Erste Abwicklungsanstalt

1

Interim Report as at 31 March 2015

Contents

EAA key figures

Income statement in EUR million	1/1 - 31/3/2015	1/1 - 31/3/2014
Net interest income	32.1	39.0
Net fee and commission income	11.4	15.7
Net trading result	-65.4	-4.9
Other operating result	0.6	-0.2
General administrative expenses	-73.1	-82.1
Results from financial assets and shareholdings	-30.4	-3.1
Results prior to risk provisioning	**-124.8**	**-35.6**
Loan loss provisions	117.4	43.3
Results before taxes	**-7.4**	**7.7**
Taxes	-1.5	-0.3
Net loss/profit of the year	**-8.9**	**7.4**

Balance sheet in EUR billion	31/3/2015	31/12/2014
Total assets	89.0	79.5
Business volume	101.5	91.9
Loan transactions	45.9	39.9
Trading portfolio	37.0	33.8
Equity	0.6	0.6

Winding-up	31/3/2015	31/3/2014
Banking book		
Notional value (before FX effect) in EUR billion	49.5	66.1
Winding-up activities in EUR billion	-2.8	-4.5
Winding-up activities in %	-5.4	-6.4
Trading portfolio		
Notional value (before FX effect) in EUR billion	414.2	580.9
Winding-up activities in EUR billion	-51.9	-63.6
Winding-up activities in %	-11.1	-9.9

Employees	31/3/2015	31/12/2014
Number of employees	130	134

Rating	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,

After twelve quarters with positive results, Erste Abwicklungsanstalt (EAA) has once again posted a net loss for the first time for the period from January until March 2015. The loss of nearly EUR 9 million, however, is mostly due to two extraordinary effects.

- These include in particular the controversial approach that the Republic of Austria has chosen to wind up Hypo Alpe Adria: despite the guarantees issued by the Austrian state of Carinthia, the EAA has been forced to establish a risk provision in the double-digit millions for its exposure to the bank. The EAA intends to take legal measures against the Austrian government.

- In addition, the Swiss National Bank's change in its exchange rate policy at the start of 2015 impacted the period's earnings. Although the EAA does not have a significant exposure in Swiss francs, the appreciation of the currency against the euro impacts the performance of the transferred derivatives under dispute with municipalities. This, too, required an additional risk provision, which added to net expense in the trading portfolio.

Since the commencement of its operating activities, the EAA has had to react in numerous cases to external – meaning difficult-to-control – developments, particularly with regard to the sovereign debt crisis. Nevertheless, we have been able until now to successfully implement the task we have set for ourselves and drive forward the wind-up of the transferred portfolios in a rapid and value-preserving manner. We remain confident that we will be able to achieve the objectives defined in our wind-up plan.

The EAA made further progress towards winding up its portfolio during the period under review. Since the end of 2014 the balance of loans and securities was reduced by around 5% to EUR 49.5 billion. This means that about 71% of all transferred exposures have been wound up in the meantime. The notional volume of the trading portfolio declined during the same period by roughly 11% to EUR 414.2 billion. Since the transfer roughly 61% of the total portfolio has been wound up.

As in previous reporting periods, the decrease in the portfolio is not reflected in the decline in total assets. The reason for this can be found in the trading portfolio. Although its notional volume has declined, its market value – the basis for the accounting value – has risen, primarily due to trends in interest rates. Still, the strong decline in the notional volume has led to a sharp decrease in the risks associated with the trading portfolio.

The EAA remains on track. The decline in its interest income as well as its net fee and commission income is the inevitable result of the successful wind-up of the portfolio. This has been taken into account in the EAA's wind-up plan, as is the fact that expenses may exceed income in some periods. Nonetheless, we have the ambitious medium- and long-term goals that the EAA has set for itself firmly in our sights. The Managing Board and the EAA's staff will focus during the year in progress on offsetting the additional losses that have resulted from extraordinary effects, for instance by successfully implementing restructuring measures.

Sincerely yours,

Matthias Wargers
Spokesman
of the Managing Board

Markus Bolder
Member
of the Managing Board

Horst Küpker
Member
of the Managing Board

Interim management report

For the period from 1 January to 31 March 2015

Business and environment

Operating activities of the EAA

The EAA is winding up the risk exposures and non-strategic business units transferred from the former WestLB AG (now Portigon AG) and its domestic and foreign subsidiaries. When doing so, it proceeds in a value-preserving and risk-minimising manner so as to stabilise the financial market.

It manages its business according to commercial and economic principles in consideration of its winding-up objectives. It is not a credit or financial services institution within the meaning of the German Banking Act (Kreditwesengesetz – KWG), an investment services firm as defined by the German Securities Trading Act (Wertpapierhandelsgesetz – WpHG) or an insurance company pursuant to the German Insurance Supervision Act (Versicherungsaufsichtsgesetz – VAG). 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 German Federal Agency for Financial Market Stabilisation (Bundesanstalt für Finanzmarktstabilisierung – FMSA). It is supervised by the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht – BaFin) with regard to banking law provisions applicable to the EAA.

The EAA's work is principally carried out on the basis of section 8a of the German Financial Market Stabilisation Fund Act (Finanzmarktstabilisierungsfondsgesetz – FMStFG), its charter, the rules of procedure for the Supervisory Board and the Managing Board plus their committees, as well as its wind-up and risk strategy.

The wind-up plan describes the intended wind-up activities of the EAA by classifying its asset positions into sub-portfolios (clusters) and standard strategies, and contains a schedule for the winding-up. The possible methods for winding up the portfolio include selling the assets prior to their maturity, holding them to maturity or restructuring them. The EAA reviews the wind-up plan at least once a quarter and makes adjustments, when necessary, in order to take account of changes in circumstances, for example current market developments. Changes or adjustments to the wind-up plan must be approved by the FMSA. The EAA regularly submits wind-up reports to inform the FMSA, its Supervisory Board and the liable shareholders about the progress of the winding-up and the implementation of the wind-up plan. When doing so, it also documents the wind-up result.

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

The governing bodies of the EAA are the Managing Board (Vorstand), the Supervisory Board (Verwaltungsrat) and the Stakeholders' Meeting (Trägerversammlung).

The Managing Board of the EAA consists of three 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 12 members. 11 members are appointed by the Stakeholders' Meeting, and one member is delegated by the FMSA to act on its behalf. The members elect a Chairman and a Deputy Chairman on the recommendation of the State of NRW. The Supervisory Board consults with and advises the EAA's Managing Board, monitors its activities and carries out additional duties set forth in the EAA's charter.

The Stakeholders' Meeting is composed of one representative from each of the institutions which hold a stake in the EAA's share capital. The Stakeholders' Meeting is responsible for adopting the annual financial statements of the EAA, among other things.

Since its founding, the EAA has outsourced key business processes to Portigon and since February 2014 to PFS, Portigon's service subsidiary. As of 1 July 2014, a portion of these outsourced services, especially portfolio management activities, has been transferred to EPA, an EAA subsidiary. The EPA's employees were primarily recruited from the former employees of the Portfolio Exit Group, which was established in the former WestLB when the EAA was founded, as well as from EAA employees. The EAA provides the two managing directors of EPA. The service fee paid to PFS was reduced to the extent that services have been transferred from it to EPA. These services between the EAA and EPA, in contrast to PFS services, are not subject to value-added tax.

The EAA is currently reviewing the operational stability of this arrangement and the future business orientation of PFS in order to determine whether some of the activities currently outsourced to PFS can be reintegrated into the EAA and EPA.

Economic environment

First quarter of 2015: first signs of an acceleration in the eurozone

The New Year 2015 is only just a few months old. Yet despite this short period of time, important changes have already taken place which will have a significant influence on the global economy and the financial markets in 2015. These events certainly include the launch of the ECB's programme to purchase euro government bonds, the strong appreciation of the US dollar versus the euro and the Japanese yen, and the ongoing disputes between Greece and the institutions: the ECB, the EU and the IMF.

Many of these developments already had an impact on the economy in the first quarter of 2015 and will have a major influence on economic trends over the coming months. The weakness of the euro or the strength of the dollar provides an improvement in the competitiveness of countries in the eurozone. Moreover, the fact that the crisis in Ukraine has lost some of its urgency, or at least is not as prevalent in the news as it was last year, has had a positive effect on sentiment and the expectations of companies and investors.

In particular, investors focusing on euro government bonds benefit quite strongly from this environment, as securities from the euro periphery and the core are in demand. The fundamental data of these countries are clearly not influencing this trend. After all, debt levels rose last year in most eurozone countries. For instance, sovereign debt as a percentage of economic output for the overall eurozone has risen by 0.8 percentage points to 91.9%. By itself, this increase looks harmless. However there has been a considerable increase in sovereign debt compared with the debt situation that prevailed in 2007 (66.2% of GDP). But there are also exceptions. Two worth mentioning at the moment are Ireland, which has cut its debt ratio by 13.5 percentage points to 109.7% of GDP, and Germany (-2.4 percentage points to 74.7%).

It is obvious that investors have largely ignored fundamental arguments, such as debt levels, in their investment decisions, which is due to the far-reaching interventions and promises of the ECB. With the purchase of euro covered bonds and securitisations, combined with the introduction of the new TLTROs, the bank already signalled in 2014 that it intends to continue its very loose monetary policy in 2015. With the announcement of the specific procedures for the government bond-buying programme and the purchase of euro covered bonds and securitisations, the ECB has shown that it intends to inflate its balance sheet to reach its targeted level of total assets of around EUR 3 trillion. It spent around EUR 95.1 billion for euro government bonds between March 2015 and the start of May 2015. The average maturity of the purchased bonds, at 8.1 years, is relatively long. This has led to interesting price patterns in the markets for euro government bonds.

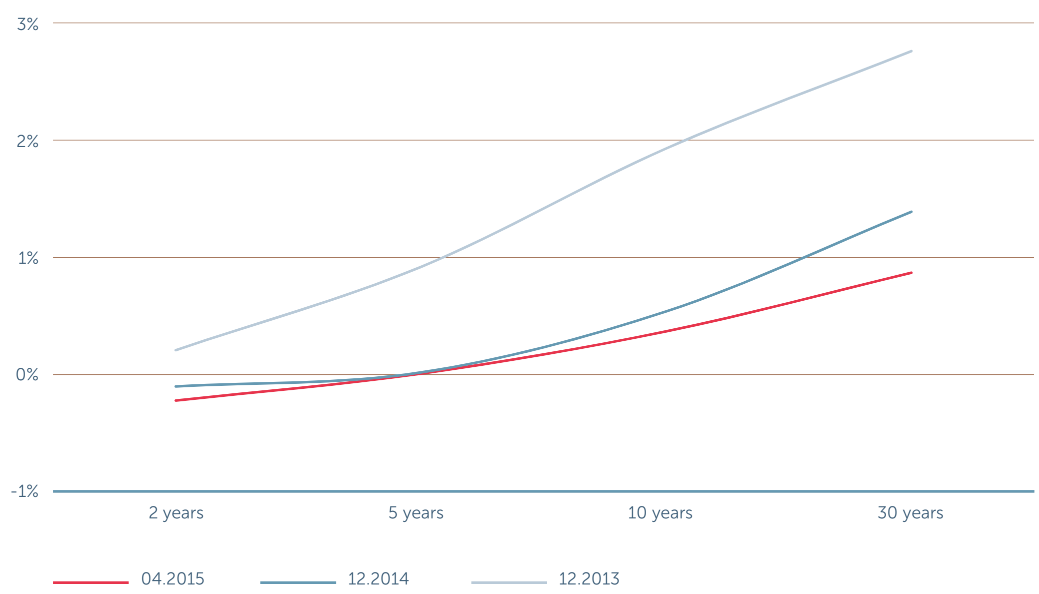
△ The ECB's purchases and investors' build-up of exposures in German Bunds in anticipation of the ECB programme have caused yields on German government bonds to plummet. In fact, the yield on the two-year bond, at -21 bp, is even slightly below the ECB's deposit rate. Yields on German government bonds with longer (residual) maturities, as measured against the long-term average, are also unusually low. Once the yield on the ten-year German Bund stood at a mere 4.8 bp (17 April 2015). This same bond is currently trading at a yield of 0.55% and is thus 92 bp lower than a year ago (April 2014) even despite the noticeable rise in yields since the middle of April 2015.

- But investors are buying more than just safe havens. The yield on the ten-year Spanish bond, for example, has decreased from 3.02% on 30 April 2014 to now 1.67% (-135 bp).

- A comparison of the current level of yields for Italy and Portugal with the yields from a year ago shows a similar result to that of Spain: noticeably lower yields and spreads. The ECB's interventions have boosted investors' confidence in the ability and willingness of eurozone countries to honour their obligations. Nevertheless, the (long-term) yields of most peripheral countries are rising again, as the following chart shows. Exaggerated expectations with regards to the ECB purchases are clearly being priced out once more, take the case of German Bunds as an example. The pricing out of expectations becomes particularly evident when you consider how sharply yields fell in just a short period of time following the announcement of the ECB's purchases, only to rebound just as sharply and as quickly in more recent trading. Expectations here have begun to normalise in the meantime, perhaps due in part to the difficult negotiations currently under way between Greece and its lenders.

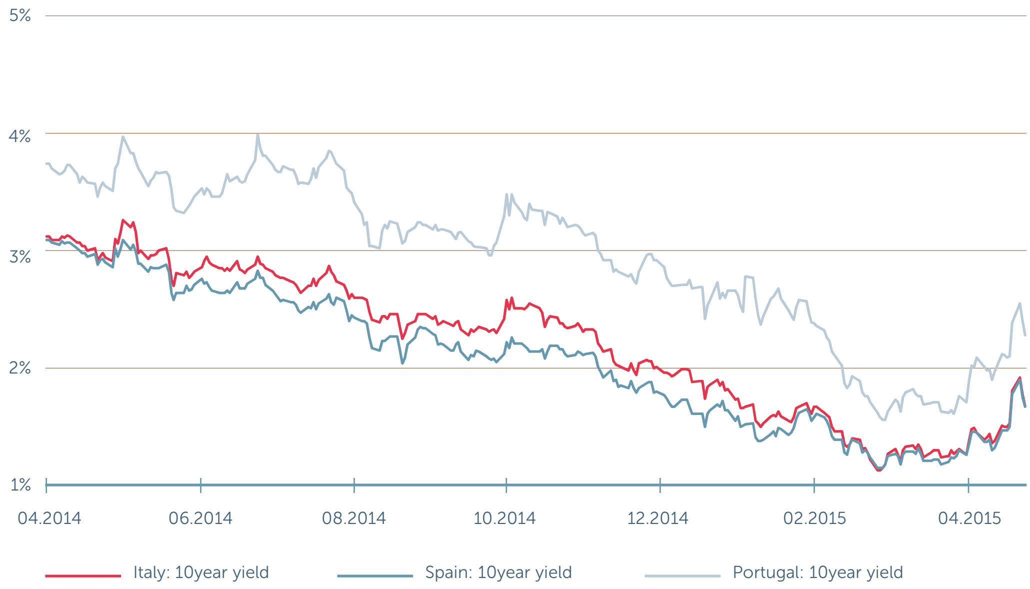
Financial markets in the eurozone

2015: yields on German Bunds edge sharply lower



Source: Bloomberg, EAA

Government bonds for the euro periphery were much sought after in 2014



Source: Bloomberg, EAA

An update on the political situation in Greece

At the moment it is becoming increasingly difficult for the Greek government to make its pending salary and pension payments and service its IMF loans. To ensure its own solvency, the Greek government instructed state-owned companies in March 2015 to transfer all their cash and liquidity reserves to the Finance Ministry. At the end of April 2015 the government's plan was then also to tap the comparable reserves of subordinate governmental authorities (provinces, cities and other municipalities). But these entities rejected the request of the Syriza government.

The outstanding loans to Greece and the fact that its euro partners have so far not agreed to Greek demands for a debt haircut or other relief have forced the Athens government to take action. Without appropriate reforms, the institutions continue to refuse to pay the remaining EUR 7 billion instalment of the current adjustment programme. As a result, the Greek negotiating team, which was previously headed by the Greek Finance Minister Varoufakis, was expanded to include additional people, such as the Deputy Foreign Minister.

It appears that some movement has started to take place again in the negotiations that have been held over the last three months between Greece and the institutions since the appointment of the government under Premier Tsipras at the end of January 2015. These negotiations, which have been characterised by standstill as well as frequent but ultimately fruitless meetings, continue to be plagued by clearly divergent views on what reforms need to be implemented in Greece. While the institutions focus on improving Greece's long-term growth potential by means of a more flexible labour market and other supply-side reforms, the Athens government, with a view towards the left wing of the Syriza party, wants to strengthen many of the privileges enjoyed by the unions and roll back the labour market reforms of the previous Conservative government. The economic damage within Greece caused by the current crisis is immense. After posting positive GDP growth in the first three quarters of 2014, the country's economic output declined by 0.4% in the fourth quarter compared to the third quarter. As the massive outflow of deposits from the Greek banking system continues, Greek banks are increasingly facing liquidity problems. For this reason the ECB has excluded Greek banks from its normal refinancing operations. Instead, the liquidity of the banks is being provided in the context of the ECB's Emergency Liquidity Assistance (ELA) programme. Under this programme, banks receive liquidity from the Greek National Bank in exchange for the provision of collateral. But to do that, they must accept a discount of around 50% on the collateral they provide.

USA: somewhat more headwind in 2015?

