

INTERIM REPORT  
31 March 2024

**CONTENTS**

# Contents

EAA key figures.....	2
Interim management report.....	3
Business and environment .....	3
Economic report.....	6
Risk, opportunities and forecast report .....	13
Balance sheet .....	28
Income statement .....	32
Cash flow statement .....	34
Statement of changes in equity.....	35
Condensed notes .....	36
General disclosures.....	36
Notes on the balance sheet and the income statement .....	37
Other disclosures.....	46
Subsequent events .....	52
Responsibility statement .....	53
List of abbreviations .....	54
Imprint.....	56

Rounding may result in minor deviations in the totals and percentages relative to the computed values.

Individual balance sheet and earnings items may increase within the scope of the winding-up activities.

The generic masculine form will be used in the interests of readability and ease of comprehension. All genders are hereby implied equally.

EAA KEY FIGURES

## EAA key figures

<b>Income statement in EUR million</b>	<b>1/1-31/3/2024</b>	<b>1/1-31/3/2023</b>
Net interest result	5.8	8.1
Net fee and commission result	-5.1	-4.9
Net trading result	2.7	2.4
Total other operating expenses/income	1.9	0.5
General administrative expenses	-12.8	-20.1
Results from financial assets and shareholdings	1.0	0.4
<b>Results prior to risk provisioning</b>	<b>-6.5</b>	<b>-13.6</b>
Loan loss provisions	2.9	11.5
<b>Results before taxes</b>	<b>-3.6</b>	<b>-2.1</b>
Taxes	0.0	0.0
<b>Net result for the year</b>	<b>-3.6</b>	<b>-2.1</b>

<b>Balance sheet in EUR billion</b>	<b>31/3/2024</b>	<b>31/12/2023</b>
Total assets	13.4	13.8
Business volume	14.3	14.8
Lending business	6.7	6.8
Trading assets	3.5	3.7
Equity	0.6	0.7

<b>Winding-up</b>	<b>31/3/2024</b>	<b>31/3/2023</b>
<b>Banking book</b>		
Notional value (before FX effect) in EUR billion	6.1	7.3
Winding-up activities (compared with previous year-end) in EUR billion	-0.1	-0.3
Winding-up activities (compared with previous year-end) in %	-2.1	-3.5
<b>Trading portfolio</b>		
Notional value (before FX effect) in EUR billion	48.9	54.9
Winding-up activities (compared with previous year-end) in EUR billion	-1.0	-1.7
Winding-up activities (compared with previous year-end) in %	-2.0	-2.9

<b>Employees</b>	<b>31/3/2024</b>	<b>31/12/2023</b>
Number of employees	65	67

<b>Issuer credit ratings</b>	<b>Short-term rating</b>	<b>Long-term rating</b>
Moody's Investors Service	P-1	Aa1
Standard & Poor's	A-1+	AA
Fitch Ratings	F1+	AAA

# Interim management report

For the period from 1 January to 31 March 2024

## Business and environment

### Operating activities of the EAA

The EAA operates as an asset manager pursuing a clear, public mandate that is enshrined in its charter: it is winding up the risk exposures and non-strategic business units (transferred assets) transferred from the former WestLB AG (now Portigon AG) and its domestic and foreign subsidiaries in a value-preserving and risk-minimising manner. This serves to stabilise the financial market. The risk exposures and non-strategic business units of the former WestLB were transferred to the EAA in the years 2009 and 2010 (first fill) as well as in 2012 (refill).

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

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

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

The winding-up plan describes the intended winding-up activities of the EAA by classifying its assets into sub-portfolios (clusters) and contains a schedule for the complete winding-up of assets within an appropriate winding-up timeframe. The EAA reviews the winding-up plan at least once a quarter and makes adjustments, when necessary, mainly in order to take account of changes in circumstances, for example current market developments. Changes or adjustments to the winding-up plan are made on the basis of prior resolution of the Supervisory Board upon the EAA's request and must be approved by the FMSA. The EAA regularly submits wind-up reports to inform the FMSA, its Supervisory Board and the EAA stakeholders about the progress of the winding-up and the implementation of the winding-up plan. The annual wind-up report must be adopted by a resolution of the Supervisory Board before being submitted to the FMSA.

## **ERSTE ABWICKLUNGSANSTALT**

INTERIM REPORT 31 MARCH 2024

### **INTERIM MANAGEMENT REPORT**

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

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

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

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

The Stakeholders' Meeting is composed of the institutions which hold a stake in the EAA's share capital. It is responsible for adopting the annual financial statements of the EAA, and for discharging the members of the Managing Board and the Supervisory Board, among other things.

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

For this purpose, the EAA had largely outsourced the provision of portfolio, IT and operations services to third parties within the scope of its long-term service strategy, with the objective of maintaining continuity and stability on the one hand and enabling flexibility on the other.

Adjustment of organisational and cost structures is a fundamental part of the EAA's mission in view of the ongoing portfolio wind-up. In order to rely on a flexible servicer landscape, the EAA has concluded long-term service agreements with a duration of up to 2036 (including extension options).

In this context, the portfolio management services are provided by BlackRock (Netherlands) B.V. - Frankfurt Branch, financial services by Accenture Banking Technology Solutions GmbH and ITC services by matrix technology GmbH. IBM remains the service provider for compliance services and BlackRock for the structured credit services. In addition, the account management and payment transactions banking services, and the administration and safekeeping of securities portfolios, are procured from J.P. Morgan SE - Frankfurt Branch, which is the EAA's principal bank.

**INTERIM MANAGEMENT REPORT**

Due to the importance of the outsourced activities, the EAA has implemented a central function for an integrated service provider management. This means that the service relationships between the EAA and its service providers are systematically monitored and managed from a legal, substantive, processual and financial perspective.

## Economic environment

The situation for the people living in countries at war deteriorated further in the first quarter of 2024 too. Israel's military continues to search for the hostages that are still being held after the Hamas attack on 7 October 2023. The conflict is taking on a more international dimension – the last, sad climax was Iran's missile and drone attack on Israel on 14 April 2024. The other wars, including the war in Ukraine, are still ongoing. On 16 February 2024, Germany and Ukraine signed a ten-year agreement on security cooperation and long-term support. The agreement states that Germany has been one of the largest suppliers of military aid to Ukraine and that Germany will continue to support Ukraine in its efforts to defend itself for as long as it takes.

European and German plans in connection with a reduction of carbon dioxide emissions (ban on burners and gas-fired heating, extension and increase in the price of carbon dioxide emission allowance obligations) are being pursued further in the political arena. The three-party coalition in Germany reached an agreement on a solar package in mid-April 2024. This package will regulate the facilitation of solar systems on buildings as well as in open spaces that were previously used for agricultural purposes or were unused for nature conservation reasons. In present market conditions, the additional systems that are subsidised by the feed-in tariffs are supplied largely by Chinese manufacturers. The German climate target of cutting greenhouse gas emissions by at least 65% by 2030 compared to 1990 levels remains unchanged.

According to the Federal Statistical Office, company insolvencies in March 2024 increased by 12.3% year on year and have been growing since June 2023 at a double-digit rate compared to the same month of the previous year. Creditors' claims that were impacted by this reached EUR 4.3 billion in January 2024, around one and a half times higher than in the same month of the previous year.

Despite this situation, the forecasts for economic development are predicted to stabilise in 2024 and 2025. In its World Economic Outlook from April 2024 (January 2024 values in parentheses), the IMF expects global gross domestic product growth of 3.2% (3.1%) for 2024 and 3.2% (3.2%) for 2025, following 3.2% in the previous year. Inflation is estimated at 5.9% (5.8%) and 4.5% (4.4%) for these two years after 6.8% in the previous year.

In its forecast of 20 March 2024, the Fed's Federal Open Market Committee raised its expectations for gross domestic product growth in the US to 2.1% for 2024, and to 2.0% for both 2025 and 2026. The corresponding values in the previous outlook from 13 December 2023 are still 1.4% for 2024 and 1.8% and 1.9% for the two following years. Inflation based on the Personal Consumption Expenditures Price Index is expected to rise by 2.4% in 2024, by 2.2% in 2025 and by 2.0% in 2026.

**INTERIM MANAGEMENT REPORT**

According to the current IMF estimate, gross domestic product growth of 0.8% (0.9%) is expected for the eurozone in 2024 and of 1.5% (1.7%) for 2025. Data from Eurostat shows that gross domestic product actually rose by 0.3% in the first quarter of 2024 compared with the same quarter of the previous year. Based on the Harmonised Index of Consumer Prices, inflation was 2.4% in March 2024. On the basis of the ECB's expectations, which were updated on 12 April 2024, the projection is 2.4% for 2024 and 2.0% for both 2025 and 2026.

In their joint forecast, the five largest German economic research institutes anticipate gross domestic product of +0.1% for 2024, which is largely unchanged year on year. They predict growth of 1.4% for 2025. The IMF expects Germany's gross domestic product (January 2024 values in parentheses) to grow by 0.2% (0.5%) in 2024 and by 1.3% (1.6%) for 2025. According to the Federal Statistical Office, gross domestic product in Germany declined by a price-adjusted total of 0.2% in 2023 and by 0.9% in the first quarter of 2024. The inflation rate was 2.2% in March 2024.

## Economic report

### Overview of economic development

The EAA's economic situation in the first quarter of 2024 was largely determined by its wind-up mission.

The EAA's key control variable is the decline in the notional volume of the portfolio. The notional volume of the banking book fell 2.1% to EUR 6.1 billion. The notional volume of the trading portfolio declined by 2.0% to EUR 48.9 billion during the same period.

The results after taxes of EUR -3.6 million are characterised in particular by general administrative expenses of EUR 12.8 million and the net fee and commission result of EUR -5.1 million. This is mainly offset by the net interest result of EUR 5.8 million, the results from financial assets and shareholdings and the income from the reversal of loan loss provisions, which together account for EUR 3.9 million, the net trading result of EUR 2.7 million and the positive balance of other expenses and income of EUR 1.9 million.

The EAA's total assets declined from EUR 13.8 billion in the previous year to EUR 13.4 billion. This is attributable to the winding-up of the banking book and of the trading portfolio. The business volume, which also includes off-balance-sheet components, decreased by 3.2% to EUR 14.3 billion (previous year: EUR 14.8 billion).

