

# AKA continues on its path of growth

Fit for the digital future  
with a resilient business model



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# Frankfurt am Main

Location



**138**  
employees

Founded  
**1952**

Experience with over  
**6,600**  
export transactions  
covered by Hermes

**17**  
banks are our  
shareholders

## Creating opportunities together

We put partnership into practice

### Our core competencies

- Efficiency and quality: fast decision-making and high cost-efficiency in business administration thanks to lean structures
- Established network within the European Trade Finance market
- In-depth product expertise and a clear focus on Export and Trade Finance
- Long years of experience in the international loan business
- Speed to market: speed in the successful implementation and introduction of new products and services
- Specialist expertise for emerging markets

### Our DNA

- Discretion and cooperation are top priorities at AKA, and we have worked this way for over 65 years within a network of strong banks
- AKA believes that the close relationships, integrity and trustful cooperation are the vital basis for its role as an enabler in the financing and administrative processing of international Export and Trade transactions

## Mature cooperation

AKA has been working as a partner to various market players since 1952.

It positions its ever growing network of partners firmly in the Export and Trade Finance market. It does so with bespoke and standard solutions, and with risk capacity based on a powerful digital platform and in-depth experience.

AKA regards itself as a product bank and acts as a partner institution that collaborates with its business partners instead of competing with them. It deals mainly with its 17 shareholder banks, who come from all three pillars of the German banking industry and from neighbouring European countries. AKA is also involved in the financing of non-shareholder banks operating in the international Export and Trade Finance market.

**Our vision: AKA as a leading enabler in Europe for Export and Trade Financing with an open, digital ecosystem**



## Global presence – a strong partner in a growing network

Network within the European Trade Finance  
market and exposure in over 70 countries  
around the globe

# AKA connects market participants

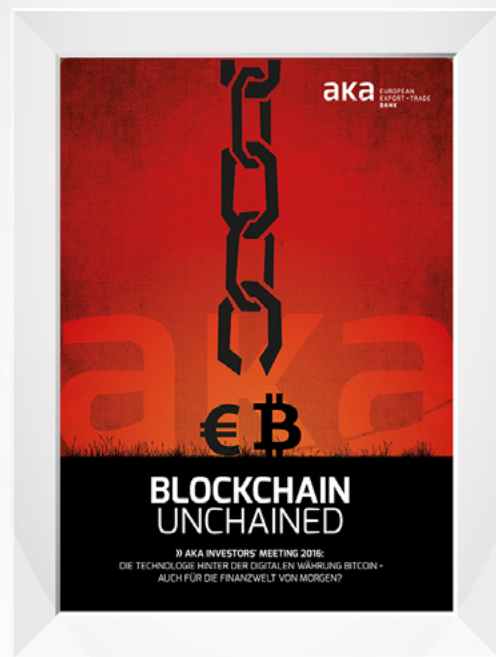
## Providing platforms and meeting with experts

Market players in the Export Finance community can connect in different networking formats and at themed conferences at AKA and exchange information on current topics.

This has been happening more and more in hybrid and purely digital formats since the start of 2020. The next slide showcases the poster designs from our annual Investors' Meetings, where we have been providing a forum for dialogue for the past seven years.



