

SUPPLEMENT NO. 1

dated 25th September, 2023

to the

DEBT ISSUANCE PROGRAMME PROSPECTUS

dated 5th May, 2023

of



Erste Abwicklungsanstalt

*(incorporated as a public law entity with partial legal capacity in the Federal Republic of Germany (**Germany**) and operating under the umbrella of the Federal Agency for Financial Market Stabilisation (Bundesanstalt für Finanzmarktstabilisierung; the **FMSA**))*

Euro 20,000,000,000 Debt Issuance Programme

This Supplement No. 1 (the **Supplement**) constitutes a supplement for the purposes of Article 23 (1) of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14th June, 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market and repealing Directive 2003/71/EC, as amended (the **Prospectus Regulation**) to the debt issuance programme prospectus of Erste Abwicklungsanstalt dated 5th May, 2023 (the **Prospectus**), which has been prepared in connection with the Euro 20,000,000,000 Debt Issuance Programme (the **Programme**) established by Erste Abwicklungsanstalt (**EAA** or the **Issuer**). Terms defined in the Prospectus have the same meaning when used in this Supplement.

The purpose of this Supplement is to amend certain of the risk factors and the disclosure relating to the Issuer as set out in the Prospectus, in particular following the publication on 23rd August, 2023 of the Interim Report 30 June 2023 of EAA.

This Supplement is supplemental to, and should be read and construed in conjunction with, the Prospectus and all documents incorporated by reference in the Prospectus.

Copies of the Prospectus, all documents incorporated by reference in the Prospectus and this Supplement will be published in electronic form on the website of the Luxembourg Stock Exchange (www.luxse.com/programme/Programme-ErsteAbwicklung/13741). For the avoidance of doubt, the content of the aforementioned website does not form part of this Supplement and has not been scrutinised or approved by the *Commission de Surveillance du Secteur Financier* (the **CSSF**).

To the extent that there is any inconsistency between (a) any statement in this Supplement or any statements incorporated by reference in the Prospectus by this Supplement, and (b) any other statements in or incorporated by reference in the Prospectus, the statements in (a) above will prevail.

EAA accepts sole responsibility for the information contained in this Supplement (including any information incorporated by reference in the Prospectus by this Supplement). Having taken all reasonable care to ensure

that such is the case, EAA confirms that the information contained in this Supplement (including any information incorporated by reference in the Prospectus by this Supplement) is, to the best of its knowledge and belief, in accordance with the facts and does not omit anything likely to affect the import of such information.

Save as disclosed in this Supplement, there has been no other significant new factor, material mistake or material inaccuracy relating to the information included in the Prospectus which is capable of affecting the assessment of any Notes to be issued under the Programme since the publication of the Prospectus.

A. Amendments to the section commencing on page 11 of the Prospectus which is entitled "*Risk Factors*"

- 1. In the subsection commencing on page 11 of the Prospectus which is entitled "*Risk Factors Relating to the Issuer – 1. Risks Relating to the Issuer's Business Activities and the Financial Markets – Credit Exposure and Increased Loss Provisions*" the first paragraph shall be replaced in its entirety as follows:**

Pursuant to EAA's charter as of 11th December, 2009, as last amended on 17th December, 2020 (*Statut*; the **Charter**), EAA was set up to wind-up the portfolio of risk assets and non-strategic businesses/assets that comprised loans, public finance securities, other tradable securities and structured credit products which were acquired from WestLB AG (now: **Portigon**) and its subsidiaries. Hence, the Issuer's business consists almost entirely of administering distressed and non-strategic financial assets acquired from Portigon and Portigon's subsidiaries with a view to releasing Portigon and Portigon's subsidiaries from, in particular, the credit risk attributable to such financial assets, and is thus subject to the risk that debtors of such assets and other contractual partners may become unable to meet their obligations vis-à-vis the Issuer (including, but not limited to effects following from the outbreak of COVID-19 or similar diseases (as further described in the subsection entitled "*Pandemic Outbreak of SARS-CoV-2 ('COVID-19')*").

