



**AKA
Annual
Report
2015**

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AKA
at a glance



Who we are:

AKA is a consortium of 19 German banks including the leading banks active in foreign trade finance whose aim is to support German and European exports.

What we do:

AKA grants short-, medium- and long term financing, mainly under ECA-cover, and supports shareholders, borrowers and exporters through services.

What we offer:

Financing, refinancing, assumption of risk, services connected with short-, medium- and long term export financing and other international and commercial transactions.



Report of the Supervisory Board



In the fiscal year 2015, the Supervisory Board observed the tasks incumbent on it being pursuant to the law, the articles of association and the rules of procedure and supervised the Management of AKA Ausfuhrkredit-Gesellschaft mbH in a timely and regular manner and provided advice regarding strategic further development. In its meetings, it examined numerous reports concerning the progress of the business, the bank's earnings and its risk, liquidity and capital management as well as its internal monitoring system and risk management.

All members of the Supervisory Board had sufficient opportunity to examine the reports critically at all times.

The Chairman of the Supervisory Board and the Management also engaged in a regular exchange of information outside of the Supervisory Board meetings. The Supervisory Board was informed of essential matters no later than by its next meeting.

Focuses of the Supervisory Board's work: In 2015, there were five regular meetings of the Supervisory Board in which the business performance of the individual products, the development of profitability, the development of risk, the preservation of liquidity as well as the refinancing of AKA were addressed in detail.

The attendance at the Supervisory Board meetings was 100 %.

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Liquidity management is focused on compliance with indicators in accordance with the regulatory standards. The Supervisory Board has also regularly commissioned reports on the structure of the external funds received and on the liquidity reserves in euros and US dollars.

Following the market development, both the Risk Committee and the Supervisory Board repeatedly commissioned reports on the development of individual country portfolios and discussed the risk policy with the Management with a focus on individual markets. The Supervisory Board examined the impacts of the substantial fall in the oil price as well as the consequences of political and economic crises for the countries that are important for AKA.

In terms of business planning, in its meeting of 26 February 2015, the Supervisory Board looked into the plan devised by the Management for the fiscal year 2015 and approved it.

In 2015, the Supervisory Board was closely involved in the process of the new, multi-year strategy and business planning for the period 2016-2020. There was an intensive dialogue with AKA's shareholder banks and other business partners about AKA's strategic orientation in form of a day-long open-space dialogue that also included numerous Supervisory Board members. In its meeting on 3 December 2015, the Supervisory Board debated and adopted the multi-year strategy and business planning that had been created by the Management after the open-space dialogue. The Supervisory Board's work has incorporated the reports from Internal Audit, the compliance and money-laundering officer and the Management on the implementation of the regulatory requirements as well as on the progress and outcome of the annual supervision meeting with the Bundesbank.

In its meeting on 25 June 2015, the Supervisory Board discussed AKA's regulatory compliance and governance structures in detail. In 2015, AKA undertook various measures to further develop its Compliance Organisation systematically and organisationally. In response to the

increasing number and complexity of regulatory requirements, AKA is developing additional capacity in its Compliance Organisation. Pressing ahead with the development of an information security management system (ISMS) as a central element for compliance with issues of IT regulation was a particular focus in 2015. A post of information security officer with direct access to the Management was established. There was also organizational change in Controlling, which from now on will be managed as a separate unit. In this context, the Supervisory Board informed about the appointment of Mr Stefan Jakobi as the Head of Risk Controlling. In the Supervisory Board's view, AKA's overall regulatory governance structures are consistent and coherent.

On the basis of preparatory work done in the various committees, the Supervisory Board discussed the updating of AKA's risk strategy and approved the amendments to the regulations proposed by the Management.

In the context of the regulatory requirement's implementation, the structure and composition of the Supervisory Board was subject to an assessment in 2015 on the basis of section 25d of the German Banking Act (KWG).

Work in the committees: The Supervisory Board's work is supported by committees that develop decision-making presentations or recommendations in preparatory meetings and report on their work to the overall body. Attendance at the committee meetings was 100 %.

In the final Supervisory Board meeting of the previous year, the Supervisory Board's aligned rules of procedure were decided on in accordance with the requirements of section 25d KWG. The agendas for the Risk Committee and the Nomination and Compensation Control Committee, which were derived from this, were adopted by those bodies in 2015.

The Risk Committee met five times over the course of the fiscal year in preparation for the Supervisory Board meetings. It received regular reports on the progress of AKA's credit portfolio and on its market price and liquidity risks. In terms of the credit risk's assessment, in both the first and second half-years the stress tests carried out by the bank and the development of individual country portfolios were covered in depth. The Supervisory Board was kept comprehensively informed of this in the meetings immediately following each event. In addition, the Risk Committee extensively discussed the updating of the risk strategy as the bank's regulatory framework including all aspects of risk management, and presented a recommendation to the Supervisory Board.

In addition to the Risk Committee's regular meetings, there was a day-long special meeting for debating the multi-year strategy and business planning submitted by the Management. The Risk Committee intensively examined this multi-year plan focusing on growth. It discussed the aspects of market and product development, the planned development of revenues and earnings, the plans for costs and investments, as well as liquidity and capital planning.

In conclusion, the Risk Committee advised the Supervisory Board to accept the multi-year strategy and business planning.

The Nomination and Compensation Control Committee (NVKA) met three times in the past year. In general, the NVKA's deliberations included the new features of the German Corporate

Governance Code, which, however, applies foremost to listed companies. The conclusion of the NVKA meeting focused in particular on the procedure for evaluating the management and on the structure and composition of the Supervisory Board in accordance with the requirements of section 25c and d KWG. Its evaluation of the management was made accordingly. It also carried out an evaluation of the Supervisory Board and presented the results to the Supervisory Board.

Auditing and signing off of the annual financial statements for the fiscal year 2015: The firm appointed as auditor on 26 March 2015 – PwC PricewaterhouseCoopers AG Wirtschaftsprüfungsgesellschaft, Frankfurt/Main – audited the annual financial statements for the fiscal year 2015, the bookkeeping and the management report and issued a clean audit certificate.

The Supervisory Board has acknowledged and approved the audit result. It endorses the annual financial statements on the basis of the conclusions of its own independent review. It agrees with the proposal by the Management concerning the use of the balance sheet profit.

Personnel changes in the Supervisory Board: Mr Philipp Reimnitz of UniCredit Bank AG was nominated as an ordinary member of the Supervisory Board as of 1 January 2015. Mr Reimnitz was elected as second deputy chairman as of 26 March 2015.

On the occasion of the regular re-appointment of the Supervisory Board in 2015, the following changes of personnel took place with effect as of 26 March 2015:

- Mr Joachim Landgraf, Landesbank Baden-Württemberg, and Ms Elvira Bergmann, Landesbank Baden-Württemberg, left the Supervisory Board. Landesbank Baden-Württemberg nominated Mr Guido Paris and, as his deputy, Mr Michael Maurer as their successors.
- Ms Sandra Gransberger, BHF-BANK AG, joined the Supervisory Board as an ordinary member. Ms Birgitta Heinze was nominated as a deputy member.
- Mr Florian Seitz was nominated as deputy member by Bayerische Landesbank. Ms Beate Mayer, a deputy, left the Board.
- Ms Barbara Caspary-Pitzer, Portigon AG, a deputy member, left the Supervisory Board. Her duties on the Board were taken over by Mr Georg Lucht, Erste Abwicklungsanstalt AöR, Düsseldorf.
- Mr Hans Jürgen Kulartz, Landesbank Berlin AG, resigned as ordinary member of the Supervisory Board. Mr Knut Richter was nominated as his successor. Mr Sascha Händler joined the Supervisory Board as a deputy member.

In its meeting on 26 March 2015, the Supervisory Board elected Mr Michael Schmid as Chairman and Mr Werner Schmidt as first deputy chairman.

Commerzbank AG nominated Mr Martin Keller as deputy member with effect as of 25 June 2015. Mr Klaus Windheuser left the Board as of the same date. The Supervisory Board thanked Mr Windheuser for his valuable work and support in a variety of the Board's roles.

The Supervisory Board thanks the management and all of the bank's employees for their commitment and hard work in 2015. AKA is well equipped for the coming fiscal year, despite the many challenges in the emerging markets environment that is so important for the bank.

Frankfurt/Main, March 2016

The Supervisory Board of AKA Ausfuhrkredit-Gesellschaft mbH

A handwritten signature in blue ink, appearing to read 'M. Schmid', is written over the printed name.

Michael Schmid
(Chairman)

Full members

Michael Schmid
Economist
Königstein/Ts.
Frankfurt/Main
– Chairman –

Werner Schmidt
Managing Director
Deutsche Bank AG,
Frankfurt/Main
– 1st Vice Chairman –

Philipp Reimnitz
Executive Vice President
UniCredit Bank AG,
Munich
as of 1 January, 2015
– as of 26 March, 2015:
2nd Vice Chairman –

Alexander von Dobschütz
Managing Director
Bayerische Landesbank,
Munich
– 3rd Vice Chairman –

Sandra Gransberger
Director
Corporate Banking
BHF-BANK AG,
Frankfurt/Main
as of 26 March, 2015

Birgitta Heinze
Director
BHF-BANK AG,
Frankfurt/Main
until 26 March, 2015

Jörg Hartmann
Director
Landesbank
Hessen-Thüringen Girozentrale,
Frankfurt/Main

Guido Paris
Executive Vice President
Landesbank
Baden-Württemberg,
Stuttgart
as of 26 March, 2015

Deputy members

Martin Keller
Director
Commerzbank AG,
Frankfurt/Main
as of 25 June, 2015

Klaus Windheuser
Managing Director
Commerzbank AG,
Frankfurt/Main
until 25 June, 2015

Frank Schütz
Director
Deutsche Bank AG,
Frankfurt/Main

Inés Lüdke
Managing Director
UniCredit Bank AG,
Munich

Florian Seitz
Director
Bayerische Landesbank,
Munich
as of 26 March, 2015

Beate Mayer
Director
Bayerische Landesbank,
Munich
until 26 March, 2015

Birgitta Heinze
Director
BHF-BANK AG,
Frankfurt/Main
as of 26 March, 2015

Diana Häring
Vice President
Landesbank
Hessen-Thüringen Girozentrale,
Frankfurt/Main

Michael Maurer
Senior Vice President
Landesbank
Baden-Württemberg,
Stuttgart
as of 26 March, 2015

Full members

Joachim Landgraf
Senior Vice President
Landesbank
Baden-Württemberg,
Stuttgart
until 26 March, 2015

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

Max Niesert
Managing Director
Portigon AG,
Düsseldorf

Knut Richter
Director
Landesbank Berlin AG,
Berlin
as of 26 March, 2015

Hans Jürgen Kulartz
Board Member
Landesbank Berlin AG,
Berlin
until 26 March, 2015

Deputy members

Elvira Bergmann
Vice President
Landesbank
Baden-Württemberg,
Stuttgart
until 26 March, 2015

Manfred Fischer
Director
DZ BANK AG
Deutsche Zentral-
Genossenschaftsbank,
Frankfurt/Main

Georg Lucht
Executive Director
Erste Abwicklungsanstalt AöR,
Düsseldorf
as of 26 March, 2015

Barbara Caspary-Pitzer
Director
Portigon AG,
Düsseldorf
until 26 March, 2015

Sascha Händler
Director
Landesbank Berlin AG,
Berlin
as of 26 March, 2015

Knut Richter
Director
Landesbank Berlin AG,
Berlin
until 26 March, 2015

Shareholders

Deutsche Bank AG, Frankfurt/Main

Bayerische Landesbank, Munich

BHF-BANK AG, Frankfurt/Main

Bremer Kreditbank AG, Bremen

Bremer Landesbank Kreditanstalt Oldenburg – Girozentrale –, Bremen

Commerzbank AG, Frankfurt/Main

DekaBank Deutsche Girozentrale, Frankfurt/Main

Deutsche Postbank AG, Bonn until 21 September, 2015

DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt/Main

HSH Nordbank AG, Hamburg-Kiel

IKB Deutsche Industriebank AG, Düsseldorf

KfW IPEX-Bank GmbH, Frankfurt/Main

Landesbank Baden-Württemberg, Stuttgart

Landesbank Berlin AG, Berlin

Landesbank Hessen-Thüringen Girozentrale, Frankfurt/Main-Erfurt

Norddeutsche Landesbank Girozentrale, Braunschweig-Hannover-Magdeburg

Portigon AG, Düsseldorf

SEB AG, Frankfurt/Main

UniCredit Bank AG, Munich

WGZ BANK AG Westdeutsche Genossenschafts-Zentralbank, Düsseldorf as of 21 September, 2015

10 Shareholders

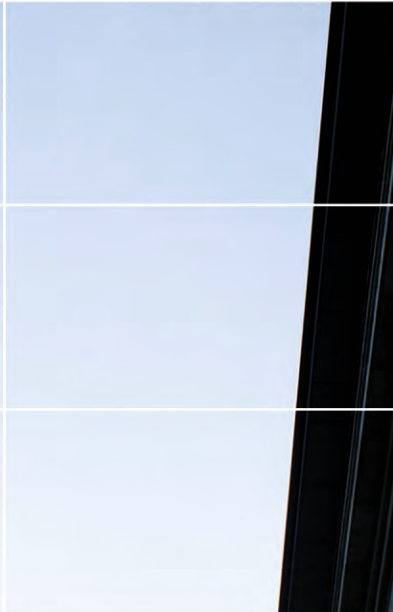
Managing Directors

Managing Directors

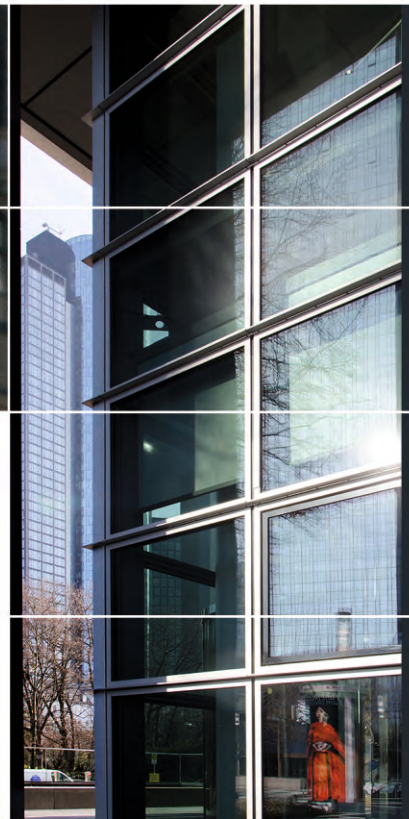
Beate Bischoff
Frankfurt/Main

Marck Wengrzik
Frankfurt/Main

Rüdiger Eggert
Friedrichsdorf
until 10 May, 2015



Management Report



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2015 was a year in which the many geopolitically and economically problematic developments that took place in 2014 continued and, in some cases, worsened over the course of the year.

From a geopolitical perspective, particular note should be made of the situation in Syria, which once more escalated significantly with resulting flows of refugees. The pressure resulting from receiving such massive flows of refugees has given rise to political questions for Syria's neighbouring states and for European countries, and these have put political solidarity in Europe under major strain in 2015 – especially with regard to the EU.

In terms of economic developments, 2015 was dominated by rising uncertainty about the stable growth of the Chinese economy.

Another particular defining issue was the massive drop in crude oil prices which had started in 2014 but continued over the course of 2015. While the price rose in early summer from around 56 USD per barrel of Brent crude to some 68 USD, it then fell to around 37 USD¹. This development in crude oil prices was also a driver for the price movements, some of them significantly negative that were observed over the course of the year in many commodities.

This led to massive strain in 2015, particularly on emerging economies being highly dependent on commodity exports, resulting in reactions – at times drastic – in the various local currencies.

It also led to significantly increased debt and consequently to higher risks associated with these loans, again, particularly for emerging economies, where companies and financial institutions had substantial hard-currency liabilities.

Naturally, 2015 also underlined once more the important, if not crucial, role of the central banks. For example, the ECB's long-term focus in its monetary policy on combating deflationary trends and increasing the competitiveness of the European Union's economies resulted in another reduction in negative interest rates in the deposit facility, this time to -30 bps². Simply the expectations of further monetary policy measures meant over the course of 2015 that the EURIBOR rates moved into negative territory. As a result, there was a significant reduction over the course of the year of the average six-month EURIBOR to now 5 bps³. The yield on AKA's equity was therefore once more significantly depressed in 2015.

The activities of the US central bank led to divergent monetary policy framework conditions in 2015, in as much as the Fed introduced a turnaround in its policy of quantitative easing by increasing the base rate for the first time in almost a decade.

