FOR THE 1 QUARTER

2022

QUARTERLY STATEMENT

GRENKE GROUP

GRENKE

Group key figures

	UNIT	Q1 2022	Q1 2021	Change (%)
NEW BUSINESS LEASING	EURK	499'237	365'835	36.5
DACH*	EURk	117'997	104'331	13.1
Western Europe (without DACH)*	EURk	131'791	98'444	33.9
Southern Europe*	EURk	131'945	83'413	58.2
Northern/Eastern Europe*	EURk	90'749	57'201	58.7
Other regions*	EURk	26'756	22'446	19.2
NEW BUSINESS FACTORING	EURK	175'055	155'413	12.6
of which Germany	EURk	42'960	50'834	–15.5
of which International	EURk	132'095	104'580	26.3
GRENKE BANK				
New business SME lending business incl. microcredit business	EURk	15'805	14'736	7.3
CONTRIBUTIONS MARGIN 2 (CM2) ON NEW BUSINESS				
LEASING	EURK	83'240	71'506	16.4
DACH*	EURk	15'485	14'864	4.2
Western Europe (without DACH)*	EURk	23'701	21'346	11.0
Southern Europe*	EURk	22'037	17'967	22.7
Northern/Eastern Europe*	EURk	16'612	11'807	40.7
Other regions*	EURk	5'405	5'521	–2.1
FURTHER INFORMATION LEASING				
Number of new contracts	units	61'906	49'213	25.8
Mean acquisition value	EURk	8.1	7.4	8.5
Mean term of contract	months	48	48	–0.2
Volume of leased assets per end of period	EURm	8'792	8'894	–1.1
Number of current contracts per end of period	units	995'893	990'652	0.5

* Regions:
DACH: Germany, Austria, Switzerland
Western Europe (without DACH): Belgium, France, Luxembourg, the Netherlands
Southern Europe: Croatia, Italy, Malta, Portugal, Slovenia, Spain
Northern / Eastern Europe: Denmark, Finland, Ireland, Latvia, Norway, Sweden, UK / Czechia, Hungary, Poland, Romania, Slovakia,
Other regions: Australia, Brazil, Canada, Chile, Singapore, Turkey, UAE, USA

Consolidated franchise companies:
Leasing: Australia (2x), Canada (3x), Chile, Latvia, Norway, Singapore, USA
Factoring: Hungary, Ireland, Italy, Poland, Portugal, UK

	UNIT	Q1 2022	Q1 2021	Change (%)
INCOME STATEMENT				
Net interest income	EURk	87'807	95'117	–7.7
Settlement of claims and risk provision	EURk	31'581	44'591	–29.2
Total operating expenses	EURk	64'440	63'866	0.9
Operating result	EURk	25'636	19'685	30.2
Earnings before taxes (EBT)	EURk	27'012	18'276	47.8
NET PROFIT	EURK	20'537	13'987	46.8
NET PROFIT ATTRIBUTABLE TO ORDINARY SHAREHOLDERS	EURK	11'888	5'481	116.9
Net profit attributable to hybrid capital holders	EURk	9'082	9'404	–3.4
Net profit attributable to non-controlling interests	EURk	–433	–898	51.8
Earnings per share (basic and diluted)	EUR	0.26	0.12	116.7
Cost/income ratio	percent	55.1	51.2	7.6
Staff cost	EURk	32'975	31'674	4.1
of which total remuneration	EURk	27'125	26'028	4.2
of which fixed remuneration	EURk	22'073	20'151	9.5
of which variable remuneration	EURk	5'052	5'877	–14.0
Average number of employees in full-time equivalent (FTE)	employees	1'816	1'802	0.8

	UNIT	Mar. 31, 2022	Dec. 31, 2021	Change (%)
STATEMENT OF FINANCIAL POSITION				
Total assets	EURm	6'521	6'661	–2.1
Lease receivables	EURm	5'087	5'119	–0.6
Financial Debt: Hereof Deposits GRENKE Bank	EURm	1'331	1'412	–5.7
Equity persuant to statement of financial position[1]	EURm	1'285	1'269	1.3
Equity persuant to CRR	EURm	1'202	1'122	7.1
Equity ratio	percent	19.7	19.1	3.1
Embedded value, leasing contract portfolio (excl. equity before taxes)	EURm	475	485	–2.1
Embedded value, leasing contract portfolio (incl. equity after taxes)	EURm	1'605	1'597	0.5

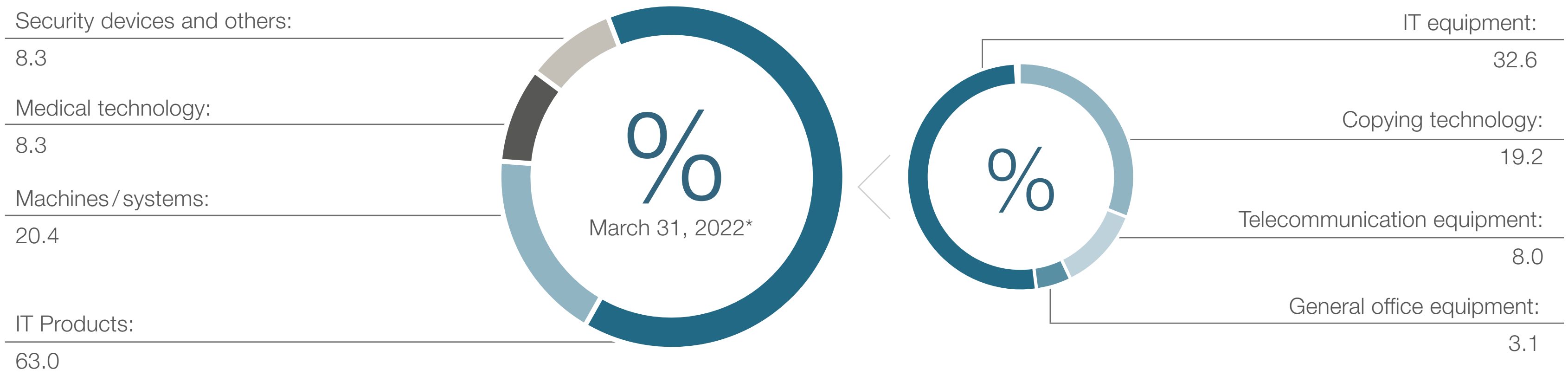
[1] Including AT1 bonds (hybrid capital), which are reported as equity under IFRS

At a glance

DIVERSIFICATION:

LEASING NEW BUSINESS PORTFOLIO

IT PRODUCTS (IN DETAIL)



*Deviation from 100% due to rounding differences.

KEY FIGURES Q1 2022:

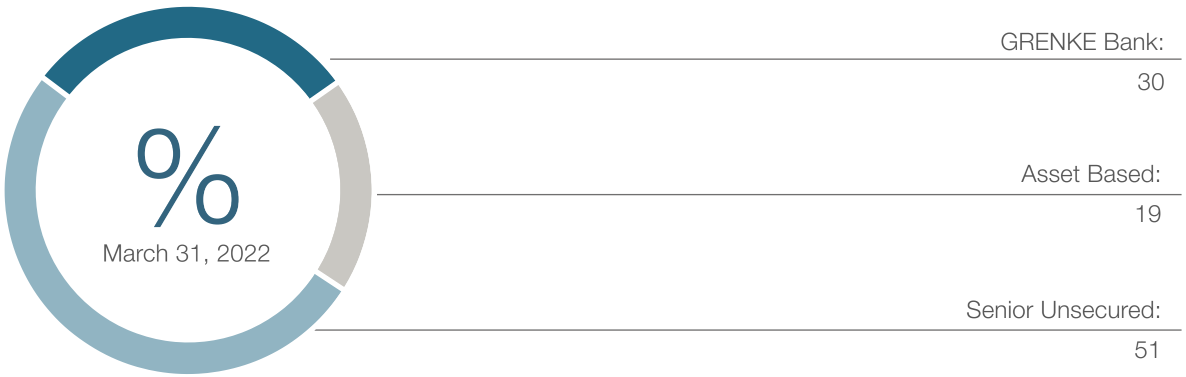
CONSOLIDATED GROUP NET PROFIT
20.5 EUR million

