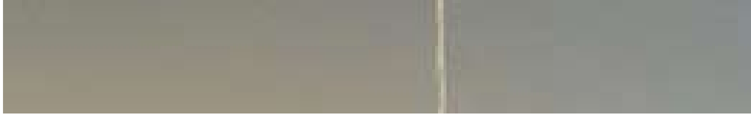
50
YEARS

History of the future

50 years of existence in the new markets

Annual Report 2008

Garant



Contents

About Garant

Garant AG provides credit and political risk insurance to support international companies in their international trade activities and overseas investments.

Specialized in emerging countries, Garant is the best partner to help you mitigate commercial and political risks arising from your contracts or projects worldwide.

Our risk experts will customize state-of-the-art insurance solutions to your specific needs. They will give you access to our intelligence networks devised with local partners in order to create a risk-controlled-environment. Managing and monitoring risks together will be the key to achieving your business expectations.

Letter from the Chairman
2008

1958-2008: Garant is celebrating fifty years of existence and its unique accumulation of expertise in east-west economic relationships with a promising future as a small-to-medium size global player in the credit and political risks private insurance market.

Two celebrations have been organized in Vienna and in Paris, bringing together many of those who have supported Garant over these five decades. What a great opportunity to pay tribute to all those who built Garant and kept it alive while, in today's context, many similar companies would have been merged into bigger structures, probably not for the better. Garant wishes to express its gratitude to its shareholders, Ingosstrakh, the founder, and ONDD, which plays such a prominent role in its present development, to all the managers and employees who have served the company over the years, to all the clients who have relied upon Garant's signature in the good and not-so-good days and to all the suppliers and reinsurers in the first instance, whose constant support was so crucial to achieve the company's goals.

Born with the hopes of the newly created European community, Garant is reaching the mature age of fifty years in the wake of the greatest economic crisis in the history of the globalized world.

2008 is finishing in a state of global turmoil in the financial markets and an impact on the real economy with an expected reduction of international trade flows, a recession in most of the developed countries and a slowdown in the growth of the emerging markets.

The social and political impact of the crisis will increase in the short and medium-terms, with rising unemployment rates in many countries, including those outside the OECD, and significant increases in government deficits with their immediate impact on the public-sector debt and taxation.

The world wonders how a gang of short-term minded and excessively greedy financiers could have been able to trigger such a disaster which spills over far beyond the financial sphere. But even more important, what kind of remedies should be developed to counteract the weaknesses and failures of the architecture of the world financial system.

Beyond the attitude of the "crazy few", all the analysts can now see the extent to which over-reliance on what purported to be infallible business models, the assumption that mathematics is able to predict all aspects of human behaviour or action and the tendency of so many executives to rely upon automated procedures rather than human skills were simply not enough. Regulatory rules did not function any better nor the perceived security offered by the ratings.

All of these beliefs or attitudes having been denied by the facts, they are no longer credible and must be changed. New rules of the games have to be defined and this is precisely the definition of a revolution.

More than a crisis, the world is going through a financial revolution which will last for a relatively long period with all the uncertainties and risks attached to such unstable periods.

New solutions will be proposed, and governments will have to take the appropriate steps first to obtain full disclosure of the depth of the losses incurred and then to avoid such a collapse happening again.

Credit insurers can make a positive contribution to reshaping the economic and financial rules because they know from experience, probably more than others, that psychology plays a major role in the human decision-making process. And they understand as well that psychological factors are difficult to put into equations.

Furthermore, in such a rapidly evolving environment, with the acceleration of globalization, the rapidly changing regulatory background and the IT revolution, track records may speak for the past but no longer allow us to predict the future.

The quest for zero risk, the demand for certainties in the future will simply be utopia and market operators will from now have to accept allowing margins for risk. Credit insurers, again more than others, can be at the forefront of a new approach built upon risk selection, spread of portfolios and dilution of exposures.

The crisis is also evidence of the negative effects of the excessive concentration which took place during the past two decades, more specifically in the reinsurance sector.
It was a common belief that mergers or acquisitions would strengthen capital bases and increase profitability. But apparently only a few had understood that, in the negative trend of the cycle, exposures and claims resulting from it would weigh much more than the expected profits, with a combination of potential losses on liabilities together with a significant depreciation on the asset side following the collapse of the stock markets.

In this impaired environment, Garant performance in 2008 is more than encouraging.
With 17% growth in premium volume, a positive technical result for the first time since its re-development in 2004 and positive net investment income after a decision made at the end of 2007 to invest massively in time deposits, Garant showed a net profit of 504 700 Euro at the end of the year, after allocation of an additional 373 000 Euro to the equalization reserve.

Does it speak for the future?

No one can be certain that Garant will remain loss-free in 2009 but it is already obvious that Garant's portfolio will not be hit by a systemic risk generating massive losses in a region or in an industrial segment.
However, Garant may not exclude the fact that, because of the lack of export finance facilities and the slowdown in some economies, some individual projects may be postponed or cancelled. The quality of crisis management by policyholders in close coordination with their insurers will determine the outcome of any potentially difficult situation.

On the other hand, despite the contraction of international trade flows, the demand for insurance will increase sharply, with many exporters looking for credit insurance to substitute for the lack of banking facilities. Banks themselves are showing a greater appetite for insurance cover because of lower refinancing availability.

From a qualitative standpoint, such demand, mainly in the single risk segment, should be of good quality as buyers and promoters of projects have absorbed the impact of the crisis and are focusing on what can really be implemented in the present context.

Governments have of course expanded their capacities for exporters but these initiatives are not expected to absorb the demand from the market, and may even create new opportunities.

Furthermore, premium rates are increasing, in line with the growth of banking spreads. The change over 2007 will be significant with, as an example, rates already multiplied by three for some large corporate policies in the emerging countries.

Last but not least, primary insurers will have to cope with the relative instability and volatility of the reinsurance market.
In a difficult context, it is crucial for underwriters to maintain the necessary flexibility in order to facilitate rescheduling and avoid additional potential losses.

Reinsurers' willingness to adjust portfolios and capacities to the present crisis is acceptable but gross withdrawals could cause a severe increase in claims on the risks already on the books.

More than ever, credit insurance and more specifically single risk cover, calls for a medium to long-term approach while, too often, financial actors remain concerned by short term issues.

When a major storm breaks out on the ocean, sailors who panic would have little chance of bringing the ship back to port. On the contrary, calm, composure and the flexibility to react rank among the top qualities we would expect from an experienced skipper and crew.

It may take a little longer to reach the harbour but the vessel which has survived the squall will be stronger and more reliable in the future.

Crisis in Chinese means both risk and opportunity.

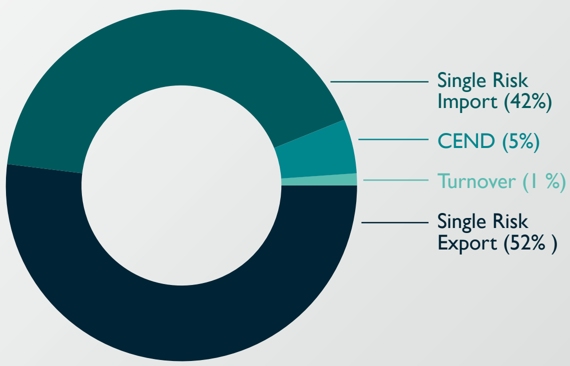
With its fifty years of experience and the continuing support of its shareholders, ONDD and Ingosstrakh, Garant expects to keep on managing its risks appropriately and to seize the forthcoming opportunities for its development.

