



## ONDD's mission and scope

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### **Mission**

ONDD, the Office national du ducroire | Nationale Delcrederedienst, is the Belgian public credit insurer with a mission to promote international economic relations. ONDD performs this task as an autonomous government institution enjoying a state guarantee.

### **Scope**

ONDD insures companies and banks against political and commercial risks relating to international commercial transactions, for example regarding capital goods and industrial projects, and contracted works and services. For these risks, ONDD can also work alongside banks through risk sharing schemes. ONDD also insures against political risks relating to foreign direct investments and directly finances commercial transactions of limited proportion.

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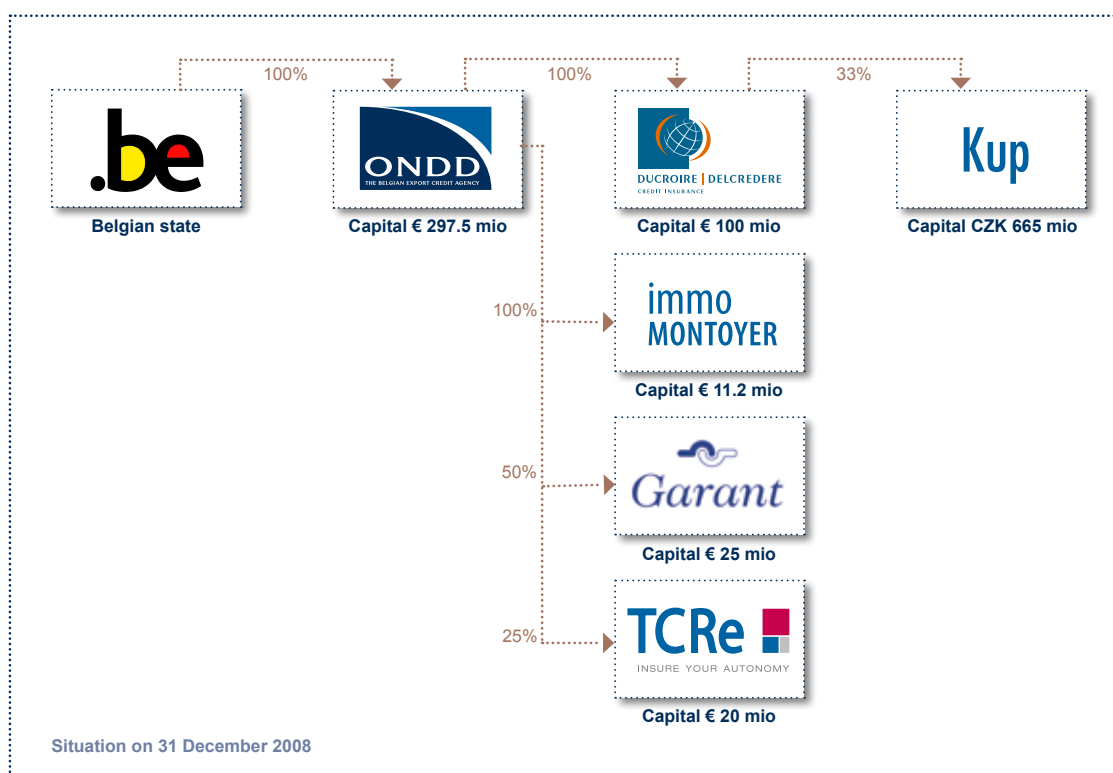
## ONDD Group key figures

ACTIVITIES AND RESULTS OVER THE PAST FIVE YEARS					
(in millions EUR)	2004	2005	2006	2007	2008
<b>Amounts insured during the financial year<sup>(1)</sup></b>	8,922.3	12,317.2	14,671.0	19,866.0	27,388.0
<b>Premiums insured during the financial year<sup>(1)</sup></b>	97.8	97.6	165.2	165.8	206.5
<b>Claims paid during the financial year<sup>(1)</sup></b>	58.7	37.7	45.5	30.7	28.6
<b>Claims recovered during the financial year<sup>(1)</sup></b>	87.6	112.1	271.6	115.4	89.2
<b>Outstanding loans at the end of the financial year</b>	0.3	0.0	0.0	0.1	0.0
<b>Amounts receivable from claims at the end of the financial year<sup>(1)</sup></b>	2,048.3	1,886.8	1,302.4	1,088.3	932.8
<b>Commitments for policies at the end of the financial year<sup>(1)</sup></b>	7,400.8	8,967.4	11,833.1	17,226.5	27,091.0
<b>Provisions at the end of the financial year</b>	576.8	649.9	766.8	864.9	524.1
<b>Result of the financial year</b>	54.9	182.6	122.1	114.1	177.9
<b>Net assets at the end of the financial year</b>	1,035.2	1,217.7	1,339.9	1,454.0	1,632.0
<b>Ratios (in %)</b>					
<b>Premiums / Transactions insured</b>	1.10	0.79	1.08	0.83	0.75
<b>Net claims / Premiums</b>	-29.55	-76.23	-139.65	-51.10	-29.35
<b>Operating costs / Premiums net of reinsurance</b>	25.34	25.23	17.09	17.80	15.81

(1) before cession to reinsurers

## ONDD Group structure

The objective of the ONDD Group is to support customers in their international expansion, to increase the capacity for cover, and to exploit the potential for growth in emerging markets.



01.

*“ In times of crisis,  
credit insurance serves  
its useful purpose. ”*



*ONDD's chairman and executive committee*

*Dirk Terweduwe  
Deputy CEO*

*Alain Huart  
Deputy CEO*

*Jean-Pierre Pauwels  
Chairman board of directors*

*Yves Windelincx  
Chief Executive Officer*



# 01. Introduction

2008 was a key year for the global economy. Companies around the world were quite abruptly confronted with a deep recession. What was the impact for the ONDD Group and how did the companies within the group respond to this challenging situation? Jean-Pierre Pauwels and Yves Windelincx look back on an exceptional year and outline how the ONDD Group fulfills its mission.



**Jean-Pierre Pauwels**  
Chairman board  
of directors ONDD

## How did the ONDD Group fulfil its mission in 2008?

*The group is composed of several entities. The mission of the parent company ONDD is to promote international economic relations. If we measure the success in figures, I feel we've certainly succeeded in that mission. As far as public activity is concerned, we experienced a rise in amounts insured by 53%. As for the private subsidiaries, Ducroire | Delcredere S.A. N.V. has seen activities grow by some 38%, Garant AG by 17% and TCR by 12%. So despite the crisis developing in 2008, we attracted a greater number of clients and recorded significantly higher insurance volumes.*

## Did you have in 2008 the reserves required for such a development?

*For ONDD, such growth was made possible because we raised our equity twice in 2008 by incorporating reserves. As a consequence, our insurance capacity went from €20 billion at the beginning of the year to €30 billion at the*

*end of the year. For the time being, we therefore have the capacity required to meet demand, as is demonstrated by the growth of insured amounts.*

## What impact did the crisis have on the ONDD Group in 2008?

*If you had asked me this question early in November, I would have said the impact was insignificant. The crisis hit us in December, when we saw our loss ratio balloon in several fields of activity: the commodity market, the steel industry, and also in the financial sector.*

## Did ONDD modify its products as a result of the crisis?

*No, because we had already diversified our product portfolio before the crisis. Three years ago we started developing an entire series of products designed to cater to companies which already had difficulties obtaining finance in the banking sector. Today, these products are proving their worth.*

## Will they be used more frequently in 2009?

*They will probably be used more frequently, but our direct financing capacity remains limited.*

## What is your outlook for 2009?

*I certainly don't expect growth to the extent that we experienced in 2008. Turnover will be affected by the heightening of risks on the one hand, which justifies more thorough assess-*



**Yves Windelincx**  
Chief Executive  
Officer ONDD





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ments, and by the volumes that will decline on the other hand. However, companies are requesting cover for transactions they wouldn't have insured before. But nobody knows if this growth, which is counterbalanced by a stricter acceptance policy, will make up for the downturn in volumes.

#### **Will the ONDD Group play a more significant role in 2009?**

*In 2009, rising staff numbers will be a matter of pride for me. What's more, what we do has an effect on employment. By covering our clients against risks, we enable them to sustain their business and keep people in work. Credit insurance is a beautiful business! All the more so because we are passionate about interacting with our clients and understanding their situation, an approach which is becoming more and more rare in an increasingly rational and cold world.*

#### **What is ONDD doing to develop the group further?**

*Ducroire | Delcredere S.A. N.V. set up a branch in London two years ago, and another in Paris in July 2008. Furthermore, it remains our goal to support our clients with sound knowledge of the local field wherever they go. In 2007 Ducroire | Delcredere S.A. N.V. bought a stake in the Czech company KUP based in Prague. The group also takes a close interest in overall developments in Russia as well as the BRIC countries.*

#### **In December 2008 Standard & Poor's AA+ rating was confirmed. How is this important?**

*The rating given to the public parent company of the group eventually corresponds with a Belgian state rating. Since this is the state that guarantees the liabilities of the parent company. This is now all the more important in the light of the crisis.*

#### **How did staff contribute to the growth of the group in 2008?**

*I would like to say all credit to them! We have just about the same number of people as five years ago and it's they, with a certain degree of turnover, who tripled activity. Also, 38% growth of the amounts insured in a year like 2008 is really something. But above all we went European, whereas previously we used to have a closed structure centred on Belgium.*

*“ We are passionate about interacting with our clients and understanding their situation. ”*

*It required a great deal of enthusiasm to succeed in an undertaking everyone thought to be impossible for a company of public origin.*

# 01. Composition of ONDD's administrative bodies

The board of directors possesses all means of administration and authority to carry out ONDD's remit. More particularly, the board of directors sets out the company's general policy, decides on the allocation of the required resources and approves budgets and accounts. Day-to-day management is transferred to the Chief Executive Officer. The latter executes his mandate with an executive committee under his direction.

## *Composition on 31 December 2008*

BOARD OF DIRECTORS	
<b>Jean-Pierre PAUWELS</b> <b>Dominique MICHEL *</b>	Chairman Vice-Chairman
<b>Jean-Pierre ARNOLDI</b> <b>Franciscus GODTS</b>	Member, representative of the Minister of Finance Alternate member
<b>Hans BRUYNINCKX</b> <b>Carole COUNE</b>	Member, representative of the Minister for Public Companies Alternate member
<b>Mark GELEYN</b> <b>Walter STEVENS</b>	Member, representative of the Minister for Foreign Affairs Alternate member
<b>Michel VAN DER STICHELE</b> <b>Xavier DE CUYPER</b>	Member, representative of the Minister for Development Cooperation Alternate member
<b>Patrick VAN HAUTE*</b> <b>Cathy BUGGENHOUT</b>	Member, representative of the Minister for Foreign Trade Alternate member
<b>Lambert VERJUS</b> <b>Erik STERCKX</b>	Member, representative of the Minister for Economy Alternate member
<b>Fabienne L'HOOST</b> <b>Marc BOGAERTS</b>	Member Alternate member
<b>Daniel VAN DAELE</b> <b>Tony JANSSEN</b>	Member Alternate member
<b>Caroline VEN*</b> <b>Olivier VAN DER MAREN*</b>	Member Alternate member
<b>Koen ALLAERT</b> <b>Dirk LAMMENS</b>	Member, representative of the Flemish Government Alternate member

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BOARD OF DIRECTORS (cont'd)	
<b>Ludo CUYVERS</b> <b>Hugo VAN DRIESSCHE</b>	Member, representative of the Flemish Government Alternate member
<b>Georges STIENLET</b> <b>Elke TIEBOUT</b>	Member, representative of the Flemish Government Alternate member
<b>Pascale DELCOMMINETTE</b> <b>Nicolas KEUNEN</b>	Member, representative of the Walloon Government Alternate member
<b>Silvana FLAGOTHIER</b> <b>Francis MULLERS</b>	Member, representative of the Walloon Government Alternate member
<b>Jean-Jacques WESTHOF</b> <b>Jean-Jacques VERDICKT</b>	Member, representative of the Walloon Government Alternate member
<b>Bernard DE CORT</b> <b>Steve DUBOIS</b>	Member, representative of the Government of the Brussels Capital Region Alternate member
<b>Jean-Philippe MERGEN</b> <b>Peter CLAES</b>	Member, representative of the Government of the Brussels Capital Region Alternate member
<b>Eric VANDOORNE*</b> <b>S��verine WATERBLEY</b>	Member, representative of the Government of the Brussels Capital Region Alternate member

\* Outgoing member

EXECUTIVE COMMITTEE	
<b>Yves WINDELINCX</b>	Chief Executive Officer
<b>Alain HUART</b>	Deputy CEO
<b>Dirk TERWEDUWE</b>	Deputy CEO

INTERNAL AUDIT	
<b>Heidi GOMBERT</b>	Internal auditor

SECRETARY GENERAL & COMPLIANCE	
<b>Walter BLOM</b>	Secretary General & Compliance Officer

# 02.

## ONDD Group summary

“ ONDD as a group has diverse products and fields of activity. We are bound by a desire to stimulate businesses to develop their international activities. ”



*Danielle Ferrière - Senior Underwriter*

# 02. Summary of ONDD Group's activities

You are probably familiar with ONDD as an expert in providing cover for companies against political and commercial risks related to international trading or as a body covering political risk related to foreign investment. Perhaps it is less widely known that the ONDD Group is also directly involved in financing transactions of limited scale, among other things. Over the past few years the ONDD Group has evolved significantly by diversifying both geographically and in terms of activity. This development is an important driving force. Dirk Terweduwe and Frank Vanwingh explain the strategy.



