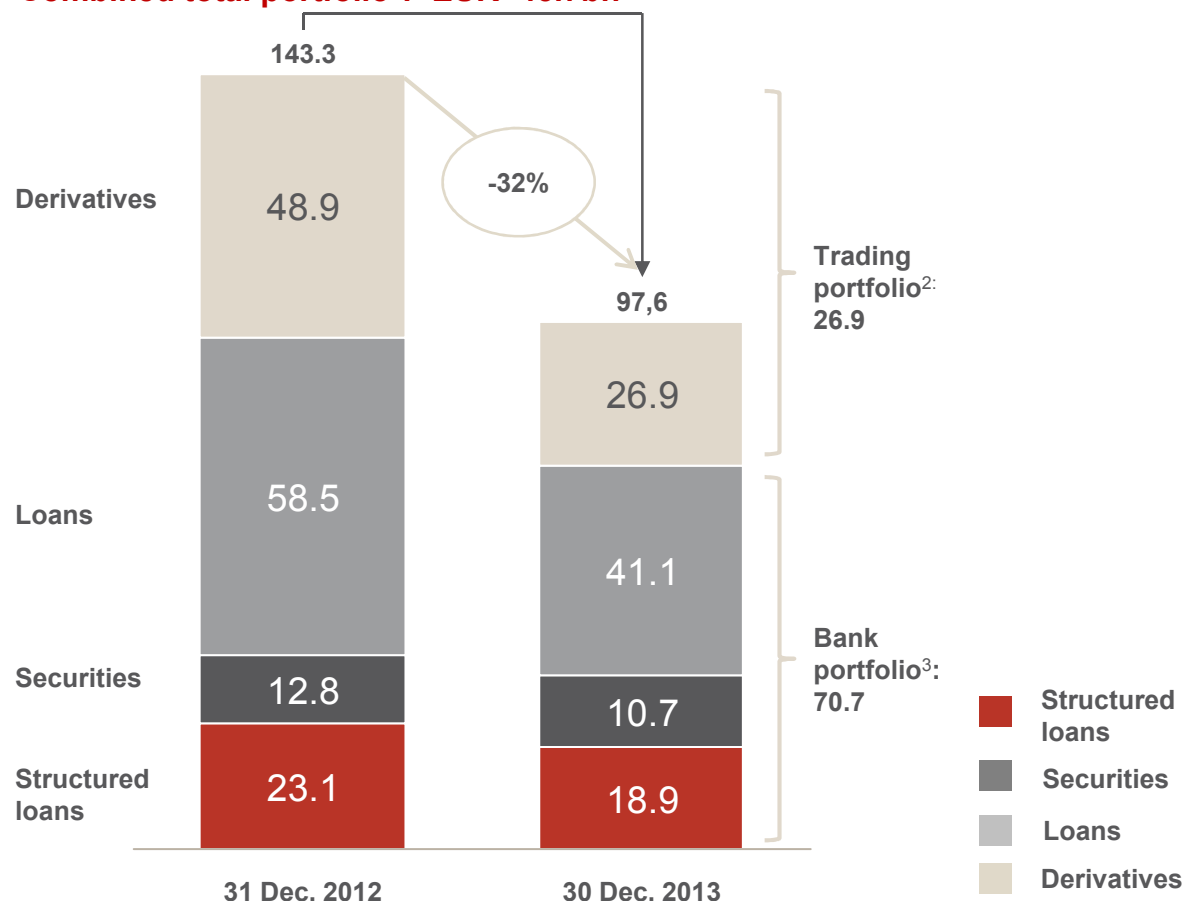


Rapid continuation of portfolio reduction

Sub-portfolios, EUR billion (exchange rates as at 31 December 2011)

Erste 
Abwicklungsanstalt

Combined total portfolio¹: EUR -45.7bn



- The volume of the combined **total portfolio** – comprising derivatives (trading portfolio), loans and securities (bank portfolio) – was at year end **almost one-third lower than the previous year's level**.
- **Loans and securities** were **reduced** by EUR 23.7bn or **around 25 percent** in 2013. The positions amounted to **EUR 70.7bn** as at 31 December 2013, compared to EUR 94.4bn in the previous year.
- The **Phoenix portfolio** dominates the "structured loans" segment; it accounts for **around two-thirds** and accounted for the lion's share of the reduction in 2013.