**INTERIM MANAGEMENT REPORT**

**Wind-up report**

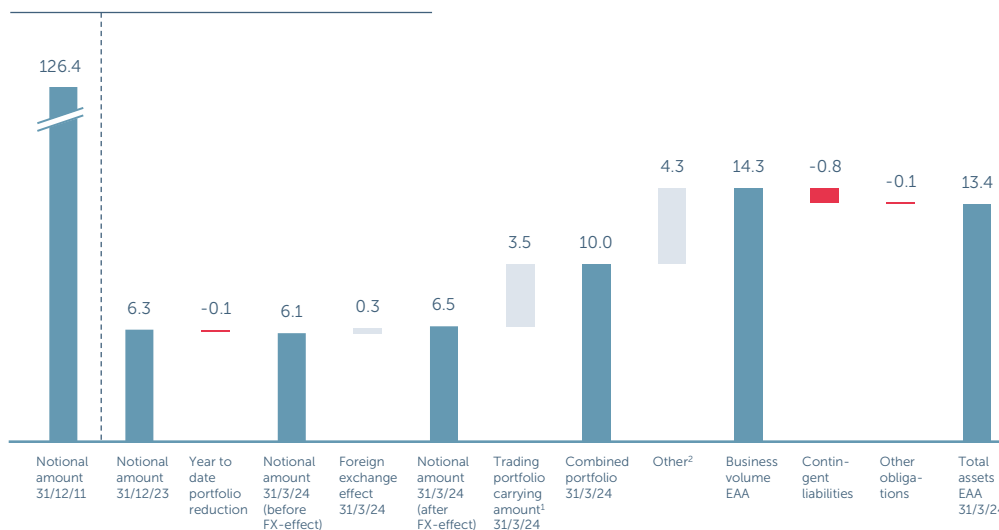
The figures and developments discussed in this section are regularly reported to the FMSA and to the EAA’s governing bodies. They relate to the entire assets transferred to the EAA, regardless of whether these figures are recorded on or off-balance-sheet in the EAA’s separate financial statements, or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

The following overview shows the changes in the portfolio’s notional amounts since 1 January 2024 and the reconciliation to the EAA’s total assets as of 31 March 2024.

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

in EUR billion

Notional values banking book



<sup>1</sup> Equates to the carrying amounts for trading portfolio assets.

<sup>2</sup> Contains the cash reserve, money market transactions, cash collateral and EAA group-internal loans.

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

INTERIM MANAGEMENT REPORT

**Wind-up success in the banking book**

From 1 January to 31 March 2024, the notional volume of the banking book was reduced from EUR 6.3 billion to EUR 6.1 billion (at exchange rates as of 31 December 2011). That equates to a decline in notional volume of EUR 0.1 billion (2.1%). The volume at exchange rates as of 31 March 2024 is EUR 6.5 billion. The total banking book portfolio has decreased by EUR 120.3 billion or 95.1% since 1 January 2012.

Clusters	Notional volume		Notional volume		Notional volume	
	(at exchange rates as of 31/3/2024)	(at exchange rates as of 31/12/2023)	(at exchange rates as of 31/12/2011)	(at exchange rates as of 31/12/2011)	(at exchange rates as of 31/3/2024)	(at exchange rates as of 31/3/2024)
	EUR million	EUR million	EUR million	Change to 31/12/2023 in %	EUR million	FX effect <sup>1</sup> EUR million
Structured Securities	2,069.3	2,172.3	-103.0	-4.7	2,299.1	229.8
Public Finance / FI	1,874.5	1,883.8	-9.4	-0.5	1,937.8	63.3
Other Assets	1,366.6	1,378.0	-11.4	-0.8	1,416.0	49.4
Legacy Liabilities	829.7	840.5	-10.8	-1.3	829.7	0.0
<b>Total</b>	<b>6,140.2</b>	<b>6,274.7</b>	<b>-134.5</b>	<b>-2.1</b>	<b>6,482.7</b>	<b>342.5</b>

<sup>1</sup> Change in notional volume due to exchange rate effects.

Note: As of 31 March 2024, the total NPL portfolio, including the loans to subsidiaries, amounted to EUR 1.4 billion at current exchange rates.

The decline in the Structured Securities cluster is due in particular to scheduled partial repayments.

The portfolio reduction in the remaining clusters is due to repayments.

As of 31 March 2024, there was a EUR +0.8 million effect on the winding-up plan associated with sales and early repayments from the banking book portfolio. A winding-up plan effect of EUR -3.0 million was achieved from other measures. This effect is mainly the result of risk provisioning measures.

**Wind-up success in the trading portfolio**

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

The notional volume of the trading portfolio amounted to EUR 48.9 billion as of 31 March 2024. The notional volume of the trading portfolio decreased by a total of EUR 1.0 billion or 2.0% during the period from 1 January to 31 March 2024 (at exchange rates as of 30 June 2012). Since its transfer, the notional volume of the trading portfolio has been reduced by EUR 1,015.2 billion or 95.4%.

**INTERIM MANAGEMENT REPORT**

	Notional volume		Notional volume		Notional volume	
	(at exchange rates as of 30/6/2012)		(at exchange rates as of 31/3/2024)		(at exchange rates as of 31/3/2024)	
	Notional 31/3/2024 EUR million	Notional 31/12/2023 EUR million	Change to 31/12/2023 EUR million	Change to 31/12/2023 in %	Notional 31/3/2024 EUR million	FX effect <sup>1</sup> EUR million
<b>Trading portfolio</b>	<b>48,880.2</b>	<b>49,874.0</b>	<b>-993.8</b>	<b>-2.0</b>	<b>49,814.2</b>	<b>934.0</b>

<sup>1</sup> Change in notional volume due to exchange rate effects.

The reduction with a total notional decrease of EUR 1.0 billion resulted primarily from maturities of EUR 1.1 billion, from active wind-up measures of EUR 0.1 billion and from offsetting, portfolio-increasing hedging transactions in the amount of EUR 0.2 billion.

## EAA's overall situation

### Earnings situation

The EAA's earnings situation is characterised by the net interest result of EUR 5.8 million, the balance of other expenses and income of EUR 1.9 million, the results from financial assets and shareholdings and income from the reversal of loan loss provisions, which together account for EUR 3.9 million, as well as general administrative expenses of EUR 12.8 million and the net fee and commission result of EUR -5.1 million. Personnel expenses totalled EUR 2.9 million. Other administrative expenses of EUR 9.9 million mainly consist of expenses for services rendered by the various service providers.

The decline in the net interest result is mainly due to the ongoing portfolio wind-up.

The net fee and commission result is mainly attributable to the expense resulting from the commitment fee for the equity capital drawing limit. The net trading result of EUR 2.7 million is up EUR 0.3 million on the result of the same period of the previous year.

Overall, the results after taxes amounted to EUR -3.6 million (previous year: EUR -2.1 million).

INTERIM MANAGEMENT REPORT

Income statement

	1/1-31/3/2024	1/1-31/3/2023	Change	
	EUR million	EUR million	EUR million	in %
Net interest result	5.8	8.1	-2.3	-28.4
Net fee and commission result	-5.1	-4.9	-0.2	-4.1
Net trading result	2.7	2.4	0.3	12.5
Total other operating expenses/income	1.9	0.5	1.4	>100
Personnel expenses	-2.9	-3.7	0.8	21.6
Other administrative expenses	-9.9	-16.4	6.5	39.6
Results from financial assets and shareholdings	1.0	0.4	0.6	>100
<b>Results prior to risk provisioning</b>	<b>-6.5</b>	<b>-13.6</b>	<b>7.1</b>	<b>52.2</b>
Loan loss provisions	2.9	11.5	-8.6	-74.8
<b>Results before taxes</b>	<b>-3.6</b>	<b>-2.1</b>	<b>-1.5</b>	<b>-71.4</b>
Taxes	0.0	0.0	0.0	-
<b>Net result for the year</b>	<b>-3.6</b>	<b>-2.1</b>	<b>-1.5</b>	<b>-71.4</b>
Net retained losses brought forward	-2,363.0	-2,362.5	-0.5	-0.0
Net retained losses	-2,366.6	-2,364.6	-2.0	-0.1

**Financial position and issuing activities**

The total notional amount of the portfolio of issued bearer bonds, promissory note loans and commercial paper was EUR 8.4 billion as of the reporting date. It includes the global Commercial Paper Programme with a notional amount equivalent to EUR 4.6 billion.

During the reporting period, a new issue denominated in euros with a notional volume of EUR 0.5 billion was issued for medium and long-term funding.

New issues were launched during the reporting period under the global Commercial Paper Programme, of which a notional amount equivalent to EUR 4.0 billion was outstanding at the reporting date. These consisted of USD 3.5 billion (EUR 3.3 billion), GBP 0.3 billion (EUR 0.4 billion) and EUR 0.3 billion.

As at the reporting date, the portfolio held no securities issued by the EAA.

During the reporting period, the EAA had sufficient liquidity at all times to meet all of its liabilities on time.

INTERIM MANAGEMENT REPORT

**Asset position**

The EAA's total assets as at the reporting date amount to EUR 13.4 billion (previous year: EUR 13.8 billion). Including off-balance sheet components, this results in a business volume of EUR 14.3 billion (previous year: EUR 14.8 billion).

