

1 January 2013 to 30 June 2013



Interim Report

Erste Abwicklungsanstalt

Interim Report as of 30 June 2013

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EAA Key Figures

Income statement in EUR million	1 Jan.-30 Jun. 2013	1 Jan.-30 Jun. 2012
Net interest income	156.5	44.9
Net fee and commission income	46.8	10.5
Net trading result	36.2	-
Other operating result	-2.4	-0.1
General administrative expenses	-196.5	-74.6
Results from financial assets and shareholdings	-9.7	-11.6
Results prior to risk provisioning	30.9	-30.9
Loan loss provisions	-5.3	41.5
Earnings before taxes	25.6	10.6
Taxes on income and earnings	-0.5	-0.9
Earnings after taxes	25.1	9.7
Balance sheet in EUR billion	30 Jun. 2013	31 Dec. 2012
Total assets	94.8	123.3
Business volume	115.2	148.6
Loan transactions	58.3	70.6
Trading portfolio	33.9	48.9
Equity	0.5	0.5
Winding-up	30 Jun. 2013	31 Dec. 2012
Banking book		
Notional value (before FX effect) in EUR billion	82.4	94.4
Winding-up activities in EUR billion	-12.0	-32.0
Winding-up activities in %	-12.7	-25.3
Trading portfolio		
Notional value (before FX effect) in EUR billion	727.2	884.8
Winding-up activities in EUR billion	-157.6	-179.3
Winding-up activities in %	-17.8	-16.8
Employees	30 Jun. 2013	31 Dec. 2012
Number of employees	117	103
Rating	Short-term rating	Long-term rating
Moody's Investors Service	P-1	Aa1
Standard & Poor's	A-1+	AA-
Fitch Ratings	F1+	AAA

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Foreword

Dear Stakeholders,

2012 came to a successful end for the Erste Abwicklungsanstalt (EAA) with the realisation of the restructuring process in regard to the former WestLB, now known as Portigon. In 2013, we want to wind up a larger and more complex portfolio in an optimal manner, adding to the successes we have enjoyed thus far. This goal has been achieved during the first six months.

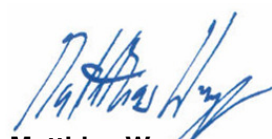
The first half of 2013 saw the EAA record a net result of EUR 25.1 million. Since the beginning of 2012, it has recorded continuous positive results. This highlights the stability of the winding-up process. The other particularly important parameters in the income statement – net interest and commission income of EUR 203.3 million and risk provisions, which came in much lower than expected at EUR 5.3 million – show that we are on the right path.

The continued rapid speed of portfolio reduction is reflected in the clear decline of total assets as of 30 June 2013. At EUR 94.8 billion, it is 23.1% lower than on 31 December 2012. Parts of the transferred risk portfolio that are held by subsidiaries or guaranteed by the EAA are added to that. The entire portfolio (at exchange rates as of 31 December 2011 without the trading portfolio), when expressed in nominal values, decreased in the first six months of the year from EUR 94.4 billion to EUR 82.4 billion. Furthermore, trading assets were reduced from EUR 48.9 billion to EUR 33.9 billion.

Equity is recorded at around EUR 522 million and represents a sufficient risk buffer for our goal to complete our work with no equity shortfall.

The development in the real economy supported the wind-up process and this is likely to continue in the second half of the year. This allows the EAA to adopt a cautiously optimistic view of future developments.

Sincerely,



Matthias Wargers
Spokesman
of the Managing Board



Markus Bolder
Member
of the Managing Board



Horst K pker
Member
of the Managing Board

Interim Management Report

for the period from 1 January 2013 to 30 June 2013

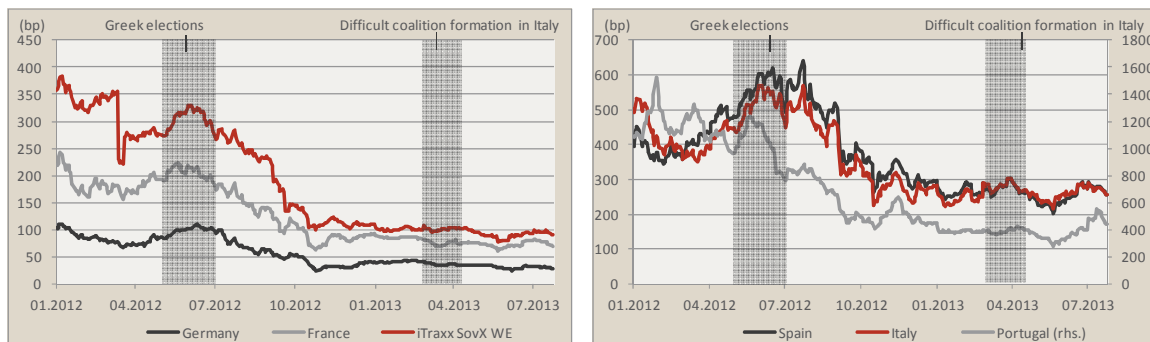
Business and environment

Economic environment

A key driving force in the EU sovereign debt crisis was and is often political instability. The insecurity following two parliamentary elections in Greece in the early summer of 2012 had a very noticeable impact on the yields and spreads of credit default swaps (CDS) in the eurozone. The turbulence resulting from the elections affected peripheral states such as Spain, Italy and Portugal. However, German government bonds (Bunds) and the French equivalent were also influenced by insecurity as it was feared that the crisis could endanger the future of the euro. The difficulties encountered forming a government following parliamentary elections in Italy at the end of February 2013 put the yields and spreads of Italian government bonds – as well as their Spanish counterparts – under selling pressure. However, a direct comparison of yield and spread changes outlines a manageable increase. This is in no small part a result of announcements by the European Central Bank (ECB) regarding Outright Monetary Transactions (OMT). A localised political crisis within the eurozone is no longer able to put the existence of the euro in jeopardy. Negative effects remain limited to the country in crisis.

The isolating effect is underscored further by the coalition crisis in Portugal. The increase in spreads in eurozone peripheral states (Italy, Spain or Ireland) are rather the result of speculation regarding US monetary policy (tapering debate). In the US Congressional hearing on 22 May 2013, Ben Bernanke, chairman of the Federal Reserve, announced gradually pulling back on quantitative-easing measures, purchasing US bonds and mortgage backed securities (MBS) with a monthly investment volume of USD 85 billion, resulting in increased yields for US bonds.

Isolating effect of the Draghi put: Spread increases resulting from political instability no longer affect the rest of the eurozone



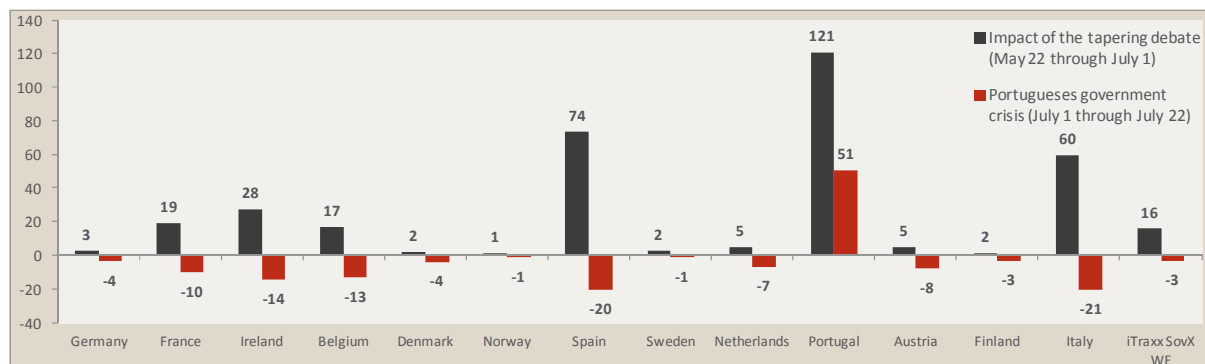
Source: Bloomberg, EAA

Premiums for CDS on European states increased during the same period. The CDS premium for Portugal (five years) increased by 121 basis points (BP) between 22 May 2013 and 1 July 2013 (beginning of the coalition crisis). A similar increase was recorded in Italy (+60 BP) and Spain (+74 BP). Robust nations within the eurozone were also affected. France (+19 BP), the Netherlands (+5 BP) and Germany (+3 BP) felt the impact of worries regarding tightening in US monetary policy. While this global factor influenced a number of countries in the eurozone, Portugal's coalition crisis only hit Portugal itself.

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Spread changes of CDS agreements (five-year maturity) in BP



Source: Bloomberg, EAA

Exit strategy of the US Federal Reserve and ...

After the key interest rate reached a minimum of 0% to 0.25%, the Federal Reserve's aggressive intervention in the open market represented a radical change in strategy with an uncertain outcome. By trying to stop its intervention in the open market, or rather cut back on its actions, the Federal Reserve has once again found itself in uncharted waters. The Federal Reserve's attempts to pull back from the US bond market as a buyer have not enjoyed a lot of success. The discontinuation of intervention resulted in a considerable loss of confidence and a dangerous drop in economic activity. Therefore, it was necessary to resume intervention policies and look at its expansion in qualitative (affected market segments) and quantitative (intervention amounts) terms. As a result of this experience with the Federal Reserve's exit attempts in relation to its quantitative-easing policy, the market reactions to the announced exit strategy are not surprising. There was a noticeable rise in non-current US yields and increased volatility in risky asset categories.

In spite of the evident dangers and difficulties associated with the US Federal Reserve's exit strategy, there are good reasons for the plans. Economic development in the USA is relatively robust. The unemployment rate has fallen from 8.3% to 7.6% since January 2012. In the construction industry, the number of new projects compared to June 2012 rose by 80,000 to 836,000 units (June 2013). House prices also continued to rise. According to the Case-Shiller Composite 20 index, house prices in the USA were up 12.1% year on year in April 2013. For the US economy, these developments in the construction industry (recovery), on the labour market (unemployment down) and on the real estate market (house prices up) are important. A quick recovery of the US economy was prevented of late by a surplus in properties available for sale.

Market players are expecting a growth of 1.8% in US economic output for full-year 2013. In the second quarter of 2013, growth was expected to be around 0.4%. Furthermore, the US budget deficit is likely to be reduced by 2 to 2.5 percentage points to 4.2% of gross domestic product (GDP) as a result of automatic tax hikes and spending cuts. The drop in the US deficit means that the Federal Reserve's monthly investment volume up to this point of USD 45 billion for the purchase of US bonds is oversized, as the US Treasury Department has to take out fewer new loans. Market distortions and the influence applied to markets via a constant amount of investment would continue to increase and assume proportions that the Federal Reserve does not wish to see. As a result, preparations are currently being made to stop these interventions. This seems to fit the picture, assuming a sense of proportion is applied to the exit strategy. The communication policy followed by the Federal Reserve reacts well to the fears and worries of market players regarding a premature end to intervention.

... further economic slowdown in the eurozone

The eurozone is decoupled from the robust developments seen in the US economy. Eurozone economic performance is expected to fall by 0.6% in 2013. This development is driven by a drop in growth affecting the entire eurozone in the first half of 2013. Even though Spain has been praised by its euro-partners and the Troika (the European Union, the International Monetary Fund (IMF) and the ECB) for its ambitious reform and consolidation programme, those policies are the cause of considerable cur-

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rent negative growth. The Spanish budget deficit is expected to fall by 4.1 percentage points to 6.5% of GDP at the end of 2013. The tax increases needed to achieve that and an increased level of unemployment put a considerable strain on Spanish consumption. Only the current account balance is positive. Following a very high deficit of 10% of the GDP in 2007, Spain is expected to achieve a net result of 1% this year. This development shows that the reforms that the Spanish government has put in place to tackle the fundamental problems of competitiveness need more time to take hold.

It remains to be seen whether 2013 will represent the economic bottom for Portugal. Portuguese economic output fell by 3.2% last year. A decrease of 2.7% is expected in 2013. In 2014, economic output is likely to increase slightly by 0.25%. However, this forecast is based on the assumption that the current coalition crisis in Lisbon is cleared up quickly and to the satisfaction of financial markets, Portuguese voters and the Troika.

The economic situation in Italy is somewhat different. Under the stewardship of technocrat Prime Minister Mario Monti, Italy appears to have solved its budget deficit problems and implemented some minor reforms to its social system and the labour market. Successful fiscal consolidation enjoyed by Monti's government arose following marked increases in taxes and contributions, which were ultimately the reason Italy's economy fell into recession. After a decrease of 2.4% in economic output in 2012, another drop is expected in 2013, coming in at -1.8%. Following the revision of the controversial "IMU" property taxes introduced by the Monti government and as a result of decreased economic output, the Italian deficit is currently increasing slightly. The EAA expects a deficit of 3.1% of the GDP in 2013. In 2014, it is expected that the Italian economy – assuming relative political stability – will be able to overcome the second recession within five years. In the best-case scenario, economic recovery could occur late in the second half of 2013. However, that would only be likely if the Social Democrat and Conservative coalition, forced by President Giorgio Napolitano, proves to be stable enough.

Yet this growth scenario also shows that key consumers for European trade – Italy, Spain, Portugal and Greece – will essentially drop off the map. Furthermore, the prospects of exporting nations such as Germany and the Netherlands are also muddled, as economic growth in China has slowed considerably (in 2013, economic growth is expected to be just 7.5%).

In such a difficult climate, economic activity over the course of the first half of 2013 was subject to significant fluctuations. The German Manufacturing Purchasing Managers' Index (PMI) rose from 46.0 points in December 2012 to 50.3 points in July 2013. That is slightly above the expansion threshold of 50 points. It appears that the German economy was able to once again overcome the distinct period of weakness in the fourth quarter of 2012 and the first half of 2013. Other barometers within the German economy have given off similar signals. In July 2013, the Ifo index rose to 106.2. In such a weak economic climate, the ECB's monetary policy remains very expansive and it is contributing to the economic stability within the currency union. This means that the tightening of monetary policy isn't likely to be an issue in 2013 and the upcoming years.

Outlook: Gradual increase in the second half of the year

The ECB's OMT programme, involving the purchase of EUR government bonds, has largely renewed trust in EUR government bonds from peripheral countries. The sovereign debt crisis and difficulties experienced by eurozone policymakers in generating recovery in terms of government and private finances continue to be important sources of economic momentum. Financial contagions, which were noted before the OMT programme was put in place, no longer appear. As a result, the level of fluctuation in macroeconomic indicators and financial market data is likely to continue to drop.

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Development in the real economy

A series of developments in the US gives reason for the EAA to adopt a mildly positive outlook. The improvements seen in the construction and real estate industries and the continuing decline in unemployment have had a positive impact on growth. It is highly likely that the US economy will once again achieve growth of around 1.8% in 2013, repeating 2012's success. After all, the US economy has shown itself to be remarkably robust despite the unresolved issue of debt (automatic tax increases and cuts to public spending). Nevertheless, automatic spending cuts will have a moderating effect that should not be underestimated. The EAA anticipates that US economic growth in 2014 is likely to reach 2.7%. The unemployment rate, which is falling incredibly slowly, continues to put a strain on the US labour market. However, inflationary pressure remains contained as a result.

The low rate of inflation, coupled with sluggish economic growth and slow progress in reducing unemployment, gives the US Federal Reserve the necessary justification to retain its policy of low interest rates. Nevertheless – as is shown in the minutes from Federal Reserve meetings and the tapering discussion – the US central bank is actively looking for an exit strategy. Extraordinary support measures are not likely to expire in 2013. The US economy has not yet recovered by a sufficient margin to warrant that.

There will be significant divergence in terms of economic growth in the eurozone in 2013. Whereas members of the eurozone's (semi-)core are set to experience moderate growth or periods of stagnation, peripheral eurozone members will remain deep in recession. Economic growth in Germany will be around 0.4% in 2013. Further recovery of the global economy and members of the eurozone periphery is only anticipated to take hold in 2014, which should trigger accelerated growth. Compared to members of the eurozone periphery and France, Germany will emerge from the crisis relatively unharmed.

Overview of key macroeconomic prognoses

	Key economic indicators							
	Growth (%)		Inflation (%)		Unemployment (%)		Budget balance (% GDP)	
	2013	2014	2013	2014	2013	2014	2013	2014
USA	1.8	2.7	1.5	2.0	7.5	7.0	-4.2	-3.8
Euro zone	-0.6	1.0	1.5	1.5	12.2	12.3	-3.0	-2.6
Core & semi core								
Germany	0.4	1.6	1.6	1.8	6.9	6.7	-0.2	0.0
France	-0.2	0.8	1.1	1.6	11.0	11.0	-4.0	-3.5
Periphery								
Greece	-4.5	-0.4	-0.5	-0.3	27.3	27.6	-4.8	-3.9
Ireland	0.8	2.0	1.0	1.4	13.8	13.2	-7.4	-4.9
Portugal	-2.7	0.3	0.6	1.0	18.0	18.1	-5.6	-4.1
Spain	-1.6	0.4	1.6	1.2	27.0	27.0	-6.5	-5.9
Italy	-1.8	0.5	1.5	1.5	12.1	12.4	-3.1	-2.6
Emerging Markets								
Asia	6.4	6.5	2.9	3.9	4.0	4.0	-1.7	-2.0
Latin America	2.7	3.6	7.1	6.7	6.0	6.0	-2.3	-2.3
Eastern Europe & Africa	2.5	3.4	5.3	4.8	9.2	9.0	-1.9	-1.7
BRIC countries								
Brazil	2.3	3.1	6.2	5.8	5.5	5.5	-2.8	-2.8
Russia	2.6	3.5	6.5	5.6	5.5	5.5	-0.6	-0.5
China	7.5	7.5	2.7	3.1	4.1	4.1	-2.0	-1.9
India	5.7	5.7	6.1	8.7	NA	NA	-5.2	-4.9

Source: Bloomberg, EAA

However, the situation is more problematic in the periphery. Spain will remain in recession. National income in Spain will drop by some 1.6% in 2013. This decline is particularly due to the need for further austerity measures. As a result, Spain will remain at the forefront of the European sovereign debt crisis in 2013. Similar developments in terms of economic growth are likely to affect neighbouring Portugal. However, with forecasts of negative growth of 2.7% in 2013, the decline in Portuguese economic output will slow year-on-year. Nevertheless, it is likely to be 2014 before the Portuguese economy returns to a course of moderate growth. Italy will likely continue to suffer from the effects of the European sovereign debt crisis in 2013. The country's economic output is forecast to fall by 1.8% in 2013.

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Italy is only likely to escape from this period of recession at the end of 2013 or in early 2014, with extremely weak growth of around 0.5% forecast for 2014.

