

ANNUAL REPORT 2024

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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

Income statement in EUR million	1/1-31/12/2024	1/1-31/12/2023
Net interest result	56.3	31.4
Net fee and commission result	-20.1	-19.9
Net trading result	9.0	3.6
Total other operating expenses/income	13.9	9.9
General administrative expenses	-50.2	-92.2
Results from financial assets and shareholdings	-14.9	-0.9
Results prior to risk provisioning	-6.0	-68.1
Loan loss provisions	3.8	68.1
Results before taxes	-2.2	0.0
Taxes	-0.2	-0.5
Net result for the year	-2.4	-0.5
Balance sheet in EUR billion	31/12/2024	31/12/2023
Total assets	13.0	13.8
Business volume	13.9	14.8
Lending business	6.5	6.8
Trading assets	3.4	3.7
Equity	0.7	0.7
Winding-up	31/12/2024	31/12/2023
Banking book		
Notional value (before FX effect) in EUR billion	5.7	6.3
Winding-up activities (compared with previous year-end) in EUR billion	-0.6	-1.3
Winding-up activities (compared with previous year-end) in %	-8.8	-17.3
Trading portfolio		
Notional value (before FX effect) in EUR billion	45.0	49.9
Winding-up activities (compared with previous year-end) in EUR billion	-4.8	-6.7
Winding-up activities (compared with previous year-end) in %	-9.7	-11.8
Employees	31/12/2024	31/12/2023
Number of employees	56	67
Issuer credit ratings	Short-term rating	Long-term rating
Moody's Investors Service	P-1	Aa1
Standard & Poor's	A-1+	AA
Fitch Ratings	F1+	AAA

Report of the Supervisory Board

The Erste Abwicklungsanstalt (EAA) continued to successfully fulfil its wind-up mission in fiscal year 2024. In exercising the rights and obligations incumbent upon it under the statutory provisions and its charter in the fiscal year from 1 January 2024 to 31 December 2024, the Supervisory Board of the EAA convened three times. Its permanent committee, the Audit and Risk Committee, also convened three times.

The deliberations of the Supervisory Board in fiscal year 2024 dealt with various matters, including the winding-up plan for 2025 and measures for the efficient further development of the structures and processes, to create an EAA that is focused on the key functions of monitoring, managing and decision-making. The Supervisory Board also dealt with the project that was started in the reporting year on the strategy options for a possible early winding up of the EAA and active portfolio-related legal measures that were successfully completed by the EAA in fiscal year 2024.

The Supervisory Board advised the Managing Board, monitored its management of the company and was involved in decisions that are of fundamental importance for the EAA in fiscal year 2024. The members of the Supervisory Board were kept regularly informed about the situation at the EAA – also outside of meetings – through the wind-up reports and other reports submitted to it and were able to analyse it critically.

The Supervisory Board followed a recommendation made by the Audit and Risk Committee and appointed RSM Ebner Stolz GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Cologne, as the auditors of the EAA for the reporting year. The auditor audited the annual financial statements and the management report of the EAA for the fiscal year ending on 31 December 2024 and issued an unqualified audit opinion. The Supervisory Board and the Audit and Risk Committee discussed in detail the auditor's report on the findings of its audit and raised no objections. The Supervisory Board approved the annual financial statements and the management report prepared by the Managing Board at its meeting on 4 April 2025 and proposes to the Stakeholders' Meeting to ratify the annual financial statements for fiscal year 2024.

The Supervisory Board would like to thank the EAA's employees for their commitment and their achievements in this fiscal year.

Düsseldorf, 4 April 2025



Dr Dirk Günnewig
Chairman
of the Supervisory Board

FOREWORD

Foreword

Dear Ladies and Gentlemen,

Fiscal year 2024 proved successful for the EAA. As in previous years, the winding-up activities were focused on measures for reducing the portfolio ahead of schedule and an active participation management. The portfolio of loans and securities was reduced by EUR 0.6 billion to EUR 5.7 billion as of 31 December 2024 and the notional volume in the trading portfolio declined by EUR 4.8 billion to EUR 45.0 billion.

The EAA reported a negative result after taxes of EUR -2.4 million. This reflects the fact that earnings are bound to decline at the well-advanced stage of the portfolio wind-up and the administrative expenses can no longer be offset in full.

Thanks to the successful completion of the project for efficient further development, and for optimising and increasing the flexibility of the administrative expenses, the EAA extensively outsourced its operating processes and infrastructure to new service providers. It is therefore positioned as a lean management unit with its key functions of monitoring, managing and decision-making. It has also created a flexible cost structure, which is essential for fulfilling the wind-up mandate in a cost-efficient manner.

At the end of 2024, the EAA stakeholders – the State of North Rhine Westphalia, the North Rhine Westphalian Savings Banks and Giro Associations as well as the Regional Associations – asked the Managing Board to carry out a breakdown of the concept as part of the project launched in the reporting year on the strategy options for a possible premature termination of the EAA. The objective is to reach a decision on the future of the EAA on this basis from the start of 2026 at the level of the stakeholders with the involvement of their governing bodies.

The EAA can continue to draw on a solid risk buffer to wind up the remaining portfolio. Its equity as of 31 December 2024 amounted to a good EUR 651 million. The buffer of equity, equity capital drawing limit and risk provisions in relation to the remaining portfolio increased further by 1.9 percentage points to 22.9% compared to year-end 2023. This underlines the fact that the rapid pace of reduction did not impair the substance of the portfolio.

FOREWORD

The Managing Board would like to thank the EAA's employees for their commitment and performance in the past fiscal year. This is particularly relevant against the backdrop of the continuous reduction in the number of employees, which reflects the ongoing portfolio wind-up and the EAA's target vision of being a lean management unit. It also means an extraordinary commitment for the remaining employees.

Yours sincerely



Christian Doppstadt
Member
of the Managing Board



Horst K pker
Member
of the Managing Board

Management report

For the period from 1 January to 31 December 2024

Principles of the EAA

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.

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 12 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.

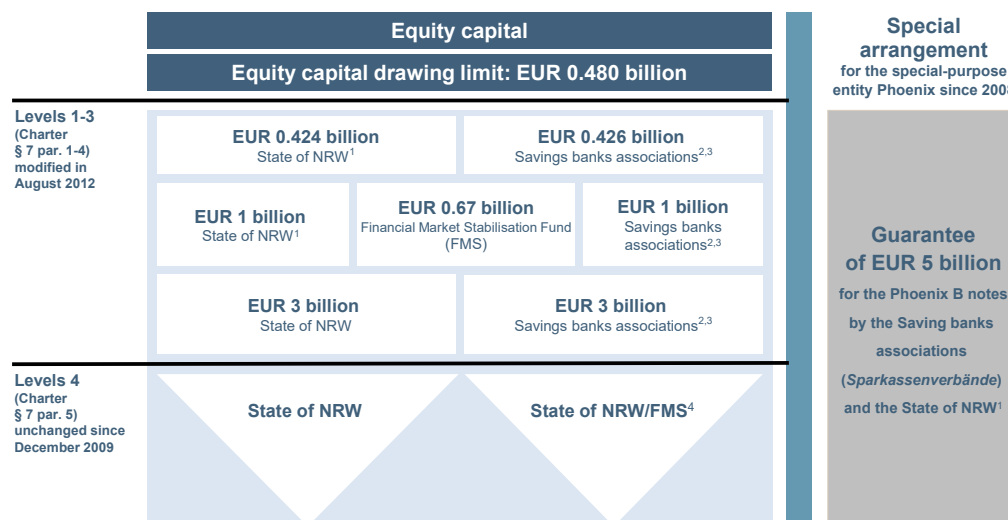
Equity base and liability

The EAA's share capital amounted to EUR 500,000. The first fill created equity totalling around EUR 3.1 billion.

As part of the refill the EAA received equity drawing rights in the amount of EUR 480 million. If necessary, the liable stakeholders of the EAA and the FMS will provide these funds in specified instalments in the event that the EAA's balance sheet equity should fall below EUR 50 million.

In addition to the EAA's equity base, a factor that is particularly important for the EAA's credit standing is the duty to offset the EAA's losses that the EAA's liable stakeholders and the FMS have assumed. They are individually liable to the EAA to offset all losses in accordance with section 7 of the EAA's charter. To that end, they must provide the EAA with such funds at such times as are necessary in order to ensure that it has sufficient cash and cash equivalents at all times to meet its liabilities as they become due, even after its equity has been used up. The EAA is obligated to assert this loss-offset claim against the liable stakeholders and the FMS in the appropriate volume and before any pending insolvency takes effect, in order to ensure it remains solvent at all times.

MANAGEMENT REPORT



¹ For purposes of simplification, the relatively low stake of the Landschaftsverbände (Landschaftsverband Rheinland and Landschaftsverband Westfalen-Lippe) is included in the figure shown for the State of NRW.

² Rheinischer Sparkassen- und Giroverband and Sparkassenverband Westfalen-Lippe, at 50% each.

³ Default liability assumed by the State of NRW.

⁴ The State of NRW and the FMS will reach an agreement on the apportionment of the associated financial burden on the basis of the StFG.

Funding

The EAA was initially funded in the first fill through the nearly complete transfer of all issues and deposits of the former WestLB with guarantor liability. The EAA raised its own funds in the period thereafter. In the future, the EAA will continue to obtain funding primarily by issuing bearer bonds and by short-term borrowing. The EAA's ratings correspond to those of the State of NRW. The risk weighting can therefore be set according to the weighting for the State of NRW. The EAA includes the EAA on the list of public-sector entities which, pursuant to Article 116 (4) CRR, may be treated for exposure purposes as exposure to the relevant regional government (in this case: the State of NRW). The good ratings received from Moody's Investors Service, Standard & Poor's and Fitch Ratings, as well as the duty to offset losses on the part of the liable stakeholders and the FMS, form the foundation for the EAA's successful presence on the capital market.

Accounting

The EAA prepares its annual financial statements in accordance with HGB. It is exempt from the requirement to prepare consolidated financial statements pursuant to section 8a (1a) sentence 3 StFG. However, the significant participations, particularly Erste EAA Anstalt öffentlichen Rechts & Co. KG, are included in the wind-up success and risk planning, risk monitoring and risk reporting.

MANAGEMENT REPORT

Organisation

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 progressive reduction of the portfolio requires capacity and costs to be reduced for some time now, 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 maximum 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 data services by Accenture Banking Technology Solutions GmbH and ITC services by matrix technology GmbH (now x1F Management & Technology Services GmbH). IBM Deutschland GmbH continues to be commissioned as the service provider for compliance services and BlackRock Financial Management Inc. for the structured credit services. In addition, the account management and payment transactions banking services, and the safekeeping and administration of EAA's securities portfolios, are procured from J.P. Morgan SE - Frankfurt Branch, which is the EAA's principal bank.

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.

Control system

The EAA draws up a winding-up plan regularly (at least once a year) and evaluates at least as of the end of each quarter whether the plan needs to be adjusted. The winding-up plan details the intended unwinding measures, including a schedule for winding up the portfolio and the resulting implications for the EAA's equity capital and financial situation.

MANAGEMENT REPORT

The EAA's key control variable is the decline in the notional volume of the portfolio. Aside from volume reduction, other control variables are also relevant in connection with the earnings situation. According to section 5 (3) of the EAA's charter, the primary requirements are to minimise losses and ensure that the EAA is solvent at all times. The earnings situation, the equity development and ensuring solvency at all times are therefore further performance indicators for the EAA. The EAA's decisions are made in consideration of the aforementioned control variables and their contribution to the wind-up success will be assessed.

Administrative expenses are highly important, too. The costs of the planned reduction of portfolio volume are controlled within the scope of budget planning and ongoing cost controlling. Cost controlling plays a key role within the EAA because, due to legal provisions, it is not possible for winding-up agencies to offset operating costs through profitable new business.

Alongside planning, controlling is supported by ongoing monitoring. The reporting process provides the members of the Managing Board and the department heads with a regular summary of all portfolio measures taken, as well as all relevant data regarding the EAA's control variables. Alongside reporting, actual-to-plan analyses are performed to identify deviations from the winding-up plan, to explain them in detail and derive corresponding recommendations for action.

The EAA's locations

The EAA has its registered office in Düsseldorf. The EAA does not maintain any other locations. The EAA holds stakes in domestic and foreign subsidiaries, which do not have their own active employees themselves.

Economic report

Economic environment

Donald Trump won the US election in the fourth quarter of 2024 and was sworn in as the 47th president on 20 January 2025. After the federal elections in Germany in the states of Thuringia, Saxony and Brandenburg in September 2024, different coalitions were formed – without a parliamentary majority in two cases. The Federal President dissolved the German Bundestag at the end of 2024 after the Chancellor lost the confidence vote in parliament. Early elections were then scheduled for 23 February 2025. According to preliminary official results from the day after the election, the CDU/CSU parties won 208 seats in the German Bundestag and, in strictly mathematical terms, were able to form a coalition government with a parliamentary majority with one of the next two strongest parties, the AfD or the SPD. However, the CDU/CSU had already ruled out a coalition with the AfD. One of the important challenges the new government faces is likely to be the fight against Germany's global economic downturn.

MANAGEMENT REPORT

In economic terms, the fourth quarter of 2024 was uneventful outside of Germany. In its World Economic Outlook of January 2025, the IMF projected global growth at 3.2% for 2024, and 3.3% for both 2025 and 2026. Below average growth of 1.9% and 1.8%, respectively, is expected in the advanced economies. The US is the frontrunner in this group (2.7%/2.1%) while Germany brings up the rear (0.3%/1.1%). The highest growth rates worldwide in 2025 and 2026 should be achieved by India (6.5% in each year) and China (4.6%/4.5%). Global inflation is anticipated to reach 4.2% in 2025 and 3.5% in 2026, after 5.7% in 2024.

The economic policy agenda of the newly formed US government appears to include a willingness to impose higher import tariffs and lower government spending as well as a withdrawal from the Paris Climate Agreement. This also extends to non-governmental institutions, such as the Fed's withdrawal from the Network of Central Banks and Supervisors for Greening the Financial System. In its forecast of 18 December 2024, the Federal Open Market Committee estimated its projections for gross domestic product growth in the US at 2.1% for 2025, and at 2.0% and 1.9% for 2026 and 2027, respectively. Growth was 2.5% in 2024. Inflation based on the Personal Consumption Expenditures price index is expected to increase by 2.5% in 2025, 2.1% in 2026 and 2.0% in 2027, after 2.4% in 2024.

