ERSTE ABWICKLUNGS ANSTALT

# INTERIM REPORT 31/3/2021

# Contents



Rounding may result in minor deviations in the totals and percentages relative to the computed values.
Individual balance sheet and earnings items may increase within the scope of the winding-up activities.
The generic masculine form will be used in the interests of readability and ease of comprehension. All genders are hereby implied equally.

# EAA key figures

| **Income statement in EUR million** | **1/1-31/3/2021** | **1/1-31/3/2020** |
|---|---|---|
| Net interest result | 12.6 | 15.7 |
| Net fee and commission result | -4.5 | -4.5 |
| Net trading result | 5.8 | -10.7 |
| Total other operating expenses/income | 0.2 | -4.8 |
| General administrative expenses | -24.1 | -30.1 |
| Results from financial assets and shareholdings | 52.3 | 0.8 |
| **Results prior to risk provisioning** | **42.3** | **-33.6** |
| Loan loss provisions | 11.3 | 26.3 |
| **Results before taxes** | **53.6** | **-7.3** |
| Taxes | -0.1 | 0.0 |
| **Net result for the year** | **53.5** | **-7.3** |

| **Balance sheet in EUR billion** | **31/3/2021** | **31/12/2020** |
|---|---|---|
| Total assets | 33.6 | 32.2 |
| Business volume | 35.5 | 34.1 |
| Lending business | 11.9 | 12.3 |
| Trading assets | 10.0 | 11.9 |
| Equity | 0.7 | 0.7 |

| **Winding-up** | **31/3/2021** | **31/3/2020** |
|---|---|---|
| **Banking book** | | |
| Notional value (before FX effect) in EUR billion | 11.9 | 14.5 |
| Winding-up activities (compared with previous year-end) in EUR billion | -0.8 | -0.4 |
| Winding-up activities (compared with previous year-end) in % | -6.6 | -2.4 |
| **Trading portfolio** | | |
| Notional value (before FX effect) in EUR billion | 88.4 | 113.7 |
| Winding-up activities (compared with previous year-end) in EUR billion | -6.2 | -23.1 |
| Winding-up activities (compared with previous year-end) in % | -6.5 | -16.9 |

| **Employees** | **31/3/2021** | **31/12/2020** |
|---|---|---|
| Number of employees | 122 | 130 |

| **Issuer credit ratings** | **Short-term rating** | **Long-term rating** |
|---|---|---|
| Moody’s Investors Service | P-1 | Aa1 |
| Standard & Poor’s | A-1+ | AA |
| Fitch Ratings | F1+ | AAA |

# Foreword

Dear Ladies and Gentlemen,

The fiscal year 2021 got off to a very encouraging start for the EAA. With the return of the full banking licence of the Irish specialist bank EAA CBB, an important milestone was reached in the wind-up process. The book profit resulting from the capital repatriation, together with the income from the reversal of risk provisions, led to a net result of EUR 53.5 million.

The EAA's wind-up success continued in the first quarter of 2021. The portfolio of loans and securities was reduced by a further EUR 0.8 billion to EUR 11.9 billion in the first three months of the fiscal year and the nominal volume in the trading portfolio was reduced by EUR 6.2 billion to EUR 88.4 billion.

The EAA can continue to draw on a solid risk buffer to wind up the remaining portfolio. Its equity as of 31 March 2021 amounted to over EUR 707 million. The buffer of equity, equity capital drawing limit and risk provisions in relation to the remaining portfolio has further increased by 0.8 percentage points to 13.1% in the first quarter of 2021 compared to year-end 2020. This underlines the fact that the EAA is making progress in reducing risk exposures. Moreover, despite the corona pandemic, there was hardly any need for new risk provisioning.

The EAA continues to monitor the development of the corona pandemic and its potential impact through an internal corona task force.

The banking book is expected to decline to around EUR 11 billion in fiscal year 2021. The notional volume of the trading portfolio is expected to decline significantly by more than 20% year on year to a mid-double-digit billion value.

Declining interest and commission income from the sharply reduced wind-up portfolio has not been able to cover general administrative expenses for some time. Against this backdrop, the EAA is pressing ahead with the optimisation and flexibilisation of its administrative expenses to ensure that it is in an efficient and cost-effective position for the remaining tasks. This also means that the EAA will rely on a flexible servicer landscape in the medium term. The tenders for this are currently underway and should be completed by the end of 2021. The new service structure is scheduled to go live in the first quarter of 2023.

Yours sincerely

Christian Doppstadt
Member
of the Managing Board

Horst Küpker
Member
of the Managing Board

# Interim management report

For the period from 1 January to 31 March 2021

## Business and environment

### Operating activities of the EAA

The EAA operates as an asset manager pursuing a clear, public mandate that is enshrined in its charter: it is winding up the risk exposures and non-strategic business units (transferred assets) transferred from the former WestLB AG (now Portigon AG) and its domestic and foreign subsidiaries in a value-preserving and risk-minimising manner. This serves to stabilise the financial market.

It manages its business according to commercial and economic principles, in consideration of its winding-up objectives and the principle of minimising its losses. The EAA is not a credit or financial services institution within the meaning of the German Banking Act, an investment services firm as defined by the German Securities Trading Act or an insurance company pursuant to the German Insurance Supervision Act. In accordance with its charter, it does not conduct any transactions that require approval pursuant to Directive 2006/48/EC of the European Parliament and of the Council of 14 June 2006 or Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004, the amendment to Directives 85/611/EEC and 93/6/EEC of the Council and Directive 2000/12/EC of the European Parliament and of the Council and for the repeal of Directive 93/22/EEC of the Council, as amended.

The EAA is subject to regulation by the FMSA. The EAA is supervised by BaFin with regard to those provisions of banking law that are applicable to the EAA.

The EAA's work is principally carried out on the basis of section 8a StFG, its charter, the rules of procedure for the Supervisory Board and the Managing Board plus their committees, as well as its risk strategy and winding-up plan.

The winding-up plan describes the intended winding-up activities of the EAA by classifying its assets into sub-portfolios (clusters) and contains a schedule for the winding up of assets. From fiscal year 2021 onwards, the risk positions of the banking book will no longer be broken down by wind-up strategies. The EAA reviews the winding-up plan at least once a quarter and makes adjustments when necessary, mainly in order to take account of changes in circumstances, for example current market developments. Changes or adjustments to the winding-up plan must be approved by the FMSA. The EAA regularly submits wind-up reports to inform the FMSA, its Supervisory Board and the EAA stakeholders about the progress of the winding-up and the implementation of the winding-up plan, and documents the wind-up success. The annual wind-up report must be adopted by a resolution of the Supervisory Board before being submitted to the FMSA.

The following stakeholders participate in the EAA's share capital: the State of NRW, with a stake of around 48.2%; the Rheinische Sparkassen- und Giroverband and the Sparkassenverband Westfalen-Lippe, each with around 25.0%; and the Landschaftsverband Rheinland and the Landschaftsverband Westfalen-Lippe, each with around 0.9%.

The governing bodies of the EAA are the Managing Board, the Supervisory Board and the Stakeholders' Meeting.

The Managing Board of the EAA consists of at least two members. They are appointed by the Supervisory Board with the FMSA's approval for a maximum term of five years. Members of the Managing Board may be reappointed. The Managing Board manages the operations of the EAA and represents the EAA in and out of court.

The Supervisory Board consists of twelve members. Eleven members are appointed by the Stakeholders' Meeting. One member is delegated by the Bundesrepublik Deutschland - Finanzagentur GmbH, acting on behalf of the FMS. The members elect a Chairman and a Vice Chairman on the recommendation of the State of NRW. The Supervisory Board advises and consults with the EAA's Managing Board, monitors its activities and carries out additional duties set forth in the charter.

The Stakeholders' Meeting is composed of representatives who hold a stake in the EAA's share capital. It is responsible for adopting the annual financial statements of the EAA, among other things.

Since it began its operating activities, the EAA has repeatedly adjusted its organisational structure to manage changes and challenges in the corporate environment. The gradual takeover of multi-billion portfolios presented it with enormous challenges in developing an adequate organisation and recruiting the required experts. The gradual reduction of the portfolio required capacity and costs to be reduced, without compromising the expertise required to successfully complete the wind-up.

Ongoing optimisation of organisational and cost structures is part of the EAA's responsibility in view of the progressive reduction of the portfolio.

Within the scope of its long-term service strategy, the EAA largely outsourced the provision of portfolio services to third parties, with the objective of maintaining continuity and stability on the one hand and enabling flexibility on the other. Besides the IT and operational services, which EFS provides via IBM as an external service provider, the EAA receives portfolio management services from MSPA, a former subsidiary of the EAA. The EAA will continue to optimise these structures in the future.

Due to the importance of the outsourced activities, the EAA has implemented a central function for an integrated service provider management system. Under this system, the service relationships between the EAA, EFS and MSPA, as well as the other external service providers, are systematically managed and monitored from a legal, substantive, processual and financial perspective.

## Economic environment

### Economic roller coaster ride: Relaxation follows tightening

The containment measures taken against the corona pandemic have severely curtailed global economic activity. With the start of vaccination campaigns in the USA, UK and somewhat more sluggishly and slowly in the EU, prospects are currently opening up that suggest a broad return to pre-crisis normality is possible from summer 2021. This implies that many of the containment measures taken, such as business closures or curfews, can be lifted. As citizens have pent-up demand for many goods and activities after a good year and a half of more or less restrictive corona containment, the reopening of shops and businesses will be accompanied by a noticeable upturn in the economy.

### US economy: Noticeable recovery

In the first quarter of 2021, economic growth in the US was robust, increasing 1.6% from the previous quarter. With the quarterly increases in the previous three quarters, the US was thus able to partially compensate for its loss of activity as a result of the corona pandemic. The main drivers of the US recovery are private consumption and private investment. In particular, the noticeable increase in private consumption in the US and the improving situation on the labour market are important indications that the economy should continue to recover in the summer and in the second half of 2021. The service sector in particular, which bore the brunt of the containment measures, is poised for a gradual reopening in the US, which should also bring back a large number of jobs that were lost during the corona pandemic.

Even though the US unemployment rate only gives an inaccurate picture of the situation on the labour market, the trend in the rate is positive. In the summer of 2020, the unemployment rate reached 13.1%, a high level not seen since the early 1990s. Another indicator that more accurately reflects both the improvement achieved and the remaining damage is initial applications for unemployment assistance. Approximately 10.7 million US citizens applied for unemployment assistance in March 2020. An additional 20.1 million applications were made in April 2020. In April 2021, this number dropped to 2.4 million applications. A further improvement in this figure is expected in the coming months. By year-end 2021, the US unemployment rate should be back at 4.8%, with noticeable job growth of 475,000 to 630,000 new jobs per month.

The stimulus measures already adopted by the US federal government (economic aid and support programmes amount to USD 1.9 trillion) are to be supplemented by an infrastructure programme and (tax) relief for families and the middle class worth to the tune of USD 4.1 trillion. The Fed is currently saying that it is watching the further economic recovery very closely. The expected rise in inflation rates to 3.2% in the second quarter of 2021 will not prompt the Fed to tighten policy. In their opinion, the increase is due to temporary effects. Instead, it emphasises a data-driven approach. In doing so, it will look for a sustained and lasting rise in inflation rates and the state of the labour market before gradually tapering its purchases of US government bonds, as it did in the aftermath of the global financial crisis. Looking ahead to 2021 as a whole, the EAA expects US gross domestic product to increase to between 6% and 6.3%. Ten-year US Treasuries are expected to yield 1.8% at the end of 2021 and 2.1% at the end of 2022. The EAA expects yields at the short end to rise to 0.3% by year-end 2021 and to 0.6% at the end of 2022.

### Eurozone: Light and shade

The eurozone economy is also recovering from the negative effects of the corona pandemic – albeit at a somewhat slower pace than in the US. The gross domestic product fell 0.6% in the first quarter of 2021, but the Eurozone should also see a relaxation of the containment measures taken as vaccination campaigns progress and corona case numbers fall.

This is particularly important with regard to Europe's classic holiday destinations (France, Spain, Portugal, Italy and Greece), as the pandemic measures have hit these countries particularly hard. Another factor that could accelerate the economic recovery in the eurozone is the reconstruction programme financed jointly by the EU and its members. A first urgent appeal against this joint indebtedness of the EU states has been rejected by the Federal Constitutional Court, so that the states particularly affected by the corona pandemic will be able to make additional investments in infrastructure and digitalisation.

The ECB has responded to the challenge of the corona pandemic. Besides launching a special emergency programme to continue buying bonds of euro states, it also reactivated its quantitative easing programme. Following criticism that it was buying too few government bonds in the spring of 2021 and thus allowing the financing costs of euro states to rise, it has increased its monthly purchase volumes again, thus compensating at least to some extent for the rise in yields from the US as a result of the brightening outlook. However, the ECB does not yet want to commit itself to a roadmap for phasing out the pandemic measures. This means that yields will remain very low for the next 30 months. Euro government bonds from the core eurozone states are likely to yield between -0.2% and -0.6% at the end of the year. Looking ahead to 2021 as a whole, the EAA expects economic output to increase by 4% in the eurozone.

# Economic report

## Overview of economic development

The EAA's economic performance in the first quarter of 2021 was largely determined by its wind-up mission.

The notional volume of the banking book fell 6.6% to EUR 11.9 billion. The notional volume of the trading portfolio declined by 6.5% to EUR 88.4 billion during the same period.

The results after tax of EUR 53.5 million are characterised in particular by the result from financial assets and shareholdings and the income from the reversal of loan loss provisions, which together account for EUR 63.6 million, the positive net interest result of EUR 12.6 million and the positive net trading result of EUR 5.8 million. This is mainly offset by general administrative expenses of EUR 24.1 million and the negative net fee and commission result of EUR -4.5 million.

The EAA's total assets rose from EUR 32.2 billion in the previous year to EUR 33.6 billion. This is mainly due to the increase in the cash reserve to reduce liquidity risks and smooth the liquidity outflow profile as part of active liquidity management. The business volume, which also includes off-balance-sheet components, grew by 4.2% to EUR 35.5 billion (previous year: EUR 34.1 billion).

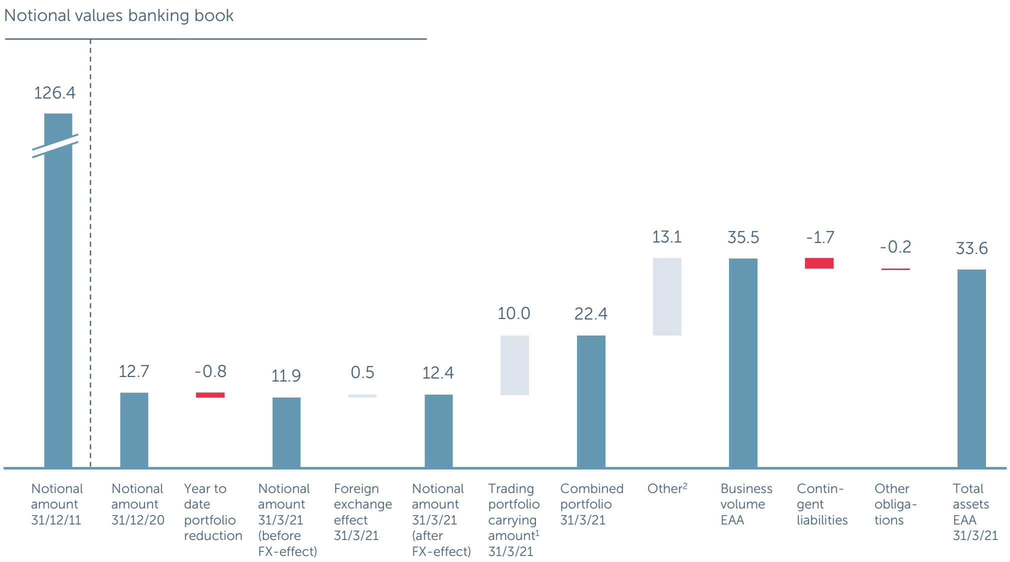
## Wind-up report

The figures and developments discussed in this section are regularly reported to the FMSA and to the EAA's governing bodies. They relate to the entire risk portfolio transferred to the EAA, regardless of whether these figures are recorded on- or off-balance-sheet in the EAA's separate financial statements or whether they are held via subsidiaries (look-through approach).