**Assets**

	31/3/2024	31/12/2023	Change	
	EUR million	EUR million	EUR million	in %
Cash reserve	0.0	0.0	0.0	-
Loans and advances to banks	3,416.5	3,462.5	-46.0	-1.3
Loans and advances to customers	2,349.4	2,380.2	-30.8	-1.3
Securities (no trading portfolio)	3,972.5	4,061.8	-89.3	-2.2
Trading portfolio	3,476.5	3,730.5	-254.0	-6.8
Long-term equity investments and shares in affiliates	27.5	28.3	-0.8	-2.8
Other assets	110.7	142.0	-31.3	-22.0
<b>Total assets</b>	<b>13,353.1</b>	<b>13,805.3</b>	<b>-452.2</b>	<b>-3.3</b>

**Liabilities and equity**

	31/3/2024	31/12/2023	Change	
	EUR million	EUR million	EUR million	in %
Deposits from banks	1,263.5	1,347.1	-83.6	-6.2
Deposits from customers	955.4	1,148.6	-193.2	-16.8
Debt securities in issue	7,487.8	7,409.2	78.6	1.1
Trading portfolio	2,919.0	3,145.1	-226.1	-7.2
Provisions	52.4	54.5	-2.1	-3.9
Other liabilities	25.4	47.6	-22.2	-46.6
Equity	649.6	653.2	-3.6	-0.6
<b>Total liabilities and equity</b>	<b>13,353.1</b>	<b>13,805.3</b>	<b>-452.2</b>	<b>-3.3</b>
Contingent liabilities	835.1	846.8	-11.7	-1.4
Other obligations/loan commitments	99.6	101.7	-2.1	-2.1
<b>Business volume</b>	<b>14,287.8</b>	<b>14,753.8</b>	<b>-466.0</b>	<b>-3.2</b>

Loans and advances to banks, loans and advances to customers and securities are virtually unchanged.

The decline of EUR 0.3 billion and EUR 0.2 billion, respectively, in the balance sheet values of trading assets and liabilities is explained mainly by the winding-up of the trading portfolio.

**INTERIM MANAGEMENT REPORT**

Long-term equity investments and shares in affiliates are almost unchanged.

The slight decline in deposits from banks is largely attributable to lower cash collateral.

The decline in deposits from customers is mainly due to time deposits.

The slight increase of EUR 0.1 billion in debt securities in issue is due to the net effects of issuance, repayments and currency translation.

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

**Lending business**

The lending business comprises loans and advances, payment obligations arising from irrevocable loan commitments, sureties and guarantees. These loans and advances also include non-marketable registered bonds and other non-marketable debt instruments.

**Lending business**

	<b>31/3/2024</b>	<b>31/12/2023</b>	<b>Change</b>	
	<b>EUR million</b>	<b>EUR million</b>	<b>EUR million</b>	<b>in %</b>
Loans and advances to banks	3,416.5	3,462.5	-46.0	-1.3
Loans and advances to customers	2,349.4	2,380.2	-30.8	-1.3
Contingent liabilities	835.1	846.8	-11.7	-1.4
Other obligations/loan commitments	99.6	101.7	-2.1	-2.1
<b>Lending business</b>	<b>6,700.6</b>	<b>6,791.2</b>	<b>-90.6</b>	<b>-1.3</b>

**Summary of the business situation**

As planned, the EAA achieved a lower net interest result due to the portfolio reduction. The fee and commission expenses and the administrative expenses are only partially offset by the positive result of risk provisions. Overall, a loss was reported for the first quarter of 2024.

The EAA's assets are in good order. As at the balance sheet date, the EAA's equity amounted to EUR 649.6 million. Adequate liquidity was available at all times.

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

## Risk, opportunities and forecast report

### Risk report

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

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

#### Risk management organisation

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

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

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

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

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

**INTERIM MANAGEMENT REPORT**

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

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

**Risk reporting**

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

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

**Credit risks**

**Credit risks – banking book**

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

The notional volume of the banking book portfolio (which primarily consists of loans and securities) declined by EUR 0.1 billion to EUR 6.1 billion in the first quarter of 2024 (at constant exchange rates as of 31 December 2011). Please refer to the "Wind-up report" section for more detailed information on the progress of the winding-up.

The quality of the banking book portfolio is reflected in an investment grade rating share (rating categories 1-11) of around 76% (31 December 2023: 76%). The EAA uses the rating scale from RSU GmbH & Co. KG. The investment grade range is determined by the respective probabilities of default based on the specifications of the external rating provider.

**INTERIM MANAGEMENT REPORT**

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

INTERNAL EAA	EXTERNAL Fitch	
1	AAA/AA+	
2	AA/AA-	
3		
4	A+	
5	A	
6	A-	
7		Investment grade
8	BBB+	
9	BBB	
10		
11	BBB-	
12	BB+	
13	BB	
14		
15	BB-	
16	B+	
17		
18	B	Non-investment grade
19		
20	B-	
21	CCC-C	
22-24		

**Breakdown of notional volume by maturities<sup>1,2</sup>**

	31/3/2024 EUR million	31/12/2023 EUR million
<= 5 Y	996.0	1,004.5
> 5 Y <= 10 Y	1,365.2	1,421.9
> 10 Y <= 20 Y	2,792.0	2,837.5
> 20 Y	987.0	1,010.8
<b>Total</b>	<b>6,140.2</b>	<b>6,274.7</b>

<sup>1</sup> For assets with no fixed or with very long maturities: expected repayment profile.

<sup>2</sup> Excluding exchange rate effects (based on exchange rates as of 31 December 2011).

**INTERIM MANAGEMENT REPORT**

The changes in the maturity ranges result largely from the maturity-related postponements over time. The reduction in the maturity band of ten to 20 years is mainly the result of repayments in the Structured Securities cluster.

The other changes within the maturity ranges reflect the portfolio management measures undertaken and amortisation during the first quarter of 2024.

**Breakdown of notional volume by region<sup>1</sup>**

	<b>31/3/2024</b> EUR million	<b>31/12/2023</b> EUR million
EMEA	2,479.1	2,505.3
Americas <sup>2</sup>	2,145.0	2,241.0
Germany	1,455.8	1,468.1
APAC	60.3	60.3
<b>Total</b>	<b>6,140.2</b>	<b>6,274.7</b>

<sup>1</sup> Excluding exchange rate effects (based on exchange rates as of 31 December 2011). Regional breakdown based on borrowers, or for securitisations from the main risk country of the asset pool.

<sup>2</sup> Contains EUR 0.7 billion for the Phoenix B note guaranteed by the State of NRW.

The regional breakdown of the notional volume changed slightly compared to 31 December 2023, in particular due to the repayment of the Phoenix A4 note.

About 40% of the notional volume (31 December 2023: 40%) was attributable to the EMEA region (excluding Germany). Approximately 35% of the notional volume was attributable to America (31 December 2023: 36%). The share of German borrowers and guarantors (share of portfolio: about 24%; 31 December 2023: 23%) increased slightly in relative terms, due to the repayment of the Phoenix A4 note. The APAC region still represents 1% (31 December 2023: 1%).

Following the successful reduction of significant exposure to Russia and Ukraine in recent years, the EAA now only has one notable Russia credit risk. After deducting recoverable export insurance, it is in the low single-digit millions. This residual risk has now been fully written off. It is difficult to predict second-round effects of possible consequences of sanctions against Russia on the EAA's portfolio.

**Problem loans and risk provision**

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

**INTERIM MANAGEMENT REPORT**

The EAA forms general loan loss provisions based on the expected one-year loss for the deferred credit risk in the portfolio of receivables. Deteriorating credit qualities are reflected in rating downgrades.

**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
<b>Acute counterparty default risk</b>	<b>-4.2</b>	<b>5.7</b>	<b>1.5</b>	<b>0.7</b>	<b>2.2</b>
Credit risk	-4.2	5.7	1.5	0.7	2.2
Other risk	-	-	-	-	-
<b>Contingent counterparty default risk</b>	<b>-</b>	<b>0.7</b>	<b>0.7</b>	<b>-</b>	<b>0.7</b>
<b>Total</b>	<b>-4.2</b>	<b>6.4</b>	<b>2.2</b>	<b>0.7</b>	<b>2.9</b>

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

**Phoenix**

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

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

**Phoenix notes capital structure**

Tranche	Amount as of 31/3/2024 in million		Legal maturity
Class A4	151.2	USD	9/2/2091
Class B	664.8	EUR	9/2/2091

During the reporting period, a repayment of the Phoenix A4 note amounting to EUR 38.4 million resulted in a decrease of the notional volume reported in euros to EUR 781.6 million as of 31 March 2024 (at constant exchange rates as of 31 December 2011).

Taking into account the rating of the State of NRW, which acts as the guarantor, this results in an investment grade rating (rating categories 1-11) for the Phoenix B note. Some EUR 4.3 billion of this guarantee had been utilised up to 31 March 2024.

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.

**INTERIM MANAGEMENT REPORT**

**Credit risks – trading transactions**

The credit risks from trading transactions are divided into counterparty risk (pre-settlement risk and settlement risk) from derivatives and issuer risk from securities.

All securities are held in the banking book. The issuer risk from securities is determined on the basis of carrying amounts.

As the EAA concludes OTC derivatives from both the trading portfolio and the banking book, and as counterparty risks are measured and controlled per counterparty, the explanations and figures below relate to both the trading portfolio and the banking book.

In accordance with an established management process, risks are managed by the Treasury/Capital Markets department, a front-office function, and the Credit Risk Management and Risk Controlling departments, which are back-office functions.

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

OTC derivative counterparty default risks are assessed independently from the front office using CVA. When doing so, externally traded credit spreads, where available, are used to determine the probability of default. The expected loss can be calculated as CVA, based on expected future exposures and a statistically determined loss rate (LGD). The CVA in the trading portfolio amounted to EUR 1.2 million as of 31 March 2024 (31 December 2023: EUR 1.0 million). The change in CVA is attributable to LGD/rating changes and market fluctuations.

**Counterparty risks**

The following table shows the risks with active strategic counterparties.

	<b>31/3/2024</b>	<b>31/3/2024</b>	<b>31/12/2023</b>	<b>31/12/2023</b>
	<b>Exposure</b>	<b>Limit</b>	<b>Exposure</b>	<b>Limit</b>
	<b>EUR million</b>	<b>EUR million</b>	<b>EUR million</b>	<b>EUR million</b>
Credit risk – money market positions <sup>1</sup>	2,139.0	3,599.0	2,189.0	3,599.0
Counterparty risk – OTC derivatives (pre-settlement risk)	172.8	1,730.0	210.0	1,730.0
Counterparty risk – repos	-	75.0	-	75.0

<sup>1</sup> All money market transactions with counterparties outside the EAA Group have a maximum maturity of up to twelve months.

