AKA Ausfuhrkredit-Gesellschaft mbH

Annual Report 2024

EUROPEAN
EXPORT + TRADE
BANK

Key figures of AKA

Income statement in EUR thousand	01/01/–31/12/2024	01/01/–31/12/2023
Net interest income (HGB)	61,652	56,453
Net fee and commission income (HGB)	6,169	5,956
Administrative expenses incl. IIB (innovation and investment budget)	33,143	31,339
Operating result	34,679	31,070
Risk provisioning	-3,616	-5,668
Earnings before taxes	32,528	23,066
Net profit/loss for the year	13,200	8,025

Key Performance Indicator (KPI) in %	01/01/–31/12/2024	01/01/–31/12/2023
Return on equity before taxes	11.3	8.1
Return on risk-weighted assets	4.7	4.2
Cost-income ratio before IIB	43.6	44.0
Cost-income ratio with IIB	48.9	50.2
Ratio of expected loss to exposure at default	2.0	2.3
Ratio of ESG score 4+5 to net exposure	28.8	23.8
Total capital ratio	22.4	19.6

Other key figures in %	01/01/–31/12/2024	01/01/–31/12/2023
Leverage ratio	21.4	19.0
Liquidity coverage ratio	157	226
Net stable funding ratio	108	110
Economic non-performing loans ratio	0.5	1.4

Obituary

Dr Gerhard Friedrich Willi Hösch

With great sadness and deep respect, we bade farewell to Dr Hösch, who passed away on 26 April 2024 at the age of 99.

Dr Hösch joined AKA as a lawyer on 16 February 1953, one year after the founding of the bank. With tireless commitment, he contributed to our company both from a professional and a human perspective. It was the start of a long and remarkable career: On 27 March 1962, not even ten years after joining AKA, he was appointed Member of the Board. And in 1966, he assumed the role of Managing Director after AKA's reorganisation into a GmbH. With his courage to innovate and his decision-making ability, he led AKA for over 37 years and played a major role in its development and success. One example is the launch of the Plafond C, as well as the conclusion of the first loan agreements with foreign borrowers, which initiated AKA's international focus.

He had an exceptional gift for relating with people, always showing understanding and taking time for others' concerns. His reliability, helpfulness, sincerity, trustworthiness, and kindness made him a highly valued and respected colleague. If problems or conflicts arose, he always sought the most reasonable solution until he found a satisfactory answer. He was considered an institution within AKA – perhaps even as the mother of the company – as his colleague Mr Jürgen Strege, also a managing director at the time, affectionately referred to him in 1990 on his departure.

We thank Dr Willi Hösch for all he has done for AKA and its development. We will remember him as a dedicated professional with a broad vision, and as an extraordinary individual.

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Foreword, guest contribution, and reports

Foreword by the Management

AKA creates the strategic momentum for the future

Dear Readers,

The year 2024 was marked by economic challenges that impacted the environment in which AKA operates. Like our customers, we were particularly challenged in the past year to successfully hold our ground under the given circumstances.

Our business model, that of a specialised credit institution, has proven itself again. As a reliable partner, we successfully collaborated with our customers and, at the same time, reinforced the bank's resilience in many areas.

The result of this performance is presented to you today: A solid operating result with earnings before taxes of EUR 32.5 million.

This positive result was based on our strong loan book and the strategic diversification of our business model, which was divided into two segments, Export & Agency Finance and Structured Finance and Syndication. Both business segments made a significant contribution to the operating result – a testament to the stability and balance of our business model.

In 2024, the global economy recovered modestly but was still subject to significant uncertainty. The continued geopolitical instability, particularly in Eastern Europe and the Middle East, as well as volatile energy and commodity markets, presented major challenges for companies worldwide and required a high degree of flexibility. At the same time, weakened economic growth in China and a restrictive monetary policy in many countries created a slowed global dynamic. On a positive note, supply chains stabilised, and growing demand in emerging markets benefited from the global economy.

In these challenging times, it is critical for AKA and its partners, including banks, exporters, importers, and credit insurers, to be proactive and actively create momentum. Our goal for 2025 is to work together to make a significant contribution to strengthening the economy.

With the “AKA 2028” strategic project, we want to enhance our bank for the long term and make it future-proof. We can build on our proven and resilient business model, which has established us in the market for decades.

Closely tied to the “AKA 2028” strategy is the topic of transformation – a challenge that many companies and financial institutions are dealing with now and in the future. We are pleased that Dr Erich Suess and Mr Markus Ampenberger (Boston Consulting Group) address and delve into this important topic in their guest contribution to this annual report.

We would like to take this opportunity to thank our employees, who have made the positive performance of recent years possible with their personal commitment. The shared “AKA spirit” plays a key role in the success of our bank. We also extend our thanks to our shareholders for their trust in AKA. We would especially like to express our appreciation for the outstanding collaboration with our customers, which we intend to continue and deepen.

As usual, in the next few pages, we will provide you with more insight into the past financial year 2024 and an outlook for 2025 in an interview format.

Dr. Nadja Marschhausen
Chief Operating Officer (COO)

Marck Wengrzik
Chief Executive Officer (CEO)

Frank Zimmermann
Chief Risk Officer (CRO)

Interview with the Management

Dr. Nadja Marschhausen
Chief Operating Officer (COO)

Marck Wengrzik
Chief Executive Officer (CEO)

Frank Zimmermann
Chief Risk Officer (CRO)

AKA 2024: A look back

How do political unrest and global conflicts impact the export economy, and what is the significance of these developments for AKA? Do you see them as a challenge or an opportunity?

Marck Wengrzik: Political unrest and global conflicts are both challenges and opportunities for AKA. On one hand, crises lead to a greater demand for risk hedging options, for example, in the form of a confirmed letter of credit. In addition, they often reduce the lending options through banks in the respective local import markets. This naturally increases the importance of supporting financing for exporters and thus necessitates, for example, a financing offer supported by an export credit agency, such as Euler Hermes. On the other hand, export activity decreases, as is currently the case for Germany, due to restrained demand from importing countries. And of course, the risks of supporting such financing are correspondingly higher. In our view, the weakening effect on demand prevailed in 2024. Consequently, the loan volume of new export financing transactions remained below our expectations.

I am convinced that in 2025, we will participate more vigorously in the opportunities with AKA's new strategy, and we will generate significant growth, especially in export finance.

Frank Zimmermann: The German export economy was under pressure from both external influences and domestic challenges. Geopolitical conflicts can never go entirely unnoticed by an international business model specialising in export and trade. But we have proven successfully in the past that we can deal with these challenges well, in no small part due to our broadly diversified loan portfolio. Change also always brings opportunities. In my opinion, this is another strength of AKA: the ability to react quickly to changes and to seize new opportunities. If we see negative developments in specific markets or products, we can usually compensate for them through other regions and products.

With the world becoming increasingly fragmented, risk management was certainly of great importance in 2024. What are some of the most positive aspects of 2024 that you can highlight?

Frank Zimmermann: From a risk management perspective, 2024 was a very successful financial year. Despite the ongoing geopolitical challenges, we were able to further strengthen AKA's resilience and once again significantly increase the quality of the loan portfolio. We have now significantly reduced our economic NPL ratio for the second year in a row. At the end of 2022, we were still at 2.2 %. At the end of 2023, the ratio was 1.4 %. And at the end of 2024, it was further reduced to 0.5 %. This substantial improvement is accompanied by an overall decrease in the volume of our credit watchlist. In the meantime, we have reduced the net liability in Russia by a high 71 % compared to the start of the war. At the same time, we increased our equity ratio to a very high 22 %. We have created a stable framework so that we can fully support the "AKA Strategy 2028" even from the risk functions.

With the "AKA Strategy 2028" launched in 2024, AKA strives to look toward the future. What are the key themes in this regard?

Marck Wengrzik: We very consciously articulated our vision: Increasing relevance for our shareholders and partners is fundamental.

This concerns the topics of both Export and Trade Finance in Germany and Europe, which form the DNA of AKA. We are strengthening these through clearer positioning in foreign markets, along with a focused broadening of our activities with Western European export credit agencies.

In addition, we are expanding our business model with another pillar, in which we will provide support for German and intra-European transactions exclusively for our shareholders.

We are thus strengthening AKA's relevance, especially for the shareholders, while broadening the business base and increasing the resilience of our business model. This combination creates a robust growth story as profitability increases.

AKA 2025: A look ahead

Mr Wengrzik has explained the key features of Strategy 2028. Can you give us a quick look at each of the steps within your business area?

Dr Nadja Marschhausen: The securing of refinancing naturally plays an key role in the expansion of financing activities and volumes. In 2024, we already expanded our base of refinancing sources with the start of the deposit brokering. In 2025, we will continue our efforts to further expand refinancing sources, reduce dependencies, and strengthen our resilience to market and interest rate changes.

Frank Zimmermann: Particularly for the new business area “Acquisition Finance & Midcap Loans”, suitable human resources, adequate infrastructure, and appropriate documentation must be created. We are progressing well in each of these areas and are pleased with the route we have taken.

Dr Marschhausen, in addition to the buildup of more efficient refinancing sources, portfolio management is a key topic for AKA. Can you briefly outline the importance of portfolio management within AKA and the associated opportunities?

Dr Nadja Marschhausen: In 2024, we focused on reorganising our specialist teams and purposefully focusing on tasks. This foundation enabled us to further build the expertise needed to grow the ECA business – both in the loan portfolio and in loan-related services, such as the agent role. We have also taken the first steps to centralise the KYC process. This gives us additional momentum to further increase efficiency and quality, especially when we onboard new business customers.

Sustainability is an ongoing topic. Has AKA planned specific measures or set any goals for 2025?

Marck Wengrzik: Sustainability is a key topic for AKA, and we are actively promoting it in various places. In addition to meeting regulatory requirements, such as CSRD reporting, we are focusing on strengthening new business with additional subject matter expertise. For the first time for AKA, we are hiring an environmental engineer in the Environmental & Social Advisory area. Our goal is to support our customers even more closely with sustainable solutions and the related responsibilities.

In addition, GVK is already in the preliminary planning for a comprehensive building renovation, which will start in summer 2025. Our goal is to improve energy efficiency and thus reduce CO2 emissions. In doing so, we are not only modernising the technical systems, but also making renovations to the rear façade, the windows, and the roof.

AKA is an active member and sponsor in some foreign trade associations, and it supports events and business travel. What does this commitment mean to you, and what plans are there for 2025?

Marck Wengrzik: The active support of foreign trade associations is of great importance to us, especially our close cooperation with the German Eastern Business Association (Ost-Ausschuss der Deutschen Wirtschaft). Together, we are already planning two specific events, one on Kazakhstan and another on finance solutions for Eastern Europe and Central Asia. In addition, we have initiated a new cooperation with Swiss Export, which gives us new perspectives on the international markets from Switzerland.

With delegation travel, the focus will remain on CIS countries, but the African market is also increasingly in our view. We see great potential there and want to be more involved in that region in 2025.

Using key words for your closing remarks: What factors will be key to preserving AKA's strength for the long-term in 2025?

Dr Nadja Marschhausen:

- Securely refinancing AKA financings within their product-specific terms in a way that supports profitability
- Developing AKA-relevant frameworks for the deployment of cloud-based IT services and AI-powered applications

Frank Zimmermann:

- Continuing to proactively and intensively monitor geopolitical movements
- Preserving a diversified earnings base and a diversified loan portfolio
- Laying the foundation to supplement our international business model with a domestic or intra-European footprint

Marck Wengrzik:

- Attracting new, top-notch employees for AKA, which is of course related to our constant ambition to keep our colleagues at AKA for the long term
- Increasing efficiency through enhanced use of technology
- Broadening our business model

Guest contribution

Dr. Erich Suess
Managing Director and Partner
Boston Consulting Group

Dr. Markus Ampenberger
Managing Director and Partner
Boston Consulting Group

Export finance in the tug-of-war between tradition and transformation: global trade in the midst of change

Global trade is in a period of profound change after many years of multilateralism, free trade without restrictions on imports and exports, and the use of global supply chains. A period of relative political stability after the end of the Cold War is giving way to geopolitical conflict, economic nationalism and protectionism, and national security policy interests. These tectonic shifts are slowing the growth of global trade. While overall growth remains positive, it will be more moderate in the future and more focused on regional markets.

New patterns in trade streams

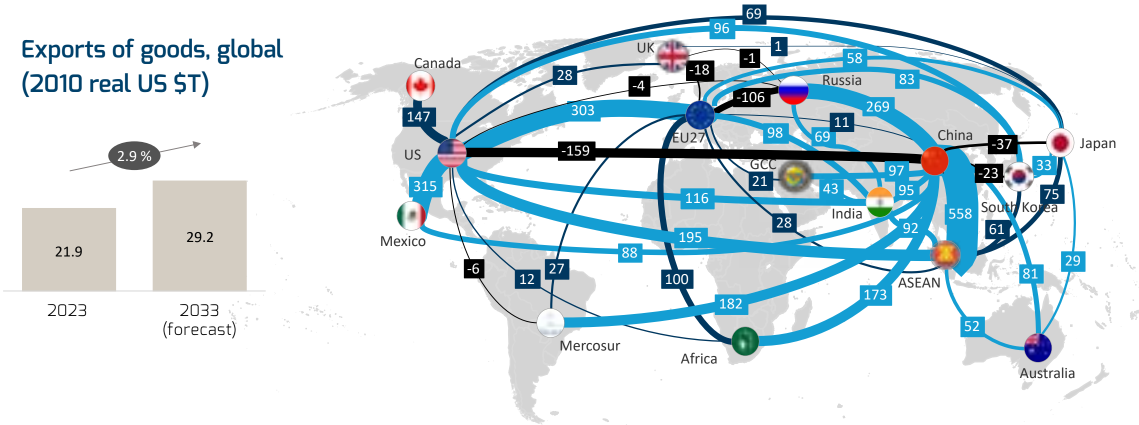
As a result of the changing geopolitical situation, companies are reconfiguring their supply chains and trade routes with the goal of reducing dependencies on a few suppliers and/or the supply of key raw materials or (preliminary) products from geopolitically unstable regions. For example, the new US government is expected to try to reduce dependence on imports and sway global businesses to relocate manufacturing sites to the US as part of its economic policy involving the declaration of tariffs.

This trend will impact certain industries particularly strongly, including the automotive sector (exporters from the EU) and the electronics industry (exporters from Asia). At the same time, it is expected that China will be increasingly aligned with the Global South[1] while India and Southeast Asia are gaining in importance as growth engines of global trade. Europe is also facing a realignment: The aim is to significantly increase productivity and expand the focus on China to date through increased domestic trade in the EU and partnerships with the US, Japan, and emerging markets, such as India, Turkey, and Africa.