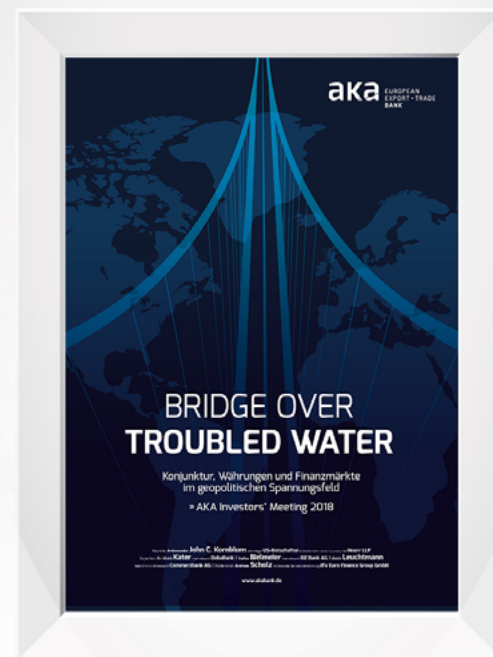




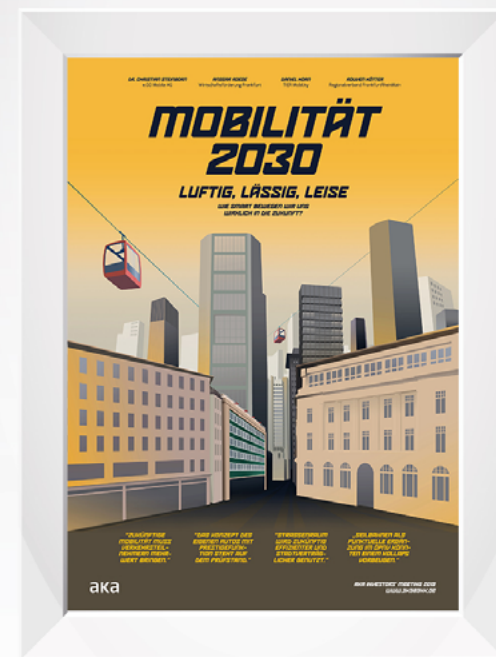
2016



2017



2018



2019



2020

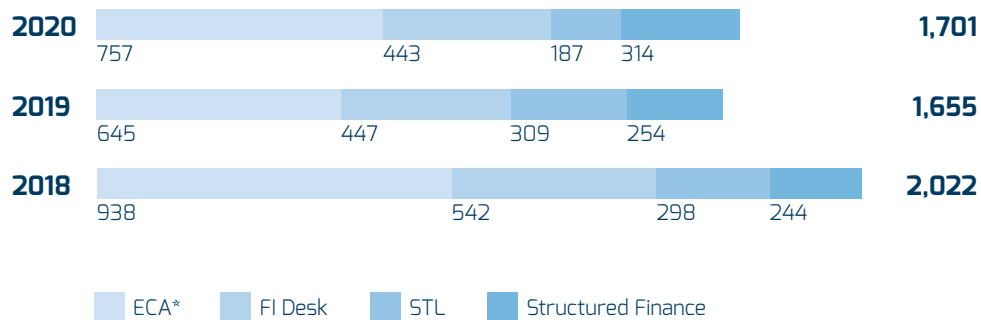
## **New business volume reaches EUR 1,701 million in 2020**

High transaction volume in the uncovered area and lively demand for products offered via our SmaTiX portal

### **2020 new business development**

- For 2020, new business volume amounts to EUR 1,701 million
- Strong growth in new business volume throughout 2020
- Structured Finance & Syndication (SFS) surpassed the high level of the previous year and hit their targets; Syndicated Trade Loans (STL) did not achieve their ambitious targets
- The FI Desk closed just below the high level of the previous year
- Despite cancellation or postponement of major projects, the ECA segment continues to be the largest individual product (38 % of final volume)
- Lively demand and first transactions for new products offered for buyer credits between EUR 1-10 million covered by EH via our SmaTiX portal

## Volume by product (in EUR million)



\*Export Credit Agency = government-guaranteed export credit insurance

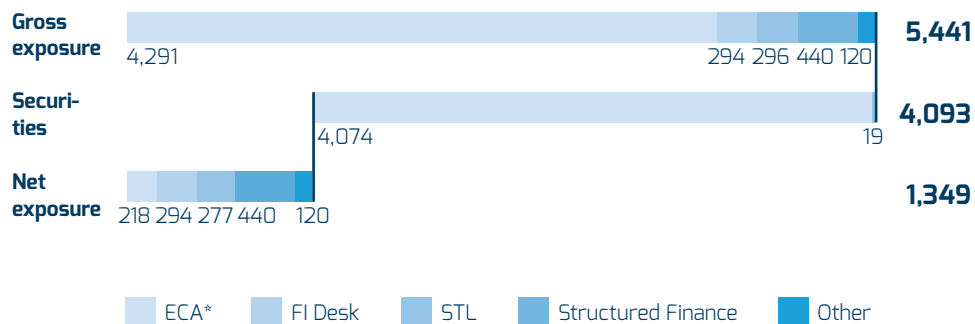
## **With gross exposure of EUR 5.4 billion, the AKA loan portfolio shows a net risk of EUR 1.35 billion**