EARNINGS PER SHARE
0.26 EUR

EQUITY RATIO
19.7 percent

REFINANCING BASE:

THREE PILLARS: GRENKE CONSOLIDATED GROUP'S REFINANCING MIX



Contents

Condensed interim group management report

1. Business performance

// Upward trend in new leasing business continues in the first quarter of 2022, with growth of 36.5 percent

// Contribution margin 2 equals 16.7 percent and, as expected, was below the exceptionally high level of Q1 2021 (19.5 percent) but still 40 basis points above Q4 2021

// Increase in net profit to EUR 20.5 million in Q1 2022 after same prior-year quarter was strongly affected by the Covid-19 pandemic

// Equity ratio of 19.7 percent significantly above the target level of 16 percent

// After the strong first quarter of 2022, GRENKE is on track to achieve its full-year 2022 targets

1.1 Significant events and transactions

On February 16, 2022, GRENKE announced that the German Federal Financial Supervisory Authority (BaFin) had completed its institution-related measures resulting from the special audit of GRENKE AG and GRENKE BANK AG conducted between autumn 2020 and spring 2021. As part of the regular Supervisory Review and Evaluation Process (SREP), the amount of additional own resources that GRENKE must hold as a minimum was adjusted. As a result, GRENKE AG's capital requirement is now 10.5 percent compared to the previous 9 percent, due to an additional SREP capital surcharge of 1.5 percentage points. For the subsidiary GRENKE BANK AG, the capital requirement at single-entity level is now 11.5 percent compared to 8.5 percent previously (additional SREP capital surcharge: 3 percentage points). In addition, BaFin has ordered a proper business organisation to be ensured. GRENKE has launched an extensive organisational development project and has already addressed a large number of the findings. The additional SREP capital surcharge will be lifted again as soon as BaFin is satisfied of GRENKE's further development when it conducts its regular follow-up audits.

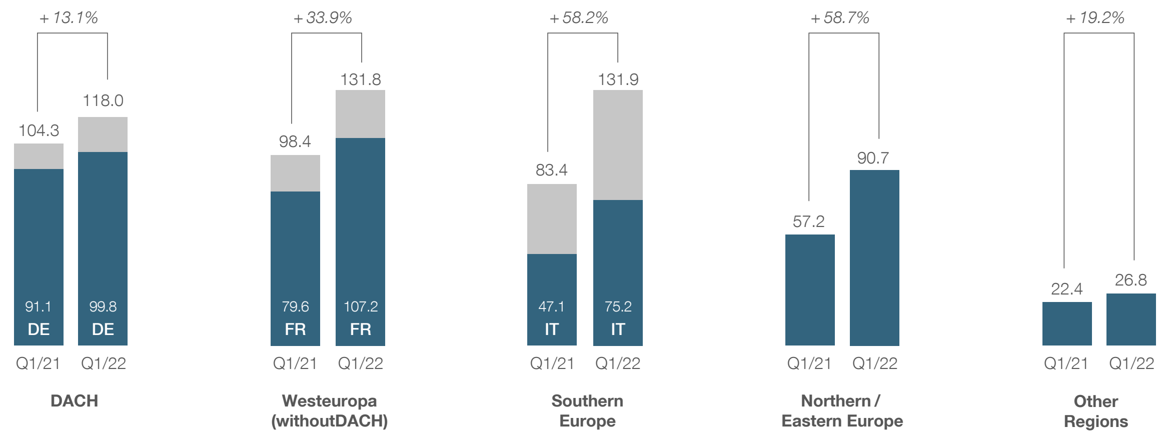
The macroeconomic environment continued to be difficult in the first quarter of 2022. In addition to the pandemic, the Russian war against Ukraine represented a particularly considerable burden on the global economy. In some industry sectors, the conflict and its consequences have further exacerbated existing supply bottlenecks. Russia's threats to cut-off delivery of oil and natural gas, as well as discussions by the West to renounce imports of Russian oil and natural gas have also led to a sharp rise in prices for these raw materials. This, in turn, sent the inflation rate in the eurozone to a new high of 7.5 percent in March 2022 (based on preliminary calculations).

1.2 New business

GRENKE Group's new business grew by 28.8 percent to EUR 690.1 million in the first quarter of 2022 (Q1 2021: EUR 536.0 million). Despite the challenging environment described at the beginning of this report, GRENKE Group increased its new business volume in all three segments – Leasing, Factoring and Banking. The year-on-year change in the average exchange rates of foreign currencies against the euro resulted in positive currency effects of EUR 2.1 million. These positive effects came primarily from the appreciation of the British pound and the Swiss franc against the euro, which was offset by the depreciation of the Turkish lira and the Polish zloty.

New business leasing by region

As per March 31, 2022, in EUR millions

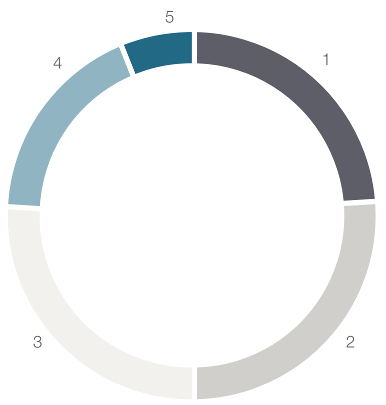


* Definition of regions in text.

New leasing business – defined as the total acquisition costs of newly acquired leased assets – increased by 36.5 percent in the first quarter of 2022, reaching a volume of EUR 499.2 million (Q1 2021: EUR 365.8 million). This demonstrates that the upward trend that began in the fourth quarter of 2021 continued in the first quarter of 2022. When viewing this year-on-year increase, it is important to note that new leasing business in the same prior-year quarter was affected by the impact of the Covid-19 pandemic and had fallen by 46.3 percent.

In the reporting quarter, all regions of the Leasing segment recorded an increase in new business. In the DACH region, which comprises Germany, Austria and Switzerland, new leasing business rose by 13.1 percent year-on-year to EUR 118.0 million (Q1 2021: EUR 104.3 million). In Germany, the largest single market in the region, new business increased by 9.5 percent. In Western Europe without DACH, new business grew by 33.9 percent to EUR 131.8 million in the reporting quarter (Q1 2021: EUR 98.4 million). In France, the most important single market in this region, new business volume rose by 34.6 percent. In Southern Europe, there was a significant percentage increase of 58.2 percent to EUR 131.9 million (Q1 2021: EUR 83.4 million). This growth was generated mainly in Italy as the most important market in the region, where the volume of new business increased by 59.9 percent in the first quarter of 2022. In viewing this performance, it is important to take into account that this strong increase in new leasing business in Italy is compared to the very low level in the same prior-year quarter caused by the pandemic. In Spain, the second most important market in Southern Europe, new business rose by 65.1 percent in the first quarter. In the Northern/Eastern Europe region, new business also increased at an above-average rate of 58.7 percent to EUR 90.7 million (Q1 2021: EUR 57.2 million). In the most important single market in this region, the United Kingdom, there was an increase of 88.3 percent. Starting from a relatively low base, the volume of new business in the other regions rose by 19.2 percent to EUR 26.8 million (Q1 2021: EUR 22.4 million).