The following overview shows the changes in the portfolio's notional amounts since 1 January 2021 and the reconciliation to the EAA's total assets as of 31 March 2021.

### Reconciliation of the transferred notional volume to the balance sheet

in EUR billion




[1] Equates to the carrying amounts for trading portfolio assets.
[2] Contains the cash reserve, money market transactions, cash collateral and other assets not relevant for the wind-up portfolio.

Under the EAA's management strategy, the success of the winding-up plan is assessed on the basis of both the reduction in the notional volume before exchange rate effects (at constant exchange rates as of 31 December 2011 for the banking book and as of 30 June 2012 for the trading portfolio) as well as in terms of the effects on the winding-up plan. The latter takes into consideration the impact of sales proceeds, carrying amounts, expected losses, interest income and funding costs for the respective risk exposures, as well as transaction costs.

### Wind-up success in the banking book

From 1 January to 31 March 2021, the notional volume of the banking book was reduced from EUR 12.7 billion to EUR 11.9 billion (at exchange rates as of 31 December 2011, including the notional amounts of the guaranteed risk exposures and the risk exposures held by the EAA's subsidiaries). That equates to a decline in notional volume of EUR 0.8 billion (6.6%). The volume at exchange rates as of 31 March 2021 is EUR 12.4 billion. The total banking book portfolio has decreased by EUR 114.6 billion or 90.6% since 1 January 2012.

| | Notional volume (at exchange rates as of 31/12/2011) | | | | Notional volume (at exchange rates as of 31/3/2021) | |
|---|---|---|---|---|---|---|
| Clusters | Notional 31/3/2021 EUR million | Notional 31/12/2020 EUR million | EUR million | Change to 31/12/2020 in % | Notional 31/3/2021 EUR million | FX effect[1] EUR million |
| Structured Securities | 5,327.1 | 5,531.7 | -204.6 | -3.7 | 5,643.3 | 316.2 |
| Public Finance & Financial Institutions | 3,051.2 | 3,324.6 | -273.4 | -8.2 | 3,081.2 | 30.0 |
| Real Assets | 1,647.7 | 1,995.9 | -348.2 | -17.4 | 1,666.0 | 18.3 |
| Structured Products | 1,213.7 | 1,213.6 | 0.1 | 0.0 | 1,339.3 | 125.6 |
| Corporates | 568.4 | 571.6 | -3.2 | -0.6 | 580.6 | 12.2 |
| Equity/Mezzanine | 56.0 | 61.4 | -5.4 | -8.8 | 56.7 | 0.7 |
| **Total** | **11,864.0** | **12,698.7** | **-834.7** | **-6.6** | **12,367.2** | **503.0** |

[1] Change in notional volume due to exchange rate effects.
Note: As of 31 March 2021, the total NPL portfolio amounted to EUR 2.1 billion at current exchange rates.

The portfolio reduction in the Structured Securities cluster is due in particular to partial repayments of the Phoenix A notes (USD/EUR).

The notional volume in the Public Finance & Financial Institutions cluster was reduced by sales of securities.

The notional reduction in the other clusters is distributed over the rest of the portfolio, with the changes here attributable in particular to repayments in the Real Assets cluster.

There was a EUR +0.8 million effect on the winding-up plan in the first quarter of 2021 associated with sales and early repayments from the banking book portfolio. A winding-up plan effect of EUR +0.1 million was achieved from other measures. This effect arose mainly from the decrease in risk provisions.

### Wind-up success in the trading portfolio

The notional volume of the trading portfolio represents the business volume underlying the derivatives and not the exposure at risk.

The notional volume of the trading portfolio amounted to EUR 88.4 billion as of 31 March 2021. The notional volume of the trading portfolio decreased by a total of EUR 6.2 billion during the period from 1 January to 31 March 2021 (at exchange rates as of 30 June 2012). Since its transfer, the notional volume of the trading portfolio has been reduced by EUR 975.7 billion or 91.7%.

| | | | Notional volume (at exchange rates as of 30/6/2012) | | Notional volume (at exchange rates as of 31/3/2021) | |
|---|---|---|---|---|---|---|
| Clusters | Notional 31/3/2021 EUR million | Notional 31/12/2020 EUR million | EUR million | Change to 31/12/2020 in % | Notional 31/3/2021 EUR million | FX effect[1] EUR million |
| Rates | 88,384.4 | 92,647.9 | -4,263.5 | -4.6 | 88,019.2 | -365.2 |
| Other | 0.0 | 1,917.5 | -1,917.5 | -100.0 | 0.0 | 0.0 |
| **Total** | **88,384.4** | **94,565.4** | **-6,181.0** | **-6.5** | **88,019.2** | **-365.2** |

[1] Change in notional volume due to exchange rate effects.

The reduction in the Rates cluster with a total notional decrease of EUR 4.3 billion resulted primarily from active wind-up measures of EUR 2.3 billion, maturities totalling EUR 2.8 billion and contrary, portfolio-increasing hedging transactions in the amount of EUR 0.9 billion.

The notional volume of the Other cluster fell significantly by EUR 1.9 billion due to maturities. The Other cluster was thus almost completely reduced.

## EAA's overall situation

### Earnings situation

The EAA's earnings situation has been impacted by the net interest result of EUR 12.6 million, net income from financial assets and shareholdings and income from the reversal of loan loss provisions, which together account for EUR 63.6 million, as well as general administrative expenses of EUR 24.1 million, the positive balance of other expenses and income of EUR 0.2 million and the net fee and commission result of EUR -4.5 million. Personnel expenses totalled EUR 5.0 million. Other administrative expenses of EUR 19.1 million were comprised mainly of expenses for services rendered by EFS, as well as by IBM and MSPA.

The decline in the net interest result is mainly due to the ongoing wind-up. The result from financial assets and shareholdings developed positively, in particular due to the improved economic environment compared with when the corresponding assets were taken over, especially as a result of the capital repatriation of Erste EAA Ireland plc, the former EAA CBB. Against this backdrop, risk provisioning was reduced.

Fee and commission expenses as part of the net fee and commission result are attributable mainly to the commitment fee for the equity capital drawing limit. At EUR 5.8 million, the net trading result was EUR 16.5 million higher than in the same period of the previous year.

Overall, the results after taxes amounted to EUR 53.5 million (previous year: EUR -7.3 million).

## Income statement

| | 1/1-31/3/2021 | 1/1-31/3/2020 | Change | |
|---|---|---|---|---|
| | EUR million | EUR million | EUR million | in % |
| Net interest result | 12.6 | 15.7 | -3.1 | -19.7 |
| Net fee and commission result | -4.5 | -4.5 | 0.0 | 0.0 |
| Net trading result | 5.8 | -10.7 | 16.5 | >100 |
| Total other operating expenses/income | 0.2 | -4.8 | 5.0 | >100 |
| Personnel expenses | -5.0 | -5.7 | 0.7 | 12.3 |
| Other administrative expenses | -19.1 | -24.4 | 5.3 | 21.7 |
| Results from financial assets and shareholdings | 52.3 | 0.8 | 51.5 | >100 |
| **Results prior to risk provisioning** | **42.3** | **-33.6** | **75.9** | **>100** |
| Loan loss provisions | 11.3 | 26.3 | -15.0 | -57.0 |
| **Results before taxes** | **53.6** | **-7.3** | **60.9** | **>100** |
| Taxes | -0.1 | 0.0 | -0.1 | - |
| **Net result for the year** | **53.5** | **-7.3** | **60.8** | **>100** |
| Net retained losses brought forward | -2,362.6 | -2,360.6 | -2.0 | -0.1 |
| Net retained losses | -2,309.1 | -2,367.9 | 58.8 | 2.5 |

### Financial position and issuing activity

The total notional amount of the portfolio of issued bearer bonds, promissory note loans and commercial paper was EUR 21.9 billion as of the reporting date. It included the global Commercial Paper Programme with a notional amount equivalent to EUR 12.0 billion.

During the reporting period, the notional volume of new issues for medium- and long-term funding amounted to EUR 0.9 billion in a bond denominated in US dollars (USD 1.0 billion).

New issues were launched during the reporting period under the global Commercial Paper Programme, of which a notional amount equivalent to EUR 11.4 billion was outstanding at the reporting date. These consisted of USD 10.4 billion (EUR 8.8 billion), GBP 1.1 billion (EUR 1.2 billion) and EUR 1.3 billion.

As of the reporting date, the portfolio contained securities issued by the EAA with a notional volume of EUR 30 million that were repurchased from the market for liquidity management purposes.

In the liquidity stress test, the EAA had net liquidity above the internal established threshold value at all times during the reporting period.

### Asset position

The EAA's total assets as of the reporting date amounted to EUR 33.6 billion (previous year: EUR 32.2 billion), which, with the inclusion of off-balance-sheet components, amounted to a business volume of EUR 35.5 billion (previous year: EUR 34.1 billion).

#### Assets

| | 31/3/2021 | 31/12/2020 | Change | |
|---|---|---|---|---|
| | EUR million | EUR million | EUR million | in % |
| Cash reserve | 7,996.9 | 3,450.7 | 4,546.2 | >100 |
| Loans and advances to banks | 2,893.7 | 3,188.4 | -294.7 | -9.2 |
| Loans and advances to customers | 7,133.0 | 7,172.9 | -39.9 | -0.6 |
| Securities (no trading portfolio) | 4,988.4 | 5,439.7 | -451.3 | -8.3 |
| Trading portfolio | 10,015.2 | 11,858.6 | -1,843.4 | -15.5 |
| Long-term equity investments and shares in affiliates | 424.5 | 970.6 | -546.1 | -56.3 |
| Other assets | 175.0 | 85.2 | 89.8 | >100 |
| **Total assets** | **33,626.7** | **32,166.1** | **1,460.6** | **4.5** |

#### Liabilities and equity

| | 31/3/2021 | 31/12/2020 | Change | |
|---|---|---|---|---|
| | EUR million | EUR million | EUR million | in % |
| Deposits from banks | 1,379.7 | 1,733.1 | -353.4 | -20.4 |
| Deposits from customers | 1,716.5 | 1,720.2 | -3.7 | -0.2 |
| Debt securities in issue | 20,351.8 | 16,259.1 | 4,092.7 | 25.2 |
| Trading portfolio | 9,325.0 | 11,350.6 | -2,025.6 | -17.8 |
| Provisions | 108.4 | 114.5 | -6.1 | -5.3 |
| Other liabilities | 38.2 | 335.0 | -296.8 | -88.6 |
| Equity | 707.1 | 653.6 | 53.5 | 8.2 |
| **Total liabilities and equity** | **33,626.7** | **32,166.1** | **1,460.6** | **4.5** |
| Contingent liabilities | 1,741.7 | 1,812.6 | -70.9 | -3.9 |
| Other obligations/loan commitments | 180.4 | 137.4 | 43.0 | 31.3 |
| **Business volume** | **35,548.8** | **34,116.1** | **1,432.7** | **4.2** |

The cash reserve increased by EUR 4.5 billion compared with the end of the previous year, due to an increased holding of balance held with the Bundesbank to reduce liquidity risks and smooth the liquidity outflow profile as part of active liquidity management. This also increased debt securities in issue by EUR 4.1 billion.

Loans and advances to banks declined by EUR 0.3 billion as of the reporting date compared with the end of the previous year. An increase in cash investments of around EUR 0.6 billion is offset by a decrease in cash collateral provided of around EUR 0.9 billion. The change in deposits from banks is mainly due to lower time deposits (EUR 0.4 billion).

The amount of loans and advances to customers shows only minor changes. On the other hand, portfolio measures and repayments led to a reduction of around EUR 0.5 billion in the securities portfolio compared with the end of last year.

The decline of EUR 1.8 billion and EUR 2.0 billion in trading assets and liabilities respectively was mainly the result of the portfolio reduction.

The change in long-term equity investments and shares in affiliates (EUR -0.5 billion) is mainly due to the capital repatriation of Erste EAA Ireland plc, the former EAA CBB, which took place in March 2021.

For further information about these changes, please refer to the section "Wind-up report".

### Lending business

The lending business comprises loans and advances, payment obligations arising from irrevocable loan commitments, sureties and other guarantees. Contingent liabilities also include Portigon risk exposures that were transferred using the "guarantee" alternative. Loans and advances also contain registered and other non-marketable debt instruments.

### Lending business

| | 31/3/2021 | 31/12/2020 | Change | |
|---|---|---|---|---|
| | EUR million | EUR million | EUR million | in % |
| Loans and advances to banks | 2,893.7 | 3,188.4 | -294.7 | -9.2 |
| Loans and advances to customers | 7,133.0 | 7,172.9 | -39.9 | -0.6 |
| Contingent liabilities | 1,741.7 | 1,812.6 | -70.9 | -3.9 |
| Other obligations/loan commitments | 180.4 | 137.4 | 43.0 | 31.3 |
| **Lending business** | **11,948.8** | **12,311.3** | **-362.5** | **-2.9** |

## Summary of the business situation

As planned, the EAA achieved a lower net interest result due to the portfolio reduction. The fee and commission expenses and the administrative expenses were more than offset by the positive financial investment result and the income from the reversal of risk provisions. A profit is therefore reported for the first quarter of 2021.

The EAA's assets are in good order. As at the reporting date, the EAA's equity amounted to EUR 707.1 million. Adequate liquidity was available at all times.

No significant events requiring disclosure occurred after the reporting date and a statement to this effect is contained in the notes to the financial statements ("Subsequent events" section).

# Risk, opportunities and forecast report

## Risk report

A common objective of the liable stakeholders, the FMS and the EAA is to minimise its strategic wind-up risk, that is to say, the risk of a negative deviation from the economic targets in the winding-up plan and suffering higher-than-planned losses from winding up the portfolio. The EAA made further progress during the reporting period towards realising its wind-up mandate.

The figures and developments discussed in this section are regularly reported to the FMSA as part of its supervision of the EAA. They relate to the entire assets transferred to the EAA, regardless of whether these figures are recorded on- or off-balance-sheet in the EAA's separate financial statements, or whether they are held via subsidiaries (look-through approach).

### Risk management organisation

The Managing Board determines the risk strategy. The Audit and Risk Committee of the Supervisory Board discuss the risk strategy and the risk policy principles set down therein with the Managing Board. On the recommendation of the Audit and Risk Committee, the Supervisory Board will decide on the principles relating to risk assumption contained in the risk strategy.

The general risk management strategy forms the basis for the risk management framework. It contains the basic principles for risk management, defines the key risk categories and identifies the core elements of the risk management process. The general risk management strategy is supplemented by specific strategies for managing individual risks, including the related wind-up strategies. The key individual strategies relate to the risk categories of credit risks, market price risks, liquidity risks, longevity risks and operational risks (including reputational, legal and tax risks). The risk management strategies are reviewed at least once a year.

The Managing Board has implemented a structure of various interdisciplinary committees throughout the institution and its departments to aid it in fulfilling its responsibility to manage risk. As Managing Board committees, these committees are permanent institutions of the EAA. They serve as central decision-making, management and information-gathering bodies which assist in dealing with strategic issues related to portfolio management and the winding-up plan.

The Risk Controlling department is responsible for the independent monitoring and communication of the EAA's risks. Its tasks include in particular the following:

- Supporting management in connection with all risk policy issues, especially in the development and implementation of the risk strategy as well as in the organisation of a system for mitigating risks,
- Conducting a risk inventory and preparing the overall risk profile; and
- Assisting management with the establishment and development of risk management and risk controlling processes.

The Risk Controlling department is responsible for monitoring market price, counterparty, liquidity and operational risks. The Credit Risk Management department comprises the back-office function in the lending business as defined by MaRisk. In particular, this department functions as the lending authority. It is also responsible for credit risk steering and credit risk controlling. The Risk Controlling and Credit Risk Management departments monitor and analyse risk exposures as well as the utilisation of the limits. They also take measures to reduce risks if necessary.