**Dirk Terweduwe**  
Deputy CEO ONDD

**To entrepreneurs, ONDD is the most familiar partner in the group. What makes it so unique?**

*ONDD is the Belgian export credit agency which covers Belgian companies against overseas export risks while enjoying a state guarantee. These are mainly long-term contracts in non-OECD countries, but we also help companies involved in cash transactions where there is no credit risk, as is the case for dredging, and other works contracts.*

*The past years have shown that we, as an autonomous government body, have a role to play in the global economy. 2008 was the year when credit insurance was again given the attention it deserves, whereas the necessity and cost of credit insurance was occasionally questioned during the economic boom of recent years. During the past year, our financial products have increasingly come to the fore.*



**Frank Vanwingh**  
Head of Strategy,  
Legal Affairs & Risk  
Management ONDD

**Apart from the impact of the changed economic backdrop there is also the innovation which ONDD itself steers towards.**

*Exactly. 2008 saw a significant growth of our market window portfolio\*, which we develop mainly to diversify our risks. Apart from that we've developed a series of financial products in recent years, which provide companies with a broader basis for their international activities. In that respect our portfolio is perfectly in tune with our mission to promote international economic relations.*

**How is Ducroire | Delcredere S.A. N.V. different from ONDD?**

*There are three important differences. Ducroire | Delcredere S.A. N.V. is a private company and therefore doesn't work with a state guarantee like ONDD. Furthermore, the focus of Ducroire | Delcredere S.A. N.V. is on short-term credit contracts. Finally, the company doesn't have a purely Belgian focus but has a European customer base. One similarity is that Ducroire | Delcredere S.A. N.V. provides worldwide cover although it mainly focuses on non-OECD countries.*

**Diversification is an important characteristic of the group. How does Garant AG fit into that strategy?**

*Garant AG is an Austrian company in which ONDD holds a 50% participation, the other shareholder being the Russian insurance company Ingosstrakh. Garant AG is a solid single risk insurer, covering single trans-*

\* The market window concept is explained in the chapter ONDD's activities.





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actions, yet apart from that it also offers whole turnover products. These are policies covering the insured total credit sales. Garant has also managed to position itself on the East European market.

#### And how does TCRé strengthen the group?

TCRé is not a reinsurer, even though its name may imply this. The company focuses on excess of loss insurance. Companies that take out this type of insurance are usually larger companies which are active in OECD countries, have their own debtor management and only seek cover against loss exceeding a certain amount. The product offered by TCRé is therefore fully complementary to the products of Ducreire | Delcredere S.A. N.V.

#### How does this variety of companies work to the client's advantage?

Independence is obviously the basic principle. The difference public/private is honoured very strictly, which nonetheless doesn't alter the fact that the ONDD Group can offer a wide and complementary range of products tailored to the client's needs.

#### Can you give an example?

A great many of our clients are very innovative, but have a limited outlet on top of large financing needs against which their credit providers wish to cover themselves. We can insure export contracts against the foreign buyer's non-payment and also take over part of the risks incurred by the exporter's provider

of funds on credit lines which they have granted to him. That's how we succeed in our mission of supporting international activities of companies that have potential.

#### Do Belgian roots also play a role?

Because ONDD performs its traditional credit insurance activity with a Belgian state guarantee, Belgian added value needs to be demonstrated.

“ Over the past few years the group has evolved significantly by diversifying both geographically and in terms of activity. ”

Sometimes this is insufficient, though ONDD is able to intervene through the market window portfolio, albeit under other conditions or alternatively, Garant AG can provide cover for a foreign subsidiary of a company holding an ONDD policy in Belgium.



## 02. The economic context

The changes on global markets came very suddenly and had an impact which was worse than expected. Dominique Meessen explains how the ONDD Group, for quite a few years now, has been working on solutions to help companies sustain business, even under difficult circumstances.



**Dominique Meessen**  
Head of Underwriting  
ONDD

### How did the financial crisis impact the credit insurance sector in 2008?

*The financial crisis – which turned into an economic crisis – didn't really make its effects felt until the end of 2008. With liquidity down and the market having less financing capacity as a consequence, a whole series of sectors and companies began to experience problems accessing credit. One of the consequences was the intensified credit risk for companies, compounding the banks' tendency to reduce lending. By the end of 2008, this vicious circle was already clearly visible.*

### What were the consequences for your activities?

*Banks were finding it more and more difficult to provide medium to long-term financing, which led companies to look for alternative solutions. You must bear in mind that in our field of activity it takes several months to conclude transactions. It is therefore normal that we didn't record any actual movement in turnover following the 2008 crisis, although we did start to feel its effects in the latter months of that year.*

### And today?

*The effects of the crisis will have a greater impact than in 2008: there will be less business activity and therefore fewer transactions eligible for insurance. Yet on the other hand, with risk perception of businesses and banks being more acute, there should be more frequent demand for public credit insurance. For instance, we're seeing more and more applications coming in for sectors and regions in the world that we didn't get in the past.*

*“ We are going through a historic time in which the potential role for public credit insurance is being rediscovered. ”*

*Both trends will counterbalance, but nobody can predict how this will reflect on our turnover of insured amounts in 2009. In short, the pie became smaller but it looks as if we'll get a bigger share.*

### How do public credit insurers respond to the situation?

*In general, the public credit insurers of the industrialized world became aware of the key role they had to play. Some of them, like ONDD, have stepped up their insurance capacity. But there has also been a response in terms of products. ONDD had already developed new products a few years ago like*



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*the forfeiting and guarantee products on credits granted to exporters, which were meant to help SMEs in particular. These products are intended to make up for the inadequate supply by banks. They could play a prominent role in the context of the crisis, especially for SMEs.*

#### **What is the impact of the crisis on countries to which your clients export?**

*Generally speaking, no region in the world has been spared and almost no sector either, for that matter. What's more, the heightening of commercial risk has also had repercussions on political risk. Capital markets saw the flight of capital from countries and zones considered to run the highest risk. This has had a significant effect on the liquidity and balance of payments of certain countries, especially when also considering the impact of the drop in commodity prices. For us, this led to a deterioration of what we call the country risk of many emerging countries.*

*Turkey for instance had gone back to performing well. It restructured its banking sector and has a successful and diversified industrial sector. Yet it is stuck with a sizeable foreign debt, a high borrowing requirement, a currency under pressure and industrial output which has now dropped significantly following the recession in the West, one of its principal clients. All of this now gives rise to a certain degree of concern.*

*Another example is Russia, which had recently consolidated its position. Today it has been hit hard by the crisis: heavy pressure on the rouble, significant debts to foreign banks which it will have to refinance. In contrast to Turkey, Russia is marked by a lack of industrial diversification, which is a major issue. This country as well has seen political and commercial risks increase significantly.*

*A third region where we have a significant presence is the Middle East. Until very recently, all indicators were in the green but we're growing very concerned about this region, particularly since the real estate bubble in Dubai.*

*“ Owing to the crisis, commercial risk has had repercussions on political risk. ”*

*Three regions with vast differences in terms of economic profile, but which require increased vigilance following the crisis.*



*“ In 2008 we clearly noticed that exporting companies developed strong financing needs. In addition to offering expertise in credit insurance, this was an area in which ONDD was able to play a stimulating role for its clients. ”*



*Jeroen Puttevils - Senior Underwriter  
Gert Van Melkebeke - Senior Underwriter*

# 03. ONDD's activities

Credit insurance is a vital part of our economy. For seventy years now as an autonomous body, ONDD has insured exporting companies against commercial and political risks in order to promote the success of their activities. As a credit insurer, ONDD provides payment when the counter-party defaults or when orders are cancelled. ONDD also advises on collecting uninsured invoices. Dominique Meessen and Stefaan Van Boxstael illustrate how ONDD's products help companies enhance their market position.



**Dominique Meessen**  
Head of Underwriting  
ONDD

**Have you noticed exporting companies becoming more aware of other ONDD products due to the changing economic climate?**

*Absolutely, the focus is shifting towards the issuance of guarantees in order to enable financing. We've offered this type of service for quite a while now but both with exporters and exporters' clients we notice that banks are growing more and more cautious. In other words, the drop in cash on the market is making its effects felt. We also notice that the need for covering technological risks is on the rise. We are increasingly faced with these atypical risks.*

**How can ONDD stand by companies in times where there is less available financing in the banking sector?**

*Our portfolio has always been geared towards the needs of entrepreneurs operating*

*under a variety of circumstances, so we're not suddenly coming up with crisis products. With its **insurance of supplier credit** for instance, ONDD helps companies win export contracts. This formula allows the exporter to grant credit to the client by himself without bearing the risk, thanks to the cover provided by ONDD. These are usually contracts with a value of up to five million euro, an amount on which banks have been less focused over the past few years.*

*“ For seventy years now as an autonomous body, ONDD has insured exporting companies. ”*

*The fact that there's a body which meets this need companies have is an important economic factor. Additionally, we can also finance supplier credits.*

**To what extent does ONDD's product range complement the products offered by banks?**

*Direct financing provided by the bank to the final customer (buyer credit) is often the only solution for export contracts of a certain volume. Now however, it is an established fact that banks are reticent when it comes to all things credit and financing.*



**Stefaan Van Boxstael**  
Deputy Head of  
Underwriting ONDD





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In this case ONDD covers, through its **insurance of buyer credits**, the risk incurred by the bank granting the credit. The insurance of buyer credit is in increasing demand in the steel, textiles, construction and energy industries. Once again: the product was already there. The liquidity drop on the markets has sparked its revival.

#### Which other solutions were in great demand among exporters in 2008?

Here, the sharp rise in demand for the **insurance of special cash transactions** springs to mind. The distinctive feature for this formula is that it involves long performance terms and large amounts, as is the case with dredging operations or the export of high-tech installations. Payments are made as the works proceed, which involves great risks in some countries.

#### 2008 was also the year in which entrepreneurs had to reckon with the consequences of the international turmoil.

ONDD has a long-standing tradition of insuring political risks as a core business. We profit by that experience in the **insurance of investments**, which is another example of a product that gained importance in 2008. This formula is mainly intended for investments in emerging countries with an unstable political climate. This concerned mainly Russia and Turkey in 2008, coun-

tries which are emerging, but where vigilance is still required. The investment policy protects companies financially against political changes which can jeopardize a project.

#### What is typical about ONDD's approach?

Our principle is very clear: stick to the business you understand. We never get involved in a project if we don't fully understand its implications. Of course, we remain sceptical about market hype, we've learned from experience that common-sense analysis and a good network is the best solution in the end.

“ We can provide supplier credit financing ourselves. ”

Additionally, we adhere to principles applied by every credit insurer or bank when assessing commercial and political risks. This bedrock remains of the highest importance under all market conditions.

#### How did the market window activity evolve?

The essential purpose of the market window products is to take over risk from banks and insurers for trade-related transactions involving no immediate Belgian interest. We don't do any structuring ourselves but

# 03.

## ONDD's activities

*follow the market. It's interesting for us that this activity helps to expand our know-how; we have our finger on the pulse of what's happening on the market.*

*“ Our market window allows us to keep track of market events and to extend an interesting network. ”*

*Obviously, the wider range of our sources of revenue is a positive factor because it allows us to expand our resources and therefore our insurance capacity. Thanks to the network developed for the market window we can share risks with the market ourselves. Market window activities are reinsured with private insurers.*

### How do market window products contribute to the success of your product range?

*There are three products providing commercial prospects for companies. **Unfunded risk participation** means participation by ONDD in credits awarded by banks for trade-related transactions. **Participations in insurance syndicates** means that ONDD participates in syndicates alongside a number of insurance companies and with*

*a focus on the London insurance market. Finally, **participations in ILCs** means we participate in the risks incurred by banks on other banks in the confirmation of documentary credit. All these initiatives give us better insight into sectors and markets and allow us to develop an interesting network of partners, which in turn helps the conventional credit insurance activity.*

### Bond and forfaiting products are also gaining popularity.

*Yes indeed, these products are less familiar but demand is up since banks became more cautious. When forfaiting supplier credits, ONDD buys the foreign trade receivables of the exporter. With bond products, ONDD participates in credit lines or investment credits granted to Belgian exporters.*

*Detailed information on ONDD's products and services is available on [www.ondd.be](http://www.ondd.be). All information brochures are also there for you to download.*





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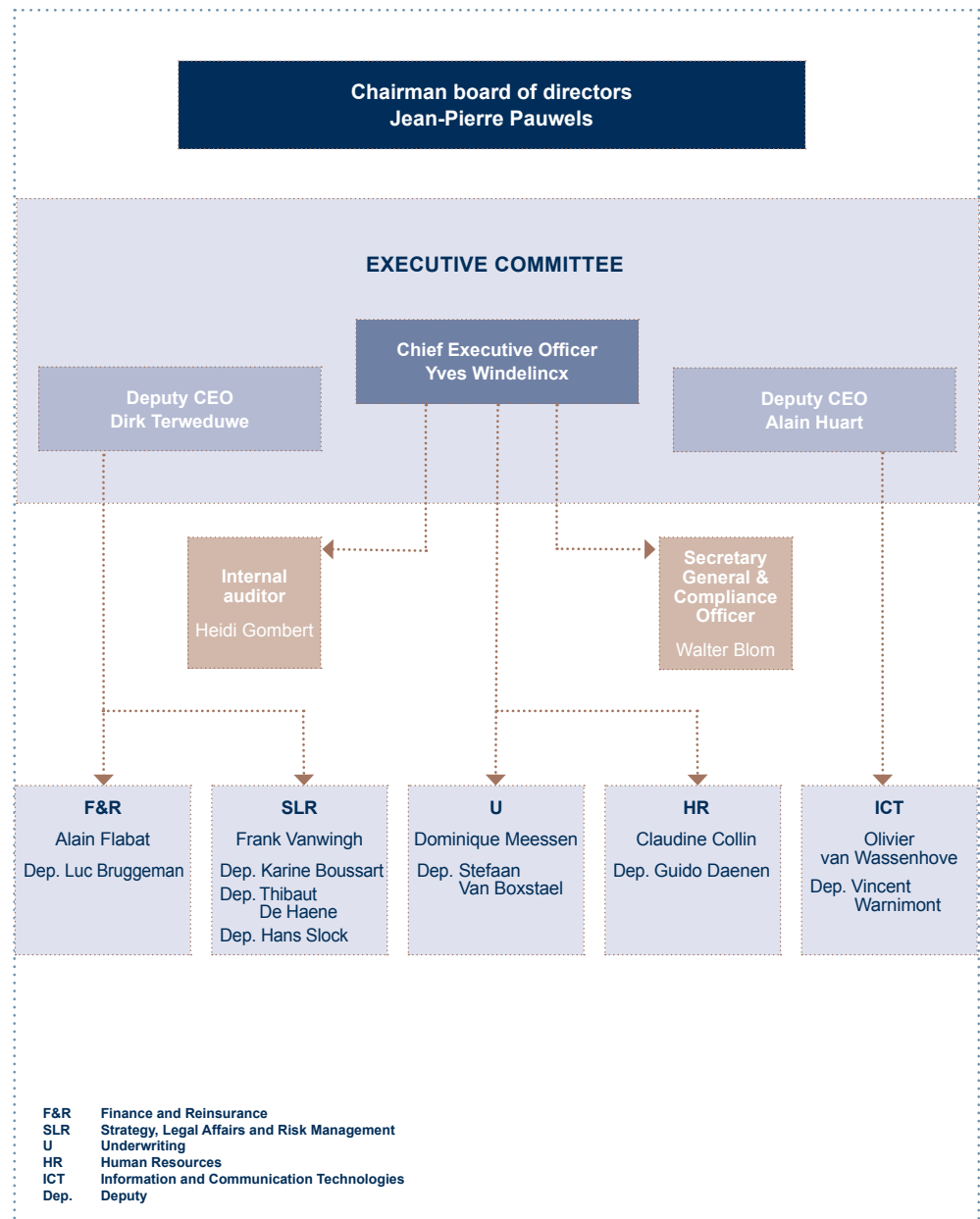
### How is this approach reflected in results?