Securities in the form of ECA cover reduce the gross risk, and thus have a positive effect on Equity

### **Loan portfolio**

- AKA has gross exposure (including reservations) in an amount of around EUR 5.4 billion
- After deducting securities (mainly ECA cover), the remaining net risk amounts to around EUR 1.35 billion, and is primarily spread across the following product groups: FI Desk, STL, Structured Finance and residual risk from ECA financings
- Utilisations within the loan portfolio amounted to about EUR 3.5 billion
- The (net) NPL ratio of 0.5 % continues at a low level and emphasizes the quality of the loan portfolio

## Allocation of business volume gross/net (in EUR million)



\*Export Credit Agency = government-guaranteed export credit insurance

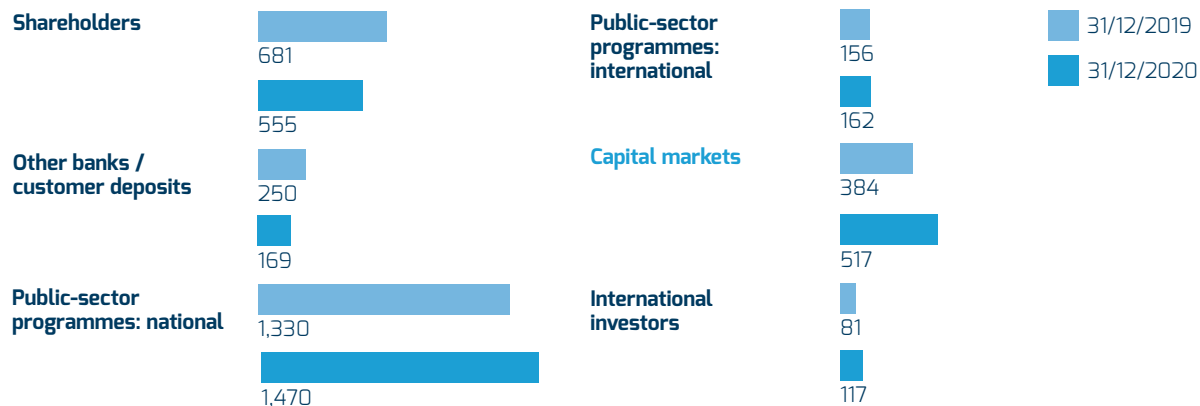
## Continuity even during difficult market phases

AKA can rely on its partners

### Refinancing

- Development demonstrates strong investor confidence in AKA
- 2020 refinancing volume surpasses EUR 3 billion for the first time
- Since starting capital market activities in 2016, more than half a billion EUR have been the subject of acceptances
- Expansion of the national and international refinancing programmes for export funding as a solid basis for AKA's business model
- Risk-oriented management of market risks ensures a consistently secure liquidity position, even in times of crisis

## Development of refinancing sources (in EUR million)



## Maturity structure capital market refinancing (in EUR million)



## Increased net profits at EUR 50.4 million

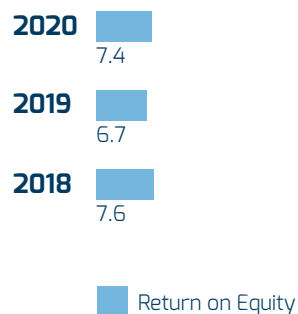
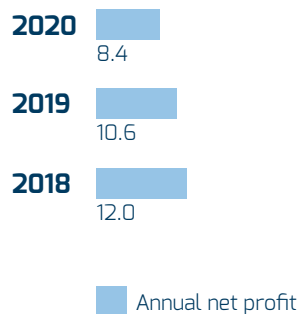
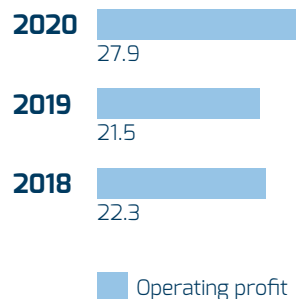
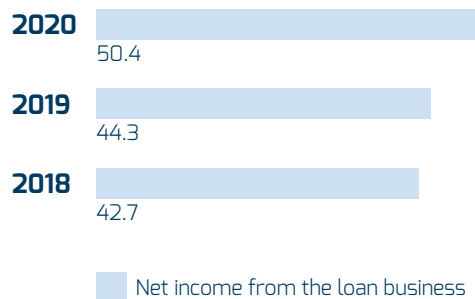
Cost-Income Ratio (CIR) and Return on Equity (RoE)  
remain at good levels