This was another place where the markets reacted in anticipation and the USD LIBOR rose correspondingly significant in the fourth quarter. These diverse framework conditions also led to increasing USD/EUR swap costs and – with regard to AKA – to increasing spreads in USD money market activities.

¹ Spiegel Online-Wirtschaft, End of year review 2015, 26 December, 2015

² European Central Bank, Monetary policy decisions, Press Release 3 December, 2015

³ Global rates, Euribor interest rates 2015, www.global-rates.com

Confidence in the interbank market – as expressed in the EURIBOR-EONIA spread – tended to be slightly better than the previous year, especially towards the end of 2015. This slightly reduced risk perception, however, did not find positive expression in the spreads of AKA's EUR receipts in the interbank market.

The global market for syndications shrank in 2015 by around 7 % from its 2014 level to 4.39 trillion USD, thus reaching its lowest level since 2012⁴. Interestingly, while corporate refinancing volumes have – at 13 % – fallen markedly, average terms for company loans have extended yet further at the same time. Companies have made intensive use of the favourable market conditions over the last two years for refinancing purposes – mostly over the long term – with newly accepted volumes sinking accordingly in 2015.

The fall in the EMEA market for syndicated credits, which remains of primary relevance for AKA relative to the overall market, was above average at 16 % against the previous year's activities⁵.

The markets in the CIS region, which were previously highly relevant to AKA, were subject to significant retreats. The market for Russian bank risks in particular, in which AKA had historically always been strongly engaged, hardly showed any activity at all in 2015.

AKA, once more, proved to be unperturbed by these developments and to be able to further extend its activities in the syndication market in 2015 – also driven via significantly increased activities in trade loans with South American banks.

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In general, 2015 saw further drops in margins and fees. The high levels of available liquidity remaining in 2015 contributed to the prevention of a significant collapse of secondary-to-primary market prices in the syndication market. It was only changed risk perceptions that led, over the course of the year and especially in the Turkish FI market that is so important to AKA, to expansions in the price deductions offered, thus preventing more pronounced negative effects for the fee income generated in 2015 by AKA's syndication activities.

The structured trade finance market – especially with regard to activities in the CIS region that is so important for the market – continued in 2015 to show only moderately positive developments. New transactions were naturally also burdened by the negative price changes in most commodities and the resulting consequences on the producer side.

AKA's activities in 2015 accordingly showed only a slight increase over the previous year. The volume for Hermes cover developed positively last year. With a total of 25.8 billion EUR in 2015 following 24.8 billion EUR in 2014, there was a 4 %-higher coverage volume – strongly driven by major projects⁶. At the same time, the order numbers decreased, which also underlines the significance of major projects. This made it possible to stop the negative trend prevailing in coverage volume over recent years.

⁴ Dealogic, Global Loans Review, Full Year 2015, www.dealogic.com, January 2016

⁵ Loanradar, 2015 – An Overview of the EMEA Loan Market, www.loanradar.co.uk

⁶ Federal Ministry for Economic Affairs and Energy (BMWi), Sigmar Gabriel: We're safeguarding "Made in Germany", press release, 23 February, 2016

A look at the newly covered volume broken down by sector shows that – as with last year – the shipping sector makes up the largest proportion of the volume covered in 2015. One of the largest examples of relative growth was achieved in the field of Hermes-covered air-plane financing. A market, in which AKA has not engaged in any activities in recent years – with a view to the low margins prevalent in this market – and in which it remained inactive in 2015. AKA has, unfortunately, not succeeded in 2015 with using the positive trend in the Hermes coverage volumes to expand the volume of its business, particularly in terms of the structure of the coverage. However, with a business volume that was virtually unchanged over the previous year, AKA still managed to produce a stable result in comparison to the previous year.

Good figures in 2015: In 2015, AKA achieved a respectable business volume of 1,344 million EUR, although this lagged behind its record of 1,536 million EUR set in 2014. But the shareholder banks again made extensive use of AKA's services in 2015, thus making a clear show of confidence in its expertise and the high quality of its partnership work.

The following factors were essential in this stable development:

- AKA managed to cope well in its core business, ECA-covered financing, despite the muted market development. It succeeded in reaching the same level as in the previous year. All transactions in this area were concluded on attractive terms and are securing correspondingly long-term future profit contributions.
- In 2015, in addition to its traditional Euler Hermes-covered business, AKA completed an increasing number of ECA-covered transactions with other European export credit agencies (ECAs), thus continuing on its path towards further Europeanisation. In this context, AKA also extended its refinancing facilities via refinancing programmes from these ECAs.
- In contrast to the good development in the ECA-segment, 2015 was characterized by a muted demand for CIRR funds, despite attractive conditions, especially in USD.
- In the short-term segment, the business volume for risk-participations in LC confirmations and related products was lower than expected. After a strong performance in the previous year, AKA realized an annual business volume of 349 million EUR (previous year: 556 million EUR). The modest outcome can be explained in the context of a general fall in activities by the syndication desks of our partner banks.
- AKA achieved a significantly stronger result than the previous year in its participations in syndicated trade loans in the primary and secondary markets. It strongly improved its market position here reaching a business volume of 417 million EUR (previous year: 324 million EUR).

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The volume of new business can be broken down by product group as follows:

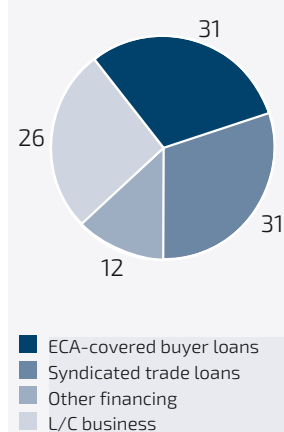
AKA achieved the main part of the product portfolio of new business (31.5 %) in its profitable anchor product, participations in ECA-covered buyers' credits (previous year: 28 %). This was followed, with a volume of 31 %, by the participations in syndicated trade loans (previous year: 21 %). Third place was taken by risk-participations in LC confirmations and related products. After many years of strong growth, the transaction numbers and volumes in this sector fell significantly under the values achieved in 2014. The proportion of new business portfolio fell correspondingly to 26 % (previous year: 36 %). The proportion of structured financing arrangements increased slightly to 8.8 % exceeding the level of the previous year (7 %). Participations in non-recourse financing fell to a proportion of 1.7 % (previous year: 4 %). The proportions of other product groups such as guarantees, advance payment financing and other types of financing are negligible.

2.1 The development of new business in detail

ECA-covered buyers' credits — intensive use of AKA's expanded service spectrum: AKA's services were used intensively by its shareholders in the reporting year. At 423 million EUR, the volume of the AKA contracts concluded is similar to the previous year's level (426 million EUR). Due to a number of expected contracts that did not go on to be signed in December, the volume of new business remained below the target figures for 2015.

In the course of the current strategic orientation to develop into a European trade finance

New business according to main product groups (AKA share) in percent



institution, AKA has significantly expanded the range of services offered to its shareholder banks since 2014. In addition to its traditional cooperation in the Euler Hermes-covered business, AKA also offers to handle transactions covered by other European ECAs. The shareholder banks are showing a keen interest in this broader range. In order to continue supporting this European approach, AKA concluded contracts with a number of European ECAs providing it with access to their attractive refinancing programs.

Constant expansion of AKA's network by means of "Basic Agreements": The number of transactions under conventional "basic agreements" supplied by AKA to its shareholder banks providing mainly for banks as borrowers, declined. However, AKA continues to handle ECA-covered financing via this wide-spread network. Their documentation is constantly updated and adjusted to the needs of the shareholder banks and borrowers. The "Individual Loan Agreements" to be concluded under these basic agreements foresee substantially reduced administrative workload to the advantage of exporters and borrowers. AKA continued to extend its network of "Basic Agreements", including a new market for AKA in the ECA sector with banking partners in Turkey and Russia as well as Bangladesh. In terms of the African market, the bank is in negotiations with Angolan and Ghanaian banking partners.

Trend to "Solitaires" continues to grow: A trend that had already started in previous years continued in 2015 to define AKA's loan book. Increasing numbers of transactions in the ECA sector are concluded as so-called "Solitaires", meaning concluded directly with the foreign importers on the basis of an individually negotiated loan contract. Both the documentation and the credit administration of these transactions are vastly more complex than financing under AKA's "basic agreements".

100 % financing of AKA: While numbers of transactions stayed almost unchanged, there was a downward trend in volume in the so-called 100 % financing arrangements with a concluded volume of 38 million EUR (previous year: 55 million EUR). These are transactions that AKA supports on the request of its shareholder banks as sole lender. Around one tenth of the concluded volume – although a quarter of the numbers of transactions – of the ECA-covered transactions was arranged on this basis. This product variant is especially useful for keeping costs low for all stakeholders when volumes are small. They can be arranged under "basic agreements" as well as "solitaires". Here, AKA documents its willingness to take on "small tickets" (average credit amount: EUR 2.7 million).

Weak demand for CIRR funds: The demand for AKA's CIRR funds was quite muted throughout the year. Together with its shareholder banks, AKA has decided for 2016 on amendments to the documentation in order to make these transactions more attractive for both shareholder and non-shareholder banks. We trust that this will increase demand.

Advance payment financing: Shareholder banks did not involve AKA in advance payment financings in connection with ECA-covered buyers' credits.

Risk-participations in LC confirmations and related products: The segment of silent risk participations by AKA in the new business portfolio developed not very strong weakening to a concluded volume of 349 million EUR from 556 million EUR in the previous year. This development is also reflected at the desks of our syndication partners, which showed a significantly reduced need for risk placement.

In this segment AKA takes risk-participations in LCs, bank guarantees or related products without funding and with terms mostly of less than one year.

Extension of AKA's cooperation with non-shareholder banks in the syndication segment:

As decided by the Supervisory Board in December 2013, AKA is including selected non-shareholder banks in the expansion of this business. The target group includes globally positioned banks with first-class reputation in the trade finance business. In 2015, AKA expanded its network by signing five additional master participation agreements. This enhanced commitment led not only to a positive income contribution but also to a more active utilisation of country and address limits in AKA's portfolio that had previously not been fully used.

AKA's cooperation with EBRD in Trade Facilitation Programme: AKA's activities in partnership with the EBRD were restrained. The decisive factor here is EBRD's currently suspended engagement in Russia.

Syndicated trade loans: AKA posted an extraordinary increase to 417 million EUR (previous year: 324 million EUR) in participations in syndicated trade loans in the secondary and in the primary market. The borrowers were mostly banks that have a system-relevant position in their countries and major international trading houses with first-class reputation. A further part of this portfolio includes transactions with an A- and B-tranche structure issued by IFC, EBRD, FMO and other multilateral institutions. The engagements show predominantly tenors of up to one year.

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Structured financing, commodity trade finance: The new business volume rose to 9 % of the business volume (previous year: 7 %). The newly concluded financings are predominantly participations in the crude oil and metals sectors.

Non-recourse financing: New business – generally being revolving engagements with tenors of up to three months for prestigious European addresses – declined in the non-recourse financing sector. The proportion of newly concluded receivable purchases in AKA's portfolio declined in volume compared to the previous year (4 %) to 2 %.

Supplier credits and sureties: These did not play a role in the reporting year.

2.2 Total commitments

The total commitments of AKA declined as of the reporting date of 31 December 2015 to around 4.4 billion EUR (previous year: 4.6 billion EUR) including AKA's and its shareholder banks' loan volume as well as receivables held in trust by AKA. Furthermore, all reservations applied for with AKA have been taken into account.

2.3 Good prospects for AKA's new business in 2016

AKA predicts the strong market position of the European export economy to continue in 2016.

In the long-term segment, AKA's new business will continue concentrating on ECA-covered transactions for European exporters. In the first half of 2016, AKA expects to conclude a number of substantial transactions.

In the short-term segment, AKA aims to further enlarge its cooperation with more non-

shareholder banks in the syndication market. The goal is to achieve an even more active utilisation of AKA's country and address limits while simultaneously maintaining AKA's high capacity for responding to its shareholder banks' requests. The cooperation with EBRD will be continued extending to more countries participating in the Trade Facilitation Programme.

AKA will expand the Structured Finance section into a new department in 2016. Structured trade, borrowing base and receivable financing will be moved to this section. This specialisation and a moderate staffing increase including inside the risk function will ensure risk-conscious growth and professional commitment management.

AKA sees growth markets in the Middle East and Asia, both the short- and long-term sector. In general, AKA offers sufficient country and address limits in this region to support its shareholder banks' needs.

Due to the good deal pipeline, the well-diversified limit and product structure and the active cooperation with its shareholder banks, AKA sees good prospects that business in 2016 will even exceed the level of 2015.

3.1 Objectives, principles and structure of the risk management system

AKA's corporate goals: AKA's essential goal is to participate in the credit business predominantly brought by its shareholder group according to appropriate analysis. As part of the expansion of the credit business planned in its business policy, high quality benchmarks are set in order to avoid problems such as inappropriate risk concentrations. AKA manages and monitors its risks with the goal of designing its risk and income profile as efficiently as possible, thus ensuring the required risk bearing capacity.

Business activities:

AKA

- is a special credit institution active in the short-, medium- and long-term trade and export financing sector with a focus on emerging markets (EM);
- acts as a complementary institution, i.e. principally on the invitation of its shareholder banks;
- offers in particular, in addition to its credit business, services for administering ECA-covered buyers' credits;
- is also active in purchasing and managing debt rescheduling claims.

Treasury activities:

AKA

- is a non-trading bank institution and in accordance with its authorisation, it does not carry out any "deposit and savings deposit business";
- refinances itself via its equity capital, its shareholder banks' refinancing lines and third parties and is able to obtain funds directly in the capital market in the interest of diversifying its refinancing sources, taking outlay and costs into consideration;
- is only active in treasury insofar as it is necessary for refinancing its credit business and ensuring liquidity or complying with regulatory conditions;
- endeavours to minimise interest rate risks and currency risks via congruent refinancing.

Risk policy: The active risk policy, or overall bank management, includes all measures for planned and targeted analysis, management and monitoring of all risks entered into. The focus of AKA's business policy is primarily to limit risks to the default risks associated with its core business area of trade and export finance.

Principles of the risk management policy: The Management sets the policy guidelines for all detectable risks, taking the risk bearing capacity into account on the basis of an analysis of the starting position in terms of business policy and of an assessment of the opportunities and risks associated with the credit business. These are documented in the risk strategy including all quantitative and non-quantitative risk types. The appropriateness of this strategy is checked annually by the Management and if necessary, updated accordingly in consultation with the Supervisory Board. It is part of the overall responsibility of the management to integrate the risk concept throughout the organisation and anchor risk awareness firmly into the corporate culture.

The Management ensures this by means of an adequate structural and procedural organisation. The responsibility for the successful implementation of the risk policy determined by the Management is predominantly held by the credit risk management, business development and loan administration departments, which are entrusted with the credit business as well as the accounting/treasury department, which is responsible for treasury activities.

Risk strategy: The risk strategy, developed in accordance with the MaRisk principles, includes detailed arrangements for all key aspects of risk management, such as the risk bearing capacity, risk management, areas of responsibility, market conformity checks, stress testing, the principles for calculating risk provisions and the risk inventory, which must include all quantitative and non-quantitative risks.

Risk bearing capacity: The risk bearing capacity is monthly recalculated on the basis of the actual balance-sheet values as part of the liquidation approach. As part of the consideration beyond the next balance sheet date that is required by regulations, appropriate figures from the multi-year business plan for a period of > 12 months are examined.

The risk coverage amount is recalculated monthly by Controlling (CO) and monitored for compliance. AKA's Management – i.e. the Management and the departmental managers – and the Supervisory Board are kept regularly informed about this.

The overall risk coverage amount can be divided into the primary risk coverage amount, consisting of the operating result less any change to the country risk provision, less the dividends due for payment and the specific value adjustments, and the secondary risk coverage amount, which consists exclusively of the supplementary capital, the revenue reserves and the subscribed capital. The risk coverage amount calculated in this way represents the overall loss threshold within the risk bearing capacity.

As part of its risk strategy, the bank has set upper loss thresholds or defined individual limits on the basis of the available equity or the risk coverage amount for all key risks and quantifiable risks via the limit system. These apply to default risks on the basis of countries of origin, broken down by countries, borrowing units, individual addresses and sectors as well as to market price and liquidity risks.

The limits granted are audited as part of the regular evaluation of the risk strategy. Equity allocated to default risk was increased to EUR 160 million during AKA's revision of its business strategy.

The allocated equity limits are 7.5 million EUR for operational risks, 33 million EUR in total for market price risks (of which 25 million EUR are for interest rate risks and 8 million EUR for foreign exchange risks) and 10 million EUR for liquidity risks. As part of its risk management, the bank reckons with a further risk buffer of 10 % of the allocated risk coverage amount for non-quantifiable risks.