- 2. The subsection commencing on page 12 of the Prospectus which is entitled "*Risk Factors Relating to the Issuer – 1. Risks Relating to the Issuer's Business Activities and the Financial Markets – Pandemic Outbreak of SARS-CoV-2 ('COVID-19')*" shall be replaced in its entirety as follows:**

Pandemic Outbreak of SARS-CoV-2 ('COVID-19')

The pandemic outbreak of SARS-CoV-2 first identified in December 2019 has worldwide led to a number of measures aiming at the mitigation of a further expansion of the virus and its associated disease ("**COVID-19**"), such as travel bans, impositions of quarantines and lockdowns, closures of workplaces and other social distancing measures. While some of these measures have been lifted in the meantime, some or all of these measures – if they continue to apply or get reinstalled – may have a material adverse effect on global markets, the economy in general and on the financial markets in which the Issuer and its counterparties operates. The implications of such outbreaks depend on a number of factors, such as the duration and spread of the respective outbreak as well as the timing, suitability and effectiveness of measures imposed by authorities, the availability of resources, including human, material, infrastructure and financial (*e.g.*, governmental stimulus packages and/or measures introduced by central banks) required to implement effective responses to the respective situation at the international, national and regional level as well as the level of civil compliance with such measures. There is no guarantee that such measures, or a combination thereof, are effective means to combat such an outbreak and the implications resulting therefrom may have material adverse effects on the Issuer and its business and financial situation. Following from this and depending on the duration of the COVID-19 crisis (or a comparable crisis caused by a similar disease), the ability of the Issuer for refinancing may be negatively impacted and its associated costs may increase. This may be due to various factors like, for instance, rising credit spreads that may impact derivative transactions or limited availability of counterparties with which the Issuer enters into refinancing transactions.

Moreover, the COVID-19 crisis (or a comparable crisis caused by a similar disease) may have an adverse effect on the Issuer in timely pursuing the winding-up of the risk assets and the non-strategic businesses/assets taken over in accordance with its Winding-up Plan (see the subsection entitled "*The Winding-up Plan*"). The materialisation of any of the risks outlined above could each have a material adverse effect on the Issuer's business, results of operations and financial condition.

3. In the subsection commencing on page 13 of the Prospectus which is entitled "*Risk Factors Relating to the Issuer – 2. Risks Relating to the Issuer's Financial Condition and Specific Situation – Dependency on Portigon, Erste Financial Services GmbH (formerly Portigon Financial Services GmbH) and other Parties as Service Providers*" the second to seventh paragraphs shall be replaced in their entirety as follows:

Portigon transferred its main servicing relationship with the Issuer with effect as of 1st February, 2014 to Portigon Financial Services GmbH, Düsseldorf (**PFS**). PFS was originally wholly owned by Portigon. The Issuer acquired PFS from Portigon in early 2016. The European Commission consented to the acquisition that supports the operational stability in the ongoing winding-up process undertaken by the Issuer and that fulfils the requirements concerning the sale or dissolution as set out in the European Commission's ruling of 20th December, 2011, obliging Portigon (formerly WestLB) to transfer the servicing relationship with the Issuer to a subsidiary which, according to the ruling, was to be successfully sold by the end of 2016 or, failing such successful sale, was to be dissolved by the end of 2017. Subsequently, PFS changed its name to Erste Financial Services GmbH (**EFS**) and became a wholly owned subsidiary of the Issuer. EFS (formerly: PFS) is a service provider for the servicing of financial portfolios and held a license for rendering financial services until late 2018. Within the scope of a cooperation agreement between the Issuer and EFS, EFS sub-outsourced a large part of the service provision to IBM Deutschland GmbH (**IBM**) with effect from 1st December, 2017. While the main part of the actual servicing relationship between the Issuer and EFS was terminated in May 2023, EFS continues to provide certain regulatory services to the Issuer by sub-outsourcing these services to IBM. For the time being, EFS remains a subsidiary of the Issuer. The service provider management formerly provided by EFS has been integrated into the Issuer in the meantime.

