

CONFERENCE ON JEWISH MATERIAL CLAIMS AGAINST GERMANY

SUMMARY OF FINANCIAL STATEMENTS YEAR ENDED 2014

The following is a summary and explanation, prepared by the Claims Conference, of the 2014 Financial Statements. Amounts are rounded and may not equal totals due to rounding. The audited Financial Statements are available by calling or writing the Claims Conference, or on our website: www.claimscon.org.

Revenues for the Year Ended December 31, 2014

Direct Compensation to Survivors ¹	\$432.1 million	 56.96%
Implementation of Social Welfare Programs ²	\$190.4 million	 25.09%
Income Regarding Property ³	\$98.9 million	 13.04%
Reimbursement of Administrative Expenses ⁴	\$34.1 million	 4.50%
Other ⁵	\$3.2 million	 0.42%
Total Funds Received	\$758.7 million	

Note: Numbers do not add up to 100% due to rounding.

Expenses for the Year Ended December 31, 2014

Direct Compensation to Survivors ¹	\$466.4 million	 53.58%
Allocations to Institutions ²	\$328.1 million	 37.68%
Administration ³	\$39.7 million	 4.57%
Heirs of Property - Goodwill Fund ⁴	\$31.6 million	 3.63%
Other ⁵	\$4.7 million	 0.54%
Total Funds Distributed	\$870.5 million	

Liabilities and Net Assets as of December 31, 2014

Grants Payable – Previously Allocated ¹	\$299.6 million	 33.82%
Goodwill Fund Awardees – Property Owners and Heirs ²	\$43.5 million	 4.91%
Accrued Expenses ³	\$20.8 million	 2.35%
Deferred Income and Other ⁴	\$8.9 million	 1.00%
Designated for Programs ⁵	\$294.6 million	 33.26%
Designated for Goodwill Fund, Late Applicants Fund & Other Uses ⁶	\$71.3 million	 8.05%
Designated for Longer-Term Needs ⁷	\$45.8 million	 5.17%
Designated for Future Costs ⁸	\$21.6 million	 2.44%
Designated for Contractual Obligations ⁹	\$76.7 million	 8.66%
Estimated Value of Unsold Restituted Properties ¹⁰	\$3.0 million	 0.34%
Total Liabilities and Net Assets	\$885.8 million	

Notes: Revenues for the Year Ended December 31, 2014

1) DIRECT COMPENSATION TO

SURVIVORS is comprised of revenue used to make individual compensation payments to survivors; primarily German government funding for the Article 2 Fund, Hardship Fund and the Central and Eastern European Fund. This funding is for payments to individual survivors under programs administered according to specific criteria set by the German government. These funds are transferred directly to individual eligible survivors.

2) IMPLEMENTATION OF SOCIAL

WELFARE PROGRAMS refers to funds

received by the Claims Conference to fund social welfare grants primarily for in-home services on behalf of the German government.

3) INCOME REGARDING PROPERTY refers to the funds generated by the Successor Organization, which recovers and sells or receives compensation for unclaimed Jewish property in the former East Germany. It is comprised primarily of: the sale of and compensation for sold and unsold restituted property (\$90 million), rental income (\$2 million) from property before it is sold and payments to the Claims Conference from the

German government resulting from negotiations under the Bulk Settlement related to certain compensation claims, business properties and securities for minor stakeholders (\$7 million).

4) REIMBURSEMENT OF ADMINISTRATIVE

EXPENSES refers to the amount the Claims Conference receives in reimbursement for administrative expenses from various sources.

5) OTHER is comprised primarily of investment and interest income from assets (\$2.5 million) and income related to an insurance settlement (\$0.5 million).

Notes: Expenses for the Year Ended December 31, 2014

1) DIRECT COMPENSATION TO

SURVIVORS is comprised of payments for compensation programs for individual survivors (contractual programs) totaling approximately \$466 million. In certain limited cases, heirs also received payments. These payments were primarily funded by the German government and included the following:

Article 2 Fund: Monthly pensions for Holocaust survivors living in need (not in Eastern Europe or the former Soviet Union). \$258 million was paid in 2014.

Hardship Fund: One-time payments for Jewish victims of Nazi persecution who did not receive a payment under the German Federal Indemnification Law and who suffered damage to health. \$127 million was paid in 2014.

Central and Eastern European Fund: Monthly pensions for Holocaust survivors in Eastern Europe and the republics of the Former Soviet Union. \$82 million was paid in 2014.