### Earnings position

- Net income from loan business is a relevant performance indicator
- Revenues at EUR 50.4 million were 13.8 % higher compared to the previous year
- Of these, a new business contribution of EUR 11.3 million
  - › Operating profits around 30 % higher compared to the previous year
  - › Annual net profits of EUR 8.4 million with an RoE of 7.4 %



## Development of earnings indicators (in EUR million or %)



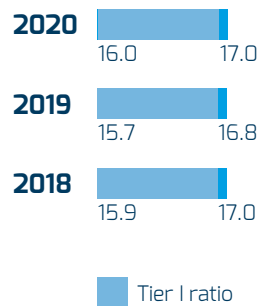
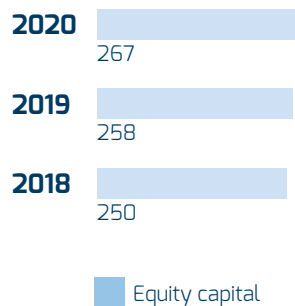
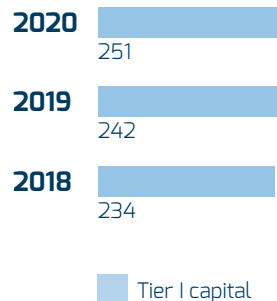
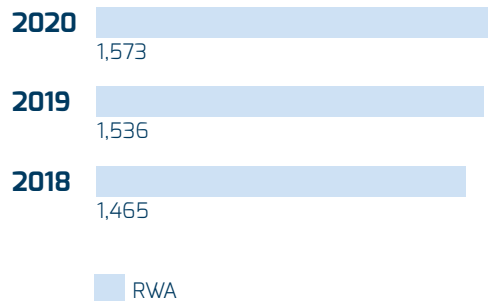
## **Regulatory capital requirements maintained comfortably at all times**

Increased equity capital by consistently retaining earnings

### **Regulatory capital requirements**

- Comfortable maintenance of regulatory capital requirements thanks to a strong Equity base of AKA
- Continual increases in Tier I capital or equity capital by means of consistently retaining earnings
- 2020 increase in Risk Weighted Assets (RWAs) due to business growth
- AKA is well prepared for expected future capital requirements

## Development of capital ratios (in EUR million or %)



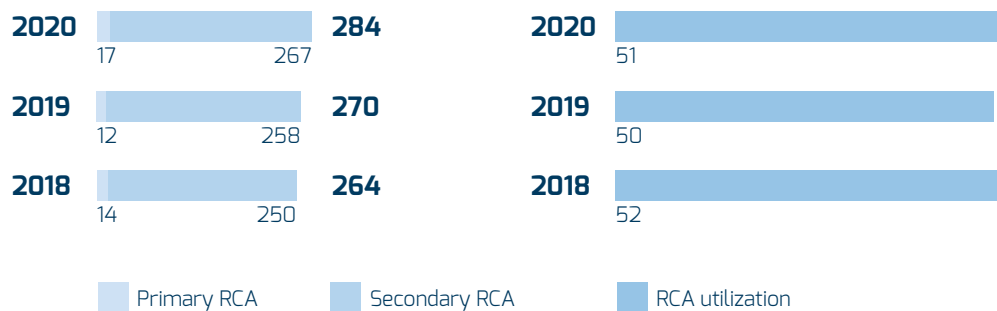
## **Risk-taking capacity was held up at all times during 2020**