The ECB predicts gross domestic product growth of 1.0% for the eurozone for 2025, of 1.3% for 2026 and likewise 1.3% for 2027. Data from Eurostat shows that gross domestic product actually rose by 1.1% year on year in 2024. Based on the Harmonised Index of Consumer Prices, inflation was 2.7% in December 2024. The ECB's projection is 2.1% for 2025, 1.9% for 2026 and 2.0% for 2027.

Gross domestic product in Germany eased by 0.2% in 2024. In the Annual Economic Report 2025, which was presented on 29 January 2025, the Federal Ministry for Economic Affairs and Climate Protection predicted gross domestic product growth of 0.3% in 2025 for Germany. This compares with the Federal government's projection of 1.1% growth for 2025 in its autumn forecast as of 9 October 2024. In its economic survey published on 13 February 2025, the German Chamber of Industry and Commerce expects gross domestic product to decline further by 0.5% in 2025. 60% of the companies surveyed view the economic policy framework as the biggest risk to their business. Nearly 40% plan to scale back their investments. The German Chamber of Industry and Commerce is concerned that Germany faces further deindustrialisation. In its autumn report, the Federal government expected inflation of 2.2% for 2024, 2.0% for 2025 and 1.9% for 2026. In fact, it was 2.8% in both December 2024 and January 2025.

According to the Federal Statistical Office, the number of regular insolvencies applied for in 2024 rose by 16.8% compared to the previous year, while the number of corporate insolvencies in October 2024 rose by 35.9% compared to the same month in the previous year. The volume of receivables associated with this climbed from EUR 1.6 billion in October 2023 to EUR 3.8 billion in October 2024. The Federal Statistical Office points out that requests are not entered in the statistics until after the first decision of the insolvency court. In many cases, the actual time of the insolvency request is close to three months prior.

Overview of economic development

The EAA's economic situation in fiscal year 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 8.8% to EUR 5.7 billion. The notional volume of the trading portfolio declined by 9.7% to EUR 45.0 billion during the same period.

The results after taxes of EUR -2.4 million are characterised in particular by general administrative expenses of EUR 50.2 million, the net fee and commission result of EUR -20.1 million and the results from financial assets and shareholdings and the net income from loan loss provisions, which together account for EUR -11.1 million. This is mainly offset by the net interest result of EUR 56.3 million, the balance of other expenses and income of EUR 13.9 million and the net trading result of EUR 9.0 million.

The EAA's total assets declined from EUR 13.8 billion in the previous year to EUR 13.0 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 6.0% to EUR 13.9 billion (previous year: EUR 14.8 billion).

Wind-up report

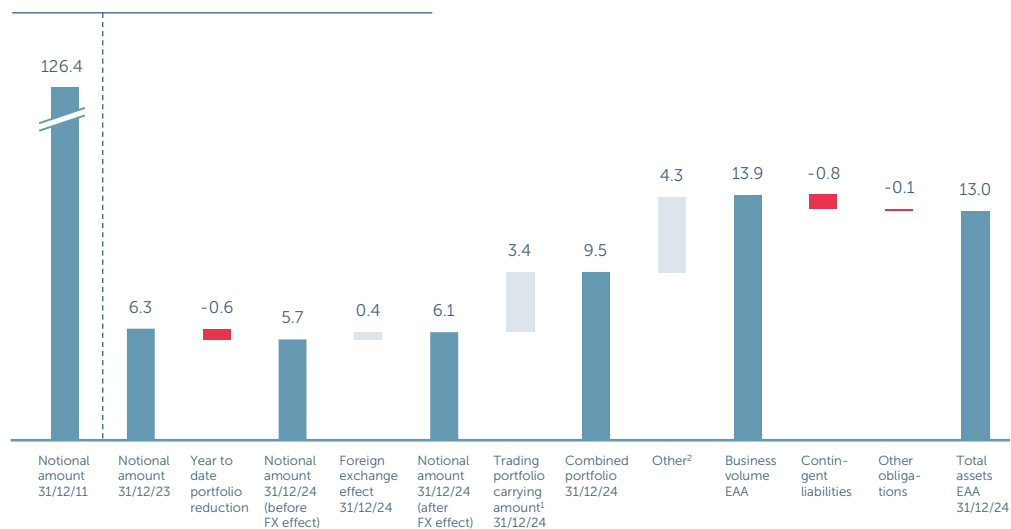
The figures and developments discussed in this section are regularly reported to the FMSA and to the EAA's governing bodies. They relate to the entire assets transferred to the EAA, regardless of whether these figures are recorded on or off-balance-sheet in the EAA's separate financial statements, or 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 December 2024.

Reconciliation of the transferred notional volume to the balance sheet

in EUR billion

Notional values banking book



¹ Equates to the carrying amounts for trading portfolio assets.

² 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.

Wind-up success in the banking book

From 1 January to 31 December 2024, the notional volume of the banking book was reduced from EUR 6.3 billion to EUR 5.7 billion (at exchange rates as of 31 December 2011). That equates to a decline in notional volume of EUR 0.6 billion (8.8%). The volume at exchange rates as of 31 December 2024 is EUR 6.1 billion. The total banking book portfolio has decreased by EUR 120.7 billion or 95.5% since 1 January 2012.

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Clusters	Notional	Notional	Notional volume (at exchange rates as of 31/12/2011)		Notional volume (at exchange rates as of 31/12/2024)	
	31/12/2024	31/12/2023	Change	Change	Notional	FX effect ¹
	EUR million	EUR million	EUR million	in %	EUR million	EUR million
Structured Securities	1,862.0	2,172.3	-310.3	-14.3	2,099.2	237.1
Public Finance / FI	1,812.4	1,883.8	-71.5	-3.8	1,896.8	84.5
Other Assets	1,246.8	1,378.0	-131.2	-9.5	1,308.1	61.3
Legacy Liabilities	803.2	840.5	-37.4	-4.4	803.2	0.0
Total	5,724.3	6,274.7	-550.3	-8.8	6,107.3	382.9

¹ Change in notional volume due to exchange rate effects.

Note: As of the reporting date, the total NPL portfolio, including the loans to subsidiaries, amounted to EUR 1.3 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.

During the reporting period, there was a EUR +4.9 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 -19.8 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 45.0 billion as of 31 December 2024. The notional volume of the trading portfolio decreased by a total of EUR 4.8 billion or 9.7% during the period from 1 January to 31 December 2024 (at exchange rates as of 30 June 2012). Since its transfer, the notional volume of the trading portfolio has been reduced by EUR 1,019.0 billion or 95.8%.

Trading portfolio	Notional	Notional	Notional volume (at exchange rates as of 30/6/2012)		Notional volume (at exchange rates as of 31/12/2024)	
	31/12/2024	31/12/2023	Change	Change	Notional	FX effect ¹
	EUR million	EUR million	EUR million	in %	EUR million	EUR million
Trading portfolio	45,039.9	49,874.0	-4,834.0	-9.7	46,325.7	1,285.7

¹ Change in notional volume due to exchange rate effects.

MANAGEMENT REPORT

The reduction with a total notional decrease of EUR 4.8 billion resulted primarily from maturities of EUR 5.0 billion, from active measures of EUR 0.7 billion and from offsetting, portfolio-increasing hedging transactions in the amount of EUR 0.9 billion.

EAA's overall situation

Earnings situation

The EAA's earnings situation was impacted by the net interest result of EUR 56.3 million, the net trading result of EUR 9.0 million, the balance of other expenses and income of EUR 13.9 million, the negative results from financial assets and shareholdings and the net income from loan loss provisions, which together account for EUR -11.1 million, as well as general administrative expenses of EUR 50.2 million and the net fee and commission result of EUR -20.1 million. Personnel expenses totalled EUR 11.8 million. Other administrative expenses of EUR 38.4 million comprised mainly of expenses for services rendered by the various service providers.

The increase in net interest result was due to the realisation effects of the equity investments.

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 9.0 million is up EUR 5.4 million on the result of the same period of the previous year.

Overall, the results after taxes amounted to EUR -2.4 million (previous year: EUR -0.5 million).

Income statement

	1/1-31/12/2024	1/1-31/12/2023	Change	
	EUR million	EUR million	EUR million	in %
Net interest result	56.3	31.4	24.9	79.3
Net fee and commission result	-20.1	-19.9	-0.2	-1.0
Net trading result	9.0	3.6	5.4	>100
Total other operating expenses/income	13.9	9.9	4.0	40.4
Personnel expenses	-11.8	-13.8	2.0	14.5
Other administrative expenses	-38.4	-78.4	40.0	51.0
Results from financial assets and shareholdings	-14.9	-0.9	-14.0	>-100
Results prior to risk provisioning	-6.0	-68.1	62.1	91.2
Loan loss provisions	3.8	68.1	-64.3	-94.4
Results before taxes	-2.2	-0.0	-2.2	>-100
Taxes	-0.2	-0.5	0.3	60.0
Net result for the year	-2.4	-0.5	-1.9	>-100
Net retained losses brought forward	-2,363.0	-2,362.5	-0.5	-0.0
Net retained losses	-2,365.4	-2,363.0	-2.4	-0.1

MANAGEMENT REPORT

Net interest result

At EUR 56.3 million, the net interest result was up on the previous year (EUR 31.4 million).

In addition to net interest income (EUR 52.1 million [previous year: EUR 28.8 million]), the net interest result also included the current income from equities, other non-fixed income securities, long-term equity investments and shares in affiliates (EUR 2.0 million [previous year: EUR 1.7 million]) as well as income from profit pooling, profit transfer and partial profit transfer agreements (EUR 2.2 million [previous year: EUR 0.9 million]).

The interest income arose from lending and money market transactions totalling EUR 261.4 million (previous year: EUR 277.9 million) and from fixed-income securities and debt register claims in the amount of EUR 198.2 million (previous year: EUR 205.5 million).

Interest income was offset by interest expenses of EUR 407.5 million (previous year: EUR 454.6 million).

Net fee and commission result

The net fee and commission result of EUR -20.1 million (previous year: EUR -19.9 million) is primarily due to the commitment fee payable for the equity capital drawing limit.

Net trading result

The net trading result amounted to EUR 9.0 million (previous year: EUR 3.6 million) and is composed of the interest, foreign exchange and valuation result of EUR 6.0 million (previous year: EUR -4.9 million) and the reversal of the model reserves totalling EUR 3.0 million (previous year: reversal of EUR 8.5 million).

Total other operating expenses/income

The balance of other operating expenses and income amounted to EUR 13.9 million (previous year: EUR 9.9 million), and was largely defined by a positive foreign exchange result of EUR 12.1 million (previous year: expense of EUR 0.2 million) and income from the reversal of provisions of EUR 2.0 million (previous year: EUR 10.9 million). The positive foreign exchange result is largely attributable to the significant USD fluctuations and the cash flow hedging.

General administrative expenses

General administrative expenses in the latest fiscal year totalled EUR 50.2 million (previous year: EUR 92.2 million). The EAA's personnel expenses accounted for EUR 11.8 million of this amount (previous year: EUR 13.8 million).

Of the other administrative expenses amounting to EUR 38.4 million (previous year: EUR 78.4 million), EUR 2.5 million (previous year: EUR 24.5 million) was due to the service agreements with EFS and in the amount of EUR 23.0 million (previous year: EUR 16.2 million) to the service agreements with BlackRock, ABTS and XMT to support the EAA with portfolio management and all associated activities. In addition, conversion costs of EUR 19.7 million from the transition project were incurred in the previous year.

MANAGEMENT REPORT

Loan loss provisions

There was a net release of EUR 3.8 million (previous year: net release of EUR 68.1 million) from loan loss provisions in the latest fiscal year. The EAA has appropriately taken into account all recognisable risks.

Results from financial assets and shareholdings

Financial assets and shareholdings produced net expenses totalling EUR 14.9 million (previous year: EUR 0.9 million). These included net expenses from shareholdings in the financial investment portfolio in the amount of EUR 16.4 million and net income of EUR 1.5 million from securities. The income from securities is mainly the result of reversals of write-offs.

The result from shareholdings arose primarily from the assumption of the loss of Erste EAA Anstalt öffentlichen Rechts & Co. KG (EUR 16.7 million) and from depreciation (EUR 0.3 million). This was offset by payments above the respective carrying amounts (EUR 0.5 million).

Taxes

Taxes comprise taxes on income and earnings in the amount of EUR 0.2 million (previous year: EUR 0.5 million) which relate to foreign withholding taxes of EUR 0.1 million (previous year: EUR 0.5 million) and corporation tax totalling EUR 0.1 million (previous year: EUR 0.0 million).

Net result for the year

The net result for the year amounted to EUR -2.4 million (previous year: EUR -0.5 million) and increased net retained losses carried forward to EUR 2,365.4 million.

Financial position and issuing activities

Key tasks in the refinancing process

The EAA is an issuer of securities and operates on the capital market as an independent legal entity with its own rating for the purposes of refinancing and winding-up activities. The EAA commissions financial institutions to distribute its issues to suitable investors.

The EAA's management and ALCO make strategic decisions regarding the issuing schedule, the issuing prospectus, markets and pricing, while the commissioned financial institutions act as advisors.

Prior to conducting an issuance, the EAA calculates its liquidity needs in preparation for the strategic and operational decision-making process. When doing so, it factors in the maturity structure of liabilities as well as the inflow of liquidity from repayments and sales of assets.

The EAA draws up a long-term issuing strategy, which is regularly reviewed – supported by consultations with banks and feedback from investors – and then modified if necessary. The documentation for the issuing prospectuses is prepared jointly with the commissioned financial institutions and external legal advisors.

Interest rate and foreign exchange risks are largely hedged in the refinancing process. Please refer to the "Market price risks" section for more information on market price risks.

