QUARTERLY STATEMENT //

FOR THE 1ST QUARTER 2019

GRENKE CONSOLIDATED GROUP

GRENKE

KEY FIGURES //

GRENKE GROUP

	JAN. 1, 2019 TO MARCH 31, 2019	CHANGE (%)	JAN. 1, 2018 TO MARCH 31, 2018	UNIT
NEW BUSINESS GRENKE GROUP LEASING	**670,255**	**22.0**	**549,187**	**EURk**
of which international	515,454	25.1	412,062	EURk
of which franchise international	18,796	65.6	11,351	EURk
of which DACH*	136,004	8.1	125,773	EURk
Western Europe (without DACH)*	186,724	22.8	152,118	EURk
Southern Europe*	212,655	23.9	171,653	EURk
Northern/Eastern Europe*	108,287	28.3	84,407	EURk
Other regions*	26,584	74.5	15,235	EURk
NEW BUSINESS GRENKE GROUP FACTORING (INCL. COLLECTION SERVICES)	**142,354**	**21.8**	**116,846**	**EURk**
of which Germany	41,154	–5.5	43,561	EURk
of which international	36,872	4.9	35,142	EURk
of which franchise international	64,328	68.7	38,143	EURk
GRENKE BANK Deposits	**723,097**	**25.4**	**576,644**	**EURk**
New business SME lending business incl. business start-up financing	11,767	30.4	9,022	EURk
CONTRIBUTION MARGIN 2 (CM2) ON NEW BUSINESS GRENKE GROUP LEASING	**111,239**	**14.5**	**97,116**	**EURk**
of which international	88,111	14.7	76,809	EURk
of which franchise international	3,907	61.6	2,418	EURk
of which DACH*	19,221	7.5	17,889	EURk
Western Europe (without DACH)*	32,719	20.5	27,155	EURk
Southern Europe*	33,708	1.7	33,155	EURk
Northern/Eastern Europe*	19,968	27.6	15,650	EURk
Other regions*	5,624	72.1	3,268	EURk
FURTHER INFORMATION LEASING BUSINESS				
Number of new contracts	74,760	14.9	65,059	units
Share of corporate customers in lease portfolio	100	0.0	100	percent
Mean acquisition value	9.0	6.2	8.4	EURk
Mean term of contract	49	0.0	49	months
Volume of leased assets	7,354	21.5	6,052	EURm
Number of current contracts	828,798	19.0	696,434	units

* 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

GRENKE Group = GRENKE Consolidated Group including franchise partners
GRENKE Consolidated Group = GRENKE AG and all consolidated subsidiaries and structured entities according to IFRS