The figure shows currently anticipated changes in global trade flows over the next decade based on the BCG Global Trade Model[2]. Due to the fragile geopolitical situation, however, depending on the development of industrial and customs policy, higher uncertainty and volatility with respect to trade volume and its regional distribution can also be expected in the coming years.

How trade flows between nations and regions will change by 2033

Changes in goods traffic, main corridors[1] (2033 vs. 2023, 2010 real, USD billion)



Line colors represent total global trade 2023–2033 CAGR: < 0 % 0 %–2,9 % > 2,9 %
Line thickness represents total change in trade flows 2033 vs. 2023:

Source: BCG Global Trade Model 2024; UN Comtrade; Oxford Economics; IHS Markit; World Trade Organization; BCG analysis.
Note: Floating foreign-exchange rates are used for the entire period; residual EU-Russia trade is for 2023 due to staggered sanction schedules.
1. Corridors in the map above represent ~45 % of global trade.

In this uncertain environment, a geostrategic view with forward-looking scenario planning is becoming essential for international companies so that they can anticipate geopolitical developments early on and flexibly adapt supply chain and trading strategies to the given situation.

Technology as a driver of change

Digital innovation is transforming the way the global export economy is handled. AI-powered data collection was a first step, but end-to-end digitisation requires structured data formats and API-based networks. Regulatory gaps, fragmented standards, and isolated platforms still hinder progress. At the same time, new technologies such as generative AI have significant potential – from automated data extraction to document review and contract management. Many applications are still in the pilot phase, but companies that invest in them early gain clear competitive advantages in the increasingly digitised world of commerce.

Europe in line with global trends

The increasing regionalisation and strategic reconfiguration of supply chains are also clearly visible in Europe and Germany. One example is the replacement of Russian energy imports with supplies from Norway or strategic partners like the United States. Further momentum for the export economy arises from the increased Basel III capital requirements and expanded compliance regulations; the implementation of new free trade agreements, such as Mercosur; and the Green Deal and ESG regulations.

Germany's export economy between continuity and adaptation

The German export economy is facing a structural change in its sales markets, while its industrial concentration is expected to remain unchanged. Based on a trade surplus of around EUR 300 billion and a share of about 10 % of the worldwide trade of goods in 2023, Germany will remain a leading export nation in the next few years. EU countries continue to be its most important trading partners, both as a sales market and as collaborators in course-setting for trade policy. At the same time, due to the geopolitical situation, greater diversification of sales markets is to be expected, for example, through an expansion of trade relationships with countries in the Global South. Despite market changes, the export economy is expected to remain focused on its established core industries: The engineering, automotive, chemical, and pharmaceutical industries will continue to form the mainstay of German foreign trade.

Export and Trade Finance under pressure

The export loan business in Germany has not moved in line with the general development of foreign trade in recent years. For example, while exports increased overall, the new coverage volume of export credit guarantees in the German market declined noticeably. At the same time, there are significant differences in the use of these hedging instruments within the EU. While some Member States rely heavily on export credit guarantees, their importance remains limited in other markets. These differences require targeted, country-specific strategies for banks and specialty financiers like AKA so that they can secure their ECA-covered financing over the long term and develop customised, competitive solutions for exporters.

Strategic course-setting for AKA's future

To maintain its key role for German and European exporters, even in an environment with increasing regionalisation, technological disruptions, and regulatory challenges, AKA must continue to develop its strategic orientation. Three key diversification levers are the focus:

Geographic diversification

Germany remains the central market, but it would be sensible to expand the business focus to other European countries with growth in the ECA business. Targeted expansion of AKA's network and broader positioning within Europe can greatly help AKA remain competitive in the long term as a specialised financier.

Sectoral diversification

Increased engagement in growth industries, particularly in the area of green transformation with high financing volumes involving German companies as suppliers or partners in consortia for the expansion of sustainable infrastructure, renewable energy such as geothermal energy and wind/solar energy, and technological innovations, is crucial. Here, AKA can position itself as a specialist partner of the German lending industry through the targeted expansion of industry expertise to effectively support the export economy in these key future sectors.

Product portfolio expansion

Beyond the classic ECA protection, it makes sense for AKA to further develop its finance offer to stimulate future growth. The targeted development of expertise in the areas of leveraged finance and the syndicated loan business (for example, for the export-oriented German mid-market) would enable AKA to cooperate with its shareholder banks in other business areas as well and to expand its product portfolio.

With the measures outlined here, AKA can actively help shape trade finance in the tug-of-war between tradition and transformation and permanently strengthen its position as a specialist financier and key partner of the German lending industry.

1 The “Global South” refers to 133 low- and middle-income countries, which today account for about 18 % of the world’s gross domestic product and 30 % of global trade, but about 62 % of the world’s population.

2 BCG (2025). Great Powers, Geopolitics, and the Future of Trade. https://www.bcg.com/publications/2025/great-powers-geopolitics-global-trade

Daniel Schmand
Chairman
of the Supervisory Board

Report of the Supervisory Board 2024

Ladies and gentlemen,

I am reporting here on behalf of the entire Supervisory Board of AKA. Despite ongoing major geopolitical challenges, 2024 was marked by solid financial performance and a stable risk situation for AKA.

As provided for in the relevant rules of procedure, a total of five ordinary meetings were held. The Supervisory Board was supported by the Risk Committee (RC), the Nomination Committee (NC), and the Remuneration Control Committee (RCA). AKA also held a joint, external training on "DORA" for the members of the Supervisory Board. The Supervisory Board and its committees duly carried out the tasks incumbent on them as set forth by law, the articles of association and the rules of procedure and regularly monitored the Management in a timely manner.

The reliable collaboration with Management continued in 2024. Throughout the reporting year, the Management informed the Supervisory Board of all significant developments and events promptly, proactively, continuously, and comprehensively. As part of its monitoring function, the Supervisory Board was involved in all key decisions for the bank.

The Supervisory Board's previous three-year term of office expired in the reporting period. It was therefore reconstituted on 30/04/2024 for the 2024 to 2027 period. At that time, I, Daniel Schmand, was elected the new Chairman of the Supervisory Board. Thomas Lingemann was elected First Deputy and Chairman of the Risk Committee. I would like to take this opportunity to thank Michael Schmid, the former Chairman of the Supervisory Board, for his outstanding work and tireless commitment to AKA in the past few years. I would also like to thank Werner Schmidt, the previous First Deputy and Chairman of the Risk Committee, who also left AKA's Supervisory Board. I would also like to thank the departing members Winfried Münch, Florian Witt, Inga Leitzbach (Deputy Member) and Frank Schütz (Permanent Representative). I would like to newly welcome to AKA's Supervisory Board Gottfried Finken, Björn Mollner, Sandra Primiero (Permanent Representative), Dr Hanna Lehmann (Permanent Representative), and Heinz Boiger (Deputy).

The work of the Supervisory Board was shaped by the AKA Strategy 2028, which was discussed intensively in two strategy meetings between Management and the Supervisory Board and with the advice of the Boston Consulting Group. In addition, the course of business, financial performance, cash flows and liquidity, and risk management were discussed regularly and intensively. The successful reduction of the Russia exposure by more than 70 % since the start of the Russian war in Ukraine; the successful RWA management, which yielded an equity ratio of a very high 22 %; and the successfully established cooperation with the deposit broker Raisin must be specifically highlighted here. The business and risk strategies were discussed in detail, as were comprehensive and strict stress tests. The multi-year 2025 to 2028 business planning was unanimously supported by the Supervisory Board based on the AKA Strategy 2028.

To enable the best possible focus on the various elements of Strategy 2028, the Nominating Committee aligned the Management organisation and informed the Supervisory Board of this. As of 01/01/2025, Dr Nadja Marschhausen, as COO, will be responsible for the IT, HR, Legal, Portfolio Management, and Treasury departments. Marck Wengrzik, as CEO, will take over new business, Corporate Development, Sustainability, and Internal Audit. Our reliable Management back office, led by Frank Zimmermann, remains unchanged.

I would also like to extend a special thanks to the Management and employees of AKA for the work performed amidst the ongoing challenges during the financial year. In 2025, we will implement the Strategy 2028, both in AKA's international core business and through the setup of the new "Acquisition Finance & Midcap Loans" business area. The basis for this will continue to be solid risk management in geopolitically challenging times and a further expansion of the refinancing base. My colleagues on the Supervisory Board and I see AKA well-equipped for another successful year.

Frankfurt/Main, March 2025

For the Supervisory Board of
AKA Ausfuhrkredit-Gesellschaft mbH

Daniel Schmand

Management report

1. Fundamentals of the business model
A specialised credit institution for international Export and Trade Finance

Since 1952, AKA has worked as a specialised credit institution for export and international trade finance. It collaborates with a variety of market participants, including banks, exporters, importers, investors, and European export credit agencies (ECAs). The focus of its business activity is on finance and risk assumption in emerging markets (EMs).

AKA's vision is to strengthen its relevance for its partners as an established specialist financier in times of transformation – in Export and Trade Finance and beyond.

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

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

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

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

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

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

As part of the implementation of the AKA Strategy 2028, the business model will be further developed. The greater focus on the Europeanisation of the ECA business and the overarching development of additional expertise in the area of transformation financing are relevant components here. Furthermore, market opportunities that reinforce AKA's complementary nature should be taken advantage of in adjacent business areas.

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

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

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

2. Economic report

2.1 Influencing framework conditions

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

In 2024, the global economy expanded moderately. The World Bank estimated global real gross domestic product (GDP) growth in 2024 at 2.7 %, which corresponds to the previous year's growth. Behind this, there are unequal developments between the individual sectors. In particular, the global industrial economy underperformed the global gross domestic product, which was supported primarily by less trade-intensive service sectors and country-specific government spending. Thanks to the progressed, to some extent tentative, disinflation process and the initiated easing of monetary policy in key industrialised countries and emerging markets, economic boosts occurred over the course of the year.[1]

In general, emerging markets performed more strongly than industrialised countries. In the full year, the aggregate expansion rate of industrialised countries was 1.7 %. Compared to the US, growth in Western Europe was subdued. Emerging markets, on the other hand, were again able to grow by 4.1 %. Commodity-importing countries benefited from continued easing of agricultural and energy prices. In some commodity-exporting countries, global weakness in demand from the industrial sector was noticeable.[2]

The World Trade Organisation (WTO) noted a recovery in global trade of goods, in line with the global economy, with a volume increase of around 2.7 % for 2024 (previous year: -1.2 %). Taking into account the (lower) commodity prices, world trade largely stagnated on a US dollar basis. In the second half of the year, momentum accelerated due to the anticipatory effects from the uncertainty about the future US trade policy, among other factors. Asia's exports had the largest increase, driven by strong demand for technology-related goods. Central Asia was in the middle range. In Africa, exports weakened due to lower commodity prices.[3] Western European exporters experienced increasing competition from China and a deterioration in international competitiveness. A bilateral trade preference with countries with similar geopolitical interests ("friend shoring") could be identified globally.[4]

Industrialised countries: USA – eurozone – Germany

In 2024, the US continued to enjoy a robust economy, with real GDP growth of 2.8 %, after 2.9 % in the previous year, supported by strong domestic private demand and stimulus from industrial policy programmes.

According to preliminary data from the EU Commission, the economic momentum in the eurozone rebounded slightly in 2024, with real GDP rising by 0.8 %, following a stagnation in the previous year.[5] Private consumption remained subdued despite an increase in purchasing power. Corporate investments were weak due to global political and regulatory uncertainties and the aftereffects of the recent tightening of monetary policy. Subdued export demand for industrial goods is putting a strain on economies, especially in the major automotive sector.[6]

For Germany, GDP declined by 0.2 % for 2024. The state expanded its economic activities. Private consumption increased slightly as the purchasing restraint of private households decreased only modestly.[7] In significant and export-oriented sectors such as capital goods, the automotive sector, and energy-intensive industries, production continued to decline due to weak orders, increasing international competition, and structural challenges. In an international comparison, Germany is particularly affected by structural changes in the manufacturing sector (-3.0 %), enhanced by digitisation and decarbonisation. The restrained global industrial economy provided little stimulus for the export of German goods (-0.8 %). Imports were largely stagnant.[8]

Emerging and developing countries

According to current 2024 figures, economic growth in emerging markets remained robust at 4.1% (previous year: 4.2 %). Domestic demand improved gradually, supported by better financing conditions and an upturn in lending business, which compensated for partly subdued foreign demand. A high degree of heterogeneity can be noted.[9]

According to the World Bank, high growth rates in South and East Asia were also fed by the increasing importance of digitisation. China's economy was still suffering significantly from the property crisis in 2024, but had an industrially competitive export sector.[10]

The Central Asia region also exhibited dynamic growth, even though economic growth in 2024 was slightly lower at 4.7 % than in 2023 (5.6 %). The region's largest economy, Uzbekistan, continued to experience above-average expansion at an expected rate of 6.0 %. Growth was broadly established: strong private consumption thanks to falling inflation rates and robust migrant remittances; government transfer services; and investments, supported by targeted lending from government banks and diversified raw material supply. In Tajikistan and Kyrgyzstan, domestic demand benefited from robust migrant remittances. In neighbouring Azerbaijan, growth rebounded due to substantial public investment.[11]

In Eastern Europe, growth declined slightly in 2024 but remained with the international average. Turkey is expected to have grown at a more moderate 3.2 %, after a high 5.1% in the previous year. A restrictive monetary policy to combat inflation dampened the previously active private consumption and investment, coupled with cuts in public projects. The correction of economic imbalances was evident in improved access to international capital markets.[12]

Sub-Saharan Africa continued to show stable growth rates on an aggregated basis with an estimated 3.2 %, with country-specific differences depending on raw material resources and agricultural vulnerabilities. Latin America, a weaker region in a global comparison, also showed heterogeneous growth rates in this regard.[13]

International financing conditions

Global financing conditions improved slightly since mid-2024. The European Central Bank (ECB) started the rate-cut cycle in June and cut its key rate by 100 basis points to 3.0 % by the end of the year. The Federal Reserve (Fed) also cut policy rates by 100 basis points to 4.25-4.50 % from September to December 2024.[14] Numerous central banks from emerging markets had already cut rates earlier in light of their country-specific disinflation development.[15]

Despite the easing of monetary policy, many industrialised countries and emerging markets saw only a moderate decline in long-term interest rates. In the US, these rose again to 4.6 % at the end of the year. For emerging markets with weaker credit ratings, the environment nevertheless enabled the high spreads on USD-denominated bonds of previous years to normalise, while little relief came from the underlying long-term interest rate level.[16]

Nevertheless, the global financing conditions for companies have improved slightly overall. Aggregated credit demand stabilised throughout the year and increased slightly in individual countries.[17] In the eurozone, bank lending had modest momentum, attributable to weak economic activity, more restrictive credit policies, and the aftereffects of previous rate hikes on the loan portfolio.[18]