It appears that the US economic recovery indulged in a bit of a breather in the first quarter of 2015. The economic output of the US between December 2014 and March 2015 rose by a very meagre 0.05% (compared with the previous quarter). In fact, it shows that in the recent past the economy has regularly slumped in the first quarter of the calendar year. In 2014, as well as in the years between 2007 and 2012, the first quarter's economic growth was disproportionately low compared with the average quarterly growth rates of 0.6% to 0.7% for the period between 1985 and 2015. This was usually attributable to extraordinary effects – as was the case in this instance as well. First, the winter weather in the US was poor in the first quarter of 2015, causing work in outdoor professions to come to a standstill. Second, the momentum in the US economy was curbed by a strike at refineries. Moreover, the reporting season for the first quarter of 2015 has seen US companies complain about the negative effects associated with the pronounced appreciation of the US dollar versus the euro and the Japanese yen.

Yet despite these developments, the most recent figures on the US economy have been encouragingly robust. The labour market report for April 2015 points in this direction, with the US adding around 223,000 new jobs during the month. The slump in March 2015 to 85,000 jobs was apparently just an outlier. Overall, however, the very robust economic growth over the last three quarters has paid off on the US labour market. The unemployment rate has fallen from 6.6% in the first quarter of 2014 to 5.6% in March 2015.

The US economy is indeed in much better shape today than it has been. Many obstacles to growth have been successfully addressed in the recent past. The ritual, mutual blockades between the Obama administration and Congress regarding the raising of the public debt limit have been settled. The US once again has a constitutionally compliant federal budget until the next presidential election in 2016. The positive effect on the business climate and consumer confidence should not be underestimated. Consumers know there will be no further general tax increases. In addition, the fact that there will be no across-the-board cutbacks in government spending is good for the sectors and companies that depend on government orders.

Euro periphery: Spain and Portugal prove that reforms can pay off

Spain's economic output rose by 1.4% in 2014. This is a very encouraging pick-up in economic growth, following contractions of -1.2% and -2.1% in 2012 and 2013, respectively. The news for the fourth quarter of 2014 and the first quarter of 2015 is good, too. The

Spanish economy expanded by 0.7% (compared with the previous quarter) in the fourth quarter of 2014, and its growth even accelerated to 0.9% in the first quarter of 2015. Momentum in Spain's economy has accelerated noticeably. The drivers of this turnaround are the reform and consolidation programme of the Spanish government. The realignment that has taken place in Spain, with its stronger focus on export-driven economic growth, can be seen in the positive development of the country's current account, which has been in surplus since 2013.

Labour market reforms in Spain are paying off, too. In the first quarter of 2015 the country's unemployment rate stood at 23.1%. Although this rate is quite high when measured against the average unemployment rate between 1999 and 2015 (15.2%), it is nevertheless 2.2 percentage points lower than one year ago and 3.2 percentage points below the historic peak of 26.3% in the first quarter of 2013. The fact that the reduction in unemployment is making relatively slow progress has to do with structural change. Prior to the crisis, the real estate and construction sectors were the most important drivers of Spain's economic growth, whereas the importance of these sectors has diminished since the outbreak of the real estate crisis. This means that employment in these sectors has fallen, too. A new use must be found for the redundant labour force, which is a difficult task in light of the different qualification needs. As a result, Spanish unemployment has been decreasing only slowly.

Portugal, too, is doing quite well following the conclusion of its adjustment programme, even without the support of the troika. The new bond issues of the Republic of Portugal were well received on the market. In fact, investors' search for yield has even made it possible to issue bonds with very long maturities (30-year segment). At the same time, Portuguese reforms are paying off. Portugal's economic output rose by 0.9% in 2014 (2012: -3.3%, 2013: -1.3%), and the unemployment rate has fallen from 17.5% in the first quarter of 2013 to 13.5% in the fourth quarter of 2014.

Compared with Spain and Portugal, Italy's recovery remains slow and very uneven. Following 14 quarters of stagnation, Italy's economy continued to shrink marginally by -0.03% in the fourth quarter of 2014 (the most recent data). In the case of Italy it is now already possible to speak of more than just one lost decade. Italy's real economic performance in the fourth quarter of 2014 was roughly at the same level as it was at the start of 2000. National income has fallen by 5% since the beginning of the current recession in the third quarter of 2011. The main factors behind this contraction are a decline in consumer spending (-7% cumulative) and sharply lower capital spending (-16% cumulative). The only small silver lining is exports (+4.3%), but this positive factor is much too small and only curbs the overall downturn. The Italian economy contracted by 0.4% in 2014 as a whole, placing it even further behind Portugal (+0.9%) and Spain (+1.4%).

France avoided economic stagnation in 2014

This growth scenario at the periphery means that the sky is not the limit for the economically more robust core of the eurozone and the nations of the semi-core, for example France. The recovery in Spain, Portugal and the global economy is still too weak for that. The crises that erupted in 2014 weighed heavily on sentiment in the German economy in the previous year. The effects of these factors only lessened towards the end of the year. That is why Germany's economic performance in the fourth quarter of 2014 rose by more than 0.7% (compared with the previous quarter). As a result of this encouraging pick-up in momentum, Germany's economic output increased by more than 1.6% in 2014 as a whole.

France is feeling the effects of the crisis-related drop in demand from its major trading partners in the eurozone periphery. In addition, France's international competitiveness has decreased significantly due to government interventions in the labour market (for example, the introduction of the 35-hour working week). Yet until now, the government of socialist President Hollande has made only tentative attempts at addressing these problems. In the summer Hollande reshuffled his government cabinet under the leadership of Premier Vails and thereby strengthened the more reform-minded members of the French socialist party. Nevertheless, resistance within the party remains strong. The French economy grew by 0.4% in 2014.

Outlook: following a disappointing 2014, a pick-up in the eurozone's economy

All in all, the prospects for 2015 are positive. So far not even the smallest detail has been changed in the basic approach to rescuing the euro (financial support in exchange for reforms), in spite of the new Greek government. The loosening of austerity requirements from Brussels for the other eurozone countries will probably support the economy in 2015. The collapse in the price of oil will provide a boost to growth in oil-importing countries. Lower oil prices redistribute purchasing power away from oil producers to consumers. This phase of low oil prices will also probably continue because oil producers are only now just beginning to adjust their production to the new situation. Yet despite these favourable factors, the fact remains that following the sharp downturn, the economic recovery is not automatic everywhere.

Economic outlook for the US: 2015 will be better than 2014!

All data and recent economic indicators demonstrate that the US economy continues to recover from the deep recession and the global financial crisis. The Purchasing Managers' Index for the Manufacturing Industry stood at 51.5 points in April 2015 and therefore continues to hover above the expansion threshold of 50 points. The decline since December 2014 has to do with seasonal effects, the decrease in the oil price and the strength of the dollar. These developments weighed on sentiment among US companies during the first quarter of 2015.

2015 is a crucial year for the US Federal Reserve (Fed) and its Chair Janet Yellen. Having no longer purchased any new bonds since October 2014, the Fed must now decide when it believes the US economy is robust enough to cope with the first small increase in interest rates. The Fed's actions so far have been rather successful at this crucial stage. The feared loss of trust in the financial markets following the end of the buying programme has not materialised. With a look to the first interest rate hike, the Fed will have to answer two important questions in 2015:

- When has the employment target been sufficiently achieved? The Fed's published comments have repeatedly criticised that the quality of US employment has changed in the wake of the global financial crisis. The share of temporary and part-time employment has risen, which is one reason why most of the US population has not benefited from the upturn in the economy. This trend can especially be seen in the rather modest wage growth in the US, which, at 2.2% in April 2015, is far behind the growth rates seen in the years prior to the financial crisis. As a result, the Fed is currently closely monitoring the rate of wage growth as well as the number of jobs and their structure.

△ How fast should (benchmark) interest rates rise once the employment target has been sufficiently met? Here there is some indication that the Fed will take more time than it did in earlier tightening cycles. Instead of the usual interval of +25 bp per meeting, a significantly slower increase will be pursued. Another indication of this is the Fed's announcement that it has lowered the amount for the normal interest rate movement from 25 bp to 12.5 bp.

Summary of important macroeconomic forecasts

Key economic indicators		Growth		Inflation		Unemployment	Budget balance (% GDP)	
	2015	2016	2015	2016	2015	2016	2015	2016
	in %	in %	in %	in %	in %	in %	in %	in %
USA	2.8	2.8	0.2	2.2	5.4	5.0	-2.7	-2.6
Eurozone	1.4	1.7	0.1	1.2	11.1	10.7	-2.3	-2.0
Core & semi core								
Germany	1.8	1.9	0.4	1.6	6.4	6.3	0.2	0.2
France	1.0	1.5	0.2	1.0	10.4	10.2	-4.1	-3.8
Periphery								
Greece	0.5	1.8	-1.4	0.6	25.9	25.1	-2.0	-1.7
Ireland	3.5	3.5	0.3	1.4	10.0	8.9	-2.8	-2.3
Portugal	1.5	1.8	0.0	0.9	13.5	13.1	-3.0	-2.4
Spain	2.4	2.3	-0.5	1.1	22.6	20.9	-4.5	-3.7
Italy	0.6	1.1	0.1	0.9	12.7	12.4	-2.8	-2.3
Emerging Markets								
Asia	6.3	6.2	1.8	2.7	4.0	4.0	-2.4	-2.3
Latin America	0.6	2.3	10.1	9.7	6.2	6.5	-4.4	-3.6
Eastern Europe & Africa	0.6	2.3	7.2	5.3	9.8	9.4	-2.7	-2.2
BRIC countries								
Brazil	-1.0	1.2	8.0	5.8	5.9	6.7	-5.2	-4.1
Russia	-4.0	0.5	15.1	7.3	6.7	6.5	-3.0	-2.0
India	7.4	7.7	6.2	5.5	n.s.	n.s.	-4.1	-3.9
China	7.0	6.7	1.5	2.1	4.1	4.1	-2.5	-2.5

Source: Bloomberg, EAA

Despite all the communication tricks the Fed undoubtedly possesses, the markets already expect interest rates to rise. The two-year US Treasury is currently trading at a yield of 0.57%, meaning that based on the current effective US benchmark interest rate of 13 bp, more than three interest rate hikes are already completely priced in. A view of the futures contracts on the US benchmark interest rate shows that market participants expect this first interest rate hike to take place in the second half of 2015 (November/December). The strategists at the Fed have kept open a loophole in their communication for the event that they would like to wait with rate hikes. The Fed's decision will take into account how the US export industry is coping with the dollar's appreciation versus the euro and the Japanese yen. This is intended as a counter-balance to avoid the possibility that the level of yields in the US will rise hastily and thereby choke off the recovery of the US economy.

The current inflation environment in the US provides the Fed with the necessary leeway to delay the first interest rate hike somewhat if such a postponement is deemed necessary. In March 2015 the country's inflation rate stood at -0.1% because of the decline in the price of oil. The impact of this decline is reflected in the difference between the inflation rate and core inflation (+1.3% in March 2015). These rates are anticipated to rise over the course of 2015 to 1% and 1.5%, respectively, and then move even higher to 2.2% (inflation) and 1.7% (core rate) in 2016. These values remain fully compatible with the Fed's comfort zone. In other words, a sharp increase in inflation will not force the Fed to react in 2015 and 2016. As a result, the timing of the first interest rate increase and the speed of the subsequent cycle of interest rate hikes will largely be dictated by developments on the US labour market and the mood in the economy.

A first increase in US interest rates would be another sign that the US economy is returning to normal. And after all, even in this case monetary policy would still remain historically very accommodative. This means that interest rates will reach 0.7% by the end of 2015. As a result, the EAA anticipates that the US economy will continue to accelerate in 2015, achieving a growth rate of 2.8% in both 2015 and 2016.

Eurozone: differences in growth rates continue to prevail in 2015

The multiple-speed recovery in the eurozone is continuing in 2015. Germany's GDP will grow by a good 1.8% in 2015. This is above Germany's growth potential, which the Bundesbank, Germany's central bank, estimates to be about 1.25% per year. The German economy is forecast to grow by 1.9% in 2016 as well, meaning the positive trend on the German labour market is likely to continue, albeit at a slower pace. The French economy will probably add to its momentum somewhat and post growth of 1%. A further acceleration to 1.5% is anticipated for 2016.

The EAA also expects an improvement in the countries of the euro periphery. This pick-up, however, will be stronger in Spain and Portugal, despite the upcoming elections, than in Italy. Their growth rates differ because of the reforms that Portugal and Spain implemented in the recent past due to pressure from the EU and the ECB. Based on the very robust growth of 0.9% (compared with the previous quarter) that the Spanish economy generated in the first quarter of 2015, the EAA has increased its growth forecast for the full year 2015 by 0.4 percentage points to 2.4%. Besides Ireland (+3.5%), Spain is therefore one of the top performers in the eurozone. The EAA believes a growth rate of 2.3% is possible in 2016. This pick-up in the economy will go hand-in-hand with a further improvement in the labour market. An unemployment rate of 22.6% (currently 23.1%) is expected at the end of 2015. It is important, however, that the recovery of the Spanish financial system makes further progress. Spain's banks are plagued by a rising number of problem loans. They have therefore been reluctant until now to lend to Spanish companies and households. However, should lending start to pick up again, Spain would have significant potential for positive surprises in 2015. Portugal's economy is likewise anticipated to grow both this year (+1.5%) and in 2016 (+1.8%). The problem child at the periphery remains Italy. The country is still mired in a recession that has lingered since September 2011. With luck, it might succeed in 2015 at escaping from the grasps of this protracted downturn. The EAA hopes the country will achieve growth of 0.6% in 2015. The risks to growth for Italy predominate.

The key factor for this growth outlook is monetary support from the ECB. Low interest rates and yields make it possible in the first place for eurozone countries to finance their sharply higher levels of debt (private and public). The costs of this policy are borne by investors. The ECB's bond-buying programme reduces the interest burden on the euro periphery and thus eases the pressure on indebted countries even more.

Financial market outlook for 2015

The trend in yields on the financial markets for euro government bonds and US Treasuries demonstrates the considerable differences between the monetary policies of the ECB and the Fed. While the Fed is already working on its plans and strategies to return to a normalised monetary policy, making it likely that the US will see the first small interest rate hikes later this year, the ECB has begun to flood the money and financial markets with fresh central-bank liquidity.

Overview of key financial markets

Fixed income markets 2015	Policy rate in %	2-Y-yield in %	10-Y-yield in %
USA	0.70	1.30	2.40
Eurozone	0.05	-0.10	0.50
Core & semi core			
Germany	0.05	-0.10	0.50
France	0.05	0.00	0.70
Periphery			
Spain	0.05	0.20	1.30
Italy	0.05	0.20	1.30

Source: Bloomberg, EAA

This policy divergence causes the considerable difference that exists in the current level of yields between the core of the eurozone and the US. The development of yields going forward in 2015 is likely to differ as well. The ECB's bond purchases are focused on bonds with long residual maturities, with the average residual maturity of the bonds ranging between 6.7 years (bonds from the EFSF, ESM and Malta) and 11.7 years (Spanish bonds). As a result, the ECB is limiting the upside potential for euro yields. This has an especially strong impact on the bonds of the eurozone's core (German Bunds). For this reason, the level of yields in the eurozone and the US will develop differently in 2015. The EAA therefore anticipates that for 2015 the US will see moderately higher yields at the long end of the yield curve, while yields in the eurozone will either linger at a low level (Germany and other core countries) or fall slightly (Spain, Italy and Portugal). The yield on ten-year German Bunds is likely to be at slightly more than 0.5% at the end of 2015, whereas the US equivalent is forecast to hit 2.4%.

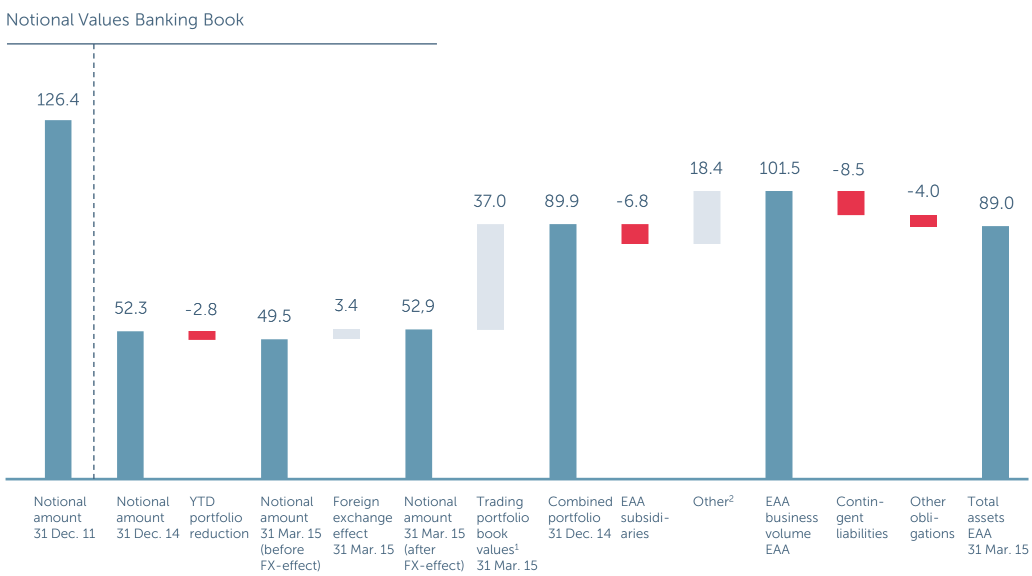
Wind-up report

The figures and developments discussed in this section are regularly reported to the FMSA as part of its supervision of the EAA, as well as 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 single-entity financial statements or whether they are held via subsidiaries (look-through approach).

The following overview shows the development of the portfolio's notional amounts since 1 January 2015 and the reconciliation to the EAA's balance sheet as at 31 March 2015:

Reconciliation of the transferred notional volume to the balance sheet

in EUR billion



[1] Equates to the book values for trading portfolio assets.
[2] Contains 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 wind-up plan is assessed based on both the reduction of the notional volume before exchange rate effects (i.e., at constant exchange rates as at 31 December 2011 for the banking book and as at 30 June 2012 for the trading portfolio) as well as in terms of the effects on the wind-up plan. The latter takes into consideration the impact of sale proceeds, book values, expected losses, interest income and funding costs for the respective risk exposures.

