AKA Ausfuhrkredit-Gesellschaft mbH

Annual Report 2023

aka EUROPEAN EXPORT + TRADE BANK

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Strong business in times of war, crises, and transformation

Dear readers and business partners,
The past few years have been characterised by multi-crises, war and uncertainties. Unfortunately, these developments have continued in 2023. The world is not finding peace. We continue to face Russia's war of aggression on Ukraine. And in the Near East, conflict in Israel and Gaza also erupted into a war that has resulted in a great deal of human suffering in the region and cultural tensions throughout the world. The entire Near East is currently a fragile entity with an unstable security situation. And it is hoped that the escalations will not expand into a widespread conflagration. This very volatile geopolitical situation has already created regional tensions, such as in the Red Sea, which has a huge impact on global supply chains and the global economy.

The year 2023 was also characterised by adverse factors that have had a negative impact on the German economy. Falling demand, a fragile global economic environment and restrictive monetary policy with higher key interest rates are a few examples to be noted. As economists have already predicted, if the downward trend cannot be stopped, a mild recession in Germany will soon emerge. For 2023, the Federal Statistical Office reported a decline in German economic output (GDP) of 0.3% year on year. Currently, leading financial institutions assume that a turnaround could start as of 2025 at the earliest. On the other hand, the situation in the eurozone/EU is slightly more stable, which according to Eurostat shows slight growth in economic output of 0.5% compared to the previous year (provisional estimate, as of: 30 January 2024).

As a global financial institution with a strong focus on German exports, we are particularly affected by such (global) economic developments. But at the same time, we strive to continue to support and guide our customers in their business with financing solutions, taking into account the present risks. In this complicated geopolitical environment, diplomatic skill, strategic foresight and cooperation based on trust have proven to be essential tools for managing the uncertainties.

It is gratifying that, despite these external uncertainties, AKA's 2023 financial year was successful. Thanks to the pronounced resilience of the AKA business model and the commitment of all employees, solid financial figures were achieved. The operating result increased by 23% to over EUR 31 million, with a cost-income ratio of around 50% compared to the previous year. AKA's Management staff selected in 2022 also contributed positively to this. The formation of three pillars – Origination, Portfolio Management and Treasury; Strategy and Development; Finance, Risk and Governance – has proven itself and is the basis for the resilient business model that is key to managing the major challenges and enabling the balance between risk management and the exploitation of opportunities.

"Creating Relevance" will be one of the key themes for 2024.

In these times, it is indispensable for both AKA and our partners, such as (shareholder) banks, exporters, importers and credit insurers, to look ahead and establish our own stimulus. Our goal is to make a significant contribution to the strengthening of the economy in 2024 as well in cooperation with these partners. The focus for us is on the key theme of "creating relevance", which is closely linked to key factors such as "resilience" and "sustainable transformation".

The continued resilience of our business model will be the non-negotiable basis. In addition, as usual, we want to generate added value for our stakeholders, act as reliable partners and enable business success with our relevance. Particularly in a challenging and changing environment, AKA's experience in Export and Trade Finance, spanning more than 70 years, helps identify the needs of stakeholders and meet them with our products and services. Of great importance is the strategic ongoing development of AKA itself, its own transformation, for example, in the area of "sustainability", which enables us to provide our stakeholders with targeted support in these segments and the usual AKA expertise in the financing of projects and transactions.

As usual, we will give you further insights into the 2023 financial year in our proven interview format.

Dr. Nadja Marschhausen

Marck Wengrzik

Frank Zimmermann

  

Dr Nadja Marschhausen, Chief Market Officer (CMO)
Marck Wengrzik, Chief Executive Officer (CEO) and market-independent spokesperson for AKA
Frank Zimmermann, Chief Risk Officer (CRO)

Insight into the market situation and business development from the Management of AKA

AKA 2023: financially stable on the way to new target markets

What specific challenges were critical for AKA in 2023, and how did they affect your business segment?
Dr Nadja Marschhausen: The 2023 financial year, as in previous years, was marked by increasingly complex market conditions. External challenges, such as various geopolitical uncertainties and the continuation of Russia's attack on Ukraine, have continued to be of great concern to us. We must continue, proactively and appropriately in light of the risks, to replace or supplement traditional target markets as required amidst these challenges to ensure long-term growth and stability.

Another theme is the securing of stable refinancing, especially for our long-term business. The continued rising interest rates, which have now obviously peaked, are shaping our business environment and the profitability of financing conditions.

Frank Zimmermann: The complex multi-crisis, consisting of geopolitical uncertainties, high inflation, rising interest rates and weak growth in Germany and Europe, among other things, continued into 2023. To further strengthen the resilience of AKA during this challenging period, we have essentially pursued two approaches. On the one hand, we have further developed our agile risk management so that we can react even faster and more proactively to the changing environment. We have refined and adapted proven risk management procedures, such as portfolio and scenario analyses.

On the other hand, we have decided to significantly increase our already solid equity ratio again by means of stringent RWA management to ensure our long-term financial stability.

From a strategic and overarching company perspective, what distinctive features did the 2023 financial year bring with it?
Marck Wengrzik: The 2023 financial year was a dynamic year for AKA in the strategically important areas of IT and human resources.

In 2023, we finalised a reorganisation of IT, which had begun in 2022, and thus found a structure that is characterised by a broader coverage of topics with a clearer distinction between the teams and shows AKA to be significantly better positioned for current and future requirements.

At the same time, the resource development associated with the IT reorganisation, in addition to the general challenges from increased turnover, has led to much more intensive handling of the topic of attracting new employees for AKA. As a result, in 2023, AKA successfully pursued a wide range of new methods, including direct university marketing for the first time, and is better positioned for the future in this regard as well.

What positive developments were achieved in 2023 that you would like to highlight in particular?

Dr Nadja Marschhausen: The example of the growth of small-volume customer loans, referred to as small tickets, which we support with our digital SmaTiX finance solution, is very encouraging. With the significant increase in new business volume by approx. 40%, we achieved our ambitious target for the 2023 financial year and are striving for a further increase in new business volume based on the continued strong demand for the 2024 financial year. This is accompanied by the increase in the SmaTiX upper limit to EUR 15 million per transaction, which was approved by the Supervisory Board at the end of 2023. I would like to thank the Supervisory Board for the fruitful discussions and support.

As I mentioned at the beginning, the high refinancing costs present a challenge. In 2023, we furthered the development of a refinancing channel new to AKA for the short- and medium-term loan business in an internal, company-wide project and created the essential basis for operationalisation in 2024.

Frank Zimmermann: From a risk management perspective, 2023 was a successful year despite the major challenges: Stringent RWA management successfully increased the equity ratio from 17.3% to 19.6%. This has significantly increased the risk-taking capacity of the bank once again. In addition, we were able to improve the overall quality of our loan portfolio. The economic NPL ratio could be reduced from 2.2% to 1.4%.

We have also successfully reduced the Russia/Belarus/Ukraine portfolio by half since the beginning of the Russian war of aggression in Ukraine. Through further allocations to risk provisioning, and taking into account the increased reserve under Section 340 g of the German Commercial Code (HGB *[Handelsgesetzbuch]*), full coverage of the remaining net loan portfolio has now been achieved. These strategic measures demonstrate our commitment to proactively managing risk while ensuring the financial stability of our business.

What steps and structural developments has AKA taken with regard to sustainability and transformation?

Marck Wengrzik: For AKA, sustainability means shaping the future. In 2023, we strengthened our activities for AKA's sustainable orientation by establishing and implementing a sustainability governance structure. In the long term, this new structure enables us to anchor the topic of sustainability even more strongly through processes and a clear allocation of roles in the bank. The core of the sustainability governance structure is the newly created Sustainability Board, which has been implemented alongside the existing Environmental, Social and Corporate Governance (ESG) working group with extensive decision-making skills.

Furthermore, the Sustainability Team, as a central control unit for ESG aspects, made further fundamental sustainability-related advancements. The focus was on developing the sustainability mission statement, which further anchors sustainability principles throughout the bank and serves as a guiding framework to align business activities with the mission statement.

Frank Zimmermann: We have expanded ESG scoring to integrate ESG risks in credit risk management in a more qualified way, but also as a strategic management tool for requested financing. Managing these risks is now a core task at the bank. However, it is clear that continuous development is essential. Key words for the future in this regard are data availability and digitisation.

Equally, in addition to these technical aspects, the human factor is one of the key components in managing ESG risks. To ensure and promote a deep understanding of environmental, social and governance aspects in all corporate areas, we have established ESG AKAdemy, together with the Frankfurt School of Finance. The customised training series aims to focus on sustainability in the context of export finance and to continuously build and expand the knowledge of our employees. It also ensures a consistent understanding of sustainability and ESG risks.

Looking to 2024: between economic transformation, the regulatory system and innovation

Let's stay on the topic of sustainability. What does AKA's further development in this area look like in 2024?

Dr Nadja Marschhausen: The EU taxonomy, as well as country-specific regulations, such as the sector guidelines of the Federal Republic of Germany, are a fundamental guideline for us in the coming decades. They provide important guidance and set the course for which export transactions can be financed. At the same time, they will enable an objective assessment of the efficiency of export transactions with regard to climate targets in the future.

These new regulations and guidelines will support the change in our portfolio and enable us to intensify our business approaches in the areas of environmental and social development. Our goal is to guide our customers with our expertise and support them along their transformation path.

Marck Wengrzik: I can only confirm this – the topic of sustainability will continue to affect AKA's business activities in 2024. Basically, we want to bring the momentum from 2023 into 2024 and use the transformation opportunities presented by the economy as an opportunity for new business.

From a strategic point of view, we will further develop a sustainability strategy based on the business strategy and the sustainability concept. Our sustainability principles provide guidance and set the framework for the five areas of sustainability action integral to our strategic and operational goals: business model; operating model; management system; communication and public relations; and corporate culture and employees.

The already mentioned new EU regulatory system, including the EU taxonomy and CSRD reporting, must also be prepared and implemented. However, with the 2023 milestones and the already planned implementation for 2024, I believe we are well equipped for these tasks.

A current trend is also artificial intelligence. The motto of the AKA Investors Meeting in 2023 was "Human and Machine – Chat with the Future". To what extent does AKA deal with this topic?

Marck Wengrzik: The use of AI solutions is becoming, and has already become, a key success factor for companies: faster, better, more customer-friendly. A relatively simple but valuable example is machine translation services that use neural networks. To illustrate, it is particularly important for AKA, whose customers are distributed all over the world, to be able to conduct contract negotiations accurately and "in real time" not only in German and English. Therefore, we are currently working on an AI translation solution for our colleagues.

For our customers, the focus is above all on increasing the customer experience and the quality of service. To do this, we are experimenting with intelligent avatars. We have already presented our first prototype, Amy, at Euro Finance Week 2023. One deployment option is, for example, high-quality 24/7 support in our SmaTiX portal or use as a simultaneous translator. But this is not a matter of course for a small institution like AKA.

Clearly, the AI age has only just really started, and I expect many exciting innovations. At the same time, it is important that legislators and regulators create realistic framework conditions in the financial world that enable even small institutions to participate in innovations and remain globally competitive.

Back to general topics: How will the export economy evolve in 2024? Will this be an opportunity or a challenge for AKA?

Marck Wengrzik: The economic outlook for Germany for 2024 and, thus, the outlook for the development of exports from Germany in general currently only suggests very low growth. In addition to the current framework conditions, geopolitical uncertainties also play a role here.

But of course, the concerns in the respective sectors of the export economy are very different. Particularly companies that, with their products, are relevant to the topic of transformation will show significantly positive growth rates in some areas. There are opportunities for AKA precisely in these areas.

Dr Nadja Marschhausen: It can be assumed that the German export economy will remain under great pressure in 2024. German value creation share will continue to decrease due to the relocation of production sites abroad, among other factors, which means that the fundability of German foreign trade support instruments must be reinterpreted. European and internationally positioned exporters will increasingly move into our focus as the cooperation with the European ECAs intensifies.

The new sector guidelines of the Federal Republic of Germany will also influence the competitive position of German exports. However, as a bank, we are also required to deal intensively with new unknown risks due to new transformation-related technologies.

To conclude, I will share one more thought on interest rate changes. In periods of rising interest rates, there was caution in large and novel investment projects. We hope that, with a change in interest rates, more investments will be made again, and that this will result in an increasing need for financing.

What kind of growth trajectory is AKA pursuing for 2024, and are there overarching goals that seem particularly important to you for AKA's ongoing development?

Dr Nadja Marschhausen: Two aspects are very important to me. First: supporting our customers on their transformation journey with customised financing solutions. These cover various aspects – from securing raw materials to supporting infrastructure projects. With the consistent expansion of relationships with European exporters and ECAs, we continue to rely on sustainable cooperation. In the future, these strategic partnerships will not only enable the opening up of new markets, but also ensure that we can continue to develop existing markets.

Second: the initiation of further sources of refinancing aimed at further diversifying and strengthening our financing base. We have already used the past few years to expand partnerships with European ECAs and their refinancing programmes, as well as cooperations with diverse refinancing partners for the long-term loan business. In 2024, we want to continue this expansion.

Marck Wengrzik: In addition to the goals that Nadja Marschhausen already described, we will of course continue to work on the topic of qualitative growth. And in 2024, we will continue to try to use equity in such a way that we link our activities with a clear risk-return requirement.

Your closing remarks, please: What are you focusing on in 2024 to ensure the organization's performance in the coming years?

Dr Nadja Marschhausen: In 2024, we want to further increase the efficiency of our work processes. One key project, among others, is the further centralisation of the KYC process, which will also lead to digitisation of documentation and work processes. This efficiency gain is an important building block for our goal of further strengthening sales, structuring and transaction expertise.

A key competence of AKA lies in the area of services and specialised services, such as the takeover of agency and administration functions. In 2024, we would like to further exploit and expand this experience, which was developed over many years, so that we can offer our customers innovative, customised service solutions.

The planned ongoing development of AKA in the coming year will not only further increase internal efficiency, but also strengthen competitiveness and sustainably improve the added value for our customers and partners. We are confident that these strategic plans will lead us along a successful path in 2024.

Frank Zimmermann: First and foremost, we strive to maintain AKA's resilience. This is done particularly by stabilising the equity ratio at a sustainably high level. This forms a solid foundation for stability and reliability, two decisive pillars of our business success.

Proactive and agile risk management remains essential in order to succeed as a specialist institution for Export and Trade Finance in a world of increasing geopolitical uncertainties.

Marck Wengrzik: The strategic work of the new year will also be determined by the goal of creating more relevance for AKA's shareholders and customers. We will deal intensively with how we can offer more opportunities to collaborate, particularly to the bank's shareholders, for example, by expanding our product portfolio or creating new service offers. We already have some interesting ideas, and I am sure that, at the end of this process, we will work even more widely with our shareholders and customers.

Sustainable electrification of communities

Guest contribution and reports

Prof. Dr Andreas Klasen,
Professor of International Business
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Shaping the green transformation

Supporting exporters in a world of change

The export economy in Germany and Europe is facing multiple challenges that are driven by various megatrends and that amplify each other. These include in particular the increasing geopolitical tensions and regional conflicts, the crisis of democracy, low global economic momentum, the transformation of the global economy through rapid digitisation, and demographic change. The international environment for exporters is increasingly fragmented: The multilateral trade system has eroded, and protectionism and trade conflicts make foreign trade more difficult. In particular, the economic and political rise of countries like China and India is also shifting the global balance of power. This leads to a re-evaluation of supply chains and trading partners. In addition, digitisation is not only revolutionising production processes and business models, but is also intensifying global competition by opening up new markets for companies in many countries around the world. Key sectors in the German export industry, such as vehicle construction, mechanical engineering and electrical engineering, expect a decline in orders from abroad this year.

Green transformation as a challenge and an opportunity

These structural disruptions are accompanied by the issue of decarbonising the economy. The global climate debate is dominated by the pressing concern over global warming and the loss of biodiversity, the need for a transition to renewable energies, and the innovative concept of the circular economy. Sustainability has become a key issue for companies that goes far beyond compliance and is an integral part of their corporate strategy. For the German export economy, the green transformation is both a major challenge and a significant opportunity. The export-oriented medium-sized companies and the “hidden champions” play a particularly important role in Germany – because of what they mean for innovation and employment. With their expertise in technology and innovation, these companies can be at the forefront of the development and export of environmentally friendly products and technologies, despite or precisely because of the high pressure to adapt. However, the green transformation requires significant investment, for example, in more efficient use of energy, and a fundamental rebalancing of traditional industries and production processes. In addition, there is the need to diversify supply chains and reduce international dependencies when importing critical raw materials.

Financing as a key element

The financing of the green transformation plays a key role in this realignment. The European Commission expects an investment requirement of more than EUR 600 billion per year for the European Union alone by 2030 on the way to climate neutrality. This includes a variety of segments, including renewable energy, energy efficiency, infrastructure, clean technologies, and the sustainable transition of industrial processes. Just over one-third of the investment requirement is likely to come from so-called additional investments. In order to finance the transformation, both public and private sources of financing are crucial. Private players, such as commercial banks, mutual funds and private investors, play a key role in providing capital for innovative projects. Public finance players, such as government export credit agencies, public development banks and multilateral financial institutions, provide grants, equity, loans and guarantees to support projects in high-risk countries. A wide range of financial products are required to cover the broad range of financing needs, including green bonds, sustainability credits, project financing and specialised funds. These products must be tailored to the specific requirements and risk profiles of the projects to ensure effective and sustainable financing. Availability and access to these financing opportunities are critical to enable organisations to make the necessary investments and successfully navigate the challenges of the green transformation.

Export finance and green transformation

Attractive export finance helps German and European exporters to compete internationally while also promoting the shift towards more sustainable business practices. It enables the implementation of major projects in the area of green transformation, which are often associated with high initial investments and long amortisation periods. In Germany, and especially for SMEs, commercial banks continue to be a key pillar, as they are available to large and small companies as finance partners. However, government export finance is also playing an increasingly important role. Many export credit agencies have expanded their offering to include new products specifically designed to meet the needs of the green transformation. For example, Export Development Canada's sustainable financing guarantee is a risk-sharing solution with commercial banks. EKN in Sweden has developed a new credit guarantee with 100% coverage to facilitate the financing of green exports and transformation projects in export companies. In Spain, the new Green Investment Policy of the Spanish Export Credit Agency (CESCE) aims to finance climate-relevant foreign investments of Spanish companies. It covers both political and commercial risks.

The international framework for state export finance in the area of green transformation is complex and incomplete. However, positive developments such as the modernised OECD consensus and the establishment of the Net-Zero Export Credit Agencies Alliance (NZECA) are important milestones. They signal a growing global commitment to sustainable financing and highlight the need for a coordinated international approach to ensure effective support of the green transformation. At the launch of the COP28 world climate conference in Dubai, NZECA members committed to reducing greenhouse gas emissions from their operations, by 2050 or earlier, to a level consistent with a maximum temperature rise of 1.5°C above pre-industrial levels by 2100. In addition, they will publish emissions data annually to prove their measures to fulfil these obligations. These developments contribute to standardisation and pave the way for a sustainable global export finance landscape.

The role of AKA

AKA plays a key role in supporting the green transformation for German and European exporters. The green transformation gives the bank the opportunity to open up new business areas and position itself as one of the forerunners in green export finance. AKA can thus further expand its credit expertise, strengthen its reputation as a specialised bank and high-performance partner alongside companies and banks, and benefit from long-term investment opportunities in sustainable technologies and infrastructure. Expanded cooperation with European export credit agencies will enable more customised finance solutions to be offered in the future, tailored to the specific needs of exporters in a world of change. These partnerships facilitate the financing of sustainable projects and open up access to new markets. AKA thus has the opportunity to act as a bridge between the needs of the export economy and the goals of sustainable economic development.

Outfitting of water treatment systems

Michael Schmid,
Chairman of the Supervisory Board

AKA is set up differently and remains a reliable finance partner with a significantly increased equity ratio

Ladies and gentlemen,
I am reporting on behalf of the entire Supervisory Board of AKA. First, I will provide an overview of the major meeting topics and then chronologically address the relevant details, as discussed intensively and animatedly in our joint meetings or in the committees.

I can report unchanged, stable conditions. But 2023 has been a year of changes in direction, with a need for adaptation and a willingness to break new ground and rethink existing structures.

Different and better as a result

The year 2023 was not a normal year in many respects. Nor could it be normal due to the ongoing war in Ukraine, the jump in inflation and the interest rate response of the ECB, the slowing economic growth, and the slowdown in European export activities. Under the current environmental conditions, the Supervisory Board had adopted a careful business development plan for 2023.

The frequency with which new hot spots emerge and an increasing number of military conflicts has led us to reconsider how we define AKA's future- and growth-oriented resistance to stress in the medium-term. We thus also followed the repeated general recommendations of the ECB for the equity base of German banks.

At the beginning of the reporting year, together with the Management, we discussed our own requirements for the medium-term development of the equity ratio and logically readjusted it to a sustainable target value. The guidelines were established by mutual agreement in the Risk Committee and in the entire Supervisory Board:

The year 2023 was to have a forced increase in the reported equity ratio.

The planned approaches for the development of earnings and volume were subordinated to this framing of business policy. We have accepted in the Supervisory Board that volume growth can slow down, and the weighting in the product mix shifts.

Management has reported to us that new business management was and is strictly oriented to the risk return and the consumption of risk-weighted assets (RWAs). The introduction of an internal minimum margin guideline meant a change of direction in the management of business with shareholder and non-shareholder banks.

The earnings situation was described to us as stable and possibly above plan throughout the period so that the achievement of the target equity ratio could be pursued in only one year.

The change in portfolio quality that we monitored did not experience any relevant worsening in the portfolio, despite the negative drift of economic and geopolitical data. The cautious management of the Turkey sub-portfolio could also be continued with our consent after the earthquake and the changed economic and interest policy. All new business was reported with slightly above-average rating qualities.

The liquidity risk and the security of supply in borrowing were largely linked to the management of the NSFR. The Risk Committee and the Supervisory Board set a conservative corridor that must be reported internally. The procurement of liquidity was reportedly not a problem at any time and was guaranteed within the framework of free lines. Profitability was favoured by the changes in interest rates. The internal derivative limits were used more intensively. With regard to the derivatives book, we have expanded the presentation of the risk positions in the controlling report.

The entire Supervisory Board and its members have very closely monitored AKA's developments in terms of figures and topics. The risk and controlling report reliably informed us about the developments over time. Our increased expenditure of time was based on the guidelines of 2023 and was appropriate.

