

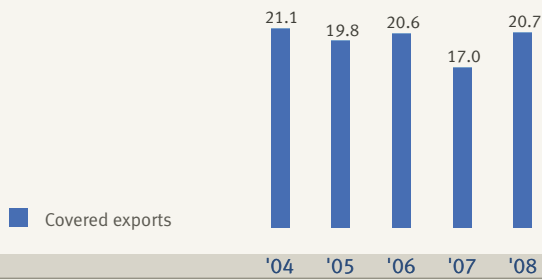


# DEVELOPMENT OF EXPORT CREDIT GUARANTEES

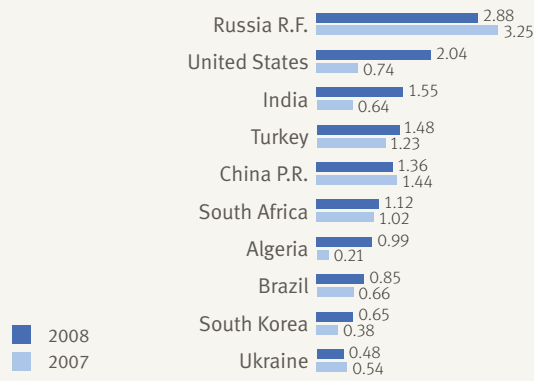


THE FEDERAL GOVERNMENT GRANTED GUARANTEES FOR EXPORT BUSINESS TO 152 COUNTRIES IN 2008. ONCE AGAIN, RUSSIA HEADED THE TOP TEN COUNTRIES, FOLLOWED BY THE USA, INDIA, TURKEY AND CHINA. MORE THAN 83 % OF COVERED EXPORTS WERE ASSUMED FOR BUSINESS TO THE DEVELOPING WORLD AND THE EMERGING ECONOMIES. THE VOLUME OF COVER FOR BOTH SHORT AND MEDIUM AND LONG-TERM TRANSACTIONS INCREASED IN 2008. IN CONTRAST TO THIS, INDEMNIFICATIONS UNDER COMMERCIAL AND POLITICAL CLAIMS WENT DOWN DUE TO A REDUCTION IN THE NUMBER OF COMMERCIAL CLAIMS BY A GOOD QUARTER. RECOVERIES TOO WERE LOWER THAN IN THE PREVIOUS YEAR. THE SURPLUS GENERATED IN 2008, 413 MILLION EUROS, BRINGS THE ACCUMULATED BALANCE UP TO 1 BILLION EUROS.

**VOLUME OF COVER  
IN BILLION EUR**



**TOP MARKETS FOR NEW  
GUARANTEES 2008/2007  
IN BILLION EUR**



Total 2008: 20.68 (100%)    Subtotal 2008: 13.40 (64,8%)

## COVER FOR NEW BUSINESS

The Federal Republic of Germany granted export credit guarantees for exports to buyers in 152 countries in the year under review. Newly covered business, at 20.7 billion euros, was 21.9 % up year-on-year and reached the second highest figure in the history of the export credit guarantees. This means that Hermes Guarantees covered 2.1 % of total German exports in 2008, which went up by 2.8 % to 994.9 billion euros.

The ten countries with the highest cover volume accounted together for a share of 64.8 % of insured orders by value.

**RUSSIA** once again leads the field of the countries with the highest newly granted cover, with some 2.9 billion euros, (-11.4 % over the previous year). The lion's share of this consisted of large-scale guarantees for the mechanical engineering sector and plant construction as well as the steel industry. 55 % of the business volume here was covered on the basis of the buyer risk without additional collateral (corporate risk). The remaining transactions were secured by bank guarantees.

The granting of export credit guarantees for four cruise liners meant that cover volume for the **USA** nearly tripled.

Guarantees for a number of major steelworks projects led to a steep rise in cover volume for **INDIA**.

The volume of covered exports to **TURKEY** was up by 20 % compared with 2007. Hermes Guarantees were granted for both short-term trade and medium and extended-term exports for the construction of passenger ferries as well as machinery for virtually every sector of the economy.

Cover for exports to **CHINA** fell by 5.6 %. Large-scale guarantees included projects for the construction of a steel rolling mill and facilities for paper manufacturing. As in previous years, capital goods transactions here were handled almost exclusively on short payment terms.

The volume of cover for **SOUTH AFRICA** went up once again due to the granting of a guarantee for a major power plant with a value of 713 million euros.

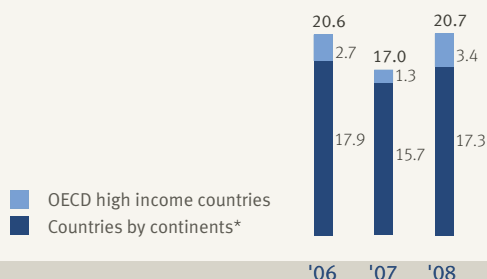
The largest single guarantee to the tune of 802 million euros was for the turnkey construction of a fertilizer complex in **ALGERIA**.