The risk management system is regularly reviewed by the EAA's Internal Audit department.

### Risk reporting

Risks can be controlled and monitored in a sustainable manner only if they are transparent, and the underlying analysis results are prepared and communicated in a manner that is conducive to decision-making processes. For this reason, risk reporting is among the key tasks of the Risk Controlling department. The FMSA, the responsible committees, the Managing Board as well as the Supervisory Board and its committee are informed on a regular basis of any and all developments that might have an impact on the institution's risk or earnings situation. Risk reporting is a component of the monthly wind-up report and the quarterly risk report.

The Managing Board keeps the Supervisory Board and its committee regularly informed of the EAA's current wind-up status and the general risk situation, based on wind-up reports and a separate risk report that is adapted to fulfil the information requirements of the governing bodies.

### Risks from the corona pandemic

#### Financial risks

The corona pandemic had no serious negative financial impact for the EAA so far.

Liquidity was raised to the extent required, and market risk positions continued to be held within the tight limits.

Due to the structure of the EAA's remaining portfolio, the coronavirus has had little impact on credit risk to date. The EAA has reviewed all exposures for potential impact of the corona pandemic. Rating downgrades reflect the deteriorating credit quality due to the corona crisis. In addition, exposures particularly affected by the corona crisis are presented separately as part of cluster and portfolio analyses.

#### Non-financial risks

Due to the corona pandemic, the EAA has established a task force that meets once a week under the direction of the Managing Board. The task force informs the EAA's crisis unit of its decisions to protect the EAA's employees. Employees are given timely and practical guidance on conduct and hygiene. For this purpose, a webpage containing all the important information has been set up on the intranet, which is continuously adapted and supplemented. External employees and visitors receive information about the rules to be observed. Opportunities for working-from-home capabilities, including teleconferencing and web conferencing, have been put in place since March 2020. Since then, up to 80% of employees are working from home every week. Since 25 March 2021, there has been a voluntary offer – as an additional element of protection – to take advantage of two personal self-quick tests per week for employees and externals working on site at the EAA. These are to be used immediately upon arrival at the EAA in order to achieve the highest possible level of protection for the staff and external parties working on site at the EAA on that day. The operational readiness of the EAA building is also ensured by extended cleaning measures.

In addition, IBM and MSPA, as the EAA's primary service providers, have provided their services, without being impaired in any way by the corona pandemic.

The absence of any confirmed cases of corona infection in the EAA demonstrates the success of the measures implemented. The EAA's operations were stable throughout the pandemic period.

### Credit risks

#### Credit risks – banking book

The credit risk of the EAA and its subsidiaries is regularly analysed so as to identify, analyse, evaluate and manage all default risks within the portfolio. The EAA uses a variety of parameters – such as risk type, rating categories, maturities and regions – to identify risk concentrations.

The notional volume of the banking book portfolio (which primarily consists of loans and securities) declined by EUR 0.8 billion to EUR 11.9 billion in the first quarter of 2021 (at constant exchange rates as of 31 December 2011). Please refer to the section "Wind-up report" for more detailed information on the wind-up success.

### Breakdown of notional volume by internal rating category[1]

| | 31/3/2021 EUR billion | 31/12/2020 EUR billion |
|---|---|---|
| A0-A2 | 0.3 | 0.3 |
| A3-A5 | 1.9 | 1.9 |
| B1-B3 | 0.5 | 0.5 |
| B4-B5 | 3.9 | 4.1 |
| C1-C2 | 2.0 | 2.4 |
| C3-C5 | 1.0 | 1.2 |
| D1-D3 | 0.4 | 0.3 |
| D4-E | 0.4 | 0.5 |
| S.R. | 1.3 | 1.3 |
| N.R. | 0.2 | 0.2 |
| **Total** | **11.9** | **12.7** |

[1] Excluding exchange rate effects (based on exchange rates as of 31 December 2011).
Note: Where possible, the internal rating categories are based on the guarantor's rating.

The quality of the banking book portfolio was reflected in an investment grade rating share (rating categories A0-C2) of around 72% (31 December 2020: 72%). About 18% (31 December 2020: 17%) of the notional volume had a very good rating (A0-A5) and around 54% (31 December 2020: 55%) is assigned to the mid-rating categories B1-C2. The rating category S.R. included the opening clauses of the rating process and has a share of around 11% of the total portfolio (31 December 2020: 10%).

The decrease in rating category C1-C2 in the amount of EUR 0.4 billion is mainly due to the sale of securities. The other rating changes are based on rating migrations and repayments. The EAA continued to aim for a portfolio reduction across all rating categories.

The following table shows the reconciliation of the EAA's internal ratings to external ratings.

| INTERNAL | EXTERNAL | | | |
|---|---|---|---|---|
| **EAA** | **Moody's** | **S&P** | **Fitch** | |
| A0 | Aaa | AAA | AAA | |
| A1 | Aaa | AAA | AAA | |
| A2 | Aa1 | AA+ | AA+ | |
| A3 | Aa2 | AA | AA | |
| A4 | Aa3 | AA- | AA- | |
| A5 | Aa3 | AA- | AA- | |
| B1 | A1 | A+ | A+ | Investment grade |
| B2 | A2 | A | A | |
| B3 | A3 | A- | A- | |
| B4 | Baa1 | BBB+ | BBB+ | |
| B5 | Baa2 | BBB | BBB | |
| C1 | Baa2 | BBB | BBB | |
| C2 | Baa3 | BBB- | BBB- | |
| C3 | Ba1 | BB+ | BB+ | |
| C4 | Ba2 | BB | BB | |
| C5 | Ba3 | BB- | BB- | |
| D1 | B1 | B+ | B+ | |
| D2 | B2 | B | B | Non-investment grade |
| D3 | B3 | B- | B- | |
| D4 | B3 | B- | B- | |
| D5 | Caa1 to C | CCC+ to C | CCC+ to C | |
| E | C | C | C | |

### Breakdown of notional volume by clusters[1,2]

| | 31/3/2021 in % | 31/12/2020 in % |
|---|---:|---:|
| Structured Securities | 44.9 | 43.6 |
| Public Finance & Financial Institutions | 25.7 | 26.2 |
| Real Assets | 13.9 | 15.7 |
| Structured Products | 10.2 | 9.5 |
| Corporates | 4.8 | 4.5 |
| Equity/Mezzanine | 0.5 | 0.5 |
| **Total** | **100.0** | **100.0** |

1 31 March 2021 = EUR 11.9 billion; 31 December 2020 = EUR 12.7 billion.
2 Excluding exchange rate effects (based on exchange rates as of 31 December 2011).

The EAA's banking book portfolio consists of six clusters. The largest cluster, Structured Securities, with a total share of 44.9%, consists of three sub-portfolios: Phoenix (59.2% – please refer to the section "Phoenix" for further details), ABS (31.7%) and Dritte EAA (9.1%).

### Breakdown of notional volume by maturities[1,2]

| | 31/3/2021 EUR billion | 31/12/2020 EUR billion |
|---|---:|---:|
| <= 6 M | 0.3 | 0.2 |
| > 6 M <= 1 Y | 0.0 | 0.1 |
| > 1 Y <= 5 Y | 2.7 | 1.3 |
| > 5 Y <= 10 Y | 1.3 | 2.9 |
| > 10 Y <= 20 Y | 5.1 | 5.1 |
| > 20 Y | 2.5 | 3.1 |
| **Total** | **11.9** | **12.7** |

1 For assets with no fixed or with very long maturities: expected repayment profile.
2 Excluding exchange rate effects (based on exchange rates as of 31 December 2011).

The reduction in the maturity range of five to ten years and the increase in the maturity range of one to five years result in particular from the maturity-related postponement of the Phoenix A4 USD note (EUR 1.3 billion).

The other changes within the maturity ranges reflected the portfolio management measures undertaken and amortisation during the first quarter of 2021.

### Breakdown of notional volume by region[1]

| | 31/3/2021 EUR billion | 31/12/2020 EUR billion |
|---|---|---|
| Americas[2] | 6.5 | 6.8 |
| EMEA | 4.2 | 4.6 |
| Germany | 0.9 | 1.1 |
| APAC | 0.2 | 0.2 |
| **Total** | **11.9** | **12.7** |

[1] Excluding exchange rate effects (based on exchange rates as of 31 December 2011). The regional breakdown by borrowers or for securitisations is based on the main risk country of the asset pool.
[2] Contains EUR 1.8 billion for the Phoenix B note guaranteed by the State of NRW.

The regional breakdown of the notional volume hardly changed compared with 31 December 2020. Approximately 55% of the notional volume was attributable to America (31 December 2020: 53%). Repayments were the main reason for a decline of EUR 0.3 billion in the Americas region, particularly in the Structured Securities cluster (largely Phoenix).

About 36% of the notional volume (31 December 2020: 37%) was attributable to the EMEA region.

The share of German borrowers and guarantors (share of portfolio: about 8%; 31 December 2020: 9%) is almost unchanged.

The APAC region represents around 1% (31 December 2020: 1%) and is also almost unchanged.

#### Problem loans and risk provision

Problem loan exposures are subject to special risk monitoring pursuant to MaRisk. The recoverability of loans and advances is reviewed by ad hoc and regular performances of an impairment test (a test to determine whether a loan or advance is non-performing or at risk of non-performance, therefore resulting in a risk provisioning requirement). The assessment of a possible need for a risk provision takes into account collateral values, company valuations, discounted cash flow analysis or observable market prices. It is reviewed on a regular basis.

The EAA forms general loan loss provisions based on the expected one-year loss for the deferred credit risk in the portfolio of receivables and contingent assets. This method is also being maintained in view of the corona crisis. Deteriorating credit qualities are reflected in rating downgrades.

### Result of risk provisions

| | Provisions for loan losses<br>EUR million | Charge-offs<br>EUR million | Net change in loan loss provision<br>EUR million | Other exp./inc. due to risk<br>EUR million | Total allow. losses<br>EUR million |
|---|---|---|---|---|---|
| **Acute counterparty default risk** | **0.1** | **6.3** | **6.2** | **0.3** | **6.5** |
| Credit risk | 0.1 | 6.3 | 6.2 | 0.4 | 6.6 |
| Other risk | - | - | - | -0.1 | -0.1 |
| **Contingent counterparty default risk** | **-** | **4.8** | **4.8** | **-** | **4.8** |
| **Total** | **0.1** | **11.1** | **11.0** | **0.3** | **11.3** |

Other risk expenditure/income primarily include recoveries from written-off receivables.

#### Special banking book issues

Phoenix

The tranches of the Phoenix Light SF DAC securitisation constitute a major portion of the EAA's structured loan portfolio.

The majority of the securitised Phoenix portfolio is denominated in US dollars and represents US risks, primarily in the property market there.

### Phoenix notes capital structure

| Tranche | Amount as of 31/3/2021 in million | | S&P rating | Legal maturity |
|---|---|---|---|---|
| Class A4 | 1,646.9 | USD | B- | 9/2/2091 |
| | 105.3 | EUR | B- | 9/2/2091 |
| Class B | 1,770.4 | EUR | N.R. | 9/2/2091 |

Repayments in the reporting period amounting to EUR 0.1 billion resulted in a decrease of the notional volume reported in euros to EUR 3.2 billion as of 31 March 2021 (at constant exchange rates as of 31 December 2011).

### Rating breakdown by internal rating category for Phoenix notes[1]

| | 31/3/2021 EUR billion | 31/12/2020 EUR billion |
|---|---|---|
| A0-A2 | - | - |
| A3-A5 | 1.8 | 1.8 |
| B1-B3 | - | - |
| B4-B5 | 1.4 | 1.5 |
| C1-C2 | - | - |
| C3-C5 | - | - |
| D1-D3 | - | - |
| D4-E | - | - |
| S.R./N.R. | - | - |
| **Total** | **3.2** | **3.3** |

[1] Excluding exchange rate effects (based on exchange rates as of 31 December 2011).
Note: The presentation by internal rating category considers the rating (A3) of the guarantor, the State of NRW, for the Phoenix B note.

All of the Phoenix notes have an investment grade rating (rating categories A0-C2), taking into account the rating of the State of NRW (the guarantor for the Phoenix B note). Some EUR 3.2 billion of this guarantee had been utilised up to 31 March 2021.

In addition to the ongoing sale of parts of the portfolio by taking advantage of market opportunities, the EAA continues to work with the parties involved in Phoenix to optimise the portfolio. These measures include both legal measures in relation to individual portfolio securities and the restructuring of non-performing securities.

#### Public Finance

The exposure to the public sector (including the liquidity portfolio) as of 31 March 2021 totals a notional amount of EUR 2.9 billion (excluding exchange rate effects, based on exchange rates as of 31 December 2011). EUR 1.9 billion of this amount was attributable to the UK, Italy, Portugal and Spain. Further information can be found in the section “Exposures to selected EU member states and the UK”.

Securities account for 76% of the total public-sector exposure (including regional and municipal borrowers). Lending transactions involving federal, municipal or other public-law institutions account for a share of 24%.

The largest part of the overall exposure, at 75%, is attributable to borrowers or issuers from the eurozone, with the remaining volume coming from EMEA countries outside the eurozone (14%), America (9%) and APAC countries (2%).

### Credit risks – trading portfolio

Trading portfolio credit risks are divided into counterparty risk (pre-settlement risk and settlement risk) from derivatives and issuer risk from securities.

Issuer risks from securities in the trading portfolio are calculated using market values, while those in the banking book are determined on the basis of carrying amounts. A distinction is drawn between collateralised and non-collateralised counterparties in order to determine the replacement risks (pre-settlement risks) from derivatives. The market value plus a regulatory premium is used as the replacement risk for non-collateralised counterparties. For collateralised counterparties, the market value, collateral and a premium based on VaR are calculated as the replacement risk. Settlement risks are determined using the payment due per value date. Credit risks from trading transactions are compared with the corresponding credit limits on a daily basis. Risk-mitigating measures, such as close-out netting (offsetting) and collateral in the OTC derivatives business, are used whenever possible. Active hedging of risk exposures takes place only with counterparties with whom corresponding master agreements are in place.

OTC derivative counterparty default risks are assessed independently from the front office using CVA. When doing so, externally traded credit spreads, where available, are used to determine the probability of default. The expected loss can be calculated as CVA based on expected future exposures and a statistically determined recovery rate. The CVA in the trading portfolio was unchanged at EUR 3.8 million as of 31 March 2021 (31 December 2020: EUR 3.8 million).

### Counterparty and issuer risks

#### Direct counterparty risks

As the EAA concludes OTC derivatives both from the trading portfolio as well as the banking book, and as counterparty risks are measured and controlled per counterparty, the explanations and figures below relate to both the trading portfolio and the banking book. In accordance with an established management process, risks are managed by the Treasury/Capital Markets department, a front-office function, and the Credit Risk Management and Risk Controlling departments, which are back-office functions.

The following table shows direct risks with active strategic counterparties. Direct risks are counterparty risks from those transactions which the EAA accounts for directly in its balance sheet and not those that have been transferred to it synthetically.

| | 31/3/2021 Exposure EUR million | 31/3/2021 Limit EUR million | 31/12/2020 Exposure EUR million | 31/12/2020 Limit EUR million |
|---|---|---|---|---|
| Credit risk – money market positions[1] | 790.6 | 3,846.5 | 199.9 | 4,151.5 |
| Counterparty risk – OTC derivatives (pre-settlement risk) | 237.6 | 1,830.0 | 348.1 | 2,310.0 |
| Counterparty risk – repos | - | 170.0 | - | 224.0 |

[1] All money market transactions with counterparties outside the EAA Group have a maximum maturity of up to six months.

Compared with year-end 2020, the changes in the credit risk for money market positions as of 31 March 2021 were driven primarily by active liquidity management for the purpose of reducing liquidity risks. Counterparty risks from OTC derivatives are driven by transactions for liquidity steering (foreign exchange swaps) and interest rate hedging instruments (interest rate swaps).

### Issuer risks

Issuer risks are managed by the Treasury/Capital Markets department, a front-office function, and the Credit Risk Management and Risk Controlling departments, which are back-office functions.