*2008 was the most productive year ever. Volumes and transactions exceeded 2007 by 53%. It also means however that we will have to devote a great deal of our attention to strictly monitoring all these transactions in 2009. In our opinion, 2008 also constitutes the end of a cycle.*

“ 2008 was the most productive year ever. Volumes and transactions exceeded 2007 by 53%. ”

*We expect more claims due to higher volumes and the crisis. For us, the word ‘result’ also brings the appreciation of our clients to mind. It’s obviously recognized that ONDD has the dynamism of a private company when it comes to portfolio, expertise and quality of service.*

# 03. ONDD's organisation chart



## ONDD's HR



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2008 was also the year of change for ONDD's human resources activities. New structures and a large investment in quality were characteristic of a year in which growth was a central feature. Claudine Collin recaps the HR initiatives.

### What important staff developments did ONDD experience in 2008?

2008 was an atypical year given the separation of ONDD staff between the private and public activity, which resulted in transferring a total of 72 ONDD staff members to the Ducroire | Delcredere S.A. N.V. private subsidiary. With 18 recruitments for ONDD and 16 recruitments for the private subsidiary Ducroire | Delcredere S.A. N.V., 2008 was a year marked by a significant need for highly qualified staff. With ONDD we now have 65 female and 79 male employees in our ranks, but the number of females is growing steadily and we're moving towards a 50/50 ratio.

### What are the qualities ONDD looks for in its staff?

The first quality is multilingualism, which is highly appreciated by our clients. We look for people who are open to the world and hold a Bachelor's or Master's Degree in economics or law in addition to having the basic technical competences. We look for colleagues who definitely display team spirit and the ability to cooperate on a common project while sharing information. These qualities should allow them to meet the corporate values: client focus, respect and innovation.

**Do you provide specific training in order to enhance the qualities of your staff members?**  
Apart from specific training in the field of

*credit insurance and international trade, we keep general knowledge constantly up-to-date, and our staff also go abroad to take part in in-depth training.*

### Can staff help shape decision-making?

Everyone has direct access to the decision-making process. It's important to make clear that our staff can individually act at the heart of international trade in Belgium.

### Is internal mobility important within ONDD?

We strongly encourage it; new job openings are systematically announced internally. We believe in the motto 'The right person in the right place' and the asset of sharing experience acquired in a previous department.

### What were your biggest achievements in 2008?

One of our biggest achievements is having succeeded in recruiting so many staff and having managed to integrate them into our company. We've also held events aimed at promoting interaction and strengthening ties between the different departments.

### What is the outlook for 2009?

The crisis won't stop us because a credit insurer has a duty to be present when problems are making themselves felt in the economy. Recruitment will go on: we're always interested in good recruitment profiles.



**Claudine Collin**  
Head of Human  
Resources ONDD

# 03. Corporate social responsibility

Doing business in an international context requires an active Corporate Social Responsibility policy (CSR). In 2008 we gave impetus to the finetuning of procedures and the smooth integration of CSR into corporate policy. CSR involves every department, as is apparent from the interview with Karine Boussart.



**Karine Boussart**  
Deputy Head of Strategy &  
Communication ONDD

## Could you name some measures you have adopted internally in the context of CSR?

*We adopted a mobility policy for commuter traffic centred on public transport for which we refund season tickets in full. Today less than 10% of our staff come to work by car. Another initiative involved replacing all copiers and printers and communicating a printing charter designed to reduce paper consumption. We're also mindful of promoting more rational energy consumption.*

## Could you review ONDD's CSR track record?

*Since 2000 ONDD has put in place procedures to promote respect for the environment. The scope of these procedures has widened progressively. Today ONDD assesses the environmental and social impact of all transactions for which an application of cover has been introduced.*

## How is this reflected in everyday life at ONDD?

*It is reflected in a categorisation process of different projects according to their environmental impact. This process is therefore based*

*on the impact analysis following a recommendation adopted by the public credit insurers within the OECD.*

## Are external experts in this field sometimes called upon?

*Certainly. For more complex projects we regularly call on consultancy companies which help us measure the different forms of social and environmental impact in an effort to reduce them to an acceptable level.*

## What were ONDD's CSR achievements in 2008?

*We continued to monitor developments because these issues are still topics of discussion with the OECD. We also made several changes to our internal and external communication regarding the environment. In this way, we completely redeveloped our website in order to inform the public better on the project assessment process. In parallel we issued highly detailed guidelines for our underwriters on internal procedures to be followed, ranging from classification to the procurement of a study from a consultant.*

## What were the difficulties you faced?

*Difficulties have evolved over the course of time. At first they came mainly from exporters who were much less aware of environmental issues than they are today. Now the biggest difficulty is the ability to quickly react before implementation of the operation is started. We also need to strike a balance between*



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*the interests of the exporter having incurred liabilities and the requirements of CSR.*

#### **What topics did international forums have on the agenda?**

*Three main topics were discussed: sustainable lending, renewable energy and transparency. The OECD member state governments have agreed on the principles and guidelines to promote sustainable lending to the Low Income Countries. The OECD member states and credit insurers have also decided to promote the exchange of information with the World Bank and the IMF.*

*For renewable energy projects, the OECD member states are discussing possible cover term easements pertaining, inter alia, to credit duration and credit terms. Lastly, member states wish to improve both transparency and quality of the OECD statistical reports as well as communication of the OECD, the member states and credit insurers with the outside world.*

#### **Could you name a concrete example of ONDD's CSR approach?**

*Let's take the concessionality rules: an exporter wanted to have a commercial operation in Mozambique covered. Since it's a Low Income Country, the World Bank proposed aid amounting to 35% and the IMF 50%. In such a case ONDD abides by the principle of applying the most restrictive rules, resulting in the demand of 50% concessionality.*

#### **How do you see things evolving in 2009?**

*As far as the OECD guide-lines are concerned, we find that besides environment, social issues also come into play, a trend likely to continue into 2009.*

*“ Today we find that besides environment, social issues also come into play. ”*

*The environmental impact issue will broaden to include local population, cultural heritage, archaeology, etc. We are already following this trend and will only step up this effort in the future. For renewable energy and transparency, new agreements should emerge in 2009.*

\* Projects which are not commercially viable can enjoy a so-called grant element, which either consists of a loan at favourable terms or a partial grant. The OECD imposes the minimum grant element (35 or 50% of the loan) according to a country's level of development.

# 04. ONDD's subsidiaries



“Independence for the companies within the ONDD Group is the basic principle. Yet together they offer a wide and complementary range from which clients can choose products which are tailored to their needs.”



Carine Stevens - Underwriter



## 04.

## Ducroire | Delcredere S.A. N.V.

Ducroire | Delcredere S.A. N.V. is a 100% ONDD subsidiary and covers contracts with a short credit duration. Ducroire | Delcredere S.A. N.V. covers risks worldwide but focuses on non-OECD countries. From a commercial point of view 2008 was a positive year. Apart from the positive evolution of premium revenue and amounts insured, customer satisfaction and the high level of service are reasons for Eric Joos to look back with satisfaction.



**Eric Joos**

Head of Sales and Marketing  
Delcredere S.A. N.V.

**How do you look back on the last four years at Ducroire | Delcredere S.A. N.V.?**

*We started on a modest scale in January 2005. Europe no longer wanted public insurers to cover marketable risks\*. We didn't really see this as a threat but more as a unique opportunity which we gladly seized. Net premiums have doubled in four years' time. Suretyship is up by 60% versus 2007 and accepted reinsurance by 100%. It's safe to say that Ducroire | Delcredere S.A. N.V. has established itself on the market.*

**Being a niche player, what added value does Ducroire | Delcredere S.A. N.V. wish to offer?**

*Our core business is protecting our clients against risks related to commercial transactions in non-OECD countries. Our knowledge on commercial and political risks is unrivalled; larger players focus more on Europe, Japan and the US, but do bear in mind that we provide cover for these countries as well since we want to offer comprehensive cover.*

*We note that our customers are pleased to see us grow along with their markets, and of course they have also welcomed the principle 'more suppliers, more competition'.*

**Does your relatively limited size allow you to react in a quicker and more responsive way?**

*Absolutely, our business model is based on centralization. Each client has its own team of three specialists who continually monitor the client: an account manager, a risk underwriter, and someone responsible for administrative support. They know the situation inside and out and can provide a direct answer to technical questions. For instance, while other credit insurers opt for a decentralized model with underwriters based in the country of the trade partner, we strongly believe in centralization and therefore prefer a direct dialogue with our client.*

**Were client relations strengthened in 2008?**

*You can see credit insurers becoming more restrictive when it comes to accepting new risks. Of course we have to assess the offered risks critically, but we do feel decisions have to be personally accounted for, and cover shouldn't be denied without justification. Now information is especially important. The client needs to understand decisions, which is easier if there's personal contact. Our market research shows that we're perceived as a company which literally and figuratively speaks the language of entrepreneurs, but also as a partner with Belgian roots applying a fair price-quality ratio.*

\* Marketable risks are commercial and political risks with a maximum risk period of two years (including the manufacturing period) pertaining to debtors based in one of the following countries: EU, Australia, Canada, US, Iceland, Japan, New Zealand, Norway and Switzerland.



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### **Are you pleased with the positive evolution of premiums?**

*Despite troubled circumstances, pricing pressure and fierce competition we managed to achieve considerable growth. Up until the fourth quarter of 2008, the economies in our customers' main trading countries were less susceptible to the downward trends. We do notice a decline now. Economic activity is down so there's less business to be insured. Apart from that, political tension in the former Soviet Republics, the decline of the rouble, the marked slowdown in the steel sector and high prices of purchased commodities and so on had repercussions.*

### **Forecasting is not easy. What do you expect in the future for Ducroire | Delcredere S.A. N.V.?**

*It's important that our clients stay faithful. We're noticing that companies need security now more than ever. As far as credit management is concerned there's more willingness to work together with external partners, and there's a growing need for second opinions, so our specialist status for non-OECD countries and our personalized approach have proved to be a tremendous asset. Developing our geographic presence also comes to mind. We've been on the French market since 2008 and we established our position in the United Kingdom. The whole of our account management is now performed locally: this is testimony to our professional dynamism and our pursuit of close contact with clients. Because information is at the*

*heart of our activities, we continue to invest in it, so in that respect we also continue to work on a qualitative product range.*

### **And what about the market?**

*Promoting credit insurance is crucial, despite the drop in business activity. To that end, we expanded our sales team further. Also, the abolition of the 9.25% tax on credit insurance is indicative of the growing importance companies attach to credit insurance. We advocated the abolition in association with employers' federations.*

*“ You can tell that our customers appreciate the dialogue and personal account management all the more in the light of current circumstances. The personal approach has made all the difference for Ducroire | Delcredere S.A. N.V. in 2008. ”*

### **In conclusion: what gave you most professional satisfaction in 2008?**

*Our concept being well-received on the market. Stick to your business, our focus on non-OECD countries continues to be a success. Moreover, I'm pleased with the quality of our service that stays personal while we're actually growing. That's why I'm confident about 2009 despite the many challenges ahead.*

# 04. TCR*e*

TCRe is a private insurance company in which ONDD took a stake in 2004. The company specializes in excess of loss insurance, a widespread form of insurance in Anglo-Saxon countries, where companies often assume a certain share of risk themselves. Centred on Europe, TCR*e*'s activities are complementary to the activities of Ducroire | Delcredere S.A. N.V., which are geared more to non-OECD countries. Yves Windelincx reviews 2008.