Cover for **BRAZIL** rose by just over a quarter (27.3 %). The share of cover here for short-term export transactions increased to 93 %.

As a result of cover granted for major projects in the steel sector, export credit guarantees for **SOUTH KOREA** went up by 73 %.

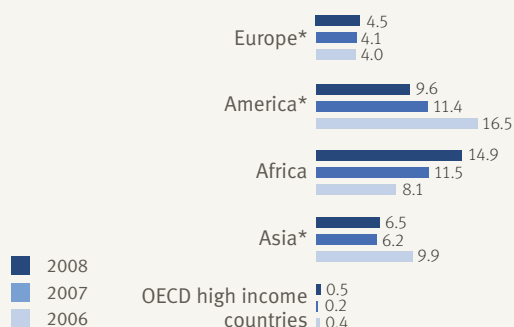
Export credit guarantees for business in the **UKRAINE** decreased by 10 % and were predominantly accounted for by the mechanical engineering and plant construction sectors as well as the steel industry.

### VOLUME OF COVER BY COUNTRY GROUPS IN BILLION EUR



\* excl. OECD high income countries

### COVERD PERCENTAGE OF TOTAL EXPORT VOLUME BY COUNTRY GROUPS IN %



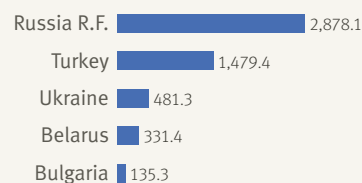
\* excl. OECD high income countries

### VOLUME OF COVER BY COUNTRY GROUPS

Countries	2007		2008	
	million EUR	%	million EUR	%
by continents*	15,728.4	92.7	17,331.6	83.8
of which Europe	5,690.2	33.5	5,624.7	27.2
America	2,403.1	14.2	2,324.9	11.2
Africa	2,020.6	11.9	2,928.5	14.2
Asia	5,608.4	33.1	6,450.8	31.2
Near/Middle East	1,515.0	9.0	1,224.7	5.9
Southern/Central Asia	1,361.6	8.0	2,164.4	10.5
East Asia	2,731.8	16.1	3,061.7	14.8
Oceania	6.1	0.0	2.7	0.0
OECD high income	1,242.4	7.3	3,351.4	16.2
<b>Total</b>	<b>16,970.8</b>	<b>100.0</b>	<b>20,683.0</b>	<b>100.0</b>
Thereof EU countries	314.5	1.9	795.9	3.8

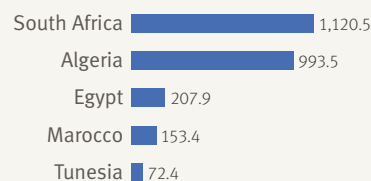
\* excl. OECD high income countries

### NEW GUARANTEES 2008 FOR EUROPEAN COUNTRIES IN MILLION EUR (EXCL. OECD HIGH INCOME COUNTRIES)



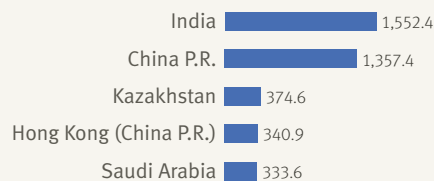
Total: 5,624.7 (100%)      Subtotal: 5,305.5 (94.3%)

### NEW GUARANTEES 2008 FOR AFRICAN COUNTRIES IN MILLION EUR



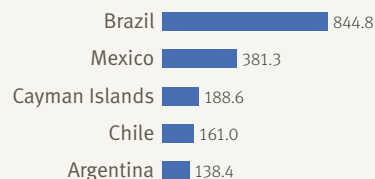
Total: 2,928.5 (100%)      Subtotal: 2,547.7 (87.0%)

### NEW GUARANTEES 2008 FOR ASIAN COUNTRIES IN MILLION EUR (EXCL. OECD HIGH INCOME COUNTRIES)



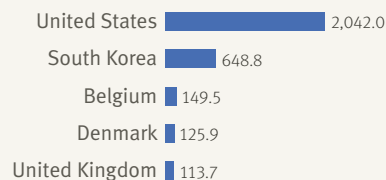
Total: 6,450.8 (100%)      Subtotal: 3,958.9 (61.4%)

### NEW GUARANTEES 2008 FOR AMERICAN COUNTRIES IN MILLION EUR (EXCL. OECD HIGH INCOME COUNTRIES)



Total: 2,324.9 (100%)      Subtotal: 1,714.1 (73.7%)

### NEW GUARANTEES 2008 FOR OECD HIGH INCOME COUNTRIES IN MILLION EUR



Total: 3,351.4 (100%)      Subtotal: 3,079.9 (91.9%)

## BREAKDOWN OF NEWLY COVERED BUSINESS BY COUNTRY GROUPS

The breakdown of the country groups is based on the World Bank definition according to OECD membership and annual per capita income as well as regionally by geographical position<sup>1</sup>. As of 2008, Hungary and the Czech Republic now belong to the group of the OECD High Income Countries.