The following table shows the issuer risks of the banking book, broken down by sub-portfolios.

| | **< 1 Y** | **1-4 Y** | **4-8 Y** | **8-15 Y** | **> 15 Y** | **Total exposure** |
|---|---|---|---|---|---|---|
| | **EUR million** | **EUR million** | **EUR million** | **EUR million** | **EUR million** | **EUR million** |
| Public Finance | 140.0 | 273.4 | 577.4 | 1,087.2 | 565.6 | 2,643.6 |
| Financial Institutions | - | - | 18.0 | - | - | 18.0 |
| Other securities | 1.4 | 11.0 | 97.1 | 172.1 | 2,276.0 | 2,557.6 |
| **Total 31/3/2021** | **141.4** | **284.4** | **692.5** | **1,259.3** | **2,841.6** | **5,219.2** |
| Total 31/12/2020 | 142.3 | 388.8 | 946.9 | 1,139.6 | 2,906.7 | 5,524.3 |

Other securities comprise mainly US student loans.

### Participation risks

Participation risks result from the provision of subordinated capital and equity. Managing participations is mainly the responsibility of the participation management in the Legal & Compliance department. The Finance & Tax department supports the participation controlling process.

Of the total portfolio of the EAA Group, a notional volume of EUR 1.6 billion (13.1%) was held by subsidiaries, mainly consisting of Erste EAA Anstalt öffentlichen Rechts & Co. KG with EUR 1.1 billion (68.9%) and Dritte EAA Anstalt & Co. KG with EUR 0.5 billion (31.0%).

Erste EAA Anstalt öffentlichen Rechts & Co. KG holds a portfolio of US life insurance contracts through partnerships under US law. This company is fully funded by the EAA (EUR 1.1 billion).

Dritte EAA Anstalt & Co. KG holds a portfolio of structured securities. The EAA manages the transactions of Dritte EAA Anstalt & Co. KG as its general partner. As the securities continue to fall within the EAA's scope of risk management, on the basis of the look-through approach, the internal reporting has remained virtually unchanged.

The EAA CBB, which has been operating as Erste EAA Ireland plc since 15 March 2021, is integrated in the EAA's risk and business management. The subsidiary is subject to monitoring by the EAA and the EAA's approved internal limit system. A representative of the EAA exercises non-managerial control functions as a member of the governing bodies and committees of the company. It is in an accelerated wind-up process. The return of the full banking licence and the licence as a so-called designated credit institution – comparable to a covered bond bank licence – which was applied for in October 2020, was approved in March 2021. Following the transfer of assets to the EAA in the second half of 2020 and a capital repatriation in March 2021, the company will only retain bank balances.

In some situations, the EAA will enter into new participations via restructuring if such an approach is deemed beneficial to preserve the value of the assets (for example with debt-to-equity swaps).

### Exposures to selected EU member states and the UK

The banking book exposure of the EAA and its subsidiaries to the UK, Ireland, Italy, Portugal, Spain and Cyprus of around EUR 2.8 billion as of 31 March 2021 is shown in the table below.

| Country[1] | Debtor group | 31/3/2021 Notional in EUR million[2] | 31/12/2020 Notional in EUR million[2] |
|---|---|---|---|
| UK | Corporates | 409.2 | 406.2 |
| | Public Finance | 137.3 | 130.1 |
| **UK** | | **546.6** | **536.4** |
| Ireland | Corporates | 13.1 | 12.5 |
| | Financial Institutions | 0.5 | 0.0 |
| **Ireland** | | **13.6** | **12.5** |
| Italy | Corporates | 128.4 | 138.5 |
| | Public Finance | 1,112.2 | 1,457.5 |
| **Italy** | | **1,240.5** | **1,596.1** |
| Portugal | Financial Institutions | 15.4 | 15.4 |
| | Public Finance | 502.1 | 502.9 |
| **Portugal** | | **517.5** | **518.2** |
| Spain | Corporates | 237.2 | 273.9 |
| | Public Finance | 213.0 | 213.0 |
| **Spain** | | **450.2** | **486.9** |
| Cyprus | Corporates | 44.9 | 45.0 |
| **Cyprus** | | **44.9** | **45.0** |
| **Total[3]** | | **2,813.3** | **3,195.0** |
| of which | Corporates | 832.8 | 876.1 |
| of which | Financial Institutions | 15.8 | 15.4 |
| of which | Public Finance | 1,964.6 | 2,303.5 |

1 Economic view; may differ from the borrower's legal country of residence (for Corporates and Financial Institutions).
2 Based on current exchange rates. Presentation of the notional volume, including hedges (net).
3 Of which EAA subsidiaries: EUR 288.6 million (31 December 2020: EUR 291.8 million).

This exposure has fallen by EUR 381.8 million from the beginning of 2021. The change is mainly attributable to Italy (EUR -355.6 million) and Spain (EUR -36.6 million).

The total trading portfolio and ALM exposure of the EAA and its subsidiaries to banks, companies and governments in the UK, Ireland, Italy and Spain is shown in the table below.

| Product[1] | Value | Country[2] | 31/3/2021 EUR million[3] | 31/12/2020 EUR million[3] |
|---|---|---|---|---|
| Other derivatives and ALM | MtM | UK | 159.6 | 183.2 |
| | | Ireland | 4.4 | - |
| | | Italy | 11.6 | 14.3 |
| | | Spain | 3.7 | 5.6 |
| **Other derivatives and ALM** | | | **179.3** | **203.1** |
| Other | Notional | UK | 42.1 | 12.7 |
| | | Ireland | - | 18.5 |
| **Other[4]** | | | **42.1** | **31.2** |

[1] ALM = cluster ALM as part of the banking book is identified here as in the internal view and not as a banking book exposure; derivatives = replacement risks from OTC derivatives.
[2] Economic view; may differ from the borrower's legal country of residence (for Corporates and Financial Institutions).
[3] Based on current exchange rates. Presentation of the notional volume, including hedges (net).
[4] Includes mainly the HSBC nostro balances.

### Market price risks

The EAA pursues a strategy of lowering market price risks to the greatest extent possible. Market price risk is controlled via a system of limits. Market price risks in the trading portfolio and the banking book are limited separately. Market price risk exposures are controlled on a daily basis by the Treasury/Capital Markets department and are monitored and analysed by the Risk Controlling department.

#### Market price risks – banking book

As a result of the portfolio structure, there are interest rate and foreign exchange risks (particularly in relation to the US dollar) that are largely hedged. In accordance with the risk profile, the EAA's hedging activities are mainly focused on the hedging of interest rate and foreign exchange risks.

These risks are hedged by refinancing with analogous currencies and matching maturities or by concluding derivatives transactions.

#### Interest rate risk (EAA Group)

| | 31/3/2021 EUR thousand | 31/12/2020 EUR thousand |
|---|---|---|
| < 1 Y | -33.9 | -24.2 |
| 1-4 Y | -7.0 | -16.1 |
| 4-8 Y | 81.4 | 83.9 |
| 8-15 Y | -17.7 | -16.6 |
| > 15 Y | -41.1 | -53.3 |
| **Total** | **-18.3** | **-26.3** |

Interest rate risk in the banking book is measured as the change in the present value when the yield rises by one basis point (interest rate sensitivity PV01).

The interest rate sensitivity PV01 was EUR -18.3 thousand (31 December 2020: EUR -26.3 thousand) due to management and maturity effects. The utilisation is within the limits.

### Foreign exchange risk (EAA Group)

| | 31/3/2021 EUR thousand | 31/12/2020 EUR thousand |
|---|---|---|
| AUD | 636.9 | 1,257.4 |
| CAD | 592.6 | 884.3 |
| CHF | -71.8 | 91.1 |
| GBP | 295.8 | 679.1 |
| HKD | 57.8 | 55.3 |
| JPY | 1,094.3 | 1,131.9 |
| PLN | 654.0 | 667.3 |
| SGD | - | 461.7 |
| USD | 1,392.0 | -3,234.9 |
| Other | 0.8 | -44.1 |
| **Total** | **4,652.4** | **1,949.1** |

Note: The presentation of the previous year's currencies has been restated.

The EAA's currency position is determined based on the principle of special cover in accordance with section 340h HGB. The positions in the various currencies are within the limits. They change as a result of market fluctuations and in the course of normal business operations.

The wind-up strategy aims to realise the intrinsic value of the exposure. The EAA does not take into account short-term capital market fluctuations and associated credit-spread changes when managing its exposures. The exposures are monitored and, if required, decisions are made to exit specific exposures. Therefore, no limits for credit spread risks are in place.

**Market price risks – trading portfolio**

The trading portfolio is exposed not only to interest rate and foreign exchange risks but also to a limited amount of credit spread risks. The trading portfolio predominantly includes derivatives as well as non-linear option risks. In line with market practice, risks in the trading portfolio are hedged at the portfolio level. This entails residual risks which change due to market movements and developments in the portfolio, and are hedged dynamically (dynamic hedging strategy).

The EAA applies both a VaR model and risk sensitivities to monitor and limit risks. A variety of stress scenarios is also used for risk management purposes. The VaR model calculates interest rate risks, equity risks and foreign exchange risks for the trading portfolio, including the respective volatility risks, on a daily basis. A confidence level of 99% and a one-day holding period are assumed when calculating the VaR.

Historical and parametric stress tests are calculated on a daily basis. These also simulate the effects of market price risks not covered by the VaR, independently of statistically observed probabilities of occurrence.

The relevant market price risk exposures are continuously subjected to backtesting. This involves comparing the actual market value changes (hypothetical income statement) with the potential market value changes forecast by the VaR model on a daily basis. For the periods from the second quarter of 2020 to the first quarter of 2021, there were two backtesting breaches at the highest level of the portfolio structure of the trading portfolio. From a statistical perspective, two to three instances of exceeded limits must be expected per year for a VaR with a holding period of one trading day and a confidence level of 99%. The EAA believes that the backtesting process continues to confirm the VaR model. VaR plays only a minor role in EAA's management. Its effective risk management is based on risk sensitivities.

### Value at Risk by clusters

| | 31/3/2021<br>EUR thousand | 31/12/2020<br>EUR thousand |
|---|---|---|
| EAA Trading | 449.6 | 647.6 |
| Rates | 449.6 | 647.6 |
| Other | 0.0 | 0.1 |

The VaR for the trading portfolio as at 31 March 2021 fell to EUR 449.6 thousand (31 December 2020: EUR 647.6 thousand). The changes in the Rates cluster were due to market movements and hedging activities.

### Liquidity risks

The EAA distinguishes between tactical and strategic liquidity risks.

- Tactical liquidity risk is the risk of not being able to generate sufficient liquidity over the short term (time horizon of up to one year) to meet contractual payment obligations.

- Strategic liquidity risk is the risk of not being able to implement the necessary funding measures set out in the funding plan on the market, in whole or in part.

The EAA's affiliates are included in the liquidity planning and management process so as to ensure optimal access to liquidity. Due to the duty of the liable stakeholders and the FMS to offset losses incurred, as well as because of their creditworthiness, the EAA is perceived positively in the capital markets. As a result, there is less risk concerning the EAA's specific funding options than there is with regard to systemic market illiquidity.

The limited stress scenarios ("liquidity crisis and downgrade", "liquidity crisis and downgrade USD") demonstrated a viable net liquidity situation as of 31 March 2021 (defined as the total of cumulated cash flows and the liquidity reserve). The liquidity reserve comprises highly liquid securities that are very likely to be eligible for repo transactions to generate new liquidity. The liquidity reserve was around EUR 0.3 billion when the stress test was performed.

Owing to the good ratings of its liable stakeholders and the FMS, the EAA does not consider it necessary to limit the strategic liquidity risk.

### Longevity risks

The EAA funds premium payments for US life insurance policies, which are known as life settlement engagements. The payouts from these policies flow to the EAA when the insured individual dies. These policies are bundled in subsidiaries of Erste EAA Anstalt öffentlichen Rechts & Co. KG.

Longevity risk is the risk that insured individuals live longer than originally calculated. In this respect, the insurance premiums must be paid longer than forecast. Changes to the assessment of the expenses to be borne by the EAA from longevity risks are due to higher premiums demanded by the insurance companies. The EAA believes the increases are legally inadmissible. Several lawsuits are currently pending against insurance groups.

Longevity risk is limited to the acquired portfolio. Due to the large number of policies, coupled with a correspondingly high financing volume and long maturities, longevity risk is a major risk for the EAA.

The actuaries and service providers engaged by the EAA provide monthly analyses on the life settlement exposure. Based on these analyses the EAA constantly monitors the relevant cash flows and thus the longevity risk so that deviations from the original forecast can be identified and taken into account in the valuation.

The EAA regularly monitors not only the present value of the expected cash flows (premiums, death benefits and service fees) from the policies but also the net present value of Erste EAA Anstalt öffentlichen Rechts & Co. KG. Besides the present value of the expected cash flows, this indicator takes into account the outstanding funding and cash on hand, making it possible to measure the performance over time of the entire life settlement portfolio.

### Operational risks

The EAA differentiates between operational risks within the EAA Group (including its subsidiaries) and risks from the outsourcing of activities to service providers.

Operational risks within the EAA are determined using a risk inventory, which is performed on a regular basis.

The EAA's last risk inventory from 2020 revealed five assessment objects with high risks in the availability of personnel category due to employee departures. This risk will be absorbed by using external employees if required. Of the assessment objects, 14% are medium risks and 84% low risk. The overall risk situation remains largely unchanged.

The aforementioned risk inventory of the EAA from 2020 was carried out together with the EFS and EAA CBB subsidiaries, and the key service providers IBM and MSPA. Owing to the outsourcing of key functions to IBM and the ongoing process of dismantling EFS, the risk situation at EFS continued to be assessed as low. IBM reported a slightly improved risk situation. The risk situation of MSPA remained largely changed. However, within the scope of this year's MSPA risk inventory, a high risk was reported in the category of staff motivation, due to the uncertain outcome of the ongoing tender of the EAA for the MSPA.

The EAA has established a service provider management to monitor the interface between the subsidiaries and other service providers and the EAA, as the recipient of services, in terms of the content, form and quality of the services. Using a continuous and timely monitoring process, the EAA accordingly ensures that its requirements, which are defined in service level agreements, are fulfilled by the service providers in the agreed form. In this process, the EAA records the outsourcing risks and assesses them by applying a traffic light system. The monitoring and assessment process is supported by an online assessment system. Any necessary service and process adjustments are additionally taken into account in a process of continuous improvements.

The EAA has agreed protective measures for data and IT security, including the data centres, with its service providers. These measures are continuously reviewed and adjusted if necessary.

There were no elevated risks during the first quarter of 2021, and the quality of the services rendered during the period was fundamentally stable in accordance with the service agreement.

## Other risks

### Reputational risks

Given the public interest in the EAA, reputational risks are especially relevant. The EAA also attaches special importance to its public image, since it impacts its funding options on the capital market.

The EAA has established behavioural rules for its employees in its "Code of Conduct". The EAA monitors all public media coverage intensely to further minimise reputational risks. This also includes public media coverage about its subsidiaries in the wind-up portfolio. Coordinated and active communication and public relations activities support the EAA's reputation.

### Legal risks

The EAA is subject to legal supervision by the FMSA, which, in turn, is subject to legal and technical supervision by the German Ministry of Finance. The FMSA ensures in particular that the EAA complies with the requirements of statutory provisions and its charter.

Since April 2010 the authorities in the US and in the EU (particularly BaFin) had been investigating possible misconduct in the trading departments of several banks. In connection with the quotations of reference interest rates, the results of the investigation have not produced any evidence of wrongdoing at the former WestLB; the investigations by BaFin and the US supervisory authorities were terminated without any measures being undertaken against Portigon. In addition, Portigon, together with a large number of banks active in the US, was sued in this context in various class action lawsuits in the US for alleged manipulative actions with regard to reference interest rates. Certain aspects of these class actions were repeatedly rejected in the court of first instance also with respect to Portigon. Some plaintiffs launched an appeal against this, which led in part to a referral back to the court of first instance and in part to an uncertain outcome as things currently stand. It is currently impossible to predict when an appeal decision will be issued and whether it will confirm the previous first-instance decisions. The court of first instance has yet to make a final ruling. However, Portigon remains convinced that, in line with the results of the investigations by the supervisory authorities, it cannot be accused of misconduct. The EAA has no reason to doubt Portigon's claims.