A risk inventory of all key risk and unquantifiable risks, such as operational, compliance, reputational, business or other risks, takes place once per year. Due to its insignificant extent for the bank, investment risk has been classed as negligible. The 2015 risk inventory did not result in any other exacerbating risk potentials either for 2015 or as a forecast for 2016, meaning that the limits set up for all risk types appear sufficient.

The risk bearing capacity – even taking into account the interest and liquidity risks that are not subject to deduction according to the CRSA along with a 10-percent buffer of allocated risk coverage amount (RDM) for non-quantifiable risks – indicated a free coverage amount of around 145 million EUR as at 31 December 2015. The RDM has been utilised at around 55 % for the balance sheet date. Over the course of the fiscal year, the minimal utilisation

degree was around 52.3 % in September (previous year: 47 % in December) and the maximum was around 56.1 % in January (previous year: 55 % in July).

Furthermore, stress tests are carried out at least once per year as part of the calculation of the risk coverage amount for all key risks, i.e. default, market price, interest rate, liquidity and operational risks.

AKA is a special credit institution focused on international trade-related financing and risk assumptions and it does not operate any retail or mortgage business. It does not possess any of its own shareholdings, nor does it finance consumer loans for the purchase of securities. The bank does not provide payment accounts or ATMs from which customers could independently make withdrawals, which means that there cannot be an unplanned, unexpected outflow of liquidity. Domestic (ECB eligible) and overseas securities are held exclusively for liquidity management in euros and USD respectively.

Domestic changes to GDP growth have no measurable impacts on the trade-related credit business with emerging markets that is typical of AKA's work. This includes, for example, changes to share prices, the number of private customer insolvencies or real estate prices in the eurozone. AKA profits more strongly from developments overseas. The portfolio of net default risks remains 90 % overseas and exclusively contains banks, corporates and state debtors.

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The scenarios on which the stress tests are based were therefore developed with a focus on this business model and AKA's orientation toward short-, middle- and long-term trade financing predominantly in the emerging markets (EM). The scenarios are based on changes in creditworthiness (portfolio shift) and the overall portfolio as well as individual core markets and regions.

The bank's Supervisory Board is regularly involved in the selection and assessment of the appropriateness of the stress scenarios. Both the Management and the Supervisory Board are kept continuously informed of the outcomes of stress test calculations as part of regular risk reporting.

AKA continues to carry out its regulatory reporting on the basis of the credit risk standardised approach (CRSA).

AKA's risk profile as per the regulatory approach:

	2015	2014
Risk-weighted assets (incl. market risk position and operational risk) in million EUR	1,166.5	1,081.8
Equity capital in million EUR	212.4	202.7
Total capital ratio as per CRR in %	18.2	18.7

Organisation of risk management: AKA's risk organisation is designed in accordance with the currently valid minimum requirements for risk management (MaRisk) and meets all legal requirements. The risk management system clearly sets out all risk-relevant business activities carried out by AKA. It contains a supervision system developed on the basis of AKA's risk strategy, which includes organisational security measures and internal control procedures.

AKA's financial success is essentially characterised by the ability, as part of its business operations, to recognise increasing default risks early, to quantify them and to manage them appropriately to the risk. It helps that AKA has a conservative and appropriate risk culture that has developed over many years and that is reflected in the organisational structure, the business processes and policies.

The MaRisk-compliant independence of front office and back office is ensured organisationally by separating the functions and is appropriately implemented by corresponding processes. The currently applicable MaRisk as per its fourth amendment are being fully implemented.

Risk management/monitoring/controlling: The Credit Risk Management (KRM) department is responsible for the operational implementation of the credit risk management policy.

Its core tasks include individual risk management of all credit default risks. This includes the creditworthiness analysis of countries, banks, corporates, insurance companies as well as commodities and trade finance risks.

This encompasses loan approval decisions on an individual basis involving portfolio-related issues within the framework of individual powers of approval. Credit Risk Management (KRM) votes on loan approval decisions that come under management's limit level.

The Controlling Department draws up risk standard guidelines for credit default risks, i.e. for countries, banks, corporates, insurance companies, industry and concentration risks, as part of active risk management and lays down these standards in conjunction with the Management.

Controlling supports the Management in all aspects of overall bank management and control, paying special attention to all risk-related factors. Therefore, an important subtask of Controlling in AKA involves risk identification, classification, measurement, assessment and control based on the risk strategy as its contribution to the achievement of company objectives. Moreover, Controlling lends support to all bank executives in the planning, management and control of all results-related processes and targets.

In this connection, Controlling is responsible for creating an independent, internal reporting system that provides all risk-related information. The risk and controlling report is presented to the management and to all executives every quarter as the basis of the bank's business and risk control. If necessary, this report includes recommendations for action. Apart from statements about business and earnings performance, the report includes detailed information about credit risk, market risks (i.e. liquidity, interest rate, market price and foreign currency risk), IT risks, legal risks and operational risks, and forms the basis for a comparison with the risk and business strategy drawn up by the Management and the Supervisory Board. The Controlling, Business Development, Credit Risk Management and Accounting/Treasury departments provide current information about AKA's risk situation to the Management at least once a month.

In terms of policy-related activities, the responsibilities of the Controlling department also include, among others, the continuous maintenance and development of risk measurement and control instruments for all significant risks of AKA.

Risk Committee: AKA has a Risk Committee (RC) that usually holds a meeting chaired by the Back Office Director every quarter and as warranted by events. The Risk Committee deals with all risk-related questions, especially those with characteristics involving different types of risks.

Objectives of the Risk Committee: The primary goal is to monitor AKA's risk situation for the economic and regulatory point of view, and to determine risk-reducing measures and the parameters and methods needed to control risk.

Tasks and decision-making powers of the Risk Committee: As part of its task to monitor AKA's risk situation, the Risk Committee discusses risk-related topics and the results of the annual risk inventory, and decides on risk-reducing measures in order to fortify internal control structures and to reduce operational risks, for example. The Risk Committee is also responsible for approving risk-related methods, models and parameters. Decisions to be taken by the management in accordance with MaRisk must be confirmed by the management after the Risk Committee's approval.

Credit Committee: The Credit Committee has a functional focus, dealing with all credit-related issues.

Objectives of the Credit Committee: The primary goal is to discuss policy-related and methodological credit issues (lines, limits, products, countries, sectors, among others), discuss and decide on individual loan commitments with a special structure and/or high risk elements, and review and monitor the portfolio in terms of large exposures, watch lists and risk concentrations, among others. Decision-making powers of the Credit Committee: Existing approval authority regulations apply to individual transaction approvals issued by the Credit Committee.

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Risk Commission: The Risk Commission of the Supervisory Board, which is composed of the Supervisory Board Chairman and at least two, and currently five, other Supervisory Board members, monitors all risks related to AKA's business operation at the level of the bank as a whole and risk management and risk control measures taken by the management. The Commission also supports the management in an advisory capacity in regular sessions when moving into and developing new areas of business. At the subsequent session of the Supervisory Board, the Risk Commission reports about the topics discussed during its meeting and offers the Supervisory Board its recommendations concerning resolutions. In 2015 the Risk Commission held five regular meetings as well as a whole-day special meeting to discuss the multi-year strategic and business plan presented by the management.

Supervisory Board: The Supervisory Board consists of representatives of the six largest shareholders, three other representatives with the largest business contribution and one representative chosen by the remaining shareholders. The Supervisory Board decides on the basic principles of the risk policy and business structure, among other things. The Management reports extensively to the Supervisory Board and to the Risk Commission in regular meetings by means of the internal AKA Risk/Controlling Report about new business development, the earnings position, all types of risks encompassing risk management, risk development, compliance with prescribed limits and management of risk at an acceptable level.

The Risk/Controlling Report offers recommendations on business and risk management, among others. The summary of the most important information and recommendations is presented in the form of a cockpit. A traffic light system accompanies the statements made in the report. In 2015, the Supervisory Board held five meetings.

Internal Audit: Pursuant to supervisory regulations applying to credit institutions, AKA has an independent Internal Audit department that carries out its auditing activity in compliance with regulatory requirements. Internal Audit sees through internal bank management of operations and the design and implementation of internal projects. It audits and assesses the effectiveness and suitability of risk management, the effect of safeguards in operational procedures and the effect of prescribed internal controls in a manner that is oriented towards risk and independent of process. Management is given a separate report about the implementation of measures and recommendations proposed in the audit results.

In fiscal year 2015, all activities of Internal Audit were in compliance with the audit plan approved and continuously monitored by the Management in terms of its implementation. One audit was undertaken for specific reasons but this had no effect on the internal control system of AKA.

3.2 Credit default risks

Credit default risks represent the most significant risks of AKA because of its business purpose.

A non-financial but still important performance indicator for AKA is the investment grade share in the long-term new business volume. For fiscal year 2015, the target value was 34 %, which was achieved.

Organisation of
Risk Management



In AKA credit default risk is understood to mean the risk of the possible loss in value of receivables from a contracting partner due to

- unexpected full, partial or temporary insolvency or unwillingness to pay;
- a write-down of receivables associated with an unexpected downgrading of a debtor's credit rating (credit risk);
- an unexpected reduction in the value of collateral or guarantees (collateral risk).

Apart from credit default risk associated with individual transactions, AKA considers country risks as a particular driver of default risk due to the emerging markets orientation of its business structure.

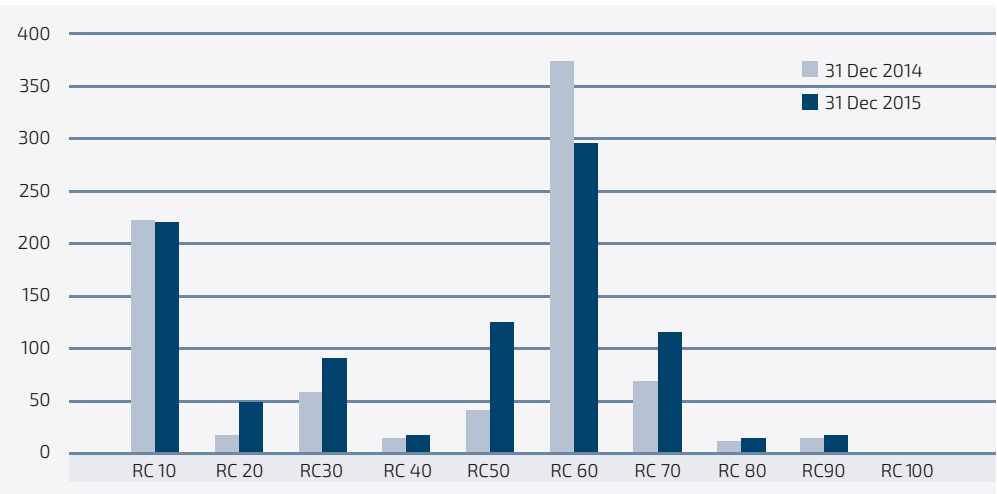
AKA classifies risks into different asset classes pursuant to the Capital Requirements Regulation (CRR). These classes are:

- Countries/States
- Corporates
- Banks

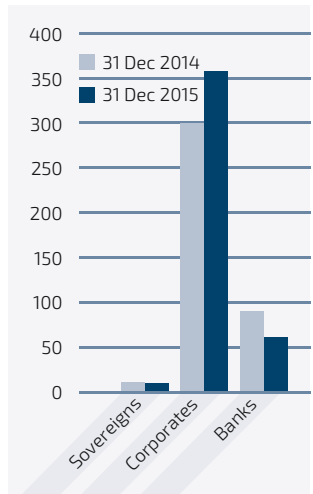
Because of the special business policy orientation of AKA, consideration must be given to additional categories of specific risks associated with

- commodity, structured and project financing transactions as well as
- private insurance cover

Structure of the loan portfolio
in terms of country risk classes
in million EUR



Structure of the medium-term
and long-term loan portfolio
in terms of credit risk categories
in million EUR



Country risks: Country risk defines a country's capacity to make interest and principal payments on external or foreign currency denominated debts in due form and time. An important sub-aspect, apart from political risk, is transfer risk: an individual debtor may be solvent and willing to pay, a country could however restrict or prevent payments going abroad due to shortage of foreign exchange for example. The national solvency of the government and economy can remain intact in this case.

Ratings of countries where AKA has significant commitments are determined and regularly updated based on reports of rating agencies (primarily Fitch), international organisations, central banks as well as other known reliable sources through CRM.

Apart from the annual country risk analyses, additional reports or ad-hoc information is prepared for AKA's principal markets if necessary. Credit analysts pay continuous and close attention to particular crisis regions or countries with particular problems.

The country report is revised and developed regularly. The focus lies on the analysis of political stability, an economy's vulnerability to shocks, the development of inflation and foreign trade, state budget and financing as well as the banking system and its stability and regulation.

In the emerging markets primarily financed by AKA, a borrower's solvency is also heavily dependent on the political and economic situation of the respective country which therefore has a great influence on the borrower's creditworthiness.

Corporate risks: The business transactions of corporates are analysed based on a rating system conceived with an auditing company. The rating tool is accordingly refined and customised to AKA's growing portfolio on a regular basis. The informative value and forecasting ability of individual parameters in terms of their discriminatory power and also of the overall rating result are examined and, if necessary, adjusted with the help of external experts.

To obtain an up-to-date insight into the current economic situation of the borrower, the latter is assessed based on at least the last two annual financial statements (or interim financial statements where applicable). Gearing, overall return on assets and liquidity prove to be the discriminating parameters when assessing the creditworthiness of corporates.

The type of opinion given by the auditor and the accounting standards are taken into consideration when drawing up a rating for a company. The AKA rating tool used for the assessment includes a scale of 10 to 100. Rating results can be compared to the rating results of international rating agencies by using appropriate mapping tables. Rating classes of 10 to 50 are considered investment grade and 60 to 100 as non-investment grade.

In the first step, the assessment is based on a parameter rating. To calculate the parameters, AKA uses a benchmarking system based on a division into several sectors and eight geographical regions.

This benchmark is reviewed and updated regularly (with the last one taking place at the end of 2014) to ensure current comparisons in AKA's national and international corporate business. The final assessment also utilises qualitative attributes that can lead to a change in the rating result. Essentially the size of the company and current information about the borrower

are taken into consideration in this instance. If necessary, the specifics of a local accounting standard and any limitations in the auditor's opinion are also taken into account in the base rating. Group affiliation is assessed depending on the type of interdependence. Finally, the country rating is viewed as the overriding factor as long as it is weaker than the borrower's rating.

Bank risks: The business transactions of banks are analysed based on a rating system conceived with an auditing company.

Each rating is based on analyses of the last two annual financial statements and, if applicable, a quarterly report. The quantitative data input encompasses, among others, capitalisation, profitability, capital cover and liquidity. The individual parameters are assigned to the respective AKA rating classes through benchmarking. Qualitative rating aspects, for example, evaluate foreign currency risks, interest sensitivity, the level of matching maturities of assets and liabilities, and asset quality in particular. Other rating-pertinent information is also incorporated into the rating assessment with the help of bonus and malus points.

Moreover, the country rating acts as the overriding factor. Another important component is the assessment of possible state support. This is based on experience whereby institutions with system-generating influence can count on state support in emergencies.

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Audit companies especially mandated to do so review in irregular intervals the further development of the rating tool in terms of its compliance with regulatory requirements and current market practice. The goal of the last review of weights was a diversification into six geographical regions. This was determined objectively using a benchmarking system.

Risks from structured financing and project financing transactions: Because of the particular business policy orientation of AKA, special risks associated with structured financing transactions (primarily based on raw materials) and project financial transactions are another risk category that must be taken into consideration.

AKA also uses a rating tool to assess project risks from financing transactions. The key rating elements used to assess the expected success of a project are sponsor risk, completion risk, operational risk and market risk.

Financing risk and planning risk are also assessed. These creditworthiness factors are quantitatively and qualitatively evaluated according to other rating modules of AKA and then combined into an overall rating.

Insurance risks: AKA uses another rating tool for the insurance company customer group whereby credit default risks are increasingly being covered by private insurance companies as well. As a policyholder, the bank only accepts counterparties with an investment grade rating to manage risk and ensure limit headroom.

The rating focuses on the development of premium income and earnings as well as the ratio of reserves to premiums.