In addition to the above, the EAA Portfolio Advisers GmbH (**EPA**) (now Mount Street Portfolio Advisers GmbH (**MSPA**)) rendered advisory services to the Issuer pursuant to a servicing agreement. EPA (now MSPA) was originally established as a wholly owned subsidiary of the Issuer. In line with the Winding-up Plan (as defined below) for the Issuer, EPA (now MSPA) was sold to Mount Street Group in 2017 and EPA subsequently changed its name to Mount Street Portfolio Advisers GmbH.

In 2021, the Issuer had issued invitations in several Europe-wide tender procedures for the provision of key functions that are necessary to manage the portfolio. The Issuer awarded the relevant service contracts with a term of 14 years (including extension options) and started the transition phase in the fourth quarter of 2021. The transition to the new service providers became effective in May 2023. Since then, most of the portfolio management services are provided by BlackRock (Netherlands) B.V. - Frankfurt Branch -, while the financial services are provided by SKS Solutions GmbH and the services concerning office, IT and communication infrastructure are provided by matrix technology GmbH. IBM remains the service provider for compliance services and BlackRock Financial Management, Inc. provides the structured credit services.

In addition to the servicer changes described above, the banking services required by the Issuer are provided by J.P. Morgan SE, Frankfurt am Main.

The Issuer depends on these parties and the services provided by them and there is no guarantee that a substitute for any service provider or contractual partner will be able to fulfil the Issuer's needs on economically reasonable terms and in an adequate manner. Further, a substitute servicer may be less effective in this role than any existing servicer. As the Issuer has to rely on services provided due to its limited resources, any material malperformance of one or more of its service providers could lead to the Issuer suffering unforeseeable disruptions in its efforts to continue with the wind-up of the assets in line with the Winding-up Plan (see the subsection entitled "*The Winding-up Plan*") and may lead to unforeseeable losses.

4. **In the subsection on page 14 of the Prospectus which is entitled "*Risk Factors Relating to the Issuer – 2. Risks Relating to the Issuer's Financial Condition and Specific Situation – The Assets Transferred to the Issuer May be Subject to Risks and Certain Assets Have Been Transferred only Economically*" the second paragraph shall be replaced in its entirety as follows:**

The assets transferred to the Issuer are and may be subject to general risks, including additional taxes or regulatory restrictions that are difficult to foresee or detect or have not yet been foreseen or detected. In the financial year 2022, a provision of Euro 3.3 million was established for legal risks. As per 30th June, 2023, Euro 0.2 million of such provision was utilised while the remaining provision was increased by Euro 1.6 million to Euro 4.8 million. Furthermore, other risks (e.g. economic, financial or legal) may only be detected in future. If any of these risks were to materialise, this could have a negative impact on the value of the assets transferred and, thus, could have a material adverse effect on the Issuer's business, results of operations and financial condition.

5. **In the subsection on page 15 of the Prospectus which is entitled "*Risk Factors Relating to the Issuer – 3. Legal, Regulatory and Tax Risks and Other Risks – Legal Risks*" the second paragraph shall be replaced in its entirety as follows:**

The Issuer is currently in a legal dispute with Portigon, who is the legal successor of WestLB. In connection with dividend arbitrage transactions between 2005 and 2008, WestLB may have been unjustifiably credited with capital gains tax, which the competent tax authorities have been trying to reclaim with interest from Portigon since 2019. Portigon has made payments to the tax authorities in relation to this, but appealed against the underlying recovery orders. In addition, it has requested the Issuer to reimburse or release it from these expenses totalling around Euro 1 billion plus statutory default interest, in each case from the date of assertion against the Issuer. With its judgement dated 29th September, 2021, the Frankfurt am Main Regional Court of first instance (*Landgericht*) had upheld Portigon's action against the Issuer requesting reimbursement of or release from the aforementioned expenses for the assessment periods 2005 to 2011. With its judgement dated 21st December 2022, the Higher Regional Court (*Oberlandesgericht*) of Frankfurt am Main allowed the Issuer's appeal and dismissed Portigon's claim in its entirety. Furthermore, it did not admit an appeal to the Federal Supreme Court (*Bundesgerichtshof*), which Portigon responded to with a non-admission complaint (*Nichtzulassungsbeschwerde*) to the Federal Supreme Court (*Bundesgerichtshof*) for a permission to appeal. Should the Issuer be held liable to reimburse or release Portigon from its expenses, this may have a material adverse effect on the Issuer's financial situation.

