Erste Abwicklungsanstalt

1

INTERIM REPORT

31 March 2016

Contents

EAA key figures

Income statement in EUR million	1/1 - 31/3/2016	1/1 - 31/3/2015
Net interest income	43.0	32.1
Net fee and commission income	6.1	11.4
Net trading result	-14.4	-65.4
Total other operating income/expenses	-1.2	0.6
General administrative expenses	-57.1	-73.1
Results from financial assets and shareholdings	36.8	-30.4
Results prior to risk provisioning	**13.2**	**-124.8**
Loan loss provisions	-11.0	117.4
Results before taxes	**2.2**	**-7.4**
Taxes	-0.1	-1.5
Net profit for the year	**2.1**	**-8.9**

Balance sheet in EUR billion	31/3/2016	31/12/2015
Total assets	72.9	68.7
Business volume	85.1	81.7
Lending business	39.6	37.8
Trading assets	29.9	27.1
Equity	0.6	0.6

Winding-up	31/3/2016	31/3/2015
Banking book		
Notional value (before FX effect) in EUR billion	33.8	49.5
Winding-up activities in EUR billion	-2.2	-2.8
Winding-up activities in %	-6.0	-5.4
Trading portfolio		
Notional value (before FX effect) in EUR billion	321.9	414.2
Winding-up activities in EUR billion	-19.8	-51.9
Winding-up activities in %	-5.8	-11.1

Employees	31/3/2016	31/12/2015
Number of employees	146	144

Rating	Short-term rating	Long-term rating
Moody's Investors Service	P-1	Aa1
Standard & Poor's	A-1+	AA-
Fitch Ratings	F1+	AAA

Foreword

Dear Ladies and Gentlemen,

The EAA got off to a good start in the fiscal year 2016. In the first quarter the notional volume of its loan and securities portfolios declined by 6.0% to EUR 33.8 billion, while the trading portfolio, which consists primarily of derivative financial products, decreased by 5.8% to a notional volume of EUR 321.9 billion.

At the same time the EAA posted yet another positive quarterly result. The net profit amounting to EUR 2.1 million is an impressive outcome when you consider that the wind-up process is well advanced and the EAA's basis to generate income has therefore contracted. Net interest income improved to EUR 43.0 million in the first quarter, primarily because of an extraordinary dividend from a participation. Our financial investment result of EUR 36.8 million benefited again from successful restructuring measures. The acquisition of PFS had a positive effect, too.

As in previous reporting periods, however, the wind-up of the portfolio is not reflected in a decline in total assets, which increased from EUR 68.7 billion to EUR 72.9 billion. The main reason for this increase can be found in the trading portfolio. Although its notional volume has declined, its market value – the basis for the accounting value – has risen, primarily due to the interest rate development. Still, the strong decline in the notional volume has likewise led to a decrease in the risks associated with the trading portfolio as well as the loan and securities portfolio.

In order to successfully fulfil the EAA's mandate going forward, we are continuously working to secure our expertise developed to date and the operational stability of the EAA. We made another significant step forward to that end when we acquired PFS, the EAA's largest service provider. PFS provides primarily IT and operational services for the EAA. The transaction has been incorporated into the wind-up planning from 2016 and beyond, and will not result in any adverse consequences for the wind-up result.

During the first quarter we were able to make further rapid progress at decreasing the transferred portfolios in a value-preserving manner. The economic environment favoured our work in this regard and will likely remain a positive factor for the EAA as the 2016 fiscal year progresses. We benefit at the same time from a balanced wind-up strategy, which has aimed, and continues to aim, at decreasing assets equally across all rating categories. The investment grade share of the loan and securities portfolio as at the end of the first quarter has therefore remained at approximately two thirds.

Against this backdrop we are cautiously optimistic about our performance over the next several months, although we have not lost sight of the fact that the EAA continues to face significant challenges. Examples of these obstacles include difficult sub-portfolios, such as the Phoenix portfolio, the portfolio with American life insurance policies, the project financing portfolio or the municipal derivatives portfolio. At the same time, the income to be generated from the largely eliminated exposures no longer covers the EAA's administrative expenses, which also means that losses in individual reporting periods cannot be ruled out. This, however, has been taken into account in the planning for the overall wind-up of the portfolio. As a result, it also remains unlikely that the public-sector guarantees for the EAA will need to be used.

Sincerely yours

Matthias Wargers
Spokesman
of the Managing Board

Markus Bolder
Member
of the Managing Board

Horst Küpker
Member
of the Managing Board

Interim management report

For the period from 1 January to 31 March 2016

Business and environment

Operating activities of the EAA

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

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

The EAA is subject to regulation by the German Federal Agency for Financial Market Stabilisation (Bundesanstalt für Finanzmarktstabilisierung – FMSA). It is supervised by the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht – BaFin) with regard to those provisions of banking law that are applicable to the EAA.

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

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

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

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

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

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

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

Since its founding, the EAA has outsourced key business processes to Portigon and to PFS, Portigon's former service subsidiary. As of 1 July 2014, a portion of these outsourced services, especially portfolio management activities, has been transferred to EPA, a wholly-owned subsidiary of the EAA. EPA's employees were primarily recruited from the former employees of the Portfolio Exit Group, which was established in the former WestLB when the EAA was founded, as well as from EAA employees. The EAA acquired PFS at the end of March 2016 and now appoints the managing directors of both EPA and PFS.

Economic environment

Nervous markets: rally largely makes up for losses from the start of the year

The start to 2016 saw sharp losses in many risky asset classes. On average, the companies listed in the DAX lost more than 19% of their value in the period between 31 December 2015 and 11 February 2016. During the same period, European stocks (EURO STOXX) suffered losses amounting to 17.5%, and US equities were 10.5% lower. In contrast, safe investments such as German Bunds were in demand. The yield on ten-year German Bunds has fallen from 0.63% at the start of the year to now 0.21%, and even reached just 0.19% on 11 February 2016. Limited risk appetite among investors was just one of the reasons behind this trend. The strong selling pressure that weighed on the riskier market segments is a reflection of the changed perception of risks on the financial markets compared to 2015.

△ Investors took a more pessimistic view about the ability of policymakers to stabilise economic growth. The sharp slowdown in the US economy forced the FED to forgo the interest rate hikes it intended to make. In its last interest rate decision for 2015, the ECB signalled that it had done everything in its power to foster the economic recovery in the eurozone.

△ The signs that the years of double-digit growth rates for China’s economy are a thing of the past were already becoming increasingly apparent in the course of 2015. The slowdown of China’s economy is reducing the country’s demand for raw materials and capital goods. This has consequences for exporters of raw materials like Brazil in particular, as the weakness of their own economies is exacerbated by the lack of demand from China. This is affecting many of the emerging markets.

△ The recovery is not just losing steam in the emerging markets, but also in the US and the eurozone. While the economic weakness of the emerging markets is translating into falling prices for raw materials, the slowdown in the eurozone and the US is becoming apparent in the current reporting season. Companies’ profits are decreasing, and are also often falling short of the already conservative forecasts of market participants. This is lowering the risk appetite for American and European equities.

The market valuations of many asset classes have recovered again since the middle of February, recouping most of the losses. A series of factors contributed to this development. For one thing, the ECB announced an extensive purchase programme in March. Instead of EUR 60 billion a month, the ECB will now spend EUR 80 billion a month, starting in the summer, to purchase euro government bonds, so-called SSA bonds, covered bonds, securitisations and corporate bonds. In addition, a range of economic indicators from the eurozone – with Spain and France realising a surprisingly robust start to the new year – and from several emerging markets (such as China) shows that the weakness in the global economy in the fourth quarter of 2015 and the first quarter of 2016 was just a temporary phenomenon.

Nevertheless, the rate at which the global economy is growing is still lagging behind expectations as compared to growth rates seen before the outbreak of the global financial crisis. The IMF continues to describe the trend for growth in the global economy as being unusually volatile and slow. It expects global GDP will grow by more than 3.2% in 2016, following what is expected to have been a 3.1% increase in economic output in 2015. This would be a slight acceleration, at least in a direct comparison with 2015.

Growth in the US economy: slow start to the New Year

The US economy came to a virtual standstill in the first quarter of 2016 following growth of more than 0.4% in the fourth quarter of 2015. US GDP rose by only slightly more than 0.1% compared with the previous quarter. In part, the slowdown in economic growth in the first quarter of 2016 was a consequence of the subdued mood among US consumers. Real consumer spending in the US rose much less than in the previous quarters. In addition, a trend from the second half of 2015 continued, with American companies remaining noticeably reluctant to invest and thus spending less for equipment and buildings. This restraint was particularly dramatic in the oil industry. Other factors weighing on growth in the American economy included the very modest momentum in the global economy and weakness in exports caused by the appreciation in the US dollar.

Still, the FED and the IMF believe that the US economy will continue to recover in the first half of 2016. To be sure, the current labour market report for April was weaker than analysts expected. Instead of adding around 200,000 new jobs, the economy created “only” about 160,000 new positions. When assessing the labour market report, financial markets expect to see an increase in the number of jobs. Markets see figures at or above the average over the past 12 to 24 months as good numbers, emphasising the strength of the upturn. This increase of only 160,000 jobs in April was therefore somewhat disappointing. The average over the past 24 months has been a monthly gain of 233,000 positions.

Nevertheless, it would not be correct to dismiss the April report as a weak result. First, it is becoming more difficult to make major job gains now that the economy has almost reached full employment. The fact that the current US unemployment rate is 5% suggests the labour market is in very good shape. A bit of a slowdown in the rate of jobs growth is therefore not a surprise. What is more, there have been improvements in other indicators in the labour market report that provide information about the quality of the recovery. The decline in the labour market participation rate, i.e. the share of the total population older than 16 that is actively employed, appears to have halted since the third quarter of 2015. In addition, wages have started to rise again (April 2016: increase of 2.5% compared with the previous year). When trying to fill positions American employers on average are finding themselves forced again to offer higher salaries. This, too, is a sign that the situation on the US labour market is improving after a long phase with wage increases between only 1.5% and 2%.

The FED believes it is highly likely that this trend will continue. In its assessment of regional economic indicators, the so-called “Beige Book”, the FED has determined that the American economy is growing moderately in most regions of the country. That can be seen in the Purchasing Managers Index for the manufacturing industry in the US, which rose to 50.8 points in April 2016 and thus came in again above the expansion threshold of 50.0 points.

Forecast for the US: headwind from investment, acceleration in the second quarter

2016 is a crucial year for the FED. In the Federal Open Market Committee's meeting on 16 December 2015, the FED raised the range for the key interest rate, the FED funds target rate, for the first time since 29 June 2006 by 25 basis points (bp) to between 0.25% and 0.5%. While 2015 was dominated by the question of "when" interest rates would be raised again, the current focus is on "how fast" further increases will follow. The FED quickly made it clear in this regard that the interest rate adjustment cycle is dependent on the economic data. Its decision will also take into account that in the current reporting season many US companies are complaining about the rising strength of the US dollar on account of the country's interest rate policy.

The Federal Open Market Committee has not named any specific numeric targets for an improvement in the labour market. The FED's decision-makers are still not really satisfied with the quality of the labour market in the US. First, many potential workers drop out of the official statistics after reaching the maximum duration of unemployment assistance – they become classified as "not seeking work". Second, there are now more part-time and fixed-term contracts than before the global financial crisis.

So far this year the FED has refrained from raising interest rates at the meetings of its Open Market Committee. This implies they agree with the financial markets that further hikes in interest rates are not appropriate at this time due to weakness in the US economy. It appears the members of the Federal Open Market Committee have backed off their previous intention to raise interest rates this year in four steps. Now the FED will likely hike rates only once or twice in 2016 – and then probably to about 1.1%.

The current inflation environment in the US provides the FED with the necessary leeway to delay further interest rate hikes if such a postponement is deemed necessary. In December 2015 the country's inflation rate stood at 0.5%, and in the meantime it has now risen to somewhat more than 1.1%. The rate is expected to reach 1.3% by the end of 2016. These figures are below the FED's comfort zone. In other words, a sharp increase in 2016 will not force the FED to respond with higher benchmark interest rates in order to fight inflation. Further rate increases by the FED will depend on conditions in the labour market.

The American election campaign, which will enter its hot phase this summer when the nomination conventions are held, will certainly produce a wide variety of political headlines. The differences between the Republican candidate Donald Trump and the base of his party appear to be very large. This means that prior to the nomination convention Donald Trump must do everything possible to unite the party behind his candidacy. The nomination convention could be a first step in this direction. At the moment the markets anticipate that Hillary Clinton will win the elections. It is therefore expected that the American economy will grow by more than 0.6% in both the third and fourth quarter of 2016. With Donald Trump as the expected candidate of the Republicans and Hillary Clinton as his potential opponent, the US is likely to experience an interesting election campaign this autumn.

Core eurozone countries: Germany growing somewhat faster than France

Germany's GDP grew by 1.7% in 2015, slightly faster than the eurozone average (1.6%). The growth rate achieved in 2015 is higher than the potential growth rate of around 1.25% estimated by the Bundesbank, and also explains why the situation on Germany's labour market is continuing to improve. The unemployment rate fell from 6.5% in March 2015 to 6.2% in March 2016.

The ECB's programme of buying eurozone government bonds has reduced the yield on German government bonds to a very low level. For the German Federal Finance Minister, the very low yields mean that the financing costs of the German federal government and other German regional authorities continue to decline. Despite increased spending to manage the European refugee crisis, this trend and the quite robust growth of the German economy have resulted in the second budget surplus since 2014, amounting to 0.6% of Germany's economic output.

Recent years have not been without their problems for France's economy. France's GDP grew marginally during the years from 2012 until 2015, expanding between 0.2% and 1.2% and thus only very narrowly avoiding a recession in 2014 in particular (growth of 0.2%). A major cause of this development was that many of France's important trading partners – Italy for example – have themselves been experiencing a weak economic trend. In addition, France's international competitiveness has decreased significantly due to government intervention in the labour market (for example, the introduction of the 35-hour working week).

As yet it is difficult to predict how the current refugee crisis will impact Germany, France and the EU. One problem, however, is that the refugee crisis has exposed the difference of opinions among the EU member states. Although a compromise has been developed regarding the distribution of refugees, it has not yet been implemented because many EU member states in Eastern Europe still refuse to accept refugees.

Spain's economy growing quite strongly despite the unresolved political situation

In 2015 Spain's economy grew by 3.2%, much faster than the eurozone average. Market estimates assume that Spain will continue growing in 2016, with economic output forecast to expand by 2.7%. This pace of growth means the Spanish economy will be one of the fastest growing economies in the eurozone. The eurozone as a whole is forecast to grow only by around 1.5% over the same period. Spain's strong performance can be attributed to the noticeable improvement in its international competitiveness. Spain's unit labour costs, for example, have fallen by more than 6% since peaking in 2009, although they are stagnating at the moment. Additional reforms would be necessary to achieve a further pick-up in growth. But in light of the difficult political environment prior to the new elections at the end of June, these are probably no longer possible for 2016.

Following the elections on 20 December 2015, the Spanish political parties were not able to agree on either a minority government or the formation of a stable coalition government. Current forecasts and polls do not provide any indication that the outcome of the elections in June will be fundamentally different from the results last December. The conservatives will again be the strongest political party in parliament. But they will probably not have their own majority, making them yet again dependent on a coalition partner. The renewed negotiations in this regard are therefore likely to be difficult.

Portugal's economy continues to grow despite political risks

Portugal has stood up relatively well despite the political uncertainties following the elections on 4 October 2015. Although the country's economic output stagnated in the third quarter, Portuguese GDP rose again by 0.2% (quarter-on-quarter) in the fourth quarter. This pace is noticeably slower compared with the growth rates achieved in the first and second quarters (both +0.5% quarter-on-quarter), and is partially the result of the arduous process to form a government following the elections.

Market liquidity for Portuguese bonds has waned in this environment, with concerns about the consolidation course of the new government causing yields on the ten-year Portuguese bond to rise above 4%. The markets viewed this valuation as a buying opportunity, causing the yield to fall by more than 75 bp since 16 February 2016. The relief provided by the ECB's purchase programme has kept the impact of the political risks on yields in check. As Portugal continues to have an investment grade rating (BBB low) from the DBRS rating agency, in contrast to the assessments made by Moody's, S&P and Fitch, the ECB remains able to purchase Portuguese government bonds. The volume of monthly purchases probably amounts to around EUR 1 billion.

Outlook for 2016: eurozone economy continuing to recover

Even though the financial markets are currently taking a more sceptical view of the prospects for the economy (as described above), the economic recovery in the eurozone is likely to continue also in 2016. There are too many positive growth factors in many areas for another crisis to occur. However, risks have risen in comparison to 2015 as a result of the new elections in Spain as well as the debate surrounding the possibility of UK leaving the EU.