MANAGEMENT REPORT

Current funding volume

The total notional amount of the portfolio of issued bearer bonds, promissory note loans and commercial paper was EUR 8.2 billion as at the reporting date. It includes the global Commercial Paper Programme with a notional amount equivalent to EUR 5.3 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 5.3 billion was outstanding at the reporting date. These consisted of USD 3.8 billion (EUR 3.6 billion), GBP 1.0 billion (EUR 1.2 billion) and EUR 0.5 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.

Asset position

The EAA's total assets as at the reporting date amount to EUR 13.0 billion (previous year: EUR 13.8 billion). Including off-balance sheet components, this results in a business volume of EUR 13.9 billion (previous year: EUR 14.8 billion).

Assets

	31/12/2024	31/12/2023	Change	
	EUR million	EUR million	EUR million	in %
Cash reserve	0.0	0.0	0.0	-
Loans and advances to banks	3,400.9	3,462.5	-61.6	-1.8
Loans and advances to customers	2,229.1	2,380.2	-151.1	-6.3
Securities (no trading portfolio)	3,749.8	4,061.8	-312.0	-7.7
Trading portfolio	3,418.3	3,730.5	-312.2	-8.4
Long-term equity investments and shares in affiliates	27.6	28.3	-0.7	-2.5
Other assets	136.4	142.0	-5.6	-3.9
Total assets	12,962.1	13,805.3	-843.2	-6.1

MANAGEMENT REPORT

Liabilities and equity

	31/12/2024	31/12/2023	Change	
	EUR million	EUR million	EUR million	in %
Deposits from banks	1,373.0	1,347.1	25.9	1.9
Deposits from customers	671.9	1,148.6	-476.7	-41.5
Debt securities in issue	7,327.4	7,409.2	-81.8	-1.1
Trading portfolio	2,848.1	3,145.1	-297.0	-9.4
Provisions	49.8	54.5	-4.7	-8.6
Other liabilities	41.1	47.6	-6.5	-13.7
Equity	650.8	653.2	-2.4	-0.4
Total liabilities and equity	12,962.1	13,805.3	-843.2	-6.1
Contingent liabilities	807.4	846.8	-39.4	-4.7
Other obligations/loan commitments	91.8	101.7	-9.9	-9.7
Business volume	13,861.3	14,753.8	-892.5	-6.0

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

	31/12/2024	31/12/2023	Change	
	EUR million	EUR million	EUR million	in %
Loans and advances to banks	3,400.9	3,462.5	-61.6	-1.8
Loans and advances to customers	2,229.1	2,380.2	-151.1	-6.3
Contingent liabilities	807.4	846.8	-39.4	-4.7
Other obligations/loan commitments	91.8	101.7	-9.9	-9.7
Lending business	6,529.2	6,791.2	-262.0	-3.9

Loans and advances to banks declined by EUR 61.6 million as of the reporting date compared with the end of the previous year, largely due to lower cash collateral provided (EUR 147.9 million), a reduction in money market transactions (EUR 69.4 million) and an opposite increase in overnight money (EUR 165.5 million).

Loans and advances to customers declined, mainly due to repayments of EUR 151.9 million.

Securities

The securities portfolio declined by EUR 312.0 million compared with the end of the previous year, due to portfolio management measures and repayments. The liquidity reserve does not contain any holdings.

The EAA did not conclude any securities lending transactions, either in the fiscal or in the previous year.

MANAGEMENT REPORT

Trading portfolio

Trading assets are recognised in the balance sheet at fair value less a risk discount, or, in the case of trading liabilities, plus a valuation premium. As of the reporting date, the EAA reported trading assets and liabilities with carrying amounts of EUR 3.4 billion (previous year: EUR 3.7 billion) and EUR 2.8 billion (previous year: EUR 3.1 billion), respectively. These relate entirely to derivative transactions.

The decline of EUR 0.3 billion in both trading assets and liabilities was mainly the result of gross market valuations and portfolio management measures.

Long-term equity investments and shares in affiliates

As of the reporting date, the carrying amount of long-term equity investments amounted to EUR 23.4 million (previous year: EUR 24.1 million) and shares in affiliates totalled EUR 4.2 million (previous year: EUR 4.2 million).

The carrying amounts of long-term equity investments decreased mainly due to the capital repayment of a participation (EUR -1.0 million) and offsetting currency effects (EUR +0.4 million). The carrying amounts of shares in affiliates are almost unchanged.

The balance sheet items long-term equity investments and shares in affiliates also include equity interests from loan restructuring (debt-to-equity swap).

Deposits from banks and customers

As of the reporting date, deposits from banks totalled EUR 1.4 billion (previous year: EUR 1.3 billion). Of this total, EUR 0.9 billion (previous year: EUR 0.8 billion) was accounted for by cash collateral received.

The deposits from customers in the amount of EUR 0.7 billion (previous year: EUR 1.1 billion) mainly consisted of issued registered bonds equalling EUR 0.7 billion (previous year: EUR 0.7 billion) and money market transactions of EUR 0.0 billion (previous year: EUR 0.4 billion).

Issuing business

The portfolio of debt securities in issue totalled EUR 7.3 billion (previous year: EUR 7.4 billion) as of the reporting date.

Please refer to the "Financial position and issuing activities" section for more information on issuing activities.

Provisions

Provisions amounted to EUR 49.8 million (previous year: EUR 54.5 million) as of the reporting date. The predominant part of the existing provisions is attributable to winding-up activities. A provision of EUR 0.2 million was established for legal risks. Please refer to the Note "Provisions" for further information.

MANAGEMENT REPORT

Equity

The EAA's subscribed capital remained unchanged at EUR 500,000 as of the reporting date. In addition, the first transfer of risk exposures and non-strategic business units of the former WestLB created a capital reserve in the amount of around EUR 3,013.2 million.

As of the reporting date, the equity capital under HGB stood at EUR 650.8 million (previous year: EUR 653.2 million). Besides the net retained losses, this amount included other retained earnings of EUR 2.4 million resulting from the reversal of provisions, the values of which decreased due to revisions in the method to measure liabilities under BilMoG.

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

Summary of the business situation

The EAA achieved a higher net interest result due to realisation effects of the equity investments. Overall, the fee and commission expenses and the administrative expenses, as well as the negative results from financial assets and shareholdings including the loss assumption led to a loss for fiscal year 2024.

The EAA's assets are in good order. As at the reporting date, the EAA's equity amounted to EUR 650.8 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).

Financial and non-financial performance indicators

Financial performance indicators

As the EAA's aim is to wind up transferred assets in a manner that preserves value and minimises risk, the financial performance indicators used for the EAA's internal management purposes are not comparable with the financial performance indicators normally used by banks.

Return on equity, for instance, is not in the foreground of the EAA's business strategy. The key control variable is the decline in notional volume of the EAA's portfolio. In addition, further performance indicators are significant in connection with the earnings situation. These performance indicators are reported in the wind-up reports on a regular basis in both absolute and relative terms. The starting point for the analysis of the overall portfolio's wind-up success is 31 December 2011 for the banking book and 30 June 2012 for the trading portfolio (please refer to the "Wind-up report" section).

The specifics are set out in the "Wind-up report" and "EAA's overall situation" sections.

Non-financial performance indicators

Employees

Highly qualified, motivated, creative and loyal employees with a willingness to perform and personal responsibility are a major success factor of the EAA.

Thanks to their identification with the EAA and their commitment, these employees make a pivotal contribution to the fulfilment of the public mandate of the EAA. When doing so, their talent, skills and potential are supported and encouraged through a high level of individual responsibility as well as targeted training measures. The manager responsible for each employee conducts a structured personnel development meeting once a year, at the employee's request. This meeting aims to assess the performance of the past year on the one hand and to set the target agreement for the coming months on the other.

Human resources work creates an environment in which the employees are able to develop and enhance their qualifications as best as possible, based on their current phase of life. In winding up the portfolio, the EAA has taken on a complex public mandate and therefore has high standards when it comes to its employees. To secure this expertise, personnel management measures are offered, such as multidisciplinary projects, job rotation and programmes for developing personal skills.

The EAA maintains a performance-oriented culture characterised by mutual respect.

As of 31 December 2024, the EAA employed 56 members of staff (excluding two Managing Board members). The number was lower compared with the previous year (31 December 2023: 67 employees excluding two Managing Board members). The development of employee numbers represents a non-financial performance indicator for the EAA, which is reviewed annually as part of the winding-up planning and adjusted to present circumstances during the year, if necessary.

Reputation and acceptance

As a public institution, the EAA needs the acceptance and trust of governments and the public in order to successfully fulfil its mandate. The EAA also attaches special importance to its public image since it impacts its funding options on the capital market. With this in mind, potential reputational risks are of considerable relevance for the EAA.

The EAA mitigates these risks through media and public relations activities that are designed to deliver a high level of transparency. This includes, in particular, the regular publications of annual and interim reports or the latest information on the EAA's website.

Furthermore, the Managing Board and the employees foster an understanding for the special features of the EAA's wind-up mandate through communication with multiplier groups, for example by holding talks with political and financial representatives and with investors.

The EAA also promotes its perception and local roots in Düsseldorf through the social commitment of its employees.

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 EAA is supervised by BaFin with regard to those provisions of banking law that are applicable to the EAA. MaRisk are almost entirely applied by the EAA.

The EAA is different from a commercial bank. This has a significant impact on its risk strategy. As the EAA does not acquire new business, but rather only increases lines of credit in exceptional instances in connection with restructuring measures and manages liquidity, the EAA does not have the same functions that are normally included in a bank's risk strategy for managing new business. Nor does the EAA have to apply capital adequacy rules. The requirement to fulfil the wind-up mandate based exclusively on the existing equity and not having to call upon any other equity instruments or the liable stakeholders' duty to offset losses is a significant challenge for the quality and capability of the risk management.

The aim of the EAA's risk management is therefore to minimise strategic wind-up risk. The risk management's task is to map, analyse, manage and monitor the EAA's risks using a comprehensive risk reporting system.

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.

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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 committees which make decisions regarding risk management strategies and methods are the:

- △ RiskCo – covers portfolio management and in particular the management of credit risks
- △ ALCO – covers the optimisation of asset/liability management, monitoring and managing operational liquidity, funding, interest rate and foreign exchange risks, the trading portfolio as well as the operational risks (including reputational, legal and tax risks)

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

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

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

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

As of 1 March 2025, the Risk Controlling and Credit Risk Management departments, which are back-office functions, were merged organisationally into the new "Risk Controlling & Credit Risk Management" back-office function. The measure is designed to secure an efficient organisational structure against the background of the ongoing scheduled staff cuts and is in line with the EAA's regulatory requirements.

MANAGEMENT REPORT

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

Under credit risks, the EAA distinguishes between default risks, migration risks, counterparty risks, issuer risks, participation risks and country risks:

- △ Default risk comprises potential losses incurred if a borrower is unable or unwilling to comply, in part or in full, with his contractual obligations, specifically the obligation to repay his loan.
- △ Migration risk comprises potential losses calculated mathematically if the amount of the expected loss on interest and principal payments increases as a result of a deterioration in a borrower's creditworthiness.
- △ Counterparty risk comprises potential losses from the default of counterparties of derivatives transactions or where their creditworthiness deteriorates. Counterparty risk also includes settlement risk. Counterparty risk is determined for both the banking book and the trading portfolio.
- △ Issuer risk comprises potential losses that arise if issuers of securities held in the portfolio fail to perform or if their creditworthiness deteriorates.
- △ Participation risk includes potential losses due to omission of dividends, impairments, losses on disposals and a reduction in hidden reserves from the EAA's participations.
- △ Country risk comprises the inability of a borrower to meet its obligations, essentially due to sovereign acts.

MANAGEMENT REPORT

Analysis and assessment of credit risks

The EAA's Risk Controlling department in conjunction with the Credit Risk Management department continuously analyses and monitors the loan portfolio and its default and migration risks. In order to assess the potential consequences of systemic crises, stress tests are performed regularly to monitor how a portfolio-wide rating downgrade of several rating categories would impact the expected loss. The amount of loan loss provisions and changes to that amount are estimated at the general portfolio level. Two stress scenarios for default risks as well as one inverse stress test for the exposure of the eurozone periphery are applied when preparing the winding-up plan. Moreover, the portfolio is monitored for concentration risks in individual sub-portfolios, asset classes and regions.

The EAA assesses credit risk in terms of both the overall portfolio and individual exposures. Credit quality and default probabilities are regularly assessed on the basis of balance sheet analyses and ratings. A clearly defined process facilitates the analysis of problematic exposures and the determination of alternative options, which are presented to the relevant competent individuals or bodies of the EAA for approval. The ratings of the performing loans are also reviewed regularly (at least annually) and adjusted if necessary. As of 31 December 2024, all ratings of the banking book were reviewed at least on an annual basis. Additional cluster and portfolio analyses are performed separately for significant individual exposures.

A central focus of portfolio analysis also includes problem loans. These are intensively monitored and actively managed. The Watchlist provides a mechanism for monitoring problem loans and exposures under intensive supervision. Additional details are provided in the "Problem loans and risk provision" section. The appropriateness of risk provisioning is determined by analysing the recoverable value of the loan/advance, the expected cash flow and the existing collateral.

Management of credit risks

The most important tools used to manage credit risk are the restructuring or – if corresponding opportunities arise – the sale of loans, the latter taking into account the effect of the winding-up plan. Additionally, the EAA can enter into credit default swaps and other credit derivatives to hedge individual exposures.

Default risks are generally limited to the amount of the credit lines that Portigon had provided prior to the date the portfolio was transferred. Increases are permitted exceptionally only in connection with restructuring measures, provided they contribute to the loss reduction. When borrowers repay portions of their loans, the committed credit lines and the limits are reduced by a corresponding amount.

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Migration risks and rating distributions within the portfolio are monitored regularly and reported to the EAA's relevant supervisory bodies. Deteriorating credit qualities are reflected in rating downgrades. Rating downgrades for individual exposures are assessed as part of the credit process and the exposures concerned are reviewed to check for alternative courses of action; these options may include restructuring or sale. The approach towards the borrower is then approved by the relevant individuals with the appropriate level of authority according to the authority rules.

The EAA analyses counterparty risks by monitoring and assessing the exposures using default calculations. The method used to determine the exposure for OTC derivatives takes collateral and netting into account. Master agreements with netting and symmetrical collateralisations are used to mitigate counterparty risks.