Louis Habib-Deloncle

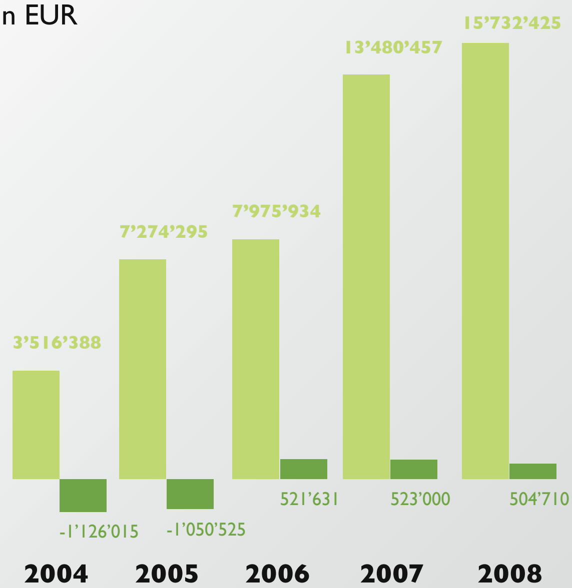
2008 Key figures

	2008
Gross Premium Written	15. 732 425
Net Earned Premium	7.768.520
Claims paid	335.854
Net Income	504.711
Net Loss Ratio	39.2%
Net Combined Ratio	93.6%

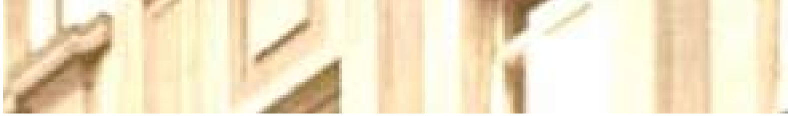
Premium split by type
of business as of 31 Dec. 2008



Gross premium written and profit loss
In EUR



50 YEARS HIGHLIGHTS



The GARANT story

Its historical background has given Garant a unique expertise in emerging markets. Garant has insured credit and political risks for the past 50 years, particularly in Eastern European countries and the CIS. From the beginning, the story of Garant has been closely linked to the history of the European continent.

The choice of peace

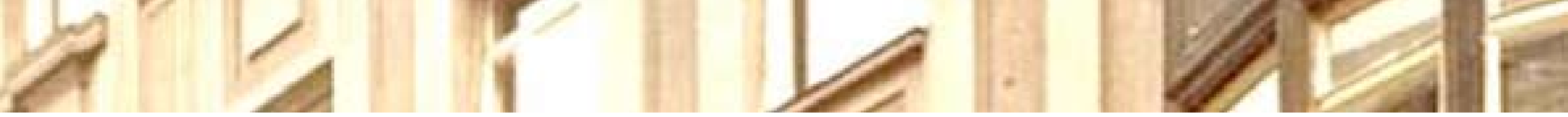
Garant 1958-1995

Kennedy and Khrouchtchev in Vienna in 1960. On both sides of the Iron Curtain, states developed their own international economic and military alliances but they kept on trading.

Garant Insurance Company was founded in Vienna, Austria, on 20 May 1958.The company was set up by Ingosstrakh, the leading insurer in the Soviet Union to support the development of relationships between the USSR and the countries from Easternbloc and Western countries by insuring international trade contracts.

The concept was original and the Austrian government was, at the beginning of the negotiations with Ingosstrakh, had reservations concerning the initiative. Finally, the Austrian authorities approved the creation of Garant as well as the establishment of a branch of the American company "Great America" in Vienna. Originally, the founders wanted to name the new credit insurance company "Vindobona", but some Austrian official rejected the idea that an insurance company owned by Soviet shareholders should the ancient name of Vienna. In 1958, Austria had been independent only for three years under the Soviet condition of political neutrality.

The first licence for Garant was restricted to cover non-payment risk on commercial operations in the socialist countries if the Austrian Control Bank did not guarantee the transaction. Gradually, the licence was extended to other lines of insurance, driven by the growing demand for cover. From 1951, western European countries signed trade agreements with Soviet bloc governments to preserve access to the profitable non-dollar markets of eastern Europe. This approach led to a conflict with the Truman administration over cold war economic policy as the United States wanted to implement a comprehensive international embargo on east-west trade to restrict Soviet bloc access to western technology and industrial goods. But Great Britain, in partnership with France, succeeded in



moderating the scale of the embargo which would have severely limited the access of the Organization for European Economic Cooperation (OEEC) nations to Cominform members. All parties agreed, the Truman administration being the first, that the restoration and development of trade between western and eastern Europe was one of the basic aims of the European Recovery Programme and the future reconciliation.

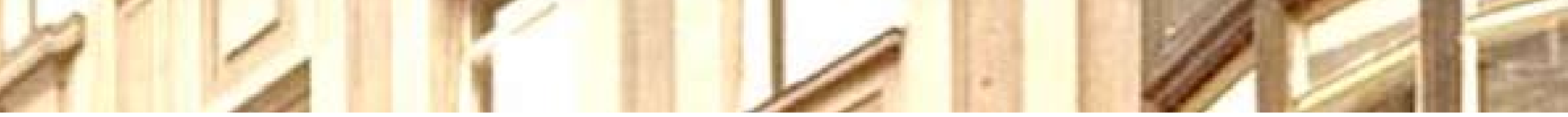
In 1960-1961, Mr Molotov, the Soviet representative in Vienna lived with his family in the Garant building which is still today the headquarters of the insurance company.

An historical event of the Cold War is directly connected with Garant. In the early seventies, Garant was one of the theatres of the Strategic Arms Limitation Talks (SALT 1 and 2), welcoming the Soviet delegation lead by Mr Molotov. As Mr Klementiev, former general director of Garant, remembers, Viacheslav Molotov was very popular in Austria as he signed the Austrian State Treaty and proclaimed it from a balcony of the Grand Belvedere.

The Garant team in 1971 managed by Mr Klementiev

The fall of Berlin wall : trade leads to peace

In 1994, six countries in central and eastern Europe and the Baltic states became associate partners of the Western European Union. This development opened the door for Austria's full integration into the EU.



Ingosstrakh

Before 2006, the year in which ONDD took a share of Garant's capital, Garant was a wholly-owned subsidiary of Ingosstrakh. Today, the Ingosstrakh Group is made up of 83 branches in Russia, nine insurance companies abroad and eight companies operating in the domestic market and six representative offices in the CIS as well as Ukraine, China and India.

1. Ingosstrakh was founded in 1947 to protect the property interests of the Soviet Union in international trade.
2. 60 years of operations abroad and in Russia have made Ingosstrakh into a global insurance company.

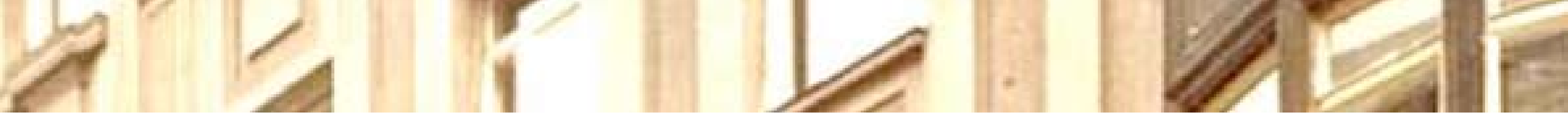
Integrating the EU

Garant 1995-2003

After the fall of the Iron Curtain, Garant paid all the claims arising from credit risk insurance accepted from eastern European countries back to 1989-1990. These claims arose from the extremely difficult economic situation during that period of transition. By satisfying all its obligations in these difficult times, Garant enhanced its reliability as a trustworthy partner with its clients and the network of insurers and reinsurers the company works with.

The main objective of Garant remained to provide insurance for east-west trade. At the time, Garant was one of the few insurance companies, if not the only one, in Austria and Germany with licences in both credit and property insurance.

In the late 90s, Garant was authorized to underwrite eighteen types of direct insurance and all types of reinsurance, including insurance against non-payment risk, insurance of property against fire and consequential loss of profits, insurance of construction risks, cargo insurance, marine hull insurance, motor insurance and accident insurance. But the company's core business remained the insurance of trade between Russia and the CIS countries and the Baltic States. Austria was one of the main trade partners of the former Soviet Union. Garant had subsidiaries in Latvia (Balva), Bulgaria (Jupiter) and representative offices in Russia and Slovakia. Its strong performance and sustained growth allowed Garant to strengthen its niche position in the Austrian market, but, as a consequence of Austria's joining the European community in 1996, the competition between international insurers became even greater.