Wind-up success in the banking book

From 1 January until 31 March 2015 the notional volume of the banking book was reduced from EUR 52.3 billion to EUR 49.5 billion (at exchange rates as of 31 December 2011, including the notional amounts of the guaranteed risk exposures held by the EAA's subsidiaries). That equates to a decline in notional volume of EUR 2.8 billion (5.4%). The volume at current exchange rates as of 31 March 2015 is EUR 52.9 billion. Since 1 January 2012 the total banking book portfolio has decreased by EUR 76.9 billion or 60.8%.

	Notional volume (at exchange rates as of 31/12/2011)				Notional volume (at exchange rates as of 31/3/2015)	
Clusters	Notional 31/3/2015 EUR million	Notional 31/12/2014 EUR million	EUR million	Delta to 31/12/2014 in %	Notional 31/3/2015 EUR million	FX effect[1] EUR million
Structured Securities	13,259.0	16,824.0	-3,565.0	-21.2	14,649.8	1,390.8
Liquidity Portfolio	7,945.4	0.0	7,945.4	n.a.	8,589.9	644.5
WestImmo Commercial	7,008.4	7,520.0	-511.6	-6.8	7,221.9	213.5
Energy	4,203.8	4,398.8	-195.0	-4.4	4,545.7	341.9
NPL	4,086.3	4,129.5	-43.2	-1.0	4,462.5	376.2
Public Finance	3,366.9	7,799.2	-4,432.3	-56.8	3,436.2	69.3
Other clusters	9,594.6	11,596.1	-2,001.5	-17.3	9,987.7	393.1
Total	**49,464.4**	**52,267.6**	**-2,803.2**	**-5.4**	**52,893.7**	**3,429.3**

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

At the start of the first quarter of 2015, assets the EAA can liquidate on short notice totalling EUR 8.1 billion – including the exposures of EAA CBB – were split off into the new Liquidity Portfolio cluster. The reclassifications were made from the Structured Securities (EUR 2.7 billion), Public Finance (EUR 4.0 billion) and Financial Institutions (EUR 1.4 billion) clusters. The notional volume stood at EUR 7.9 billion as at 31 March 2015.

In addition, during the first quarter of 2015 the banking book registered a considerable reduction in the Structured Securities, WestImmo Commercial, Public Finance and Energy clusters. The notional reduction in the Structured Securities cluster is primarily due to partial repayments of the Phoenix A1 (USD) and A2 (EUR) notes as well as the complete repayment of the Phoenix X note (EUR).

The notional reduction in the Other clusters is distributed over the rest of the portfolio, with the main changes taking place in the WestImmo Retail and Infrastructure - Project Finance clusters.

There was a EUR -6.6 million effect on the wind-up plan in the first quarter of 2015 associated with sales and early repayments from the banking book portfolio, mainly driven by early repayments in the Infrastructure - Project Finance portfolio.

Wind-up success in the trading portfolio

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

The notional volume of the trading portfolio amounted to EUR 414.2 billion as at 31 March 2015. The notional volume of the trading portfolio decreased by a total of EUR 51.9 billion during the period from 31 December 2014 until 31 March 2015 (at exchange rates as at 30 June 2012). Since its transfer, the trading portfolio has been reduced by EUR 649.8 billion or 61.1%.

			Notional volume (at exchange rates as of 30/6/2012)		Notional volume (at exchange rates as of 31/3/2015)	
Clusters[2]	Notional 31/3/2015 EUR million	Notional 31/12/2014 EUR million	EUR million	Delta to 31/12/2014 in %	Notional 31/3/2015 EUR million	FX effect[1] EUR million
Rates	408,155.1	459,544.9	-51,389.8	-11.2	420,467.1	12,312.0
Equity	4,738.3	4,804.6	-66.3	-1.4	4,333.3	-405.0
Credit	1,003.4	1,384.3	-380.9	-27.5	1,068.2	64.8
Other clusters	343.8	375.3	-31.5	-8.4	385.6	41.8
Total	**414,240.6**	**466,109.1**	**-51,868.5**	**-11.1**	**426,254.2**	**12,013.6**

[1] Change in notional volume due to exchange rate effects.
[2] The clusters are presented in the new structure of the 2014 wind-up plan.

The decline is predominantly the result of maturities and active liquidation/management measures. The principal driving force behind the reduction was the Rates cluster with a notional decrease of EUR 51.4 billion. This decline resulted primarily from maturities of around EUR 40.6 billion and active reduction measures totalling about EUR 15.9 billion. Offsetting effects resulted from new hedges that were concluded as part of the EAA's risk management process for the trading portfolio.

The Credit cluster was reduced by EUR 0.4 billion or 27.5% in the first quarter of 2015 compared with the prior-year figure (at exchange rates as at 30 June 2012). The decline in the portfolio is mostly the result of maturities.

The notional volume of the remaining clusters did not change significantly.

EAA's overall situation

Earnings situation

The EAA's earnings situation was primarily impacted by positive net interest income of EUR 32.1 million, net fee and commission income of EUR 11.4 million, net expense of the trading portfolio totalling EUR 65.4 million and a financial investment result of EUR -30.4 million. Administrative expenses amounted to EUR 73.1 million and mainly consisted of expenses for services rendered by PFS.

After taking account of a net result of EUR 117.4 million from allocations to and releases from loan loss provisions, earnings before taxes were EUR -7.4 million. These earnings were particularly impacted by two events that occurred at the beginning of the year.

On 1 March 2015, the Austrian Financial Market Authority imposed a payment moratorium on all liabilities of HETA Asset Resolution AG (HETA) until 31 May 2016. In particular, all senior unsecured bonds and interest payment obligations have been impacted. At the moment there are no clear figures on the amount of the over-indebtedness and the liabilities of HETA, nor is there a clear determination of the ranking of the individual liabilities. Nevertheless, the EAA has developed three scenarios for the potential losses based on available information. Using the indebtedness that has been identified through the preliminary asset quality review and taking into account the waterfall logic for creditor participation in the subordinated liabilities in accordance with the Austrian Federal Act on the Recovery and Resolution of Banks (Bundesgesetz über die Sanierung und Abwicklung von Banken – BaSAG), these scenarios indicate that the potential losses – before utilisation of the state guarantee – range between 4% and 43% of the EAA's exposure (EUR 75 million) to the bonds. After taking account of the substantial uncertainties associated with this situation, the EAA decided to establish a risk provision as at 31 March 2015 in the aforementioned range.

On 15 January 2015 the Swiss National Bank changed its exchange rate policy and abandoned its peg of the Swiss franc to the euro. The resulting change in the exchange rates for the Swiss franc did not have a material impact on the earnings situation of the EAA because it does not hold any significant exposures in this currency. However, the value of some transferred derivative transactions with municipalities (for further information, refer to the "Legal risks" section) depends on the Swiss franc exchange rate. The corresponding change in the risk provision for these transactions was recognised in the net expense of the trading portfolio as at 31 March 2015.

The income statement below is presented in the format used internally by the EAA.

Income statement

	1/1 - 31/3/2015	1/1 - 31/3/2014	Delta	
	EUR million	EUR million	EUR million	in %
Net interest income	32.1	39.0	-6.9	-17.7
Net fee and commission income	11.4	15.7	-4.3	-27.4
Net trading result	-65.4	-4.9	-60.5	>-100
Total other operating income/expenses	0.6	-0.2	0.8	>100
Personnel expenses	-5.4	-5.2	-0.2	-3.8
Other administrative expenses	-67.7	-76.9	9.2	12.0
of which: expenses for service level agreements with PFS	-49.4	-64.6	15.2	23.5
Net income from investment securities and long-term equity investments	-30.4	-3.1	-27.3	>-100
Results prior to risk provisioning	**-124.8**	**-35.6**	**-89.2**	**>-100**
Loan loss provisions	117.4	43.3	74.1	>100
Results before taxes	**-7.4**	**7.7**	**-15.1**	**>-100**
Taxes	-1.5	-0.3	-1.2	>-100
Net loss/profit of the year	**-8.9**	**7.4**	**-16.3**	**>-100**
Net retained losses brought forward	-2,397.7	-2,460.2	62.5	2.5
Net retained losses	-2,406.6	-2,452.8	46.2	1.9

Financial position and issuing activity

As at the reporting date the EAA's outstanding portfolio of issued bearer bonds, promissory note loans and commercial paper totals EUR 45.8 billion. It includes the global Commercial Paper Program with a notional amount equivalent to EUR 15.2 billion.

During the reporting period the notional volume of new issues for medium- and long-term funding totalled an amount equivalent to around EUR 1.6 billion, consisting of EUR 0.35 billion, USD 1 billion and GBP 0.3 billion.

A notional amount equivalent to EUR 13.3 billion was issued under the global Commercial Paper Programme during the period under review, consisting of USD 10.5 billion, GBP 2.9 billion and EUR 0.1 billion.

As at the reporting date the portfolio contains securities with a notional volume of around EUR 0.3 billion that were redeemed for liquidity management purposes.

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

Asset position

The EAA's total assets as at 31 March 2015 amount to EUR 89.0 billion (previous year: EUR 79.5 billion). The business volume, which includes off-balance-sheet components, amounts to EUR 101.5 billion (previous year: EUR 91.9 billion).

Assets

	31/3/2015 EUR million	31/12/2014 EUR million	Delta EUR million	in %
Loans and advances to banks	16,085.2	14,591.4	1,493.8	10.2
Loans and advances to customers	17,352.9	12,961.4	4,391.5	33.9
Securities (no trading portfolio)	17,395.6	16,141.2	1,254.4	7.8
Trading portfolio	36,995.3	33,768.3	3,227.0	9.6
Long-term equity investments and shares in affiliates	1,072.9	1,801.9	-729.0	-40.5
Other assets	142.1	210.4	-68.3	-32.5
Total assets	**89,044.0**	**79,474.6**	**9,569.4**	**12.0**

Liabilities and equity

	31/3/2015 EUR million	31/12/2014 EUR million	Delta EUR million	in %
Deposits from banks	6,541.5	5,013.1	1,528.4	30.5
Deposits from customers	5,109.9	5,545.1	-435.2	-7.8
Debt securities in issue	40,148.3	34,747.9	5,400.4	15.5
Trading portfolio	35,795.4	32,874.1	2,921.3	8.9
Provisions	417.9	410.3	7.6	1.9
Other liabilities	421.4	265.7	155.7	58.6
Equity	609.6	618.4	-8.8	-1.4
Total liabilities and equity	**89,044.0**	**79,474.6**	**9,569.4**	**12.0**
Contingent liabilities	8,472.6	8,410.6	62.0	0.7
Other obligations/ loan commitments	4,029.8	3,970.0	59.8	1.5
Business volume	**101,546.4**	**91,855.2**	**9,691.2**	**10.6**

In February 2015, EAA CBB transferred assets to the EAA in the amount of EUR 4.5 billion. This transaction, which had no impact on earnings or the success of the wind-up, ultimately resulted in no additional economic risk for the EAA because of the existing global guarantee that the EAA has issued on behalf of EAA CBB.

Loans and advances to banks rose by EUR 1.5 billion as at 31 March 2015 compared with year-end 2014. This change is primarily due to the fact that the EAA has provided higher levels of cash collateral for derivatives.

The EUR 4.4 billion increase in loans and advances to customers compared with year-end 2014 is due to the portfolios transferred from EAA CBB and the incremental provision of liquidity to an equity investment.

The increase in securities by EUR 1.3 billion is predominantly the result of the additions associated with the portfolio transfer from EAA CBB to the EAA and the repurchase of own issues.

As in previous quarters, the increase in trading assets by EUR 3.2 billion is attributable to a declining trend in the yield curve and the corresponding present value effects. This is reflected in trading liabilities by virtually the same amount.

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

Lending business

The lending business comprises receivables, payment obligations arising from irrevocable loan commitments, sureties and other guarantees. Contingent liabilities also include Portigon risk exposures, which were transferred using the "guarantee" alternative. Receivables also include registered and other non-marketable debt instruments, as well as time deposits and mortgage-backed loans from the retail banking business.

Lending business

	31/3/2015	31/12/2014	Delta	
	EUR million	EUR million	EUR million	in %
Loans and advances to banks	16,085.2	14,591.4	1,493.8	10.2
Loans and advances to customers	17,352.9	12,961.4	4,391.5	33.9
Contingent liabilities	8,472.6	8,410.6	62.0	0.7
Other obligations/ loan commitments	4,029.8	3,970.0	59.8	1.5
Lending business	**45,940.5**	**39,933.4**	**6,007.1**	**15.0**

Summary of the business situation

As shown, the net loss reported was attributable to extraordinary effects. The reduction in the portfolio had a significant influence on interest income as well as fee and commission income. Loan loss provisions and the financial investment result were impacted as well.

The asset position of the EAA is in good order. Its equity as at 31 March 2015 amounts to EUR 609.6 million. Adequate liquidity was available at all times.

Risk report

The common objective of the liable stakeholders, the FMS and the EAA is to minimise the strategic wind-up risk. The EAA made further progress during the reporting period towards realising the wind-up plan. Its wind-up activities focused primarily on continuing to reduce the portfolio transferred from the former WestLB and mitigating risks.

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 risk portfolio transferred to the EAA, regardless of whether these figures are recorded on- or off-balance-sheet in the EAA's single-entity financial statements or whether they are held via subsidiaries (look-through approach).

Risk management organisation

The Managing Board defines the principles of risk management and steering, and discusses these with the Supervisory Board's Risk Management Committee. On recommendation by the Risk Committee, the Supervisory Board will decide on the principles relating to risk assumption contained in the risk strategy.

The EAA's general risk management strategy is the basis for its 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 risk, market price risk, liquidity risk, operational risk and other risks. Risk management strategies are reviewed at least once a year.

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

- Supporting management in 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
- Supporting management in the establishment and development of risk management and risk controlling processes.

The Risk Controlling department is responsible for market price, liquidity and operational risks. The Credit Risk Management department comprises the market succession function in the lending business as defined by German Minimum Requirements for Risk Management (Mindestanforderungen an das Risikomanagement – MaRisk). In particular, this department comprises the lending authority. It is responsible for credit risk steering and credit risk controlling and is supported by the Controlling & Planning department. 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 as necessary.

The EAA's 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. Accordingly, risk reporting is among the key tasks of the Risk Controlling department, which fulfils this responsibility together with the Controlling & Planning department. The FMSA, the responsible committees, the Managing Board, the Supervisory Board and its committees are informed on a regular basis of any and all developments that might have a bearing on the institution's risk or earnings situation. Risk reporting is a component of the monthly wind-up report.

The Managing Board keeps the Supervisory Board and its committees 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, which is adapted to suit the needs of the governing bodies.

Credit risks

Credit risks – banking book

The EAA and its subsidiaries regularly analyse their credit risk in detail so as to identify, analyse, evaluate and manage all default risks within the portfolio. A variety of parameters – such as risk type, rating categories, maturities and regions – are used to identify risk concentrations.

The notional volume of the banking book (which primarily consists of loans and securities) declined by EUR 2.8 billion to EUR 49.5 billion during the first quarter of 2015 (at constant exchange rates as of 31 December 2011). The EAA holds or guarantees 79% of the total banking book notional volume, and the remaining 21% is held by its subsidiaries. Please refer to the section "Wind-up report" for more detailed information on the wind-up success.

The following schedules show the respective notional volume of the exposures of the WestImmo, EAA CBB, and EAA KK subsidiaries on a look-through basis.

Breakdown of notional volume by internal rating category[1]

	31/3/2015 EUR billion	31/12/2014 EUR billion
A0-A2	4.8	2.3
A3-A5	6.2	9.0
B1-B3	4.8	6.1
B4-B5	4.6	4.9
C1-C2	6.8	6.8
C3-C5	4.9	5.6
D1-D3	3.9	4.2
D4-E	8.6	8.5
S.R.[2]	4.6	4.6
N.R.[3,4]	0.3	0.3
Total	**49.5**	**52.3**

1 Excluding exchange rate effects (based on exchange rates on 31 December 2011). The basis of the ratings was converted to "Rating based on transfer stop risk" as of the first quarter of 2015. The values as at 31 December 2014 were adjusted accordingly.
2 Special rating pursuant to the not-rated concept.
3 Not rated.
4 Including own bonds repurchased by WestImmo.
Please note: Where possible, the internal rating categories are based on the guarantor's rating.

The quality of the banking book portfolio is reflected by an investment grade rating share (rating categories A0-C2) of around 55% (31 December 2014: 56%). About 22% (31 December 2014: 22%) of the notional volume has a very good rating (A0-A5) and around 33% (31 December 2014: 34%) has a medium rating of B1-C2. The S.R. rating category includes the opening clauses of the rating process and has a share of around 9% of the total portfolio.

The EAA continues to aim for a portfolio reduction across all rating categories. The wind-up in the first quarter of 2015 is largely distributed across all rating categories. The increase of EUR 2.5 billion in the A0-A2 category is primarily the result of a shift in exposures in the Structured Securities portfolio from the A3-A5 category to the A0-A2 category. The decline in the B1-B3 category is mostly attributable to partial repayments of the Phoenix A1 note (USD) in the amount of EUR 0.7 billion.

Due to changed conditions, portions of the exposure in the energy sector (EUR 4.2 billion in total) are also subject to close monitoring, particularly project financings in the euro periphery. Around 47% of the total exposures as at the reporting date are included in the B1-C2 middle rating categories.

The remaining rating category, N.R., primarily includes WestImmo Commercial Portfolio exposures.