**Yves Windelincx**  
Member of the Managing  
Board TCR*e*

## How has the evolution of premiums and insured amounts developed for TCR*e*?

*Today, TCR*e*'s premium results are in the vicinity of 33 million euro. Premiums grew steadily in 2004 and considering the ongoing prospects we can certainly expect a new stage of growth in 2009 and 2010.*

## Have clients' expectations changed since the crisis?

*The crisis makes companies reflect. Even those who have sound credit management want a safety net in the form of an excess of loss that protects them in times of need. With TCR*e*, we offer credit insurance that doesn't cover volumes but covers the catastrophe risk on a client portfolio. As a consequence, this requires entirely different reflexes. Today, TCR*e* is the only company in Belgium to offer this type of increasingly successful product. If all projected transactions materialize we'll see premiums practically double in 2009.*

## Has 2008 seen major events?

*A complete restructuring of the company became necessary. Despite difficult circumstances, staff displayed faith and tenacity. This staff loyalty was decisive for the activities and growth of TCR*e* in 2008 and the same people will be the agents of growth in 2009.*

## What was TCR*e*'s main achievement in 2008?

*We began concluding policies with companies of European if not global calibre. Starting out as a medium-sized all-Belgian company TCR*e* has attracted some big names: major companies from the oil, cosmetics as well as the iron and steel industries.*

*“ Today, even companies with sound credit management want a safety net in the form of an excess of loss that protects them in times of need. ”*

*After starting out with only 20 million in capital and with no rating, it still managed to find its niche on the market.*

# Garant AG



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The Austrian company Garant AG is a 50% ONDD subsidiary. Garant AG is a solid single risk insurer, so for individual transactions, but also offers whole turnover products, which are policies covering the total of credit sales. The subsidiary holds a strong position on the East European market and provides risk cover in over one hundred and fifty countries. Walter Blom outlines the activities.

## Why did ONDD take a 50% stake in Garant AG in 2006?

Garant AG is an Austrian agency boasting over 50 years of experience. The agency has Russian insurer Ingosstrakh as its other 50% stakeholder alongside ONDD. The equity participation was in line with the ONDD Group's international strategy. On top of that, the equity participation in Garant AG enabled us to combine insurance capacities, allowing us to meet client demand better. It's also important to know that Garant AG holds a license for offering credit insurance in the Swiss market. In short, the ONDD Group's international ambitions and local presence were strengthened thanks to Garant AG.

## Did the strategy pay off in 2008?

Absolutely; we recorded a 17% premium volume growth. This is better than expected in the light of developments during the last few months of the year, and combining insurance capacities proved to be a winning formula. Garant AG also has a network of East European contacts and has the ambition of extending that network to include other regions. Conclusion: synergy between the contacts of Garant AG and the ONDD Group's international strategy is possible.

## Does the crisis have a negative impact only?

There are different trends; on the one hand we expect loss ratios to climb and on the other

hand credit insurance is taking a more prominent role. Banks are growing increasingly cautious when it comes to credit management, so that we become interlocutors. We focus on selectiveness. We believe for example that transactions which are a priority for a country, like infrastructure works, sustain their importance in times of crisis. Sustainable goods are also favoured in times of crisis. Apart from that we look at which sector holds the best debtors. Thanks to our market antennas and network of local underwriters we have a good overview. We rely on a contract-by-contract approach, which is unique to Garant AG.

## What was the most remarkable development for Garant AG in 2008?

You're aware of the fact that our relationships with banks are very important to us. In 2008 we were accepted as a counterparty by well-reputed banks. On the market we also noticed the advantages of cooperating with the ONDD Group as a partner. It's also worth mentioning that we didn't just bring about volume growth but also finished the year positively in every way, both in terms of operational result and return on our investments.



**Walter Blom**  
Member of the Managing  
Board Garant AG

“ Even a less favourable economic reality still holds opportunities when being selective and focusing on niches. Large agencies can't do this in the way that Garant AG can. ”

# 05. Annual accounts ONDD Group





“ The amounts insured of the ONDD Group increased by 38% in 2008 and reach 27.4 billion euros. ”

Inge Lambrechts - Country Risk Analyst

## 05.

## Management summary on the consolidated accounts of ONDD as on 31 December 2008

**The 2008 financial year closed with consolidated results for ONDD and its subsidiaries of 177.9 million euros against 114.1 million euros for the previous year.**

The 2008 financial year closed with consolidated results for ONDD and its subsidiaries of 177.9 million euros against 114.1 million euros for the previous year.

Nevertheless, these increased results were the consequence of an exceptional element, connected to the change in the accounting principles in the statutory accounts of ONDD, namely the reversal of the provision for equalisation and disasters, for an amount of 590.7 million euros.

Excluding the exceptional result, the financial year showed a consolidated loss of 412.8 million euros. The ONDD group was in fact doubly affected by the crisis, both as regards the charge of the claims and the investment portfolio.

**In terms of activity**, the amounts insured by the group again showed good progress, as they increased by 38% (versus 20% in 2007). They reached 27.4 billion euros in 2008.

**The premiums issued** also showed a good increase: net of rebates, they were 206.5 million euros in the year 2008, compared to 165.8 million euros in 2007, or an increase of 25%.

(million EUR)	Amounts insured			Premiums		
	2008	2007		2008	2007	
<b>ONDD</b>	15,152	9,931	+53 %	146.8	120.7	+22 %
- Traditional activity	6,218	5,541	+12 %	67.7	76.5	-12 %
- Market window	8,934	4,390	+104 %	79.1	44.2	+79 %
<b>Ducroire   Delcredere S.A. N.V.</b>	12,942	10,726	+21 %	64.5	46.6	+38 %
<b>Garant AG (50%)</b>	n.a.	n.a.	n.a.	7.9	6.7	+17 %
<b>Intercompany</b>	-706	-791		-12.7	-8.2	
<b>TOTAL GROUP</b>	<b>27,388</b>	<b>19,866</b>	<b>+38 %</b>	<b>206.5</b>	<b>165.8</b>	<b>+25 %</b>

For ONDD, the **amounts insured** and the **premiums** increased by 53% and 22% respectively.

The **traditional insurance activity** showed an increase in the amounts insured (+12%) whereas premiums are down (-12%).

It should be remembered here that the correlation between premiums and amounts insured was far from perfect: the premium rates are in fact very variable in relation to the duration of the operations insured, the nature of the risks covered (political risk and/or debtor risk) and the severity of the risks (in particular the risk category of the country covered).

Among the principal transactions insured in 2008, we can cite:

- dredging works (in Dubai, Panama, Qatar, Oman, Angola, etc.) representing almost 1.1 billion euros of insured volume and 11.3 million euros in premiums. This generally relates to special operations payable in cash, according to the execution of the works;
- boat leasing contracts (amounts insured of 0.6 billion euros);
- cover for a loan by a financial institution to its subsidiary in Russia (amount insured of 0.4 billion euros).

For the **market window** activity (essentially participations in bank syndicates and participations in (re)insurance pools), the amounts insured showed a considerable rise (+104%). However, for this activity,



which is often medium- or long-term, premiums are generally collected in the form of a spread above a risk-free rate for the whole duration of the cover. Increases in the amounts insured are not simultaneously reflected in the premiums, since these are collected as the loan progresses over several years. Therefore premiums showed a more modest increase than the amounts insured, but this was nevertheless substantial at 79%.

**Subsidiaries' premiums** also experienced a significant increase: 38% for DuCroire | Delcredere S.A. N.V. and 17% for Garant Versicherungs-AG.

**Premiums transferred to reinsurance** amounted to 47.3 million euros in 2008 (compared to 45.4 million euros in 2007). This was the result on the one hand of the group's high activity and on the other hand a general decrease in quota share cessions, nevertheless compensated by strengthened protection in the excess of loss treaties. After cession to reinsurers, the premiums amounted to 159.2 million euros, compared to 120.3 million in the previous year, or an increase by 32%.

**The technical charges**, which primarily relate to the claims, gave rise to a negative result of 245.7 million euros over the year (compared to the positive result of 27.1 million euros booked in 2007). The impact of the economic and financial crisis was in fact greatly felt in the cyclical activity of credit insurance:

- *The provision for outstanding risks* presented a great increase (charge over the financial year of 81.9 million euros compared to 25.4 million euros over the previous year). Firstly, the provision for un-earned premiums increased by 16 million euros, following increased activity in 2008, but predominantly the provision for risk deterioration increased greatly (65.9 million euros). In fact, with the crisis, numerous countries were declassified into categories with increased levels of risk. In addition, the maritime transport sector as well as some debtors in the chemical and petrochemical industry were the subject of a provision for systemic risk, following the economic problems experienced in these sectors.
- *The provision for claims* was also up significantly with a charge of 160.8 million euros on the year. Numerous claims were in fact declared in the second half of the year, for which an indemnity payment could become necessary over the course of 2009. These claims were due to the debtor risk. They were divided over numerous countries, including South Korea (charge of 60.9 million euros), Russia (17.4 million euros), Ukraine (12.4 million euros), Hong Kong (9.5 million euros), Qatar (7 million euros), Brazil (6.8 million euros) and the United Kingdom (3.9 million euros).
- *The provision for claims management expenses* was also the subject of an additional transfer (+ 9.9 million euros), following the increase in the claims.
- Finally, *all the technical charges relating to outstanding claims* (write-offs and indemnified losses) gave a positive balance of 7.4 million euros (compared to a positive result of 38.7 million in the previous financial year).

This result was attributable to a great extent to the developments in the debt rescheduling agreements concluded between ONDD and some debtor countries (principally during the major debt crisis of the '80s and early '90s). This specifically relates to Iraq. Within the Paris Club, Iraq signed a debt rescheduling agreement with its international creditors on 21 November 2004. Under this agreement, the creditors allowed Iraq a substantial debt write-off of 80%, taking place in three phases: an initial debt cancellation (30%) at 31 December 2004, a second (also 30%) at 23 December 2005, and provided all the conditions of the agreement have been fulfilled, a final one of 20% at the end of 2008.

The latter cancellation, conditional until then, effectively took place in December 2008. Consequently,

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## Management summary on the consolidated accounts of ONDD as on 31 December 2008

the part of the debt concerned, which was the object of a significant write-off, however not for the entire amount, was completely amortised this time in the accounts resulting in an additional charge on the financial year.

**The operating charges** were up when compared to the previous year (25.2 million euros in 2008 compared to 21.4 million euros in 2007). These charges were after reinsurance commission due by the reinsurers for their intervention in the operating charges of ONDD or its subsidiaries.

The increase in operating charges was due to the increase in the turnover observed over the year. In particular there was an increase in the costs of management by third parties. These costs principally included brokerage and commissions paid to insurers in the framework of inward reinsurance.

**The operating result** amounted to a loss of 111.3 million euros in 2008, compared to a positive result of 126.5 million euros in 2007.

In 2007, a major part of the operating result (90.8 million euros) was transferred to the provision for equalisation and disasters.

In 2008, the negative operating result of the year was only equalised by a slight amount through the reversal of the provision for equalisation and disasters (positive result of 3.5 million euros).

Indeed, following a change to the accounting principles in the statutory accounts of ONDD, the provision for equalisation and disasters of the parent company was removed and booked in total in the exceptional result.

The movements in provision for 2008 therefore relate solely to the subsidiary insurance companies in the group. The operating result after the provision for equalisation and disasters consequently amounted to -107.8 million euros in 2008, compared to + 35.8 million euros in 2007.

**The financial result** amounted to a loss of 306.7 million euros in 2008 (compared to a positive result of 107.7 million euros in 2007):

- *The result from financial assets and investments* amounted to a charge of 326.9 million euros in 2008 (compared to a positive result of 73 million euros in 2007). The investment portfolio suffered greatly from the fall on the financial markets.

On 31 December 2008, the cash investments portfolio amounted to 1,884.3 million euros at book value (1,951.7 million at the end of 2007) and at 1,935.2 million euros at market value (1,990.4 million at the end of 2007).

At the end of 2008, investments in equities represented 20.5% of the portfolio expressed in market value, governmental bonds and treasury certificates, held directly or through funds amounted to 36.9% of the portfolio, corporate bonds amounted to 4.5%, real estate was 1.2% and investments with a guaranteed capital at maturity, generally long term, were 6.7%. The portfolio also included monetary, liquid and short term instruments for 30.2%.

Investments in equities, real estate and corporate bonds suffered especially from the financial crisis and show significant unrealised capital losses.

Considering the magnitude of the crisis, the unrealised capital losses on investments in the accounts of ONDD and its subsidiaries have been judged of a durable nature and registered as a loss in the accounts as on 31 December 2008 (charge of 281.6 million euros over the year).

On the other hand, the unrealised capital gains (essentially on investments in governmental bonds and cash investments), for an amount of 50.9 million euros at the end of the year, have not been recorded in the accounts.

In addition to the unrealised capital losses, the financial result also includes capital losses and capital gains realised on investments as well as distributed revenues.

- *The financial income linked to accounts receivable from indemnities* amounted to 29.2 million euros (32.2 million euros in 2007):
  - Rescheduling interest amounted to 33.5 million euros (38.6 million euros in 2007). To a great extent this relates to interest incurred in 2008 in the framework of public debt rescheduling agreements concluded with some countries (29.1 million euros compared to 36.1 million euros in 2007) and with regard to Angola (9.8 million euros), Côte d'Ivoire (5.2 million euros), Indonesia (4.7 million euros), Iraq (3.2 million euros) and other countries (6.2 million euros). The balance (4.3 million euros) relates to rescheduling concluded with private debtors.
  - Write-offs relating to rescheduling interest receivables have been the object of reversals, for 8.2 million euros in 2008. These debt interests receivables have moreover resulted in definitive losses of 12.4 million euros.
- *Other financial income and other financial charges* generated a net loss over the year of 9.1 million euros, related to a great extent to losses on exchange rates.

**The annual financial statements** included an exceptional result of 590 million euros.

This result mainly relates to the reversal of the provision for equalisation and disasters of ONDD for 590.7 million euros, following the decision of its board of directors taken at the meeting of 4 November 2008 to change the accounting principles for the statutory accounts in this regard.

**Tax on the financial year** (positive result of 0.4 million euros compared to a charge of 0.9 million euros in 2007) relates to the subsidiaries of ONDD, subject to corporate tax, whereas ONDD is itself subject to tax on moral persons. The withholding tax on financial assets paid by ONDD on income it received from its investments was consequently included directly in the financial charges.

The positive result of taxes relates to adjustments dating back from previous years.

**The operational cash flow** generated over the year remains significant as it amounts to 213.6 million euros before investment (303.1 million euros over 2007).