¹ On a look-through basis (incl. assets of subsidiaries);

² Based on book values;

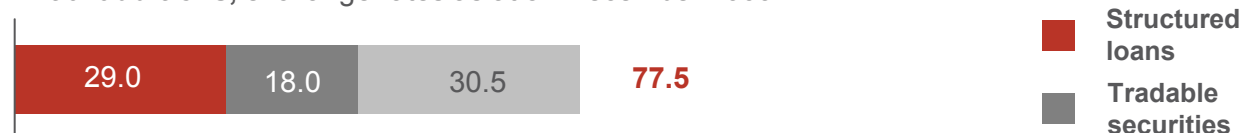
³ Nominal volume

Portfolio is shrinking more rapidly than planned

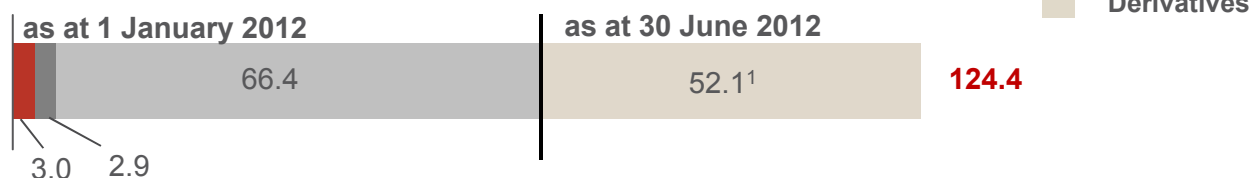
Nominal volume, EUR billion

Erste ^{▲▲1}
Abwicklungsanstalt

Initial additions, exchange rates as at 31 December 2009



Subsequent additions, exchange rates as at 31 December 2011



- EAA has taken over assets totalling **over EUR 200bn** as a result of initial and subsequent portfolio additions.

Total portfolio (book value), exchange rates as at 31 December 2011

... as at 1 January 2012



...as at 31 December 2012



...as at 31 December 2013



- Since its establishment, EAA has **run down loans and securities amounting to a nominal value of EUR 85bn** - calculated on the basis of standard exchange rates on 31 December 2011. This corresponds to a reduction of approximately 55 percent of the exposures it was transferred.
- The **book value of derivatives in the trading portfolio** has been **reduced by around EUR 25bn** since their transfer to EAA and therefore more or less halved.

¹Based on book values; ² This corresponds to a value of EUR 95.4bn based on current exchange rates