Industry risks: Industry limits have also been established to limit risk concentrations in long-term and short-term loans. Industry limits of 10 % of the total limit were laid down for

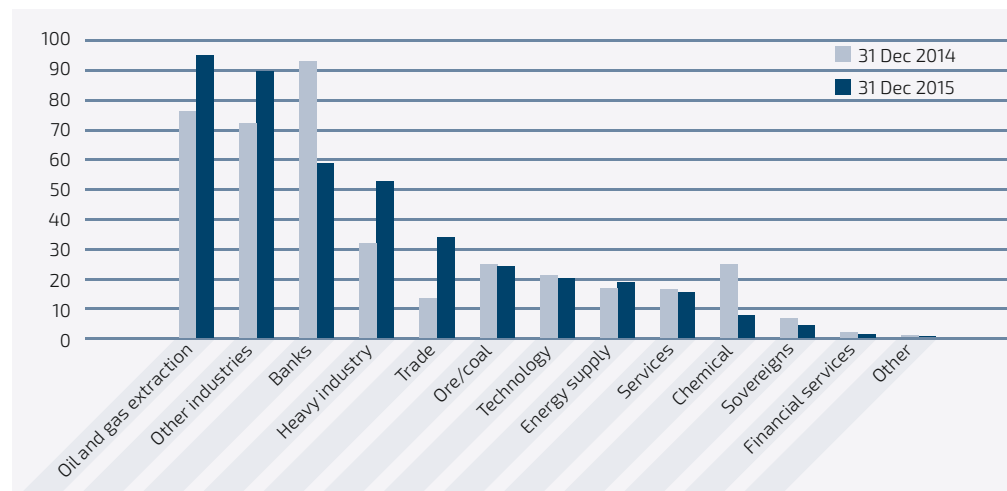
the current 18 corporate industries. The limit for the raw materials/oil and gas industry is 15 % of the total limit. Depending on the country rating, the country limit can then act as a corrective measure.

Risk concentration: As part of its Portfolio Management, AKA utilises a limit system that has proved successful in practical use in order to control country, industry and counterparty limits and to avoid concentration risks. AKA basically focuses on the following controls, parameters and criteria when avoiding concentration risks:

- Determination of the annual targets of new business in terms of maturity and types of product;
- Portfolio structure in terms of counterparty and default risks
 - Country limits
 - Industry limits
 - Large exposures within the meaning of section 13 of the German Banking Act (KWG) or section 387 et seq. of CRR Part IV
 - Size categories/granularity in terms of borrower units
 - Counterparty limits in terms of refinancing

The above-mentioned controls and criteria used to avoid and monitor risk concentrations are drawn up in the bank's operating procedures and process descriptions and are published in the Management and Organisation Manual ("Führungs- und Organisations-Handbuch"). They are used on a regular basis in controlling, continuously adjusted according to different requirements and conditions, and reviewed in terms of their suitability at least once a year during the examination of risk strategy.

Structure of the medium-term and long-term credit risks by sector in million EUR



Limit framework for credit default risks and Portfolio Management: The limit framework used by AKA in Portfolio Management takes account of eligible collateral as per CRR and limits gross exposure. This involves no-value financial collateral from state export credit insurers. This limit framework is based on the maximum equity exposed to credit default risk. It is determined as part of the regular calculation of risk-bearing capacity. The bank has defined an equity limit as the maximum loss limit for all counterparty default risks. This equity limit was also adjusted to the equity requirements (8.625 %) increased by regulators as of 2016.

The total net liability limit of 2 billion EUR quantitatively differentiates a long-term from a short-term limit framework (i.e. long-term: 1 billion EUR, short-term: 1 billion EUR) and is structured as increasing nominal limits based on internal rating classes. The respective limit utilisations are reported to the Supervisory Board in regular sessions at least once every quarter.

The limits provided for concentration, credit default, market and operational risks are sufficient and were consistently maintained in 2015.

Controlling constantly monitors compliance with all risk-related control parameters. The control parameter suitability review itself takes place during the course of the risk strategy review performed at least once a year. During this process the limit framework is aligned yearly with the business policy objective in terms of amount and structure, and then presented to the Supervisory Board for information purposes. The Supervisory Board declared its agreement with the risk strategy presented by the Management and the limit framework set out therein through the Supervisory Board Resolution of 3 December 2015.

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The aforementioned nominal limit framework and its equity utilisation pursuant to the credit standard approach (CSA) are supplemented by an internal economic monitoring and control component.

Internal credit model for risk management: Internal risk measurement at the portfolio level is based on the CreditMetrics (protected trademark) credit risk model. Important decision-making benchmarks are calculated based on credit volumes, recovery factors according to the foundation approach (IRBF), AKA's own calculated probabilities of default and given concentrations and correlations. These benchmarks are expected loss and unexpected loss, among others. The adjusted confidence level is 99.9 % and this is consistent with AKA's target rating of A-. The bank utilises the system in simulation calculations to estimate economic risk capital consumption and to establish stress tests of credit default risks. In addition, the data is used to validate AKA's own rating systems during a selectivity analysis.

Furthermore, data obtained using the internal model is regularly collated with the statutory CSA parameters used for AKA. The economic equity requirements determined in this process correlate closely with the capital requirement value obtained according to the CSA, provided the CSA continues to be used as the basis for risk management.

Loan approval procedure and assignment of approval powers: Based on AKA's own calculated rating, Credit Risk Management takes loan approval decisions according to its approval limits or votes on loans for the next decision-making process.

The separation of functions between Front Office and Back Office required under MaRisk is reflected once again in the loan approval process. Every loan approval decision requires two affirmative votes from the New Business and CRM departments. The New Business and CRM departments together have one single-transaction-related net loan approval limit (i.e. after taking account of collateral) of 1 million EUR. If Credit Risk Management votes to reject a credit transaction according to its own approval limit, New Business can escalate the loan application and have the Management take the final decision. New Business and the Front Office Director cast the first votes on loans with a net risk greater than 1 million EUR. CRM and the Back Office Director cast the independent second vote. If there is a tie vote (2:2), the loan is rejected. The Back Office cannot be overruled in case of risk-related issues. Sufficient creditworthiness and risk-commensurate pricing are essential requirements for a positive loan decision. For this purpose, a RAROC calculation is carried out in the preliminary calculation process. Only in appropriate exceptions may one fall short of a minimum RAROC established by the Management based on target achievement. If the minimum RAROC is not reached, a positive vote to approve the loan requires a reason that the Front Office must set down in writing in the loan application.

The authorised person may approve a 10 % overstepping of the approved individual counterparty or country limits for a period of up to 12 months or a 20 % overstepping for a maximum period of 90 days. Limits can be overbooked with reservations up to 30 %. The granting of an overdraft facility beyond these limits would have to be approved by the Supervisory Board.

If necessary in the context of business development, the Management can request that the Supervisory Board approve the establishment of appropriate special limits based on demand and according to the overall credit profile. This was not utilised in fiscal year 2015.

Risk mitigation/monitoring: All exposures are continuously monitored in terms of their economic conditions and collateral, compliance with interest and principal payments, contractual obligations to inform and other external and internal requirements.

Exposures with increased risks are recognised at an early stage by means of specified early warning indicators. Exposures which become noticeable due to negative qualitative developments and changes in the borrower's economic circumstances or in the country of residence or, for example, in the borrower's environment, are registered in a pre-watch list. Exposures on the pre-watch list are subject to particular observation. Depending on further development, these are either returned to normal loan processing or resubmitted to the watch list when needed. The watch list is divided into intensive and problem loans.

Loans in "intensive treatment" are defined as exposures bearing a latent risk of default and which are subject to special observation.

If, however, impairment of performance occurs, either through the non-payment of interest and/or loan instalments, some other breach of contract or notification of default, which would entitle the lender to serve notice of termination of such loan, such exposure is to be classified as a problem loan. Special emphasis is placed on loans whose interest and/or principal payments are 90 days or more overdue. These loans will be specially checked for their continued viability. Depending on the result, the assessment leads to an action plan

with the aim of implementing specific measures to reduce the risk and/or to prevent them from occurring – e.g. restructuring, pledging of additional collateral, turnaround programs, etc. If these measures are not successful, the processing of these accounts is assigned to employees specifically tasked with processing problem loans.

Management and Supervisory Board are regularly informed in the risk report about the performance of accounts on the watch list and the effectiveness of initiated actions.

3.3 Market and liquidity risks

Market risks are not substantiated by contracting partners but are determined through changes in market prices and rates (e.g. interest rates, foreign exchange rates and stock prices). Interest rate risk and foreign currency risk are relevant for AKA in this context. In principle, it is the aim to avoid such risks by congruent refinancing of the lending business. As a non-trading book institution, AKA does not conduct any transactions with the aim of realising additional revenue arising from changes in market prices. AKA also does not maintain a securities portfolio which would have to be allocated to the trading book. As a result, AKA has not established a trading book and has no trading limits.

AKA has concluded derivative contracts (interest rate swaps) with its associated banks to a minor extent (5 million EUR nominally), exclusively to ensure refinancing of the lending business with matching maturities. The risk arising from this may solely result from a possible default of counterparty.

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Market risks are integrated in the risk-bearing capacity concept and subject to a limitation stipulated therein.

Interest rate risk: In order to monitor risks arising from changes in interest rates, AKA conducts sensitivity analyses monthly and quantifies their impact on asset positions and revenues. On the one hand, this is accomplished by determining variations in present value in the asset book according to the risk monitoring as required by the German Federal Financial Supervisory Authority (BaFin) and by determining the implications on assets and liabilities of a sudden and unexpected change in interest rates. If a negative change in the present value exceeds a volume of 20 % of the regulatory capital during a stress test, this indicates significant interest rate risks (the so-called "lending institution subject to an increased risk of default") which have to be disclosed to BaFin and Deutsche Bundesbank. As at 31 December 2015, an interest rate coefficient of 7.6 % was determined using this methodical evaluation and thus is considerably below the relevant limit. On the other hand, the impact on the earnings position which may arise from a sudden market-induced change in interest rates needs to be ascertained. Furthermore, AKA carries out a gap analysis on a quarterly basis in order to monitor long-term fixed interest rates. This provides information on fixed interest rates of loan and refinancing positions held. Besides the presentation of asset and liability surpluses in the respective periods, AKA also determines marginal interest rates which are essential to arrive at a revenue-related equilibrium.

Foreign currency risks: Foreign currency risks are controlled through congruent currency and maturity refinancing. Any possibly remaining marginal foreign currency risk arises primarily from the valuation of receivables in line with an adequate risk provision on these loans. With regard to this, the foreign currency risk is low and backed with 1.6 million EUR

of equity capital as at 31 December 2015 in accordance with the CRR (Capital Requirement Regulations).

Liquidity risks: According to AKA's risk definition, liquidity risk is divided into two risk classes:

- Insolvency risk;
- Liquidity maturity transformation risk.

Insolvency risk is defined as the risk that present and future payment obligations may not be fulfilled completely or not be repaid on the due date. It includes the risk that refinancing cannot be effected or obtained only at higher market prices (refinancing risk) and that assets may only be liquidated with a discount (market liquidity risk).

Liquidity maturity transformation risk represents the risk that a loss may arise due to a variation in AKA's own refinancing curve (spread risk) with respect to the liquidity maturity transformation within a predetermined period of time at a defined confidence level.

Refinancing sources: Due to AKA's special shareholder structure (shareholders of AKA are exclusively 19 banks), AKA is able to secure the necessary refinancing for its lending business through its associated banks even in difficult market phases. An important source of financing is loans granted by shareholders and non-shareholders. In addition, the associated banks also provide funds for short-term refinancing in the context of money market limits. In the past year, AKA was able to continue to finance ECA-covered loans at favourable interest rates by using funds from the cover registers of shareholders. A further extension is in progress.

AKA also uses refinancing funds of customers from the public and private sectors in order to diversify the refinancing portfolio. These funds are accepted as fixed-term deposits and bonded loans. Unconfirmed lines for regular trading activities in fixed-term deposits are available with individual clients.

Accordingly, the refinancing structure of AKA is based on 3 pillars which have been used to the following extent:

	31 Dec 2015	31 Dec 2014
	Million EUR	Million EUR
Shareholders	371	344
Non-shareholders	431	418
Publicly available funds	1,170	978
Total amount drawn	1,972	1,740

Short-term liquidity: In order to ensure financial solvency at all times, AKA has built up a liquidity reserve amounting to 156.4 million EUR as at 31 December 2015. A volume of 75 million EUR is invested in securities with variable interest rates and maturities of up to one year, which are acceptable as collateral by Deutsche Bundesbank (obligations by German federal states or institutions with equivalent collateral) and 23 million EUR in short-term US treasury bills. Additional liquidity is deposited as overnight funds with Deutsche Bundesbank and/or associated banks in both EUR and USD. For the purpose of liquidity

management, AKA regularly conducts liquidity forecasts over a period of several months on the basis of cash flows from loan transactions under consideration of future payment obligations. These calculations allow possible scenarios which may present different stress situations for AKA in the money and capital markets. Even in a scenario which merely provides for financing through associated banks on the hitherto existing scale, AKA's capability to finance its business was secured at all times for any respective period in 2015.

In addition, AKA's short-term liquidity risk is monitored on the basis of performance indicators such as liquidity ratio, liquidity index in accordance with German Liquidity Regulations (LiqV) and liquidity coverage ratio (LCR) pursuant to the CRR.

The liquidity coverage ratio is defined as the ratio of the stock of highly liquid assets to net cash outflows for the next 30 days. At the end of the year, highly liquid assets exceeded net cash outflows and inflows expected in January 2016 by a factor of 1.28. On an annual average, the LCR was 1.58 varying between 1.07 and 2.99. From October 2015, the minimum ratio is 0.6 in accordance with the guideline. Internal AKA guidelines, however, provide for an LCR of 1.0 in the EUR area and 0.6 in the USD business.

In an extended timeframe, the liquidity ratio is defined as the ratio of existing liquid assets, unrestricted money market lines and refinancing commitments to short-term payment obligations within the range of up to three months. At the end of the fiscal year, AKA's liquid assets exceeded its payment obligations in the reported period by a factor of 3.4. During the course of the year, the ratio varied from 2.1 to 5.1.

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Long-term liquidity: The loan portfolio is largely refinanced with matching maturities. Maturity transformation is only possible in narrow confines which are allowed by AKA's supervisory bodies and which are monitored constantly. During the past fiscal year, the extent of maturity transformation was further reduced due to the market situation and thus the maturity transformation was always markedly below the permitted volume during the course of the year.

The funding ratio, which reflects the ratio of refinancing funds to loan receivables with a remaining maturity of more than one year, is used for measuring and monitoring purposes. In the past fiscal year, it fluctuated between 0.99 to 1.0 reaching the upper limit of 1.0 at the end of the year.

The risk of increasing refinancing costs, which derives from the maturity transformation (spread risk), is regularly quantified and controlled. Within the scope of a standard scenario it is presumed that additional margins in favour of AKA double compared with the prevailing level and derives the associated impact on earnings. For 2015, the associated risks ranged between 0.3 million EUR and 0.6 million EUR. A potential spread risk of 0.6 million EUR was recorded at the end of the year.

Forward liquidity exposures and short-term or medium-term cash flow forecasts were drawn up to monitor liquidity risks. The effect of borrower and lender defaults is examined through scenarios.

Key parameters are communicated by means of a system of financial control.

For the past business year the following values were shown in comparison with the previous year:

	31 Dec 2015	31 Dec 2014
Liquidity reserve (million EUR)	156.4	146.7
Liquidity Coverage Ratio Ratio of cash and highly liquid assets to net cash outflows in the next 30 days	1.28	1.93
Liquidity Index Ratio defined under LiqV Ratio of receivables to liabilities in the 1-month band under the Liquidity Regulation	2.47	2.17
Liquidity Ratio Ratio of receivables to liabilities in the 3-month band	3.44	2.18
Funding Ratio Ratio of refinancing funds to loan receivables with remaining maturities > 1 year	1.0	1.0
Spread risk standard scenario (million EUR)	0.6	0.3
Spread risk extreme scenario (million EUR)	4.2	2.4
Interest rate risk (million EUR)	1.9	1.4

3.4 Risk provisioning

AKA makes adequate allowances for all identifiable risks of its banking business. The departments of Credit Risk Management, Loan Administration and Accounting are involved in the determining process of risk provisions.

Country risk provisions (LWB): In accordance with its risk strategy, country risk provisions are the central element of AKA's risk provisioning. AKA composes country risk provisions for loan exposures in those countries where urgent country risks exist. The extent of the risk provision for long-term loans (more than 12 months) is determined within the acceptable range for single loan loss provisions based on the so-called "rating model" developed by the German Federal Ministry of Finance. If the borrower-related risk is assessed to be higher than the country risk, the former will be the basis for a higher risk provision, however, within the acceptable range for single loan loss provisions. Risk provisions are usually not made for country risks with a remaining maturity of less than 12 months.