New leasing business by region



	2022 Q1	2021 Q1
LEASING (IN PERCENT)		
1 DACH	23.6	28.5
2 Western Europe (without DACH)	26.4	27.0
3 Southern Europe	26.4	22.8
4 Northern / Eastern Europe	18.2	15.6
5 Other Regions	5.4	6.1

GRENKE GROUP (IN EUR MILLIONS)	2022 Q1	2021 Q1
New business Leasing	499.2	365.8
New business Factoring	175.1	155.4
New business SME lending business (microcredit business) GRENKE Bank	15.8	14.7

* Regions:
DACH: Germany, Austria, Switzerland
Western Europe (without DACH): Belgium, France, Luxembourg, the Netherlands
Southern Europe: Croatia, Italy, Malta, Portugal, Slovenia, Spain
Northern / Eastern Europe: Denmark, Finland, Ireland, Latvia*, Norway*, Sweden, UK / Czechia, Hungary, Poland, Romania, Slovakia
Other Regions: Australia*, Brazil, Canada*, Chile*, Singapore*, Turkey, UAE, USA*
* Consolidated franchise companies

In the first quarter of 2022, GRENKE Group registered a total of 134,653 lease applications (Q1 2021: 116,814), for an increase of 15.3 percent. The number of new lease contracts concluded in the reporting period was 61,906 (Q1 2021: 49,213), which corresponded to a rise in the conversaion rate (applications into contracts) of 46.9 percent (Q1 2021: 42.1 percent). International markets (without DACH) accounted for 111,174 applications (Q1 2021: 94,529), resulting in 48,891 new contracts (Q1 2021: 37,516). This amounted to a conversaion rate for the international markets of 44.0 percet (Q1 2021: 39.7 percent). In the DACH region, the conversion rate rose to 55.4 percent (Q1 2021: 52.5 percent). Compared to the fourth quarter of 2021, the momentum of lease applications at Group level (Q4 2021: 119,825) continued to increase; the conversion rate in contrast was slightly lower (Q4 2021: 50.1 percent).

The mean acquisition value per lease contracts increased by 8.5 percent to EUR 8,064 in the first quarter of 2022 (Q1 2021: EUR 7,434). This was within the expected range of EUR 8,000–10,000 for the full year. The relatively low mean acquisition value in the same prior-year quarter reflects the strong new business focus during the Covid-19 pandemic on small-ticket financing solutions for companies with good to very good credit and sector ratings. In the fourth quarter of 2021, the mean acquisition value per lease concluded was EUR 8,677.

The structure of the leasing portfolio shifted in favour of non-IT products in the first quarter of 2022, with the share of new business in this category increasing to 37.0 percent (Q1 2021: 33.0 percent). Strong growth was recorded especially in small machinery and equipment as well as security devices. The share of these categories in the leasing portfolio increased by 2.4 and 1.1 percentage points, respectively. IT products accounted for a total share of 63.0 percent (Q1 2021: 67.0 percent). The largest declines in share were in IT equipment (–2.1 percentage points) and copying technology (–1.3 percentage points). The slight shift in the leasing portfolio in favour of small machinery and equipment is primarily due to the overall increase in ticket size.

The acceptance of the eSignature product, which allows leasing contracts to be processed entirely digitally, continued to rise in the reporting quarter. The share of contracts concluded via eSignature increased to 42.7 percent (Q1 2021: 38.8 percent).

Contribution margin 2 (CM2) of new leasing business increased by 16.4 percent in the first quarter of 2022 and was EUR 83.2 million in absolute terms (Q1 2021: EUR 71.5 million). The CM2 margin was 16.7 percent (Q1 2021: 19.5 percent). The year-on-year decline in the margin resulted amongst others from the higher mean value per lease contract and higher refinancing costs, which are usually incorporated into the conditions with a time lag. In this comparison, it is important to note that the CM2 margin in the first quarter of the previous year was exceptionally high due to employing more restrictive acceptance policy for lease applications. Compared to the previous quarter (Q4 2021: 16.3 percent), however, the CM2 margin improved by 40 basis points.

Geographically, the year-on-year decline in the CM2 margin resulted primarily from the Southern Europe region (16.7 percent compared to 21.5 percent in Q1 2021), the Western Europe region (18.0 percent compared to 21.7 percent in Q1 2021) and Other regions (20.2 percent compared to 24.6 percent in Q1 2021). In the DACH region (13.1 percent compared to 14.2 percent in Q1 2021) and the Northern/Eastern Europe region (18.3 percent compared to 20.6 percent in Q1 2021), the decline was comparatively moderate. Nevertheless, all regions were still able to increase their CM2 margin compared to the fourth quarter of 2021, except for the Southern Europe regions, where the margin fell slightly.

The CM1 margin of the leasing business (contribution margin 1 at acquisition values) was 11.1 percent in the first quarter of 2022 and reached a level of EUR 55.6 million (Q1 2021: 12.7 percent, or EUR 46.6 million). Higher refinancing costs, which are usually incorporated into the conditions with a time lag, and the higher mean acquisition value per lease contract were also responsible for the decline in the CM1 margin.

In factoring, new business corresponds to the sum of purchased receivables. Due to the nature of the factoring business, only comparatively low income results from the new business, which is derived from the gross margin in relation to the net acquisition values. The factoring business accounted for 1.3 percent of the total assets as of the March 31, 2022 reporting date.

New factoring business increased by 12.6 percent across all regions in the first quarter of 2022 to EUR 175.1 million (Q1 2021: EUR 155.4 million). The growth driver in the reporting quarter was the international business. With a largely steady share of receivables management (without financing function) of 23.4 percent (Q1 2021: 22.3 percent), where no default risks are assumed, new factoring business in the international markets increased by 26.3 percent to EUR 132.1 million (Q1 2021: EUR 104.6 million). In Germany, however, new factoring business fell by 15.5 percent in the first quarter to EUR 43.0 million (Q1 2021: EUR 50.8 million). This resulted from the decline in receivables management (without financing function), whose share of new business fell to 16.2 percent (Q1 2021: 32.1 percent). The gross margin in the international markets increased slightly to 1.4 percent (Q1 2021: 1.3 percent) and improved in Germany to 1.4 percent (Q1 2021: 1.2 percent). The gross margin refers to the average period of a factoring transaction of approximately 24 days in Germany (Q1 2021: approximately 25 days) and approximately 46 days internationally (Q1 2021: approximately 43 days).

After largely discontinuing the lending business with small and medium-sized enterprises (SMEs) at the beginning of 2021, GRENKE Bank's new business in the reporting quarter consisted solely of the microcredit business under the "Mikrokreditfonds Deutschland" (Microcredit Fund Germany) programme. This business reached a volume of EUR 15.8 million (Q1 2021: EUR 14.7 million). GRENKE Bank's deposit volume amounted to EUR 1,331.0 million as of the March 31, 2022 reporting date (March 31, 2021: EUR 1,637.4 million). Consequently, with a share of just under 30 percent, GRENKE Bank's deposit business continues to be an important pillar of the Consolidated Group's refinancing. As of December 31, 2021, GRENKE Bank's deposit volume amounted to EUR 1,412.0 million.

3. Net assets, financial position and results of operations

3.1 Results of operations

Selected information from the consolidated income statement

EURk	2022 Q1	2021 Q1
NET INTEREST INCOME	87'807	95'117
Settlement of claims and risk provision	31'581	44'591
NET INTEREST INCOME AFTER SETTLEMENT OF CLAIMS AND RISK PROVISION	56'226	50'526
Profit from service business	28'003	27'881
Profit from new business	7'076	7'894
Gains (+) / losses (–) from disposals	–24	–2'115
INCOME FROM OPERATING BUSINESS	91'281	84'186
Staff costs	32'975	31'674
of which total remuneration	27'125	26'028
of which fixed remuneration	22'073	20'151
of which variable remuneration	5'052	5'877
Selling and administrative expenses (excluding staff costs)	24'831	25'185
of which IT project costs	2'015	1'273
EARNINGS BEFORE TAXES	**27'012**	**18'276**
NET PROFIT	**20'537**	**13'987**
EARNINGS PER SHARE (IN EUR; BASIC / DILUTED)	**0.26**	**0.12**

Interest and similar income from financing business decreased by 9.1 percent to EUR 101.6 million in the first quarter of 2022 (Q1 2021: EUR 111.8 million). The decrease was the result of the decline in new business in the 2020 and 2021 financial years, which led to a reduction in the number of current contracts. Interest expenses fell by 17.0 percent to EUR 13.8 million (Q1 2021: EUR 16.7 million) due to the lower refinancing requirements associated with a lower volume of new business. The total net interest income in the first quarter of the 2022 financial year equalled EUR 87.8 million, for a year-on-year decline of 7.7 percent (Q1 2021: EUR 95.1 million).