A unique credit insurer in the European heartland
Garant since 2003

To face the financial difficulties arising from diversification and sharp competition, the 100% shareholder Ingosstrakh supported the new Garant strategy designed by the new management lead by Louis Habib-Deloncle, the former chairman of Unistrat and founder of the private market for political risk insurance in Continental Europe. Decisions were taken to recapitalize the company, to focus on the core business of commercial and political risk cover and to recruit an international team of recognized experts. These decisions have prepared the stage for a momentous leap forward in the Garant story.

New logo for a new stage

Within five years, the company has become recognized as a key player among the few operators in the field of commercial and political risk insurance. By combining both short-term turnover business and single risk business, Garant meets the needs of a large clientele from OECD countries as well as from the emerging economies. After only five years, Garant covers risks in 150 countries against 65 countries in 2004. The premium income shows a continuous and healthy growth from 1.5 million Euros in 2003 to 15.8 million in 2009. The portfolio structure reflects the original status of Garant in the credit and political insurance market, with a strong focus on the emerging markets.

In 2006, ONDD increased its participation to 50% of Garant's capital, which was increased to EUR 25 million. With Ingosstrakh and ONDD as shareholders, Garant embodies a unique Euro-Russian partnership in the European credit insurance market. In the same year, Garant opened a branch in Geneva, Switzerland and signed technical and commercial agreements with SACE, continuing the line of full partnerships made with Banco Exterior de Cuba, ONDD and Cagex earlier.

In 2008, Garant became a member of ICISA and celebrated the 50th anniversary of its creation.

A YEAR HIGHLIGHT

2008

- Record achievements in net premium and net income
- Continued success in new clientele acquisition
- Significantly improved performance in our investment policy
- Proactively management of our capital structure, creating a solid balance sheet and financial reliability
- Well positioned in 2009 as we continue our focus on emerging markets coverage

Celebration Events

Lunch party in Vienna

As 2007 marked the 50th anniversary of Garant, two celebration events were organized during the year to highlight and celebrate this collective achievement and to show our sincere appreciation of our valued partners.

This milestone was an opportunity to honour the people and the clients who have helped to build Garant over the past 50 years and create its unique footprint and international reputation today.

The first event naturally took place in Vienna in June 2008 to pay a salute to our local partners at an entertaining lunch in the Kaiserloge of Galopp-Rennplatz Freudenau, which ended with an exciting private horse race.

View of the Kaiserloge in Vienna

"I wish to pay tribute to my predecessors for the excellent reputation they gave to Garant during the second half of the past century" said Louis Habib-Deloncle.

Yves Windelincx, Chairman of the Supervisory Board, CEO of ONDD, Dirk Terweduwe, Member of the Supervisory Board, Director of ONDD with our Austrian brokers Helmut Peraus and Ursula Vogtenhuber

Valérie Talbot, the Chief Risk officer at Global Trade Security.

Louis Habib-Deloncle and Viktor Klimov, member of the Supervisory Board, Head of the credit Department at Ingosstrakh

The atmosphere was very friendly. Brigitta Ayasch and Johanna Speckl from the Accounting department

A convivial Lunch embedding the long-lasting relationships with Garant's clientele and consultants

The Lunch ended with an exciting private horse race.

Dinner Party in Paris

In October 2008, Garant gathered together banks, corporate, brokers, insurers, reinsurers, lawyers and other members of the community engaged in risk sharing, at the Institut du Monde Arabe for a cocktail reception with an exceptional performance by the opera singer Inva Mula. Perhaps the choice of the Institut du Monde Arabe was unusual for an Austrian-registered insurance company, owned by a Russian and a Belgian shareholder, but the Institut, as a cultural bridge between the Western Europe and the Arab World was an appropriate embodiment of Garant's mission to create convergences between cultures by supporting international trade.

It was very exciting to gather so many of our international clients and partners.

The Institut du Monde Arabe takes on the Garant color.

The exceptional performance of the Diva Inva Mula

The world economic order will be based on partnerships between different countries with different perceptions" said Louis Habib-Deloncle

The one language everybody may understand as he speaks more to our heart: this is music" said the Chairman of Garant

It demonstrated how truly global is our credit and political market.

Louis Habib-Deloncle thanked Inva Mula for this beautiful musical roundtrip around the world

Humorous entertainment with the wizard

Mr Windelincx, Chairman of the Supervisory Board of Garant

Beautiful view of Paris by night

Garant today

The Garant Group

Thanks to its historical network added to the support of its Belgian and Russian shareholders, Garant's Group helps to meet the world's growing demand for insuring trade and investment exchanges against commercial and political risks. Within 5 years, Garant expands its market presence and provides credit and political insurance solutions in 150 countries, notably in the emerging markets.

Since 2008, GARANT is a member of ICISA.

The International Credit Insurance & Surety Association (ICISA) brings together the world's leading companies that provide credit insurance and/or surety bonds.
Founded in 1928 as the first credit insurance association, the current members account for 95% of the world's credit insurance business. Surety companies became members of the association beginning in the 1950s. Today, with over USD 2 trillion in trade receivables insured and billions of dollars worth of construction, services and infrastructure guaranteed, ICISA members play a central role in facilitating trade and economic development on all five continents and practically every country in the world.

Our shareholders

MOSCOW

INGOSSTRAKH has been operating in the international and domestic insurance market since 1947. A leading company in Russia, Ingosstrakh has branches in 182 Russian cities and over 15 offices and subsidiaries worldwide.

BRUSSELS

ONDD The Belgian Export Credit Agency is an autonomous public body whose mission is to promote international economic relations by covering risks related to exports of goods and services, imports, direct investments abroad and short, medium and long-term credits.
The insurance primarily covers non-OECD markets.

Our companies

GENEVA

GARANT CH

Since 2006, the new Branch based in Switzerland offers the Garant's policies to the Swiss companies.

GENEVA

GLOBAL TRADE SECURITY (GTS)

Created in 2003, the subsidiary GTS provides its expertise in risk assessment and management for commercial and political risk business.

Corporate management

The Supervisory Board

Chairman
Mr Yves WINDELINCX
CEO of Office national du Ducroire (ONDD)

Deputy Chairman
Mr Alexander GRIGORIEV
General Director of Ingosstrakh

Members
Mrs Tatyana KAYGORODOVA
Head of the Direct Investments Department, Ingosstrakh

Mr Viktor KLIMOV
Head of the Credit Department, Ingosstrakh

Mr Alain FLABAT
Head of Finance and Reinsurance,
Office national du Ducroire (ONDD)

Mr Dirk TERWEDUWE
Director, Office national du Ducroire (ONDD)

Auditors
KPMG Wirtschaftsprüfungs-und
Steurberatungs GmbH
Mag. Michael SCHLENK
Mag. Ludwig SCHUMICH