Issuer risks from the trading portfolio are limited to the amount of the transferred exposures towards individual issuers as part of the refill. Issuer risks are monitored and managed in the same manner as default 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 risk concentrations.

The notional volume of the banking book portfolio (which primarily consists of loans and securities) declined by EUR 0.6 billion to EUR 5.7 billion in fiscal year 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 78% (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.

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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^{1,2}

	31/12/2024 EUR million	31/12/2023 EUR million
<= 5 Y	956.1	1,004.5
> 5 Y <= 10 Y	1,501.6	1,421.9
> 10 Y <= 20 Y	2,891.1	2,837.5
> 20 Y	375.5	1,010.8
Total	5,724.3	6,274.7

¹ For assets with no fixed or with very long maturities: expected repayment profile.

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

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The changes in the maturity ranges result largely from the maturity-related postponements over time. The maturity range of more than 20 years declined, largely due to an exposure from the Legacy Liabilities cluster, which falls into the maturity range of ten to 20 years. Larger repayments from structured securities exposures were made in this maturity range over the course of the year.

The other changes within the maturity ranges reflect the portfolio management measures undertaken and amortisation in fiscal year 2024.

Breakdown of notional volume by region¹

	31/12/2024 EUR million	31/12/2023 EUR million
EMEA	2,340.9	2,505.3
Americas ²	1,927.8	2,241.0
Germany	1,395.4	1,468.1
APAC	60.2	60.3
Total	5,724.3	6,274.7

¹ 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.

² 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 repayments of the Phoenix A4 note and the student loans.

About 41% of the notional volume (31 December 2023: 40%) was attributable to the EMEA region (excluding Germany). Approximately 34% 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%).

Problem loans and risk provision

Problem loan exposures are subject to special risk monitoring pursuant to MaRisk. Loan exposures with notable risk profiles are subject to intensive monitoring. Loan exposures with increased risk profiles or which have already experienced actual defaults, as well as non-performing loans, are transferred to the Problem Loans Processing function.

Problem loan exposures are recorded centrally in the Watchlist. It serves as a core basis for the risk control and risk management of credit risks. The Watchlist is defined as an early warning system in accordance with MaRisk. It serves to record, monitor and report on individual loan exposures that have a notable or heightened risk profile, expected or actual defaults, or for which a specific risk provision has been recognised.

MANAGEMENT REPORT

Exposures are included in the Watchlist in different categories based on defined risk indicators. The information and data recorded in the Watchlist are managed, monitored and regularly reported to facilitate tight control. The Watchlist also forms the basis for regular reporting to the EAA's governing bodies and to the FMSA on the current risk situation with regard to these loans and to the corresponding risk provisioning situation.

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.

The EAA forms general loan loss provisions based on the expected one-year loss for the deferred credit risk in the portfolio of receivables. The computation is performed using individual company-specific loss rates and conversion factors as well as ratings, after taking into account the transfer-stop risk of the funding. This means that a separate model for country risk is not necessary. The general allowance for the derivatives of the banking book is calculated through the computation of the CVA of this sub-portfolio.

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
Acute counterparty default risk	-48.0	47.9	-0.1	2.4	2.3
Credit risk	-48.0	47.9	-0.1	2.4	2.3
Other risk	-	-	-	-	-
Contingent counterparty default risk	-	1.5	1.5	-	1.5
Total	-48.0	49.4	1.4	2.4	3.8

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.

MANAGEMENT REPORT

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 31/12/2024 in million		Legal maturity
Class A4	90.6	USD	9/2/2091
Class B	676.6	EUR	9/2/2091

During the reporting period, repayments of the Phoenix A4 note, in particular, amounting to EUR 85.3 million resulted in a decrease of the notional volume reported in euros to EUR 746.6 million as at the reporting date (at constant exchange rates as of 31 December 2011). This was countered by capitalised interest of EUR 11.8 million relating to the Phoenix B note.

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 to date.

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.

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.

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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 0.7 million as at the reporting date (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.

	31/12/2024 Exposure EUR million	31/12/2024 Limit EUR million	31/12/2023 Exposure EUR million	31/12/2023 Limit EUR million
Credit risk – money market positions ¹	2,124.0	3,599.0	2,189.0	3,599.0
Counterparty risk – OTC derivatives (pre-settlement risk)	167.1	1,730.0	210.0	1,730.0
Counterparty risk – repos	-	75.0	-	75.0

¹ All money market transactions with counterparties outside the EAA Group have a maximum maturity of up to 12 months.

Compared with year-end 2023, the changes in the credit risk for money market positions as at the reporting date 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).

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When evaluated by risk country, the country concentrations for money market positions, OTC derivatives and repos are as follows.

Money market positions

Risk country	31/12/2024 Exposure EUR million	31/12/2024 Limit EUR million
Germany	895.0	1,385.0
France	500.0	1,130.0
Switzerland	500.0	500.0
Other countries	229.0	584.0
Total	2,124.0	3,599.0

OTC derivatives

Risk country	31/12/2024 Exposure EUR million	31/12/2024 Limit EUR million
Germany	117.0	990.0
France	43.0	690.0
Ireland	7.1	50.0
Total	167.1	1,730.0

Repos

Risk country	31/12/2024 Exposure EUR million	31/12/2024 Limit EUR million
France	-	65.0
Germany	-	10.0
Total	-	75.0

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Issuer risks

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

	< 1 Y	1-4 Y	4-8 Y	8-15 Y	> 15 Y	Total exposure
	EUR million	EUR million	EUR million	EUR million	EUR million	EUR million
Public Finance	5.2	157.3	251.3	982.2	247.6	1,643.6
Financial Institutions	-	9.0	-	1.5	16.9	27.4
Other securities	6.2	15.5	-	170.8	2,267.3	2,459.8
Total 31/12/2024	11.4	181.8	251.3	1,154.5	2,531.8	4,130.8
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.

Of the equity investments attributable to the EAA, a notional volume of EUR 0.9 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.

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In terms of market price risks, the EAA distinguishes between interest rate risks, foreign exchange risks, equity risks, and credit spread risks:

- △ Interest rate risk describes the risk to the portfolio's net interest result or present value from changes in market interest rates.
- △ Foreign exchange risk describes the risk of losses from changes in exchange rates.
- △ Equity risk describes the risk of losses from changes in prices on the stock market.
- △ Credit spread risk describes the fluctuation in the value of securities resulting from a change in credit risk premiums (for example, on foreign government bonds in the Public Finance portfolio).

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

	31/12/2024 EUR thousand	31/12/2023 EUR thousand
< 1 Y	10.0	11.7
1-4 Y	17.1	10.7
4-8 Y	-8.0	14.6
8-15 Y	34.1	22.1
> 15 Y	55.4	50.6
Total	108.6	109.6

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 108.6 thousand (31 December 2023: EUR 109.6 thousand) due to management and maturity effects. The utilisation is within the limits.

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Foreign exchange risk

	31/12/2024	31/12/2023
	EUR thousand	EUR thousand
AUD	-737.1	-997.9
CAD	1,714.0	1,254.7
CHF	190.2	310.1
GBP	-3,556.7	2,311.8
HKD	65.4	61.0
HUF	-	-19.9
JPY	2,557.7	2,647.1
PLN	54.4	53.6
USD	-16,265.4	6,838.2
Total	-15,977.5	12,458.7

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

The 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.

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Interest rate risk

	31/12/2024 EUR thousand	31/12/2023 EUR thousand
< 1 Y	-13.1	-27.4
1-4 Y	13.5	24.2
4-8 Y	-15.0	32.5
8-15 Y	23.7	-29.4
> 15 Y	-27.4	-4.5
Total	-18.3	-4.6

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 -18.3 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.

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.

In order to assess its liquidity, the EAA analyses in detail its funding position, liquidity reserve and funding needs. On the liabilities side, liquidity is assessed by type, volume and time horizon of the funding instruments. The EAA creates a monthly capital commitment balance by comparing the expected cash flows used for liabilities with those arising from assets, taking into account the use of derivatives. This provides information on its need for net funding. To this end, the EAA considers both tactical and long-term strategic liquidity. The tactical liquidity risk is regularly assessed using stress tests.

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In order to manage and monitor its liquidity risks, the EAA has implemented a system to closely monitor the implementation of the funding plan. It also maintains a liquidity reserve. Securities with short terms and the best possible credit ratings may be purchased (subject to strict limits) in order to maintain the necessary volume of the liquidity reserve. A significant portion of the EAA's assets are invested in foreign currencies (particularly the US dollar) for longer terms. Foreign currency assets are refinanced using a mixture of foreign currency liabilities, which are issued via the Commercial Paper and Debt Issuance Programme, and using liabilities in euros in combination with long and medium-term cross-currency swaps and short-term foreign exchange swaps.

The stress scenarios ("liquidity crisis and downgrade", "liquidity crisis and downgrade USD") demonstrated a viable net liquidity situation as at the reporting date (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 so-called life settlement engagements. 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 engagements. 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.

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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.

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 EFS) and risks from the outsourcing of activities to service providers.

Operational risks in the EAA comprise all risks arising from inappropriate reactions or from the failure of internal processes, systems, and individuals, as well as risks resulting from external events.

Outsourcing risks in respect to the service providers encompass possible losses from the outsourcing of services. These include, in particular, the risk that contractually agreed services are not provided or do not meet the stipulated quality.

Operational risks arise from errors made by employees or service providers in processing the business or through fraud. Alternatively, they may arise from the surrounding environment, such as cybercrime. The management of operational risks is therefore the direct responsibility of the individual departments under the leadership of the respective department heads. The EAA's Risk Controlling department monitors this effort.

Operational risks within the EAA

The EAA's management has established a sustainable risk management culture within the organisation in order to avoid operational risks. The EAA's Risk Controlling department is responsible for developing and introducing methods for identifying, measuring, analysing, monitoring and reporting on operational and other risks.

Operational risks are managed in the EAA and EFS using uniform methods and procedures. The operational risks of other service providers are managed using consistent methods. They are aggregated into an overview of overall risk.

Its activity focuses on the regular analysis and identification of weaknesses, and on ways to optimise all business procedures and processes. The EAA focuses on managing or mitigating material individual risks. To that end, it has established an internal system – depending on the type and scope of the operational risks – to record and measure the operational risks for the EAA as a whole. The recording of operational risk incidents and the annual risk inventory are

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key elements to measure operational risks. Based on the findings obtained, appropriate measures are decided upon and implemented.

On the one hand, losses and near losses are recorded and evaluated, and potential or actual losses are quantified. In addition to documenting operational losses and near losses, an extensive ex-post analysis of operational risk incidents offers information on weaknesses and facilitates the initiation of risk-reducing measures on the basis of this information.

On the other hand, an annual risk inventory is performed to identify risks and assess their significance for the EAA. Appropriate risk-mitigating measures are decided upon and implemented based on the findings obtained. The Risk Controlling department gathers the information on the operational risk incidents and performs the risk inventory for the EAA. The processes at the service providers that are relevant to the EAA are also subjected to an annual risk inventory by the relevant Operational Risk Management department, which then reports the results to the EAA. If an operational risk incident occurs in these processes, it will also be reported to the EAA, including the associated risk-reducing measures and their status.

The risk inventory of the EAA for 2024 was conducted together with the EFS, and the key service providers BlackRock (Netherlands) B.V. - Frankfurt Branch, BlackRock Financial Management Inc. and Accenture Banking Technology Solutions GmbH at the time the risk inventory was conducted, following a standard procedure in the form of a risk self-assessment.

The risk inventory revealed to the EAA seven assessment objects with high risk (3%), which were identified exclusively in the personnel category. The main reasons for this are 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, 19% are medium risks and 78% low risk. The risk in the EFS continues to be assessed as low. All service providers reported a stable risk situation.

Service provider management

The outsourcing of key business processes requires that the EAA controls and monitors the operating infrastructure in order to ensure proper business operations. The monitoring requirements for the EAA are far-reaching and result from both the EAA's original task and its accountability to the liable stakeholders and the FMSA as well as from supervisory and statutory requirements in terms of transparency, correctness, and the adequacy of control systems.

The EAA is also subject to the legal and supervisory regulations pursuant to section 25a KWG and applies MaRisk AT 9 (outsourcing) and AT 4.3.1 note 2, which require the management and monitoring of outsourced activities.

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As a result, an adequate monitoring system is a key success factor for the EAA. The EAA has selected a needs-based approach to structure its service provider management in order to create a structure that fulfils the requirements, reflects its business model, meets its supervisory and reporting obligations, and minimises the operational risks associated with outsourcing. The selected approach ensures broad coverage of highly different services and assessment criteria and brings them together using a simple analysis grid. The EAA's concept therefore combines a flexible technical solution with a holistic, integrated, multidimensional and pragmatic management approach that focuses on business processes and the end product.

The EAA has established a service provider management 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 fiscal year 2024. The risk situation is stable in the EAA and with the service providers.

Other risks

Reputational risks

Reputational risks express the risk that public reporting on the EAA or the transactions in which it engages will result in damage to its reputation.

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 daily to further minimise reputational risks. Coordinated communication and public relations activities support the EAA's reputation.

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Legal risks

Legal risks comprise risks arising from contractual agreements or statutory conditions which harbour the risk of negative effects within and outside the EAA.

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, among other things, with respect to Portigon. Some plaintiffs launched an appeal against this, which led 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 and the overwhelming majority of the individual 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.

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.

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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 "Wind-up report" section).

Due to its good rating, the EAA has a stable funding situation. As at the reporting date, the stress scenarios demonstrated reasonable net liquidity.

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.

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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

At its last meeting to date on 29 January 2025, the Fed kept the US fed funds rate in the target range of 4.25% to 4.5%. The ECB reduced its key interest rates to 2.75%, 2.90% and 3.15% on 30 January 2025. The Asset Purchase Programme and the Pandemic Emergency Purchase Programme were reduced, as the redemptions are not being reinvested.

As a winding-up agency without the ability to enter into new business, the EAA has no opportunities to take advantage of interest rate changes 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 to around EUR 5 billion in fiscal year 2025.

