



EGAP



**Reliable Partner
of Czech Exports**



Reliable partner of Czech exports

During its 22-year existence,
EGAP has insured the export of:



27,500 cars



4,900 buses



4,220 trucks



1,550 tractors



991 trolleybuses



169 helicopters



59 power stations



56 airplanes

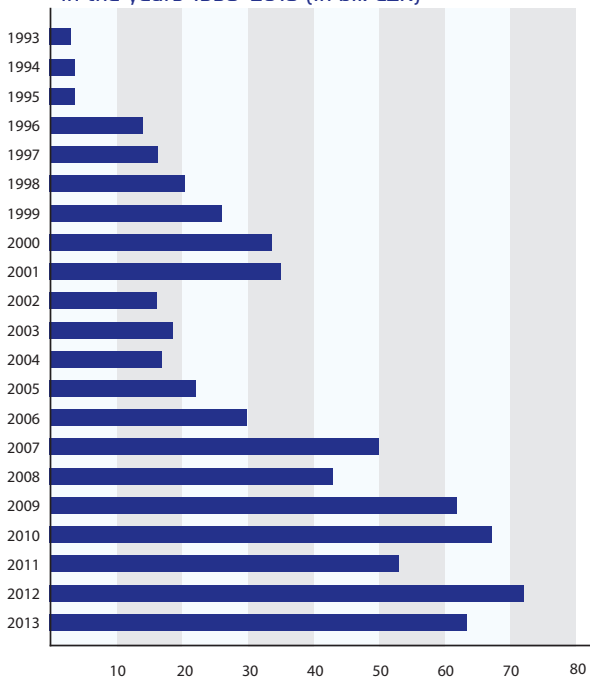
 www.egap.cz



Exports guarantee and insurance company, joint stock company (EGAP) was founded in 1992 and during the 22 years of its existence it has insured exports totaling more than 710 billion Czech crowns. These were exports of goods, technologies, services and investments, which probably would not have taken place without EGAP. EGAP's sole shareholder is the state, which controls the company through 4 ministries (Ministry of Finance, Industry and Trade, Foreign Affairs and Agriculture). During its entire existence, EGAP received CZK 10.2 billion for its insurance funds from the state budget; the company did not spend a single crown from these resources on its own operation. The company's products cover all phases of commercial transactions and offer exporters conditions comparable to those offered by foreign credit insurance companies. This allows them to hold their own against strong international competition. The RIA report elaborated in 2010 implies that 1 billion crowns from the state for EGAP means the creation of 1743 of new jobs.

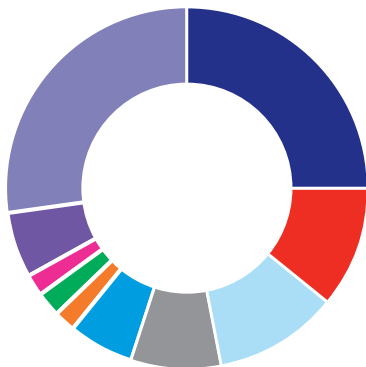
- In the Czech Republic, EGAP insures approximately 10% of all exports outside the European Union.
- During 2010-2013 EGAP concluded 338 cases for insurance outside the European Union.
- Thanks to CZK 10.2 billion, which the state invested in the support of exports, about 17,500 jobs were created or preserved.
- Support of exports through EGAP is three times more efficient than a system of investment incentives.

Development of concluded business transactions in the years 1993–2013 (in bil. CZK)



In the scope of insurance products that EGAP offers, insurance of buyer credits still predominates. An important role is also played by insurance and investment loans for investments, export credit insurance and bank guarantee insurance. EGAP's biggest clients are banks – the insurance company cooperates with all banks providing export credits.

Share of banks on business transactions in 2013



■ Czech Export Bank, a.s.	25
■ Československá obchodní banka, a. s.	11
■ Česká spořitelna, a.s.	11
■ Komerční banka, a. s.	8
■ HSBC Bank plc – subsidiary Prague	6
■ UniCredit Bank Czech Republic and Slovakia, a.s.	2
■ PPF banka a. s.	2
■ Raiffeisenbank a.s.	2
■ Other banks (with share under 2 %).....	6
■ Non-bank subjects.....	27

During its existence, EGAP has insured exports to more than 100 countries worldwide. Support of exports to Russia still plays a dominant role in its portfolio. In recent years, however, we also observe an increase in insurance of exports to Turkey, Azerbaijan, Belarus, Egypt and India. In 2013 alone, EGAP insured export activities of Czech exporters in 40 countries.