In addition to high premiums, it is explained by Gabon's advance repayment of debt to ONDD (56.4 million euros). The claims declared have on the other hand little impact on the cash flow of 2008 as they were generally declared towards the end of the financial year.

**At the end of the year**, the commitments after cession to reinsurers resulting from policies issued (excluding cover for loan interests) and policies being issued amounted to 22,759 million euros at a group level, or an increase by 61%, due to the higher level of insured transactions. These commitments are to be compared to the equity of 1,632 million euros at the end of 2008.

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## Income statement

(in thousands EUR) + income / - charge	Note	2008	2007
<b>TURNOVER</b>			
Written premiums	12	206,508	165,780
Premiums ceded to reinsurers	12	-47,314	-45,436
Rent		332	470
		<u>159,526</u>	<u>120,814</u>
<b>TECHNICAL CHARGES</b>			
Variation in the provision for profit share and refunds	11	-513	-236
Variation in the provision for outstanding risks	11	-81,888	-25,423
Variation in the provision for claims	11	-160,754	11,514
Variation in the provision for claims management expenses	11	-9,929	6,902
Variation in amounts written off on outstanding claims	13	47,583	81,171
Indemnified losses and litigation expenses	13	-40,697	-43,065
Recoveries on indemnified losses and litigation expenses		514	621
Other technical results		-22	-4,382
		<u>-245,706</u>	<u>27,102</u>
<b>TECHNICAL RESULT</b>		<b>-86,180</b>	<b>147,916</b>
<b>OPERATING CHARGES</b>			
Remunerations, social charges and pensions	14	-20,725	-21,860
Operating costs	14	-6,296	-5,954
Costs of management by third parties	14	-16,358	-11,172
Depreciation		-1,931	-2,165
Write-offs on trade account receivables		-98	-142
Other operating costs		-599	-298
Recovered operating costs	14	5,882	4,795
Reinsurance commissions		14,959	15,411
		<u>-25,166</u>	<u>-21,385</u>
<b>OPERATING RESULT</b>	<b>15</b>	<b>-111,346</b>	<b>126,531</b>
Transfer to the provision for equalisation and disasters		3,501	-90,770
<b>OPERATING RESULT (after transfer to the provision for equalisation and disasters)</b>		<b>-107,845</b>	<b>35,761</b>

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(in thousands EUR) + income / - charge	Note	2008	2007
<b>FINANCIAL INCOME</b>			
Income from financial assets	16	13,620	47,916
Income from cash investments	17	35,428	32,807
Rescheduling interest		33,466	38,558
Other financial income	18	24,882	9,933
		<u>107,396</u>	<u>129,214</u>
<b>FINANCIAL CHARGES</b>			
Charges from investments	16	-91,999	-5,614
Withholding tax		-2,019	-1,961
Debt charges		-196	-116
Cost on rescheduling agreements		0	-145
Variation in amounts written off on rescheduling interest receivable	19	8,164	31,451
Irrecoverable share of rescheduling interest receivable	19	-12,409	-37,624
Variation in the amounts written off on investments	16	-281,604	0
Other financial charges	20	-34,029	-7,541
		<u>-414,092</u>	<u>-21,550</u>
<b>FINANCIAL RESULT</b>		<b>-306,696</b>	<b>107,664</b>
<b>EXCEPTIONAL RESULT</b>		<b>589,962</b>	<b>-21,541</b>
<b>PROFIT BEFORE TAX OF CONSOLIDATED ENTITIES</b>		<b>175,421</b>	<b>121,884</b>
<b>TAX</b>		<b>445</b>	<b>-892</b>
<b>PROFIT AFTER TAX OF CONSOLIDATED ENTITIES</b>		<b>175,866</b>	<b>120,992</b>
Share in result of companies accounted for by the equity method		-1,432	-5,910
Amortisation of goodwill		3,481	-934
<b>NET PROFIT ATTRIBUTABLE TO GROUP</b>		<b>177,915</b>	<b>114,148</b>
<b>RESULTS</b>			
Attribution to reserves		350,319	118,631
Transferred result of the financial year		-172,404	-4,483

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## Balance sheet

ASSETS (in thousands EUR)	Note	2008	2007
<b>FIXED ASSETS</b>			
<b>Preliminary expenses</b>	5	129	283
<b>Intangible fixed assets</b>			
Concessions, licenses and know-how	6	2,198	2,699
<b>Goodwill</b>		5,333	1,919
<b>Tangible fixed assets</b>			
Land and buildings	7	25,973	26,375
Plant, machinery and equipment	7	1,901	2,171
Furniture and vehicles	7	216	172
		28,090	28,718
<b>Financial fixed assets</b>			
Shareholdings	8	1,050	1,050
Shareholdings in companies accounted for by the equity method	8	11,000	12,004
Other financial assets	8/10	1,414,820	1,188,626
		1,426,870	1,201,680
<b>TOTAL FIXED ASSETS</b>		<b>1,462,620</b>	<b>1,235,299</b>
<b>CURRENT ASSETS</b>			
<b>Accounts receivable from claims</b>			
Accounts receivable from indemnities	9	233,755	322,864
Purchased accounts receivable	9	1,226	1,020
		234,981	323,884
<b>Accounts receivable within one year</b>			
Trade debtors		19,578	24,133
Other accounts receivable		10,507	6,965
Deposits with reinsurers		1,835	1,286
Deferred taxes		556	349
		32,476	32,733
<b>Cash investments</b>			
Shares	10	380,182	695,708
Bonds	10	26,719	41,676
Term deposits	10	32,804	4,885
		439,705	742,269
<b>Cash at bank and in hand</b>	10	29,856	21,603
<b>Deferred charges and accrued income</b>		3,933	3,767
<b>TOTAL CURRENT ASSETS</b>		<b>740,951</b>	<b>1,124,256</b>
<b>TOTAL ASSETS</b>		<b>2,203,571</b>	<b>2,359,555</b>



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LIABILITIES (in thousands EUR)	Note	2008	2007
<b>EQUITY</b>			
<b>Endowment</b>		297,472	297,472
<b>Reserves</b>		1,498,469	1,148,150
<b>Transferred result</b>		-163,988	8,416
<b>TOTAL EQUITY OF THE GROUP</b>		<b>1,631,953</b>	<b>1,454,038</b>
<b>PROVISIONS FOR RISKS AND CHARGES</b>			
<b>Provisions for risks and charges</b>			
Provision for pension		739	688
Provision for taxes		26	11
Provision for other risks and charges		443	272
Provision for profit share and refunds	11	1,206	693
Provision for outstanding risks	11	255,795	173,903
Provision for claims	11	235,362	74,493
Provision for claims management expenses	11	25,552	15,622
Provision for equalisation and disasters	11	5,014	599,184
<b>TOTAL PROVISIONS FOR RISKS AND CHARGES</b>		<b>524,137</b>	<b>864,866</b>
<b>DEBTS</b>			
<b>Accounts payable within one year</b>			
Financial debts	10	0	776
Commercial debts		29,084	17,024
Deposits from reinsurers		5,866	5,444
Debts concerning taxes, remunerations and social security		3,532	7,357
Other accounts payable		2,279	1,456
		<u>40,761</u>	<u>32,057</u>
<b>Accrued charges and deferred income</b>		6,720	8,594
<b>TOTAL DEBTS</b>		<b>47,481</b>	<b>40,651</b>
<b>TOTAL LIABILITIES</b>		<b>2,203,571</b>	<b>2,359,555</b>

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## Cash flow

(in thousands EUR)	Note	2008	2007
Written premiums <sup>1</sup>	12	159,194	120,344
Indemnities paid <sup>1</sup>	21	-19,063	-23,049
Indemnities recovered <sup>1</sup>	21	81,917	109,967
Operating costs		<u>-25,166</u>	<u>-21,385</u>
		196,882	185,877
Rescheduling interest <sup>1</sup>	21	51,390	77,858
Profit or loss on investments		-326,574	78,762
being (non-monetary) write-offs		281,604	0
Other income and expenses		<u>2,586</u>	<u>-38,503</u>
		9,006	118,117
<b>GROSS CASH FLOW</b>		<b>205,888</b>	<b>303,994</b>
<b>Variation in net working capital</b>			
Variation in net assets		91	5,540
Variation in net liabilities		7,606	-6,392
<b>NET OPERATIONAL CASH FLOW</b>		<b>213,585</b>	<b>303,142</b>
<b>Variation in investments</b>			
Increase of the preliminary costs	5	0	0
Increase of the intangible fixed assets	6	-18	-2,082
Increase of the tangible fixed assets	7	-308	-50
Increase of the financial fixed assets	8	-225,190	-336,789
<b>NET OPERATIONAL CASH FLOW AFTER INVESTMENTS</b>		<b>-11,931</b>	<b>-35,779</b>
Variation in financial debts		-776	-687
Variation in investments, cash and cash equivalence		-294,311	-36,466
Variation in write-offs on investments		281,604	0

<sup>1</sup> after cession to reinsurers

## Off-balance sheet rights and commitments

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(in thousands EUR)	Note	2008			2007		
		Gross transactions	Ceded to reinsurers	Net transactions	Gross transactions	Ceded to reinsurers	Net transactions
<b>Current policies (principal)</b>							
Direct credit insurance		11,742,653	-1,543,669	10,198,984	8,959,744	-1,843,783	7,115,961
Investments		1,063,116		1,063,116	642,138		642,138
Prefinancing of import transactions		612,759	-18,091	594,668	523,885		523,885
Assumed reinsurance		1,573,819		1,573,819	917,375		917,375
Market window		10,213,409	-2,768,246	7,445,163	4,814,857	-1,202,353	3,612,504
	22	<b>25,205,756</b>	<b>-4,330,006</b>	<b>20,875,750</b>	<b>15,857,999</b>	<b>-3,046,136</b>	<b>12,811,863</b>
<b>Current policies (interest)</b>							
Direct credit insurance		422,487	-13,990	408,497	303,189	-16,114	287,075
Investments		54,706		54,706	45,590		45,590
Prefinancing of import transactions		10,792		10,792	4,835		4,835
Assumed reinsurance		133,215		133,215	75,674		75,674
Market window		1,327,376	-491,227	836,149	623,706	-222,861	400,845
		<b>1,948,576</b>	<b>-505,217</b>	<b>1,443,359</b>	<b>1,052,994</b>	<b>-238,975</b>	<b>814,019</b>
<b>Current policies (total)</b>							
Direct credit insurance		12,165,140	-1,557,659	10,607,481	9,262,933	-1,859,897	7,403,036
Investments		1,117,822		1,117,822	687,728		687,728
Prefinancing of import transactions		623,551	-18,091	605,460	528,720		528,720
Assumed reinsurance		1,707,034		1,707,034	993,049		993,049
Market window		11,540,785	-3,259,473	8,281,312	5,438,563	-1,425,214	4,013,349
		<b>27,154,332</b>	<b>-4,835,223</b>	<b>22,319,109</b>	<b>16,910,993</b>	<b>-3,285,111</b>	<b>13,625,882</b>
<b>Policies being issued</b>							
Direct credit insurance		1,624,033	-31	1,624,002	719,710	-366	719,344
Investments		90,617		90,617	90,617		90,617
Prefinancing of import transactions		173		173	739		739
Assumed reinsurance		10,578		10,578	165,445		165,445
Market window		159,841	-2,238	157,603	391,995	-9,047	382,948
		<b>1,885,242</b>	<b>-2,269</b>	<b>1,882,973</b>	<b>1,368,506</b>	<b>-9,413</b>	<b>1,359,093</b>
<b>Cover offers and advice notes</b>							
Direct credit insurance		3,385,991	-8,102	3,377,889	4,188,155	-1,635	4,186,520
Investments		719,667		719,667	1,111,202		1,111,202
Prefinancing of import transactions		14,560		14,560	47		47
Assumed reinsurance		49,141		49,141	28,968		28,968
Market window		6,570,099	-27,736	6,542,363	4,568,230	-29,091	4,539,139
		<b>10,739,458</b>	<b>-35,838</b>	<b>10,703,620</b>	<b>9,896,602</b>	<b>-30,726</b>	<b>9,865,876</b>
<b>Deposits by reinsurers</b>		2,198			2,125		
<b>Guarantee constituted for third parties</b>		0			14		
<b>Received rent security</b>		93			93		
<b>Forward sale of currencies</b>		64,268			0		
<b>Total return swaps</b>		40,000			50,000		

### Supplementary pension scheme

Members of staff benefit from a retirement and survivor's pension scheme which guarantees them a level of revenue comparable to that of state civil servants. It is awarded according to their seniority and average pay over their last five years of work. The extralegal pension is constituted by means of a group insurance taken out with a registered Belgian insurance company.

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## Notes

The amounts in the tables are expressed in thousands EUR.

### Note 1 - Scope of consolidation

The subsidiaries which are consolidated by the full consolidation method are on the one hand the insurance company Ducroire | Delcredere S.A. N.V., which was established in 2004 and is active in the credit insurance and suretyship branches, and on the other hand the company Immo Montoyer S.A., which owns an office building that is rented out. The insurance company Garant Versicherungs-AG, active in the field of the insurance of political and commercial risks, and of which ONDD is 50% owner, is consolidated according to the proportional method. The companies, with which the group has participation links, particularly Trade Credit Re Insurance Company S.A. (a Belgian company active in the excess of loss credit insurance market), KUP (a Czech credit insurance company) and Berger Management S.A. were consolidated by the equity method.