Financial market outlook for 2013

In real economic terms, the global economy looks as though it will continue to recover – even if the pace is very slow. This is demonstrated by relatively marginal economic growth – in an historical context – in emerging market economies and the USA, as well as further improvement in terms of the eurozone's fundamental indicators. Further effects will be felt in the form of lower risk premiums for sovereign bonds in peripheral eurozone members and slight increases in the yields of German and US government bonds. Yields on ten-year German Bunds are likely to be at around 2% by the end of 2013, whereas the US equivalent is forecast to hit 2.6%. The driving force behind these increases in yields is economic growth, which is likely to accelerate until the end of 2013. Given that members of the eurozone periphery are also likely to stabilise further, risk premiums versus German Bunds may fall further. However, this is expected to occur in waves. There may be increases in spreads or yields of peripheral bonds in the run-up to Troika appraisals or during periods of increased political insecurity. However, the OMT, also referred to as the “Draghi put”, should successfully limit the extent of the fluctuations in these phases. The euro/dollar exchange rate will remain largely the same in 2013. At the end of the year, the EAA expects rates to reach around USD 1.30/EUR. This is primarily due to the fact that the differences in economic growth between the eurozone and the USA are likely to be relatively small. Moreover, monetary policy in both the USA and the eurozone is extremely expansive, giving the EAA reason to believe that neither currency is likely to be noticeably stronger or weaker than the other.

Overview of key financial markets

	Fixed income markets 2013		
	Policy rate (%)	2Y yield (%)	10Y yield (%)
USA	0.25	0.50	2.60
Euro zone	0.75	0.25	2.00
Core & semi core			
Germany	0.75	0.25	2.00
France	0.75	1.00	2.75
Periphery			
Spain	0.75	3.50	5.30
Italy	0.75	2.00	4.60

Source: Bloomberg, EAA

Operating activities of EAA

The EAA, with its registered office in Düsseldorf, is responsible for winding up the risk exposures and non-strategic business units taken over from the former WestLB AG (WestLB, now Portigon AG [Portigon]) as well as its domestic and foreign subsidiaries in a loss-minimizing manner. This serves to stabilise the entire financial market in Germany.

The EAA conducts its transactions in accordance with business and economic principles with regard to its wind-up objectives. It is not a credit or financial services institution in terms of the German Banking Act (Kreditwesengesetz – KWG), an investment services firm in terms of the German Securities Trading Act (Wertpapierhandelsgesetz – WpHG) or an insurance company in terms of the German Insurance Supervision Act (Versicherungsaufsichtsgesetz – VAG). It does not conduct any transactions that require approval pursuant to Directive 2006/48/EC of the European Parliament and of the Council of 14 June 2006 or Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004, the amendment to Directives 85/611/EEC and 93/6/EEC of the Council and Directive 2000/12/EC of the European Parliament and of the Council and for the repeal of Directive 93/22/EEC of the Council, as amended.

The EAA is subject to regulation by the Financial Market Stabilisation Authority (Bundesanstalt für Finanzmarktstabilisierung – FMSA). It is also subject to regulation by the Federal Financial Supervisory

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Authority (Bundesanstalt für Finanzdienstleistungsaufsicht – BaFin) with regard to individual banking law provisions pursuant to section 8a (5) of the Financial Market Stabilisation Fund Act (Finanzmarktstabilisierungsfondsgesetz – FMStFG).

The EAA's work is principally carried out on the basis of section 8a of the FMStFG, its charter, the rules of procedure for the Supervisory Board and the Managing Board plus their committees as well as its defined wind-up and risk strategy. In keeping with the principles of risk minimisation and a conservative financial strategy, a wind-up plan was prepared by Portigon for the EAA's respective fillings and approved by the FMSA.

The wind-up plan was prepared with the aim of avoiding the need for subsequent capital injections. This plan is reviewed at least once a year by the EAA and adjusted with the permission of the FMSA in order to take changes in circumstances, such as current market developments, into consideration. The wind-up plan sets out the measures which the EAA intends to take to wind up its portfolio according to a breakdown of assets by sub-portfolio (cluster) and standard strategies, and includes a schedule for the full winding up of assets within a reasonable period. The possible alternatives to winding up a portfolio are a disposal (sale) of assets prior to their maturity, holding them to maturity, or by restructuring them. The EAA submits regular wind-up reports to the FMSA, the Supervisory Board and its shareholders, informing them on its wind-up activities and its adherence to the wind-up plan, thus documenting its success in winding up its portfolio.

The following stakeholders participate in the EAA's share capital: The State of North Rhine-Westphalia (NRW), approximately 48.2%; the Rheinische Sparkassen- und Giroverband (RSGV) and the Sparkassenverband Westfalen-Lippe (SVWL), approximately 25% each; and the Landschaftsverband Rheinland (LVR) and the Landschaftsverband Westfalen-Lippe (LWL), approximately 0.9% each.

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

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

The Supervisory Board consists of twelve members, eleven of whom are appointed by the Stakeholders' Meeting. One member is delegated by the FMSA, acting on behalf of the Financial Market Stabilisation Fund (FMS). Members elect a Chair and a Deputy Chair on the recommendation of the State of NRW. The Supervisory Board consults with and advises the EAA's Managing Board, monitors its activities and carries out additional duties set forth in the EAA's charter.

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

Wind-up report

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

As of 30 June 2013, the nominal value of the banking book portfolio (first fill and refill) totalled EUR 82.4 billion (at exchange rates as of 31 December 2011). In the first half of 2013, it decreased by EUR 12.0 billion. Since 1 January 2012, the combined banking book portfolio decreased by EUR 44.0 billion, or 34.8%, on a pro-forma basis.

As of 30 June 2013, the trading portfolio amounted to a notional amount of EUR 727.2 billion. In total, the notional volume of the trading portfolio was reduced by around EUR 157.6 billion (at exchange

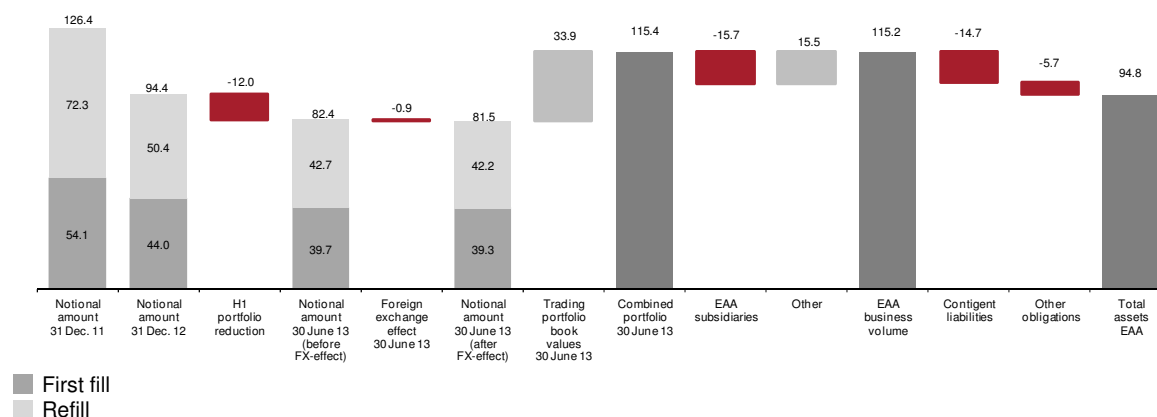
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rates as of 30 June 2012) in the first half of 2013. Since its transfer, the trading portfolio has been reduced by EUR 336.8 billion or 31.7%.

The following overview shows the development of the portfolio's notional amounts since 1 January 2013 and the reconciliation to EAA's balance sheet as of 30 June 2013:

Reconciliation of the notional volume transferred to the balance sheet as of 30 June 2013 in EUR billion



¹ Equates to the book values for trading portfolio assets

² Details for the refill adjusted for WestImmo retail portfolio already transferred within the first fill via a guarantee

³ Contains money market instruments, cash deposits and other assets not being relevant for winding-up

Under the EAA's management strategy, the progress made in winding up its portfolio is assessed both on the basis of notional reduction before exchange rate effects (i.e. 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 business plan impacts. The latter takes into consideration the impact of sale proceeds, book values, expected losses, interest income and scheduled funding costs in the wind-up plan.

The EAA generated a negative business plan impact of EUR -1.7 million from sales and early repayments from the entire banking book portfolio in the first half of 2013. This was due to successful measures taken in the NPL, Equity Mezzanine and Structured Securities portfolios.

In the first half of 2013, a positive business plan impact of EUR 2.3 million was generated for the trading portfolio.

Wind-up success

Success in winding up the banking book

From 1 January 2013 until 30 June 2013, the notional volume of the banking book decreased from EUR 94.4 billion as of 31 December 2012 to EUR 82.4 billion (at exchange rates as of 31 December 2011, including the notional amounts of guaranteed risk exposures and risk exposures held by subsidiaries of the EAA). That equates to a reduction in notional value in the first half of 2013 of EUR 12.0 billion (12.7%). At current exchange rates as of 30 June 2013, the volume is EUR 81.5 billion.

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Clusters	Notional volume (at exchange rates as of 31 Dec. 2011)				Notional volume (at exchange rates as of 30 June 2013)	
	Notional 30 June 2013 EUR million	Notional 31 Dec. 2012 EUR million	Delta to 31 Dec. 2012 EUR million	in %	Notional 30 June 2013 EUR million	FX effect ¹ EUR million
	Structured Securities	23,766	25,806	-2,040	-7.9	23,591
WestImmo Commercial	12,943	15,908	-2,965	-18.6	12,867	-76
Public Finance	8,342	9,248	-906	-9.8	8,252	-90
Energy	6,898	7,573	-675	-8.9	6,846	-52
NPL	6,886	6,957	-71	-1.0	6,780	-106
Industrials	4,605	6,075	-1,470	-24.2	4,585	-20
Other clusters	18,971	22,865	-3,894	-17.0	18,548	-423
EAA (banking book) total	82,411	94,432	-12,021	-12.7	81,469	-942

¹ Change in notional volume due to exchange rate effects

Reduction in the banking book in the first half of 2013 mainly originated from clusters Structured Securities, WestImmo Commercial and Industrials. The notional reduction in cluster Structured Securities is due to partial repayments of the Phoenix A1 (EUR and USD), B and X notes. The decline in WestImmo Commercial cluster is a result of the transfer of WIB Real Estate Finance Japan K.K. (WIB KK) to the EAA; the WIB KK portfolio is now mainly reported in the Real Estate cluster (shown under other clusters) with a nominal volume of EUR 0.6 billion (at exchange rates as of 31 December 2011).

Success in winding up the trading portfolio

Clusters	Notional volume (at exchange rates as of 30 June 2012)				Notional volume (at exchange rates as of 30 June 2013)	
	Notional 30 June 2013 EUR million	Notional 31 Dec. 2012 EUR million	Delta to 31 Dec. 2012 EUR million	in %	Notional 30 June 2013 EUR million	FX effect ¹ EUR million
	Rates	709,327	851,603	-142,276	-16.7	694,505
Credit	2,762	12,407	-9,645	-77.7	2,715	-47
FX	565	2,161	-1,596	-73.8	553	-12
Equity	14,268	18,084	-3,816	-21.1	14,035	-233
Other clusters	236	519	-283	-54.5	232	-4
EAA (trading portfolio) total	727,158	884,774	-157,616	-17.8	712,040	-15,118

¹ Change in notional volume due to exchange rate effects

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

In total, the notional volume of the trading portfolio declined by around EUR 157.6 billion (at exchange rates as of 30 June 2012) in the first half of 2013. The main driving force behind the decline was the Rates cluster with a volume of EUR 142.3 billion. The notional volume of other clusters decreased by around EUR 15.3 billion. The main cause of the decrease in the notional volume was maturities. The Credit cluster decrease of around EUR 7 billion results from the sale of the Basket Default portfolio. The Rates cluster volume was also reduced by offsetting opposite positions with the same counterparties. The wind-up success listed here has already been adjusted for an FX effect of approximately EUR 15.1 billion.

The EAA's overall situation

Earnings situation

The previous year's figures for the earnings situation are based on the interim financial statements published on 30 June 2012. As the agreements regarding the refill had not yet been concluded at that time, these financial statements do not include any effects from the refill.

The EAA's earnings situation in the first half of 2013 was marked by positive net interest income of EUR 156.5 million, net fee and commission income of EUR 46.8 million and net trading result of

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EUR 36.2 million. Administrative expenses amounted to EUR 196.5 million and mainly consisted of expenses amounting to EUR 160.0 million for the provision of services by Portigon.

Additions to the provisions for losses on loans and advances resulted in expenses of EUR 5.3 million.

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

Income statement for the period 1 January until 30 June 2013

	1 Jan. - 30 Jun. 2013	1 Jan. - 30 Jun. 2012	Delta	
	EUR million	EUR million	EUR million	in %
Net interest income	156.5	44.9	111.6	>100,0
Net fee and commission income	46.8	10.5	36.3	>100,0
Net trading result	36.2	-	36.2	-
Total other operating income/expenses	-2.4	-0.1	-2.3	>-100,0
Personnel expenses	-8.8	-5.3	-3.5	-66,0
Other administrative expenses	-187.7	-69.3	-118.4	>-100,0
of which: expenses for service level agreements with Portigon	-160.0	-38.4	-121.6	>-100,0
Net income from investment securities and long-term equity investments	-9.7	-11.6	1.9	16,4
Results prior to risk provisioning	30.9	-30.9	61.8	>100,0
Loan loss provisions	-5.3	41.5	-46.8	>-100,0
Earnings before taxes	25.6	10.6	15.0	>100,0
Taxes on income and earnings	-0.5	-0.9	0.4	44,4
Net profit of the year	25.1	9.7	15.4	>100,0
Net retained losses brought forward	-2,519.3	-2,525.9	6.6	0,3
Net retained losses	-2,494.2	-2,516.2	22.0	0,9

Financial situation and issuing activities

The outstanding of issued bearer bonds, registered bonds, promissory notes and commercial papers – primarily in EUR, USD and GBP – amounted to EUR 55.9 billion. This figure includes the global Commercial Paper Programme with a notional volume equivalent to EUR 12.4 billion.

New issues of approximately EUR 11.5 billion were placed in the period from 1 January to 30 June 2013, primarily as part of the Commercial Paper programme and the Euro Medium Term Notes programme.

As part of the global Commercial Paper programme, a notional volume equivalent to approximately EUR 8.9 billion was issued as a replacement for due transactions.

As part of the Euro Medium Term Notes programme, new issues of EUR 2.4 billion were concluded in the first half of 2013 – mainly in the form of bearer bonds. Of this amount, a large part – the equivalent of EUR 1.6 billion – was issued in US dollars.

A further EUR 0.2 billion was issued in the form of promissory notes.

As of 30 June 2013, the portfolio of securities returned for the purposes of market management amounted to approximately EUR 31.3 million.

In the liquidity stress test, the EAA reported net liquidity above the defined minimum at any time throughout the period from 1 January to 30 June 2013.

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Financial situation

Assets

	30/6/2013	31 Dec. 2012	Delta	
	EUR billion	EUR billion	EUR billion	in %
Cash reserve	0.0	2.5	-2.5	-100.0
Loans and advances to banks	18.3	22.6	-4.3	-19.0
Loans and advances to customers	19.6	22.7	-3.1	-13.7
Securities (no trading portfolio)	20.8	24.3	-3.5	-14.4
Trading portfolio	33.9	48.9	-15.0	-30.7
Long-term equity investments and shares in affiliates	1.9	1.9	0.0	0.0
Other assets	0.3	0.4	-0.1	-25.0
Total assets	94.8	123.3	-28.5	-23.1

Liabilities and equity

	30/6/2013	31 Dec. 2012	Delta	
	EUR billion	EUR billion	EUR billion	in %
Deposits from banks	6.4	7.8	-1.4	-17.9
Deposits from customers	6.8	7.5	-0.7	-9.3
Debt securities in issue	46.9	57.7	-10.8	-18.7
Trading portfolio	33.7	48.9	-15.2	-31.1
Provisions	0.3	0.4	-0.1	-25.0
Other liabilities	0.2	0.5	-0.3	-60.0
Equity	0.5	0.5	0.0	0.0
Total liabilities and equity	94.8	123.3	-28.5	-23.1
Contingent liabilities	14.7	19.7	-5.0	-25.4
Other obligations/loan commitments	5.7	5.6	0.1	1.8
Business volume	115.2	148.6	-33.4	-22.5

The EAA's total assets as of 30 June 2013 amounted to EUR 94.8 billion (previous year: EUR 123.3 billion). Its business volume, which also includes off-balance sheet items, amounted to EUR 115.2 billion (previous year: EUR 148.6 billion).

In consideration of cash reserves, loans and advances to banks fell from EUR 2.5 billion at the end of the previous year to a total of EUR 6.8 billion as of 30 June 2013, which was primarily due to active liquidity management and successful windings ups.

The reduction of loans and advances to customers compared to the end of the previous year reflects the wind-up success in the first half of 2013. Securities declined due to repayments.

A significant part of this decline in total assets was due to the reduction of trading assets by EUR 15.0 billion.

Please refer to the chapter "Wind-up report" for more information.

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Lending business

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

Lending business

	30/6/2013	31 Dec. 2012	Delta	
	EUR billion	EUR billion	EUR billion	in %
Loans and advances to banks	18.3	22.6	-4.3	-19.0
Loans and advances to customers	19.6	22.7	-3.1	-13.7
Contingent liabilities	14.7	19.7	-5.0	-25.4
Other obligations/loan commitments	5.7	5.6	0.1	1.8
Lending business	58.3	70.6	-12.3	-17.4

Summary of the business situation

As shown, the net profit was attributable to the progress made in winding up the portfolio. The net interest and net fee and commission income was used to finance expenses for ongoing operations.

The EAA's financial position is in good order; equity as of 30 June 2013 amounted to EUR 521.9 million. EAA had sufficient liquidity at all times.

Risk report

The common objective of the shareholders, FMS and the EAA is to minimise the strategic wind-up risk. During the reporting period, the EAA made further progress in realising the wind-up plan. Wind-up activities focused primarily on the reduction of the portfolio transferred from Portigon and mitigating risks.

The portfolios transferred in 2012 as part of the refilling process were integrated in the existing functional management model. Risk management was adjusted to meet the additional requirements of reducing the trading portfolio.

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

Risk management organisation

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

The overall risk management strategy is the basis for its risk management framework. It contains the basic principles for risk management, defines the key risk categories and identifies the core elements of the risk management process. The general risk management strategy is supplemented by specific strategies for managing individual risks including the related wind-up strategies. The key individual

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strategies relate to the five risk categories: credit risk, market price risk, liquidity risk, operational risk and other risks.

In the second quarter of 2013, the Market Risk Management department took over the risk controlling function pursuant to the Minimum Requirements for Risk Management (MaRisk) and was renamed "Risk Controlling". This department is responsible for the independent monitoring and communication of the EAA's risks and has the following tasks in particular:

- Assisting management in all risk policy issues, especially in the development and implementation of the risk strategy as well as in the organisation of a system to limit risks;
- Carrying out risk inventories and preparing the overall risk profile; and
- Assisting management in the establishment and development of risk management and risk controlling processes.