Territorial structure of newly concluded insurance contracts in 2013 (in %)



■ Azerbaijan.....	18	■ Russia.....	19
■ Belarus.....	3	■ Slovakia.....	2
■ Pre Export Financing	5	■ Slovenia	4
■ Egypt	5	■ Turkey	12
■ France	7	■ Ukraine	4
■ India	7	■ Other countries (under 2%) .	10
■ Israel	4		

Insurance products that EGAP offers by means of insurance with a state subsidy guarantee the clients a comprehensive credit insurance cover for the entire duration of the export contract.

Without them, the Czech exporters would practically have no chance of securing a medium or long-term bank loan or guarantee, especially at a time when they are looking for business opportunities in dynamic and attractive markets with increased territorial and commercial risk. Logically, it implies that such bank loans and guarantees are looked for mainly by large exporters focused on exports of capital equipment.

Nevertheless, among the EGAP clients are also small and medium-sized enterprises, although it is evident that they generally do not carry the large risks associated with long-term export projects. Even those exporters use some of the EGAP insurance products – in fact it is possible to insure invoices starting from CZK 100,000. In general, small and medium-sized enterprises most commonly use credit insurance for pre-export financing, export supplier credit insurance, manufacturing risks and bank guarantees.

Especially designed for SMEs is a simplified version of both pre-export credit insurance and bank guarantees. For example, in 2013, we concluded 40 new insurance contracts with a total value of CZK 0.6 billion with SME clients.

Products overview:

- B** Insurance of a Short Term Export Supplier Credit;
- Bf** Insurance of a Short Term Export Supplier Credit Financed by a Bank;
- C** Insurance of a Medium and Long Term Export Supplier Credit;
- Cf** Insurance of a Medium and Long Term Export Supplier Credit Financed by a Bank;
- D** Insurance of an Export Buyer Credit;
- E** Insurance of a Confirmed Letter of Credit;
- F** Insurance of a Credit for Pre Export Financing;
- I** Insurance of Investment of Czech Legal Persons in Foreign Countries;
- If** Insurance of a Credit for the Financing of Investments of Czech Legal Persons in Foreign Countries;
- P** Insurance of Prospection of Foreign Markets;
- V** Insurance against the Risk of Inability to Fulfil an Export Contract;
- Z** Insurance of a Bank Guarantee Issued in Relation to an Export Contract;



Several successful projects of Czech exporters
insured by the Exports guarantee and
insurance company, joint stock company



ARGENTINA

Shafts and Kaplan Turbines for the TOCOMA Project

Exporter: Vítkovice Heavy Machinery, a.s.

Financing bank: Raiffeisenbank, a.s.

In January 2010, VÍTKOVICE HEAVY MACHINERY, joint stock company, signed a contract for the **TOCOMA project** with the Argentinean company IMPSA in the value of CZK 250 million. It involves a supply of super heavy shafts for one of the most modern and most powerful hydroelectric power plants in the world, which is being built in South America, in Venezuela. Beside the six final-treatment machined turbine shafts with a length of 13 m, a diameter of 4 meters and weighing 135 tons after processing, it also includes the same number of Kaplan type turbine hubs, ten bearing lattices and ten servo drive shafts. The ten adjustable-blade-type turbines located beneath a 350-meter long dike will ensure a total installed capacity of 2350 MW. The turbine blades were supplied by ŽDAS, joint stock company.



AZERBAIJAN

Road Reconstruction in the Stretch between Baku and Russia

Exporter: OHL ŽS, a.s

Financing bank: Czech Export Bank, a.s.

Reconstruction of a road in the northern part of the Republic of Azerbaijan in the section of Quba-Qusary-Laze, 45 kilometres long. The reconstruction also involves construction of bridges and flyover crossings. It is a continuation and completion of a business project already contracted and commenced in 2005 – a project for the reconstruction of a highway/ road from Baku to the Russian border, which has undergone changes in the course of implementation according to the Azerbaijani customer's requirements.



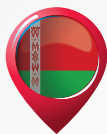
AZERBAIJAN

Delivery of Special Equipment and Technologies for Highway Reconstruction

Exporter: SaZ, s.r.o.

Financing bank: Komerční banka, a.s.