The Management Board and executive management

Dmitri Lokshin, Louis Habib-Deloncle, Walter Blom

Louis Habib-Deloncle
Chairman of the Managing Board

Dmitri Lokshin
Member of the Managing Board

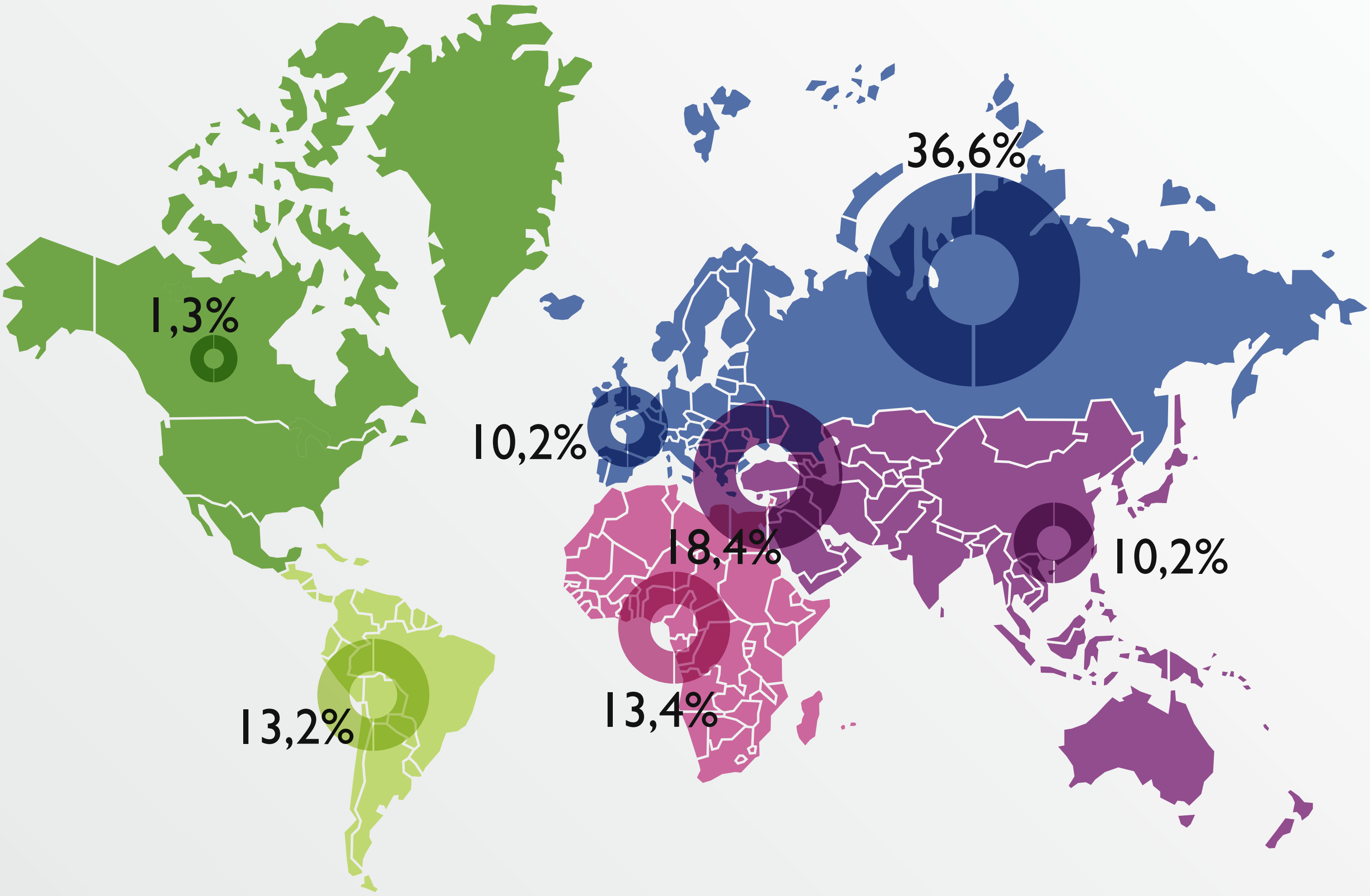
Walter Blom
Member of the Managing Board

Brigitta Ayasch
Head of Accounting Department

Valérie Talbot
Chief Risk Officer, At Global Trade Security

Christian Torché
Head of reinsurance, Manager of the Swiss market

Global Presence



Year in review

While turbulence and uncertainty characterize global financial markets, our commitment to our policyholders and shareholders remains steadfast.

In anticipation of the economic downturn, the management of Garant took steps in late 2007 to protect and manage our assets actively and conserve our sound under-writing practices. We have tailored our business to the current operating environment and now stand well-prepared for a strong future.

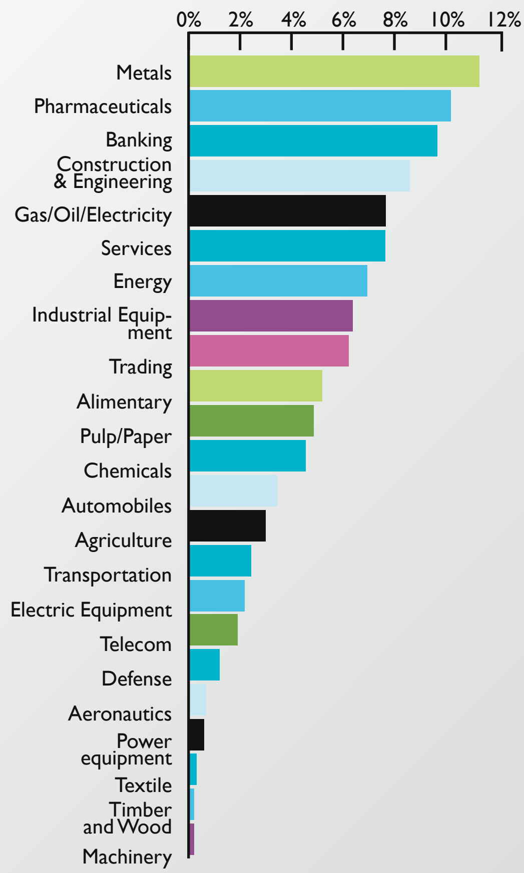
Investing in the future

Right strategy, proven results

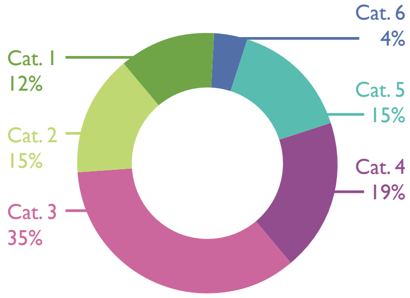
In 2003, the new management made the strategic decision to recapitalize Garant and to focus on both credit and political risk insurance in the emerging countries. Five years later, the new strategy has proved to be profitable and appropriate, as demonstrated by the continuous improvement of our premium income. In 2008, the gross premium total of EUR 15.7 million, increased by 17% compared to the previous year. Despite the spread of the financial crisis to the real economy in the last quarter of 2008, the company increased premium volume as well as the net premium result after reinsurance cessions.

The PRI market in which Garant operates has changed rapidly over the last few years. Since 2003, the FDI into emerging countries have shown a marked increase coupled with increasing political risk awareness. At the same time, the entry of new players such as Garant added to the growth of operations volume and have began to alter the competitive dynamic toward a downward pressure on premium rates. In this environment, Garant has maintained its strict underwriting discipline by not accepting hazardous risks and giving way to competition. In the light of the current financial crisis, this strategy, designed in 2003, has helped Garant to withstand the turmoil best.

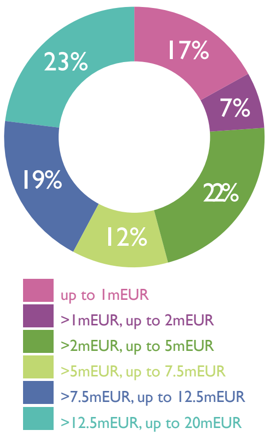
2008 Aggregate exposure by economic sector of Debtor (in %)



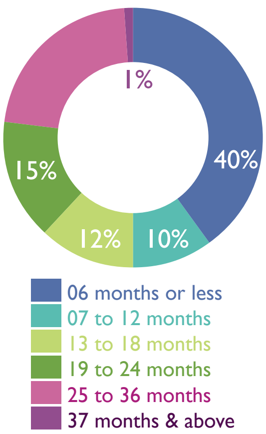
2008 Aggregate Exposure on Country Category



2008 Aggregate Exposure by Limit Range



2008 Aggregate Exposure by Tenor



At the end of the year, Garant showed no sign of significant deterioration of its portfolio, whilst most of the traditional credit insurers were suffering heavy losses from their short-term business. A rising number of insolvencies are expected for most of the developed countries, less for emerging countries, with increasing claims as a result of the systemic crisis. In the single risk business, Garant does not expect any pro-cyclical effect of the crisis. The economic downturn may generate some specific losses which would be primarily caused by business interruption, cancellation risks or potential constraints imposed by the banks on providing refinancing funding. These types of risks are reputed to cause more partial losses than total losses up to the limit of liability on a policy. In any case, the single risk business with its long terms is less vulnerable to the short term effect of the crisis as a result of the structures of its mechanisms. Most of the projects covered are key to the growth of their local economies.