AKA's annual goals were largely exceeded. The equity ratio reached 19.6%. ROE has exceeded the threshold of 8%.

Need for adjustment: projects and activities

AKA's strategic challenges discussed with the entire Supervisory Board were demanding and monitored throughout the year.

We received or requested situation analyses on country-specific risks over the course of the year and discussed a comprehensive submission in the Risk Committee and then in the board, which basically dealt with geopolitical dislocations, associated risks and future business opportunities.

This also included the quarterly report on the continuous reduction of the Russia/Ukraine/Belarus portfolio and, in turn, an increase in the risk-provision ratio, depending on the duration of the war.

Due to these diverse challenges and parallel projects, we have agreed to a postponement of the planned strategy project in the Supervisory Board with the goal of entering a new market, the goal of financing environmental investments abroad.

Meeting culture and content in detail

The next big, budgeted and overseen topics were:

- a widening of the refinancing basis in the project and in cooperation with an external channel for deposit brokering. For the first time, AKA will use the deposit brokering instrument without direct contact with private individuals. The Supervisory Board approved the draft resolution after reviewing the legal bases.
- the technological change that AKA responded to through a reorganisation and reorientation of IT. The Supervisory Board had to supervise the progress of the project and the reorganisation measures in the basic architecture in particular. This included the timely integration and functionality of essential control tools for financial data and liquidity planning.
- finding an answer to the qualitative and quantitative replacement of key positions. We were informed about AKA's new external presence in the human resources market. It was possible to fill essential IT functions. Compliance and auditing were staffed with the involvement of the chairman of the Supervisory Board.
- "regulatory fitness", an all-year project that ties up a lot of capacity and has external support. It was reported to the Risk Committee and the Supervisory Board that the prerequisites for continued good regulatory compliance were placed here.
- concrete measures to establish RWA management. RWA relief options in the existing business were reported, among other things. The willingness to break new ground here was supported by all of us. Implementation has begun.

In all five ordinary meetings in 2023, the Supervisory Board returned to the preferred "in-person meeting" principle. An extraordinary meeting with draft resolutions took place in hybrid form.

Generally, the Risk Committee (RC) and Remuneration Control Committee (RCC) or Nomination Committee (NC) met before the respective joint Supervisory Board meeting. In terms of content and schedule, this was not always possible for the RCC or the NC in 2023. The Supervisory Board was informed of the topics of the committee work at the next meeting.

All ordinary meetings of the Supervisory Board began with the "risk and controlling report" agenda item, each with the previous quarterly figures. In 2023, we arranged for situationally minor additions to the comprehensive format with cockpit, KPIs and detailed analyses.

The standard structure of the reliable controlling tool with business development, financial performance and risk management and with the sub-items risk management, loan portfolio and liquidity management reflects the focus and scope of the recurring Supervisory Board work. The chapters on the development of equity ratios and the corresponding available risk cover amount were regularly the starting point for the assessment and valuation of equity management. This resulted in the leeway in the loan portfolio management, which was discussed with us.

Our time frame for depth of information and discussion of developments was comfortable in every meeting. The ordinary meetings of the Supervisory Board took place predominantly on the premises of AKA and were all-day events with arrivals and departures. In 2023, it was also possible to include further questions on the agenda in addition to the discussion of the controlling results and the key topics already mentioned.

The Supervisory Board, which has long been almost constant in its appointment, has demonstrably been set up in an interdisciplinary manner. In 2023, this also allowed us to have sufficiently critical, future-oriented discussions and make decisions in the understanding of AKA, which acts in the market or in the specific transaction-related case as a cooperation partner or competitor to its shareholder banks.

The meeting year of the Supervisory Board began with an ordinary meeting at the beginning of February.

In addition to the risk and controlling report, the preliminary figures of the previous year, including the percentage risk coverage on the Russia/Belarus/Ukraine portfolio, were regularly reported.

Subsequently, the Risk Committee (RC) and the entire Supervisory Board discussed in detail the measures with which the guideline for a forced increase in the equity ratio should be implemented. The focus was on the control of RWAs, in new business and in existing business. We have agreed that the new equity threshold should be reached operationally and from the ongoing result.

The submitted one-year plan was then decided with the "income growth before volume growth" formula. At the same time, the increased requirements for risk management and portfolio management were defined. The approved planning also already took into account the proposal to waive a proportionate profit distribution and to fully retain the result in 2022.

Furthermore, the agenda included an oral report from the Management with a handout on the planned projects and activities for 2023 already described at the beginning, which we also recognised in the Supervisory Board as fundamentally necessary for the improvement of AKA structures.

In our kick-off meeting, the annual reports of Internal Audit, Compliance and the Anti-Money Laundering Officer were also presented and discussed. We considered them reasonably critical. AKA is and was set up in an audit-proof manner.

The NC confirmed for the board that the assessments required under Section 25d KWG (*Kreditwesengesetz* [German Banking Act]) for the cooperation and technical expertise of the Supervisory Board and the Management were carried out in a timely manner. For 2023, two colleagues with special expertise in the areas of auditing and accounting were also available to the Supervisory Board. The board therefore met the requirements of the Financial Market Integrity Strengthening Act (*Finanzmarktintegritätsstärkungsgesetz,* FISG) in its advisory practice.

On the basis of the preliminary figures, the RCC determined the target achievement of the managing directors and definitively decided on the respective bonus arrangement. The bonuses were reduced compared to the previous year. The RCC generally understands the target agreements with the Management as an essential management instrument supplemental to the resolutions of the Supervisory Board. In the implementation for 2023, the format and the formulation of the quantitative targets were both changed and reweighted. The guiding principles are now profitability, equity management, risk quality and cost discipline, each measured with a KPI. The criteria catalogue has been expanded to include a measurable ESG target. The KPIs were included in the reporting cockpit for the Supervisory Board.

The second meeting of the Supervisory Board took place in April on the day of the shareholders' meeting.

The main topic and dominant subject of the discussion was the auditor's report on the audit of the 2022 annual financial statements. The content of the discussion was, in particular, the significant audit issues regarding risk provisioning and the supervisory findings made.

Our discussion in the meeting then shifted to a recommended approach to addressing these findings. The Management was asked to provide an update with its own agenda item in all subsequent Supervisory Board meetings. It was also recommended that the findings on compliance and money laundering be handled with external support.

We also supported the Management's proposal that a partial outsourcing be carried out in AKA's Internal Audit department for the audit of the Information Technology (IT) and Information Security Management (ISM) business segments in order to supplement the technical know-how of Internal Audit.

The third meeting of the Supervisory Board in June focused on other interim results after the handling of the risk and controlling report, including the ESG reporting section.

We were informed about the further repayment of the Russia/Belarus/Ukraine exposure first in the RC and then in the Supervisory Board meeting. Internally, the goal was once again set to increase risk provisioning as long as the war persists and sanction mechanisms are further tightened.

In the updated report of the Management on the development of the equity ratio, further specific RWA control measures were proposed and coordinated with us:

In sales, the focus was not exclusively but, for the rest of 2023, primarily on the core business area of ECA finance. A possible volume growth path was defined with the mutual goal of achieving the target equity ratio as quickly as possible.

At the same time, the possible RWA relief measures in the existing portfolio should be dimensioned in such a way that they are sufficient in terms of content and time to more than compensate for the RWA increase from new business. This is in the sequence of relief options: Consideration of private credit insurers as security providers or to reduce the pass-through risk in ECA financing – thus a reduction or sale of assets with unrecognised ECA cover was considered for the first time. The Management also communicated to us that this bundle of measures is intended to restore dividend capacity.

Among the major project topics, the decision to use the deposit brokering as a refinancing channel was on the agenda in this meeting. We evaluated the deposit brokering instrument as an economically viable refinancing alternative in the interest rate cycle. At the same time, we were informed that the Treasury department had an adapted new control tool from the IT project in a timely manner before the deposit brokering pilot phase. From a regulatory perspective, deposit brokering makes a positive contribution to the calculation of the NSFR. We have taken into account the reputational risk, which is considered low in comparison to the opportunities.

The fourth meeting of the Supervisory Board in October, as an in-person meeting, did not reach the necessary quorum for decisions or resolutions. Necessary resolutions and a summary discussion of the stress test model were delegated to an extraordinary additional meeting of the Supervisory Board.

We intensively addressed the comprehensive stress test model both in the RC and in the Supervisory Board meeting, with many queries and supplementary notes. All stress tests required by the supervisory authorities for material risk types were presented and supervised. In the RC and the Supervisory Board, we determined that both the timeliness and the appropriateness of the scenarios could be rationally and objectively justified.

In line with the stress test model, the Risk Committee provided a comprehensive analysis of global polarisation and economic block formation beforehand. We evaluated AKA's good product diversification and country risk distribution as a positive response to increasing risks and found that the stress tests carried out confirmed the strong resilience of our risk positions.

The fifth (extraordinary) meeting of the Supervisory Board at the beginning of November was held for a resolution on a transaction with a closely related company *(Organgeschäft)*; a reflection on the stress-test discussion; and a basic discussion of new sales topics.

The resolution pursuant to Section 15 KWG concerned the sale of a portion of a loan to a shareholder bank. The format of the meeting was hybrid; the voting procedure was organised accordingly.

In reading the stress tests, we dealt with a hypothetical stress, across all risk types, of a global economic collapse. Even then, the use of the risk cover amount would still be comfortable. The same applies to a hypothetical financial crisis. This means: AKA essentially has stable structures to further expand its business.

In sales, Management wants to install new, additional distribution channels for the expansion of the ECA-covered business. We were asked to readjust the limit of the SmaTiX platform after being informed of the growing profitability of this digital product variant. After in-depth discussion, we followed the wish in the interest of AKA and, as an initial step, aligned our resolution to the sector guidelines of the federal government for privileged small-volume business.

The inclusion of import agents was also proposed as a distribution channel. For this purpose, in this and the following meeting, we agreed with the Management on a market test or pilot.

The sixth Supervisory Board meeting took place in person in Munich. Due to the extreme snowfall, not all members of the Supervisory Board were able to reach the meeting location. The quorum was reached by working with "relayed votes" as an alternative pursuant to Section 108 (3) of the Stock Corporation Act (*Aktiengesetz*, AktG), that is, with written votes on the resolution proposals.

The future business strategy and the risk strategy were at the very top of the long agenda. We were pleased to note that the business strategy is more strongly geared towards ESG and sustainability, and that the strategic areas of action defined in writing have been supplemented by HR marketing, resilience and business model expansion. The focus of changes in the formal and functional integration of ESG risks also lies in the adjusted risk strategy. A Sustainability Board was included in the risk organisation. In the future, AKA's bank portfolio will be systematically assigned to the internal ESG categories. We agreed on a changed measure and new limits for the share of weaker categories in the overall portfolio.

On the topic of loans to executives and closely related companies *(Organkredite)*, the business types in the AKA Treasury were outlined with the shareholder banks. All business types are subject to either limitations or corresponding market conformity control procedures. We passed the necessary resolutions with a majority vote by way of the proper procedure, counting the respective abstention and relayed votes.

The discussion of multi-year business planning took up much of the time. With the achievement of the target equity ratio and implementation of the RWA control measures in the portfolio, AKA has significant manoeuvring room for further growth. Expectations for the future pace of growth have risen, largely due to the expected significant increases in personnel expenses. We agreed that the risk/return profile replaces volume-based management of new business. ROE is expected to be above 8% in the long term and the cost-income ratio not significantly above 50%. In new business, AKA is expected to grow again at 10% p.a. We assessed the figures as sufficiently ambitious and adopted the draft without changes.

The following discussion led to fundamental considerations for the further development of the business model, particularly regarding the supplier model and importer origination draft resolution. We thoroughly dealt with the detailed information requested in advance and jointly explored AKA's opportunity/risk profile in this sales approach in the meeting. In accordance with the resolution, AKA is starting with a pilot in Turkey.

Responsibilities of the Supervisory Board

I can report on good cooperation between the Supervisory Board and the Management. In particular, information is closely exchanged with the members of the Supervisory Board. The Nomination Committee confirmed to Management its impression that the overall responsibility across divisions works harmoniously. Organisationally, AKA has secured representation in its management structure and with the involvement of direct reports.

Reliable, detailed documents and projections were always available for the discussions in the Risk Committee and the Supervisory Board on the risk development in the portfolio, the risk strategy and the current business, equity and liquidity situation. The determination of the equity situation was regularly presented in the two perspectives, the normative calculation with compliance with the minimum capital ratios and the economic perspective. The available risk cover amount was always well below the internal reporting limit specified by the Supervisory Board. We closely monitored the risk-taking capacity.

It was confirmed to us in every meeting that all regulatory key figures and limits were complied with. We had the business's compliance with regulations confirmed to us through the submissions of the Internal Audit and Compliance departments. Regulatory reporting obligations on money laundering and terrorist financing prevention have been met. During the audit period, only two material deficiencies, but no serious deficiencies, were reported by the Internal Audit department. Other findings were handled in a timely manner.

The appropriateness of the risk provisioning was on the agenda in every ordinary meeting of the Supervisory Board, based on the report on critical and non-performing loans. We recommended further accounting coverage for long-term risks that could not be predicted with certainty.

The cost/budget discussion showed us that the approved investment funds primarily flowed into internal developments. Progress with IT projects and purchased consultancy services were discussed. The outsourcing of IT audit responsibilities was coordinated with us.

The RCC and the Supervisory Board ensured compliance with the Remuneration Regulation for Institutions *(Institutsvergütungsverordnung)*. The disclosure of the Management's remuneration and the salary levels was made in accordance with the binding EU standard.

At all times, all members of the Supervisory Board had sufficient opportunity to deal critically with the meeting documents.

The average attendance of voting members was 85% during the six meetings. All meetings of the Risk Committee and the Supervisory Board were led by the respective chairman. I regularly exchanged information with the Management in preparing for the meetings and in general.

Minutes were taken at all meetings of the board and its committees. The minutes were always approved by mutual agreement.

In 2023, AKA also involved the members of the Supervisory Board in a joint, external training programme on the topic of ESG.

In summary, I can report that the Supervisory Board and its committees duly carried out the tasks incumbent on it as set forth by law, the articles of association and the rules of procedure and regularly monitored the Management of AKA Ausfuhrkredit-Gesellschaft mbH in a timely manner.

Outlook and thanks to the Supervisory Board

I return to the description **"different, but better"**.

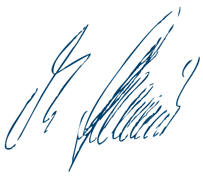
AKA has a strong balance sheet, can yield interest on its equity with a sustainable ROE, and has prepared itself for further growth in the balance sheet total with a significantly higher equity ratio. The Supervisory Board supports the path AKA has taken.

The consistent management of the business based on "return on risk-weighted assets" promises stable progress. It is certainly fitting that the investment grade rating of GBB-Ratinggesellschaft für Bonitätsbeurteilung GmbH, confirmed in 2023, has rated AKA's business policy as "outlook stable".

A lot has been achieved in a short time. We on the Supervisory Board would like to thank the Management and all employees for their commitment in all areas. We have been happy to lend them our support.

Frankfurt, March 2024

For the Supervisory Board
of AKA Ausfuhrkredit-Gesellschaft mbH



Michael Schmid

Green energy from wind farms

Management report

1. Fundamentals of the business model

A special credit institution for international Export and Trade Finance

AKA is a special credit institution for international Export and Trade Finance. For 70 years, it has partnered with various players in the market: banks, exporters, importers, investors and European export credit agencies (ECAs). The focus of its business activities is on finance and risk assumption in emerging markets (EMs).

AKA's vision is to be the leading enabler in Europe for Export and Trade Finance with an open, digital ecosystem.

AKA offers its partner network customised and standardised solutions, as well as risk capacity based on a digital platform and in-depth experience in the Export and Trade Finance market.

AKA views itself as a product bank and acts as a complementary institution, i.e. in harmony with its business partners and not as a competitor. It primarily acts together with its 17 shareholder banks. These come from all three pillars of the German banking sector, as well as from the European environment. AKA is also involved in the financing of non-shareholder banks active in the international market for Export and Trade Finance.

AKA's business activities include products for short-, medium- and long-term Export and Trade Finance, which are grouped into the following divisions:

- ECA-covered financing: financing for foreign buyers with cover from state export credit insurers, for example, Hermes coverage for German exports
- Structured Finance (SF) with commodity or trade exposure
- Syndicated Trade Loans (STLs): trade-related financing for banks and corporates
- FI desk business: mainly participations in letter of credit risks

In addition, AKA offers services in connection with Export Finance, for example, the assumption of agency functions.

With its digital strategy, AKA lays the foundation for further development of the business model – towards a modern, digital platform. Thus, AKA develops solutions in the area of ECA-covered Export Finance. For the small-ticket segment, i.e. small-volume, Hermes-covered buyer loans, AKA provides the German export economy with an additional sales financing instrument via its online portal SmaTiX.

AKA is a non-trading book institution. It is only active in the treasury insofar as it is necessary for refinancing its loan business and ensuring liquidity or complying with regulatory conditions. It refinances itself via its own funds and refinancing lines of the shareholder banks, as well as via third parties, and can also absorb liquidity directly on the capital market. As a member institution in the Federal Association of German Banks, it is part of the voluntary Deposit Protection Fund of private banks.

The equity base has been continuously strengthened by the policy of profit appropriation in recent years. The equity base, which exceeds the regulatory targets even on the balance sheet date, provides the basis for stability, sustainability and growth and thus supports the solid business model of the bank.

AKA sees itself as a platform for discussion and development of relevant fundamental issues in the context of international Trade Finance and government instruments for foreign trade promotion. Through its own event formats as well as its involvement in committees such as the Interministerial Committee and associations related to national and foreign trade, AKA also plays an active part in the discussions.

2. Economic report

2.1 Influencing parameters

World economy and world trade

For AKA's business model, the development of global trade and the development of the global economy are among the influencing framework conditions. The latter, in addition to country-specific factors, has an impact on Germany and the eurozone. Global economic development also influences the emerging markets relevant to AKA.

In 2023, the global economy expanded moderately. The World Bank put global real gross domestic product (GDP) growth at 2.6% in 2023 (previous year: 3.0%). The global economy faced the challenges of the fight against inflation and the associated tightening of financing conditions, as well as the impact of geopolitical tensions. Economic activity has weakened, particularly in interest rate-sensitive sectors, such as real estate and investment. However, in some segments, companies' self-financing abilities, as well as the growing trend towards projects with environmentally friendly or social aspects, have been able to support investment activity. Despite falling real incomes due to inflation, the robust labour market supported consumer sentiment, with regional differences.

In general, growth divergence was observed, with emerging markets performing more strongly than developed markets. Over the year as a whole, the aggregate expansion rate of the industrialised countries was 1.5%; growth was stronger in emerging markets at 4.0%. Growth in Europe remained subdued compared to the US and some Asian and commodity-producing countries, as the energy price crisis had a greater impact.[1]

The World Trade Organisation (WTO) noted slowing momentum in global trade, with real growth of around 1% for 2023 (previous year): 3%) – a weaker trend compared to the global economy.[2] Taking into account the price trend marked by lower commodity prices, global trade presumably fell by a nominal 4.5% from its record level in the previous year. Goods trade has been impacted by a slowdown in global value chain integration and declining inventory as disruptions subside, accompanied by a trend towards increased domestic procurement and more restrictive trade policy. In addition, a bilateral trade preference with countries with similar geopolitical interests ("friend shoring") could be identified. There was also the weaker economy in some trade-intensive European and Asian countries, as well as dampening effects from more restrictive conditions for Trade Finance. Weak trade performance is also due to the fact that global economic growth had a less trade-intensive composition, as a higher proportion of domestic demand was driven by consumption, while more trade-intensive investment remained more subdued.[3]

Industrialised countries: USA – Eurozone – Germany

Despite tighter monetary policy in the USA, the economy had held up well so that real GDP expanded more strongly in 2023 at an expected 2.5% than in the previous year at 1.9%.[4]

According to the EU Commission, economic momentum in the eurozone has slowed after the robust post-pandemic expansion of 2021/2022 in contrast to the USA. Despite weak global trade, net foreign trade contributed modestly to growth, as the decline in imports was stronger than the decline in exports amid restrained domestic demand. Exports were impacted by weak Chinese growth and geopolitical tensions, among other things.[5]

For Germany, GDP declined by 0.3% for the full year of 2023. Private consumption fell particularly due to the lingering decline in purchasing power during the energy price crisis and due to consumer restraint against the background of geopolitical uncertainties. Increased interest rates led to a cool-down, particularly in the partially overheated real estate market.[6] An industrial weakness was particularly evident in energy-intensive sectors, such as the export-oriented chemical industry, with signs of energy-intensive production shifting to other locations. The high order backlog also melted away. Expansive stimulus came from government investment, partly through the procurement of armaments. There was also a lack of stimulus from foreign trade. Exports fell by 1.8% in real terms in 2023. The largest declines were in the export of capital goods and consumer durables. The price competitiveness of German exporters with respect to their most important trading partners deteriorated by around 3%. This is mainly due to exchange rate appreciation vis-à-vis China and the USA.[7]

Emerging and developing countries

Economic growth in the emerging markets apparently rose slightly to 4.0% in 2023 (previous year: 3.7%); in contrast, without China, it is said to have been at a lower 3.2%. Weaker demand from industrialised countries dampened demand for exports, while higher interest rates slowed domestic demand. A high degree of heterogeneity can still be noted. In many commodity-exporting countries, global weakness in the industrial sector was felt, as well as the lower demand from China's construction segment to a certain extent. A number of commodity-importing countries continued to suffer from the impact of the year's high agricultural and energy prices, which weighed on purchasing power and consumption.[8]

Asia

In Asia, economic growth presumably accelerated to 5.2% in 2023 (previous year: 4.5%).[9] This was primarily driven by the reopening of the Chinese economy, which grew by 5.2%. In China, the structural real estate crisis was masked by government stimulation measures, including interest rate cuts. Nevertheless, the real estate sector weighed on demand due to its great importance from a macroeconomic perspective. India's economy was once again that of one of the most expansive countries in the world with growth of 6.3%. Indonesia's economy also had above-average growth at 5.0%. In many other export-dependent countries in Southeast Asia, the economy slowed.[10]

Latin America

Latin American economic growth almost halved, from 3.9% in 2022 to around 2.2% in 2023. The headwinds included increased inflation, tighter financial conditions, weaker global trade and adverse weather effects. Brazil performed better amid positive developments in the agricultural sector, private consumption and export products. The first key interest rate cuts also took place. Mexico benefited from robust private consumption and stronger investment demand, given near-shoring stimulus, particularly as a result of strong demand from the neighbouring USA. On the other hand, numerous commodity-exporting countries, such as Chile and Peru, suffered from weak international demand and weakening global market prices.[11]