Supply of special equipment, construction works and technologies for the reconstruction of highway M-5 in the length of 164 km for the Ministry of Transport (Yevlax-Zagatala-Republic of Georgia stretch). During the implementation of the actual highway reconstruction, 181 Tatra T-815 trucks are delivered for the project, including spare parts and tires for these trucks. Delivery also includes construction of an automated control system for automobile traffic on roads and highways in Azerbaijan.



BELARUS

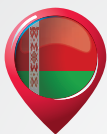
Delivery of Technologies for the Grodno Hydroelectric Power Plant

Exporter: **MAVEL, a.s.**

Financing bank: **Czech Export Bank, a.s.**

Delivery of 5 sets of hydraulic turbines, including supervision and training of staff for the Grodno hydroelectric power plant on the Neman river worth a total of almost EUR 11 million. All equipment deliveries were completed in December 2010. Currently, the plant is in full operation.

Mavel is a manufacturing and engineering company specializing in turbines for hydroelectric power plants from 30 kW to 30 MW. It is among the exporters with the longest history of use of EGAP services. Its projects have been insured since 1999. For 15 years, more than 70 contracts were negotiated for the company.



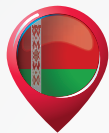
BELARUS

Reconstruction of Atmospheric Crude Oil Distillation Unit for NAFTAN

Exporter: UNIS, a.s.

Financing bank: Československá obchodní banka, a.s.

Delivery of complete reconstruction of the atmospheric crude oil distillation unit AT 8 was an important sequel to the export activities of UNIS, joint stock company. The company delivered in a number of countries, including Russia, Belarus, Kazakhstan and Uzbekistan. The contract for Naftan built on previous successful deliveries for this Belarusian company. In particular, it was the hydro-cracking solution and several other smaller projects that UNIS implemented for Naftan initially as a subcontractor and later as a direct supplier.



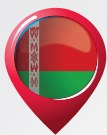
BELARUS

Construction of a Factory for the Production of Decorative Paper in the City of Shklov

Exporter: **Papcel, a.s.**

Financing bank: **Komerční banka, a.s.,
COMMERZBANK Aktiengesellschaft – subsidiary
Prague**

The construction of a paper mill includes the supply of a complete line for the production of decorative paper, including its connection to the existing infrastructure. Included in the delivery are also all design solutions, material supplies, assembly and construction works, as well as all other services associated with the implementation of this project. The joint-stock company PAPCEL Litovel has been manufacturing machines and technological equipment for the paper industry for more than 60 years. Its projects involve more than 260 employees. The company's primary sales markets include the Russian Federation, Belarus, the Czech Republic, Egypt, Turkey, Bulgaria, Indonesia, etc.



BELARUS

Delivery of Locomotives for Belarusian Railways

Exporter: CZ LOKO, a.s.

Financing bank: Commerzbank AG,
subsidiary Prague

CZ LOKO signed a contract with the Belarusian railways for a delivery of 20 biaxial shunting diesel locomotives TME 3 with an output of 400 kW. The first eight were delivered in 2013, and the remaining twelve were delivered in 2014. This is a completely new manufacturing operation, in which the exporter declares the Czech market share of 98%. The locomotives are designed and manufactured at CZ LOKO, and delivery takes place in the form of unassembled parts in kits, which are then assembled in Belarus. CZ LOKO is one of the most important companies in Czech railway engineering; it designs, manufactures and delivers innovative diesel-electric locomotives.

Zetor



BRAZIL

Supplies of ZETOR Tractor Components

Exporter: ZETOR TRACTORS a.s.

Financing bank: Komerční banka, a.s.

Supply of tractor components for the Zetor Proxima series valued at USD 4.5 million to Brazil for the AGRALE company. AGRALE is traditional, reputable company and long-time business partner for Zetor with more than 40 years of tradition in the production of automobiles, tractors, engines and chassis. Since the start of production in 1946 Zetor has produced more than 1.2 million tractors, the majority of which were exported to 90 countries.



EGYPT

Plant for the Production of Nonwovens

Investor: PEGAS NONWOVENS International s.r.o.

PEGAS NONWOVENS launched a plant in Egypt in 2012 and the cost of its construction amounted to almost 1.7 billion Crowns. The construction of a factory for the production of nonwovens was insured by means of an EGAP insurance product specifically designed for insurance investments of Czech legal entities abroad. PEGAS NONWOVENS is a manufacturer of nonwovens based on polyethylene and polypropylene for the hygiene, industrial, construction, agricultural, and other specialized sectors. The company is actively engaged in developing new products demanded by the market and thereby maintains a leading position in the domain of technologies in the European nonwovens market.