In the year under review, 83.8 % or 17.3 billion euros of covered exports went to the **DEVELOPING COUNTRIES AND EMERGING ECONOMIES**. Total exports from the Federal Republic of Germany to these countries remained at 269.9 billion euros, almost at the same level as the previous year (269.3 billion euros). The exports to the tune of 17.3 billion euros covered by Federal export credit guarantees represent a share of 6.5 % of this.

The main focus of cover in 2008 was the Asian and European countries.

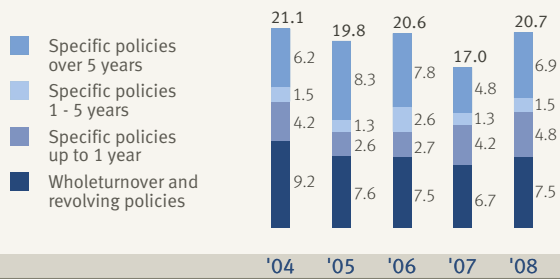
There is relatively little demand for state export credit guarantees for the **OECD HIGH INCOME COUNTRIES** in comparison to the volume of exports which go there: On the one hand this is due to the lower perceived risk and on the other to the availability of other options for financing and insurance cover. In the year under review, exports with a value of 725.0 billion euros went to these countries, representing 72.9 % of total German exports. Of this, state export credit guarantees covered 3.4 billion euros (2007: 1.2 billion euros). The main reason for the increase of the share was the granting of guarantees for major projects such as cruise liners.

The OECD High Income Countries had a share of newly covered business of 16.2 % (2007: 7.3 %). As a proportion of total exports to these countries this resulted in a covered share of 0.5 %.

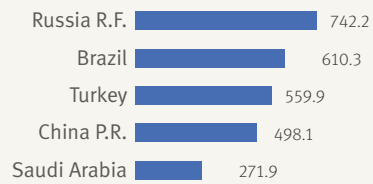
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<sup>1</sup> See the allocation of countries in the Annex p. 104

### COVERED EXPORTS BY HORIZON OF RISK IN BILLION EUR

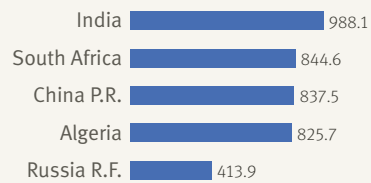


### WHOLETURNOVER POLICIES 2008 IN MILLION EUR



Total: 7,280.8 (100%)      Subtotal: 2,682.4 (36.8%)

### SHORT-TERM SPECIFIC POLICIES 2008 IN MILLION EUR



Total: 4,739.3 (100%)      Subtotal: 3,909.8 (82.5%)

## BREAKDOWN BY HORIZON OF RISK AND TYPE OF COVER

The breakdown of newly covered business in the amount of 20.7 billion euros by horizon of risk and cover type can be seen in the charts on the page opposite.

The volume of cover of **SHORT-TERM BUSINESS** with credit periods of up to one year increased by 12.7 % to 12.2 billion euros. Among other reasons, this is attributable to a rise in demand for short-term specific guarantees. Their turnover was up 14.8 % year-on-year. Revolving policies, in contrast, were down (-5.4 %). The share of short-term business in total cover granted was lower too: it dropped from 64.0 % in the previous year to 59.2 %.

As in the preceding year, just under 60 % of newly covered short-term business was on the basis of **WHOLETURNOVER POLICIES**, which give cover for a maximum credit period of 360 days. Overall they rose by 12.0 %.

The number of wholeturnover policies stabilized in 2008, after the expiry of the policies covering Romania and Bulgaria and the complete withdrawal of the Federal Government from granting short-term cover for the new EU countries. Nevertheless, the volume of cover under wholeturnover policies posted a marked rise from 6.5 billion euros to 7.3 billion euros. Growth was particularly high in Brazil and Russia.

As expected, premium income, 35.9 million euros, was down year-on-year, (2007: 39.4 million euros). This is a result of the generally good claims situation as well as the premium reduction implemented in 2007.