GRENKE CONSOLIDATED GROUP

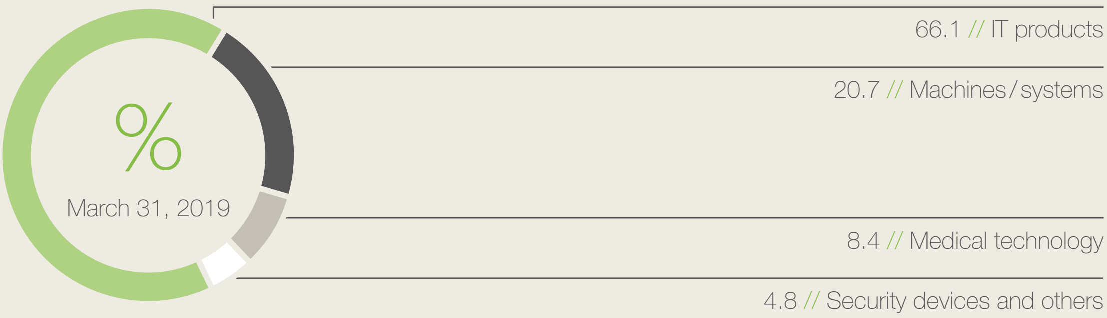
	JAN. 1, 2019 TO MARCH 31, 2019	CHANGE (%)	JAN. 1, 2018 TO MARCH 31, 2018	UNIT
KEY FIGURES INCOME STATEMENT				
Net interest income	77,164	14.0	67,711	EURk
Settlement of claims and risk provision	28,131	28.7	21,859	EURk
Profit from service business	21,907	18.0	18,564	EURk
Profit from new business	22,658	18.0	19,202	EURk
Gains (+)/losses (–) from disposals	422	129.6	–1,427	EURk
Other operating income	2,298	16.3	1,976	EURk
Cost of new contracts	16,681	15.1	14,492	EURk
Cost of current contracts	4,641	20.1	3,865	EURk
Project costs and basic distribution costs	17,576	21.8	14,425	EURk
Management costs	13,307	7.6	12,367	EURk
Other costs	2,574	–21.6	3,283	EURk
Operating result	41,539	16.2	35,735	EURk
Other financial result (income (–)/expense (+))	805	129.3	351	EURk
Income/expenses from fair value measurement	–288	–769.8	43	EURk
EBT (earnings before taxes)	40,446	14.2	35,427	EURk
NET PROFIT	**33,634**	**13.6**	**29,618**	**EURk**
EARNINGS PER SHARE (ACCORDING IFRS)	**0.58**	**3.6**	**0.56**	**EUR**
FURTHER INFORMATION				
Dividends	0.80	14.3	0.70	EUR
Embedded value, leasing contract portfolio (excl. equity before taxes)	578	18.9	486	EURm
Embedded value, leasing contract portfolio (incl. equity after taxes)	1,577	31.0	1,204	EURm
Cost/income ratio	57.3	–0.9	57.8	percent
Equity ratio	18.0	14.6	15.7	percent
Average number of employees in full-time equivalent	1,593	17.0	1,361	employees
Staff costs	27,631	13.1	24,428	EURk
of which total remuneration	22,811	13.7	20,065	EURk
of which fixed remuneration	16,561	9.2	15,172	EURk
of which variable remuneration	6,250	27.7	4,893	EURk

GRENKE Group = GRENKE Consolidated Group including franchise partners
GRENKE Consolidated Group = GRENKE AG and all consolidated subsidiaries and structured entities according to IFRS

AT A GLANCE //

2019 OUTLOOK – OUR FIRST QUARTER PERFORMANCE HAS ALREADY ESTABLISHED THE FOUNDATION FOR REACHING OUR FULL-YEAR TARGETS.

LEASING NEW BUSINESS PORTFOLIO //



BROADLY DIVERSIFIED

GRENKE GROUP LOCATIONS //

146

CELL DIVISIONS //

BELGIUM
CANADA

GRENKE GROUP NEW BUSINESS //

+22%

Volume including franchise partners reaches EUR 824.4 million (previous year: EUR 675.1 million)

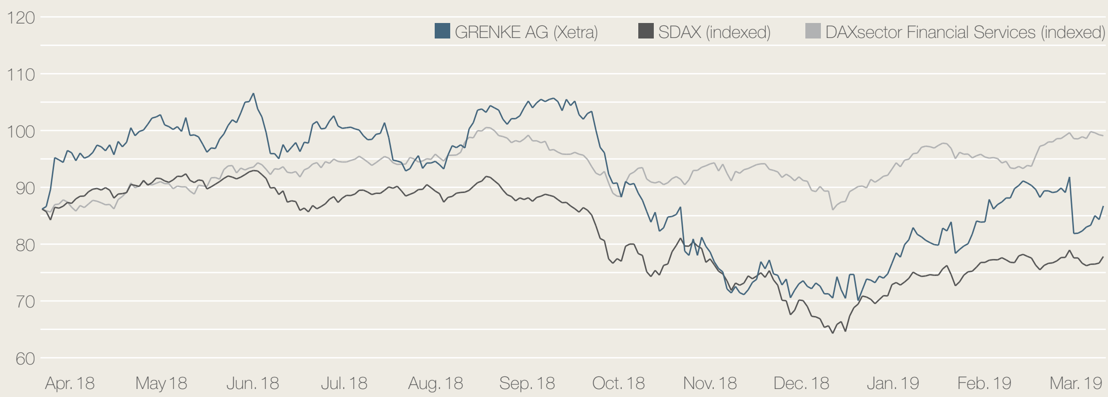
NUMBER OF EMPLOYEES //

1,593

Year-on-year increase of 17% (GRENKE Consolidated Group; previous year: 1,361)