Eastern Europe and Central Asia

Economic growth in Eastern Europe and Central Asia increased by approximately 2.7% in 2023 (previous year: 1.2%). The recovery was based on rising private consumption, supported by government stimulus packages, a robust labour market and slight growth rates in Russia and Ukraine. A partial reallocation of capital and trade flows in connection with Russia was able to support domestic demand in some national economies. Above-average growth rates were achieved in Central Asia (4.9%). In Turkey (4.2%), the economy initially benefited from a looser monetary policy, which became much tighter over the course of the year, as well as reconstruction projects following the earthquake in February 2023. Growth was weakest in the Eastern European EU countries, given the close links with Western Europe.[12]

Africa and the Near East

For 2023, the World Bank expected a slowed economic expansion of 2.9% (previous year: 3.7%) for Sub-Saharan Africa. In general, there were various influencing factors. While dwindling oil fields in Angola led to restrictions on expenditure, Nigeria was impacted by currency shortages. South Africa continued to experience power shortages. In addition, the global effects of weaker international demand and a restrictive monetary policy to fight inflation were also observed. Against the trend, the two East African countries Tanzania and Uganda, boosted by state investment programmes, grew more strongly at rates of over 5%. In the Near East, oil-exporting countries voluntarily curtailed production to stabilise the lower oil price, while other economic sectors performed strongly. In some countries, the economy was in turn affected by conflicts, including the war in Israel and Gaza, which erupted in October 2023.[13]

International funding conditions

The major central banks of industrialised countries continued to tighten monetary policy in 2023, reaching the highest key interest rate level in the last 20 years to contain the remaining inflationary pressures. The US Federal Reserve (Fed) raised key interest rates by another 100 basis points from the start of the year to July, reaching a range of 5.25% to 5.50%, even in light of the robust economy. After an interest rate pause, the Fed signalled that interest rates were close to the peak at the end of the year, rhetorically preparing for a possible easing of monetary policy.[14] In parallel, the European Central Bank (ECB) had raised interest rates by 200 basis points to 4.5% by September 2023, against the backdrop of continued core inflation. The ECB's monetary tightening also included a reduction in bond holdings. The reinvestment of repayment amounts is only envisaged on a flexible basis in the Pandemic Emergency Purchase Programme until the end of 2024. In contrast to the USA, the ECB had not yet broached the issue of any interest rate cuts by year-end due to its inflation forecasts.[15]

Long-term interest rates in many countries continued to rise temporarily, given tight monetary policy, the inflation outlook and Spill-over effects from the USA. The ten-year US state and federal bonds reached their highest levels in the last decade at the beginning of October 2023, at 4.7% and 2.7%, respectively.[16] Uncertainties about the development of short-term interest rates and inflation were reflected in volatility. Towards the end of the year, capital market interest rates declined slightly as inflationary pressures eased and the economic outlook moderated. Geopolitical escalation in the Near East had a limited impact on financial markets in autumn. The yield curve has been negative for some time. The higher key interest rate level generally had an effect on financing conditions. Lending momentum slowed significantly over the course of the year. In addition to rising lending rates, there was also the following: a tightening of lending policies in view of increased credit risks and weakening economic outlooks, as well as lower demand for loans.[17]

There was a split development in the emerging markets. Some central banks had started cutting interest rates over the course of the year amid falling inflation rates. However, in countries with a weaker credit rating, financing conditions remained tight, which was reflected in higher risk premiums on relevant government bonds in the international capital market. In addition, the value of currencies of affected emerging markets declined sharply last year, in some cases more than 30%. However, debt service remained sustainable in many countries due to a high level of financing at low fixed rates. In China, the financial market was influenced by the real estate crisis.[18]

Commodities

On a US dollar (USD) basis, commodity prices broadly fell on the back of lower demand but remained 40% above pre-pandemic levels in 2023. The price of oil was volatile but fell to an average of USD 83 per barrel for the year from USD 100 per barrel in 2022. OPEC+ production cuts were largely offset by production expansions in the USA and Iran. The price drop in autumn was temporarily interrupted by the Middle East conflict.[19] The TTF gas price fell due to full inventories and savings effects in Europe. Metal prices declined slightly due to weak demand from China and high global market inventories, even though higher production costs and supply bottlenecks arose for individual commodities (copper, aluminium). Agriculture prices also declined, stabilising in autumn at around 30% above pre-pandemic levels.[20]

1 Cf. The World Bank. Global Economic Prospects. January 2024. Washington, DC. URL: https://www.worldbank.org/en/publication/global-economic-prospects. Short reference: World Bank 2024.
2 Cf. World Trade Organization (WTO). Global Trade Outlook and Statistics. URL: https://www.wto.org/english/res_e/publications_e/gtos_updt_oct23_e.htm.
3 Cf. UNCTAD. Global Trade Update. December 2023. URL: https://unctad.org/publication/global-trade-update-december-2023.
4 Cf. World Bank 2024.
5 Cf. ifo Institut. ifo Konjunkturprognose [Economic Forecast] Winter 2023. URL: https://www.ifo.de/DocDL/sd-2023-digital-04-wollmershaeuser-etal-konjunkturprognose-herbst-2023_0.pdf. Short reference: ifo 2023.
6 Cf. Bundesministerium für Wirtschaft und Klimaschutz [Federal Ministry of Economic Affairs and Climate Protection]. Die wirtschaftliche Lage in Deutschland im Januar 2024 und vorläufige Zahlen zum BIP 2023 [The economic situation in Germany in January 2024 and preliminary figures on GDP in 2023]. URL: https://www.bmwk.de/Redaktion/DE/Pressemitteilungen/Wirtschaftliche-Lage/2024/20240115-die-wirtschaftliche-lage-in-deutschland-im-januar-2024.html.
7 Cf. ifo 2023.
8 Cf. World Bank 2024.
9 Cf. International Monetary Fund (IMF). World Economic Outlook: Navigating Global Divergences. Washington, DC. October 2023. URL: https://www.imf.org/en/Publications/WEO/Issues/2023/10/10/world-economic-outlook-october-2023.
10 Cf. World Bank 2024.
11 Cf. World Bank 2024.
12 Cf. World Bank 2024.
13 Cf. World Bank 2024.
14 Cf. Federal Reserve. Monetary Policy. FOMC statement. 2023. URL: https://www.federalreserve.gov/monetarypolicy.htm.
15 Cf. European Central Bank. Monetary policy decisions. URL: https://www.ecb.europa.eu/press/pr/date/2023/html/ecb.mp231214~9846e62f62.de.html.
16 Cf. ECB 2023.
17 Cf. ECB 2023.
18 Cf. World Bank 2024.
19 Cf. World Bank 2024.
20 Cf. European Commission 2023.

2.2 Business performance in 2023

In the 2023 financial year, AKA recorded new business transactions of EUR 1,428 million (previous year: EUR 2,123 million). This is a 32.8% decline compared to 2022. The earnings generated from new business reached EUR 8.8 million (previous year: EUR 10.6 million).

At 40.3% (previous year: 41.8%), the largest share of new business volume by individual product was the business with long-term ECA-covered buyer loans. Ranked second at 25.2% (previous year: 16.9%) was the holdings in structured financing (SF), followed by risk sub-participations in letters of credit confirmations and related products at 22.4% (previous year: 28.9%). The proportion of Syndicated Trade Loans (STLs) was 12.1% (previous year: 12.4%).

Overall, 59.7% of the new business volume was achieved in the Structured Finance & Syndication (SFS) segment (consisting of FI desk, SF and STL).

The main focus of business activity remained on cooperation with the shareholder banks. AKA also works in all product segments with select international banks that have a good reputation. The proportion of these "non-shareholders" has increased over the reporting period across all product segments.

2.2.1 Development of new business

ECA-covered buyer loans – volatility from major projects

In AKA's business with ECA-covered buyer loans and guarantees, there was a significant decline in the commitments over the previous year's turnover to EUR 575.1 million (previous year: EUR 849.9 million). The reason for this was particularly the rejection or delay of individual major projects. From the new business, earnings of EUR 3.5 million were generated.

Most of the commitments were made again in cooperation with the German ECA Euler Hermes/Allianz Trade. In addition, financing was also conducted with other European ECAs.

During the reporting period, 79% of the ECA-covered business was handled in cooperation with shareholder banks.

SFS – decrease in new business volume

The SFS product segment, consisting of the individual products FI desk, STL and SF, with new business volume of EUR 853 million, was not able to reach the previous year's value of EUR 1,236.4 million. The analysis in detail:

FI desk: The transactions in this segment, which primarily centre around holdings in bank risks in connection with L/C (letter of credit) transactions, had new business volume of EUR 320 million and thus fell significantly below the previous year's value of EUR 614.4 million.

Syndicated Trade Loans (STLs): AKA's STL financings are issued for banks and corporates with a trading background generally as syndicates. With new business volume of EUR 173 million, the previous year's value of EUR 263.3 million could not be reached.

Structured Finance (SF): Syndicated participations of AKA in Structured Finance always have a commodity or trade connection. This year, with a new business volume of EUR 360 million, the previous year's value of EUR 358.8 million was exceeded.

2.2.2 Total commitments

As of the reference date 31 December 2023, the business volume has grown to around EUR 5.6 billion compared to the previous year (EUR 5.3 billion). In addition to the balance sheet total, this total also includes off-balance sheet items (contingent liabilities and irrevocable loan commitments). The reservation portfolio (loan contracts already committed but not yet concluded) amounted to EUR 547 million (previous year: EUR 1,374 million).

2.3 Financial performance

Various factors influenced the financial performance in the 2023 financial year.

The net interest income in the past financial year was EUR 56.4 million, 12.8% above the level of the previous year (EUR 50.0 million). The positive development in the area of net interest income continued from the previous year is attributable to a positively developed volume of loans. Both reference interest rates for LIBOR and EURIBOR rose during 2023, which led to an increase in interest income from credit and money market transactions. Thus, AKA was able to overcompensate for the increased interest expenses.

The net fee and commission income fell by 23.1% to EUR 6.0 million compared to the previous year. This results in particular from the reduced earnings from sub-participations in letters of credit, which could be achieved due to new business volumes below the previous year, as well as additional risk sub-participations. Reduced earnings were also generated from the management of trust loans due to lower volumes.

Overall, the result from the loan business amounted to EUR 62.4 million (target: EUR 58.3 million) compared to EUR 57.8 million in the previous year.

General administrative expenses (including depreciation) decreased by EUR 1.2 million in 2023, mainly due to lower expenses for pensions and reduced other administrative expenses. Other administrative expenses include items affecting expenses in the amount of EUR 3.9 million, which were incurred as part of the digital strategy innovation and investment budget approved by the Supervisory Board. Expenses for wages and salaries counteracted this, increasing by EUR 1.3 million. Personnel expenses decreased by 1.7% compared to the previous year.

The operating result increased by EUR 5.8 million to EUR 31.1 million compared to 2022.

The cost-income ratio (CIR with IIB), which is a key performance indicator of AKA, was 50.2% in the past year as a ratio of administrative expenses (with IIB) to net interest and net fee and commission income, thus 6.0 percentage points below the previous year's value. The target figure for 2023 was 56.4%. The cost-income ratio (before IIB), which is also a key performance indicator of AKA, was 44.0% in the past year and, thus, 6.0 percentage points below the previous year. The target figure for 2023 was 49.8%.

"Other operating expenses" mainly include expenses from foreign currency valuation, interest-induced expenses from allocation to the provision for pensions and expenses from the disposal of fixed assets, while other earnings arise mainly from the reimbursement of costs of affiliated companies and the reversal of provisions.

The risks from the loan business were also appropriately taken into account in the 2023 annual financial statements. Overall, allocations to risk provisioning of EUR 17.8 million were offset by reversals of EUR 14.3 million. In addition, AKA made a management adjustment to a sub-portfolio in the amount of EUR 13.5 million (previous year: EUR 10.0 million). The sub-portfolio is made up of loan receivables from Russian, Belarusian and Ukrainian borrowers. Further details can be found in the risk report. In the case of the securities portfolio, the bank used write-ups of EUR 2.4 million as a net position. In addition, an allocation was made to the Section 340g HGB reserve in the amount of EUR 9.1 million.

After deduction of profit-based taxes, AKA shows a net profit of EUR 8.0 million for the year.

The return on investment, as a ratio of net profit and the balance sheet total, thus fell from 0.26% in 2022 to 0.20% in the past financial year.

Return on equity before tax, a relevant performance indicator of AKA, increased from 3.8% to 8.1%. It is thus below the annual planning figure of 7.2%. AKA follows this formula to determine the return on equity: the ratio of net profit for the year before taxes and before the Section 340g HGB change to the equity available at the beginning of the year less the net profit to be distributed to the shareholders.

Fig. 1 Overview of financial performance

Overview of financial performance	**2023** in EUR million	**2022** in EUR million	**Delta** absolute	in %
Net interest income	56.4	50.0	+6.4	+12.8 %
Net fee and and commission income	6.0	7.8	-1.8	-23.1 %
Administrative expenses including deprecation)	31.3	32.5	-1.2	-3.7 %
Operating result	31.1	25.3	+5.8	+22.9 %
Other earnings/expenses	-2.3	1.9	-4.2	>100 %
Risk provisioning	5.7	16.8	-11.1	-66.1 %
Income taxes	5.9	0.3	+5.6	>100 %
Section 340g HGB allocation	9.1	0.0	+9.1	>100 %
Net profit for the year	8.0	10.2	-2.2	-21.6 %
Financial performance indicators	**2023**	**2022**	**Delta**	
Cost-income ratio (with IIB)	50.2 %	56.2 %	-6.0	-10.7 %
Cost-income ratio (before IIB)	44.0 %	50.0 %	-6.0	-12.0 %
Return on equity (before tax)	8.1 %	3.8 %	+4.3	>100 %

2.4 Financial position and cash flows

AKA's balance sheet total amounted to EUR 4.036 billion on the balance sheet date. On the reference date of 31 December, it increased 2.8% compared to the previous year (EUR 3.928 billion). Taking into account contingent liabilities and other obligations, business volume increased by 4.8% to EUR 5.6 billion. The volume of transactions with risk participations in letters of credit, surety obligations and guarantees included in contingent liabilities from guarantees decreased by EUR 31.5 million to EUR 459.6 million due to lower new business volumes. Irrevocable loan commitments accounted for under other obligations increased by EUR 179.7 million to EUR 1,103.5 million.

Receivables from banks and customers represent the main asset items and result from the bank's loan business. They increased by EUR 136.6 million in the past financial year to EUR 3,716 billion due to paid-out irrevocable loan commitments and concluded new business.

Debenture bonds and other fixed-interest securities are held in the amount of EUR 131.2 million (31 December 2022: EUR 115.3 million). Insofar as these are part of the liquidity reserve of AKA, they are securities with a very good credit rating. As of the balance sheet date, this portion, measured by the book value, amounted to EUR 97.9 million (31 December 2022: EUR 86.9 million). In addition, as part of a debt restructuring, the company acquired long-term government bonds (reported in fixed assets) with a book value of EUR 4.0 million (previous year: EUR 4.1 million). Furthermore, it has securities with a book value of EUR 29.3 million (previous year: EUR 24.3 million) in the portfolio, which were deposited as collateral with the Bundesbank (German Central Bank) within the framework of TLTRO (targeted longer-term refinancing operations) transactions.

To refinance the business, there were liabilities to banks in the amount of EUR 2.872 billion and to customers in the amount of EUR 0.670 billion. Bank-funded loan volumes rose by EUR 230.8 million. The portion of the business financed by customer deposits decreased by EUR 104.9 million.

Provisions increased by EUR 1.5 million in the past financial year to EUR 11.9 million. They consist mainly of provisions for anticipated losses from the loan business and provisions for year-end bonuses.

AKA's equity comprises subscribed, fully paid-up capital of EUR 20.5 million and retained earnings. After the retained earnings had increased to EUR 263.3 million as of 1 January 2023, according to the proposal to the shareholders' meeting, a portion of the net profit for the year (EUR 3.9 million) of EUR 8.0 million is to be used to further increase retained earnings to EUR 267.2 million. The remaining portion of the net profit for the year of EUR 4.1 million is to be distributed to the shareholders.

AKA is satisfied with the result of the 2023 financial year, taking into account the economic and geopolitical environment. Financial position, cash flows and financial performance are considered in order.

3. Risk report

3.1 Aims, principles and structure of risk management

AKA corporate aims: AKA's primary goal is to participate in the loan business offered by business partners after appropriate analysis; inappropriate risk concentrations should be avoided. AKA manages and monitors its risks with the aim of designing its risk and earnings profile optimally in the long term and ensuring the necessary risk-taking capacity at all times.

AKA

- is a non-trading book institution and currently does not conduct any "deposit and savings deposit business";
- refinances itself using its own funds, refinancing lines from shareholder banks and through third parties and can, in the interest of diversifying its refinancing sources, also borrow funds directly on the capital market depending on the effort and costs required;
- is only active in treasury insofar as it is necessary for refinancing its loan business and ensuring liquidity or complying with regulatory conditions;
- strives to minimise interest rate and currency risks through congruent refinancing or corresponding security transactions; and
- makes investments in securities as part of the management of regulatory requirements and liquidity management.

Risk policy: The risk policy or overall bank management includes all measures for the planned and targeted analysis, management and monitoring of all risks taken. It is AKA's business policy first and foremost to limit credit default risks associated with the key business field of Export and Trade Finance, while taking ESG risks into consideration (particularly physical and transitory risks).

Risk strategy principles: The Management determines the risk policy guidelines for all identifiable risks, taking into account the risk-taking capacity. The basis is the analysis of the initial business situation and the assessment of the opportunities and risks associated with the loan business based on the "three-line model". The guidelines are documented in the risk strategy, which includes all types of risk that are material to AKA. An annual review of the risk strategy is carried out by the Management and subsequently discussed with AKA's Supervisory Board. It is the overall responsibility of the Management that the risk concept is integrated consistently into the organisation and that the risk culture is firmly anchored in the corporate culture.

AKA ensures this through the organisational structure and workflows. The responsibility for the implementation of the risk policy defined by the Management lies primarily in the departments entrusted with the loan business: Credit Risk Management (CRM), Export & Agency Finance (EAF), Structured Finance & Syndication (SFS), Portfolio Management (PM) and Treasury (TSY).

Risk strategy: The risk strategy structured according to the principles of "Minimum Requirements for Risk Management" (MaRisk) and the specifications of the Supervisory Review and Evaluation Process (SREP) includes detailed rules on all key aspects of risk management. Examples: Risk-taking capacity, risk management, stress testing, early risk warning indicators, as well as principles for determining risk provisioning and risk inventory including all risks.

Risk organisation: Risk organisation forms the organisational framework for the implementation of the risk strategy and has effects on the internal control procedure. The design of this procedure is recorded in the "written regulations" of AKA, called the "Organisational Handbook" (OHB), and includes the following:

- organisational structure and workflows (including separation of front/back office functions)
- risk management and risk controlling processes (= risk management in the narrower sense)
- Internal Audit

The definition of tasks and areas of responsibility within the risk management system are described in the OHB.

Important components of the risk organisation at AKA are:

- Management,
- Credit Risk Management,
- Liquidity Management,
- Risk Controlling,
- Compliance,
- Information Security Management,
- Business Continuity Management,
- the Risk Committee,
- the Credit Committee,
- the Asset Liability Committee,
- the Sustainability Board,
- the IT Control Group, and
- Internal Audit.

Management: The Management is responsible for AKA's risk strategy, which is based on the desired return/risk ratio. It also ensures the design of an appropriate risk infrastructure.

The Management has delegated to the department heads the responsibility for coordinating an adequate risk management and controlling system that meets the internal and external standards. It delegated to the Internal Audit department the responsibility for an independent assessment of the appropriateness of the risk management and controlling system and compliance with the existing procedures.

Credit Risk Management: CRM, as an operational specialist department, is responsible for the individual risk management of all credit default risks both in new business and in ongoing monitoring. After in-depth analysis, CRM makes credit decisions, from a portfolio perspective and on an individual basis, within the scope of its own level of authority delegated by the Management. Credit decisions that concern the Management's level of authority for credit approval are voted for by CRM for the Management. In the case of credit decisions, AKA pursues the goal of maximising the risk/return ratio (taking into account the implemented RAROC system).

When assessing borrowers and the associated risks, ESG factors (environmental, social and governance) and sustainability aspects are also taken into account. Based on an ESG criteria catalogue (based on the Sustainable Development Goals of the United Nations) and an industry-based heat map for E&S factors, CRM qualitatively analyses every corporate borrower for their potential exposure to ESG risks. Each of the three factors "E", "S" and "G" is assigned a low/medium/high risk according to a traffic light system.

The combination of the individual factors then results in an ESG score on a scale of 1 (low risk) to 5 (high risk). A similar scale is used for the ESG assessment of banks and sovereigns; external scores are used for this. Any deteriorations in the ESG score that may have been detected serve as an early warning indicator in the regular monitoring of borrowers.

For corporates, at the level of the respective transaction, an ESG assessment supplements the consideration of ESG risks at the borrower level according to the aforementioned methodology. This is done for the bank and sovereign portfolios, if useful and possible. Particular attention should be paid to the contribution of the respective transaction to the transition or transformation of the borrower's business model towards greater sustainability.

The credit risk management process as an integral part of the overall bank management is regularly subjected to quality assurance. It includes the credit analysis of countries, banks, corporates, insurance companies and commodities and trade finance risks, as well as the benchmarking of results with available rating information from external agencies. The responsibility of CRM also includes decisions on a portfolio-oriented reduction of risk, for example, through sales of receivables, as well as recommendations for decisions on appropriate risk provisioning.

CRM also cooperates in coordination with Risk Controlling in the further development of the bank's internal risk management systems for countries, banks, corporates, sectors, limits, etc.

Liquidity Management: The TSY department is responsible for liquidity management and the associated possible market, liquidity and refinancing risks. It is responsible for compliance with and management of the liquidity risk and market price risk limits defined within the framework of the risk strategy. The Finance (FI) department is responsible for determining and monitoring the liquidity risk and market price risk positions, as well as their forecast and reporting. Both departments (TSY and FI) are responsible for compliance with the regulatory requirements within the framework of the Internal Liquidity Adequacy Assessment Process (ILAAP).