The EAA's objective is to wind up more than 96% of the banking book as of 31 December 2011 (including the exposures from the refill) by the end of 2026. As in previous years, the winding-up activities will focus on advance portfolio-reducing measures and active participation management.

The notional volume of the trading portfolio is expected to decline to slightly below EUR 44 billion in fiscal year 2025. Since the transfer in 2012, the EAA has continued to target a reduction in the notional volume of over 96% by the end of 2026. 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.

With regard to the change in notional volumes in the banking book and the trading portfolio, in the previous year the EAA assumed that these would be reduced to around EUR 6 billion in the banking book and to around EUR 48 billion in the trading portfolio in fiscal year 2024. This forecast was exceeded, thanks in particular to active measures.

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The EAA expects to generate a total of EUR +2 million (including dividend income) from the net interest result, net fee and commission result, and results from financial assets and shareholdings for 2025, and therefore below the previous year's level, as the continuing wind-up 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.

In the previous year, the EAA assumed that its net interest result, net fee and commission result and results from financial assets and shareholdings would decline in fiscal year 2024. The actual year-on-year increase was EUR 11 million. This significant increase resulted mainly from realisation effects of the equity investments, which more than overcompensated the effects from the wind-up of the portfolio. No forecast for the net trading and risk provision result was made the year before due to the imponderables with respect to developments on the global financial markets and other markets.

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 volatile 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.

Accounting-based internal control and risk management system

The objective of an accounting-based internal control and risk management system (ICS/RMS) is to ensure compliance with financial reporting standards and regulations and to guarantee the integrity of the financial reporting.

Within the framework of the service agreements concluded, alongside the EAA, the key service providers BlackRock, ABTS, XMT and IBM have implemented an ICS and an RMS that are appropriate for the business activities of the EAA with regard to the accounting process. The accounting-related ICS/RMS consists primarily of guidelines and processes which offer reasonable assurance that business transactions are fully, promptly and accurately measured and recorded on an accrual basis in accordance with statutory and other provisions so that

- △ public financial reporting provides a true and fair view of the EAA's financial standing (integrity and reliability of financial reporting),
- △ decision-makers and governing bodies are regularly and promptly informed of financial reporting data relevant to the management of the institution (internal reporting),
- △ appropriate control procedures are in place so that unauthorised purchases, use or sales of assets having a material impact on the financial reporting can be prevented or identified early on,
- △ an appropriate control and documentation environment is created (such as the segregation of functions, compliance with established approval or authority levels, dual control principle when recording business transactions, orderly documentation), and
- △ the archiving and storage of documents and accounting-relevant data is regulated concerning information that provides accurate, sufficiently detailed and appropriate data on business transactions and the use of assets.

The EAA monitors the entire accounting-based ICS/RMS on an ongoing basis. Existing professional and technical controls are examined regularly by the Internal Audit department of the EAA (with the support of its external service provider) and the auditor of the EAA as well as, in cases pertaining to outsourcing to the service providers BlackRock, ABTS, XMT and IBM, by their Internal Audit departments and their auditors.

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The EAA's Internal Audit department also monitors audit activities at the key service providers for effectiveness and appropriateness and can also perform audits there.

Moreover, the financial reporting processes are included in EAA's general risk management process with regard to operational risks. This is intended to prevent errors or misstatements to the greatest extent possible, or to uncover them early on. All processes are documented in the EAA's written rules of procedure, which are available to all employees.

The accounting and valuation policies are documented in electronic manuals. Annual, quarterly, and monthly financial statements are prepared in accordance with a coordinated schedule.

New statutory and supervisory requirements are implemented and communicated promptly, depending on their respective scope and significance to the EAA. This is carried out in projects and via written instructions. All relevant business units and management levels are involved in accordance with internal project guidelines.

Employees of the Finance & Tax department participate in the meetings of the relevant risk and management committees. This participation helps ensure that strategic and risk-related developments are included promptly in the financial accounting and reporting. Transactions with new products or in new markets, which the EAA may carry out only within the scope of the portfolio wind-up and not to operate new businesses, are handled through the new product process intended for that purpose, in which the Finance & Tax department is also integrated.

BALANCE SHEET

Balance sheet

Assets

	Notes	EUR	EUR	31/12/2024 EUR	31/12/2023 EUR
1. Cash reserve					
a) Balances with central banks			3,968		(4,163)
of which:					
with Deutsche Bundesbank					
EUR 3,968 (py: EUR 4,163)					
				3,968	4,163
2. Loans and advances to banks	4, 28				
a) Payable on demand			1,159,303,340		(1,144,848,949)
b) Other loans and advances			2,241,583,592		(2,317,674,974)
				3,400,886,932	3,462,523,923
3. Loans and advances to customers	5, 28			2,229,092,311	2,380,158,368
of which:					
Public-sector loans					
EUR 248,822,760 (py: EUR 264,028,096)					
4. Bonds and other fixed-income securities	7, 11, 14, 15, 28				
a) Bonds issued by					
aa) public issuers			1,460,866,608		(1,468,535,723)
of which:					
eligible as collateral with Deutsche Bundesbank					
EUR 935,565,992					
(py: EUR 935,308,002)					
ab) other issuers			2,288,940,230		(2,593,254,238)
of which:					
eligible as collateral with Deutsche Bundesbank					
EUR 0 (py: EUR 0)					
				3,749,806,838	4,061,789,962

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BALANCE SHEET

	Notes	EUR	EUR	31/12/2024 EUR	31/12/2023 EUR
5. Trading portfolio	8			3,418,324,726	3,730,527,295
6. Long-term equity investments	9, 11			23,440,336	24,122,384
of which:					
in banks					
EUR 7,700,000 (py: EUR 7,700,000)					
7. Shares in affiliates	10, 11			4,194,667	4,194,669
8. Other assets	12			101,875,381	107,708,572
9. Prepaid expenses/accrued income	13			34,430,239	34,237,967
Total assets				12,962,055,398	13,805,267,303

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BALANCE SHEET

Liabilities and equity

	Notes	EUR	EUR	31/12/2024 EUR	31/12/2023 EUR
1. Deposits from banks	16				
a) Payable on demand			877,491,417		(839,957,676)
b) With an agreed maturity or withdrawal notice			495,554,840		(507,179,673)
				1,373,046,257	1,347,137,349
2. Deposits from customers	17				
other deposits					
a) Payable on demand			3,049,201		(5,056,830)
b) With an agreed maturity or withdrawal notice			668,887,288		(1,143,580,981)
				671,936,489	1,148,637,811
3. Debt securities in issue	18				
a) Bonds issued			2,055,404,612		(3,296,855,626)
b) Other debt securities in issue			5,272,044,471		(4,112,345,445)
of which:					
money market instruments					
EUR 5,272,044,471 (py: EUR 4,112,345,445)					
				7,327,449,083	7,409,201,071
4. Trading portfolio	19			2,848,139,703	3,145,147,199
5. Other liabilities	20			25,959,575	29,926,119
6. Accrued expenses/deferred income	21			14,940,083	17,553,000
7. Provisions	22				
a) Tax provisions				0	(0)
b) Other provisions			49,821,997		(54,487,067)
				49,821,997	54,487,067

ERSTE ABWICKLUNGSANSTALT
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BALANCE SHEET

	Notes	EUR	EUR	31/12/2024 EUR	31/12/2023 EUR
8. Equity	23				
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			-2,365,406,411		(-2,362,990,935)
				650,762,211	653,177,687
Total liabilities and equity				12,962,055,398	13,805,267,303
1. Contingent liabilities	24				
a) Liabilities from guarantees and warranties			807,407,742		(846,832,771)
				807,407,742	846,832,771
2. Other obligations	24				
a) Irrevocable loan commitments			91,771,368		(101,712,516)
				91,771,368	101,712,516

INCOME STATEMENT

Income statement

	Notes	EUR	EUR	1/1-31/12/2024 EUR	1/1-31/12/2023 EUR
1. Interest income from	26				
a) Lending and money market transactions		261,425,711			(277,857,778)
b) Fixed-income securities and debt register claims		198,223,395			(205,469,984)
			459,649,106		(483,327,762)
2. Interest expenses			407,546,979		(454,570,746)
				52,102,127	28,757,016
3. Current income from	26				
a) Equities and other non-fixed-income securities			0		(0)
b) Long-term equity investments			1,953,048		(1,741,660)
c) Shares in affiliates			0		(18)
				1,953,048	1,741,678
4. Income from profit pooling, profit transfer or partial profit transfer agreements	26			2,245,494	929,072
5. Fee and commission income			0		(9,247)
6. Fee and commission expenses			20,125,424		(19,913,690)
				-20,125,424	-19,904,443
7. Net trading result	26, 30			9,011,107	3,558,517
8. Other operating income	26, 27			15,915,796	29,816,151
9. General administrative expenses					
a) Personnel expenses					
aa) Wages and salaries		9,950,138			(11,825,447)
ab) Compulsory social security contributions and expenses for pensions and other employee benefits		1,834,441			(1,997,484)
of which:					
for pensions EUR 871,087 (py: EUR 827,370)					
			11,784,579		(13,822,931)
b) Other administrative expenses			38,410,773		(78,361,697)
				50,195,352	92,184,628

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INCOME STATEMENT

	Notes	EUR	EUR	1/1-31/12/2024 EUR	1/1-31/12/2023 EUR
10. Other operating expenses	27			2,000,000	19,906,063
11. Income from appreciations of loans and advances and certain securities and from reversals of loan loss provisions	22, 28			3,793,459	68,143,454
12. Income from appreciations of long-term equity investments, shares in affiliates and long-term securities	11, 28			1,787,679	8,339,029
13. Expenses from loss assumption	28			16,747,906	9,230,574
14. Result from ordinary activities				-2,259,972	59,209
15. Taxes on income and earnings	29			155,504	547,986
16. Other taxes not reported under item 10	29			0	0
17. Net result for the year				-2,415,476	-488,777
18. Net retained losses brought forward				-2,362,990,935	-2,362,502,158
19. Net retained losses				-2,365,406,411	-2,362,990,935

CASH FLOW STATEMENT

Cash flow statement

			1/1-31/12/2024 EUR	1/1-31/12/2023 EUR
1.	+/-	Result for the period	-2,415,476	-488,777
		Non-cash items included in net loss for the period and reconciliation to cash flows from operating activities		
2.	+/-	Allowances for losses on loans and advances and write-offs on certain securities, depreciation, amortisation on tangible fixed assets and long-term financial assets as well as the reversal thereof	-4,922,623	-68,277,935
3.	+/-	Increase/decrease in provisions	-4,665,070	-15,191,681
4.	+/-	Other non-cash income/expenses	-12,295,028	-19,761,864
5.	-/+	Gain/loss on disposal of long-term financial assets	0	0
6.	=	Subtotal	-24,298,197	-103,720,257
		Change in operating assets and liabilities		
7.	-/+	Increase/decrease in loans and advances to banks (no trading portfolio)	215,352,518	-1,520,970,575
8.	-/+	Increase/decrease in loans and advances to customers (no trading portfolio)	145,259,275	604,077,731
9.	-/+	Increase/decrease in securities (no financial assets and no trading portfolio)	306,079,043	1,054,918,914
10.	+/-	Trading assets	329,022,709	-154,154,892
11.	-/+	Increase/decrease in other operating assets	6,895,085	273,671,827
12.	+/-	Increase/decrease in deposits from banks (no trading portfolio)	26,351,276	-31,435,960
13.	+/-	Increase/decrease in deposits from customers (no trading portfolio)	-487,722,142	-436,214,658
14.	+/-	Increase/decrease in debt securities in issue	-81,751,988	-1,587,704,243
15.	+/-	Trading liabilities	-301,532,608	166,258,884
16.	+/-	Increase/decrease in other operating liabilities	-3,897,427	-4,957,624
17.	+/-	Interest expenses/interest income	-56,300,669	-31,427,766
18.	+/-	Tax expenses/tax income	155,504	547,986
19.	+	Interest payments and dividend payments received	489,631,399	403,985,622
20.	-	Interest paid	-398,318,951	-450,028,649
21.	-/+	Income tax payments	-155,504	-547,986
22.	=	Cash flows from operating activities (sum of 6 to 21)	164,769,323	-1,817,701,646
23.	+	Proceeds from disposal of long-term financial assets	682,051	626,974
24.	-	Purchase of long-term financial assets	96,258	69,166
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)	778,309	696,140
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)	165,547,632	-1,817,005,506
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)	532,019,356	366,471,724

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 31/12/2024
	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	-2,415,476	-2,365,406,411
Equity under HGB	653,177,687	-2,415,476	650,762,211

	Balance as of 1/1/2023	Appropriation of the result	Balance as of 31/12/2023
	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	-488,777	-2,362,990,935
Equity under HGB	653,666,464	-488,777	653,177,687

Notes

For the period from 1 January to 31 December 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 objective 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. Preparation of the annual financial statements

In accordance with section 8a (1a) StFG in conjunction with the additional guidance of the EAA's charter, the EAA's annual financial statements have been prepared under the provisions of the HGB for large public companies and RechKredV. The EAA is not required under section 8a (1a) sentence 3 StFG to prepare consolidated financial statements. Information that may be disclosed in either the balance sheet or the notes to the financial statements has been disclosed in the notes to the financial statements.

The annual financial statements are submitted electronically to the operator of the Company Register and published in the Company Register (www.unternehmensregister.de).

NOTES

3. Accounting and valuation principles

Assets, liabilities and pending transactions are measured in accordance with section 252 et seqq. and section 340 et seqq. HGB.

Loans and advances are stated at nominal value less discounts and any allowances, when necessary. Liabilities are recognised at their settlement values, and the applicable discounts are recorded as prepaid expenses. Premiums on loans and advances or liabilities are reported as prepaid expenses or deferred income. The prorated interest amounts calculated as of the reporting date are reported together with the underlying loan/advance or liability. Premiums and discounts from the issue and lending business are recognised in profit and loss using the straight-line method.

Sufficient consideration is given to identifiable risks in the lending business by recognising specific bad debt allowances and provisions. General loan loss provisions are formed in accordance with IDW RS BFA 7 for deferred credit risk in the portfolio of receivables. General allowances are calculated using a model. The EAA takes into account the risk associated with lending to borrowers in countries with an acute transfer risk by basing its model-based calculation of the general allowance on ratings reflecting the transfer stop risk. This involves developing a risk factor based on each country's rating, which is then taken into account in the likelihood of default for a particular borrower or guarantor.