**INTERIM MANAGEMENT REPORT**

Compared with year-end 2023, the changes in the credit risk for money market positions as of 31 March 2024 were driven primarily by active liquidity management. Counterparty risks from OTC derivatives are driven by transactions for liquidity steering (foreign exchange swaps) and interest rate hedging instruments (interest rate swaps).

**Issuer risks**

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

	<b>&lt; 1 Y</b>	<b>1-4 Y</b>	<b>4-8 Y</b>	<b>8-15 Y</b>	<b>&gt; 15 Y</b>	<b>Total exposure</b>
	<b>EUR million</b>	<b>EUR million</b>	<b>EUR million</b>	<b>EUR million</b>	<b>EUR million</b>	<b>EUR million</b>
Public Finance	6.2	88.7	100.0	1,066.7	395.1	1,656.7
Financial Institutions	-	-	11.3	1.5	16.2	29.0
Other securities	-	22.1	7.5	194.6	2,440.6	2,664.8
<b>Total 31/3/2024</b>	<b>6.2</b>	<b>110.8</b>	<b>118.8</b>	<b>1,262.8</b>	<b>2,851.9</b>	<b>4,350.5</b>
Total 31/12/2023	7.0	105.3	124.0	1,253.3	2,932.3	4,421.9

Other securities comprise mainly US student loans.

**Participation risks**

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

A notional volume of EUR 1.0 billion is held by subsidiaries, primarily Erste EAA Anstalt öffentlichen Rechts & Co. KG.

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

In the course of restructurings, the EAA enters into new participations if this is advantageous for the preservation of assets (for example, in the case of debt-to-equity swaps).

**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.

**INTERIM MANAGEMENT REPORT**

**Market price risks – banking book**

As a result of the portfolio structure, there are interest rate and foreign exchange risks 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**

	<b>31/3/2024</b> EUR thousand	<b>31/12/2023</b> EUR thousand
< 1 Y	1.7	11.7
1-4 Y	14.3	10.7
4-8 Y	13.2	14.6
8-15 Y	20.7	22.1
> 15 Y	51.0	50.6
<b>Total</b>	<b>100.9</b>	<b>109.6</b>

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

The interest rate sensitivity PV01 was EUR 100.9 thousand (31 December 2023: EUR 109.6 thousand) due to management and maturity effects. The utilisation is within the limits.

**Foreign exchange risk**

	<b>31/3/2024</b> EUR thousand	<b>31/12/2023</b> EUR thousand
AUD	-201.9	-997.9
CAD	1,404.1	1,254.7
CHF	218.8	310.1
GBP	111.9	2,311.8
HKD	62.3	61.0
HUF	-21.6	-19.9
JPY	2,406.7	2,647.1
PLN	54.1	53.6
USD	4,481.5	6,838.2
<b>Total</b>	<b>8,515.9</b>	<b>12,458.7</b>

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

**INTERIM MANAGEMENT REPORT**

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

**Market price risks – trading portfolio**

The trading portfolio is exposed to interest rate and foreign exchange risks. The trading portfolio only includes derivatives. In line with market practice, risks in the trading portfolio are hedged at the portfolio level. This entails residual risks, which change due to market movements and developments in the portfolio and are hedged dynamically (dynamic hedging strategy).

The EAA applies risk sensitivities to monitor and limit risks. A variety of stress scenarios is also used for risk management purposes. Historical and parametric stress tests are calculated on a daily basis.

**Interest rate risk**

	<b>31/3/2024</b> EUR thousand	<b>31/12/2023</b> EUR thousand
< 1 Y	-6.6	-27.4
1-4 Y	32.4	24.2
4-8 Y	3.0	32.5
8-15 Y	-13.4	-29.4
> 15 Y	-15.9	-4.5
<b>Total</b>	<b>-0.5</b>	<b>-4.6</b>

Interest rate risk in the trading portfolio is measured as the change in the present value when the yield declines by one basis point (interest rate sensitivity PV01).

The interest rate sensitivity PV01 was EUR -0.5 thousand (31 December 2023: EUR -4.6 thousand) due to management and maturity effects. The utilisation is within the limits.

**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.

**INTERIM MANAGEMENT REPORT**

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

The stress scenarios ("liquidity crisis and downgrade", "liquidity crisis and downgrade USD") demonstrated a viable net liquidity situation as of 31 March 2024 (defined as the cumulated cash flows).

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

**Life insurance risks**

Life insurance risk is considered a separate type of risk. This includes all risks of Erste EAA Anstalt öffentlichen Rechts & Co. KG and West Life Markets GmbH & Co. KG.

Most of the risk is attributable to the life settlement exposures. As part of the life settlement engagements, the EAA funds premium payments for US life insurance policies. The payouts from these policies flow to Erste EAA Anstalt öffentlichen Rechts & Co. KG when the insured individual dies. These policies are bundled in subsidiaries of Erste EAA Anstalt öffentlichen Rechts & Co. KG.

The so-called longevity risks that exist here are that insured individuals live longer than originally calculated. In this respect, the insurance premiums must be paid longer than forecast. Changes to the assessment of the expenses to be borne by the EAA from longevity risks are due to higher premiums demanded by the insurance companies, among other things. The EAA believes the increases are legally inadmissible. One lawsuit is currently still pending against an insurance group in this respect.

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

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

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

**INTERIM MANAGEMENT REPORT**

A smaller portion of the risk is attributable to purchased German insurance policies. West Life Markets GmbH & Co. KG holds and finances German endowment life insurance policies as well as annuity insurance policies (all with an exercised lump-sum option), the maturity benefits of which flow to West Life Markets GmbH & Co. KG upon reaching the maturity date or prematurely in the event of death. The main risk for West Life Markets GmbH & Co. KG is that the final surpluses of the policies are lower than planned. The risks are analysed and assessed annually as part of the winding-up plan preparation process.

**Operational risks**

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

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

The risk inventory of the EAA for 2023 was conducted together with its subsidiary EFS, and the key service providers BlackRock, ABTS and IBM at the time the risk inventory was conducted, following a standard procedure in the form of a risk self-assessment. A risk self-assessment is planned for the next risk inventory for matrix.

The risk inventory revealed to the EAA ten assessment objects with high risk, nine of which are in the personnel category due to the progressive reduction in employee numbers and concurrent increase in the workload of the remaining employees. This risk will be absorbed by using external employees if required. Of the assessment objects, 20% are medium risks and 76% low risk. The risk in EFS continues to be assessed as low. All service providers reported a stable risk situation.

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

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

There were no elevated risks during the first quarter of 2024. The risk situation is stable in the EAA and with the service providers.

**INTERIM MANAGEMENT REPORT**

**Other risks**

**Reputational risks**

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

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

**Legal risks**

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

Since April 2010 the authorities in the US and in the EU (particularly BaFin) had been investigating possible misconduct in the trading departments of several banks. In connection with the quotations of reference interest rates, the results of the investigation have not produced any evidence of wrongdoing at the former WestLB; the investigations by BaFin and the US supervisory authorities were terminated without any measures being undertaken against Portigon. In addition, Portigon, together with a large number of banks also active in the US, were sued in this context in various class action lawsuits in the US, as well as further individual actions, for alleged manipulative actions with regard to reference interest rates. Certain aspects of these class actions were repeatedly rejected in the court of first instance also with respect to Portigon. Some plaintiffs launched an appeal against this, which led in part to a referral back to the court of first instance. The court of first instance has yet to make a final ruling. Portigon reached a settlement agreement with the respective plaintiffs in order to end the class actions. Portigon also remains convinced that, in line with the results of the investigations by the supervisory authorities, it cannot be accused of misconduct. The EAA has no reason to doubt Portigon's claims. Furthermore, the authorities have accused Portigon of misconduct in the trading departments, among other things; Portigon is taking legal action against this.

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

**Tax risks**

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

**INTERIM MANAGEMENT REPORT**

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

**Summary of the risk situation**

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

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

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

Due to its good rating, the EAA has a stable funding situation. The stress scenarios demonstrated reasonable net liquidity as of 31 March 2024.

Market price risks are largely limited.

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

Longevity risks as an essential part of life insurance risks consist in the fact that insured individuals live longer than originally calculated or the insurance companies increase the premiums. Life insurance risks also include the risk that the final surpluses of the policies are lower than planned. Life insurance risks are limited to the acquired portfolio and are analysed on a regular basis.

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

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

**INTERIM MANAGEMENT REPORT**

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

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

### Opportunities report

The Fed left the US fed funds rate unchanged at 5.25% to 5.5% on 1 May 2024. On 11 April 2024, the ECB also left its key interest rates unchanged from the previous meeting at 4.5%, 4.75% and 4.0%, respectively. The Asset Purchase Programme was reduced, as the redemptions are not reinvested. Returns under the Pandemic Emergency Purchase Programme will be reinvested in full up to mid-2024, after which they should be reduced by EUR 7.5 billion on average and stopped entirely in 2025.

As a winding-up agency without the ability to enter into new business, the EAA has no opportunities to take advantage of interest rate increases and heightened market volatility. Due to the positions largely closed against market price risks, the overall impact, so also in a negative sense, should be limited.

### Forecast report

Active measures and contractual maturities are expected to reduce the notional volume of the banking book by more than 5% compared with the previous year to less than EUR 6 billion in fiscal year 2024.

The EAA's objective is to wind up around 96% of the banking book as of 31 December 2011 (including the exposures from the refill) by the end of 2025. As in previous years, the winding-up activities will focus on advance portfolio-reducing measures and active participation management.

For fiscal year 2024, the notional volume of the trading portfolio is expected to decline by around 3% compared with the previous year, to around EUR 48 billion. Since the transfer in 2012, the EAA has continued to target a reduction in the notional volume of around 96% by the end of 2025. The EAA will continue to analyse how the trading portfolio can be effectively and cost efficiently reduced at an accelerated pace, using opportunities available to it where appropriate.

**INTERIM MANAGEMENT REPORT**

The EAA expects to generate a total of EUR -17 million (including dividend income) from the net interest result, net fee and commission result, and results from financial assets and shareholdings for 2024, and therefore below the previous year's level, as the continuing wind-down of the portfolio will lead to significantly lower income. A forecast for the net trading result and the result of risk provisions is difficult due to the imponderables with respect to developments on the global financial markets and other markets. The EAA is sticking with its strategy of winding up in a value-preserving manner. Losses cannot be ruled out in the next few fiscal years either because of the now substantial reduction of the portfolio and the associated decline in income from ongoing operations. This possibility is taken into account in the EAA's winding-up planning.