The trend of lower expenses for the settlement of claims and risk provision in 2021 continued in the reporting quarter, with a decline of 29.2 percent to EUR 31.6 million (Q1 2021: EUR 44.6 million). The corresponding expenses for risk provision in the same prior-year quarter were adversely affected by the Covid-19 pandemic. Expenses for the settlement of claims and risk provision also benefitted from the increased but comparatively low volume of new business in the first quarter. This is due to the IFRS 9 requirement to recognise expected credit losses for lease receivables for the subsequent 12 months at the time the lease receivable is acquired.

Accordingly, the loss rate (expenses for the settlement of claims and risk provision in the reporting period, extrapolated to a full year, in relation to the volume of leased assets on the respective reporting date) improved to 1.4 percent in the first quarter of 2022 (Q1 2021: 2.0 percent). The loss rate was thus within the range of 1.4 to 1.7 percent expected for the year as a whole.

Due to the year-on-year decline in risk provisioning, net interest income after settlement of claims and risk provision rose by 11.3 percent in the reporting quarter to EUR 56.2 million (Q1 2021: EUR 50.5 million).

The profit from service business was almost unchanged in the first quarter at EUR 28.0 million (Q1 2021: EUR 27.9 million). Due to lower capitalisable costs, the profit from new business in the reporting quarter fell by 10.4 percent to EUR 7.1 million (Q1 2021: EUR 7.9 million). Gains and losses from disposals improved to EUR 0.0 million in the reporting quarter compared to EUR –2.1 million in the same quarter of the prior year. The 8.4 percent increase in the income from operating business to EUR 91.3 million (Q1 2021: EUR 84.2 million) was mainly due to the lower expenses for settlement of claims and risk provision in the first quarter of 2022.

The Consolidated Group's largest expense item in absolute terms, staff costs, increased by 4.1 percent in the first quarter to EUR 33.0 million (Q1 2021: EUR 31.7 million). This increase resulted from a slight rise in the number of employees and an adjustment to the remuneration models. The increase in fixed remuneration components was disproportionately high compared to the reduction in variable components. The average number of employees in the reporting quarter was 1,816 (based on full-time employees; Q1 2021: 1,802), which was 0.8 percent higher year-on-year. As of 2021, employees on parental leave are no longer included in the staff numbers.

Depreciation, amortisation and impairment fell by 5.3 percent in the first quarter to EUR 6.6 million (Q1 2021: EUR 7.0 million). There was also a decline in selling and administrative expenses of 1.4 percent to EUR 24.8 million (Q1 2021: EUR 25.2 million). This decrease was due to a lower level of consulting and auditing costs of EUR 8.3 million (Q1 2021: EUR 11.2 million). In contrast, operating and distribution costs rose due to increased sales activities.

The balance of other operating income and expenses was EUR –1.2 million in the first quarter of 2022 (Q1 2021: EUR –0.6 million).

The cost-income ratio in the first quarter of 2022 rose to 55.1 percent (Q1 2021: 51.2 percent) and was slightly above the full-year target of below 52 percent, as expected. The increase was the result of a temporary reduction in net interest income due to more stringent portfolio management during the crisis and slightly higher staff costs.

The operating result for the first quarter of 2022 rose by 30.2 percent to EUR 25.6 million (Q1 2021: EUR 19.7 million), and earnings before taxes increased 47.8 percent to EUR 27.0 million (Q1 2021: EUR 18.3 million). The tax rate increased slightly to 24.0 percent, compared to 23.5 percent in the same prior-year quarter. Net profit in the first quarter of 2022 therefore increased by 46.8 percent to EUR 20.5 million (Q1 2021: EUR 14.0 million). Profit attributable to non-controlling interests resulting from the consolidation of the franchise companies amounted to EUR –0.4 million (Q1 2021: EUR –0.9 million). Accordingly, earnings per share in the first quarter of 2022 equalled EUR 0.26 (Q1 2021: EUR 0.12).

3.2 Net assets and financial position

Selected information from the consolidated statement of financial position

EURk	Mar. 31, 2022	Dec. 31, 2021
CURRENT ASSETS	**3'069'256**	**3'195'670**
of which cash and cash equivalents	739'347	853'071
of which lease receivables	1'955'812	1'963'532
NON-CURRENT ASSETS	**3'451'708**	**3'465'270**
of which lease receivables	3'131'368	3'155'440
TOTAL ASSETS	6'520'964	6'660'940
CURRENT LIABILITIES	**2'103'949**	**2'287'620**
of which financial liabilities	1'815'078	2'073'493
NON-CURRENT LIABILITIES	**3'132'427**	**3'104'324**
of which financial liabilities	3'043'847	3'003'670
Equity	1'284'588	1'268'996
Equity ratio (in percent)	19.7	19.1
TOTAL LIABILITIES AND EQUITY	6'520'964	6'660'940

3.2.1 Net assets

Total assets compared to the end of the 2021 financial year decreased by 2.1 percent to EUR 6.5 billion as of the March 31, 2022 reporting date (December 31, 2021: EUR 6.7 billion). The decline was primarily a result of the decrease in cash and cash equivalents, which fell by 13.3 percent to EUR 739.3 million (December 31, 2021: EUR 853.1 million). This decrease essentially reflects the reduction in balances held at the Deutsche Bundesbank.

In the continuing difficult macroeconomic situation, the GRENKE Group continues to focus on maintaining sufficient liquidity in order to have the flexibility to respond to market conditions. The Consolidated Group is additionally obliged to maintain a liquidity buffer due to regulatory requirements. Thus, as of March 31, 2022, a total of EUR 549.6 million (December 31, 2021: EUR 639.3 million) was held in Deutsche Bundesbank accounts, which resulted in corresponding interest expenses due to the negative deposit interest rates.

The largest balance sheet item, non-current and current lease receivables, remained almost unchanged at EUR 5.1 billion compared to the end of the 2021 financial year (December 31, 2021: EUR 5.1 billion).

On the liabilities side, the decline in total assets is particularly reflected in the decrease in current and non-current financial liabilities of in total 4.3 percent to EUR 4.9 billion (December 31, 2021: EUR 5.1 billion). The largest share of financial liabilities continued to be accounted for by current and non-current liabilities from refinancing, which fell by 3.8 percent to EUR 3.5 billion compared to the end of 2021 (December 31, 2021: EUR 3.7 billion). GRENKE Bank's current and non-current liabilities from the deposit business totalled EUR 1.3 billion, which was close to the level as of December 31, 2021 (EUR 1.4 billion).

As of March 31, 2022, deferred lease payments increased to EUR 132.7 million (December 31, 2021: EUR 58.9 million). This balance sheet item is subject to fluctuation during the year, depending on the timing of direct debit collection.

At EUR 1,284.6 million, equity as at March 31, 2022 was 1.2 percent higher than the previous year's figure (December 31, 2021: EUR 1,269.0 million). The Consolidated Group net profit of EUR 20.5 million generated in the reporting period was partially offset by the interest payment for the hybrid capital (EUR 9.1 million). In contrast, effects from the market valuation of hedging instruments (EUR 2.9 million) and from currency translation (EUR 1.2 million) had a positive impact. Due to the increase in equity and the simultaneous decrease in total assets, the equity ratio rose to 19.7 percent as at March 31, 2022 (December 31, 2021: 19.1 percent). The equity ratio thereby exceeded the Consolidated Group's internal target ratio of a minimum of 16.0 percent.

3.2.2 Liquidity

The GRENKE Group was able to meet its payment obligations at all times in the reporting period based on its high level of cash and cash equivalents along with its broadly diversified refinancing structure.

No bonds, promissory notes or commercial paper were issued by the Grenke Finance PLC subsidiary in the first three months of 2022. More information on the bonds issued is provided in the notes to the condensed interim consolidated financial statements, as well as on the Company's website at https://www.grenke.com/investor-relations/debt-capital/issued-bonds/. Bonds in the amount of EUR 310 million and promissory notes in the amount of EUR 20 million, CHF 10 million and BRL 0.7 million were redeemed as scheduled in the reporting period.