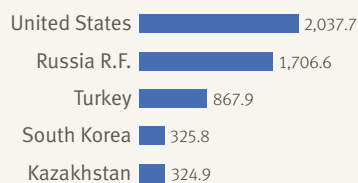
Russia once again took pride of place in turnover volume here with 742 million euros. Cover volume under wholeturnover policies with the CIS states overall exceeded 1 billion euros for the first time. The share of the CIS states in total wholeturnover cover rose as a result to 14.8 %.

The financial crisis had no impact on the results of wholeturnover cover for the year 2008. Due to the deferred deadline for declaration of turnover in the wholeturnover policy, only deliveries up to November 2008 at the latest are included in the figures for the year. Increased demand has been registered for wholeturnover policies since November 2008.

**REVOLVING SPECIFIC POLICIES** went down by 5.4 % to 222 million euros. While their share of total cover had been 1.4 % one year before, it was only 1.1 % in 2008.

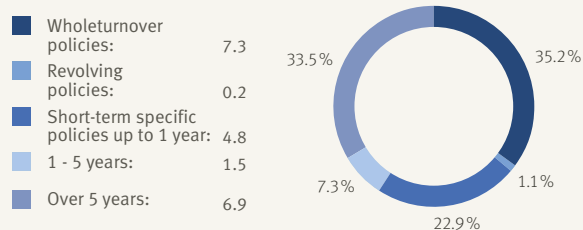
**SHORT-TERM SPECIFIC POLICIES** with a credit period up to one year posted a rise of 14.8 % to 4.7 billion euros. This figure also includes short-term receivables due in respect of progress payments in constructional works contracts. As well as trade goods it also includes cover for capital goods which were delivered on short-term conditions. The strong surge in short-term specific

### MEDIUM AND LONG-TERM POLICIES 2008 IN MILLION EUR



Total: 8,441.3 (100%)      Subtotal: 5,262.9 (62.3%)

### GUARANTEES 2008 BY HORIZON OF RISK IN BILLION EUR



Total: 20.7

### APPLICATIONS

	2007	2008	Change in %
Applications in million EUR	38,074	39,912	4.8
Numbers of applications	12,685	12,776	0.7
<i>of which specific policies</i>	2,177	2,260	3.8
<i>Wholeturnover policies</i>	10,508	10,516	0.1

### NEW GUARANTEES

	2007	2008	Change in %
Volume of cover	16,971	20,683	21.9
of which specific policies			
Volume in million EUR	10,233	13,181	28.8
<i>of which for private buyers</i>	8,568	11,093	29.5
<i>of which for public buyers</i>	1,665	2,088	25.4
Numbers of specific policies	1,115	1,009	-9.5
<i>of which for private buyers</i>	940	894	-4.9
<i>of which for public buyers</i>	175	115	-34.3

policies was largely due to increased demand for supplies to India, South Africa and Algeria.

The volume of cover under **MEDIUM AND LONG-TERM SPECIFIC POLICIES** rose as a result of several major transactions by 38.3 %. This brought their share of total business up to 40.8 %. Order values covered rose to 8.4 billion euros after 6.1 billion euros in the preceding year. The countries with the highest cover volume in this segment were the USA, Russia and Turkey.

The share of **TIED BUYER CREDITS** in the volume of medium and long-term specific guarantees dropped from 83.3 % in 2007 to 80.6 %.

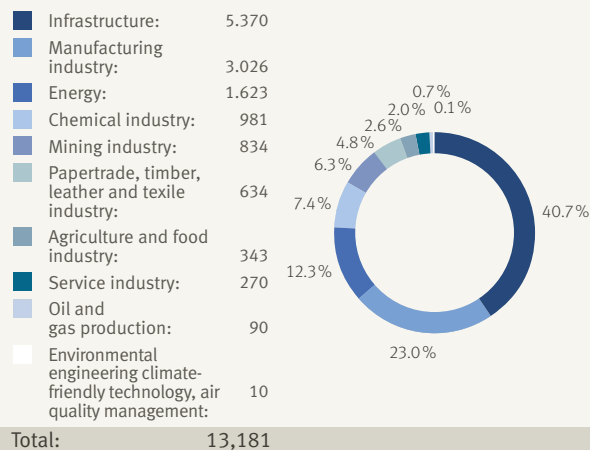
## NUMBER AND VOLUME OF APPLICATIONS

The number of **NEW APPLICATIONS FOR COVER** in the year under review increased by 0.7 %, while the volume of cover applied for went up in parallel by 4.8 %.

The number of **NEW SPECIFIC POLICIES** went down again, falling from 1,115 to 1,009. Nonetheless the overall volume of underlying orders under this form of cover rose by 28.8 %. The number of major projects with a value in excess of 50 million euros almost doubled compared with the previous year. 44 projects were covered (2007: 26), representing 56.5 % (2007: 44.3 %) of the volume of specific cover.