The decrease in the price of oil provides an additional economic stimulus for the oil-importing countries of the eurozone. Low oil prices redistribute purchasing power away from oil producers to consumers. This phase of relatively low oil prices is likely to persist, as the OPEC countries, Russia and Iran (following the removal of sanctions) are competing for market share. The global supply of oil has continued to grow this year amid stagnating demand. The price of oil is likely to remain at its current level of between USD 40 and maximum USD 50 per barrel for the next few months. For the oil price to increase significantly, extraction would have to be scaled back considerably in order to restore the balance between supply and demand. Negotiations in this respect proved fruitless because the oil-producing countries are concerned that this would create free-rider effects for countries that are not participating in the reduction of supply.

Many European governments are scaling back their austerity measures in 2016. This means a short-term boost for the eurozone's economic growth in 2016. Consumers are the most important drivers of economic growth, especially in countries such as France, Spain, Italy and Portugal. Improving prospects on the labour market and relief in the form of increases in the minimum wage, tax cuts and pension changes are expected to improve consumer sentiment in 2016.

The EAA expects the economic recovery in the countries of the euro periphery will continue. This will be more pronounced in Spain and Portugal than in Italy, despite the political uncertainty associated with the new, less stable forms of government. Spain is likely to join Germany and Ireland as one of the fastest growing economies in the eurozone.

This outlook, however, is associated with a significant forecasting risk. For Spain's economy to grow by 2.7% in 2016, it is important that the new government in Madrid does not make any major changes to the reforms implemented by the previous conservative government. It remains to be seen whether this will be the case. German national income will grow by a good 1.5% in 2016. In 2017 the German economy is forecast to grow by 1.6%, again above its potential. The French economy will probably regain some momentum and show growth of 1.3% in 2016 and 1.4% in 2017.

Summary of important macroeconomic forecasts

Key economic indicators	Growth		Inflation		Unemployment		Budget balance (% GDP)	
	2016	2017	2016	2017	2016	2017	2016	2017
	in %	in %	in %	in %	in %	in %	in %	in %
USA	1.9	2.3	1.3	2.2	4.8	4.6	-2.9	-2.9
Eurozone	1.5	1.6	0.3	1.4	10.2	9.9	-1.9	-1.6
Core & semi core								
Germany	1.5	1.6	0.4	1.7	6.3	6.5	0.1	0.1
France	1.3	1.4	0.2	1.3	10.2	9.8	-3.4	-3.2
Periphery								
Greece	-0.7	1.6	0.1	0.8	24.8	24.6	-3.3	-2.2
Ireland	4.8	3.7	0.5	1.6	8.5	7.6	-1.1	-0.7
Portugal	1.3	1.5	0.6	1.2	11.7	11.0	-2.8	-2.6
Spain	2.7	2.3	-0.2	1.2	20.1	18.8	-3.7	-2.9
Italy	1.0	1.2	0.1	1.2	11.3	10.9	-2.5	-2.0
Emerging Markets								
Asia	5.9	5.8	2.0	2.6	4.1	4.2	-2.7	-2.7
Latin America	-1.2	2.0	24.2	17.9	8.7	9.0	-6.7	-5.6
Eastern Europe & Africa	1.8	2.8	5.9	5.8	9.0	8.7	-3.0	-2.6
BRIC countries								
Brazil	-3.7	1.0	8.6	6.1	9.7	10.4	-8.5	-7.5
Russia	-1.5	1.2	8.0	6.7	6.1	6.0	-3.8	-3.0
India	7.5	7.6	4.9	5.3	n.s.	n.s.	-3.9	-3.5
China	6.5	6.3	2.0	2.0	4.2	4.3	-3.0	-3.2

Source: Bloomberg, EAA.

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

Financial market outlook for 2016

The divergence between the ECB and FED monetary policy is the root cause of the considerable difference that exists, and will continue to exist, in the current levels of yield between the core eurozone and the US. While the FED is attempting to bring about a normalisation of monetary policy, the ECB wants to continue flooding the money and financial markets with fresh central-bank liquidity through its monthly asset purchases. In order to offset shortage problems associated with the recent decision to expand the purchases, the ECB will begin in the summer to purchase not only government bonds but also corporate bonds, bonds of other government-related issuers (SSA bonds), covered bonds and securitisations. The ECB's bond purchases are focused on bonds with long residual maturities. As a result, the ECB is limiting the upside potential for euro yields at the long end of the yield curve. At the short end the level of euro yields is limited by the further easing hinted at by the ECB.

The EAA therefore anticipates that for 2016 the US will see moderately higher yields at the long end of the yield curve, while yields in the eurozone will either linger at a low level (Germany and other core countries) or fall slightly (Spain, Italy and Portugal). The yield on ten-year German Bunds is likely to be at slightly more than 0.8% at the end of 2016, whereas the US equivalent is forecast to hit 2.5%.

Overview of key financial markets

Fixed income markets year-end 2016	Policy rate in %	2Y yield in %	10Y yield in %
USA	1.10	1.40	2.50
Eurozone	0.05	-0.30	0.80
Core & semi core			
Germany	0.05	-0.30	0.80
France	0.05	-0.30	1.00
Periphery			
Spain	0.05	0.20	1.80
Italy	0.05	0.20	1.70

Source: Bloomberg, EAA.

Economic report

Overview of economic development

The EAA's economic performance in the first quarter of 2016 was largely determined by its wind-up mission.

During this period the notional volume of the banking book fell by 6.0% to EUR 33.8 billion, while the notional volume of the trading portfolio declined by roughly 5.8% to EUR 321.9 billion.

The net profit for the year of EUR 2.1 million includes positive net interest income of EUR 43.0 million, net fee and commission income amounting to EUR 6.1 million, net expense of the trading portfolio totalling EUR 14.4 million and a financial investment result of EUR 36.8 million. General administrative expenses amounted to EUR 57.1 million.

The EAA's total assets rose by 6.2% from EUR 68.7 billion in the previous year to their current level of EUR 72.9 billion. The business volume, which also includes off-balance-sheet components, increased by 4.1% to EUR 85.1 billion (previous year: EUR 81.7 billion). The increase is primarily due to the valuation effect associated with changes in the yield curve on the trading portfolio and the corresponding expansion of the cash collateral that the EAA is required to provide. New business beyond the customary renewals of the EAA's funding and hedge positions was not concluded.

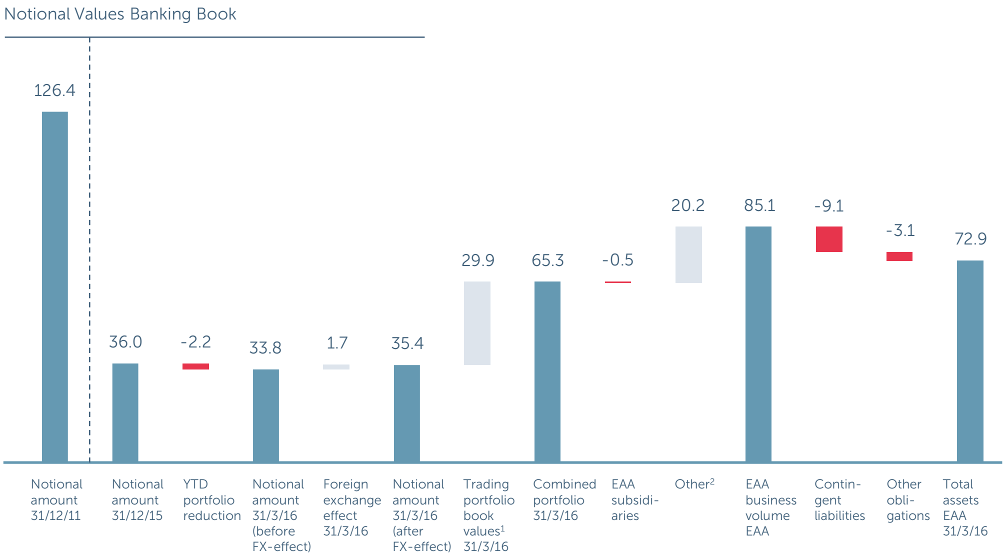
Wind-up report

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

The following overview shows the development of the portfolio's notional amounts since 1 January 2016 and the reconciliation to the EAA's total assets as at 31 March 2016.

Reconciliation of the transferred notional volume to the balance sheet

in EUR billion



[1] Equates to the book values for trading portfolio assets.
[2] Contains money market transactions, cash collateral and other assets not relevant for the wind-up portfolio.
Please note: There may be deviations between the subtotals and totals shown due to rounding.

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

Wind-up success in the banking book

From 1 January until 31 March 2016 the notional volume of the banking book was reduced from EUR 36.0 billion to EUR 33.8 billion (at exchange rates as at 31 December 2011, including the notional amounts of the guaranteed risk exposures held by the EAA's subsidiaries). That equates to a decline in notional volume of EUR 2.2 billion (6.0%). The volume at exchange rates as of 31 March 2016 is EUR 35.4 billion. Since 1 January 2012 the total banking book portfolio has decreased by EUR 92.6 billion or 73.3%.

			Notional volume (at exchange rates as of 31/12/2011)		Notional volume (at exchange rates as of 31/3/2016)	
Clusters	Notional 31/3/2016 EUR million	Notional 31/12/2015 EUR million	EUR million	Change to 31/12/2015 in %	Notional 31/3/2016 EUR million	FX effect[1] EUR million
Structured Securities	10,607.2	12,092.8	-1,485.6	-12.3	11,256.7	649.5
Liquidity Portfolio	7,611.7	7,665.5	-53.8	-0.7	8,006.9	395.2
Energy	3,978.8	4,044.2	-65.4	-1.6	4,181.1	202.3
Public Finance	2,363.9	2,453.1	-89.2	-3.6	2,361.7	-2.2
Asset Securitisation	1,705.4	1,734.5	-29.1	-1.7	1,928.2	222.8
Infrastructure - Project Finance	1,456.4	1,518.6	-62.2	-4.1	1,447.7	-8.7
Other clusters	6,062.5	6,448.5	-386.0	-6.0	6,265.7	203.2
Total	**33,785.9**	**35,957.2**	**-2,171.3**	**-6.0**	**35,448.0**	**1,662.1**

[1] Change in notional volume due to exchange rate effects.
Please note: The cluster structure was modified as of 31 March 2016. The NPL cluster was dissolved and its positions were reassigned to their original clusters. The presentation of the previous year has been restated accordingly.

So far this year the EAA has significantly reduced the portfolio in the Structured Securities cluster. This decrease is primarily due to partial repayments of the Phoenix A2 (USD) and A3 (EUR) notes as well as the complete repayment of the Phoenix A1 note (USD).

The notional reduction in the Other clusters is distributed over the rest of the portfolio, with the main changes taking place because of sales and repayments in the Aviation cluster.

There was a EUR -6.5 million effect on the wind-up plan in the first quarter of 2016 associated with sales and early repayments from the banking book portfolio, mainly caused by early repayments in the Infrastructure - Project Finance portfolio.

Wind-up success in the trading portfolio

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

The notional volume of the trading portfolio amounted to EUR 321.9 billion as at 31 March 2016. The notional volume of the trading portfolio decreased by a total of EUR 19.8 billion during the period from 1 January to 31 March 2016 (at exchange rates as at 30 June 2012). Since its transfer, the trading portfolio has been reduced by EUR 742.1 billion or 69.7%.

			Notional volume (at exchange rates as of 30/6/2012)		Notional volume (at exchange rates as of 31/3/2016)	
Cluster[2]	Notional 31/3/2016 EUR million	Notional 31/12/2015 EUR million	EUR million	Change to 31/12/2015 in %	Notional 31/3/2016 EUR million	FX effect[1] EUR million
Rates	318,514.5	337,916.7	-19,402.2	-5.7	321,844.5	3,330.0
Equity	2,807.1	2,946.2	-139.1	-4.7	2,409.0	-398.1
Credit	329.0	511.9	-182.9	-35.7	329.1	0.1
Other clusters	287.9	325.5	-37.6	-11.6	313.2	25.3
Total	**321,938.5**	**341,700.3**	**-19,761.8**	**-5.8**	**324,895.8**	**2,957.3**

[1] Change in notional volume due to exchange rate effects.
[2] The clusters are presented in the structure of the 2016 wind-up plan.

The decline is predominantly the result of maturities as well as liquidation and the active management of transactions. The principal driving force was the Rates cluster with a total notional decrease of EUR 19.4 billion. This decline resulted primarily from maturities of around EUR 19.6 billion, active reduction measures totalling EUR 8.5 billion and offsetting hedge transactions in the amount of EUR 8.7 billion.

The Equity cluster was scaled back by EUR 0.1 billion or 4.7% in the first quarter of 2016 compared with the prior-year figure (at exchange rates as at 30 June 2012). This decline can mainly be attributed to maturities.

The Credit cluster was reduced by EUR 0.2 billion or 35.7% in the first quarter of 2016 compared with the same period last year (at exchange rates as at 30 June 2012). The decline in the portfolio is mostly the result of maturities.

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

EAA's overall situation

Earnings situation

The EAA's earnings situation was impacted by positive net interest income of EUR 43.0 million, net fee and commission income of EUR 6.1 million, net expense of the trading portfolio totalling EUR 14.4 million and a financial investment result of EUR 36.8 million. Other administrative expenses amount to EUR 51.5 million and mainly consist of expenses for services rendered by PFS and EPA.

After taking account of a net result of EUR -11.0 million from allocations to and releases from loan loss provisions, earnings before taxes were EUR 2.2 million.

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

Income statement

	1/1 - 31/3/2016	1/1 - 31/3/2015	Change	
	EUR million	EUR million	EUR million	in %
Net interest income	43.0	32.1	10.9	34.0
Net fee and commission income	6.1	11.4	-5.3	-46.5
Net trading result	-14.4	-65.4	51.0	78.0
Total other operating income/expenses	-1.2	0.6	-1.8	>-100
Personnel expenses	-5.6	-5.4	-0.2	-3.7
Other administrative expenses	-51.5	-67.7	16.2	23.9
of which: expenses for service level agreements with PFS	-35.0	-49.4	14.4	29.1
Net income from investment securities and long-term equity investments	36.8	-30.4	67.2	>100
Results prior to risk provisioning	**13.2**	**-124.8**	**138.0**	**>100**
Loan loss provisions	-11.0	117.4	-128.4	>-100
Results before taxes	**2.2**	**-7.4**	**9.6**	**>100**
Taxes	-0.1	-1.5	1.4	93.3
Net profit for the year	**2.1**	**-8.9**	**11.0**	**>100**
Net retained losses brought forward	-2,384.6	-2,397.7	13.1	0.5
Net retained losses	-2,382.5	-2,406.6	24.1	1.0

Financial position and issuing activity

The EAA's outstanding portfolio of issued bearer bonds, promissory note loans and commercial paper totals EUR 38.2 billion as at the reporting date. It includes the global Commercial Paper Programme with a notional amount equivalent to EUR 18.7 billion.

New issues for medium and long-term funding were placed in the market during the period under review with a total notional volume equivalent to around EUR 1.6 billion, consisting of USD 1.0 billion (EUR 0.9 billion) and GBP 0.5 billion (EUR 0.7 billion).

A notional amount equivalent to EUR 16.7 billion was issued during the reporting period under the global Commercial Paper Programme, consisting of USD 11.8 billion (EUR 10.4 billion), GBP 4.9 billion (EUR 6.2 billion) and EUR 0.1 billion.

As at the reporting date the portfolio contains own bonds with a notional volume of around EUR 0.1 billion that were bought back from the market for liquidity management purposes.

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

Asset position

The EAA's total assets as at 31 March 2016 amount to EUR 72.9 billion (previous year: EUR 68.7 billion). The business volume, which also includes off-balance-sheet components, amounts to EUR 85.1 billion (previous year: EUR 81.7 billion).

Assets

	31/3/2016 EUR million	31/12/2015 EUR million	Change EUR million	in %
Cash reserve	749.6	-	749.6	>100
Loans and advances to banks	12,843.1	9,664.2	3,178.9	32.9
Loans and advances to customers	14,593.6	15,066.2	-472.6	-3.1
Securities (no trading portfolio)	13,814.3	15,797.5	-1,983.2	-12.6
Trading portfolio	29,899.5	27,148.2	2,751.3	10.1
Long-term equity investments and shares in affiliates	920.0	873.6	46.4	5.3
Other assets	119.6	118.5	1.1	0.9
Total assets	**72,939.7**	**68,668.2**	**4,271.5**	**6.2**

Liabilities and equity

	31/3/2016 EUR million	31/12/2015 EUR million	Change EUR million	in %
Deposits from banks	3,412.0	3,622.8	-210.8	-5.8
Deposits from customers	4,297.0	4,092.8	204.2	5.0
Debt securities in issue	35,239.0	34,233.5	1,005.5	2.9
Trading portfolio	28,293.3	25,383.7	2,909.6	11.5
Provisions	379.9	393.8	-13.9	-3.5
Other liabilities	684.8	310.0	374.8	>100
Equity	633.7	631.6	2.1	0.3
Total liabilities and equity	**72,939.7**	**68,668.2**	**4,271.5**	**6.2**
Contingent liabilities	9,069.4	9,870.8	-801.4	-8.1
Other obligations/loan commitments	3,064.1	3,188.3	-124.2	-3.9
Business volume	**85,073.2**	**81,727.3**	**3,345.9**	**4.1**

Loans and advances to banks rose by EUR 3.2 billion as at 31 March 2016 compared with year-end 2015 due to a higher volume in short-term money transactions and cash collateral.