In connection with dividend arbitrage transactions in the years 2005 to 2008, Portigon paid capital gains tax and interest to the competent tax authorities which may have been unjustifiably credited, but appealed against the corresponding recovery orders. Portigon has also written to the EAA requesting reimbursement of or release from these expenses, and has filed a corresponding action against the EAA with the Frankfurt am Main Regional Court for the assessment periods 2005 to 2011, as it believes that, on the basis of the transfer agreements concluded in 2012 by the liable stakeholders within the scope of the refill, the EAA would assume the risk in this respect. Following a detailed assessment of the asserted claim, the EAA considers this claim to be unfounded on the basis of the information available to it and with the assistance of external legal advisors. In its statement of defence, the EAA requested that the action be dismissed and, in line with the legal opinion of its legal advisors, did not create any provisions in the matter. It will continue to defend itself against a claim by Portigon.

When necessary, the EAA has established sufficient financial reserves and initiated other measures to cover judicial and extra-judicial disputes.

#### Tax risks

Tax risks may arise from changes in tax legislation, case law or errors in the application of the law as well as the special tax regulations for winding-up agencies.

The EAA uses clearly defined governance structures and processes to analyse and manage tax risks. Tax risks are clarified through active communication with tax authorities and other government institutions. Where necessary, external specialists are engaged to consult on legal and tax issues.

### Summary of the risk situation

The EAA was established to assume the risk exposures and non-strategic business units of the former WestLB and its domestic and foreign subsidiaries, and to wind these up in a value-preserving and risk-minimising manner, pursuant to a winding-up plan. Value fluctuations in the interim are of less significance.

For that purpose, in particular, winding-up agencies in accordance with section 8a StFG are exempt from capital requirements, the obligation to prepare consolidated financial statements and other statutory provisions that apply to commercial banks.

The EAA strives in its risk management activities to reduce the risks resulting from the winding-up of the portfolio. To that end, the wind-up success and any deviations from the winding-up plan are continually monitored and compared against the plan (please refer to the section "Wind-up report").

Due to its good rating, the EAA has a stable funding situation. The stress scenarios demonstrated reasonable net liquidity as of 31 March 2021.

Market price risks are largely limited.

The EAA has a tight service provider management system and an internal control system in order to manage operational risks.

Longevity risk is the risk that insured individuals live longer than originally calculated or the insurance companies increase the premiums. They are limited to the acquired portfolio. The longevity risks in the portfolio are regularly analysed.

Risks resulting from the sovereign debt crisis, particularly for exposures in periphery eurozone countries, and equally the risks resulting from the corona pandemic, are being monitored closely and in a timely fashion.

The EAA has made sufficient provision for all known risks. Its equity – before the equity instruments and the loss-offset obligation – is initially available as aggregate risk cover for risks that are not yet foreseeable at present.

The requirements for risk-bearing capacity pursuant to section AT 4.1 MaRisk are not relevant for the EAA. Instead, the EAA performs a quarterly analysis of the development of its equity to the end of the planning period using the winding-up plan as well as updated variables and market parameters. The winding-up plan shows positive equity capital as of the end of the planning period. This means that the only possibility of a loss occurring that would require the EAA's liability mechanism to be utilised in the period to the end of the planning horizon for the winding-up plan would be if adverse scenarios were to materialise which, from today's perspective, are unlikely to occur.

In summary, the EAA perceives the risks it has assumed to be adequately covered, given its capital resources as well as the existing guarantee, equity instruments and loss-offset obligations of the liable stakeholders and the FMS.

The EAA will continue to place a special focus on sustainable and consistent risk management.

## Opportunities report

Economic growth in the eurozone was restricted in 2020 by the consequences of the corona pandemic. As the vaccination campaigns in the eurozone progress and the containment measures (such as curfews, lockdowns or business closures) are eased, a noticeable recovery should set in, particularly in the second half of 2021, and gross domestic product should rise noticeably. Certainly, this recovery will not yet be able to fully make up for the damage done by the recession, but even in the coming year 2022 the economic output of the eurozone should grow noticeably faster than the average of the past ten years. The stimulus packages of the EU, the national governments and the special measures of the ECB (purchase of euro government bonds under the Pandemic Emergency Purchase Programme) will contribute to this.

The ECB's monetary policy is therefore likely to support the valuations of euro government bonds in 2021 and 2022. The ECB reactivated its purchase programme for euro government bonds in November 2019. It has now launched a special bond purchase programme to support euro countries that have been particularly hard hit by the corona pandemic. Monetary policy in the eurozone should therefore remain very loose over the next 24 months. This will allow the eurozone countries and the companies and project financing established there to service their debt on favourable terms. This process will not be limited to listed products only; it will also affect other segments of the euro credit market such as promissory note loans, traditional loans and project financing.

Besides exposures to the euro periphery, the EAA also has significant commitments in the US. The corona crisis had no negative impact on US property prices; only the rise in prices slowed somewhat. As of November 2020, property prices are again increasing at a rate of 9.1% per year and are nearly 10% above the last peak of July 2006. This was already taken into account in the valuation of the exposures, so the positive effect of the continued economic recovery in the US should be limited.

The EAA anticipates these developments will have a fundamentally beneficial effect on the portfolio (see also the "Forecast report" section).

## Forecast report

Active measures and contractual maturities are expected to reduce the notional volume of the banking book by around 13% compared with the previous year to around EUR 11 billion in fiscal year 2021.

The EAA's objective is to have wound up around 93% of the banking book as of 31 December 2011 (including the exposures held by subsidiaries and the exposures from the refill) by the end of 2022. As in previous years, the winding-up activities will focus on advance portfolio-reducing measures and active participation management.

For fiscal year 2021, the notional volume of the trading portfolio is expected to decline significantly by more than 20% compared with the previous year, to a mid-double-digit billion value. Since the transfer in 2012, the EAA has continued to target a reduction in the notional volume of around 95% by the end of 2022. The EAA will continue to analyse how the trading portfolios can be effectively and cost efficiently reduced at an accelerated pace.

The EAA expects to generate a total of EUR 57 million (including dividend income) from the net interest result, net fee and commission result, and the results from financial assets and shareholdings for 2021, which is therefore below the previous year's level. A forecast for the net trading and risk provision result is difficult due to the imponderables with respect to developments on the global financial markets and other markets. The EAA is sticking with its strategy of winding up in a value-preserving manner. Losses cannot be ruled out in the next few fiscal years either because of the now substantial reduction of the portfolio and the associated decline in income from ongoing operations. This possibility is taken into account in the EAA's winding-up planning.

Further forecasts regarding earnings in the next few fiscal years on the basis of the indicators described are subject to uncertainty and are reliable only to a limited extent. Based on its winding-up planning, however, the EAA does not currently foresee the need to utilise the equity capital drawing limit or the assumed loss-offset obligations.

The EAA fundamentally pursues an opportunistic approach by conducting regular analyses of market conditions and exit opportunities in order to assess early and profitable wind-up opportunities for the portfolio. To this end, an agreement was reached for example at the end of 2019 to reduce substantial portions of the derivatives portfolio. Since then, implementation has taken place in several steps.

The recession triggered by the corona crisis has only triggered temporary increases in the risk premiums so far. The ECB's euro government bond buying programme and the new pandemic programme have impacted positively on the EAA's portfolios. The ECB measures and the EU's reconstruction aid of EUR 1,850 billion appear to be reassuring market participants. Further easing by the ECB in the form of a boost to the pandemic programme or of relief for banks suffering from the costs of negative interest rates are not ruled out. The ECB will therefore continue to have a significant influence on the market performance of euro government bonds in the coming years, even if the rise in US yields spills over into the eurozone and slightly increases the financing costs of governments again. Nevertheless, the low interest rate environment remains determinant for investors' hunger for yield, which should support the EAA's sales activities and encourage investors to redeem holdings ahead of schedule.

Even if the various measures taken by central banks and governments are helping, one cannot turn a blind eye to the fact that the sharp economic downturn will cause the number of corporate insolvencies to rise. A study by Euler Hermes dated 16 July 2020 expects a 35% increase in insolvencies worldwide by the end of 2021. In Europe, the authors expect insolvencies to peak in 2021. Only then should the situation improve again. The EAA is very aware of this threat. Exposures that could be negatively affected by the crisis and recession are closely monitored.

The tasks of the EAA include securing the acquired expertise for the ongoing successful winding-up activities. However, in parallel with winding up the portfolio, the EAA must also reduce costs and save on staff. It is a challenge for the management to deal with these conflicting priorities while retaining specialists for the work that remains. The EAA will optimise its structures on an ongoing basis in the coming years.

# Balance sheet

## Assets

| | Notes | EUR | EUR | 31/3/2021 EUR | 31/12/2020 EUR |
|---|---|---|---|---|---|
| 1. Cash reserve | | | | | |
| a) Balances with central banks | | | 7,996,924,063 | | (3,450,702,273) |
| of which: | | | | | |
| with Deutsche Bundesbank EUR 7,996,924,063 (py: EUR 3,450,702,273) | | | | | |
| | | | | 7,996,924,063 | 3,450,702,273 |
| 2. Loans and advances to banks | 4, 26 | | | | |
| a) Payable on demand | | | 2,368,934,348 | | (2,919,409,258) |
| b) Other loans and advances | | | 524,745,174 | | (269,024,574) |
| | | | | 2,893,679,522 | 3,188,433,832 |
| 3. Loans and advances to customers | 5, 6, 13, 26 | | | 7,133,046,829 | 7,172,892,618 |
| of which: | | | | | |
| secured by mortgage charges EUR 86,542,852 (py: EUR 81,643,155) | | | | | |
| Public-sector loans EUR 930,990,182 (py: EUR 1,075,871,226) | | | | | |
| 4. Bonds and other fixed-income securities | 7, 14, 26 | | | | |
| a) Money market instruments issued by | | | | | |
| aa) public issuers | | 95,047,168 | | | (95,148,324) |
| of which: | | | | | |
| eligible as collateral with Deutsche Bundesbank EUR 95,047,168 (py: EUR 95,148,324) | | | | | |
| | | | 95,047,168 | | (95,148,324) |
| b) Bonds issued by | | | | | |
| ba) public issuers | | 1,323,715,569 | | | (1,692,727,982) |
| of which: | | | | | |
| eligible as collateral with Deutsche Bundesbank EUR 1,311,540,011 (py: EUR 1,679,974,196) | | | | | |
| bb) other issuers | | 3,539,604,257 | | | (3,620,821,596) |
| of which: | | | | | |
| eligible as collateral with Deutsche Bundesbank EUR 253,912,329 (py: EUR 251,323,288) | | | | | |
| | | | 4,863,319,826 | | (5,313,549,578) |

**BALANCE SHEET**

| | Notes | EUR | EUR | 31/3/2021 EUR | 31/12/2020 EUR |
|---|---|---|---|---|---|
| c) Own bonds notional value: EUR 30,000,000 (py: EUR 30,000,000) | | | 30,003,699 | | (31,020,822) |
| | | | | 4,988,370,693 | 5,439,718,724 |
| 5. Equities and other non-fixed-income securities | | | | 1 | 1 |
| 6. Trading portfolio | 8 | | | 10,015,237,251 | 11,858,641,119 |
| 7. Long-term equity investments | 9 | | | 32,139,294 | 35,957,608 |
| of which: | | | | | |
| in banks EUR 15,358,686 (py: EUR 15,358,686) | | | | | |
| 8. Shares in affiliates | 10 | | | 392,397,316 | 934,601,853 |
| of which: | | | | | |
| in banks EUR 0 (py: EUR 434,297,095) | | | | | |
| 9. Intangible assets | | | | | |
| a) Paid concessions, trademarks and similar rights and values such as licences in such rights | | | 1,521,827 | | (1,849,077) |
| | | | | 1,521,827 | 1,849,077 |
| 10. Tangible fixed assets | | | | 2,680 | 3,027 |
| 11. Other assets | 11 | | | 140,658,760 | 51,943,018 |
| 12. Prepaid expenses/accrued income | 12 | | | 32,751,504 | 31,372,400 |
| **Total assets** | | | | **33,626,729,740** | **32,166,115,550** |

**BALANCE SHEET**

## Liabilities and equity

| | Notes | EUR | EUR | 31/3/2021 EUR | 31/12/2020 EUR |
|---|---|---|---|---|---|
| 1. Deposits from banks | 15 | | | | |
| a) Payable on demand | | | 1,015,932,635 | | (1,361,548,174) |
| b) With an agreed maturity or withdrawal notice | | | 363,726,235 | | (371,529,585) |
| | | | | 1,379,658,870 | 1,733,077,759 |
| 2. Deposits from customers | 16 | | | | |
| other deposits | | | | | |
| a) Payable on demand | | | 190,021,779 | | (154,808,504) |
| b) With an agreed maturity or withdrawal notice | | | 1,526,516,860 | | (1,565,439,926) |
| | | | | 1,716,538,639 | 1,720,248,430 |
| 3. Debt securities in issue | 17 | | | | |
| a) Bonds issued | | | 8,332,122,091 | | (8,408,217,951) |
| b) Other debt securities in issue | | | 12,019,670,713 | | (7,850,930,737) |
| of which: | | | | | |
| money market instruments EUR 12,019,670,713 (py: EUR 7,850,930,737) | | | | | |
| | | | | 20,351,792,804 | 16,259,148,688 |
| 4. Trading portfolio | 18 | | | 9,325,037,774 | 11,350,634,246 |
| 5. Other liabilities | 19 | | | 12,633,566 | 310,321,784 |
| 6. Accrued expenses/deferred income | 20 | | | 25,574,579 | 24,545,437 |
| 7. Provisions | 21 | | | | |
| a) Tax provisions | | | 1,962,641 | | (2,001,853) |
| b) Other provisions | | | 106,455,161 | | (112,524,542) |
| | | | | 108,417,802 | 114,526,395 |

**BALANCE SHEET**

| | | | Notes | EUR | EUR | 31/3/2021 EUR | 31/12/2020 EUR |
|---|---|---|---|---|---|---|---|
| 8. | Equity | | 22 | | | | |
| | a) | Called capital | | | | | |
| | | Subscribed capital | | 500,000 | | | (500,000) |
| | | less uncalled outstanding capital | | 0 | | | (0) |
| | | | | | 500,000 | | (500,000) |
| | b) | Capital reserves | | | 3,013,237,214 | | (3,013,237,214) |
| | c) | Revenue reserves | | | | | |
| | | other revenue reserves | | 2,431,408 | | | (2,431,408) |
| | | | | | 2,431,408 | | (2,431,408) |
| | d) | Net retained losses | | | -2,309,092,916 | | (-2,362,555,811) |
| | | | | | | 707,075,706 | 653,612,811 |
| **Total liabilities and equity** | | | | | | **33,626,729,740** | **32,166,115,550** |
| | | | | | | | |
| 1. | Contingent liabilities | | 23 | | | | |
| | a) | Liabilities from guarantees and warranties | | | 1,741,659,920 | | (1,812,592,296) |
| | | | | | | 1,741,659,920 | 1,812,592,296 |
| 2. | Other obligations | | 23 | | | | |
| | a) | Irrevocable loan commitments | | | 180,449,700 | | (137,379,232) |
| | | | | | | 180,449,700 | 137,379,232 |