The number of private buyers has further increased. Thus the ratio between cover for **PUBLIC AND PRIVATE BUYER RISKS** shifted by 4.3 percentage points in favour of the number of private buyers. 88.6 % of specific policies were accounted for by private and 11.4 % by public buyers. In terms of the order values covered, only marginal changes were posted: the ratio between private and public buyers was 84.2 % to 15.8 % (2007: 83.7 % private to 16.3 % public buyers).

### SPECIFIC POLICIES 2008 BY INDUSTRIAL SECTORS IN MILLION EUR



### OFFICIALLY SUPPORTED, ENVIRONMENTALLY RELEVANT PROJECTS 2008 BY CATEGORIES AND INDUSTRIAL SECTORS

	Number	Volume in million EUR
<b>Category A</b>		
Power generation and distribution	5	898.4
Steel	1	260.8
Infrastructure	1	57.1
Other industries	1	18,3
<b>Total Category A</b>	<b>8</b>	<b>1,234.6</b>
<b>Category B</b>		
Steel	7	538.0
Cement	6	309.1
Wood processing and paper	6	216.2
Renewables (here: production of components)	2	186.8
Infrastructure	3	72.1
Other industries	7	281.5
<b>Total Category B</b>	<b>31</b>	<b>1,603.7</b>

## COVER BY SECTORS

The breakdown of specific policies by types of goods was replaced by a breakdown into ten sectors (cf. p. 98). This new breakdown enables, as well as grouping the export goods covered according to type, their categorization by the intended purpose of the transaction. The infrastructure segment posted an increase of 44.4 % in 2008. This is mainly due to the fact that new building of ships is now allocated to this segment, as are also aircraft and commercial vehicles.

Export guarantees for aircraft rose by 17.5 % to one billion euros, taking a share of 7.8 % of specific cover. This brings aircraft up to 5.0 % of total new business covered. In the shipping sector, export credit guarantees climbed steeply to 2.7 billion euros, contributing 13.2 % to the total volume of cover in the year under review after 3.5 % in 2007.

Cover for the energy sector – e.g. renewable energies and power stations fired with fossil fuels – went up, as did guarantees for the chemical sector, by a good 80 %. The share of military goods was 0.1 % (2007: 0.7 %).

## ENVIRONMENTALLY RELEVANT ASPECTS IN THE PROMOTION OF PROJECTS

All applications with a credit period of two years or more and an order value upwards of 15 million euros are subject to the recommendations of the OECD on a screening procedure to determine their environmental impacts (the Common Approaches). In 2008 a total of 156 transactions with an order volume of 13.8 billion euros underwent preliminary screening (2007: 105 applications with a volume of 15.4 billion euros). The transactions assigned to Environmental Impact Categories A and B, 59 projects with a total order volume of 4.6 billion euros, went through the in-depth environmental audit under the OECD environmental guidelines (2007: 49 applications with a volume of 5.2 billion euros).

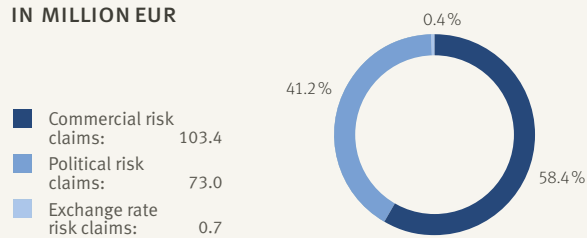
The projects in Categories A and B which received a firm commitment on cover in 2008 were notified to the OECD and their details summarized on the Internet ([www.agaportal.de](http://www.agaportal.de)). These were eight Category A projects with a covered order value totalling 1.2 billion euros as well as 31 Category B projects with an order value of 1.6 billion euros.

Supplies delivered to existing projects, which do not lead to any material changes in the output or the functioning of the project are exempted from detailed in-depth screening under the rules of the Common Approaches in force since July 2007, only a declaration of the environmental risks directly resulting from the German deliveries to the plant being required. The order volume of such deliveries in 2008 was 139.1 million euros.