The limits per risk type were adequate and maintained at all times

### **Risk-taking capacity**

- AKA determines the risk-taking capacity from an economic perspective using a Pillar 1 plus approach
- The risk-taking capacity was ensured at all times
- Risk positions slightly above previous year's levels
- The utilisation of risk coverage (RCA) increased slightly compared to the previous year, explained by increased risk positions

## Development of risk-taking capacity (in EUR million or %)



## Development of risk-taking capacity (in EUR million)

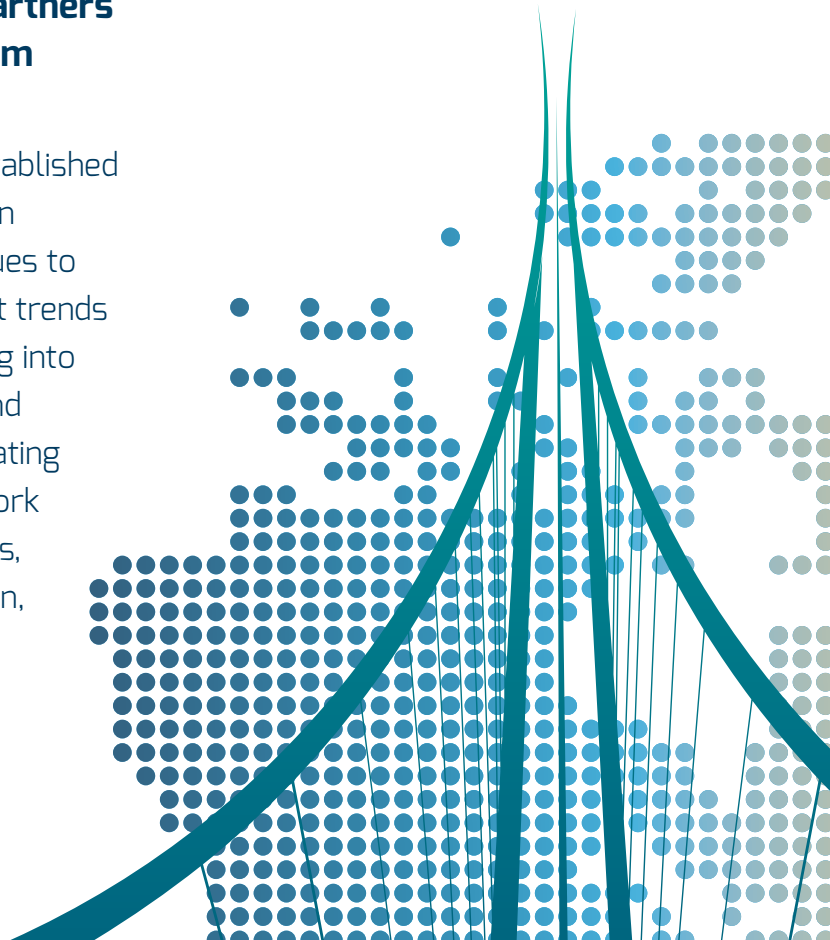


Presentation of derived risks



## **AKA with a growing network of partners moving towards an open ecosystem**

With the further development of the established business model as part of the digitisation strategy already underway, AKA continues to proactively address many visible market trends even in times of crisis. We are developing into a modern, digital platform for Export and Trade Finance while preserving and updating our historical role. With a growing network of partners thanks to new collaborations, AKA is making progress towards an open, digital ecosystem.