The utilisation of the ABCP programmes as of March 31, 2022 amounted to EUR 715.1 million and GBP 117.7 million (December 31, 2021: EUR 554.4 million and GBP 115.8 million). The total volume of these programmes equalled EUR 947.8 million and GBP 150.0 million (December 31, 2021: EUR 947.8 million and GBP 150.0 million).

The Consolidated Group's unutilised credit lines (i.e. bank credit lines plus the available volume of bonds and commercial paper) amounted to EUR 2,947.9 million, PLN 2.5 million and HRK 75.0 million as of the reporting date (December 31, 2021: EUR 2,702.4 million, PLN 2.5 million and HRK 75.0 million).

GRENKE BANK AG's refinancing via customer deposits amounted to EUR 1,331.0 million as of the March 31, 2022 reporting date, compared to EUR 1,065.1 million as of December 31, 2021. This corresponds to an increase of 25.0 percent.

3.2.3 Financial position

Selected information from the consolidated statement of cash flows

EURk	2022 Q1	2021 Q1
- Investments in new lease receivables	–510'418	–374'852
+ Addition of new refinancing (excl. deposit business)	412'574	20'057
+ Net inflows / outflows from deposit business	–81'058	99'247
(I) CASH FLOW FROM INVESTMENTS IN NEW BUSINESS	**–178'902**	**–255'548**
+ Payments by lessees	573'054	596'812
- Payments / Repayments of refinancing (excl. deposit business)	–568'862	–288'539
(II) CASH FLOW FROM EXISTING BUSINESS	**4'192**	**308'273**
(III) OTHER CASH FLOW FROM OPERATING ACTIVITIES	**77'984**	**75'333**
CASH FLOW FROM OPERATING ACTIVITIES (I) + (II) + (III)	**–96'726**	**128'058**
Cash flow from investing activities	–1'174	–1'709
Cash flow from financing activities	–16'327	–16'770
TOTAL CASH FLOW	**–114'227**	**109'579**

Cash flow from operating activities was EUR –96.7 million in the first three months of 2022, which was significantly below the previous year's level (Q1 2021: EUR 128.1 million). The decline resulted from a decrease in liabilities from the deposit business of EUR 81.1 million, compared to an increase in the same prior-year quarter (Q1 2021: EUR 99.2 million). The decline also resulted from a lower year-on-year decrease in lease receivables of EUR 31.8 million (Q1 2021: EUR 171.9 million) due to the higher volume of new business in the first quarter of 2022. At the same time, the decrease in liabilities from refinancing of EUR 138.2 million was also lower than in the same prior-year period (EUR 245.2 million).

In the above presentation, cash flow from investments in new business includes investments in new lease receivables. This includes the net acquisition values for the leasing objects and the costs incurred directly with the conclusion of the contract. Due to the higher volume of new business, investments in new lease receivables increased to EUR 510.4 million in the first three months of 2022 (Q1 2021: EUR 374.9 million). These were offset by cash inflows and outflows from the increase in refinancing (EUR 412.6 million, compared to EUR 20.1 million in Q1 2021) and GRENKE Bank's deposit business (EUR –81.1 million, compared to EUR 99.2 million in Q1 2021). In total, net cash flow from investments in new business increased to EUR –178.9 million (Q1 2021: EUR –255.6 million). Cash flow from existing business, however, fell to EUR 4.2 million (Q1 2021: EUR 308.3 million). This was mainly due to the increase in payments to refinancers of EUR 568.9 million (Q1 2021: EUR 288.5 million).

Cash flow from investing activities was EUR –1.2 million in the first three months of 2022 (Q1 2021: EUR –1.7 million). This amount consists largely of payments for the acquisition of property, plant and equipment and intangible assets of EUR 1.2 million (Q1 2021: EUR 1.9 million).

Cash flow from financing activities amounted to EUR –16.3 million in the reporting quarter (Q1 2021: EUR –16.8 million). As in the previous year, the largest item was the interest payment on the hybrid capital, which amounted to EUR 12.9 million (Q1 2021: EUR 13.4 million). The repayment of lease liabilities also resulted in a cash outflow of EUR 3.4 million (Q1 2021: EUR 3.4 million).

As a result, total cash flow in the first three months of 2022 was EUR –114.2 million (Q1 2021: EUR 109.6 million). Cash and cash equivalents fell accordingly to EUR 738.1 million as of March 31, 2022, compared to EUR 853.0 million at the end of the 2021 financial year.

5. Report on risks, opportunities and forecasts

5.1 Opportunities and risks

The emergence of the Russian war against Ukraine has changed the opportunity and risk situation presented in the Annual Report 2021 (published on March 17, 2022). In particular, the risk of an economic downturn has increased (for details, please refer to the explanations in Chapters 1.1 and 3.2). A lasting military conflict could also lead to a further aggravation of the existing supply bottlenecks. An impairment in the supply of natural gas and crude oil would burden production in the manufacturing industry in particular. In addition, inflation could continue to rise, which would have a related negative impact on private consumption. The volatility on the capital markets could also increase and result in limited availability of liquid funds in the short term. Nevertheless, GRENKE AG's Board of Directors believes that the Company's comfortable level of liquidity means that it will not need to rely on raising funds on the capital markets in the short term. Moreover, GRENKE does not have its own branches in Russia or in Ukraine and is not financially involved in those regions.

Beyond the risks described above, no other significant changes occurred in the reporting period with respect to opportunities and risks. With regard to the future development of the Consolidated Group, the Company, and its subsidiaries, there are no particular risks associated with the business above and beyond the customary level.

5.2 Macroeconomic and sector environment

In April 2022, the International Monetary Fund (IMF) lowered its 2022 growth forecast for the global economy[1] to 3.6 percent (January forecast: 4.4 percent) and to 2.8 percent for the eurozone (January forecast: 3.9 percent). The IMF justified its lower expectations specifically referring to the war in Ukraine and its consequences for energy and commodity prices and, in turn, overall inflation. For Germany, the IMF expects growth of only 2.1 percent in 2022 (January forecast: 3.8 percent). The IMF is also more pessimistic in terms of the other major eurozone economies, reducing its expectations for France to 2.9 percent (January forecast: 3.5 percent) and for Italy to 2.3 percent (January forecast: 3.8 percent).

5.3 Company forecast

Due to the political situation and economic conditions described above, there is currently considerable uncertainty associated with the forecasts for the 2022 financial year.

Based on the new leasing business of EUR 499.2 million and net profit of EUR 20.5 million generated in the first quarter of 2022, the Board of Directors believes that the GRENKE Group is well on its way to achieving its full-year targets. The Board of Directors therefore reaffirms the forecast for business development in 2022 contained in the 2021 Annual Report.

For the 2022 financial year, the Board of Directors continues to expect new leasing business between EUR 2.0 and 2.2 billion. Compared to the previous financial year, this corresponds to an expected growth rate in the range of 20 percent to 33 percent. Starting from the level of new business in the 2021 financial year, the volume of new business is expected to double by the end of the 2024 financial year.

The CM2 margin of new business in the 2022 financial year is expected to be slightly below the previous year (2021: 17.6 percent). This decline is mainly due to refinancing conditions and the usual time lag when adjusting conditions, but also to a renewed increase in the average ticket size. As in previous financial years, the mean acquisition value per lease contract in the 2022 financial year is expected to be above EUR 8,000 but below EUR 10,000.