Securities in the liquidity reserve are measured according to the strict lower-of-cost-or-market principle at stock exchange or market prices or lower book prices. Securities treated as fixed assets (financial assets portfolio) are measured at acquisition costs. The differences between the acquisition costs and the amounts repayable are recognised pro rata temporis through profit and loss. In the case of an anticipated permanent impairment the value is written off to the lower recoverable amount. If securities included in the financial assets portfolio are reported at values higher than their current market value in accordance with the diluted lower-of-cost-or-market principle, these differences are referred to in the notes to the financial statements. This information changes over time in response to changes in the portfolio as well as interest rates and prices.

Structured financial instruments are accounted for in accordance with the "IDW accounting opinion: on the uniform or separate reporting of structured financial instruments (IDW RS HFA 22)". The structured securities portfolio comprises the Phoenix notes and other exposures.

Structured securities are measured on the basis of price information supplied by BlackRock, which is modelled using valuation methods agreed on with the EAA and subjected to analysis within the EAA.

NOTES

Objective information on changes in developments at the level of the underlying transactions ("underlyings") in the securitised portfolio is applied from the relevant contractual documentation and portfolio reports to determine the anticipated future cash flows and consequently the relevant discounted net present values for reporting in the balance sheet. The projected cash flows for the underlying transactions are also translated into a cash flow profile in accordance with the provisions governing distribution (waterfall) for the relevant overall transaction (Phoenix notes) and then into a net present value for the individual tranches of the overall transaction. The appropriateness of the valuations in the underlyings and notes of Phoenix is also verified by means of an internal validation process at the EAA.

The fair values of the derivative products reported in the trading portfolio are calculated as of the reporting date, initially with respect to individual transactions and irrespective of their trading status. The valuation is based on stock exchange or market prices as at 31 December 2024, for which average rates are used for simplification purposes, or on recognised valuation methods; proportionate interest, one-off payments and option premiums are taken into account. If stock exchange or market prices do not exist or cannot be reliably determined (especially in the case of derivative financial instruments), fair values are determined on the basis of the pricing models typically used in the market or discounted cash flows.

The EAA applies haircuts to some of the values calculated using a valuation model since the models used in these cases do not take into account all of the factors considered by market participants. These include in particular haircuts for creditworthiness, modelling and liquidity risks. Haircuts were also necessary due to legal uncertainties.

In a second step, applying the risk-adjusted market valuation method, the EAA compiles the trading transactions measured at fair value into portfolios in accordance with the risk management of the various business units. The summarised measurement results of the trading portfolio are reduced by the potential loss (VaR) calculated using a mathematical method (variance-covariance method). The VaR discounts (based on the calculation methods applied by BlackRock) are calculated so that the statistically anticipated loss from outstanding trading positions with a holding period of ten days can be offset with a likelihood of 99%. The observation period on which the calculation is based is 250 days, equally weighted with retroactive effect from the cut-off date.

The EAA applies the following measurement methods and parameters for the relevant product categories. Liquid, exchange-traded products (such as futures) are measured at their exchange prices. There are standardised specifications for many non-exchange traded OTC derivatives (such as swaps, caps, swaptions) as well as valuation models (Black 76) and reliable market quotas (swap rates, cap volatilities). These are used for the purposes of valuation if they are available. Models developed by BlackRock are used for exotic OTC derivatives (such as Bermudan swaptions). These models are based on a two-factor shifted log-normal model.

NOTES

When valuing derivatives, future cash flows for the main portfolios are discounted on the basis of overnight rates ("OIS discounting").

	Product	Valuation method	Valuation parameters
Interest rate products	Standard swaps	Present value method	Interest rates
	Exotic swaps	2 Factor Shifted Lognormal Model	Interest rates, interest rate volatility, correlation
	Forward rate agreements	Present value method	Interest rates
	Standard-caps, -floors, -collars	Black 76	Interest rates, interest rate volatility
	Exotic caps, floors	2 Factor Shifted Lognormal Model	Interest rates, interest rate volatility, correlation
	European standard-swaptions	Black 76	Interest rates, interest rate volatility
	Exotic swaptions	2 Factor Shifted Lognormal Model	Interest rates, interest rate volatility, correlation
Exchange rate products	FX swaps	Present value method	Interest rates, exchange rates
	Options	Black 76	Interest rates, exchange rates, exchange rate volatility
	Forward interest rate/FX swaps	Present value method	Interest rates, exchange rates

The assumptions and estimates required, in particular in connection with illiquid portfolios, are based on subjective management judgement and therefore entail projection 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.

Realised and unrealised valuation results, ongoing interest expenses and income, dividend income and fee and commission expenses and income from transactions involving financial instruments in the trading portfolio are reported in the net trading result.

Financial instruments in the trading portfolio are reported in the trading portfolio balance sheet items on the assets and liabilities sides of the balance sheet.

Cash collateral provided and received for derivatives is reported as loans and advances to banks and customers as well as deposits from banks and customers, depending on the external counterparty involved.

No financial instruments were reclassified out of the trading portfolio pursuant to section 340e (3) sentence 3 HGB in fiscal year 2024. No changes were made to the EAA's internal criteria for including financial instruments in the trading portfolio.

NOTES

Long-term equity investments and shares in affiliates are recognised at acquisition cost. In the case of an anticipated permanent impairment the value is written off to the lower recoverable amount. Income from payments received in return for the assumption of risk positions in connection with participations pursuant to section 8a (4) No. 4 StFG is reported in the net fee and commission result.

Pension, (reverse) repo and securities lending transactions are reported in accordance with the applicable principles of section 340b HGB. If the EAA remains the beneficial owner as the pension provider or lender in accordance with a binding on-lending agreement, the security continues to be capitalised. Any purchase price or cash collateral received is recognised as a deposit from banks or customers. As a pension recipient or borrower, the EAA capitalises only the purchase price paid or the cash collateral provided.

Tangible fixed assets and purchased intangible assets are depreciated/amortised in accordance with their anticipated useful lives (up to a maximum of twelve years); the EAA writes off low-value assets in full in the year in which they are acquired.

Increases in costs and prices are taken into account in the valuation of provisions. Provisions with a residual term of more than one year are discounted according to section 253 (2) HGB.

The EAA manages the general interest rate risk in the banking book centrally as part of its asset liability management. This is not a valuation unit for the purposes of section 254 HGB but rather an interest-based financial instrument in which the lending transactions or financial assets in the banking book are evaluated as a whole with respect to their interest component.

The translation of currencies for assets and liabilities is carried out in accordance with the provisions of sections 256a and 340h HGB. Assets and liabilities denominated in foreign currencies, unsettled foreign exchange spot transactions and pending transactions are classified in every currency as being specifically covered pursuant to section 340h HGB, and converted using the ECB reference exchange rates as of 31 December 2024. As a result, all expenses and income from the conversion of currencies are recorded in accordance with section 340h HGB. In the case of pending forward exchange contracts used to hedge interest-bearing balance sheet positions, the forward exchange rate is divided into a spot rate and a swap rate. The agreed swap amounts are accrued pro rata temporis. A positive net result from the valuation of individual pending forward exchange transactions is reported under other liabilities and a negative net result from the valuation of individual pending forward exchange transactions is reported in other assets.

In exercising the option for recognition, the EAA did not capitalise any deferred taxes for an existing asset surplus.

In accordance with section 14 of the EAA's charter, profits are to be accumulated until the EAA is dissolved and the final accounts are drawn up.

NOTES

Notes on the balance sheet and the income statement

4. Loans and advances to banks

	31/12/2024 EUR million	31/12/2023 EUR million
Carrying amount	3,400.9	3,462.5
Payable on demand	1,159.3	1,144.8
due		
- within 3 months	2,241.6	2,317.7

5. Loans and advances to customers

	31/12/2024 EUR million	31/12/2023 EUR million
Carrying amount	2,229.1	2,380.2
of which:		
- to affiliates	992.6	1,035.2
due		
- within 3 months	178.8	191.9
- 3 months to 1 year	310.1	312.8
- 1 to 5 years	774.7	811.2
- after 5 years	965.5	1,064.3

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

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.

NOTES

7. Bonds and other fixed-income securities

	31/12/2024 EUR million	31/12/2023 EUR million
Carrying amount	3,749.8	4,061.8
of which:		
Amounts due in the following year	55.3	69.6
Breakdown		
- Bonds issued by public issuers	1,460.9	1,468.5
- Bonds issued by other issuers	2,288.9	2,593.3
Breakdown by marketability		
- Marketable securities	3,749.8	4,061.8
of which:		
- listed	1,929.4	1,960.3
- unlisted	1,820.4	2,101.5
Breakdown by type		
- Liquidity reserve	-	-
- Financial assets portfolio	3,749.8	4,061.8

Bonds and other fixed-income securities in the amount of EUR 3.7 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 1.6 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.

8. Trading portfolio

	31/12/2024 EUR million	31/12/2023 EUR million
Carrying amount	3,418.3	3,730.5
of which:		
- Derivative financial instruments	3,419.4	3,733.2
- Risk allowance pursuant to section 340e (3) sentence 1 HGB	-1.1	-2.7

NOTES

9. Long-term equity investments

	31/12/2024 EUR million	31/12/2023 EUR million
Carrying amount	23.4	24.1
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

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

11. Fixed assets

EUR million	1/1/2024		31/12/2024				31/12/2024 Carrying amount	31/12/2023 Carrying amount	
	Cost	Additions	Usage	Reclassifications	Reversals of write-offs	Accumulated depreciation, write-offs			
Bonds and other long-term fixed-income securities	4,061.8						0.0	3,749.8	4,061.8
			Net change according to section 34 (3) sentence 2 RechKredV;						
Long-term equity investments	36.6				-328.5		0.2	23.4	24.1
Shares in affiliates	7.5						0.1	4.2	4.2

NOTES

12. Other assets

	31/12/2024 EUR million	31/12/2023 EUR million
Carrying amount	101.9	107.7
of which:		
- Currency translation adjustments	97.1	100.9
- Tax refund claims	2.5	5.9
- Receivables from profit and loss pooling agreements	2.2	0.9

13. Prepaid expenses/accrued income

	31/12/2024 EUR million	31/12/2023 EUR million
Carrying amount	34.4	34.2
of which:		
- Discounts from issuing business	29.0	24.8
- Discounts from liabilities	5.2	7.8
- Non-recurring payments on swaps	0.2	0.4
- Other	-	1.2

14. Subordinated assets

Subordinated assets are included in:

	31/12/2024 EUR million	31/12/2023 EUR million
Bonds and other fixed-income securities	358.4	358.8

15. Assets sold under repurchase agreements

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

NOTES

16. Deposits from banks

	31/12/2024 EUR million	31/12/2023 EUR million
Carrying amount	1,373.0	1,347.1
Payable on demand	877.5	840.0
due		
- within 3 months	127.4	141.7
- 3 months to 1 year	36.6	25.1
- 1 to 5 years	258.2	267.9
- after 5 years	73.3	72.4

17. Deposits from customers

	31/12/2024 EUR million	31/12/2023 EUR million
Carrying amount	671.9	1,148.6
of which:		
- Deposits from affiliates	0.3	0.5
Other deposits	671.9	1,148.6
of which:		
- payable on demand	3.0	5.1
due		
- within 3 months	23.4	454.7
- 3 months to 1 year	76.0	13.4
- 1 to 5 years	474.5	520.4
- after 5 years	95.0	155.0

NOTES

18. Debt securities in issue

	31/12/2024 EUR million	31/12/2023 EUR million
Carrying amount	7,327.4	7,409.2
Bonds issued	2,055.4	3,296.9
of which:		
Amounts due in the following year	82.8	1,831.9
Other debt securities in issue	5,272.0	4,112.3
of which due:		
- within 3 months	5,031.4	3,561.5
- 3 months to 1 year	240.6	550.8

19. Trading portfolio

	31/12/2024 EUR million	31/12/2023 EUR million
Carrying amount	2,848.1	3,145.1
of which:		
- Derivative financial instruments	2,848.1	3,145.1

20. Other liabilities

	31/12/2024 EUR million	31/12/2023 EUR million
Carrying amount	26.0	29.9
of which:		
- Deposits from loss assumptions	16.7	9.2
- Other	9.3	20.7

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

NOTES

21. Accrued expenses/deferred income

	31/12/2024 EUR million	31/12/2023 EUR million
Carrying amount	14.9	17.6
of which:		
- Non-recurring payments on swaps	14.9	17.6

22. 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 31/12/2024 EUR million
Taxes	-	-	-	-	-	-	-
Other provisions	54.5	5.2	-	8.2	2.0	0.3	49.8
- Loans	1.4	-	-	-	-	-	1.4
- Shareholdings	0.3	2.1	-	0.5	-	0.1	2.0
- Legal actions	0.2	-	-	-	-	-	0.2
- Personnel	0.1	-	-	0.1	-	-	-
- Other	52.5	3.1	-	7.6	2.0	0.2	46.2
Total	54.5	5.2	-	8.2	2.0	0.3	49.8

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

23. 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 result as of the reporting date amounted to EUR -2.4 million and increases net retained losses to EUR 2,365.4 million as of the reporting date.

NOTES

24. 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 0.5 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 91.8 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.

25. Assets and liabilities in foreign currencies

Assets denominated in foreign currencies amounted to EUR 3.3 billion as of the reporting date (previous year: EUR 3.6 billion), while liabilities denominated in foreign currencies amounted to EUR 5.9 billion (previous year: EUR 5.5 billion).

26. 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
	1/1-31/12/2024 EUR million	1/1-31/12/2024 EUR million	1/1-31/12/2024 EUR million	1/1-31/12/2024 EUR million
Germany	156.1	3.0	9.0	15.9
UK	28.4	-	-	-
Rest of Europe	186.6	1.2	-	-
Far East and Australia	6.4	-	-	-
North America	82.1	-	-	-
IS amount	459.6	4.2	9.0	15.9

NOTES

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.