The slight decline in loans and advances to customers by EUR 0.5 billion is mostly attributable to principal repayments in the traditional lending business.

The EUR 2.0 billion decrease in securities is mainly the result of repayments in the structured securities business.

As at 31 March 2016, trading assets and liabilities were higher on year-end 2015 by EUR 2.8 billion and EUR 2.9 billion respectively. This increase is the result of changes in the yield curve, which more than offset the decrease resulting from the ongoing wind-up of the trading portfolio.

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

Lending business

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

Lending business

	31/3/2016	31/12/2015	Change	
	EUR million	EUR million	EUR million	in %
Loans and advances to banks	12,843.1	9,664.2	3,178.9	32.9
Loans and advances to customers	14,593.6	15,066.2	-472.6	-3.1
Contingent liabilities	9,069.4	9,870.8	-801.4	-8.1
Other obligations/loan commitments	3,064.1	3,188.3	-124.2	-3.9
Lending business	**39,570.2**	**37,789.5**	**1,780.7**	**4.7**

Summary of the business situation

The net profit generated by the EAA in the first quarter of 2016 was mainly due to a positive financial investment result and lower administrative expenses.

The asset position of the EAA is in good order. Its equity as at 31 March 2016 amounts to EUR 633.7 million. Adequate liquidity was available at all times.

Significant events after the reporting date are disclosed in the notes (“Subsequent events” section).

Risk, opportunities and forecast report

Risk report

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

The figures and developments discussed in this section are regularly reported to the FMSA as part of its supervision of the EAA. They relate to the entire risk portfolio transferred to the EAA, regardless of whether these figures are recorded on or off-balance-sheet in the EAA's separate 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 risk policy principles as contained in the risk strategy.

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

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

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

The Risk Controlling department is responsible for monitoring market price, liquidity and operational risks. The Credit Risk Management department comprises the back-office function in the lending business as defined by German Minimum Requirements for Risk Management (Mindestanforderungen an das Risikomanagement – MaRisk). In particular, this department comprises the lending authority. It is also responsible for credit risk steering and credit risk controlling, and is supported by the Controlling & Planning department. The Risk Controlling and Credit Risk Management departments monitor and analyse risk exposures as well as the utilisation of the limits. They also take measures to reduce risks as necessary.

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

Risk reporting

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

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

Credit risks

Credit risks – banking book

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

The notional volume of the banking book (which primarily consists of loans and securities) declined by EUR 2.2 billion to EUR 33.8 billion in the first quarter of 2016 (at constant exchange rates as of 31 December 2011). Please refer to the section "Wind-up report" for more detailed information on the wind-up result.

Breakdown of notional volume by internal rating category[1]

	31/3/2016 EUR billion	31/12/2015 EUR billion
A0-A2	0.6	3.1
A3-A5	12.1	10.8
B1-B3	1.2	1.3
B4-B5	3.7	4.0
C1-C2	4.8	5.0
C3-C5	4.2	4.2
D1-D3	1.0	1.1
D4-E	3.9	3.9
S.R.[2]	2.1	2.3
N.R.[3]	0.2	0.3
Total	**33.8**	**36.0**

1 Excluding exchange rate effects (based on exchange rates as of 31 December 2011).
2 Special rating pursuant to the not-rated concept.
3 Not rated.
Please note: Where possible, the internal rating categories are based on the guarantor's rating.

The quality of the banking book portfolio is reflected by an investment grade rating share (rating categories A0-C2) of around 66% (31 December 2015: 67%). About 38% (31 December 2015: 39%) of the notional volume has a very good rating (A0-A5) and around 29% (31 December 2015: 29%) is assigned to the mid-rating categories B1-C2. The S.R. rating category includes the opening clauses of the rating process and has a share of around 6% of the total portfolio.

The EAA continues to aim for a portfolio reduction across all rating categories. The decrease of EUR 2.5 billion in the A0-A2 rating category is primarily the result of a shift of positions in the ABS portfolio to the A3-A5 rating category. Due to the partial repayment of the Phoenix A2 note (USD) in the amount of EUR 1.3 billion, the increase in the A3-A5 rating category is smaller than the decrease in the A0-A2 category caused by the category shift in the ABS portfolio. The volumes in rating categories D1-D3 and D4-E have decreased marginally since the start of the year.

The table below shows the EAA's internal ratings and their external equivalents.

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

Breakdown of notional volume by clusters[1,2]

	31/3/2016 in %	31/12/2015 in %
Structured Securities	31.4	33.6
Liquidity Portfolio	22.5	21.3
Energy	11.8	11.2
Public Finance	7.0	6.8
Asset Securitisation	5.0	4.8
Infrastructure - Project Finance	4.3	4.2
Other	18.0	18.1
Total	**100.0**	**100.0**

[1] 31 March 2016 = EUR 33.8 billion; 31 December 2015 = EUR 36.0 billion.
[2] Excluding exchange rate effects (based on exchange rates as of 31 December 2011).
Please note: The cluster structure was modified as of 31 March 2016. The NPL cluster was dissolved and its positions were reassigned to their original clusters. The presentation of the previous year has been restated accordingly.

The EAA's banking book portfolio consists of 17 clusters. The largest cluster, Structured Securities, with a total share of 31.4%, consists of three sub-portfolios: Phoenix (83.5% – please refer to section "Phoenix" for further details), Asset Backed Securities (3.1%) and EUSS (13.4%).

Breakdown of notional volume by maturities[1,2]

	31/3/2016 EUR billion	31/12/2015 EUR billion
<= 6 M	3.3	1.0
> 6 M <= 1 Y	0.9	4.7
> 1 Y <= 5 Y	11.5	11.8
> 5 Y <= 10 Y	6.3	6.3
> 10 Y <= 20 Y	7.0	7.2
> 20 Y	4.8	5.0
Total	**33.8**	**36.0**

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

The largest part of the portfolio, with a share of approximately 34%, consists of medium-term exposures with contractual maturities of more than one year up to five years. These are primarily exposures held in the Structured Securities (mainly Phoenix, please also refer to the "Phoenix notes capital structure" table in the "Phoenix" section) and Liquidity Portfolio clusters.

The increase in the maturity range up to six months and the decrease in the maturity range from six months up to one year relate in particular to a partial repayment of the Phoenix portfolio in the first quarter of 2016 and the repayments expected over the course of the fiscal year.

The other changes within the maturity ranges reflect the portfolio management measures undertaken during the first quarter of 2016.

Breakdown of notional volume by region[1]

	31/3/2016 EUR billion	31/12/2015 EUR billion
Americas[2]	15.4	16.9
EMEA	13.3	13.7
Germany	4.3	4.4
APAC	0.8	1.0
Total	**33.8**	**36.0**

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

The regional breakdown of the notional volume has changed moderately compared to 31 December 2015. Approximately 45% of the notional volume (31 December 2015: 47%) can be attributed to the Americas region. Repayments in particular led to a decline of EUR 2.5 billion, with most of the decrease occurring in the Structured Securities cluster (primarily Phoenix).

About 39% of the notional volume (31 December 2015: 38%) is attributable to the EMEA region – Europe (excluding Germany), Middle East and Africa.

The notional volume for German borrowers and guarantors (share of portfolio: about 13%; 31 December 2015: 12%) is virtually unchanged.

The APAC region represents around 2% (31 December 2015: 3%) and has fallen largely because of sales in the first quarter of 2016.

Problem loans and risk provision

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

Result of risk provisions

	Provisions for loan losses EUR million	Charge-offs EUR million	Net change in loan loss provision EUR million	Other exp./inc. due to risk EUR million	Total allow. losses EUR million
Acute counterparty default risk	**51.4**	**30.4**	**-21.0**	**2.0**	**-19.0**
Credit risk	51.4	30.4	-21.0	4.3	-16.7
Other risk	-	-	-	-2.3	-2.3
Contingent counterparty default risk	**-**	**8.0**	**8.0**	**-**	**8.0**
Total	**51.4**	**38.4**	**-13.0**	**2.0**	**-11.0**

Special banking book issues

Phoenix

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

The largest part of the securitised Phoenix portfolio (approximately 60%) is denominated in US dollars and represents US risks, primarily in the real estate market.

Phoenix notes capital structure

Tranche	Amount as of 31/3/2016 in million		S&P rating	Legal maturity	Expected maturity in years
Class A1	-	USD	AAA	9/2/2091	n.s.
Class A2	1,472.2	USD	AAA	9/2/2091	0.36
Class A3	2,386.6	USD	A	9/2/2091	1.86
	625.6	EUR	A	9/2/2091	1.86
Class A4	1,909.0	USD	B+	9/2/2091	8.87
	180.9	EUR	B+	9/2/2091	7.36
Class B	3,566.6	EUR	N.R.	9/2/2091	2.00

Repayments in the reporting period amounting to EUR 1.4 billion resulted in a decrease of the notional volume reported in euros to EUR 8.8 billion as of 31 March 2016 (at constant exchange rates as of 31 December 2011).

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

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

	31/3/2016 EUR billion	31/12/2015 EUR billion
A0-A2	-	-
A3-A5	7.1	8.5
B1-B3	-	-
B4-B5	-	-
C1-C2	1.7	1.7
C3-C5	-	-
D1-D3	-	-
D4-E	-	-
S.R./N.R.	-	-
Total	**8.8**	**10.2**

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

All of the Phoenix notes have an investment grade rating (rating categories A0-C2), taking into account the rating of the State of NRW (the guarantor for the Phoenix B note). So far, EUR 1.4 billion of the total EUR 5 billion guarantee from the State of NRW for the Phoenix B note has been utilised.

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

Public Finance

The exposure to the public sector (including the Liquidity Portfolio) as at 31 March 2016 totals a notional amount of EUR 6.2 billion (excluding exchange rate effects, based on exchange rates as of 31 December 2011). EUR 3.6 billion of this amount is attributable to Cyprus, Ireland, Italy, Portugal, Slovenia and Spain. Further information can be found in the section “Exposures to selected EU member states”.

Securities account for 88% of the total public sector exposure (including regional and municipal issuers). Some of these are held directly by the EAA and some by EAA CBB. The remaining 12% largely consists of lending transactions involving federal, municipal or other public-law institutions.

The largest part of the overall exposure, at 79%, is attributable to borrowers or issuers from the eurozone, with the remaining volume coming from European countries outside the eurozone, Africa and the Middle East (13%), North and South America (6%), and Asia and Australia (2%).

Credit risks – trading portfolio

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

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

OTC derivative counterparty default risks are assessed independently from the front office using credit valuation adjustments (CVA). When doing so, externally traded credit spreads, where available, are used to determine the probability of default. The expected loss can be calculated as CVA based on expected future exposures and a statistically determined recovery rate. CVA amounted to EUR 61.2 million as at 31 March 2016 (31 December 2015: EUR 54.9 million). The increase in CVA by EUR 6.3 million is attributable to market fluctuations (EUR +7.0 million) and changes in credit spreads (EUR +2.7 million). These increases were offset by EUR -2.5 million associated with transfers from the trading portfolio to the banking book and EUR -0.9 million caused by changes in credit ratings.

Counterparty and issuer risks

Direct counterparty risks

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

The following schedule shows direct counterparty risks. These are counterparty risks from those transactions which the EAA accounts for directly in its balance sheet and not those that have been transferred to it synthetically.

	31/3/2016 Exposure EUR million	31/3/2016 Limit EUR million	31/12/2015 Exposure EUR million	31/12/2015 Limit EUR million
Counterparty risk - OTC derivatives (pre-settlement)	972.5	3,785.0	1,097.3	3,835.0
Credit risk - money market positions[1]	3,922.0	5,547.5	2,058.2	7,547.5
Counterparty risk - repos	14.0	974.0	17.6	1,919.0

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

Counterparty risks from OTC derivatives are driven by transactions for liquidity steering (foreign exchange swaps) and interest rate hedging instruments (interest rate swaps). The credit risk for money market positions as of 31 March 2016 has risen in comparison to the previous year-end due to the advance funding of loans whose transfer from Portigon's balance sheet to the EAA is pending. As the EAA has sufficient liquidity on the reporting date, the utilisation of the limits for repo transactions (EUR 14.0 million) is only approximately 1.4%.

Issuer risks

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

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

	< 1 Y EUR million	1-4 Y EUR million	4-8 Y EUR million	8-15 Y EUR million	> 15 Y EUR million	Total exposure EUR million
Public Finance	243.6	975.6	1,303.6	1,522.7	1,614.9	5,660.4
Financial Institutions	352.8	505.6	403.0	29.3	-	1,290.7
Other securities	98.0	82.6	173.4	953.6	2,300.9	3,608.5
Total 31/3/2016	**694.4**	**1,563.8**	**1,880.0**	**2,505.6**	**3,915.8**	**10,559.6**
Total 31/12/2015	825.4	1,518.5	1,898.0	2,642.9	4,035.8	10,920.6

The Public Finance sub-portfolio accounts for the largest share with about EUR 5.7 billion. The remaining issuer exposures are made up of Financial Institutions securities as well as Other securities, mainly student loans.

Issuer risks of the trading portfolio are low and total only EUR 10.4 million. EUR 9.5 million of this amount is attributable to securities and credit derivatives, with equities and equity derivatives accounting for the remaining EUR 0.9 million.

Participation risks

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

Of the total portfolio of the EAA Group, a notional volume of EUR 3.4 billion (10.1%) is held by subsidiaries, mainly consisting of EAA CBB with EUR 1.6 billion (47.8%), Erste EAA-Beteiligungs GmbH with EUR 1.3 billion (37.3%), EAA KK with EUR 0.2 billion (6.0%) and Dritte EAA Anstalt & Co. KG with EUR 0.3 billion (9.0%).

The notional volume of EAA CBB decreased marginally during the first quarter of 2016 by EUR 0.1 billion to EUR 1.6 billion. The notional volume of EAA KK decreased during the first quarter of 2016 by EUR 0.1 billion to EUR 0.2 billion because of sales. EAA CBB and EAA KK are included in the risk management and business management of the EAA. These participations are subject to monitoring by the EAA and the EAA's approved internal limit system. Representatives of the EAA exercise non-managerial control functions as members of the governing bodies and committees of EAA CBB.

Erste EAA-Beteiligungs GmbH founded American LLPs in 2014 in connection with enforcement measures. These newly founded entities hold portfolios of American life insurance policies. This company is fully funded by the EAA (EUR 1.3 billion).

Dritte EAA Anstalt & Co. KG was founded in December 2015 in connection with the transfer of a portfolio of structured securities. The EAA holds these securities in trust for Dritte EAA Anstalt & Co. KG. The EAA manages the transactions of Dritte EAA Anstalt & Co. KG as its general partner. As the securities continue to lie within the EAA's scope of risk, the internal reporting has remained virtually unchanged. The data of the transferred securities continue to flow into the EAA's risk systems.

Ownership of PFS was transferred to the EAA at the end of March 2016 ("share deal"). This transaction ensures that going forward the EAA will continue to have at its disposal all of the services it needs to successfully continue with the wind-up of the risk exposures transferred from the former WestLB. In addition to EPA, PFS is the EAA's most important service provider. PFS provides mostly IT and operational services for the EAA. Compared with alternative scenarios – such as the selection of a new service provider and the migration of large quantities of data to the new provider's information systems – the acquisition of PFS was the most favourable solution from a commercial perspective for the EAA and all of its stakeholders.

The EAA has included the transaction in the wind-up planning from 2016 and beyond, and it will not result in any adverse consequences for the wind-up result. The State of NRW, the sole shareholder of Portigon and a stakeholder of the EAA, has reached an agreement with the other EAA stakeholders setting out the framework conditions for the transfer of PFS shares. The agreement ensures in particular that none of the participating parties will suffer a shift of liabilities as a result of the transfer of PFS to the EAA. The provisions set out in the contract on the restructuring of the former WestLB will therefore continue to apply. The EAA will manage PFS as a legally independent company and support the management of PFS with the implementation of the restructuring measures that are currently underway. In addition, the EAA will continue to regularly monitor to what extent organisational adjustments are necessary and possible to reflect the declining volume of the portfolio. The objective is to focus PFS rigorously on the requirements of the EAA in order to achieve an efficient wind-up of the EAA's assets in a value-preserving manner.

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

Exposures to selected EU member states

The banking book exposure of the EAA and its subsidiaries to Cyprus, Greece, Ireland, Italy, Portugal, Slovenia and Spain totals EUR 6.3 billion as of 31 March 2016. This exposure has been reduced by EUR 0.2 billion since the beginning of 2016. The decline is mostly attributable to Italy (EUR 87 million), Portugal (EUR 47 million) and Spain (EUR 21 million).