The lower volume of new business in the financial

1 https://www.imf.org/en/Publications/WEO/Issues/2022/04/19/world-economic-outlook-april-2022#Overview

years 2020 and 2021, which were largely affected by the Covid-19 pandemic, is expected to lead to lower interest income from the leasing portfolio in the current 2022 financial year. At the same time, staff costs are expected to be higher year-on-year in the 2022 financial year as a result of the institution-related regulatory measures and the new salary model. The Board of Directors anticipates a mitigating effect from the expected decrease in expenses for risk provision, resulting from the expected continued good payment behaviour of customers in 2022. In conclusion, the Board of Directors expects a net profit in the range of EUR 75 million and EUR 85 million for the 2022 financial year. Compared to the previous year, this corresponds to a stable to slightly higher net profit, due to the fact that the net profit for the 2021 financial year of EUR 95.2 million included extraordinary income of EUR 23.0 million from the sale of the viafintech shares. Accordingly, after deducting the extraordinary profit, the 2021 financial year basis of comparison for the current 2022 financial year would be EUR 72.2 million. Using this 2021 basis of comparison, net profit is also expected to double by the end of the 2024 financial year as a result of scaling the business.

The expectation for the net profit target range in the 2022 financial year is based on the assumption that the loss rate will range from 1.4 percent to 1.7 percent, which is almost within the normal range. This is due to the solid portfolio of lease contracts, the stable level of incoming payments in recent quarters, and the appropriately conservative risk provisioning already recognised in light of the pandemic. Despite the expectation that income from operating business, and particularly interest income, will be below the previous year – especially in the first half of the year due to the lower new business in previous years – and further investments will be necessary, the Board of Directors is aiming for a cost-income ratio of below 52 percent in 2022.

Based on the expected development of the Consolidated Group's net profit, GRENKE expects an equity ratio above 16.0 percent (2021: 19.1 percent).

Condensed interim consolidated financial statements

Consolidated income statement

EURk	Jan. 1, 2022 to Mar. 31, 2022	Jan. 1, 2021 to Mar. 31, 2021
Interest and similar income from financing business[1]	101'636	111'780
Expenses from interest on refinancing and deposit business	13'829	16'663
NET INTEREST INCOME	**87'807**	**95'117**
Settlement of claims and risk provision	31'581	44'591
Of which, impairment losses	12'756	27'064
NET INTEREST INCOME AFTER SETTLEMENT OF CLAIMS AND RISK PROVISION	**56'226**	**50'526**
Profit from service business	28'003	27'881
Profit from new business	7'076	7'894
Gains(+) / losses (–) from disposals	–24	–2'115
INCOME FROM OPERATING BUSINESS	**91'281**	**84'186**
Staff costs	32'975	31'674
Depreciation and impairment	6'634	7'007
Selling and administrative expenses (not including staff costs)	24'831	25'185
Other operating expenses	2'419	2'087
Other operating income	1'214	1'452
OPERATING RESULT	**25'636**	**19'685**
Result from investments accounted for using the equity method	–30	–176
Expenses / income from fair value measurement	4'085	303
Other interest income	462	649
Other interest expenses	3'141	2'185
EARNINGS BEFORE TAXES	**27'012**	**18'276**
Income taxes	6'475	4'289
NET PROFIT	**20'537**	**13'987**
of which total comprehensive income attributable to ordinary shareholders and hybrid capital holders of GRENKE AG	20'970	14'885
of which total comprehensive income attributable to non-controlling interests	–433	–898
Earnings per share (basic/diluted in EUR)	0.26	0.12
Average number of shares outstanding	46'495'573	46'495'573

[1] Interest and similar income calculated according to the effective interest method EUR 1,761k (previous year: EUR 1,796k).

Consolidated statement of comprehensive income

EURk	Jan. 1, 2022 to Mar. 31, 2022	Jan. 1, 2021 to Mar. 31, 2021
NET PROFIT	**20'537**	**13'987**
ITEMS THAT MAY BE RECLASSIFIED TO PROFIT AND LOSS IN FUTURE PERIODS		
Appropriation to / reduction of hedging reserve	2'940	–2'090
thereof: income tax effects	–420	299
Change in currency translation differences	1'197	430
thereof: income tax effects	0	0
ITEMS THAT MAY BE RECLASSIFIED TO PROFIT AND LOSS IN FUTURE PERIODS		
Equity instruments (IFRS 9)	0	0
thereof: income tax effects	0	0
Appropriation to / reduction of reserve for actuarial gains and losses	0	0
thereof: income tax effects	0	0
OTHER COMPREHENSIVE INCOME	**4'137**	**–1'660**
TOTAL COMPREHENSIVE INCOME	**24'674**	**12'327**
of which total comprehensive income attributable to ordinary shareholders and hybrid capital holders of GRENKE AG	25'808	14'028
of which total comprehensive income attributable to non-controlling interests	–1'134	–1'701

Consolidated statement of financial position

EURk	Mar. 31, 2022	Dec. 31, 2021
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	739'347	853'071
Derivative financial instruments that are assets	4'293	5'331
Lease receivables	1'955'812	1'963'532
Other current financial assets	178'256	169'119
Trade receivables	4'625	6'050
Lease assets for sale	11'855	12'431
Tax assets	16'338	16'815
Other current assets	158'730	169'321
TOTAL CURRENT ASSETS	**3'069'256**	**3'195'670**
NON-CURRENT ASSETS		
Lease receivables	3'131'368	3'155'440
Derivative financial instruments that are assets	9'337	4'878
Other non-current financial assets	111'059	97'059
Investments accounted for using the equity method	132	162
Property, plant and equipment	82'008	82'082
Right-of-use assets	34'394	41'979
Goodwill	41'017	41'031
Other intangible assets	18'270	19'278
Deferred tax assets	20'768	20'032
Other non-current assets	3'355	3'329
TOTAL NON-CURRENT ASSETS	**3'451'708**	**3'465'270**
TOTAL ASSETS	**6'520'964**	**6'660'940**

Consolidated statement of financial position

EURk	Mar. 31, 2022	Dec. 31, 2021
LIABILITIES AND EQUITY		
LIABILITIES		
CURRENT LIABILITIES		
Financial liabilities	1'815'078	2'073'493
Lease liabilities	11'073	11'405
Derivative liability financial instruments	15'004	11'123
Trade payables	41'540	43'725
Tax liabilities	5'688	4'678
Deferred liabilities	26'900	28'734
Other current liabilities	55'944	55'601
Deferred lease payments	132'722	58'861
TOTAL CURRENT LIABILITIES	**2'103'949**	**2'287'620**
NON-CURRENT LIABILITIES		
Financial liabilities	3'043'847	3'003'670
Lease liabilities	23'933	31'542
Derivative liability financial instruments	7'382	9'661
Deferred tax liabilities	52'328	54'582
Pensions	4'935	4'867
Other non-current liabilities	2	2
TOTAL NON-CURRENT LIABILITIES	**3'132'427**	**3'104'324**

EQUITY		
Share capital	46'496	46'496
Capital reserves	298'019	298'019
Retained earnings	765'133	753'245
Other components of equity	6'573	1'735
TOTAL EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF GRENKE AG	**1'116'221**	**1'099'495**
Additional equity components[1]	200'000	200'000
Non-controlling interests	–31'633	–30'499
TOTAL EQUITY	**1'284'588**	**1'268'996**
TOTAL EQUITY AND LIABILITIES	**6'520'964**	**6'660'940**

[1] Including AT1 bonds (hybrid capital), which are reported as equity under IFRS.