# Income statement

| | Notes | EUR | EUR | 1/1-31/3/2021 EUR | 1/1-31/3/2020 EUR |
|---|---|---|---|---|---|
| 1. Interest income from | 24 | | | | |
| a) Lending and money market transactions | | 50,616,501 | | | (95,035,683) |
| b) Fixed-income securities and debt register claims | | 21,262,901 | | | (26,819,835) |
| | | | 71,879,402 | | (121,855,518) |
| 2. Interest expenses | | | 59,291,240 | | (106,610,463) |
| | | | | 12,588,162 | 15,245,055 |
| 3. Current income from | 24 | | | | |
| a) Equities and other non-fixed-income securities | | | 0 | | (0) |
| b) Long-term equity investments | | | 48,961 | | (410,356) |
| c) Shares in affiliates | | | 0 | | (0) |
| | | | | 48,961 | 410,356 |
| 4. Income from profit pooling, profit transfer or partial profit transfer agreements | 24 | | | 0 | 0 |
| 5. Fee and commission income | 24 | | 446,946 | | (494,466) |
| 6. Fee and commission expenses | | | 4,919,064 | | (4,982,159) |
| | | | | -4,472,118 | -4,487,693 |
| 7. Net trading result | 24 | | | 5,788,309 | -10,697,038 |
| 8. Other operating income | 24, 25 | | | 757,727 | 578,962 |
| 9. General administrative expenses | | | | | |
| a) Personnel expenses | | | | | |
| aa) Wages and salaries | | 4,312,142 | | | (5,031,023) |
| ab) Compulsory social security contributions and expenses for pensions and other employee benefits | | 720,838 | | | (684,567) |
| of which: | | | | | |
| for pensions EUR 272,662 (py: EUR 175,145) | | | | | |
| | | | 5,032,980 | | (5,715,590) |
| b) Other administrative expenses | | | 18,723,214 | | (24,245,378) |
| | | | | 23,756,194 | 29,960,968 |

**INCOME STATEMENT**

| | Notes | EUR | EUR | 1/1-31/3/2021 EUR | 1/1-31/3/2020 EUR |
|---|---|---|---|---|---|
| 10. Depreciation and write-offs on intangible assets and tangible fixed assets | | | | 327,597 | 109,684 |
| 11. Other operating expenses | 25 | | | 713,796 | 5,314,156 |
| 12. Income from appreciations of loans and advances and certain securities and from reversals of loan loss provisions | 21, 26 | | | 11,289,861 | 26,347,427 |
| 13. Income from appreciations of long-term equity investments, shares in affiliates and long-term securities | 26 | | | 52,326,535 | 753,185 |
| 14. Expenses from loss assumption | 26 | | | 0 | 0 |
| 15. Result from ordinary activities | | | | 53,529,850 | -7,234,554 |
| 16. Taxes on income and earnings | 27 | | | 55,782 | 19,843 |
| 17. Other taxes not reported under item 11 | 27 | | | 11,173 | 1 |
| 18. Net result for the year | | | | 53,462,895 | -7,254,398 |
| 19. Net retained losses brought forward | | | | -2,362,555,811 | -2,360,652,807 |
| 20. Net retained losses | | | | -2,309,092,916 | -2,367,907,205 |

# Cash flow statement

| | | | 1/1-31/3/2021 EUR | 1/1-31/3/2020 EUR |
|---|---|---|---|---|
| 1. | +/- | Result for the period | 53,462,895 | -7,254,398 |
| | | **Non-cash items included in net loss for the period and reconciliation to cash flows from operating activities** | | |
| 2. | +/- | Allowances for losses on loans and advances and write-offs on certain securities, depreciation, amortisation on tangible fixed assets and long-term financial assets as well as the reversal thereof | -8,273,178 | -25,560,561 |
| 3. | +/- | Increase/decrease in provisions | -6,108,594 | -1,941,579 |
| 4. | +/- | Other non-cash income/expenses | -139,307,074 | 152,546,044 |
| 5. | -/+ | Gain/loss on disposal of long-term financial assets | -52,262,885 | -46,001 |
| 6. | = | Subtotal | -152,488,836 | 117,743,505 |
| | | **Change in operating assets and liabilities** | | |
| 7. | -/+ | Increase/decrease in loans and advances to banks (no trading portfolio) | 346,695,615 | -2,250,388,649 |
| 8. | -/+ | Increase/decrease in loans and advances to customers (no trading portfolio) | 62,826,467 | 88,549,191 |
| 9. | -/+ | Increase/decrease in securities (no financial assets and no trading portfolio) | 428,631,838 | -243,774,119 |
| 10. | +/- | Trading assets | -17,265,727 | 192,538,542 |
| 11. | -/+ | Increase/decrease in other operating assets | -90,991,151 | 77,956,125 |
| 12. | +/- | Increase/decrease in deposits from banks (no trading portfolio) | -355,629,607 | -282,591,510 |
| 13. | +/- | Increase/decrease in deposits from customers (no trading portfolio) | 532,061,926 | 764,566,452 |
| 14. | +/- | Increase/decrease in debt securities in issue | 4,103,157,660 | 2,921,126,238 |
| 15. | +/- | Trading liabilities | -25,619,803 | -266,666,705 |
| 16. | +/- | Increase/decrease in other operating liabilities | -295,631,196 | 1,774,285 |
| 17. | +/- | Interest expenses/interest income | -12,637,124 | -15,655,411 |
| 18. | +/- | Tax expenses/tax income | 55,782 | 19,843 |
| 19. | + | Interest payments and dividend payments received | 66,824,051 | 111,809,767 |
| 20. | - | Interest paid | -56,081,163 | -115,028,200 |
| 21. | -/+ | Income tax payments | -55,782 | -19,843 |
| 22. | = | Cash flows from operating activities (sum of 6 to 21) | 4,533,852,950 | 1,101,959,511 |
| 23. | + | Proceeds from disposal of long-term financial assets | 65,683,161 | 212,642 |
| 24. | - | Purchase of long-term financial assets | -37,028 | -46,802 |
| 25. | - | Purchase of tangible fixed assets | 0 | 0 |
| 26. | - | Purchase of intangible assets | 0 | 0 |
| 27. | = | Cash flows from investing activities (sum of 23 to 26) | 65,646,133 | 165,840 |
| 28. | +/- | Changes in other capital (net) | 0 | 0 |
| 29. | = | Cash flows from financing activities (sum of 28) | 0 | 0 |
| 30. | | Net change in cash funds (sum of 22, 27, 29) | 4,599,499,083 | 1,102,125,351 |
| 31. | + | Cash funds at beginning of period | 3,458,278,298 | 2,174,178,842 |
| 32. | = | Cash funds at end of period (sum of 30 to 31) | 8,057,777,381 | 3,276,304,193 |

The cash flow statement is prepared in accordance with DRS 21. The cash funds include the current accounts maintained at HSBC and Deutsche Bundesbank (demand deposits). Further cash funds as defined by DRS 21 do not exist at the present time.

# Statement of changes in equity

| | Balance as of 1/1/2021 EUR | Appropriation of the result EUR | Balance as of 31/3/2021 EUR |
|---|---|---|---|
| Called capital | 500,000 | 0 | 500,000 |
| Capital reserves | 3,013,237,214 | 0 | 3,013,237,214 |
| Other revenue reserves | 2,431,408 | 0 | 2,431,408 |
| Net retained losses | -2,362,555,811 | 53,462,895 | -2,309,092,916 |
| **Equity under HGB** | **653,612,811** | **53,462,895** | **707,075,706** |

| | Balance as of 1/1/2020 EUR | Appropriation of the result EUR | Balance as of 31/3/2020 EUR |
|---|---|---|---|
| Called capital | 500,000 | 0 | 500,000 |
| Capital reserves | 3,013,237,214 | 0 | 3,013,237,214 |
| Other revenue reserves | 2,431,408 | 0 | 2,431,408 |
| Net retained losses | -2,360,652,807 | -7,254,398 | -2,367,907,205 |
| **Equity under HGB** | **655,515,815** | **-7,254,398** | **648,261,417** |

# Condensed notes

For the period from 1 January to 31 March 2021

## General disclosures

### 1. Legal framework of the EAA

The EAA is a structurally and commercially independent public law entity with partial legal capacity operating under the umbrella of the FMSA. Its registered office is in Düsseldorf. The EAA was set up by the FMSA on 11 December 2009, and entered into the commercial register of the District Court of Düsseldorf (HRA 20869) on 23 December 2009.

The EAA is winding up the risk exposures and non-strategic business units (transferred assets) transferred from the former WestLB and its domestic and foreign subsidiaries. In doing so, it proceeds in a value-preserving and risk-minimising manner. This serves to stabilise the financial market. The risk exposures and non-strategic business units of the former WestLB were transferred to the EAA in the years 2009 and 2010 (first fill) as well as in 2012 (refill) using several different transfer methods. In an ongoing process, transactions that were initially synthetically transferred will be transferred legally and fully from Portigon to the EAA. For further information on the transfer methods, please refer to the section "Operating activities of the EAA" in the Annual Report 2020.

The EAA manages its business according to commercial and economic principles, in consideration of its winding-up objectives and the principle of minimising loss. It is not classified as a credit institution for the purposes of the German Banking Act, nor does it carry out activities requiring a permit for the purposes of EU Directive 2006/48/EC dated 14 June 2006. It is subject to regulation by the FMSA. The EAA is supervised by BaFin with regard to those provisions of banking law that are applicable to the EAA.

### 2. Basis of accounting

In accordance with section 8a (1a) StFG in conjunction with the additional guidance of the EAA's charter, the EAA's interim report has been prepared under the provisions of the HGB for large public companies and RechKredV. In particular, the condensed financial statements comply with the requirements of DRS 16 (half-year interim reporting).

The information contained in this interim report should be read in conjunction with the disclosures contained in the published and audited financial statements for the fiscal year from 1 January to 31 December 2020. All facts were considered up to the time these interim financial statements were prepared.

## 3. Accounting and valuation principles

The same accounting and valuation principles were applied to the interim financial statements as to the financial statements for the fiscal year from 1 January to 31 December 2020.

The assumptions and estimates required, in particular in connection with illiquid portfolios, are based on the subjective judgement of the management and are subject to forecasting uncertainties. Even if the available information, historical experience and other evaluation factors have been relied upon to prepare the estimates, actual future events may differ from the estimates. This may also have a material impact on the asset position, financial position and earnings situation. In the EAA's opinion, the parameters used are appropriate and acceptable.

# Notes on the balance sheet and the income statement

## 4. Loans and advances to banks

| | 31/3/2021<br>EUR million | 31/12/2020<br>EUR million |
|---|---|---|
| **Carrying amount** | **2,893.7** | **3,188.4** |
| of which: | | |
| - to affiliates | - | 0.4 |
| | | |
| Payable on demand | 2,368.9 | 2,919.4 |
| due | | |
| - within 3 months | 524.8 | 251.5 |
| - 3 months to 1 year | - | 1.1 |
| - 1 to 5 years | - | 6.2 |
| - after 5 years | - | 10.2 |

## 5. Loans and advances to customers

| | 31/3/2021 EUR million | 31/12/2020 EUR million |
|---|---|---|
| **Carrying amount** | **7,133.0** | **7,172.9** |
| of which: | | |
| - to affiliates | 1,248.5 | 1,175.9 |
| | | |
| due | | |
| - within 3 months | 2,159.3 | 1,201.9 |
| - 3 months to 1 year | 267.4 | 1,268.9 |
| - 1 to 5 years | 1,041.1 | 1,079.6 |
| - after 5 years | 3,665.2 | 3,622.5 |

These loans and advances also include registered and other non-marketable bonds.

## 6. Loans and advances secured by mortgages

| | 31/3/2021 EUR million | 31/12/2020 EUR million |
|---|---|---|
| **Carrying amount** | **86.5** | **81.7** |
| | | |
| Loans and advances to customers due | | |
| - within 3 months | 1.1 | 0.0 |
| - 3 months to 1 year | 0.1 | 0.1 |
| - 1 to 5 years | 0.0 | 0.1 |
| - after 5 years | 85.3 | 81.5 |

## 7. Bonds and other fixed-income securities

| | 31/3/2021 EUR million | 31/12/2020 EUR million |
|---|---|---|
| **Carrying amount** | **4,988.4** | **5,439.7** |
| of which: | | |
| Amounts due in the following year | 280.0 | 169.1 |
| | | |
| Breakdown | | |
| - Money market instruments | 95.0 | 95.1 |
| - Bonds issued by public issuers | 1,323.7 | 1,692.7 |
| - Bonds issued by other issuers | 3,539.7 | 3,620.9 |
| - Own bonds | 30.0 | 31.0 |
| | | |
| Breakdown by marketability | | |
| - Marketable securities | 4,988.4 | 5,439.7 |
| of which: | | |
| - listed | 1,595.5 | 1,962.3 |
| - unlisted | 3,392.9 | 3,477.4 |
| | | |
| Breakdown by type | | |
| - Liquidity reserve | 30.0 | 31.0 |
| - Financial assets portfolio | 4,958.4 | 5,408.7 |

Bonds and other fixed-income securities in the amount of EUR 5.0 billion (previous year: EUR 5.4 billion) were included in the financial assets portfolio. As of the reporting date, financial assets with a carrying amount of EUR 1.5 billion (previous year: EUR 1.6 billion) were recognised at a rounded EUR 0.0 billion (previous year: EUR 0.1 billion) above their fair value as the EAA expects to receive repayments totalling at least the carrying amount. This judgement is based on the EAA's long-term wind-up strategy and the expected performance of the financial assets. The difference is primarily attributable to structured credit products.

As in the previous year, none of the aforementioned financial assets with a carrying amount of EUR 1.5 billion relate to bonds that were acquired in connection with asset swaps. The EAA funds the portion of the investment portfolio that was not hedged with asset swaps (EUR 3.4 billion) either with financing that is congruous in terms of maturities and currencies, or it hedges the balance at the portfolio level against changes in value caused by fluctuations in interest rates and currencies.

## 8. Trading portfolio

| | 31/3/2021 EUR million | 31/12/2020 EUR million |
|---|---|---|
| **Carrying amount** | **10,015.2** | **11,858.6** |
| of which: | | |
| - Derivative financial instruments | 10,016.6 | 11,860.6 |
| - Risk allowance pursuant to section 340e (3) sentence 1 HGB | -1.4 | -2.0 |

## 9. Long-term equity investments

| | 31/3/2021 EUR million | 31/12/2020 EUR million |
|---|---|---|
| **Carrying amount** | **32.1** | **36.0** |
| of which: | | |
| - in banks | 15.4 | 15.4 |
| | | |
| Breakdown by marketability | | |
| - Marketable securities | 15.4 | 15.4 |
| of which: | | |
| - unlisted | 15.4 | 15.4 |

## 10. Shares in affiliates

| | 31/3/2021 EUR million | 31/12/2020 EUR million |
|---|---|---|
| **Carrying amount** | **392.4** | **934.6** |
| of which: | | |
| - in banks | - | 434.3 |
| | | |
| Breakdown by marketability | | |
| - Marketable securities | 0.0 | 434.3 |
| of which: | | |
| - unlisted | 0.0 | 434.3 |

The change in shares in affiliated banks results from the return of the full banking licence and the licence as a so-called designated credit institution – comparable to a covered bond bank licence – of the EAA CBB, which was approved in March 2021. Since then, it has been operating as Erste EAA Ireland plc and is reported as an Other Company. In March 2021, the company repatriated a large part of its equity capital that had been required for regulatory purposes until then. This capital repatriation exceeded the carrying amount of the company.

## 11. Other assets

| | 31/3/2021 EUR million | 31/12/2020 EUR million |
|---|---|---|
| **Carrying amount** | **140.7** | **51.9** |
| of which: | | |
| - Currency translation adjustments | 128.2 | - |
| - Tax refund claims | 10.9 | 10.1 |
| - Receivables from profit and loss pooling agreements | 1.4 | 41.8 |

## 12. Prepaid expenses/accrued income

| | 31/3/2021 EUR million | 31/12/2020 EUR million |
|---|---|---|
| **Carrying amount** | **32.8** | **31.4** |
| of which: | | |
| - Non-recurring payments on swaps | 20.5 | 22.7 |
| - Discounts from issuing business | 8.0 | 4.7 |
| - Discounts from liabilities | 3.5 | 3.7 |
| - Other | 0.8 | 0.3 |

## 13. Subordinated assets

Subordinated assets are included in:

| | 31/3/2021 EUR million | 31/12/2020 EUR million |
|---|---|---|
| **Loans and advances to customers** | **366.0** | **632.7** |
| of which: | | |
| - to affiliates | - | 266.7 |

The reduction is mainly due to the conversion of a subordinated loan at a subsidiary.

