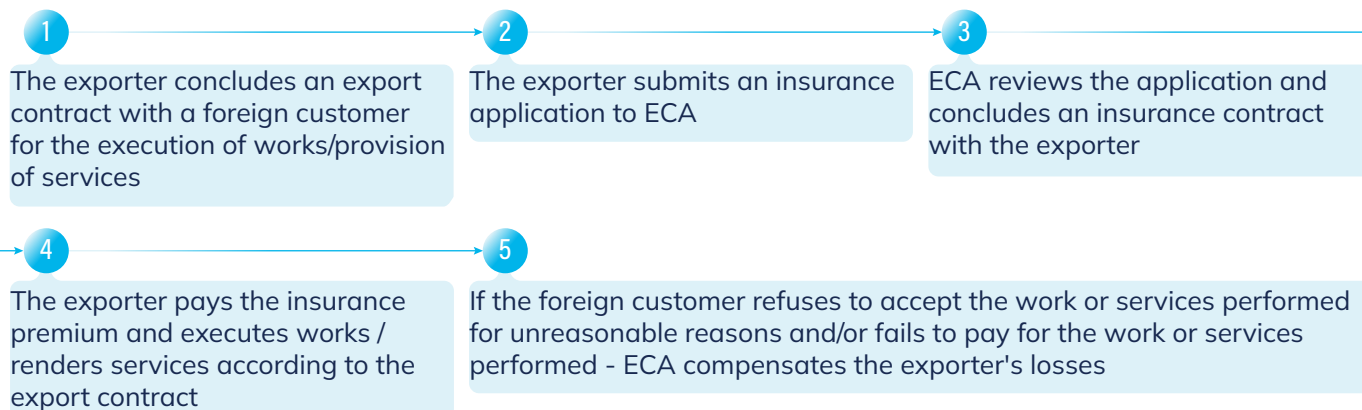
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INSURANCE OF EXPORTER'S LOSSES RELATED TO THE PERFORMANCE OF WORKS, PROVISION OF SERVICES

The tool provides a Kazakhstan enterprise (exporter) with protection under export contracts providing for the performance of works/services on deferred payment terms against the risk of non-payment by a foreign buyer and in case of unreasonable and unmotivated evasion/rejection of acceptance of performed works/services performed by the exporter

Insurance procedure



Implemented projects:

KAZGIPROTSVETMET LLP

Export:

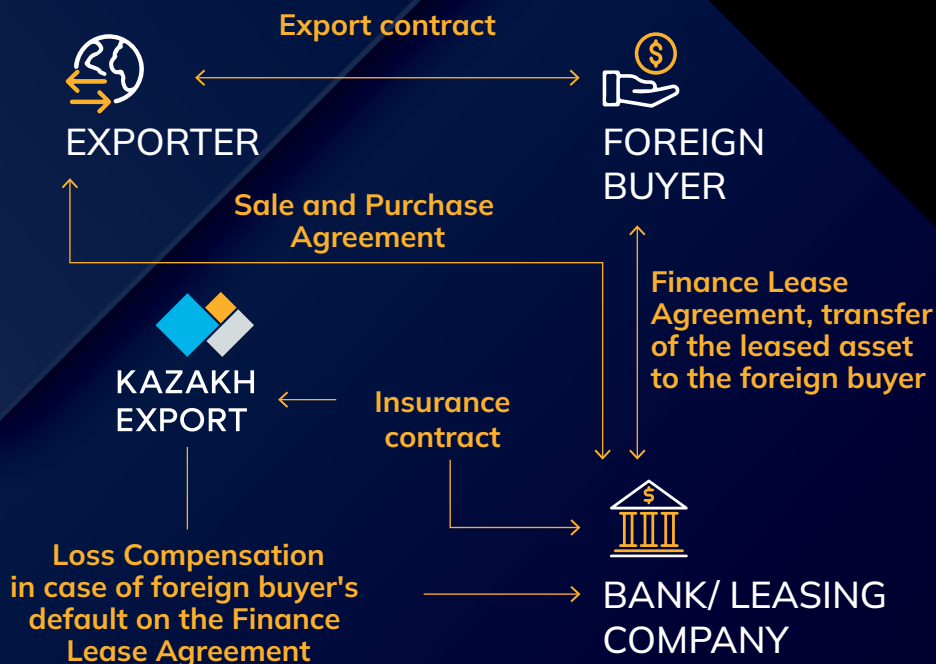
Design and Construction Services

Export destination:

Italy, Kyrgyzstan, Russia, China, Germany, Australia, Poland



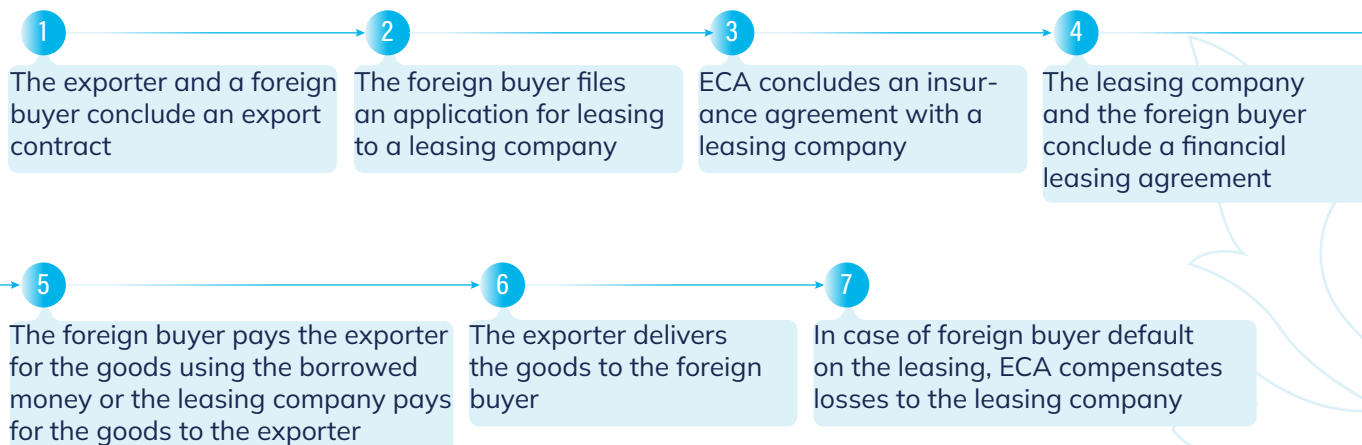
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FINANCIAL LEASING INSURANCE

This product provides an opportunity to access leasing options for the purchase of equipment by a foreign counterparty, especially when there is insufficient collateral or the lessor is unwilling to assume the full risk of the transaction

Insurance procedure



Implemented projects:

AGRITECH LLP

Products:

Soy protein

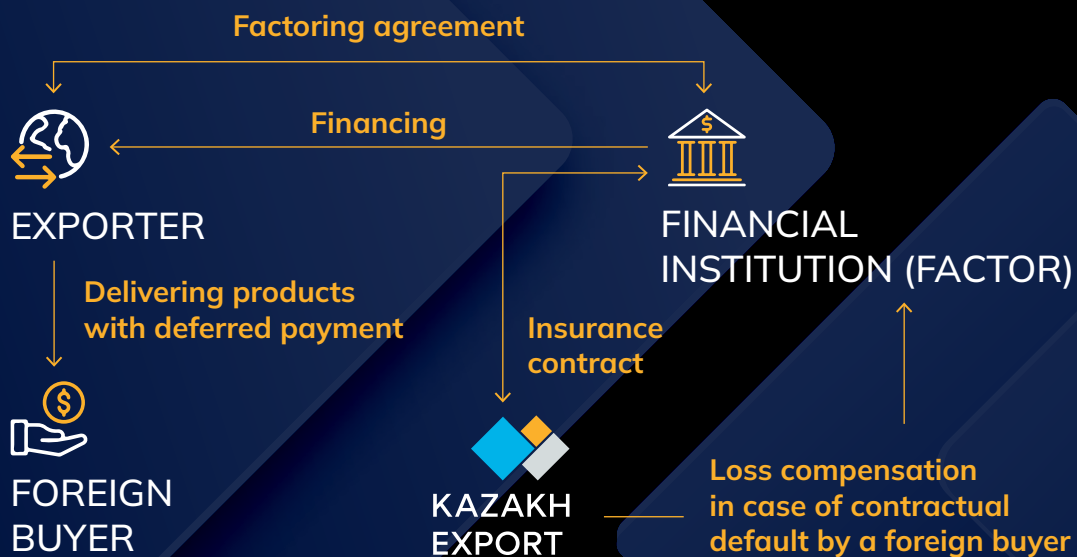
Export destination:

Israel

* Subsidies are available for the interest rate, provided that domestic high-tech goods and manufacturing services are exported