Credit Risk Management is the back office function of the lending business in terms of MaRisk. This function is responsible for authorising loans. The Risk Controlling function is responsible for market price, liquidity and operational risks. Both of the before mentioned functions analyse and monitor risk positions, as well as the utilisation of credit lines. They also take measures to reduce risks as and when necessary.

Risk reporting

The only way for risks to be managed and monitored over the long term is if processes are transparent and if the underlying results of risk analyses are communicated in a manner that is conducive to decision-making processes. This is why risk reporting is one of the Risk Controlling key tasks – together with the Controlling & Planning department. The FMSA, the responsible committees, the Managing Board, the Supervisory Board and its committees are informed on a regular basis of any and all developments that might have a bearing on the institution's risk or earnings situation. Risk reporting is an integral component of the monthly wind-up report.

The Managing Board keeps the Supervisory Board and its committees regularly apprised of EAA's current wind-up success and the general risk situation based on the wind-up reports and a separate Risk Report which is adapted to suit the needs of the governing bodies.

Credit risks

Credit risks – banking book

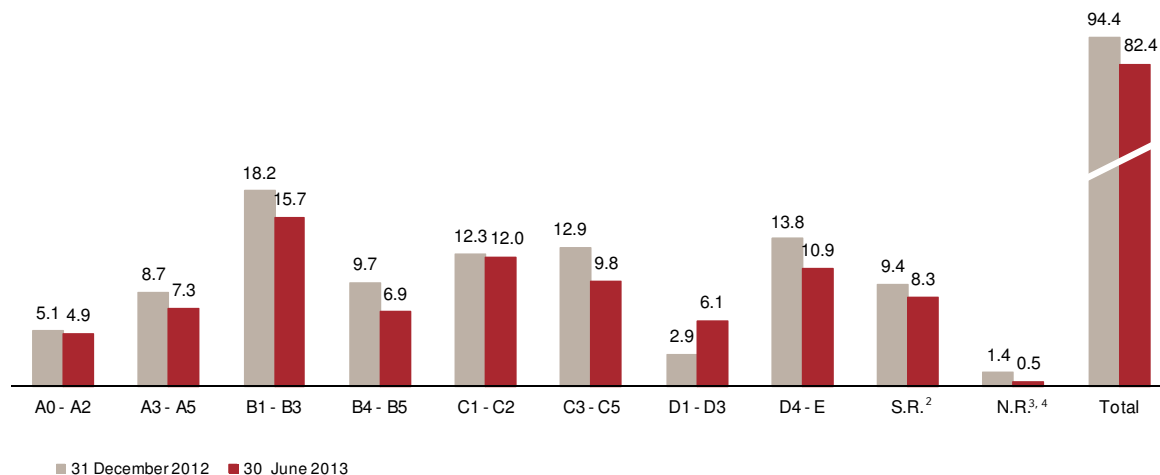
In the first half of 2013, the notional volume of the banking book – which primarily consists of loans and securities – was reduced by EUR 12.0 billion to EUR 82.4 billion (at constant exchange rates as of 31 December 2011). The EAA itself holds or guarantees 71% of total banking book notional volume, and the remaining 29% is held by its subsidiaries. Please refer to the chapter "Wind-up report" for more detailed information on the wind-up success.

The following relates to the notional volume including the subsidiaries EAA Covered Bond Bank plc, Dublin (EAA CBB), Westdeutsche ImmobilienBank AG, Mainz (WestImmo), WIB KK and Basinghall using a look-through approach.

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Notional volume by internal rating categories in EUR billion¹



¹ Excluding exchange rate effects (based on exchange rates on 31 December 2011)

² Special rating pursuant to the non-rating concept

³ Not rated

⁴ Including EUR 0.34 billion of securities issued and repurchased by WestImmo

Note: Where possible, the internal rating categories are based on the guarantor's rating.

The quality of the overall banking book is reflected by its investment grade rating share (rating categories A0 – C2) of around 57% (31 December 2012: 57%). Approximately 15% (31 December 2012: 15%) of the notional volume has a very good rating (A0 – A5) and close to 42% (31 December 2012: 42%) has a medium rating of B1 – C2. The EAA continues to aim for a portfolio reduction across all rating categories.

During the first half of 2013, the reduction applied equally to all rating categories. The decline in the B1 – B3 rating categories was mainly due to the partial repayment of the Phoenix A1 note. There was one shift from the D4 – E rating category into the D1 – D3 rating category, which was due to the rating upgrade of the Phoenix A2 note (EUR 2.6 billion) from D4 to D3. Ratings for transactions from European non-EU states improved, resulting in a shift from C3-C5 to C1-C2.

The S.R. category includes the opening clauses of rating process, the EAA's non-rating concept. The final category, N.R., mainly includes WestImmo Commercial portfolio items.

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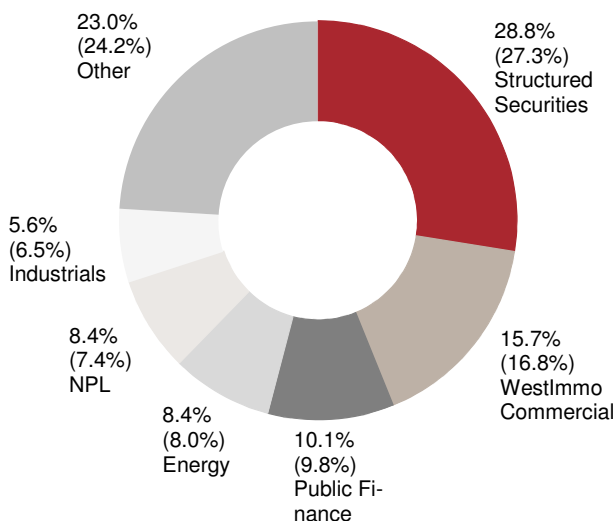
The table below shows a reconciliation of EAA's internal ratings to external ratings:

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

} Investment Grade
} Non-Investment Grade

Notional volume by headline clusters as of 30 June 2013

100% = EUR 82.4 billion¹
 (in brackets: amounts as of 31 December 2012)



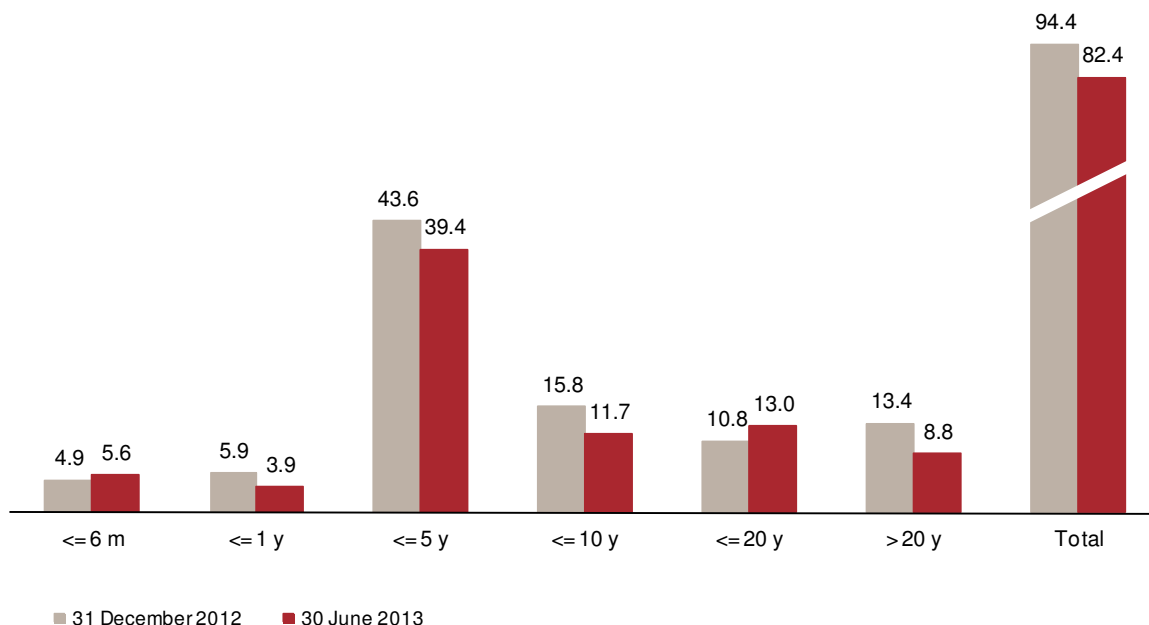
¹ Excluding exchange rate effects

The EAA's banking book consists of 19 headline clusters. The largest headline cluster is Structured Securities, which makes up approximately 29%. This portfolio consists of three sub-portfolios: Phoenix (66% – please refer to chapter "Phoenix" for further details), Asset Backed Securities (25%) and EUSS (9%). The WestImmo Commercial portfolio accounts for approximately 16% of the total portfolio.

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Notional volume by maturities¹ in EUR billion²



¹ For Phoenix: expected repayment profile

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

The largest part of the portfolio, with a share of approximately 48%, is comprised of medium-term exposures with maturities of one to five years. These are primarily exposures from the Structured Securities (mainly Phoenix, please also refer to the “Phoenix Notes Capital Structure” table in the “Phoenix” chapter), WestImmo Commercial, NPL, Industrials and Public Finance clusters. Some 11% of the exposures in the banking book have contractual maturities of more than 20 years.

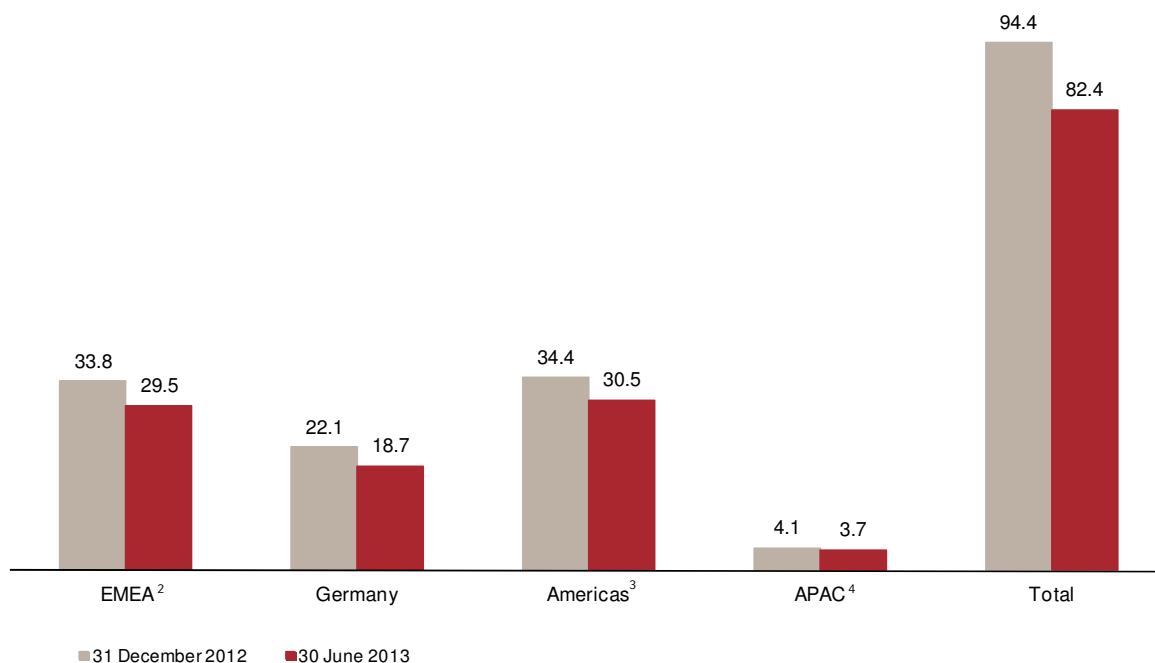
The increase in the “less than 20 years” maturity band results from the shift of the Phoenix A4 USD note as well as certain Public Finance items out of the “less than 20 years” maturity band. The decline in the “less than ten years” maturity band is mainly due to the shift of the Phoenix B note into the “less than five years” maturity band. The associated increase in the “less than five years” maturity band was partially compensated for by the repayment of the Phoenix A1 note.

The other changes within the maturity ranges reflect the portfolio management executed during the first half of 2013.

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Notional volume by region in EUR billion¹



¹ Excluding exchange rate effects (based on exchange rates on 31 December 2011). Regional distribution by borrower, and for securities based on the main risk country in the asset pool

² Europe, Middle East and Africa; excluding Germany

³ Includes EUR 3.6 billion for the Phoenix B note, guaranteed by the state of NRW

⁴ Asia, Pacific and Japan

Problem loans and loan loss provisions

Problem loan exposures are subject to additional risk monitoring pursuant to MaRisk. The measurement of possible required risk provisioning takes into account collateral values, an enterprise valuation, a discounted cash flow analysis or observable market prices. This is reviewed regularly.

Result of risk provisions - loans and advances/securities/long-term equity investments due to credit risk

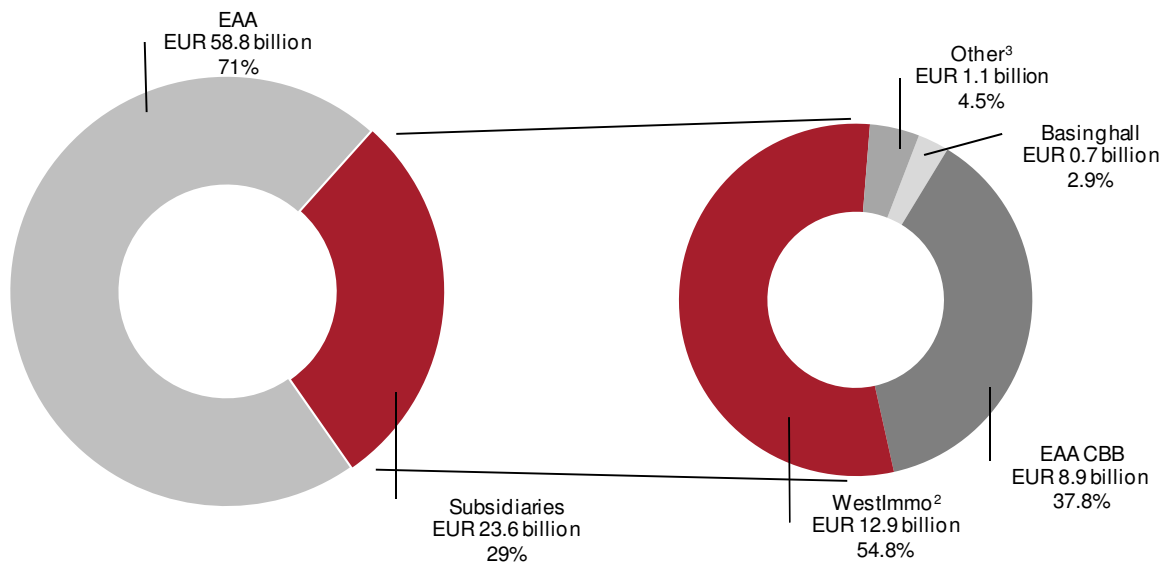
	Provisions for loan losses EUR million	Charge-offs EUR million	Net change in an loss provision EUR million	Other exp./inc. due to risk EUR million	Total allow. losses EUR million
Acute counterparty default risk					
Credit risk	-85.6	92.3	6.7	6.7	13.4
Country risk	-85.6	92.3	6.7	11.5	18.2
Other risk	0.0	0.0	0.0	0.0	0.0
	0.0	0.0	0.0	-4.8	-4.8
Contingent counterparty default risk					
	-18.7	0.0	-18.7	0.0	-18.7
Total	-104.3	92.3	-12.0	6.7	-5.3

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Subsidiaries and Participations

Notional volumes held by subsidiaries in EUR billion¹



¹ Excluding exchange rate effects (based on exchange rates on 31 December 2011)

² Only WestImmo Commercial, excluding the retail portfolio

³ Other comprises Banco WestLB do Brasil and WIB KK

As of 30 June 2013, WestImmo held a portfolio with a notional volume of EUR 12.9 billion (excluding the retail portfolio and WIB KK). The WestImmo portfolio primarily consists of commercial real estate financing and structured real estate transactions.

The notional volumes of EAA CBB and of Basinghall decreased in the first half of 2013 by EUR 256.8 million and EUR 42.4 million respectively.

“Other” comprises Banco WestLB do Brasil, for which the EAA has provided a guarantee and, since 24 June 2013, WIB KK, which was transferred from WestImmo to EAA in the second quarter of 2013.

Basinghall and the EAA CBB are integrated into EAA’s risk management and business administration structure. Participations are subject to governance by the EAA and EAA’s approved internal limit system. EAA representatives are non-executive members of the subsidiaries’ supervisory bodies and committees and therefore exercise a control function.

WestImmo generally acts independently. Monitoring for the EAA is conducted by the Supervisory Board. Procedures relating to the inclusion of WestImmo in the EAA’s limit system are currently under discussion.

The inclusion of WIB KK in the EAA’s risk management is currently under discussion.

Special banking book issues

Phoenix

A significant part of the EAA’s Structured Credit portfolio consists of the ten tranches of the Phoenix Light SF Ltd. securitisation.

The by far largest part of the securitised Phoenix portfolio (approximately 90%) is denominated in US dollars and represents US risks, primarily in the real estate market. Repayments in the reporting period resulted in a decrease of the nominal volume to EUR 15.6 billion as of 30 June 2013 (calculated at constant exchange rates as of 31 December 2011).