Commodity prices

The performance of the global economy was reflected in stable commodity prices, with varying performance observed in individual segments. The oil price was volatile sideways and, at an average of USD 80 per barrel, was at a level similar to that of the previous year. Price drivers were geopolitical factors and more restrictive OPEC+ production policies, while a cyclically weaker global demand for oil had a downward effect on prices. The European gas price rose during the year, influenced by geopolitical factors, temperature forecasts, and increasing demand from gas power plants. Metal prices were volatile, impacted by increased demand for renewable energy, electromobility, and data centre expansion. Agricultural commodity prices developed unevenly.[19]

1 Cf. The World Bank. Global Economic Prospects, January 2025. Washington, DC.
URL: https://www.worldbank.org/en/publication/global-economic-prospects. Short reference: World Bank 2025.
2 Cf. The World Bank 2025.
3 Cf. World Trade Organization (WTO). Global Trade Outlook and Statistics. Update October 2024.
URL: https://www.wto.org/english/res_e/reser_e/gtos_e.htm.
4 Cf. OECD. OECD Economic Outlook: Volume 2024 Issue 2. No. 116. URL: https://doi.org/10.1787/d8814e8b-en.
5 Cf. Europäische Zentralbank EZB. Wirtschaftsbericht. Ausgabe 8/2024. Erschienen 9.1.2025 (European Central Bank ECB. Economic report. Edition 8/2024. Appeared on 09/01/2025). URL: https://www.bundesbank.de/de/publikationen/ezb/wirtschaftsberichte.
6 Cf. European Commission. European Economic Forecast – Autumn 2024. Institutional Paper 296.
URL: https://economy-finance.ec.europa.eu/publications/european-economic-forecast-autumn-2024_en.
7 Cf. Statistisches Bundesamt. Bruttoinlandsprodukt im Jahr 2024 um 0,2 % gesunken. Pressemitteilung Nr. 019 vom 15. Januar 2025 (Federal Statistical Office. Gross domestic product decreased by 0.2 % in 2024. Press Release No. 019 dated 15 January 2025).
URL: https://www.destatis.de/DE/Presse/Pressemitteilungen/2025/01/PD25_019_811.html.
8 Cf. ifo Konjunkturprognose (ifo Institut. ifo Economic Forecast) Winter 2024.
URL: https://www.ifo.de/publikationen/2024/aufsatz-zeitschrift/ifo-konjunkturprognose-winter-2024.
9 Cf. World Bank 2025.
10 Cf. World Bank 2025.
11 Cf. World Bank 2025.
12 Cf. World Bank 2025.
13 Cf. World Bank 2025.
14 Cf. ECB 2025.
15 Cf. World Bank 2025.
16 Cf. World Bank 2025.
17 Cf. OECD 2024.
18 Cf. ECB 2025.
19 Cf. ECB 2025.

2.2 Business performance in 2024

In the 2024 financial year, AKA recorded new business transactions of EUR 1,308 million (previous year: EUR 1,428 million). This is an 8.7 % decline compared to 2023. The earnings generated from new business reached EUR 9.6 million (previous year: EUR 8.8 million).

The Structured Finance (SF) participation business had the largest share of new business volume by individual product at 39 % (previous year: 25 %). The long-term ECA-covered loan business took second place at 28 % (previous year: 40 %), followed by risk sub-participations in confirmed letters of credit and related products at 24 % (previous year: 23 %). The share of Syndicated Trade Loans (STLs) was 9 % (previous year: 12 %).

Overall, 71.7 % (previous year: 59.7 %) of the new business volume was generated in the Structured Finance & Syndication segment, SFS for short (consisting of FI desk, SF, and STL).

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

2.2.1 Development of new business

ECA-covered buyer loans – volatility from major projects

In AKA's business with ECA-covered buyer loans and guarantees, with respect to the previous year's turnover, there was a significant decline in the commitments to EUR 370.3 million (previous year: EUR 575.1 million). The reason for this was, on one hand, the further delay in a number of projects. On the other hand, this reflects the performance of the overall market, particularly for German ECA-covered buyer loans in emerging markets.

From new business, earnings of EUR 3.9 million were generated, corresponding to 40 % of AKA's earnings from new business.

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

During the reporting period, 58 % of the ECA-covered business was handled in cooperation with shareholder banks.

Structured Finance & Syndication – a successful year

The SFS product segment, with a new business volume of EUR 938 million, exceeded the previous year's value of EUR 853 million. The analysis in detail:

FI desk: The transactions in this segment, which primarily centre around holdings in bank risks in connection with L/C (letters of credit) transactions, had new business volume of EUR 309 million and thus fell slightly below the previous year's value of EUR 320 million.

Syndicated Trade Loans: AKA's STL financings are issued for banks and corporates with a trading background generally as syndicates. With new business volume of EUR 123 million, the previous year's value of EUR 173 million could not be reached.

Structured Finance: Syndicated participations of AKA in Structured Finance always have a commodity or trade connection. This year, with a new business volume of EUR 506 million, the previous year's value of EUR 360 million was significantly exceeded.

2.2.2 Total commitments

As of the reference date 31 December 2024, the business volume has decreased to around EUR 5.3 billion compared to the previous year (EUR 5.6 billion). In addition to the balance sheet total, this total also includes off-balance sheet items (contingent liabilities and irrevocable loan commitments). The reservation portfolio (loan contracts already committed but not yet concluded) amounted to EUR 848 million (previous year: EUR 547 million).

2.3 Financial performance

Various factors influenced the financial performance in the 2024 financial year.

The net interest income in the past financial year was EUR 61.7 million, 9.2 % above the level of the previous year (EUR 56.4 million). The increase in net interest income resulted from increased net margins in the loan business despite decreasing lending volumes.

The net fee and commission income increased by 3.6 % to EUR 6.2 million compared to the previous year. This resulted from the increased earnings from risk sub-participations in particular, as well as increased earnings from guarantee transactions. The earnings from the management of trust loans went in the opposite direction. These decreased due to lower average volumes. The increase at the reference date results from a compensation payment at the end of December 2024.

Overall, the result from the loan business amounted to EUR 67.8 million (target: EUR 64.3 million) compared to EUR 62.4 million in the previous year.

General administrative expenses (including depreciation) increased by EUR 1.8 million in 2024, mainly due to an increase in personnel and other administrative expenses by 4 %. These include items affecting expenses in the amount of EUR 3.6 million, which were incurred as part of the digital strategy innovation and investment budget approved by the Supervisory Board.

The operating result increased by EUR 3.6 million to EUR 34.7 million compared to 2023.

The cost-income ratio (CIR) with investment and innovation budget (IIB), which is a key performance indicator of AKA, was 48.9 % in the past year as a ratio of administrative expenses (with IIB) to net interest and net fee and commission income, thus 1.3 percentage points below the previous year's value. The target figure for 2024 was 53.3 %. The cost-income ratio (before IIB), which is also a key performance indicator of AKA, was 43.6 % in the past year and thus 0.4 percentage points below the previous year. The target figure for 2024 was 47.8 %.

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

The risks from the loan business were also appropriately taken into account in the 2024 annual financial statements. Overall, allocations to risk provisioning of EUR 17.9 million were offset by reversals of EUR 15.7 million. In addition, the management adjustment formed in the previous year remained in a sub-portfolio in the amount of EUR 13.5 million due to transfer and sanctions risks not covered in the model (previous year: EUR 13.5 million). This is made up of loan receivables from Russian and Belarusian borrowers. Further details can be found in the risk report. In addition, direct write-offs for a borrower who was ultimately compensated as a problem loan amounted to EUR 1.8 million. In the case of the securities portfolio, the bank used write-ups of EUR 0.9 million as a net position. In addition, an allocation was made to the Section 340 g HGB reserve in the amount of EUR 11.8 million.

After deduction of profit-based taxes, AKA shows a net profit of EUR 13.2 million for the year.

The return on investment, as a ratio of net profit to the balance sheet total, thus increased from 0.20 % in 2023 to 0.35 % in the past financial year.

Return on equity before tax, a relevant performance indicator of AKA, increased from 8.1 % to 11.3 %. It is thus above the annual planning figure of 8.6 %. AKA follows this formula to determine the return on equity: the ratio of net profit for the year before taxes and before the Section 340 g HGB change to the equity available at the beginning of the year less the unappropriated surplus to be distributed to the shareholders (**Fig. 1**).

Fig. 1 **Tabular overview of financial performance**

	2024 in EUR million	2023 in EUR million	Delta absolute	in %
Net interest income	61.7	56.4	+5.3	+9.2 %
Net fee and commission income	6.2	6.0	+0.2	+3.6 %
Administrative expenses (including depreciation)	33.1	31.3	+1.8	+5.8 %
Operating result	34.7	31.1	+3.6	+11.6 %
Other earnings/expenses	+1.5	-2.3	+3.8	>100 %
Risk provisioning	3.6	5.7	-2.1	-36.2 %
Taxes on income	7.5	5.9	+1.6	+26.7 %
Section 340g HGB allocation	11.8	9.1	+2.7	+29.7%
Net profit for the year	13.2	8.0	+5.2	+64.5 %
Financial performance indicators	**2024**	**2023**	**Delta**	
Cost-income ratio (with IIB)	48.9 %	50.2 %	-1.3	-2.7 %
Cost-income ratio (before IIB)	43.6 %	44.0 %	-0.4	-0.8 %
Return on equity (before tax)	11.3 %	8.1 %	+3.2	+39.1 %

2.4 Financial position and cash flows

AKA's balance sheet total amounted to EUR 3.800 billion on the balance sheet date. On the reference date of 31 December 2024, it decreased by 5.9 % compared to the previous year (EUR 4.036 billion). Taking into account contingent liabilities and other obligations, business volume decreased by 5.2 % to EUR 5.3 billion. The volume of transactions with risk participations in letters of credit, surety obligations, and guarantees included in contingent liabilities from guarantees decreased by EUR 8.4 million to EUR 451.2 million due to lower new business volumes. Irrevocable loan commitments accounted for under other obligations decreased by EUR 44.4 million to EUR 1,059.1 million.

Receivables from banks and customers represent the main asset items and result from the bank's loan business. They decreased by EUR 284.0 million to EUR 3.432 billion due to loan business repayments and lower new business volumes in the past financial year.

Debenture bonds and other fixed-interest securities are held in the amount of EUR 101.2 million (previous year: EUR 131.2 million). Insofar as these are part of the liquidity reserve of AKA, they are securities with a very good credit rating. As of the balance sheet date, this portion, measured by the book value, amounted to EUR 97.1 million (previous year: EUR 97.9 million). In addition, the company acquired long-term government bonds (reported in fixed assets) with a book value of EUR 4.1 million (previous year: EUR 4.0 million).

To refinance the business, there were liabilities to banks in the amount of EUR 2.626 billion and to customers in the amount of EUR 0.568 billion. Bank-funded loan volumes decreased by EUR 245.8 million. The portion of the business financed by customer deposits decreased by EUR 101.7 million.

Provisions increased by EUR 3.3 million in the past financial year to EUR 15.2 million. They consist mainly of provisions for anticipated losses from the loan business and provisions for year-end bonuses.

AKA's equity comprises subscribed, fully paid-up capital of EUR 20.5 million and retained earnings. After the retained earnings had increased to EUR 267.2 million as of 1 January 2024, according to the proposal to the shareholders' meeting, a portion (EUR 5.0 million) of the net profit for the year of EUR 13.2 million is to be used to further increase retained earnings to EUR 272.2 million. The remaining portion of the net profit for the year of EUR 8.2 million is to be distributed to the shareholders.

AKA is satisfied with the result of the 2024 financial year, taking into account the economic and geopolitical environment. Financial position, cash flows and financial performance are considered in order.

3. Risk report

3.1 Aims, principles, and structure of risk management

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

AKA

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

Risk policy: The risk policy or overall bank management includes all measures for the planned and targeted analysis, management and monitoring of all risks taken. It is AKA's business policy first and foremost to limit risks to credit default risks associated with the key business area of Trade and Export Finance. In addition, existing business areas will be further expanded as part of the AKA Strategy 2028 (see Chapter 4, "Opportunities and outlook report"), and a new business area "Acquisition Finance & Midcap Loans" will be established as of 2025 to diversify the risks at the overall portfolio level.

ESG risks are explicitly taken into account in all risk types in accordance with regulatory requirements. They are also taken into account in AKA governance (committees, reporting, organisational structure and workflows). ESG risks include physical and transitory risks with respect to the environmental component, while social risks and governance risks are also assessed. These risks are specifically monitored in the context of credit default risk, risk inventory, and stress testing. The specific design is being enhanced continuously to reflect changing circumstances (e.g. taxonomy changes, CSRD requirements).

The Sustainability & Communications (S&C) department has an advisory role with respect to ESG risks and is represented by the S&C department head in the Risk and Credit Committees.

Risk strategy principles

AKA sees a lived risk culture and an uniform understanding of risk tolerances and risk appetite within the company as the key basis for appropriate and effective risk management within the entire organisation and the business.

Risks are uncertainties about future developments, as derived from the business strategy. The ability to actively accept risks arises on the basis of the objective defined in the business strategy, in consideration of the existing capital. The derivation of specific risk limits is determined in the risk appetite and takes into account the ability to manage limit utilisations early and prevent limit breaches. In addition, AKA gave itself values whose implementation helps reduce risks.

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

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

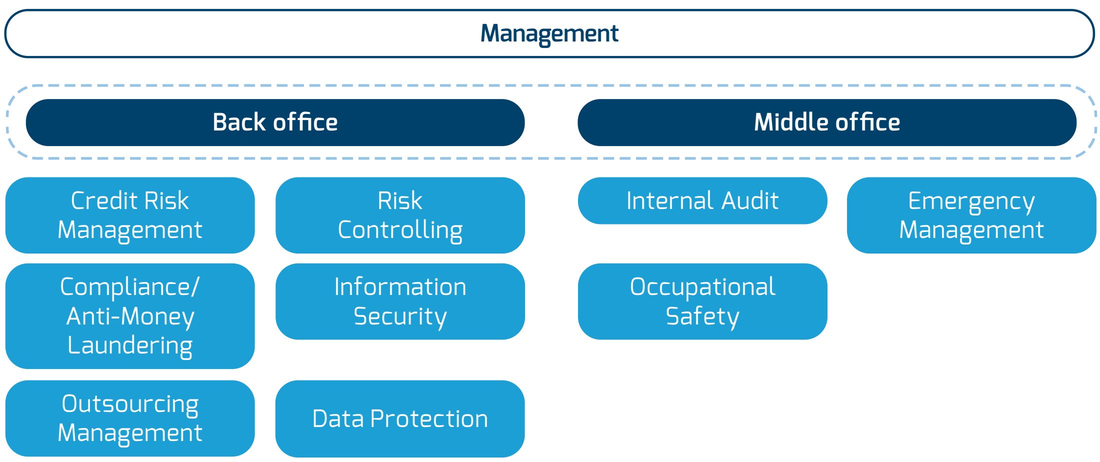
Risk strategy: The risk strategy structured according to the principles of "Minimum Requirements for Risk Management" (MaRisk) and the specifications of the Supervisory Review and Evaluation Process (SREP) includes provisions on all key aspects of risk management. Examples: Risk-taking capacity, risk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

Risk organisation and functions

AKA has an organisational structure as shown in the organisational chart. It is divided into three areas: 1. front office, 2. back office, and 3. middle office. The managing director responsible for the back office is responsible for the overall risk management of AKA.