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

Country[1]	Debtor group	31/3/2016 Notional in EUR million[2,3]	31/12/2015 Notional in EUR million[2,3]
Greece	Corporates	90.4	92.3
	Financial Institutions	0.0	0.0
Σ Greece		**90.4**	**92.3**
Ireland	Corporates	8.8	10.2
	Financial Institutions	0.1	0.2
	Public Finance	115.0	115.0
Σ Ireland		**123.9**	**125.4**
Italy	Corporates	777.1	807.2
	Financial Institutions	102.7	103.9
	Public Finance	1,773.3	1,829.4
Σ Italy		**2,653.1**	**2,740.5**
Portugal	Corporates	18.0	18.0
	Financial Institutions	11.2	11.2
	Public Finance	858.0	904.6
Σ Portugal		**887.2**	**933.9**
Slovenia	Public Finance	40.0	40.0
Σ Slovenia		**40.0**	**40.0**
Spain	Corporates	992.5	1,004.3
	Financial Institutions	625.9	635.9
	Public Finance	856.1	855.5
Σ Spain		**2,474.5**	**2,495.7**
Cyprus	Corporates	64.2	64.2
Σ Cyprus		**64.2**	**64.2**
Total[4]		**6,333.3**	**6,491.9**
of which	Corporates	1,951.0	1,996.2
of which	Financial Institutions	739.9	751.3
of which	Public Finance	3,642.4	3,744.4

1 Economic view may differ from the borrower's legal country of residence (for Corporates and Financial Institutions).
2 Based on current exchange rates.
3 Presentation of the notional volume, including hedges (net).
4 Of which EAA CBB EUR 912.9 million.

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

Product[1]	Value[2]	Country[3]	31/3/2016 EUR million [4,5]	31/12/2015 EUR million [4,5]
Single name CDS	Notional	Italy	-	-
		Portugal	-	-
		Spain	-	-
Σ Single name CDS			**-**	**-**
Decomposed CDS	EaD	Italy	0.0	0.0
		Portugal	0.0	0.0
		Spain	0.0	0.0
Σ Decomposed CDS			**0.0**	**0.0**
Equities	MtM	Greece	-	0.0
		Italy	-	0.4
Σ Equities			**-**	**0.4**
Other derivatives and ALM	MtM	Ireland	0.9	0.5
		Italy	316.1	127.5
		Portugal	0.4	0.4
		Spain	459.5	448.2
		Cyprus	23.5	21.3
Σ Other derivatives and ALM			**800.4**	**597.8**

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

Market price risks

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

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

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

Interest rate risk (EAA Group)

	31/3/2016 EUR thousand	31/12/2015 EUR thousand
< 1 Y	34.8	-60.1
1-4 Y	17.6	1.7
4-8 Y	8.6	-39.0
8-15 Y	-47.9	-21.1
> 15 Y	-12.3	-12.9
Total	**0.8**	**-131.4**

Interest rate risk in the banking book is measured as the change in the present value given a yield rise of one basis point (interest rate sensitivity PV01).

The interest rate sensitivity PV01 is EUR +0.8 thousand, and has decreased compared with the end of 2015 (EUR -131.4 thousand) due to management measures. The utilisation is within the limits.

Foreign exchange risk (EAA Group)

	31/3/2016 EUR thousand	31/12/2015 EUR thousand
AUD	5,301.3	3,682.6
CHF	3,942.7	8,959.9
GBP	3,521.0	10,541.9
JPY	3,040.1	4,130.2
PLN	-2,279.4	-2,148.8
SGD	2,908.6	2,877.3
USD	10,893.9	15,226.6
Other	10,765.1	4,597.3
Total	**38,093.3**	**47,867.0**

The EAA's currency position is determined based on the principle of special cover in accordance with section 340h HGB. The exposures in the various currencies are within the limits. They fluctuate within the limits and are subject to change based on market movements and as part of the EAA's normal operations.

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

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

Market price risks – trading portfolio

In the trading portfolio, equity price risks and, to a small extent, credit spread and commodity risks also exist alongside interest rate and foreign exchange risks. The trading portfolio predominantly includes derivative exposures as well as non-linear options risks. In line with market practice, risks in the trading portfolio are hedged at the portfolio level. This entails residual risks which change due to market movements and developments in the portfolio, and are hedged dynamically (dynamic hedging strategy).

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

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

The relevant market price risk exposures are continuously subjected to backtesting. This involves comparing on a daily basis the actual market value changes (hypothetical income statement) to the possible market value changes forecast by the VaR model. So far in 2016 there have been no backtesting breaches at the highest level of the portfolio structure of the trading portfolio. From a statistical perspective, two to three instances of exceeded limits must be expected per year for a VaR with a holding period of one trading day and a confidence level of 99%.

Value at Risk by clusters

	31/3/2016 EUR thousand	31/12/2015 EUR thousand
EAA Trading	916.6	1,324.6
Interest Rate Exotics	488.1	989.2
Muni GIC Portfolio	450.1	404.6
Interest Rate Flow	196.0	431.5
Interest Rate Options	164.2	244.3
Equity Structured Products	93.9	97.0
Foreign Exchange Options and Hybrids	66.6	102.6
Credit Derivatives	13.9	8.6
Fund Derivatives & Credit Repacks	1.9	1.3
Commodities	0.2	0.1

As at 31 March 2016 the VaR for the trading portfolio declined to EUR 916.6 thousand due to market movements and hedging activities (31 December 2015: EUR 1,324.6 thousand).

Liquidity risks

The EAA distinguishes between tactical and strategic liquidity risks.

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

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

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

All stress scenarios demonstrated a viable liquidity situation as of 31 March 2016. The liquidity reserve consists of collateralised liquidity (the portfolio's securities holdings which are highly likely to be eligible for bilateral repo transactions) and short-term investments. Liquidity reserves were always higher than the liquidity requirement during the reporting period. The liquidity reserve was around EUR 7.4 billion when the stress test was performed at month end March 2016.

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

Longevity risks

The EAA funds premium payments for American life insurance policies under so-called life settlement engagements. The payouts from these policies flow to the EAA when the insured individual dies. These engagements are bundled in subsidiaries of Erste EAA-Beteiligungs GmbH.

Longevity risks consists of a longer than calculated life of the insured persons. In this case, the insurance premiums must be paid longer than forecast, and the death benefits are paid to the EAA at a later date.

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

The EAA has engaged external actuarial advisors and service providers who provide the EAA with monthly analyses on the life settlement exposure. Based on these analyses the EAA constantly monitors the relevant cash flows and thus the longevity risk, so that potential deviations from the original forecast can be identified.

The EAA regularly monitors not only the present value of the expected cash flows (premiums, death benefits and service fees) from the policies but also the so-called net present value of Erste EAA-Beteiligungs GmbH. Besides the present value of the expected cash flows, this indicator takes into account the outstanding funding and cash on hand, making it possible to measure performance over time for the entire life settlement portfolio. As at the reporting date on 31 March 2016, the net present value has decreased by USD 4.1 million to USD -13.4 million (31 December 2015: USD -9.3 million). The reduction was caused by lower-than-planned death benefits, adjustments to the amount of premiums by insurers and updates to life-expectancy estimates based on new health updates.

Operational risks

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

Operational risks within the EAA are determined using a risk inventory, which is performed on a regular basis. The EAA’s most recent risk inventory revealed no assessment object with high risks. Of the assessment objects, 12% are characterised by medium risks and 88% by low risks. The overall risk situation therefore remains largely unchanged.

The EAA has outsourced key business processes to its PFS and EPA subsidiaries. EPA has been a unit of the EAA Group since July 2014. PFS now also belongs to the EAA Group effective retroactively as of 1 January 2016.

In the past the EAA received services from Portigon as well. Given the upcoming return of Portigon's banking license in connection with the implementation of the restructuring ordered by the EU Commission, the EAA undertook significant projects last year in order to unbundle itself from Portigon. In this context, for example, HSBC was selected during the previous fiscal year as the new payment service provider.

The most recent risk inventory at the Portigon Group regarding the processes attributable to the EAA showed a high risk for 4.8% of the evaluated risks (previous year: 3.0%), especially in the case of assessments related to personnel. The measures described above (purchase of PFS, unbundling from Portigon) are components of a package of initiatives intended to minimise the EAA's operational risk associated with the procured services.

The EAA has established a service provider management system to monitor the interface between the subsidiaries/service providers and the EAA – as the recipient of services – in terms of the content, form and quality of the services. Using a continuous and timely process, the EAA accordingly ensures that its requirements, which are defined in service level agreements, are fulfilled by the service providers in the agreed form. In this process, the EAA records the outsourcing risks and assesses them by applying a traffic light system.

There have been no elevated risks so far in 2016, and the quality of the services rendered during the period has been fundamentally stable in accordance with the service agreement.

Other risks

Reputational risks

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

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

Legal risks

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

Significant legal risks arise for the EAA from the transferred derivatives transactions with municipalities based on the "Ille ruling" of the German Supreme Court (BGH) of March 2011. The BGH ruled that banks may be required to inform their clients about the initially negative market value of the derivative before the contract is concluded. In the event that said information is not provided, the bank is then liable for providing inappropriate investment advice, according to the BGH. The liability extends to the annulment of the derivative and the reversal of all payments. Additional rulings by the BGH from April 2015 and March 2016 have specified the area of application and significantly expanded its scope. On the other hand, the ruling from March 2016 in particular simplified the defence against the assertion of claims. Herein the BGH set out the conditions under which a lack of disclosure about the initial negative market value is not to be deemed the cause of the conclusion of the contract. The EAA has already reached out-of-court settlements with many municipalities. Nevertheless, the risk cannot be ruled out that future judicial rulings may be unfavourable for the EAA.

Since April 2010 the authorities in the USA, in Great Britain and at the EU level (particularly BaFin) have been investigating possible misconduct in the trading departments of several banks. The initial results of the investigations have not produced any evidence of wrongdoing at the former WestLB; BaFin's investigations against Portigon were terminated without taking any measures against Portigon. A number of investment banks active in the USA were also sued in the USA in various class action lawsuits due to alleged manipulative actions. One aspect of the civil suits (antitrust claims) was rejected in the first instance. Where they have not been terminated yet investigations and also civil suits are likely to continue for a number of years. The EAA currently has no reason to doubt Portigon's claims that there are no indications of any misconduct.

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

Tax risks

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

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

Summary of the risk situation

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

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

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

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

Market price risks are largely limited.

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

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

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

The primary risk associated with the life settlements exposure is that the funding provided cannot be repaid according to plan if the individuals insured live longer than forecast. The longevity risks in the portfolio are regularly analysed by actuarial advisors and monitored closely by the EAA.

The requirements for risk-bearing capacity pursuant to section AT 4.1 MaRisk are not relevant for the EAA. Instead, the EAA performs a quarterly analysis of the development of its equity to the end of the planning period using the wind-up plan as well as updated variables and market parameters. This involves, in particular, the effects of changed framework conditions on equity in 2027. As scheduled a new wind-up plan was prepared as at 31 December 2015. This wind-up plan shows positive equity capital as at the end of the planning period. This means that as of the end of the planning horizon for the wind-up plan, the only possibility that a loss could occur which would require utilisation of the EAA's liability mechanism would be if adverse scenarios were to materialise which, from today's perspective, are unlikely to occur.

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

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

Opportunities report

The creditworthiness of eurozone countries is at the core of the European sovereign debt crisis. Because banks in the eurozone invested heavily in euro government bonds prior to the outbreak of the debt crisis, the deterioration in the credit quality of these economies very rapidly affected the creditworthiness of the banking sector in general. Only the most affluent countries in the core of the eurozone could afford to provide support for their banks. The high and growing indebtedness of peripheral economies made it impossible in many countries to recapitalise and stabilise stricken or faltering banks.

Consequently, the credit quality of the banks also deteriorated, because it became less likely that governments would bail out the banks in the event of a crisis. A country risk premium (risk surcharge over German government bonds), like the one seen in the markets for government bonds, became increasingly prevalent in the pricing of bank bonds, corporate bonds, covered bonds and loans. This led to further adverse effects and created a need for additional write-downs at banks, triggering an expansion in spreads.

The ECB underscored its determination even further with its bond-buying programme for euro government bonds in March 2015. In 2014 it had already begun to purchase securitisations and covered bonds. But in order to achieve its target for total assets of around EUR 3 trillion, the ECB has been additionally purchasing euro government bonds since March 2015 and is spending around EUR 60 billion every month for euro government bonds, covered bonds and securitisations. In March 2016 the Executive Board of the ECB resolved to increase its purchases to EUR 80 billion per month. As of 6 May 2016 the ECB has purchased euro government bonds with a volume of EUR 746.3 billion.

It thereby eased the supply of liquidity to the capital markets even more. This purchase programme will supplement the other mechanisms already in place, such as the ECB's OMT programme and TLTROs. These ECB measures are seen as a major reason why the resurgence of the Greek crisis in 2015 did not expand into a major crisis. Evidence of contagion, such as higher yields and risk premiums, appeared to only a very limited extent among other peripheral issuers from Portugal, Spain or Italy.

Growth rates within the eurozone continue to converge as well. Italy is likely to report further economic growth again in 2016. Former crisis-hit countries such as Spain or Ireland are once again among the fastest-growing economies in the eurozone in 2016. This also means that the distortions experienced over the last five years in the markets for euro government bonds are decreasing. Countries in the core of the eurozone have enjoyed robust growth rates for several quarters.

This boosts the valuations of euro government bonds of the periphery as well as other risky financial products. This process is not limited to just exchange listed products; it also affects other segments of the euro credit markets such as promissory notes, traditional loans and project financing. The EAA's portfolios benefit from this normalisation process because the reversal or "pricing out" of an additional country risk premium means that prices will recover considerably. Going forward, this process will probably continue to bolster financial markets also in 2016. The ECB's OMT programme and its purchases have created new confidence in the euro periphery. At the same time, the euro crisis was a key catalyst for the region. Structural problems in Spain and Portugal, such as rigid labour and product markets, a retirement age that is too low and an inadequate export mix, have been resolved, thereby increasing competitiveness. The effect on bonds of periphery issuers from the trend toward slowly rising yields at the long end of the yield curve will probably be largely offset by falling spreads.

The EAA anticipates that these developments will have a fundamentally beneficial effect on the portfolio (please also refer to the section "Forecast report" for more information).

Forecast report

The EAA expects active measures and contractual maturities to reduce the notional volume of the banking book by around 22% to about EUR 28 billion in 2016.

To date, the original plan for the wind-up of the total portfolio has been met or exceeded.

The EAA's objective is to wind up around 81% of the banking book's portfolio as at 31 December 2011 (including the exposures held by subsidiaries and the refill) by the end of 2017. As in previous years, the EAA's wind-up activities will focus on advance portfolio-reducing measures and active participation management.

For 2016 the plan calls for a reduction in the notional volume of the trading portfolios by around 19% to about EUR 277 billion compared with the previous year. The EAA will continue to analyse to what extent it is possible to accelerate the reduction of the transferred trading portfolios in an effective and cost-efficient manner.

As for the transferred exposures in the trading portfolios, the EAA continues to target a reduction of more than 78% in the notional volume by the end of 2017 since the transfer in 2012. The book values are set to decrease to the same extent during this period – depending on market valuations.

Net interest income and net fee and commission income will foreseeably decrease in the fiscal year 2016 as the volume of the portfolio declines. The plan is to generate close to EUR 159 million (including dividend income) from this portfolio. A forecast for the trading result and for the result of risk provisions is difficult due to the imponderables with respect to developments on the global financial markets and other markets. However, the EAA will continue with its strategy of winding up in a value-preserving manner. Losses cannot be ruled out in the next few fiscal years on account of the now substantial reduction of the portfolio and the associated decline in income from ongoing operations. This is taken into account in the EAA's wind-up plans and it also applies to fiscal year 2016.

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

For 2016 the EAA has once again defined a sale portfolio as a target. In light of this, a number of exposures in the credit and securities portfolio have been identified that offer potential for sales, terminations or early redemptions. This course of action serves the overriding goal of minimising losses while taking into account expected risk developments. Independent of the sales portfolio for 2016, the EAA pursues an opportunistic approach by conducting regular analyses of market conditions and exit opportunities in order to assess early and profitable wind-up opportunities for all positions of the portfolio.

The new interventions by the ECB in 2016 (programme to purchase government bonds, covered bonds and securitisations) and the robust state of the economy in Spain and Portugal appear to have improved the situation. France and Italy are also reporting a pick-up in activity again, following several quarters of stagnation. Nevertheless, the current economic recovery is very slow compared with previous economic upturns because an attempt to overcome a debt crisis through austerity measures takes a very long time. These efforts are made even more difficult when additional aspects of the economy besides the public sector, such as private households and the corporate sector, also have to cut spending in order to reduce excessive debt. The new governments in Portugal and Spain also mean that the successful reform policies of recent years may not be continued. These reforms are the central factor behind the recovery of Portugal's and Spain's economies.