The table below shows a 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	A1	A+	A+	
B1	A1	A+	A+	Investment Grade
B2	A2	A	A	
B3	A3	A-	A-	
B4	Baa1	BBB+	BBB+	
B5	Baa1	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	C	C	Non-Investment Grade
D3	B2	C	C	
D4	B3	B-	B-	
D5	Caa1 to C	CCC+ to C	CCC+ to C	
E	C	C	C	

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

	31/3/2015 in %	31/12/2014 in %
Structured Securities	26.8	32.2
Liquidity Portfolio	16.1	n.a.
WestImmo Commercial	14.2	14.4
Energy	8.5	8.4
NPL	8.3	7.9
Public Finance	6.8	14.9
Other	19.3	22.2
Total	**100.0**	**100.0**

1 31 March 2015 = EUR 49.5 billion; 31 December 2014 = EUR 52.3 billion.
2 Excluding exchange rate effects (based on exchange rates on 31 December 2011).

The EAA's banking book portfolio consists of 20 headline clusters since the beginning of the year. At the start of the first quarter of 2015, assets that the EAA can liquidate on short notice, including EAA CBB's exposures from the Structured Securities, Public Finance and Financial Institutions clusters, were transferred into the new Liquidity Portfolio cluster. The notional volume stood at EUR 7.9 billion as at 31 March 2015.

The largest headline cluster is Structured Securities with a total share of 26.8%. This portfolio consists of three sub-portfolios: Phoenix (82.9% – please refer to section "Phoenix" for further details), Asset Backed Securities (5.5%) and EUSS (11.6%). The WestImmo Commercial cluster accounts for around 14% of the total portfolio.

Breakdown of notional volume by maturities[1,2]

	31/3/2015 EUR billion	31/12/2014 EUR billion
<= 6 M	2.9	2.5
> 6 M <= 1 Y	3.0	3.8
> 1 Y <= 5 Y	19.9	21.3
> 5 Y <= 10 Y	6.5	7.5
> 10 Y <= 20 Y	10.8	10.9
> 20 Y	6.4	6.3
Total	**49.5**	**52.3**

1 For Phoenix: expected repayment profile.
2 Excluding exchange rate effects (based on exchange rates on 31 December 2011).

The largest part of the portfolio, with a share of approximately 40%, is comprised of medium-term exposures with contractual maturities of one to five years. These are primarily exposures held in the Structured Securities (mainly Phoenix, please also refer to the "Phoenix notes capital structure" table in the "Phoenix" section), WestImmo Commercial, NPL and Liquidity Portfolio clusters.

The decline in the maturity range of one to five years is primarily the result of the wind-up in structured loans.

The other changes within the maturity ranges reflect the portfolio management measures undertaken during the first quarter of 2015.

Breakdown of notional volume by region[1]

	31/3/2015 EUR billion	31/12/2014 EUR billion
EMEA	18.9	20.0
Germany	10.5	11.0
Americas[2]	18.5	19.6
APAC	1.6	1.7
Total	**49.5**	**52.3**

[1] Excluding exchange rate effects (based on exchange rates on 31 December 2011). Regional breakdown by borrowers, or for securitisations based on the main risk country of the asset pool.
[2] Contains EUR 3.6 billion for the Phoenix B note guaranteed by the state of NRW.

The regional breakdown of the notional volume has changed only insignificantly compared to 31 December 2014. About 38% of the notional volume (31 December 2014: 38%) is attributable to the EMEA region – Europe (excluding Germany), Middle East and Africa. The decline in this region’s notional volume in the amount of EUR 1.1 billion is mainly the result of active measures and maturities in the WestImmo Commercial, Public Finance and Energy clusters.

The notional volume for German borrowers and guarantors (share in portfolio: about 21%; at 31 December 2014: 21%) was reduced by EUR 0.5 billion. The wind-up here relates mostly to the WestImmo Commercial, WestImmo Retail and Public Finance clusters.

Approximately 38% of the notional volume (31 December 2014: 38%) is attributable to the Americas. Repayments and maturities led to a decline of EUR 1.1 billion, with most of the decrease occurring in the Structured Securities cluster (primarily Phoenix).

The APAC region represents around 3% (31 December 2014: 3%).

Problem loans and risk provision

Problem loan exposures are subject to special risk monitoring pursuant to MaRisk. The recoverability of the receivables is reviewed on a regular basis by performing an impairment test (a test to determine whether a receivable is non-performing or at risk of non-performance). The assessment of a possible need for a risk provision takes into account collateral values, a company valuation, a discounted cash flow analysis or observable market prices. It is reviewed on a regular basis.

Result of risk provisions

	Provisions for loan losses EUR million	Charge-offs EUR million	Net change in loan loss provision EUR million	Other exp./inc. due to risk EUR million	Total allow. losses EUR million
Acute counterparty default risk	**5.7**	**126.7**	**121.0**	**0.1**	**121.1**
Credit risk	5.7	126.7	121.0	0.6	121.6
Other risk	-	-	-	-0.5	-0.5
Contingent counterparty default risk	**3.7**	**-**	**-3.7**	**-**	**-3.7**
Total	**9.4**	**126.7**	**117.3**	**0.1**	**117.4**

Special banking book issues

Phoenix

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

By far the largest part of the securitised Phoenix portfolio (approximately 90%) is denominated in US dollars and represents US risks, primarily in the real estate market. Repayments in the reporting period resulted in a decrease of the notional volume reported in euros to EUR 10.9 billion as at 31 March 2015 (calculated at constant exchange rates as of 31 December 2011).

Phoenix notes capital structure

Tranche	Amount as of 31/3/2015 in million		S&P Rating	Legal maturity	Expected maturity in years
Class X	-	EUR	AAA	9/2/2015	n.s.
Class A1	884.9	USD	A	9/2/2091	0.86
Class A2	3,102.0	USD	C	9/2/2091	1.36
	55.9	EUR	C	9/2/2091	0.86
Class A3	2,386.6	USD	CCC-	9/2/2091	2.87
	701.1	EUR	CCC-	9/2/2091	3.36
Class A4	1,909.0	USD	CCC-	9/2/2091	11.87
	180.9	EUR	CCC-	9/2/2091	11.87
Class B	3,566.6	EUR	N.R.	9/2/2091	3.00

In the first quarter of 2015 repayments were made totalling EUR 0.8 billion, which led in particular to a complete repayment of the EUR X tranche and a nominal decline in the remaining USD A1 and EUR A2 tranches.

The expected maturities shown above relate to the anticipated amortisation profile of the respective Phoenix note. At the present time, the EAA assumes that the Phoenix structure will be dissolved prematurely in 2018 and that the underlying portfolio will be transferred to the EAA.

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

	31/3/2015 EUR billion	31/12/2014 EUR billion
A0-A2	-	0.0
A3-A5	3.6	3.6
B1-B3	0.7	1.4
B4-B5	-	-
C1-C2	-	-
C3-C5	-	-
D1-D3	2.4	2.5
D4-E	4.2	4.2
S.R./N.R.	-	-
Total	**10.9**	**11.7**

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

Around 39% of the Phoenix notes consist of risk exposures with 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. So far, EUR 1.4 billion of the total EUR 5 billion guarantee from the State of NRW for the Phoenix B note has been utilised.

No securities from the Phoenix portfolio were sold in the first quarter of 2015. 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 Public Finance exposures from the NPL portfolio and the Liquidity portfolio) as at 31 March 2015 comprise a notional amount of EUR 7.3 billion (excluding exchange rate effects, based on exchange rates on 31 December 2011). EUR 4.5 billion of this amount is attributable to Cyprus, Ireland, Italy, Portugal, Slovenia and Spain. Further information can be found in the section "Exposures to selected EU states".

Securities account for 89.1% of the total public sector exposure (including regional and municipal issuers). Some of these are held directly by the EAA and some by EAA CBB. The remaining 10.9% is largely lending transactions with federal, municipal or other public-law institutions.

By far the largest part of the overall exposure, at 77.5%, is attributable to borrowers or issuers from the eurozone, with the remaining volume coming from European countries outside the eurozone, Africa and the Middle East (13.1%), North and South America (5.7%), and Asia and Australia (3.7%).

Credit risks – trading portfolio

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

Trading portfolio issuer risks from securities are calculated using the mark-to-market approach, while those in the banking book are determined based on book values. When calculating replacement risks (pre-settlement risks) from derivatives, the EAA applies a portfolio simulation tool based on the Monte Carlo method. Settlement risks are determined using the payment due per value date. Credit risks from trading transactions are booked daily against the corresponding credit limits. 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 where corresponding master agreements are in place.

OTC derivative counterparty default risks are assessed independently from the Front Office using credit valuation adjustments (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. CVA amounted to EUR 73.6 million as at 31 March 2015 (at 31 December 2014: EUR 72.1 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 counterparty risks are measured and controlled per counterparty, the explanations and figures below relate to 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 market succession functions.

The following schedule shows direct counterparty risks. These 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 through back-to-back transactions.

	31/3/2015 Exposure EUR million	31/3/2015 Limit EUR million	31/12/2014 Exposure EUR million	31/12/2014 Limit EUR million
Counterparty risk OTC derivatives	918.1	3,525.0	845.1	3,570.0
Credit risk Money market positions[1]	2,708.5	7,832.5	691.9	8,342.5
Counterparty risk Repos	23.5	2,750.0	10.3	2,730.0

[1] All money market transactions with counterparties outside the EAA Group have a maximum maturity of three months with the exception of transactions with the Central Bank of Ireland and with Portigon; some of these transactions have maturities of more than three months.

Counterparty risks from OTC derivatives are driven by transactions for liquidity steering (foreign exchange swaps) and interest rate hedging instruments (interest rate swaps). 26.7% of the credit risk for money market exposures stems from monetary investments with Portigon. As the EAA has sufficient liquidity on the reporting date, the utilisation of the limits for repo transactions (EUR 23.5 million) is only approximately 0.9%.

Issuer risk

In accordance with an established management process, 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 market succession functions.

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

	< 1 Y EUR million	1-4 Y EUR million	4-8 Y EUR million	8-15 Y EUR million	> 15 Y EUR million	Total exposure EUR million
Public Finance	1,035.9	959.4	1,235.5	1,938.8	1,659.4	6,829.0
Financial Institutions	413.6	528.3	592.0	31.6	-	1,565.5
Other securities	78.7	237.8	109.2	1,109.3	2,772.0	4,307.0
Total 31/3/2015	**1,528.2**	**1,725.5**	**1,936.7**	**3,079.7**	**4,431.4**	**12,701.5**
Total 31/12/2014	1,806.8	1,966.8	1,914.2	3,023.5	3,870.7	12,582.0

The Public Finance sub-portfolio accounts for the largest share with about EUR 6.8 billion. The remaining issuer exposures are made up of Financial Institutions securities as well as Other securities, mainly student loans. The increase compared with the balance at 31 December 2014 is due to exchange rate effects.

Issuer risks of the trading portfolio are low and total only EUR 32.9 million. EUR 19.5 million of this amount is attributable to securities and credit derivatives, with equities and equity derivatives accounting for the remaining EUR 13.4 million.

Participation risks

Participation risks result from the provision of subordinated capital and equity. The EAA's Strategic Project Management and Participation department is responsible for managing participations. The EAA's Controlling & Planning department supports the participation controlling process.

Of the total portfolio of the EAA Group, EUR 10.3 billion (20.7%) is held by subsidiaries, primarily WestImmo (68.4%), EAA CBB (23.9%) and EAA KK (7.7%).

WestImmo holds a portfolio with a notional volume of EUR 7.0 billion as at 31 March 2015 (excluding the Retail Portfolio guaranteed by the EAA). The WestImmo portfolio primarily consists of commercial real estate financing and structured real estate transactions. WestImmo generally acts independently. The EAA monitors WestImmo via the Supervisory Board, among other means. On 22 February 2015 an agreement was signed to sell WestImmo to the Aareal Group. The closing of the transaction (when the shares are transferred) will take place as soon as all necessary approvals have been obtained.

The notional volume of EAA CBB decreased during the first quarter of 2015 by EUR 4.9 billion to EUR 2.5 billion. The main reason for this decrease was the transfer of loans and securities totalling EUR 4.5 billion to the EAA. The impact of this transfer was offset by the netting of liabilities between the two entities and the repayment of a portion of EAA CBB's equity capital in February 2015. EAA KK's notional volume remains unchanged at EUR 0.8 billion as at 31 March 2015. EAA CBB and EAA KK are included in the risk management and business management of the EAA. These participations are subject to governance by the EAA and the EAA's approved internal limit system. Representatives of the EAA exercise non-managerial control functions as members of the governing bodies and committees of EAA CBB.

In some situations the EAA will enter into a new participations via a restructuring (debt-to-equity swap) if such an approach is deemed beneficial to preserve the value of the asset. The total volume of new participations is low compared with the existing participations.

Erste EAA-Beteiligungs GmbH, a subsidiary that was founded in 2014, holds the collateral (trust certificates) backing the loans used to finance US life insurance policies. This company was fully funded by the EAA (EUR 1.1 billion).

Exposures to selected EU member states

The banking book exposure of the EAA and its subsidiaries to Cyprus, Greece, Ireland, Italy, Portugal, Slovenia and Spain totals EUR 8.4 billion as at 31 March 2015. EUR 0.5 billion of this amount is attributable to the WestImmo portfolio. This exposure was reduced by EUR 0.3 billion in the first quarter of 2015. The decline is mainly due to Spain (EUR -0.3 billion) and Italy (EUR -0.1 billion), whereas the exposure in Portugal increased somewhat (EUR +0.1 billion) due to exchange rate effects.

The total banking book exposure of the EAA and its subsidiaries to Cyprus, Greece, Ireland, Italy, Portugal, Slovenia and Spain is shown in the table below:

Country[1]	Debtor group	31/3/2015 Notional in EUR million[2,3]	31/12/2014 Notional in EUR million[2,3]
Greece	Corporates	131.3	122.2
	Financial Institutions	0.0	0.0
Σ Greece		**131.3**	**122.2**
Ireland	Corporates	83.3	76.7
	Financial Institutions	0.1	0.1
	Public Finance	115.0	115.0
Σ Ireland		**198.4**	**191.8**
Italy	Corporates	1,088.3	1,106.3
	Financial Institutions	128.6	174.7
	Public Finance	2,018.7	2,069.8
Σ Italy		**3,235.6**	**3,350.7**
Portugal	Corporates	53.2	50.9
	Public Finance	1,498.8	1,444.0
Σ Portugal		**1,552.0**	**1,494.8**
Slovenia	Public Finance	40.0	40.0
Σ Slovenia		**40.0**	**40.0**
Spain	Corporates	1,633.4	1,674.9
	Financial Institutions	636.0	636.1
	Public Finance	952.6	1,202.4
Σ Spain		**3,222.0**	**3,513.4**
Cyprus	Corporates	69.6	69.6
	Public Finance	0.2	0.2
Σ Cyprus		**69.8**	**69.8**
Total[4]		**8,449.1**	**8,782.7**
of which	Corporates	3,059.2	3,100.5
of which	Financial Institutions	764.7	810.9
of which	Public Finance	4,625.2	4,871.3

1 Economic view may differ from the borrower's legal country of residence (for Corporates and Financial Institutions).
2 Based on current exchange rates.
3 Presentation of the notional volume, including hedges (net).
4 Of which WestImmo Commercial (EUR 484.3 million) and EAA CBB (EUR 1,590.5 million).

The EAA's total trading portfolio and ALM exposure to banks, companies and governments in Cyprus, Greece, Ireland, Italy, Portugal and Spain is shown in the table below:

Product[1]	Value[2]	Country[3]	31/3/2015 EUR million [4,5]	31/12/2014 EUR million [4,5]
Single CDS	Notional	Italy	-	-
		Portugal	-	-
		Spain	-	-
Σ Single CDS			**-**	**-**
Decomposed CDS	EaD	Italy	0.0	0.0
		Portugal	0.0	0.0
		Spain	0.0	0.0
Σ Decomposed CDS			**0.0**	**0.0**
Equities	MtM	Greece	0.0	0.0
		Italy	2.9	1.7
Σ Equities			**2.9**	**1.7**
Equity derivatives	EaD	Greece	-0.0	-0.0
		Italy	-1.3	-0.3
Σ Equity derivatives			**-1.3**	**-0.4**
Other derivatives	MtM	Ireland	0.2	0.4
		Italy	610.3	509.8
		Portugal	0.3	0.2
		Spain	290.0	275.0
		Cyprus	25.6	24.1
Σ Other derivatives			**926.4**	**809.5**
ALM	MtM	Ireland	7.0	5.1
		Italy	147.0	43.4
		Spain	200.0	100.0
Σ ALM			**354.0**	**148.5**

1 CDS = credit default swaps; ALM = asset liability management (ALM cluster 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 and from CDS; Decomposed CDS = CDS positions that do not relate to an individual underlying but to a portfolio of underlying individual transactions such as a basket of reference debtors.
2 EaD = exposure at default; MtM = mark to market.
3 Economic view may differ from the borrower's legal country of residence (for Corporates and Financial Institutions).
4 Based on current exchange rates.
5 Presentation of the notional volume, including hedges (net).

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)

	31/3/2015 EUR thousand	31/12/2014 EUR thousand
< 1 Y	122.2	141.3
1-4 Y	-59.5	-98.0
4-8 Y	7.7	-46.6
8-15 Y	-209.6	119.3
> 15 Y	-1.8	20.2
Total	**-141.0**	**136.2**

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 is EUR -141.0 thousand, and has reversed compared with the end of 2014 (EUR 136.2 thousand). The utilisation is within the limits.

Foreign exchange risk (EAA Group)

	31/3/2015 EUR thousand	31/12/2014 EUR thousand
AUD	3,267.1	1,574.0
CZK	111.2	108.1
GBP	-174.1	8,151.3
JPY	4,519.0	7,305.9
PLN	-896.4	63.9
RUB	-73.2	228.9
SGD	2,308.5	1,724.6
TRY	91.8	136.6
USD	32,203.9	31,815.6
Other	9,128.2	159.3
Total	**50,486.0**	**51,268.2**

The EAA's currency position is determined based on the principle of special cover in accordance with section 340h of the HGB. The exposures in the various currencies are within the limits.