Recognizing strategic opportunities

Garant will continue to strengthen business development, streamline internal processes and gather market intelligence. The magnitude of the crisis may alter the credit insurance industry landscape. Because of its crucial role as a support of their economies and trade, some national states are intervening in the sector to restore the availability of capacity. The financial implications of intervention by the state, which, in certain countries, could lead to the re-nationalisation of credit insurers, may change competitive dynamics on a long-term basis.

Garant, as a private market player, continues to build its business strategy on the profitability requirement. In order to maintain our competitive advantage after the crisis, we will continue to expand our position in political risk cover. Business opportunities will arise in an environment of tightening credit conditions and lower risk tolerance in global financial markets.

During the year 2008, the demand for risk cover in Asia, Africa and eastern Europe including Russia has grown constantly. This reflects the need for financial institutions to lay-off an increased share of risk in turmoil times. Turkey, Iran and Algeria continue to dominate demand in the MENA regions. Therefore, the spread of our portfolio by rating category remains standard for our line of business, even if we have seen an increased share of category 2 medium risk countries, reaching 15% compared to 9% last year. Our risk portfolio continues to show high quality with an optimum spread by tenor cover, industry sector and limit range cover. By the end of the year, Garant carried aggregate exposure exceeding 800 million Euros.

Garant will continue to target priority deals in emerging markets where we have strong expertise and knowledge and can assume a lead role in supporting our clients' business developments. We intend to increase our business underwriting while maintaining a well-balanced portfolio. In the face of this challenging environment, our highly experienced underwriting teams, which have been confronted by various market cycles, have continued to assess and manage risks properly while modelling and actuarial schemes have shown their own limits.

Timely decisions

We enter 2009 with a strong balance sheet. With a 15 million Euros gross capacity per risk in 2008 and a total per risk exposure of 1,350 million Euros, Garant has reinforced its capital protection, with net retention representing 5.4% of its capital. Furthermore, the management decision, taken at an early stage of the sub-prime crisis, to move our investments in shares and funds into time deposits, has allowed Garant to improve the income from our investment activities.

The financial market meltdown has siphoned off some of the equity capital base of some credit insurers, thus reducing their ability to underwrite risks. Garant, which has not suffered a decline in assets values in 2008, maintains its objective to reach, in the near future, a EUR 20 million capacity per risk at any time, to match our clients' needs for larger deals. This will obviously depend on the market conditions generated by the crisis.

We tailor our reinsurance programmes to expand our capabilities so that they provide capital support to grow our business without adversely impacting our balance sheet. With a concern for greater optimization, we redesigned quota-share treaties and the XoL programme in 2008 to increase our retention level to 65% while maintaining the same level of protection.

In response to the volatility of the reinsurance market, we continue to pay great attention to the quality of our reinsurance partners and capitalize on long-lasting cooperations. We also continue to try to educate reinsurers to understand the specific features of the single risk activities within our range of insurance products. As far as the Geneva Branch, Garant CH, is concerned, we have renewed the cooperative agreement for all Swiss short-term business with Ducroire SA. Our Swiss branch has experienced increasing business turnover to reach CHF 5.1 million for the second consecutive year of its activities.

For the whole of Garant's activities in 2008, we report an increase in loss claims amounting to Euros 1.3 million, as a result of the depressed environment arising since the last quarter of 2008. This rise, still lower than the claims ratios experienced by some credit insurers, remains low because of the excellent loss track record Garant has shown over recent years. Moreover, our claims management procedures help to reduce the impact of potential losses.

Looking forward

Sustainable growth, financial protection and underwriting discipline: Garant is prepared to face the new challenging environment generated by the deepening recession. The change over 2008 in the credit insurance market is significant in its number of risks and opportunities. For us, the year 2008 was also special with the 50th anniversary. We are happy to have been able to celebrate this momentous event with our clients, our shareholders and our partners and look to delivering strong earnings and steady growth in 2009 and beyond.

Risk management

Preserving business continuity while increasing portfolio profitability through acceptable risk opportunity: this is the focus of our risk management.

With the spread of the financial crisis to the real economy in the last quarter of 2008, Garant has adopted adjustment measures to respond appropriately to the growing degree of uncertainty for business risk and to reduce our risk exposure arising from the global deterioration of the trade and financial environments. The three pillars of our business model, selection, diversification and dilution, provide comprehensive tools to enhance our risk management framework.

Operational risks

At the end of 2008, Garant showed no sign of significant deterioration of its portfolio, whilst most of the traditional credit insurers were suffering heavy losses from their short-term business. A rising number of insolvencies are expected for most of the developed countries, fewer for emerging countries, with claims increasing as a result of the systemic crisis. At the end of the year, Garant had not experienced any systemic crisis in his short-term business portfolio related to emerging countries, but we may not exclude the possibility that the crisis will impact the emerging countries in a deeper manner in the medium to long-term.

In the single risk business, Garant does not expect any pro-cyclical effect of the crisis. The economic downturn may generate some specific losses which would be caused primarily by business interruptions, cancellation risks or potential constraints caused by the banks failing to provide refinancing. This type of risk is reputed to cause partial losses rather than full losses up to the limit of liability on a policy. In any case, the single risk business with its long duration is less vulnerable to the short term effect of the crisis because of the nature of its mechanisms. Most of the projects benefiting from cover are key to the growth of the local economies.

We constantly evaluate opportunities and risks to determine if any initiative or action should be undertaken. As long-term strategic measures, we shape our portfolio through external constraints and internal optimization measures and expand our position in single risk activities.

We react to potential claims by implementing operational measures: permanent dialogue with our policyholders to survey their behaviours and promote leverage for possible recovery in case of loss. We are also monitoring closely the consequences of the financial crisis and/or geopolitical tensions which may pose growing risks and losses in some countries such as Ukraine, Russia, Nigeria and China.

Based on risk mutualisation, our business model helps us to mitigate the underwriting risk and lessen the net financial impact of potential losses on our balance sheet, provided that our partners, insurance and reinsurance companies, are trustworthy and will endure. We, consequently, perform due diligence within a pre-determined list of acceptances, to ensure the quality of their signature.
As far as reinsurance in concerned, we take seriously the risk of

capacity tightening, as a result of the excessive concentration of the reinsurance market, notably in the credit branch.

Consequently, Garant put special effort into lobbying activities to communicate information on the specific aspects of credit and political insurance products.

Human capital Risk

Garant promotes the acquisition of new talents and the sustainability of teams to lessen the human capital risk. We have initiated short to medium-term recruitment planning as well as continuous training and internal development for our teams.

Reputational Risk

As a consequence of our insurance activity, compliance failures are the greatest source of reputational risk.
The crisis increases the obligation for insurers to comply with contractual obligations to their policy holders. It is the essence of our industry to support trade transactions and the related risks.

IT Risk

IT system performance is a matter of importance in our risk management process. Having a high level of security awareness, the management has pursued a course of continuous improvement of Garant's IT systems and processes relying on neutral risk analysis.

Financial Risk

Our conservative policy has led to improvements in the global performance of our investment portfolio with substantial gains during the financial turmoil. Placements in short-term time deposits were made in order to maximize returns while maintaining adequate liquidity.

Over the course of the extended financial crisis, we will be constantly reviewing our risk management and supervision of financial issues, such as liquidity, interest rates and currency risks. The constant review of our investment practices has been intensified to enable us to react promptly and take appropriate initiatives when required.