	Consolidation method	Participation percentage held on 31/12/2008	Participation percentage held on 31/12/2007
<b>ONDD</b> Rue Montoyer 3, 1000 Brussels BE 0203 286 759	Parent company	100%	100%
<b>Immo Montoyer S.A.</b> Rue Montoyer 3, 1000 Brussels BE 0403 248 596	Full consolidation	100%	100%
<b>Ducroire   Delcredere S.A. N.V.</b> Rue Montoyer 3, 1000 Brussels BE 0867 435 663	Full consolidation	100%	100%
<b>Trade Credit Re Insurance Company S.A.</b> Avenue Roger Vandendriessche 18 1150 Brussels BE 0864 602 471	Equity method	25% + 1 share	25% + 1 share
<b>Berger Management S.A.</b> Avenue Kamerdelle 16, 1180 Brussels BE 0863 461 741 On 11 July 2008, ONDD acquired a 17.34% stake in the company Berger Management, which itself holds a 7.5 % stake in Trade Credit Re Insurance Company.	Equity method	17.34%	
<b>Garant Versicherungs-AG</b> Wohllebengasse 4, 1040 Wien Austria On 27 June 2006, ONDD acquired a 50% stake in the Austrian company Garant Versicherungs-AG.	Proportional method	50%	50%
<b>Komerční Uverova Pojist'ovna EGAP (KUP)</b> Na Pankráci 1683/127, 140 00 Praha 4 Czech Republic Reg. No.: 272 45 322 On 11 October 2007 Ducroire   Delcredere S.A. N.V. took a 33% stake in Czech company KUP.	Equity method	33%	33%
<b>Mundialis S.A.</b> Rue du Commerce 39, 1000 Brussel BE 0471 611 624 On 27 March 2009, the company Mundialis S.A. was dissolved and therefore excluded from the scope of consolidation.	Not consolidated	42%	42%

Specific UCITs (undertakings for collective investment in transferable securities) were excluded from the consolidation.

## Note 2 - Key events of the year

- In 2007, **Angola** re-established relations with its international creditors in the Paris Club. Angola paid off its arrears in full and honoured the due current payments for its external public debt. It even committed to paying the due late interests in three instalments as well: in January 2008, 2009 and 2010. The January 2008 instalment was indeed paid, as was the case for the January 2009 instalment. The impact on the 2008 results was an income of 9,5 million euros.
- On 18 July 2007 **Gabon** concluded an agreement with the Paris Club for early repayment of its debt to its creditors at market rates. The bilateral agreement was signed between Gabon and ONDD on 9 January 2008. The early repayment (56.4 million euros to the account of ONDD) was made on 30 January 2008. Since this development was correctly anticipated in the 2007 accounts, its impact on the 2008 result is relatively limited (0.5 million euros).
- **Iraq** signed a debt rescheduling agreement on 21 November 2004 with its Paris Club international creditors. Under this agreement, the creditors allowed Iraq a substantial debt write-off of 80%, taking place in three phases: an initial cancellation (30%) at 31 December 2004, a second (also 30%) at 23 December 2005, and provided all the conditions of the agreement be fulfilled, a final cancellation of 20% at the end of 2008. The latter cancellation, which was conditional until then, effectively took place in December 2008. Therefore, the part of the relevant account receivable, which had been subject to a significant write-off, yet not for the whole amount, has now been amortized in full in the accounts, entailing an additional charge of 13 million euros for the financial year.
- During its 4 November 2008 meeting, the ONDD board of directors decided to remove the **provision for equalisation and disasters** from ONDD's statutory accounts. Such a provision is after all imposed by neither the statutes nor the accounting rules applicable to ONDD. This provision was written back into the exceptional result for 590,668,571 euros. In the absence of this change in the accounting principles, the provision would have been used to compensate for the technical loss in ONDD's financial year (-101,660,466 euros). The net impact that this change in the accounting principles had on ONDD's 2008 statutory result is therefore an income of 489,008,105 euros. The consolidated accounts include this change in ONDD's accounting principles. Conversely, for the insurance companies within ONDD's scope of consolidation, the provision for equalisation and disasters is imposed by the prudential authorities and was maintained in the consolidated accounts.

## Note 3 - Key events after the closure date

On 11 October 2007, Ducroire | Delcredere S.A. N.V., a subsidiary of ONDD, and SACE BT, a subsidiary of Italian public credit insurer SACE Spa, each acquired 33% of the Czech credit insurance company Komerční Uverovna Pojist'ovna EGAP (KUP), which is a subsidiary of the Czech public credit insurer Exportní Garancní a Pojist'ovací Společnost, a.s. (EGAP). On 25 February 2009 Ducroire | Delcredere S.A. N.V. signed a contract to acquire the stake of SACE BT in KUP. The Ducroire | Delcredere S.A. N.V. stake was consolidated in ONDD's accounts by the equity method at the end of 2008.

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## Notes

### Note 4 - Accounting principles and methods

The consolidated accounts are prepared in accordance with the Royal Decree of 30 January 2001, implementing the Companies Code.

#### Consolidation method used

Shareholdings are consolidated:

- by full consolidation, where they are under exclusive control;
- by proportional consolidation, where they are under joint control;
- by the equity method, where they are under significant control.

#### Internal operations between consolidated companies

Significant "intra-group" operations are excluded both from the balance sheet and from the income statement.

#### Goodwill

Goodwill corresponds to the difference between the cost of purchase of the shares of the consolidated companies and the total value of the assets and liabilities identified at the date of purchase. It is amortized over five years.

#### Accounting principles

1. **Intangible fixed assets** consist of software programs purchased from third parties. They are amortized over five years.
2. **Tangible fixed assets** consist of computer hardware, amortized over three years, and other tangible fixed assets, amortized over five years.
3. **Financial fixed assets**  
Shareholdings and accounts receivable relating to associated companies and other shareholdings are booked at acquisition value.  
Other financial assets comprise directly held bonds, booked at nominal value, and other investments booked at acquisition value.  
Financial fixed assets are written down in the case of lasting impairment.
4. **Accounts receivable from claims** consist, on the one hand, of amounts receivable from claims, resulting from the indemnification of claims paid out to insured parties under their policies, and, on the other hand, receivables resulting from the purchase from insured parties of the non-covered proportion of their claims.

#### Accounts receivable from indemnities include:

- outstanding claims: these are amounts for which insureds have been indemnified following claims and which may be recovered either from the debtors of the amounts insured or from the debtor's country (where the claim is indemnified on the basis of political risk);
- accrued and capitalised interest: for claims indemnified on the basis of political risk, where debt rescheduling agreements are concluded bilaterally between the insurer and the debtor countries, the interest accrued on the closing date (due or not due), along with capitalised interest (unpaid under a previous debt rescheduling agreement and included in a new rescheduling agreement) is capitalised in accounts receivable from indemnities.

By contrast, interest on arrears and debt rescheduling interest in relation to amounts receivable from claims, accrued as at the closing date, are never capitalised as amounts receivable from claims if they do not relate to a bilateral rescheduling agreement between the insurer and the debtor country.

Accounts receivable from indemnities are subject to write-offs under the prudence principle in accordance with accounting law.

Write-off rates for claims in commercial risks are determined on a case-by-case basis, with a minimum rate of 5%; for claims in political and transfer risks, a write-off rate is set per country.



When a claim is considered irrecoverable, its full value is transferred to indemnified losses. At that point, the total write-off already calculated for the claim is written back.

Accounts receivable from indemnities in foreign currency and related write-offs are converted at the exchange rate applicable on the last day of the financial year.

In addition, no distinction has been made with accounts receivable from indemnities between sums that are to be recovered in the short term and those to be recovered in the longer term.

**Purchased accounts receivable** are booked at their nominal value (and not at their purchase value) and are subject to write-offs in the same way as the corresponding accounts receivable from indemnities. They are revalued at the exchange rate applicable on the balance sheet date.

5. **Current assets** and **debts** in foreign currencies are revalued at the exchange rate applicable on the balance sheet date. Commercial debts and receivables on behalf of the State are not revalued.
6. **Accounts receivable within one year, cash at bank and in hand** and **deferred charges and accrued income** are entered on the balance sheet at their nominal value. These items are written down where the realisation value on the balance sheet date is less than their acquisition value.
7. **Investments** are written down where the market value is less than their book value.
8. **The provision for outstanding risks contains two parts:**
  - a provision for unearned premiums: this corresponds to the portion of premiums to be allocated to financial years after the balance sheet date in order to cover the charges of claims and the operating costs of insured risks not yet expired on the balance sheet date;
  - a provision for risk deterioration: it is constituted where, for outstanding transactions insured, the risk assessment has worsened in comparison with the original assessment and, as a result, the unearned premiums are lower than the estimated future charges (charges of claims and operating costs).

This type of provision is constituted:

  - in the case of country risk assessment downgrade (change in country classification);
  - where the deterioration in the macroeconomic situation of a country gives rise to a heightened risk of a systemic nature in respect of the private debtors in that country;
  - in the case of aggravation of the debtor risk.
9. The **provision for claims** contains two elements:
  - a provision for non-reported losses, or IBNR provision (incurred but not reported): this provision is aimed at taking into account on a statistical basis the definitive losses of claims incurred but not yet reported;
  - a provision for reported losses: this provision is an estimate of the definitive losses in case of expected claims. The following provision rates apply:
    - to expected claims in political risk: the rates equal the write-off percentages on outstanding claims;
    - to expected claims in commercial risk: the rates are based on the loss probability and on the recovery prospects determined by the claim managers, but are no less than 10%.

These rates apply to the present value of the expected claims, updated at the risk-free interest rate.
10. The **provision for claims management expenses** is an estimate of the external and internal costs that must necessarily be incurred for the payment and/or recovery under current claims files. The provision is based on a percentage which is adjusted each year based on past experience.
11. A **provision for profit share and refunds** is constituted for policies containing refunds, no claims bonuses or profit sharing, which are paid after the balance sheet date, at the end of the period for which the policy has been taken out. This provision is based on a percentage which is adjusted each year based on past experience.
12. A **provision for equalisation and disasters** is constituted in order to level the charges of claims over time for the companies which are included in the consolidation scope. This is done in accordance with the rules applicable to the annual accounts of these companies.

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## Notes

13. **Premiums** are recorded at the time when the premium invoice is issued, except for transactions where the insurance policy includes a clause stating when the contract comes into effect. In this latter case, premiums are recorded when the contract becomes effective.
14. **Indemnified losses and litigation expenses**  
This item includes indemnified amounts that are deemed lost and the costs incurred directly by the insurer in order to recover amounts resulting from claims.
15. **Rescheduling interest**  
This item includes, first, rescheduling interest accrued under the bilateral rescheduling agreements and which has been activated during the year and, second, other late or rescheduling interest received during the year.
16. **Other financial income; other financial charges**  
These items mainly include the exchange gains or losses realized on current assets, debts and forward exchange rate transactions along with exchange rate profits and losses resulting from the foreign currency cover and from the recoveries of foreign currency accounts receivable from indemnities.  
They also include conversion differences resulting from revaluation at the rate on the balance sheet date of current assets, of debts and accounts receivable from indemnities expressed in foreign currencies.
17. **Cost of rescheduling agreements**  
Under this item are booked rectifications in interest resulting from rescheduling agreements accounted for in previous years.
18. **Irrecoverable share of interest on accounts receivable from indemnities**  
Interest receivables deemed irrecoverable from indemnities is transferred at nominal value to indemnified losses.
19. **Off-balance sheet rights and commitments**  
Commitments for current policies are equal to the insurer's outstanding risks on the balance sheet date. These commitments are converted at the exchange rate in effect on the balance sheet date where the insurer provides foreign currency cover of the amounts insured. These commitments are recorded at the historical rate for transactions insured without foreign currency cover.  
Potential commitments include policies being issued, which cover transactions for which the contract between the insured and its customer has been concluded, on the one hand, and which cover offers and advice notes for contracts being negotiated on the other.

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**Note 5 - Preliminary costs**

PRELIMINARY EXPENSES	
<b>Acquisition value</b>	
At the end of the previous financial year	836
<b>AT THE END OF THE FINANCIAL YEAR</b>	<b>836</b>
<b>Depreciation and amounts written off</b>	
At the end of the previous financial year	-553
Variations during the financial year:	
- Booked	-154
<b>AT THE END OF THE FINANCIAL YEAR</b>	<b>-707</b>
<b>NET BOOK VALUE AT THE END OF THE FINANCIAL YEAR</b>	<b>129</b>

**Note 6 - Intangible fixed assets**

	Concession, licences and know-how
<b>Acquisition value</b>	
At the end of the previous financial year	4,511
Variations during the financial year:	
- Acquisitions, including own construction	18
- Transfers and disposals	
<b>AT THE END OF THE FINANCIAL YEAR</b>	<b>4,529</b>
<b>Depreciation and amounts written off</b>	
At the end of the previous financial year	-1,812
Variations during the financial year:	
- Booked	-519
<b>AT THE END OF THE FINANCIAL YEAR</b>	<b>-2,331</b>
<b>NET BOOK VALUE AT THE END OF THE FINANCIAL YEAR</b>	<b>2,198</b>

**Note 7 - Tangible fixed assets**

	Land and buildings	Plants, machinery and equipment	Furniture and vehicles
<b>Acquisition value</b>			
At the end of the previous financial year	28,321	4,721	2,481
Variations during the financial year:			
- Acquisitions, including own construction	121	63	124
- Transfers and disposals			
<b>AT THE END OF THE FINANCIAL YEAR</b>	<b>28,442</b>	<b>4,784</b>	<b>2,605</b>
<b>Depreciation and amounts written off</b>			
At the end of the previous financial year	-1,946	-2,550	-2,309
Variations during the financial year:			
- Booked	-523	-333	-80
<b>AT THE END OF THE FINANCIAL YEAR</b>	<b>-2,469</b>	<b>-2,883</b>	<b>-2,389</b>
<b>NET BOOK VALUE AT THE END OF THE FINANCIAL YEAR</b>	<b>25,973</b>	<b>1,901</b>	<b>216</b>

**Note 8 - Financial fixed assets**

	Shareholdings	Shareholdings in companies accounted for by the equity method	Other financial fixed assets
<b>Acquisition value</b>			
At the end of the previous financial year	1,050	12,004	1,188,626
Variations during the financial year:			
- Acquisitions			1,318,120
- Reimbursements		-1,004	-827,985
- Amounts written off			-263,941
<b>AT THE END OF THE FINANCIAL YEAR</b>	<b>1,050</b>	<b>11,000</b>	<b>1,414,820</b>