27. Other operating and prior-period expenses and income

As of the reporting date, net other operating expenses and income comprised EUR 2.0 million (previous year: EUR 19.9 million) in expenses and EUR 15.9 million (previous year: EUR 29.8 million) in income.

Expenses included an addition to provisions of EUR 2.0 million (previous year: EUR 18.8 million). Income included the result of currency translation adjustment of EUR 12.1 million (previous year: expenses EUR 0.2 million), one-off reimbursement of legal costs of EUR 0.9 million, income from a subsequent purchase price adjustment of EUR 0.6 million and income from the reversal of provisions of EUR 2.0 million (previous year: EUR 10.9 million).

28. Risk provision

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

	1/1-31/12/2024 EUR million	1/1-31/12/2023 EUR million
Risk provision and financial investment result including loss assumption (pursuant to RechKredV)	-11.1	67.2
Loans and securities income/expense	3.8	68.1
of which: - Lending operations	3.8	68.1
Shareholdings and securities income/expenses	1.8	8.3
of which: - Shareholdings	0.3	7.4
- Securities	1.5	0.9
Expenses from loss assumption	-16.7	-9.2
Risk provision and financial investment result including loss assumption (pursuant to risk report)	-11.1	67.2
Result of risk provisions – loans and advances/securities due to credit risk	3.8	68.1
of which: - Lending operations	3.8	68.1
Results from financial assets, shareholdings and loss assumption	-14.9	-0.9

NOTES

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 3.8 million (previous year: net income EUR 68.1 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 1.8 million (previous year: net income EUR 8.3 million) as the risk result for shareholdings and securities.

29. Taxes

Taxes on income and earnings in the amount of EUR 155.5 thousand (previous year: EUR 548.0 thousand) relate to corporation tax of EUR 96.0 thousand (previous year: EUR 0.0 thousand) and foreign withholding taxes of EUR 59.5 thousand (previous year: EUR 548.0 thousand).

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

30. Foreign exchange result

The foreign exchange result from trading transactions is included in the net trading result. This was mainly offset by income in the other trading result from the separation of complex derivative instruments.

31. Auditors' fees

The full fee paid to the auditors in accordance with section 285 No. 17 HGB amounted to EUR 1.5 million (previous year: EUR 1.5 million).

The auditors received EUR 1.5 million (previous year: EUR 1.5 million) for auditing services and EUR 23 thousand (previous year: EUR 29 thousand) for other confirmation services in connection with a letter of comfort.

Non-audit services performed by the auditors were approved by the Audit and Risk Committee in accordance with article 5 (4) sentence 1 of Regulation (EU) No. 537/2014 of the European Parliament and of the Council of 16 April 2014.

The disclosures for the auditing services for fiscal years 2023 and 2024, and the letter of comfort for fiscal year 2024, relate to RSM Ebner Stolz GmbH & Co. KG, Wirtschaftsprüfungsgesellschaft, Steuerberatungsgesellschaft. The disclosures for the letter of comfort for fiscal year 2023 relate to PricewaterhouseCoopers GmbH, Wirtschaftsprüfungsgesellschaft.

NOTES

Other disclosures

32. Transactions not reported in the balance sheet

The following collateral was provided for the EAA's liabilities in fiscal year 2024:

Collateral type	Balance sheet position of the collateralised liabilities	31/12/2024 EUR million	31/12/2023 EUR million
Cash collateral provided	Trading portfolio *)	689.9	829.5

*) The EAA provided cash collateral for transactions concluded in connection with an ISDA master agreement or a comparable master agreement with a corresponding agreement on collateral. The measurement of cash collateral takes into account the entirety of all transactions with a particular counterparty that are covered by a master agreement. Cash collateral is therefore provided for transactions whose reporting in the balance sheet depends on their allocation to the trading or non-trading portfolio as well as their market value. The allocation of cash collateral provided on the basis of a master agreement to liabilities by amount is not informative. This applies mutatis mutandis to cash collateral covered by the OTC derivatives risk assumption agreement.

33. Other obligations

Letter of comfort

The EAA had issued letters of comfort for WestImmo's liabilities incurred prior to 31 May 2015 (the day on which the sale of WestImmo became effective). These letters of comfort have been rendered invalid for the future with the reduction of the shareholding to 0%. The EAA is still liable for the old liabilities of WestImmo that were incurred prior to the completion of the sale on the basis of one of these letters of comfort. These old liabilities are recognised under contingent liabilities. This volume is constantly decreasing as a result of scheduled and unscheduled repayments.

Guarantor liability

Portigon's statutory guarantor liability for liabilities of the former Rheinland-Pfalz Bank, Mainz, the former HSH Nordbank AG (Hamburg Commercial Bank AG since 4 February 2019), Hamburg, DekaBank Deutsche Girozentrale, Frankfurt am Main and WestImmo was transferred to the EAA in 2012 by way of spin-off. Since these institutions' new liabilities are no longer covered by the guarantor liability, the volume of liabilities covered is constantly falling as a result of the repayment of amounts as they fall due.

Other contingencies

There are other financial obligations totalling EUR 112.2 million (previous year: EUR 142.0 million) stemming from service agreements, rental contracts, and other obligations.

NOTES

34. Forward contracts/derivative products

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 contracts and derivatives transactions as of the reporting date amounted to EUR 56.6 billion (previous year: EUR 66.9 billion) based on notional values. The focus remains on interest rate-related products, whose share stands at 87.9% (previous year: 85.1%) 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).

As at 31 December 2023, the notional values of the interest-rate related products and of the currency-related products were overstated at EUR 8,927.0 million and EUR 2,404.5 million respectively. These disclosures were corrected accordingly in the following tables.

Derivative financial instruments – volume as of the reporting date

	Notional amount		Positive market values		Negative market values	
	31/12/2024 EUR million	31/12/2023 EUR million	31/12/2024 EUR million	31/12/2023 EUR million	31/12/2024 EUR million	31/12/2023 EUR million
Interest rate-related products	49,741.5	56,896.3	3,025.9	3,234.4	2,519.1	2,918.4
OTC products	49,741.5	56,896.3	3,025.9	3,234.4	2,519.1	2,918.4
Exchange-traded products	-	-	-	-	-	-
Currency-related products	6,839.8	9,959.8	652.5	847.4	585.5	604.7
OTC products	6,839.8	9,959.8	652.5	847.4	585.5	604.7
Total	56,581.3	66,856.1	3,678.4	4,081.8	3,104.6	3,523.1
OTC products	56,581.3	66,856.1	3,678.4	4,081.8	3,104.6	3,523.1
Exchange-traded products	-	-	-	-	-	-

The average annual notional volume of forward contracts and derivatives transactions amounted to EUR 61.2 billion (previous year: EUR 76.5 billion) in fiscal year 2024.

NOTES

Derivative financial instruments – average volumes

	Notional amount		Positive market values		Negative market values	
	31/12/2024 EUR million	31/12/2023 EUR million	31/12/2024 EUR million	31/12/2023 EUR million	31/12/2024 EUR million	31/12/2023 EUR million
Interest rate-related products	52,689.1	64,766.0	3,039.0	3,233.2	2,629.6	2,960.8
OTC products	52,529.1	64,766.0	3,039.0	3,233.2	2,629.6	2,960.8
Exchange-traded products	160.0	-	-	-	-	-
Currency-related products	8,547.3	11,692.5	666.9	752.0	562.3	452.7
OTC products	8,547.3	11,692.5	666.9	752.0	562.3	452.7
Total	61,236.4	76,458.5	3,705.9	3,985.2	3,191.9	3,413.5
OTC products	61,076.4	76,458.5	3,705.9	3,985.2	3,191.9	3,413.5
Exchange-traded products	160.0	-	-	-	-	-

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	
	31/12/2024 EUR million	31/12/2023 EUR million	31/12/2024 EUR million	31/12/2023 EUR million
Due				
- within 3 months	1,833.1	4,858.9	58.3	1,041.4
- 3 months to 1 year	3,043.0	4,851.0	407.0	2,488.3
- 1 year to 5 years	14,468.2	14,359.3	2,908.6	2,595.7
- after 5 years	30,397.2	32,827.1	3,465.9	3,834.4
Total	49,741.5	56,896.3	6,839.8	9,959.8

NOTES

35. Number of employees

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

	Male	Female	Total 1/1-31/12/2024	Total 1/1-31/12/2023
Number of employees	38	23	61	77

As of the reporting date the EAA employed 52 (31 December 2023: 61) full-time equivalents.

36. Stakeholders in the EAA

	31/12/2024 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
Total	100.000	100.000

37. 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.

38. 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.

39. Executive bodies of the EAA

Members of the Managing Board of the EAA

Christian Doppstadt
Horst Küpker

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

Savings Bank Director (ret.)

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 36).

NOTES

40. Remuneration paid to executive bodies

The remuneration of members of the Managing Board amounted to EUR 1,005 thousand in fiscal year 2024 (previous year: EUR 1,005 thousand).

Remuneration paid to Managing Board members

	31/12/2024 EUR	31/12/2023 EUR
Christian Doppstadt	475,000	475,000
Horst K�pker	450,000	450,000
	925,000	925,000
Remuneration in kind	21,121	21,121
Expenses for pensions	58,754	58,754
Total	1,004,875	1,004,875

The total remuneration of all members of the Supervisory Board and the Audit and Risk Committee amounting to EUR 114 thousand net (previous year: EUR 113 thousand net) and EUR 124 thousand gross (previous year: EUR 125 thousand gross), represents compensation for work performed and is divided into a basic salary and an attendance fee for each Supervisory Board meeting and – if a membership exists – for each Audit and Risk Committee meeting.

Remuneration to Supervisory Board members

	31/12/2024 EUR	31/12/2023 EUR
Member appointed by the Stakeholders' Meeting		
Dr Dirk G�nnewig	16,200	16,800
Susanne Els�sser	8,700	8,400
Michael Breuer	5,600	5,600
Hans Buschmann	14,300	13,050
Rolf Einmahl	5,600	5,600
Henning Giesecke	16,800	16,800
Wilfried Groos	5,600	5,900
Frank Hellwig	5,900	5,600
Dr Georg Lunemann	5,900	5,600
Klaus Rupprath	11,800	11,200
J�rgen Wannhoff	11,200	12,958
Member delegated by the Bundesrepublik Deutschland - Finanzagentur GmbH		
Dr Achim Kopf	5,900	5,900
Total (net)	113,500	113,408

NOTES

The basic salary paid to a simple member of the Supervisory Board or the Audit and Risk Committee, and the attendance fees paid to members of the Supervisory Board or the Audit and Risk Committee for each meeting, are identical. The basic salary paid to the chairman and vice chairman of the Supervisory Board and the Audit and Risk Committee is higher. With regard to the determination of the payment of compensation for work undertaken, the Stakeholders' Meeting decided that travel costs incurred by members of the Supervisory Board and of the Audit and Risk Committee are to be reimbursed individually by the EAA in the customary amount upon application.

In cases where membership of the Supervisory Board and potentially the Audit and Risk Committee does not start or end at the start or end of the year, the basic salaries are paid pro rata for each month of membership that has commenced in accordance with a resolution of the Stakeholders' Meeting.

This does not take into account any payment obligations on the part of the mandate holders or payments already made. The payment of value added tax by the EAA depends on the individual tax situation in each case.

No compensation is paid to the representatives of stakeholders in the Stakeholders' Meeting.

41. Loans to executive bodies

No advances or loans were provided to members of the EAA's Managing Board or Supervisory Board either in fiscal year 2024 or in the previous year.

NOTES

42. 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
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	31/12/2023	78.49	78.60	EUR	2,278	784
EAA Charity LLP, Wilmington, US	i	N	31/12/2023	100.00	100.00	USD	28,324	1,007
EAA DLP I LLP, Wilmington, US	i	N	31/12/2023	100.00	100.00	USD	81,235	-6,933
EAA DLP II LLP, Wilmington, US	i	N	31/12/2023	100.00	100.00	USD	66,714	-2,397
EAA DLP III LLP, Wilmington, US	i	N	31/12/2023	100.00	100.00	USD	124,561	6,337
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	115,564	-7,310
EAA LAT ABC LLP, Wilmington, US	i	N	31/12/2023	100.00	100.00	USD	132,309	-13,406
EAA LAT II LLP, Wilmington, US	i	N	31/12/2023	100.00	100.00	USD	163,911	11,056
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	176,979	-19,128
EAA Triskele LLP, Wilmington, US	i	N	31/12/2023	100.00	100.00	USD	158,114	23,937
EAA US Holdings Corporation, Wilmington, US	d	N	31/12/2023	100.00	100.00	USD	763	394
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	31/12/2023	100.00	100.00	EUR	175	-28
MCC SB Condo LLC, Wilmington, US	i	N	31/12/2023	100.00	100.00	USD	0	0
MCC SB Unit 144 LLC, Indianapolis, US	i	N	31/12/2023	100.00	100.00	USD	0	0
MCC SB Unit 145 LLC, Indianapolis, US	i	N	31/12/2023	100.00	100.00	USD	0	0
MCC SB Unit 146 LLC, Indianapolis, US	i	N	31/12/2023	100.00	100.00	USD	0	0
MCC SB Unit 147 LLC, Indianapolis, US	i	N	31/12/2023	100.00	100.00	USD	0	0
MFC Holdco LLC, Dover, US	i	N	31/12/2023	100.00	100.00	USD	0	0

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Other shareholdings

Name and location	direct (d) / indirect (i)	PLTA yes (Y) / no (N)	As of	Capital share	Voting rights	CCY	Equity	Result
MFC Real Estate LLC, Dover, US	i	N	31/12/2023	100.00	100.00	USD	0	0
MFC SB BAR, LLC, Indianapolis, US	i	N	31/12/2023	100.00	100.00	USD	0	0
Sechste EAA-Beteiligungs GmbH, Düsseldorf	d	N	31/12/2023	100.00	100.00	EUR	24	-1
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	31/12/2023	100.00	100.00	GBP	220	103
Westdeutsche ImmobilienHolding GmbH, Düsseldorf	d	Y	31/12/2023	100.00	100.00	EUR	5,539	0
WestInvest Gesellschaft für Investmentfonds mbH, Düsseldorf	i	N	31/12/2023	0.00	0.00	EUR	11,339	0
Windmill Investments Limited, George Town, Cayman Islands	d	N	31/12/2023	5.07	0.00	USD	39,741	-365
WIV GmbH & Co. Beteiligungs KG, Frankfurt am Main	d / i	N	31/12/2023	5.10	5.10	EUR	12,796	696

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	31/12/2023	10.39	10.39	EUR	448,910	10,352

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	31/12/2023	15.47	15.47		n. s.	n. s.