Nevertheless, the EAA's ambitious objectives are bolstered by current economic trends. The ECB's programme to purchase euro government bonds should have a particularly positive impact on the EAA's portfolios. During the renewed critical escalation of the situation in Greece, the ECB's purchases and its OMT programme successfully prevented the spread of the problems to other peripheral countries, such as Italy or Portugal. The effect of the ECB's purchases will probably not be limited to just government bonds and will additionally radiate out to other segments. This seems likely because in today's environment of low interest rates and yields, investors are looking for investment alternatives.

Balance sheet

Assets

	Notes	EUR	EUR	31/3/2016 EUR	31/12/2015 EUR
1. Cash reserve					
a) Balances with central banks			749,582,712		(3,518)
of which:					
with Deutsche Bundesbank EUR 749,582,712 (py: EUR 3,518)					
				749,582,712	3,518
2. Loans and advances to banks	4, 28				
a) Payable on demand			7,011,199,646		(5,810,475,286)
b) Other loans and advances			5,831,911,053		(3,853,691,759)
				12,843,110,699	9,664,167,045
3. Loans and advances to customers	5, 6, 15, 28			14,593,572,305	15,066,219,181
of which:					
secured by mortgage charges EUR 336,437,725 (py: EUR 353,030,633)					
public-sector loans EUR 1,270,744,386 (py: EUR 1,281,840,228)					
4. Bonds and other fixed-income securities	7, 16, 28				
a) Bonds issued by					
aa) public issuers		2,328,220,225			(2,333,706,212)
of which:					
eligible as collateral with Deutsche Bundesbank EUR 1,984,055,476 (py: EUR 1,988,362,403)					
ab) other issuers		11,434,680,809			(13,327,383,624)
of which:					
eligible as collateral with Deutsche Bundesbank EUR 1,245,231,184 (py: EUR 1,165,299,097)					
			13,762,901,034		(15,661,089,836)
b) Own bonds Notional value EUR 50,807,000 (py: EUR 132,924,675)			51,063,317		(136,088,750)
				13,813,964,351	15,797,178,586
5. Equities and other non-fixed-income securities	8, 15			285,976	285,976
5a. Trading portfolio	9			29,899,478,993	27,148,168,184

	Notes	EUR	EUR	31/3/2016 EUR	31/12/2015 EUR
6. Long-term equity investments	10			75,575,258	95,289,395
of which:					
in banks EUR 12,421,102 (py: EUR 12,421,102)					
7. Shares in affiliates	11			844,449,015	778,291,621
of which:					
in banks EUR 453,265,038 (py: EUR 452,806,288)					
in financial service providers EUR 42,943,625 (py: EUR 16,736,565)					
8. Trust assets	12			26,034	26,626
of which:					
trust loans EUR 26,034 (py: EUR 26,626)					
9. Intangible assets					
a) Paid concessions, trademarks and similar rights and values such as licenses in such rights			4,746,708		(4,857,699)
				4,746,708	4,857,699
10. Tangible fixed assets				246,818	256,979
11. Other assets	13			68,768,347	67,051,964
12. Prepaid expenses/accrued income	14			45,845,427	46,374,981
Total assets				**72,939,652,643**	**68,668,171,755**

Liabilities and equity

	Notes	EUR	EUR	31/3/2016 EUR	31/12/2015 EUR
1. Deposits from banks	14, 17				
a) Payable on demand			2,812,824,358		(2,865,358,433)
b) With an agreed maturity or withdrawal notice			599,163,581		(757,411,932)
				3,411,987,939	3,622,770,365
2. Deposits from customers	14, 18				
other deposits					
a) Payable on demand			354,073,779		(140,400,864)
b) With an agreed maturity or withdrawal notice			3,942,895,241		(3,952,435,756)
				4,296,969,020	4,092,836,620
3. Debt securities in issue	14, 19				
a) Bonds			16,601,637,167		(18,920,288,732)
b) Other debt securities in issue			18,637,379,419		(15,313,243,645)
of which:					
money market instruments EUR 18,637,379,419 (py: EUR 15,313,243,645)					
				35,239,016,586	34,233,532,377
3a. Trading portfolio	20			28,293,329,381	25,383,746,584
4. Trust liabilities	21			26,034	26,626
of which:					
trust loans EUR 26,034 (py: EUR 26,626)					
5. Other liabilities	22			669,922,209	295,030,126
6. Accruals/deferred income	23			14,851,547	14,868,334
7. Provisions	24				
a) Tax provisions			828,715		(828,715)
b) Other provisions			379,032,782		(392,962,969)
				379,861,497	393,791,684

	Notes	EUR	EUR	31/3/2016 EUR	31/12/2015 EUR
8. Equity	25				
a) Called capital					
Subscribed capital		500,000			(500,000)
less uncalled outstanding capital		0			(0)
			500,000		(500,000)
b) Capital reserves			3,013,237,214		(3,013,237,214)
c) Revenue reserves					
Other revenue reserves		2,431,408			(2,431,408)
			2,431,408		(2,431,408)
d) Net retained losses			-2,382,480,192		(-2,384,599,583)
				633,688,430	631,569,039
Total liabilities and equity				**72,939,652,643**	**68,668,171,755**
1. Contingent liabilities	30				
a) Liabilities from guarantees and warranties			9,069,427,466		(9,870,795,153)
				9,069,427,466	9,870,795,153
2. Other obligations	30				
a) Irrevocable loan commitments			3,064,149,788		(3,188,268,112)
				3,064,149,788	3,188,268,112

Income statement

	Notes	EUR	EUR	1/1 - 31/3/2016 EUR	1/1 - 31/3/2015 EUR
1. Interest income from	26				
a) Lending and money market transactions		81,938,338			(111,909,682)
b) Fixed-income securities and debt register claims		52,867,767			(51,308,938)
			134,806,105		(163,218,620)
2. Interest expense			101,227,192		(131,980,201)
				33,578,913	31,238,419
3. Current income from	26				
a) Equities and other non-fixed-income securities			25,409		(187,998)
b) Long-term equity investments			9,440,285		(614,922)
c) Shares in affiliates			1,757		(47,603)
				9,467,451	850,523
4. Fee and commission income	26		11,935,967		(16,844,918)
5. Fee and commission expense			5,869,387		(5,482,598)
				6,066,580	11,362,320
6. Net trading result				-14,359,303	-65,390,763
7. Other operating income	26, 27			695,574	1,498,106
8. General and administrative expenses					
a) Personnel expenses					
aa) Wages and salaries		5,051,388			(4,855,533)
ab) Compulsory social security contributions and expenses for pensions and other employee benefits		572,402			(539,215)
of which:					
for pensions EUR 169,912 (py: EUR 153,592)					
			5,623,790		(5,394,748)
b) Other administrative expenses			51,334,478		(67,594,513)
				56,958,268	72,989,261

	Notes	EUR	EUR	1/1 - 31/3/2016 EUR	1/1 - 31/3/2015 EUR
9. Depreciation and write-offs on intangible assets and tangible fixed assets				121,152	116,486
10. Other operating expenses	27			1,934,748	794,948
11. Depreciation and write-offs on claims and certain securities as well as additions to provisions in the lending business	24, 28			10,410,930	0
12. Income from reversals of write-offs on loans and advances and certain securities and from reversals of loan loss provisions	24, 28			0	116,987,838
13. Depreciation and write-offs on long-term equity investments, shares in affiliates and long-term securities	28			0	30,014,587
14. Income from appreciations of long-term equity investments, shares in affiliates and long-term securities	28			36,206,782	0
15. Result from ordinary activities				2,230,899	-7,368,839
16. Taxes on income and earnings	29			77,429	105,749
17. Other taxes not reported under item 10				34,079	1,391,197
18. Net profit for the year				2,119,391	-8,865,785
19. Net retained losses brought forward				-2,384,599,583	-2,397,738,401
20. Net retained losses				-2,382,480,192	-2,406,604,186

Cash flow statement

			1/1 - 31/3/2016 EUR	1/1 - 31/3/2015 EUR
1.	+/-	Result for the period	2,119,390	-8,865,785
		Non-cash items included in net loss for the period and reconciliation to cash flows from operating activities		
2.	+/-	Allowances for losses on loans and advances and write-offs on certain securities, depreciation, amortisation on tangible fixed assets and long term financial assets as well as the reversal thereof	8,411,804	-75,401,461
3.	+/-	Increase/decrease in provisions	-13,930,187	7,607,054
4.	+/-	Other non-cash income/expense	170,534,492	75,998,917
5.	+/-	Gain/loss on disposal of long-term financial assets	-39,480,742	-3,977,900
6.	=	Subtotal	127,654,757	-4,639,175
		Change in operating assets and liabilities		
7.	+/-	Increase/decrease of loans and advances to banks (no trading portfolio)	-2,996,224,755	-986,413,934
8.	+/-	Increase/decrease of loans and advances to customers (no trading portfolio)	486,739,573	-4,247,558,053
9.	+/-	Increase/decrease of securities (no financial assets and no trading portfolio)	1,985,021,152	-1,259,294,787
10.	+/-	Trading assets	65,048,790	-293,911,429
11.	+/-	Increase/decrease of other operating assets	-2,463,584	65,324,209
12.	+/-	Increase/decrease of deposits from banks (no trading portfolio)	-212,018,485	1,409,222,871
13.	+/-	Increase/decrease of deposits from customers (no trading portfolio)	187,886,811	-452,846,657
14.	+/-	Increase/decrease of debt securities in issue	1,036,362,775	5,461,399,234
15.	+/-	Trading liabilities	-77,311,293	-87,747,552
16.	+/-	Increase/decrease of other operating liabilities	374,874,701	157,973,250
17.	+/-	Interest expense/interest income	-43,046,363	-32,088,941
18.	+/-	Tax expense/tax income	77,429	105,749
19.	+	Interest payments and dividend payments received	133,577,010	108,191,107
20.	-	Interest paid	-111,141,583	-173,747,880
21.	+/-	Income tax payments	-2,252,998	-105,749
22.	=	Cash flows from operating activities (sum of 6 to 21)	952,783,937	-336,137,737
23.	+	Proceeds from disposal of long-term financial assets	57,483,511	736,776,722
24.	-	Purchase of long-term financial assets	-78,523,571	-7,796,664
25.	-	Purchase of tangible fixed assets	0	-28,227
26.	-	Purchase of intangible assets	0	-39,632
27.	=	Cash flows from investing activities (sum of 23 to 26)	-21,040,060	728,912,199
28.	+/-	Changes in other capital (net)	0	0
29.	=	Cash flows from financing activities (sum of 28)	0	0
30.		Net change in cash funds (sum of 22, 27, 29)	931,743,877	392,774,462
31.	+	Cash funds at beginning of period	8,073,446	54,972,869
32.	=	Cash funds at end of period (sum of 30 to 31)	939,817,323	447,747,331

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

Statement of changes in equity

	Balance as of 01/01/2016 EUR	Appropriation of the result EUR	Balance as of 31/3/2016 EUR
Called capital	500,000	0	500,000
Capital reserves	3,013,237,214	0	3,013,237,214
Other revenue reserves	2,431,408	0	2,431,408
Net retained losses	-2,384,599,583	2,119,391	-2,382,480,192
Equity under HGB	**631,569,039**	**2,119,391**	**633,688,430**

	Balance as of 01/01/2015 EUR	Appropriation of the result EUR	Balance as of 31/3/2015 EUR
Called capital	500,000	0	500,000
Capital reserves	3,013,237,214	0	3,013,237,214
Other revenue reserves	2,431,408	0	2,431,408
Net retained losses	-2,397,738,401	-8,865,785	-2,406,604,186
Equity under HGB	**618,430,221**	**-8,865,785**	**609,564,436**

Condensed notes

For the period from 1 January to 31 March 2016

General disclosures

1. Legal framework of the EAA

The EAA is a structurally and commercially independent public law entity with partial legal capacity operating under the umbrella of the Financial Market Stabilisation Authority (Bundesanstalt für Finanzmarktstabilisierung – FMSA). It has its registered office in Düsseldorf. The EAA was set up by the FMSA on 11 December 2009, and entered into the commercial register of the District Court of Düsseldorf (HRA 20869) on 23 December 2009.

The EAA is winding up the risk exposures and non-strategic business units transferred from the former WestLB and its domestic and foreign subsidiaries. When doing so, it proceeds in a value-preserving and risk-minimising manner so as to stabilise the financial market. The risk exposures and non-strategic business units of the former WestLB were transferred to the EAA in the years 2009 and 2010 (first fill) as well as in 2012 (refill) using several different methods. The method that was chosen in each case was based on the respective national legal, supervisory and tax provisions. There is an ongoing process of legally and fully transferring exposures from Portigon's balance sheet to the balance sheet of the EAA where originally only the economic risk was transferred by way of guarantee without a legal transfer of the exposures themselves. For further information on the transfer methods, please refer to the "Operating activities of the EAA" section in the 2015 annual report.

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

2. Preparation of the interim financial statements

In accordance with section 8a (1) sentence 10 in conjunction with section 3a (4) of the FMStFG and the additional guidance of the EAA's charter, these interim financial statements have been prepared under the provisions of HGB for large public companies and the German Ordinance on Accounting for Banks and Financial Service Providers (Verordnung über die Rechnungslegung der Kreditinstitute und Finanzdienstleistungsinstitute – RechKredV).

In particular the condensed financial statements comply with the requirements of DRS 16 (Interim Reporting).

The information contained in this interim report should be read in conjunction with the disclosures contained in the published and audited financial statements for the fiscal year from 1 January to 31 December 2015. All facts were considered up to the time these interim financial statements were prepared.

3. Accounting and valuation principles

The same accounting and valuation principles were applied to the interim financial statements as to the financial statements for the fiscal year from 1 January to 31 December 2015.

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

Notes on the balance sheet

4. Loans and advances to banks

	31/3/2016 EUR million	31/12/2015 EUR million
Carrying amount	**12,843.1**	**9,664.2**
of which:		
- to affiliates	804.2	972.3
payable on demand	7,011.2	5,810.5
due		
- within 3 months	5,669.8	3,601.1
- 3 months to 1 year	89.9	176.3
- 1 to 5 years	39.8	43.3
- after 5 years	32.4	33.0

5. Loans and advances to customers

	31/3/2016 EUR million	31/12/2015 EUR million
Carrying amount	**14,593.6**	**15,066.2**
of which:		
- to affiliates	1,676.6	1,583.7
- to long-term equity investments	15.3	15.7
due		
- within 3 months	1,977.2	1,929.1
- 3 months to 1 year	2,295.0	2,274.9
- 1 to 5 years	3,039.8	3,246.1
- after 5 years	7,281.6	7,616.1

6. Loans and advances secured by mortgages

	31/3/2016 EUR million	31/12/2015 EUR million
Carrying amount	**336.4**	**353.0**
Loans and advances to customers due		
- within 3 months	25.2	12.0
- 3 months to 1 year	10.3	22.9
- 1 to 5 years	41.8	42.7
- after 5 years	259.1	275.4

7. Bonds and other fixed-income securities

	31/3/2016 EUR million	31/12/2015 EUR million
Carrying amount	**13,814.0**	**15,797.2**
of which:		
Amounts due in the following year	969.8	705.6
Breakdown		
- Bonds issued by public issuers	2,328.2	2,333.7
- Bonds issued by other issuers	11,434.7	13,327.4
- Own bonds	51.1	136.1
Breakdown by marketability		
- Marketable securities	13,814.0	15,797.2
of which:		
- listed	4,079.2	4,164.6
- unlisted	9,734.8	11,632.6
Breakdown by type		
- Liquidity reserve	208.1	290.9
- Investment securities	13,605.9	15,506.2

The bonds and other fixed-income securities in the amount of EUR 13.6 billion (previous year: EUR 15.5 billion) of the investment securities portfolio are included in long-term financial assets. As at the reporting date, investment securities with a book value of EUR 10.4 billion (previous year: EUR 12.1 billion) were valued above their fair value of EUR 9.8 billion (previous year: EUR 11.4 billion) because the EAA expects to receive repayments totalling at least the amount of the book value. This judgement is based on the EAA's long-term wind-up strategy and the expected performance of the investment securities.

This difference is primarily attributable to structured loan products, EUR 0.4 billion of which (previous year: EUR 0.1 billion) relates to bonds that were acquired in connection with asset swaps. The EAA funds the portion of the aforementioned investment portfolio that was not hedged with swaps (EUR 10.0 billion) either with matched funding terms of maturities and currencies, or it hedges the balance at the portfolio level against changes in value caused by fluctuations in interest rates and currencies.

8. Equities and other non-fixed-income securities

	31/3/2016 EUR million	31/12/2015 EUR million
Carrying amount	**0.3**	**0.3**
Breakdown by marketability		
- Marketable securities	0.3	0.3
of which:		
- listed	0.3	0.3
Breakdown by type		
- Liquidity reserve	0.3	0.3

9. Trading portfolio

	31/3/2016 EUR million	31/12/2015 EUR million
Carrying amount	**29,899.5**	**27,148.2**
of which:		
- Derivative financial instruments	29,898.7	27,137.0
- Equities and other non-fixed-income securities	3.6	15.3
- Loans and advances	0.1	0.1
- Risk allowance pursuant to section 340e (3) sentence 1 HGB	-2.9	-4.2

10. Long-term equity investments

	31/3/2016 EUR million	31/12/2015 EUR million
Carrying amount	**75.6**	**95.3**
of which:		
- in banks	12.4	12.4
Breakdown by marketability		
- Marketable securities	27.2	27.2
of which:		
- listed	11.1	11.1
- unlisted	16.1	16.1

The decline in long-term equity investments compared with 31 December 2015 is primarily the result of the planned portfolio wind-up.