The equity risk is of minor significance to the EAA's banking book.

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

In the trading portfolio, equity price risks and, to a small extent, credit spread and commodity risks also exist alongside interest rate and foreign exchange risks. The trading portfolio predominantly includes derivative exposures and also contains non-linear options 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).

When monitoring and limiting risks, the EAA applies both a VaR model and risk sensitivities. Risk management also makes use of a number of stress scenarios. On a daily basis, the VaR model calculates interest rate risks, equity risks and foreign exchange risks (including commodity risks) for the trading portfolio including the respective volatility risks. A confidence level of 99% and a one-day holding period are assumed when calculating the VaR.

Historic and parametric stress tests are calculated weekly. These also simulate the effects of market price risks not covered by the VaR, independent of statistically observed probabilities of occurrence.

The relevant market price risk exposures are continuously subjected to back testing. This involves comparing on a daily basis the actual market value changes (hypothetical income statement) to the possible market value changes forecasted by the VaR model. In 2014 there was one back-testing breach at the highest level of the portfolio structure of the trading portfolio. From a statistical perspective, two to three exceeded limits must be taken into account per year for a VaR with a holding period of one trading day and a confidence level of 99%.

Value at Risk by clusters

	Value at risk 31/3/2015 EUR thousand	Value at risk 31/12/2014 EUR thousand
EAA Trading	5,100.1	1,486.2
Interest Rate Options	307.8	201.3
Interest Rate Exotics	4,634.7	985.6
Interest Rate Flow	222.0	275.0
Credit Derivatives	8.7	9.0
Fund Derivs & Credit Repacks	0.5	0.8
Foreign Exchange Options and Hybrids	159.4	75.1
Equity Structured Products	71.3	43.2
Mum GIC Portfolio	503.3	500.4
Commodities	0.3	0.6

The VaR for the trading portfolio rose to EUR 5,100.1 thousand (31 December 2014: EUR 1,486.2 thousand) due to strong market movements.

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 funding measures set out in the funding plan on the market, in whole or in part.

The EAA's affiliates are included in its liquidity planning and management process so as to ensure an 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.

All stress scenarios demonstrated a viable liquidity situation as at 31 March 2015. The liquidity reserve consists of collateralised liquidity (the portfolio's securities holdings which are highly likely to be eligible for bilateral repo transactions) and short-term investments. Liquidity reserves were always higher than the liquidity reserve requirement during the reporting period. The liquidity reserve amounted to EUR 9.6 billion when the stress test was performed on the last day of March 2015.

Owing to the good ratings of its guarantors, the EAA does not consider it necessary to limit the strategic liquidity risk.

Operational risks

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

Operational risks within the EAA are determined using a risk inventory, which is performed on a regular basis. The EAA's most recent risk inventory revealed one valuation object (1%) with high risks. Of the valuation objects, 11% are characterised by medium risks and 88% by low risks. The EAA's overall risk situation has therefore improved slightly following the successful implementation of risk mitigation measures to address last year's high risks and the general stabilisation after the refill.

EAA has outsourced key business processes to PFS and EPA. Portigon continues to undergo a process of transformation to implement a restructuring ordered by the European Commission. In this connection, for example, PFS was split off from Portigon during the last fiscal year. As a consequence of this split-up, Portigon's service obligations were transferred to PFS. PFS reserves the right, however, to procure some services from Portigon for provision to the EAA. Any possible operational risks associated with the separation of PFS from Portigon are covered by the EAA's existing range of tools.

The most recent risk inventory at the Portigon Group regarding the processes attributable to the EAA showed a high risk for 3% of the evaluated risks, especially in the case of measurements related to personnel. The EAA has been monitoring this development and has prepared measures to take, if necessary, in order to minimise the operational risk. The foundation of EPA and the transfer of essential portfolio management services from PFS to EPA are an example of such a measure to stabilise the EAA.

The EAA has established a function to manage its third-party service providers. It monitors the interfaces between the service providers and the EAA – as the service recipient – in terms of the content, form and quality of the services. Using a continuous and timely monitoring process, the EAA accordingly ensures that the EAA's requirements, which are defined in service level agreements, are understood and accepted by the service provider and also regularly fulfilled in the agreed form. In this process the EAA records the outsourcing risks and assesses them by applying a traffic light logic.

There have been no elevated risks so far in 2015, and the quality of the services rendered during the period was fundamentally stable in accordance with the service agreement.

The EAA is currently reviewing the operational stability of this arrangement and the future business orientation of PFS in order to determine whether some of the activities currently outsourced to PFS can or should be reintegrated into the EAA and EPA.

Other risks

Reputational risks

Given the strong 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 reporting intensely to further minimise reputational risks. This also includes public reporting 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 has appointed PFS to manage the transferred assets. Accordingly, PFS is responsible for promptly recognising any legal risks arising in this context, and for communicating them in order to then mitigate or eliminate these risks to the greatest possible extent in consultation with the EAA. When fulfilling its responsibilities PFS may, in turn, involve Portigon.

The EAA has established sufficient reserves and initiated other measures, when necessary, to cover judicial and extra-judicial disputes. For further details, please refer to the corresponding section in the 2014 annual report.

Tax risks

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

Longevity risks

The EAA funds premium payments for US life insurance policies under so-called life settlement engagements. The payouts from these policies flow to the EAA when the insured individual dies. Longevity risks exist when the insured individual lives longer than originally calculated. In this case, the insurance premiums must be paid longer than forecast, and the death benefits are paid to the EAA at a later date.

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

The EAA has engaged external actuarial advisors and service providers who provide the EAA with 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 potential deviations from the original forecast can be identified.

Summary of risk situation

The EAA was established in order 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 based on a long-term wind-up plan in a value-preserving and risk-minimising manner. Value fluctuations in the interim are of less significance.

To that end in particular, wind-up agencies in accordance with section 8a FMStFG are exempt from capital requirements, the obligation to prepare consolidated financial statements and other statutory provisions that apply to commercial banks. The EAA is thus primarily geared toward assuming credit and market price risks.

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

Liquidity risk is reduced to the same extent to which the EAA raises funding on the capital markets that is largely congruous in terms of maturities and currencies. Due to its good rating, the EAA enjoys a stable funding situation.

Market price risks are largely limited.

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

The Phoenix and EUSS structured securities products continue to constitute the largest individual risks. This means the US economy and the development of the US real estate market play a prominent role in the EAA's risk situation. The EAA has provided sufficiently for all known risks. Its equity is available as aggregate risk cover for risks that are not yet currently foreseeable.

Risks resulting from the sovereign debt crisis, particularly for exposures in peripheral eurozone countries, are being monitored closely and in a timely fashion.

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 wind-up plan as well as up-to-date variables and market parameters. This involves, in particular, the effects of changed framework conditions on equity in 2027. The analyses conducted as at 30 March 2015 have not given rise to any need for adjustments to the wind-up plan during the year. As at 31 December 2014 a new wind-up plan was prepared as scheduled. This wind-up plan shows positive equity capital as at the end of the planning period. This means that as of the end of planning horizon for the wind-up plan, the only possibility that a loss would occur which would require utilisation of the EAA's liability mechanism 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 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

The solvency of eurozone countries is at the core of the European sovereign debt crisis. Because banks in the eurozone invested heavily in euro government bonds prior to the outbreak of the debt crisis, the deterioration in the credit quality of these economies very rapidly affected the creditworthiness of the banking sector in general. At the same time, the implied guarantee of eurozone governments as the buyers of last resort had become increasingly worthless in the view of the financial markets. Only the most affluent countries in the core of the eurozone could afford to provide public support for their banks. The high and growing indebtedness of peripheral economies made it impossible to recapitalise and stabilise stricken or faltering banks.

Consequently, the credit quality of the banks deteriorated, too. A country risk premium (risk surcharge over German government bonds), like the one seen in the markets for government bonds, became increasingly prevalent in the pricing of bank bonds, corporate bonds, covered bonds and loans. This led to further adverse effects and created a need for additional write-downs at banks, triggering an expansion in spreads. This phenomenon, called the fragmentation of the euro financial markets, has only started to recede since the introduction of the OMT programme.

The ECB’s announcement of the procedures for its government bond-buying programme in January 2015 underscored its determination even further. In 2014 it had already begun to purchase securitisations and covered bonds. But in order to achieve its target for total assets of around EUR 3 trillion, the ECB has been additionally purchasing euro government bonds since March 2015. At the moment the ECB is spending EUR 60 billion every month for euro government bonds, covered bonds and securitisations. This programme, which extends from March 2015 until September 2016, will add even further easing to capital markets that already have a generous supply of liquidity. This purchase programme will join the other mechanisms already in place, such as the ECB’s OMT programme and TLTROs. These ECB measures are seen as having been a major reason why the multitude of crises in 2014 and the current dispute between the new Greek government and the institutions have had no noticeable effect on the financing costs of eurozone countries.

The significant growth differentials within the eurozone have also not led to any new turmoil in the markets for euro government bonds. Countries in the core of the eurozone (especially Germany) have enjoyed robust growth rates over the last several quarters, whereas many peripheral countries and countries of the semi-core have experienced stagnating economic output (France) or even slight contractions (Italy). This is particularly due to the fact that France and Italy have not taken sufficient action to improve their competitiveness.

This means that valuations, not only of euro government bonds of the periphery but also of other risky financial products of the eurozone, will probably normalise further. This process is not limited to just listed financial products; it affects other segments of the euro credit markets as well such as promissory notes, traditional loans and project financing. The EAA's portfolios benefit from this normalisation process because the further "pricing out" of an additional country risk premium means that prices will recover considerably. Going forward, this process will probably continue in 2015, too. The ECB's OMT programme has created new confidence in the euro periphery. At the same time, the euro crisis was a key catalyst for the region. Structural problems in Spain and Portugal, such as rigid labour and product markets, a retirement age that is too low and an incorrect export mix, have been resolved, thereby increasing competitiveness.

Forecast report

The EAA anticipates that in 2015 active measures and contractual maturities will reduce the notional volume of the banking book by around 18% to about EUR 44.7 billion (basis of comparison: notional volume as at 31 December 2014 in accordance with the 2015 wind-up plan).

To date, the original plan for the wind-up of the total portfolio has been met or even exceeded. In addition to the sale of Basinghall in December 2014, the scheduled finalisation of the sale of WestImmo in the second quarter of 2015 will mean that another major portion of the EAA's portfolio will be wound up sooner than planned. Taking this sale into account, the year-end target will already have been achieved.

The EAA's objective is to wind up by the end of 2016 around 75% of the banking book's portfolio as at 31 December 2011 (including the exposures held by subsidiaries and the refill).

For 2015 the plan calls for a reduction in the notional volume of the trading portfolios by around 23% to about EUR 363 billion compared with the previous year. The EAA will continue to analyse to what extent it is possible to accelerate the reduction of the assumed trading portfolios in an effective and cost efficient manner.

As for the transferred exposures in the trading portfolios, the EAA continues to target a more than 70% reduction in the notional volume by the end of 2016 since the transfer in 2012. The book values are set to decrease to the same extent during this period – depending on market valuations.

Net interest income and net fee and commission income will probably decrease in the fiscal year 2015 as the volume of the portfolio declines. The plan is to generate close to EUR 174 million (including dividend income) from this portfolio. A forecast for the trading result and for the result of risk provisions is difficult due to the imponderables with respect to developments on the global financial and other markets. The EAA continues to adhere to its value-preserving reduction strategies and expects – based on the assumptions listed above – that it can achieve a break-even result for the fiscal year 2015.

The EAA's previous forecast, calling for a sharp decrease in its net interest income and net fee and commission income in the fiscal year 2014 due to the wind-up of the portfolio, proved to be correct. As in the previous year, the EAA has decided not to make a forecast about the development of the net trading and risk provision result due to the imponderables associated with the developments on the global financial and other markets.

Based on its wind-up planning, the EAA does not foresee the need to utilise the existing liability guarantees.

As in previous years, the EAA's wind-up activities will focus on premature portfolio-reducing measures and active participation management.

For 2015 the EAA has once again defined a sale portfolio as its objective. In light of this, a number of exposures in the credit and securities portfolio have been identified that hold potential for sales, terminations or early redemptions. This course of action serves the overriding goal of minimising losses while taking into account expected risk developments. Independent of the sales portfolio for 2015, the EAA pursues an opportunistic approach by conducting regular analyses of market conditions and exit opportunities in order to assess premature and profitable wind-up potentials for all positions of the portfolio.

The fact that the economic recovery in 2014 has faltered somewhat due to a variety of stress factors shows how fragile the eurozone's economy still is even in the fourth year after the outbreak of the euro debt crisis. As far as 2015 is concerned, the new interventions by the ECB (programme to purchase government bonds, targeted long term refinancing operations) and the encouragingly robust economy in Spain, Portugal and Germany indicate that an improvement in the situation has begun. Nevertheless, an attempt to overcome a debt crisis through austerity measures will take a very long time. Empirical studies of sovereign debt crises have shown that on average, such crises tend to last a good 25 years.

These efforts are even more difficult when additional economic sectors, such as private households and the (non-financial) corporate sector, must likewise make cut-backs in order to reduce excessive, unsustainable debt. Nonetheless, the ambitious objectives that the EAA has established for the long term are supported by current economic trends. The ECB's programme to purchase euro government bonds should have a particularly positive impact on the EAA's portfolios. In fact, this positive effect will probably not be limited to just government bonds and will instead likely radiate out to other segments because investors, particularly those focused on the euro as their investment currency, must find investment alternatives. Even though the recovery may have taken a brief time-out in the second half of 2014, it is likely to continue in 2015. That is reason enough to have a positive outlook for the future over the medium term. The economic recovery continues in industrial countries – although the pace has been somewhat slower recently. This can be seen in the further improvement in the fundamentals of the eurozone, where GDP is forecast to grow for 2015.

Subsequent events

On 22 February 2015 the EAA concluded an agreement to sell its stake in WestImmo to the Aareal Group. The closing of the transaction (when the shares are transferred) will take place as soon as all necessary approvals have been obtained. The sale of WestImmo means that the EAA's portfolio of loans and securities will decrease by around EUR 10 billion compared with the end of 2014. The sale will have a positive impact on the EAA's earnings in 2015 and on its long-term wind-up planning. When the closing takes place, all of WestImmo's funding liabilities to the EAA as well as all of the financial guarantees that the EAA has issued on behalf of the WestImmo portfolio will be redeemed. The closing is planned for the second quarter of 2015.

On 28 April 2015 the German Supreme Court (BGH) issued its first ruling in a proceeding about municipal interest swap transactions. The BGH ruled in favour of the EAA, overturning the judgement of the prior instance and referring the matter back to the Higher Regional Court in Düsseldorf. The BGH emphasised that a bank is fundamentally obliged to inform its clients about the pricing of its costs and net profit in a transaction, i.e., about the incorporation of an initial negative market value into the structure of the transaction. This applies regardless of the specific design of the contractual conditions of the swap agreement (complexity), according to the court. The BGH also confirmed that the bank is not obliged to inform its clients about the initial negative market value if the swap agreement is intended to hedge offsetting interest or currency risks from connected underlyings. In addition, the BGH emphasised further possible objections against a bank's obligation to pay damages in respect to causality and the statute of limitations. The written judgement is currently not yet available.

To reduce the risk, 10% of the HETA securities were sold on 30 April 2015.

Otherwise, there are no reportable events affecting any risk exposures held or guaranteed by the EAA.