FINANCIAL & MANAGEMENT REPORT

Balance sheet

ASSETS	31.12.2008 EUR	31.12.2007 TEUR
A. Intangible assets		
Other intangible assets	376,160.62	519
B. Investments		
I. Assets in affiliated companies and participating interests	32,647.73	33
II. Other financial investments		
1. Other Shares and Funds	1,334,479.34	21,780
2. Debt securities and other fixed income securities	4,852,326.57	2,537
3.Deposits with credit institutions	23,604,088.40	3,166
III. Deposits with reinsurance companies	252,501.97	276
C. Debtors		
I. Debtors arising from direct insurance operations		
1. to policyholders	2,558,781.47	2,794
2. to intermediaries	9,563.48	10
3. to insurance companies	1,137.61	4
II. Debtors arising from reinsurance operations	4,386,219.93	3,667
III. Other debtors	301,054.04	212
D. Accrued interest	**680,742.35**	**92**
E. Other assets		
I. Tangible assets and stocks (without land and buildings)	112,190.80	109
II. Cash at credit institutions and cash in hand	2,126,252.62	1,015
III. Other	14,479.34	178
F . Prepayments and accrued income	**69,205.62**	**55**
	40,711,831.89	**36,447**

Liabilities

	31.12.2008 EUR	31.12.2007 TEUR
A. Capital		
I. Share capital Nominal amount	25,000,248.00	25,000
II. Risk reserve § 73 a VAGtaxed	3,626.80	0
III. Total loss	-2,064,801.74	-2,538
derived from loss brought forward: EUR 2,538,372.57; Prior year: TEUR 2,251		
B. Technical provisions, net of reinsurance		
I. Provision for claims outstanding		
1. Gross	15,505,416.94	11,266
2. Reinsurers' share	-8,759,714.51	-7,359
II. Provision for Premium refund		
1. Gross	264,063.98	155
2. Reinsurers' share	-190,555.55	-108
III. Equalisation reserve	2,772,000.00	2,394
IV. Other technical provisions		
1. Gross	0.00	136
2. Reinsurers' share	0.00	-54
C. Non-technical provisions		
I. Provisions for termination or severance payments	206,470.00	279
II. Provisions for pensions	1,478,087.00	1,376
III. Provisions for taxation	52,693.61	21
IV. Other provisions	389,034.46	266
D. Deposits received from reinsurers	**1,971,459.19**	**1,008**
E. Creditors		
I. Creditors arising from direct insurance operations		
1. Policyholder	662.61	0
2. Intermediaries	565,159.46	434
3. Insurance companies	3,065.39	8
II. Creditors arising from reinsurance operations	3,259,504.38	3,743
III. Amounts owed to credit institutions	0.00	19
IV. Other creditors	255.411,87	399
	40,711,831.89	**36,447**
Contingent liabilities	**39.447,00**	**79**

Profit & Loss Statement 2008

	2008 EUR	EUR	2007 TEUR	TEUR
Technical Account				
1. Earned premiums				
a) Premiums written				
aa) Gross	15,732,425.41		13,480	
ab) Reinsurers'share	-8,087,824.68	7,644,600.73	-8,111	5,369
b) Change in unearned premiums				
ba) Gross	136,308.00		64	
bb) Reinsurers'share	-12,388.54	123,919.46	-65	-1
2. Claims incurred				
a) Claims paid				
aa) Gross	-1,258,013.22		-514	
ab) Reinsurers'share	922,158.98	-335,854,24	558	44
b) Change in the provision for claims outstanding				
ba) Gross	-4,150,671.54		-2,122	
bb) Reinsurers'share	1,343,053.67	-2,807,617.87	792	-1,330
3. Expenses for the premium refund				
a) Gross	-132,791.05		-127	
b) Reinsurers'share	92,239.54	-40,551.51	98	-29
4. Operating expenses				
a) Commissions and other acquisition costs	-3,707,318.98		-3,051	
b) Administrative expenses	-2,510,529.86		-2,203	
c) Reinsurance commissions and profit participation	2,286,619.53	-3,931,229.31	1,829	-3,425
5. Other technical charges	**-193,710.99**		**-119**	
6. Transfer to equalisation reserve	**-378,000.00**		**-894**	
7. Technical result	**81,556.27**		**-385**	

	2008 EUR	EUR	2007 TEUR	TEUR
Non-technical account				
1. Technical result		**81,556,27**		**-385**
2. Investment income and interest income				
a) Income from particpating interests	0.0		0.0	
b) Income from other investments	1,055,712.77		505	
c) Gains from the realisation of investments	336,460.49		283	
d) Other income from investments, interest yield	683,863.88	2,076,037.14	95	883
3. Investment charges / Interest charges				
a) Investment management charges	-33,872.89		-28	
b) Value adjustments on investments	-651,476.96		-445	
c) Interest expenses	-19,098.00		-20	
d) Losses on the realisation of investments	-352,456.77		-110	
e) other charges for investments	-489,910.87	-1,546,815.49	-260	-864
4. Other non-technical income		**21,848.55**		**103**
5. Other non-technical charges		**-90,423.92**		**-24**
6. Profit on ordinary activities		**542,202.55**		**-287**
7. Tax on profit		**-33,864.99**		**-5**
8. Profit / Loss for the year		**508,337.56**		**-292**
9. Transfer to Reserves				
a) Transfer to the Risk Reserve § 73a VAG		-3,626.80		0.00
10. Annual Profit/Loss		**504,710.76**		**-292**
11. Loss brought forward		**-2,569,512.50**		**-2,247**
12. Total loss		**-2,064,801.74**		**-2,538**

We herewith present the financial statements of the business year 2008 and would like to state the following:

1.Activity report

1.1 The Portfolio and Reinsurance in Credit Insurance

With a premium volume of EUR 15.7 Million (up 2.2 Million. over 2007), Garant shows a 17% growth of its business, slightly above projections (15.3 Million.) The move is even more impressive when looking at the net premiums (after reinsurance cessions) which have increased by 42 %.

In credit insurance, Garant cooperates with a group of eleven reinsurance companies to cede premiums. This represents an appropriate diversification to reduce dependence of Garant on any one reinsurance company.

In 2008, Garant diversified its self-retention further on. In addition to the priority of EUR 1.35 Million at the gross self-retention (after quota-share contract), four XL-layers with a total capacity of EUR 7.9 Million were added on top of XL-cover.

We were able to expand our reinsurance coverage through an aggregate portfolio XL contract (Stop Loss on Net Retention), as well as through a country XL-contract.

1.2 Claims and Claim Reserves

The volume of potential losses and the unexpired risk reserve (which is somehow a future loss reserve) have gone up too, more than premiums in proportion compared to 2007 but still at a very reasonable level with a loss ratio (paid and outstanding claim reserve) of 16.3 % net of reinsurance cessions.

The run-off profits in gross direct business of TEUR 593.3 (2007: 1,673.8) considerably arise from the release of the unexpired risk provision (Pauschalreserve) amounting TEUR 1,359.9. Also in indirect business run-off losses of TEUR -324.1 could be achieved. The run-off loss in indirect business results totally from underwriting year 2007 since we received notifications of claims also in 2008 and we had to create accordingly outstanding loss reserves. At the same time, unexpired risk reserve was only reduced marginally. It has to be mentioned that Garant enters a considerable part of premiums of one underwriting year only in the following business year. Therefore we have equivalent expenses due to creation of unexpired risk reserve in the following business year respectively years. Therefore a run-off profit is not given a priori.

Garant internally splits its results into „New activities“and „Old activities“. New activities comprise all business of credit insurance, which is operated since 2004. Old activities include beside credit-insurance the so called run off classes before 2004 that means the settlement of all insurance classes which were operated up to this specific date.

As can be seen from figures below, Garant ceded all liabilities from old activities. This was achieved on the one hand through current reinsurance contracts, on the other hand a Stop-Loss contract.

Breaking down the outstanding claim reserve which is included in technical provisions into old and new activities, the following picture can be seen:

Provision for claims outstanding	Reported claims	Reported claims	Reported claims
In TEUR	**New activities**	**Old activities**	**Total**
1. Gross	2,153.9	3,273.0	5,426.9
2. Reinsurer's share	- 900.4	- 3,273.0	- 4,173.5
Total	1,253.5	-	1,253.5

The remaining technical provision can be appointed to new activities; these are the unexpired risk provision (Pauschalreserve) with a self retention of TEUR 5,492.2 (2007: TEUR 3,790.8), the equalization reserve in the amount of TEUR 2,772.0 (2007: TEUR 2,394.0), the provision for premium refund with a self retention of TEUR 73.5 (2007: TEUR 47.3), and the provision for anticipated lapses with a self retention of TEUR 0.0 (2007: TEUR 82.8).