Notwithstanding this overarching responsibility, the back office and middle office areas include various functions and organisational units that support the objective of appropriate risk identification, management, and monitoring (**Fig. 2**). These are the following units in particular, which are briefly presented:

Fig. 2: **Risk management structure**



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

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

Occupational Safety Management: Occupational Safety (part of the HR department) ensures that employees work in a safe and healthy work environment. It identifies potential hazards and develops measures to prevent accidents and health impairments. Training and regular safety inspections help ensure that safety guidelines are complied with and continuously improved.

Outsourcing Management: Outsourcing Management (located in Finance) monitors and controls the outsourcing of services and functions to external vendors. It ensures the outsourced activities are performed in accordance with legal requirements and internal standards. Regular assessments and monitoring of external providers ensure the quality and safety of outsourced services.

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

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

The MaRisk compliance officer must work towards the implementation of effective procedures for compliance with the legal regulations and requirements that are material for the institution and the corresponding controls. Furthermore, the MaRisk Compliance Officer must support and advise the Management in complying with these legal provisions and requirements. The MaRisk Compliance Officer coordinates the decentralised responsibilities within AKA's decentralised Compliance organisation.

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

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

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

If the Compliance Officer changes person, the Supervisory Board and all affected employees of AKA must be informed.

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

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

Information Security Management (ISM): The Management has adopted an information security guideline and communicated it within the bank. This guideline is consistent with the bank's strategies. AKA has set up the role of Information Security Officer. This function is responsible for handling all information security matters within the bank and with respect to third parties. In this way, AKA ensures that the goals and measures laid down in the IT strategy, the information security guideline and policies are presented transparently, both internally and towards third parties. The bank also ensures that compliance with them can be checked and monitored. Information Security Management includes information security requirements, defines processes and controls their implementation. The content-related reporting obligations of the Information Security Officer to the Management and the frequency of reporting are based on BT 3.2 margin number 1 MaRisk. The procedural model within the framework of ISM is based on the information security standards of the Federal Office for Information Security (BSI standards) and serves the purpose of establishing a security level that is in line with AKA's risk strategy.

The tasks of information risk management and risk analysis are monitored by the FI department. The objective of this organisational structure is both to comply with the regulatory requirements (BAIT and, as of 17/01/2025, DORA) and to centrally manage all risks of the company.

Data Protection: Compliance with data protection regulations is ensured by the externally appointed Data Protection Officer. He/she assesses data protection issues, conducts data protection impact assessments, and monitors and advises on data protection. Operationally, he/she is supported by the Compliance and Anti-Money Laundering department, which coordinates data protection training for employees.

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

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

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

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

Credit Risk Management (CRM): CRM, as an operational specialist department, is responsible for the individual risk management of all credit default risks both in new business and in ongoing monitoring. After in-depth analysis, CRM makes credit decisions, from a portfolio perspective and on an individual basis, within the scope of its own level of authority delegated by the Management. Credit decisions that concern the Management's level of authority for credit approval are voted for by CRM for the Management. In making credit decisions, AKA aims to maximise the risk/return ratio. This is done taking into account a preliminary calculation based on the risk-adjusted return on capital (RAROC). The key figure serves as a decision-making aid in the lending process.

When assessing borrowers and the associated risks, ESG factors (environmental, social and governance) and sustainability aspects are also taken into account. Based on an ESG criteria catalogue (based on the Sustainable Development Goals of the United Nations) and an industry-based heat map for E&S factors, CRM qualitatively analyses every corporate borrower for their potential exposure to ESG risks. Each of the three factors "E", "S", and "G" is assigned a low/medium/high risk according to a traffic light system. The combination of the individual factors then results in an ESG score on a scale of 1 (low risk) to 5 (high risk). A similar scale is used for the ESG assessment of banks and sovereigns; external scores are used for this. Any deteriorations in the ESG score that may have been detected serve as an early warning indicator in the regular monitoring of borrowers.

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

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

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

Emergency Management: AKA's Emergency Management, located in the Corporate Development and Digital Transformation (CDDT) department, ensures that important business processes are not interrupted or are only temporarily interrupted if damaging events occur, and that the resulting damage is reduced to an acceptable minimum, thus ensuring the economic existence of the bank.

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

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

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

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

The Emergency Management team forms the core team of a crisis organisation. In the event of a specific emergency, a specific crisis, a specific disaster, or a pandemic, as well as depending on the cause and extent of the event, additional internal and, if applicable, external units are involved in the crisis organisation. The Chair of the Supervisory Board is informed by the management of the crisis staff.

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

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

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

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

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

Risk Controlling coordinates the management and controlling processes associated with the available risk capital, such as the limit allocation process and the management or monitoring of the risk/return profile.

It also ensures the ongoing monitoring of the risk situation, particularly with regard to the risk-taking capacity and compliance with the defined risk limits. The FI department ensures the establishment and review of the risk limits for all material risks in coordination with the departments responsible for the risks. The monitoring of the risk situation also includes the regular implementation of a risk inventory, the determination of the material risks, and the derivation of an overall risk profile.

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

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

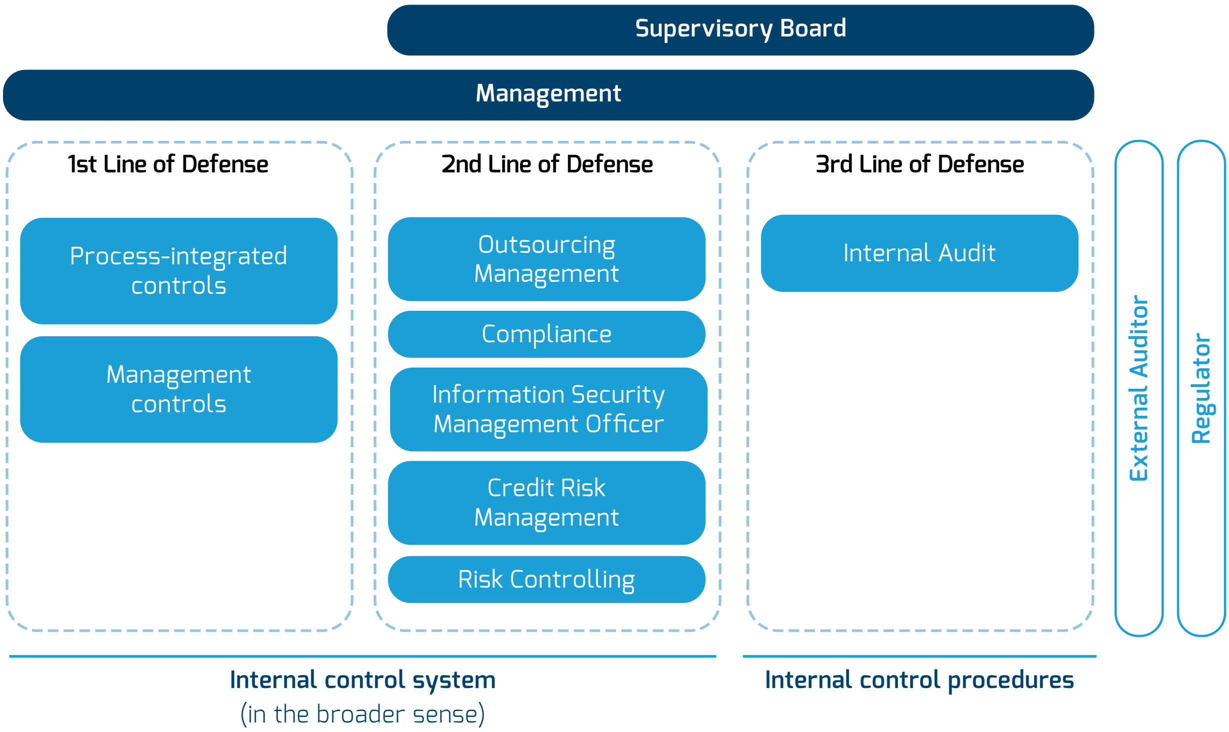
To perform controlling functions, Risk Controlling employees must be granted all necessary powers and unrestricted access to all information. If the management of the Risk Controlling function changes, the supervising body and all affected employees of AKA must be informed.

Internal control system

AKA's risk organisation integrates the organisational units and functions described in the previous section into the "three lines of defence" model. It ensures a clear assignment of roles and responsibilities in risk management and control (**Fig. 3**).

In accordance with the internal definition of the internal control system and procedure, the risk management system, for example, is supported by the Supervisory Board with the Risk Monitoring Committee, as well as external auditors as part of annual audits or special audits. ATA does not count this external support as part of the internal control system.

Fig. 3: **Internal control system of AKA**



The **first line of defence** consists of the individual departments responsible for compliance with requirements and the implementation of (key) controls as part of their daily work. Its primary role is to identify and manage risks in operations.

The **second line of defence**, bundled into AKA's back office, consists primarily of the Credit Risk Management, Risk Controlling, and Compliance functions. These two units are supplemented by Outsourcing Management or Information Security Management. This second line of defence also writes overarching guidelines/policies and monitors compliance with these guidelines.

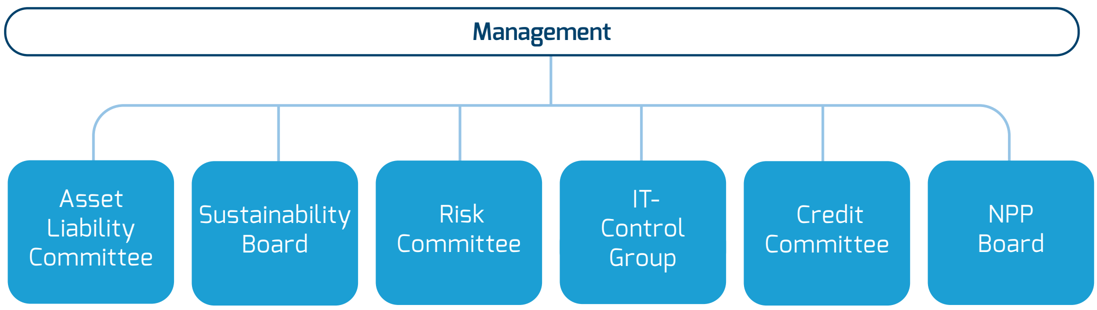
The **third line of defence** includes Internal Audit (located in the middle office department of the spokesperson), which independently audits the effectiveness of the overall risk management and internal control system. It conducts audits and reports directly to the Management and the Supervisory Board to ensure that all risks are properly identified and managed.

Together, these three lines of defence contribute to the stability and security of the bank by ensuring that a comprehensive and effective risk management strategy is implemented.

Committees

In addition to the hierarchies of the organisational structure, the AKA organisation has several central committees that support the Management in its work. A structure consisting of six committees that improve exchanges and decision-making in various areas was selected. Those areas include sustainability, lending, risk, IT and treasury in the area of asset-liability management (**Fig. 4**).

Fig. 4: **Internal committee structure**



The committees are briefly presented below with their assigned tasks and goals.

Asset Liability Committee (ALCO): The ALCO is the AKA committee for the strategic and operational overall bank management of the financial resources, capital, liquidity, and balance sheet structure, particularly interest rate risk, foreign currency risk, and maturity transformation management, taking into account the regulatory requirements. The ALCO is also responsible for the operational control decisions implemented by the Treasury.

The ALCO serves to provide transparency about current risks that develop as a result of the overall changes in the bank's assets and liabilities. A common line with regard to the risks to be entered into regarding liquidity, interest rate, and currency risks and periods, as well as regulatory guidelines, is determined between the participating representatives.

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

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

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

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

In monitoring AKA's risk situation, the RC discusses risk-relevant topics, as well as the results of the risk inventory to be carried out at least once a year, and decides on any risk-reducing measures to strengthen, for example, internal control structures and to reduce operational risks. The RC is also responsible for adopting risk-relevant methods, models and parameters.

IT Control Group: In addition to the aforementioned committees and governing elements, the IT Control Group for the IT portfolio of measures primarily serves to present technology-related matters, taking into account risks for AKA.

The IT Control Group thus acts as an interface between the business and IT strategy, with the goal of evaluating and deciding the measures resulting from the respective strategy processes regarding IT, and managing the overall portfolio in the interests of the company.

Credit Committee (CC): The Credit Committee (CC) has an operational focus and deals with the management of all credit and country risks. Typically, the committee meets monthly. Individual credit exposures with a special credit structure and/or high-risk profile are discussed on an as-needed basis, and business policy and methodological credit issues are also addressed from an ESG risk perspective.

A regular portfolio review and monitoring also takes place, particularly of increased risks of the (pre-)watchlist exposures. Country risk management (based on current risk developments) and any risk concentrations are also discussed in the CC as needed.

The CC as a committee is not a separate level of authority for credit approval. However, if the authorised persons meet in the context of a Credit Committee meeting, individual transaction lines and limit approvals can be carried out and decisions can be made regarding country strategies.

New Product Process (NPP) Board: The NPP Board is the central decision-making board for the introduction and discussion of new products and new markets. It assesses the associated risks and opportunities and ensures that all regulatory and strategic requirements are met.

3.2 Credit default risks

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

At AKA, credit default risks related to individual transactions are understood as the risk of possible losses or lost profits due to the loss of a business partner as a result of

- unexpected, complete, partial, or temporary insolvency or unwillingness to pay;
- an unexpected reduction in a debtor's credit rating, associated with a reduction in the value of a receivable, or
- an unexpected reduction in the recoverability of securities or guarantees.

In addition to credit default risks related to individual transactions, AKA considers country risks as a special default risk due to its emerging market-oriented business structure. Furthermore, ESG risks and their effects on the respective credit default risk are considered and assessed in the risk analysis; any deteriorations detected are considered to be early warning indicators.