Balance sheet

Assets

	Note	EUR	EUR	31/3/2015 EUR	31/12/2014 EUR
1. Cash reserve					
a) Balances with central banks			1.005		(50)
of which:					
with Deutsche Bundesbank EUR 1,005 (py: EUR 50)					
				1.005	50
2. Loans and advances to banks	3, 27				
a) payable on demand			9,550,701,141		(6,715,689,869)
b) other loans and advances			6,534,464,965		(7,875,689,956)
				16,085,166,106	14,591,379,825
3. Loans and advances to customers	4, 5, 14, 27			17,352,862,814	12,961,376,080
of which:					
secured by mortgage charges EUR 265,039,463(py: EUR 301,149,719)					
Public-sector loans EUR 1,362,085,222 (py: EUR 1,029,743,537)					
4. Bonds and other fixed-income securities	6, 15, 27				
a) Bonds issued by					
aa) public issuers		2,379,959,349			(2,018,642,403)
of which:					
eligible as collateral with Deutsche Bundesbank EUR 2,142,997,762 (py: EUR 1,884,254,808)					
ab) other issuers		14,729,329,088			(14,030,821,225)
of which:					
eligible as collateral with Deutsche Bundesbank EUR 1,583,282,385 (py: EUR 1,075,968,037)					
			17,109,288,437		(16,049,463,628)
b) Own bonds Notional value EUR 286,069,698 (py: EUR 91,237,000)			286,291,982		(91,746,421)
				17,395,580,419	16,141,210,049
5. Equities and other non-fixed-income securities	7, 14			21,902,905	25,345,144
5a. Trading portfolio	8			36,995,274,186	33,768,281,602

	Note	EUR	EUR	31/3/2015 EUR	31/12/2014 EUR
6. Long-term equity investments	9			101,808,652	109,378,843
of which:					
in banks EUR 12,421,102 (py: EUR 12,421,102)					
7. Shares in affiliates	10			971,117,448	1,692,481,177
of which:					
in banks EUR 880,454,520 (py: EUR 1,611,828,596)					
in financial service providers EUR 10,881,144 (py: EUR 10,797,344)					
8. Trust assets	11			259.106	262.425
of which:					
trust loans EUR 259,106 (py: EUR 262,425)					
9. Intangible assets					
a) paid concessions, trademarks and similar rights and values such as licenses in such rights			5,144,337		(5,212,861)
				5,144,337	5,212,861
10. Tangible fixed assets				248.582	228.686
11. Other assets	12			56,845,932	123,011,147
12. Prepaid expenses/accrued income	13			57,810,269	56,456,587
Total assets				**89,044,021,761**	**79,474,624,476**

Liabilities and equity

	Note	EUR	EUR	31/3/2015 EUR	31/12/2014 EUR
1. Deposits from banks	13, 16				
a) payable on demand			3,534,203,673		2,544,876,905
b) with an agreed maturity or withdrawal notice			3,007,331,316		2,468,239,131
				6,541,534,989	5,013,116,036
2. Deposits from customers	13, 17				
other deposits					
a) payable on demand			247,923,975		144,809,684
b) with an agreed maturity or withdrawal notice			4,862,017,581		5,400,251,820
				5,109,941,556	5,545,061,504
3. Debt securities in issue	13, 18				
a) Bonds			24,979,558,895		26,334,620,862
b) Other debt securities in issue			15,168,749,077		8,413,263,553
of which:					
Money market instruments EUR 15,167,603,474 (py: EUR 8,412,117,951)					
				40,148,307,972	34,747,884,415
3a. Trading portfolio	19			35,795,423,752	32,874,091,231
4. Trust liabilities	20			259.106	262.425
of which:					
trust loans EUR 259,106 (py: EUR 262,425)					
5. Other liabilities	21			400,766,323	242,797,550
6. Accruals/deferred income	22			20,327,465	22,691,986
7. Provisions	23				
a) Tax provisions			828.715		828.715
b) Other provisions			417,067,447		409,460,393
				417,896,162	410,289,108
8. Fund for general bank risks				0	0
of which special item pursuant to § 340e (4) HGB EUR 0 (py: EUR 0)					

	Note	EUR	EUR	31/3/2015 EUR	31/12/2014 EUR
9. Equity	24				
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			-2,406,604,186		-2,397,738,401
				609,564,436	618,430,221
Total liabilities and equity				**89,044,021,761**	**79,474,624,476**
1. Contingent liabilities	29				
a) Liabilities on guarantees and warrantees			8,472,637,007		(8,410,571,795)
				8,472,637,007	8,410,571,795
2. Other obligations	29				
a) Irrevocable loan commitments			4,029,800,873		(3,969,976,758)
				4,029,800,873	3,969,976,758

Income statement

	Note	EUR	EUR	1/1 - 31/3/2015 EUR	1/1 - 31/3/2014 EUR
1. Interest income from	25				
a) Lending and money market transactions		111,909,682			(154,152,439)
b) Fixed-income securities and debt register claims		51,308,938			(52,032,912)
			163,218,620		(206,185,351)
2. Interest expense			131,980,201		(167,707,259)
				31,238,419	38,478,092
3. Current income from	25				
a) Equities and other non-fixed-income securities			187.998		(2,643)
b) Long-term equity investments			614.922		(410,356)
c) Shares in affiliates			47.603		(95,028)
				850.523	508.027
4. Fee and commission income	25		16,844,918		(24,285,155)
5. Fee and commission expense			5,482,598		(8,625,395)
				11,362,320	15,659,760
6. Net trading result				-65,390,763	-4,876,237
7. Other operating income	25, 26			1,498,106	612.771
8. General and administrative expenses					
a) Personnel expenses					
aa) Wages and salaries		4,855,533			(4,789,941)
ab) Compulsory social security contributions and expenses for pensions and other employee benefits		539.215			(372,370)
of which					
for pensions EUR 153,592 (py: EUR 0)					
			5,394,748		(5,162,311)
b) Other administrative expenses			67,594,513		(76,880,045)
				72,989,261	82,042,356

	Note	EUR	EUR	1/1 - 31/3/2015 EUR	1/1 - 31/3/2014 EUR
9. Depreciation and write-offs of intangible assets and tangible fixed assets				116.486	18.347
10. Other operating expenses	26			794.948	826.394
11. Income from reversals of write-offs of loans and advances and certain securities and from reversals of loan loss provisions	23, 27			116,987,838	45,480,723
12. Depreciation and write-offs on long-term equity investments shares in affiliates and long-term securities	27			30,014,587	5,304,837
13. Result from ordinary activities				-7,368,839	7,671,202
14. Taxes on income and earnings	28			105.749	254.358
15. Other taxes not reported under item 10	28			1,391,197	0
16. Net loss/profit of the year				-8,865,785	7,416,844
17. Net retained losses brought forward				-2,397,738,401	-2,460,266,692
18. Net retained losses				-2,406,604,186	-2,452,849,848

Cash flow statement

			1/1 - 31/3/2015 EUR	1/1 - 31/3/2014 EUR
1.	+/-	Result for the period	-8,865,785	7,416,844
		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, amortization on tangible fixed assets and long term financial assets as well as the reversal thereof	-75,401,461	-42,783,598
3.	+/-	Increase/decrease in provisions	7,607,054	33,190,186
4.	+/-	Other non-cash income/expense	75,998,917	-75,163,557
5.	+/-	Gain/loss on disposal of long-term financial assets	-3,977,900	-2,168,816
6.	=	Subtotal	-4,639,175	-79,508,941
		Change in operating assets and liabilities		
7.	+/-	Increase/decrease loans and advances to banks (no trading portfolio)	-986,413,934	-1,502,459,304
8.	+/-	Increase/decrease loans and advances to customers (no trading portfolio)	-4,247,558,053	1,127,357,771
9.	+/-	Increase/decrease securities (no financial assets and no trading portfolio)	-1,259,294,787	1,252,359,009
10.	+/-	Trading assets	-293,911,429	144,845,045
11.	+/-	Increase/decrease other operating assets	65,324,209	228,755,330
12.	+/-	Increase/decrease of deposits from banks (no trading portfolio)	1,409,222,871	-224,943,555
13.	+/-	Increase/decrease of deposits from customers (no trading portfolio)	-452,846,657	337,952,695
14.	+/-	Increase/decrease debt securities in issue	5,461,399,234	-1,229,518,835
15.	+/-	Trading liabilities	-87,747,552	-132,844,471
16.	+/-	Increase/decrease other operating liabilities	157,973,250	-79.660
17.	+/-	Interest expenses/Interest income	-32,088,941	-38,986,120
18.	+/-	Tax expenses/-income	105.749	254.358
19.	+	Interest payments and dividend payments received	108,191,107	210,744,998
20.	-	Interest paid	-173,747,880	-249,540,718
21.	+/-	Income tax payments	-105.749	-902.663
22.	=	Cash flows from operating activities (sum of 1 to 21)	-336,137,737	-156,515,061
23.	+	Proceeds from disposal of long-term financial assets	736,776,722	-625.902
24.	-	Purchase of long-term financial assets	-7,796,664	-840.447
25.	-	Purchase of tangible fixed assets	-28.227	-12.307
26.	-	Purchase of immaterial assets	-39.632	0
27.	=	Cash flows from investing activities (sum of 23 to 26)	728,912,199	-1,478,656
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)	392,774,462	-157,993,717
31.	+	Cash funds at beginning of period	54,972,869	163,239,343
32.	=	Cash funds at end of period (sum of 30 to 31)	447,747,331	5,245,626

The cash flow statement as at 31 March 2015 has been prepared in accordance with the new DRS 21. The previous year has likewise been adjusted. The cash and cash equivalents include the current accounts maintained at Portigon 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 1/1/2015 EUR	Appropriation of the result EUR	Balance as of 31/3/2015 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	-2,397,738,401	-8,865,785	-2,406,604,186
Equity under HGB	**618,430,221**	**-8,865,785**	**609,564,436**

	Balance as of 1/1/2014 EUR	Appropriation of the result EUR	Balance as of 31/3/2014 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	-2,460,266,692	7,416,844	-2,452,849,848
Equity under HGB	**555,901,930**	**7,416,844**	**563,318,774**

Condensed notes

For the period from 1 January to 31 March 2015

General disclosures

1. Preparation of the interim financial statements

In accordance with section 8a (1) sentence 10 in conjunction with section 3a (4) of the FMStFG and the additional guidance of the EAA's charter, these interim financial statements have been prepared under the provisions of the HGB for large public companies and the German Ordinance on Accounting for Banks and Financial Service Providers (Verordnung über die Rechnungslegung der Kreditinstitute und Finanzdienstleistungsinstitute – RechKredV). The condensed financial statements comply in particular with the requirements of DRS 16 (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 2014. All facts were considered up to the time these interim financial statements were prepared.

2. Accounting and measurement principles

The same accounting and measurement principles were applied to the interim financial statements as to the financial statements for the financial year from 1 January to 31 December 2014.

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

Notes on the balance sheet

3. Loans and advances to banks

	31/3/2015 EUR million	31/12/2014 EUR million
Carrying amount	**16,085.2**	**14,591.4**
of which:		
- to affiliates	2,392.3	6,431.5
payable on demand	9,550.7	6,715.7
due		
- within 3 months	6,106.8	6,756.0
- 3 months to 1 year	126.7	440.4
- 1 to 5 years	265.3	642.6
- after 5 years	35.7	36.7

Receivables also include registered and other non-marketable debt instruments. Hidden liabilities totalled EUR 0.0 million (previous year: EUR 0.0 million).

4. Loans and advances to customers

	31/3/2015 EUR million	31/12/2014 EUR million
Carrying amount	**17,352.9**	**12,961.4**
of which:		
- to affiliates	1,665.4	1,390.8
- to long-term equity investments	23.6	71.8
due		
- within 3 months	2,397.8	2,162.9
- 3 months to 1 year	2,441.3	2,299.7
- 1 to 5 years	4,462.1	4,385.4
- after 5 years	8,051.7	4,113.4

Receivables also include registered and other non-marketable debt instruments. Hidden liabilities increased to EUR 276.0 million (previous year: EUR 82.9 million).

5. Loans and advances secured by mortgages

	31/3/2015 EUR million	31/12/2014 EUR million
Carrying amount	**265.0**	**301.1**
Loans and advances to customers due		
- within 3 months	4.5	10.8
- 3 months to 1 year	8.6	8.3
- 1 to 5 years	57.3	75.5
- after 5 years	194.6	206.5

6. Bonds and other fixed-income securities

	31/3/2015 EUR million	31/12/2014 EUR million
Carrying amount	**17,395.6**	**16,141.2**
of which:		
Amounts due in the following year	943.4	341.6
Breakdown		
- Bonds issued by public issuers	2,380.0	2,018.6
- Bonds issued by other issuers	14,729.3	14,030.9
- Own bonds	286.3	91.7
Breakdown by marketability		
- Marketable securities	17,395.6	16,141.2
of which		
- listed	4,849.5	3,654.4
- unlisted	12,546.1	12,486.8
Breakdown by type		
- Liquidity reserve	319.8	91.7
- Investment securities	17,075.8	16,049.5
Breakdown by affiliation		
- Securities of affiliates	325.8	324.9

The bonds and other fixed-income securities in the amount of EUR 17.1 billion (previous year: EUR 16.0 billion) of the investment securities portfolio are included in long-term financial assets. As at the reporting date, investment securities with a book value of EUR 13.0 billion (previous year: EUR 13.1 billion) were recognised above their fair value of EUR 12.3 billion (previous year: EUR 12.4 billion) because the EAA expects to receive repayments totalling at least the amount of the book value. This judgement is based on the EAA's long-term wind-up strategy and the expected performance of the investment securities.

This difference is primarily attributable to structured loan products, EUR 0.1 billion of which (previous year: EUR 0.1 billion) relates to bonds that were acquired in connection with asset swaps. The EAA funds the portion of the aforementioned investment portfolio that was not hedged with swaps (EUR 12.9 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.

7. Equities and other non-fixed income securities

	31/3/2015 EUR million	31/12/2014 EUR million
Carrying amount	**21.9**	**25.3**
Breakdown by marketability		
- Marketable securities	21.9	25.3
of which:		
- listed	2.3	5.8
- unlisted	19.6	19.5
Breakdown by type		
- Liquidity reserve	1.9	5.4
- Investment securities	20.0	19.9

8. Trading portfolio

	31/3/2015 EUR million	31/12/2014 EUR million
Carrying amount	**36,995.3**	**33,768.3**
of which:		
- Derivative financial instruments	36,988.2	33,734.6
- Equities and other non-fixed-income securities	36.0	35.8
- Loans and advances	2.6	2.4
- Bonds and other fixed-income securities	-	0.2
- Risk allowance pursuant to § 340e (3) sentence 1 HGB	-31.5	-4.7

9. Long-term equity investments

	31/3/2015 EUR million	31/12/2014 EUR million
Carrying amount	**101.8**	**109.4**
of which:		
- in banks	12.4	12.4
Breakdown by marketability		
- Marketable securities	46.3	52.1
of which:		
- listed	23.9	29.7
- unlisted	22.4	22.4

The decline in long-term equity investments compared with 31 December 2014 is primarily the result of the portfolio wind-up.

10. Shares in affiliates

	31/3/2015 EUR million	31/12/2014 EUR million
Carrying amount	**971.1**	**1,692.5**
of which:		
- in banks	880.5	1,611.8
- in financial service providers	10.9	10.8
Breakdown by marketability		
- Marketable securities	434.3	1,184.3
of which:		
- unlisted	434.3	1,184.3

The decrease is mostly due to a capital repayment from EAA CBB.

11. Trust assets

	31/3/2015 EUR million	31/12/2014 EUR million
Carrying amount	**0.3**	**0.3**
of which:		
- Loans and advances to customers	0.3	0.3

12. Other assets

	31/3/2015 EUR million	31/12/2014 EUR million
Carrying amount	**56.8**	**123.0**
of which:		
- Guarantee fees and commissions	25.1	24.9
- Tax refund claims	16.0	15.5
- Receivables from profit and loss pooling agreements	15.4	80.1
- Premiums for options	-	2.1

The guarantee fees included in Other assets consist of receivables from Portigon totalling EUR 14.0 million.

13. Prepaid expenses/accrued income

	31/3/2015 EUR million	31/12/2014 EUR million
Carrying amount	**57.8**	**56.5**
of which:		
- Non-recurring payments on swaps	37.1	35.6
- Discount on issuing business	12.8	14.0
- Discount on liabilities	6.0	5.8
- Other	1.9	1.1

14. Subordinated assets

Subordinated assets are included in:

	31/3/2015 EUR million	31/12/2014 EUR million
Loans and advances to customers	**761.6**	**647.9**
of which:		
- to affiliates	325.2	254.4
- to long-term equity investments	1.9	1.9
Equities and other non-fixed-income securities	**19.6**	**19.6**
Total	**781.2**	**667.5**

The increase in subordinated assets is primarily due to the provision of liquidity for a subsidiary.

15. Assets sold under repurchase agreements

The carrying amount of the assets sold under repurchase agreements is EUR 20.6 million (previous year: EUR 0.0 million).

16. Deposits from banks

	31/3/2015 EUR million	31/12/2014 EUR million
Carrying amount	**6,541.5**	**5,013.1**
of which:		
- Deposits from affiliates	727.1	32.4
Payable on demand	3,534.2	2,544.9
due		
- within 3 months	1,039.7	340.1
- 3 months to 1 year	1,608.2	1,602.4
- 1 to 5 years	120.9	287.4
- after 5 years	238.5	238.3

17. Deposits from customers

	31/3/2015 EUR million	31/12/2014 EUR million
Carrying amount	**5,109.9**	**5,545.1**
Other deposits	5,109.9	5,545.1
of which:		
- payable on demand	247.9	144.8
due		
- within 3 months	851.4	1,144.1
- 3 months to 1 year	857.7	945.7
- 1 to 5 years	886.3	946.0
- after 5 years	2,266.6	2,364.5

18. Debt securities in issue

	31/3/2015 EUR million	31/12/2014 EUR million
Carrying amount	**40,148.3**	**34,747.9**
Bonds	24,979.6	26,334.6
of which:		
Amounts due in the following year	17,446.0	12,803.1
Other debt securities in issue	15,168.7	8,413.3
of which due:		
- within 3 months	10,705.8	6,889.7
- 3 months to 1 year	4,462.9	1,523.6
- 1 to 5 years	-	-
- after 5 years	-	-

19. Trading portfolio

	31/3/2015 EUR million	31/12/2014 EUR million
Carrying amount	**35,795.4**	**32,874.1**
of which:		
- Derivative financial instruments	35,795.2	32,874.1
- Liabilities	0.2	-

20. Trust liabilities

	31/3/2015 EUR million	31/12/2014 EUR million
Carrying amount	**0.3**	**0.3**
of which:		
- Deposits from banks	0.3	0.3

21. Other liabilities

	31/3/2015 EUR million	31/12/2014 EUR million
Carrying amount	**400.8**	**242.8**
of which:		
- Currency translation adjustments	366.4	171.1
- Deposits from the assumption of losses	12.6	12.6
- Obligations from swap transactions	0.1	0.1
- Premiums from options	-	2.1
- Other	21.7	56.9

Other liabilities mostly include unpaid invoices.

22. Accruals/deferred income

	31/3/2015 EUR million	31/12/2014 EUR million
Carrying amount	**20.3**	**22.7**
of which:		
- Non-recurring payments on swaps	15.3	16.4
- Premium on issuing business	3.6	5.0
- Premiums for sold interest rate caps and floors	1.4	1.3

23. Provisions

	Balance as of 31/12/2014 EUR million	Additions EUR million	Unwinding of discount EUR million	Charge-offs EUR million	Reversals EUR million	Other changes EUR million	Final balance 31/3/2015 EUR million
Taxes	**0.8**	**-**	**-**	**-**	**-**	**-**	**0.8**
Other provisions	**409.5**	**10.6**	**0.6**	**13.3**	**8.7**	**18.4**	**417.1**
- Loans	274.1	0.9	-	9.7	8.1	6.2	263.4
- Long-term equity investments	24.5	-	0.2	-	-	2.2	26.9
- Legal actions	21.5	0.3	0.1	-	-	0.4	22.3
- Personnel	0.4	-	-	-	-	-	0.4
- Other	89.0	9.4	0.3	3.6	0.6	9.6	104.1
Total	**410.3**	**10.6**	**0.6**	**13.3**	**8.7**	**18.4**	**417.9**

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

24. Equity

The EAA's subscribed capital amounts to EUR 500,000 as at 31 March 2015.