11. Shares in affiliates

	31/3/2016 EUR million	31/12/2015 EUR million
Carrying amount	**844.4**	**778.3**
of which:		
- in banks	453.3	452.8
- in financial service providers	42.9	16.7
Breakdown by marketability		
- Marketable securities	434.3	434.3
of which:		
- unlisted	434.3	434.3

The increase is due to the addition of PFS and Dritte EAA Anstalt & Co. KG (please also refer in this regard to the “Participation risks” section of the management report).

12. Trust assets

The EAA’s trust assets as at 31 March 2016 comprise loans and advances to customers amounting to EUR 26.0 thousand (previous year: EUR 26.6 thousand).

13. Other assets

	31/3/2016 EUR million	31/12/2015 EUR million
Carrying amount	**68.8**	**67.1**
of which:		
- Tax refund claims	35.5	32.5
- Receivables from profit and loss pooling agreements	17.7	17.7
- Guarantee fees and commissions	14.6	15.8

The guarantee fees included in other assets consist of receivables from Portigon totalling EUR 14.3 million (previous year: EUR 15.5 million).

14. Prepaid expenses/accrued income

	31/3/2016 EUR million	31/12/2015 EUR million
Carrying amount	**45.8**	**46.4**
of which:		
- Non-recurring payments on swaps	29.7	33.5
- Discounts from issuing business	8.6	8.3
- Discounts from liabilities	3.4	3.4
- Other	4.1	1.2

15. Subordinated assets

Subordinated assets are included in:

	31/3/2016 EUR million	31/12/2015 EUR million
Loans and advances to customers	**757.1**	**737.2**
of which:		
- to affiliates	333.8	306.6
- to long-term equity investments	1.9	1.9
Equities and other non-fixed-income securities	**-**	**-**
Total	**757.1**	**737.2**

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

16. Assets sold under repurchase agreements

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

17. Deposits from banks

	31/3/2016 EUR million	31/12/2015 EUR million
Carrying amount	**3,412.0**	**3,622.8**
of which:		
- Deposits from affiliates	12.6	16.3
payable on demand	2,812.8	2,865.4
Due		
- within 3 months	198.3	289.9
- 3 months to 1 year	8.0	8.5
- 1 to 5 years	168.5	223.7
- after 5 years	224.4	235.3

18. Deposits from customers

	31/3/2016 EUR million	31/12/2015 EUR million
Carrying amount	**4,297.0**	**4,092.8**
of which:		
- Deposits from affiliates	0.1	0.1
Other deposits	4,297.0	4,092.8
of which:		
- payable on demand	354.1	140.4
Due		
- within 3 months	1,310.2	1,197.6
- 3 months to 1 year	144.2	242.1
- 1 to 5 years	776.6	748.1
- after 5 years	1,711.9	1,764.6

19. Debt securities in issue

	31/3/2016 EUR million	31/12/2015 EUR million
Carrying amount	**35,239.0**	**34,233.5**
Bonds	16,601.6	18,920.3
of which:		
Amounts due in the following year	11,279.8	8,460.7
Other debt securities in issue	18,637.4	15,313.2
of which due:		
- within 3 months	13,864.3	13,204.9
- 3 months to 1 year	4,773.1	2,108.3
- 1 to 5 years	-	-
- after 5 years	-	-

20. Trading portfolio

	31/3/2016 EUR million	31/12/2015 EUR million
Carrying amount	**28,293.3**	**25,383.7**
of which:		
- Derivative financial instruments	28,293.2	25,383.5
- Liabilities	0.1	0.2

21. Trust liabilities

The EAA's trust liabilities as at 31 March 2016 comprise deposits from customers amounting to EUR 26.0 thousand (previous year: EUR 26.6 thousand).

22. Other liabilities

	31/3/2016 EUR million	31/12/2015 EUR million
Carrying amount	**669.9**	**295.0**
of which:		
- Currency translation adjustments	641.2	268.6
- Deposits from the assumption of losses	6.1	11.8
- Obligations from swap transactions	-	0.1
- Other	22.6	14.5

Other liabilities mostly include unpaid invoices.

23. Accrued expenses/deferred income

	31/3/2016 EUR million	31/12/2015 EUR million
Carrying amount	**14.9**	**14.9**
of which:		
- Non-recurring payments on swaps	8.6	8.0
- Premium on issuing business	5.0	5.6
- Premiums for sold interest rate caps and floors	1.1	1.2
- Other	0.2	0.1

24. Provisions

	Balance as of 31/12/2015 EUR million	Additions EUR million	Accumulation EUR million	Utilisation EUR million	Reversals EUR million	Other changes EUR million	Final balance 31/3/2016 EUR million
Taxes	**0.8**	**-**	**-**	**-**	**-**	**-**	**0.8**
Other provisions	**393.0**	**22.3**	**0.5**	**22.4**	**4.2**	**-10.1**	**379.1**
- Loans	229.1	11.3	-	0.1	4.1	-11.9	224.3
- Long-term equity investments	26.7	0.4	0.2	-	-	-0.9	26.4
- Legal actions	17.1	-	-	-	-	-0.1	17.0
- Personnel	0.4	-	-	-	-	-	0.4
- Other	119.7	10.6	0.3	22.3	0.1	2.8	111.0
Total	**393.8**	**22.3**	**0.5**	**22.4**	**4.2**	**-10.1**	**379.9**

When loans previously guaranteed by the EAA were transferred to the EAA, the provisions that had been recognised until then for the guaranteed holdings had to be converted into allowances for the assumed exposures. This effect is included in the category "Other change in provisions for loans" in the table shown above.

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

25. Equity

The EAA's subscribed capital amounts to EUR 500,000 as at 31 March 2016.

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

Other reserves amount to EUR 2.4 million and originate from the reversal of provisions for which the book values were reduced as a result of the change in the valuation of obligations under the German Accounting Law Modernisation Act (Bilanzrechtsmodernisierungsgesetz – BilMoG).

Net profit for the first quarter of 2016 amounts to EUR 2.1 million and reduces net retained losses to EUR 2,382.5 million as at 31 March 2016.

Notes on the income statement

26. Geographical breakdown of income components

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

	Interest income 1/1 - 31/3/2016 EUR million	Current income 1/1 - 31/3/2016 EUR million	Fee and commission income 1/1 - 31/3/2016 EUR million	Other operating income 1/1 - 31/3/2016 EUR million
Germany	104.2	9.5	11.2	0.7
United Kingdom	16.5	-	0.5	-
Rest of Europe	1.8	-	-	-
Far East and Australia	0.8	-	-	-
North America	11.5	-	0.2	-
IS amount	**134.8**	**9.5**	**11.9**	**0.7**

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

Current income also includes the income from profit pooling, profit and loss transfer and partial profit and loss transfer agreements, if such agreements exist.

27. Other operating and prior-period expenses and income

Net other operating expenses and income in the first quarter of 2016 amount to EUR -1.2 million (previous year: EUR 0.6 million) and consist of EUR 1.9 million (previous year: EUR 0.9 million) in expenses and EUR 0.7 million (previous year: EUR 1.5 million) in income.

There were no material prior-period expenses and income in either the first quarter of 2016 or in the previous year.

28. Risk provision

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

	1/1 - 31/3/2016 EUR million	1/1 - 31/3/2015 EUR million
Risk provision and financial investment result including loss assumption (pursuant to RechKredV)	**25.8**	**87.0**
Loans and securities income/expense	**-10.4**	**117.0**
of which: - Lending operations	-10.4	114.0
- Securities	-	3.0
Long-term equity investments and securities income/expenses	**36.2**	**-30.0**
of which: - Long-term equity investments	27.2	0.2
- Securities	9.0	-30.2
Expenses from loss assumption	**-**	**-**
Risk provision and financial investment result including loss assumption (pursuant to risk report)	**25.8**	**87.0**
Result of risk provisions - loans and advances/securities due to credit risk	**-11.0**	**117.4**
of which: - Lending operations	-14.2	108.8
- Structured securities	3.2	8.6
Net income from investment securities, long-term equity investments and loss assumption	**36.8**	**-30.4**

The EAA always makes use of the options available under section 340f (3) and section 340c (2) HGB. Under section 340f (3) HGB, income and expenses resulting from the valuation in the lending business may be reported on a net basis with risk provisions for securities and income from the reversal of risk provisions on securities of the liquidity reserve.

The net expense amounts to EUR 10.4 million (previous year: net income of EUR 117.0 million). According to section 340c (2) HGB, the expenses for long-term equity investments, shares in affiliates and long-term investment securities may be offset against the corresponding income. Overall, the EAA shows a net income of EUR 36.2 million (previous year: net expense EUR 30.0 million) as the risk result for long-term equity investments and securities.

29. Taxes

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

Other disclosures

30. Contingencies

Contingent liabilities

Contingent liabilities amounting to EUR 9.1 billion (previous year: EUR 9.9 billion) primarily result from guarantees for Portigon's risk exposures and the liabilities inherited from WestImmo. The volume of these liabilities inherited from WestImmo stood at EUR 4.6 billion as at 31 March 2016 (previous year: EUR 5.0 billion). This volume is constantly falling as a result of scheduled and unscheduled repayments. The EAA has also agreed on precautions with the Aareal Group that significantly reduce the likelihood of claims being asserted against the EAA. Firstly, it was decided that the Aareal Group would provide a liquidity facility to WestImmo, and secondly, a profit and loss transfer agreement was concluded between the Aareal Group and WestImmo. The contingent liabilities include obligations from credit default swaps amounting to EUR 111.8 million (previous year: EUR 194.5 million). Regarding these contingent liabilities, the EAA has no detailed knowledge of whether, when or to what extent these specific contingent liabilities will be realised. A provision will be made as soon as there are sufficient indications of probable losses being realised on the contingent liabilities.

Other obligations

The reported volume of EUR 3.1 billion (previous year: EUR 3.2 billion) is due to the lending business. The EAA constantly reviews whether losses from other liabilities are to be expected and if a provision needs to be made for impending losses from pending transactions.

31. Forward contracts/derivative financial instruments

As part of its business activities, the EAA enters into the following types of forward contracts and derivative financial instruments:

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

△ **Currency-related products**
Cross-currency interest rate swaps, forward cross-currency interest rate swaps, forward exchange contracts and currency option contracts

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

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

The total volume of forward transactions and derivatives transactions as at the reporting date amounts to EUR 407.4 billion based on notional values (previous year: EUR 436.3 billion). Most of the balance continues to be in interest-rate-related products, whose share remains unchanged at 84.8% (previous year: 84.8%) of the total volume.

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

Derivative financial instruments – volume as of the balance sheet date

	Notional amount		Positive market values		Negative market values	
	31/3/2016 EUR million	31/12/2015 EUR million	31/3/2016 EUR million	31/12/2015 EUR million	31/3/2016 EUR million	31/12/2015 EUR million
Interest rate-related products	**345,288.1**	**370,046.1**	**27,850.7**	**25,353.5**	**28,419.8**	**25,540.9**
OTC products	338,032.9	363,924.6	27,850.7	25,353.5	28,419.8	25,540.9
Exchange-traded products	7,255.2	6,121.5	-	-	-	-
Currency-related products	**59,118.0**	**62,869.9**	**2,131.1**	**2,074.2**	**1,578.7**	**1,140.8**
OTC products	59,118.0	62,869.9	2,131.1	2,074.2	1,578.7	1,140.8
Equity- and other price-related products	**2,568.3**	**2,666.2**	**173.8**	**127.4**	**172.3**	**146.7**
OTC products	2,347.6	2,443.7	168.1	118.5	166.7	138.9
Exchange-traded products	220.7	222.5	5.7	8.9	5.6	7.8
Credit derivatives	**403.4**	**767.2**	**5.3**	**5.9**	**6.6**	**7.9**
OTC products	403.4	767.2	5.3	5.9	6.6	7.9
Total	**407,377.8**	**436,349.4**	**30,160.9**	**27,561.0**	**30,177.4**	**26,836.3**
OTC products	399,901.9	430,005.4	30,155.2	27,552.1	30,171.8	26,828.5
Exchange-traded products	7,475.9	6,344.0	5.7	8.9	5.6	7.8

The average annual notional volume of forward contracts and derivatives transactions amounted to EUR 421.9 billion in the current fiscal year 2016 (previous year: EUR 472.9 billion).

Derivative financial instruments – average volumes

	Notional amount		Positive market values		Negative market values	
	31/3/2016 EUR million	31/12/2015 EUR million	31/3/2016 EUR million	31/12/2015 EUR million	31/3/2016 EUR million	31/12/2015 EUR million
Interest rate-related products	**357,667.1**	**394,235.7**	**26,602.0**	**28,907.4**	**26,980.4**	**29,121.4**
OTC products	350,978.7	390,185.9	26,602.0	28,907.4	26,980.4	29,121.4
Exchange-traded products	6,688.4	4,049.8	-	-	-	-
Currency-related products	**60,993.9**	**72,111.3**	**2,102.7**	**2,391.1**	**1,359.8**	**1,572.3**
OTC products	60,993.9	72,111.3	2,102.7	2,391.1	1,359.8	1,572.3
Equity- and other price-related products	**2,617.3**	**5,040.6**	**150.6**	**212.1**	**159.5**	**253.1**
OTC products	2,395.7	2,682.1	143.3	136.8	152.8	169.1
Exchange-traded products	221.6	2,358.5	7.3	75.3	6.7	84.0
Credit derivatives	**585.3**	**1,531.1**	**5.6**	**8.9**	**7.2**	**10.9**
OTC products	585.3	1,531.1	5.6	8.9	7.2	10.9
Total	**421,863.6**	**472,918.7**	**28,860.9**	**31,519.5**	**28,506.9**	**30,957.7**
OTC products	414,953.6	466,510.4	28,853.6	31,444.2	28,500.2	30,873.7
Exchange-traded products	6,910.0	6,408.3	7.3	75.3	6.7	84.0

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

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

Derivative financial instruments – maturities

	Interest rate-related products		Currency-related products		Equity- and other price-related products		Credit derivatives	
	31/3/2016 EUR million	31/12/2015 EUR million	31/3/2016 EUR million	31/12/2015 EUR million	31/3/2016 EUR million	31/12/2015 EUR million	31/3/2016 EUR million	31/12/2015 EUR million
Due								
- within 3 months	38,426.0	43,818.7	16,167.2	17,855.9	50.7	118.3	-	363.7
- 3 months to 1 year	123,018.0	51,092.7	18,245.6	12,374.1	2,062.6	507.5	331.0	34.8
- 1 to 5 years	52,616.8	136,751.1	13,092.3	19,876.0	455.0	575.5	48.8	345.0
- after 5 years	131,227.3	138,383.6	11,612.9	12,763.9	-	1,464.9	23.6	23.7
Total	**345,288.1**	**370,046.1**	**59,118.0**	**62,869.9**	**2,568.3**	**2,666.2**	**403.4**	**767.2**

32. Number of employees

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

	Female	Male	Total 1/1 - 31/3/2016	Total 1/1 - 31/3/2015
Number of employees	59	86	145	137

As at 31 March 2016 the EAA employed 137 (previous year: 129) full-time equivalents.

33. Stakeholders of the EAA

	31/3/2016 in %	31/12/2015 in %
State of NRW	48.202	48.202
Rheinischer Sparkassen- und Giroverband	25.032	25.032
Sparkassenverband Westfalen-Lippe	25.032	25.032
Landschaftsverband Rheinland	0.867	0.867
Landschaftsverband Westfalen-Lippe	0.867	0.867
Total	**100.000**	**100.000**

34. Memberships of other bodies held by Managing Board members

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

Matthias Wargers
EAA Portfolio Advisers GmbH *
Portigon Financial Services GmbH (since 7 April 2016)

Markus Bolder
EAA Portfolio Advisers GmbH *
Portigon Financial Services GmbH (since 7 April 2016)

Horst Küpker
Börse Düsseldorf AG *

35. Memberships of other bodies held by employees

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

Dr Ulf Bachmann
Portigon Financial Services GmbH (since 7 April 2016)

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

Hartmut Rahner
EAA Covered Bond Bank Plc

36. Executive bodies of the EAA

Members of the Managing Board of the EAA

Matthias Wargers (Spokesman)
Markus Bolder
Horst Küpker

Members of the Supervisory Board of the EAA

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

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

Dr Karlheinz Bentele (until 30 April 2016)
Former President of the Rheinischer Sparkassen- und Giroverband,
former member of the Executive Committee (Leitungsausschuss) of the FMSA

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

Michael Breuer
President of the Rheinischer Sparkassen- und Giroverband

Hans Buschmann (since 16 March 2016)
Deputy Association Director of the Rheinischer Sparkassen- und Giroverband

Rolf Einmahl (since 1 May 2016)
Lawyer,
Member of the Landschaftsversammlung Rheinland

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

Wilfried Groos
Chairman of the Managing Board of the Sparkasse Siegen

Matthias Löb
Director of the Landschaftsverband Westfalen-Lippe

Angelika Marienfeld (since 2 May 2016)
Former State Secretary in the Finance Ministry of NRW

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 h.c. Uwe Zimpelmann (until 1 May 2016)
Former Chairman of the Landwirtschaftliche Rentenbank

Stakeholders' Meeting of the EAA

The Stakeholders' Meeting is made up of representatives of the stakeholders (see Note 33).