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

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

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

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

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

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

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

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

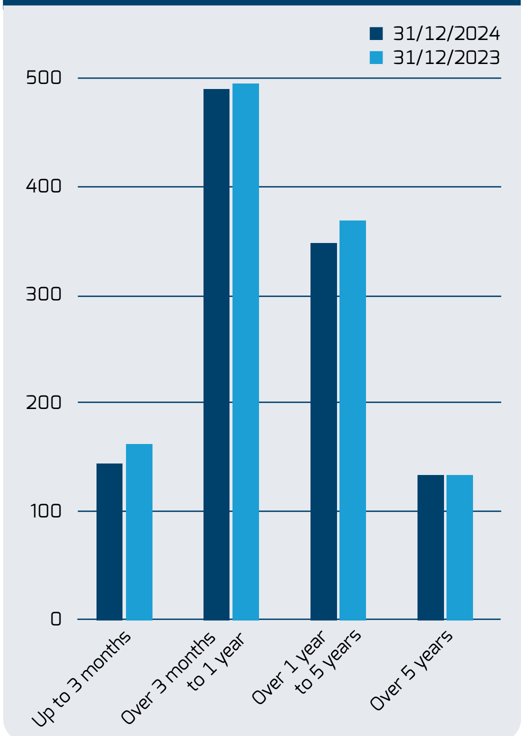
The rating tool is technically developed and adapted in line with AKA's portfolio based on requirements. As part of an internal validation process, AKA examines the meaningfulness and forecasting power of individual key indicators and, if necessary, adjusts both in regard to their precision and overall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

In addition to the AKA rating system, the future-oriented determination, analysis, and assessment of the debt service capability – while also taking into account new financing amounts and, where applicable, using scenario analyses – is an essential part of the risk assessment.

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

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

Fig. 5 **Residual term structure of the loan portfolio**



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

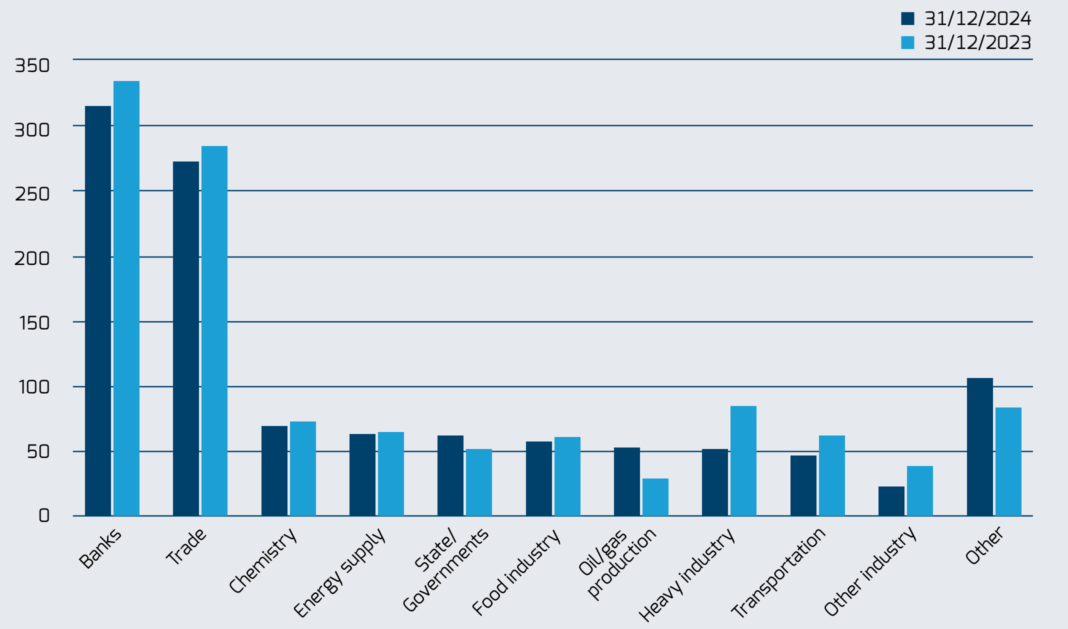
Insurance risks: AKA uses another rating tool for the insurance customer group so that the credit default risks are also minimised by private insurance. As an insurance provider, the bank only accepts counterparties with an internal investment grade rating as part of risk management. The main focus of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

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

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

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

Fig. 6 **Structure of the loan portfolio by industry, in EUR million**



The aforementioned provisions and criteria, which serve to limit and monitor risk concentrations, are recorded in the bank's work instructions and process descriptions and published in the Organisational Handbook (OHB). They are regularly applied within the framework of controlling, continuously adjusted in accordance with changed requirements and conditions and checked for their appropriateness at least once a year as part of the revision of the risk strategy.

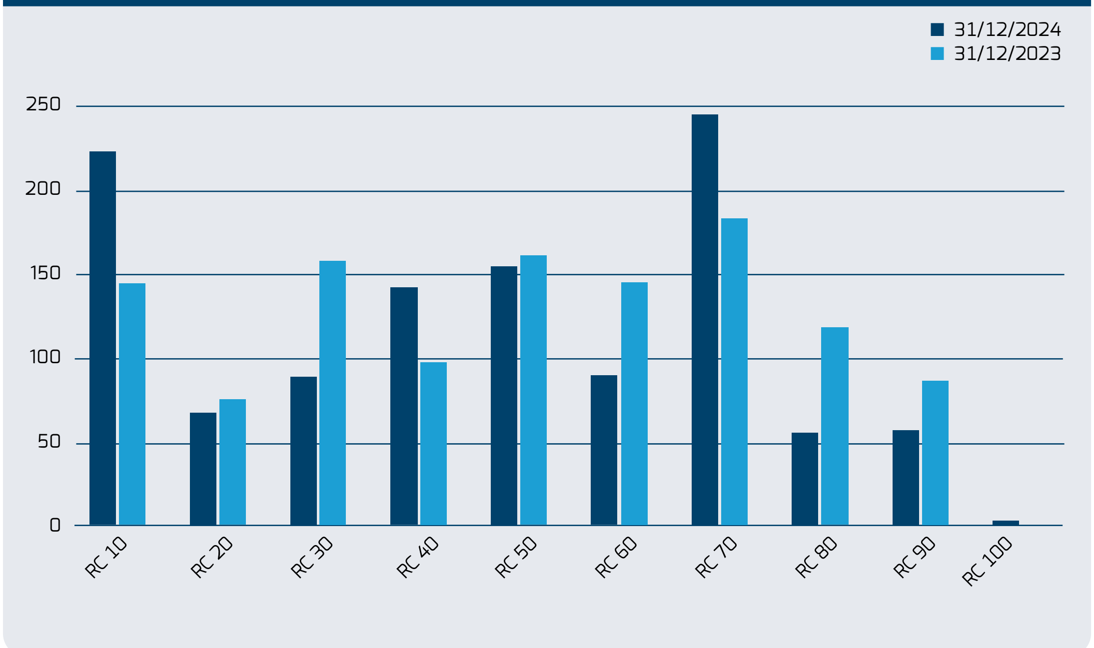
Limit framework for credit default risks and portfolio management: The limit framework used for portfolio management at AKA limits gross risks, taking into account recognised securities pursuant to the Capital Requirements Regulation (CRR). These are valuation-free, financial securities from government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

The net liability framework, the amount of which is determined by the bank's allocated own funds for credit default risks (EUR 2 billion as of December 2024), is structured according to internal rating classes with decreasing nominal limits. The respective limit utilisations are reported to the Supervisory Board at regular meetings, at least once per quarter.

The limits provided for concentration, credit default, market price, and operational risks are sufficient and were consistently complied with in 2024.

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

Fig. 7 **Rating structure of the loan portfolio by country rating, in EUR millio**



Board for information. The risk strategy with the limit framework anchored therein, which also includes the adjustments for the implementation of the AKA Strategy 2028, was jointly discussed with the Supervisory Board on 3 December 2024.

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

Internal credit model for risk management: The internal risk measurement at the portfolio level is based on the CreditMetrics™ credit risk model. AKA takes into account important decision-making variables on the following basis: loan volumes in the form of exposure at default; recovery factors according to the internal approach; internal, rating-based approach based on self-determined probability of defaults (PDs); and correlations. These include the "expected loss" and the "unexpected loss".

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

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

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

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

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

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

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

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

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

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

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

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

A significant performance indicator is the “EL to EaD” KPI, the ratio of the lump-sum provision (12-month expected and lifetime expected loss) for the net exposure. As of 31 December 2024, the value was 2.0 % (previous year: 2.3 %), with a target figure of 2.3 %. Another key performance indicator is the return on risk-weighted assets (RoRWA). As of 31 December 2024, the target figure of 4.1 % was exceeded at 4.7 % (previous year: 4.2 %). The third key performance indicator in the loan portfolio was the net exposure of customers with ESG score 4 and 5 relative to the total net exposure. The ESG score is calculated for each customer on a scale of 1 to 5, where scores of 4+5 are the most unfavourable. As of 31 December 2024, the value was 28.8 % (previous year: 23.8 %), with a target figure of 36.0 %.

Due to Russia’s war in Ukraine, the Russia, Ukraine, and Belarus portfolio has been continuously and intensively analysed monthly as part of the watchlist since 2022. Since the start of the war, new business has been suspended in the regions mentioned.

In 2024, the existing Russia/Ukraine/Belarus portfolio was further reduced. In view of the counterparties’ predominant willingness and ability to pay, a main focus is on the identification of possible payment methods for servicing the receivables – under strict compliance with all sanction-relevant requirements and in coordination with the partner banks involved.

AKA forms a risk provision for credit default risks in accordance with commercial law. This is expressed either in the form of an individual value adjustment or a lump-sum provision. The risk provision as of the reference date is as follows in **Fig. 8**.

Fig. 8 **Risk provisioning as of the reference date**

Risk provisioning	Value at 01/01 in EUR million	Allocations in EUR million	Reversals in EUR million	Reclassification in EUR million	Use in EUR million	Value at 31/12 in EUR million
Individual value adjustments	25.7	7.9	1.6	0.3	1.9	30.4
Lump-sum provisions	40.2	9.9	14.1	-0.3	0.0	35.7
Total	65.9	17.8	15.7	0.0	1.9	66.1

Russia's war in Ukraine, which started in 2022, had an impact on risk provisioning in 2024 as well. As of the reference date, the following values emerge for the corresponding sub-portfolio: (**Fig. 9**).

The war in Israel and Gaza, which has been ongoing since October 2023, and potential effects in the Middle East region are being closely monitored. The AKA liability in Israel is EUR 16.1 million and EUR 2.5 million, respectively (gross/net risk).

Fig. 9 **Values for the sub-portfolio**

Country of risk	Gross risks in EUR million	Collateral in EUR million	Net risks in EUR million	IVA in EUR million	LSP in EUR million	Total risk provisioning in EUR million
Belarus	27.5	26.5	1.0	0.1	0.7	0.8
Russia	124.6	91.8	32.7	0.0	18.2	18.2
Ukraine	0.0	0.0	0.0	0.0	0.0	0.0
Total	152.1	118.3	33.7	0.1	18.9	19.0

3.3 Market price risks

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

3.3.1 Foreign currency risks (FX risks)

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

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

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

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

3.3.2 Interest rate risk in the Banking Book (IRRBB)

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

The calculation of IRRBB using an economic calculation is carried out using a VaR model. The result from the model is also an empirical 99.9 % quantile. Changes in present value with respect to IRRBB in the banking book must be determined based on the procedure specified by BaFin, according to current requirements.

In order to meet the requirements of MaRisk, the effect of an interest shock on interest income/expenses is investigated, and the effect, based on the next twelve months, is determined (**Fig. 10**).

Fig. 10 **Key figures for market price risk**

Risk type	Risk indicator	31/12/2024 in EUR million	31/12/2023 in EUR million
Foreign currency risk	Own funds requirements to CRR	0.5	0.2
	VaR model	2.8	1.2
IRRBB/economic value of equity	VaR model	22.7	23.8
	Parallel shift upwards	-19.6	-18.2
	Parallel shift upwards	11.9	21.6
	Steepener shock	-5.7	-6.6
	Flattener shock	1.0	2.9
	Short-term shock upwards	-4.3	-2.8
	Short-term shock downwards	2.3	2.8
IRRBB/net interest income	Parallel shift upwards	3.4	-
	Parallel shift downwards	-6.7	-
	NII SOT	-2.2 %	-

3.4 Liquidity risks

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

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

The risk of liquidity maturity transformation is that losses can occur within a certain period of time and at a defined confidence level. These are caused by changes in the internal refinancing curve (spread risk).

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

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

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

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

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

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

The LCR (liquidity coverage ratio) and the NSFR (net stable funding ratio) are also calculated as liquidity indicators (**Fig. 11**).

Fig. 11 **Key figures for liquidity risk**

Risk type	Risk indicator	31/12/2024 in EUR million or in %	31/12/2023 in EUR million or in %
Liquidity risk	VaR model	6.4	3.7
	Liquidity reserve	222	323
	Liquidity coverage ratio	157	226
	Net stable funding ratio	108	110

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

The refinancing structure of AKA is thus based on several pillars that were used as shown in **Fig. 12**.

Fig. 12 **Structure of sources of refinancing**

Refinancing	Source	31/12/2024 in EUR million	31/12/2023 in EUR million
Refinancing	Shareholders	589	601
	Non-shareholders	1,037	1,336
	Publicly accessible funds	1,392	1,545
	Deposit brokering	101	0
	Overall borrowing	3,119	3,482

3.5 Operational risks

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

- Compliance risks
- Model risks
- Reputational risks
- Information technology/security risks
- Legal risks
- Behavioural risks
- Risks from outsourcing

AKA examines all operational risks in detail at least annually within the framework of an RCSA (risk and control self-assessment) for operational risks. It also considers the impact of ESG factors on risk. The RCSA can also be carried out on an ad hoc basis.

Compliance risks as a sub-risk of operational risk

Compliance risks generally refer to the potential consequences of non-compliance with legal, regulatory, and internal requirements. Such violations may result in legal and financial sanctions, regulatory requirements and measures, and reputational damage, thereby jeopardising the integrity of AKA.

Model risks as a sub-risk of operational risk

Model risks can result in the risk models used in the bank delivering incorrect or inaccurate results and then being used for business policy decisions. This can result in asset losses for the bank. In order to minimise model risks, AKA has implemented a model risk management process, which defines guidelines for (further) development and validation and fully takes stock of the models.

Reputational risk as a sub-risk of operational risk

Reputational risks relate to how AKA is perceived by the public. This is shaped by its stakeholders' perceptions of competence, integrity, and trustworthiness. They include the risk of reputational loss.

If reputational risks materialise, this is reflected in the reactions and actions of the stakeholders, which can harm the bank. This may result in negative changes in market value where the financial impact cannot be accurately measured in advance.

Information technology/security risks as a sub-risk of operational risk
IT and information security risks describe the likelihood that an internal or external threat due to a vulnerability in the information network (or information/data) will have negative impacts on the company. Threats and vulnerabilities can be short-, medium-, or long-term, resulting in short-term to permanent business interruption.

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

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

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

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

From an economic perspective, AKA quantifies operational risks using scenario analyses (material risk drivers + low-frequency/high-impact scenarios from the risk inventory), the results of which are aggregated to a value-at-risk. Bayesian networks are used as a model (**Fig. 13**).

The claims in 2024 totalled less than EUR 10,000 within AKA.