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

Other reserves amount to EUR 2.4 million and result from the reversal of provisions for which the book values were reduced as a result of the change in the measurement of obligations under the BilMoG.

The EAA's net loss for the first quarter of 2015 amounts to EUR 8.9 million and increases net retained losses carried forward to EUR 2,406.6 million as at 31 March 2015.

Notes on the income statement

25. Geographical breakdown of income components

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

	Interest income 1/1 - 31/3/2015 EUR million	Current income 1/1 - 31/3/2015 EUR million	Fees and commission income 1/1 - 31/3/2015 EUR million	Other operating income 1/1 - 31/3/2015 EUR million
Germany	123.4	0.8	16.2	1.5
Great Britain	21.0	-	0.3	-
Rest of Europe	1.0	-	-	-
Far East and Australia	2.7	-	-	-
North America	15.1	0.1	0.3	-
IS amount	**163.2**	**0.9**	**16.8**	**1.5**

The geographic attribution of the income is based on the operating branch office structure of Portigon in which the transactions were concluded prior to the transfer to the EAA.

Current income also includes the income from profit pooling, profit transfer and partial profit transfer agreements.

26. Other operating and prior-period expenses and income

Net other operating expenses and income in the first quarter of 2015 amount to EUR 0.6 million (previous year: EUR -0.2 million) and consist of EUR 0.9 million (previous year: EUR 0.8 million) in expenses and EUR 1.5 million (previous year: EUR 0.6 million) in income.

There were no material prior-period expenses and income in either the first quarter of 2015 or in the previous year.

27. Risk provision

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

	1/1 - 31/3/2015 EUR million	1/1 - 31/3/2014 EUR million
Risk provision and financial investment result including loss assumption (regarding RechKredV)	**87.0**	**40.2**
Loans and securities income/expense	**117.0**	**45.5**
of which: - Lending operations	114.0	45.5
- Securities	3.0	-
Equity investments and securities income/expenses	**-30.0**	**-5.3**
of which: - Long-term equity investments	0.2	-5.3
- Securities	-30.2	-
Expenses from loss assumption	**-**	**-**
Risk provision and financial investment result including loss assumption (regarding risk report)	**87.0**	**40.2**
Result of risk provisions - loans and advances/securities due to credit risk	**117.4**	**43.3**
of which: - Lending operations	108.8	37.6
- Structured securities	8.6	5.7
Net income from investment securities, long-term equity investments and loss assumption	**-30.4**	**-3.1**

The EAA always makes use of the options available under section 340f (3) and section 340c (2) of the HGB. Under section 340f (3) of the 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. The net income totalled EUR 117.0 million (previous year: net income of EUR 45.5 million). According to section 340c (2) of the HGB, the expenses for long-term equity investments, shares in affiliates as well as for long-term investment securities may be offset against the corresponding income. Overall, the EAA shows a net expense of EUR 30.0 million (previous year: net expense of EUR 5.3 million) as the risk result for equity investments and securities.

28. Taxes

Taxes on income and earnings amounting to EUR 0.1 million (previous year: EUR 0.3 million) primarily relate to foreign taxes.

In the current fiscal year the EAA incurred other taxes in the amount of EUR 1.4 million, which primarily relate to foreign stamp taxes.

Other disclosures

29. Contingencies

Contingent liabilities

Contingent liabilities amounting to EUR 8.5 billion (previous year: EUR 8.4 billion) primarily result from guarantees for Portigon's risk exposures. They include obligations from credit default swaps amounting to EUR 830.4 million (previous year: EUR 767.3 million). Regarding these contingent liabilities, the EAA has no detailed knowledge of whether, when or to what extent these specific contingent liabilities will be realised. A provision will be made as soon as there are sufficient concrete indications of probable losses being realised on the contingent liabilities.

Other liabilities

The reported volume of EUR 4.0 billion (previous year: EUR 4.0 billion) is due to the lending business. The EAA constantly reviews whether losses from other liabilities are impending and if a provision needs to be made for impending losses from pending transactions.

30. Forward contracts/derivative financial instruments

As part of its business activities, 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**
  Cross-currency interest rate swaps, forward cross-currency interest rate swaps, forward exchange contracts and currency option contracts

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

- **Credit derivatives**
  Credit default swaps, total return swaps and credit-linked notes

The total volume of forward transactions and derivatives transactions as at the reporting date amounts to EUR 493.5 billion based on notional values (previous year: EUR 526.2 billion). Most of the balance continues to be in interest rate-related products, whose share declined to 82.1% (previous year: 83.5%) of the total volume.

If they are exchange-traded, derivative financial instruments are measured at the market price on the balance sheet date. 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 (e.g., including interest rates, interest rate volatilities, exchange rates).

Derivative financial instruments – volume as of the balance sheet date

	Notional amount		Positive market values		Negative market values	
	31/3/2015 EUR million	31/12/2014 EUR million	31/3/2015 EUR million	31/12/2014 EUR million	31/3/2015 EUR million	31/12/2014 EUR million
Interest rate-related products	**405,207.8**	**439,535.8**	**34,028.7**	**32,689.5**	**34,735.0**	**32,418.7**
OTC products	402,483.6	436,659.9	34,028.7	32,689.5	34,735.0	32,418.7
Exchange-traded products	2,724.2	2,875.9	-	-	-	-
Currency-related products	**80,267.8**	**78,688.9**	**3,248.3**	**2,199.9**	**2,451.6**	**1,725.4**
OTC products	80,267.8	78,688.9	3,248.3	2,199.9	2,451.6	1,725.4
Equity- and other price-related products	**5,769.7**	**5,673.5**	**236.8**	**258.6**	**288.0**	**308.5**
OTC products	2,872.5	2,764.0	148.9	153.7	193.3	190.2
Exchange-traded products	2,897.2	2,909.5	87.9	104.9	94.7	118.3
Credit derivatives	**2,214.4**	**2,342.6**	**10.6**	**13.0**	**12.0**	**15.5**
OTC products	2,214.4	2,342.6	10.6	13.0	12.0	15.5
Total derivative financial instruments	**493,459.7**	**526,240.8**	**37,524.4**	**35,161.0**	**37,486.6**	**34,468.1**
OTC products	487,838.3	520,455.4	37,436.5	35,056.1	37,391.9	34,349.8
Exchange-traded products	5,621.4	5,785.4	87.9	104.9	94.7	118.3

The average annual notional volume of forward contracts and derivatives transactions amounted to EUR 509.9 billion in the current fiscal year 2015 (previous year: EUR 578.4 billion).

Derivative financial instruments – average volumes

	Notional amount		Positive market values		Negative market values	
	31/3/2015 EUR million	31/12/2014 EUR million	31/3/2015 EUR million	31/12/2014 EUR million	31/3/2015 EUR million	31/12/2014 EUR million
Interest rate-related products	**422,371.9**	**475,949.7**	**33,359.1**	**29,157.0**	**33,576.9**	**28,735.2**
OTC products	419,571.8	472,110.4	33,359.1	29,157.0	33,576.9	28,735.2
Exchange-traded products	2,800.1	3,839.3	-	-	-	-
Currency-related products	**79,478.4**	**91,336.8**	**2,724.1**	**2,208.1**	**2,088.5**	**1,905.0**
OTC products	79,478.4	91,336.8	2,724.1	2,208.1	2,088.5	1,905.0
Equity- and other price-related products	**5,721.7**	**8,925.9**	**247.8**	**414.9**	**298.3**	**632.8**
OTC products	2,818.3	3,364.5	151.3	189.6	191.8	237.2
Exchange-traded products	2,903.4	5,561.4	96.5	225.3	106.5	395.6
Credit derivatives	**2,278.5**	**2,176.6**	**11.8**	**16.8**	**13.8**	**19.4**
OTC products	2,278.5	2,176.6	11.8	16.8	13.8	19.4
Total derivative financial instruments	**509,850.5**	**578,389.0**	**36,342.8**	**31,796.8**	**35,977.5**	**31,292.4**
OTC products	504,147.0	568,988.3	36,246.3	31,571.5	35,871.0	30,896.8
Exchange-traded products	5,703.5	9,400.7	96.5	225.3	106.5	395.6

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

The received and paid option premiums for derivative financial instruments not included in the trading portfolio are reported in Other assets and Other liabilities.

Derivative financial instruments – maturities

	Interest rate-related products		Currency-related products		Equity- and other price-related products		Credit derivatives	
	31/3/2015 EUR million	31/12/2014 EUR million	31/3/2015 EUR million	31/12/2014 EUR million	31/3/2015 EUR million	31/12/2014 EUR million	31/3/2015 EUR million	31/12/2014 EUR million
Due								
- within 3 months	28,873.2	41,490.5	13,188.2	12,707.5	52.1	34.6	792.0	295.4
- 3 months to 1 year	62,003.3	61,213.5	22,707.5	17,424.8	2,994.6	2,953.3	937.2	1,235.2
- 1 to 5 years	160,994.1	174,202.2	29,364.2	33,737.1	684.0	813.6	379.8	705.9
- after 5 years	153,337.2	162,629.6	15,007.9	14,819.5	2,039.0	1,872.0	105.4	106.1
Total	**405,207.8**	**439,535.8**	**80,267.8**	**78,688.9**	**5,769.7**	**5,673.5**	**2,214.4**	**2,342.6**

31. Number of employees

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

	Female	Male	Total 1/1 - 31/3/2015	Total 1/1 - 31/3/2014
Number of employees	50	80	130	128

32. EAA shareholders

	31/3/2015 in %	31/12/2014 in %
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**

33. Memberships of other bodies held by Managing Board members

In the first quarter of 2015 the following members of the Managing Board of the EAA were 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) of the 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) of the HGB.

Matthias Wargers
EAA Portfolio Advisers GmbH *
Westdeutsche ImmobilienBank AG

Markus Bolder
EAA Portfolio Advisers GmbH *
Westdeutsche ImmobilienBank AG

Horst Küpker
Börse Düsseldorf AG *

34. Memberships of other bodies held by employees

In the first quarter of 2015 the following employees of the EAA were members of a supervisory board or other supervisory bodies of public companies pursuant to section 340a (4) no. 1 in conjunction with section 267 (3) of the 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) of the HGB.

Dr. Ulf Bachmann
Westdeutsche ImmobilienBank AG

Gabriele Müller
EAA Covered Bond Bank Plc
EAA Portfolio Advisers GmbH *

Hartmut Rahner
EAA Covered Bond Bank Plc

Alexander Tcherepnine
Banco Finantia S.A. (until 31 January 2015)

35. Executive bodies of the EAA

Members of the Managing Board of the EAA

Matthias Wargers (Spokesman)
Markus Bolder
Horst Küpker

Members of the Supervisory Board of the EAA

Dr. Rüdiger Messal
Chairman | State Secretary in the Finance Ministry of NRW

Joachim Stapf
Vice Chairman | Undersecretary (Leitender Ministerialrat) in the Finance Ministry of NRW

Dr. Karlheinz Bentele
Former President of the Rheinischer Sparkassen-und Giroverband,
Former Member of the Executive Committee (Leitungsausschuss) of the FMSA

Günter Borgel
Member of the Executive Committee (Leitungsausschuss) of the FMSA

Michael Breuer
President of the Rheinischer Sparkassen- und Giroverband

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

Matthias Löb
Director of the Landschaftsverband Westfalen-Lippe

Hans Martz
Chairman of the Managing Board of Sparkasse Essen

Michael Stölting
Member of the Managing Board of NRW.BANK

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

Dr. Uwe Zimpelmann
Former Chairman of the Landwirtschaftliche Rentenbank

Stakeholders' Meeting of the EAA

The Stakeholders' Meeting is made up of representatives of the shareholders (see Note 32).

36. Information on shareholdings

Supplementary disclosures pursuant to section 285 Nos. 11 and 11a HGB

Shareholdings denominated in a foreign currency have been 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	Börse Düsseldorf AG [10]	Düsseldorf	21.95		EUR	34.391	1.540
2	Castello di Casole Agricoltura S.r.l. società agricola [1) 10)]	Casole d'Elsa, Italy	100.00		EUR	86	-8
3	Castello di Casole S.r.l. [10]	Casole d'Elsa, Italy	100.00		EUR	4.881	-1.183
4	Castello Resort Villas S.r.l. [10]	Casole d'Elsa, Italy	100.00		EUR	643	-335
5	CBAL S.A. [2) 13)]	Braine l'Alleud, Belgium	100.00		EUR	975	6.086
6	COREplus Private Equity Partners GmbH & Co. KG [1) 10)]	Düsseldorf	36.52	0.00	EUR	25.114	-366
7	COREplus Private Equity Partners II - Diversified Fund, L. P. [10]	Wilmington, USA	24.75	0.00	USD	45.439	3.862
8	Dussinvest2 Beteiligungsgesellschaft mbH [4) 10)]	Düsseldorf	100.00		EUR	232	0
9	Dusskapital Zwanzig Beteiligungsgesellschaft mbH [10]	Düsseldorf	100.00		EUR	28	5
10	EAA Corporate Services Public Limited Company [10]	Dublin 1, Ireland	100.00		EUR	785	745
11	EAA Covered Bond Bank Plc [10) 15)]	Dublin 1, Ireland	100.00		EUR	837.785	-3.026
12	EAA DLP I LLP [1) 14)]	Wilmington, USA	100.00		USD	141.323	4.329
13	EAA DLP II LLP [1) 14)]	Wilmington, USA	100.00		USD	150.491	8.940
14	EAA DLP III LLP [1) 14)]	Wilmington, USA	100.00		USD	188.972	15.918
15	EAA do Brasil Participacoes, Representacoes e Negocios Ltda. [10]	Sao Paulo, Brasilia	100.00		BRL	2.843	795
16	EAA Europa Holding GmbH [4) 10)]	Düsseldorf	100.00		EUR	12.570	0
17	EAA Japan K.K. [3) 11)]	Minato-ku, Japan	100.00		JPY	78.049	2.672
18	EAA LAT ABC LLP [1) 14)]	Wilmington, USA	100.00		USD	183.380	-6.752
19	EAA LAT II LLP [1) 14)]	Wilmington, USA	100.00		USD	226.208	-12.393
20	EAA LS Holdings LLC [1) 14)]	Wilmington, USA	100.00		USD	108	n. s.
21	EAA PF LLP [1]	Wilmington, USA	100.00			n. s.	n. s.
22	EAA Portfolio Advisers GmbH [10]	Düsseldorf	100.00		EUR	24	-1
23	EAA Portfolio Advisers LLC [1]	New York, USA	100.00			n. s.	n. s.
24	EAA Spyglass Holdings LLC [1) 14)]	Wilmington, USA	100.00		USD	23.584	0
25	EAA Triskele LLP [1) 14)]	Wilmington, USA	100.00		USD	211.394	-7.734
26	EAA US Holdings Corporation	Wilmington, USA	100.00			n. s.	n. s.
27	EMG Projekt Gewerbepark Ludwigsfelde/Löwenbruch GmbH [1) 10)]	Berlin	47.50		EUR	515	-119
28	Erste EAA-Beteiligungs GmbH [4) 14)]	Düsseldorf	100.00		EUR	16	0
29	Fischerinsel Beteiligungs-GmbH i.L. [1) 12)]	Mainz	100.00		EUR	13	-3
30	Fischerinsel Vermietungs GmbH & Co.KG i.L. [1) 14)]	Mainz	100.00		EUR	3	-2