37. Information on shareholdings

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

Shareholdings denominated in a foreign currency have been converted into EUR using the balance sheet rate

Disclosure of capital share and voting rights in %, amounts in EUR thousand

Disclosure of voting rights only if the percentage share differs from the share of capital

Other shareholdings

No.	Name	Location	Capital share	Voting rights	CCY	Equity	Result
1	Achte EAA-Beteiligungs GmbH [17)]	Düsseldorf	100.00		EUR	25	0
2	ANC Handels GmbH & Co. KG [1)]	Mörfelden-Walldorf	1.00			n.s.	n.s.
3	ANC Europe V.C. GmbH & Co. KG [1)]	Munich	0.33			n.s.	n.s.
4	Badischer Immobilienfonds 12 BI-Immobilienanlage GmbH & Co. KG Objekte Bielefeld - Offenburg - München [1)13)]	Düsseldorf	0.46	0.00	EUR	1,391	-344
5	Badischer Immobilienfonds 14 BI-Immobilienanlage GmbH & Co. KG Objekte Hannover - Göppingen - Freiburg [1)13)]	Düsseldorf	0.05		EUR	6,196	384
6	Badischer Immobilienfonds 18 BI-Immobilienanlage GmbH & Co. KG Objekte Berlin-Leer i.L. [1)13)]	Düsseldorf	0.11	0.00	EUR	1,436	-1
7	Badischer Immobilienfonds 19 S BI-Immobilienanlage GmbH & Co. KG Objekte Hamburg - Offenbach - Berlin i.L. [1)13)]	Düsseldorf	0.09	0.00	EUR	355	-10
8	Badischer Immobilienfonds 23 BI-Immobilienanlage KG Objekt Sindelfingen [1)13)]	Düsseldorf	0.07	0.00	EUR	13,028	568
9	Badischer Immobilienfonds 6 - BI - Immobilienanlage KG - Objekte Hamburg i.L. [1)13)]	Düsseldorf	0.08	0.00	EUR	253	-11
10	Börse Düsseldorf AG [13)]	Düsseldorf	21.95		EUR	127,304	94,356
11	Carlyle International Partners II, L.P.	George Town, Cayman Islands	0.37	0.00		n.s.	n.s.
12	Castello di Casole Agricoltura S.r.l. società agricola [1)17)]	Casole d'Elsa, Italy	100.00		EUR	50	-17
13	Castello di Casole S.r.l. [13)]	Casole d'Elsa, Italy	100.00		EUR	-8,979	-13,860
14	Castello Resort Villas S.r.l. [13)]	Casole d'Elsa, Italy	100.00		EUR	651	7
15	CBAL S.A. [2)16)]	Brussels, Belgium	100.00		EUR	1,305	330
16	Charterhouse Saga L.P.	London, Great Britain	8.33			n.s.	n.s.
17	Chemco Nominees Limited	George Town, Cayman Islands	3.19			n.s.	n.s.
18	CLS Group Holdings AG	Lucerne, Switzerland	0.47			n.s.	n.s.
19	ConCardis GmbH [13)]	Frankfurt am Main	2.59		EUR	52,213	13,628
20	COREplus Private Equity Partners GmbH & Co. KG [1)13)]	Düsseldorf	36.52	0.00	EUR	28,760	5,240
21	COREplus Private Equity Partners II - Diversified Fund, L. P. [13)]	Wilmington, USA	24.75	0.00	USD	46,831	9,273
22	Corsair III Financial Services Capital Partners L.P.	Wilmington, USA	1.84	0.00		n.s.	n.s.
23	Corsair III Financial Services Offshore Capital Partners L.P.	George Town, Cayman Islands	1.84	0.00		n.s.	n.s.
24	Dritte EAA Anstalt & Co. KG [2)]	Düsseldorf	100.00			n.s.	n.s.
25	Düsseldorfer Börsenhaus GmbH [13)]	Düsseldorf	5.00		EUR	816	48
26	Dusskapital Zwanzig Beteiligungsgesellschaft mbH [13)]	Düsseldorf	100.00		EUR	39	11

Other shareholdings

No.	Name	Location	Capital share	Voting rights	CCY	Equity	Result
27	EAA Covered Bond Bank Plc [17][18]	Dublin 1, Ireland	100.00		EUR	471,006	-299,641
28	EAA DLP I LLP [1][17]	Wilmington, USA	100.00		USD	104,634	26,444
29	EAA DLP II LLP [1][17]	Wilmington, USA	100.00		USD	122,364	11,677
30	EAA DLP III LLP [1][17]	Wilmington, USA	100.00		USD	152,342	29,301
31	EAA do Brasil Participacoes, Representacoes e Negocios Ltda. [13]	Sao Paulo, Brazil	100.00		BRL	2,563	148
32	EAA Europa Holding GmbH [4][13]	Düsseldorf	100.00		EUR	12,570	0
33	EAA Greenwich LLP [1]	Wilmington, USA	100.00			n.s.	n.s.
34	EAA Japan K.K. [3] [17]	Tokyo, Japan	100.00		JPY	38,882	-669
35	EAA LAT ABC LLP [1][17]	Wilmington, USA	100.00		USD	179,218	-1,673
36	EAA LAT II LLP [1][17]	Wilmington, USA	100.00		USD	200,229	-13,330
37	EAA LS Holdings LLC [1][17]	Wilmington, USA	100.00		USD	115	n.s.
38	EAA PF LLP [1][17]	Wilmington, USA	100.00		USD	135,012	13,684
39	EAA Portfolio Advisers GmbH [17]	Düsseldorf	100.00		EUR	8,253	1,228
40	EAA Portfolio Advisers LLC [1][17]	New York, USA	100.00		USD	77	14
41	EAA Spyglass Holdings LLC [1][17]	Wilmington, USA	100.00		USD	16,348	-7
42	EAA Triskele LLP [1][17]	Wilmington, USA	100.00		USD	205,605	-4,550
43	EAA US Holdings Corporation [17]	Wilmington, USA	100.00		USD	25,697	851
44	ECIP Europcar S.a.r.l	Luxembourg, Luxembourg	4.09			n.s.	n.s.
45	EMG Projekt Gewerbepark Ludwigsfelde/Löwenbruch GmbH [13]	Berlin	47.50		EUR	316	-199
46	EQT Northern Europe GmbH & Co. KG (Sidefond) [1]	Munich	1.18			n.s.	n.s.
47	Erste EAA-Beteiligungs GmbH [4][13]	Düsseldorf	100.00		EUR	16	0
48	Eurazeo Partners SCA, SICAR	Luxembourg, Luxembourg	3.64	0.00		n.s.	n.s.
49	Europcar Groupe S.A. [1][13]	Guyancourt, France	0.00		EUR	158,135	-111,698
50	Frankonia Eurobau Max-Viertel GmbH [9]	Nettetal	25.00		EUR	-38,759	-2,911
51	GID Gesellschaft für Innenstadtentwicklung in Duisburg mbH [12]	Hamburg	45.00		EUR	-3	-1
52	GKA Gesellschaft für kommunale Anlagen mbH [1][17]	Düsseldorf	100.00		EUR	129	582
53	GLB-Verwaltungs-GmbH	Frankfurt am Main	15.60			n.s.	n.s.
54	Heber Avenue Partners, LLC [13]	Dover, USA	100.00		USD	0	n.s.
55	Hellweg Liegenschaften GmbH	Essen	6.00			n.s.	n.s.
56	HIME Holding 1 S.A.	Luxembourg, Luxembourg	1.25			n.s.	n.s.
57	HIME Holding 3 S.A.	Luxembourg, Luxembourg	2.52			n.s.	n.s.
58	Immobiliengesellschaft Objekte Essen und Magdeburg Bernhard Becker KG [1][13]	Düsseldorf	0.14		EUR	-1,332	146
59	Immobiliengesellschaft Objekte Essen, Hürth und Ratingen Bernhard Becker KG i. L. [1][13]	Düsseldorf	0.06		EUR	1,485	297
60	Immobiliengesellschaft Objekte Plaza Potsdam und Wiesbaden Karlheinz Sternkopf GmbH & Co. KG [1][13]	Düsseldorf	6.39	6.42	EUR	9,729	880
61	KA Deutschland Beteiligungs GmbH & Co KG [1][13]	Düsseldorf	100.00		EUR	3,974	1,008

Other shareholdings

No.	Name	Location	Capital share	Voting rights	CCY	Equity	Result
62	Kassiterit Beteiligungs GmbH [1)17)]	Düsseldorf	100.00		EUR	0	-9
63	KB Zwei Länder Beteiligungs- und Verwaltungs GmbH & Co. KG [1)13)]	Düsseldorf	100.00		EUR	674	-9
64	KB Zwei Länder Beteiligungsgesellschaft mbH [1)13)]	Düsseldorf	100.00		EUR	423	-17
65	LCM Litigation Fund Pty Limited	Adelaide, Australia	4.33			n.s.	n.s.
66	Leasing Belgium N.V. [1)13)]	Antwerp, Belgium	100.00		EUR	488	-93
67	Life.Value Properties GmbH [1)17)]	Düsseldorf	100.00		EUR	369	42
68	Liquiditäts-Konsortialbank Gesellschaft mit beschränkter Haftung i.L. [1)]	Frankfurt am Main	6.55			n.s.	n.s.
69	MCC Bradley LLC [1)17)]	East Hartford, USA	100.00		USD	646	-406
70	MCC Diamond Point LLC [1)17)]	Wilmington, USA	100.00		USD	533	-307
71	MCC Divot Place LLC [1)]	Wilmington, USA	100.00			n.s.	n.s.
72	MCC Lake Unity LLC [1)17)]	Wilmington, USA	100.00		USD	4	444
73	MCC Paris LLC [1)17)]	Wilmington, USA	100.00		USD	2,081	-99
74	MCC SB Condo LLC [1)17)]	Wilmington, USA	100.00		USD	1,340	-1,551
75	MCC Tern Landing LLC [1)17)]	Wilmington, USA	100.00		USD	1,008	337
76	MCC WK Commercial LLC [1)17)]	Wilmington, USA	100.00		USD	605	-97
77	MCC WK Residential LLC [1)17)]	Wilmington, USA	100.00		USD	324	-73
78	McCarthy & Stone plc	Dorset, Great Britain	0.04			n.s.	n.s.
79	Meritech Capital Partners II L.P. [1)]	Palo Alto, USA	0.06			n.s.	n.s.
80	Methuselah Life Markets Limited [13)]	London, Great Britain	100.00		GBP	1,164	12
81	MFC AOLS LLC [1)]	New York, USA	100.00			n.s.	n.s.
82	MFC CMark LLC [1)]	New York, USA	100.00			n.s.	n.s.
83	MFC Eagle Realty LLC [1)]	New York, USA	100.00			n.s.	n.s.
84	MFC Holdco, LLC [1)17)]	New York, USA	100.00		USD	9,418	-3,393
85	MFC New Paradigm LLC [1)]	New York, USA	100.00			n.s.	n.s.
86	MFC Pinecrest LLC [1)]	New York, USA	100.00			n.s.	n.s.
87	MFC Real Estate LLC [1)17)]	New York, USA	100.00		USD	2,876	-1,729
88	MFC Waterfront LLC [1)]	Wilmington, USA	100.00			n.s.	n.s.
89	Mod CapTrust Holding LLC [1)17)]	Dover, USA	100.00		USD	-10	3,279
90	Monolith Grundstücksverwaltungsgesellschaft mbH [1)13)]	Mainz	100.00		EUR	98	6
91	Monolith Grundstücksverwaltungsgesellschaft mbH & Co. Objekt Neubau Sparkassen-Versicherungen Sachsen OHG [1)10)]	Mainz	5.00	76.00	EUR	20,889	1,504
92	Nephelin Grundstücksverwaltungsgesellschaft mbH [1)13)]	Mainz	100.00		EUR	-51	-3
93	Neumayer Tekfor Verwaltungs GmbH	Offenburg	1.33			n.s.	n.s.
94	Neunte EAA-Beteiligungs GmbH i.G.	Düsseldorf	100.00			n.s.	n.s.
95	Neurotech Pharmaceuticals, Inc.	Wilmington, USA	0.19			n.s.	n.s.
96	New NIB Partners LP	New York, USA	1.59	0.00		n.s.	n.s.
97	Nine Entertainment Co Holdings Limited	Willoughby, Australia	1.13			n.s.	n.s.

Other shareholdings

No.	Name	Location	Capital share	Voting rights	CCY	Equity	Result
98	NOXXON Pharma AG	Berlin	0.03			n.s.	n.s.
99	Objekt Marktpassage Frechen GmbH & Co. KG [1)13)]	Mönchengladbach	5.50		EUR	3	0
100	OSCA Grundstücks-Verwaltungsgesellschaft mbH & Co. KG i.L.	Grünwald	11.00			n.s.	n.s.
101	ParaFin LLC [1)17)]	New York, USA	100.00		USD	-7	-7
102	Pathos Bay LLC [17)]	Dover, USA	100.00		USD	-587	-2,771
103	PE Projekt-Entwicklungsgesellschaft mbH [1)13)]	Düsseldorf	100.00		EUR	27	1
104	PE Projekt-Entwicklungsgesellschaft mbH & Co. Büro- und Businesscenter Leipzig Park KG [2)13)]	Düsseldorf	94.90	83.33	EUR	524	-82
105	PM Portfolio Management GmbH [1)17)]	Düsseldorf	100.00		EUR	64	1
106	Portigon Financial Services GmbH [17)]	Düsseldorf	100.00		EUR	102,744	668
107	ProHealth AG	Haar	4.00			n.s.	n.s.
108	Projekt Carrée am Bahnhof GmbH & Co. Bürozentrum KG in Insolvenz [1)7)]	Bad Homburg	51.00		EUR	-3,572	-117
109	Projekt Carrée am Bahnhof Verwaltungs GmbH in Insolvenz [1)7)]	Bad Homburg	51.00		EUR	-13	0
110	Projektentwicklungsgesellschaft Gartenstadt Wildau Röthegrund II mbH [13)]	Düsseldorf	94.00		EUR	-6,304	-3
111	Projektgesellschaft Klosterberg mbH [13)]	Düsseldorf	94.00		EUR	-594	-27
112	Rheinisch-Westfälische Immobilien-Anlagegesellschaft Fonds 25 Dr. Steiger GmbH & Co. KG [1)13)]	Düsseldorf	0.25		EUR	0	-170
113	Rheinisch-Westfälische Immobilien-Anlagegesellschaft Fonds 34 Adolf Meyer GmbH & Co. KG [1)13)]	Düsseldorf	0.44	0.10	EUR	1,967	2,564
114	Rheinisch-Westfälische Immobilien-Anlagegesellschaft Fonds 40 Hugo Boegemann GmbH & Co. KG - Fonds Kreissparkasse Köln i.L. [1)13)]	Düsseldorf	0.96	0.10	EUR	1,745	-43
115	Rheinisch-Westfälische Immobilien-Anlagegesellschaft Fonds 43 Dr. Alfred Steiger GmbH & Co. KG i. L. [1)13)]	Düsseldorf	0.32		EUR	1,035	32
116	Rheinisch-Westfälische Immobilien-Anlagegesellschaft Fonds 47 Dr. Paul Spelsberg GmbH & Co. KG i. L. [1)13)]	Düsseldorf	1.00		EUR	1,459	-50
117	S-Chancen-Kapitalfonds NRW GmbH i.L. [17)]	Haan	50.00		EUR	2,065	-39
118	Sechste EAA-Beteiligungs GmbH [17)]	Düsseldorf	100.00		EUR	11	-9
119	SI Immobilienfonds Beteiligungsgesellschaft mbH & Co. KG - Objekt Berlin, Carnotstrasse i.L. [1)7)]	Mannheim	0.03		EUR	726	-2,345
120	Siebte EAA-Beteiligungs GmbH [17)]	Düsseldorf	100.00		EUR	25	0
121	Signa 05 / HGA Luxemburg Objekt Ikarus Immobilienfonds GmbH & Co. KG [1)10)]	Düsseldorf	0.37		EUR	44,356	1,670
122	Special PEP II GP Investors, L.L.C. [13)]	Wilmington, USA	50.00	0.00	USD	291	14
123	Special Private Equity Partners II, L.P. [13)]	Wilmington, USA	18.79	0.00	USD	28,402	1,109
124	Stadtkrone Ost Beteiligungsgesellschaft mbH [13)]	Dortmund	10.00		EUR	29	1
125	Stadtkrone Ost Entwicklungsgesellschaft mbH & Co. KG [13)]	Dortmund	10.00		EUR	2,600	992
126	Terreal Holding SAS	Suresnes, France	2.13	0.00		n.s.	n.s.
127	TEVEA International [13)]	Paris, France	2.70		EUR	3,396	-372
128	ThyssenKrupp Aufzugswerke GmbH	Neuhausen auf den Fildern	0.50			n.s.	n.s.