Risk controlling: As a second line in the three-line model, Risk Controlling supports the Management and the functions responsible for the planning, management and control of the planned business activities. Risk Controlling is located in the FI department.

The main sub-task of Risk Controlling at AKA is risk identification (while taking ESG risks into account), risk classification, risk measurement, risk assessment and risk management in order to play a part in the planning and achievement of company goals. These tasks are carried out independently by Risk Controlling, i.e. objectively and neutrally. This includes coordinating an adequate risk management/controlling system that meets internal and external standards.

Risk controlling supports the Management in all risk-relevant questions, particularly in the development and implementation of the risk strategy, as well as in the design of a system to limit the risks. The head of the Finance department, as the holder of the Risk Controlling function, must be involved in important risk policy decisions of the Management.

Risk Controlling is responsible for developing risk methods, standards and the associated processes for all material risks identified in the risk inventory, as well as for coordinating between the relevant units. Risk Controlling also measures and monitors the risk positions and analyses possible losses associated with risk positions. Its tasks include planning, developing and implementing risk management systems and procedures. Establishing and further developing procedures for early risk detection are also part of Risk Controlling's tasks. The methods used are regularly subjected by AKA to validation and back-testing to ensure conformity with the regulatory requirements.

Risk Controlling coordinates the management and controlling processes associated with the available risk capital, such as the limit allocation process and the management or monitoring of the risk/return profile. It also ensures the ongoing monitoring of the risk situation, particularly with regard to the risk-taking capacity and compliance with the defined risk limits. The FI department ensures the establishment and review of the risk limits for all material risks in coordination with the departments responsible for the risks. The monitoring of the risk situation also includes the regular implementation of a risk inventory, the determination of the material risks, and the derivation of an overall risk profile.

Risk controlling monitors and measures risks related to non-performing exposures (NPEs) and the progress towards achieving NPE target values in accordance with MaRisk requirements and the strategy for non-performing risk positions. It uses the information of other departments (mainly CRM and PM) after checking the plausibility.

The results from risk identification, assessment, quantification and management are communicated to the Management as part of the reporting. The Risk Controlling function is responsible for immediately forwarding important information from a risk point of view to the Management, the respective controllers and, if necessary, Internal Audit.

To perform controlling functions, Risk Controlling employees must be granted all necessary powers and unrestricted access to all information. If the management of the Risk Controlling function changes, the supervising body and all affected employees of AKA must be informed.

Compliance: The Management has appointed a Compliance Officer in accordance with MaRisk. The Compliance Officer is the deputy head of the Compliance and Anti-Money Laundering department. The Compliance Officer is responsible for the MaRisk Compliance function.

The performance of AKA's Compliance function is decentralised within the organisation and established with centralised and decentralised responsibilities. The MaRisk Compliance Officer is responsible for the operational processes of the MaRisk Compliance function.

The MaRisk Compliance Officer must work towards, that effective procedures are implemented to comply with the legal provisions and requirements and corresponding controls that are essential for the institution. Furthermore, the MaRisk Compliance Officer must support and advise the Management in complying with these legal provisions and requirements. The MaRisk Compliance Officer coordinates the decentralised responsibilities within AKA's decentralised Compliance organisation.

The MaRisk Compliance Officer is also responsible further developing the Compliance Policy.

In addition, the MaRisk Compliance Officer conducts a legal inventory as an overview of the legal standards and provisions relevant to AKA. The legal inventory is filled in monthly via various sources, such as BaFinJournal, monthly information from the Association of Foreign Banks, compliance platform newsletters and decentralised contributions. The responsibility for a legal standard to be noted in the legal inventory is given on proposal by the MaRisk Compliance Officer. The departmental management to which the legal standard was assigned has a veto right. In this case, the Risk Committee decides on the responsibility for the corresponding legal standard. The responsible department management must document the relevance of the legal standard for AKA as well as a risk and materiality analysis in the legal inventory and implement the legal standard – insofar as it is relevant for AKA.

The MaRisk Compliance Officer monitors the implementation of the legal provisions relevant to AKA based on a monitoring plan that corresponds to the materiality analysis. He/she regularly informs the AKA Risk Committee of the results of his/her work.

The MaRisk Compliance Officer reports to the Management on his/her work at least once a year and whenever needed. The appropriateness and effectiveness of the provisions for compliance with the essential legal provisions and requirements must be addressed therein. In addition, the report must also contain information on possible shortcomings and measures to rectify them. The reports must also be forwarded to the supervising body and Internal Audit.

The MaRisk Compliance Officer has an unlimited right of access and inspection to the relevant books and documents of the bank, the relevant personnel data and the corresponding IT systems in order to carry out his/her tasks, as well as a right to information vis-à-vis all employees, insofar as this is necessary for the fulfilment of his/her duties.

If the MaRisk Compliance Officer changes person, as during the financial year, the Supervisory Board and all affected employees of AKA must be informed.

In addition, AKA is clearly committed to guidelines arising from the applicable requirements regarding financial sanctions and the prevention of money laundering, terrorist financing and criminal acts. These requirements must be complied with; the internal guidelines given in this respect must be observed by each employee.

At AKA, new requirements from relevant legal standards and their application to AKA are continuously reviewed and corresponding follow-up measures are derived. Each employee must vigilantly deal with the topics of financial sanctions and the prevention of money laundering, terrorist financing and criminal acts within the framework of his or her respective roles and responsibilities – and in accordance with the associated requirements. AKA's Management is involved in these processes through appropriate reporting and decision-making channels.

Information Security Management (ISM): The Management has adopted an information security guideline and communicated it within the bank. This guideline is consistent with the bank's strategies. AKA has set up the role of Information Security Officer. This function is responsible for handling all information security matters within the bank and with respect to third parties. In this way, AKA ensures that the goals and measures laid down in the IT strategy, the information security guideline and the information security policies are presented transparently, both internally and towards third parties. The bank also ensures that compliance with them can be checked and monitored. Information Security Management includes information security requirements, defines processes and controls their implementation. Information Security Management follows an ongoing process that includes the following phases: planning, implementation, success monitoring, as well as optimisation and improvement. The content-related reporting obligations of the Information Security Officer to the Management and the frequency of reporting are based on BT 3.2 margin no. 1 MaRisk. The procedural model within the framework of ISM is based on the information security standards of the Federal Office for Information Security (BSI standards) and serves the purpose of establishing a security level that is in line with the AKA's risk strategy. The tasks of information risk management and risk analysis are monitored by the FI department. The objective of this organisational structure is both to comply with the regulatory requirements (BAIT) and to centrally manage all risks of the company.

Business Continuity Management (BCM): BCM is an establishment of an emergency and crisis management structure whose purpose is to ensure that, in the incidence of a damaging event, important business processes are not interrupted or only temporarily interrupted; occurring losses are reduced to an acceptable minimum; and, thus, the economic existence of the bank remains secured.

The methodology used by AKA is currently being further developed based on BSI standard 200-4, which was updated in mid-2023, and detailed emergency management processes are being added. The enhanced methodology will be used for the first time in 2024.

AKA has established a BCM Officer and an Emergency Management/BCM team. As core participants, the team includes the Management (back office), the management of the IT department and the Information Security Officer (ISO). The BCM team is responsible for creating, implementing, maintaining and supporting the bank-wide emergency management system. The BCM Officer supervises and coordinates the work of the BCM team and reports to the Management on a quarterly basis on the work carried out as part of the emergency management system. When needed, the BCM team can be supplemented by additional members. For example, in the event of a pandemic, the management of the HR department is involved.

As part of a business impact analysis (BIA), AKA determines which of its IT applications are time-critical on the basis of the requirements of business operations. In an emergency provisioning concept based on the BSI standard, AKA has made provisions that ensure the availability of electronically stored data and the IT systems relevant to business operations in an emergency.

At the level of the individual functional areas of AKA, as part of the emergency management system, there are also recovery plans for handling emergency situations, in addition to the underlying business continuity plans. These must be obtained directly from the department managers.

As part of the precautionary measures, corresponding exercises are regularly carried out on the basis of a corresponding emergency test plan.

The BCM team forms the core team of a crisis organisation. In the event of an emergency, a specific crisis, a specific disaster or a pandemic, as well as depending on the cause and extent of the event, additional internal and, if applicable, external units are involved in the crisis organisation. The chairman of the Supervisory Board is informed by the management of the crisis team (the first available member of the Management).

Risk Committee (RC): The Risk Committee (RC) is the overarching committee for all risk-relevant questions, particularly with a profile encompassing all risk types.

The RC meets regularly, at least four times a year. In terms of content, the RC deals with the risk development and with new/future risks for the bank. Furthermore, the RC considers and discusses new legal requirements for AKA and assigns responsibility in each case. In addition, it is the escalation committee in the event of discrepancies, particularly in the event of circumstances relevant to risk control, governance topics such as processes, guidelines or control actions, as well as in all matters relating to the internal control system.

The primary objectives of the RC are to monitor the risk situation of AKA from an economic and regulatory perspective, and to define risk-reducing measures and the parameters and methods necessary for risk management.

As part of monitoring the risk situation, the RC discusses risk-relevant topics, as well as the results of the risk inventory to be carried out at least once a year, and decides on any risk-reducing measures to strengthen, for example, internal control structures and to reduce operational risks. The RC is also responsible for adopting of risk-relevant methods, models and parameters. Decisions to be made by the Management in accordance with MaRisk must be confirmed by the Management following an RC meeting.

The member of Management responsible for the back office chairs the RC. The head of the FI department is appointed as the deputy. Permanent participants in the Risk Committee are also the member of Management responsible for the middle office, the member of Management responsible for the front office, the department heads of Compliance/Money Laundering; IT; Internal Audit; and Platform Business & Digital Innovation, Sustainability; as well as the ISM Officer and MaRisk Compliance Officer. Optional participants are the department heads of CRM, Legal and TSY. If necessary, additional persons can be added.

The RC has a quorum if a managing director (front-office managing director or back-office managing director or their deputy) and the FI department head (DH) are present. Resolutions are passed by a simple majority. The managing directors and the FI department head are authorised to vote. The managing director responsible for the back office (or his/her deputy, if absent) cannot be overruled at any time, regardless of the voting rights present.

Credit Committee (CC): The Credit Committee (CC) has an operational focus and deals with credit risk-relevant matters. The primary objective is to discuss business policy and methodological credit matters (lines, limits, products, countries, sectors). In addition, individual loan exposures with a special structure or high risk share are discussed. A regular portfolio review and monitoring also takes place, particularly of increased risks of the (pre-)watchlist. The topics of large loans, (pre-)watchlist, special country risks and risk concentrations are discussed in the CC – while also taking into account ESG risks.

The member of Management responsible for the back office chairs the CC. The head of CRM is appointed as the deputy and, in his/her absence, the managing director responsible for the middle office. Other participants are the member of management responsible for the front office; the EAF department head; the SFS department head; the Portfolio Management (PM) department head; the Platform Business & Digital Innovation, Sustainability (PBDI) department head; and the department head of TSY or their representative. For special topics, other departments may be brought in if necessary.

The CC as an organisational unit does not represent a separate level of authority for credit approval. However, if the authorised persons meet in the context of a Credit Committee meeting, individual transaction, line and limit approvals can be carried out and country strategies can be defined. The existing authorities apply, and each decision made in the CC must be documented in a comprehensible manner for third parties.

Asset Liability Committee (ALCO): The ALCO is the AKA committee for the operational overall bank management of the financial resources, capital, liquidity and balance sheet structure, taking into account the regulatory requirements. The ALCO is responsible for operational management decisions to be made in accordance with the OHB so that the TSY department can operate.

The ALCO is responsible for the strategic and operational aspects of liquidity, capital and balance sheet structure management, in particular interest risk management, currency risk management and maturity transformation management. It serves to provide transparency about current risks that develop as a result of the overall changes in the bank's assets side and liabilities side. A common line with regard to the risks to be entered into (liquidity, interest rate and currency risks) and periods, as well as regulatory guidelines, is determined between the participating representatives.

The head of the Treasury department chairs the ALCO. Other participants in the ALCO are the managing director responsible for the front office, the managing director responsible for the back office, the managing director responsible for the middle office, as well as the FI, EAF, SFS, PM and CRM department heads. The ALCO has a quorum if two managing directors and the head of the TSY department are present. Resolutions are passed by a simple majority. The aforementioned participants are authorised to vote; the managing director has the right to veto.

Sustainability Board: The Sustainability Board is the comprehensive steering committee for all sustainability-related issues, particularly with a focus on strategic and regulatory issues. The task of the Sustainability Board is the overarching institutionalisation and management of the sustainability strategy, which ensures the anchoring of the topic in all business areas and departments. Furthermore, within the framework of the Sustainability Board, the impact of regulatory requirements, such as BaFin's Sustainable Finance Strategy and MaRisk, on AKA's business model and operating model must be assessed, and the Sustainability Board representative must carry over the corresponding findings and measures into the relevant committees.

The Sustainability Board meets quarterly until further notice; if necessary, it can also meet outside the regular schedule. Participants are the Management; the EAF, FI, SFS, CRM, PBDI, SFS, TSY and UE department heads; and the Head of Sustainability.

The Head of Sustainability is the chairman. The members of Management responsible for the middle office (the Head of Sustainability is appointed as the deputy), front office and back office are authorised to vote. The Sustainability Board has a quorum if two persons authorised to vote are present. Resolutions are passed by a simple majority.

The Sustainability Board is an integral part of the Sustainability governance structure, whose task it is to anchor the topic of sustainability holistically within AKA. See the "Sustainability governance structure" document in the OHB.

IT Control Group: In order to manage the challenges arising from the business strategy and digital transformation, the bank has developed a governance structure, which is used to institutionalise and professionally manage the IT measures portfolio. In addition to the business orientation of other committees and governing elements, the control group for the IT portfolio of measures primarily serves to present technology-related matters, taking into account risks for AKA.

The control group thus acts as an interface between the business and IT strategy, with the goal of evaluating and deciding the measures resulting from the respective strategy processes regarding IT, and managing the overall portfolio in the interests of the company. However, the control group does not manage the specific measures from an operational, subject-matter or technical standpoint.

For the initiation of measures and projects and their introduction to the control group, there is a profile process that ensures that requirements and project ideas of the requesting units are subjected to a documented procedure that brings about a decision based on defined criteria and with the involvement of the Management.

Internal Audit (IA): Internal Audit (IA) performs an independent and objective function as the third line in the three-line model, is part of the bank's internal control procedure and audits the appropriateness and effectiveness of the internal control system (ICS) and the risk management system. The audit focus areas are systematically selected with a focus on risk and are aligned with the regulatory requirements.

Its responsibilities include, among other things, independently reviewing and assessing the OHB based on a target/actual comparison with the actual business processes and controls, identifying weak points in the ICS and assessing the effectiveness of the risk control instruments and early risk warning indicators. In addition, it takes into account the accuracy and completeness of the risk reporting to the Management in its audits.

In projects, IA is involved in supporting activities and participates in the steering committee meetings.

There is an obligation to inform the IA if, in the opinion of the specialist departments, relevant defects can be identified from a risk perspective or significant loss events have occurred. IA must also be informed in the event of a concrete suspicion of abnormalities.

3.2 Credit default risks

Due to the business purpose, credit default risks primarily represent the most significant risks at AKA.

At AKA, credit default risks related to individual transactions are understood as the risk of possible losses or lost profits due to the loss of a business partner as a result of
- unexpected, complete, partial or temporary insolvency or unwillingness to pay;
- an unexpected reduction in a debtor's credit rating, associated with a reduction in the value of a receivable, or
- an unexpected reduction in the recoverability of securities or guarantees.

In addition to credit default risks related to individual transactions, AKA considers country risks as a special default risk due to its emerging market-oriented business structure. Furthermore, ESG risks and their effects on the respective credit default risk are considered in the risk analysis where reasonable and possible.

Country risks: The country risk defines a country's ability to provide payments of principal and interest on foreign debts or those denominated in foreign currency in a timely manner and correctly. In addition to the political risk, the fundamental aspect here is the transfer risk, i.e. in the case of willingness to pay and solvency on the part of the individual debtor, a country could restrict or prevent payments abroad, for example, due to a shortage of foreign currencies. The national solvency of the government and economy can remain intact.

The AKA rating tool used to assess the probability of default includes a scale of 10–100. The rating results are comparable to the rating results of international rating agencies by means of corresponding mapping tables. Ratings of 10–50 are classified as investment grade and 60–100 as non-investment grade.

CRM determines the country ratings and their regular updates for countries in which AKA has a significant liability, based on the reports of the rating agencies (predominantly Fitch), international organisations, central banks and other known reliable sources.

For the main markets of AKA, CRM prepares additional reports or ad-hoc information in addition to the annual country risk analyses if necessary. Special crisis regions or countries with special problems are under increased observation by the credit analysts and the Management and are handled in the CC if necessary. In addition, monthly monitoring of the 20 largest emerging markets in the portfolio is carried out through defined early warning indicators.

Country reporting is revised and further developed on a regular basis. The focus is on analysing political stability, the sensitivity of the economy to shocks, the progression of inflation and foreign trade, the state budget and its financing, as well as the banking system and its stability and regulation. In the emerging markets financed by AKA, the solvency of the individual borrowers also critically depends on the political and economic situation of the respective country. This greatly influences the creditworthiness of the borrower.

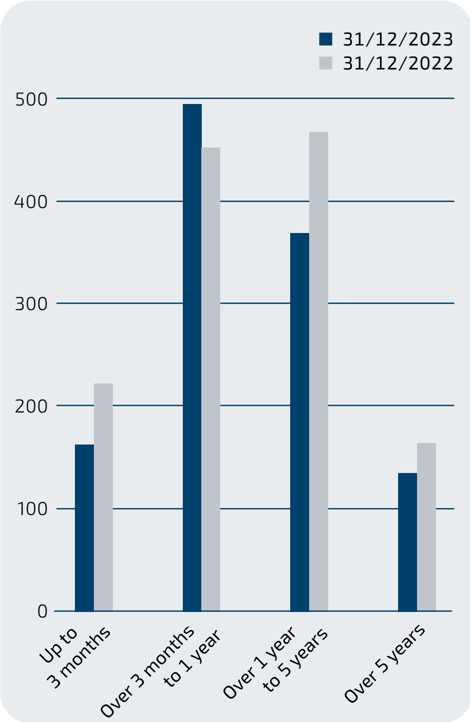
The country risk is taken into account in the form of a sovereign ceiling within the framework of risk provisioning pursuant to IDW RS BFA 7.

Corporate risks: Based on another AKA rating system, the last two transactions are analysed to assess a borrower. Key indicators for assessing corporate creditworthiness include profitability over the last two years, debt-to-equity ratio, total capital profitability and liquidity, among others. In addition, cash flow is analysed, i.e. the debt serviceability as another important variable for the successful continuation of a company. In the first step, the assessment is based on a pure rating of key figures. For the calculation of the key figures, AKA uses a benchmarking system based on a division into several sectors and different geographical regions. These benchmarks are regularly reviewed and updated to ensure current comparisons in the national and international corporate business of AKA.

For the final assessment, qualitative features are also used that can lead to a change in the purely numerical probability of default. Essentially, the size class of the company and current information about the borrower are used here. In addition, the special features of local accounting and any qualifications in the auditor's opinion are included in the result of the base rating, if necessary. Group affiliation is assessed depending on the type of interrelationship, and ultimately the country rating - if weaker than the borrower rating - is considered an "overriding factor".

The rating tool is technically developed and adapted in line with AKA's portfolio based on requirements. As part of an internal validation process, AKA examines the meaningfulness and forecasting power of individual key indicators and, if necessary, adjusts both in regard to their precision and overall rating result.

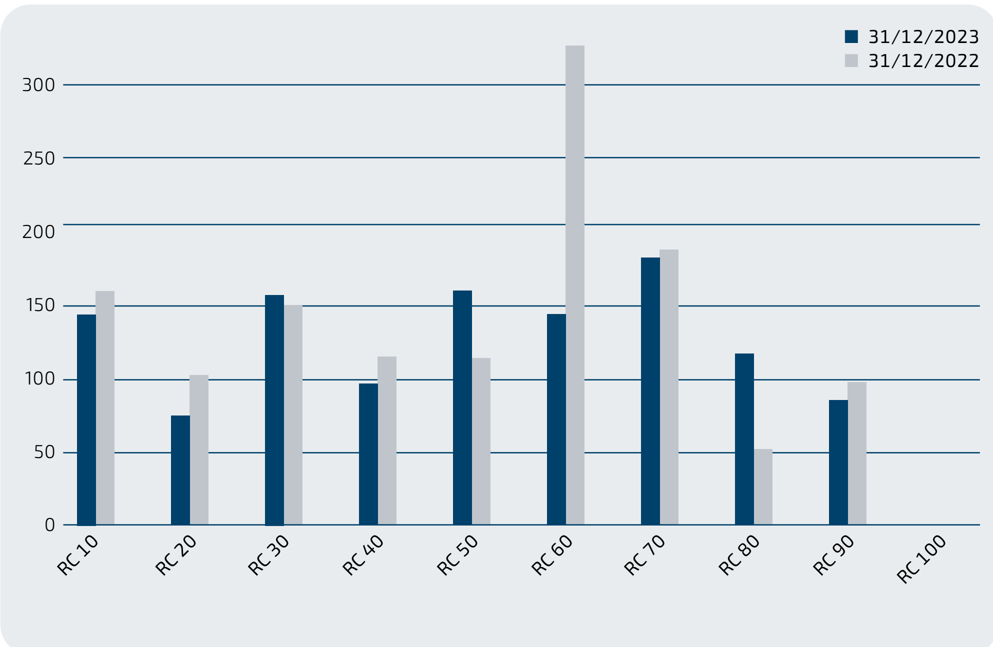
Fig. 2 Structure of the medium- and long-term (net) loan portfolio by credit risk category in millions of EUR



Banking risks: AKA also analyses business transactions of banks on the basis of a rating system. In this case, the basis of each rating is the analyses of the two last sets of annual financial statements and, if applicable, a quarterly report. The quantitative data input includes, among other things, the areas of capitalisation, profitability, deposit coverage and liquidity. The individual key figures are assigned to the respective AKA rating classes using benchmarking. Qualitative aspects evaluate, for example, foreign currency risks, interest rate sensitivity and maturity congruence of the assets and liabilities, as well as asset quality in particular. Other rating-relevant information is included in the rating assessment by means of bonus or malus points.

In addition, the country rating acts as an overriding factor similar to the corporate business. The assessment of possible state support is another component. The background is the experience with banks, according to which institutions with a systemic effect can expect the support of the state in an emergency.