2) ALLOCATIONS TO INSTITUTIONS

totaled approximately \$328 million, net of cancellations and other adjustments. Approximately \$130 million was allocated from the Claims Conference Successor Organization, which recovers and sells unclaimed Jewish property in the former East Germany. Most of these allocations are for social care programs for elderly, needy Jewish victims of Nazi persecution. Programs include provision of homecare and case management, emergency assistance grants, food packages, medical equipment, nursing beds and senior day centers. The remainder supports Shoah research, education and documentation. The Claims Conference made the following further social welfare allocations in 2014 to benefit needy Jewish victims of Nazism:

\$191 million for in-home services to needy survivors funded by the German government;

\$2 million comprised primarily of certain ongoing government programs;

\$1 million under the ICHEIC Humanitarian Program;

\$2 million under the Swiss Banks Settlement Fund; and

\$2 million from the Weinberg Foundation.

3) ADMINISTRATION is comprised of expenses incurred to manage the Claims Conference institutional allocation and contractual obligation programs. A significant portion of these expenses are reimbursed from various sources.

4) HEIRS OF PROPERTY - GOODWILL FUND is the net amount representing applications that were approved as a liability under the Goodwill program during 2014.

5) OTHER expenses of approximately \$5 million is comprised primarily of costs of management and other costs of restituted properties as well as the property restitution program (general Frankfurt office Successor Organization administrative costs which is attributable to the property restitution program i.e. to represent costs of recovering property).

Notes: Liabilities and Net Assets as of December 31, 2014

1) GRANTS PAYABLE—PREVIOUSLY ALLOCATED refers primarily to funds on hand at December 31, 2014 that have already been allocated but not disbursed. It includes grants that are multi-year in nature or for capital projects that take time to complete. The Claims Conference, in keeping with its fiduciary obligation, releases funds to agencies only as and when appropriate accounting and reporting has been provided. It includes grants made primarily from funds of the Successor Organization as well as the German government for in-home services, ICHEIC, the Hungarian government, the Austrian government, the Swiss Banks Settlement and the Weinberg Fund. It also includes funds for payments to identified eligible individuals under compensation programs where the amounts were received at the end of 2014 for disbursement during 2015.

2) GOODWILL FUND AWARDEES—PROPERTY OWNERS AND HEIRS was established by the Claims Conference in order to set aside funds for payments to certain Jewish property owners or heirs who had not filed claims by the German deadline and thus were no longer entitled to the asset or its proceeds under German law.

3) ACCRUED EXPENSES is comprised of expenses incurred in 2014 that are anticipated to be paid in 2015.

4) DEFERRED INCOME AND OTHER is comprised primarily of funds which the Claims Conference has collected on behalf of the German government, mostly representing funds recovered in connection with the Hardship Fund and Article 2 fraud investigation and related asset recovery program.

5) DESIGNATED FOR PROGRAMS refers to funds available for allocation for social welfare programs (e.g., in-home services and case management, emergency assistance grants, food packages, medical equipment, nursing beds and senior day centers, etc.) and other programs to be made over the next three years. It includes funds from the Successor Organization and other various programs.

6) DESIGNATED FOR GOODWILL FUND, LATE APPLICANTS FUND AND OTHER USES primarily represents funds held for certain Goodwill Fund applications where the approval process has not been completed or where the applicant missed the established deadline. It also includes applications where either the required documentary evidence has still not been presented, a determination has not been made regarding the validity of certain claims, or where it is estimated that the funds may potentially otherwise be subject to Goodwill Fund claims.

7) DESIGNATED FOR LONGER-TERM NEEDS represents certain net assets set aside by the Board of Directors in

2000 to establish a fund to support longer-term needs of Jewish victims of Nazi persecution and other needs arising from the Holocaust after income from current Claims Conference activities declines. This was based on the recommendations of a Planning Committee which found that there would be a significant number of Nazi victims living in poor conditions over the next number of years. Details are included in the Annual Report as well as in demographic data, which is available on the Claims Conference website, www.claimscon.org.

8) DESIGNATED FOR FUTURE COSTS represents funds designated for future costs, i.e., funds earmarked for expenditures to take place in 2015 and thereafter.

9) DESIGNATED FOR CONTRACTUAL OBLIGATIONS is composed of funds received (\$11 million) in 2014 that are designated for payments to individuals to be identified under individual compensation programs in 2015 and funds set aside for payments from the Child Survivor Fund in 2015 (\$66 million).

10) ESTIMATED VALUE OF UNSOLD RESTITUTED PROPERTIES is the net estimated value of unsold restituted properties after amounts for Goodwill Fund liability and amounts Designated for Goodwill Fund and Late Applicants Fund and Other Uses are taken into account.