Other shareholdings

No.	Name	Location	Capital share	Voting rights	CCY	Equity	Result
129	Thyssenkrupp Electrical Steel GmbH	Gelsenkirchen	0.42			n.s.	n.s.
130	thyssenkrupp Materials Services GmbH	Essen	0.16			n.s.	n.s.
131	ThyssenKrupp Rasselstein GmbH	Andernach	0.50			n.s.	n.s.
132	ThyssenKrupp Stahl-Service-Center GmbH	Krefeld	0.42			n.s.	n.s.
133	True Sale International GmbH [13]	Frankfurt am Main	7.69	9.09	EUR	4,692	67
134	VCM Private Equity Portfolio GmbH & Co. KG II (Gesamtfond) [1]	Cologne	5.18			n.s.	n.s.
135	Vivaldis Gesellschaft für strukturierte Lösungen S.A. [13]	Luxembourg, Luxembourg	100.00		EUR	70	-69
136	Welsh Carson Anderson & Stowe IX GmbH & Co. KG (Sidefond) [1]	Munich	2.90			n.s.	n.s.
137	West Equity Fonds GmbH [17][19]	Düsseldorf	100.00		EUR	25	0
138	West Life Markets GmbH & Co. KG [4][13]	Düsseldorf	100.00		EUR	1,312	0
139	West Merchant Limited [13]	London, Great Britain	100.00		GBP	62	41
140	West Zwanzig GmbH [4][17]	Düsseldorf	100.00		EUR	25	0
141	Westdeutsche Immobilien Fonds Beteiligungsgesellschaft mbH [1][13]	Düsseldorf	100.00		EUR	42	0
142	Westdeutsche ImmobilienHolding GmbH [4][17]	Düsseldorf	94.60		EUR	5,539	0
143	Westfälische Textil-Gesellschaft Klingenthal & Co. mit beschränkter Haftung [15]	Salzkotten	25.26		EUR	10,370	154
144	WestFonds 3 Berlin Allende-Center GmbH & Co. KG i.L. [1][13]	Düsseldorf	0.08	0.45	EUR	816	126
145	WestFonds 3 Düsseldorf, Tiefenbroicher Weg GmbH & Co. KG [1][13]	Düsseldorf	6.29	7.86	EUR	3,690	655
146	WestFonds 4 Gera Arcaden GmbH & Co KG i.L. [1][13]	Düsseldorf	17.06	17.17	EUR	1,908	-27
147	WestFonds 5 Büropark Aachen Laurensberg KG [1][13]	Düsseldorf	49.16	49.01	EUR	3,320	390
148	WestFonds 5 Palazzo Fiorentino Frankfurt KG i.L. [1][13]	Düsseldorf	45.66	45.53	EUR	2,239	-61
149	WestFonds 5 Walle-Center Bremen KG i.L. [1][13]	Düsseldorf	46.07	45.94	EUR	4,259	-108
150	WestFonds 6 Hotel am Büsing Palais Offenbach GmbH & Co. KG [1][13]	Düsseldorf	7.35	7.40	EUR	9,398	-5,681
151	WestFonds BI-Management GmbH [1][13]	Düsseldorf	100.00		EUR	22	-5
152	WestFonds Dachfonds Schiffe GmbH [1][13]	Düsseldorf	100.00		EUR	-109	5
153	WestFonds Fondsvermögensverwaltungs GmbH [1][13]	Düsseldorf	100.00		EUR	20	-6
154	WestFonds Geschäftsführungsgesellschaft 1 mbH [1][13]	Düsseldorf	100.00		EUR	74	-16
155	WestFonds Geschäftsführungsgesellschaft 2 mbH i.L. [1][14]	Düsseldorf	100.00		EUR	0	-4
156	WestFonds Gesellschaft für geschlossene Immobilienfonds mbH [1][13]	Düsseldorf	100.00		EUR	57	-4
157	WestFonds Holland Grundstücksgesellschaft Voorburg und s'Hertogenbosch mbH [1][13]	Düsseldorf	100.00		EUR	-18	-9
158	WestFonds Immobilien Gesellschaft Objekt Halle/Saale Charlottenstraße mbH [1][13]	Düsseldorf	100.00		EUR	4,530	10
159	WestFonds Immobilien-Anlagegesellschaft mbH [4][13]	Düsseldorf	94.90		EUR	4,302	0
160	WestFonds Immobiliengesellschaft Objekt Essen Schnieringshof 10-14 mbH [1][13]	Düsseldorf	100.00		EUR	2,520	329

Other shareholdings

No.	Name	Location	Capital share	Voting rights	CCY	Equity	Result
161	WestFonds Management GmbH & Co KG i.L. [1)13)]	Düsseldorf	94.90		EUR	74	-1
162	WestFonds MP Hotels Deutschland GmbH & Co. KG [1)13)]	Düsseldorf	6.13	6.94	EUR	9,333	522
163	WestFonds MP Hotels Holland GmbH & Co. KG [1)13)]	Düsseldorf	6.52	6.96	EUR	7,586	267
164	WestFonds Premium Select Management GmbH [1)13)]	Düsseldorf	100.00		EUR	24	-2
165	WestFonds Premium Select Verwaltung GmbH [1)13)]	Düsseldorf	100.00		EUR	43	1
166	WestFonds Verwaltung GmbH [1)13)]	Schönefeld	100.00		EUR	115	28
167	WestFonds-PHG Gesellschaft RWI-Fonds 125 mbH [1)13)]	Düsseldorf	100.00		EUR	21	-5
168	WestFonds-PHG Gesellschaft RWI-Fonds 140 mbH [1)13)]	Düsseldorf	100.00		EUR	26	-4
169	WestFonds-PHG Gesellschaft RWI-Fonds 43 mbH i.L. 1)13)	Düsseldorf	100.00		EUR	18	-5
170	WestFonds-PHG Gesellschaft RWI-Fonds 47 mbH i.L. [1)13)]	Düsseldorf	100.00		EUR	22	-5
171	WestFonds-PHG Gesellschaft WestFonds 2 D mbH [1)13)]	Düsseldorf	100.00		EUR	27	-3
172	WestFonds-PHG Gesellschaft WestFonds 2 H mbH [1)13)]	Düsseldorf	100.00		EUR	27	-3
173	WestFonds-PHG Gesellschaft WestFonds 5 Aachen mbH [1)13)]	Düsseldorf	100.00		EUR	24	-5
174	WestFonds-PHG Gesellschaft WestFonds 5 Frankfurt mbH i.L. [1)13)]	Düsseldorf	100.00		EUR	21	-5
175	WestFonds-PHG-Gesellschaft BI-Fonds 12 mbH [1)13)]	Düsseldorf	100.00		EUR	27	-3
176	WestFonds-PHG-Gesellschaft BI-Fonds 14 mbH [1)13)]	Düsseldorf	100.00		EUR	28	-3
177	WestFonds-PHG-Gesellschaft BI-Fonds 18 S mbH i.L. [1)13)]	Düsseldorf	100.00		EUR	25	-3
178	WestFonds-PHG-Gesellschaft BI-Fonds 19 S mbH i.L. [1)13)]	Düsseldorf	100.00		EUR	23	-5
179	WestFonds-PHG-Gesellschaft BI-Fonds 23 mbH [1)13)]	Düsseldorf	100.00		EUR	22	-5
180	WestFonds-PHG-Gesellschaft KA Deutschland Beteiligungsgesellschaft mbH [1)13)]	Düsseldorf	100.00		EUR	27	-4
181	WestFonds-PHG-Gesellschaft KB Zwei Länder Beteiligungsgesellschaft mbH [1)13)]	Düsseldorf	100.00		EUR	28	-4
182	WestFonds-PHG Gesellschaft RWI-Fonds 25 mbH [1)13)]	Düsseldorf	100.00		EUR	74	-4
183	WestFonds-PHG Gesellschaft RWI-Fonds 34 mbH [1)13)]	Düsseldorf	100.00		EUR	48	-10
184	WestFonds-PHG-Gesellschaft RWI-Fonds 40 mbH i.L. [1)13)]	Düsseldorf	100.00		EUR	22	-5
185	WestFonds-PHG-Gesellschaft WestFonds 3 Berlin mbH i.L. [1)13)]	Düsseldorf	100.00		EUR	22	-5
186	WestFonds-PHG-Gesellschaft WestFonds 3 Düsseldorf mbH [1)13)]	Düsseldorf	100.00		EUR	29	-4
187	WestFonds-PHG-Gesellschaft WestFonds 4 mbH i.L. [1)13)]	Düsseldorf	100.00		EUR	21	-5
188	WestFonds-PHG-Gesellschaft WestFonds 6 mbH [1)13)]	Düsseldorf	100.00		EUR	35	-1
189	WestGKA Management Gesellschaft für kommunale Anlagen mbH [2)17)20)]	Düsseldorf	100.00		EUR	642	0
190	WestInvest Gesellschaft für Investmentfonds mbH [1)13)]	Düsseldorf	0.00		EUR	11,339	0
191	WestLB Asset Management (US) LLC [13)]	Wilmington, USA	100.00		USD	25,261	-1,185
192	WestLB Equity Partners I GmbH & Co. KG i.L. [8)]	Cologne	0.27	0.00	EUR	2,750	320
193	WestLB Trust GmbH & Co. Trust Drei KG - Premium Immobilienbeteiligungen [1)]	Düsseldorf	0.01			n.s.	n.s.

Other shareholdings

No.	Name	Location	Capital share	Voting rights	CCY	Equity	Result
194	WestLB Trust GmbH & Co. Trust Drei KG - Premium Private Equity [1]	Düsseldorf	0.01			n.s.	n.s.
195	WestLB Venture Capital Management GmbH & Co. KG [13]	Cologne	50.00		EUR	35	-6
196	WestLeasing International GmbH [1][13]	Düsseldorf	100.00		EUR	182	-9
197	WestLeasing Westdeutsche Leasing Holding GmbH [4][17]	Düsseldorf	94.90		EUR	11,625	0
198	WestProject & Consult Gesellschaft für Projektentwicklung und Consulting mbH i.L. [1][17][20]	Düsseldorf	100.00		EUR	276	0
199	WestVerkehr Beteiligungsgesellschaft mbH [1][17]	Düsseldorf	100.00		EUR	102	-10
200	Winoa Steel Co. S.A.	Luxembourg, Luxembourg	3.12			n.s.	n.s.
201	WIV GmbH & Co. Beteiligungs KG [13]	Frankfurt am Main	5.10		EUR	12,870	770
202	WIV Verwaltungs GmbH [1][13]	Frankfurt am Main	5.10		EUR	64	4
203	WLB CB Holding LLC [1][17]	New York, USA	100.00		USD	-9	1,022
204	WMB Beteiligungs GmbH [1][17]	Düsseldorf	100.00		EUR	10	-8
205	Xionet Empowering Technologies AG [5]	Bochum	12.57		EUR	-1,742	150
206	Ziloti Holding S.A.	Luxembourg, Luxembourg	0.35			n.s.	n.s.

Interest greater than 5% (large corporations)

No.	Name	Location	Capital share	Voting rights	CCY	Equity	Result
207	AKA Ausfuhrkredit-Gesellschaft mbH [13]	Frankfurt am Main	5.02		EUR	201,032	14,125
208	Banco Finantia S.A. [13]	Lisbon, Portugal	8.57		EUR	383,711	11,871

Other companies for whom the EAA assumes unlimited liability

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

[1] Indirect shareholdings.
[2] Including indirectly held shares.
[3] A letter of comfort exists.
[4] A profit and loss transfer agreement is in place with this company.
[5] Data as at 31 December 2007.
[6] Data as at 6 March 2008.
[7] Data as at 31 December 2009.
[8] Data as at 31 December 2012.
[9] Data as at 31 October 2013. The financial statements have been prepared but not yet adopted.
[10] Data as at 31 December 2013.
[11] Data as at 28 February 2014.
[12] Data as at 30 November 2014.
[13] Data as at 31 December 2014.
[14] Data as at 31 March 2015.
[15] Data as at 30 June 2015.
[16] Data as at 31 October 2015.
[17] Data as at 31 December 2015.
[18] A global guarantee exists.
[19] The EAA is the economic owner of the company; a profit and loss transfer agreement is in place between the company and Portigon.
[20] A profit and loss transfer agreement is in place between the company and its immediate parent; a profit and loss transfer agreement is also in place between the parent company and the EAA.

The list of shareholdings was expanded based on the amendment to section 285 (11) HGB as required under the German Accounting Directive Implementation Act (Bilanzrichtlinie Umsetzungsgesetz – BilRUG). The list now includes companies in which the EAA holds an interest of less than 20%. The resulting first-time inclusion of a company in the list of shareholdings does not mean, however, that the equity investment was actually made after 31 December 2015.

Subsequent events

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

Responsibility statement

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

Düsseldorf, 24 May 2016

Erste Abwicklungsanstalt

Matthias Wargers
Spokesman
of the Managing Board

Markus Bolder
Member
of the Managing Board

Horst Küpker
Member
of the Managing Board

List of abbreviations

ABS	Asset backed securities
ALM	Asset liability management
APAC	Asia, Pacific and Japan
AT	General part (allgemeiner Teil)
BaFin	German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht)
BGH	German Supreme Court (Bundesgerichtshof)
BilMoG	German Accounting Law Modernisation Act (Bilanzrechtsmodernisierungsgesetz)
BilRUG	German Accounting Directive Implementation Act (Bilanzrichtlinie Umsetzungsgesetz)
Bp	Basis points
CCY	Currency code
CDS	Credit default swaps
CVA	Credit valuation adjustments
DAX	German Equities Index (Deutscher Aktienindex)
DBRS	Dominion Bond Rating Service
DRS	German Accounting Standard (Deutscher Rechnungslegungsstandard)
EAA	Erste Abwicklungsanstalt, Düsseldorf
EAA CBB	EAA Covered Bond Bank Plc, Dublin/Ireland
EAA GW	EAA Global Watchlist
EAA KK	EAA Japan K.K., Tokyo/Japan
EaD	Exposure at default
EC	European Community
ECB	European Central Bank
EEC	European Economic Community
EMEA	Europe, Middle East and Africa
EPA	EAA Portfolio Advisers GmbH, Düsseldorf
EU	European Union
EURO STOXX	European Stock Index
EUSS	European Super Senior Notes
FED	Federal Reserve
Fitch	Fitch Ratings
FMS	German Financial Market Stabilisation Fund (Finanzmarktstabilisierungsfonds)
FMSA	German Federal Agency for Financial Market Stabilisation (Bundesanstalt für Finanzmarktstabilisierung)
FMStFG	German Financial Market Stabilisation Fund Act (Finanzmarktstabilisierungsfondsgesetz)
FX effect	Foreign exchange effect
GDP	Gross domestic product
HGB	German Commercial Code (Handelsgesetzbuch)
HRA	Commercial register department A (Handelsregister Abteilung A)
HSBC	HSBC Trinkaus & Burkhardt AG, Düsseldorf
IMF	International Monetary Fund
IS	Income statement

IT	Information technology
KWG	German Banking Act (Kreditwesengesetz)
LLP	Limited liability partnership
MaRisk	Statutory German Minimum Requirements for Risk Management (Mindestanforderungen an das Risikomanagement)
Moody´s	Moody´s Investors Service
MtM	Mark to market
Muni GIC	Municipal guaranteed investment contracts
N.R.	Not rated
n.s.	Not specified
NPL	Non-performing loans
NRW	North Rhine-Westphalia
OMT	Outright Monetary Transactions
OPEC	Organisation of Petroleum Exporting Countries
OTC	Over the counter
PFS	Portigon Financial Services GmbH, Düsseldorf
Portigon	Portigon AG, Düsseldorf (until 2 July 2012 WestLB AG)
RechKredV	German Ordinance on Accounting for Banks and Financial Service Providers (Verordnung über die Rechnungslegung der Kreditinstitute und Finanzdienstleistungsinstitute)
S&P	Standard and Poor's Corporation
S.R.	Special rating
SSA	Sub-Sovereigns, supranationals, agencies
TLTRO	Targeted Long Term Refinancing Operations (of the ECB)
VaR	Value at risk
WestImmo	Westdeutsche ImmobilienBank AG, Mainz
WestLB	WestLB AG, Düsseldorf (operating since 2 July 2012 as Portigon AG)

Imprint

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