Fig. 3 Structure of the (net) loan portfolio by country risk class in millions of EUR



As part of the quality assurance process, AKA works closely with external experts to ensure the further development of the rating tool for its compliance with the regulatory requirements and current market practice. The review serves to optimise and, if necessary, rebalance individual rating parameters.

Risks from structured and project financing: AKA uses a separate rating tool to assess project risks. Essential rating elements for the assessment of the project success to be expected are the sponsor, completion, operating and market risk. In addition, AKA evaluates the financing and planning risk. These credit rating factors are assessed quantitatively and qualitatively in accordance with the other rating modules of AKA and result in the overall rating.

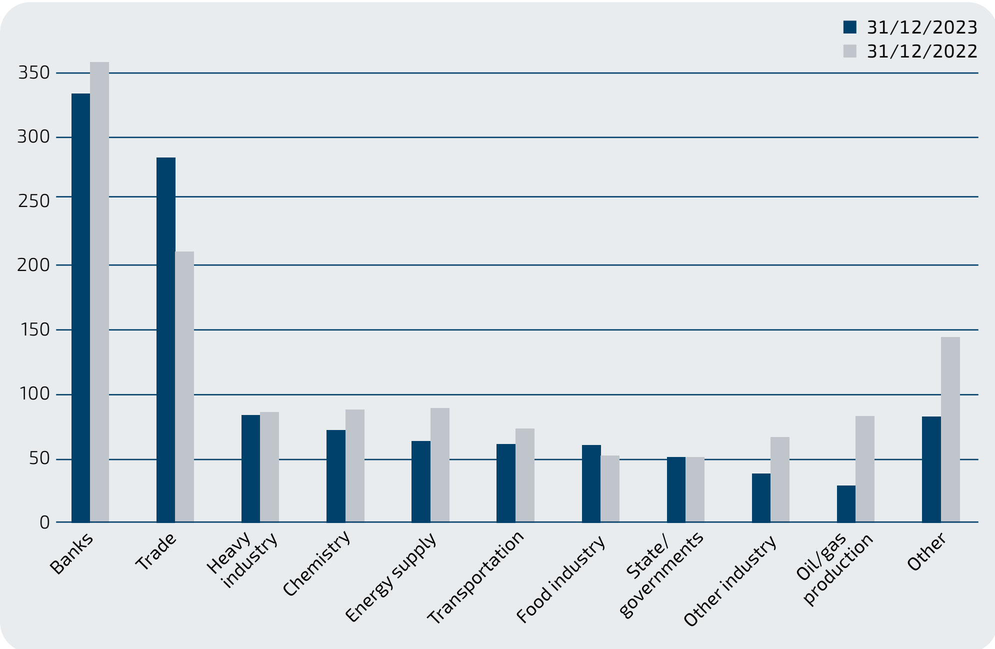
Insurance risks: AKA uses another rating tool for the insurance customer group, after the credit default risks are also minimised by private insurance. As an insurance provider, the bank only accepts counterparties with an internal investment grade rating as part of risk management. The main focus of the ratings is on the areas of premium and earnings development, as well as the provision and premium ratio.

Industry risks: In the further structuring of corporate risks, AKA assigns concentration risks to individual sectors to be able to limit them. There are industry limits here. Depending on the country rating, the country limit can be applied as a corrective.

Risk concentration: For risk limitation, monitoring and management of the portfolio or concentration risks, AKA uses a limit control system in which individual limits are installed for the risks at a country, industry and counterparty level. In addition, it observes the following criteria in the context of refinancing: Large loans within the meaning of Section 13 KWG or large exposures pursuant to Section 387 et seq. CRR Part IV and counterparty limitations.

The aforementioned provisions and criteria, which serve to limit and monitor risk concentrations, are recorded in the bank's work instructions and process descriptions and

Fig. 4 Structure of medium- and long-term (net) credit risks by industry in millions of EUR



published in the Organisational Handbook (OHB). They are regularly applied within the framework of controlling, continuously adjusted in accordance with changed requirements and conditions and checked for their appropriateness at least once a year as part of the revision of the risk strategy.

Limit framework for credit default risks and portfolio management: The limit framework used for portfolio management at AKA limits gross risks, taking into account recognised securities pursuant to the Capital Requirements Regulation (CRR). These are valuation-free, financial securities from government export credit insurance policies. As part of its risk management process and to ensure limit headroom, the bank also accepts insurers, depending on their external rating. The limit framework is based on the maximum available equity capital for the credit default risk, in accordance with Pillar 1, whose use is calculated in the course of regular determinations of the risk-taking capacity. For all credit default risks, the bank has defined an equity limit as the upper limit of losses, which is regularly adjusted with regard to the equity capital requirements provided by the supervisory authority.

The net liability framework, the amount of which is determined by the bank's allocated own funds for credit default risks (EUR 2 billion as of December 2023), is structured according to internal rating classes with decreasing nominal limits. The respective limit utilisations are reported to the Supervisory Board at regular meetings, at least once per quarter.

The limits provided for concentration, credit default, market price and operational risks are sufficient and were consistently complied with in 2023.

The CRM and FI departments continuously monitor compliance with all risk-relevant control parameters. The adequacy of the control parameters themselves is checked over the course of the revision of the risk strategy, which is completed at least once a year. In the process, AKA compares the limit framework with the business policy objective annually with regard to its amount and structure and submits this to the Supervisory Board for information. The risk strategy with the limit framework anchored therein was discussed with the Supervisory Board on 5 December 2023.

An economic, internal monitoring and control component complements the aforementioned nominal limit framework and its equity use according to the standard credit approach (SCA).

Internal credit model for risk management: The internal risk measurement at the portfolio level is based on the CreditMetrics (protected trademark) credit risk model. AKA takes into account important decision-making variables on the following basis: credit volumes, recovery factors according to the Foundation Internal Rating-based Approach (F-IRB: internal, rating-based approach based on self-determined probability of defaults [PDs]), as well as correlations. These include the "expected loss" and the "unexpected loss".

The set confidence level is 99.9% and coincides with a target rating of A-. The bank uses the system as part of simulation calculations to estimate the economic risk capital consumption and to calculate stress tests for credit default risks. Furthermore, the data are used for the validation of the AKA-specific rating systems in the course of the precision analysis.

The data obtained using the internal model is also regularly compared with the regulatory SCA parameters applied to AKA. The capital backing value calculated according to the standard credit approach (SCA) remains the basis for risk management.

Credit decision process and allocation of authority within the framework of limit control: Each credit decision requires two positive votes from the EAF, SFS (together referred to as New Business) and CRM departments within the meaning of the separation of functions according to MaRisk. AKA waives a distinction between risk-relevant and non-risk-relevant loan business in accordance with BTO 1.1 margin no.4 MaRisk. The New Business departments and CRM jointly have a net authority (i.e. after taking into account own funds-relieving collateral) in the amount of EUR 1 million per borrower unit/group of affiliated customers. Separate authorities exist for the FI desk.

If a credit transaction is voted negative by Credit Risk Management within the scope of its own authority, the loan application can be submitted to the Management for a final decision within the scope of escalation at the request of New Business. For loans with a certain net risk, the EAF or SFS departments and the member of the managing director responsible for the front office prepare the initial votes. CRM and the managing director responsible for the back office form the independent second vote. In case of a tie (2:2), the loan is deemed rejected. The back office cannot be overruled in risk issues.

The Management may permit approved specific default, industry, or country limits to be exceeded for certain periods of time to control limits.

If necessary within the framework of business development, the management can, based on demand and in keeping with the overall profile, request that the Supervisory Board set up corresponding special limits.

Risk limitation/monitoring: The essential goal of AKA's credit risk management is to maintain a risk-adequate NPL (non-performing loans) ratio for AKA, to protect the bank's equity capital and to continue to ensure the risk-taking capacity of AKA.

Measures to achieve these goals are essentially:
- early identification of negative developments,
- effective and efficient management of intensive and problem loan commitments,
- support and granting of suitable forbearance measures, and
- suitable sales or recovery measures.

The early detection of increased risks is based on defined, qualitative and quantitative early warning indicators. In a pre-watchlist, the bank manages the exposures that may become noticeable through qualitatively negative developments and changes of the borrower, whether in the country of domicile or in the borrower environment.

If there is a concrete need for action (if possible courses of action exist) resulting from (imminent) financial difficulties, the corresponding exposure is transferred to Intensive Care. It is then classified as an intensive loan.

After detailed analysis of the framework conditions and in particular the debt serviceability of the intensive loans and the problem loan engagements (i.e. non-performing loans or NPLs), one of the following strategic options (or a combination of different options) is selected in close coordination with the accompanying bank or the respective bank consortium:

- Maintaining the unchanged risk position
  Active reduction (sale, value adjustment)
- Liquidation (realisation of collateral, insolvency proceedings or other judicial proceedings, out-of-court agreement, write-off)
- Restructuring/initiation of forbearance measures

If forbearance measures are carried out, then it is mandatory to assign them as intensive loans or, if applicable, as problem loans.

A key performance indicator is the ratio of the volume of loans on the pre-watch list and intensive support to the net exposure. As of 31 December 2023, the value was 7.8% (previous year: 12.6%), with a target figure of 12.6%. Another key performance indicator is the return on risk-weighted assets (RoRWA). As of 31 December 2023, the target figure of 3.3% was exceeded at 4.2% (previous year: 3.8%). The third key performance indicator in the loan portfolio was the net exposure of customers with ESG score 4 and 5 relative to the total net exposure. As of 31 December 2023, the value was 23.8% (previous year: 24.0%), with a target figure of 24.0%.

Due to Russia's war in Ukraine, the Russia/Ukraine/Belarus portfolio has been undergoing an intensive review since 2022. Since the start of the war, new business has been suspended in the regions mentioned.

AKA monitored and reported the existing credit default risks as part of the watchlist. In order to make current developments and risk-reducing measures transparent in a timely manner, a weekly coordination meeting was first set up with the involvement of relevant departments and Management.

In 2023, the existing Russia/Ukraine/Belarus portfolio was reduced by around 30%. In view of the counterparties' predominant willingness and ability to pay, a main focus is on the identification of possible payment methods for servicing the receivables – under strict compliance with all sanction-relevant requirements and in coordination with the partner banks involved.

AKA forms a risk provision for credit default risks in accordance with commercial law. This is expressed either in the form of an individual value adjustment or a lump-sum provision. The risk provision as of the reference date is as follows in **Fig. 5**.

Fig. 5 Risk provisioning as of the reference date

Risk provisioning	Value at 01/01 in EUR million	Allocations in EUR million	Reversals in EUR million	Reclassification in EUR million	Use in EUR million	Value at 31/12 in EUR million
Individual value adjustments	24.3	6.5	5.3	0.8	0.5	25.7
Lump-sum provisions	35.1	14.8	8.9	-0.8	0.0	40.2
Total	59.4	21.3	14.2	0.0	0.5	65.9

Russia's war in Ukraine, which started in 2022, had an impact on risk provisioning in 2023 as well. AKA had formed a corresponding sub-portfolio in 2022 and monitored it accordingly. As of the reference date, the following values emerge for the sub-portfolio: **(Fig. 6)**:

In February 2023, parts of Turkey were hit by a severe earthquake. The customer portfolio concerned was reviewed, and no increased credit risks were identified.

The war in Israel and Gaza, which has been ongoing since October 2023, and potential effects in the Middle East region are being closely monitored. The AKA liability in Israel is EUR 17.4 million and EUR 2.5 million, respectively (gross/net risk).

Fig. 6 Values for the sub-portfolio

Country of risk	Gross risks in EUR million	Collateral in EUR million	Net risks in EUR million	IVA in EUR million	LSP in EUR million	Total risk provisioning in EUR million
Belarus	46.3	44.7	1.6	0.1	1.0	1.1
Russia	282.5	226.0	56.4	7.2	21.2	28.4
Ukraine	14.8	14.0	0.7	0.7	0.0	0.7
Total	343.5	284.7	58.8	8.0	22.2	30.2

3.3 Market price risks

The market price risks to be taken into account at AKA result solely from the fact that the refinancing of the loan business does not match the maturities of the loan business or from the fact that too few instruments are held in the liquidity reserve. AKA considers interest rate risks (IRRBB), exchange rate risks (FX risks) from loans and refinancing issued in foreign currency, as well as credit spread risks in securities, as so-called sub-risks of market price risks. However, the latter are not significant, since AKA only acquires securities within the framework of the liquidity reserve and liquidity control and only holds securities of first-class creditworthiness (in particular HQLA, within the meaning of the CRR).

3.3.1 Foreign currency risks

Foreign currency risks (FX risks) arise from discrepancies in the amounts of receivables and liabilities in a currency that differs from the balance sheet currency (EUR). A change in the exchange rate thus has an effect that influences the result.

AKA strives to avoid currency risks. For this purpose, receivables from the loan business that are not denominated in EUR are fundamentally refinanced through conforming refinancing in the respective currency. If refinancing in the currency is not possible, a hedging transaction (cross-currency swap, forward exchange transaction) must be carried out.

As part of the Capital Requirements Regulation (CRR) reporting, the foreign currency risks are calculated monthly by comparing the receivables converted into EUR with the liabilities. The sum of all foreign currencies (in absolute amounts) must be backed by own funds in the amount of the currently valid own funds requirements and is used as a measure for the foreign currency risk of AKA in the normative perspective of risk-taking capacity.

The economic determination of foreign currency risk is carried out using a value-at-risk (VaR) model. The result from the model is determined using historical simulation as an empirical 99.9% quantile with a holding period of more than one year.

3.3.2 Interest rate risks

Interest rate risk (IRR) is defined as the existing or future risk to an institution's earnings and economic value arising from adverse movements in interest rates affecting interest rate-sensitive instruments.

The calculation of interest rate risk using an economic calculation is carried out using a VaR model. The result from the model is also an empirical 99.9% quantile.

Present value changes in the interest rate risk in the banking book must be determined on the basis of the procedure specified by BaFin in accordance with the currently valid circular.

In order to meet the requirements of MaRisk, the effect of an interest shock on interest income/interest expenses is investigated, and the effect, based on the next twelve months, is determined **(Fig. 7)**.

3.4 Liquidity risks

AKA includes insolvency risk and liquidity maturity transformation risk under liquidity risk.

Insolvency risk refers to the risk of not being able to meet current or future payment obligations in full or in a timely manner. It includes the risk that refinancing funds are not raised or are only raised at increased market rates (refinancing risk) or that assets can only be liquidated at discounts (market liquidity risk).

The liquidity maturity transformation risk identified as material to AKA is the risk that a loss can occur within a specified period of time at a certain confidence level, namely due to a change in the own refinancing curve (spread risk) from the liquidity maturity transformation.

Strategic liquidity management deals with the determination, planning and management of the refinancing needs of AKA (structural liquidity) and maturity transformations received. The observation horizon is in the range of more than one year. Forward liquidity exposures based on reporting dates and forecasts are prepared for analysis.

Fig. 7 Key figures for market price risk

Risk type	**Risk indicator**	31/12/2023 in EUR million	31/12/2022 in EUR million
Foreign currency risk	Equity backing according to CRR	0.2	1.0
	VaR model	1.2	5.8
Interest rate risk	VaR model	23.8	15.7
	Parallel shift +200bps	-18.2	-9.7
	Parallel shift -200bps	21.6	10.9
	Parallel shift upwards	-18.2	-9.7
	Parallel shift downwards	21.6	10.9
	Distribution	-6.6	-2.8
	Flattening	2.9	0.6
	Short-term shock upwards	-2.8	-2.4
	Short-term shock downwards	2.8	2.2

Liquidity risk measurement within the meaning of insolvency risk is carried out on the basis of forward liquidity exposures. These reflect, broken down by term bands, the cash flows from the loan business and the borrowed amounts required for their financing. Scenario analyses include different assumptions regarding the development of cash flows.

Borrowings to refinance loans granted by AKA should be made with different counterparties if possible, taking into account economic efficiency.

While operational liquidity risks can be minimised through precautionary measures (maintaining a liquidity reserve), the liquidity risk arising from maturity transformation must be quantified, monitored and taken into account as part of the risk-taking capacity.

A verifiable expression of the liquidity maturity transformation risk is the spread risk: There is a risk that, in the case of loans that are not fully funded, an additional refinancing expense may be incurred due to the fact that, at the time follow-up financing is required, the refinancing curve of AKA has shifted (upwards), and thus higher premiums have to be priced in.

A VaR model is used to quantify the liquidity risk. AKA's own spreads are determined on the basis of the bank's historical money market transactions. Spreads are multiplied by the identified funding gaps in the next 12 months from the forward liquidity exposure. The results represent a value-at-risk with a confidence level of 99.9%.

The LCR (liquidity coverage ratio) and the NSFR (net stable funding ratio) are also calculated as liquidity indicators **(Fig. 8)**.

Due to the special shareholder structure (17 banks are shareholders of AKA), AKA is able to ensure the necessary refinancing of the loan business via its shareholder banks even in difficult market phases. Loans from shareholders and non-shareholders represent an important source of financing. In addition, shareholder banks also provide funds for short-term refinancing within the framework of money market lines. To diversify the refinancing portfolio, AKA also uses refinancing funds from customers from the public and private sector. These will be accepted in the form of term deposits and promissory note loans. There are unconfirmed lines with individual customers for the regular trading of time deposits.

Fig. 8 Key figures for liquidity risk

Risk type	Risk indicator	31/12/2023 in EUR million or in %	31/12/2022 in EUR million or in %
Liquidity risk	VaR model	3.7	3.6
	Liquidity reserve	323	348
	LCR	226	206
	NSFR	110	113

The refinancing structure of AKA is thus based on several pillars that were used as shown in **Fig. 9**.

Fig. 9 Structure of sources of refinancing

Refinancing	Source	31/12/2023 in EUR million	31/12/2022 in EUR million
Refinancing	Shareholders	601	529
	Non-shareholders	1,336	1,347
	Publicly accessible funds	1,545	1,459
	Overall borrowing	3,482	3,335

3.5 Operational risks

AKA generally defines operational risk as the risk of loss resulting from the inadequacy or failure of internal processes, people and systems, or from external events or disasters. This definition includes legal, technology and reputational risks, but does not include strategic or business risks. As part of the management of operational risks, AKA also manages, controls and monitors the following risks in particular:

- Compliance risks
- Model risks
- Reputational risks
- IT risks
- Legal risks
- Behavioural risks
- Risks from outsourcing

AKA examines all operational risks in detail within the framework of an annual risk and control self-assessment (RCSA) for operational risks. The RCSA can also be carried out on an ad hoc basis.

Compliance risks as a sub-risk of operational risk

Compliance risks are those that result from non-compliance with statutory provisions. AKA takes into account and monitors compliance with the relevant statutory, regulatory and internal regulations, as well as the customary rules of conduct (compliance) within the framework of its global business activity.

Model risks as a sub-risk of operational risk

Model risks can result in the risk models used in the bank delivering incorrect or inaccurate results and then being used for business policy decisions. This can result in asset losses for the bank. In order to minimise model risks, AKA considers them during the model validation.

Reputational risk as a sub-risk of operational risk

Reputational risks can lead to the bank suffering a loss of the trust placed in it, not only by AKA's shareholders but by the general public as well. Reputational risks are usually the result of previous, known risks and can enhance them by becoming recognisable to the public. Against this background, all measures and activities of the bank are carefully assessed and decided with regard to their external impact and with regard to the business partners and shareholder banks involved.

IT risks as a sub-risk of operational risk
IT risks are part of operational risk. They are reviewed on the basis of the business strategy and taking into account current developments in the business operations of AKA – in regular and, if necessary, ad hoc risk assessments, for operational adjustment needs and also for their materiality to the business operations.

Legal risks as a sub-risk of operational risk
Legal risk is also included under operational risk. It includes the following components: consultancy risks, risks from court proceedings, supervisory risks and those arising from unlawful, invalid or unenforceable loan or security contracts, as well as liability risks resulting from non-compliance with foreign or international legal provisions. In the narrower sense, the Legal department also checks, as far as possible, to what extent the bank would expose itself to contractual obligations that could not be fulfilled in the context of lawful contracts.

Behavioural risks as a sub-risk of operational risk
Behavioural risks can be divided into risks of error, negligence risks and criminal risks. An error exists if AKA is harmed while internal guidelines and external laws are complied with. The risk of error is thus due to human error and primarily includes input errors, spelling errors and mix-ups. Negligence occurs when an employee does not receive a personal advantage from a damaging act, but has violated internal guidelines and external laws. Criminal risks include fraud, embezzlement and sabotage.

Risks from outsourcing as a sub-risk of operational risk
Outsourcing risks are already examined at AKA by means of a risk analysis before the decision to outsource.

The **basis indicator approach (BIA) in accordance with CRR** is used as the methodology for calculating the equity capital requirements in the normative perspective for operational risks. In the BIA, an amount of equity is to be kept for operational risks, the amount of which corresponds to the three-year average of the gross earnings achieved, multiplied by a defined percentage. Years with negative gross income are not taken into account.

From an economic perspective, AKA quantifies operational risks using scenario analyses (material risk drivers + low-frequency/ high-impact scenarios from the risk inventory), the results of which are aggregated to a value-at-risk. So-called Bayesian networks are used as a model **(Fig. 10)**.

No claims were recorded at AKA in 2023.

Fig. 10 Key figures for operational risk

Risk type	Risk indicator	31/12/2023 in EUR million	31/12/2022 in EUR million
Operational Risk	Equity backing according to CRR	9.1	8.6
	VaR model	7.0	6.6

3.6 Equity risk

AKA defines equity risk as the risk of a loss in value of existing shareholdings. AKA currently has a wholly owned subsidiary. Since there are no profit and loss transfer agreements between AKA and the subsidiary, the risk of a loss in value is reduced to the shareholding book value. This is taken into account as a deduction from the risk cover amount in the economic perspective of the risk-taking capacity. The impairment of the subsidiary is regularly checked as part of investment controlling.

3.7 Risk reporting

The ongoing business success of AKA depends to a large extent on whether it is able to consciously take and manage risks. This requires transparency in all activities that lead to the assumption of risks and, thus, an effective risk reporting system.

Internal reporting includes risk-specific communication to cover the need for information within AKA. The focuses of external reporting are the fulfilment of supervisory requirements and activities to safeguard the interests of the shareholder banks.

In addition to the general information on the risk profile of AKA, further analyses are carried out, which include the following aspects: corrective measures taken or planned, interrelations between different types of risk and the risks of the different departments, trends in risk activities, risk concentration, violations of the company principles and ineffectiveness of operational control. Corresponding precautions have been implemented at AKA.