1.3 Operating Expenses

Garant has also maintained a strict control over its costs: acquisition costs have increased by 21.5 % against 17 % for the premiums. This evolution reflects the fact that Garant is writing more non-direct business, which is not only due to the lack of rating but as well to the increase of the inward reinsurance business with mainly a participation in ONDD's market treaty. All in all, the average brokerage rate establishes at 16.4% versus 15.4% last year.

In any case, this percentage is not expected to reduce in the coming years as single risks remain a broker driven market where brokerages, even for direct business cost at least 17.5%.

Administrative expenses have been kept within the budgets, the increase over 2007 being mainly due to the one shot costs linked to the celebration of the 50th anniversary of the company in 2008.

To cope with the increasing business volume and to be prepared for the future, Garant further invested in human resources and especially also in IT (in particular into hardware) in 2008. Here the main focus was given to data security with regard to improved risk management and the optimizing of structures between Vienna and Geneva branch.

1.4 Technical result

For the first year since it started its new activity, Garant is showing a small technical profit of TEUR 81,556, i.e. a combined ratio of 93.6 % over premium net of reinsurance cessions. It is even more significant when pointing out an amount of TEUR 378,000 allocated to the equalization reserve.

1.5 Financial Instruments

It is the target of risk management in the financial field to secure stable values and yields, especially due to the small size of the company. All investments are disclosed at lower than cost or market value.

Thanks to the decision made in November 2007 to massively shift the company's investments into cash time deposits, Garant has avoided many of the financial losses due to the panic in the stock and bonds markets.

Indeed Garant shows a net positive investment income of TEUR 530, significantly higher than in 2007 at TEUR 20 only.

On the basis of current liquidity planning it was determined to which extent new investment can be made. In doing so, special attention was paid to the development of premiums, claims and reinsurance as main criteria of liquidity.
Due to the conservative investment policy, the risks of price, default, liquidity and cash-flow are estimated to be rather low.
The liquidity and cash-flow risks are minimised by means of liquidity planning and the permanent monitoring of payment flows. Due to the growth of the insurance portfolio, a negative impact on liquidity is not to be expected. Investments are made in constant coordination with Cash Management, and ensuring a safety stock of solvent funds.
As Garant earns around 40% of its premiums in foreign currencies, foreign currency management is of high significance at Garant. On the one hand, it has to be ensured that foreign currency items are covered according to principle of congruency, and that there is enough liquidity in each foreign currency to be able to settle payments to insureds, reinsurers, and brokers. On the other hand, it is important to keep the foreign currency assets low in order to minimise the foreign currency risk.
Reports on the status of investments are presented to the Managing Board on a weekly basis, as well as after the end of each quarter. The Managing Board in turn keeps the Supervisory Board updated on the financial yields and the status of investments.

The improvement in the Euro/USD rate accounts contributed considerably to the non-technical result.

1.6 Profit for the year.

All in all, Garant shows a profit of Euro 504,710 for 2008. This result reflects the strengthening of the company since for year as further demonstrates the continuing increases of the amount of provisions in the balance sheet.

The total technical reserves, net of reinsurance now amount at EUR 9.59 Million., up 49% over 2007 (6.43 Million.)

Furthermore, when adding the equalization reserve to the net equity, the amount totals
EUR 25.7 Million., which is now above the nominal capital.

2. Financial Performance Indicators

2.1. Income Statement Related Financial Performance Indicators

Below the substantial financial performance indicators which relate to income statement are depicted:
The **development of gross premium** is displayed below:

Amounts in TEUR	Credit Insurance		Total
	Direct Business	**Assumed Business**	
Gross premium			
Written			
2008	8,330.9	7,401.5	**15,732.4**
2007	7,276.8	6,203.6	**13,480.5**
Change			
absolute	1,054.1	1,197.9	**2,252.0**
in %	14.5%	19.3%	**16,7%**
Earned			
2008	8,378.4	7,490.3	**15,868.7**
2007	7,429.3	6,114.9	**13,544.1**
Change			
absolute	949.1	1,375.4	**2,324.6**
in %	12.8%	22.5%	**17,2%**

At December 31, 2008 the company showed the following business in force (Risk units) in the line of credit insurance of insurance year 2008.

Development of business in force Amount of contracts (Risik units)			
Amount		**Change**	
2008	2007	absolute	in %
1,658	1,563	95	6.1

The **gross claims incurred** (including premium refund) amount to:

Amounts in TEUR	Gross Claims Incurred			
	Claims incurred		Change in claims incurred	
	2008	2007	absolute	in %
Direct Business				
Credit Insurance	2,248.2	1,121.7	1,126.5	100.4%
Run-Off-Lines	-127.4	-425.5	298.1	-70.1%
	2,120.9	696.3	1,424.6	204.6%
Assumed Business				
Credit Insurance	3,143.5	1,753.1	1,390.3	79.3%
Run-Off-Lines	94.4	112.9	-18.5	-16.3%
	3,237.9	1,866.0	1,371.9	73.5%
Total	5,358.7	2,562.2	2,796.5	109.1%

After some years of extremely low losses the **gross claims ratio** in the direct business (gross claims incurred without expenses for unexpired risk reserve in relation to gross earned premiums) increased due to the growing difficult environment to 23.7 % (previous year: 7.7%). Assumed business showed a claims ratio of 43.2 %, hence direct and assumed business resulted in total in a claims ratio of 32.9 % for this accounting year.

30.8 % of the claims ratio results from claims of the accounting year 2008, -7.1% from claims of previous years.

The **gross acquisition cost** and **administration expenses** showed the following picture:

Amounts in TEUR	**Direct Business**	**Assumed Business**	**Total**
Gross Operating Expenses			
Acquisition Cost			
2008	1,804.5	1,902.8	3,707.3
2007	1,664.1	1,386.5	3,050.6
Change			
absolute	140.4	516.3	656.7
in %	8.4%	37.2%	21.5%
Administration Expenses			
2008	2,037.0	473.6	2,510.6
2007	2,089.8	113.4	2,203.2
Change			
absolute	-52.8	360.2	307.4
in %	-2,5%	317.6%	14.0%

The **Gross Combined Ratio** for both direct and assumed business totalled to:

Combined Ratio	
2008	**2007**
75.1 %	59.8 %

The calculation of combined ratio was based on claims incurred, premium refund and operation cost including cost of old age pension for pensioners in relation to earned premiums.

The **balance of reinsurance** from cession of direct and assumed business ended up as follows (Minus = Profit of Reinsurer):

Amounts in TEUR	**Balance of Reinsurance (Cession)**			
	Earned		**Change**	
	2008	2007	absolut	in %
Total	-3,456.1	-4,899.3	1,443.1	-29,5%

The balance of reinsurance comprises reinsurance share of premiums, losses incurred and premium refund, furthermore reinsurance commissions and participation in profits from reinsurance cession.
Due to all these developments the **technical result** of Garant amounted to TEUR 459.6 before equalization (prior year TEUR 509.4) -, and at TEUR 81.6 after building up equalization reserve – compared to TEUR -384.6 in prior year.

The ordinary revenues from investments can be presented as follows; the effects from shift from funds to time deposits are noticeable significantly:

Amounts in TEUR	**Net Yield on Investments**			
	Yield		**Change**	
	2008	2007	absolute	in %
Equity and variable income securities	-573.5	60.7	-634.2	-1045.1%
Fixed income securities	131.6	110.2	21.5	19.5%
Deposits with credit institutions	847.6	76.3	771.3	1010.3%
Total	**405.7**	**247.2**	**158.5**	**64.1%**

The **yield on investments** (including liquidity) developed despite the bad situation on capital markets in 2008 very positive against prior year.

Net Yield on Investments	
2008	2007
1.3%	0,9%

The **loss on ordinary activities** in the accounting year 2008 including expenses for equalization reserve amounts to TEUR 542.2 (2007:TEUR -286.5). Hereby TEUR 81.6 (2007:TEUR -384.6) represents the technical result, TEUR 460.6 (2007:TEUR 98.1) the non-technical result; whereby the technical result includes reinsurance operations.