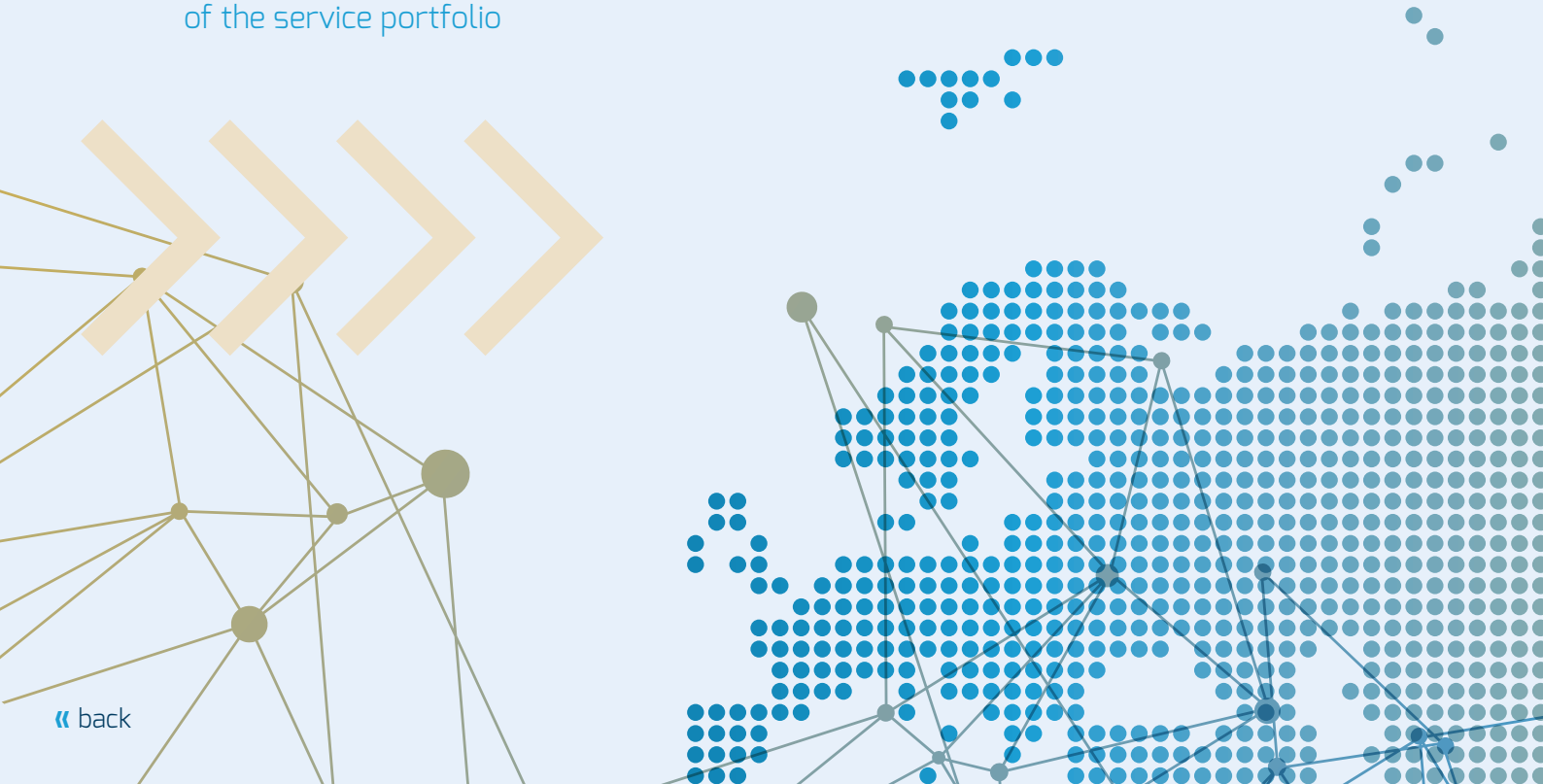


**We offer:** Many years of expertise and a wide reach thanks to close collaboration with our shareholders. Ideal preconditions for win-win situations within the network and jointly opening up new markets.



## AKA is transforming

Three strategic areas remain in focus:  
digitisation, Europeanisation and diversification  
of the service portfolio



## Digitisation

- Growing popularity of our online portal SmaTiX (Small Ticket Express) among exporters
- 2020 was the first full year of live operation with the addition of the new microservice architecture
- With this digital financing solution, AKA is filling a gap in the market and helping to strengthen small and medium-sized enterprises (SMEs)
- SmaTiX lifts buyer credits from being a complex financing product with heavy loan documentation to the next, modern level: highly standardised, digital application route with indicative offers in real time and a lean loan agreement
- Functional expansion of portal access at the beginning of 2020, strengthening the ability of the shareholders and partners to find an Export Finance solution and thus giving AKA's SmaTiX better access to the German and European corporate customers
- The number of SmaTiX credit enquiries has been significantly increasing
- The transaction volume of small-ticket buyer credits has significantly risen as well