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## Notes

### Note 9 - Accounts receivable from claims

	Gross transactions	Ceded to reinsurers	Net transactions
Outstanding indemnities	218,047	-14,677	203,370
Capitalised interest	27,980	-906	27,074
Accrued interest	3,324	-13	3,311
<b>ACCOUNTS RECEIVABLE FROM INDEMNITIES</b>	<b>249,351</b>	<b>-15,596</b>	<b>233,755</b>
<b>PURCHASED ACCOUNTS RECEIVABLE</b>	<b>1,226</b>		<b>1,226</b>
<b>VARIATION OF OUTSTANDING INDEMNITIES ON 31 DECEMBER 2008</b>	<b>Gross transactions</b>	<b>Ceded to reinsurers</b>	<b>Net transactions</b>
<b>Paid nominal value</b>			
At the end of the previous financial year	731,138	-58,245	672,893
Variations during the financial year:			
- Indemnities paid	28,558	-9,495	19,063
- Indemnities recovered	-89,213	7,296	-81,917
- Transfers and adjustments	-59,678	20,104	-39,574
- Conversion rate adjustments	1,151	-4,793	-3,642
<b>AT THE END OF THE FINANCIAL YEAR</b>	<b>611,956</b>	<b>-45,133</b>	<b>566,823</b>
<b>Amounts written off</b>			
At the end of the previous financial year	442,687	-38,204	404,483
Variations during the financial year:			
- Increases	17,581	-5,530	12,051
- Write-backs	-76,574	16,775	-59,799
- Conversion rate adjustments	10,215	-3,497	6,718
<b>AT THE END OF THE FINANCIAL YEAR</b>	<b>393,909</b>	<b>-30,456</b>	<b>363,453</b>
<b>NET BOOK VALUE AT THE END OF THE FINANCIAL YEAR</b>	<b>218,047</b>	<b>-14,677</b>	<b>203,370</b>

### DETAIL OF OUTSTANDING INDEMNITIES PER ACTIVITY ON 31 DECEMBER 2008

	Direct credit insurance	Investments	Prefinancing of import transactions	Assumed reinsurance	Market window	Suretyship	Total gross transactions
<b>Paid nominal value</b>							
At the end of the previous financial year	714,449	1,471	1,854	8,213	5,133	18	731,138
Variations during the financial year:							
- Indemnities booked	14,380			1,993	12,159	26	28,558
- Indemnities recovered	-87,951			-440	-807	-15	-89,213
- Transfers and adjustments	-58,481			-805	-380	-12	-59,678
- Conversion rate adjustments	180			-143	1,114		1,151
<b>AT THE END OF THE FINANCIAL YEAR</b>	<b>582,577</b>	<b>1,471</b>	<b>1,854</b>	<b>8,818</b>	<b>17,219</b>	<b>17</b>	<b>611,956</b>
<b>Amounts written off</b>							
At the end of the previous financial year	429,000	904	1,854	7,252	3,677	0	442,687
Variations during the financial year:							
- Increases	12,487	195		816	4,074	9	17,581
- Write-backs	-75,955			-424	-195		-76,574
- Conversion rate adjustments	9,799			-155	571		10,215
<b>AT THE END OF THE FINANCIAL YEAR</b>	<b>375,331</b>	<b>1,099</b>	<b>1,854</b>	<b>7,489</b>	<b>8,127</b>	<b>9</b>	<b>393,909</b>
<b>NET BOOK VALUE AT THE END OF THE FINANCIAL YEAR</b>	<b>207,246</b>	<b>372</b>	<b>0</b>	<b>1,329</b>	<b>9,092</b>	<b>8</b>	<b>218,047</b>

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VARIATION OF THE CAPITALISED AND ACCRUED INTEREST ON ACCOUNTS RECEIVABLE FROM INDEMNITIES ON 31 DECEMBER 2008						
	Capitalised interest			Accrued interest		
	Gross transactions	Ceded to reinsurers	Net transactions	Gross transactions	Ceded to reinsurers	Net transactions
<b>Nominal value</b>						
At the end of the previous financial year	274,576	-6,693	267,883	82,627	-69	82,558
Variations during the financial year:						
- Indemnities booked	9,797	-1,240	8,557	22,773	-114	22,659
- Indemnities recovered	-37,570	1,745	-35,825	-15,674	109	-15,565
- Transfers and adjustments	-14,994	3,561	-11,433	-667	56	-611
- Conversion rate adjustments			0			0
<b>AT THE END OF THE FINANCIAL YEAR</b>	<b>231,809</b>	<b>-2,627</b>	<b>229,182</b>	<b>89,059</b>	<b>-18</b>	<b>89,041</b>
<b>Amounts written off</b>						
At the end of the previous financial year	220,864	-3,516	217,348	78,648	-9	78,639
Variations during the financial year:						
- Increases	2,387	-145	2,242	7,405	-2	7,403
- Write-backs	-19,422	1,940	-17,482	-318	6	-312
- Conversion rate adjustments			0			0
<b>AT THE END OF THE FINANCIAL YEAR</b>	<b>203,829</b>	<b>-1,721</b>	<b>202,108</b>	<b>85,735</b>	<b>-5</b>	<b>85,730</b>
<b>NET BOOK VALUE AT THE END OF THE FINANCIAL YEAR</b>	<b>27,980</b>	<b>-906</b>	<b>27,074</b>	<b>3,324</b>	<b>-13</b>	<b>3,311</b>

VARIATION OF THE PURCHASED ACCOUNTS RECEIVABLE ON 31 DECEMBER 2008	
<b>Nominal value</b>	
At the end of the previous financial year	21,132
Variations during the financial year:	
- Indemnities booked	2,242
- Indemnities sold	-1,732
- Transfers and adjustments	-139
<b>AT THE END OF THE FINANCIAL YEAR</b>	<b>21,503</b>
<b>Amounts written off</b>	
At the end of the previous financial year	20,112
Variations during the financial year:	
- Increases	290
- Write-backs	-125
<b>AT THE END OF THE FINANCIAL YEAR</b>	<b>20,277</b>
<b>NET BOOK VALUE AT THE END OF THE FINANCIAL YEAR</b>	<b>1,226</b>

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## Notes

### Note 10 - Financial investments

	2008				2007			
	Acquisition value	Book value	Market value	Profit or loss on investments	Acquisition value	Book value	Market value	Profit or loss on investments
<b>Equity funds</b>	610,997	394,065	396,465	-284,323	611,228	611,228	622,559	37,126
Variable-income investments with guaranteed capital on maturity	133,186	120,887	129,898	-8,497	155,012	155,012	173,991	419
Sovereign bonds	691,100	685,586	713,204	15,597	692,497	692,497	698,406	29,069
Corporate bonds	118,707	87,394	87,534	-32,719	71,598	71,598	70,486	150
Real estate	35,854	22,034	22,274	-21,547	32,518	32,518	29,477	2,330
Monetary investments	523,874	523,514	535,011	5,138	363,142	363,142	369,807	4,805
Term deposits	21,002	21,002	21,002	475	4,885	4,885	4,885	316
Cash at bank and in hand	29,812	29,812	29,812	643	21,603	21,603	21,603	593
Suretyship	88	88	88	0	0	0	0	0
Financial debts	0	0	0	0	-766	-766	-766	0
<b>TOTAL</b>	<b>2,164,620</b>	<b>1,884,381</b>	<b>1,935,289</b>	<b>-325,232</b>	<b>1,951,716</b>	<b>1,951,716</b>	<b>1,990,448</b>	<b>74,808</b>
<b>Other financial assets</b>		1,414,820				1,188,610		
Cash investments		439,705				742,269		
Cash at bank and in hand		29,856				21,603		
Financial debts		0				-766		
<b>TOTAL FINANCIAL INVESTMENTS</b>		<b>1,884,381</b>				<b>1,951,716</b>		
Unrealized capital gains (capital losses) at the beginning of the financial year				38,732				108,374
Variations during the financial year				-268,063				-69,642
<b>UNREALIZED CAPITAL GAINS (CAPITAL LOSSES) AT THE END OF THE FINANCIAL YEAR</b>				<b>-229,331</b>				<b>38,732</b>
Variation of capital losses on investments during the financial year				280,239				0
<b>UNREALIZED CAPITAL GAINS (CAPITAL LOSSES) NOT REGISTERED IN THE ACCOUNTS ON 31 DECEMBER 2008</b>				<b>50,908</b>				<b>38,732</b>



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**Note 11 - Provisions for risks and charges**

	2008			2007	Variation 2008
	Gross transactions	Ceded to reinsurers	Net transactions	Net transactions	Net transactions
<b>Provision for profit share and refunds</b>					
Direct credit insurance	2,023	-817	1,206	693	513
	<b>2,023</b>	<b>-817</b>	<b>1,206</b>	<b>693</b>	<b>513</b>
<b>Provision for unearned premiums</b>					
Direct credit insurance	127,611	-11,437	116,174	114,788	1,386
Investments	3,668		3,668	5,604	-1,936
Prefinancing of import transactions	1,875		1,875	3,159	-1,284
Assumed reinsurance	10,811		10,811	6,683	4,128
Market window	38,888	-13,328	25,560	11,917	13,643
Suretyship	451	-157	294	193	101
	<b>183,304</b>	<b>-24,922</b>	<b>158,382</b>	<b>142,344</b>	<b>16,038</b>
<b>Provision for risk deterioration</b>					
Direct credit insurance	82,342	-7,786	74,556	29,841	44,715
Investments			0	0	0
Prefinancing of import transactions	874		874	2,355	-1,481
Assumed reinsurance	1,375		1,375	268	1,107
Market window	34,685	-14,077	20,608	-905	21,513
Suretyship			0	0	0
	<b>119,276</b>	<b>-21,863</b>	<b>97,413</b>	<b>31,559</b>	<b>65,854</b>
<b>Provision for outstanding risks</b>					
Direct credit insurance	209,953	-19,223	190,730	144,629	46,101
Investments	3,668	0	3,668	5,604	-1,936
Prefinancing of import transactions	2,749	0	2,749	5,514	-2,765
Assumed reinsurance	12,186	0	12,186	6,951	5,235
Market window	73,573	-27,405	46,168	11,012	35,156
Suretyship	451	-157	294	193	101
	<b>302,580</b>	<b>-46,785</b>	<b>255,795</b>	<b>173,903</b>	<b>81,888</b>
<b>IBNR provision</b>					
Direct credit insurance	6,795	-1,638	5,157	4,113	1,044
Investments			0	0	0
Prefinancing of import transactions	12		12	14	-2
Assumed reinsurance	8,795	-497	8,298	4,533	3,765
Market window	124	-55	69	29	40
Suretyship			0	0	0
	<b>15,726</b>	<b>-2,190</b>	<b>13,536</b>	<b>8,689</b>	<b>4,847</b>

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Note 11 - Provisions for risks and charges (cont'd)					
	2008			2007	Variation 2008
	Gross transactions	Ceded to reinsurers	Net transactions	Net transactions	Net transactions
<b>Provision for reported claims</b>					
Direct credit insurance	141,594	-12,618	128,976	57,109	71,867
Investments	2,575		2,575	1,057	1,518
Prefinancing of import transactions	48,260		48,260	535	47,725
Assumed reinsurance	12,643	-147	12,496	2,044	10,452
Market window	46,941	-17,625	29,316	4,849	24,467
Suretyship	203		203	210	-7
	<b>252,216</b>	<b>-30,390</b>	<b>221,826</b>	<b>65,804</b>	<b>156,022</b>
<b>Provision for claims</b>					
Direct credit insurance	148,389	-14,256	134,133	61,222	72,911
Investments	2,575	0	2,575	1,057	1,518
Prefinancing of import transactions	48,272	0	48,272	549	47,723
Assumed reinsurance	21,438	-644	20,794	6,577	14,217
Market window	47,065	-17,680	29,385	4,878	24,507
Suretyship	203	0	203	210	-7
	<b>267,942</b>	<b>-32,580</b>	<b>235,362</b>	<b>74,493</b>	<b>160,754</b>
<b>Provision for claims management expenses</b>					
	<b>25,552</b>			<b>15,622</b>	<b>9,929</b>
<b>Provision for equalisation and disasters</b>					
Direct credit insurance		953		449,884	-448,931
Investments				34,192	-34,192
Prefinancing of import transactions				4,380	-4,380
Assumed reinsurance		4,061		27,966	-23,905
Market window				82,680	-82,680
Suretyship				82	-82
	<b>5,014</b>			<b>599,184</b>	<b>-594,170</b>
Write-back to exceptional result				-590,669	590,669
					<b>-3,500</b>

- For Garant Versicherungs-AG, the provision has been established in conformity with the rules made by the Austrian prudential authorities (Verordnung des Bundesministers für Finanzen über die Bildung einer Schwankungsrückstellung in der Schaden- und Unfallversicherung vom 22. Oktober 1991 in der Fassung des Bundesgesetzes BGBl Nr 753/1996 durch Anordnung der Finanzmarktaufsicht unter GZ 9 132 600/1-ii4/05).