- B. **Amendments to the section commencing on page 93 of the Prospectus which is entitled "*Description of the Issuer*"**

1. **In the subsection on page 98 of the Prospectus which is entitled "*Principal Activities and Winding-up Plan*" the third and fourth paragraphs shall be replaced in their entirety as follows:**

In 2014, 70 employees of the Portfolio Exit Group were transferred from Portigon to EAA. Having provided services to the winding-up agency since 2010, on 1st July, 2014, they begun work for EAA Portfolio Advisers GmbH (EPA) (now Mount Street Portfolio Advisers GmbH (MSPA)), which is headquartered in Düsseldorf and also operates in London and New York and originally was a specially formed EAA subsidiary. In line with its Winding-up Plan, EAA sold EPA (now MSPA) to Mount Street Group in 2017 and EPA subsequently changed its name to Mount Street Portfolio Advisers GmbH. MSPA rendered advisory services to the Issuer pursuant to a servicing agreement until it was replaced by BlackRock (Netherlands) B.V. - Frankfurt Branch - as the new servicer in 2023.

Portigon had transferred its rights and obligations under the cooperation agreement with effect as of 1st February, 2014 to Portigon Financial Services GmbH, Düsseldorf (PFS) (now Erste Financial Service

GmbH (**EFS**)). EFS is a service provider for the servicing of financial portfolios, which held a license for rendering financial services until late 2018. In 2015, PFS (now EFS) was wholly owned by Portigon. In early 2016, the Issuer acquired PFS (now EFS) from Portigon. Within the scope of a cooperation agreement between the Issuer and EFS, EFS sub-outsourced a large part of the service provision to IBM Deutschland GmbH (**IBM**) with effect from 1st December, 2017. While the main part of the actual servicing relationship between the Issuer and EFS was terminated in May 2023, EFS continues to provide certain regulatory services to the Issuer by sub-outsourcing these services to IBM. For the time being, EFS remains a subsidiary of the Issuer. The service provider management formerly provided by EFS has been integrated into the Issuer in the meantime.

In 2021, the Issuer had issued invitations in several Europe-wide tender procedures for the provision of key functions that are necessary to manage the portfolio. The Issuer awarded the relevant service contracts with a term of 14 years (including extension options) and started the transition phase in the fourth quarter of 2021. The transition to the new service providers became effective in May 2023. Since then, most of the portfolio management services are provided by BlackRock (Netherlands) B.V. - Frankfurt Branch -, while the financial services are provided by SKS Solutions GmbH and the services concerning office, IT and communication infrastructure are provided by matrix technology GmbH. IBM remains the service provider for compliance services and BlackRock Financial Management, Inc. provides the structured credit services.

- 2. The subsection on page 99 of the Prospectus which is entitled "*Independent Auditor*" shall be replaced in its entirety as follows:**

Independent Auditors

The former independent auditor of EAA was PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft with its registered address at Friedrich-Ebert-Anlage 35-37, 60327 Frankfurt am Main, Federal Republic of Germany (**PwC**), which audited the Issuer's financial statements as of, and for the financial years ended on, 31st December, 2021 and 31st December, 2022 in accordance with German generally accepted auditing standards and issued an unqualified independent auditor's report (*Bestätigungsvermerk*) in each case. The current independent auditor of EAA is Ebner Stolz GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft with its registered address at Holzmarkt 1, 50676 Köln, Federal Republic of Germany (**Ebner Stolz**). Ebner Stolz has been mandated to audit the Issuer's financial statements as of, and for the financial years ending on 31st December, 2023 and onwards. PwC and Ebner Stolz are members of the German Chamber of Public Accountants (*Wirtschaftsprüferkammer*).

- 3. The subsection on page 99 of the Prospectus which is entitled "*Employees*" shall be replaced in its entirety as follows:**

Employees

As of 30th June, 2023, the number of employees of EAA was 70.