Other risk provisions for urgent risks: For loans which are not solely based on the economic performance of the borrower but are also subject to collateral arising from revenues from existing purchase agreements and/or project cash flows which, however, do not exclude conversion, transfer as well as garnishment and moratoria risks, the country risk provisions of the German Federal Ministry of Finance will be considered according to the country rating by the country domicile of the supplier with a discount of 25 % to a maximum of 33 %. For structured financing (i.e. financing used as advanced financing of raw material exports from emerging markets and excluding conversion, transfer, garnishment and moratoria risks), AKA has defined two risk categories considering the immanent risks for these transactions. Depending on the evaluation of political stability, these loans are adjusted at 5 % or 10 %.

Single allowance for bad debt (EWB): Single allowances for bad debts are recognized for loans where it will not be possible to receive all contractually agreed interest and redemption payments in course of business after a detailed audit. Depending on the rating of the borrower, the collateral provided and, if applicable, possible restructuring measures, a

real-time single allowance amounting to the potential loss will be made. Credit Risk Management, in coordination with the Management, is responsible for determining the allowance required.

Value adjustments/provisions for inherent default risks: Value adjustments and provisions for inherent default risks are generally made for all loans which are not assessed as acutely impaired. For these loans, AKA builds lump-sum provisions which are determined in terms of commercial law, unless tax regulations do not lead to higher assessments.

The detailed development of risk provisioning in the lending business in the past year is shown as follows:

	2015		2014	
	Million EUR		Million EUR	
	EWB	LWB	EWB	LWB
Provisions for loan losses				
Carry-forward on 1 January	10.4	23.5	11.1	21.0
Consumption	0.1	0.0	4.7	0.0
Reversal	0.2	12.3	4.7	8.8
Newly provided	1.7	5.5	7.9	12.1
Reclassification	+ 0.0	- 0.0	+ 0.8	- 0.8
As at 31 December	11.8	16.7	10.4	23.5
Provisions for credit losses				
Carry-forward on 1 January	2.2	5.5	5.0	6.9
Consumption	0.0	0.0	0.0	0.0
Reversal	0.3	3.5	0.3	6.6
Newly provided	1.1	4.6	1.0	1.8
Reclassification	- 0.1	+ 0.1	- 3.5	+ 3.5
As at 31 December	2.9	6.7	2.2	5.5
Lump-sum provisions		1.0		0.8
Total loan loss provisions		39.2		42.4

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AKA was able to reverse value adjustments and provisions for contingent losses amounting to 15.8 million EUR in connection with country risk provisions. Due to the structure of new business, a lower allocation to country risk provisions, amounting to 10.2 million EUR, was required in 2015. At the end of the year, 23.4 million EUR were allocated to country risk provisions.

Single allowances for bad debts and provisions for contingent losses for credit risks were reversed in the amount of 0.5 million EUR, and an amount of 2.8 million EUR was newly accrued. 0.1 million EUR of provisions for contingent losses were allocated to country risk provisions during the year. The amount for credit default risks at the end of the year totalled 14.7 million EUR.

Provision for general banking risks: For general banking risks, AKA has appropriated a provision in accordance with section 340f HGB, which remained unchanged in 2015 at 16.1 million EUR.

3.5 Other and non-quantifiable types of risk

Operational risks: According to the regulations of the German Federal Financial Supervisory Authority (BaFin), AKA defines operational risk as the threat of losses which may occur due to the inappropriateness and/or failure of internal processes, people and systems or through external incidents or calamities. The definition includes legal and technological risks.

The CRR provides various approaches for calculating regulatory capital necessary to back operational risk. For reporting purposes, AKA uses the Basic Indicator Approach (BIA). The identification of the underlying equity is made on the basis of an indicator for the estimation of the risk, which is representative for the entire operational risk of AKA.

An equity limit in the amount of 7.5 million EUR has been allocated for AKA's operational risk. The calculated value according to the Basic Indicator Approach, which AKA takes as a basis for backing operational risks according to the CRR, was 4.7 million EUR throughout the reporting year (prior year: 4.5 million EUR).

Operational management is the responsibility of each individual department. The Controlling department coordinates and monitors the management of operational risks. Operational losses amounting to more than 1,500 EUR are recorded in a loss database and communicated to the Management and heads of departments by means of a regularly compiled risk and controlling report. Losses amounting to more than 10,000 EUR are reported on an ad-hoc basis. Losses incurred are appropriately analysed and investigated as to possible adjustments of operating procedures and responsibilities. If necessary, the corresponding operating procedures are adapted to avoid repetitions in the future.

Summary of the results of the risk inventory in 2015 and its review by the Risk Committee for the purpose of a qualitative evaluation: The annual risk inventory examines operational risks and other key, non-quantifiable risks of AKA. A self-assessment process in 2015 ascertained these risks in all departments and in Management.

All departments are questioned in writing to assess their risks for 2015 as well as for the entire year 2016 as a forward-looking evaluation.

Reports from the individual departments are consolidated, evaluated, checked by Controlling for plausibility and combined into an overall conclusion. The entire bank-related result is discussed for qualitative evaluation and final reconciliation during a Risk Committee meeting with all the department heads and management. If necessary, appropriate operational risk-mitigating steps are proposed to management for implementation. In line with a stress test internally conducted, a maximum amount of 5 million EUR – as in the previous year – was calculated for AKA.

Legal risks: Legal risk is also subsumed under operational risk. It includes consulting risks, litigation risks, risks of illegal, invalid or unenforceable credit and/or collateral agreements, liability risks resulting from breaches of foreign or international law and regulatory risks. It is the responsibility of the legal department to identify potential legal risks early, to implement potential solutions for preventing, reducing or eliminating them and, if necessary, to transform them in conjunction with the Management. All contracts and other documents with legally binding effect can be used for operational purposes only after approval by the legal department. Corresponding processes ensure that functional departments involve the legal department.

IT risks: IT risks are another component of operational risk. The bank has taken various steps to recognise and reduce IT risks. The monitoring and reporting of these risks are the responsibility of the IT risk control area and Controlling department (CO).

The monitoring also includes procedures for individual data processing control in the departments and for managing user rights. CO compiled and evaluated a catalogue of all IDV applications as part of the 2015 risk inventory.

In addition to providing a secure infrastructure for a consistent database, the task of the IT department is to ensure the high level of availability of IT systems for on-going operations. This requires a target availability of 99.9 % for important application software. IT systems are continuously and appropriately adjusted to the required business process changes as well as the changing regulatory requirements, where appropriate.

In addition to the standard systems, AKA has drawn up a detailed emergency plan for IT infrastructure and applications which is documented in the Risk Guideline and which is part of the risk strategy. It includes processes, procedures and concepts for standard and emergency operation, including the necessary documentation similar to Standard 100-4 of the German Federal Office for Information Security (BSI). Emergency arrangements are reviewed regularly in a live test, undergo an annual adequacy check and are updated as needed.

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In 2015, the bank has set up a comprehensive information security management system (ISMS) based on BSI Standard 100-1. This includes, among other things, a higher-level security concept as well as further guidelines, operating procedures and checklists. In addition, authorisation management was organised centrally over the course of the year.

In November 2015, the installed firewall was tested using a penetration test of an external specialised company based on BSI methodology. No critical vulnerabilities were identified, and no negative findings were made. A higher security level that handles incoming and outgoing connections very restrictively was attested for the firewall area (demilitarised zone, DMZ) accessible from the internet.

In addition to backup/restore tests to verify data backup, the following emergency tests were carried out over the course of 2015 with the involvement of the departments:

- on 1 March 2015, a failover test of payment processing systems (mandatory 1x/year);
- a recovery test of the financial accounting application at the end of quarters Q1, Q2 and Q3 2015;
- a failover test of the e-mail environment in November 2015.

The results of the emergency tests did not produce any noteworthy negative findings. The improvement suggestions from the departments based on the test findings were evaluated following the respective tests and, if necessary, implemented through measures in 2015.

Non-quantifiable risk types

Reputational risks: Reputational risks are not included in the quantifiable risk types. They may result in the trust put in the bank being negatively affected. This affects the shareholders of the bank, the business partners and the public. Against this background, all measures

and activities of the bank are meticulously assessed and decided as regards their public impact and in relation to the business partners and shareholder banks involved.

Business and business strategy risks: Business risks are understood to be the unexpected negative deviations from the plan for interest and commission income and the operational expenditure as a result of worse market conditions, changes to the competitive position and/or the customer conduct as well as due to possible legal framework conditions. Strategic risks include the bank's long-term success being put at risk.

The responsibility for the business strategy steering lies with the Management, which defines and sets business strategy targets in collaboration with the Supervisory Board.

The Management of AKA defines the key risks of the bank and derives out of them an adequate risk strategy. The risk strategy is assessed annually on the basis of the approved business strategy by the Supervisory Board for consistency and adjusted in coordination with the Supervisory Board, where required.

The business policy alignment of AKA, which is guided by the need of the shareholder banks, is monitored continuously by the individual shareholders on the basis of the business contribution and verified and updated, where required, within the framework of regular contacts.

In this process, the focus is, in addition to guaranteeing a continuous ability to process credit default risks, the demand-driven expansion of the range of credit products offered as well as a further alignment of AKA as a services provider for its shareholder banks as regards the assumption of administrative tasks.

Compliance risks: AKA considers and monitors the observance of the relevant legal, regulatory and internal regulations within the framework of its global business activities. These include, according to AKA's risk analysis, in particular the national laws against insider training or money laundering as well as embargo monitoring. For AKA, which is not a securities services provider and does not have any cash payments transactions, these risks play a very subordinate role. The area of the Compliance function also includes the observance of the supervisory regulations on preventing fraudulent actions, which are directed against the company, as well as data protection. For the continuous execution of the Compliance function, AKA has appointed its Compliance Officer.

3.6 Risk reporting and communication

Reporting on all risks relevant for the business operations is carried out by way of quarterly reporting by the risk/control report prepared by Controlling. The aim of the reporting is to comprehensively present the developments that require consideration in risk or business controlling in the interest of achieving the bank's targets.

Within the meaning of the remit of MaRisk and CRR, the report serves as a continuous controlling and monitoring tool at portfolio level with a special focus on the key, quantifiable risks that are relevant for AKA, such as the credit default risks, the development of foreign exchange, refinancing and liquidity risks and the operational risk as the basis for identifying and limiting the risk concentrations. Part of risk/controlling reporting is also the assessment of all key- but not quantifiable risks. They are recorded in the risk inventory conducted annually or on a case-by-case basis within the framework of a self-assessment, assessed and – if necessary – mitigated by decision and implementation of risk-reducing measures.

The MaRisk-compliant risk/controlling report itself is broken down into the following topical areas:

- Business development
- Earnings position
- Risk management
- Risk bearing capacity
- Definition and calculation of stress tests
- Credit risks, including watch list
- Market price risks
- Liquidity risk
- Operational risk

The content or scope of the reporting is accordingly adjusted to the business or risk development.

The risk/controlling report contains a summary of the key findings and recommendations in the form of a cockpit at the start. In this process, the statements are supported by a traffic light system.

The report informs both the Management, the head of Internal Audit and all members of the Management team of the bank. The heads of department and consultants are provided with the report with a view to their subdepartment-related cooperation in business and risk steering.

In addition, the Supervisory Board, the Risk Commission and the supervisory authorities are informed on the basis of the quarterly reporting format. The report format is regularly examined by the Risk Commission and adjusted to new information needs where required.

Ad-hoc information, emergencies and crises: The Management is immediately informed on an ad-hoc basis about major changes to risk occurring at short notice, e.g. breach of major credit limits, exceeding of limits by more than 10 %, exceeding of trigger points for the individual risk limits or any emerging liquidity shortfalls.

The Management initially informs the Chairman of the Committee on an ad-hoc basis in the above cases in accordance with the procedure agreed with the Supervisory Board in electronic form (e.g. by telephone or e-mail). The further procedure, the notification of the Risk Commission and the remaining Supervisory Board members is then agreed with the Supervisory Board Chairman.

For the handling of exceptional situations or emergencies and crises, the bank has taken suitable precautions and documented this in corresponding processes. The documentation specifies, among others, that it is a task of the management to decide whether an emergency or crisis situation has arisen and what measures may need to be taken.

3.7 Implementation of regulatory requirements

AKA continuously monitors the developments in the international or national committees as regards the regulatory requirements for credit institutions within the framework of its risk management and aims to implement them as soon as possible.

The regulations on the liquidity coverage ratio (LCR), which came into force with EU Directive

No 2015/61 on 6 February 2015, and are applicable from 1 October 2015, are taken into account by AKA within the framework of liquidity controlling. AKA fulfils the requirements consistently.

Furthermore, AKA consistently fulfils the increased quality and quantity requirements for capital adequacy as well as the requirements for the leverage ratio. The final definition of the net stable funding ratio (NSFR) is currently still outstanding, which means that only the observance of the known NSFR definition can be verified or fulfilled so far.

By issuing the ordinance on the submission of finance and risk bearing ability information under the Banking Act (FinRisikV) of 19 December 2014 and the general order to submit information on the risk bearing ability published by the supervisory authority in February 2015, AKA reported risk bearing ability information to the Bundesbank in accordance with section 25 (1) sentence 2 KWG for the first time for the reporting date of 31 December 2015.

In the course of the continuation of the business strategy over the fiscal year 2015 and the new multiple-year business planning created in this context, the observance of all regulatory requirements was audited or considered accordingly within the framework of corresponding simulation calculations for the entire planning period.

4. Net assets and financial position

AKA's balance sheet total rose by 3.6 % to 2.889 billion EUR as at 31 December 2015 from 2.787 billion EUR as at 31 December 2014. The business volume, including contingent liabilities and other liabilities, rose by 7.2 % to 4.086 billion EUR. Adjusted for changes in AKA's trust business, the increase amounts to 362.3 million EUR. This reflects an increase of 11.5 %.

An increase of 25.8 million EUR to 404.6 million EUR was recorded in letter of credit, guarantee obligations and guarantee transactions involving risk elements with contingent liabilities from guarantees. The irrevocable loan commitments disclosed under other liabilities increased by 146.6 million EUR to 792.1 million EUR.

Loans and advances to banks and customers constitute the key asset positions and result from the loan business of the bank. They increased in the past financial year by 178.3 million EUR to 2.157 billion EUR. To refinance the business, AKA has available liabilities to banks in the amount of 1.849 billion EUR and to customers in the amount of 219.7 million EUR. The loan volume financed by banks thereby rose by 181.8 million EUR, the share of the business financed by customer deposits fell slightly by 7.4 million EUR.

The trust assets managed by AKA on behalf of third parties largely consisting of indemnified loans and CIRR loans, which were concluded until 2010, fell by 88.2 million EUR to 579.2 million EUR as at the balance sheet date. The trust assets are accompanied by trust liabilities to the same extent.

Debenture bonds and other fixed-interest securities constitute the predominant share of AKA's liquidity reserve. They contain only short-term securities with very good credit ratings, which, except US Treasury Bills, are eligible as collateral by the Deutsche Bundesbank. As at the balance sheet date, the stock amounted to 98.0 million EUR.

The balance from the settlement of the pension provisions with assets of the cover fund is stated under the "Active difference resulting from asset offsetting" item. The fund assets transferred to a trustee in form of a contractual trust agreement (CTA) amount to 22.6 million EUR as at the balance sheet date. The acquisition costs of the settled shares amounted to 22.8 million EUR. The settlement amount of pension provisions amounts to 21.7 million EUR.

AKA's equity is composed of the subscribed, and fully paid-in capital of 20.5 million EUR and the revenue reserves. As of 1 January 2015, revenue reserves increased to 176.4 million EUR the net profit of 16.0 million EUR is applied as follows: 11.9 million EUR are appropriate to a further augment of the revenue reserves, which now amount to 188.4 million EUR. The balance sheet profit of 4.1 million EUR is earmarked for distribution to the shareholders.

Thus AKA has a core capital of 208.3 million EUR, which constitutes sufficient adequacy for the planned business both under consideration of capital adequacy in accordance with the Directive (EU) No. 575/2013 (CRR) as well as in terms of the scope of the debt levels, as provided for in the Basel III Accord (leverage ratio), for an observation period of 24 months.

Special events after the balance sheet date, which have an impact on the net asset and earnings position, did not occur.

5. Earnings position

The result for the fiscal year 2015 is again characterised by increasing revenues in the loan business.

Interest income in the past fiscal year rose by 1.5 million EUR or 5.3 % compared to the previous year and amounts to 30.0 million EUR. The increase of the average loan volume as well as higher margins, despite a further decline in market interest rates compared to the previous year, had an essential part in this development.