GABON

Construction of a Hospital

Exporter: **VAMED Health Projects CZ, s.r.o.**

Financing bank: **UniCredit Bank Austria AG**

Czech companies are involved in the construction and furnishing of a new hospital in the capital of Gabon, Libreville. EGAP insured the deliveries, valued at over 15 million EUR, for the construction. Czech medical deliveries mainly include hospital beds by LINET s. r. o. and also windows and doors for operating theatres, wiring, tiles, sanitary ware and construction chemicals. The new hospital will focus on prenatal and neonatal and specialized gynecological and obstetric care. The capacity of the facility will be 176 beds and it will include four fully equipped operating theatres.



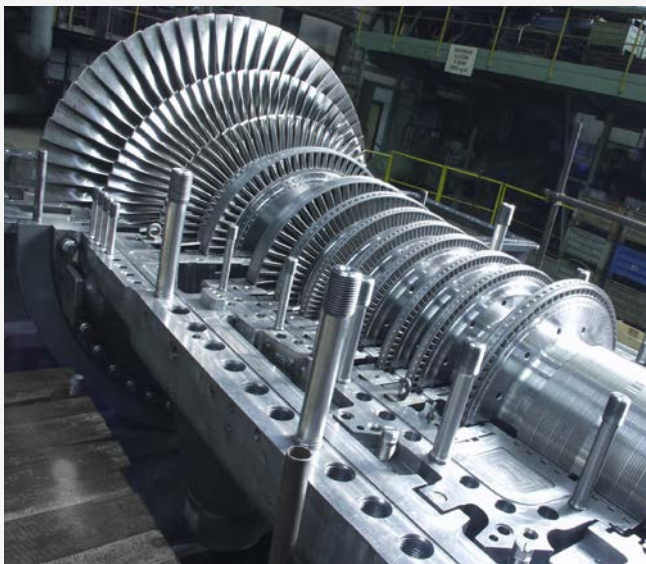
GEORGIA

Hydroelectric Power-plants and Distribution Network

Investor: **Energo-Pro, a.s.**

Financing bank: **Czech Export Bank, a.s.**

For the operation of hydroelectric power plants and distribution networks in Georgia, Energo-Pro applied its long-standing experience in the production of energy. These operations date back to 2007, when the company privatized and further acquired 15 hydroelectric power plants and a significant part of the distribution network in 70% of the territory of Georgia and where it currently has about 860,000 paying customers and employs more than 5,000 of its own employees. Both the power plants and the distribution network have undergone substantial modernization.



ISRAEL

Supply of steam and gas turbines for 3 power plants

Exporter: Doosan ŠKODA Power, s.r.o.

Financing bank: HSBC Bank plc,
Komerční banka, a.s.

Delivery of steam turbines and generators for the Israeli state company Israel Electric Corporation Ltd (IEC). Turbines with an output of 120–140 MW/unit were acquired for three combined cycle power plants – Eshkol, Hagit and RamatHovav. IEC is one of the largest industrial enterprises in Israel and operates 17 power plants with a total output of 13,133 MW.



Delivery of Vehicles and Components for the Assembly of ŠKODA Auto Vehicles

Exporter: ŠKODA AUTO a.s.

Financing bank: Raiffeisenbank a.s.



KAZACHSTAN

Supply of components for assembly of Skoda passenger cars in Kazakhstan and completed cars, including spare parts for warranty and post-warranty servicing of cars sold. EGAP has been insuring ŠKODA AUTO deliveries in Kazakhstan since 2007. Nine insurance contracts have been concluded so far.



LATVIA

Trolleybuses for the Capital Riga

Exporter: Škoda Electric, a.s., Pilsen
Financing bank: Česká spořitelna, a.s.

The delivery of 125 trolleybuses to Riga, Latvia's capital, is the largest contract of Škoda Electric company from Pilsen in modern history. In the course of five years, they will deliver low-floor articulated trolleybuses to the Latvian capital, in a total value of 2.6 billion crowns. The contract also includes a possible option for a further 38 machines. The first trolleybuses of the Škoda 27 Tr type have already been delivered to Riga in the course of 2014.. Škoda Electric also delivers trolleybuses to Sofia in Bulgaria and to Bratislava.



MEXICO

Delivery of Mining Locomotives

Exporter: FERRIT s. r. o.

Financing bank: Česká spořitelna, a.s.