### CLAIMS PAYMENTS IN MILLION EUR

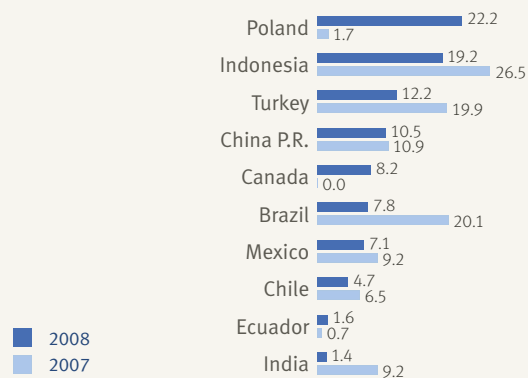
	2004	2005	2006	2007	2008
Political risk claims	124.9	258.3	141.0	90.3	73.0
Commercial risk claims	432.3	432.9	149.5	147.9	103.4
Exchange rate risk claims	1.3	3.9	2.4	2.0	0.7
<b>Total</b>	<b>558.5</b>	<b>695.1</b>	<b>292.9</b>	<b>240.2</b>	<b>177.1</b>

### CLAIMS PAYMENTS 2008 IN MILLION EUR



Total: 177.1

### CLAIMS PAYMENTS UNDER COMMERCIAL RISK COVER 2008/2007 IN MILLION EUR



Total 2008: 103.4 (100%)    Subtotal 2008: 94.9 (91.8%)

## CLAIMS AND RECOVERIES, RESCHEDULING

### CLAIMS

The amounts paid out for claims went down by a good quarter in 2008 and stood at 177.1 million euros, 26.6 % down on the previous year's figure (240.2 million euros). This further steep decline over 2006 is principally due to a fall of something like a third in commercial claims. Payments for political claims were similarly down again (-19 %).

**PAYMENTS FOR POLITICAL CLAIMS**, totalling 73.0 million euros, were once again dominated by **ARGENTINA**, which accounted for far and away the lion's share with a single project which generated a payment of 55.2 million euros, although payments overall, which came in at 15.2 % less than the previous year (65.1 million euros) have declined.

Payments in respect of **COMMERCIAL CLAIMS**, totalling 103.4 million euros, are 30.1 % down on the previous year's figure (147.9 million euros), thus posting the lowest figure since 2001. The number of claims is also down; it was only at the end of the year that a slight rise could be seen. The highest payments, 22.2 million euros, were accounted for by **POLAND**. This was a one-off effect caused by the bringing forward of a payment under the bankruptcy of a petrochemical company. Payments for commercial claims in **INDONESIA** have, it is true, decreased by 27.5 %, but are still relatively high at 19.2 million euros. They are mainly a result of follow-on instalments arising out of business with the paper industry.

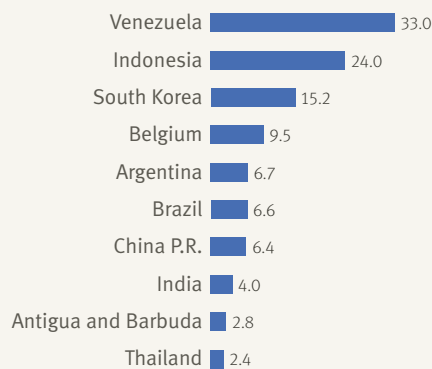
Claims payments in respect of buyers in **TURKEY** also went down (-38.7 %). The sum of 12.2 million euros indemnified referred predominantly to the textile industry. Claims paid for business with **CHINA** were constant at about last year's level with payments of 10.5 million euros. There were further payments of 8.2 million euros in a claims case in the printing industry in **CANADA**.

There has been a sometimes steep decline in commercial claims in all other countries. In view of the generally very low level of commercial claims over recent years, however, and against the background of the developments on the financial markets and the current economic situation worldwide, payments must be expected to rise again in 2009.

**RECOVERIES FOR CLAIMS PAID (EXCL. INTEREST)  
IN MILLION EUR**

	2004	2005	2006	2007	2008
under political risk over	855.3	4,623.5	5,761.0	117.0	95.4
<i>thereof rescheduled amounts</i>	849.4	4,604.0	5,751.4	99.3	89.9
under commercial risk over	174.0	251.2	209.8	183.8	121.4
<b>Total</b>	<b>1,029.3</b>	<b>4,874.7</b>	<b>5,970.8</b>	<b>300.8</b>	<b>216.8</b>

**RECOVERIES UNDER COMMERCIAL CLAIMS 2008  
IN MILLION EUR**



Total: 121.4 (100%)

Subtotal: 110.6 (91.1%)

## RECOVERIES

**RECOVERIES ON COMMERCIAL CLAIMS** dropped by about a third year-on-year (-33.9 %). All in all, payments of 121.4 million euros were received (2007: 183.8 million euros). Due to the improving economic growth in a number of countries, there had been non-recurring effects as a result of early repayment of debt due to company reorganizations. Such effects hardly played any role in 2008.

The major part of recoveries, 33.0 million euros, was accounted for by a claim in a project finance deal in **VENEZUELA**. This represents the proceeds from a final settlement. High repayment sums (24.0 million euros) were also received from **INDONESIA**, too; these result in large measure from restructuring schemes in the paper industry, as was also the case with payments from **SOUTH KOREA** (15.2 million euros). The proceeds realized from the sale of aircraft held as collateral in connection with indemnified transactions with **BELGIUM** in the previous year were not repeated in 2008; notwithstanding, recoveries of 9.5 million euros were generated in the aircraft sector.