Fig. 13 **Key figures for operational risk**

Risk type	Risk indicator	31/12/2024 in EUR million	31/12/2023 in EUR million
Operational risk	Own funds requirement to CRR	9.6	9.1
	VaR model	7.9	7.0

3.6 Risk reporting

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

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

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

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

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

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

The report itself is divided into the following topics:

1. New business development
2. Financial performance
3. Loan portfolio
4. Liquidity management
5. Risk management (incl. stress testing)
6. Non-financial risk reporting
7. Attachments

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

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

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

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

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

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

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

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

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

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

The book value of the shares in affiliated companies is also used as a deduction item.

The following risks are taken into account when determining the risks, based on the risk inventory (**Fig. 14**):

Fig. 14 **Economic risk-taking capacity risk models**

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

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

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

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

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

The final capital planning is submitted to the Management for approval and discussed and adopted within the Risk Committee and Supervisory Board (**Fig. 15**).

The total capital ratio is a key performance indicator. The total capital ratio rose by 2.8 percentage points to 22.4 % compared to the previous year. The target figure was 19.6 %.

Fig. 15 **ICAAP key figures**

Perspective	**Risk indicator**	31/12/2024 in EUR million or in %	31/12/2023 in EUR million or in %
Normative perspective	Risk-weighted assets	1,378.1	1,513.6
	Tier 1 capital	308.5	297.2
	Tier 2 capital	0.0	0.0
	Own funds	308.5	297.2
	Common Equity Tier 1 ratio	22.4	19.6
	Tier 1 capital ratio	22.4	19.6
	Total capital ratio	22.4	19.6
Economic perspective	Risk coverage amount	308.7	301.0
	Risk positions	160.2	159.7
	Utilisation of risk coverage amount	51.9	53.1

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

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

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

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

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

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

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

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

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

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

4. Opportunities and outlook report

Influencing parameters
The World Bank forecasts that the global economy will expand in 2025 with a real increase of 2.7 % as in the previous year. Most central banks are likely to continue to lower key rates. Ongoing monetary easing should favour interest-rate-sensitive sectors, particularly private investments. However, traditional growth drivers, investments, and trade are subject to structural challenges. Global economic activity is also supported by solid private consumption. Subdued growth of 1.7 % is expected for industrialised countries. Positive but slightly weaker growth forecasts for the US are offset by improved prospects for Europe. In emerging markets, continued dynamic growth in India and numerous other countries (including South Africa and Egypt) is offsetting continued levelling-out in China.[1]

World trade volumes should continue to pick up in 2025 and increase by around 3 %. Increasing trade between emerging markets and a boost in investment and consumption in many developed and emerging markets will underpin the expansion. However, the outlook still holds uncertainties. The trend of increasingly restrictive trade policies could increase again with higher US tariffs and lead to diversion of global trade flows. In the short term, goods trading could experience anticipatory effects due to expected customs increases, but then weaken again. Changes in production structures and relocations are also likely to continue to manifest in trade shifts.[2]

Industrialised countries
In the US, growth is expected to moderately decline to 2.3 % in 2025. This is due to a declining private consumption. Uncertainties exist with future fiscal policy impacts.[3]

In the eurozone, a subdued recovery should begin. According to the European Commission, growth is expected to increase to 1.3 % in 2025 (previous year: 0.8 %), but the differences between the individual eurozone countries remain large. The boost is driven mainly by private consumption and gradually increasing corporate investments. The declining impact of restrictive monetary policy and the easing of funding conditions are likely to enable domestic demand to increase over time. Further stimulus is expected from the “Next Generation EU” fund.[4] Assuming an initially unchanged trade policy of important trade partners or possible anticipatory effects, foreign demand should increase slightly and support exports.[5]

Germany's real gross domestic product should increase by 0.4 % in 2025, following the slight recession of the previous year. The increased purchasing power is likely to enable a sluggish boost to private consumption. Further monetary easing is likely to support capital-intensive industrial goods production in particular. Nevertheless, the structural challenges for the German industry remain, especially in the area of energy-intensive production and due to the stronger technological competition at the international level. With these increasing competitive challenges, the export sector is less able to take advantage of the economic tailwinds from international industrial business than in previous phases. Due to stronger imports, change in the balance of exports and imports is likely to be slightly negative.[6]

Emerging and developing countries

In emerging markets, aggregate growth of 4.1 % should be close to the level of the previous year. Increasing business confidence, a rebound in global trade, and increasingly cheaper domestic and international financing conditions should have an effect and thus stimulate investment.

In terms of regions, South and East Asia will continue to experience the highest growth rates. While China's economic growth should continue to level out, improved technological competitiveness could partially offset potential US trade barriers on a global scale. Continued dynamic growth is expected for the Indian economy.

Central Asia is likely to receive further boosts thanks to the numerous infrastructure projects along the Middle Corridor. Some flows of goods between China and Europe are expected to move via the Central Asia and Turkey route.[7] In Turkey, the high key interest rates are expected to have a slowing effect on economic activity at first. With a progressing disinflation process and an expected easing of restrictive monetary policy, economic recovery is likely to resume by the end of the year. Many Eastern European countries should benefit from the slight upturn in the eurozone.[8]

Accelerated growth is expected for Africa, driven by a better outlook for countries exporting industrial raw materials. In Latin America, some countries' close trade relations with the US could put a strain on the export sector. However, easing of monetary policy should allow for a further economic recovery.[9]

Risks and positive stimulus

In addition to the consideration of the economic situation, for AKA's business focus, it is important to assess the risks that arise from various international influencing factors. The biggest growth risks include global trade tensions due to a further increase in protectionism and greater fragmentation. Declining exports and a slowdown in the global economy could occur as a result. Related uncertainties may prevent investments from being recovered as much as expected.[10] Re-inflationary pressures in industrialised countries resulting from the above scenarios would delay or even reverse monetary easing. For some emerging markets, the risks of higher interest rates and a stronger US dollar lie in excessive debt service burden and less leeway for economic stimulus. In particular, geopolitical risks from Russia's war against Ukraine or from the Middle East could lead to increased uncertainty. In addition, a development resulting from various issues can inhibit growth expectations and global trade: further geopolitical uncertainties, in particular an escalation in relation to Taiwan, a significant deterioration in the real estate crisis in China, political changes in larger countries, uncertain trade routes, interruptions in energy supply and infrastructure, ongoing climate change, natural disasters, and social upheaval.[11]

On the other hand, a resolution in the Russia-Ukraine war and in the Middle East would create positive stimulus. Increasing production volumes can dampen the price development in the commodity markets. An associated sharper drop in inflationary pressure would support the rate-cutting cycle for central banks, leading to stronger economic growth than forecast. Further positive effects would arise from trade policy solutions and relaxation, productivity gains via transformational advances, partly accelerated by reconstruction funds, a strengthening of the international community, stronger growth in the USA and China, and the mitigation of further geopolitical conflicts.[12]

Opportunity report

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

Opportunities for AKA arise in particular from the AKA Strategy 2028, which was adopted in the 2024 financial year. The ECA-covered business will be expanded based on AKA’s existing strengths within and outside Germany. This includes strengthening the buyer loan business and the syndicated loan/agency business, and expanding structured ECA-covered financing. In particular, the expertise in the area of transformation finance is being broadened in general and in the AKA focus sectors. In parallel, a supplemental pillar is being set up in non-ECA-covered products (Acquisition Finance & Midcap Loans). It includes business areas in which the bank has expertise and wants to take advantage of market opportunities. The contact area with the shareholder banks should be expanded and strengthened by this supplemental pillar. In particular, if the weak economic development in Germany, especially in the export industry, experiences ground formation in a timely manner and creates turnaround, target over-fulfilments can be realised through the developed starting points.

Innovations in the field of artificial intelligence can generate more added value for AKA. Additional opportunities arise for AKA through an expansion of the refinancing options, primarily characterised by the implemented use of deposit brokering in 2024.

Forecast of developments:
Based on the current developments and strengthened by the path taken in the implementation of the AKA Strategy 2028, AKA plans to achieve a new business volume of around EUR 1.8 billion across all product groups in 2025. The KPIs to date, which are determined by the Supervisory Board, will also be maintained in 2025. The KPIs’ return on equity before taxes, cost income ratio (before and after IIB), return on RWA, ratio of ESG Score 4+5 to net exposure, ratio of expected loss to exposure at default, and the total capital ratio are used to manage the overall bank (**Fig. 16**). The Supervisory Board sets the key performance indicators as targets for the Management of AKA. The review of target achievement and internal control is carried out based on the reporting (internal monthly reporting and risk report). The reporting for external parties is also carried out as part of the management report. The objectives of the Supervisory Board are based on the results of the multi-year business planning and are derived from this.

Fig. 16 **KPIs: 2025 target figures and 2024 figures**

KPI	2025 Forecast	2024 Actual
Return on equity before taxes	9.5 %	11.3 %
Cost-income ratio (before IIB)	49.2 %	43.6 %
Cost-income ratio (after IIB)	53.7 %	48.9 %
Return on RWA	4.0 %	4.7 %
ESG 4+5 share	36.0 %	28.8 %
EL to EaD share	2.3 %	2.0 %
Total capital ratio	19.4 %	22.4 %

These are consistent targets based on the approved planning. Based on the opportunities and further developments shown, and taking into account the economic and geopolitical framework conditions, AKA also continues to assume a sustainable business model for 2025.

1 Cf. World Bank. Global Economic Prospects, January 2025. Washington, DC.
URL: https://www.worldbank.org/en/publication/global-economic-prospects. Short reference: World Bank 2025.
2 Cf. World Bank 2025.
3 Cf. World Bank 2025.
4 Cf. European Commission. European Economic Forecast – Autumn 2024. Institutional Paper 296.
URL: https://economy-finance.ec.europa.eu/publications/european-economic-forecast-autumn-2024_en.
5 Cf. Europäische Zentralbank EZB. Wirtschaftsbericht. Ausgabe 8/2024. Erschienen 9.1.2025. (European Central Bank ECB. Economic report. Edition 8/2024. Appeared on 09/01/2025). URL: https://www.bundesbank.de/de/publikationen/ezb/wirtschaftsberichte.
6 Cf. ifo Institut. ifo Konjunkturprognose (ifo Economic Forecast) Winter 2024.
URL: https://www.ifo.de/publikationen/2024/aufsatz-zeitschrift/ifo-konjunkturprognose-winter-2024.
7 Cf. GTAI Germany Trade & Invest. Drehscheibe Zentralasien: Von vielen Seiten gewollt (Central Asia Hub: Wanted on many sides). 20/09/2024. URL: https://www.gtai.de/de/trade/kasachstan/specials/drehscheibe-zentralasien-von-vielen-seiten-gewollt-1818214.
8 Cf. World Bank 2025.
9 Cf. World Bank 2025.
10 Cf. EZB (ECB) 2025.
11 Cf. World Bank 2025.
12 Cf. World Bank 2025.

Annual financial state-ments as of 31 December 2024

Balance sheet dated 31 December 2024

Assets	EUR	31/12/2024 EUR	31/12/2023 EUR thousand
1. Cash reserve			
a) Cash balance	4,707.15		2
b) Credit balances with central banks,	3,617,370.18	3,622,077.33	4,350
including: at the Deutsche Bundesbank EUR 3,617,370.18 (previous year: EUR 4,350,000)			
2. Receivables from banks			
a) demand deposits	143,941,050.90		223,818
b) other receivables	470,307,475.42	614,248,526.32	533,128
3. Receivables from customers		2,817,416,969.37	2,958,683
4. Debenture bonds and other fixed-income securities			
a) money market securities			
aa) from public issuers, including: acceptable as collateral with the Deutsche Bundesbank 0.00 EUR	0.00		0
ab) from other issuers, including: acceptable as collateral with the Deutsche Bundesbank 0.00 EUR	0.00		19,959
b) bonds and debenture bonds			
ba) from public issuers, including: acceptable as collateral with the Deutsche Bundesbank 0.00 EUR (previous year: EUR 0)	8,803,837.21		17,117
bb) from other issuers, including: acceptable as collateral with the Deutsche Bundesbank 43,433,048.11 EUR (previous year: EUR 49,236,000)	92,401,471.03	101,205,308.24	94,129
5. Shares in affiliated companies		8,335,978.43	8,336
6. Trust assets, including: trust loans 241,296,135.14 EUR (previous year: EUR 159,413,000)		241,296,135.14	159,413
7. Intangible assets: purchased concessions, industrial property rights and similar rights and assets, as well as licenses to such rights and assets		910,270.50	1,049
8. Tangible assets		988,082.71	972
9. Other assets		3,931,703.56	8,883
10. Accrued and deferred items		2,329,704.97	3,022
11. Excess of plan assets over pension liability		5,276,181.76	3,169
Total assets		**3,799,560,938.33**	**4,036,030**

Liabilities and equity	EUR	31/12/2024 EUR	31/12/2023 EUR thousand
1. Liabilities to banks			
a) demand deposits	11,362,863.01		8,887
b) with agreed term or notice period	2,614,656,803.03	2,626,019,666.04	2,862,907
2. Liabilities to customers			
Other liabilities			
a) demand deposits	26,059,449.07		26,730
b) with agreed term or notice period	542,360,999.39	568,420,448.46	643,438
3. Trust liabilities, including: trust loans 241,296,135.14 EUR (previous year: EUR 159,413,000)		241,296,135.14	159,413
4. Other liabilities		5,722,146.48	604
5. Accrued and deferred items		4,265,390.85	5,123
6. Deferred tax liabilities		725,014.78	0
7. Provisions			
a) Provisions for pensions and similar commitments	0.00		
b) Tax provisions	2,925,215.79		0
c) Other provisions	12,265,817.64	15,191,033.43	11,907
8. Funds for general banking risks		37,000,000.00	25,200
9. Equity			
a) Paid up capital	20,500,000.00		20,500
b) Retained earnings			
Other retained earnings	267,221,103.15		263,296
c) Retained earnings brought forward	0.00		0
d) Unappropriated surplus	13,200,000.00	300,921,103.15	8,025
Total liabilities and equity		**3,799,560,938.33**	**4,036,030**
Contingent liabilities			
1. Contingent liabilities from guarantees		451,249,498.87	459,617
2. Other obligations Irrevocable loan commitments		1,059,099,696.18	1,103,451

Income statement for the period from 01/01 to 31/12/2024

Expenses	EUR	EUR	01/01/–31/12/24 EUR	01/01/–31/12/23 EUR thousand
1. Interest expenses			151,042,169.38	137,687
2. General administrative expenses				
a) Personnel expenses				
aa) Wages and salaries	16,744,004.59			15,217
ab) Social security contributions and expenses for pensions and support,	2,884,316.79	19,628,321.38		3,642
including: for pensions 319,056.08 EUR (previous year: EUR 1,405,000)				
b) Other administrative expenses		12,761,828.48	32,390,149.86	11,873
3. Depreciation and value adjustments on tangible and intangible assets			752,437.56	607
4. Other operating expenses			76,882.30	2,871
5. Depreciation and value adjustments on receivables and certain securities, as well as allocations to provisions in the loan business			3,616,022.88	5,668
6. Taxes on income and earnings			7,528,201.54	5,941
7. Other taxes			9,537.69	14
8. Increases of the fund for general banking risks			11,800,000.00	9,100
9. Net profit for the year			13,200,000.00	8,025
Total expenses			**220,415,401.21**	**200,645**
1. Net profit/loss for the year			13,200,000.00	8,025
2. Allocations to other retained earnings			0.00	0
3. Unappropriated surplus			**13,200,000.00**	**8,025**

Income	EUR	01/01/–31/12/24 EUR	01/01/–31/12/23 EUR thousand
1. Interest income from			
a) credit and money market transactions	208,820,350.00		192,573
b) fixed-interest securities	3,873,996.73	212,694,346.73	1,567
2. Fee and commission income		6,169,306.68	5,956
3. Income from write-ups to receivables and certain securities, as well as from the reversal of provisions in the loan business		0.00	0
4. Other operating income		1,551,747.80	549
Total income		**220,415,401.21**	**200,645**

General notes

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

The annual financial statements of AKA for the financial year from 1 January to 31 December 2024 were prepared in accordance with the provisions of the German Commercial Code (HGB), the Limited Liability Company (GmbH) Act, and the Regulation on Accounting for Banks (RechKredV).