Supply of Diesel hydraulic mining locomotives DLZ210F for the mining concern MineradelNorte which, with a capacity of more than 3 million tons, is among the largest steel producers in Mexico. The Ferrit company was founded in 1993, and in cooperation with subcontractors it manufactures technological units for use in underground mines, mining transportation, tunneling and mining. Ferrit is the only manufacturer of suspension locomotives on the Czech market. It also supplies coal crushers, handling and transportation equipment. 93% of its production is exported to foreign countries, where the buyers are surface and underground mines.



RUSSIA

ŠKODA AUTO – Delivery of Components for the Kaluga Plant

Exporter: ŠKODA AUTO, a.s.

Financing bank: Sberbank CZ, a.s. + ČSOB

Supply of components for Škoda Octavia and Fabia cars in the total amount of 40 million EUR. Škoda cars are manufactured in the assembly plant in Kaluga and after the installation is finished automobiles are sold to the main dealer of Skoda cars in the Russian Federation. This project represents the beginning of a planned financing project for long-term support of the exports of Skoda components and cars to the Russian Federation in the coming years.



RUSSIA

Combined Cycle Power plant Kurgan

Exporter: *PSG International, a.s.*

Financing bank: *Czech Export Bank, a.s.*

A combined cycle power plant with an electrical capacity of 229.5 MW and a thermal capacity of 245.6 Gcal/h in the northern industrial zone of Kurgan city. It utilizes the advantages this kind of plant provides, consisting of high efficiency and low environmental load and also speed of construction and lower costs compared to coal and other types of plants. Basic technologies involve turbines burning natural gas, the waste heat of which is used to drive a condensing steam turbine and to generate heat for heating purposes. The construction was implemented by PSG International and its value is EUR 269.5 million.



RUSSIA

Supplies for Metallurgical Combine in Magnitogorsk

Exporter: ALTA, a.s.

Financing bank: Czech Export Bank, a.s.

This project involved the delivery of vacuum furnace and continuous casting technology. ALTA delivered the technology valued at 69.7 million USD and construction works worth 80 million USD were provided by PSG. ALTA is an experienced exporter of both individual technologies and complete production units, and PSG is a construction company with a long tradition and a wide array of references from many countries. Magnitogorsk Metallurgical Combine is currently one of the leading metallurgical plants in Russia, and among the top twenty in the world.



RUSSIA

A complex of two Pig Fattening Farms

Exporter: Bauer Technics, s.r.o.

Financing bank: Československá obchodní banka, a.s.

Construction of a complex of 2 farms for fattening pigs including fodder mixers, slaughterhouses and 2 biogas stations processing manure is being implemented by BAUER TECHNICS and its value is EUR 7.5 million. The finished meat processing plant should be slaughtering 300,000 pigs and 180,000 cattle per year.



RUSSIA

Business and Administrative Plaza City Complex – ADLER

Exporter: PSJ, a.s.

Financing bank: PPF banka, a.s.

Construction of a commercial and administrative office complex in the Plaza City in the Adler area in Sochi worth 56.3 million EUR was implemented by the Czech construction company PSJ. The entire complex consists of a department store and an office building. The store is located on three floors with a total area of 30,000 m² and besides a hypermarket there are many boutiques, restaurants, conference facilities and a multiplex cinema. The office building has ten floors, while the ground floor is designed for commercial purposes and the top two floors are apartments.



RUSSIA

Production Lines for Oskol Rolling Mill

Exporter: ŽĐAS, a.s.

Financing bank: **COMMERZBANK**

Delivery of three finishing and inspection lines of the Oskol rolling mill worth a total of 54 million EUR was undertaken by ŽĐAS company, which focuses on manufacturing engineering technologies. OAO OskolElectrometallurgicalCombine is a company whose trade is the production and sale of metallurgical products for both the domestic and foreign markets. In the Russian Federation Oskol is one of the largest metallurgical facilities annually producing more than 2.4 Mt of high quality electrical steel per year.



RUSSIA

Obstetrics and Gynecology Complex in Ufa

Exporter: **BLOCK, a.s.**

Financing bank: **PPF banka, a.s.**

The construction and equipping of an obstetrics-gynecology complex at the G. G. Kuvatov clinical hospital in Ufa was implemented by the Czech exporter **BLOCK, a. s.** The contract value was 38.3 million EUR. **BLOCK** supplied medical technology and also implemented finishing works – facade, cladding, roof, interior finishing works, lifts, building equipment and wiring.