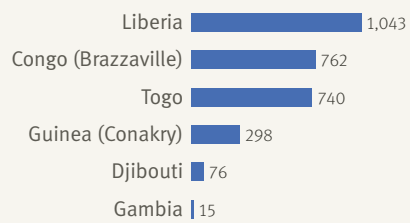
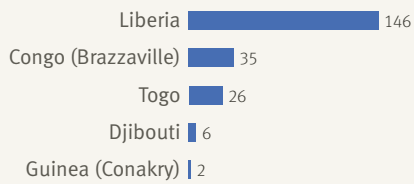
Payments received from **ARGENTINA** (6.7 million euros) are substantially the result of a single one-off payment under the settlement reached with a private buyer. Recoveries of 2.8 million euros were received from **ANTIGUA AND BARBUDA** on outstanding claims under shipping finance deals.

Against the backdrop of diminishing commercial claims and the recoveries from these, which only as a rule generate payments with a time lag, recoveries must be expected to decline still further in the near future. The bleak economic outlook also seems likely to make obtaining payments on outstanding commercial claims more difficult.

## RESCHEDULING

The focus in 2008 was first and foremost on discharging the debt of the so-called HIPC (Heavily Indebted Poor Countries). Of the 41 countries eligible for the programme due to their debt situation, 34 have now completed preparations for far-reaching forgiveness of their debt, the last being Togo in November 2008. Over recent years, 23 countries have completed the process of discharging their debt with complete forgiveness of their outstanding trade debts. The partial discharge of indebtedness thus achieved by these countries means that they can make a managed fresh start, enabling them to take out new loans while taking account of the sustainability aspect (cf. p. 36).

In addition, the creditor countries represented in the Paris Club lobbied to persuade the creditors who are not members to grant a measure of debt relief to the so affected countries equivalent to that of the Paris Club. To this end, discussions with the private creditors as well as the banks and special interest groups and with other bilateral creditors were intensified.

**VOLUME OF MULTILATERAL RESCHEDULINGS 2008  
IN MILLION US-DOLLAR****Total:** 2,934**SHARE OF GERMAN TRADE RECEIVABLES IN VOLUME  
OF MULTILATERAL RESCHEDULINGS 2008  
IN MILLION EUR****Total:** 215

A bilateral agreement was signed at the beginning of 2008 with **JORDAN** to buy back its debt in respect of German trade receivables, totalling 22.5 million euros, at market value. Jordan thus joins the ranks of the former rescheduling countries such as Russia, Algeria, Brazil, Peru, Poland and Macedonia, whose positive economic and financial development had enabled them to repay their debts prematurely over recent years. It still remains to be seen whether any more debtor countries will offer to make early repayment of their debt.

After long years of civil war and economic decline in **LIBERIA**, the Liberian government had succeeded in restoring political stability and economic recovery to the point at which comprehensive debt forgiveness and the long-term deferral of repayment of residual debt under the HIPC Initiative was granted by the members of the Paris Club. The bilateral agreement to this effect was signed at a conference of the donor countries hosted by Germany in June 2008, granting debt forgiveness for some 77 million euros of trade receivables.

**IRAQ** had been the subject of a comprehensive regulation of its debt in the Paris Club at the end of 2004 which foresaw forgiveness of 80 % in three phases. The first two phases covering forgiveness of 60 % had already come into effect in previous years. Iraq then met the schedule under the programme in December 2008 with the final review of the IMF stand-

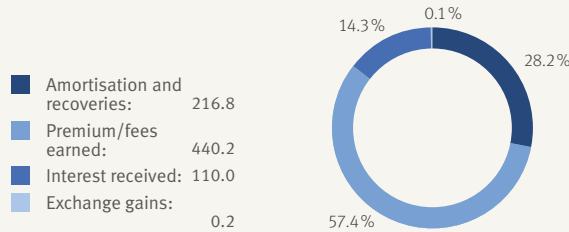
by arrangement and the successful inclusion of comparable debt regulation schemes with the creditor countries which are not organized in the Paris Club, thus fulfilling the criteria for the forgiveness of the remaining 20 %.

This means that Germany has granted Iraq debt forgiveness for a total of some 4.7 billion euros of trade receivables. As contractually agreed, Iraq then made the first instalment of payment of the remaining outstanding debt.

No agreement was reached with the creditors in the Paris Club concerning the outstanding payments due from **ARGENTINA** in the year under review either. Since Argentina imposed a moratorium on the payment of its foreign liabilities at the turn of the years 2001/2002 these have grown to some 7.8 billion US dollars as of 1st September 2008. The German share of this is about 2.7 billion US dollars.