## 14. Assets sold under repurchase agreements

No assets were sold under repurchase agreements as of the reporting date and at the previous year-end.

## 15. Deposits from banks

| | 31/3/2021 EUR million | 31/12/2020 EUR million |
|---|---|---|
| **Carrying amount** | **1,379.7** | **1,733.1** |
| of which: | | |
| - Deposits from affiliates | - | 493.0 |
| | | |
| Payable on demand | 1,015.9 | 1,361.5 |
| due | | |
| - within 3 months | 53.4 | 57.0 |
| - 3 months to 1 year | 94.7 | 89.3 |
| - 1 to 5 years | 110.2 | 120.2 |
| - after 5 years | 105.5 | 105.1 |

The decrease in deposits from affiliates relates to EAA CBB, which has been operating as Erste EAA Ireland plc since March 2021.

## 16. Deposits from customers

| | 31/3/2021 EUR million | 31/12/2020 EUR million |
|---|---|---|
| **Carrying amount** | **1,716.5** | **1,720.2** |
| of which: | | |
| - Deposits from affiliates | 28.8 | 154.5 |
| | | |
| Other deposits | 1,716.5 | 1,720.2 |
| of which: | | |
| - payable on demand | 190.0 | 154.8 |
| due | | |
| - within 3 months | 59.6 | 80.9 |
| - 3 months to 1 year | 229.0 | 237.4 |
| - 1 to 5 years | 400.9 | 399.5 |
| - after 5 years | 837.0 | 847.6 |

The reduction in deposits from affiliates is mainly the result of offsetting in the first quarter of 2021 of interest and principal payments received by the EAA that are attributable to a subsidiary.

## 17. Debt securities in issue

| | 31/3/2021 EUR million | 31/12/2020 EUR million |
|---|---|---|
| **Carrying amount** | **20,351.8** | **16,259.1** |
| | | |
| Bonds issued | 8,332.1 | 8,408.2 |
| of which: | | |
| Amounts due in the following year | 4,033.8 | 2,878.5 |
| | | |
| Other debt securities in issue | 12,019.7 | 7,850.9 |
| of which due: | | |
| - within 3 months | 10,877.9 | 7,233.6 |
| - 3 months to 1 year | 1,141.8 | 617.3 |

## 18. Trading portfolio

| | 31/3/2021 EUR million | 31/12/2020 EUR million |
|---|---|---|
| **Carrying amount** | **9,325.0** | **11,350.6** |
| of which: | | |
| - Derivative financial instruments | 9,325.0 | 11,350.6 |

## 19. Other liabilities

| | 31/3/2021 EUR million | 31/12/2020 EUR million |
|---|---|---|
| **Carrying amount** | **12.6** | **310.3** |
| of which: | | |
| - Deposits from loss assumptions | 0.4 | 0.4 |
| - Currency translation adjustments | - | 299.3 |
| - Other | 12.2 | 10.6 |

The “Other” item mostly included liabilities from invoices that are not yet paid and deposits from subsidiaries due to tax unities.

## 20. Accrued expenses/deferred income

| | 31/3/2021<br>EUR million | 31/12/2020<br>EUR million |
|---|---|---|
| **Carrying amount** | **25.6** | **24.5** |
| of which: | | |
| - Premium on issuing business | 19.6 | 21.9 |
| - Non-recurring payments on swaps | 5.8 | 2.3 |
| - Premiums for sold interest rate caps and floors | 0.2 | 0.3 |

## 21. Provisions

| | Balance as of<br>31/12/2020<br>EUR million | Additions<br>EUR million | Accumulation<br>EUR million | Utilisation<br>EUR million | Reversals<br>EUR million | Other changes<br>EUR million | Final balance<br>31/3/2021<br>EUR million |
|---|---|---|---|---|---|---|---|
| **Taxes** | **2.0** | **-** | **-** | **-** | **-** | **-** | **2.0** |
| **Other provisions** | **112.5** | **0.5** | **0.1** | **4.5** | **2.8** | **0.5** | **106.4** |
| - Loans | 4.8 | - | - | - | 1.3 | 0.1 | 3.7 |
| - Shareholdings | 2.2 | - | - | - | - | - | 2.2 |
| - Legal actions | 11.2 | - | - | 1.1 | - | - | 10.1 |
| - Personnel | 0.3 | - | - | - | - | - | 0.3 |
| - Other | 94.2 | 0.5 | 0.1 | 3.4 | 1.5 | 0.4 | 90.3 |
| **Total** | **114.5** | **0.5** | **0.1** | **4.5** | **2.8** | **0.5** | **108.4** |

When loans previously guaranteed were transferred to the EAA, the provisions that had been recognised for the guaranteed exposures had to be converted into allowances. This effect is included in the category “Other changes” in provisions for loans in the table shown above.

“Other” provisions primarily include amounts for risks that cannot be classified under any other type of provision.

## 22. Equity

As of 31 March 2021, the EAA’s subscribed capital amounted to EUR 500,000.

The capital reserve totalling EUR 3,013.2 million arose from the transfer of risk exposures and non-strategic business units of the former WestLB.

Other reserves amounted to EUR 2.4 million and originate from the reversal of provisions for which the reported amounts were reduced as a result of the change in the valuation of obligations under BilMoG.

The net result for the year for the first quarter of 2021 amounts to EUR 53.5 million and reduces net retained losses to EUR 2,309.1 million as of 31 March 2021.

## 23. Contingencies

### Contingent liabilities

The contingent liabilities of EUR 1.7 billion (previous year: EUR 1.8 billion) are mainly attributable to liabilities inherited from WestImmo and liabilities inherited from Hamburg Commercial Bank AG (formerly HSH Nordbank AG). As of the reporting date, the volume of legacy WestImmo liabilities stood at EUR 1.4 billion (previous year: EUR 1.4 billion).

This volume of inherited liabilities is constantly decreasing as a result of repayments. All material bank-related assets and liabilities of WestImmo were transferred to Aareal Bank AG as of 30 June 2017 by way of a spin-off and takeover agreement concluded between Aareal Bank AG and WestImmo.

The EAA has no detailed knowledge of whether, when or to what extent any contingencies will materialise. Provisions will be made as soon as there are sufficient concrete indications of probable losses resulting from a materialisation.

### Other obligations

The reported volume of EUR 180.4 million (previous year: EUR 137.4 million) was due to the lending business.

The EAA constantly reviews whether losses from other obligations are to be expected and if a provision needs to be made for impending losses from pending transactions.

## 24. Geographical breakdown of income components

The key income components of the EAA's income statement were generated in the following geographical markets.

| | Interest income<br>1/1-31/3/2021<br>EUR million | Current income<br>1/1-31/3/2021<br>EUR million | Fees and commission income<br>1/1-31/3/2021<br>EUR million | Net trading result<br>1/1-31/3/2021<br>EUR million | Other operating income<br>1/1-31/3/2021<br>EUR million |
|---|---|---|---|---|---|
| Germany | 17.9 | 0.0 | 0.4 | 5.8 | 0.8 |
| UK | 0.6 | - | - | - | - |
| Rest of Europe | 43.1 | - | - | - | - |
| Far East and Australia | 2.3 | - | - | - | - |
| North America | 8.0 | - | - | - | - |
| **IS amount** | **71.9** | **0.0** | **0.4** | **5.8** | **0.8** |

The geographic split of income is generally based on where the business partner is domiciled. Current income also includes the income from profit and loss transfer and partial profit and loss transfer agreements if such income accrues.

## 25. Other operating and prior-period expenses and income

As of 31 March 2021, the balance of other operating expenses and income comprised EUR 0.7 million (previous year: EUR 5.3 million) in expenses and EUR 0.8 million (previous year: EUR 0.6 million) in income.

The income includes EUR 0.3 million (previous year: EUR 0.5 million) from the foreign exchange result. Most of the expenses related to additions to provisions.

## 26. Risk provision

### Write-downs and allowances in accordance with section 340f (3) and section 340c (2) HGB

| | 1/1-31/3/2021 EUR million | 1/1-31/3/2020 EUR million |
|---|---|---|
| **Risk provision and financial investment result including loss assumption (pursuant to RechKredV)** | **63.6** | **27.1** |
| **Loans and securities income/expense** | **11.3** | **26.3** |
| of which: - Lending operations | 11.3 | 26.3 |
| - Securities | - | - |
| **Shareholdings and securities income/expenses** | **52.3** | **0.8** |
| of which: - Shareholdings | 66.0 | 0.1 |
| - Securities | -13.7 | 0.7 |
| **Expenses from loss assumption** | **-** | **-** |
| | | |
| **Risk provision and financial investment result including loss assumption (pursuant to risk report)** | **63.6** | **27.1** |
| **Result of risk provisions – loans and advances/securities due to credit risk** | **11.3** | **26.3** |
| of which: - Lending operations | 11.3 | 26.3 |
| **Results from financial assets, shareholdings and loss assumption** | **52.3** | **0.8** |

The EAA always makes use of the options available under section 340f (3) and section 340c (2) HGB. Under section 340f (3) HGB, income and expenses resulting from the valuation in the lending business may be reported on a net basis with risk provisions for securities and income from the reversal of risk provisions on securities of the liquidity reserve. Net income amounted to EUR 11.3 million (previous year: net income EUR 26.3 million). According to section 340c (2) HGB, the expenses for long-term equity investments, shares in affiliates and long-term investment securities may be offset against the corresponding income. Overall, the EAA posted income of EUR 52.3 million (previous year: income of EUR 0.8 million) as the risk result for shareholdings and securities.

## 27. Taxes

Taxes on income and earnings amounting to EUR 55.8 thousand (previous year: EUR 19.8 thousand) primarily related to foreign taxes.

In the current fiscal year, other taxes amount to EUR 11.2 thousand (previous year EUR 0.0 thousand).

# Other disclosures

## 28. Forward contracts/derivative financial instruments

The EAA enters into the following types of forward contracts and derivative financial instruments:

- Interest rate-related products
  Interest rate swaps, interest rate futures, forward rate agreements, interest rate caps, interest rate floors, interest rate collars, swaptions and interest rate options

- Currency-related products
  Interest rate/cross-currency swaps, forward interest rate/cross-currency swaps, forward exchange contracts and currency option contracts

- Equity- and other price-related products
  Share options, index options, share and index warrants in issue

The total volume of forward transactions and derivatives transactions as of the reporting date amounted to EUR 132.7 billion based on notional values (previous year: EUR 123.7 billion). The focus remained on interest-rate-related products, whose share stood at 83.1% (previous year: 85.1%) of the total volume.

For non-exchange-traded derivatives, market values were determined on the basis of actuarial measurement models as well as valuation parameters available on the market (including interest rates, interest rate volatilities and exchange rates).

### Derivative financial instruments – volume as of the balance sheet date

| | Notional amount | | Positive market values | | Negative market values | |
|---|---|---|---|---|---|---|
| | 31/3/2021 EUR million | 31/12/2020 EUR million | 31/3/2021 EUR million | 31/12/2020 EUR million | 31/3/2021 EUR million | 31/12/2020 EUR million |
| **Interest rate-related products** | **110,288.8** | **105,255.8** | **9,712.8** | **11,356.6** | **10,141.8** | **12,277.9** |
| OTC products | 110,288.8 | 105,255.8 | 9,712.8 | 11,356.6 | 10,141.8 | 12,277.9 |
| **Currency-related products** | **22,406.7** | **18,397.5** | **688.3** | **477.6** | **424.6** | **676.4** |
| OTC products | 22,406.7 | 18,397.5 | 688.3 | 477.6 | 424.6 | 676.4 |
| **Equity- and other price-related products** | **-** | **-** | **-** | **-** | **-** | **-** |
| OTC products | - | - | - | - | - | - |
| **Total** | **132,695.5** | **123,653.3** | **10,401.1** | **11,834.2** | **10,566.3** | **12,954.3** |
| OTC products | 132,695.5 | 123,653.3 | 10,401.1 | 11,834.2 | 10,566.3 | 12,954.3 |

The average annual notional volume of forward contracts and derivative transactions amounted to EUR 128.2 billion in fiscal year 2021 (previous year: EUR 150.1 billion).

### Derivative financial instruments – average volumes

| | Notional amount | | Positive market values | | Negative market values | |
|---|---|---|---|---|---|---|
| | 31/3/2021 EUR million | 31/12/2020 EUR million | 31/3/2021 EUR million | 31/12/2020 EUR million | 31/3/2021 EUR million | 31/12/2020 EUR million |
| **Interest rate-related products** | **107,772.3** | **124,781.8** | **10,534.7** | **13,797.3** | **11,209.9** | **14,579.0** |
| OTC products | 107,772.3 | 124,781.8 | 10,534.7 | 13,797.3 | 11,209.9 | 14,579.0 |
| **Currency-related products** | **20,402.1** | **23,825.9** | **582.8** | **485.8** | **550.5** | **479.9** |
| OTC products | 20,402.1 | 23,825.9 | 582.8 | 485.8 | 550.5 | 479.9 |
| **Equity- and other price-related products** | **-** | **1,467.7** | **0.1** | **20.0** | **-** | **19.7** |
| OTC products | - | 1,467.7 | 0.1 | 20.0 | - | 19.7 |
| **Total** | **128,174.4** | **150,075.4** | **11,117.6** | **14,303.1** | **11,760.4** | **15,078.6** |
| OTC products | 128,174.4 | 150,075.4 | 11,117.6 | 14,303.1 | 11,760.4 | 15,078.6 |

Without exception, forward contracts and derivative transactions are concluded for hedging purposes.

The received and paid option premiums for derivative financial instruments of the non-trading portfolio are reported in other assets or other liabilities.

### Derivative financial instruments – maturities

| | Interest rate-related products | | Currency-related products | | Equity- and other price-related products | |
|---|---|---|---|---|---|---|
| | **31/3/2021 EUR million** | **31/12/2020 EUR million** | **31/3/2021 EUR million** | **31/12/2020 EUR million** | **31/3/2021 EUR million** | **31/12/2020 EUR million** |
| Due | | | | | | |
| - within 3 months | 14,485.5 | 11,238.6 | 8,573.5 | 5,201.1 | - | - |
| - 3 months to 1 year | 13,235.5 | 9,099.3 | 3,243.2 | 2,351.4 | - | - |
| - 1 to 5 years | 28,994.0 | 30,068.3 | 6,203.8 | 6,211.4 | - | - |
| - after 5 years | 53,573.8 | 54,849.6 | 4,386.2 | 4,633.7 | - | - |
| **Total** | **110,288.8** | **105,255.8** | **22,406.7** | **18,397.5** | **-** | **-** |

## 29. Number of employees

The average number of employees during the reporting period was as follows:

| | Male | Female | Total 1/1-31/3/2021 | Total 1/1-31/3/2020 |
|---|---|---|---|---|
| Number of employees | 76 | 50 | 126 | 153 |

As of 31 March 2021 the EAA employed 113 (31 March 2020: 136) full-time equivalents.

## 30. Stakeholders in the EAA

| | 31/3/2021 in % | 31/12/2020 in % |
|---|---|---|
| State of NRW | 48.202 | 48.202 |
| Rheinischer Sparkassen- und Giroverband | 25.032 | 25.032 |
| Sparkassenverband Westfalen-Lippe | 25.032 | 25.032 |
| Landschaftsverband Rheinland | 0.867 | 0.867 |
| Landschaftsverband Westfalen-Lippe | 0.867 | 0.867 |
| **Total** | **100.000** | **100.000** |

## 31. Memberships of other bodies held by Managing Board members

The following members of the Managing Board of the EAA are members of a supervisory board or other supervisory bodies of large public companies pursuant to section 340a (4) No. 1 in conjunction with section 267 (3) HGB. Details of the memberships of other bodies marked with * are provided on a voluntary basis as the companies are not classed as large public companies pursuant to section 340a (4) No. 1 in conjunction with section 267 (3) HGB.

Horst Küpker
EDD AG i.L. * (until 20 January 2021)
Westdeutsche Spielbanken GmbH *

## 32. Memberships of other bodies held by employees

The following employees of the EAA are members of a supervisory board or other supervisory bodies of large public companies pursuant to section 340a (4) No. 1 in conjunction with section 267 (3) HGB.