Accounting and valuation methods

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

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

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

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

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

Liabilities are shown at their settlement amount.

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

Pension obligations are valued according to actuarial principles. They are calculated according to the projected unit credit method, using biometric data from Dr Klaus Heubeck's "2018 G mortality tables". The calculation is based on expected wage and salary increases of 2.5 % per annum and an annuity dynamic of 2.2 % per annum. Pursuant to Section 253 para. 2 and para. 6 HGB, pension obligations with a remaining term of more than one year are discounted at the average market interest rate of the past ten financial years corresponding to their remaining term. The calculated interest rate for the 10-year average is 1.9 %. In comparison, the calculated interest rate for the 7-year average would be 1.96 %.

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

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

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

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

Deferred taxes are created for all temporary differences between the carrying amounts of the assets, liabilities, and accruals and deferrals as recognised in the financial statements and their tax bases. Deferred taxes are measured using the company-specific tax rates that are effective at the balance sheet date or essentially legally enacted and are expected to apply at the time of recognition of the deferred tax asset or settlement of the deferred tax liability. In the event of an excess of deferred tax assets, no deferred tax liabilities are recognised in the exercise of the option under Section 274 HGB.

Notes to the financial statements /Notes to the balance sheet

ASSETS

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

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

Receivables from banks/remaining terms

	31/12/2024 EUR thousand	31/12/2023 EUR thousand
up to three months	26,895	27,412
more than three months to one year	139,606	149,328
more than one year to five years	243,248	271,869
more than five years	60,558	84,519
	470,307	**533,128**

Receivables from banks include receivables from shareholders in the amount of EUR 22,525,000 (previous year: EUR 25,935,000).

There are no receivables with an indefinite term.

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

Receivables from customers/remaining terms

	31/12/2024 EUR thousand	31/12/2023 EUR thousand
up to three months	195,691	232,072
more than three months to one year	362,293	389,451
more than one year to five years	1,405,461	1,414,163
more than five years	853,972	922,997
	2,817,417	**2,958,683**

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

Debenture bonds and other fixed-interest securities

marketable		listed on the stock exchange		not listed on the stock exchange	
31/12/2024 EUR thousand	31/12/2023 EUR thousand	31/12/2024 EUR thousand	31/12/2023 EUR thousand	31/12/2024 EUR thousand	31/12/2023 EUR thousand
101,205	131,204	97,070	107,263	4,135	23,941

This item includes securities in the amount of EUR 15,451,000 (previous year: EUR 88,663,000) that become due in the year following the balance sheet date.

Shares in affiliated companies: AKA holds a 100 % stake in the share capital of EUR 31,000 in Grundstücksverwaltung Kaiserstrasse 10 GmbH, Frankfurt/Main (GVK GmbH). For the 2023 financial year, the company generated a net profit for the year of EUR 521,000 (2022: EUR 146,000).

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

Trust assets: Trust assets include receivables managed for third parties from indemnified or rescheduled loans.

Trust assets/structure

	31/12/2024 EUR thousand	31/12/2023 EUR thousand
Receivables from banks		
a) other receivables	4.881	0
Receivables from customers		
a) demand deposits	0	0
b) other receivables	236,415	159,413
	241,296	**159,413**

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

Fixed asset schedule

	Shares in affiliated companies EUR thousand	Intangible assets EUR thousand	Fixed assets EUR thousand
Historical acquisition costs			
As of 01/01/2024	8,336	3,522	3,828
Additions	0	172	456
Disposals	0	0	20
As of 31/12/2024	8,336	3,694	4,264
Accumulated depreciation			
As of 01/01/2024	0	2,473	2,855
Additions	0	311	441
Disposals	0	0	20
As of 31/12/2024	0	2,784	3,276
Book values as of 31/12/2024	**8,336**	**910**	**988**
Historical acquisition costs			
As of 01/01/2023	8,336	3,061	3,465
Additions	0	786	369
Disposals	0	325	6
As of 31/12/2023	8,336	3,522	3,828
Accumulated depreciation			
As of 01/01/2023	0	2,210	2,517
Additions	0	263	344
Disposals	0	0	6
As of 31/12/2023	0	2,473	2,855
Book values as of 31/12/2023	**8,336**	**1,049**	**972**

Intangible assets include internally created assets with a book value of EUR 376,000 (previous year: EUR 454,000).

Other assets: Other assets primarily include the following receivables: Taxes in the amount of EUR 1,803,000 (previous year: TEUR 2,719,000), from affiliated companies in the amount of EUR 83,000 (previous year: EUR 250,000), collateral provided for irrevocable payment obligations in the amount of EUR 2,035,000 (previous year: EUR 2,035,000).

Excess of plan assets over pension liability: The book value of the covering assets exceeding the settlement amount of the pension provisions is shown under the “excess of plan assets over pension liability” item in the amount of EUR 5,276,000 (previous year: EUR 3,169,000).

LIABILITIES AND EQUITY

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

Liabilities to banks	31/12/2024 EUR thousand	31/12/2023 EUR thousand
up to three months	230,088	319,464
more than three months to one year	423,502	408,968
more than one year to five years	1,274,415	1,268,101
more than five years	686,652	866,374
	2,614,657	**2,862,907**

Liabilities to banks include liabilities to shareholders in the amount of EUR 404,169,000 (previous year: EUR 471,176,000).

Assets in a total amount of EUR 2,439,733,000 (previous year: EUR 2,597,843,000) are transferred as collateral for liabilities to banks.

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

Liabilities to customers	31/12/2024 EUR thousand	31/12/2023 EUR thousand
up to three months	157,799	95,076
more than three months to one year	213,620	348,500
more than one year to five years	90,982	111,542
more than five years	79,960	88,320
	542,361	**643,438**

Liabilities to customers include liabilities to affiliated companies in the amount of EUR 5,127,000 (previous year: EUR 4,104,000). Uncertificated liabilities to shareholders amounted to EUR 0 (previous year: EUR 41,000).

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

Trust liabilities: Trust liabilities consist of:

Trust liabilities/structure	31/12/2024 EUR thousand	31/12/2023 EUR thousand
Liabilities to banks		
a) with agreed term or notice period	92,354	118,798
Liabilities to customers		
a) with agreed term or notice period	148,942	40,615
	241,296	**159,413**

Other liabilities: Other liabilities mainly include liabilities from the valuation of currency swaps in the amount of EUR 5,345,000 (previous year: EUR 521,000) and from trade payables in the amount of EUR 375,000 (previous year: EUR 75,000). The increase in other liabilities compared to the previous year results from negative present values of FX swaps at the balance sheet date as a result of a downward trend in the USD currency rate for AKA.

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

Accrued and deferred items	31/12/2024 EUR thousand	31/12/2023 EUR thousand
Risk premium	3,737	4,318
Processing fee	374	508
Other	154	297
	4,265	**5,123**

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

Provisions for pensions and similar obligations	31/12/2024 EUR thousand	31/12/2023 EUR thousand
Settlement amount of pension provisions	29,827	30,787
Acquisition costs of the covering assets	33,730	33,730
Fair value of the covering assets	35,104	33,915
Income from covering assets	0	16
Excess of plan assets over pension liability	**5,276**	**3,144**

The covering assets were transferred to Mercer Treuhand GmbH and are largely invested in a money market fund. There is an overnight deposit credit balance. The securities account and the overnight deposit account are held in trust by State Street Bank International GmbH, Munich. The contributions to the covering assets amounted to EUR 0 (previous year: EUR 1,717,000). The asset exceeding the settlement amount is shown as an “excess of plan assets over pension liability” in the amount of EUR 5,276,000 (previous year: 3,144,000).

The valuation of the covering assets at fair value results in an amount exceeding the acquisition costs of EUR 1,359,000 (previous year: EUR 185,000).

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

Discounting difference

	31/12/2024 EUR thousand	31/12/2023 EUR thousand
Pension provision valued at		
10-year average interest rate	29,827	30,787
7-year average interest rate	29,601	31,115
	-226	**-328**

Other provisions: Other provisions include provisions for impending risks from the loan business in the amount of EUR 6,071,000 (previous year: EUR 6,216,000). In addition, personnel provisions amounting to EUR 3,835,000 (previous year: EUR 3,479,000) were created.

Reserve in accordance with Section 340 g HGB: In order to cover general banking risks, there is a reserve pursuant to Section 340 g HGB of EUR 37.0 million (previous year: EUR 25.2 million).

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

Amounts with restrictions on distribution

	31/12/2024 EUR thousand	31/12/2023 EUR thousand
Capitalisation of internally generated intangible assets	256	309
Income from the valuation of covering assets at fair value	925	126
Sum of the amounts with restrictions on distribution	1,181	435

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

Notes to the income statement

Interest expenses: Interest expenses include interest income from negative interest from futures investments by banks, public households, and companies in the amount of EUR 0 thousand (previous year: EUR 52,000).

Other operating expenses: The other operating expenses mainly include expenses from additional charges in the amount of EUR 70,000 (previous year: EUR 17,000).

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

Interest income from credit and money market transactions / regions

	2024 EUR thousand	2023 EUR thousand
Near East	64,143	53,438
Africa	41,106	36,035
CIS and Russia	28,294	27,502
Europe ex EU	18,626	18,583
EU	16,066	17,728
North and Central America	15,400	15,800
Middle East	12,703	11,349
Asia and Oceania	8,048	7,888
South America	4,434	4,250
	208,820	**192,573**

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

Interest income from fixed-interest securities / regions

	2024 EUR thousand	2023 EUR thousand
EU	2,257	656
North and Central America	1,255	717
Asia and Oceania	362	193
	3,874	1,566

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

Fee and commission income / regions

	2024 EUR thousand	2023 EUR thousand
EU	1,761	1,220
Middle East	1,188	1,076
CIS and Russia	818	965
Near East	685	1,258
Africa	548	377
Asia and Oceania	352	382
North and Central America	308	181
South America	268	336
Europe ex EU	241	161
	6,169	**5,956**

Other operating income: Other operating income consists essentially of income from the valuation of the covering assets in the amount of EUR 1,174,000 (previous year: EUR 201,000), which are offset by the interest expenses from the discounting of provisions in the amount of EUR 557,000 (previous year: EUR 538,000); the valuation of foreign currencies in the amount of EUR 404,000 (previous year expense: EUR 1,978,000); income from expense reimbursement of the subsidiary GVK GmbH in the amount of EUR 250,000 (previous year: EUR 250,000), and from the reversal of provisions (outside of the period) in the amount of EUR 209,000 (previous year: EUR 228,000).

Other disclosures

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

Foreign currency disclosures / assets	31/12/2024 EUR thousand	31/12/2023 EUR thousand
Central bank balances	1	9
Receivables from banks	116,810	151,240
Receivables from customers	668,410	806,819
Debenture bonds	62,181	66,437
Trust assets	23,589	5,719
Accrued income and deferred expenses	75	968
	871,066	**1,031,192**

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

Foreign currency disclosures / liabilities	31/12/2024 EUR thousand	31/12/2023 EUR thousand
Liabilities to banks	750,938	898,383
Liabilities to customers	253	487
Trust liabilities	23,589	5,719
Other liabilities	3	0
Deferred income and accrued expenses	69	216
Provisions	37	111
	774,889	**904,916**

As of the balance sheet date, there are irrevocable loan commitments of EUR 261,321,000 (previous year: EUR 318,510,000) and contingent liabilities from guarantees of EUR 293,415,000 (previous year: EUR 292,121,000) in foreign currency. Derivatives consist of off-balance sheet foreign currency liability items in the amount of EUR 139,571,000 (previous year: EUR 201,810,000) and foreign currency asset items in the amount of EUR 38,502,000 (previous year: EUR 72,398,000). Foreign currency receivables and liabilities generally correspond to currency, amount, and due date.

Deferred taxes: Deferred taxes changed in the 2024 financial year as follows:

Deferred taxes	01/01/2024 EUR thousand	Veränderung EUR thousand	31/12/2024 EUR thousand
Deferred tax assets	4,861	-436	4,425
Deferred tax liabilities	4,602	548	5,150

The valuation of deferred taxes was carried out on the basis of company-specific tax rates. The basis used to calculate corporate tax plus solidarity surcharge was 15.825 %, and the basis used to calculate trade tax was 16.10 %. Deferred tax liabilities of EUR 725,000 (previous year: EUR 0 thousand) were formed. Deferred tax assets on 31 December 2024 are based on valuation differences in pension and other provisions. Deferred tax liabilities are based on valuation differences in securities, receivables from banks and customers, and intangible assets. The reason for the excess of deferred tax liabilities is the change in the difference between the valuation of the securities portfolio and the covering assets for accounting purposes and the valuation for tax purposes as of the reporting date.

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

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

Contingent liabilities / structure	31/12/2024 EUR thousand	31/12/2023 EUR thousand
Credit guarantees	262,187	256,050
Letters of credit	117,751	132,400
Guarantee loans	71,311	71,167
	451,249	**459,617**

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

Other obligations: Irrevocable loan commitments are structured as follows:

Other obligations	31/12/2024 EUR thousand	31/12/2023 EUR thousand
Irrevocable loan commitments for the loan business	1,059,100	1,103,451
	1,059,100	**1,103,451**

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

Other financial obligations: Securitisation guarantees were concluded with the Federal Republic of Germany to secure refinancing loans. Within the framework of supplementary guarantee provision agreements, AKA undertakes to pay the guaranteed amount when the securitisation guarantees are claimed. At the end of the year, there were possible payment claims from guarantee provisioning in connection with securitisation guarantees in the amount of EUR 1,402,873,000 (previous year: EUR 1,485,783,000).