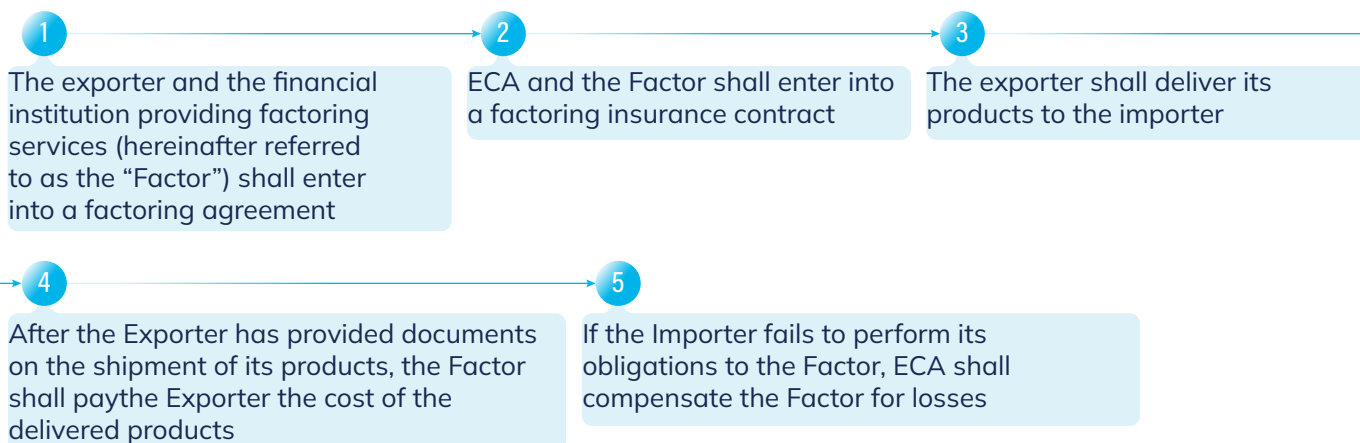
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INTERNATIONAL FACTORING INSURANCE

It is an insurance protection of a financial institution under factoring transactions against the risk of non-fulfilment by foreign counterparties of its contractual obligations

Insurance procedure



Implemented projects:

Kamerton Company LLP

Products:

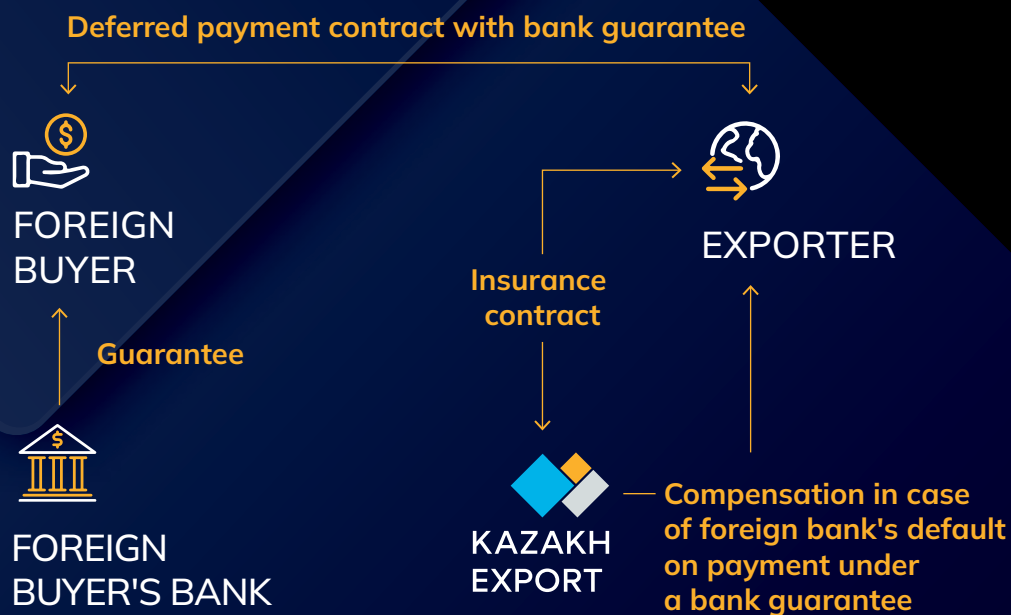
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Export destination:

Europe, Kyrgyzstan, Russia, Uzbekistan



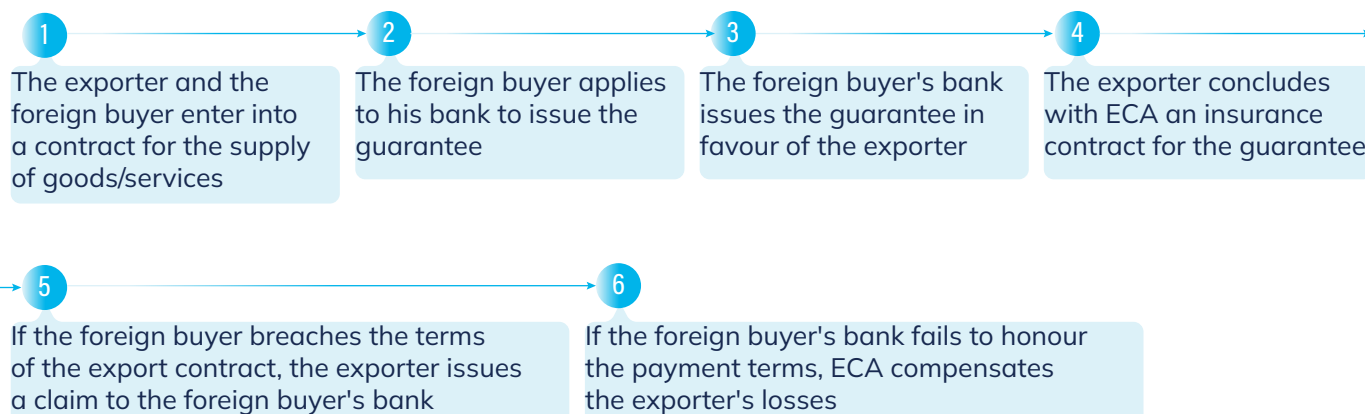
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INSURANCE OF BANK GUARANTEES ISSUED BY FOREIGN BANKS

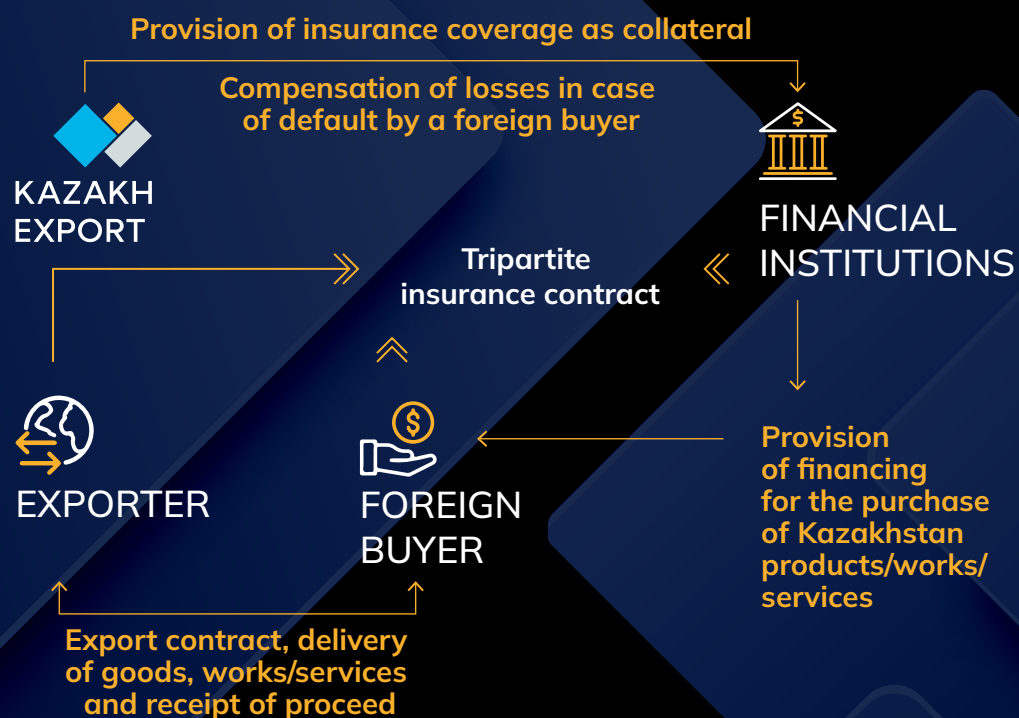
The instrument protects exporters against the risk of default by a foreign bank on guarantees issued in the context of fulfilling export contracts

Insurance procedure





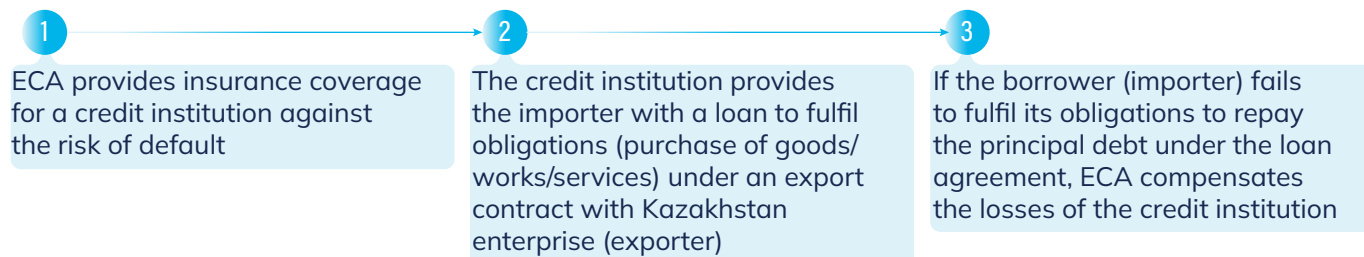
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INSURANCE OF A CREDIT INSTITUTION WHEN FINANCING A FOREIGN COUNTERPARTY