- 4. In the subsection commencing on page 99 of the Prospectus which is entitled "*Legal and Arbitration Proceedings*" the third paragraph shall be replaced in its entirety as follows:**

The Issuer is currently in a legal dispute with Portigon, who is the legal successor of WestLB. In connection with dividend arbitrage transactions between 2005 and 2008, WestLB may have been unjustifiably credited with capital gains tax, which the competent tax authorities have been trying to reclaim with interest from Portigon since 2019. Portigon has made payments to the tax authorities in relation to this, but appealed against the underlying recovery orders. In addition, it has requested the Issuer to reimburse or release it from these expenses totalling around Euro 1 billion plus statutory default interest, in each case from the date of assertion against the Issuer. With its judgement dated 29th September, 2021, the Frankfurt am Main Regional Court of first instance (*Landgericht*) had upheld Portigon's action against the Issuer, requesting reimbursement of or release from the aforementioned expenses for the assessment periods 2005 to 2011. With its judgement dated 21st December, 2022, the Higher Regional Court (*Oberlandesgericht*) of Frankfurt am Main allowed the

Issuer's appeal and dismissed Portigon's claim in its entirety. Furthermore, it did not admit an appeal to the Federal Supreme Court (*Bundesgerichtshof*), which Portigon responded to with a non-admission complaint (*Nichtzulassungsbeschwerde*) to the Federal Supreme Court (*Bundesgerichtshof*) for a permission to appeal.

- 5. The subsection commencing on page 100 of the Prospectus which is entitled "*No Significant or Material Adverse Change*" shall be replaced in its entirety as follows:**

No Significant or Material Adverse Change

There has been no significant change in the financial position or in the financial performance of the EAA Group since 30th June, 2023, the date of EAA's last published interim financial statements, and there has been no material adverse change in the prospects of EAA since 31st December, 2022, the date of EAA's last published audited financial statements.

- 6. The fifth to seventh paragraphs of the subsection on page 101 of the Prospectus which is entitled "*Recent Developments and Outlook*" shall be deleted in their entirety.**

- C. Amendments to the section commencing on page 103 of the Prospectus which is entitled "*Documents Incorporated by Reference*"**

On 23rd August, 2023, EAA published its "*Zwischenbericht 30. Juni 2023*", containing, *inter alia*, the binding German language version of its unaudited interim financial statements as of and for the six months period ended 30th June, 2023. On 15th September, 2023, EAA published a non-binding English language translation of the "*Zwischenbericht 30. Juni 2023*" entitled "*Interim Report 30 June 2023*" (the **Interim Report 30 June 2023**). A copy of the Interim Report 30 June 2023 has been filed with the CSSF.

By virtue of this Supplement, the Interim Report 30 June 2023 shall be incorporated by reference in the Prospectus to the extent set out below, provided that any information not specifically set out in the "*Table of Documents Incorporated by Reference*", but included in the Interim Report 30 June 2023 is either not relevant for an investor or is covered elsewhere in the Prospectus and shall not form part of the Prospectus. In this context, the following amendments shall be made to the section commencing on page 103 of the Prospectus which is entitled "*Documents Incorporated by Reference*".

The subsections C. to F. of the table which is entitled "*Table of Documents Incorporated by Reference*" and the three paragraphs immediately following the table on pages 103 to 104 of the Prospectus shall be replaced in their entirety as follows:

Table of Documents Incorporated by Reference

Document	Section Incorporated
C. The following sections of the Interim Report 30 June 2023 of Erste Abwicklungsanstalt (containing, <i>inter alia</i> , its unaudited interim non-consolidated financial statements prepared in accordance with the GCC):	
- Balance sheet	Pages 29 – 32
- Income statement	Pages 33 – 34
- Cash flow statement	Page 35
- Statement of changes in equity	Page 36
- Condensed notes	Pages 37 – 53