The **tax on profit** (amounts in TEUR) in comparison to prior year:

Taxes on Profit			
Tax		Change	
2008	2007	absolute	in %
33.9	5.1	28.7	560.0%

Tax expenses of actual year amounting to TEUR 50.0 (2007: TEUR 20.0) was reduce by the profit on release of provisions for taxes of prior years. Deferred taxes are not recognized in the statements. In 2008 no tax audit took place.
Finally, the result of the year ended up with a loss of TEUR 504.7 after the transfer to the risk reserves pursuant Article. 73a VAG amounting TEUR 3.6, in comparison to TEUR -291.6 in prior year. The Run-off business which means the activities before 2004 contributed to this result TEUR 63.2 negative in 2008 – compared to the negative result of TEUR 95.9 in 2007. However, the new activities showed an improvement of TEUR 571.6 in comparison to a loss of TEUR -195.7 in prior year.

2.2. Depiction of the balance sheet positions

Below the balance sheet related financial performance indicators are stated:

The assets and capital situation as of December 31, 2008 in comparison to December 31, 2007 can be shown as follows:

Amounts in TEUR	31.12.08	%	31.12.07	%
Assets				
Assets including deposits with ceding companies	30,076.0	73.9%	27,792.5	76.3%
Debtors arising from insurance operations	6,955.7	17.1%	6,474.9	17.8%
Other assets	3,680.1	9.0%	2,179.5	6.0%
	40,711.8	**100.0%**	**36.446.9**	**100.0%**
Liabilities				
Equity	22,935.4	56.3%	22,461.9	61.6%
Technical provisions (net of reinsurance)	9,591.2	23.6%	6,431.6	17.6%
Non-technical provisions	2,126.3	5.2%	1,941.7	5.3%
Payables from deposits with ceding companies	1,971.4	4.8%	1,007.9	2.8%
Creditors arising from insurance operations	3,828.4	9.4%	4,184.9	11.4%
Other liabilities	259.1	0.6%	448.9	1.2%
	40,711.8	**100.0%**	**36,446.9**	**100.0%**

The balance sheet total increased by 11.7 % compared to prior year. The change in assets is mainly due to higher time deposits with credit institutions and receivables from reinsurance companies. The change in liabilities comprises the higher net retention of claim reserve, the increased equalization reserve and higher payables from deposits with ceding companies.

The **equity** developed in business years 2007 and 2008 as follows:

Amounts in TEUR	Equity	Risk Reserve §73a VAG	Result brought forward	Total
Equity by January 1, 2007	25,000.2	0.0	-2,250.7	22,749.5
Exchange rate differences	0.0		4.0	4.0
Result 2007... Loss of the year	0.0		-291.6	-291.6
Equity by December 31, 2007	25,000.2	0.0	-2,538.4	22,461.9
Exchange rate differences	0.0		-31.1	-31.1
Risk Reserve §73a VAG		3.6		3.6
Result 2008 Profit of the year	0.0		504.7	504.7
Equity by December 31, 2008	25,000.2	3.6	-2,064.8	22,939.1

The share of equity on balance sheet total amounted to: 56.3 % (31.12.2007: 61.6 %). by December 31, 2008.

Creditable equity capital according to § 73w VAG amounted to TEUR 22,563.9 versus TEUR 21,942.5, in 2007.

The **technical provisions** (net retention) compose as follows:

Amounts in TEUR	Technical Provisions and Deposits with ceding companies			
	Self Retention		Change	
	2008	2007	absolute	in %
Claim Reserve	6,745.7	3,907.5	2,838.2	72.6%
Premium Refund	73.5	47.4	26.1	55.2%
Equalization Reserve	2,772.0	2,394.0	378.0	15.8%
Other	0.0	82.8	-82.8	-100.0%
	9,591.2	**6,431.6**	**3,159.6**	**49.1%**
Deposits with ceding companies	1,971.5	1,007.9	963.5	95.6%
Total	11,562.7	7,439.6	4,123.1	55.4%

The share of technical provisions on balance sheet total (including deposits payable with reinsurance companies) amounts to 28.4 % by December 31, 2008 (31.12.2007: 20.4 %).

The **investments and cash** compose as follows (amounts in TEUR):

Amounts in TEUR	**Investments and Cash**					
	Year End		Changes		in % of Total assets	
	2008	2007	absolut	in %	2008	2007
Participating Interests	32.6	32.6	0.0	0.0%	0.1%	0.1%
Other variable yield securities	1,334.5	21,780.4	-20,445.9	-93.9%	4.2%	76.3%
Fixed income securities	4,852.3	2,537.2	2,315.1	91.2%	15.2%	8.9%
Deposits with credit institutions	23,604.1	3,166.2	20,437.9	645.5%	73.9%	11.1%
Cash	2,126.3	1,014.6	1,111.7	109.6%	6.7%	3.6%
Total	**31,949.8**	**28,531.0**	**3,418.8**	**12.0%**	**100.0%**	**100.0%**

The share of investments and cash on balance sheet total amounts to 78.5 % by December 31, 2008 (31.12.2007: 78.3 %).

3. Non-financial Performance Indicators

The number of employees increased by one employee compared to the previous year to a total of 18, whereby 22% men and 78% women are employed. Amongst the staff, a few are working on a part-time basis. In Austria, the number of employees remained unchanged, while in the branch office in Switzerland one employee was recruited in administration.
In business year 2008, one member of staff retired. Three new employees started to work, two of them in Vienna.

Per employee, the company was able to achieve a turnover (= earned premiums gross) of TEUR 819.9 (2007: TEUR 842.5).

The share of investments and cash on balance sheet total amounts to 78.5 % by December 31, 2008 (31.12.2007: 78.3 %).

4. Miscellaneous / Closing Words

The company is member of the Austrian Insurance Association.
The Managing Board would like to take this opportunity to thank all of Garant's staff for their continual efforts for clients and business partners during the business year 2008. We especially want to emphasise the motivation and readiness to cooperate, which constitutes an indispensable prerequisite for the further build-up and expansion of our company.
We further want to thank especially our clients, business and reinsurance partners, and last but not least the authorities for the constructive cooperation and the confidence they had in us in the year 2008.

Vienna, 18th of April 2009
The Board of Managers

Louis Habib-Deloncle
Chairman of the board

Walter Blom
Member of the board

Dmitry Lokshin
Member of the board

Trade Security Products

Credit risks products

Commercial Risk Coverage

- Insolvency
- Protracted Default (at least 180 days waiting)

Political risks products

Imports risks

- Non delivery of pre-financed goods and non reimbursement of advance payment;
- The confiscation of products belonging to the insured in countries of risk or in transit;
- The cancellation or non-respect of a contract by a government debtor;
- The cancellation or non-respect of a contract by a private sector debtor in the wake of government decisions or wars;
- Non honouring of arbitration awards.

Exports risks

- The contract repudiation by a public debtor;
- Contract frustration due to an act or decision emanating from a public authority;
- Withdrawal of export approval and licenses;
- Inconvertibility and/or non transfer;
- The non-repatriation of goods;
- The confiscation or embargo of goods;
- Non honouring of arbitration awards;
- Change of law and/or regulations.

Investment risks

- The confiscation, expropriation, nationalisation, requisition or destruction of the company's assets;
- Non-repossession of assets by the insured company following government restriction measures,
- privatisation or halting operations; forced abandonment
- Non honouring of arbitration awards;
- Non-repatriation of dividends.

Unfair calling bonds

- Unfair calling of bonds by the government beneficiary;
- Non honouring of arbitration awards.

The Vertical Farm Project : Agriculture for the 21st Century and beyond

pictures from **studio**mobile
antonio girardi+cristiana favretto architects

Where to find Garant

AUSTRIA	SWITZERLAND
Wohllebengasse 4	Rue des Alpes, 21
A - 1040 Vienna	CH - 1201 Geneva
Tel. 00 43 1 505 28 96	Tel. 00 41 22 908 30 70
Fax. 00 43 1 505 28 96 30	Fax. 00 41 22 908 30 79