In contrast, net commission income fell by 8.7 % year on year to an overall amount of 6.5 million EUR. The decrease is based on the weaker business with short-term trade financing, in particular confirmations of letters of credit. The contribution from the administration of trust receivables declined, parallel to the managed business volumes by 13.0 % compared to the previous year to 1.9 million EUR.

Overall, the result from the lending business thereby rose by 2.5 % from 35.6 million EUR to 36.5 million EUR. The rise in net earnings from the lending business as a relevant performance indicator also performed positively with a rise of 1.4 million EUR to 35.2 million EUR. Thus, the planning expectations for 2015, which were at 35.0 million EUR, were entirely observed.

General administrative expenses rose by 1.1 million EUR in 2015, triggered by higher personnel and other administration expenditure.

Compared to the previous year, the operating result fell marginally by 0.2 million EUR to 22.0 million EUR.

The cost income ratio (CIR) is a key performance indicator for AKA. The ratio of administration expenses to net interest income and net fee and commission income was held again below a threshold of 40 % in the past year. Thus, the targets in the business planning 2015, which also provided an increase of the CIR, could be fully met, based on the observance of administration cost budgeting.

Other operating expenditures largely contain interest-rate-induced charges for pension provisions, whereas other operating income mainly originates from the reimbursement of affiliates as well as the reversal of provisions.

AKA has appropriately allowed for risks arising from the lending business in the 2015 annual financial statements. This resulted in a reduction of the pension provisions by 3.2 million EUR. In total, country risk provisions amounting to 5.6 million EUR were dispersed. This was offset by expenses for credit risks of 2.2 million EUR. A depreciation of 0.2 million EUR was registered for the securities portfolio.

After deducting the profit-related taxes, an annual profit of 16.0 million EUR was posted. This is considerably higher than the target value, projected in the business plan, of 12.1 million EUR.

The return on investment as the quotient from annual net profit to AKA's total assets thereby improved from 0.51 % in 2014 to 0.56 % in the past financial year.

The return on equity before taxes, as AKA's third financial performance indicator, was

improved from 10.3 % to 12.5 %. It is determined as the ratio of annual net profit before taxes to the equity available at the beginning of the year less the distributable profit. With regard to the business plan, which provided an unaltered return on equity of 10.3 %, the increase is 21.0 %. In addition to the improved earnings performance, in compliance with the provided administrative expenses budget, a reduced demand for risk provisioning also had a positive impact on the return on equity.

Earnings position	2015	2014		Change
	Million EUR	Million EUR	Million EUR	%
Net interest income	30.0	28.5	+ 1.5	+ 5.3
Net fee and commission income	6.5	7.1	- 0.6	- 8.7
Administrative expenses (incl. depreciation)	- 14.5	- 13.4	+ 1.1	+ 8.1
Operating result	22.0	22.2	- 0.2	- 0.9
Other income/expenses	- 0.3	- 0.5	- 0.2	- 35.2
Risk provisions	+ 2.9	- 2.5	- 5.4	- 218.2
Income taxes	- 8.6	- 5.2	+ 3.4	+ 66.3
Annual net profit	16.0	14.1	+ 1.9	+ 13.5
Net earnings from lending	35.2	33.8	+ 1.4	+ 4.2
Cost-income ratio	39.6 %	37.6 %	+ 2.0 %	+ 5.5
Return on equity (before taxes)	12.5 %	10.3 %	+ 2.2 %	+ 21.1

Committees: The Supervisory Board of the bank includes, according to the articles of association, at least 6 and currently 10 shareholder banks. The executive body supervises and accompanies in an advisory capacity according to the regulatory requirements the work of the Management and decides, among other things, also on the principles of granting loans in accordance with the articles of association. To increase the efficiency of its work, the Supervisory Board has formed committees to support it.

The Risk Committee advises the Supervisory Board and Management in particular on questions of risk assessment, risk management and risk control. In addition, the committee is also involved in the strategic alignment of the bank in an advisory capacity. The Risk Committee informs the Supervisory Board on the subjects discussed in its meetings and gives it recommendations for resolutions.

The Nomination and Compensation Control Committee (NVKA) consists of the Supervisory Board Chairman and its representatives from the Supervisory Board. Its task is to support the Supervisory Board and Management on all principle human resources matters in its competence as well as in the appointment of the managing directors. The Nomination and Compensation Control Committee also oversees the evaluation of the Executive Management and the structure and composition of the Supervisory Board in accordance with the requirements of the German Banking Act.

Furthermore, there is a presidential committee with an analogous composition as the Nomination and Compensation Control Committee, which sits on a case-by-case basis.

AKA's pension assets were outsourced in 2007 in coordination with the Supervisory Board within the framework of a Contractual Trust Arrangement (CTA). Due to the performance of the capital investment remaining strongly behind forecasts and expectations, it was decided in 2012 to manage the pension assets in an AKA-own CTA. In autumn 2013, AKA established AKA Treuhand e.V. and invested the pension assets previously outsourced in this CTA.

Human Resources: The foundation of the Human Resources management is the business strategy along with the policies and principles of AKA. In addition, the principle applies of maintaining what has been tried and tested and monitoring attentively newer developments in Human Resources and Health Management and verifying them for their suitability for AKA and implementing them.

Training: The aim of AKA is to promote the specialist and personal further development of its staff to prepare them for their tasks. This was again the focus of Human Resources work in 2015. Overall, 65 % of employees visited at least one further training or specialist congress in 2015. The share of specialist further training also stood at 90 % due to numerous new supervisory law and regulatory requirements and legal amendments. The personnel development program (PEP) consisting of four modules was continued. The intensive human resources development and qualification of the employees was further expanded by AKA in a target-oriented manner.

Personnel structure: As at the fiscal year end, AKA employed 92 (previous year 88) employees. Taking into account the employees on parental leave and working part-time, the active employee capacities, converted to full-time-employees, amount to 82.07 compared to 76.56 in the previous year.

The share of non-pay-scale employees is 49 % (previous year 49 %), the average age of all employees amounts to around 46 (previous year 45). The average period of service is 11.5 years (previous year: 11 years) and the share of employees having been employed at AKA for more than 10 years is 42.5 %. The fluctuation rate has increased slightly.

Work-life balance: AKA is increasingly working to promote the compatibility of work and family life. In implementation of the corporate philosophy, part-time work possibilities are offered in a targeted manner, which are currently being used by 27 % of employees. Furthermore, AKA has concluded a cooperation agreement with the pme family service in order to offer support in the areas of child care, home/elder care and various other issues.

Diversity: By signing the diversity charter in 2007, AKA underlined in a public manner how important cultural diversity, openness and mutual respect are for the company. The employment rate of employees with an international background stands at an unchanged 26 % in 2015. For AKA, as a special credit institution focusing on the financing of international trade transactions, the variety of the cultural background of its employees constitutes one of its major strengths. The cultural variety is considered to be an enrichment, it contributes strongly to creativity and quality.

AKA thanks all its employees for their initiative, commitment and high identification with the bank. It is convinced that it has a solid basis for the successful further development of AKA with the knowledge, skills and commitment of its employees.

AKA again strengthened its business in short-, medium- and long-term trade financing in 2015 following the already very successful previous year. In this process, the forecast falls in the markets of Russia and Ukraine, which are important for AKA, were largely offset by business in other regions. Overall, the targets set for the financial and qualitative performance indicators that are essential for AKA were largely achieved or exceeded.

The business focus of AKA continues to be on financing and risk taking with a real-economy connection to trade and investment in emerging markets. This business policy alignment also determines the planning of the activities and income for 2016 as well as the multi-year business planning until 2020. AKA will thereby further intensify its collaboration with European export credit agencies (ECA). In the area of structured finance, AKA also plans to expand its business.

For the business model of AKA, the key influencing framework data are the development of German and European export activities, the economic and political development in the target markets with a focus on emerging markets as well as the overall performance of global trade. The assessment also includes, in addition to the forecasts of the German government, European Commission and supranational institutions, the estimates of economic research institutions and renowned business press as the basis of the planning activities, and these are compared with AKA's own expectations.

In its outlook for 2016, AKA is prepared for a further positive trend for the German economy with a projected growth rate of 1.8 %¹. German exports are expected to rise by 3.5 %². For the European area, economic output of 1.8 % for the euro currency area and 2.1 % for the EU as a whole is expected for 2016³. Lower oil and commodity prices are positively affecting the commodity-importing countries of Europe, such as Germany. The euro, which is weaker compared to the USD, is also positive stimulus for German and European exports.

The prospects for global trade with forecast growth rates of 3.4 % remain moderately positive⁴. Emerging markets are also forecast to see growth of 4.3 - 4.8 % overall⁵. However, emerging markets are facing huge challenges. The strong fall in commodity prices, above all the lower crude oil price compared to the previous year, are increasingly putting pressure on budgets of commodity- and crude oil-exporting countries. After debt levels of the public and private sector in emerging markets have again risen strongly in recent years given the low interest rate environment, the higher USD interest rates are resulting in additional strains in debt servicing. The prospects for global trade and the global economy are being negatively affected by the fall in the previously strong demand from China for imports of commodities and goods.

Regarding Russia as a traditionally important trade partner for Germany, the economic sanctions imposed will likely remain in place 2016 again. They are weighing on the already contracting economic muscle of Russia as a result of the low commodity prices and the high

¹ BMWi, economics, projection by the German government, press release, 14 October 2015

² Association of German Chambers of Industry and Commerce (DIHK) forecast, 2015/2016, October 2015

³ European Commission, autumn 2015 forecast, press release, 5 November 2015

⁴ IMF, World Economic Outlook (Update), 19 January 2016

⁵ IMF, World Economic Outlook (Update), 19 January 2016, World Bank, press release 6 January 2016

dependence of the country on crude oil exports. Already in 2015, a tangible contraction in business activities was seen, which will likely continue in 2016.

In conclusion, AKA expects an again difficult environment compared to the previous year for its export- and trade-driven business in the target countries of emerging markets. Overall, hardly any emerging market will be able to escape the unfavourable impacts forecast for 2016, albeit to different degrees. By diversifying the target markets more strongly in other regions, as already started in 2015, AKA aims to again offset the negative effects from the business contraction in its traditional markets in 2016 and to ensure a broader range of countries in light of increased emerging markets risks. To expand its range, AKA also plans to increase business approaches with a European dimension, to deepen collaboration with other European ECAs and to also cooperate with non-shareholder banks within the framework of the guidelines approved by the Supervisory Board on a case-by-case basis. Furthermore, AKA also sees options of expanding its business in the consistent enhancement of its activities in the structured finance area.

Regarding liquidity management, AKA will again retain its conservative approach in 2016, refinance its credit transactions in a currency- and deadline-congruent manner, inasmuch possible, and observe all regulatory key indicators. The refinancing options with institutional and non-institutional business partners will – while already at a good level – be expanded and diversified further. The foundations for the refinancing requirements of AKA as regards volume, maturity ranges and currencies – the euro and in particular the USD – are therefore also stable for the coming fiscal year.

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As regards the interest rate environment in the eurozone, AKA expects interest rates to remain extremely low in 2016 and beyond. AKA has therefore also created multiple-year business planning on the basis of a EUR zero interest rate scenario. In 2016, there will be higher costs for AKA compared to the previous year for holding an appropriate liquidity reserve in EUR due to the only minimal interest rate on Bund bonds as well as the deposit interest rates with the Bundesbank that are again more negative than in the previous year. The slightly higher interest rates of the liquidity reserve held in USD following the change in policy in the United States will offset this effect only partly.

Regarding the development of administration and staff costs, AKA expects cost rises for the fiscal year 2016. These costs are based on new hires with regard to the planned business growth and due to the fulfilment of increasing regulatory requirements. The increase in material costs also reflects the budgeting of projects and measures, for instance in connection with digitisation and the optimisation of internal processes.

In summary, AKA plans a new business volume of about 1.6 billion EUR for 2016. In this process, an investment grade share for the long-term financing business in the amount of the previous year is to be achieved. Regarding the net income from the credit business, a result about 7 % above the previous year is expected. The performance of the operating result is forecast to be slightly down on the previous year. Regarding the development of the cost and earnings ratio, AKA expects a key figure of 46 % in 2016. Taking into account the associated risk provision for the business performance planned for 2016, an annual profit after tax in the amount of about 12 million EUR and a return on equity before tax of about 7 % is expected. In the 2016 fiscal year, the performance of the administrative costs may come in lower than

forecast due to a planned legal new regulation as regards transfers to pension liabilities. Accordingly, the values for CIR, annual profit after tax and RoE forecast on the basis of existing legal foundations may see changes.

The monitoring of the change and implementation of the regulatory framework conditions will again be a strong focus and tie up resources accordingly in the fiscal year 2016. The recent years were dominated by the implementation of the Basel III regulations in the form of CRR and CRD IV. Furthermore, AKA has consistently aligned its technical and organisational setup in line with the regulatory requirements. For 2016, the now repeatedly announced change of the minimum requirements for risk management (MaRisk) is expected. In addition, the effects of the now European banking supervision and its standardised directives on the so-called less significant institutions, which include AKA, need to be monitored and analysed closely.

AKA plans to continue its successful event formats in 2016. The annual investors' meeting serves to strengthen the relationships with business partners and further expand connections outside of the group of shareholders, in particular for the purposes of refinancing. It is also planned to continue the open space dialogue on general questions of trend, market and product development held in 2015 for the first time. Furthermore, AKA, as a platform bank, also offers itself again in 2016 as a host of conferences in a business policy context of trade and export financing in emerging markets.

AKA will again assume its role as a platform in subjects of significance for Germany's export industry in 2016 and give impetus to the discourse in bodies, such as the Hermes IMA, country associations and committees.

Frankfurt/Main, 23 February 2016

The Management of AKA Ausfuhrkredit-Gesellschaft mbH

Beate Bischoff

Marck Wengrzik

Guest contribution



Edna Schöne

Board Member
Euler Hermes
Aktiengesellschaft

The political and economic performance in key sales markets of Germany's export sector, the massive price fall in commodities and increasing geopolitical risks in many regions of the world: These are challenging times for exporting companies and the banks that finance them.

Above and beyond the economic and political developments, the framework conditions for international trade and its financing are also changing. As an example, reference is made here to the regulation reform of the Basel Committee, known as BASEL III, which also affects export trade financing with stricter equity capital standards and new liquidity standards. Against the background of the rapid progress of information and communication technologies, driven by the so-called Internet of Things, massive changes are emerging in the industry, which are called the fourth industrial revolution and therefore summarized under the term Industry 4.0. The change results in decentral and self-optimized production and logistics systems. Companies are facing the challenge of rolling out new business models and production processes and using the opportunities of digitisation in this area.

In this challenging environment, state export guarantees as a central element of supporting exports play a crucial role for export trade and its financing. To play a meaningful role globally, it is more than ever necessary to continuously develop Hermes cover and to adjust it to the changing conditions.

Increasing risk awareness: Risk perception and sensitivity has increased significantly in virtually all areas – geopolitically, economically and socially. The current risk barometer of Allianz also shows this. Due to globalisation, companies are more closely interconnected than ever, which increases risk complexity further: one risk can trigger many more. Global interconnection also means that political/social unrest and war become a direct threat for many companies, as this year's risk barometer shows.

The economic performance in the emerging markets is troubling: In particular the flagging economic momentum in China and its effects on other regions is unsettling many market participants. Experts forecast a rise in insolvency of up to 20 % in the current year. This will not remain without consequences for export trade. But in other emerging markets and developing countries, demand was also weaker last year than in years before that. In addition to structural problems, commodities-exporting countries such as Brazil and Russia are suffering from the lower oil and commodity prices.

The BRICs in general: From the beacon of hope for the global economy to its growth brake in only three years? We are experiencing a transformation process with considerable effects on German exporting companies. But despite all prophecies of doom: emerging markets in general and China in particular will continue to be key target markets for German exporters. New sales markets are appearing, which need to be tapped.

Comprehensive risk cover options globally: For German companies, it is of existential significance that the federal government continues to provide its guarantee instruments – especially in economically and politically challenging times. This will allow exporters to maintain business relationships permanently and continue to successfully compete for new business.

As in previous years, the federal government again kept its guarantees nearly unchanged in tense markets last year. This applies also for Russia. Despite all the economic issues and

political restrictions, the federal government guaranteed exports of deliveries and services to Russia in the amount of a good 3.6 billion EUR last year. In other no less challenging regions, cover options were expanded: For Sub-Saharan Africa, the federal government expanded cover options for Kenya, Senegal and Uganda in 2015. As such, this was a continuation of the development that began in December 2014. By opening up the respective country policies, deliveries and services to state customers in Ethiopia, Ghana, Mozambique, Nigeria, Tanzania, Senegal and Uganda can now be secured with export guarantees. For Angola and Kenya, the restrictions of the cover options for state customers were lifted.