Consolidated statement of cash flows

EURk		Jan. 1, 2022 to Mar. 31, 2022	Jan. 1, 2021 to Mar. 31, 2021
	NET PROFIT	**20'537**	**13'987**
	NON-CASH ITEMS INCLUDED IN NET PROFIT AND RECONCILIATION TO CASH FLOW FROM OPERATING ACTIVITIES		
+	Depreciation, amortisation and impairment	6'634	7'007
- / +	Profit / loss from the disposal of property, plant, and equipment and intangible assets	6	–1
- / +	Other non-cash income / expenses	13'683	6'352
+ / -	Increase / decrease in deferred liabilities, provisions, and pensions	–1'766	48
=	**SUB-TOTAL**	**39'094**	**27'393**
	CHANGE IN ASSETS AND LIABILITIES FROM OPERATING ACTIVITIES AFTER ADJUSTMENT FOR NON-CASH ITEMS		
+ / -	Lease receivables	31'792	171'922
+ / -	Loan receivables	3'901	5'930
+ / -	Factoring receivables	935	666
+ / -	Other assets	–19'825	5'170
+ / -	Financial liabilities	–219'324	–145'935
+ / -	Other liabilities	73'621	67'489
+	Interest received	462	649
-	Interest paid	–3'141	–2'185
-	Income taxes paid	–4'241	–3'041
=	**CASH FLOW FROM OPERATING ACTIVITIES**	**–96'726**	**128'058**
-	Payments for the acquisition of property, plant and equipment and intangible assets	–1'202	–1'940
+	Proceeds from the sale of property, plant and equipment and intangible assets	28	231
=	**CASH FLOW FROM INVESTING ACTIVITIES**	**–1'174**	**–1'709**

Consolidated statement of cash flows (continued)

EURk		Jan. 1, 2022 to Mar. 31, 2022	Jan. 1, 2021 to Mar. 31, 2021
-	Repayment of lease liabilities	–3'381	–3'364
-	Interest coupon payments on hybrid capital	–12'946	–13'406
=	**CASH FLOW FROM FINANCING ACTIVITIES**	**–16'327**	**–16'770**
	CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**852'960**	**944'664**
+	Cash flow from operating activities	–96'726	128'058
+	Cash flow from investing activities	–1'174	–1'709
+	Cash flow from financing activities	–16'327	–16'770
+ / -	Change due to currency translation	–583	–889
=	**CASH AND CASH EQUIVALENTS AT END OF PERIOD**	**738'150**	**1'053'354**

Consolidated statement of changes in equity

EURk	Share capital	Capital reserves	Retained earnings/ Consolidated net profit	Hedging reserve	Reserve for actuarial gains/losses	Currency translation	Revaluation for equity instruments (IFRS 9)	Total equity attributable to shareholders of GRENKE AG	Additional equity components	Non-controlling interests	Total equity
EQUITY AS OF JAN. 1, 2022	**46'496**	**298'019**	**753'245**	**–39**	**–577**	**5'576**	**–3'225**	**1'099'495**	**200'000**	**–30'499**	**1'268'996**
Net profit			20'970					20'970		–433	20'537
Other comprehensive income				2'940		1'898		4'838		–701	4'137
TOTAL COMPREHENSIVE INCOME			**20'970**	**2'940**		**1'898**		**25'808**		**–1'134**	**24'674**
Interest coupon payment for hybrid capital (net)									–9'082		–9'082
Interest coupon for hybrid capital (net)			–9'082					–9'082	9'082		
EQUITY AS OF MAR. 31, 2022	**46'496**	**298'019**	**765'133**	**2'901**	**–577**	**7'474**	**–3'225**	**1'116'221**	**200'000**	**–31'633**	**1'284'588**
EQUITY AS OF JAN. 1, 2021	**46'496**	**298'019**	**675'200**	**–1'692**	**–1'588**	**–341**	**2'114**	**1'018'208**	**200'000**	**–25'105**	**1'193'103**
Net profit			14'885					14'885		–898	13'987
Other comprehensive income				–2'090		1'233		–857		–803	–1'660
TOTAL COMPREHENSIVE INCOME			**14'885**	**–2'090**		**1'233**		**14'028**		**–1'701**	**12'327**
Interest coupon payment for hybrid capital (net)									–9'404		–9'404
Interest coupon for hybrid capital (net)			–9'404					–9'404	9'404		
EQUITY AS OF MAR. 31, 2021	**46'496**	**298'019**	**680'681**	**–3'782**	**–1'588**	**892**	**2'114**	**1'022'832**	**200'000**	**–26'806**	**1'196'026**

Notes to the condensed interim consolidated financial statements

1. Accounting policies

This quarterly statement of GRENKE AG is a quarterly statement pursuant to Section 53 of the Exchange Rules for the Frankfurt Stock Exchange and does not constitute a complete set of interim financial statements as defined by the International Accounting Standard (IAS) 34. The quarterly statement has been prepared in accordance with the accounting standards of the International Financial Reporting Standards (IFRSs) as adopted by the EU. The quarterly statement should be read in conjunction with the IFRS consolidated financial statements as of December 31, 2021. The scope of consolidation remained unchanged compared to the prior-year period. The accounting policies are generally the same as those applied in the previous year. The effects from changes resulting from the mandatory application of new accounting standards were not material for the GRENKE Group. This quarterly statement has not been reviewed by an auditor as defined in Section 115 (5) of the German Securities Trading Act (WpHG).

2. Lease receivables

EURk	Mar. 31, 2022	Dec. 31, 2021
CHANGES IN LEASE RECEIVABLES FROM CURRENT CONTRACTS		
RECEIVABLES AT BEGINNING OF PERIOD	**5'093'885**	**5'614'509**
+ Change during the period	–19'004	–520'624
LEASE RECEIVABLES (CURRENT + NON-CURRENT) FROM CURRENT CONTRACTS AT END OF PERIOD	**5'074'881**	**5'093'885**
CHANGES IN LEASE RECEIVABLES FROM TERMINATED CONTRACTS/ CONTRACTS IN ARREARS		
GROSS RECEIVABLES AT BEGINNING OF PERIOD	**563'763**	**525'869**
+ Additions to gross receivables during the period	15'732	118'108
– Disposals of gross receivables during the period	16'355	80'214
GROSS RECEIVABLES AT END OF PERIOD	**563'140**	**563'763**
TOTAL GROSS RECEIVABLES (CURRENT AND TERMINATED)	**5'638'021**	**5'657'648**
IMPAIRMENT AT BEGINNING OF PERIOD	**538'676**	**504'086**
+ Additions of accumulated impairment during the period	12'165	34'590
IMPAIRMENT AT END OF PERIOD	**550'841**	**538'676**
Lease receivables (carrying amount, current and non-current) at beginning of period	5'118'972	5'636'292
LEASE RECEIVABLES (CARRYING AMOUNT, CURRENT AND NON- CURRENT) AT END OF PERIOD	**5'087'180**	**5'118'972**

The following overview shows the gross amount of lease receivables and the impairment of lease receivables according to the IFRS 9 impairment level. The GRENKE Group does not have any financial instruments classified as POCI as defined by IFRS 9.

	Mar. 31, 2022				Dec. 31, 2021
EURk	Level 1	Level 2	Level 3	Total	Total
GROSS LEASE RECEIVABLES					
Germany	1'101'004	46'103	40'883	1'187'990	1'202'433
France	1'016'861	98'495	105'942	1'221'298	1'218'574
Italy	752'128	130'945	180'706	1'063'779	1'095'404
Other countries	1'746'600	171'773	246'581	2'164'954	2'141'237
TOTAL GROSS LEASE RECEIVABLES	**4'616'593**	**447'316**	**574'112**	**5'638'021**	**5'657'648**
Impairment	48'035	65'233	437'573	550'841	538'676
CARRYING AMOUNT	**4'568'558**	**382'083**	**136'539**	**5'087'180**	**5'118'972**

The following overview shows changes in the impairment of current and non-current receivables.

	Mar. 31, 2022				Dec. 31, 2021
EURk	Level 1	Level 2	Level 3	Total	Total
IMPAIRMENT AT START OF PERIOD	**45'416**	**51'070**	**442'190**	**538'676**	**504'086**
Newly extended or acquired financial assets*	7'070	2'465	233	9'768	31'779
Reclassifications					
to Level 1	2'137	–1'426	–711	0	0
to Level 2	–2'429	7'030	–4'601	0	0
to Level 3	–99	–4'101	4'200	0	0
Change in risk provision due to change in level	–1'645	10'165	6'398	14'918	40'361
Mutual contract dissolution or payment for financial assets (without derecognition)	–5'433	–1'125	–9'277	–15'835	–68'181
Change in contractual cash flows due to modification (no derecognition)	0	0	0	0	–41'506
Change in category in processing losses	0	0	9'356	9'356	43'552
Change in models/risk parameters used in ECL calculation	–688	–1'574	813	–1'449	83'489
Derecognition of financial assets	–2	–13	–14'817	–14'832	–68'093
Currency translation and other differences	222	171	1'891	2'284	1'655
Accrued interest	3'486	2'571	1'898	7'955	11'534
IMPAIRMENT AT END OF PERIOD	**48'035**	**65'233**	**437'573**	**550'841**	**538'676**
thereof impairment on non-performing lease receivables	0	0	426'599	426'599	421'704
thereof impairment on performing lease receivables	48'035	65'233	10'974	124'242	116'972

* The values stated in Level 2 and 3 relate to lease receivables newly extended in the financial year that were allocated to Level 1 at their time of acquisition but were reallocated to another level during the financial year.