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

The EAA fundamentally pursues an opportunistic approach by conducting regular analyses of market conditions and exit opportunities in order to assess early and profitable wind-up opportunities for the portfolio.

Credit risk premiums are likely to benefit from the economic recovery on the one hand, but come under pressure from rising interest rates on the other. It is currently not possible to predict which effect will predominate. However, the EAA expects that the portfolio will essentially react robustly to these changes.

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

**BALANCE SHEET**

# Balance sheet

## Assets

	Notes	EUR	EUR	31/3/2024 EUR	31/12/2023 EUR
1. Cash reserve					
a) Balances with central banks			4,118		(4,163)
of which:					
with Deutsche Bundesbank					
EUR 4,118 (py: EUR 4,163)					
				4,118	4,163
2. Loans and advances to banks	4, 26				
a) Payable on demand			1,188,543,976		(1,144,848,949)
b) Other loans and advances			2,227,944,123		(2,317,674,974)
				3,416,488,099	3,462,523,923
3. Loans and advances to customers	5, 26			2,349,368,909	2,380,158,368
of which:					
Public-sector loans					
EUR 261,102,653 (py: EUR 264,028,096)					
4. Bonds and other fixed-income securities	7, 13, 14, 26				
a) Bonds issued by					
aa) public issuers			1,476,245,393		(1,468,535,723)
of which:					
eligible as collateral with Deutsche Bundesbank					
EUR 927,877,181					
(py: EUR 935,308,002)					
ab) other issuers			2,496,246,114		(2,593,254,238)
of which:					
eligible as collateral with Deutsche Bundesbank					
EUR 0 (py: EUR 0)					
				3,972,491,508	4,061,789,962

**ERSTE ABWICKLUNGSANSTALT**  
INTERIM REPORT 31 MARCH 2024

**BALANCE SHEET**

	Notes	EUR	EUR	31/3/2024 EUR	31/12/2023 EUR
5. Trading portfolio	8			3,476,451,083	3,730,527,295
6. Long-term equity investments	9			23,286,713	24,122,384
of which:					
in banks					
EUR 7,700,000 (py: EUR 7,700,000)					
7. Shares in affiliates	10			4,194,669	4,194,669
8. Other assets	11			67,246,179	107,708,572
9. Prepaid expenses/accrued income	12			43,617,093	34,237,967
<b>Total assets</b>				<b>13,353,148,371</b>	<b>13,805,267,303</b>

**ERSTE ABWICKLUNGSANSTALT**  
INTERIM REPORT 31 MARCH 2024

**BALANCE SHEET**

**Liabilities and equity**

	Notes	EUR	EUR	31/3/2024 EUR	31/12/2023 EUR
1. Deposits from banks	15				
a) Payable on demand			794,928,978		(839,957,676)
b) With an agreed maturity or withdrawal notice			468,533,959		(507,179,673)
				1,263,462,937	1,347,137,349
2. Deposits from customers	16				
other deposits					
a) Payable on demand			247,227,088		(5,056,830)
b) With an agreed maturity or withdrawal notice			708,138,797		(1,143,580,981)
				955,365,885	1,148,637,811
3. Debt securities in issue	17				
a) Bonds issued			2,939,291,434		(3,296,855,626)
b) Other debt securities in issue			4,548,550,283		(4,112,345,445)
of which:					
money market instruments					
EUR 4,548,550,283 (py: EUR 4,112,345,445)					
				7,487,841,717	7,409,201,071
4. Trading portfolio	18			2,918,978,545	3,145,147,199
5. Other liabilities	19			7,994,653	29,926,119
6. Accrued expenses/deferred income	20			17,554,083	17,553,000
7. Provisions	21				
a) Tax provisions				0	(0)
b) Other provisions			52,356,972		(54,487,067)
				52,356,972	54,487,067

**ERSTE ABWICKLUNGSANSTALT**  
INTERIM REPORT 31 MARCH 2024

**BALANCE SHEET**

	Notes	EUR	EUR	31/3/2024 EUR	31/12/2023 EUR
8. Equity	22				
a) Called capital					
Subscribed capital		500,000			(500,000)
less uncalled outstanding capital		0			(0)
			500,000		(500,000)
b) Capital reserves			3,013,237,214		(3,013,237,214)
c) Revenue reserves					
other revenue reserves		2,431,408			(2,431,408)
			2,431,408		(2,431,408)
d) Net retained losses			-2,366,575,043		(-2,362,990,935)
				649,593,579	653,177,687
<b>Total liabilities and equity</b>				<b>13,353,148,371</b>	<b>13,805,267,303</b>
1. Contingent liabilities	23				
a) Liabilities from guarantees and warranties			835,141,449		(846,832,771)
				835,141,449	846,832,771
2. Other obligations	23				
a) Irrevocable loan commitments			99,560,464		(101,712,516)
				99,560,464	101,712,516

INCOME STATEMENT

# Income statement

	Notes	EUR	EUR	1/1-31/3/2024 EUR	1/1-31/3/2023 EUR
1. Interest income from	24				
a) Lending and money market transactions		60,934,993			(56,370,827)
b) Fixed-income securities and debt register claims		51,704,263			(50,637,832)
			112,639,256		(107,008,659)
2. Interest expenses			107,548,072		(99,428,650)
				5,091,184	7,580,009
3. Current income from	24				
a) Equities and other non-fixed-income securities			0		(0)
b) Long-term equity investments			670,706		(494,510)
c) Shares in affiliates			0		(18)
				670,706	494,528
4. Income from profit pooling, profit transfer or partial profit transfer agreements	24			0	0
5. Fee and commission income			0		(7,191)
6. Fee and commission expenses			5,082,627		(4,931,800)
				-5,082,627	-4,924,609
7. Net trading result	24			2,705,795	2,446,721
8. Other operating income	24, 25			1,904,224	672,695
9. General administrative expenses					
a) Personnel expenses					
aa) Wages and salaries		2,576,471			(3,209,892)
ab) Compulsory social security contributions and expenses for pensions and other employee benefits		350,998			(498,328)
of which:					
for pensions EUR 94,349 (py: EUR 200,970)					
			2,927,469		(3,708,220)
b) Other administrative expenses			9,852,243		(16,444,962)
				12,779,712	20,153,182

**ERSTE ABWICKLUNGSANSTALT**  
INTERIM REPORT 31 MARCH 2024

**INCOME STATEMENT**

	Notes	EUR	EUR	1/1-31/3/2024 EUR	1/1-31/3/2023 EUR
10. Other operating expenses	25			2	75,535
11. Income from appreciations of loans and advances and certain securities and from reversals of loan loss provisions	21, 26			2,902,741	11,462,631
12. Income from appreciations of long-term equity investments, shares in affiliates and long-term securities	26			1,030,250	366,157
13. Expenses from loss assumption	26			0	0
14. Result from ordinary activities				-3,557,441	-2,130,585
15. Taxes on income and earnings	27			26,667	9,480
16. Other taxes not reported under item 10	27			0	0
17. Net result for the year				-3,584,108	-2,140,065
18. Net retained losses brought forward				-2,362,990,935	-2,362,502,158
19. Net retained losses				-2,366,575,043	-2,364,642,223

CASH FLOW STATEMENT

## Cash flow statement

			1/1-31/3/2024 EUR	1/1-31/3/2023 EUR
1.	+/-	Result for the period	-3,584,108	-2,140,065
		<b>Non-cash items included in net loss for the period and reconciliation to cash flows from operating activities</b>		
2.	+/-	Allowances for losses on loans and advances and write-offs on certain securities, depreciation, amortisation on tangible fixed assets and long-term financial assets as well as the reversal thereof	-3,342,354	-11,819,475
3.	+/-	Increase/decrease in provisions	-2,130,094	-3,199,843
4.	+/-	Other non-cash income/expenses	13,414,947	-15,127,502
5.	-/+	Gain/loss on disposal of long-term financial assets	0	-9,313
6.	=	Subtotal	4,358,391	-32,296,198
		<b>Change in operating assets and liabilities</b>		
7.	-/+	Increase/decrease in loans and advances to banks (no trading portfolio)	173,030,539	-1,382,755,279
8.	-/+	Increase/decrease in loans and advances to customers (no trading portfolio)	28,805,534	114,311,202
9.	-/+	Increase/decrease in securities (no financial assets and no trading portfolio)	76,371,065	297,106,615
10.	+/-	Trading assets	248,718,583	-577,108
11.	-/+	Increase/decrease in other operating assets	41,524,287	156,233,236
12.	+/-	Increase/decrease in deposits from banks (no trading portfolio)	-86,558,035	-98,735,093
13.	+/-	Increase/decrease in deposits from customers (no trading portfolio)	-200,811,563	301,585,432
14.	+/-	Increase/decrease in debt securities in issue	78,640,646	756,100,727
15.	+/-	Trading liabilities	-234,225,971	-1,825,297
16.	+/-	Increase/decrease in other operating liabilities	-21,862,352	-27,289,878
17.	+/-	Interest expenses/interest income	-5,761,889	-8,074,538
18.	+/-	Tax expenses/tax income	26,667	9,480
19.	+	Interest payments and dividend payments received	171,659,364	121,292,182
20.	-	Interest paid	-107,705,160	-102,137,823
21.	-/+	Income tax payments	-26,667	-9,480
22.	=	Cash flows from operating activities (sum of 6 to 21)	166,183,439	92,938,180
23.	+	Proceeds from disposal of long-term financial assets	974,999	0
24.	-	Purchase of long-term financial assets	0	0
25.	-	Purchase of tangible fixed assets	0	0
26.	-	Purchase of intangible assets	0	0
27.	=	Cash flows from investing activities (sum of 23 to 26)	974,999	0
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)	167,158,438	92,938,180
31.	+	Cash funds at beginning of period	366,471,724	2,183,477,230
32.	=	Cash funds at end of period (sum of 30 to 31)	533,630,162	2,276,415,410