And finally: we have all been monitoring the developments in the Middle East and in particular in Iran very closely and with great interest during recent months. Immediately on signing the nuclear agreement, Federal Finance Minister Sigmar Gabriel travelled to Tehran in order to speak with high-ranking Iranian politicians and businessmen about the time after the sanctions regime being lifted. Since then, also with the involvement of AKA, numerous expert talks have been held in order to create the technical requirements for restarting business relations. After implementing the measures agreed with Iran in the nuclear agreement and the associated lifting of economic and financial sanctions, applications for Hermes cover for transactions in and with Iran can also be accepted again. Businesses are seeing huge potential in Iran. The need for investment is high and there is traditionally a strong demand in Iran for goods "Made in Germany". The country will therefore continue to play a key role for Hermes cover again in 2016.

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Export financing undergoing changes: The higher risk awareness of exporters and banks as a result of the economic and geopolitical developments will continue to cause sustained demand for state export guarantees in the coming year – provided that the instrument does not lose any of its attractiveness. To reflect the current requirements of the market and provide Germany's export sector with first-class support – this is the objective of the federal government as well as of the companies Euler Hermes and PwC, which are tasked as mandataries to carry out the Hermes cover. It is my conviction that we can only fulfil this objective with a genuine customer orientation and a continuous dialogue with the users of the instrument. To this end, a large number of dialogue forums and advisory committees exist; above all the Interministerial Committee (IMA), where AKA holds a permanent seat as a supporting pillar of export financing. In 2015, 14 experts of the IMA again made a key contribution to enhancing the instrument with their competent and committed advice. The subject perhaps discussed most intensively was the question of handling rising foreign content of the covered transactions. Global value-added chains offer additional opportunities, but are a particular challenge for Hermes cover. As an instrument to boost German exports and create and protect jobs in Germany, Hermes cover requires a predominant share of German content in export goods. In dialogue with business, the federal government significantly enhanced the Hermes instrument with a view to including higher foreign content in 2015. If the inclusion of foreign content in export goods seems beneficial for Germany as a place to do business because more export business out of Germany can thereby be generated, the federal government is today willing to accept far higher foreign content than in the past. To ensure the predictability for companies, a pre-enquiry procedure was rolled out, which has been largely rated as very positive to date.

However, there are also other developments that are a challenge for powerful foreign trade promotion and will continue to keep us busy in 2016: They include the increasing regulatory

requirements for banks mentioned above. Rising fixed transaction costs as a result of legal requirements may restrict financing options, in particular of small-volume transactions of German SMEs. The financing of small tickets therefore remains a challenge. It is helpful that AKA finances customer loans for smaller order values for medium-sized exporters under the small ticket facility. However, this does not release the federal government from its obligation to develop further approaches for Hermes cover in dialogue with business and banks in order to facilitate export financing for small and medium-sized companies in particular.

Banking regulation with effects on state-covered export financing: The currently discussed lifting of the zero weighting of state risks and the associated state-covered export financing could also have a cost-driving and therefore negative effect for the German export industry. The introduction of the leverage ratio under BASEL III will also likely affect export financing, as there is no risk weighting of assets under the debt level, which negatively affects low-risk lending such as ECA financing.

Already today, the changed legal framework conditions are contributing to the increase in the significance of alternative refinancing options via the capital market. In addition to the traditional capital market-relevant area of aircraft financing, this also affects the securitisation of bank-financed loans and their financing by institutional investors. Off-balance-sheet refinancing is on the rise, as it relieves banks on the equity capital side. Lifting the zero weighting of state risks could drive this development further.

For Hermes cover, this means: together with export-financing banks, such as AKA, we will monitor the development closely and, where necessary, develop solutions to design export trade financing attractively in the future too. This is also essential for the German export industry to continue to be globally competitive.

Digitisation creates added value for customers: In addition to the geopolitical challenges and regulatory requirements, digitisation is another major subject of our time.

Many opportunities are associated with digitisation. It helps, on the one hand, to improve processes, products and services in the existing business model. On the other hand, it offers entirely new options and innovative solutions in supporting, addressing and winning customers.

Digitisation is more than selling existing products via digital channels. It is only by linking the information, offer and transaction that genuine added value is created for the customer. The mandataries of the federal government are currently in the process of transferring internal and external processes to the digital age in order to create precisely this added value for exporters and banks. Our aim is to achieve simple and quick access to our products and modern multiple-channel interaction. In particular for smaller and medium-sized companies, complexity can be an entry barrier to use existing foreign trade promotion options. Digital processes are a major opportunity for reaching new companies and therefore increasing their opportunities in global competition.

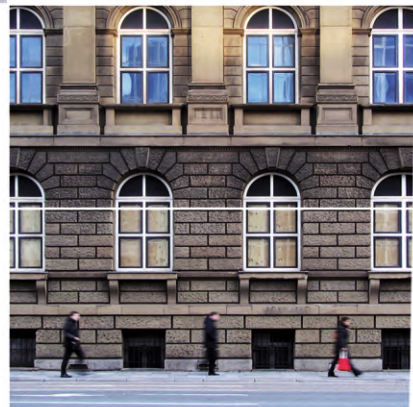
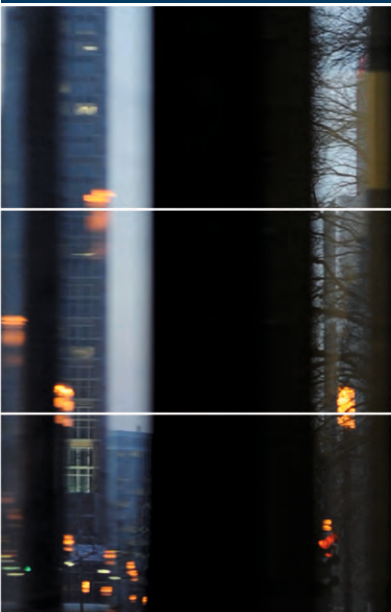
The forms of collaboration that may arise in the area of digitisation was discussed last year by AKA and Euler Hermes within the framework of an innovation workshop. It again became

apparent that AKA is an excellent partner and a good advisor in future-driven matters. This also applies for the development of new forms of dialogue with the inclusion of various stakeholder groups. The AKA Open Space Dialogue on strategy matters with the inclusion of all stakeholders is a clear indication and is an example of how AKA is looking to the future.

I hope we can continue this constructive and target-driven dialogue with AKA in the interest of the German export industry and the banks that finance it in the coming years.



Annual Financial Statements



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Balance sheet
as of 31 December 2015

Aktiva	EUR	31 Dec 2015 EUR	31 Dec 2014 thousand EUR
1. Cash reserves			
a) Cash in hand	834.16		3
b) Balances in central banks	44,452,064.77	44,452,898.93	41,290
thereof: with the Deutsche Bundesbank			
44,452,064.77 EUR (2014: 41,290 thousand EUR)			
2. Loans and advances to banks			
a) Payable on demand	15,642,865.60		20,977
b) Others	587,716,926.90	603,359,792.50	583,918
3. Loans and advances to customers		1,553,417,166.23	1,373,540
4. Debenture bonds and other fixed-interest securities			
a) Money market instruments			
aa) from public issuers	22,962,230.18		
thereof: accepted as collateral by the Deutsche Bundesbank			
0.00 EUR (2014: 0.00 EUR)			
b) Bonds and debenture bonds			
ba) from public issuers	75,056,419.16		
thereof: accepted as collateral by the Deutsche Bundesbank			
75,041,000.00 EUR (2014: 61,697 thousand EUR)			
bb) issued by other bodies	0.00	98,018,649.34	87,545
thereof: accepted as collateral by the Deutsche Bundesbank			
0.00 EUR (2014: 25,822 thousand EUR)			
5. Shares in affiliated companies		8,387,107.30	8,387
6. Trust assets		579,241,730.29	667,450
thereof: Trust loans			
579,241,730.29 EUR (2014: 667,450 thousand EUR)			
7. Intangible assets		207,755.63	207
concessions acquired, industrial property rights and similar			
rights and assets as well as licenses from such rights and assets			
8. Fixed assets		440,119.00	432
9. Other assets		107,557.70	1,737
10. Prepaid expenses		337,794.91	462
11. Active difference resulting from asset offsetting		929,857.88	1,297
Total assets		2,888,900,429.71	2,787,245

Liabilities

EUR

31 Dec 2015
EUR31 Dec 2014
thousand EUR

1. Amounts due to banks			
a) Payable on demand	1,222,477.54		874
b) With an agreed term or period of notice	<u>1,847,990,941.43</u>	1,849,213,418.97	1,666,521
2. Amounts due to customers			
Other liabilities			
a) Payable on demand	8,874,209.00		8,654
b) With an agreed term or period of notice	<u>210,824,347.92</u>	219,698,556.92	218,441
3. Trust liabilities		579,241,730.29	667,450
thereof: Trust loans			
579,241,730.29 EUR (2014: 667,450 thousand EUR)			
4. Other liabilities		592,144.82	203
5. Deferred income		8,664,839.99	9,188
6. Provisions			
a) Pension provisions and other similar obligations	0.00		0
b) Tax provisions	4,703,991.16		3,156
c) Other provisions	<u>13,818,644.41</u>	18,522,635.57	11,726
7. Equity			
a) Subscribed capital	20,500,000.00		20,500
b) Revenue reserves			
Other revenue reserves			
As at 1 January, 2015	176,432,103.15		166,407
Transfer from			
2015 annual net profit	<u>11,935,000.00</u>	188,367,103.15	10,025
c) Balance sheet profit 2015	<u>4,100,000.00</u>	212,967,103.15	4,100
Total liabilities		2,888,900,429.71	2,787,245

1. Contingent liabilities			
Contingent liabilities from guarantees		404,584,564.80	378,840
2. Other obligations			
Irrevocable loan commitments		792,053,866.96	645,454

Profit and loss statement
for the period from 1 January to 31 December 2015

Expenses			2015	2014
	EUR	EUR	EUR	thousand EUR
1. Interest expenses			29,473,683.74	27,971
2. General administrative expenses				
a) Staff expenses				
aa) Wages and salaries	7,339,337.66			6,789
ab) Social security contributions				
expenses for pensions and				
other employee benefits	2,154,158.96	9,493,496.62		2,031
thereof: for pensions				
1,172,599.28 EUR (2014: 1,143 thousand EUR)				
b) Other administration expenses		4,682,496.38	14,175,993.00	4,281
3. Depreciation and value adjustments				
on intangible and fixed assets			271,261.67	266
4. Other operating expenses			1,150,589.57	1,236
5. Taxes on income			8,573,132.58	5,156
6. Other taxes			22,000.80	34
7. Annual net profit			16,035,000.00	14,125
Total expenses			69,701,661.36	61,889
1. Annual net profit			16,035,000.00	14,125
2. Transfer to other revenue reserves			11,935,000.00	10,025
3. Balance sheet profit			4,100,000.00	4,100

Income		2015	2014
	EUR	EUR	thousand EUR
1. Interest income from			
a) Loan and money market transactions	59,291,876.16		56,163
b) Fixed-interest securities	<u>141,727.17</u>	59,433,603.33	270
2. Net fee and commission income		6,499,965.73	7,122
3. Income from the revaluation of receivables and securities as well as from the dissolution of provisions for loans (2014: Expense for depreciation and value adjustments on receivables)		2,905,449.76	(2,458)
4. Other operating income		862,642.54	792
Total income		69,701,661.36	61,889

General explanations: The annual financial statements of AKA Ausfuhrkredit-Gesellschaft mbH for the fiscal year from 1 January to 31 December, 2015 were drawn up in accordance with the requirements of the German Commercial Code and the generally accepted accounting principles under the German Accounting Law Reform Act, the German Limited Liability Company Act as well as the German Ordinance on Bank Accounting.

Accounting policies and valuation methods: Cash reserves, loans and advances to banks and customers and other assets as well as assets offset pursuant to section 246 (2) of the German Commercial Code are shown at par or at acquisition costs. Credit risks were allowed for by means of individual value adjustments, sovereign value adjustments and specific provisions. Furthermore, a contingency reserve according to section 340f of the German Commercial Code is disclosed to cover general banking risks. The overall credit risk was also taken into account by means of a general value adjustment. This was shown in the amount permitted by tax law. Necessary revaluations were made up in accordance with section 253 (5) of the German Commercial Code.

According to the rules for current assets, with the strict lower-of-cost-or-market principle, liquidity reserve securities are shown at the lower of acquisition cost and fair value.

Shares in affiliated companies are valued at their acquisition costs.

Intangible and fixed assets are capitalised at acquisition cost less scheduled straight-line depreciation. Low-value assets were fully written off in the year of acquisition.

Liabilities are recorded at their settlement value.

Provisions for pension obligations are built in accordance with the German Accounting Law Reform Act. Valuation is made according to the Projected-Unit-Credit-Method using biometric data based on the 2005 G mortality tables of Dr. Klaus Heubeck. The calculation is based on anticipated salary and wage increases of 2.1 % p.a. Pension obligations with a remaining maturity of more than one year are discounted at an interest rate of 3.89 % as published by Deutsche Bundesbank for remaining maturities of 15 years.

Pursuant to section 253 (1) sentence 2 of the German Commercial Code, provisions for taxes and other provisions are recognized at the amount according to reasonable commercial assessment. Provisions with a maturity of more than one year are discounted at the average market interest rate of the past seven fiscal years.

Currency conversion was based on the principles of section 256a of the German Commercial Code in conjunction with section 340 h of the German Commercial Code. Foreign currency receivables and liabilities are converted at the reference rate published by the European Central Bank as at 31 December, 2015.

The present-value method is used for the loss-free valuation of the banking book. The banking book includes all on- and off-balance sheet financial instruments. Hidden reserves or hidden losses result from the netting of the banking book's present value under consideration of administrative expenses and risk costs and the banking book's carrying amount. In cases where this results in a surplus of hidden losses, a provision will be made in accordance with section 340a of the German Commercial Code in conjunction with section 249 (1) sentence 1 alternative 2 of the German Commercial Code.

Assets

Loans and advances to banks: Loans and advances to banks mainly result from loans under AKA's plafond E facility. Other loans and advances to banks are divided up according to the remaining maturities as follows:

	31 Dec 2015 thousand EUR	31 Dec 2014 thousand EUR
up to 3 months	58,527	81,697
more than 3 months up to 1 year	269,906	239,177
more than 1 year up to 5 years	230,275	242,376
more than 5 years	29,009	20,668
	587,717	583,918

Loans and advances to banks contain loans to shareholders in a total amount of 27,667 thousand EUR (2014: 19,271 thousand EUR).

Loans and advances to customers: Loans and advances to customers have the following remaining maturities:

	31 Dec 2015 thousand EUR	31 Dec 2014 thousand EUR
up to 3 months	72,631	65,990
more than 3 months up to 1 year	241,535	192,152
more than 1 year up to 5 years	755,427	666,810
more than 5 years	483,824	448,588
	1,553,417	1,373,540

Debenture Bonds and other fixed-interest securities: Debenture bonds and other fixed-interest securities comprise securities of the liquidity reserve only.

(amounts in thousand EUR)						
	31 Dec 2015	Marketable 31 Dec 2014	31 Dec 2015	Quoted 31 Dec 2014	31 Dec 2015	Not quoted 31 Dec 2014
Debenture bonds and other fixed-interest securities	98,019	87,545	98,019	87,545	0	0

This position includes securities amounting to 98,019 thousand EUR (2014: 87,545 thousand EUR), which become due within one year of the balance sheet date.

Shares in affiliated companies: AKA holds a 100 % participation in the share capital of Grundstücksverwaltung Kaiserstrasse 10 GmbH, Frankfurt/Main (GVK) amounting to 31 thousand EUR. GVK is the owner of the business properties Kaiserstrasse 10 and Grosse Gallusstrasse 1 – 7. For fiscal year 2014, this company recorded a surplus of 505 thousand EUR (2013: 435 thousand EUR). In addition, AKA holds a 100 % share (51 thousand EUR) of Privatdiskont-Aktiengesellschaft, Frankfurt/Main. This company currently does not carry on an operative business. For fiscal year 2014, PDA posted a net loss of -0.1 thousand EUR (2013: -0.1 thousand EUR). Owing to the minor importance of these subsidiaries no consolidated financial statements for the group, consisting of AKA, GVK and PDA, were prepared. The shares are non-negotiable.