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Phoenix Notes Capital Structure

in million

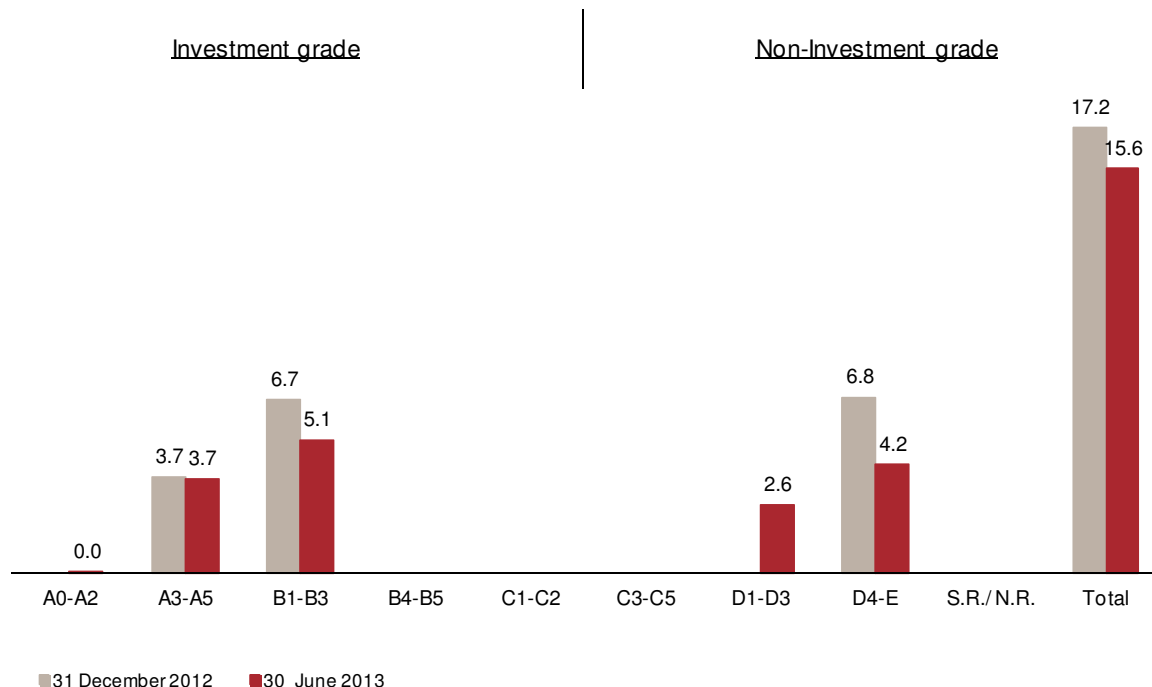
Tranche	Amount as of 30 June 2013		S&P Rating	Legal maturity	Weighted average maturity
Class X	27	EUR	AAA	9/ Feb/ 2015	0.82
Class A1	6,452	USD	A	9/ Feb/ 2091	1.32
	160	EUR	A	9/ Feb/ 2091	0.19
Class A2	3,102	USD	B	9/ Feb/ 2091	3.01
	226	EUR	B	9/ Feb/ 2091	1.85
Class A3	2,387	USD	CCC-	9/ Feb/ 2091	4.24
	701	EUR	CCC-	9/ Feb/ 2091	4.81
Class A4	1,909	USD	CCC-	9/ Feb/ 2091	9.36
	181	EUR	CCC-	9/ Feb/ 2091	18.50
Class B	3,647	EUR	not rated	9/ Feb/ 2091	3.30

Some 56% of the Phoenix notes consist of risk exposures with an investment grade rating (taking into account the rating of the guarantor, the State of NRW, for the Phoenix B note) and consequently a lower likelihood of default.

The remaining Phoenix notes were significantly downgraded over the course of the past four years. The reported average weighted maturities relate to the expected amortisation profile of the underlying portfolio. The EAA currently anticipates that the Phoenix structure will be dissolved prematurely in 2018, and the underlying portfolio transferred to the EAA.

Ratings for Phoenix notes

in EUR billion¹



¹ Excluding exchange rate effects (based on exchange rates on 31 December 2011)

Note: The internal rating classes for the Phoenix B note take into account the rating given to the guarantor, the State of NRW (A3).

In addition to the ongoing sale of parts of the portfolio by taking advantage of market opportunities, the EAA is working with the parties involved in Phoenix towards the implementation of further measures to optimise the wind-up result. These measures include both the active pursuit of legal measures in relation to individual portfolio securities and the restructuring of non-performing securities. Efforts are also being made to enable the EAA to use the Phoenix portfolio to improve the funding situation and re-

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duce US dollar funding costs. Work continues in conjunction with PIMCO, the administrator of the Phoenix structure, on the optimisation of risk hedging.

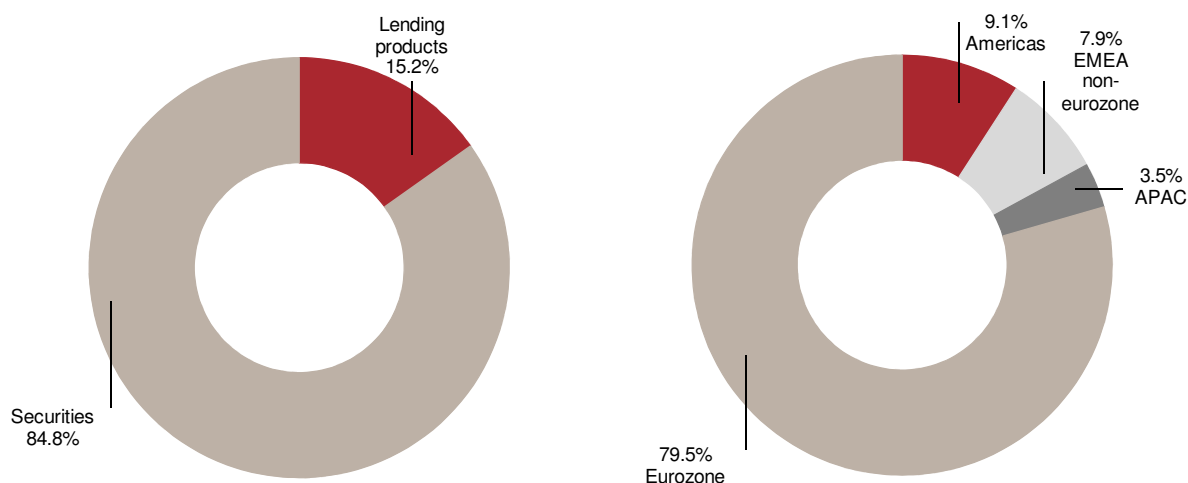
Public Finance

The public sector exposure (including Public Finance exposure from the NPL portfolio) as of 30 June 2013 comprised a total notional amount of EUR 10.0 billion.

Securities account for 85% of the public sector exposure, in particular bonds issued in EU member states (including regional and municipal issuers). These are held in part directly by the EAA and in part by the EAA CBB. The majority of the remaining roughly 15% are loans with states, municipalities or other public institutions in Europe.

Public finance exposure by products and regions as of 30 June 2013

100% = EUR 10.0 billion¹



¹ Excluding exchange rate effects (based on exchange rates on 31 December 2011. Regional distribution by borrower or guarantor

Note: The regions for the securities result from the main risk country for the asset pool, for projects at the location of the project as well as other items from the borrower or guarantors' country.

Credit risks – trading portfolio

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

Trading portfolio issuer risks from securities are calculated using mark-to-market approach, while those in the banking book are determined based on book values. When calculating replacement risks from derivatives, the EAA applies a portfolio simulation tool based on a Monte Carlo method. Settlement risks are determined using the payment due per value date. Trading credit risks are calculated daily using the corresponding credit lines. Risk-reducing measures (such as close-out netting and OTC derivative collateral) are used wherever possible. Active new business to hedge against risk positions only takes place with counterparties where corresponding master agreements are in place.

OTC derivative counterparty risks are assessed independently using Credit Valuation Adjustments (CVA). If available, externally traded credit spreads are used to determine the likelihood of default. The expected loss can be determined as CVA based on expected future exposures and a statistically calculated recovery rate. CVA amounted to EUR 58.3 million as of 30 June 2013 (31 December 2012: EUR 73.7 million). The decline primarily resulted from the change to market interest rates and the portfolio reduction.

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Counterparty risks

Direct counterparty risk (total exposure in EUR million)

	30 June 2013		31 Dec. 2012	
	Exposure	Limit	Exposure	Limit
Counterparty risk OTC Derivatives	1,331.6	6,131.6	2,176.7	9,737.0
Credit risk money market ¹⁾	6,616.0	10,945.1	8,370.2	16,010.0
Counterparty risk repos	575.7	1,796.0	248.2	2,475.0

¹⁾ All money market transactions with counterparties outside the EAA Group have a maximum term of three months with the exception of transactions with the Central Bank of Ireland and with Portigon; these transactions have terms of more than three months

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

Counterparty risks from OTC derivatives are driven by transactions for liquidity steering (foreign currency swaps) and interest rate hedging instruments (interest rate swaps). 50% of the credit risks for money market result from deposits at Portigon. The remaining 50% result almost entirely from deposits from business partners with ratings of A or better. As the EAA has sufficient liquidity, the utilisation of repurchases (EUR 575.7 million) is only approximately 32% of the limit. Limits for money market and repurchases were reduced significantly compared to 31 December 2012 due to the conclusion of the refill.

Issuer risk (total exposure in EUR million)

						Total
	< 1 y	1 - 4 y	4 - 8 y	8 - 15 y	> 15 y	exposure
Public Finance	747	2,607	1,826	1,819	1,656	8,655
Financial Institutions	585	879	538	185	5	2,192
Other securities	169	387	178	1,119	2,381	4,234
Total 30 June 2013	1,501	3,873	2,542	3,123	4,042	15,081
Total 31 Dec. 2012	2,030	4,511	2,509	3,585	4,083	16,718

Exposure to selected EU member states

The exposure of the EAA and its subsidiaries to Greece, Ireland, Italy, Portugal, Spain, Slovenia, Cyprus and the European Financial Stability Facility (EFSF) as of 30 June 2013 amounted to EUR 11.8 billion. Of this amount, EUR 1.3 billion is allocated to the Westlmmo portfolio. The exposure to these countries declined by EUR 1.1 billion in the first half of 2013, mainly to Spain (down EUR 0.6 billion, especially Corporates and Public Finance) and Italy (down EUR 0.3 billion, especially Corporates and Financial Institutions).

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The table below shows the total banking book exposure by the EAA and its subsidiaries to Greece, Ireland, Italy, Portugal, Slovenia, Spain, Cyprus and the EFSF:

Country ¹	Debtor group	Notional in EUR million ^{2,3}	
		30 June 2013	31 December 2012
Greece	Corporates	66.1	67.3
	Financial Institutions	0.0	0.0
	Public Finance	0.0	0.0
Σ Greece		66.1	67.3
Ireland	Corporates	108.2	142.4
	Financial Institutions	-14.2	3.8
	Public Finance	115.0	115.0
Σ Ireland		209.0	261.2
Italy	Corporates	1,945.4	2,092.6
	Financial Institutions	392.0	502.6
	Public Finance	2,569.6	2,596.5
Σ Italy		4,907.0	5,191.7
Portugal	Corporates	208.8	225.8
	Financial Institutions	15.0	55.0
	Public Finance	1,593.9	1,590.4
Σ Portugal		1,817.7	1,871.2
Slovenia	Financial Institutions	0.0	3.0
	Public Finance	40.0	40.0
Σ Slovenia		40.0	43.0
Spain	Corporates	2,311.2	2,620.5
	Financial Institutions	752.5	807.6
	Public Finance	1,544.6	1,745.4
Σ Spain		4,608.3	5,173.5
Cyprus	Corporates	68.1	68.9
	Public Finance	0.7	0.8
Σ Cyprus		68.8	69.7
EFSF	Public Finance	83.1	192.7
Σ EFSF		83.1	192.7
Total⁴		11,800.0	12,870.3
of which	Corporates	4,707.8	5,217.5
of which	Financial Institutions	1,145.3	1,372.0
of which	Public Finance	5,946.9	6,280.8

¹ Economic view, may differ from the borrower's legal country of residence (for Corporates and Financial Institutions)

² Based on current exchange rates as of 30 June 2013

³ Presentation of the notional volume, including hedges (net)

⁴ Including WestImmo Commercial (EUR 1,306.8 million) and EAA CBB (EUR 3,604.6 million)

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

Product ¹	Value ²	Country ³	in EUR million ^{4,5}	
			30 June 2013	31 December 2012
Bonds	Notional	Italy	1.1	0.5
Σ Bonds			1.1	0.5
Single CDS	Notional	Ireland	-2.2	1.2
		Italy	0.0	32.5
		Portugal	0.0	25.0
		Spain	0.0	4.3
Σ Single CDS			-2.2	63.0
Decomposed CDS	EaD	Italy	0.1	-24.2
		Portugal	0.1	-38.7
		Spain	0.1	-41.8
Σ Decomposed CDS			0.3	-104.7
Equities	MtM	Greece	0.1	0.0
		Ireland	0.2	0.3
		Italy	3.3	3.8
		Spain	0.1	2.1
Σ Equities			3.7	6.2
Equity derivatives	EaD	Italy	-1.4	4.0
		Ireland	0.0	0.0
		Spain	0.0	-0.1
Σ Equity derivatives			-1.4	3.9
Other derivatives	MtM	Ireland	8.4	17.4
		Italy	611.5	821.6
		Portugal	0.0	19.3
		Spain	224.1	279.8
		Cyprus	20.1	24.7
Σ Other derivatives			864.1	1,162.8
ALM	MtM	Ireland	8.9	25.9
		Italy	136.9	67.0
		Spain	200.0	200.0
Σ ALM			345.8	292.9

¹ CDS = Credit Default Swaps; ALM = Asset Liability Management;

Derivate = Replacement risks from OTC derivatives and CDS;

Decomposed CDS = CDS positions which are not based on a single underlying asset, rather on a portfolio of underlying transactions such as a basket of reference debtors

² EaD = Exposure at Default; MtM = Mark to Market

³ Economic view, may differ from the borrower's legal country of residence (for Corporates and Financial Institutions)

⁴ Based on current exchange rates as of 30 June 2013

⁵ Presentation of the notional volume, including hedges (net)

Market price risks

The EAA pursues a strategy of reducing market price risks to the greatest extent possible. Market price risk is controlled via a system of limits. Market price risks linked to the trading portfolio and the banking book are limited separately. Market risk positions are controlled daily by the EAA's Treasury department and monitored and analysed by the EAA's Risk Controlling department.

Market price risks in the banking book

On account of the existing portfolio structure, there are interest rate and foreign exchange risks (particularly in relation to the US dollar) which are nearly fully hedged in line with the provisions of the wind-up plan. In accordance with the risk profile, the EAA's hedging activities are mainly focussed on interest rate and foreign exchange risks.

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Interest rate risk is hedged by matched refinancing or via derivatives transactions. Foreign exchange risks are managed through corresponding hedging transactions and by refinancing in matching currencies.

All non-linear risks in the portfolio were largely eliminated using micro-hedges resulting in a simple, linear risk profile. Micro-hedge effectiveness is assessed regularly.

Interest risk¹ - banking book

in TEUR	1 w	1 m	3 m	6 m	1 y	2 y	3 y	5 y	7 y	10 y	15 y	30 y	Total
EAA Group	4	95	70	-18	-47	-103	-97	-67	21	-11	-78	-23	-254

30 June 2013

¹ The interest rate risk is measured as the change in the present value when the yield rises by one basis point (interest rate sensitivity PV01).

At EUR -254 thousand, interest rate sensitivity was significantly lower than at the end of 2012 (EUR -749 thousand). Utilisation is within the limits.

Foreign exchange risks - banking book

in TEUR	AUD	CZK	GBP	JPY	PLN	RUB	SGD	TRY	USD	Other	Total
EAA Group	1,884	16	2,845	-82	2,966	419	555	51	6,506	4,978	20,138

30 June 2013

Since paying the compensation liability to Portigon, the foreign currency position for the EAA's banking book is reported and monitored as a single item. The foreign currency position on the balance sheet for the banking book amounted to EUR 270 million as of 31 December 2012 and was significantly reduced primarily due to the settlement of the compensation liability.

Due to EAA's long-term perspective and the applicable accounting policies, changes in credit spreads have no direct impact on the EAA. The wind-up strategy aims to realise the intrinsic value of the exposure rather than steering based on short-term capital market fluctuations. 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 in the trading portfolio

In the trading portfolio, equity price risks and, to a small extent, credit spread and commodity risks also exist alongside interest rate and foreign exchange risks. The trading portfolio mainly comprises derivative positions and therefore also bears non-linear risks. As is customary, the risk in the trading portfolio is hedged at portfolio level. This results in remaining residual risks which change on account of market developments in the portfolio and are subsequently hedged using a dynamic hedging strategy.

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

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

The relevant market price risk items are constantly subjected to back testing. The actual market value changes (hypothetical income statement) are compared to the possible market value changes forecasted by the VaR model on a daily basis. A back testing breach occurred during the reporting period. As two breaches are expected per year, one breach per half year is not critical.

The restructuring of trading portfolio assets steering to the "target structure" (EAA sub-cluster structure) took place as scheduled in the first half of 2013. Limit monitoring was adapted to the limits pur-

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suant to the EAA's winding-up plan. As a result, comparisons against 31 December 2012 can only be done at an overall trading level.

VALUE AT RISK PER SUB-CLUSTER

in TEUR	30 June 2013	Risk-based interest rate curve	Non risk- based interest rate curve	Foreign exchange risk	Equity risk
EAA Trading	2,467	1,573	1,086	288	626
IR OPTIONS	421	452	-	-	-
IR EXOTICS	664	1,247	-	45	-
IR FLOW	594	509	-	130	-
CONTINGENT CREDIT RISK	171	11	170	10	-
CSO	0	0	-	-	-
FUND DERIVS & CREDIT REPACKS	11	10	2	-	1
BDS	10	2	6	6	-
CDS	5	1	1	5	-
FX OPTIONS AND HYBRIDS	180	57	-	147	-
FX FORWARDS	14	14	-	4	-
EQUITY FLOW PRODUCTS	26	23	-	-	10
EQUITY STRUCTURED PRODUCTS	592	95	45	34	620
MUNI GIC PORTFOLIO	1,331	758	1,075	-	-
COMMODITIES	8	0	-	2	-
GOLD AKTIV PORTFOLIO	-	-	-	-	-
OTHER	-	-	-	-	-

The VaR for the entire trading portfolio was down EUR 2,467 thousand compared to 31 December 2012 (EUR 3,548 thousand), mainly due to the portfolio reduction and the changes in market parameters.

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 (timeframe 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 and subsidiaries are included in its liquidity planning and management process so as to ensure an optimal access to liquidity. Due to the Liable Stakeholders' duty to offset losses incurred by the EAA and the rating of its guarantors, the EAA has been positively received on the capital markets. Therefore, the risk concerning EAA's specific funding options is less than the risk of systemic market illiquidity.

As of 30 June 2013, all stress tests showed that liquidity was sufficient. The capital commitment statement as of 30 June 2013 shows a surplus of assets from the first year, whereas the capital commitment statement as of 31 December 2012 showed a surplus of liabilities from the first year.

Liquidity reserves consist of collateralised liquidity (portfolio securities that are highly likely to be used in bilateral repo transactions) and short-term investments. In the reporting period, liquidity reserves were always higher than the liquidity reserve requirements. Liquidity reserves as of the date of the stress tests for month-end June 2013 amounted to EUR 6.0 billion.

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Operational risks

The EAA distinguishes between operational risks within the EAA itself and risks from outsourcing to Portigon or other service providers.

Operational risks within the EAA itself are determined by regular risk inventories. The EAA's most recent risk inventory revealed four valuation objects with high risks; 13% have medium risks and 86% have low risks. The slight deterioration in risk inventories has resulted from uncertainty regarding the service provider and possible regulatory changes. Portigon's most recent risk inventory with respect to the EAA's processes showed that 8.1% of the valuation objects had high risks, especially staff-related objects.

The EAA has outsourced key business processes to Portigon, which is undergoing a process of transformation to implement a restructuring ordered by the European Commission. It had not yet completed the adjustment of its structures and processes as of 30 June 2013.

The EAA has established a service provider management system to monitor the interface between the service provider and the EAA – as the recipient of services – in terms of content, form and quality. The use of a continual and timely process enables the EAA to ensure that the EAA's requirements stated in the service level agreements are understood, accepted and met by the portfolio managers. In this process, the EAA records the outsourcing risks and assesses them by applying the traffic light principle.