The tool allows a credit institution to have insurance coverage against the risk of non-payment by a foreign buyer for its obligations under a credit agreement

Insurance procedure



* Subsidies are available for the interest rate, provided that domestic high-tech goods and manufacturing services are exported



Compensation of losses in case of the exporter's default on the foreign exchange transaction

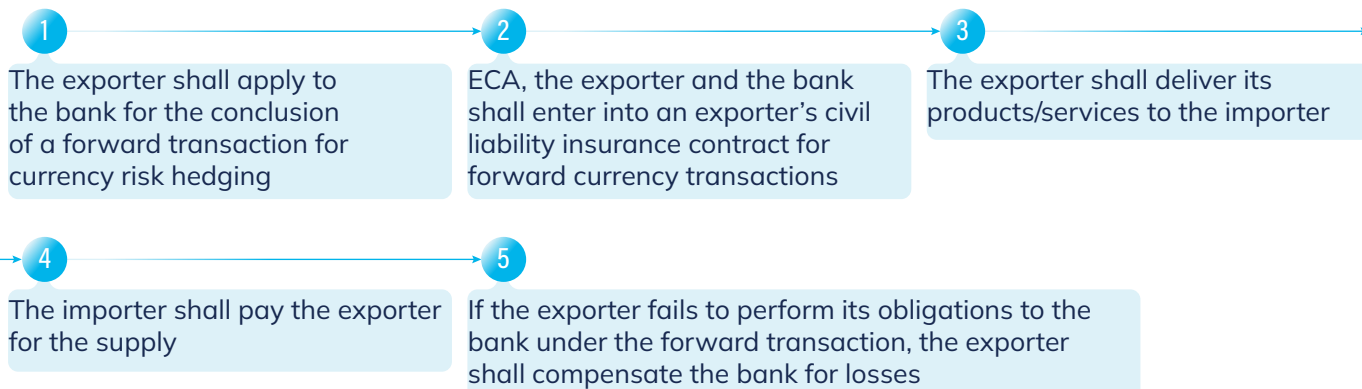


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INSURANCE OF THE EXPORTER'S LEGAL LIABILITY ON FORWARD CURRENCY TRANSACTIONS

The tool provides insurance protection to banks against the risk of default by exporters of obligations under currency term contracts

Insurance procedure





Financing, guarantees, letters of credit, etc.
for export transactions



EXPORTER

Export contract,
delivery of goods/
works/services
and receipt
of proceeds



FOREIGN
BUYER



FINANCIAL
INSTITUTIONS

Insurance
contract



Compensation of losses
in case of exporter's default

Provision of insurance
coverage as security

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INSURANCE OF LOSSES OF FINANCIAL INSTITUTIONS

The tool allows a financial institution to have insurance coverage against the risk of non-payment by a Kazakhstan enterprise (exporter) for its obligations under a financial services agreement (opening a letter of credit, issuing a bank guarantee, urgent currency transaction, granting a credit (loan, financing))

Insurance procedure

1

ECA provides insurance coverage for Financial institution against the risk of default on the financial service provided

2

The Financial institution provides the Exporter with a financial service (opening a letter of credit, issuing a Bank guarantee, urgent currency transaction, granting a credit (loan, financing)), the purpose of which includes the development of exports

3

In case of default of the borrower (exporter), ECA compensates the losses of the Financial institution

Implemented projects:

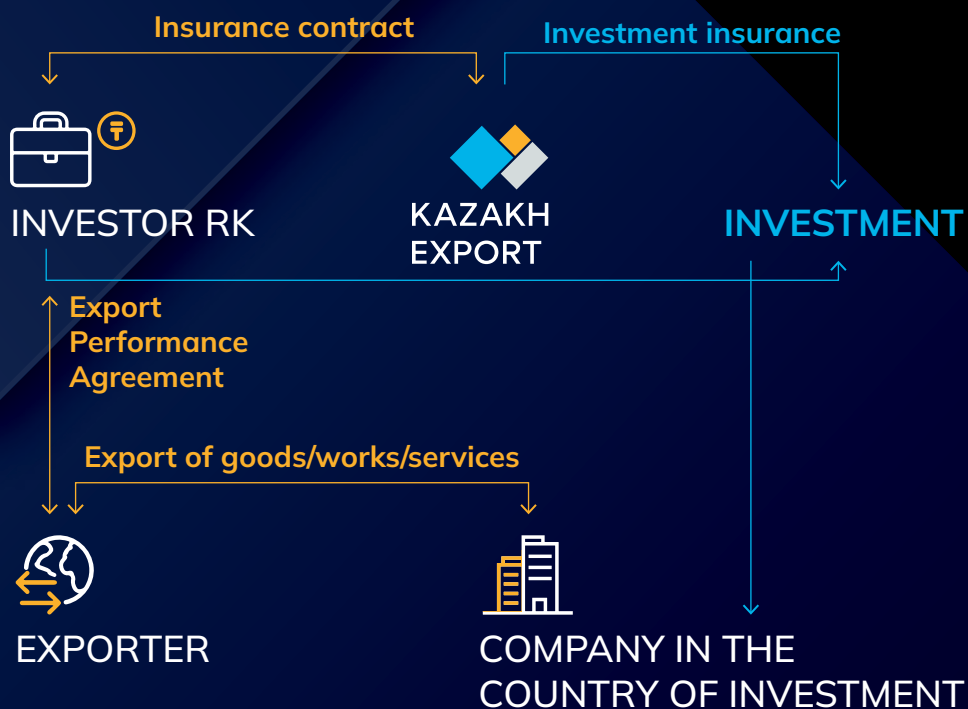
AIIG Kazakhstan LLP

Products:

Cotton fibre

Export destination:

Russia, Turkey, UAE,
Latvia, China



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INVESTMENT INSURANCE

The tool allows an investor from Kazakhstan to receive insurance coverage against the risk of a foreign company's default on its obligations under an investment agreement

Insurance procedure



Implemented projects:

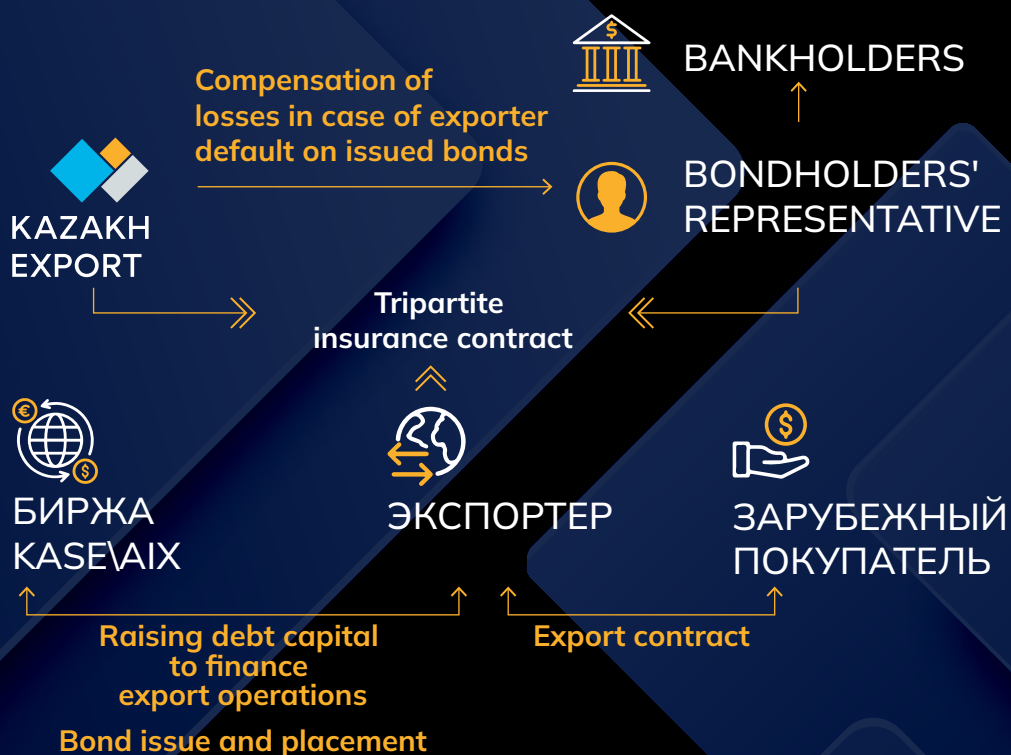
Ak Bidai – Terminal JSC

Export destination:

Iran, Azerbaijan



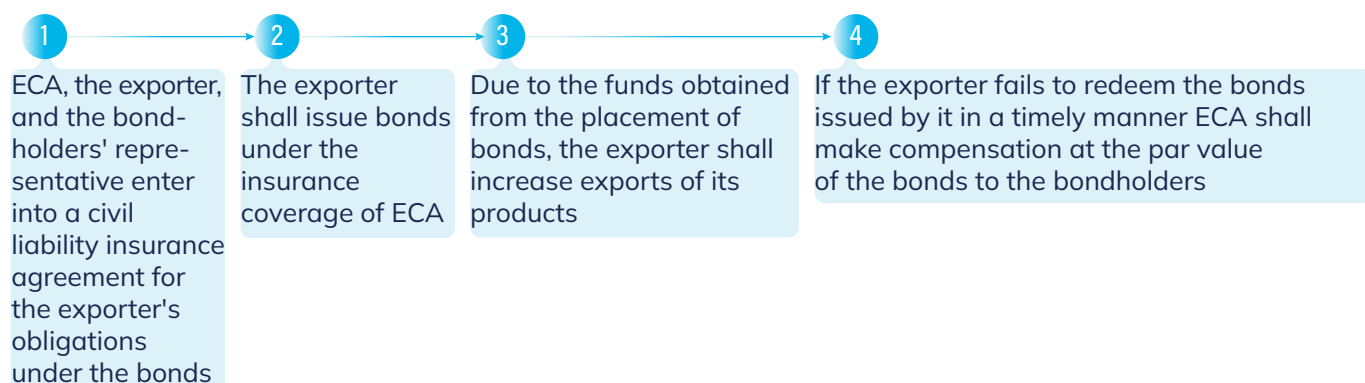
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INSURANCE OF CIVIL LIABILITY OF THE EXPORTER ON BONDS

This tool allows for attracting financing for the development of export capacity and provides protection against the risk of default to bondholders issued by exporters

Insurance procedure



EXPORT SUPPORT
GUARANTEES

18

GUARANTEE OF FULFILMENT OF OBLIGATIONS UNDER AN EXPORT CONTRACT

The guarantee secures the exporter's obligations for the proper fulfillment of an export contract involving the supply of non-raw goods, work, or services to a foreign buyer

The exporter gains a competitive advantage for concluding export contracts with new buyers by guaranteeing the fulfillment of its obligations under export contracts

Beneficiary:

A foreign buyer of goods, works, or services, as well as a payer or customer, may wish to protect themselves against the risk of the exporter's failure to deliver goods, perform works, or render services in accordance with the terms of the contract

Solution Parameters:



Amount of guarantee: according to the exporter's application, but not exceeding the value of the export contract

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ADVANCE PAYMENT REFUND GUARANTEE UNDER AN EXPORT CONTRACT

This Guarantee ensures the fulfillment of the exporter's obligations to return the advance payment to the foreign buyer if the exporter fails to meet the obligations under an export contract for non-raw goods, work, or services

The Guarantee is used when the exporter needs funds for production and the buyer agrees to an advance payment under the condition of the Guarantee

Beneficiary:

A foreign buyer of goods, works, or services, payer, or customer seeking protection against the risk of non-return of prepayment/advance payment if the exporter fails to fulfill its obligations

Solution Parameters:



Amount of guarantee: not exceeding the amount of the advance payment specified in the export contract



Guarantee period: until the fulfillment of obligations specified in the guarantee terms, but not exceeding the term of the export contract.



Guarantee currency: currency of the export contract or KZT

Realisation scheme



Prerequisites:

- ◆ compliance with ECA's Exporter Support Policy;
- ◆ experience in executing similar contracts;
- ◆ submission of a valid export contract for the supply of non-raw goods, works, or services;
- ◆ submission of a complete documentation package as per ECA's requirements.

EXPORT SUPPORT
GUARANTEES20 TENDER
GUARANTEE

This Guarantee secures the obligations of a participant in a foreign tender or competition for the procurement of goods, performance of works, or rendering of services to the organizer, in accordance with the tender documentation

The exporter has the opportunity to participate in tenders (bids, auctions) held by foreign buyers to secure export contracts for the supply of goods, performance of work, or provision of services

Beneficiary:

Organiser of the international tender/competition for the purchase of goods, performance of work or rendering of services

Solution Parameters:

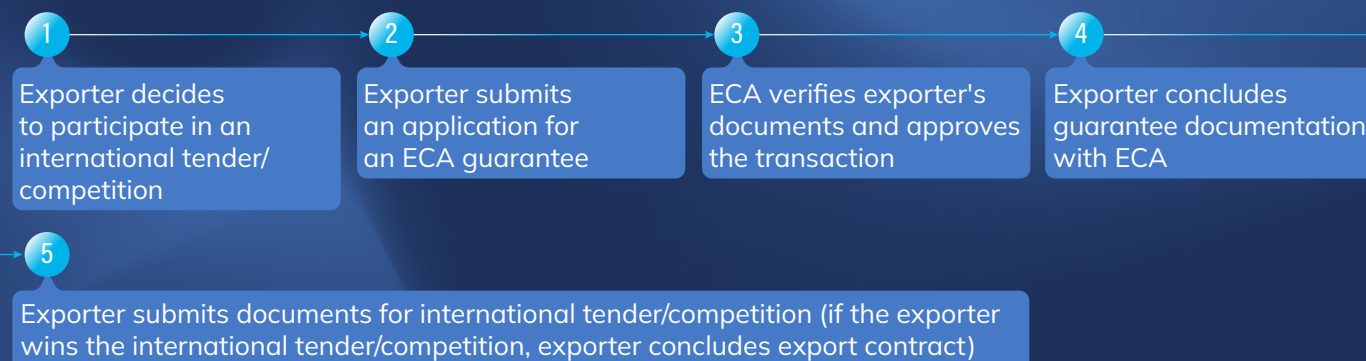
Amount of guarantee: fixed amount set by the tender organiser



