

Financial Overview – five year summary

| Operating Statement | 2006-07 £m | 2005-06 £m | 2004-05 £m | 2003-04 £m | 2002-03 £m |
|---|-----------------------|---------------|---------------|---------------|---------------|
| Overall Value of Guarantees and Insurance Policies Issued | 1,798 | 2,230 | 1,995 | 2,991 | 3,532 |
| Of which Overseas Investment Insurance | 152 | 239 | 351 | 706 | 905 |
| Premium Income | 55 | 88 | 45 | 102 | 77 |
| Of which Overseas Investment Insurance | 1 | 2 | 3 | 7 | 7 |
| Claims Authorised | 61 | 79 | 87 | 211 | 261 |
| Net Operating Income | 404 | 1,699 | 1,108 | 613 | 201 |

Financial Objectives

ECGD met its key financial objectives in 2006-07, particularly in respect of:

- **Account 2 In-Year Reserve Coverage Ratio**, that measures the adequacy of premium income in 2006-07 relative to risks on new business supported and costs incurred in the year. The ratio for 2006-07 was 1.82, against a target of 1.4.
- **Account 2 Reserves Index**, that measures the adequacy of reserves against the risks across the whole portfolio. The ratio for 2006-07 was 2.72, against a target of 1.