## Europeanisation

- AKA has already been building up its collaboration with European Export Credit Agencies (ECAs) for years, and is intensifying its strategic expansion to become a European Trade Finance institution
- Continuous broadening of our shareholder base:  
ING and Deutsche Leasing on board since 2019 and 2020
- By using SmaTiX, connections to other ECAs become possible as well as expanding market cover in a cost effective and sustainable manner

## Diversification

- The main priority of business activities in more than 70 countries worldwide with emerging markets continues to be a focus at AKA
- With a high-quality, balanced loan portfolio, the current range of services is already showing excellent diversification
- Progress in diversification within the AKA service portfolio:
  - › Expansion of available country range selection through SmaTiX
  - › New functionality in the online portal: access for shareholders after initial cooperation actively in use

## SmaTiX as a core element of AKA's digital strategy

Targeted expansion of the SmaTiX ecosystem – growth of the SmaTiX business model despite the pandemic

### Current developments

#### Live operation 2020

- The number of onboarded exporters was further increased in 2020
- The SmaTiX solution has become an important component in sales financing for exporters, especially in the on-going pandemic
- The number of SmaTiX credit inquiries as well as the transaction volume of small-ticket buyer credits increased significantly

#### Links with OeKB and SERV

- SmaTiX now available throughout the German-speaking region
- As part of the Europeanisation of the portal, Österreichische Kontrollbank AG (OeKB) has been connected to SmaTiX since the end of 2019, and Swiss Export Risk Insurance (SERV) will follow at the beginning of 2021

### **New microservice architecture**

- Thanks to the strongly function-based modularisation within the microservice platform, AKA will be able to implement new functions for customers and partners more agilely and faster in the future
- Four key benefits: Agility through the encapsulation of services, resilience through the distribution of functionality across multiple services, compatibility thanks to APIs and granular and targeted scalability in terms of customer interests, via individual services

### **Bank access**

- A broad base of small and medium-sized enterprises (SMEs) can use all the active consultation resources of the 17 AKA shareholders
- First shareholder bank uses its own access to the portal
- The second cooperation agreement with another shareholder will follow early in 2021

The further technical development of SmaTiX makes it possible to respond even more rapidly to market demands with digital solutions. The microservice architecture enables SmaTiX being integrated into shareholders' digital business models.

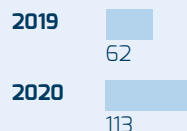


## Performance indicators at a glance

Positive development in relevant quantitative and qualitative SmaTiX performance indicators in 2020, despite the pandemic