Dr Hartmut Schott
Erste EAA Ireland plc (until 11 May 2021)

## 33. Executive bodies of the EAA

**Members of the Managing Board of the EAA**
Christian Doppstadt
Horst Küpker

**Members of the Supervisory Board of the EAA**
Dr Patrick Opdenhövel
Chairman
State Secretary in the Ministry of Finance of NRW

Joachim Stapf
Vice Chairman
Senior Assistant Secretary (Leitender Ministerialrat) in the Ministry of Finance of NRW

Michael Breuer
President of the Rheinischer Sparkassen- und Giroverband

Hans Buschmann
Deputy Association Director of the Rheinischer Sparkassen- und Giroverband (ret.)

Rolf Einmahl
Lawyer,
Member of the Landschaftsversammlung of the Landschaftsverband Rheinland

Henning Giesecke
Managing Director of GSW Capital Management GmbH,
Former Chief Risk Officer of HypoVereinsbank AG and UniCredit Group

Wilfried Groos
Chairman of the Managing Board of the Sparkasse Siegen

Frank Hellwig
Chairman of the Executive Board of Wirecard Bank AG

Dr Achim Kopf
Head of Risk Control of the Bundesrepublik Deutschland - Finanzagentur GmbH

Matthias Löb
Director of the Landschaftsverband Westfalen-Lippe

Klaus Rupprath
Senior Managing Director,
Head of Capital Markets of the NRW.BANK

Jürgen Wannhoff
Vice-President and Member of the Managing Board of the Sparkassenverband Westfalen-Lippe

**Stakeholders' Meeting of the EAA**
The Stakeholders' Meeting is made up of representatives of the stakeholders (see Note 30).

## 34. Information on shareholdings

**Supplementary disclosures pursuant to section 285 (11) and (11a) and section 340a (4) No. 2 HGB**

Shareholdings in a foreign currency converted into EUR using the balance sheet rate
Disclosure of capital share and voting rights in %, amounts in EUR thousand
Disclosure of voting rights only if the percentage share differs from the share of capital

### Other shareholdings

| No. | Name | Location | Capital share | Voting rights | CCY | Equity | Result |
|---|---|---|---|---|---|---|---|
| 1 | Achte EAA-Beteiligungs GmbH [9] | Düsseldorf | 100.00 | | EUR | 38 | -7 |
| 2 | ANC Handels GmbH & Co. KG [1] | Mörfelden-Walldorf | 1.00 | | | n. s. | n. s. |
| 3 | CBAL S.A. [2) 8)] | Brussels, Belgium | 100.00 | | EUR | 1,237 | -98 |
| 4 | COREplus Private Equity Partners GmbH & Co. KG [1) 6)] | Frankfurt am Main | 36.52 | 0.00 | EUR | 868 | -159 |
| 5 | Corsair III Financial Services Capital Partners L.P. | Wilmington, US | 1.84 | 0.00 | | n. s. | n. s. |
| 6 | Corsair III Financial Services Offshore Capital Partners L.P. | George Town, Cayman Islands | 1.84 | 0.00 | | n. s. | n. s. |
| 7 | Deutsche Anlagen-Leasing Service & Co. Objekt ILB Potsdam KG i.L. [1) 6)] | Aschheim | 92.20 | 91.82 | EUR | 75 | -59 |
| 8 | Deutsche Anlagen-Leasing Service & Co. Sparkassenneubau Teltow-Fläming KG [1) 6)] | Aschheim | 78.49 | 77.70 | EUR | 239 | 1,119 |
| 9 | Dritte EAA Anstalt & Co. KG [2) 6)] | Düsseldorf | 100.00 | | EUR | 579,802 | 800 |
| 10 | EAA Charity LLP [1) 9)] | Wilmington, US | 100.00 | | USD | 20,861 | 241 |
| 11 | EAA DLP I LLP [1) 9)] | Wilmington, US | 100.00 | | USD | 114,140 | 8,027 |
| 12 | EAA DLP II LLP [1) 9)] | Wilmington, US | 100.00 | | USD | 88,972 | -998 |
| 13 | EAA DLP III LLP [1) 9)] | Wilmington, US | 100.00 | | USD | 143,710 | 15,106 |
| 14 | EAA do Brasil Participacoes, Representacoes e Negocios Ltda. [6] | Sao Paulo, Brazil | 100.00 | | BRL | 560 | -9 |
| 15 | EAA Europa Holding GmbH [3) 9)] | Düsseldorf | 100.00 | | EUR | 231 | 0 |
| 16 | EAA Greenwich LLP [1) 9)] | Wilmington, US | 100.00 | | USD | 108,120 | 7,095 |
| 17 | EAA LAT ABC LLP [1) 9)] | Wilmington, US | 100.00 | | USD | 154,677 | 19,028 |
| 18 | EAA LAT II LLP [1) 9)] | Wilmington, US | 100.00 | | USD | 195,513 | 9,361 |
| 19 | EAA LS Holdings LLC [1) 9)] | Wilmington, US | 100.00 | | USD | 0 | n. s. |
| 20 | EAA PF LLP [1) 9)] | Wilmington, US | 100.00 | | USD | 153,795 | 8,988 |
| 21 | EAA Triskele LLP [1) 9)] | Wilmington, US | 100.00 | | USD | 179,360 | 18,602 |
| 22 | EAA US Holdings Corporation [6] | Wilmington, US | 100.00 | | USD | 7,536 | 7,128 |
| 23 | ECP Funding LLC [1) 6)] | Dover, US | 100.00 | | USD | 0 | 0 |
| 24 | EMG Projekt Gewerbepark Ludwigsfelde/Löwenbruch GmbH [6] | Potsdam | 47.50 | | EUR | 1,088 | 1,298 |
| 25 | Erste EAA Anstalt öffentlichen Rechts & Co. KG [2) 3) 6)] | Düsseldorf | 100.00 | | EUR | 49 | 0 |
| 26 | Erste EAA Ireland plc [9) 10)] | Dublin 1, Ireland | 100.00 | | EUR | 515,238 | -14,230 |
| 27 | Erste Financial Services GmbH [6] | Düsseldorf | 100.00 | | EUR | 23,983 | -6,021 |

## Other shareholdings

| No. | Name | Location | Capital share | Voting rights | CCY | Equity | Result |
|---|---|---|---|---|---|---|---|
| 28 | Indigo Holdco LLC [1) 6)] | Dover, US | 100.00 | | USD | 2,571 | 0 |
| 29 | Indigo Land Groveland LLC [1)] | Wilmington, US | 100.00 | | | n. s. | n. s. |
| 30 | Leasing Belgium N.V. [1) 6)] | Antwerp, Belgium | 100.00 | | EUR | 316 | -18 |
| 31 | MCC SB Condo LLC [1) 6)] | Wilmington, US | 100.00 | | USD | 0 | 0 |
| 32 | MCC SB Unit 144 LLC [1) 6)] | South Bend, US | 100.00 | | USD | 0 | 0 |
| 33 | MCC SB Unit 145 LLC [1) 6)] | South Bend, US | 100.00 | | USD | 0 | 0 |
| 34 | MCC SB Unit 146 LLC [1) 6)] | South Bend, US | 100.00 | | USD | 0 | 0 |
| 35 | MCC SB Unit 147 LLC [1) 6)] | South Bend, US | 100.00 | | USD | 0 | 0 |
| 36 | MFC Holdco LLC [1) 6)] | Dover, US | 100.00 | | USD | 1,023 | 0 |
| 37 | MFC Real Estate LLC [1) 6)] | Dover, US | 100.00 | | USD | 0 | 0 |
| 38 | MFC SB BAR, LLC [1) 6)] | South Bend, US | 100.00 | | USD | 0 | 0 |
| 39 | Monolith Grundstücksverwaltungsgesellschaft mbH i.L. [1) 9)] | Mainz | 100.00 | | EUR | -36 | -4 |
| 40 | New NIB Partners LP [6)] | New York, US | 0.94 | 0.00 | EUR | 518,361 | 2,098 |
| 41 | S-Chancen-Kapitalfonds NRW GmbH i.L. [6)] | Haan | 50.00 | | EUR | 2,011 | -30 |
| 42 | Sechste EAA-Beteiligungs GmbH [9)] | Düsseldorf | 100.00 | | EUR | 38 | -7 |
| 43 | Siebte EAA-Beteiligungs GmbH [9)] | Düsseldorf | 100.00 | | EUR | 35 | -7 |
| 44 | thyssenkrupp Electrical Steel GmbH [7)] | Gelsenkirchen | 0.42 | | EUR | 96,922 | 0 |
| 45 | thyssenkrupp Materials Processing Europe GmbH [5)] | Krefeld | 0.42 | | EUR | 57,903 | 0 |
| 46 | thyssenkrupp Materials Services GmbH [7)] | Essen | 0.16 | | EUR | 745,235 | 0 |
| 47 | ThyssenKrupp Rasselstein GmbH [7)] | Andernach | 0.50 | | EUR | 247,021 | 0 |
| 48 | TK Aufzugswerke GmbH [6)] | Neuhausen auf den Fildern | 0.50 | | EUR | 13,951 | 0 |
| 49 | West Life Markets GmbH & Co. KG [3) 6)] | Düsseldorf | 100.00 | | EUR | 1,312 | 0 |
| 50 | West Merchant Limited [6)] | London, UK | 100.00 | | GBP | 46 | -45 |
| 51 | West Zwanzig GmbH [3) 9)] | Düsseldorf | 100.00 | | EUR | 25 | 0 |
| 52 | Westdeutsche ImmobilienHolding GmbH [3) 6)] | Düsseldorf | 100.00 | | EUR | 5,539 | 0 |
| 53 | WestInvest Gesellschaft für Investmentfonds mbH [1) 6)] | Düsseldorf | 0.00 | | EUR | 11,339 | 0 |
| 54 | WestLeasing International GmbH [1) 9)] | Düsseldorf | 100.00 | | EUR | 228 | -7 |
| 55 | WestLeasing Westdeutsche Leasing Holding GmbH [3) 9)] | Düsseldorf | 100.00 | | EUR | 3,625 | 0 |
| 56 | WestProject & Consult Gesellschaft für Projektentwicklung und Consulting mbH i.L. [1) 4)] | Düsseldorf | 100.00 | | EUR | 224 | 0 |
| 57 | Windmill Investments Limited [6)] | George Town, Cayman Islands | 5.07 | 0.00 | USD | 36,536 | -148 |
| 58 | WIV GmbH & Co. Beteiligungs KG [6)] | Frankfurt am Main | 5.10 | | EUR | 12,835 | 735 |

### Interest greater than 5% (large corporations)

| No. | Name | Location | Capital share | Voting rights | CCY | Equity | Result |
|---|---|---|---|---|---|---|---|
| 59 | Banco Finantia S.A. [6)] | Lisbon, Portugal | 8.93 | | EUR | 462,024 | 35,972 |

### Other companies for which the EAA assumes unlimited liability

| No. | Name | Location | Capital share | Voting rights | CCY | Equity | Result |
|---|---|---|---|---|---|---|---|
| 60 | GLB GmbH & Co. OHG | Frankfurt am Main | 15.47 | | | n. s. | n. s. |

[1] Indirect shareholdings.
[2] Including indirectly held shares.
[3] A profit and loss transfer agreement is in place with this company.
[4] Data as of 31 December 2017.
[5] Data as of 30 September 2019.
[6] Data as of 31 December 2019.
[7] Data as of 30 September 2020.
[8] Data as of 31 October 2020.
[9] Data as of 31 December 2020.
[10] A global guarantee exists.

## Subsequent events

No significant events requiring disclosure have occurred after the reporting date.

# Responsibility statement

To the best of our knowledge, and in accordance with the applicable reporting principles for the interim report, the interim financial statements give a true and fair view of the asset position, financial position and earnings situation of the institution, and the interim management report includes a true and fair review of the development and performance of the business and the position of the institution, together with a description of the material opportunities and risks associated with the expected development of the institution for the remainder of the fiscal year.

Düsseldorf, 18 May 2021

Erste Abwicklungsanstalt

| | |
|---|---|
| Christian Doppstadt<br>Member<br>of the Managing Board | Horst Küpker<br>Member<br>of the Managing Board |

# List of abbreviations

| | |
|---|---|
| **ABS** | Asset backed securities |
| **ALM** | Asset liability management |
| **APAC** | Asia-Pacific economic area |
| **AT** | General part |
| **AUD** | Australian dollar |
| **BaFin** | German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht) |
| **BilMoG** | German Accounting Law Modernisation Act (Bilanzrechtsmodernisierungsgesetz) |
| **BRL** | Brazilian real |
| **CAD** | Canadian dollar |
| **CCY** | Currency code |
| **CHF** | Swiss franc |
| **CVA** | Credit valuation adjustments |
| **DAC** | Designated activity company |
| **DRS** | German Accounting Standard (Deutscher Rechnungslegungsstandard) |
| **EAA** | Erste Abwicklungsanstalt, Düsseldorf |
| **EAA CBB** | EAA Covered Bond Bank Plc, Dublin/Ireland (Erste EAA Ireland plc since 15 March 2021) |
| **EC** | European Community |
| **ECB** | European Central Bank |
| **EEC** | European Economic Community |
| **EFS** | Erste Financial Services GmbH, Düsseldorf (Portigon Financial Services GmbH until 28 June 2016) |
| **EMEA** | Europe, Middle East and Africa economic area |
| **EU** | European Union |
| **EUR** | Euro |
| **Fed** | US Federal Reserve |
| **Fitch** | Fitch Ratings |
| **FMS** | German Financial Market Stabilisation Fund (Finanzmarktstabilisierungsfonds) |
| **FMSA** | German Federal Agency for Financial Market Stabilisation (Bundesanstalt für Finanzmarktstabilisierung) |
| **FX effect** | Foreign exchange effect |
| **GBP** | Pound sterling |
| **HGB** | German Commercial Code (Handelsgesetzbuch) |
| **HKD** | Hong Kong dollar |
| **HRA** | Commercial register department A (Handelsregister Abteilung A) |
| **HSBC** | HSBC Trinkaus & Burkhardt AG, Düsseldorf |
| **IBM** | IBM Deutschland GmbH, Ehningen |
| **IS** | Income statement |

**LIST OF ABBREVIATIONS**

| | |
|---|---|
| **IT** | Information technology |
| **JPY** | Japanese yen |
| **MaRisk** | German Minimum Requirements for Risk Management (Mindestanforderungen an das Risikomanagement) |
| **Moody's** | Moody's Investors Service |
| **MSPA** | Mount Street Portfolio Advisers GmbH, Düsseldorf (EAA Portfolio Advisers GmbH until 15 November 2017) |
| **MtM** | Mark to market |
| **n. s.** | Not specified |
| **N.R.** | Not rated |
| **No.** | Number |
| **NPL** | Non-performing loans |
| **NRW** | North Rhine-Westphalia |
| **OTC** | Over the counter |
| **PLN** | Polish zloty |
| **Portigon** | Portigon AG, Düsseldorf (WestLB AG until 2 July 2012) |
| **py** | Previous year |
| **RechKredV** | German Ordinance on Accounting for Banks and Financial Service Providers (Verordnung über die Rechnungslegung der Kreditinstitute und Finanzdienstleistungsinstitute) |
| **Repo** | Repurchase operation |
| **ret.** | Retired |
| **S&P** | Standard and Poor's Corporation |
| **S.R.** | Special rating |
| **SGD** | Singapore dollar |
| **StFG** | German Financial Market and Economic Stabilisation Fund Act – Stabilisation Fund Act (Stabilisierungsfondsgesetz) (until 17 July 2020 abbreviated as FMStFG) |
| **UK** | United Kingdom |
| **US** | United States |
| **USD** | US dollar |
| **VaR** | Value at Risk |
| **WestImmo** | Westdeutsche ImmobilienBank AG, Mainz (Westdeutsche Immobilien Servicing AG since 30 June 2017) |
| **WestLB** | WestLB AG, Düsseldorf (Portigon AG since 2 July 2012) |

# Imprint

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