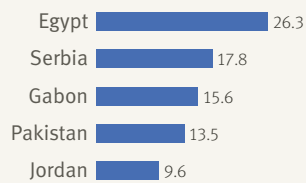
At the beginning of September 2008 Argentina had announced to the Paris Club that it intended to repay its outstanding liabilities within a short time. This intention has however been put on hold for the time being by the Argentine government due to the global financial crisis. It is currently not foreseeable when a final regulation of Argentine debt will come about.

### REVENUES 2008 IN MILLION EUR



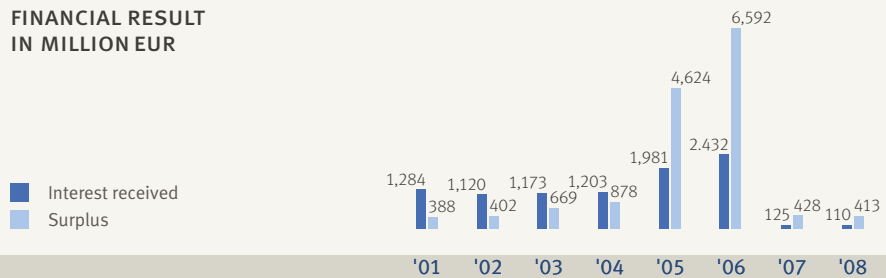
Total: 767.2

### HIGHEST INTEREST PAYMENTS 2008 IN MILLION EUR

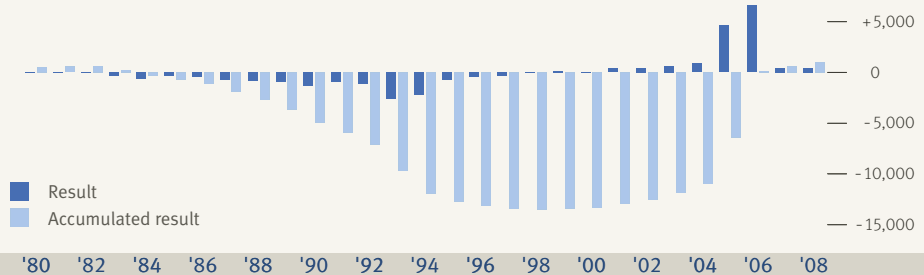


Total: 110.2 (100%)      Subtotal: 82.8 (75.1%)

### FINANCIAL RESULT IN MILLION EUR



### DEVELOPMENT, RESULT AND BALANCE OF THE EXPORT CREDIT GUARANTEE SCHEME OF THE FEDERAL REPUBLIC OF GERMANY 1980 - 2008 IN MILLION EUR



## PROFIT AND LOSS ACCOUNT

### REVENUES

Total **REVENUES** for the Federal budget accounts from the export credit guarantee scheme in the year under review were down 10.6 %, reaching 767.2 million euros.

**PREMIUMS AND FEES** received remained almost at the previous year's level, only slipping slightly by 1.9 % to 440.2 million euros.

The **RECOVERIES** in respect of already indemnified claims and **DEBT REPAYMENT UNDER RESCHEDULING AGREEMENTS** in a total amount of 216.8 million euros must be added to the premium income. The highest recoveries came from Venezuela (33.0 million euros), Ukraine (29.2 million euros), Indonesia (24.0 million euros), Egypt (18.1 million euros) and South Korea (15.2 million euros).

In addition to this there was **INTEREST INCOME** totalling 110.0 million euros (2007: 124.7 million euros), which was generated almost exclusively by rescheduling agreements. The lion's share here, 23.8 %, came from Egypt.

In addition, exchange rate gains amounting to 0.2 million euros (2007: 0.6 million euros) were posted.

### EXPENSES

Expenses fell during the year under review by 19.9 % to 244.6 million euros. They comprise **CLAIMS PAYMENTS** totalling 177.1 million euros and **COSTS** for the administration of the export credit guarantee scheme of 67.5 million euros.

### FINANCIAL RESULT

The export credit guarantee scheme of the Federal Republic of Germany posted a positive result for the Federal budget accounts for the tenth year running, with a **CASH SURPLUS** of 413 million euros. Following the complete discharge in 2006 of the accumulated deficit of 13.5 billion euros previously built up by the export credit guarantee scheme, the overall positive balance of the scheme rose to 1 billion euros at the end of 2008.

On top of this, **INTEREST** of 110 million euros, mainly under rescheduling agreements, (2007: 125 million euros) was transferred directly to the Federal budget accounts. For methodical reasons, this is excluded when calculating the financial result, since the financing costs incurred by the Federal Government in respect of claims paid are also not included.