Document	Section Incorporated
D. The following sections of the Debt Issuance Programme Prospectus of the Issuer dated 7th May, 2020 ¹	
- Terms and Conditions of the Notes	Pages 45 – 78
- Form of the Final Terms: Part A – Contractual Terms	Pages 31 – 39
E. The following sections of the Debt Issuance Programme Prospectus of the Issuer dated 7th May, 2021 ²	
- Terms and Conditions of the Notes	Pages 44 – 77
- Form of the Final Terms: Part A – Contractual Terms	Pages 30 – 38
F. The following sections of the Debt Issuance Programme Prospectus of the Issuer dated 5th May, 2022 ³	
- Terms and Conditions of the Notes	Pages 48 – 94
- Form of the Final Terms: Part A – Contractual Terms	Pages 32 – 42
G. The following sections of the Supplement No. 2 dated 11th January, 2023 to the Debt Issuance Programme Prospectus of the Issuer dated 5th May, 2022 (the Supplement No. 2) ³	
- C. Amendments to the section commencing on page 48 of the Prospectus which is entitled " <i>Terms and Conditions of the Notes</i> "	Pages 2 – 3

The documents set out in A., B. and C. in the table above and the information contained in such documents and incorporated by reference in this Prospectus are English language translations of their respective binding German language counterparts.

The documents set out in the table above and the information contained in such documents and incorporated by reference in this Prospectus will be viewable on, and obtainable from of charge from, the website of the Luxembourg Stock Exchange as follows:

- the Annual Report 2021 of Erste Abwicklungsanstalt:
<https://dl.bourse.lu/dlp/10dc5a704d580e4bdaa616c531470ac799>

¹ The Terms and Conditions of the Notes contained in the Debt Issuance Programme Prospectus 2020 are incorporated by reference into this Prospectus to allow for the increase of notes originally issued under the Debt Issuance Programme Prospectus 2020 under this Prospectus.

² The Terms and Conditions of the Notes contained in the Debt Issuance Programme Prospectus 2021 are incorporated by reference into this Prospectus to allow for the increase of notes originally issued under the Debt Issuance Programme Prospectus 2021 under this Prospectus.

³ The Terms and Conditions of the Notes contained in the Debt Issuance Programme Prospectus 2022 (as amended by the Terms and Conditions contained in the Supplement No. 2) are incorporated by reference into this Prospectus to allow for the increase of notes originally issued under the Debt Issuance Programme Prospectus 2022 (as supplemented) under this Prospectus.

- the Annual Report 2022 of Erste Abwicklungsanstalt:
<https://dl.bourse.lu/dlp/10756bbe15d3464a70a7769e966955d334>
- the Interim Report 30 June 2023 of Erste Abwicklungsanstalt:
<https://dl.luxse.com/dlp/10194594f6aa3c488c87da8ef9e2ef2049>
- the Debt Issuance Programme Prospectus of Erste Abwicklungsanstalt dated 7th May, 2020:
<https://dl.bourse.lu/dlp/105e20e1fa8cd34ba89a03d3d03dbc3284>
- the Debt Issuance Programme Prospectus of Erste Abwicklungsanstalt dated 7th May, 2021:
<https://dl.bourse.lu/dlp/102ba049911dcd46b29d16e4b6000e7b18>
- the Debt Issuance Programme Prospectus of Erste Abwicklungsanstalt dated 5th May, 2022:
<https://dl.bourse.lu/dlp/109b9c892018c44b8f8b6e59d89dfe13b3>
- the Supplement No. 2 dated 11th January, 2023 to the Debt Issuance Programme Prospectus of the Issuer dated 5th May, 2022: <https://dl.bourse.lu/dlp/1089783f3678c44003800e9953246b139a>

For the avoidance of doubt, any information contained in the aforementioned websites (other than the information incorporated by reference in this Prospectus (as described above)), does not form part of this Prospectus and has not been scrutinised or approved by the CSSF.

D. Amendments to the section on page 109 of the Prospectus which is entitled "*General Information*"

Sub-item (ii) of the subsection on page 109 of the Prospectus which is entitled "*Documents Available for Inspection*" shall be replaced in its entirety as follows:

- (ii) the audited financial statements (with an English language translation thereof) of the Issuer in respect of each of the financial years ended 31st December, 2021 and 31st December, 2022, in each case together with the independent auditor's report (with an English language translation thereof) issued thereon and the unaudited interim financial statements as of and for the six months period ended 30th June, 2023 (with an English language translation thereof);