RUSSIA

Technologies for a Bakery in Sochi

Exporters: LS – Liberecké strojírný, J4 and Topos

Financing bank: UniCredit Bank Czech Republic, a.s.

The main bakery in Sochi underwent a large modernization before the Winter Olympics. The new technologies were supplied by the Czech firms LS-Liberecké strojírný, J4 and Topos. The bakery currently produces 70 tons of bread a day and supplies the entire agglomeration of Sochi. The Sochinskijchlebozavod itself employs 250 people. It was the main supplier of bakery products for the Winter Olympics.



SLOVAKIA

Buses for the Municipal Transport of Košice

Exporter: SOR Libchavy, s.r.o.

Financing bank: Československá obchodní banka, a.s.

The Municipal Transport Company of Košice has been using buses from the Czech manufacturer, SOR Libchavy since the end of 2013. Within the scope of their fleet renewal, the Czech exporter will supply them with a total of 127 buses. For SOR Libchavy it is a key job that will allow business and technical development of the company. The Czech Republic is generally very successful in the export of buses. Over the more than twenty years of its existence, EGAP has insured the export of nearly 4,800 buses manufactured in the Czech Republic worth more than 16 billion Czech crowns.



SYRIA

Construction of Afamia Beverages Brewery

Exporter: DIO Hradec Králové s.r.o.

Financing bank: UniCredit Bank Czech Republic, a.s.

The construction of the brewery started in February 2012 and was completed in July of the same year. It supplies the Afamia BEVERAGES Company LLC with a capacity of 135,000 hl per year. DIO also has several years of experience with full-scale deliveries of breweries as the main subcontractor of its parent company ZVU POTEZ a.s., which in this case figures rather as the main subcontractor. Another implemented business project, where the main contractor is, on the contrary, ZVU POTEZ a. s., is a full-scale, complete delivery of a brewery for the Ethiopian importer RAYA BREWERY S.C.



TURKEY

Purchase and Completion of Hydroelectric Power Plants

Investor: Energo-Pro, a.s.

Financing bank: Czech Export Bank, a.s.

One of the biggest Czech investors in Turkey is Energo-PRO from Svitavy. In 2010, it bought a total of five hydroelectric power plants in three cascades from two Turkish companies. Of these, two were finished and three had to be finished yet. So EGAP insured an investment of more than 7 billion Czech crowns. All plants are now in full operation. The installed capacity of these plants amounts to 95 MW and an annual production to approximately 600,000 MWh.



TURKEY

Steam Turbo Generator

Exporter: Siemens Industrial Turbomachinery, s.r.o.

Financing bank: Československá obchodní banka, a.s.

The delivery of a steam turbine generator, including installation and commissioning a 240 MW combined cycle power plant in Samsun totaled 8.6 million EUR. The Czech exporter is the company Siemens, s.r.o., a branch of Industrial Turbomachinery (SIT). Turbines by this manufacturer feature a low environmental impact and high efficiency. Within the Siemens group, SIT is responsible for industrial steam turbines with an output of 60–180 MW and gas turbines with an output of 15–50 MW.



UKRAINE

Deliveries for GP NAEK Energoatom

Exporter: Škoda JS

Financing bank: Czech Export Bank, a.s.

Škoda JS Company concluded a contract for the supply for the NAEK company, which is one of the main electricity producers in Ukraine and its production represents approximately 50% of the Ukrainian energy market. NAEK is 100% owned by the Ukrainian state and is fully managed by the Ministry of Fuel and Energy of Ukraine, which sets out the overall strategy of the company. The company owns four nuclear power plants with 15 reactors and its only customer is another Ukrainian state company Energorynok.



URUGUAY

Engine delivery for a powder spray aircraft

Exporter: GE Aviation Czech s.r.o.

EGAP secured a share in the export credit insurance provided by the U.S. Exim Bank in connection with the financing of aircraft deliveries from the USA to Uruguay. The provision concerned the motor produced at GE Aviation Czech in Prague-Letňany (formerly "Walterovka"). The engine was installed in a powder-spraying plane by ThrushAircraft Company from the USA, which only exported it to the Uruguay customer. During this year, the factory in Prague-Letňany a total of 24 new H80 aircraft engines, which were completely designed and manufactured in the Czech Republic, to American Thrush.

We Support the Best. In Sport and in Export.



Biathlon Gabriela Soukalová
double medalist of the Winter Olympic Games in Sochi

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