Other risks

Reputational risks

The EAA has set forth directives for its employees in its Code of Conduct which serve to ensure an appropriate public portrayal. The EAA monitors all public reporting intensely to further minimise reputational risks. This also includes the reporting on subsidiaries in the wind-up portfolio. A coordinated and active external communication and public relations support the EAA's reputation.

Legal risks

EAA has appointed Portigon to manage the transferred assets. Consequently, Portigon – as the portfolio manager – must identify and communicate the legal risks arising in this connection in good time so that it can then, in cooperation with the EAA, use the requisite measures to comprehensively mitigate or eliminate them.

The EAA has built up sufficient reserves and has taken other measures to cover judicial and extrajudicial disputes such as those resulting from municipal lawsuits and investigations into potential manipulation of LIBOR interest rates.

Tax risks

Tax risks are cleared through active communication with tax authorities and other government institutions. Where necessary, external specialists are engaged to consult on legal and tax issues.

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Summary of the risk situation

The EAA was established in order to assume the risk exposures and non-strategic business units of Portigon (formerly WestLB) and its domestic and foreign subsidiaries, and to wind these up based on a long-term wind-up plan while preserving value. Value fluctuations in the interim are of less significance.

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

In its risk management activities, the EAA strives to reduce the credit risk resulting from the wind-up of the portfolio. To that end, wind-up success and deviations from the wind-up plan are continually monitored and held against the plan. Please refer to the "Wind-up report" chapter for more detailed information.

The EAA's liquidity risk will decrease to the extent that the EAA can continue to obtain funding on the capital market at matching maturities and in matching currencies. Due to its good rating, the EAA enjoys a stable funding situation.

Market price risks are largely limited.

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

The portfolios transferred in 2012 were integrated into the existing, functional management model. Risk management was adjusted to meet the additional requirements of reducing the trading portfolio.

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

The exposure of the EAA and its subsidiaries to lenders from Greece, Ireland, Italy, Portugal, Spain, Slovenia, Cyprus and the EFSF as of 30 June 2013 amounted to EUR 11.8 billion.

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

The provisions regarding risk tolerance pursuant to Article 4.1 MaRisk are not relevant for the EAA. Instead, the EAA performs an analysis of the development of the EAA's equity requirements at the end of the planning period using the wind-up plan as well as up-to-date variables and market parameters. The main objective is to present an analysis of the effects of changed conditions on equity in 2027. The analyses as of 30 June 2013 did not call for the wind-up plan to be adjusted during the year.

To summarise, the EAA believes that it has sufficiently covered the risks it incurs due to its capital base as well as the existing guarantee and the shareholders' duty to offset losses.

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

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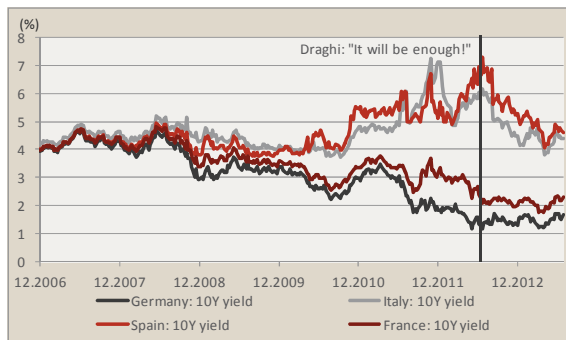
Opportunities report

In the summer of 2012, the European sovereign debt crisis entered a new phase thanks to the ECB's OMT programme. Before this programme was announced, political crises and the worsening of economic downturns in peripheral countries always negatively impacted other economies. The negative interactions initially only impacted the so-called eurozone peripheral countries (Italy, Spain, Greece, Portugal and Ireland). The longer the crisis continued, the more the crisis started to spread towards countries at the centre of Europe such as France or Belgium (semi-core or high-beta countries).

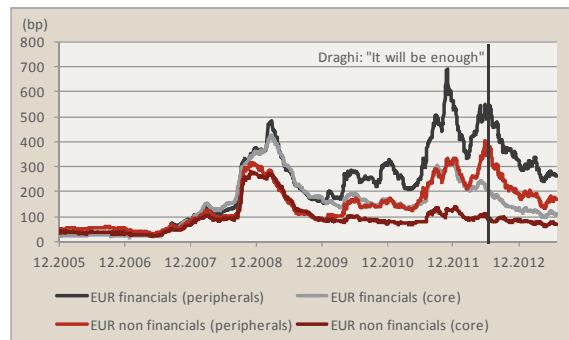
The solvency of eurozone countries was at the heart of the European sovereign debt crisis. This was why the crisis was so quick to cross from countries to banks. On the one hand, the bank books were highly exposed to bonds issued by peripheral eurozone countries before the onset of the crisis. As a result, a drop in the credit ratings of (peripheral) government issuers led to considerable capital needs at many banks and impacted their equity bases. On the other hand, poorer government credit ratings and high and growing sovereign debt meant that the peripheral countries were no longer able to re-capitalise and stabilise banks in a (system) crisis.

Consequently, banks' credit quality also fell. Bank bonds, corporate bonds, covered bonds and loans increasingly also included a country risk premium (risk premiums versus German Bunds), like those seen for government bonds, resulting in additional capital need and write-downs. This process of pricing-in such an additional country risk premium undid the integration of eurozone financial markets achieved by the introduction of the single currency.

Renewed convergence of yields



Spreads of bonds issued by peripheral countries fall



Source: Bank of America Merrill Lynch, Bloomberg

This phenomenon, known as the fragmentation of the eurozone financial market, has only been on the decline since the presentation of the European Central Bank's new programme to acquire government bonds issued by peripheral countries (OMT or Outright Monetary Transactions). The valuations of risky financial assets in the eurozone is now normalising. This process is not just limited to financial products which are traded at exchanges; it also applies to other parts of the eurozone credit market such as the markets for promissory notes, traditional loans, project financing ... The EAA's portfolios profit from this normalisation as the renewed "use" of additional country risk premiums means that prices will recover considerably.

This process is likely to continue in the second half of 2013 despite the leadership crisis in Portugal. The ECB's OMT programme has increased the trust in the European peripheral countries. Furthermore, it ensures that political crises will no longer spread to other countries, as shown by the yields and spreads of Portuguese bonds compared to the Spanish, Italian or Irish equivalents. Still, developments in the peripheral countries varied in the second quarter of 2013. While developments in Italy were relatively stable despite political turmoil, the economic situation in Spain deteriorated further (as witnessed by the rise in unemployment to 27.2%). In order to achieve a public deficit level of 3% of GDP required by the European Commission and prevent fiscal slippage, the Spanish government presented new budget and deficit targets for the Spanish regions by 2016. Whether these will be sufficient to stem the tide remains to be seen, but they are an important step in the consolidation of Spain's public coffers.

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In view of the bail-in regulations, the Council of Europe largely agreed within the scope of the European Resolution Framework that eligible deposits from natural persons, deposits from SMEs as well as liabilities to the European Investment Bank will be given preference over claims of unsecured, non-preferred creditors and deposits from large companies. The deposit guarantee scheme for deposits up to EUR 100,000.00 remains unaffected and is given preference. This agreement also permanently excluded covered deposits and secured loans such as covered bonds from the bail-in. The European Council called for talks to be held with the European parliament. The current timetable foresees the new directive to apply to subordinated liabilities as of 2015, and as of 2018 for senior liabilities. The European Commission has since also announced that modified rules for state aid for subordinated holders of securities may be applied prior to these dates (as of 1 August 2013).

At the same time, the euro crisis was a key catalyst. A great many structural problems in the peripheral states (such as rigid labour and product markets, a retirement age that is too low, incorrect export mix) have been resolved, thereby increasing the competitiveness of these countries. This process is expected to continue in the coming months.

Forecast report

In general and beyond 2013, the EAA aims to wind up more than 60% of the notional volume of the banking book transferred to it by the end of 2016 (including the items held by subsidiaries). This corresponds to a balance sheet reduction of more than 50%.

According to current estimates, the transferred trading portfolios are expected to be reduced by more than 50% by the end of 2015.

The EAA's wind-up activities in 2013 and beyond will focus on measures to actively reduce the portfolio. The further expansion of effective control and management instruments for the overall portfolio will play a key role in light of the takeover, intensive analysis and evaluation of the extensive refill portfolio.

The EAA has again defined a disposal portfolio. To that end, a number of exposures in the credit and securities portfolio have been identified, which hold potential for sales, terminations, early redemptions and similar measures. This is subject to the overarching goal of minimising losses and takes into account expected risk developments.

Independent of these goals, the EAA continues to pursue an opportunistic approach; this means that it will try to wind up its entire portfolio prematurely if possible, conducting regular analyses of market conditions and possible exit opportunities.

The EAA will analyse the extent to which a faster wind-up of the transferred trading portfolio can be conducted in an effective and cost-efficient manner.

The EAA complies with the provisions of the MaRisk that apply to winding-up agencies. The changes necessary as a result of amendments to the MaRisk effective 1 January 2013 are to be implemented over the course of 2013.

The presentation of economic conditions clearly shows that attempts to emerge from the debt crisis solely by making spending cuts will be a very long process. Empirical studies of sovereign debt crises have revealed that such crises tend to last a good 25 years. Nevertheless, a number of developments give reason to hope that the medium-term future may be positive after all. In real economic terms, the global economy looks as though it will continue to recover. This is apparent in the acceleration in growth seen in the emerging economies, robust growth in the US and further improvements to fundamental data in the eurozone.

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Subsequent events

The EAA provided a guarantee for Banco WestLB do Brasil as part of the refill. An agreement to sell the company was concluded in 2012. The transaction was completed at the end of July 2013. The EAA received the difference between the sales proceeds and the book value.

In addition, there were no other significant procedures relating to risk exposures transferred to or guaranteed by the EAA.

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Balance Sheet

as of 30 June 2013

Assets

	Note	EUR	EUR	30 Jun. 2013 EUR	31 Dec. 2012 EUR
1 Cash reserve					
a) Balances with central banks			320.00		(2,500,000,000.00)
of which:				320.00	2,500,000,000.00
with Deutsche Bundesbank					
EUR 320.00 (py: EUR 2,500,000,000.00)					
2 Loans and advances to banks	3, 27				
a) payable on demand		8,518,302,477.17			(9,650,059,716.99)
b) other loans and advances		9,790,073,290.73			(12,957,905,903.42)
				18,308,375,767.90	22,607,965,620.41
3 Loans and advances to customers	4, 5, 14, 27			19,635,083,523.52	22,671,003,682.69
of which:					
secured by mortgage charges					
EUR 342,009,055.87 (py: EUR 398,665,155.22)					
Public-sector loans					
EUR 966,002,709.59 (py: EUR 1,022,257,874.76)					
4 Bonds and other					
fixed-income securities	6, 15, 27				
a) Money market instruments issued by					
aa) public issuers		0.00			(0.00)
of which:					
eligible as collateral with Deutsche Bundesbank					
EUR 0.00 (py: EUR 0.00)					
ab) other issuers		0.00			(0.00)
of which:			0.00		(0.00)
eligible as collateral with Deutsche Bundesbank					
EUR 0.00 (py: EUR 0.00)					
b) Bonds issued by					
ba) public issuers		1,418,971,743.58			(2,101,019,228.69)
of which:					
eligible as collateral with Deutsche Bundesbank					
EUR 1,285,342,145.12 (py: EUR 1,880,943,821.76)					
bb) other issuers		19,329,528,753.16			(21,446,372,204.55)
of which:			20,748,500,496.74		(23,547,391,433.24)
eligible as collateral with Deutsche Bundesbank					
EUR 2,736,736,952.85 (py: EUR 3,477,038,381.02)					
c) Own bonds					
Notional value EUR 21,659,000.00 (py: EUR 648,296,516.30)			23,513,921.69		(670,255,111.20)
				20,772,014,418.43	24,217,646,544.44
5 Equities and other non-					
fixed-income securities	7, 14			44,763,557.55	49,795,134.83
5a Trading portfolio	8			33,940,215,049.02	48,930,585,494.70
6 Long-term equity	9			114,267,092.05	85,848,147.20
of which:					
in banks					
EUR 12,580,328.91 (py: EUR 12,580,328.91)					
in financial service providers					
EUR 2,700.64 (py: EUR 2,700.64)					
7 Shares in affiliates	10			1,826,296,430.34	1,827,323,881.85
of which:					
in banks					
EUR 1,723,965,538.76 (py: EUR 1,714,297,094.52)					
in financial service providers					
EUR 24,688,519.55 (py: EUR 25,447,584.25)					
			Subtotal:	94,641,016,158.81	122,890,168,506.12

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Liabilities and equity

	Note			30 Jun. 2013	31 Dec. 2012
		EUR	EUR	EUR	EUR
1 Deposits from					
banks	13, 16				
a) payable on demand		2,097,086,515.01			(2,665,151,031.35)
b) with an agreed maturity or withdrawal notice		4,316,482,725.29		6,413,569,240.30	(5,179,361,555.89)
					7,844,512,587.24
2 Deposits from					
customers	13, 17				
other deposits					
a) payable on demand		442,355,110.10			(353,835,504.84)
b) with an agreed maturity or withdrawal notice		6,378,803,299.42		6,821,158,409.52	(7,108,136,797.61)
					7,461,972,302.45
3 Debt securities in issue	13, 18				
a) Bonds		4,422,901,501.45			(8,004,414,501.25)
b) Other debt securities in issue		42,441,606,240.21		46,864,507,741.66	(49,648,951,557.80)
of which: Money market instruments EUR 12,385,964,200.46 (py: EUR 18,193,972,331.42)					57,653,366,059.05
3a Trading portfolio	19			33,730,274,235.61	48,899,990,367.48
4 Trust liabilities	20			920,532.80	923,133.17
of which: trust loans EUR 920,532.80 (py: EUR 923,133.17)					
5 Other liabilities	21			57,174,451.73	449,934,675.45
6 Accruals/deferred income	22			50,545,457.84	94,254,556.59
7 Provisions	23				
a) Tax provisions		828,715.44			(6,065,519.70)
b) Other provisions		325,883,972.95		326,712,688.39	(373,154,120.02)
					379,219,639.72
				Subtotal:	94,264,862,757.85
					122,784,173,321.15

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Assets

	Note	EUR	EUR	30 Jun. 2013 EUR	31 Dec. 2012 EUR
			Subtotal:	94,641,016,158.81	122,890,168,506.12
8 Trust assets	11			920,532.80	923,133.17
of which:					
trust loans					
EUR 920,532.80 (py: EUR 923,133.17)					
9 Intangible assets					
a) paid concessions, trademarks and similar rights and values such as licenses in such rights			73,020.69	73,020.69	(79,100.62) 79,100.62
10 Tangible fixed assets				163,863.29	136,449.42
11 Other assets	12			70,756,150.24	296,052,137.84
12 Prepaid expenses/accrued income	13			73,880,601.39	106,773,540.34
Total assets				94,786,810,327.22	123,294,132,867.51

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Liabilities and equity

	Note			30 Jun. 2013	31 Dec. 2012
		EUR	EUR	EUR	EUR
			Subtotal:	94,264,862,757.85	122,784,173,321.15
8 Equity	24				
a) Called capital					
Subscribed capital		500,000.00			(500,000.00)
less uncalled outstanding capital		0.00			(0.00)
			500,000.00		(500,000.00)
b) Capital reserves		3,013,237,213.51			(3,026,337,213.51)
c) Revenue reserves					
Other revenue reserves		2,431,408.07			(2,431,408.07)
			2,431,408.07		(2,431,408.07)
d) Net retained losses		-2,494,221,052.21			(-2,519,309,075.22)
				521,947,569.37	509,959,546.36
Total liabilities and equity				94,786,810,327.22	123,294,132,867.51
1 Contingent liabilities	29				
Liabilities on guarantees and w arrantees			14,747,363,378.21		(19,747,139,270.24)
				14,747,363,378.21	19,747,139,270.24
2 Other obligations	29				
Irrevocable loan commitments			5,696,719,940.95		(5,583,034,699.91)
				5,696,719,940.95	5,583,034,699.91

Income Statement

for the period from 1 January to 30 June 2013

	Note	EUR	EUR	1 Jan. - 30 Jun. 2013 EUR	1 Jan. - 30 Jun. 2012 EUR
1 Interest income from	25				
a) Lending and money market transactions		498,560,912.95			(338,302,983.48)
b) Fixed-income securities and debt register claims		147,805,220.80	646,366,133.75		(225,890,290.34) (564,193,273.82)
2 Interest expense		492,226,141.19		154,139,992.56	(521,697,581.40) 42,495,692.42
3 Current income from	25				
a) Equities and other non- fixed-income securities			1,309,101.33		(2,115,819.09)
b) Long-term equity investments			909,003.21		(190,866.62)
c) Shares in affiliates			118,386.55		(93,462.73)
				2,336,491.09	2,400,148.44
4 Fee and commission income	25	61,406,953.15			(20,038,359.03)
5 Fee and commission expense		14,567,403.19		46,839,549.96	(9,528,159.93) 10,510,199.10
6 Net trading result	25			36,194,289.91	-
7 Other operating income	25, 26			563,498.57	598,450.85
8 General and administrative expenses					
a) Personnel expenses					
aa) wages and salaries		8,099,435.21			(4,988,042.46)
ab) compulsory social security contributions and expenses for pensions and other employee benefits		715,487.99			(359,293.38)
of which			8,814,923.20		(5,347,335.84)
for pensions EUR 0.00 (py: EUR 0.00)					
b) Other administrative expenses		187,697,462.76		196,512,385.96	(69,205,187.47) 74,552,523.31
9 Depreciation and write-offs on intangible assets and tangible fixed assets				33,547.43	20,596.82
10 Other operating expenses	26			2,917,132.54	664,421.63
11 Depreciation and write-offs of claims and certain securities as well as additions to provisions in the lending business	23, 27			170,772,509.29	385,891,617.63
12 Income from appreciations of long-term equity investments, shares in affiliates and long-term securities	27			155,756,987.27	415,779,777.84
13 Result from ordinary activities				25,595,234.14	10,655,109.26
14 Taxes on income and earnings	28			494,502.08	927,569.01
15 Other taxes not reported under item 10				12,709.05	22,571.11
16 Net profit of the year				25,088,023.01	9,704,969.14
17 Net retained losses brought forward				-2,519,309,075.22	-2,525,896,319.46
18 Net retained losses				-2,494,221,052.21	-2,516,191,350.32