For the purposes of the statement of cash flows, lease receivables are composed as follows:

EURk	Mar. 31, 2022	Mar. 31, 2021
Payments by lessees	573'054	596'812
Interest and similar income from the leasing business	–98'131	–108'470
Additions of lease receivables / net investments	–510'418	–374'852
SUB-TOTAL	**–35'495**	**113'490**
Disposals / reclassifications of lease receivables at residual carrying amounts	68'143	102'803
Decrease / increase in other receivables from lessees	12'788	–27'402
Currency translation differences	–13'644	–16'969
CHANGE IN LEASE RECEIVABLES	**31'792**	**171'922**

3. Financial liabilities

The GRENKE Group's financial liabilities consist of current and non-current financial liabilities:

EURk	Mar. 31, 2022	Dec. 31, 2021
CURRENT FINANCIAL LIABILITIES		
Asset-backed	386'975	355'795
Senior unsecured	505'959	764'470
Committed development loans	77'884	74'753
Liabilities from deposit business	843'063	878'364
thereof current account liabilities	0	0
Other bank liabilities	1'197	111
thereof current account liabilities	1'197	111
TOTAL CURRENT FINANCIAL LIABILITIES	**1'815'078**	**2'073'493**
NON-CURRENT FINANCIAL LIABILITIES		
Asset-backed	485'716	353'664
Senior unsecured	2'025'403	2'044'017
Committed development loans	44'880	72'384
Liabilities from deposit business	487'848	533'605
TOTAL NON-CURRENT FINANCIAL LIABILITIES	**3'043'847**	**3'003'670**
TOTAL FINANCIAL LIABILITIES	**4'858'925**	**5'077'163**

3.1 Asset-based financial liabilities

3.1.1 Structured entities

The following consolidated structured entities were in place as of the reporting date: Opusalpha Purchaser II Limited (Helaba), Kebnekaise Funding Limited (SEB AB), CORAL Purchasing (Ireland) 2 DAC (DZ Bank), FCT "GK"-COMPARTMENT "G 2" (UniCredit), FCT "GK"-COMPARTMENT "G 3" (HSBC) and FCT "GK"-COMPARTMENT "G 4" (Helaba). All structured entities have been set up as asset-based commercial paper (ABCP) programmes.

EURk	Mar. 31, 2022	Dec. 31, 2021
Programme volume in local currency		
EURk	947'802	947'802
GBPk	150'000	150'000
Programme volume in EURk	1'125'117	1'126'314
Utilisation in EURk	854'240	692'243
Carrying amount in EURk	753'299	602'451
thereof current	331'053	296'539
thereof non-current	422'246	305'912

3.1.2 Sales of receivables agreements

EURk	Mar. 31, 2022	Dec. 31, 2021
Programme volume in local currency		
EURk	16'500	16'500
GBPk	90'000	90'000
BRLk	210'000	210'000
Programme volume in EURk	162'505	156'887
Utilisation in EURk	119'352	106'955
Carrying amount in EURk	119'352	106'955
thereof current	55'897	59'222
thereof non-current	63'455	47'733

3.1.3 Residual loans

The residual loans are partly used to finance the residual values of lease agreements in which the instalments were sold as part of the sale of receivables.

EURk	Mar. 31, 2022	Dec. 31, 2021
Carrying amount	40	53
thereof current	25	34
thereof non-current	15	19

3.2 Senior unsecured financial liabilities

The following table provides an overview of the carrying amounts of the individual refinancing instruments:

EURk	Mar. 31, 2022	Dec. 31, 2021
Bonds	2'148'446	2'459'008
thereof current	217'240	527'645
thereof non-current	1'931'206	1'931'363
Promissory notes	102'692	131'944
thereof current	22'131	32'738
thereof non-current	80'561	99'206
Revolving credit facility	236'320	175'110
thereof current	222'684	161'662
thereof non-current	13'636	13'448
Overdrafts	20'178	20'205
Accrued interest	23'726	22'220

The following table provides an overview of the refinancing volumes of the individual instruments:

EURk	Mar. 31, 2022	Dec. 31, 2021
Bonds EURk	5'000'000	5'000'000
Commercial paper EURk	750'000	750'000
Syndicated revolving credit facility EURk	250'000	250'000
Revolving credit facility EURk	30'000	30'000
Revolving credit facility PLNk	150'000	150'000
Revolving Credit Facility CLPk	20'250'000	20'250'000
Revolving credit facility HRKk	125'000	125'000

3.2.1 Bonds

No new bonds have been issued in the first quarter. Bonds amounting to EUR 310,000k were repaid on schedule.

3.2.2 Promissory notes

No new promissory notes have been issued to date in the financial year. Scheduled repayments amounted to EUR 20,000k, CHF 10,000k and BRL 658k.

3.3 Committed development loans

The following table shows the carrying amounts of the utilised development loans at different development banks:

EURk	Mar. 31, 2022	Dec. 31, 2021
Europäische Investitionsbank	9'863	9'846
NRW Bank	19'851	29'029
Thüringer Aufbaubank	1'831	2'112
Investitionsbank des Landes Brandenburg	271	417
KfW	90'172	104'842
Landeskreditbank Baden-Württemberg	776	891
Accrued interest	0	0
TOTAL DEVELOPMENT LOANS	**122'764**	**147'137**

3.4. Additional information on financial liabilities in the statement of cash flows

For the purposes of the statement of cash flows, financial liabilities are composed as follows:

EURk	Mar. 31, 2022	Mar. 31, 2021
FINANCIAL LIABILITIES		
Additions of liabilities / assumption of new liabilities from refinancing	412'574	20'057
Interest expenses from refinancing	11'857	13'610
Payment / repayment of liabilities to refinancers	–568'862	–288'539
Currency translation differences	6'165	9'690
CHANGE IN LIABILITIES FROM REFINANCING	**–138'266**	**–245'182**
Additions / repayment of liabilities from the deposit business	–83'030	96'194
Interest expenses from the deposit business	1'972	3'053
CHANGE IN LIABILITIES FROM THE DEPOSIT BUSINESS	**–81'058**	**99'247**
CHANGE IN FINANCIAL LIABILITIES	**–219'324**	**–145'935**

4. Subsequent events

A new bond in the amount of EUR 150,000k was issued on April 7, 2022.

In addition, a new ABCP programme FCT "GK"-COMPARTMENT "G5" (DZ Bank) was initiated on April 19, 2022, with a programme volume of EUR 150,000k.

Negotiations for the acquisition of shares in the fully consolidated franchise companies GC Lease Singapore Pte Ltd (Singapore/Singapore) and GC Leasing AZ LLC (Phoenix/USA) are at a very advanced stage and expected to conclude in the second quarter of 2022.

No other significant events occurred after the reporting date.

Calendar of events

May 13, 2022 // Capital Markets Update 2022

May 25, 2022 // Virtual Annual General Meeting

July 5, 2022 // New business figures Q2 2022

August 11, 2022 // Financial report for the 2nd quarter and first half-year of 2021

October 5, 2022 // New business figures Q3 2022

November 10, 2022 // Quarterly Statement Q3 and Q1-Q3 2022

Imprint

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Disclaimer

Figures in this financial report are usually presented in EURk and EUR millions. Rounding differences may occur in individual figures compared to the actual EUR amounts. Such differences are not significant in character due to their nature. For reasons of easier readability, gender-specific language is generally avoided, and the respective terms apply equally to all genders to ensure equal treatment.

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