HIGH GROWTH

GRENKE SHARE PRICE PERFORMANCE // March 29, 2018 to March 29, 2019



FAVOURABLE SHARE PRICE PERFORMANCE

CONTENT //

LETTER FROM THE BOARD OF DIRECTORS //

TO THE SHAREHOLDERS

DEAR SHAREHOLDERS, LADIES AND GENTLEMEN,

GRENKE has had a successful start in the current fiscal year. After enhancing our core values – “simple, fast, personal” – with the addition of “entrepreneurial” in the past year, we are now resolutely continuing our course. Since March, we have made it our mission to support our partners and customers even more with our promise of “Fast. Forward. Finance”. Certainly, our holistic solutions for leasing, factoring and banking play a crucial role in our success but so does our pledge to handle the business of our customers and partners as if it were our own: resolutely, responsibly and sustainably successful.

We have proven this once again in the first quarter of 2019. Our new business increased by a total of 22.1 percent across the three business divisions, with the Leasing segment achieving an increase of 22.0 percent to EUR 670.3 million. Our German home market developed as expected in a challenging competitive environment with a respectable increase of 6.9 percent. Our core markets France and Italy have again recorded very good growth. At this point, we would like to emphasise the above-average growth taking place outside of our core markets, which leads to greater regional diversification and, consequently, to greater independence from individual markets.

As part of our cell division strategy, we strengthened our regional presence in Belgium and Canada, where two additional GRENKE locations went into operation in the first quarter. Beyond opportunities for further cell divisions this year, we are currently carrying out a feasibility study to examine the possibility of entering the US market with our leasing offer. If the result of this study is positive, we plan to be present in the American market starting in 2020. Meanwhile, our eSignature solution continues to gain acceptance. This solution enables our customers to process lease contracts entirely digitally. Since eSignature’s launch in 2015, almost 136,485 contracts have been concluded electronically. We offer this online solution in 19 countries today. This is one example that shows how we are on the right track in digitising our business.

We also achieved high growth rates with GRENKE Group Factoring in the first quarter, as well as in the SME lending business of GRENKE Bank. We recorded growth in these areas of 21.8 percent and 30.4 percent, respectively. Our Consolidated Group net profit of EUR 33.6 million completes the picture of continuity and stability of our business in the first quarter, which has provided us with a solid foundation for achieving our annual targets.

My dear shareholders, we have made a successful start in the first quarter, and we are confident that we will achieve our planned growth targets in the current fiscal year. We would like to thank you sincerely for your confidence in our work.

Baden-Baden, May 2019

The Board of Directors of GRENKE AG

Antje Leminsky Chair of the Board	**Gilles Christ** Member of the Board	**Sebastian Hirsch** Member of the Board	**Mark Kindermann** Member of the Board

// CONDENSED INTERIM GROUP MANAGEMENT REPORT

1. BUSINESS PERFORMANCE

1.1 GRENKE GROUP'S NEW BUSINESS

When assessing the volume of new business, GRENKE is generally referring to the new business volume of the Group – defined as the Consolidated Group and its franchise partners. The strong new business growth experienced in the past several years continued uninterrupted in the first quarter of 2019. GRENKE Group generated total new business volume of EUR 824.4 million across its three business segments – Leasing, Banking and Factoring – following EUR 675.1 million in the previous year, corresponding to a year-on-year increase of 22 percent.

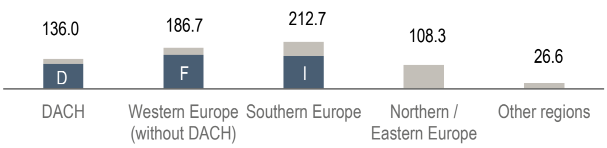
The share of the Leasing segment remained unchanged at 81 percent of the total volume (previous year: 81 percent). In absolute terms, the new business volume of GRENKE Group Leasing – defined as the total acquisition costs of newly acquired leased assets – increased by 22 percent to EUR 670.3 million (previous year: EUR 549.2 million). In the three core leasing markets of France (+20 percent), Italy (+16 percent) and Germany (+7 percent), GRENKE once again recorded solid growth and further expanded its position in the respective markets. As a result of the above-average growth generated outside of the core markets, the leasing portfolio's regional diversification was further expanded. Among the major international markets, Spain, in particular, stood out with new business growth of 65 percent.