Cash Flow Statement

for the period from 1 January to 30 June 2013

	1 Jan. - 30 Jun. 2013 EUR	1 Jan. - 30 Jun. 2012 EUR
1 Result for the period before extraordinary items	25,088,023.01	9,704,969.14
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	67,851,073.46	-30,806,688.09
3 +/- Increase/decrease in provisions	-52,506,951.33	-34,333,981.87
4 +/- Other non-cash income/expense	-112,991,092.39	0.00
5 -/+ Gain/loss on disposal of long-term financial assets and tangible fixed assets	-18,864,023.69	267,838.79
6 -/+ Other adjustments (net)	-155,981,981.57	-44,895,840.86
7 = Subtotal	-247,404,952.51	-100,063,702.89
Change in operating assets and liabilities		
8 Loans and advances (no trading portfolio)		
8a +/- – to banks	4,307,567,426.91	-30,741,230,743.53
8b +/- – to customers	2,826,289,823.45	619,824,207.91
9 +/- Securities (no trading portfolio)	3,564,444,936.44	1,475,145,722.79
10 +/- Trading assets	1,446,661,255.14	-
11 +/- Other operating assets	233,915,700.01	42,246,647.94
12 Deposits (no trading portfolio)		
12a +/- – from banks	-1,251,863,264.22	9,434,676,651.75
12b +/- – from customers	-653,601,952.18	-1,064,343,656.71
13 +/- Debt securities in issue	-10,621,590,223.37	20,754,321,221.61
14 +/- Trading liabilities	-1,513,015,848.94	-
15 +/- Other operating liabilities	-416,324,578.79	-445,804,748.15
16 + Interest and dividends received	675,422,319.41	600,762,511.97
17 – Interest paid	-636,314,827.25	-645,608,548.79
18 + Extraordinary receipts	0.00	0.00
19 – Extraordinary payments	0.00	0.00
20 +/- Income tax payments	-2,979,109.81	288,496.12
21 = Cash flows from operating activities	-2,288,793,295.71	-69,785,939.98
22 Proceeds from disposal of		
22a + – long-term financial assets	12,563,473.15	76,853,921.88
22b + – tangible fixed assets	0.00	0.00
23 Purchase of		
23a – – long-term financial assets	-42,653,029.92	-2,644,498.41
23b – – tangible fixed assets	-54,881.37	-51,752.29
24 + Receipts from disposal of consolidated subsidiaries and other business units	0.00	0.00
25 – Purchase of consolidated subsidiaries and other business units	0.00	0.00
26 +/- Changes in cash due to other investing activities (net)	0.00	0.00
27 = Cash flows from investing activities	-30,144,438.14	74,157,671.18
28 + Cash receipts from issue of capital	0.00	0.00
29 Cash payments to owners and minority shareholders		
29a – – Dividend payments	0.00	0.00
29b – – Other payments	0.00	0.00
30 +/- Changes in other capital (net)	-13,100,000.00	0.00
31 = Cash flows from financing activities	-13,100,000.00	0.00
32 Net change in cash funds (sum of 21, 27, 31)	-2,332,037,733.85	4,371,731.20
33 +/- Effect on cash funds of exchange rate movements, changes in reporting entity structure and remeasurement	0.00	0.00
34 + Cash funds at beginning of period	2,367,478,188.72	160,991,899.35
35 = Cash funds at end of period	35,440,454.87	165,363,630.55

Cash and cash equivalents include the accounts (demand deposits) held at Portigon and at Deutsche Bundesbank. Further cash funds in the sense of DRS 2.16 et seq. do not exist at the current time.

Statement of Changes in Equity

for the period from 1 January to 30 June 2013

	Balance as of 1 Jan. 2013	transfer related changes	Other change in capital	Appropriation of the result	Balance as of 30 Jun. 2013
	EUR	EUR	EUR	EUR	EUR
Called capital	500,000.00	0.00	0.00	0.00	500,000.00
Capital reserves	3,026,337,213.51	-13,100,000.00	0.00	0.00	3,013,237,213.51
Other revenue reserves	2,431,408.07	0.00	0.00	0.00	2,431,408.07
Net retained losses	-2,519,309,075.22	0.00	0.00	25,088,023.01	-2,494,221,052.21
Equity under HGB	509,959,546.36	-13,100,000.00	0.00	25,088,023.01	521,947,569.37

	Balance as of 1 Jan. 2012	transfer related changes	Other change in capital	Appropriation of the result	Balance as of 30 Jun. 2012
	EUR	EUR	EUR	EUR	EUR
Called capital	500,000.00	0.00	0.00	0.00	500,000.00
Capital reserves	3,137,006,319.58	0.00	0.00	0.00	3,137,006,319.58
Other revenue reserves	2,431,408.07	0.00	0.00	0.00	2,431,408.07
Net retained losses	-2,525,896,319.46	0.00	0.00	9,704,969.14	-2,516,191,350.32
Equity under HGB	614,041,408.19	0.00	0.00	9,704,969.14	623,746,377.33

Condensed Notes

for the period from 1 January to 30 June 2013

General disclosures

1. Accounting principles

In accordance with section 8a (1) sentence 10 in conjunction with section 3a (4) of the FMStFG and the additional guidance of the EAA's charter, this interim report has been prepared in accordance with the provisions of the German Commercial Code (Handelsgesetzbuch – HGB) for large public companies and the German Accounting Ordinance for Banks and Financial Service Institutions (Verordnung über die Rechnungslegung der Kreditinstitute und Finanzdienstleistungsinstitute – RechKredV). The condensed notes comply with the requirements of German Accounting Standard 16 (Interim Reporting).

The information contained in this report should be read in conjunction with that contained in the published and audited financial statements for the financial year from 1 January to 31 December 2012. All facts were considered up to the time these interim financial statements were prepared.

The interim report was reviewed by the EAA auditor.

2. Accounting and measurement principles

The same accounting and measurement principles were applied to the interim financial statements as to the financial statements for the financial year from 1 January to 31 December 2012.

The assumptions and estimates required, in particular in connection with illiquid portfolios, are based on subjective management judgement and inevitably entail projection uncertainties. Even when estimates are based on available information, past experience and other criteria, actual future events may still vary, which can have a significant impact on the financial situation, issuing activities and earnings situation. In the EAA's opinion, the parameters used are appropriate and justifiable.

Erste Abwicklungsanstalt

Interim Report as of 30 June 2013

Notes to the balance sheet

3. Loans and advances to banks

	30 Jun. 2013 EUR million	31 Dec. 2012 EUR million
Carrying amount	18,308.4	22,608.0
of which:		
– to affiliated companies	4,214.1	4,287.1
– to other investees and investors	6.8	17.0
payable on demand	8,518.3	9,650.1
due		
– within 3 months	7,738.8	9,963.9
– 3 months to 1 year	969.0	1,256.0
– 1 to 5 years	761.3	1,288.0
– after 5 years	321.0	450.0

4. Loans and advances to customers

	30 Jun. 2013 EUR million	31 Dec. 2012 EUR million
Carrying amount	19,635.1	22,671.0
of which:		
– to affiliated companies	853.6	879.0
– to other investees and investors	334.2	347.3
due		
– within 3 months	2,743.6	2,005.6
– 3 months to 1 year	2,619.1	3,849.0
– 1 to 5 years	9,282.7	11,332.8
– after 5 years	4,978.5	5,448.2
No stated maturity	11.2	35.4

Erste Abwicklungsanstalt

Interim Report as of 30 June 2013

5. Loans and advances secured by mortgages

	30 Jun. 2013 EUR million	31 Dec. 2012 EUR million
Carrying amount	342.0	398.7
Loans and advances to customers due		
– within 3 months	6.3	5.7
– 3 months to 1 year	14.7	20.9
– 1 to 5 years	82.3	106.5
– after 5 years	238.7	265.6

6. Bonds and other fixed-income securities

	30 Jun. 2013 EUR million	31 Dec. 2012 EUR million
Carrying amount	20,772.0	24,217.6
of which:		
Amounts due in the following year	1,803.3	2,282.7
Breakdown		
– Money market instruments	-	-
– Bonds issued by public issuers	1,419.0	2,101.0
– Bonds issued by other issuers	19,329.5	21,446.4
– Own bonds	23.5	670.2
Breakdown by marketability		
– Marketable securities	20,772.0	24,217.6
of which		
– listed	4,737.2	6,690.9
– unlisted	16,034.8	17,526.7
Breakdown by type		
– Liquidity reserve	37.9	684.4
– Investment securities	20,734.1	23,533.2
Breakdown by affiliation		
– Securities of affiliated companies	839.7	1,232.7
– Securities of other investees and investors	-	-

Erste Abwicklungsanstalt

Interim Report as of 30 June 2013

7. Equities and other non-fixed-income securities

	30 Jun. 2013 EUR million	31 Dec. 2012 EUR million
Carrying amount	44.8	49.8
Breakdown by marketability		
– Marketable securities	34.8	36.4
of which:		
– listed	15.2	16.8
– unlisted	19.6	19.6
Breakdown by type		
– Liquidity reserve	14.3	16.9
– Investment securities	30.5	32.9

8. Trading portfolio

	30 Jun. 2013 EUR million	31 Dec. 2012 EUR million
Carrying amount	33,940.2	48,930.6
of which:		
– Derivative financial instruments	33,800.0	48,177.0
– Loans and advances	2.4	53.0
– Bonds and other fixed-income securities	81.1	316.4
– Equities and other non-fixed-income securities	64.5	395.4
– Risk allowance pursuant to § 340 e (3) sentence 1 HGB	-7.8	-11.2

9. Long-term equity investments

	30 Jun. 2013 EUR million	31 Dec. 2012 EUR million
Carrying amount	114.3	85.8
of which:		
– in banks	12.6	12.6
– in financial service providers	-	-
Breakdown by marketability		
– Marketable securities	24.1	26.7
of which:		
– listed	-	1.2
– unlisted	24.1	25.5

The increase in long-term equity investments as against 31 December 2012 was mainly the result of the restructuring of loans.

Erste Abwicklungsanstalt

Interim Report as of 30 June 2013

10. Shares in affiliates

	30 Jun. 2013 EUR million	31 Dec. 2012 EUR million
Carrying amount	1,826.3	1,827.3
of which:		
– in banks	1,724.0	1,714.3
– in financial service providers	24.7	25.4
Breakdown by marketability		
– Marketable securities	1,184.7	1,184.8
of which:		
– unlisted	1,184.7	1,184.8

11. Trust assets

	30 Jun. 2013 EUR million	31 Dec. 2012 EUR million
Carrying amount	0.9	0.9
of which:		
– Loans and advances to customers	0.9	0.9

12. Other assets

	30 Jun. 2013 EUR million	31 Dec. 2012 EUR million
Carrying amount	70.8	296.1
of which:		
– Guarantee fees and commissions	26.5	32.1
– Premiums for options	15.4	15.4
– Receivables from profit and loss pooling agreements	13.0	13.1
– Tax refund claims	4.5	0.7
– Claims from swap transactions	0.1	0.1
– Currency translation adjustments	-	224.8

Erste Abwicklungsanstalt

Interim Report as of 30 June 2013

13. Prepaid expenses/accrued income

	30 Jun. 2013 EUR million	31 Dec. 2012 EUR million
Carrying amount	73.9	106.8
of which:		
– Non-recurring payments on sw aps	46.1	74.5
– Discount on issuing business	20.9	25.6
– Discount on liabilities	4.2	4.7
– Other	2.7	2.0

14. Subordinate assets

Subordinated assets are included in:

	30 Jun. 2013 EUR million	31 Dec. 2012 EUR million
Loans and advances to customers	459.6	476.4
of which:		
– to affiliates	32.7	34.3
– to other long-term investees and investors	-	-
Equities and other non-fixed-income securities	29.6	29.6
of which:		
– to affiliates	-	-
– to other long-term investees and investors	-	-
Total	489.2	506.0

15. Assets sold under repurchase agreements

The EAA held no assets sold under repurchase agreements as of 30 June 2013 or 31 December 2012.

Erste Abwicklungsanstalt

Interim Report as of 30 June 2013

16. Deposits from banks

	30 Jun. 2013 EUR million	31 Dec. 2012 EUR million
Carrying amount	6,413.6	7,844.5
of which:		
– to affiliates	50.4	144.0
– to other long-term investees and investors	-	-
Payable on demand	2,097.1	2,665.2
due		
– within 3 months	406.6	597.7
– 3 months to 1 year	1,202.0	988.6
– 1 to 5 years	2,429.5	3,335.7
– after 5 years	278.4	257.3

17. Deposits from customers

	30 Jun. 2013 EUR million	31 Dec. 2012 EUR million
Carrying amount	6,821.2	7,462.0
of which:		
– to affiliates	-	22.8
– to other long-term investees and investors	-	-
Other deposits	6,821.2	7,462.0
of which:		
– payable on demand	442.4	353.8
due		
– within 3 months	280.9	341.9
– 3 months to 1 year	600.1	594.5
– 1 to 5 years	2,613.4	2,831.6
– after 5 years	2,884.4	3,340.2

Erste Abwicklungsanstalt

Interim Report as of 30 June 2013

18. Debt securities in issue

	30 Jun. 2013 EUR million	31 Dec. 2012 EUR million
Carrying amount	46,864.5	57,653.4
of which:		
– to affiliates	-	-
– to other long-term investees and investors	-	-
Bonds	4,422.9	8,004.4
of which:		
Amounts due in the following year	3,399.2	5,169.8
Other debt securities in issue	42,441.6	49,649.0
of which due:		
– within 3 months	9,006.5	12,261.0
– 3 months to 1 year	10,008.2	11,936.1
– 1 to 5 years	23,222.4	25,267.4
– after 5 years	204.5	184.5

19. Trading portfolio

	30 Jun. 2013 EUR million	31 Dec. 2012 EUR million
Carrying amount	33,730.3	48,900.0
of which:		
– Derivative financial instruments	33,729.8	48,606.9
– Liabilities	0.5	293.1

20. Trust liabilities

	30 Jun. 2013 EUR million	31 Dec. 2012 EUR million
Carrying amount	0.9	0.9
of which:		
– Deposits from banks	0.2	0.2
– Deposits from customers	0.7	0.7

Erste Abwicklungsanstalt

Interim Report as of 30 June 2013

21. Other liabilities

	30 Jun. 2013 EUR million	31 Dec. 2012 EUR million
Carrying amount	57.2	449.9
of which:		
– Currency translation adjustments	38.3	-
– Premiums from options	15.4	15.4
– Payable syndication fees	2.3	2.4
– Obligations from swap transactions	0.1	0.1
– Compensation liability for refill	-	409.6

22. Accruals/Deferred income

	30 Jun. 2013 EUR million	31 Dec. 2012 EUR million
Carrying amount	50.5	94.3
of which:		
– Non-recurring payments on swaps	34.1	81.5
– Premium on issuing business	10.9	9.6
– Guarantee fees and commissions received in advance	2.9	0.0
– Premiums for sold interest rate caps and floors	1.4	1.5
– Other	1.2	1.7

23. Provisions

	Balance as of	Additions	Unwinding of discount	Charge-offs	Reversals	Other changes	Final balance
	31 Dec. 2012						30 Jun. 2013
	EUR million	EUR million	EUR million	EUR million	EUR million	EUR million	EUR million
Taxes	6.1	-	-	0.2	-	-5.1	0.8
Other provisions	373.1	130.4	0.1	157.7	44.1	24.1	325.9
– Loans	147.9	10.7	0.0	14.6	43.9	109.4	209.5
– Long-term equity investments	15.6	-	-	-	-	0.1	15.7
– Legal actions	14.7	2.2	-	0.8	-	-1.0	15.1
– Personnel	0.4	-	-	0.0	-	-	0.4
– Other	194.5	117.5	0.1	142.3	0.2	-84.4	85.2
Total	379.2	130.4	0.1	157.9	44.1	19.0	326.7

Other provisions include additions for the outstanding service fee to Portigon.

Erste Abwicklungsanstalt

Interim Report as of 30 June 2013

24. Equity

The EAA's subscribed capital amounted to EUR 500,000.00 as of 30 June 2013.

The EAA received additions to its capital reserve amounting to EUR 3,137.0 million from transfers as part of the first fill. The refill in the financial year 2012 reduced the capital reserve by EUR 123.8 million, of which EUR 13.1 million in 2013 came from a contractual adjustment clause. The reduction primarily relates to the measures agreed in the letter of intent dated 29 June 2011 and the binding protocol dated 18 June 2012.

The other reserves amounted to EUR 2.4 million and resulted from the reversal of provisions for which the carrying amounts were reduced as a result of the change in the measurement of obligations under the German Accounting Law Modernisation Act (Bilanzrechtsmodernisierungsgesetz – BilMoG).

The EAA's net profit for the first half of 2013 amounted to EUR 25.1 million and decreased net retained losses carried forward to EUR 2,494.2 million as of 30 June 2013.

Notes to the income statement

25. Geographical breakdown of income components

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

1 Jan. - 30 Jun. 2013 EUR million	Interest income	Current income	Fees and commission income	Net trading result	Other operating income
Germany	434.2	2.2	53.4	78.0	0.6
United Kingdom	115.0	-	5.9	-41.8	0.0
Rest of Europe	2.8	-	0.1	-	-
Far East and Australia	21.1	-	0.3	-	-
North America	73.3	0.1	1.7	-	-
Income statement amount	646.4	2.3	61.4	36.2	0.6

The geographical allocation of income depends on the location of the asset's accounting prior to the refill or Portigon's managing branch.

26. Other operating and prior-period expenses and income

Net other operating expenses and income in the first half of 2013 amounted to EUR -2.3 million (previous year: EUR -0.1 million) and consisted of EUR 2.9 million (previous year: EUR 0.7 million) in expenses and EUR 0.6 million (previous year: EUR 0.6 million) in income.

There were no material prior-period expenses and income in either the first half of 2013 or in the previous year.

Erste Abwicklungsanstalt

Interim Report as of 30 June 2013

27. Risk provision

Depreciation and write-offs in accordance with section 340f (3) and section 340c (2) of the HGB

	1 Jan. - 30 Jun. 2013 EUR million	1 Jan. - 30 Jun. 2012 EUR million
Risk result	-15.0	29.9
Loans and securities income/expense	-170.8	-385.9
of w hich:		
– Lending operations	-174.2	-388.8
– Securities	3.4	2.9
Equity investments and securities income/expenses	155.8	415.8
of w hich:		
– Long-term equity investments	-2.1	-11.6
– Securities	157.9	427.4
Result of risk provisions - loans and advances/securities/long-term equity investments due to credit risk	-5.3	41.5
of w hich:		
– Lending operations	-56.1	-27.9
– Structured securities	50.8	122.8
– Other securities	-	-53.4
Net income from investment securities	-9.7	-11.6

The EAA always makes use of the options available under section 340f (3) and section 340c (2) of the HGB. Under section 340f (3) of the HGB, income and expenses resulting from the valuation of loans and advances 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 in the liquidity reserve. Net expenses amounted to EUR 170.8 million (previous year: EUR 385.9 million). Under section 340c (2) of the HGB, the expenses for long-term equity investments, shares in affiliates and long-term securities may be offset against the respective income. In total, the EAA posted income of EUR 155.8 million (previous year: EUR 415.8 million) under the risk result for long-term equity investments and securities.