Nominal reduction in derivatives of 40 percent in 18 months

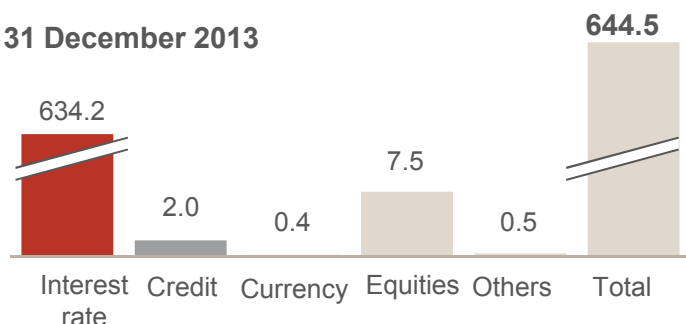
Erste ▲▲ 1

Abwicklungsanstalt

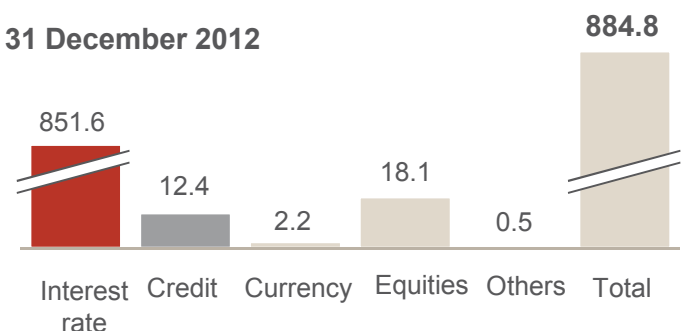
Nominal volume of the trading portfolio

EUR billion (exchange rate as at 30 June 2012)

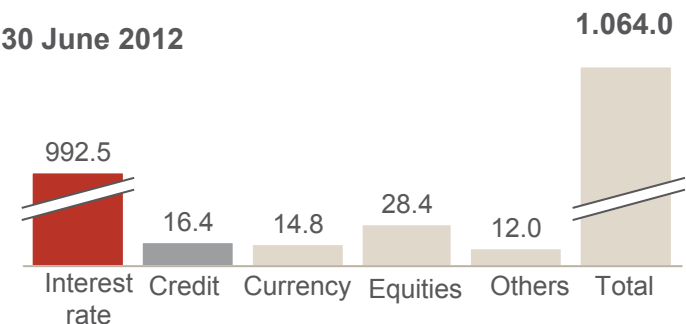
31 December 2013



31 December 2012

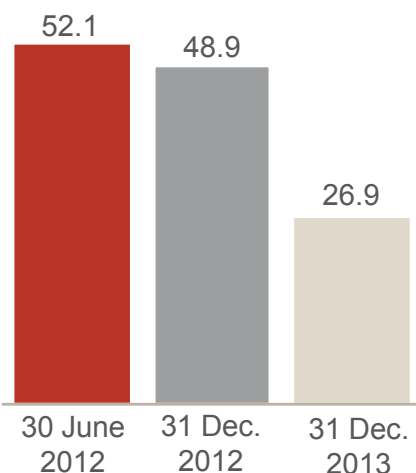


30 June 2012



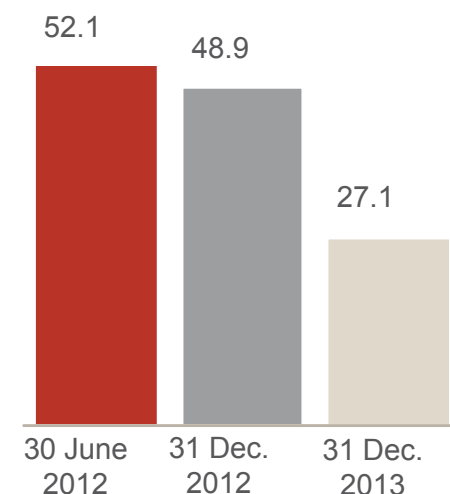
Trading book assets (book value)

EUR billion



Trading book liabilities (book value)

EUR billion



- The **nominal volume of derivatives in the trading portfolio** has been reduced by EUR 240bn to **EUR 644.5bn** since the start of 2013. This equates to a **decrease** of around **40 percent** since the portfolio was taken over on 1 July 2012.
- The **risks of the trading portfolio** are not only **declining** due to the decrease in the overall volume. They are also falling significantly because individual segments such as credit or equity derivatives have been run down almost completely.
- **Derivative transactions** are recognised **at their market value** on the balance sheet. Wind-down activities caused almost a halving of their book value since their transfer to EAA.