The external reporting of risks is carried out vis-à-vis the Supervisory Board, the supervisory authorities and, within the framework of affiliation with the deposit protection fund of the private banking industry, vis-à-vis the Auditing Association of German Banks and GBB-Rating Bonitätsbeurteilung GmbH.

In the process, all risks relevant to business operations are reported in the regularly prepared risk report. The aim of the reporting is to point out developments at an early stage and comprehensively that require consideration in risk and business management in the interest of achieving the company goals.

In accordance with MaRisk, the report serves as a continuous control and monitoring instrument at a portfolio level, with a special focus on the material risks relevant to AKA, in particular credit default risks and the progression of foreign exchange, refinancing, liquidity and operating risk, as a basis for identifying and avoiding risk concentrations. The aim is to maintain a sustainable risk quality and risk diversification at all times, taking into account the risk-taking capacity of AKA.

The report itself is divided into the following topics:
1. New business development
2. Financial performance
3. Loan portfolio
4. Liquidity management
5. Risk management
6. Non-financial risk reporting
7. Investments

The risk report initially includes a summary of the most important findings and recommendations in the form of a cockpit. A traffic light system supports the statements.

The Management is informed on an ad-hoc basis about short-term, material risk changes, for example, payment disruptions, violation of large loan limits, limit exceedances or imminent liquidity bottlenecks.

In the aforementioned cases, in accordance with the procedure agreed with the Supervisory Board, the Management first informs the chairperson of the board on an ad-hoc basis in electronic form (for example by telephone or email). The further course of action and the notification of the Risk Committee and the Supervisory Board are then coordinated with the chairperson.

3.8 Internal Capital Adequacy Assessment Process (ICAAP) – ensuring an adequate capital base

In the normative perspective, the data from regulatory reporting are taken from the Common Reporting Framework (COREP) reporting forms. The own funds under supervisory law, including Tier 2 capital, act as risk coverage potential. In accordance with CRR, AKA considers the following types of risk from a normative perspective:

- Credit default risk (SCA approach)
- Foreign currency risk (aggregate foreign currency position approach)
- Operational risk (BIA approach)
- Credit valuation risk (standard approach)

The risk positions determined in the reporting system in the form of risk-weighted assets (RWAs) are multiplied by the capital requirements under supervisory law.

The values determined for the normative perspective of risk-taking capacity are shown in the monthly report or in the risk report. The calculated capital ratios are also shown, and the fulfilment of the minimum supervisory ratios is checked.

AKA uses a Pillar 1 Plus approach from an economic perspective. This means that it determines the risk coverage potential based on the balance sheet equity. This position is corrected, if available, for hidden reserves or encumbrances. The following items are considered additional risk coverage potential:

- operating result achieved as of the reference date,
- changes in risk provisioning in the current financial year,
- planned dividend distribution, and
- deduction of administrative costs (based on IDW RS BFA 3).

The book value of the shares in affiliated companies is also used as a deduction item (consideration of the equity risk as a material risk).

The following risks are taken into account when determining the risks, based on the risk inventory **(Fig. 11)**:

Fig. 11 Economic risk-taking capacity risk models

Risk type	Procedure
Credit default risk	CVaR model based on credit metrics
Foreign currency risk	VaR model based on a historical simulation, according to FX balance sheet surpluses
Operational risk	VaR model according to scenarios, based on Bayesian networks
Interest rate risk	VaR model based on a historical simulation with discounting of interest change cash flows
Liquidity risk within the context of refi spread risks	VaR model based on historical spreads and refi gaps from forward liquidity exposures

In all VaR models, AKA uses an empirical quantile of 0.1%. This corresponds to a confidence level of 99.9%. The bank assumes a consideration horizon of twelve months.

The results of the economic perspective are presented in the monthly report or risk report.

The capital planning of AKA is carried out within the framework of the multi-year business planning of AKA, to be updated annually, taking into account the guidelines from the business and risk strategy. The FI (Team Financial Reporting & Controlling) department is responsible for this in coordination with the Management and the departments involved in the planning process.

In the basic scenario, the risk positions and equity capital requirements are updated on the basis of multi-year business planning, and the corresponding compliance with the minimum capital ratios and other regulatory key figures are reviewed. In the adverse scenario, analogous to AT 4.3.3. margin no. 2 MaRisk, an economic downturn is assumed, and the effects on the risk positions and own funds are reviewed. When determining the risk positions and own funds, AKA takes into account and integrates effects from an economic perspective.

The final capital planning is submitted to the Management for approval and discussed and adopted within the Risk Committee and Supervisory Board **(Fig. 12)**.

The total capital ratio is a key performance indicator. The total capital ratio rose by 2.3 percentage points to 19.6% compared to the previous year. The target figure was 16.4%.

Fig. 12 ICAAP key figures

Perspective	Risk indicator	31/12/2023 in EUR million or in %	31/12/2022 in EUR million or in %
Normative perspective	Risk-weighted assets	1,513.6	1,664.3
	Tier 1 capital	297.2	287.7
	Tier 2 capital	0.0	0.0
	Own funds	297.2	287.7
	Common Equity Tier 1 ratio	19.6	17.3
	Tier 1 capital ratio	19.6	17.3
	Total capital ratio	19.6	17.3
Economic perspective	Risk cover amount	301.0	278.7
	Risk positions	159.7	154.5
	Utilisation of risk coverage amount	53.1	55.4

3.9 Internal Liquidity Adequacy Assessment Process (ILAAP) – ensuring an adequate liquidity base

In the ILAAP, AKA takes into account all regulatory and supervisory requirements, as well as the internal requirements based on them, from a normative perspective. These are, in particular, compliance with the liquidity coverage ratio (LCR) and the net stable funding ratio (NSFR). The calculation of both ratios is based on the supervisory requirements.

In addition, AKA maintains a constant liquidity reserve in the form of central bank balances and highly liquid assets. It identifies and quantifies liquidity risks along the lines of the descriptions of liquidity risk.

AKA controls, monitors and reports compliance with the requirements on operational liquidity using the instruments mentioned for the liquidity risks. These include the structuring of risk management, liquidity stress tests/scenarios, stipulated limits as well as regulations for a possible liquidity emergency. In addition, as part of the multi-year business and capital planning, a refinancing plan is carried out that covers aspects of the operational and strategic liquidity management. Compliance with regulatory liquidity requirements is also checked.

AKA differentiates between operational and strategic liquidity. AKA always refinances itself for its loan activities via the term money and capital markets, as well as various other AKA-specific refinancing sources. The special refinancing structure of AKA is part of its refinancing strategy.

Operational liquidity serves to ensure solvency at all times and covers a period of up to one year at AKA. This operational or short-term or even tactical liquidity is ensured in particular by money market lines and the holding of a liquidity reserve. In addition, the LCR is maintained and monitored at all times.

Long-term, strategic or structural liquidity serves to ensure the sustainable refinancing of AKA and compliance with regulatory requirements. Due to the specific structure of AKA activities, which are highly collateralised through state institutions, the bank has access to various refinancing channels, including public ones. AKA strives for long-term refinancing in line with maturities and monitors this through various key figures.

Based on the refinancing strategy and the multi-year business planning, AKA determines the expected refinancing requirement annually for a multi-year period, similarly to the business planning.

On the basis of already existing business and planned activities, AKA forecasts a liquidity profile that is to be covered and compares possible refinancing channels. In the planning, AKA takes into account both the future compliance with normative factors and the scenarios that can have an impact on AKA's liquidity position.

The assessment of the feasibility of refinancing must be taken into account in the business planning. This also includes a potentially necessary adjustment of the business planning.

4. Opportunities and outlook report

Influencing parameters

The World Bank forecasts that the global economy will expand somewhat more slowly by 2.4% in 2024 compared to 2023 (2.6%). Growth would therefore be below the last decade's average of around 3.0% before it is expected to recover slightly in the following year. Major global themes from the previous year continue to weigh on the outlook: the aftermath of tight monetary policy to combat inflationary pressures and less favourable financing conditions, as well as weak global trade and investment activity. Furthermore, geopolitical issues such as the Middle East conflict and climate-related effects can create volatility. Overall weak growth of 1.2% is expected for industrialised countries. For the USA, a downturn is forecast, which is partly to be compensated for by a slight revival in Europe. The weak growth phase in the industrialised countries continues to emanate to emerging and developing countries through international economic relations. Nevertheless, emerging markets are expected to grow at almost unchanged rates of 3.9%, as easing inflationary pressures should allow domestic demand to recover. In China, growth is likely to slow down gradually due to structural issues, thus reducing the stimulus.[1]

Global trade should experience partial normalisation in 2024 and grow slightly by up to 3.0%.[2] The trend should resynchronise more closely with global economic activity, as consumption is likely to move towards durable goods, and companies are likely to replenish inventories to prevent delays in delivery on major shipping routes. At the beginning of the year, there were uncertainties about international trade routes in connection with armed conflicts.[3] The strong growth contribution from the USA of the previous year is expected to be lower over the year, but the global demand contributions from the eurozone are expected to become more important. However, less stimulus will be expected from China compared to its strong pre-pandemic growth phase. Structurally dampening effects arise from re-shoring activities by multinational western companies. The transition to a greener global economy should support demand for environmentally sound products.[4]

Industrialised countries

While the US economy should expand the most in 2024 compared to other industrialised countries at 1.6%, tight monetary policy will leave its mark on the otherwise consumer-driven economy. Economic growth should accelerate in the second half of the year as inflationary pressures subside.[5]

In the eurozone, a subdued recovery should begin. The European Commission estimates that growth should accelerate to 1.2% in 2024. The lasting effects of the previous restrictive monetary policy will initially erode domestic demand, particularly in the investment sector, but will disappear over time. Export growth is expected to increase by around 2.5% amidst increasing foreign demand. Spill-over effects from China's weaker growth are manageable for the eurozone, but are stronger for Germany due to a higher share of trade. On the other hand, lower energy prices have contributed to an improvement in eurozone terms of trade.[6]

The German economy should recover slightly, supported by lower inflationary pressures, rising nominal wages and a high level of employment. Lower inflation could also allow monetary policy to ease. Globally falling inflation rates and a return of purchasing power should help German good exports to expand more in line with the global economy in the future. After the decline in exports in the previous year, exports are expected to increase by 1.3% in 2024, thus becoming a growth driver. Overall, gross domestic product should increase by 0.9% in 2024.[7]

Emerging and developing countries

In emerging markets, aggregate growth of 3.9% should be close to the level of the previous year (4.0%). In contrast to the previous decade, there is a lack of firm growth stimulus from China. Growth drivers are expected to come from a slight pick-up in global trade and from domestic demand in many countries, supported by fading inflationary pressures. Nevertheless, high international financing costs are likely to weigh on financial room for manoeuvre, especially in low-income countries with low domestic capital mobilisation opportunities.

In terms of regions, Asia will continue to experience the highest growth rates. Although lower industrial stimulus comes from the Middle Kingdom, some countries can benefit as alternative international production chain locations. China's forecasted economic growth of 4.5% would be the lowest of the last three decades, apart from the pandemic period. The Indian economy is likely to continue to expand at its highest rate among the large emerging markets, but is more domestically oriented than China. Weak US growth will be felt in Latin America due to tight trade relations. However, easing monetary policy may boost investment activity. In the individual countries, however, growth is likely to be inconsistent due to the different economic structures. Africa is expected to experience a modest acceleration in growth as resource-poor countries in particular should benefit from more moderate agricultural prices, including for fertilisers and grains. For the Middle East, the resulting conflict has increased uncertainty over growth forecasts.

Eastern European countries should benefit from the slight revival in the eurozone but show lower growth rates in international comparisons. Base effects must also be taken into account due to the comparatively higher level of development. In Turkey, the restrictive monetary policy will limit growth. Central Asia, particularly Uzbekistan, should benefit from infrastructure investment.[8]

Risks and positive stimulus

In addition to the consideration of the economic situation, for AKA's business focus, it is important to assess the risks that arise from various international influencing factors. Among the biggest growth risks is persistent or re-increasing inflationary pressures in industrialised countries, which may delay monetary easing or lead to continued restrictive monetary policy. For some emerging markets, the risks of higher interest rates and a stronger US dollar lie in excessive debt servicing. In particular, geopolitical risks from Russia's invasion of Ukraine or the Middle East conflict may be associated with volatility. In addition, a development resulting from various issues can inhibit growth expectations and global trade: further geopolitical uncertainties, in particular an escalation in relation to Taiwan, increasing geopolitical fragmentation, a significant deterioration in the real estate crisis in China, extensive election calendar with possible political changes in larger countries, uncertain trade routes and interruptions in energy supply, climate change, natural disasters and social upheaval.[9]

On the other hand, a resolution in the Russia-Ukraine war would create positive stimulus. A larger expansion of the raw material production volumes can further dampen the price development. An associated sharper drop in inflationary pressure can support a rate-cutting cycle for central banks, leading to stronger economic growth than forecast. Further positive effects would arise from productivity gains via transformational advances, partly accelerated by reconstruction funds, a strengthening of the international community, a relaxation of trade policy, stronger growth in the USA and China and the mitigation of further geopolitical conflicts.[10]

Opportunity report

The term "opportunities" is defined as the prospect of a possible future development or the occurrence of events that can lead to a positive forecast or deviation from targets for the company. In this respect, opportunities are to be understood as the opposite of risks.

Opportunities arise for AKA from the transition of the economy – towards more sustainability. The transformation measures in the economy offer additional new business opportunities for AKA.

Particularly in light of the constantly increasing geopolitical uncertainties, the securing of raw material is of particular importance for the German and European economy, since, without sufficient availability of necessary raw materials, among other things, no products for renewable energy generation can be produced, and no transition of the economy can succeed overall. There are additional opportunities for AKA in this regard as well.

Innovations in the field of artificial intelligence, even in a simple form such as machine translation tools, can generate more added value for AKA.

Additional opportunities arise for AKA through an expansion of the refinancing options, primarily characterised by the planned use of a deposit brokering.

Forecast of developments

In summary, AKA is planning a new business volume of around EUR 1.8 billion across all product groups for 2024. A key performance indicator (KPI) will be exchanged by the Supervisory Board for 2024. This concerns the previous KPI "PreWL + Intensive share of net exposure", which exceeded the target value of 12.6% in the year with a value of 7.8%. This will be replaced by the new KPI "EL to EaD". The new KPI consists of the expected loss (as LSP value without management adjustment) and the exposure at default (as value of the net exposure). In addition to the previous KPIs return on equity before taxes, cost income ratio (before and after IIB), return on RWAs, share of ESG score 4+5 in the net exposure and the total capital ratio, EL is now used for management in relation to the EaD **(Fig. 13)**.

The Supervisory Board sets the key performance indicators as targets for the Management of AKA. The review of target achievement and internal control is carried out based on the reporting (internal monthly reporting and risk report). The reporting for external parties is also carried out as part of the management report. The objectives of the Supervisory Board are based on the results of the multi-year business planning and are derived from this. These are consistent targets based on the approved planning.

Based on the opportunities and further developments shown, and taking into account the economic and geopolitical framework conditions, AKA also continues to assume a sustainable business model for 2024.

Fig. 13 Key performance indicators forecast for 2024

KPI	2024 Forecast	2023 Actual
Return on equity before taxes	8.6 %	8.1 %
Return on risk-weighted assets	4.1 %	4.2 %
Cost-income ratio before IIB	47.8 %	44.0 %
Cost-income ratio after IIB	53.3 %	50.2 %
EL to EaD	2.3 %	2.3 %
Proportion of ESG score 4+5	36.0 %	23.8 %
Total capital ratio	**19.6 %**	**19.6 %**

1 Cf. The World Bank. Global Economic Prospects, January 2024. Washington, DC. URL: https://www.worldbank.org/en/publication/global-economic-prospects. Short reference: World Bank 2024.
2 Cf. World Trade Organization (WTO). Global Trade Outlook and Statistics. URL: https://www.wto.org/english/res_e/publications_e/gtos_updt_oct23_e.htm.
3 Cf. European Central Bank. Economic report. Ausgabe 8 [8th ed.]/2023 URL: https://www.bundesbank.de/de/publikationen/ezb/ wirtschaftsberichte.
4 Cf. ifo Institut. ifo Konjunkturprognose Winter 2023. URL: https://www.ifo.de/DocDL/sd-2023-digital-04-wollmershaeuser-etal-konjunkturprognose-herbst-2023_0.pdf. Short reference: ifo 2023.
5 Cf. World Bank 2024.
6 Cf. European Commission. European Economic Forecast – Autumn 2023. Institutional Paper 258. URL: https://economy-finance.ec.europa.eu/system/files/2023-12/ip258_en.pdf.
7 Cf. ifo 2023.
8 Cf. World Bank 2024.
9 Cf. World Bank 2024.
10 Cf. World Bank 2024.

Promoting electromobility

Annual financial statements

Assets	EUR	31/12/23 EUR	31/12/22 EUR thousand
1. Cash reserve			
a) Cash balance	2,147.81		3
b) Credit balances with central banks, including: EUR 4,349,524.38 EUR at the Deutsche Bundesbank (2022: EUR 1,810,000)	4,349,524.38	4,351,672.19	1,810
2. Receivables from banks			
a) payable on demand	223,817,298.01		290,529
b) other receivables	533,127,524.04	756,944,822.05	495,973
3. Receivables from customers		2,958,683,302.38	2,792,543
4. Debenture bonds and other fixed-interest securities			
a) money market securities			
aa) from public issuers, including: acceptable as collateral with the Deutsche Bundesbank EUR 0.00	0.00		0
ab) from other inssuers, including: acceptable as collateral with the Deutsche Bundesbank 0,00 EUR	19,958,720.05		0
b) bonds and debenture bonds			
ba) from public issuers, including: acceptable as collateral with the Deutsche Bundesbank EUR 0.00 (2022: EUR 0)	17,116,566.26		0
bb) from other issuers, including: acceptable as collateral with the Deutsche Bundesbank EUR 49,236,304.82 (2022: EUR 62,836,000)	94,128,848.34	131,204,134.65	115,300
5. Shares in affiliated companies		8,335,978.43	8,336
6. Trust assets, including: trust loans EUR 159,413,274.07 (2022: EUR 196,050,000)		159,413,274.07	196,050
7. Intangible assets: purchased concessions, industrial property rights and similar rights and assets, as well as licenses to such rights and assets		1,048,959.50	851
8. Fixed assets		972,403.85	948
9. Other assets		8,883,429.29	20,952
10. Accrued and deferred items		3,022,148.92	3,125
11. Excess of plan assets over pension liability		3,169,490.65	1,349
Total assets		**4,036,029,615.98**	**3,927,769**

Liabilities and equity	EUR	31/12/23 EUR	31/12/22 EUR thousand
1. Liabilities to banks			
a) payable on demand	8,886,773.82		21,346
b) with agreed term or notice period	2,862,906,946.85	2,871,793,720.67	2,619,689
2. Liabilities to customers			
Other liabilities			
a) payable on demand	26,730,199.58		36,945
b) with agreed term or notice period	643,437,682.55	670,167,882.13	738,088
3. Trust liabilities, including: trust loan EUR 159,413,274.07 (2022: EUR 196,050,000)		159,413,274.07	196,050
4. Other liabilities		603,504.61	207
5. Accrued and deferred items		5,123,049.56	5,151
6. Provisions			
a) Provisions for pensions and similar obligations	0.00		
a) Tax provisions	0.00		158
b) Other provisions	11,907,081.79	11,907,081.79	10,239
7. General banking risk funds		25,200,000.00	16,100
8. Equity			
a) Subscribed capital	20,500,000.00		20,500
b) Retained earnings			
Other retained earnings	263,296,103.15		253,101
c) Retained earnings brought forward	0.00		0
d) Unappropriated surplus	8,025,000.00	291,821,103.15	10,195
Total liabilities and equity		**4,036,029,615.98**	**3,927,769**
Contingent liabilities			
1. Contingent liabilities from guarantees		459,617,408.82	491,117
2. Other obligations			
Irrevocable loan commitments		1,103,450,868.15	923,799

Income statement for the period from 01/01 to 31/12/2023

Expenses	EUR	EUR	01/01-31/12/23 EUR	01/01-31/12/22 EUR thousand
1. Interest expenses			137,686,876.44	44,860
2. General administrative expenses				
a) Personnel expenses				
aa) Wages and salaries	15,217,450.89			13,930
ab) Social security contributions and expenses for pensions and support, including: for pensions EUR 1,713,738.12 (2022: EUR 1,200,000)	3,642,293.49	18,859,744.38		5,249
b) Other administrative expenses		11,872,832.19	30,732,576.57	12,736
3. Depreciation, amortisation and value adjustments on intangible assets and fixed assets			606,632.57	604
4. Other operating expenses			2,871,542.26	709
5. Depreciation and value adjustments on receivables and certain securities, as well as allocations to provisions in the loan business			5,667,792.14	16,751
6. Taxes on income and earnings			5,940,685.00	256
7. Other taxes			13,911.41	13
8. Allocation to special items for general bank risks			9,100,000.00	0
9. Net profit for the year			8,025,000.00	10,195
Total expenses			**200,645,016.39**	**105,303**
1. Net profit/loss for the year			8,025,000.00	10,195
2. Allocations to other retained earnings			0.00	0
3. Unappropriated surplus			**8,025,000.00**	**10,195**

Income	EUR	01/01-31/12/23 EUR	01/01-31/12/22 EUR thousand
1. Interest income from			
a) Credit and money market transactions	192,573,219.62		93,864
b) Fixed-interest securities	1,566,581.13	194,139,800.75	1,038
2. Fee and commission income		5,955,922.27	7,807
3. Income from write-ups to receivables and certain securities, as well as from the reversal of provisions in the loan business		0.00	0
4. Other operating income		549,293.37	2,593
Total income		**200,645,016.39**	**105,303**

General notes

AKA Ausfuhrkredit-Gesellschaft mit beschränkter Haftung (AKA) has its registered office in Frankfurt/Main. The company is registered with the District Court of Frankfurt/Main under the commercial register number HRB 7955.

The annual financial statements of AKA for the financial year from 1 January to 31 December 2023 were prepared in accordance with the provisions of the German Commercial Code (HGB), the Limited Liability Company (GmbH) Act and the Regulation on Accounting for Banks (RechKredV).

Accounting and valuation methods

Cash reserves, receivables from banks and customers, as well as other assets are recognised at their nominal amount or acquisition costs. Offset assets pursuant to Section 246 para. 2 HGB must be valued at their fair value pursuant to Section 253 para. 1 sentence 4 HGB.