28. Taxes on income and earnings

Taxes on income amounting to EUR 0.5 million (previous year: EUR 0.9 million) primarily relate to foreign taxes.

Erste Abwicklungsanstalt

Interim Report as of 30 June 2013

Other disclosures

29. Contingencies

Contingent liabilities

Contingent liabilities amounting to EUR 14.7 billion (previous year: EUR 19.7 billion) primarily resulted from guarantees for Portigon's risk exposures. They include obligations from credit default swaps amounting to EUR 979.5 million (previous year: EUR 1,145.5 million). The EAA does not know whether, when, or the extent to which these specific contingent liabilities will be realised. A provision will be made as soon there are sufficient concrete indications of probable losses as the result of contingent liabilities being realised.

Other obligations

The volume of EUR 5.7 billion (previous year: EUR 5.6 billion) was due to the lending business. The EAA monitors on a continuing basis whether losses from other obligations are imminent and whether a provision must be recognised for anticipated losses from off-balance sheet transactions.

30. Forward contracts/Derivative financial instruments

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

- **Interest rate-related products**
Interest rate swaps, interest rate futures, forward rate agreements, interest rate caps, interest rate floors, interest rate collars, swaptions and interest rate options
- **Currency-related products**
Cross-currency interest rate swaps, forward cross-currency interest rate swaps, forward exchange contracts and currency option contracts
- **Equity- and other price-related products**
Share options, index options, share and index warrants in issue
- **Credit derivatives**
Credit default swaps, total return swaps and credit linked notes

On the basis of notional values, the total volume of forward contracts and derivative financial instruments was EUR 773.8 billion (previous year: EUR 932.5 billion) as of the balance sheet date. The focus remained on interest rate-related products, which accounted for 84.0% of the total volume, down from 84.3% in the previous year.

Exchange-traded, derivative financial instruments are measured at the market price at the balance sheet date. For non-exchange-traded derivatives, market values were determined on the basis of actuarial measurement models as well as valuation parameters available on the market (including interest rates, interest rate volatilities, exchange rates).

Erste Abwicklungsanstalt

Interim Report as of 30 June 2013

Derivative financial instruments - Volume as of the balance sheet date

EUR million	Notional amount		Positive market values		Negative market values	
	30 Jun. 2013	31 Dec. 2012	30 Jun. 2013	31 Dec. 2012	30 Jun. 2013	31 Dec. 2012
Interest rate-related products	649,931	786,535	29,915	42,672	29,156	41,994
OTC products	648,649	783,274	29,915	42,672	29,156	41,994
Exchange-traded products	1,282	3,261	0	0	0	0
Currency-related products	119,779	139,015	4,308	5,506	3,730	4,848
OTC products	119,779	139,015	4,308	5,506	3,730	4,848
Equity- and other price-related products	1,676	3,858	450	606	552	697
OTC products	1,676	3,858	450	606	552	697
Credit derivatives	2,373	3,138	96	300	102	310
OTC products	2,373	3,138	96	300	102	310
Total derivative financial instruments	773,759	932,546	34,769	49,084	33,540	47,849
OTC products	772,477	929,285	34,769	49,084	33,540	47,849
Exchange-traded products	1,282	3,261	0	0	0	0

The average annual notional amounts of forward contracts and derivatives transactions amounted to EUR 853.1 billion during the 2013 financial year (previous year: EUR 514.5 billion).

Derivative financial instruments – Average volumes

Average EUR million	Notional amount		Positive market values		Negative market values	
	1 Jan. - 30 Jun. 2013	1 Jan. - 31 Dec. 2012	1 Jan. - 30 Jun. 2013	1 Jan. - 31 Dec. 2012	1 Jan. - 30 Jun. 2013	1 Jan. - 31 Dec. 2012
Interest rate-related products	717,097	428,838	35,602	21,378	36,870	23,947
OTC products	714,955	427,207	35,602	21,378	36,870	23,947
Exchange-traded products	2,142	1,631	0	0	0	0
Currency-related products	130,302	80,745	5,080	2,703	4,927	2,760
OTC products	130,302	80,745	5,080	2,703	4,927	2,760
Equity and other price-related products	2,542	2,074	529	312	624	355
OTC products	2,542	2,074	529	312	624	355
Credit derivatives	3,174	2,851	268	217	278	241
OTC products	3,174	2,851	268	217	278	241
Total derivative financial instruments	853,115	514,508	41,479	24,610	42,699	27,303
OTC products	850,973	512,877	41,479	24,610	42,699	27,303
Exchange-traded products	2,142	1,631	0	0	0	0.0

The forward contracts and derivative financial instruments are entered into exclusively for hedging purposes.

Option premiums paid and received for derivative financial instruments of the banking book are reported under other assets and other liabilities.

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Derivative financial instruments – Maturities

Notional amount EUR million	Interest rate-related products		Currency-related products		Equity- and other price-related products		Credit derivatives	
	30 Jun. 2013	31 Dec. 2012	30 Jun. 2013	31 Dec. 2012	30 Jun. 2013	31 Dec. 2012	30 Jun. 2013	31 Dec. 2012
Due								
– within 3 months	48,235	72,358	13,799	14,488	152	116	47	225
– 3 months to 1 year	113,066	114,836	21,385	25,931	105	413	794	190
– 1 to 5 years	271,058	354,636	64,591	77,172	1,419	3,319	1,440	2,619
– after 5 years	217,572	244,705	20,004	21,424	0	10	92	104
Total	649,931	786,535	119,779	139,015	1,676	3,858	2,373	3,138

31. Number of employees

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

Number of employees	Female	Male	Total	
			1 Jan. - 30 Jun. 2013	1 Jan. - 30 Jun. 2012
	43	72	115	73

32. EAA shareholders

Shareholders	Ownership interest	
	30 Jun. 2013 in %	31 Dec. 2012 in %
North Rhine-Westphalia	48.202	48.202
Rheinischer Sparkassen- und Giroverband (RSGV)	25.032	25.032
Sparkassenverband Westfalen-Lippe (SVWL)	25.032	25.032
Landschaftsverband Rheinland (LVR)	0.867	0.867
Landschaftsverband Westfalen-Lippe (LWL)	0.867	0.867
Total	100.000	100.000

33. Memberships of other bodies held by Managing Board members

In the first half of 2013, the following members of the Managing Board of the EAA were members of a supervisory board or other supervisory bodies of large public companies pursuant to section 340a (4) no. 1 in conjunction with section 267 (3) of the HGB.

Matthias Wargers

Westdeutsche ImmobilienBank AG

Markus Bolder

Westdeutsche ImmobilienBank AG

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34. Memberships of other bodies held by employees

In the first half of 2013, the following employees of the EAA were members of a Supervisory Board or other supervisory bodies of public companies pursuant to section 340a (4) no. 1 in conjunction with section 267 (3) of the HGB. Details of the memberships of other bodies marked * were provided voluntarily as the companies are not classed as large public companies pursuant to section 340a (4) no. 1 in conjunction with section 267 (3) of the HGB.

Dr. Ulf Bachmann

Westdeutsche ImmobilienBank AG

Sven Guckelberger

Basinghall Finance plc

Gabriele Müller

Basinghall Finance plc

EAA Corporate Services Public Limited Company *

EAA Covered Bond Bank plc

Hartmut Rahner

EAA Corporate Services Public Limited Company *

EAA Covered Bond Bank plc

35. Executive bodies of the EAA

Members of the Managing Board of the EAA

Matthias Wargers (Spokesman)

Markus Bolder

Horst Küpker (since 15 May 2013)

Members of the Supervisory Board of the EAA

Dr. Rüdiger Messal

Chairman | State Secretary in the Finance Ministry of North Rhine-Westphalia

Joachim Stapf

Vice Chairman | Senior Assistant Secretary (Leitender Ministerialrat) in the Finance Ministry of North Rhine-Westphalia

Dr. Karlheinz Bentele

Former President of the Rheinischer Sparkassen- und Giroverband,
Former Member of the Executive Committee (Leitungsausschuss) of the Federal Agency for Financial Market Stabilisation (Bundesanstalt für Finanzmarktstabilisierung)

Günter Borgel

Member of the Executive Committee (Leitungsausschuss) of the Federal Agency for Financial Market Stabilisation (Bundesanstalt für Finanzmarktstabilisierung)

Michael Breuer (since 1 July 2013)

President of the Rheinischer Sparkassen- und Giroverband

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Ralf Fleischer (until 30 June 2013)

Managing Director of the Rheinischer Sparkassen- und Giroverband

Henning Giesecke

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

Wilfried Groos

Chairman of the Managing Board of the Sparkasse Siegen

Dr. Wolfgang Kirsch

Director of the Landschaftsverband Westfalen-Lippe

Hans Martz

Chairman of the Managing Board of the Sparkasse Essen

Michael Stölting

Member of the Managing Board of NRW.BANK

Jürgen Wannhoff

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

Dr. Uwe Zimpelmann

Former Chairman of the Landwirtschaftliche Rentenbank

Stakeholders' Meeting of the EA

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

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36. Information on shareholdings

List of shareholdings

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

Disclosing party: Erste Abwicklungsanstalt

Dated: 30 June 2013

Target currency/unit: EUR / TEUR (all currency exchange rates have been converted into EUR as of 30 June 2013)

Interest and voting rights in %

Other shareholdings						
Ct.No.	Name	Location	Capital share	Voting rights	Currency	Equity Profit/loss
1	Allvaris GmbH ^{1) 13)}	Düsseldorf	100.00		EUR	849.14 -6.26
2	Basinghall Commercial Finance Limited ⁷⁾	London, United Kingdom	100.00		GBP	5,889.76 28.62
3	Basinghall Finance Plc ¹³⁾	London, United Kingdom	100.00		GBP	-2,034.53 1,814.05
4	BfP Beteiligungsgesellschaft für Projekte mbH ^{1) 13)}	Düsseldorf	80.00		EUR	25.37 0.00
5	Börse Düsseldorf AG ⁷⁾	Düsseldorf	21.95		EUR	33,276.50 2,404.17
6	CBAL S.A. ^{2) 9)}	Braine l'Alleud, Belgium	100.00		EUR	61.50 818.02
7	COREplus Private Equity Partners GmbH & Co. KG ^{1) 7)}	Düsseldorf	36.52	0	EUR	29,447.90 4,448.76
8	COREplus Private Equity Partners II - Diversified Fund, L. P. ⁷⁾	Wilmington, USA	24.75	0	USD	33,562.08 -256.61
9	CWB Capital Partners Limited ⁶⁾	London, United Kingdom	25.00		GBP	3,483.43 2,217.69
10	Dussinvest2 Beteiligungsgesellschaft mbH ^{4) 13)}	Düsseldorf	100.00		EUR	232.20 0.00
11	Dusskapital Zwanzig Beteiligungsgesellschaft mbH ¹³⁾	Düsseldorf	100.00		EUR	22.70 -3.30
12	EAA Corporate Services Public Limited Company ⁷⁾	Dublin 1, Ireland	100.00		EUR	-1,199.00 917.00
13	EAA Covered Bond Bank Plc ^{13) 14)}	Dublin 1, Ireland	100.00		EUR	512,109.00 30,522.00
14	EAA do Brasil Participacoes, Representacoes e Negocios Ltda. ⁷⁾	Sao Paulo, Brazil	100.00		BRL	2,440.57 130.11
15	EAA Europa Holding GmbH ^{4) 7)}	Düsseldorf	100.00		EUR	42,569.95 0.00
16	EMG Projekt Gewerbepark Ludwigsfelde/Löwenbruch GmbH ^{1) 7)}	Berlin	47.50		EUR	140.58 -310.19
17	Erste EAA-Beteiligungsgesellschaft GmbH ¹⁶⁾	Düsseldorf	100.00		EUR	25.00 n.s.
18	Fischerinsel Beteiligungsgesellschaft GmbH ^{1) 7)}	Mainz	100.00		EUR	17.10 -1.50
19	Fischerinsel Vermietungs GmbH & Co. KG ^{1) 7)}	Mainz	100.00		EUR	971.70 -715.08
20	Frankonia Eurobau Max-Viertel GmbH ^{1) 5)}	Netetal	25.00		EUR	3,240.37 50.75
21	GID Gesellschaft für Innenstadtentwicklung in Duisburg mbH ^{1) 7)}	Hamburg	45.00		EUR	-4.07 -1.18
22	GKA Gesellschaft für kommunale Anlagen mbH ^{1) 13)}	Düsseldorf	100.00		EUR	190.97 3.03
23	GKA Grundstücksgesellschaft Hilden mbH ^{1) 7)}	Düsseldorf	48.00	60	EUR	70.26 11.14
24	GML Gewerbepark Münster-Loddenheide GmbH ^{1) 13)}	Münster	33.33		EUR	13,451.41 760.67
25	Grundstückentwicklungsgesellschaft Kronstiege-Süd mbH ^{1) 7)}	Bremen	45.00		EUR	-2,708.10 84.03
26	Heber Avenue Partners, LLC ¹³⁾	Dover, USA	100.00		USD	-6,225.59 -7,789.07
27	Home Partners Holdco LLC ¹³⁾	Dover, USA	100.00		USD	254.16 -276.36
28	IFV ImmobilienFonds Verwaltungsgesellschaft Objekte Halle, Essen und Magdeburg mbH ⁷⁾	Ingelheim am Rhein	40.00		EUR	28.32 -2.92
29	International Leasing Solutions Japan KK ⁶⁾	Tokyo, Japan	100.00		JPY	219.24 1.52
30	KA Deutschland Beteiligungsgesellschaft GmbH & Co KG ^{1) 7)}	Düsseldorf	100.00		EUR	4,881.19 4,034.00
31	Kassiterit Beteiligungsgesellschaft GmbH ^{1) 7)}	Düsseldorf	100.00		EUR	22.16 -0.48
32	KB Zwei Länder Beteiligungsgesellschaft und Verwaltungsgesellschaft GmbH & Co. KG ^{1) 7)}	Düsseldorf	100.00		EUR	721.81 0.91
33	KB Zwei Länder Beteiligungsgesellschaft mbH ^{1) 7)}	Düsseldorf	100.00		EUR	520.77 37.63
34	Klenk Holz AG ⁷⁾	Oberrot	21.87		EUR	-20,565.56 -13,263.18
35	Leasing Belgium N.V. ^{1) 7)}	Antwerp, Belgium	100.00		EUR	738.39 -56.87
36	LIFE VALUE Construction GmbH ^{1) 7)}	Düsseldorf	100.00		EUR	-2,472.79 -3,101.13
37	LIFE VALUE GmbH & Co. 11/14 Centre KG ^{1) 7)}	Düsseldorf	100.00		EUR	-283.02 -23.19
38	Life Value Properties GmbH ^{1) 7)}	Düsseldorf	100.00		EUR	-455.34 -529.56
39	Methuselah Life Markets Limited ¹³⁾	London, United Kingdom	100.00		GBP	15,099.60 49.09
40	MFC ABW LLC ^{1) 13)}	New York, USA	100.00		USD	0.00 21.93
41	MFC Black Horse, LLC ¹⁾	New York, USA	100.00			n.s. n.s.
42	MFC CMark LLC ^{1) 13)}	New York, USA	100.00		USD	174.53 165.97
43	MFC Eagle Realty LLC ¹⁾	New York, USA	100.00			n.s. n.s.
44	MFC Holdco, LLC ¹³⁾	New York, USA	100.00		USD	8,772.31 -2,929.78
45	MFC Jennings Gateway LLC ¹⁾	New York, USA	100.00			n.s. n.s.
46	MFC Leominster LLC ¹⁾	New York, USA	100.00			n.s. n.s.
47	MFC MAR-COMM, LLC ¹⁾	New York, USA	100.00			n.s. n.s.
48	MFC New Paradigm LLC ¹⁾	New York, USA	100.00			n.s. n.s.
49	MFC ParcOne LLC ¹⁾	New York, USA	100.00			n.s. n.s.
50	MFC Pinecrest LLC ¹⁾	New York, USA	100.00			n.s. n.s.
51	MFC Real Estate LLC ^{1) 13)}	New York, USA	100.00		USD	8,516.02 -1,967.49
52	MFC Spanish Trails LLC ¹⁾	New York, USA	100.00			n.s. n.s.
53	MFC Tw in Builders LLC ^{1) 13)}	New York, USA	100.00		USD	81.76 -47.58
54	MG Immobiliengesellschaft mbH i.L. ¹²⁾	Mainz	40.91		EUR	19.95 -12.62
55	Monolith Grundstücksverwaltungsgesellschaft mbH ^{1) 7)}	Mainz	100.00		EUR	81.09 5.01
56	Montelucia Phoenix Inc. ¹⁾	Dover, USA	100.00			n.s. n.s.
57	Nephele Grundstücksverwaltungsgesellschaft mbH ^{1) 7)}	Mainz	100.00		EUR	-41.06 -3.57
58	ParaFin LLC ¹³⁾	New York, USA	100.00		USD	0.00 95.27
59	Pathos Bay LLC ¹³⁾	Dover, USA	100.00		USD	4,907.28 -1,675.18
60	PE Projekt-Entwicklungsgesellschaft mbH ^{1) 7)}	Düsseldorf	100.00		EUR	25.06 0.00