Other shareholdings

No.	Name	Location	Capital share	Voting rights	CCY	Equity	Result
31	Frankonia Eurobau Max-Viertel GmbH [8)]	Nettetal	25.00		EUR	81.052	-693
32	GID Gesellschaft für Innenstadtentwicklung in Duisburg mbH [1) 10)]	Hamburg	45.00		EUR	-3	-1
33	GKA Gesellschaft für kommunale Anlagen mbH [1) 14)]	Düsseldorf	100.00		EUR	96	-58
34	GML Gewerbepark Münster-Loddenheide GmbH [1) 10)]	Münster	33.33		EUR	11.549	1.698
35	Heber Avenue Partners LLC [10)]	Dover, USA	100.00		USD	0	n. s.
36	KA Deutschland Beteiligungs GmbH & Co KG [1) 14)]	Düsseldorf	100.00		EUR	3.974	1.008
37	Kassiterit Beteiligungs GmbH [1) 10)]	Düsseldorf	100.00		EUR	11	-8
38	KB Zwei Länder Beteiligungs- und Verwaltungs GmbH & Co. KG [1) 10)]	Düsseldorf	100.00		EUR	683	-28
39	KB Zwei Länder Beteiligungsgesellschaft mbH [1) 10)]	Düsseldorf	100.00		EUR	440	-27
40	Leasing Belgium N.V. [1) 10)]	Antwerp, Belgium	100.00		EUR	581	-101
41	LIFE.VALUE Construction GmbH [1) 14)]	Düsseldorf	100.00		EUR	381	3.038
42	Life.Value Properties GmbH [1) 14)]	Düsseldorf	100.00		EUR	342	704
43	MCC Bradley LLC [1)]	East Hartford, USA	100.00			n. s.	n. s.
44	MCC Diamond Point LLC [1)]	Wilmington, USA	100.00			n. s.	n. s.
45	MCC Divot Place LLC [1)]	Wilmington, USA	100.00			n. s.	n. s.
46	MCC Lake Unity LLC [1)]	Wilmington, USA	100.00			n. s.	n. s.
47	MCC Paris LLC [1)]	Wilmington, USA	100.00			n. s.	n. s.
48	MCC SB Condo LLC [1)]	Wilmington, USA	100.00			n. s.	n. s.
49	MCC Tern Landing LLC [1)]	Wilmington, USA	100.00			n. s.	n. s.
50	MCC WK Commercial LLC [1)]	Wilmington, USA	100.00			n. s.	n. s.
51	MCC WK Residential LLC [1)]	Wilmington, USA	100.00			n. s.	n. s.
52	Methuselah Life Markets Limited [10)]	London, Great Britain	100.00		GBP	1.280	-17
53	MFC CMark LLC [1) 10)]	New York, USA	100.00		USD	180	-69
54	MFC Eagle Realty LLC [1)]	New York, USA	100.00			n. s.	n. s.
55	MFC Holdco, LLC [1) 14)]	New York, USA	100.00		USD	9.647	-1.246
56	MFC New Paradigm LLC [1)]	New York, USA	100.00			n. s.	n. s.
57	MFC Pinecrest LLC [1)]	New York, USA	100.00			n. s.	n. s.
58	MFC Real Estate LLC [1) 10)]	New York, USA	100.00		USD	9.370	-1.166
59	Mod CapTrust Holding LLC [1) 14)]	Dover, USA	100.00		USD	0	1.123
60	Monolith Grundstücksverwaltungsgesellschaft mbH [1) 10)]	Mainz	100.00		EUR	92	6
61	Nephelin Grundstücksverwaltungsgesellschaft mbH [1) 10)]	Mainz	100.00		EUR	-48	-3
62	ParaFin LLC [1) 14)]	New York, USA	100.00		USD	0	0
63	Pathos Bay LLC [10)]	Dover, USA	100.00		USD	5.312	-1.775
64	PE Projekt-Entwicklungsgesellschaft mbH [1) 10)]	Düsseldorf	100.00		EUR	26	-1
65	PE Projekt-Entwicklungsgesellschaft mbH & Co. Büro- und Businesscenter Leipzig Park KG [2) 10)]	Düsseldorf	94.90	83.33	EUR	6	-348
66	PM Portfolio Management GmbH [1) 14)]	Düsseldorf	100.00		EUR	63	0
67	Projekt Carrée am Bahnhof GmbH & Co. Bürozentrum KG in Insolvenz [1) 5)]	Bad Homburg	51.00		EUR	-3.572	-117

Other shareholdings

No.	Name	Location	Capital share	Voting rights	CCY	Equity	Result
68	Projekt Carrée am Bahnhof Verwaltungs GmbH in Insolvenz [1) 5)]	Bad Homburg	51.00		EUR	-13	0
69	Projektentwicklungsgesellschaft Gartenstadt Wildau Röthegrund II mbH [1) 14)]	Wildau	94.00		EUR	-6.304	-3
70	Projektgesellschaft Klosterberg mbH [1) 14)]	Münster	94.00		EUR	-594	-27
71	S-Chancen-Kapitalfonds NRW GmbH i.L. [8)]	Haan	50.00		EUR	4.971	84
72	Sechste EAA-Beteiligungs GmbH	Düsseldorf	100.00			n. s.	n. s.
73	Special PEP II GP Investors, L.L.C. [10)]	Wilmington, USA	50.00	0.00	USD	356	-17
74	Standard Chartered (SFD No.2) Limited [6)]	London, Great Britain	25.00		USD	0	0
75	Tanzbar CH Holdings, LLC [10)]	New York, USA	100.00		USD	0	n. s.
76	Tanzbar DB Holdings, LLC [10)]	New York, USA	100.00		USD	0	n. s.
77	Vierte EAA-Beteiligungs GmbH [10)]	Düsseldorf	100.00		EUR	15	-8
78	Vivaldis Gesellschaft für strukturierte Lösungen S.A. [8)]	Luxemburg, Luxemburg	100.00		EUR	34	48
79	West Equity Fonds GmbH [4) 14)]	Düsseldorf	100.00		EUR	25	0
80	West Life Markets GmbH & Co. KG [4) 14)]	Düsseldorf	100.00		EUR	1.312	0
81	West Merchant Limited [10)]	London, Great Britain	100.00		GBP	23	-16
82	West Zwanzig GmbH [1) 4) 14)]	Mainz	100.00		EUR	25	0
83	Westdeutsche Immobilien Fonds Beteiligungsgesellschaft mbH [1) 10)]	Düsseldorf	100.00		EUR	42	0
84	Westdeutsche ImmobilienBank AG [3) 4) 10)]	Mainz	100.00		EUR	876.577	0
85	Westdeutsche ImmobilienHolding GmbH [4) 10)]	Mainz	94.60		EUR	5.539	0
86	Westfälische Textil-Gesellschaft Klingenthal & Co. mit beschränkter Haftung [9)]	Salzkotten	25.26		EUR	10.165	-89
87	WestFonds 5 Büropark Aachen Laurensberg KG [1) 10)]	Düsseldorf	49.16	49.22	EUR	2.931	-817
88	WestFonds 5 Palazzo Fiorentino Frankfurt KG i.L. [1) 10)]	Düsseldorf	45.66	45.72	EUR	4.266	-495
89	WestFonds 5 Walle-Center Bremen KG i.L. [1) 10)]	Düsseldorf	46.07	46.13	EUR	12.707	-1.729
90	WestFonds BI-Management GmbH [1) 10)]	Düsseldorf	100.00		EUR	27	-5
91	WestFonds Dachfonds Schiffe GmbH [1) 10)]	Düsseldorf	100.00		EUR	-115	-140
92	WestFonds Fondsvermögensverwaltungs GmbH [1) 10)]	Düsseldorf	100.00		EUR	26	-5
93	WestFonds Geschäftsführungsgesellschaft 1 mbH [1) 10)]	Düsseldorf	100.00		EUR	90	-14
94	WestFonds Geschäftsführungsgesellschaft 2 mbH i.L. [1) 10)]	Düsseldorf	100.00		EUR	17	-4
95	WestFonds Gesellschaft für geschlossene Immobilienfonds mbH [1) 10)]	Düsseldorf	100.00		EUR	61	-5
96	WestFonds Holland Grundstücksgesellschaft Voorburg und s'Hertogenbosch mbH [1) 10)]	Düsseldorf	100.00		EUR	-10	-23
97	WestFonds Immobilien Gesellschaft Objekt Halle/Saale Charlottenstraße mbH [1) 10)]	Düsseldorf	100.00		EUR	4.520	1.857
98	WestFonds Immobilien Gesellschaft Objekt Magdeburg An der Steinkuhle 2-2e mbH i.L. [1) 10)]	Düsseldorf	100.00		EUR	114	-19
99	WestFonds Immobilien Gesellschaft Objekt Wien Heiligenstädter Lände 29 mbH i.L. [1) 10)]	Düsseldorf	100.00		EUR	312	-11

Other shareholdings

No.	Name	Location	Capital share	Voting rights	CCY	Equity	Result
100	WestFonds Immobilien-Anlagegesellschaft mbH [4) 14)]	Düsseldorf	94.90		EUR	4.302	0
101	WestFonds Immobiliengesellschaft Objekt Essen Schnieringshof 10-14 mbH [1) 10)]	Düsseldorf	100.00		EUR	2.192	540
102	WestFonds Management GmbH & Co KG i.L. [1) 10)]	Düsseldorf	94.90		EUR	78	59
103	WestFonds Premium Select Management GmbH [1) 10)]	Düsseldorf	100.00		EUR	26	-3
104	WestFonds Premium Select Verwaltung GmbH [1) 10)]	Düsseldorf	100.00		EUR	42	4
105	WestFonds Verwaltung GmbH [1) 10)]	Schönefeld	100.00		EUR	87	36
106	WestFonds-PHG Gesellschaft RWI-Fonds 125 mbH [1) 10)]	Düsseldorf	100.00		EUR	27	-5
107	WestFonds-PHG Gesellschaft RWI-Fonds 140 mbH [1) 10)]	Düsseldorf	100.00		EUR	29	-2
108	WestFonds-PHG Gesellschaft RWI-Fonds 43 mbH i.L. [1) 10)]	Düsseldorf	100.00		EUR	23	-4
109	WestFonds-PHG Gesellschaft RWI-Fonds 47 mbH i.L. [1) 10)]	Düsseldorf	100.00		EUR	27	-4
110	WestFonds-PHG Gesellschaft WestFonds 1 mbH i.L. [1) 10)]	Düsseldorf	100.00		EUR	27	-4
111	WestFonds-PHG Gesellschaft WestFonds 2 D mbH [1) 10)]	Düsseldorf	100.00		EUR	30	-2
112	WestFonds-PHG Gesellschaft WestFonds 2 H mbH [1) 10)]	Düsseldorf	100.00		EUR	30	-2
113	WestFonds-PHG Gesellschaft WestFonds 5 Aachen mbH [1) 10)]	Düsseldorf	100.00		EUR	29	-5
114	WestFonds-PHG Gesellschaft WestFonds 5 Frankfurt mbH i.L. [1) 10)]	Düsseldorf	100.00		EUR	26	-3
115	WestFonds-PHG Gesellschaft WestFonds 6 mbH [1) 10)]	Düsseldorf	100.00		EUR	36	0
116	WestFonds-PHG Gesellschaft WestFonds 7 mbH i.L. [1) 10)]	Düsseldorf	100.00		EUR	37	0
117	WestFonds-PHG Gesellschaft WestFonds Wien 2 mbH i.L. [1) 10)]	Düsseldorf	100.00		EUR	27	-4
118	WestFonds-PHG-Gesellschaft BI-Fonds 12 mbH [1) 10)]	Düsseldorf	100.00		EUR	30	-2
119	WestFonds-PHG-Gesellschaft BI-Fonds 14 mbH [1) 10)]	Düsseldorf	100.00		EUR	31	-2
120	WestFonds-PHG-Gesellschaft BI-Fonds 18 S mbH i.L. [1) 10)]	Düsseldorf	100.00		EUR	31	-2
121	WestFonds-PHG-Gesellschaft BI-Fonds 19 S mbH i.L. [1) 10)]	Düsseldorf	100.00		EUR	28	-4
122	WestFonds-PHG-Gesellschaft BI-Fonds 23 mbH [1) 10)]	Düsseldorf	100.00		EUR	27	-5
123	WestFonds-PHG-Gesellschaft BI-Fonds 6 mbH i.L. [1) 10)]	Düsseldorf	100.00		EUR	24	-3
124	WestFonds-PHG-Gesellschaft KA Deutschland Beteiligungsgesellschaft mbH [1) 10)]	Düsseldorf	100.00		EUR	31	-3
125	WestFonds-PHG-Gesellschaft KB Zwei Länder Beteiligungsgesellschaft mbH [1) 10)]	Düsseldorf	100.00		EUR	32	-3
126	WestFonds-PHG-Gesellschaft RWI-Fonds 25 mbH [1) 10)]	Düsseldorf	100.00		EUR	78	-3
127	WestFonds-PHG-Gesellschaft RWI-Fonds 34 mbH [1) 10)]	Düsseldorf	100.00		EUR	58	-23
128	WestFonds-PHG-Gesellschaft RWI-Fonds 40 mbH i.L. [1) 10)]	Düsseldorf	100.00		EUR	27	-4
129	WestFonds-PHG-Gesellschaft WestFonds 3 Berlin mbH i.L. [1) 10)]	Düsseldorf	100.00		EUR	27	-4
130	WestFonds-PHG-Gesellschaft WestFonds 3 Düsseldorf mbH [1) 10)]	Düsseldorf	100.00		EUR	33	-3
131	WestFonds-PHG-Gesellschaft WestFonds 4 mbH i.L. [1) 10)]	Düsseldorf	100.00		EUR	26	-3
132	WestGKA Management Gesellschaft für kommunale Anlagen mbH [2) 4) 14)]	Düsseldorf	100.00		EUR	642	0

Other shareholdings

No.	Name	Location	Capital share	Voting rights	CCY	Equity	Result
133	WestLB Asset Management (US) LLC 14)	Wilmington, USA	100.00		USD	26.731	-1.254
134	WestLB Servicios S.A. 1) 7)	Buenos Aires, Argentina	94.86		ARS	0	-1
135	WestLB Venture Capital Management GmbH & Co. KG 10)	Köln	50.00		EUR	41	-5
136	WestLeasing International GmbH 1) 10)	Düsseldorf	100.00		EUR	191	-11
137	WestLeasing Westdeutsche Leasing Holding GmbH 4) 10)	Düsseldorf	94.90		EUR	11.625	0
138	WestProject & Consult Gesellschaft für Projektentwicklung und Consulting mbH i.L. 1) 4) 14)	Düsseldorf	100.00		EUR	276	0
139	WestVerkehr Beteiligungsgesellschaft mbH 1) 10)	Düsseldorf	100.00		EUR	109	-14
140	WIP Westdeutsche Immobilien Portfolio Managementgesellschaft mbH 1) 4) 14)	Mainz	100.00		EUR	136	-4
141	WLB CB Holding LLC 1) 14)	New York, USA	100.00		USD	0	298
142	WMB Beteiligungs GmbH 1) 8)	Düsseldorf	100.00		EUR	26	-3
143	Zweite EAA Anstalt & Co. KG 2)	Düsseldorf	100.00			n. s.	n. s.

Interest greater than 5% (large corporations)

No.	Name	Location	Capital share	Voting rights	CCY	Equity	Result
144	AKA Ausfuhrkredit-Gesellschaft mbH 10)	Frankfurt am Main	5.02		EUR	187.007	11.235
145	Banco Finantia S.A. 10)	Lisbon, Portugal	8.57		EUR	362.458	6.266

Other companies for whom the EAA assumes unlimited liability

No.	Name	Location	Capital share	Voting rights	CCY	Equity	Result
146	GBR Industrie- und Handelskammer Rheinisch-Westfälische-Börse	Düsseldorf	5.88	5.00		n. s.	n. s.
147	GLB GmbH & Co. OHG	Frankfurt am Main	15.47			n. s.	n. s.

[1] Indirect shareholdings.
[2] Including indirectly held shares.
[3] A letter of comfort exists.
[4] A profit and loss transfer agreement is in place with this company.
[5] Data as of 31 December 2009 is available.
[6] Data as of 31 December 2011 is available.
[7] Data as of 31 October 2012 is available.
[8] Data as of 31 December 2012 is available.
[9] Data as of 30 June 2013 is available.
[10] Data as of 31 December 2013 is available.
[11] Data as of 30 June 2014 is available.
[12] Data as of 14 July 2014 is available.
[13] Data as of 31 October 2014 is available.
[14] Data as of 31 December 2014 is available.
[15] A global guarantee exists.

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 assets and financial position as well as the earnings situation of the institution, and the interim management report includes a 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 financial year.

Düsseldorf, 21 May 2015

Erste Abwicklungsanstalt

Matthias Wargers	**Markus Bolder**	**Horst Küpker**
Spokesman	Member	Member
of the Managing Board	of the Managing Board	of the Managing Board

List of abbreviations

ABS	Asset backed securities
ALM	Asset liability management
APAC	Asia, Pacific and Japan
BaFin	German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht)
BaSAG	Austrian Federal Act on the Recovery and Resolution of Banks (Bundesgesetz über die Sanierung und Abwicklung von Banken)
Basinghall	Basinghall Finance Limited, London/United Kingdom (until 8 December 2014 Basinghall Finance Plc)
BilMoG	German Accounting Law Modernisation Act (Bilanzrechtsmodernisierungsgesetz)
BGH	German Supreme Court (Bundesgerichtshof)
bp	Basis points
CCY	Currency code
CDS	Credit default swaps
CVA	Credit valuation adjustments
DRS	German Accounting Standard (Deutscher Rechnungslegungsstandard)
EAA	Erste Abwicklungsanstalt, Düsseldorf
EAA CBB	EAA Covered Bond Bank Plc, Dublin/Ireland
EAA KK	EAA Japan K.K., Minato-ku,/Japan
EaD	Exposure at default
EC	European Community
ECB	European Central Bank
EEC	European Economic Community
ELA	Emergency Liquidity Assistance
EMEA	Europe, Middle East and Africa region
EPA	EAA Portfolio Advisers GmbH, Düsseldorf
EU	European Union
EUSS	European Super Senior Notes
Fed	U.S. Federal Reserve
Fitch	Fitch Ratings
FMS	Financial Market Stabilisation Fund
FMSA	German Federal Agency for Financial Market Stabilisation (Bundesanstalt für Finanzmarktstabilisierung)
FMStFG	German Financial Market Stabilisation Fund Act (Finanzmarktstabilisierungsfondsgesetz)
FX effect	Foreign exchange effect
GDP	Gross domestic product
HETA	HETA Asset Resolution AG, Klagenfurt/Austria
HGB	German Commercial Code (Handelsgesetzbuch)
IMF	International Monetary Fund
IS	Income statement
MaRisk	German Minimum Requirements for Risk Management (Mindestanforderungen an das Risikomanagement)
Moody´s	Moody´s Investors Service

MtM	Mark to market
N.R.	Not rated
NRW	North Rhine-Westphalia
OMT	Outright Monetary Transactions
OTC	Over the counter
PFS	Portigon Financial Services GmbH, Düsseldorf
Portigon	Portigon AG, Düsseldorf (until 2 July 2012 WestLB AG)
RechKredV	German Ordinance on Accounting for Banks and Financial Service Providers (Verordnung über die Rechnungslegung der Kreditinstitute und Finanzdienstleistungsinstitute)
S.R.	Special rating
S&P	Standard and Poor's Corporation
TLTRO	Targeted Long Term Refinancing Operations (of the ECB)
VaR	Value at risk
WestImmo	Westdeutsche ImmobilienBank AG, Mainz
WestLB	WestLB AG, Düsseldorf (from 2 July 2012 Portigon AG)