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**Note 12 - Written premiums**

	2008			2007		
	Gross transactions	Ceded to reinsurers	Net transactions	Gross transactions	Ceded to reinsurers	Net transactions
Premiums	209,876		209,876	168,461		168,461
Other technical income	142	1,156	1,298	323	1,022	1,345
Premiums ceded to reinsurers		-48,463	-48,463		-46,456	-46,456
Other technical charges	-3,510	-7	-3,517	-3,004	-2	-3,006
<b>WRITTEN PREMIUMS</b>	<b>206,508</b>	<b>-47,314</b>	<b>159,194</b>	<b>165,780</b>	<b>-45,436</b>	<b>120,344</b>
Direct credit insurance	103,435	-24,876	78,559	99,996	-26,840	73,156
Investments	3,564		3,564	5,671		5,671
Prefinancing of import transactions	1,018		1,018	3,922		3,922
Assumed reinsurance	18,460	-1,247	17,213	11,080	-1,162	9,918
Market window	79,072	-21,191	57,881	44,424	-17,434	26,990
Suretyship	959		959	687		687
<b>WRITTEN PREMIUMS</b>	<b>206,508</b>	<b>-47,314</b>	<b>159,194</b>	<b>165,780</b>	<b>-45,436</b>	<b>120,344</b>

**BREAKDOWN OF PREMIUMS ACCORDING TO THE COUNTRY WHERE THE RISK IS LOCATED (gross transactions)**

	2008	2007		2008	2007
Russia	24,355	14,880	Algeria	3,090	2,026
Turkey	9,250	6,443	Belgium	2,788	1,427
Iran	8,409	24,532	Egypt	2,749	2,403
Dubai	7,820	789	France	2,595	1,814
Brazil	7,723	8,007	Kenya	2,435	2,686
Ukraine	7,432	3,492	Mexico	2,233	2,687
India	6,616	3,131	Argentina	2,150	1,502
Nigeria	5,117	2,616	Qatar	2,141	666
Kazakhstan	4,655	1,508	Côte d'Ivoire	2,007	1,511
China	4,549	2,885	South Korea	1,850	739
Ghana	3,851	4,310	Costa Rica	1,845	128
Saudi Arabia	3,801	8,104	Ecuador	1,792	1,139
United Kingdom	3,464	1,527	Italy	1,771	1,551
United States	3,190	2,091	Poland	1,695	1,599
Indonesia	3,182	1,627	Germany	1,650	1,214
			Other countries	70,303	56,745
<b>WRITTEN PREMIUMS</b>				<b>206,508</b>	<b>165,780</b>

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## Notes

### Note 13 - Variation in amounts written off on outstanding claims and indemnified losses

	2008	2007
Iraq	21,315	26,652
Gabon	6,820	0
Cameroon	0	23,143
Cuba	0	-4,268
Other	19,448	35,644
<b>VARIATION IN AMOUNTS WRITTEN OFF ON OUTSTANDING CLAIMS</b>	<b>47,583</b>	<b>81,171</b>
Iraq	-28,335	-11,201
Gabon	-5,538	0
Cameroon	-7	-23,143
Other	-6,817	-15,069
<b>INDEMNIFIED LOSSES AND LITIGATION EXPENSES</b>	<b>-40,697</b>	<b>-49,413</b>

### Note 14 - Operating charges

	2008	2007
Remuneration	-14,014	-14,386
Social security contributions	-6,110	-6,893
Other personnel cost	-601	-581
<b>REMUNERATION, SOCIAL CHARGES AND PENSIONS</b>	<b>-20,725</b>	<b>-21,860</b>
Accommodation cost	-1,162	-961
Management cost	-1,841	-1,586
Representation cost	-1,286	-1,518
Fees	-1,727	-1,696
Interim staff	-71	-55
Directors' fees	-41	-41
Courses, training and seminars	-168	-97
<b>OPERATING COSTS</b>	<b>-6,296</b>	<b>-5,954</b>
Commissions for assumed reinsurance	-3,822	-3,117
Investigation charges	-3,584	-2,558
Brokers' fees	-8,952	-5,497
<b>COSTS OF MANAGEMENT BY THIRD PARTIES</b>	<b>-16,358</b>	<b>-11,172</b>
Invoiced investigation	2,417	2,279
Management fees received from other insurance companies	1,082	914
Fees for the management of the country risk model	269	233
Fees for the collection of non insured claims	27	101
Other	2,087	1,268
<b>RECOVERED OPERATING COSTS</b>	<b>5,882</b>	<b>4,795</b>

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**Note 15 - Operating result, gross and net of cession to reinsurers**

		2008			2007		
+ income / - charge	Note	Gross transactions	Ceded to reinsurers	Net transactions	Gross transactions	Ceded to reinsurers	Net transactions
<b>Turnover</b>							
Premiums	12	206,508	-47,314	159,194	165,780	-45,436	120,344
Rent		332		332	470		470
		206,840	-47,314	159,526	166,250	-45,436	120,814
<b>Technical charges</b>							
Variation in the provision for profit share and refunds	11	-690	177	-513	-304	68	-236
Variation in the provision for outstanding risks	11	-98,351	16,463	-81,888	-34,147	8,724	-25,423
Variation in the provision for claims	11	-184,361	23,607	-160,754	11,967	-453	11,514
Variation in the provision for claims management expenses	11	-9,929		-9,929	6,902		6,902
Variation in amounts written off on outstanding claims	13	58,834	-11,251	47,583	107,532	-26,361	81,171
Indemnified losses and litigation expenses	13	-61,009	20,312	-40,697	-49,078	6,013	-43,065
Recoveries on indemnified losses and litigation expenses		665	-151	514	956	-335	621
Other technical costs		-22		-22	-4,382		-4,382
		-294,863	49,157	-245,706	39,446	-12,344	27,102
<b>TECHNICAL RESULT</b>		<b>-88,023</b>	<b>1,843</b>	<b>-86,180</b>	<b>205,696</b>	<b>-57,780</b>	<b>147,916</b>
<b>Operating charges</b>							
Remuneration, social charges and pensions	14	-20,725		-20,725	-21,860		-21,860
Operating costs	14	-6,296		-6,296	-5,954		-5,954
Costs of management by third parties	14	-16,358		-16,358	-11,172		-11,172
Depreciation		-1,931		-1,931	-2,165		-2,165
Write-offs on trade accounts receivable		-98		-98	-142		-142
Other operating costs		-599		-599	-298		-298
Recovered operating costs	14	5,882		5,882	4,795		4,795
Reinsurance commissions			14,959	14,959		15,411	15,411
		-40,125	14,959	-25,166	-36,796	15,411	-21,385
<b>OPERATING RESULT</b>		<b>-128,148</b>	<b>16,802</b>	<b>-111,346</b>	<b>168,900</b>	<b>-42,369</b>	<b>126,531</b>

The ONDD group transfers risks in reinsurance to limit the concentration of its risks and/or to protect its own resources:

- In 2008, a proportion of Ducreire | Delcredere S.A. N.V.'s short term risks covered by credit insurance under a comprehensive exporter policy was transferred to a pool of private reinsurers outside the group: 45% of private debtor risk and 25% of political and public debtor risks.
- 31% of ONDD's market window was transferred in reinsurance outside the group under a proportional treaty. In the second line, retention is protected by excess of loss treaties per risk and per country, with a capacity of 30 million euros per risk and 80 million euros per country.
- 20% of ONDD's confirmed letters of credit cover business was transferred outside the group under a proportional treaty.
- In principle, the "Office du Ducreire du Grand-Duché de Luxembourg" reinsures 50% of Belgian exports covered by ONDD or Ducreire | Delcredere S.A. N.V. where such exports include products from Luxembourg.
- Cession treaties also exist with public or private credit insurers for occasional operations.
- Garant Versicherungs-AG also makes use of reinsurance in quota share cessions, in excess of loss per risk and per country and in stop loss.

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## Notes

### Note 16 - Result from financial assets and investments

	Note	2008	2007
Income from financial assets		13,620	47,916
Income from cash investments	17	34,278	31,911
Income from cash at bank and in hand	17	473	594
Charges from investments		-91,999	-5,614
Variation of capital losses on investments		-281,604	
<b>PROFIT OR LOSS FROM FINANCIAL INVESTMENTS</b>	<b>10</b>	<b>-325,232</b>	<b>74,807</b>

### Note 17 - Income from cash investments

	Note	2008	2007
Income from cash investments	16	34,278	31,912
Income from cash at bank and in hand	16	473	594
Interest on reinsurers' deposits		38	19
Other		639	283
<b>INCOME FROM CASH INVESTMENTS</b>		<b>35,428</b>	<b>32,807</b>

### Note 18 - Other financial income

	2008	2007
Exchange gains	7,078	1,794
Conversion rate differences	17,195	6,166
Various financial income	609	1,973
<b>OTHER FINANCIAL INCOME</b>	<b>24,882</b>	<b>9,933</b>

### Note 19 - Variation in amounts written off rescheduling interest and irrecoverable interest share

	2008	2007
Iraq	4,197	-6,928
Gabon	2,714	0
Cameroon	0	35,145
Other	1,253	3,234
<b>VARIATION OF THE AMOUNTS WRITTEN OFF RESCHEDULING INTEREST</b>	<b>8,164</b>	<b>31,451</b>
Iraq	-8,935	0
Gabon	-3,209	0
Cameroon	0	-35,145
Other	-265	-2,479
<b>IRRECOVERABLE SHARE OF RESCHEDULING INTEREST RECEIVABLE</b>	<b>-12,409</b>	<b>-37,624</b>



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**Note 20 - Other financial charges**

	2008	2007
Exchange losses	-10,015	-5,209
Conversion differences	-19,132	-290
Various financial charges	-4,882	-2,042
<b>OTHER FINANCIAL CHARGES</b>	<b>-34,029</b>	<b>-7,541</b>

**Note 21 - Indemnities paid and indemnities recovered**

	2008			2007		
	Gross transactions	Ceded to reinsurers	Net transactions	Gross transactions	Ceded to reinsurers	Net transactions
Indemnities paid	-28,558	9,495	-19,063	-30,732	7,683	-23,049
Indemnities recovered	89,213	-7,296	81,917	115,416	-5,449	109,967
Recovered rescheduling interest	53,244	-1,854	51,390	78,501	-643	77,858
<b>CASH FLOW RESULTING FROM INDEMNITIES</b>	<b>113,899</b>	<b>345</b>	<b>114,244</b>	<b>163,185</b>	<b>1,591</b>	<b>164,776</b>

**Note 22 - Breakdown of commitments according to the country where the risk is located**

	2008	2007		2008	2007
Russia	2,557,574	1,373,539	South Korea	447,799	243,456
Turkey	1,574,092	954,459	Croatia	384,233	351,685
India	1,503,487	566,599	Japan	374,518	233,605
Saudi Arabia	1,073,281	929,312	Kazakhstan	357,448	255,983
China	1,012,869	597,277	Nigeria	324,072	153,581
Brazil	903,425	696,739	Germany	315,192	253,463
Belgium	616,196	327,856	Egypt	306,613	188,738
Dubai	614,139	359,649	Poland	287,330	207,212
France	591,331	255,980	The Netherlands	264,732	91,799
United Kingdom	589,461	338,280	Kuwait	259,549	101,175
Algeria	560,248	501,878	Indonesia	225,968	195,341
Qatar	547,774	587,515	Switzerland	210,971	62,353
United States	545,822	272,010	Vietnam	198,910	112,178
Ukraine	539,930	299,938	Singapore	189,317	52,825
Iran	532,956	620,106	Abu Dhabi	186,632	93,871
			Other countries	7,109,889	4,579,596
<b>POLICIES ISSUED</b>				<b>25,205,756</b>	<b>15,857,999</b>

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## Auditor's report

Consolidated financial statements - Year ended 31 December 2008

In accordance with the legal requirements, we report to you on the performance of the audit mandate which has been entrusted to us. This report includes our opinion on the consolidated accounts and the required additional statement and informations.

#### Unqualified opinion on the consolidated accounts

We have audited the consolidated financial statements for the year ended 31 December 2008, prepared in accordance with the financial reporting framework applicable in Belgium, which show a balance sheet total of € 2,203,571,(000) and a profit for the year of € 177,915,(000).

Management is responsible for the preparation and the fair presentation of these consolidated financial statements. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the legal requirements and the Auditing Standards applicable in Belgium, as issued by the Institute of Registered Auditors (Institut des Reviseurs d'Entreprises / Instituut der Bedrijfsrevisoren). Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement, whether due to fraud or error.

In accordance with the above-mentioned auditing standards, we considered the group's accounting system, as well as its internal control procedures. We have obtained from management and the company's officials, the explanations and information necessary for executing our audit procedures. We have examined, on a test basis, the evidence supporting the amounts included in the consolidated financial statements. We have assessed the appropriateness of the accounting policies and consolidation principles, the reasonableness of the significant accounting estimates made by the company, as well as the overall presentation of the consolidated financial statements. We believe that these procedures provide a reasonable basis for our opinion.

In our opinion the consolidated financial statements for the year ended 31 December 2008 give a true and fair view of the group's assets and liabilities, its financial position and the results of its operations in accordance with financial reporting framework applicable in Belgium.

#### Additional statement and informations

The preparation of the consolidated Directors' report and its content are the responsibility of management.

Our responsibility is to supplement our report with the following additional statements and informations which do not modify our audit opinion on the consolidated financial statements.

- The consolidated Directors' report includes the information required by law and is consistent with the consolidated financial statements. We are, however, unable to comment on the description of the principal risks and uncertainties which the consolidated group is facing, and of its financial situation, its foreseeable evolution or the significant influence of certain facts on its future development. We can nevertheless confirm that the matters disclosed do not present any obvious inconsistencies with the information that we became aware of during the performance of our mandate.
- Mundialis S.A. (participation of 42%) has been excluded from the consolidation scope after the decision has been taken to liquidate the company.
- As disclosed in the directors' report and the notes to the consolidated financial statements, the accounting policies with regard to the provision for equalisation and disasters and the provision for unexpired risks have been modified compared to the previous year.
- The appropriation of results, as presented in the statutory annual accounts of the Office National du Ducroire/Nationale Delcredere Dienst for the insurance for own account, does not comply with article 18 of the statutory provisions. The attribution to reserves for the amount of € 350,317,284 (general reserve increase by € 500,702,424 and special reserve funds decrease by € 150,385,140) is higher than the € 196,845,977 result to allocate, resulting in a transferred loss on the balance sheet of € -153,471,307.

As mentioned in the directors' report of the Office National du Ducroire/Nationale Delcredere Dienst for the insurance for own account, the attribution to the general reserve is in line with decisions taken by the Board of Directors in 2008 in the framework of a statutory commitment ceiling increase. When determining this ceiling, however, the lack of sufficient result to allocate at the end of the year was not taken into account.

Brussels, 4 May 2009

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Auditor

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