Acute risks in the loan business are taken into account by forming individual value adjustments and provisions for anticipated losses on the basis of the expected achievable cash flows from the exposure. For latent credit risks with regard to receivables from banks and customers as well as off-balance sheet items, a parameter-based lump-sum provision was created in accordance with IDW RS BFA 7. AKA applies the simplification procedure here. Loan exposures without increased credit risks are provided with a lump-sum provision in the amount of the 12-month expected loss. Material risk parameters here are the exposure at default (EaD), the probability of default (PD) and the loss given default (LGD). In addition, macroeconomic factors (GDP development) are used in specific regions or countries, along with discount rates, based on interest rate curves (published by the ECB) and based on the best-rated EUR government bonds issued. If there are increased credit risks, a lump-sum provision is created on the basis of the lifetime expected loss. Increased credit risks are identified by assignment to the pre-watchlist or intensive care. As a quantitative criterion for inclusion on the pre-watchlist and thus increased credit risks, the “halfway-to-default” review is used. With this, it is checked whether a borrower has received a rating change that is at least halfway to a default rating in comparison to the time when the loan agreement was concluded. Qualitative and quantitative criteria are identified for the pre-watch list or intensive support. Country risks are also taken into account in the determination of the lump-sum provision. Post-model adjustments are possible to reflect future effects that are not yet included in the model used. Value recoveries required under Section 253 para. 5 HGB were made.

Securities of the liquidity reserve are recognised in accordance with the provisions for current assets, taking into account the strict lowest value principle, with the lower of cost or market value.

Shares in affiliated companies are valued at their acquisition costs, less depreciation in accordance with Section 253 para. 3 HGB. Intangible assets and fixed assets are capitalised at their acquisition costs and valued taking into account scheduled depreciation.

Accrued income and deferred expenses include deferred interest and commission expenses that have already been incurred as of the balance sheet date in accordance with Section 250 para. 1 HGB, but only represent expenses for a certain period after this day. Accruals and deferrals are made on a pro rata basis.

Liabilities are shown at their settlement amount.

Deferred income and accrued expenses include accrued interest and commission income that has already been collected as of the balance sheet date in accordance with Section 250 para. 2 HGB, but only represents income for a certain period after that date. Accruals and deferrals are made on a pro rata basis.

Pension obligations are valued according to actuarial principles. They are calculated according to the projected unit credit method, using biometric data from Dr Klaus Heubeck's "2018 G mortality tables". The calculation is based on expected wage and salary increases of 2.5% per annum and an annuity dynamic of 2.2% per annum. Pursuant to Section 253 para. 2 and para. 6 HGB, pension obligations with a remaining term of more than one year are discounted at the average market interest rate of the past ten financial years corresponding to their remaining term. The calculated interest rate for the 10-year average is 1.82%. In comparison, the calculated interest rate for the 7-year average would be 1.74%.

Tax provisions and other provisions are recognised in accordance with Section 253 para. 1 sentence 2 HGB at the settlement amount according to reasonable commercial assessment. Provisions with a term of more than one year are discounted at the average market interest rate of the past seven financial years corresponding to their term.

Currency conversion takes place in accordance with the provisions of Section 256a HGB in conjunction with Section 340h HGB. Income and expenses from currency conversion, taking into account special cover, are shown in other comprehensive income. Foreign currency receivables and liabilities have been converted at the reference rate of the European Central Bank on the balance sheet date. For forward transactions that are included in the special cover, a split of the forward rate was waived for the reference date valuation for materiality reasons due to the short remaining term of the transactions.

For loss-free valuation of the banking book according to IDW RS BFA 3, the present value method is used. The banking book includes all on- and off-balance sheet financial instruments of the bank. Provisions pursuant to Section 340a in conjunction with Section 249 para. 1 sentence 1 alt. 2 HGB must be created for hidden liabilities resulting from the netting of the present value in the banking book with the book value, taking into account administrative and risk costs.

Valuation units are formed in accordance with Section 254 HGB. Basic transactions to be hedged (loan receivables and/or time deposits on the liabilities side) are transferred to a hedge with corresponding hedging transactions (interest rate swaps, interest rate/currency swaps). In doing so, market price risks should be hedged in accordance with the risk strategy. Hedges can be formed on the basis of micro, macro or portfolio hedges. The measurement of future efficacy (future effectiveness) is carried out using the critical terms match method or the fair value method in the simulation procedure. The efficacy in past periods (retrospective effectiveness) is proven using the critical terms match method or the dollar offset method. Effectiveness exists if the fundamental, value-determining factors of the transactions are exactly opposite or the ratio of the changes in the fair values of the cash flows is between 0.5 and 2.0. The freezing method is used to depict the effective parts of the valuation unit.

Deferred tax assets are not recognised in the exercise of the option under Section 274 para. 1 sentence 2 HGB.

In financial year 2023, internally created intangible assets were capitalised for the first time. The reason for this new accounting policy pursuant to Section 284 para. 2 no. 2 HGB is the increased importance of internally created intangible assets. The change brings about an increase in the financial position and financial performance by EUR 454,000.

Notes to the balance sheet

ASSETS

Receivables from banks: Receivables from banks result primarily from the loan business. In addition, the item contains an overnight investment made at the Deutsche Bundesbank on the reference date.

The breakdown of the other receivables from banks by remaining term is as follows:

	31/12/2023 EUR thousand	31/12/2022 EUR thousand
up to three months	27,412	44,878
more than three months to one year	149,328	111,803
more than one year to five years	271,869	258,813
more than five years	84,519	80,479
	533,128	**495,973**

Receivables from banks include receivables from shareholders in the amount of EUR 25,935,000 (2022: EUR 55,739,000).
There are no receivables with an indefinite term.

Receivables from customers: Receivables from customers have the following remaining terms:

	31/12/2023 EUR thousand	31/12/2022 EUR thousand
up to three months	232,072	201,734
more than three months to one year	389,451	368,327
more than one year to five years	1,414,163	1,493,678
more than five years	922,997	728,804
	2,958,683	**2,792,543**

Debenture bonds and other fixed-interest securities: Securities of the liquidity reserve are mainly shown under debenture bonds and other fixed-interest securities. As of the balance sheet date, there was a loan-related security in the portfolio.

	marketable		listed		not listed on the stock exchange	
	31/12/2023 EUR thousand	31/12/2022 EUR thousand	31/12/2023 EUR thousand	31/12/2022 EUR thousand	31/12/2023 EUR thousand	31/12/2022 EUR thousand
Debenture bonds and other fixed-interest securities	131,204	115,300	107,263	111,245	23,941	4,055

This item includes securities in the amount of EUR 88,663,000 (2022: EUR 79,137,000) that become due in the year following the balance sheet date.

Shares in affiliated companies: AKA holds a 100% stake in the share capital of EUR 31,000 in Grundstücksverwaltung Kaiserstrasse 10 GmbH, Frankfurt/Main (GVK GmbH). For the 2022 financial year, the company generated a net profit for the year of EUR 146,000 (2021: EUR 283,000).

The preparation of consolidated financial statements is waived in accordance with Section 290 paragraph 5 HGB due to the minor importance of the subsidiary within the meaning of Section 296 HGB.

Trust assets: Trust assets include receivables managed for third parties from indemnified or restructured loans. They are structured as follows:

	31/12/2023 EUR thousand	31/12/2022 EUR thousand
Receivables from banks		
a) other receivables	0	2,436
Receivables from customers		
a) payable on demand	0	0
b) other receivables	159,413	193,614
	159,413	**196,050**

Fixed asset schedule: The fixed asset schedule was prepared using Article 31 para. 3 of the Introductory Act to the German Commercial Code (EGHGB [Einführungsgesetz zum Handelsgesetzbuch]).

	Shares in affiliated companies	Intangible assets	Fixed assets
Historical acquisition costs			
As of 01/01/2023	8,336	3,061	3,465
Additions	0	786	369
Disposals	0	325	6
As of 31/12/2023	8,336	3,522	3,828
Accumulated depreciation			
As of 01/01/2023	0	2,210	2,517
Additions	0	263	344
Disposals	0	0	6
As of 31/12/2023	0	2,473	2,855
Book values as of 31/12/2023	**8,336**	**1,049**	**972**
Historical acquisition costs			
As of 01/01/2022	8,336	2,982	3,195
Additions	0	79	324
Disposals	0	0	54
As of 31/12/2022	8,336	3,061	3,465
Accumulated depreciation			
As of 01/01/2022	0	2,029	2,148
Additions	0	181	423
Disposals	0	0	54
As of 31/12/2022	0	2,210	2,517
Book values as of 31/12/2022	**8,336**	**851**	**948**

Tangible assets include operating and office equipment with a book value of EUR 888,000 as of 31 December 2023 (2022: EUR 841,000).

Intangible assets include internally created assets with a book value of EUR 454,000 (2022: EUR 0).

Other assets: Other assets include the following receivables: taxes in the amount of EUR 2,719,000 (2022: EUR 10,562,000), from affiliated companies in the amount of EUR 250,000 (2022: EUR 227,000), collateral provided for irrevocable payment obligations in the amount of EUR 2,035,000 (2022: EUR 1,540,000) and receivables from the valuation of currency swaps in the amount of EUR 3,863,000 (2022: EUR 8,611,000).

Excess of plan assets over pension liability: The book value of the covering assets exceeding the settlement amount of the pension and partial retirement provisions is shown under the "excess of plan assets over pension liability" item in the amount of EUR 3,169,000 (2022: EUR 1,349,000).

LIABILITIES

Liabilities to banks: Liabilities to banks with an agreed term or notice period have the following remaining terms:

	31/12/2023 EUR thousand	31/12/2022 EUR thousand
up to three months	319,464	275,056
more than three months to one year	408,968	394,787
more than one year to five years	1,268,101	1,221,607
more than five years	866,374	728,239
	2,862,907	**2,619,689**

Liabilities to banks with an agreed term or notice period include liabilities to shareholders in the amount of EUR 471,176,000 (2022: EUR 474,516,000).

Assets in a total amount of EUR 2,597,843,000 (2022: EUR 2,328,118,000) are transferred as collateral for liabilities to banks.

Liabilities to customers: Other liabilities to customers with an agreed term or notice period have the following remaining terms:

	31/12/2023 EUR thousand	31/12/2022 EUR thousand
up to three months	95,076	53,188
more than three months to one year	348,500	298,238
more than one year to five years	111,542	285,655
more than five years	88,320	101,007
	643,438	**738,088**

Liabilities to customers include liabilities to affiliated companies in the amount of EUR 4,104,000 (2022: EUR 0). Uncertificated liabilities to shareholders amounted to EUR 41,000 (2022: EUR 0).

No assets have been transferred as collateral for liabilities to customers.

Trust liabilities: Trust liabilities consist of:

	31/12/2023 EUR thousand	31/12/2022 EUR thousand
Liabilities to banks a) with agreed term or notice period	118,798	145,248
Liabilities to customers a) with agreed term or notice period	40,615	50,802
	159,413	**196,050**

Other liabilities: Other liabilities mainly include liabilities from the valuation of currency swaps in the amount of EUR 521,000 (2022: EUR 134,000) and from trade payables in the amount of EUR 75,000 (2022: EUR 67,000).

Accrued and deferred items: Deferred income and accrued expenses are broken down as follows:

	31/12/2023 EUR thousand	31/12/2022 EUR thousand
Risk premium	4,318	4,361
Processing fee	508	720
Other	297	70
	5,123	**5,151**

Provisions for pensions and similar obligations: The pension provision is offset against the covering assets as follows:

	31/12/2023 EUR thousand	31/12/2022 EUR thousand
Settlement amount of pension provisions	30,787	30,664
Acquisition costs of the covering assets	33,730	32,013
Fair value of the covering assets	33,915	32,013
Income from covering assets	16	0
Excess of plan assets over pension liability	**3,144**	**1,349**

In the financial year, the Contractual Trust Arrangement (CTA) existing with AKA Treuhand e.V., Frankfurt/Main, was replaced by a trust agreement signed on 20/12/2021 to secure benefit entitlements with Mercer Treuhand GmbH, Frankfurt/Main. The assets were transferred on 11 October 2023. The settlement amount of the pension provisions was offset against the covering assets. The covering assets, up until the transfer, consisted of cash balances with AKA Ausfuhrkredit-Gesellschaft mit beschränkter Haftung and another credit institution. The contributions to the covering assets amounted to EUR 1,717,000 (2022: EUR 1,977,000). After the transfer to Mercer Treuhand GmbH, the covering assets were largely invested in a money market fund. There is an overnight deposit credit balance. The securities account and the overnight deposit account are held in trust by State Street Bank International GmbH, Munich. The asset exceeding the settlement amount is shown as an "excess of plan assets over pension liability" in the amount of EUR 3,144,000 (2022: 1,349,000).

The valuation of the covering assets at fair value results in an amount exceeding the acquisition costs of EUR 185,000 (2022: EUR 0).

On the basis of Section 253 para. 2 and para. 6 HGB, the difference between the valuation of the pension provision with the 10-year average interest rate and the valuation with the 7-year average interest rate must be stated on each balance sheet date. This is presented as follows:

	31/12/2023 EUR thousand	31/12/2022 EUR thousand
Pension provision valued at		
10-year average interest rate	30,787	30,664
7-year average interest rate	31,115	32,126
	-328	**-1,462**

Other provisions: Other provisions include provisions for impending risks from the loan business in the amount of EUR 6,216,000 (2022: EUR 5,098,000).
In addition, personnel provisions amounting to EUR 3,479,000 (2022: EUR 3,403,000) were created.

Reserve in accordance with Section 340g HGB: In order to cover general banking risks, there is a reserve pursuant to Section 340g HGB of EUR 25.2 million (2022: EUR 16.1 million).

Amounts with restrictions on distribution: Amounts with restrictions on distribution, including deferred tax liabilities attributable to them, consist of the following:

	31/12/2023 EUR thousand	31/12/2022 EUR thousand
Capitalisation of internally created intangible assets	309	0
Income from the valuation of covering assets at fair value	126	0
Sum of the amounts with restrictions on distribution	**435**	**0**

The available reserves plus the unappropriated surplus exceed the amounts with restrictions on distribution and are therefore not blocked for distribution in accordance with Section 268 para. 8 HGB.

Notes to the income statement

Interest expenses: Interest expenses include interest income from negative interest from futures investments by banks, public households and companies in the amount of EUR 52,000 (2022: EUR 1,181,000).

Other operating expenses: Other operating expenses mainly include expenses from the valuation of foreign currencies in the amount of EUR 1,978,000 (2022: EUR thousand 0), interest expenses from the discounting of provisions in the amount of EUR 538,000 (2022: EUR 534,000), which were offset against income from the investment of the covering assets in the amount of EUR 201,000 (2022: EUR 0), as well as expenses from the disposal of fixed assets in the amount of EUR 325,000 (2022: EUR 0).

Interest income from credit and money market transactions: Interest income from credit and money market transactions is broken down by geographic origin as follows:

	2023 EUR thousand	2022 EUR thousand
Near East	53,438	23,359
Africa	36,035	15,467
CIS and Russia	27,502	12,907
Europe ex EU	18,583	6,834
EU	17,728	7,051
North and Central America	15,800	13,891
Middle East	11,349	5,616
Asia and Oceania	7,888	6,742
South America	4,250	1,997
	192,573	**93,864**

Interest income from fixed-interest securities: Interest income from fixed-interest securities is allocated to the following geographic regions:

	2023 EUR thousand	2022 EUR thousand
North and Central America	717	262
EU	656	544
Asia and Oceania	193	232
	1,566	**1,038**

Fee and commission income: Fee and commission income results primarily from risk sub-participations, letters of credit confirmations and purchase commitments, as well as from the trust business with domestic banks. Fee and commission income is broken down by geographic origin as follows:

	2023 EUR thousand	2022 EUR thousand
Middle East	1,076	1,928
Near East	1,258	1,307
EU	1,220	1,503
CIS and Russia	965	1,044
Asia and Oceania	382	522
Africa	377	641
South America	336	473
North and Central America	181	167
Europe ex EU	161	222
	5,956	**7,807**

Other operating income: In 2023, AKA primarily generated other operating income from income from currency conversion of the subsidiary GVK GmbH in the amount of EUR 250,000 (2022: EUR 250,000), as well as from the reversal of provisions (other period) in the amount of EUR 228,000 (2022: EUR 190,000). In the past financial year, income was generated from the discounting of provisions in the amount of EUR 30,000 (2022: EUR 1,000).

Other disclosures

Foreign currency business: The total amount of assets denominated in foreign currency are broken down as follows after the deduction of value adjustments:

	31/12/2023 EUR thousand	31/12/2022 EUR thousand
Central bank balances	9	10
Receivables from banks	151,240	220,938
Receivables from customers	806,819	776,102
Debenture bonds	66,437	71,170
Trust assets	5,719	5,378
Accrued income and deferred expenses	968	0
	1,031,192	**1,073,598**

The total amount of liabilities denominated in foreign currency is as follows:

	31/12/2023 EUR thousand	31/12/2022 EUR thousand
Liabilities to banks	898,383	801,009
Liabilities to customers	487	16,949
Trust liabilities	5,719	5,378
Provisions	111	156
Deferred income and accrued expenses	216	92
	904,916	**823,585**

As of the balance sheet date, there are irrevocable loan commitments of EUR 318,510,000 (2022: EUR 317,928,000) and contingent liabilities from guarantees of EUR 292,121,000 (2022: EUR 304,627,000) in foreign currency. Derivatives consist of off-balance sheet foreign currency liability items amounting to EUR 201,810,000 (2022: EUR 284,851,000) and foreign currency asset items amounting to EUR 72,398,000 (2022: 0). Foreign currency receivables and liabilities generally correspond in currency, amount and due date.

Deferred taxes: The deferred tax assets not formed in the exercise of the option pursuant to Section 274 para. 1 sentence 2 HGB are primarily based on anticipated loss provisions for credit risks that are not traceable for tax purposes and on temporary differences in the area of pension provisions. There are no tax losses carried forward. The valuation of deferred taxes was carried out on the basis of company-specific tax rates. 15.825% was used as the basis for calculation of corporate tax plus the solidarity surcharge, and 16.10% was used for the calculation of trade tax.

Loss-free valuation of the banking book: As part of the loss-free valuation of interest-related transactions in the banking book, there was no provision for anticipated loss to be created as of the balance sheet date.

Contingent liabilities: The contingent liabilities from guarantees are structured as follows:

	31/12/2023 EUR thousand	31/12/2022 EUR thousand
Credit guarantees	256,050	260,130
Letters of credit	132,400	201,880
Guarantee loans	71,167	29,107
	459,617	**491,117**

The risk of utilisation of contingent liabilities is estimated to be low, since these are letters of credit and guarantee loans within the framework of foreign trade financing. No assets were transferred as collateral.

Other obligations: Irrevocable loan commitments are structured as follows:

	31/12/2023 EUR thousand	31/12/2022 EUR thousand
Irrevocable loan commitments for the loan business	1,103,451	923,799
	1,103,451	**923,799**

Utilisation of the irrevocable loan commitments for the loan business is expected, since these are essentially outstanding disbursements of ECA-covered export financings, which, as soon as the disbursement conditions are met, reduce the irrevocable loan commitments.

Other financial obligations: Securitisation guarantees were concluded with the Federal Republic of Germany to secure refinancing loans. Within the framework of supplementary guarantee provision agreements, AKA undertakes to pay the guaranteed amount when the securitisation guarantees are claimed. At the end of the year, there were possible payment claims from guarantee provisioning in connection with securitisation guarantees in the amount of EUR 1,485,783,000 (2022: EUR 1,235,137,000).

In the course of the annual collection of contributions in 2023 to the Single Resolution Fund, AKA made use of the option of providing 22.5% of the contribution as secured payment claims. The obligation from this amounts to EUR 2,035,000 (2022: EUR 1,540,000).

Futures/hedges: As of the balance sheet date, there are forward transactions with interest risks in the form of interest rate swaps and with currency risks in the form of currency swaps. These transactions serve exclusively to hedge against the risk of a change in future cash flows from the loan and refinancing business. For the majority of transactions, micro-hedges were formed with the associated underlying transactions.

The book values of the receivables included in the hedges correspond to the nominal volume of the forward transactions. Volumes at nominal values, fair values and maturity dates of these transactions are as follows:

	Volume 31/12/2023 USD thousand	Volume 31/12/2023 EUR thousand	Fair value 31/12/2023 EUR thousand	Volume 31/12/2022 EUR thousand	Volume 31/12/2022 USD thousand
Interest rate risks					
up to one year remaining term	0	164,500	-2,944	142,200	822
up to five years remaining term	0	125,317	-4,625	222,500	30,000
over five years remaining term	0	63,500	-9,989	65,817	0
Interest rate/currency risks					
up to one year remaining term	0	0	0	10,927	13,000
up to five years remaining term	0	0	0	0	0
over five years remaining term	0	0	0	0	0
	0	**353,317**	**-17,558**	**441,444**	**43,822**

The swaps not included in hedges or swaps derived from ineffective hedges are broken down as follows:

	Volume 31.12.2023 USD thousand	Volume 31/12/2023 EUR thousand	Fair value 31/12/2023 EUR thousand	Volume 31/12/2022 EUR thousand	Volume 31/12/2022 USD thousand
Interest rate risks					
up to one year remaining term	0	5,000	-95	0	0
up to five years remaining term	0	1,365	885	0	0
over five years remaining term	0	0	0	453	0
Currency risks					
up to one year remaining term	303,000	276,031	3,342	249,584	260,000
up to five years remaining term	0	0	0	0	0
over five years remaining term	0	0	0	0	0
Interest rate/currency risks					
up to one year remaining term	0	0	0	0	0
up to five years remaining term	0	0	0	0	0
over five years remaining term	0	0	0	0	0
	303,000	**282,396**	**4,132**	**250,037**	**260,000**

Counterparties to the swaps are shareholders of AKA and a non-shareholder.

Remuneration: Remuneration for the members of the Supervisory Board is planned to be EUR 286,000 (2022: EUR 294,000), plus VAT if applicable.

As of 31 December 2023, EUR 7,309,000 (2022: EUR 7,742,000) was reserved for pension obligations to former members of the Management and their surviving dependents. The remuneration in 2023 was EUR 715,000 (2022: EUR 1,181,000).

With regard to the remuneration of the management, AKA makes use of the exemption of Section 286 paragraph 4 HGB in conjunction with Section 285 no. 9a HGB.