The cash flow statement is prepared in accordance with DRS 21. The cash funds include the current accounts maintained at JPM 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

## Statement of changes in equity

	Balance as of 1/1/2024	Appropriation of the result	Balance as of 31/3/2024
	EUR	EUR	EUR
Called capital	500,000	0	500,000
Capital reserves	3,013,237,214	0	3,013,237,214
Other revenue reserves	2,431,408	0	2,431,408
Net retained losses	-2,362,990,935	-3,584,108	-2,366,575,043
<b>Equity under HGB</b>	<b>653,177,687</b>	<b>-3,584,108</b>	<b>649,593,579</b>

	Balance as of 1/1/2023	Appropriation of the result	Balance as of 31/3/2023
	EUR	EUR	EUR
Called capital	500,000	0	500,000
Capital reserves	3,013,237,214	0	3,013,237,214
Other revenue reserves	2,431,408	0	2,431,408
Net retained losses	-2,362,502,158	-2,140,065	-2,364,642,224
<b>Equity under HGB</b>	<b>653,666,464</b>	<b>-2,140,065</b>	<b>651,526,398</b>

CONDENSED NOTES

# Condensed notes

For the period from 1 January to 31 March 2024

## General disclosures

### 1. Legal framework of the EAA

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

The EAA is winding up the risk exposures and non-strategic business units (transferred assets) transferred from the former WestLB and its domestic and foreign subsidiaries. In doing so, it proceeds in a value-preserving and risk-minimising manner. This serves to stabilise the financial market. The risk exposures and non-strategic business units of the former WestLB were transferred to the EAA in the years 2009 and 2010 (first fill) as well as in 2012 (refill).

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

### 2. Basis of accounting

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

The information contained in this interim report should be read in conjunction with the disclosures contained in the published and audited financial statements for the fiscal year from 1 January to 31 December 2023. All facts were considered up to the time these interim financial statements were prepared.

**CONDENSED NOTES**

### 3. Accounting and valuation principles

The same accounting and valuation principles were applied to the interim financial statements as to the financial statements for the fiscal year from 1 January to 31 December 2023.

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

## Notes on the balance sheet and the income statement

### 4. Loans and advances to banks

	31/3/2024 EUR million	31/12/2023 EUR million
<b>Carrying amount</b>	<b>3,416.5</b>	<b>3,462.5</b>
Payable on demand	1,188.5	1,144.8
due		
- within 3 months	2,228.0	2,317.7

### 5. Loans and advances to customers

	31/3/2024 EUR million	31/12/2023 EUR million
<b>Carrying amount</b>	<b>2,349.4</b>	<b>2,380.2</b>
of which:		
- to affiliates	1,011.9	1,035.2
due		
- within 3 months	189.0	191.9
- 3 months to 1 year	281.8	312.8
- 1 to 5 years	816.5	811.2
- after 5 years	1,062.1	1,064.3

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

CONDENSED NOTES

## 6. Loans and advances secured by mortgages

No loans and advances were secured by mortgages as of the reporting date and at the previous year-end.

## 7. Bonds and other fixed-income securities

	31/3/2024 EUR million	31/12/2023 EUR million
<b>Carrying amount</b>	<b>3,972.5</b>	<b>4,061.8</b>
of which:		
Amounts due in the following year	73.9	69.6
Breakdown		
- Bonds issued by public issuers	1,476.2	1,468.5
- Bonds issued by other issuers	2,496.3	2,593.3
Breakdown by marketability		
- Marketable securities	3,972.5	4,061.8
of which:		
- listed	1,964.6	1,960.3
- unlisted	2,007.9	2,101.5
Breakdown by type		
- Liquidity reserve	-	-
- Financial assets portfolio	3,972.5	4,061.8

Bonds and other fixed-income securities in the amount of EUR 4.0 billion (previous year: EUR 4.1 billion) were included in the financial assets portfolio. As at the reporting date, financial assets with a carrying amount of EUR 1.8 billion (previous year: EUR 1.9 billion) were recognised at EUR 0.2 billion (previous year: EUR 0.1 billion) above their fair value, as the EAA expects to receive repayments totalling at least the carrying amount. This judgement is based on the EAA's long-term wind-up strategy and the expected performance of the financial assets. The difference is primarily attributable to structured credit products.

The financial assets are funded with financing that is congruous in terms of maturities and currencies. The EAA hedges them at the portfolio level against changes in value caused by fluctuations in interest rates and currencies.

CONDENSED NOTES

8. Trading portfolio

	31/3/2024 EUR million	31/12/2023 EUR million
<b>Carrying amount</b>	<b>3,476.5</b>	<b>3,730.5</b>
of which:		
- Derivative financial instruments	3,478.0	3,733.2
- Risk allowance pursuant to section 340e (3) sentence 1 HGB	-1.5	-2.7

9. Long-term equity investments

	31/3/2024 EUR million	31/12/2023 EUR million
<b>Carrying amount</b>	<b>23.3</b>	<b>24.1</b>
of which:		
- in banks	7.7	7.7
Breakdown by marketability		
- Marketable securities	7.7	7.7
of which:		
- unlisted	7.7	7.7

10. Shares in affiliates

	31/3/2024 EUR million	31/12/2023 EUR million
<b>Carrying amount</b>	<b>4.2</b>	<b>4.2</b>
Breakdown by marketability		
- Marketable securities	0.0	0.0
of which:		
- unlisted	0.0	0.0

**CONDENSED NOTES**

**11. Other assets**

	31/3/2024 EUR million	31/12/2023 EUR million
<b>Carrying amount</b>	<b>67.2</b>	<b>107.7</b>
of which:		
- Currency translation adjustments	65.7	100.9
- Tax refund claims	1.3	5.9
- Receivables from profit and loss pooling agreements	0.2	0.9

**12. Prepaid expenses/accrued income**

	31/3/2024 EUR million	31/12/2023 EUR million
<b>Carrying amount</b>	<b>43.6</b>	<b>34.2</b>
of which:		
- Discounts from issuing business	36.0	24.8
- Discounts from liabilities	7.2	7.8
- Non-recurring payments on swaps	0.4	0.4
- Other	-	1.2

**13. Subordinated assets**

Subordinated assets are included in:

	31/3/2024 EUR million	31/12/2023 EUR million
<b>Bonds and other fixed-income securities</b>	<b>358.6</b>	<b>358.8</b>

**14. Assets sold under repurchase agreements**

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

CONDENSED NOTES

15. Deposits from banks

	31/3/2024 EUR million	31/12/2023 EUR million
<b>Carrying amount</b>	<b>1,263.5</b>	<b>1,347.1</b>
Payable on demand due	794.9	840.0
- within 3 months	120.1	141.7
- 3 months to 1 year	12.1	25.1
- 1 to 5 years	264.0	267.9
- after 5 years	72.4	72.4

16. Deposits from customers

	31/3/2024 EUR million	31/12/2023 EUR million
<b>Carrying amount</b>	<b>955.4</b>	<b>1,148.6</b>
of which:		
- Deposits from affiliates	0.5	0.5
Other deposits	955.4	1,148.6
of which:		
- payable on demand due	247.2	5.1
- within 3 months	32.6	454.7
- 3 months to 1 year	10.0	13.4
- 1 to 5 years	530.6	520.4
- after 5 years	135.0	155.0

CONDENSED NOTES

17. Debt securities in issue

	31/3/2024 EUR million	31/12/2023 EUR million
<b>Carrying amount</b>	<b>7,487.8</b>	<b>7,409.2</b>
Bonds issued	2,939.3	3,296.9
of which:		
Amounts due in the following year	1,004.3	1,831.9
Other debt securities in issue	4,548.6	4,112.3
of which due:		
- within 3 months	3,862.6	3,561.5
- 3 months to 1 year	685.9	550.8

18. Trading portfolio

	31/3/2024 EUR million	31/12/2023 EUR million
<b>Carrying amount</b>	<b>2,919.0</b>	<b>3,145.1</b>
of which:		
- Derivative financial instruments	2,919.0	3,145.1

19. Other liabilities

	31/3/2024 EUR million	31/12/2023 EUR million
<b>Carrying amount</b>	<b>8.0</b>	<b>29.9</b>
of which:		
- Deposits from loss assumptions	-	9.2
- Other	8.0	20.7

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

CONDENSED NOTES

20. Accrued expenses/deferred income

	31/3/2024 EUR million	31/12/2023 EUR million
<b>Carrying amount</b>	<b>17.6</b>	<b>17.6</b>
of which:		
- Non-recurring payments on swaps	17.6	17.6

21. Provisions

	Balance as of 31/12/2023 EUR million	Additions EUR million	Accumulation EUR million	Utilisation EUR million	Reversals EUR million	Other changes EUR million	Final balance 31/3/2024 EUR million
<b>Taxes</b>	-	-	-	-	-	-	-
<b>Other provisions</b>	<b>54.5</b>	<b>0.3</b>	-	<b>2.5</b>	-	<b>0.1</b>	<b>52.4</b>
- Loans	1.4	-	-	-	-	-	1.4
- Shareholdings	0.3	-	-	-	-	-	0.3
- Legal actions	0.2	-	-	-	-	-	0.2
- Personnel	0.1	-	-	0.1	-	-	-
- Other	52.5	0.3	-	2.4	-	0.1	50.5
<b>Total</b>	<b>54.5</b>	<b>0.3</b>	-	<b>2.5</b>	-	<b>0.1</b>	<b>52.4</b>

“Other” provisions primarily include amounts for risks that cannot be classified under any other type of provision. Reversals for loan provisions are reported in the risk result.

22. Equity

As of the reporting date, the EAA’s subscribed capital amounted to EUR 500,000.

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

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

The net result for the year as of 31 March 2024 amounted to EUR -3.6 million and increases net retained losses to EUR 2,366.6 million as of the reporting date.

**CONDENSED NOTES**

## 23. Contingencies

### Contingent liabilities

The contingent liabilities of EUR 0.8 billion (previous year: EUR 0.8 billion) are mainly attributable to legacy liabilities of WestImmo and legacy liabilities of Hamburg Commercial Bank AG (formerly HSH Nordbank AG). As of the reporting date, the volume of legacy WestImmo liabilities stood at EUR 0.6 billion (previous year: EUR 0.6 billion).