Guarantee period: according to the tender documentation parameters



Guarantee currency: according to the tender documentation parameters

Realisation scheme**Prerequisites:**

- ◆ compliance with the ECA's Exporter Support Policy;
- ◆ submission of a complete and compliant document package as per ECA requirements;
- ◆ submission of tender documents.

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GUARANTEE PROVIDED TO A BANK TO SECURE FULFILLMENT OF EXPORTER'S OBLIGATIONS

A guarantee securing the fulfillment of the exporter's obligations for the subsequent issuance of a bank guarantee in favor of a foreign counterparty within the bank limits set in relation to Export Credit Agency

An exporter is eligible to receive a tender guarantee, a performance bond, and an advance payment guarantee from a bank. To secure these guarantees, the exporter must provide a counter-guarantee issued by Export Credit Agency

Beneficiary:

A foreign buyer of goods, works, or services, or a payer or customer wishing to protect themselves against the risk of non-performance by the exporter of their obligations to supply goods, perform works, or render services, or against the risk of non-return by the exporter of prepayment/advance payment according to the terms of the contract, as well as organizers of an international tender/competition for the purchase of goods, performance of work, or rendering of services

Solution Parameters:



Amount of guarantee:

As per the application submitted by the exporter, but not exceeding the value of the export contract or the amount of advance payment specified in the export contract. A fixed amount set by the tender organizer



Guarantee period:

Until the fulfillment of the obligations specified in the terms and conditions of the guarantee, but not exceeding the term of the export contract. According to the parameters of the tender documentation



Guarantee currency:

Currency of the export contract/KZT. Currency according to the parameters of the tender documents

Realisation scheme



Prerequisites:

- ◆ compliance of the exporter with the requirements of Export Credit Agency's Policy of Support for Exporters
- ◆ experience in implementing similar contracts
- ◆ provision of a concluded export contract for the supply of non-raw goods, performance of work, or rendering of services
- ◆ submission of a complete package of documents, according to the established list
- ◆ submission of tender documentation

OUR PARTNERS

 <p>Member of the Prague Club of the Berne Union (Switzerland) – the leading global association for the export credit and investment insurance industry</p>		 <p>Member of the Aman Union – the association of major export credit agencies in the Arab and Islamic world</p>
 <p>Member of the ICISA, international credit insurance association (the Netherlands)</p>	 <p>Member of the Association of Financiers of Kazakhstan</p>	 <p>Participant of the Net Zero Export Credit Agencies Alliance at UNEP FI (United Nations Environment Programme Finance Initiative) and the Oxford Centre for Innovation</p>



Development Bank of Kazakhstan



Halyk



Eurasian Bank



centercredit



Eurasian Development Bank



Bereke Bank



JUSAN



BAITEREK VENTURE FUND



AGRO CREDIT
АГРАРЛЫҚ ЕСИЕ КОРПОРАЦИЯСЫ



MS amlin



ForteBank



Фонд развития промышленности



Swiss Re



ICIEC
THE ISLAMIC CORPORATION FOR THE INSURANCE OF EXPORT CREDIT



TALBOT UNDERWRITING

1 279.1 KZT billion

In commitments

239

Kazakhstan exporters supported

803.8 KZT billion

Raised funds from second-tier banks

20.5 KZT billion

Paid out on insurance claims

SINCE 2016:

GEOGRAPHY OF EXPORT CONTRACTS

Australia	China	Singapore
Azerbaijan	Korea	USA
Armenia	Kyrgyzstan	Tajikistan
Afghanistan	Latvia	Turkmenistan
Bahrain	Latin America	Turkey
Belarus	Lithuania	Uzbekistan
Belgium	Moldova	Ukraine
United Kingdom	Mongolia	Finland
Germany	Nigeria	Czech Republic
Georgia	Netherlands	Switzerland
Israel	United Arab Emirates	Sweden
India	Oman	Estonia
Iran	Poland	Japan
Italy	Russia	
Kyrgyzstan	Saudi Arabia	

ECA ABROAD

The Russian Federation

Ekaterinburg
Kazan (The Republic of Tatarstan)

The Republic of Uzbekistan

Tashkent

The Republic of Tajikistan

Dushanbe

The People's Republic of China

Guangzhou

The Republic of Kyrgyzstan

Bishkek



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