In 2024, the Single Resolution Board did not make any contributions to the Single Resolution Fund (bank levy). In the course of the annual collection of contributions up to 2023, AKA made use of the option of providing a maximum of 22.5 % of the contribution as secured payment claims. The obligation from this amounts to EUR 2,035,000 (previous year: EUR 2,035,000).

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

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

Volumes / fair value of futures in hedges

	Volume 31/12/2024 USD thousand	Volume 31/12/2024 EUR thousand	Fair value 31/12/2024 EUR thousand	Volume 31/12/2023 USD thousand	Volume 31/12/2023 EUR thousand
Interest rate risks					
up to one year remaining term	0	39,400	-184	0	164,500
up to five years remaining term	40,000	118,417	-2,982	0	125,317
over five years remaining term	0	65,000	-7,401	0	63,500
Interest rate risk/currency risk					
up to one year remaining term	0	0	0	0	0
up to five years remaining term	5,000	4,592	-177	0	0
over five years remaining term	0	0	0	0	0
	45,000	**227,409**	**-10,744**	**0**	**353,317**

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

Volumes / fair value of futures outside of hedges

	Volumen 31/12/2024 USD thousand	Volumen 31/12/2024 EUR thousand	Zeitwert 31/12/2024 EUR thousand	Volumen 31/12/2023 USD thousand	Volumen 31/12/2023 EUR thousand
Interest rate risks					
up to one year remaining term	0	300,000	-280	0	5,000
up to five years remaining term	0	8,974	763	0	1,365
over five years remaining term	0	0	0	0	0
Currency risks					
up to one year remaining term	100,000	90,236	-5,345	303,000	276,031
up to five years remaining term	0	0	0	0	0
over five years remaining term	0	0	0	0	0
Interest rate / currency risks					
up to one year remaining term	0	0	0	0	0
up to five years remaining term	0	0	0	0	0
over five years remaining term	0	0	0	0	0
	100,000	**399,210**	**-4,862**	**303,000**	**282,396**

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

Remuneration: Remuneration for the members of the Supervisory Board is planned to be EUR 309,000 (previous year: EUR 286,000), plus VAT if applicable.

As of 31 December 2024, EUR 6,794,000 (previous year: EUR 7,309,000) was reserved for pension obligations to former members of the Management and their surviving dependents. The remuneration in 2024 was EUR 681,000 (previous year: EUR 715,000).

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

Auditor’s fee: The fee for the auditor recorded as an expense in the 2024 financial year is broken down as follows:

Auditor’s fee

	2024 EUR thousand
Annual audit services	496
Other confirmation services	14
Tax consultancy services	0
Other services	0
	510

Other confirmation services concern the following: confirmation services as part of the audit of duly entered assignment notes for claims compensated in the event of liability and those reviewed in accordance with the General Terms and Conditions of the Deutsche Bundesbank as part of the use of loan receivables for the collateralisation of central bank loans (MACCs).

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

Employee structure

	Male	Female	2024 Total	2023 Total
Full-time employees	88	48	136	125
Part-time employees	3	13	16	20
Parental leave	0	2	2	2
	91	**63**	**154**	**147**

The Supervisory Board of AKA in 2024 is composed of the following:

Ordinary members

– Chairman –

Michael Schmid*/** (until 30/04/2024)
Economist (Diplom-Volkswirt)
Koenigstein/Taunus

Daniel Schmand*/** (from 30/04/2024)
Member of the Corporate Bank ExCo
Deutsche Bank AG
Frankfurt/Main

– 1st Deputy Chairman –

Werner Schmidt*/** (until 30/04/2024)
Managing Director
Deutsche Bank AG
Frankfurt/Main

Thomas Lingemann*/** (from 30/04/2024,
Permanent Representative until 30/04/2024)
Managing Director
Commerzbank AG
Frankfurt/Main

– 2nd Deputy Chairman –

Thomas Dusch*/**
Senior Vice President
UniCredit Bank GmbH
Munich

– 3rd Deputy Chairman –

Jan-Peter Müller*/**
Energy and Mobility Division Manager
Bayerische Landesbank
Munich

– Additional ordinary members –

Michael Maurer*
Managing Director
Landesbank Baden-Württemberg
Stuttgart

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

Winfried Münch* (until 30/04/2024)
Director
DZ BANK AG Deutsche Zentral-Genossenschaftsbank
Frankfurt/Main

Gottfried Finken* (from 30/04/2024)
Structured Finance Division Manager
DZ BANK AG Deutsche Zentral-Genossenschaftsbank
Frankfurt/Main

Jens Thiele
Managing Director
Hamburg Commercial Bank AG
Hamburg

Florian Witt (until 30/04/2024)
Managing Director
ODDO BHF SE
Frankfurt/Main

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

Björn Mollner (from 30/04/2024)
Head of Structured Trade & Export Finance
Landesbank Hessen-Thüringen Girozentrale
Frankfurt/Main

Permanent representatives

Frank Schütz (until 30/04/2024)
Managing Director
Deutsche Bank AG
Frankfurt/Main

Sandra Primiero (from 30/04/2024)
Managing Director / Head Risk and Portfolio Management
Deutsche Bank AG
Berlin

Dr Hanna Lehmann (from 30/04/2024)
Head of Transaction Management Specialised Lending
Commerzbank AG
Frankfurt/Main

Inés Lüdke
Managing Director
UniCredit Bank GmbH
Munich

Matthias Öffner
Senior Director Trade & Export Finance
Bayerische Landesbank
Munich

Deputy members

Nanette Bubik
Managing Director
Landesbank Baden-Württemberg
Stuttgart

Bartholomeus Ponsioen
Managing Director
ING-DiBa AG
Frankfurt/Main

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

Jan Lührs-Behnke
Head of Finance & Bank Steering
Hamburg Commercial Bank AG
Hamburg

Inga Leitzbach (until 30/04/2024)
Department Head
of Trade Product & Distribution Management
ODDO BHF SE
Frankfurt/Main

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

Heinz Boiger (from 30/04/2024)
Director Structured Trade & Export Finance
Landesbank Hessen-Thüringen Girozentrale
Frankfurt/Main

* Member of the Risk Committee

**Member of the Nomination and Remuneration Control Committee

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

Dr. Nadja Marschhausen, Managing Director, Bad Homburg v. d. Hoehe

Marck Wengrzik, Spokesperson of the Management, Frankfurt/Main

Frank Zimmermann, Managing Director, Dreieich

Appropriation of earnings: We propose that a portion of the unappropriated surplus in the amount of EUR 8,200,000 be distributed to our shareholders, and that the additional amount of EUR 5,000,000 be allocated to the other retained earnings.

Frankfurt/Main, dated 27/03/2025

The Management of AKA Ausfuhrkredit-Gesellschaft mit beschränkter Haftung

Dr. Nadja Marschhausen | Marck Wengrzik | Frank Zimmermann

Disclosures in accordance with Section 26a KWG Country-specific reporting

The following required information is disclosed with this reporting:

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

Turnover was defined as the sum of interest and net fee and commission income, plus other operating income. The information on the number of employees refers to full-time workers (pursuant to Section 285 No. 7 HGB in conjunction with Section 267 No. 5 HGB).

The information was determined on the basis of the annual financial statements of AKA as of 31/12/2024. Consolidated financial state-ments have not been prepared.

Company	Country	Location	Type of Activity	Turnover (EUR million)	Em-ployees (FTEs)	Profit before Taxes (Mio EUR)	Taxes on profit (EUR million)	Public aid received (EUR million)
EU countries								
AKA Ausfuhrkredit-Gesellschaft mit beschränkter Haftung	Germany	Frankfurt/Main	Bank	220.4	154	20.7	7.5	0.0

Return on investment: Article 90 of EU Directive 2013/36/EU (Capital Requirements Directive, CRD IV) was also implemented into German law with Section 26a KWG.

As of 31/12/2024, the return on investment within the meaning of Section 26a paragraph 1 sentence 4 KWG is 0.35 %.

Audit report of the independent auditor

Reproduction of the audit report

Based on our audit, we have issued the following unqualified audit report:

Audit report of the independent auditor

To AKA Ausfuhrkredit-Gesellschaft mit beschränkter Haftung, Frankfurt/Main

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

Audit opinions

We have audited the annual financial statements of AKA Ausfuhrkredit-Gesellschaft mit beschränkter Haftung, Frankfurt/Main, consisting of the balance sheet dated 31 December 2024 and the income statement for the financial year from 1 January to 31 December 2024, as well as the notes to the financial statements, including the presentation of the accounting and valuation methods. In addition, we have audited the management report of AKA Ausfuhrkredit-Gesellschaft mit beschränkter Haftung for the financial year from 1 January to 31 December 2024.

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

- the attached annual financial statements comply in all material respects with the provisions of German commercial law applicable to institutions and, in compliance with the German principles of proper accounting, provide a true and fair view of the financial position and cash flows of the company as of 31 December 2024 and its financial performance for the financial year from 1 January to 31 December 2024 and
- the attached management report provides an accurate picture of the company's situation. In all material respects, this management report is consistent with the annual financial statements, complies with German legal regulations and accurately presents the opportunities and risks of future development.

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

Basis for the audit opinions

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

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

Particularly important audit matters are those circumstances that, based on our professional judgement, were most important in our audit of the annual financial statements for the financial year from 1 January to 31 December 2024. These circumstances were taken into account in connection with our audit of the annual financial statements as a whole and in the formation of our audit opinion; we do not issue a separate audit opinion on these circumstances.

Appropriateness of the individual value adjustments on receivables to customers

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

The risk for the annual financial statements

In the annual financial statements as of 31 December 2024, AKA Ausfuhrkredit-Gesellschaft mit beschränkter Haftung reports receivables from customers in the amount of EUR 2,817.4 million.

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

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

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

Our approach to the audit

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

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

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

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

Our conclusions

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

Adequacy of the lump-sum provisions with a parameter-based approach (LSP)

With regard to the explanation of the risk provisioning system, we refer to Section 3.2 on credit default risks in the management report. We refer to the notes to the financial statements for the accounting and valuation methods used by the AKA Ausfuhrkredit-Gesellschaft mit beschränkter Haftung for lump-sum provisions.

The risk for the annual financial statements

As of 31 December 2024, the bank discloses in its annual financial statements receivables from banks in the amount of EUR 614.2 million and receivables from customers in the amount of EUR 2,817.4 million and contingent liabilities in the amount of EUR 451.2 million and irrevocable loan commitments in the amount of EUR 1,059.1 million. These holdings form the basis for the creation of lump-sum provisions in accordance with the IDW statement on accounting: Risk provisioning for foreseeable credit default risks that have not yet been individually specified in the loan business of banks ("lump-sum provisions") (IDW RS BFA 7). The lump-sum provision (LSP) for inherent default risks in the loan business amounts to EUR 35.7 million as of the reference date.

The determination of the lump-sum provision to cover the inherent default risk of receivables from the loan business, as well as of contingent liabilities and irrevocable loan commitments, is carried out according to a parameter-based approach on the basis of an expected loss model.

The fundamental value-determining assumptions and parameters for the assessment of these credit default risks include in particular the borrower-specific default probability, the loss ratio upon occurrence of the default event, as well as assumptions about the expected call-off ratio for contingent liabilities and irrevocable loan commitments. Moreover, additions to the lump-sum provision were made for loan exposures that are affected by sanctions in connection with the Russia-Ukraine war; the additions were taken into account by way of a management adjustment of EUR 13.5 million.

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

Our approach to the audit

Based on our risk assessment and the assessment of the risks of errors, we have based our audit opinion on both control-based audit procedures and on substantive audit procedures. As a first step, we gained comprehensive insight into the development of the loan portfolio, the associated credit default risks, the methods and models used, as well as the internal control system with regard to the monitoring and assessment of the inherent credit default risks in the loan portfolio. For the assessment of the appropriateness of the internal control system with regard to the modelling and calibration of the value-determining assumptions and parameters, we conducted surveys and inspected the relevant documents in order to identify the relevant controls in this regard.

We then checked the appropriateness, proper implementation and, using random samples, the effectiveness of these controls. Our audit activities included, among other things, controls with regard to the proper determination of the material model assumptions and the derivation, validation and approval of the parameters used, as well as the proper application of the established rating procedures in order to enable a proper estimation of the individual borrower default probabilities from a commercial perspective. For the IT systems used, we have reviewed the appropriateness of the IT environment and the effectiveness of the general IT controls.

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

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

Our conclusions

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

Other information

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

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

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

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

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

Responsibility of the legal representatives and the Supervisory Board for the annual financial statements and the management report

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

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

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

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

Responsibility of the auditor for the audit of the annual financial statements and the management report

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

Reasonable assurance is a high degree of assurance, but no guarantee that an audit carried out in accordance with Section 317 HGB and the EU Auditors Regulation in compliance with the German principles of proper auditing established by the Institute of Public Auditors (IDW) will always reveal a material misstatement. Misstatements may result from fraudulent acts or errors and are considered material if they could reasonably be expected to influence the economic decisions made by users on the basis of these annual financial statements and management reports.

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

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

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

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

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

Other statutory and legal requirements

Other disclosures pursuant to Article 10 of the EU Auditors Regulation

We were elected as auditors by the Annual General Meeting on 30 April 2024. We were engaged by the Supervisory Board on 9 September 2024. We have worked continuously since the 2017 financial year as auditors of AKA Ausfuhrkredit-Gesellschaft mit beschränkter Haftung.

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

Responsible auditor

The auditor responsible for the audit is Alina Sorokina.

Frankfurt/Main, 27 March 2025

KPMG AG
Wirtschaftsprüfungsgesellschaft (auditing firm)

signed by Sorokina
Auditor

signed by Schück
Auditor

Additional information

Bayerische Landesbank, Munich

Commerzbank AG, Frankfurt/Main

DekaBank Deutsche Girozentrale, Frankfurt/Main

Deutsche Bank AG, Frankfurt/Main

Deutsche Sparkassen Leasing AG & Co. KG, Bad Homburg vor der Hoehe

DZ BANK AG Deutsche Zentrale-Genossenschaftsbank, Frankfurt/Main

Hamburg Commercial Bank AG, Hamburg

IKB Deutsche Industriebank AG, Duesseldorf

ING-DiBa AG, Frankfurt/Main

KfW IPEX-Bank GmbH, Frankfurt/Main

Landesbank Baden-Württemberg, Stuttgart

Landesbank Hesse-Thüringen Girozentrale, Frankfurt/Main/Erfurt

Norddeutsche Landesbank Girozentrale, Magdeburg/Braunschweig/Hannover

ODDO BHF SE, Frankfurt/Main

Oldenburgische Landesbank AG, Oldenburg

Skandinaviska Enskilda Bank AB (SEB AB), Stockholm

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