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

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

### Other obligations

The reported volume of EUR 99.6 million (previous year: EUR 101.7 million) was due to the lending business. The EAA constantly reviews whether a provision needs to be made for impending losses.

## 24. Geographical breakdown of income components

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

	Interest income	Current income	Net trading result	Other operating income
	1/1-31/3/2024 EUR million	1/1-31/3/2024 EUR million	1/1-31/3/2024 EUR million	1/1-31/3/2024 EUR million
Germany	31.4	0.7	2.7	1.9
UK	7.3	-	-	-
Rest of Europe	50.2	-	-	-
Far East and Australia	1.8	-	-	-
North America	21.9	-	-	-
<b>IS amount</b>	<b>112.6</b>	<b>0.7</b>	<b>2.7</b>	<b>1.9</b>

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

**CONDENSED NOTES**

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

As of 31 March 2024, net other operating expenses and income comprised EUR 0.0 million (previous year: EUR 0.1 million) in expenses and EUR 1.9 million (previous year: EUR 0.7 million) in income.

Income included the result of EUR 1.0 million (previous year: EUR 0.7 million) from currency translation adjustment.

## 26. Risk provision

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

	1/1-31/3/2024 EUR million	1/1-31/3/2023 EUR million
<b>Risk provision and financial investment result including loss assumption (pursuant to RechKredV)</b>	<b>3.9</b>	<b>11.9</b>
<b>Loans and securities income/expense</b>	<b>2.9</b>	<b>11.5</b>
of which: - Lending operations	2.9	11.5
<b>Shareholdings and securities income/expenses</b>	<b>1.0</b>	<b>0.4</b>
of which: - Shareholdings	0.5	0.0
- Securities	0.5	0.4
<b>Expenses from loss assumption</b>	-	-
<b>Risk provision and financial investment result including loss assumption (pursuant to risk report)</b>	<b>3.9</b>	<b>11.9</b>
<b>Result of risk provisions – loans and advances/securities due to credit risk</b>	<b>2.9</b>	<b>11.5</b>
of which: - Lending operations	2.9	11.5
<b>Results from financial assets, shareholdings and loss assumption</b>	<b>1.0</b>	<b>0.4</b>

The EAA always makes use of the options available under section 340f (3) HGB and section 340c (2) HGB. Under section 340f (3) HGB, income and expenses resulting from the valuation in the lending business may be reported on a net basis with risk provisions for securities and income from the reversal of risk provisions on securities of the liquidity reserve. Net income amounted to EUR 2.9 million (previous year: net income EUR 11.5 million). According to section 340c (2) HGB, the expenses for long-term equity investments, shares in affiliates and long-term investment securities may be offset against the corresponding income. Overall, the EAA shows net income of EUR 1.0 million (previous year: net income of EUR 0.4 million) as the risk result for shareholdings and securities.

CONDENSED NOTES

## 27. Taxes

Taxes on income and earnings amounting to EUR 26.7 thousand (previous year: EUR 9.5 thousand) primarily related to foreign withholding taxes.

No other taxes were incurred in the current fiscal year or in the previous year.

## Other disclosures

## 28. Forward contracts/derivative financial instruments

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

### △ Interest rate-related products

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

### △ Currency-related products

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

The total volume of forward transactions and derivatives transactions as of the reporting date amounted to EUR 61.2 billion (previous year: EUR 78.2 billion) based on notional values. The focus remains on interest rate-related products, whose share stands at 85.4% (previous year: 84.2%) of the total volume.

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

### Derivative financial instruments – volume as of the reporting date

	Notional amount		Positive market values		Negative market values	
	31/3/2024 EUR million	31/12/2023 EUR million	31/3/2024 EUR million	31/12/2023 EUR million	31/3/2024 EUR million	31/12/2023 EUR million
<b>Interest rate-related products</b>	<b>52,314.6</b>	<b>65,823.3</b>	<b>2,999.6</b>	<b>3,234.4</b>	<b>2,622.2</b>	<b>2,918.4</b>
OTC products	52,314.6	65,823.3	2,999.6	3,234.4	2,622.2	2,918.4
<b>Currency-related products</b>	<b>8,934.0</b>	<b>12,364.3</b>	<b>649.5</b>	<b>847.4</b>	<b>535.8</b>	<b>604.7</b>
OTC products	8,934.0	12,364.3	649.5	847.4	535.8	604.7
<b>Total</b>	<b>61,248.6</b>	<b>78,187.6</b>	<b>3,649.1</b>	<b>4,081.8</b>	<b>3,158.0</b>	<b>3,523.1</b>
OTC products	61,248.6	78,187.6	3,649.1	4,081.8	3,158.0	3,523.1

**CONDENSED NOTES**

The average annual notional volume of forward contracts and derivatives transactions amounted to EUR 69.7 billion (previous year: EUR 78.7 billion) in fiscal year 2024.

**Derivative financial instruments – average volumes**

	Notional amount		Positive market values		Negative market values	
	31/3/2024 EUR million	31/12/2023 EUR million	31/3/2024 EUR million	31/12/2023 EUR million	31/3/2024 EUR million	31/12/2023 EUR million
<b>Interest rate-related products</b>	<b>59,068.9</b>	<b>66,551.4</b>	<b>3,117.0</b>	<b>3,233.2</b>	<b>2,770.3</b>	<b>2,960.8</b>
OTC products	59,068.9	66,551.4	3,117.0	3,233.2	2,770.3	2,960.8
<b>Currency-related products</b>	<b>10,649.2</b>	<b>12,173.4</b>	<b>748.5</b>	<b>752.0</b>	<b>570.3</b>	<b>452.7</b>
OTC products	10,649.2	12,173.4	748.5	752.0	570.3	452.7
<b>Total</b>	<b>69,718.1</b>	<b>78,724.8</b>	<b>3,865.5</b>	<b>3,985.2</b>	<b>3,340.6</b>	<b>3,413.5</b>
OTC products	69,718.1	78,724.8	3,865.5	3,985.2	3,340.6	3,413.5

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

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

**Derivative financial instruments – maturities**

	Interest rate-related products		Currency-related products	
	31/3/2024 EUR million	31/12/2023 EUR million	31/3/2024 EUR million	31/12/2023 EUR million
Due				
- within 3 months	1,739.2	999.6	310.6	498.2
- 3 months to 1 year	5,828.5	12,874.9	2,262.7	2,900.4
- 1 to 5 years	13,719.0	16,991.4	2,765.5	5,090.8
- after 5 years	31,027.9	34,957.4	3,595.2	3,874.9
<b>Total</b>	<b>52,314.6</b>	<b>65,823.3</b>	<b>8,934.0</b>	<b>12,364.3</b>

**CONDENSED NOTES**

### 29. Number of employees

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

	Male	Female	Total 1/1-31/3/2024	Total 1/1-31/3/2023
Number of employees	42	24	66	84

As of 31 March 2024 the EAA employed 60 (31 March 2023: 75) full-time equivalents.

### 30. Stakeholders in the EAA

	31/3/2024 in %	31/12/2023 in %
State of NRW	48.202	48.202
Rheinischer Sparkassen- und Giroverband	25.032	25.032
Sparkassenverband Westfalen-Lippe	25.032	25.032
Landschaftsverband Rheinland	0.867	0.867
Landschaftsverband Westfalen-Lippe	0.867	0.867
<b>Total</b>	<b>100.000</b>	<b>100.000</b>

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

During the reporting period, no member of the Managing Board of the EAA exercised a mandate in a statutory supervisory body of large public companies pursuant to section 340a (4) No. 1 in conjunction with section 267 (3) HGB.

### 32. Memberships of other bodies held by employees

During the reporting period, no employee of the EAA exercised a mandate in a statutory supervisory body of large public companies pursuant to section 340a (4) No. 1 in conjunction with section 267 (3) HGB.

### 33. Executive bodies of the EAA

#### Members of the Managing Board of the EAA

Christian Doppstadt  
Horst Küpker

**CONDENSED NOTES**

**Members of the Supervisory Board of the EAA**

**Dr Dirk Günnewig**

Chairman  
State Secretary in the Ministry of Finance of NRW

**Susanne Elsässer**

Vice Chairwoman  
Senior Assistant Secretary (Leitende Ministerialrätin) in the Ministry of Finance of NRW

**Michael Breuer**

President of the Rheinischer Sparkassen- und Giroverband

**Hans Buschmann**

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

**Rolf Einmahl**

Lawyer,  
Member of the Landschaftsversammlung of the Landschaftsverband Rheinland

**Henning Giesecke**

Shareholder 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 Burbach-Neunkirchen

**Frank Hellwig**

CEO,  
Special representative of the BaFin of OWH SE i.L.