Trust assets: Trust assets include trust loans, which were granted by AKA for third parties (banks) as well as receivables from indemnified or rescheduled loans managed for third parties. These assets are divided up as follows:

	thousand EUR	31 Dec 2015 thousand EUR	31 Dec 2014 thousand EUR
Loans and advances to banks			
a) Payable on demand	0		0
b) Others	<u>1,151</u>	1,151	2,130
Loans and advances to customers			
a) Payable on demand	0		3
b) Others	<u>578,091</u>	578,091	665,317
		579,242	667,450

Assets analysis: The assets analysis was set up in accordance with Art. 31 (6) of the Introductory Act on the German Commercial Code (EGHGB).

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Notes to the balance sheet

(Amounts in thousand EUR)	Acquisition/ Production costs 01 Jan 2015	Additions (A) Disposals (D) Disposals due to netting (D/B)	Depre- ciation 2015	Depre- ciation Total	As at 31 Dec 2015	As at 31 Dec 2014
Shares in affiliated companies	8,387	–	–	–	8,387	8,387
Intangible assets concessions acquired, industrial property rights and similar rights and assets as well as licenses to such rights and assets	1,327	99 (A)	98	1,218	208	207
Tangible assets (factory and office equipment)	3,051	223 (A) 352 (D)	173	2,482	440	432
	12,765	322 (A) 352 (D)	271	3,700	9,035	9,026

Other assets: Other assets include tax receivables amounting to 13 thousand EUR (2014: 1,686 thousand EUR) and receivables from affiliated companies amounting to 12 thousand EUR (2014: 15 thousand EUR).

Active difference resulting from asset offsetting: The item of the active difference resulting from asset offsetting in the amount of 930 thousand EUR (2014: 1,297 thousand EUR) represents the carrying amount of fund assets in excess of the settlement value of pension provisions.

Liabilities

Amounts due to banks: Amounts due to banks with an agreed term or period of notice have the following remaining maturities:

	31 Dec 2015 thousand EUR	31 Dec 2014 thousand EUR
up to 3 months	221,944	195,385
more than 3 months up to 1 year	314,917	278,121
more than 1 year up to 5 years	776,358	710,729
more than 5 years	534,772	482,286
	1,847,991	1,666,521

Amounts due to banks with an agreed term or period of notice contain amounts due to shareholders in the amount of 430,157 thousand EUR (2014: 461,517 thousand EUR).

Assets in a total amount of 1,417,025 thousand EUR (2014: 1,211,240 thousand EUR) were transferred as collateral.

Amounts due to customers: Amounts due to customers with an agreed term or period of notice have the following remaining maturities:

	31 Dec 2015 thousand EUR	31 Dec 2014 thousand EUR
up to 3 months	62,324	138,941
more than 3 months up to 1 year	148,500	79,500
more than 1 year up to 5 years	0	0
more than 5 years	0	0
	210,824	218,441

Amounts due to customers include unsecuritised liabilities to affiliated companies amounting to 3,468 thousand EUR (2014: 2,699 thousand EUR).

Trust liabilities: Trust liabilities consist of:

	thousand EUR	31 Dec 2015 thousand EUR	31 Dec 2014 thousand EUR
Amounts due to banks			
a) Payable on demand		0	3
b) With agreed term or period of notice	<u>531,441</u>	531,441	606,927
Amounts due to customers			
a) Payable on demand		0	0
b) With agreed term or period of notice	<u>47,801</u>	47,801	60,520
		579,242	667,450

Pension provisions and similar obligations: As of the balance sheet date the settlement amount of pension provisions amounts to 21,702 thousand EUR (2014: 21,085 thousand EUR). It was offset against fund assets, which were transferred to AKA Treuhand e.V. in a Contractual Trust Arrangement (CTA). After allocations to fund assets of 230 thousand EUR (2014: 10,686 thousand EUR) in 2015, they now amount to 22,784 thousand EUR (2014: 22,554 thousand EUR). The amount of fund assets in excess of the settlement amount of pension provisions is classified as active difference resulting from asset offsetting. An allocation of

income and expenses was not necessary. The fair values of the cover assets do not exceed the nominal value. To this extent, there is no distribution prohibition.

Other provisions: Other provisions comprise provisions for imminent credit risks in an amount of 10,031 thousand EUR (2014: 8,062 thousand EUR). The change in the portfolio took into account the discounting of provisions for imminent credit risks amounting to 31 thousand EUR (2014: 150 thousand EUR) and the reduction of discounting of these provisions amounting to 166 thousand EUR (2014: 379 thousand EUR).

Profit and loss statement

Interest income from loan and money market transactions: Interest income from loan and money market transactions according to their geographical origin can be broken down as follows:

	31 Dec 2015 thousand EUR	31 Dec 2014 thousand EUR
Africa	2,979	3,296
Asia and Oceania	8,163	6,598
EU	8,677	8,856
Europe (non-EU)	3,546	2,207
CIS and Russia	9,726	12,268
Middle East	1,143	926
Near East	14,581	13,507
North and Central America	9,924	7,588
South America	553	917
	59,292	56,163

Interest income from loan and money market transactions contain negative interests amounting to 67 thousand EUR. They mainly result from assets held at Deutsche Bundesbank, which exceed the reserve requirements of Deutsche Bundesbank.

Interest income from fixed-interest securities: Interest income from fixed-interest securities amounting to 126 thousand EUR (2014: 270 thousand EUR) originate from securities of the EU area and 16 thousand EUR from securities from North and Central America.

Net fee and commission income: Net fee and commission income results primarily from AKA's trust business as well as risk sub-participations in confirmed letters of credit and purchase agreements with domestic banks.

Other operating income: During the last fiscal year, interest-related income accrued from the discounting of provisions amounting to 5 thousand EUR (2014: 9 thousand EUR).

Interest expenses: Interest expenses include positive interest on financial liabilities in the amount of 13 thousand EUR.

Other operating expenses: Other operating expenses primarily include interest expenses from the discounting of provisions amounting to 972 thousand EUR (2014: 1,012 thousand EUR) as well as expenses from currency conversion of 146 thousand EUR (2014: 161 thousand EUR).

Income taxes: Income taxes affect the result of ordinary business exclusively:

Foreign currency business: The total amount of assets in foreign currency – after deduction of value adjustments – is as follows:

	31 Dec 2015 thousand EUR	31 Dec 2014 thousand EUR
Cash Reserves	33,960	32,942
Loans and advances to banks	79,530	107,745
Loans and advances to customers	713,466	583,943
Debenture bonds	22,962	0
Trust assets	47,558	53,001
Prepaid expenses	110	128
	897,586	777,759

The total amount of liabilities in foreign currencies comprises as follows:

	31 Dec 2015 thousand EUR	31 Dec 2014 thousand EUR
Amounts due to banks	859,318	745,220
Amounts due to customers	103	14
Trust liabilities	47,558	53,001
Provisions	2,296	1,258
Other liabilities	0	0
Deferred income	148	291
	909,423	799,784

Irrevocable loan commitments in the amount of 233,097 thousand EUR (2014: 104,509 thousand EUR) and contingent liabilities amounting to 210,878 thousand EUR (2014: 159,006 thousand EUR) are posted in foreign currency as at the balance sheet date.

In principle, foreign currency assets and liabilities correspond in currency, amount and maturity.

Deferred taxes: Deferred tax assets were not recognised in accordance with the option specified in section 274 (1) sentence 2 of the German Commercial Code. They essentially result from provisions for contingent losses, which cannot be verified fiscally, as well as from reserves formed in accordance to section 340f of the German Commercial Code, and temporary differences relating to pension provisions. The deferred taxes were measured on the basis of individual corporate tax rates. The calculation basis for corporation tax was 15.825 %, and 16.10 % for trade tax.

Contingent liabilities: Contingent liabilities from guarantees can be broken down as follows:

	31 Dec 2015 thousand EUR	31 Dec 2014 thousand EUR
Loan guarantees	249,901	191,160
Letters of credit	118,638	151,634
Other contingent liabilities	36,046	36,046
	404,585	378,840

The utilisation risk of contingent liabilities is assessed to be low since they concern letters of credit and guarantees associated with foreign trade financing.

Other obligations: Irrevocable loan commitments comprise as follows:

	31 Dec 2015 thousand EUR	31 Dec 2014 thousand EUR
Irrevocable loan commitments for the lending business	787,528	633,196
Irrevocable loan commitments for securitisation guaranties	4,526	12,258
	792,054	645,454

The utilisation of irrevocable loan commitments for the lending business is expected.

Other financial obligations: AKA has concluded securitisation guarantees with the Federal Republic of Germany as collateral for refinancing loans. As part of supplementary guarantee covenants, AKA is committed to reimburse the guaranteed amount in case of the utilisation of securitisation guarantees. Possible payment claims from guarantee provisioning in connection with securitisation guarantees existed at the end of the year in the amount of 720,280 thousand EUR (2014: 612,536 thousand EUR).

Forward transactions/hedge accounting: As at the balance sheet date, AKA had forward transactions with interest rate risks in the form of interest rate swaps. Forward transactions merely serve to hedge against the risk of fluctuating future cash flows from the lending business. Insofar as the hedging measures are effective within the limits of the used methods, they and the associated loan receivables constitute valuation units based on micro-hedges and thus are not recognised at fair value. The carrying amounts of the receivables comprising such valuation units correspond to the nominal volume of the forward transactions.

Hedge relationships are recorded from the point of their conclusion and examined to check the effectiveness of the hedging measures. Prospective effectiveness is measured by means of the critical terms match method. Retrospective effectiveness is measured by means of the dollar-offset method. Effectiveness is given if the ratio of the changes in the fair values of the cash flows ranges between 0.5 and 2.0. AKA applies the net hedge presentation method in order to present the effective parts of the valuation unit.

As at the balance sheet date, AKA had no valuation units including forward transactions in the form of interest rate swaps (2014: one valuation unit with a nominal volume of 5,000 thousand EUR). As at 31 December 2015, one interest rate swap with a nominal volume of 5,000 thousand EUR existed. It is not part of valuation units and thus, a positive fair value of 148 thousand EUR is recognised.

Counterparty of the derivative is one of AKA's shareholders.

Remuneration: The members of the Supervisory Board receive a remuneration of 230 thousand EUR (2014: 223 thousand EUR) plus VAT.

As at 31 December 2015, provisions for pension obligations to former managing directors and their surviving dependents were built in the amount of 7,506 thousand EUR (2014: 5,411 thousand EUR). In 2015, remunerations amounted to 503 thousand EUR (2014: 479 thousand EUR).

With regard to the remuneration of managing directors, AKA applies the derogation mentioned in section 286 (4) of the German Commercial Code in conjunction with section 285 no. 9a of the German Commercial Code.

Auditor's fees: Fees for the auditor of the annual financial statements for fiscal year 2015 are broken down as follows:

	31 Dec 2015 thousand EUR	31 Dec 2014 thousand EUR
Annual audit	192	190
Other confirmation or valuation services	9	6
Tax consulting services	19	34
Other services	5	78
	225	308

Employees: AKA Ausfuhrkredit-Gesellschaft mbH and its subsidiaries, Grundstücksverwaltung Kaiserstrasse 10 GmbH and Privatdiskont-Aktiengesellschaft as well as Liquiditäts-Konsortialbank GmbH i.L. – all based in Frankfurt/Main – are conducted under common management. The average of AKA's employees in the past fiscal year is made up as follows:

	Male	Female	2015 Total	2014 Total
Full-time staff	37	28	65	60
Part-time staff	4	20	24	25
Parental leave	0	1	1	1
	41	49	90	86

Executive bodies: The AKA Supervisory Board is composed as follows:

Full members	Deputy members	Full members	Deputy members
Michael Schmid ^{1) 2)} Economist Königstein/Ts. Frankfurt/Main – Chairman –	Martin Keller Director Commerzbank AG, Frankfurt/Main as of 25 June, 2015 Klaus Windheuser Managing Director Commerzbank AG, Frankfurt/Main until 25 June, 2015 Frank Schütz Director Deutsche Bank AG, Frankfurt/Main	Joachim Landgraf Senior Vice President Landesbank Baden-Württemberg, Stuttgart until 26 March, 2015 Winfried Münch ¹⁾ Director DZ BANK AG Deutsche Zentral- Genossenschaftsbank, Frankfurt/Main Max Niesert ¹⁾ Managing Director Portigon AG, Düsseldorf	Elvira Bergmann Vice President Landesbank Baden-Württemberg, Stuttgart until 26 March, 2015 Manfred Fischer Director DZ BANK AG Deutsche Zentral- Genossenschaftsbank, Frankfurt/Main Georg Lucht Executive Director Erste Abwicklungsanstalt AöR, Düsseldorf as of 26 March, 2015 Barbara Caspary-Pitzer Director Portigon AG, Düsseldorf until 26 March, 2015
Werner Schmidt ^{1) 2)} Managing Director Deutsche Bank AG, Frankfurt/Main – 1st Vice Chairman – Philipp Reimnitz ^{1) 2)} Executive Vice President UniCredit Bank AG, Munich as of 1 January, 2015 – as of 26 March, 2015: 2nd Vice Chairman –	Inés Lüdke Managing Director UniCredit Bank AG, Munich Florian Seitz Director Bayerische Landesbank, Munich as of 26 March, 2015 Beate Mayer Director Bayerische Landesbank, Munich until 26 March, 2015	Knut Richter Director Landesbank Berlin AG, Berlin as of 26 March, 2015 Hans Jürgen Kulartz Board Member Landesbank Berlin AG, Berlin until 26 March, 2015	Sascha Händler Director Landesbank Berlin AG, Berlin as of 26 March, 2015 Knut Richter Director Landesbank Berlin AG, Berlin until 26 March, 2015
Sandra Gransberger Director Corporate Banking BHF-BANK AG, Frankfurt/Main as of 26 March, 2015 Birgitta Heinze Director BHF-BANK AG, Frankfurt/Main until 26 March, 2015 Jörg Hartmann Director Landesbank Hessen-Thüringen Girozentrale, Frankfurt/Main Guido Paris Executive Vice President Landesbank Baden-Württemberg, Stuttgart as of 26 March, 2015	Birgitta Heinze Director BHF-BANK AG, Frankfurt/Main as of 26 March, 2015 Diana Häring Vice President Landesbank Hessen-Thüringen Girozentrale, Frankfurt/Main Michael Maurer Senior Vice President Landesbank Baden-Württemberg, Stuttgart as of 26 March, 2015		

¹⁾ Member of the Risk Commission ²⁾ Member of the Nomination and Compensation Control Committee

AKA Management consists of:

Beate Bischoff
Frankfurt/Main



Marck Wengrzik
Frankfurt/Main

Rüdiger Eggert
Friedrichsdorf
until 10 May 2015

Appropriation of net profit: We propose to distribute the balance sheet profit of 4,100 thousand EUR to our shareholders.

Frankfurt/Main, 23 February 2016

The Management of AKA Ausfuhrkredit Gesellschaft mbH

 
Beate Bischoff Marck Wengrzik

Auditor's report

We have audited the annual financial statements, comprising the balance sheet, profit and loss statement and the notes to the financial statements; together with the bookkeeping system and the management report of AKA Ausfuhrkredit-Gesellschaft mit beschränkter Haftung, Frankfurt/Main, for the fiscal year from 1 January to 31 December 2015. The maintenance of the books and records and the preparation of the annual financial statements and management report in accordance with German Commercial law are the responsibility of the Company's Managing Directors. Our responsibility is to express an opinion on the annual financial statements, together with the bookkeeping system, and the management report based on our audit.

We have conducted our audit of the annual financial statements in accordance with section 317 of the German Commercial Code (HGB) and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany), IDW. Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the annual financial statements in accordance with German principles of proper accounting and in the management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the company and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the books and records, the annual financial statements and the management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the accounting principles used and significant estimates made by the company's Managing Directors, as well as evaluating the overall presentation of the annual financial statements and the management report. We believe that our audit provides a reasonable basis for our opinion.

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Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the annual financial statements comply with the legal requirements and give a true and fair view of the net assets, financial position and results of operations of the company in accordance with German principles of proper accounting. The management report is consistent with the annual financial statements and as a whole provides a suitable view of the company's position, and suitably presents the opportunities and risks of future development.

Frankfurt/Main, 24 February 2016

PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft



Christoph Theobald
Wirtschaftsprüfer
(German Public Auditor)



ppa. Muriel Atton
Wirtschaftsprüfer
(German Public Auditor)

AKA Ausfuhrkredit-Gesellschaft mbH

Grosse Gallusstrasse 1 – 7

60311 Frankfurt/Main

Telephone: (069) 2 98 91 – 00

Telefax: (069) 2 98 91 – 2 00

e-mail: info@akabank.de

Internet: www.akabank.de

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