Net income for the year 2013

Erste 
Abwicklungsanstalt

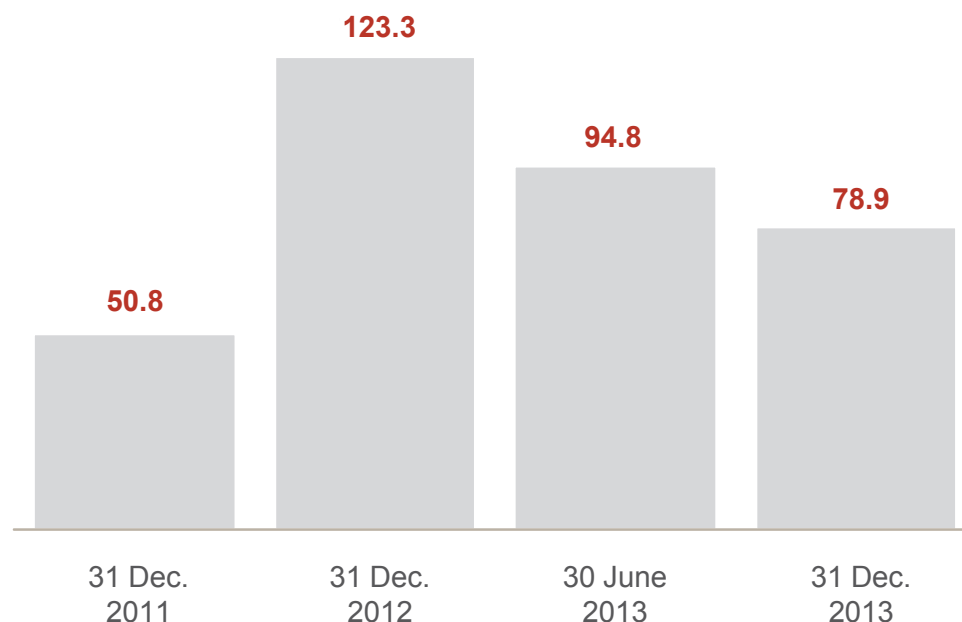
EUR million	Jan. 2013 - Dec. 2013	Jan. 2012 - Dec. 2012
Net interest income	354.0	260.1
Net commission income	145.1	155.5
Net trading income	83.9	-51.8
Administrative expenses	-398.0	-412.7
Other income and expenses	0.3	9.3
Income from financial investments and associates	-12.9	-123.2
Income before risk provisions	172.4	162.8
Risk provisions	-110.3	171.6
Pre-tax profit	62.1	8.8
Taxation	-3.1	-2.2
Net income for the year	59.0	6.6

- **Net interest income** is a key factor of EAA's profits. In 2013, it **exceeded the prior-year total by around 36 percent**. This is primarily thanks to **optimising refinancing** and a reduction in interest expenses. In 2011 and 2012, EAA was compelled to establish large liquidity buffers to cope with subsequent additions to the portfolio. This prompted a surge in interest expenses.
- **Net commission income was down** as a result of **further measures to run down the portfolio**.
- The **net trading income** was mainly a result of the **improved risk situation** in the trading portfolio. This item is determined not only by the trend in nominal volumes, but also by market fluctuations.
- **Administrative expenses** were high in the previous year due to subsequent portfolio additions; there was a **decline** in these effects in 2013. Portfolio management accounted for **around EUR 344m**, predominantly in relation to **Portigon's services**.

Balance sheet volume fell by 36 percent in 2013

EUR billion at reporting date prices

Erste 
Abwicklungsanstalt



- Thanks to the progress in winding down the portfolio, EAA's **total assets** fell **by some EUR 44bn** last year.
- On account of subsequent portfolio additions, total assets **more than doubled in the previous year**. In accounting terms, the **success in running down the portfolio in the 2012** financial year **was completely overshadowed** by the effects of the transfer.
- In conjunction with the decrease in **total assets, there was also a significant decline** in EAA's **liabilities** in the **2013** financial year. This is also reflected in the total debt statistics for the Federal Republic of Germany: last year **EAA made a substantial contribution to reducing sovereign debt**.