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, the annual financial statements give a true and fair view of the asset position, financial position and earnings situation of the institution, and the 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.

Düsseldorf, 18 March 2025

Erste Abwicklungsanstalt



Christian Doppstadt
Member
of the Managing Board



Horst K pker
Member
of the Managing Board

Independent Auditor's Report

To: Erste Abwicklungsanstalt, Düsseldorf

Report on the Audit of the Annual Financial Statements and of the Management Report

Audit Opinions

We have audited the annual financial statements of Erste Abwicklungsanstalt, Düsseldorf, which comprise the balance sheet as at 31 December 2024 the statement of profit and loss, the cash flow statement and the statement of changes in equity for the financial year from 1 January to 31 December 2024 and notes to the financial statements, including the presentation of the recognition and measurement policies. In addition, we have audited the management report of Erste Abwicklungsanstalt, Düsseldorf, for the financial year from 1 January to 31 December 2024.

In our opinion, on the basis of the knowledge obtained in the audit,

- △ the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law applicable to business corporations and give a true and fair view of the assets, liabilities and financial position of Erste Abwicklungsanstalt as at 31 December 2024 and of its financial performance for the financial year from 1 January to 31 December 2024 in compliance with German Legally Required Accounting Principles, and
- △ the accompanying management report as a whole provides an appropriate view of Erste Abwicklungsanstalt's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development.

Pursuant to § [Article] 322 Abs. [paragraph] 3 Satz [sentence] 1 HGB [Handelsgesetzbuch: German Commercial Code], we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the management report.

Basis for the Audit Opinions

We conducted our audit of the annual financial statements and of the management report in accordance with § 317 HGB and the EU Audit Regulation (No. 537/2014, referred to subsequently as "EU Audit Regulation") in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report" section of our auditor's report. We are independent of Erste Abwicklungsanstalt in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the annual financial statements and on the management report.

INDEPENDENT AUDITOR'S REPORT

Key Audit Matters in the Audit of the Annual Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual financial statements for the financial year from 1 January to 31 December 2024. These matters were addressed in the context of our audit of the annual financial statements as a whole, and in forming our audit opinion thereon, we do not provide a separate audit opinion on these matters.

In the following, we present the key audit matters from our point of view:

△ Valuation of structured securities

△ Valuation of the Life Settlement Portfolios

Valuation of structured securities

The risk for the financial statements

Erste Abwicklungsanstalt, Düsseldorf, has recognized structured securities under the item "Bonds and other fixed-income securities" in the amount of EUR 1,930 million or 14.9% of total assets. Erste Abwicklungsanstalt was involved in developing and using its own valuation models to measure the structured securities, as no market prices are available. The valuation of these structured securities is performed by BlackRock Financial Management Inc, Wilmington/USA. The results are reviewed by Erste Abwicklungsanstalt. Due to the expected future cash flows to be taken into account in the valuation and the valuation parameters used, which have to be estimated in some cases where they are not observable on the market, the valuation of the structured securities involves significant judgment on the part of the executive directors. Against this background, this matter was of particular significance for our audit.

Erste Abwicklungsanstalt's disclosures on the recognition and valuation of structured securities are included in sections 3 and 7 of the notes to the financial statements.

Audit approach and conclusions

As part of the audit of the annual financial statements, we first assessed the effectiveness of the relevant internal control system of BlackRock Financial Management Inc. and of Erste Abwicklungsanstalt for the valuation of these securities. In this context, we also considered the relevant organisational structures and processes as well as the IT systems. For this purpose, we also evaluated the audit report in accordance with ISAE 3402 of another audit firm on the adequacy of the internal control system of BlackRock Financial Management Inc. In addition, we assessed the valuation models and acknowledged the material parameters relevant to the valuation and performed our own revaluation on a sample basis. For this purpose, we also involved our valuation specialists. Overall, the valuation models and parameters applied by the executive directors are in line with our expectations and are also within the ranges that we consider to be reasonable.

INDEPENDENT AUDITOR'S REPORT

Valuation of the Life Settlement Portfolios

The risk for the financial statements

Erste Abwicklungsanstalt, Düsseldorf, indirectly holds all the rights and obligations from US life insurance policies, the so-called Life Settlement Portfolios, via its subsidiary Erste EAA Anstalt öffentlichen Rechts und Co. KG, Düsseldorf, (Erste EAA). Erste Abwicklungsanstalt financed the acquisition of the rights and obligations from the life insurance policies with a loan to Erste EAA and reports the resulting receivable of EUR 975 million or 7.5% of total assets under "Loans and advances to customers". Beneficial ownership of the policies is conveyed via trust certificates held by partnerships under US law, which are subsidiaries of Erste EAA. The shares in Erste EAA with a carrying amount of EUR 25 thousand are reported by Erste Abwicklungsanstalt under "Shares in affiliates". The valuation of the life settlement portfolios is carried out by American actuaries using a present value calculation based on an analysis of the expected future cash flows from the underlying insurance contracts. Risks may arise for Erste Abwicklungsanstalt in particular if insurance premiums are expected to have to be paid for longer than originally forecasted due to an increase in life expectancy. Additional risks result from increased costs of the insurance companies, which they pass on in the form of higher premiums on the basis of contractual clauses. Erste Abwicklungsanstalt and its subsidiaries have disputed the permissibility and appropriateness of these cost recharges, in four cases also through legal action. One of these lawsuits is currently still pending. Against this background, there is significant scope for judgment in the valuation of the life settlement portfolios, so that this matter was of particular significance for our audit.

Erste Abwicklungsanstalt's disclosures on the recognition and valuation of the life settlement portfolios are included in sections 3 and 5 of the notes to the financial statements and in the management report in the section "Life insurance risks".

Audit approach and conclusions

As part of the audit of the annual financial statements, we first assessed the appropriateness and effectiveness of the relevant internal control system for reviewing the valuation of the life settlement portfolios. In this context, we also considered the relevant organisational structures and processes as well as the IT systems used. We have obtained assurance about the independence and expertise of the external service provider used by Erste Abwicklungsanstalt. We assessed the valuation model and the material parameters relevant to the valuation by analyzing the cash flows and verified the parameters underlying the valuation by means of back testing and, where possible, reconciled them with comparable market data. In addition, we performed a revaluation on a sample basis. We also involved specialists from the field of actuarial mathematics for the recalculation and assessment of parameters relevant to the valuation. With regard to the lawsuit filed by Erste Abwicklungsanstalt, we had the employees of the legal department of Erste Abwicklungsanstalt and the responsible US lawyer explain the status of the case to us and acknowledged their assessment of the expected outcome of the proceedings. Overall, the valuation parameters used by the executive directors are in line with our expectations and are also within the ranges that we consider to be reasonable. In our view, the estimates made by the executive directors with regard to the legal proceedings are sufficiently documented and substantiated.

INDEPENDENT AUDITOR'S REPORT

Other Information

The executive directors or the supervisory board (Verwaltungsrat) are responsible for the other information. The other information obtained includes:

- △ the report of the supervisory board,
- △ the remaining parts of the annual report, but not the financial statements, not the audited content of the management report and not our related auditor's opinion, and
- △ the assurance pursuant to § 264 (2) sentence 3 HGB on the annual financial statements and the assurance pursuant to § 289 (1) sentence 5 HGB on the management report.

The supervisory board is responsible for the report of the supervisory board. Furthermore, the executive directors are responsible for the other information.

Our audit opinions on the annual financial statements and on the management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information mentioned above and, in doing so, consider whether the other information

- △ is materially inconsistent with the annual financial statements, with the management report or our knowledge obtained in the audit, or
- △ otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report on this fact. We have nothing to report in this context.

Responsibilities of the executive directors and the supervisory board (Verwaltungsrat) for the Annual Financial Statements and the Management Report

The executive directors are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law applicable to business corporations, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of Erste Abwicklungsanstalt in compliance with German Legally Required Accounting Principles. In addition, the executive directors are responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the annual financial statements, the executive directors are responsible for assessing Erste Abwicklungsanstalt's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

INDEPENDENT AUDITOR'S REPORT

Furthermore, the executive directors are responsible for the preparation of the management report that, as a whole, provides an appropriate view of Erste Abwicklungsanstalt's position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the management report.

The supervisory board is responsible for overseeing Erste Abwicklungsanstalt's financial reporting process for the preparation of the annual financial statements and of the management report.

Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the management report as a whole provides an appropriate view of Erste Abwicklungsanstalt's position and, in all material respects, is consistent with the annual financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the annual financial statements and on the management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements and this management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- △ Identify and assess the risks of material misstatement of the annual financial statements and of the management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- △ Obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures relevant to the audit of the management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of internal control or these arrangements and measures of Erste Abwicklungsanstalt.

INDEPENDENT AUDITOR'S REPORT

- △ Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- △ Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Erste Abwicklungsanstalt's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements and in the management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Erste Abwicklungsanstalt to cease to be able to continue as a going concern.
- △ Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of Erste Abwicklungsanstalt in compliance with German Legally Required Accounting Principles.
- △ Evaluate the consistency of the management report with the annual financial statements, its conformity with German law, and the view of Erste Abwicklungsanstalt's position it provides.
- △ Perform audit procedures on the prospective information presented by the executive directors in the management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the actions taken or safeguards applied to eliminate independence threats.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other Legal and Regulatory Requirements

Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as auditor by Erste Abwicklungsanstalt's supervisory board (Verwaltungsrat) on 10 April 2024. We were engaged by the supervisory board on 18 April 2024. We have been the auditor of Erste Abwicklungsanstalt, Düsseldorf, without interruption since the financial year 2023.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

German Public Auditor Responsible for the Engagement

The German Public Auditor responsible for the engagement is Mr. Ante Malic.

Cologne, 19 March 2025

RSM Ebner Stolz GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft

Marc Lilienthal
Wirtschaftsprüfer
(German Public Auditor)

ppa. Ante Malic
Wirtschaftsprüfer
(German Public Auditor)

LIST OF ABBREVIATIONS

List of abbreviations

ABTS	Accenture Banking Technology Solutions GmbH, Potsdam
AfD	Alternative for Germany (Alternative für Deutschland)
ALCO	Asset Liability Committee
APAC	Asia-Pacific economic area
AT	General part
AUD	Australian dollar
BaFin	German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht)
BilMoG	German Accounting Law Modernisation Act (Bilanzrechtsmodernisierungsgesetz)
BlackRock	BlackRock Financial Management Inc., Wilmington/US
CAD	Canadian dollar
CCY	Currency code
CDU	Christian Democratic Union of Germany (Christlich Demokratische Union Deutschlands)
CEO	Chief Executive Officer
CHF	Swiss franc
CRR	Capital requirements regulation (Kapitaladäquanzverordnung)
CSU	Christian Social Union in Bavaria e.V. (Christlich-Soziale Union in Bayern e.V.)
CVA	Credit valuation adjustments
DAC	Designated activity company
DRS	German Accounting Standard (Deutscher Rechnungslegungsstandard)
EAA	Erste Abwicklungsanstalt, Düsseldorf
EBA	European Banking Authority
EC	European Community
ECB	European Central Bank
EEC	European Economic Community
EFS	Erste Financial Services GmbH, Düsseldorf
EMEA	Europe, Middle East and Africa economic area
et seqq.	And the following
EU	European Union
EUR	Euro
Eurostat	Statistical office of the European Union
Fed	US Federal Reserve
FI	Financial Institutions
Fitch	Fitch Ratings
FMS	German Financial Market Stabilisation Fund (Finanzmarktstabilisierungsfonds)
FMSA	German Federal Agency for Financial Market Stabilisation (Bundesanstalt für Finanzmarktstabilisierung)
FX effect	Foreign exchange effect
GBP	Pound sterling
HGB	German Commercial Code (Handelsgesetzbuch)
HKD	Hong Kong dollar
HUF	Hungarian forint
HRA	Commercial register department A (Handelsregister Abteilung A)

LIST OF ABBREVIATIONS

IBM	IBM Deutschland GmbH, Ehningen
ICS/RMS	Internal control and risk management system
IDW	Institute of Public Auditors in Germany (Institut der Wirtschaftsprüfer)
IMF	International Monetary Fund
IS	Income statement
IT	Information technology
ITC	Office, IT and communication infrastructure
JPM	J.P. Morgan SE - Frankfurt Branch, Frankfurt am Main
JPY	Japanese yen
KWG	German Banking Act (Kreditwesengesetz)
LGD	Loss Given Default
MaRisk	German Minimum Requirements for Risk Management (Mindestanforderungen an das Risikomanagement)
n. s.	Not specified
No.	Number
NPL	Non-Performing Loans
NRW	North Rhine-Westphalia
OTC	Over the counter
PLN	Polish zloty
PLTA	Profit and loss transfer agreement
Portigon	Portigon AG, Düsseldorf (WestLB AG until 2 July 2012)
py	Previous year
RechKredV	German Ordinance on Accounting for Banks and Financial Service Providers (Verordnung über die Rechnungslegung der Kreditinstitute und Finanzdienstleistungsinstitute)
Repo	Repurchase operation
ret.	retired
RiskCo	Risk Committee
SPD	Social Democratic Party of Germany (Sozialdemokratische Partei Deutschlands)
StFG	German Financial Market and Economic Stabilisation Fund Act – Stabilisation Fund Act (Stabilisierungsfondsgesetz)
UK	United Kingdom
US	United States
USD	US dollar
VaR	Value at Risk
WestImmo	Westdeutsche ImmobilienBank AG, Mainz (Westdeutsche Immobilien Servicing AG since 30 June 2017)
WestLB	WestLB AG, Düsseldorf (Portigon AG since 2 July 2012)
XMT	x1F Management & Technology Services GmbH, Munich (matrix technology GmbH until 7 January 2025)

Imprint

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