Auditor's fee: The fee for the auditor recorded as an expense in the 2023 financial year is broken down as follows:

	2023 EUR thousand
Annual audit services	515 (of which for the previous year: 90)
Other confirmation services	13
Tax consultancy services	0
Other services	3
	531

Other confirmation services relate to the audit in accordance with the General Terms and Conditions of the Deutsche Bundesbank within the framework of the use of credit claims to secure central bank loans (MACCs) as well as a confirmation for assignment notes for claims compensated by OeKB (Oesterreichische Kontrollbank [Austrian Control Bank]) in the event of liability. Other services are related to a planned migration of the accounting software.

Employees: AKA Ausfuhrkredit-Gesellschaft mit beschränkter Haftung is managed in a personal union with its subsidiary, Grundstücksverwaltung Kaiserstrasse 10 GmbH, both domiciled in Frankfurt/Main. In the past financial year, AKA employed on average:

	Male	Female	2023 Total	2022 Total
Full-time employees	84	41	125	116
Part-time employees	3	17	20	21
Parental leave	0	2	2	3
	87	**60**	**147**	**140**

The Supervisory Board of AKA in 2023 is composed of the following:

Ordinary members

Michael Schmid*/**
Economist (Diplom-Volkswirt)
Koenigstein/Ts.
– Chairman –

Werner Schmidt*/**
Managing Director
Deutsche Bank AG
Frankfurt/Main
– 1st Deputy Chairman –

Thomas Dusch*/**
Senior Vice President
UniCredit Bank GmbH
Munich
– 2nd Deputy Chairman –

Jan-Peter Müller*/**
Head of Energy and Mobility
Bayerische Landesbank
Munich
– 3rd Deputy Chairman –

Michael Maurer*
Managing Director
Landesbank Baden-Württemberg
Stuttgart

Michiel de Vries
Managing Director
ING-DiBa AG
Frankfurt/Main

Winfried Münch*
Director of DZ BANK AG
Deutsche Zentral-Genossenschaftsbank
Frankfurt/Main

Jens Thiele
Managing Director
Hamburg Commercial Bank AG
Hamburg

Florian Witt
Managing Director
ODDO BHF SE
Frankfurt/Main

Georg Hansjürgens
Member of the Board
Deutsche Sparkassen Leasing AG & Co. KG
Bad Homburg v. d. Hoehe

Permanent representatives

Roman Schmidt *until 25/07/2023*
Divisional Board Member
Commerzbank AG
Frankfurt/Main

Thomas Lingemann *from 25/07/2023*
Managing Director
Commerzbank AG
Frankfurt/Main

Frank Schütz
Managing Director
Deutsche Bank AG
Frankfurt/Main

Inés Lüdke
Managing Director
UniCredit Bank GmbH
Munich

Matthias Öffner
Chapter Lead Trade & Export Finance
Bayerische Landesbank
Munich

Deputy members

Nanette Bubik
Managing Director
Landesbank Baden-Württemberg
Stuttgart

Bartholomeus Ponsioen
Managing Director
ING-DiBa AG
Frankfurt/Main

Ralph Lerch
Director of DZ BANK AG
Deutsche Zentral-Genossenschaftsbank
Frankfurt/Main

Jutta Arlt *until 01/04/2023*
Department Director
Hamburg Commercial Bank AG
Hamburg

Jan Lührs-Behnke *from 01/04/2023*
Managing Director
Hamburg Commercial Bank AG
Hamburg

Birgitta Heinze *until 07/09/2023*
Managing Director
ODDO BHF SE
Frankfurt/Main

Inga Leitzbach *from 07/09/2023*
Head of Trade Product & Distribution Management Department
ODDO BHF SE
Frankfurt/Main

Michael Sobl
Head of Export Finance
Deutsche Sparkassen Leasing AG & Co. KG
Bad Homburg v. d. Hoehe

* Member of the Risk Committee **Member of the Nomination and Compensation Control Committees

The Management of AKA Ausfuhrkredit-Gesellschaft mit beschränkter Haftung is composed of the following:

Dr. Nadja Marschhausen
Managing Director
Bad Homburg v. d. Höhe

Marck Wengrzik
Spokesperson of the Management
Frankfurt/Main

Frank Zimmermann
Managing Director
Dreieich

Appropriation of net income: We propose that a portion of the unappropriated surplus in the amount of EUR 4,100,000 be distributed to our shareholders, and that the additional amount of EUR 3,925,000 be allocated to the other retained earnings.

Frankfurt/Main, den 15 March 2024

The Management of AKA Ausfuhrkredit-Gesellschaft mit beschränkter Haftung

Dr. Nadja Marschhausen	Marck Wengrzik	Frank Zimmermann

Disclosures pursuant to Section 26a KWG
Country-specific reporting

The following required information is disclosed with this reporting:

1. Company name, type of activities and the geographic location of the branches
2. Turnover
3. Number of wage and salary recipients in full-time equivalents
4. Profit or loss before tax
5. Taxes on profit or loss
6. Public aid received

Turnover was defined as the sum of interest and net fee and commission income, plus other operating income. The information on the number of employees refers to full-time workers (pursuant to Section 285 No. 7 HGB in conjunction with Section 267 No. 5 HGB).
The information was determined on the basis of the annual financial statements of AKA as of 31 December 2023.[1]

Company	Country	Location	Type of activity	Turnover (EUR million)	Employees (FTEs)	Profit before taxes (EUR million)	Taxes on profit (EUR million)	Public aid received (EUR million)
EU countries								
AKA Ausfuhrkredit-Gesellschaft mbH	Germany	Frankfurt / Main	Bank	200.6	147	14.0	6.0	0.0

Return on investment: Article 90 of EU Directive 2013/36/EU (Capital Requirements Directive, CRD IV) was also implemented into German law with Section 26a KWG.
As of 31 December 2023, the return on investment within the meaning of Section 26a para. 1 sentence 4 KWG is 0.20%.

1 Consolidated financial statements have not been prepared.

Report on the audit of the annual financial statements and the management report

Audit opinions

We have audited the annual financial statements of AKA Ausfuhrkredit-Gesellschaft mit beschränkter Haftung, Frankfurt/Main, consisting of the balance sheet as of 31 December 2023 and the income statement for the financial year from 1 January to 31 December 2023, as well as the notes to the financial statements, including the presentation of the accounting and valuation methods. In addition, we have audited the management report of AKA Ausfuhrkredit-Gesellschaft mit beschränkter Haftung for the financial year from 1 January to 31 December 2023.

According to our assessment based on the findings obtained during the audit,

- the attached annual financial statements comply in all material respects with the provisions of German commercial law applicable to institutions and, in compliance with the German principles of proper accounting, provide a true and fair view of the financial position and cash flows of the company as of 31 December 2023 and its financial performance for the financial year from 1 January to 31 December 2023 and
- the attached management report provides an accurate picture of the company's situation. In all material respects, this management report is consistent with the annual financial statements, complies with German legal regulations and accurately presents the opportunities and risks of future development.

In accordance with Section 322 para. 3 sentence 1 HGB, we declare that our audit has not led to any objections to the adequacy of the annual financial statements and the management report.

Basis for the audit opinions

We have carried out our audit of the annual financial statements and the management report in accordance with Section 317 HGB and the EU Auditors Regulation (No. 537/2014; hereinafter referred to as "EU Auditors Regulation") in compliance with the German principles of proper auditing established by the Institute of Auditors (IDW). Our responsibility in accordance with these provisions and principles is described in more detail in the section "Responsibility of the auditor for the audit of the annual financial statements and the management report" of our audit report. We are independent of the company in accordance with European and German commercial and professional regulations and have fulfilled our other German professional obligations in accordance with these requirements. In addition, we declare in accordance with Article 10 para. 2 letter f) of the EU Audit Regulation that we have not provided any prohibited non-audit services in accordance with Article 5 para. 1 of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and suitable to serve as the basis for our audit opinions on the annual financial statements and management report.

Particularly important audit issues in the audit of the annual financial statements

Particularly important audit matters are those circumstances that, based on our professional judgment, were most important in our audit of the annual financial statements for the financial year from 1 January to 31 December 2023. These circumstances were taken into account in connection with our audit of the annual financial statements as a whole and in the formation of our audit opinion; we do not issue a separate audit opinion on these circumstances.

Appropriateness of the individual value adjustments on receivables to customers

With regard to the explanation of the risk provisioning system, please refer to Section 3.2 of the management report. We refer to the notes to the financial statements for the accounting and valuation methods used by the AKA Ausfuhrkredit-Gesellschaft mit beschränkter Haftung.

The risk for the annual financial statements

In the annual financial statements as of 31 December 2023, AKA Ausfuhrkredit-Gesellschaft mit beschränkter Haftung refers to receivables from customers in the amount of EUR 2,958.7 million.

Individual value adjustments on customer receivables must be created based on the precautionary principle pursuant to Section 252 para. 1 no. 4 HGB in order to take acute credit risks into account. As a result of the Russian-Ukrainian war, credit default risks in certain sectors and markets have increased sharply.

The identification of acute credit risks and the determination of individual value adjustments for receivables from customers is discretionary. It requires assumptions about the contractual cash flows still to be expected and/or about the expected cash flows from the realisation of the loan collateral provided. The assumptions are made depending on the selected restructuring or resolution strategy.

The risk for the financial statement consists in particular in the fact that required individual value adjustments are not recognised in a timely manner because no appropriate criteria have been established for identifying exposures with individual value adjustments, or an identification of these exposures is not ensured procedurally. In addition, the risk for the annual financial statements is that, when determining the individual value adjustment, no appropriate assumptions are made about the amount and times of the contractual cash flows still to be expected or about the amount of the cash flows to be expected from the realisation of the loan collateral provided. Incorrect assumptions about the amount of the expected cash flows and/or the realisation of loan collateral mean that the receivables are incorrectly valued, and thus the credit default risks are not taken into account in an appropriate amount.

Our approach to the audit

Based on our risk assessment and the assessment of the risks of errors, we have based our audit opinion on both control-based audit procedures and on substantive audit procedures.

As a first step, we gained comprehensive insight into the development of the loan portfolio, the associated credit default risks, as well as the internal control system with regard to the identification, monitoring and assessment of the credit default risks in the loan portfolio.

In addition, as part of process-oriented audit activities, we assessed the design and, based on random samples, the effectiveness of the controls in the loan valuation process, with regard to the identification of exposures with individual value adjustments, as well as compliance with the system for determining and recording individual value adjustments of the bank. This included, among other things, inspection of the relevant organisational guidelines and surveys of the employees responsible for the loan evaluation process. For the IT systems used, we reviewed the regulations and procedures that support the effectiveness of application controls.

Using a deliberate selection of individual exposures determined from a materiality and risk perspective, we carried out substantive audit procedures and assessed the recoverability of the receivables from customers. In particular, we checked whether the selected exposures met criteria that indicate a need for individual value adjustment and whether this was properly recognised. We have reassured ourselves that the risk provision created for these exposures is set up and appropriate for the period. In doing so, we have acknowledged assumptions for the determination of the contractual cash flows still to be expected. For the selected exposures, we also traced the calculation of the posted individual value adjustment.

mitments in the amount of EUR 1,103.5 million. These holdings form the basis for the creation of lump-sum provisions in accordance with the IDW statement on accounting: Risk provisioning for foreseeable credit default risks that have not yet been individually specified in the loan business of banks ("lump-sum provisions") (IDW RS BFA 7). The lump-sum provision (LSP) for inherent default risks in the loan business amounts to EUR 40.2 million as of the reference date.

The determination of the lump-sum provision to cover the inherent default risk of receivables from the loan business, as well as of contingent liabilities and irrevocable loan commitments, is carried out according to a parameter-based approach on the basis of an expected loss model. The fundamental value-determining assumptions and parameters for the assessment of these credit default risks include in particular the borrower-specific default probability, the loss ratio upon occurrence of the default event, as well as assumptions about the expected call-off ratio for contingent liabilities and irrevocable loan commitments. Moreover, additions to the lump-sum provision were made for loan exposures that are affected by sanctions in connection with the Russia-Ukraine war; the additions were taken into account by way of a management adjustment of EUR 13.5 million.

Since the estimates or exercises of discretion are to be carried out under uncertainty and have a significant influence on the amount of the required lump-sum provision, it was of particular importance, as part of our audit, that the essential value-determining assumptions and parameters be properly derived and properly processed in the expected loss model, so that a cautious valuation in accordance with the principles of commercial law is taken into account for the inherent credit default risks.

Our conclusions

Appropriate criteria and precautions were applied to identify exposures with a need for individual value adjustments. The assumptions underlying the calculation of the individual value adjustments on receivables from customers regarding the amount of the expected achievable cash flows on the basis of the borrowers' ability to perform or from the realisation of collateral were properly determined and are in accordance with the accounting principles to be applied for the assessment of individual value adjustments.

Valuation of receivables from customers using a parameter-based approach (LSP)

With regard to the explanation of the risk provisioning system, we refer to Section 3.2 of the management report. Regarding the accounting and valuation methods used by the AKA Ausfuhrkredit-Gesellschaft mit beschränkter Haftung for lump-sum provisions, please refer to the "Accounting and valuation methods" section in the notes to the financial statements.

The risk for the annual financial statements

As of 31 December 2023, the bank reports in its annual financial statements receivables from banks in the amount of EUR 756.9 and receivables from customers in the amount of EUR 2,958.7 million and contingent liabilities in the amount of EUR 459.6 million and irrevocable loan com-

Our approach to the audit

Based on our risk assessment and the assessment of the risks of errors, we have based our audit opinion on both control-based audit procedures and on substantive audit procedures. As a first step, we gained comprehensive insight into the development of the loan portfolio, the associated credit default risks, the methods and models used, as well as the internal control system with regard to the monitoring and assessment of the inherent credit default risks in the loan portfolio. For the assessment of the appropriateness of the internal control system with regard to the modelling and calibration of the value-determining assumptions and parameters, we conducted surveys and inspected the relevant documents in order to identify the relevant controls in this regard. We then checked the appropriateness, proper implementation and, using random samples, the effectiveness of these controls. Our audit activities included, among other things, controls with regard to the proper determination of the material model assumptions and the derivation, validation and approval of the parameters used, as well as the proper application of the established rating procedures in order to enable a proper estimation of the individual borrower default probabilities from a commercial perspective. For the IT systems used, we have reviewed the appropriateness of the IT environment and the effectiveness of the general IT controls.

Based on this, in a second step, we carried out substantive audit procedures, which included, among other things, the tracking of the validation results of the risk classification models used, the random review of the data quality of the parameters used for the LSP calculation, as well as the recalculation of the LSP calculation model. In addition, we have understood the basis and the calculation of the LSP additions made for the loan exposures affected by sanctions.

Finally, we checked the correct recording of the lump-sum provision in the accounting system and in the bank's financial statements.

Our conclusions

The assumptions and parameters underlying the valuation of the lump-sum provision according to IDW RS BFA 7 were properly derived and properly processed in the LSP calculation model, in accordance with the applicable accounting principles of a cautious valuation.

Other information

The legal representatives or the Supervisory Board are responsible for other information.

Other information includes the annual report. Other information does not include the annual financial statements, the audited content of the management report disclosures or our associated audit report.

Our audit opinions on the annual financial statements and management report do not extend to other information, and accordingly, we do not submit an audit opinion or any other form of audit conclusion in this regard.

In connection with our audit, we have the responsibility to read the other information mentioned above and to acknowledge whether the other information

- has significant discrepancies with the annual financial statements, with the audited management report disclosures or with our knowledge gained during the audit, or
- otherwise appears to be materially misstated.

If, on the basis of the work we have carried out, we conclude that there is a material misstatement of this other information, we are obliged to report on this fact. We have nothing to report in this regard.

Responsibility of the legal representatives and the Supervisory Board for the annual financial statements and the management report
The legal representatives are responsible for preparing annual financial statements that comply with the German commercial regulations applicable to institutions in all material respects, and for ensuring that the annual financial statements provide a true and fair view of the financial position, cash flows and financial performance of the company in accordance with the German principles of proper accounting. In addition, the legal representatives are responsible for the internal controls that they have determined to be necessary in accordance with the German principles of proper accounting in order to enable the preparation of annual financial statements that are free from material misstatements due to fraudulent acts (i.e. manipulation of accounting and financial losses) or errors.

When preparing the annual financial statements, the legal representatives are responsible for assessing the company's ability to continue as a going concern. Furthermore, they have the responsibility to indicate facts in connection with the company's ability to continue as a going concern, if relevant. In addition, they are responsible for accounting on the basis of the going-concern accounting principle, unless this conflicts with actual or legal circumstances.

In addition, the legal representatives are responsible for preparing the management report, which provides an accurate picture of the company's situation overall and is consistent with the annual financial statements in all material respects, complies with German statutory provisions and accurately presents the opportunities and risks of future development. In addition, the legal representatives are responsible for the precautions and measures (systems) that they have considered necessary to enable the preparation of a management report in accordance with the applicable German statutory provisions and to be able to provide sufficient suitable evidence for the statements in the management report.

The Supervisory Board is responsible for monitoring the company's accounting process for preparing the annual financial statements and management report.

Responsibility of the auditor for the audit of the annual financial statements and the management report
Our goal is to obtain reasonable assurance as to whether the annual financial statements as a whole are free from material misstatements due to fraudulent acts or errors, and whether the management report as a whole provides an accurate picture of the company's situation and is consistent in all material respects with the annual financial statements and with the findings obtained during the audit, complies with German legal regulations and accurately presents the opportunities and risks of future development, and to issue an audit report, which includes our audit opinions on the annual financial statements and management report.

Reasonable assurance is a high degree of assurance, but no guarantee that an audit carried out in accordance with Section 317 HGB and the EU

Auditors Regulation in compliance with the German principles of proper auditing established by the Institute of Public Auditors (IDW) will always reveal a material misstatement. Misstatements may result from fraudulent acts or errors and are considered material if they could reasonably be expected to influence the economic decisions made by users on the basis of these annual financial statements and management reports.

During the audit, we exercise due discretion and maintain a critical mindset. In addition:

- We identify and assess the risks of material misstatements in the annual financial statements and management report due to fraudulent acts or errors, plan and conduct audit activities in response to these risks, and obtain audit evidence that is sufficient and suitable to serve as the basis for our audit opinions. The risk that material misstatements resulting from fraudulent acts are not detected is higher than the risk that material misstatements resulting from errors are not detected, since fraudulent acts may include collusive interaction, falsification, intentional omissions, misleading statements or the bypassing of internal controls.
- We gain an understanding of the internal control system relevant for the audit of the annual financial statements and the precautions and measures relevant for the audit of the management report in order to plan audit activities that are appropriate under the given circumstances, but not with the goal of issuing an audit opinion on the effectiveness of these systems of the company.
- We assess the appropriateness of the accounting methods used by the legal representatives, as well as the justifiability of the estimated values and related disclosures presented by the legal representatives.
- We draw conclusions about the appropriateness of the going-concern accounting principle applied by the legal representatives and, on the basis of the audit evidence obtained, whether there is a material uncertainty in connection with events or circumstances that may cast significant doubt on the ability of the company to continue as a going concern. If we come to the conclusion that there is a material uncertainty, we are obliged to draw attention to the related disclosures in the annual financial statements and management report in the audit report or, if these disclosures are inappropriate, to modify our respective audit opinion. We draw our conclusions on the basis of the audit evidence obtained up to the date of our audit report. However, future events or circumstances may result in the company no longer being able to continue as a going concern.
- We assess the presentation, structure and content of the annual financial statements as a whole, including the disclosures, and whether the annual financial statements present the underlying business transactions and events in such a way that the annual financial statements convey a true and fair view of the financial position, cash flows and financial performance of the company in compliance with the German principles of proper accounting.
- We assess the conformity of the management report with the annual financial statements, its compliance with the law and the picture conveyed by it of the situation of the company;

- We carry out audit activities on the forward-looking information presented by the legal representatives in the management report. On the basis of sufficient suitable audit evidence, we in particular follow up on the significant assumptions underlying the forward-looking statements made by the legal representatives and assess the proper derivation of the forward-looking statements from these assumptions. We do not submit an independent audit opinion on the forward-looking statements or on the underlying assumptions. There is a significant unavoidable risk that future events may differ materially from the forward-looking information.

Among other things, we discuss with the persons responsible for monitoring the audit the planned scope and scheduling of the audit, as well as significant audit findings, including any significant deficiencies in the internal control system that we find during our audit.

We make a declaration to those responsible for monitoring that we have complied with the relevant independence requirements and discuss with them all relationships and other matters that can reasonably be assumed to affect our independence and, where relevant, the actions or protective measures taken to eliminate the risks to independence.

From the circumstances that we discussed with those responsible for monitoring, we determine those circumstances that were most important in the audit of the annual financial statements for the current reporting period and are therefore the particularly important audit matters. We describe these circumstances in the audit report, unless the disclosure of such circumstances is excluded by law or other legal provisions.

Other statutory and legal requirements

Other disclosures pursuant to Article 10 of the EU Auditors Regulation

We were elected as auditors by the Annual General Meeting on 25 April 2023. We were engaged by the Supervisory Board on 18 October 2023. We have worked continuously since the 2017 financial year as auditors of AKA Ausfuhrkredit-Gesellschaft mit beschränkter Haftung.

We declare that the audit opinions contained in this audit report are consistent with the additional report to the Audit Committee pursuant to Article 11 of the EU Audit Regulation (audit report).

Responsible auditor

The auditor responsible for the audit is Benedikt Sturm.

Frankfurt/Main, 15 March 2024

KPMG AG
Wirtschaftsprüfungsgesellschaft [auditing firm]

Sturm	Schück
Auditor	Auditor

Consortium members

Bayerische Landesbank, Munich

Commerzbank AG, Frankfurt/Main

DekaBank Deutsche Girozentrale, Frankfurt/Main

Deutsche Bank AG, Frankfurt/Main

Deutsche Sparkassen Leasing AG & Co. KG, Bad Homburg v. d. Hoehe

DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt/Main

Hamburg Commercial Bank AG, Hamburg

IKB Deutsche Industriebank AG, Duesseldorf

ING-DiBa AG, Frankfurt/Main

KfW IPEX-Bank GmbH, Frankfurt/Main

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Landesbank Hessen-Thüringen Girozentrale, Frankfurt/Main, Erfurt

Norddeutsche Landesbank Girozentrale, Magdeburg/Braunschweig/Hannover

ODDO BHF SE, Frankfurt/Main

Oldenburgische Landesbank AG, Oldenburg

Skandinaviska Enskilda Bank AB (SEB AB), Stockholm

UniCredit Bank GmbH, Munich

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