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Ct.No.	Name	Location	Capital share	Voting rights	Currency	Equity	Profit/loss
61	PE Projekt-Entwicklungsgesellschaft mbH & Co. Büro- und Businesscenter Leipzig Park KG ²⁾⁷⁾	Düsseldorf	94.90	98.11	EUR	457.23	-340.18
62	PM Portfolio Management GmbH ¹⁾⁷⁾	Düsseldorf	100.00		EUR	62.50	-0.16
63	Projekt Carrée am Bahnhof GmbH & Co. Bürozentrum KG in Insolvenz ¹⁾⁵⁾	Bad Homburg	51.00		EUR	-3,571.86	-116.54
64	Projekt Carrée am Bahnhof Verwaltungs GmbH in Insolvenz ¹⁾⁵⁾	Bad Homburg	51.00		EUR	-13.19	-0.17
65	Projektentwicklungsgesellschaft Gartenstadt Wildau Röhregrund II mbH ¹⁾⁷⁾	Wildau	94.00		EUR	-6,253.66	-39.85
66	Projektgesellschaft Klosterberg mbH ¹⁾¹³⁾	Münster	94.00		EUR	-548.40	-1.50
67	S-Chancen-Kapitalfonds NRW GmbH ¹³⁾	Münster	50.00		EUR	4,971.37	84.28
68	Special PEP II GP Investors, L.L.C. ⁷⁾	Wilmington, USA	50.00	0	USD	363.60	18.85
69	StadtGalerie Witten GmbH ¹⁾⁷⁾	Düsseldorf	40.00		EUR	-2,144.39	-1,245.46
70	StadtGalerie Witten Marketing GmbH ¹⁾⁷⁾	Düsseldorf	40.00		EUR	16.08	24.82
71	Standard Chartered (SFD No.2) Limited ⁷⁾	London, United Kingdom	25.00		USD	0.14	0.00
72	Tanzbar CH Holdings, LLC ¹³⁾	New York, USA	100.00		USD	0.00	101.31
73	Tanzbar DB Holdings, LLC ¹³⁾	New York, USA	100.00		USD	0.00	511.09
74	Vierte EAA-Beteiligungs GmbH ¹⁰⁾	Düsseldorf	100.00		EUR	25.00	n.s.
75	Vivaldis Gesellschaft für strukturierte Lösungen S.A. ⁷⁾	Luxembourg, Luxemburg	100.00		EUR	-14.26	-16.02
76	West Equity Fonds GmbH ⁴⁾¹³⁾	Düsseldorf	100.00		EUR	25.00	0.00
77	West Life Markets GmbH & Co. KG ⁴⁾¹³⁾	Düsseldorf	100.00		EUR	1,312.00	0.00
78	West Merchant Limited ⁷⁾	London, United Kingdom	100.00		GBP	55.66	3.04
79	West Participation One GmbH ⁴⁾¹³⁾	Düsseldorf	100.00		EUR	127.20	0.00
80	West Zwanzig GmbH ¹⁾⁴⁾⁷⁾	Mainz	100.00		EUR	25.23	0.00
81	Westdeutsche Immobilien Fonds Beteiligungsgesellschaft mbH ¹⁾⁷⁾	Düsseldorf	100.00		EUR	41.73	0.00
82	Westdeutsche ImmobilienBank AG ⁹⁾⁴⁾¹³⁾	Mainz	100.00		EUR	876,577.27	0.00
83	Westdeutsche Immobilien Holding GmbH ¹⁾⁴⁾¹³⁾	Mainz	94.60		EUR	5,539.47	0.00
84	Westfälische Textil-Gesellschaft Klingenthal & Co. mit beschränkter Haftung ⁸⁾	Salzkotten	25.26		EUR	10,253.59	-232.95
85	Westfonds 5 Büropark Aachen Laurensberg KG ¹⁾⁷⁾	Düsseldorf	49.16	49.11	EUR	4,527.31	175.76
86	Westfonds 5 Palazzo Fiorentino Frankfurt KG ¹⁾⁷⁾	Düsseldorf	45.64	45.62	EUR	5,988.08	3,809.05
87	Westfonds 5 Walle-Center Bremen KG ¹⁾⁷⁾	Düsseldorf	46.03		EUR	14,426.75	119.06
88	Westfonds Dachfonds Schiffe GmbH ¹⁾⁷⁾	Düsseldorf	100.00		EUR	9.22	-6.28
89	Westfonds Geschäftsführungsgesellschaft 1 mbH ¹⁾⁷⁾	Düsseldorf	100.00		EUR	42.00	14.35
90	Westfonds Geschäftsführungsgesellschaft 2 mbH ¹⁾⁷⁾	Düsseldorf	100.00		EUR	25.31	-4.07
91	Westfonds Gesellschaft für geschlossene Immobilienfonds mbH ¹⁾⁷⁾	Düsseldorf	100.00		EUR	70.03	-3.47
92	Westfonds Holland Grundstücksgesellschaft Voorburg und s Hertogenbosch mbH ¹⁾⁷⁾	Düsseldorf	100.00		EUR	9.24	-12.76
93	Westfonds Immobilien Gesellschaft Objekt Halle/Saale Charlottenstraße mbH ¹⁾⁷⁾	Düsseldorf	100.00		EUR	-2,965.19	-1,918.06
94	Westfonds Immobilien Gesellschaft Objekt Magdeburg An der Steinkuhle 2-2e mbH ¹⁾⁷⁾	Düsseldorf	100.00		EUR	-980.33	-763.71
95	Westfonds Immobilien Gesellschaft Objekt Magdeburg Rogätzer Str. 8 mbH ¹⁾⁷⁾	Düsseldorf	100.00		EUR	-60.93	-53.94
96	Westfonds Immobilien Gesellschaft Objekt Wien Heiligenstädter Lände 29 mbH ¹⁾⁶⁾	Düsseldorf	100.00		EUR	32.60	27.18
97	Westfonds Immobilien-Anlagegesellschaft mbH ⁴⁾¹³⁾	Düsseldorf	94.90		EUR	4,302.13	2,190.09
98	Westfonds Immobiliengesellschaft Objekt Essen Schnieringshof 10-14 mbH ¹⁾⁷⁾	Düsseldorf	100.00		EUR	-926.89	-883.69
99	Westfonds Premium Select Management GmbH ¹⁾⁷⁾	Düsseldorf	100.00		EUR	33.03	-1.21
100	Westfonds Premium Select Verwaltung GmbH ¹⁾⁷⁾	Düsseldorf	100.00		EUR	32.44	0.92
101	Westfonds Verwaltung GmbH ¹⁾⁷⁾	Schönfeld	100.00		EUR	71.86	47.44
102	Westfonds-PHG Gesellschaft RWI-Fonds 120 mbH ¹⁾⁷⁾	Düsseldorf	100.00		EUR	25.10	-6.13
103	Westfonds-PHG Gesellschaft RWI-Fonds 125 mbH ¹⁾⁷⁾	Düsseldorf	100.00		EUR	25.10	-6.13
104	Westfonds-PHG Gesellschaft RWI-Fonds 140 mbH ¹⁾⁷⁾	Düsseldorf	100.00		EUR	26.41	-3.62
105	Westfonds-PHG Gesellschaft RWI-Fonds 43 mbH ¹⁾⁷⁾	Düsseldorf	100.00		EUR	26.08	-4.40
106	Westfonds-PHG Gesellschaft RWI-Fonds 47 mbH ¹⁾⁷⁾	Düsseldorf	100.00		EUR	27.32	-4.35
107	Westfonds-PHG Gesellschaft Westfonds 1 mbH ¹⁾⁷⁾	Düsseldorf	100.00		EUR	28.09	-3.09
108	Westfonds-PHG Gesellschaft Westfonds 2 D mbH ¹⁾⁷⁾	Düsseldorf	100.00		EUR	27.62	-3.60
109	Westfonds-PHG Gesellschaft Westfonds 2 H mbH ¹⁾⁷⁾	Düsseldorf	100.00		EUR	27.62	-3.60
110	Westfonds-PHG Gesellschaft Westfonds 5 Aachen mbH ¹⁾⁷⁾	Düsseldorf	100.00		EUR	25.15	-6.08
111	Westfonds-PHG Gesellschaft Westfonds 5 Bremen mbH ¹⁾⁷⁾	Düsseldorf	100.00		EUR	25.10	-6.13
112	Westfonds-PHG Gesellschaft Westfonds 5 Frankfurt mbH ¹⁾⁷⁾	Düsseldorf	100.00		EUR	25.15	-6.09
113	Westfonds-PHG Gesellschaft Westfonds 6 mbH ¹⁾⁷⁾	Düsseldorf	100.00		EUR	27.80	-1.78
114	Westfonds-PHG Gesellschaft Westfonds 7 mbH ¹⁾⁷⁾	Düsseldorf	100.00		EUR	27.97	-2.06
115	Westfonds-PHG Gesellschaft Westfonds Wien 2 mbH ¹⁾⁷⁾	Düsseldorf	100.00		EUR	26.78	-5.64
116	Westfonds-PHG-Gesellschaft BI-Fonds 12 mbH ¹⁾⁷⁾	Düsseldorf	100.00		EUR	23.95	-6.08
117	Westfonds-PHG-Gesellschaft BI-Fonds 14 mbH ¹⁾⁷⁾	Düsseldorf	100.00		EUR	23.95	-6.08
118	Westfonds-PHG-Gesellschaft BI-Fonds 18 S mbH ¹⁾⁷⁾	Düsseldorf	100.00		EUR	23.95	-6.08
119	Westfonds-PHG-Gesellschaft BI-Fonds 19 S mbH ¹⁾⁷⁾	Düsseldorf	100.00		EUR	23.95	-6.08
120	Westfonds-PHG-Gesellschaft BI-Fonds 23 mbH ¹⁾⁷⁾	Düsseldorf	100.00		EUR	23.95	-6.08
121	Westfonds-PHG-Gesellschaft BI-Fonds 6 mbH ¹⁾⁷⁾	Düsseldorf	100.00		EUR	26.37	-6.08
122	Westfonds-PHG-Gesellschaft KA Deutschland Beteiligungsgesellschaft mbH ¹⁾⁷⁾	Düsseldorf	100.00		EUR	26.65	-4.54
123	Westfonds-PHG-Gesellschaft KB Zw ei Länder Beteiligungsgesellschaft mbH ¹⁾⁷⁾	Düsseldorf	100.00		EUR	26.28	-4.94
124	Westfonds-PHG-Gesellschaft RWI-Fonds 25 mbH ¹⁾⁷⁾	Düsseldorf	100.00		EUR	27.32	-4.35
125	Westfonds-PHG-Gesellschaft RWI-Fonds 34 mbH ¹⁾⁷⁾	Düsseldorf	100.00		EUR	26.08	-4.40
126	Westfonds-PHG-Gesellschaft RWI-Fonds 40 mbH ¹⁾⁷⁾	Düsseldorf	100.00		EUR	26.08	-4.40
127	Westfonds-PHG-Gesellschaft Westfonds 3 Berlin mbH ¹⁾⁷⁾	Düsseldorf	100.00		EUR	28.85	-3.56
128	Westfonds-PHG-Gesellschaft Westfonds 3 Düsseldorf mbH ¹⁾⁷⁾	Düsseldorf	100.00		EUR	28.10	-4.15
129	Westfonds-PHG-Gesellschaft Westfonds 4 mbH ¹⁾⁷⁾	Düsseldorf	100.00		EUR	25.10	-6.13
130	WestGKA Management Gesellschaft für kommunale Anlagen mbH ²⁾⁴⁾¹³⁾	Düsseldorf	100.00		EUR	1,127.70	0.00
131	WestLB Asset Management (US) LLC ⁵⁾	Wilmington, USA	100.00		USD	26,354.45	3,318.28
132	WestLB CapTrust Holding LLC ¹³⁾	Dover, USA	100.00		USD	0.00	n.s.
133	WestLB Limited ¹³⁾	London, United Kingdom	100.00		GBP	0.00	0.00
134	WestLB Servicios S.A. ¹⁾⁹⁾	Buenos Aires, Argentina	94.86		ARS	0.00	-1.52
135	WestLB Venture Capital Management GmbH & Co. KG ⁷⁾	München	50.00		EUR	132.92	-8.25
136	WestLeasing International GmbH ¹⁾⁷⁾	Düsseldorf	100.00		EUR	206.22	-13.03

Erste Abwicklungsanstalt

Interim Report as of 30 June 2013

Ct.No.	Name	Location	Capital share	Voting rights	Currency	Equity	Profit/loss
137	WestLeasing Westdeutsche Leasing Holding GmbH ⁴⁾¹³⁾	Düsseldorf	94.90		EUR	11,624.75	0.00
138	WestMerchant Beteiligungs GmbH ¹⁾⁷⁾	Düsseldorf	100.00		EUR	26.15	-0.06
139	WestProject & Consult Gesellschaft für Projektentwicklung und Consulting mbH i.L. ¹⁾⁴⁾¹³⁾	Düsseldorf	100.00		EUR	1,559.56	0.00
140	WestTA Beteiligungsgesellschaft mbH ⁴⁾¹³⁾	Düsseldorf	100.00		EUR	646.36	0.00
141	WestVerkehr Beteiligungsgesellschaft mbH ¹⁾⁷⁾	Düsseldorf	100.00		EUR	115.56	89.99
142	WIB Real Estate Finance Japan K.K. ¹¹⁾	Minato-ku, Japan	100.00		JPY	51,970.59	4,331.21
143	WIP Westdeutsche Immobilien Portfolio Managementgesellschaft mbH ¹⁾⁴⁾⁷⁾	Düsseldorf	100.00		EUR	615.78	1.73
144	WLB CB Holding LLC ¹³⁾	New York, USA	100.00		USD	0.00	92.96
145	WMB Beteiligungs GmbH ¹⁾⁷⁾	Düsseldorf	100.00		EUR	112.84	0.41
146	WMO Entwicklungsgesellschaft mbH ¹⁾¹³⁾	Bonn	100.00		EUR	34.99	1.26
147	WMO Erste Entwicklungsgesellschaft mbH & Co. KG ¹⁾¹³⁾	Bonn	50.25		EUR	-5,765.71	-157.85

Interest greater than 5% (large corporations)

Ct.No.	Name	Location	Capital share	Voting rights	Currency	Equity	Profit/loss
148	AKA Ausfuhrkredit-Gesellschaft mbH ¹³⁾	Frankfurt am Main	5.02		EUR	183,872.10	11,425.00
149	Banco Finantia S.A. ⁷⁾	Lisbon, Portugal	8.69		EUR	337,125.00	3,136.00

Other companies for whom the EAA assumes unlimited liability

Ct.No.	Name	Location	Capital share	Voting rights	Currency	Equity	Profit/loss
150	GBR Industrie- und Handelskammer Rheinisch-Westfälische-Börse	Düsseldorf	5.88	5			n.s.
151	GLB GmbH & Co. OHG	Frankfurt am Main	15.47				n.s.

¹⁾ Indirect shareholdings.

²⁾ Including indirectly held shares.

³⁾ A letter of comfort exists.

⁴⁾ A profit and loss transfer agreement is in place with this company.

⁵⁾ Only data as of 31 December 2009 is available.

⁶⁾ Only data as of 31 December 2010 is available.

⁷⁾ Only data as of 31 December 2011 is available.

⁸⁾ Only data as of 30 June 2012 is available.

⁹⁾ Only data as of 31 October 2012 is available.

¹⁰⁾ Only data as of 23 November 2012 is available.

¹¹⁾ Only data as of 30 November 2012 is available.

¹²⁾ Only data as of 16 December 2012 is available.

¹³⁾ Only data as of 31 December 2012 is available.

¹⁴⁾ A global guarantee exists.

Erste Abwicklungsanstalt

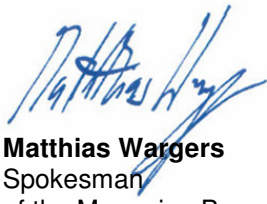
Interim Report as of 30 June 2013

Responsibility Statement

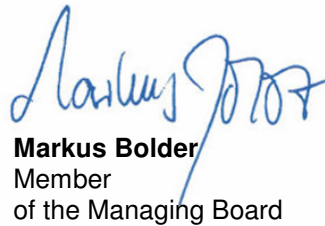
To the best of our knowledge, and in accordance with the applicable reporting principles for the interim report, the interim financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the company, and the interim management report includes a fair review of the development and performance of the business and the position of the company, together with a description of the material opportunities and risks associated with the expected development of the company for the remainder of the financial year.

Düsseldorf, 15 August 2013

Erste Abwicklungsanstalt



Matthias Wargers
Spokesman
of the Managing Board



Markus Bolder
Member
of the Managing Board



Horst Kúpker
Member
of the Managing Board

Erste Abwicklungsanstalt

Interim Report as of 30 June 2013

Review Report

To Erste Abwicklungsanstalt, Düsseldorf

We have reviewed the condensed interim financial statements – comprising the balance sheet, income statement, statement of cash flows, statement of changes in equity and selected explanatory notes – and the interim management report of Erste Abwicklungsanstalt for the period from 1 January 2013 to 30 June 2013 which are part of the interim report pursuant to section 37w of the German Securities Trading Act (Wertpapierhandelsgesetz – WpHG). The preparation of the condensed interim financial statements in accordance with German commercial law and of the interim management report in accordance with the provisions of the German Securities Trading Act applicable to interim management reports is the responsibility of the institution's Managing Directors. Our responsibility is to issue a review report on the condensed interim financial statements and on the interim management report based on our review.

We conducted our review of the condensed interim financial statements and the interim management report in accordance with German generally accepted standards for the review of financial statements promulgated by the Institute of Public Auditors in Germany (Institut der Wirtschaftsprüfer in Deutschland – IDW). Those standards require that we plan and perform the review so that we can preclude through critical evaluation, with moderate assurance, that the condensed interim financial statements have not been prepared, in all material respects, in accordance with German commercial law and that the interim management report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim management reports. A review is limited primarily to enquiries of institution personnel and analytical procedures and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot express an audit opinion.

Based on our review, no matters have come to our attention that cause us to presume that the condensed interim financial statements have not been prepared, in all material respects, in accordance with German commercial law nor that the interim management report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim management reports.

Düsseldorf, 16 August 2013

PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

(Michael Peters)
Wirtschaftsprüfer
German public auditor

(ppa. Susanne Beurschgens)
Wirtschaftsprüferin
German public auditor

List of Abbreviations

ALM

Asset Liability Management

APAC

Asia Pacific region

BiMoG

German Accounting Law Modernisation Act (Bilanzrechtsmodernisierungsgesetz)

BP

Basis points

CDS

Credit Default Swaps

CVA

Credit Valuation Adjustments

DRS

German Accounting Standard (Deutscher Rechnungslegungsstandard)

EAA

Erste Abwicklungsanstalt

EAA CBB

EAA Covered Bond Bank plc, Dublin/Ireland

EaD

Exposure at Default

ECB

European Central Bank

EEC

European Economic Union

EFSF

European Central Bank

EMEA

European Economic Community

EMTN programme

Euro Medium Term Notes programme

EU

European Union

EUSS

European Super Senior Notes

FMS

Financial Market Stabilisation Fund

FMSA

Financial Market Stabilisation Authority (Bundesanstalt für Finanzmarktstabilisierung)

FMStFG

Financial Market Stabilisation Fund Act (Finanzmarktstabilisierungsfondsgesetz)

FX effect

Foreign Exchange Effect

GDP

Gross Domestic Product

HGB

German Commercial Code (Handelsgesetzbuch)

LIBOR

London Interbank Offered Rate

LVR

Landschaftsverband Rheinland

LWL

Landschaftsverband Westfalen-Lippe

MaRisk

Minimum requirements for risk management

MBS

Mortgage Backed Securities

Moody's

Moody's Investors Service

MtM

Mark to Market

NPL

Non-Performing Loans

N.R.

Not rated

Erste Abwicklungsanstalt

Interim Report as of 30 June 2013

NRW

North Rhine-Westphalia

OMT

Outright Monetary Transactions

OTC-Derivate

Over the Counter Derivatives

Phoenix Light SF Ltd.

ABS special purpose vehicle, headquartered in Dublin/Ireland

PIMCO

Pacific Investment Management Company, LLC

Portigon

Portigon AG (until 2 July 2012 WestLB AG)

RechKredV

Ordinance for Banks and Financial Service Institutions

RSGV

Rheinischer Sparkassen- und Giroverband

S.R.

Special rating

SVWL

Sparkassenverband Westfalen-Lippe

VaR

Value at Risk

WestImmo

Westdeutsche ImmobilienBank AG, Mainz

WIB KK

WIB Real Estate Finance Japan K.K., Tokyo