**Dr Achim Kopf**

Head of Risk Control of the Bundesrepublik Deutschland - Finanzagentur GmbH

**Dr Georg Lunemann**

Director of the Landschaftsverband Westfalen-Lippe

**Klaus Rupprath**

Former Head of Capital Markets of the NRW.BANK

**Jürgen Wannhoff**

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

**Stakeholders' Meeting of the EAA**

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

CONDENSED NOTES

34. Information on shareholdings

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

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

Other shareholdings

Name and location	direct (d) / indirect (i)	PLTA yes (Y) / no (N)	As of	Capital share	Voting rights	CCY	Equity	Result
CBAL S.A., Brussels, Belgium	d / i	N	31/10/2023	100.00	100.00	EUR	549	-139
Corsair III Financial Services Capital Partners L.P., Wilmington, US	d	N	n. s.	1.84	0.00		n. s.	n. s.
Corsair III Financial Services Offshore Capital Partners L.P., George Town, Cayman Islands	d	N	n. s.	1.84	0.00		n. s.	n. s.
DALS Sparkassen-Neubau Teltow-Fläming Verwaltung GmbH, Düsseldorf	i	N	31/12/2023	100.00	100.00	EUR	28	4
Deutsche Anlagen-Leasing Service Sparkassen- Neubau Teltow-Fläming GmbH & Co. KG, Aschheim	i	N	31/12/2022	78.49	78.60	EUR	1,885	777
EAA Charity LLP, Wilmington, US	i	N	31/12/2023	100.00	100.00	USD	27,218	968
EAA DLP I LLP, Wilmington, US	i	N	31/12/2023	100.00	100.00	USD	78,064	-6,662
EAA DLP II LLP, Wilmington, US	i	N	31/12/2023	100.00	100.00	USD	64,110	-2,303
EAA DLP III LLP, Wilmington, US	i	N	31/12/2023	100.00	100.00	USD	119,699	6,089
EAA do Brasil Participacoes, Representacoes e Negocios Ltda., Sao Paulo, Brazil	d	N	31/12/2023	100.00	100.00	BRL	612	-7
EAA Europa Holding GmbH, Düsseldorf	d	Y	31/12/2023	100.00	100.00	EUR	4,076	0
EAA Greenwich LLP, Wilmington, US	i	N	31/12/2023	100.00	100.00	USD	111,053	-7,025
EAA LAT ABC LLP, Wilmington, US	i	N	31/12/2023	100.00	100.00	USD	127,144	-12,882
EAA LAT II LLP, Wilmington, US	i	N	31/12/2023	100.00	100.00	USD	157,513	10,625
EAA LS Holdings LLC, Wilmington, US	i	N	31/12/2023	100.00	100.00	USD	0	0
EAA PF LLP, Wilmington, US	i	N	31/12/2023	100.00	100.00	USD	170,071	-18,381
EAA Triskele LLP, Wilmington, US	i	N	31/12/2023	100.00	100.00	USD	151,942	23,003
EAA US Holdings Corporation, Wilmington, US	d	N	31/12/2022	100.00	100.00	USD	8,494	4,059
Erste EAA Anstalt öffentlichen Rechts & Co. KG, Düsseldorf	d / i	Y	31/12/2023	100.00	100.00	EUR	49	0
Erste Financial Services GmbH, Düsseldorf	d	N	31/12/2023	100.00	100.00	EUR	16,905	1,721
Leasing Belgium N.V., Antwerp, Belgium	i	N	31/12/2022	100.00	100.00	EUR	203	-56
MCC SB Condo LLC, Wilmington, US	i	N	31/12/2022	100.00	100.00	USD	0	0
MCC SB Unit 144 LLC, Indianapolis, US	i	N	31/12/2022	100.00	100.00	USD	0	0
MCC SB Unit 145 LLC, Indianapolis, US	i	N	31/12/2022	100.00	100.00	USD	0	0
MCC SB Unit 146 LLC, Indianapolis, US	i	N	31/12/2022	100.00	100.00	USD	0	0

**ERSTE ABWICKLUNGSANSTALT**  
INTERIM REPORT 31 MARCH 2024

**CONDENSED NOTES**

**Other shareholdings**

Name and location	direct (d) / indirect (i)	PLTA yes (Y) / no (N)	As of	Capital share	Voting rights	CCY	Equity	Result
MCC SB Unit 147 LLC, Indianapolis, US	i	N	31/12/2022	100.00	100.00	USD	0	0
MFC Holdco LLC, Dover, US	i	N	31/12/2022	100.00	100.00	USD	0	0
MFC Real Estate LLC, Dover, US	i	N	31/12/2022	100.00	100.00	USD	0	0
MFC SB BAR, LLC, Indianapolis, US	i	N	31/12/2022	100.00	100.00	USD	0	0
S-Chancen-Kapitalfonds NRW GmbH i.L., Haan	d	N	31/12/2023	50.00	50.00	EUR	2,001	40
Sechste EAA-Beteiligungs GmbH, Düsseldorf	d	N	31/12/2022	100.00	100.00	EUR	25	-7
thyssenkrupp Electrical Steel GmbH, Gelsenkirchen	d	N	30/9/2023	0.42	0.42	EUR	96,622	0
thyssenkrupp Materials Processing Europe GmbH, Krefeld	d	N	30/9/2023	0.42	0.42	EUR	61,880	0
thyssenkrupp Materials Services GmbH, Essen	d	N	30/9/2023	0.16	0.16	EUR	745,235	0
ThyssenKrupp Rasselstein GmbH, Andernach	d	N	30/9/2023	0.50	0.50	EUR	247,021	0
TK Aufzugswerke GmbH, Neuhausen auf den Fildern	d	N	30/9/2023	0.50	0.50	EUR	13,951	0
West Life Markets GmbH & Co. KG, Düsseldorf	d / i	Y	31/12/2023	100.00	100.00	EUR	1,312	0
West Merchant Limited, London, UK	d	N	31/12/2022	100.00	100.00	GBP	43	-51
Westdeutsche Immobilien Holding GmbH, Düsseldorf	d	Y	31/12/2022	100.00	100.00	EUR	5,539	0
WestInvest Gesellschaft für Investmentfonds mbH, Düsseldorf	i	N	31/12/2022	0.00	0.00	EUR	11,339	0
Windmill Investments Limited, George Town, Cayman Islands	d	N	31/12/2022	5.07	0.00	USD	38,541	-340
WIV GmbH & Co. Beteiligungs KG, Frankfurt am Main	d / i	N	31/12/2022	5.10	5.10	EUR	12,826	726

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

Name and location	direct (d) / indirect (i)	PLTA yes (Y) / no (N)	As of	Capital share	Voting rights	CCY	Equity	Result
Banco Finantia S.A., Lisbon, Portugal	d	N	31/12/2022	10.39	10.39	EUR	423,186	248

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

Name and location	direct (d) / indirect (i)	PLTA yes (Y) / no (N)	As of	Capital share	Voting rights	CCY	Equity	Result
GLB GmbH & Co. OHG, Frankfurt am Main	d / i	N	31/12/2022	15.47	15.47		n. s.	n. s.

**CONDENSED NOTES**

## Subsequent events


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

# Responsibility statement

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

Düsseldorf, 21 May 2024

Erste Abwicklungsanstalt



**Christian Doppstadt**  
Member of the Managing Board



**Horst K pker**  
Member of the Managing Board

**LIST OF ABBREVIATIONS**

## List of abbreviations

<b>ABTS</b>	Accenture Banking Technology Solutions GmbH, Potsdam
<b>APAC</b>	Asia-Pacific economic area
<b>AT</b>	General part
<b>AUD</b>	Australian dollar
<b>BaFin</b>	German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht)
<b>BilMoG</b>	German Accounting Law Modernisation Act (Bilanzrechtsmodernisierungsgesetz)
<b>BlackRock</b>	BlackRock Financial Management Inc., Wilmington/US
<b>BRL</b>	Brazilian real
<b>CAD</b>	Canadian dollar
<b>CCY</b>	Currency code
<b>CEO</b>	Chief Executive Officer
<b>CHF</b>	Swiss franc
<b>CVA</b>	Credit valuation adjustments
<b>DAC</b>	Designated activity company
<b>DRS</b>	German Accounting Standard (Deutscher Rechnungslegungsstandard)
<b>EAA</b>	Erste Abwicklungsanstalt, Düsseldorf
<b>EC</b>	European Community
<b>ECB</b>	European Central Bank
<b>EEC</b>	European Economic Community
<b>EFS</b>	Erste Financial Services GmbH, Düsseldorf (Portigon Financial Services GmbH until 28 June 2016)
<b>EMEA</b>	Europe, Middle East and Africa economic area
<b>EU</b>	European Union
<b>EUR</b>	Euro
<b>Eurostat</b>	Statistical office of the European Union
<b>Fed</b>	US Federal Reserve
<b>FI</b>	Financial Institutions
<b>Fitch</b>	Fitch Ratings
<b>FMS</b>	German Financial Market Stabilisation Fund (Finanzmarktstabilisierungsfonds)
<b>FMSA</b>	German Federal Agency for Financial Market Stabilisation (Bundesanstalt für Finanzmarktstabilisierung)
<b>FX effect</b>	Foreign exchange effect
<b>GBP</b>	Pound sterling
<b>HGB</b>	German Commercial Code (Handelsgesetzbuch)
<b>HKD</b>	Hong Kong dollar
<b>HUF</b>	Hungarian forint
<b>HRA</b>	Commercial register department A (Handelsregister Abteilung A)
<b>IBM</b>	IBM Deutschland GmbH, Ehningen
<b>IMF</b>	International Monetary Fund
<b>IS</b>	Income statement

**LIST OF ABBREVIATIONS**

<b>IT</b>	Information technology
<b>ITC</b>	Office, IT and communication infrastructure
<b>JPM</b>	J.P. Morgan SE - Frankfurt Branch, Frankfurt am Main
<b>JPY</b>	Japanese yen
<b>LGD</b>	Loss Given Default
<b>MaRisk</b>	German Minimum Requirements for Risk Management (Mindestanforderungen an das Risikomanagement)
<b>matrix</b>	matrix technology GmbH, Munich
<b>n. s.</b>	Not specified
<b>No.</b>	Number
<b>NPL</b>	Non-performing loans
<b>NRW</b>	North Rhine-Westphalia
<b>OTC</b>	Over the counter
<b>PLN</b>	Polish zloty
<b>Portigon</b>	Portigon AG, Düsseldorf (WestLB AG until 2 July 2012)
<b>py</b>	Previous year
<b>RechKredV</b>	German Ordinance on Accounting for Banks and Financial Service Providers (Verordnung über die Rechnungslegung der Kreditinstitute und Finanzdienstleistungsinstitute)
<b>Repo</b>	Repurchase operation
<b>StFG</b>	German Financial Market and Economic Stabilisation Fund Act – Stabilisation Fund Act (Stabilisierungsfondsgesetz)
<b>UK</b>	United Kingdom
<b>US</b>	United States
<b>USD</b>	US dollar
<b>VaR</b>	Value at Risk
<b>WestImmo</b>	Westdeutsche ImmobilienBank AG, Mainz (Westdeutsche Immobilien Servicing AG since 30 June 2017)
<b>WestLB</b>	WestLB AG, Düsseldorf (Portigon AG since 2 July 2012)

**IMPRINT**

# Imprint

**Erste Abwicklungsanstalt**

Friedrichstraße 84  
40217 Düsseldorf  
+49 211 91345 780  
info@aa1.de  
www.aa1.de