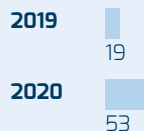
**+82%**

loan requests\*



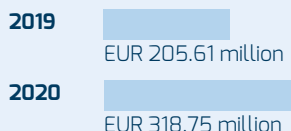
**+179%**

countries with  
auto reporting



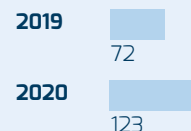
**+55%**

requested  
loan volume\*



**+71%**

number of SmaTiX  
exporters



\*digitally submitted SmaTiX financing requests

17

shareholders can  
advise their customers  
via SmaTiX

**3 ECAs**  
now available

Own  
**portal access**  
for shareholders

Quotation in  
**real time**

**2**  
languages for  
the portal

« back

32

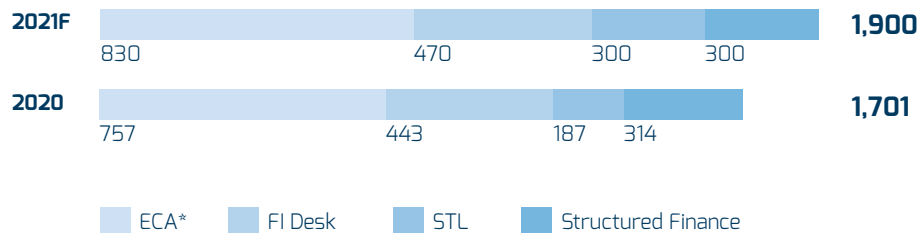


## Outlook for 2021 business planning

Planned business growth will entail a rise in the key earnings indicators

### New business volume (in EUR million)

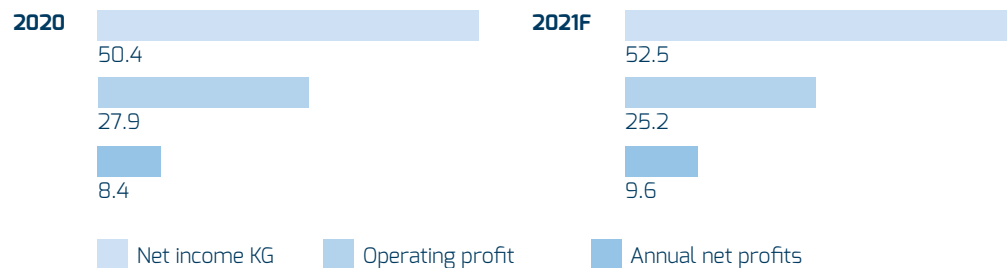
Planned new business volume for 2021 amounts to EUR 1,900 million



\*Export Credit Agency = government-guaranteed export credit insurance

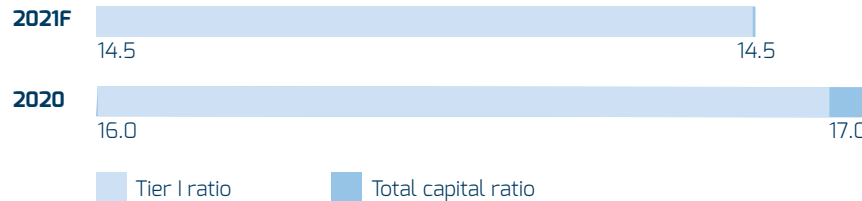
## Earnings position (in EUR million)

- Forecast for the development of financial Indicators: Net income from loan business totals about EUR 52.5 million
- Deviations from the plan figures can now be expected in light of the Corona pandemic



## Capital ratios (in %)

- Capital ratios declining due to increasing Risk-Weighted Assets (RWAs) thanks to planned business growth
- Nevertheless, comfortable compliance with regulatory requirements
- Conversion from Section 340f HGB to Section 340g HGB reserves



## cRWA and Equity (in EUR million)

- Increase in RWAs due to planned new business
- Growth in equity thanks to ongoing retention of earnings
- Despite the ongoing coronavirus pandemic, AKA is paying a dividend of EUR 2.9 million for the 2020 financial year



## Selected AKA performance indicators

Development 2018-2020 plus 2021 business planning

Indicators	2018A	2019A	2020A	2021F
New business volume (in EUR million)	2,022	1,655	1,701	1,900
Net income from the loan business (in EUR million)	42.7	44.3	50.4	52.5
Administrative expenses (in EUR million incl. innovation budget)	20.7	23.3	24.7	28.3
Operating profits (in EUR million) before innovation	22.3	23.2	30.3	29.2
Operating profits (in EUR million) after innovation	22.3	21.5	27.9	25.2
Cost Income Ratio (in %) before innovation	48	48	42	46
Cost Income Ratio (in %) after innovation	48	52	47	53
Loan loss provisions (addition / + reversal in EUR million)	-4.1	-5.1	+7.7	-8.2
Annual net profits (in EUR million) before innovation	12.0	11.7	10.0	12.3
Annual net profits (in EUR million) after innovation	12.0	10.6	8.4	9.6

Indicators	2018A	2019A	2020A	2021F
RoE (in %)	7.6	6.7	7.4	6.3
cRWA (counter-party risks) (in EUR million)	1,386	1,438	1,458	1,753
CET1 capital (in EUR million)	234	242	251	272
Total capital ratio (according to CRR in %)	17.0	16.8	17.0	14.5
Total assets	3,206	3,516	3,721	4,057
Business volume	4,864	5,010	5,152	5,936

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