In the DACH region, which comprises Germany, Austria and Switzerland, new business in the first quarter increased by 8 percent to EUR 136.0 million (previous year: EUR 125.8 million). In Western Europe (excluding DACH), there was an increase of 23 percent to EUR 186.7 million (previous year: EUR 152.1 million). In Southern Europe, which is the largest region in terms of its share of total new leasing business, new business again grew at an above-average rate of 24 percent to EUR 212.7 million (previous year: EUR 171.7 million). The aforementioned strong growth in Spain and solid development in Italy were the primary growth drivers in this region. The Northern / Eastern Europe region increased new business in the first three months by 28 percent to EUR 108.3 million (previous year: EUR 84.4 million). New business in Great Britain grew by 29 percent in the first quarter of 2019, despite the uncertainties surrounding the upcoming Brexit. Starting from a still relatively low base, the other regions recorded an expansion in acquired new business volume of 75 percent for a total of EUR 26.6 million (previous year: EUR 15.2 million).

SEE DIAGRAM "GRENKE GROUP LEASING'S NEW BUSINESS BY REGION"

NEW BUSINESS GRENKE GROUP LEASING*

As per March 31, 2019, in EUR millions



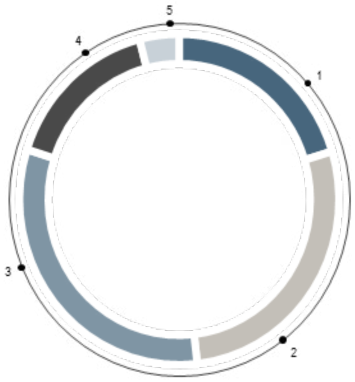
* See next page for regional description.

Given the persistently high level of growth, the profitability of new business remained at a very satisfactory level. The Leasing segment increased its contribution margin 2 (CM2) by 15 percent in the first three months to EUR 111.2 million compared to EUR 97.1 million in the same period of the prior year, corresponding to a CM2 margin of 16.6 percent (previous year: 17.7 percent). The slightly lower margin compared with the previous year was mainly a consequence of the expiration of tax incentives for lease financing in Italy ("super ammortamento") at the end of 2018. GRENKE had extended these benefits to its customers in the form of lower lease instalments and, as a result, generated lower contribution margins but at the same time benefited from lower taxes. After the end of this programme, GRENKE adjusted its terms and conditions in the course of the first quarter of 2019. This gradual change in the terms and conditions and the expiration of tax benefits led to a lower CM2 margin at the start of the year. At the end of the quarter, margins had returned close to their level at the end of 2018. The Leasing segment's CM1 margin (contribution margin 1 at acquisition values) was 12.0 percent in the first quarter of 2019, reaching EUR 80.7 million (previous year: 12.7 percent or EUR 69.5 million).

New business volume in the first quarter of 2019 in the Factoring segment increased by 22 percent to EUR 142.4 million (previous year: EUR 116.8 million). With the debt collection business representing a share of 10 percent (previous year: 13 percent), new business in Germany decreased by 6 percent to EUR 41.2 million (previous year: EUR 43.6 million). The gross margin remained at a high level of 1.64 percent (previous year: 1.60 percent). The international markets, in contrast, recorded strong growth, with an overall rise in new business volume of 38 percent to EUR 101.2 million (previous year: EUR 73.3 million). At an international level, the share of the debt collection business, which does not assume any default risks, amounted to 22 percent (previous year: 32 percent). The gross margin in our international markets equalled 1.09 percent (previous year: 1.26 percent). The gross margin is based on an average period for a factoring transaction of approx. 28 days in Germany (previous year: approx. 28 days) and approx. 43 days on an international level (previous year: approx. 40 days).

In the period from January through March 2019, GRENKE Bank increased its new business in lending to small and medium-sized enterprises by 30 percent to EUR 11.8 million (previous year: EUR 9.0 million). The deposit volume at GRENKE Bank as per March 31, 2019 amounted to EUR 723.1 million, which was 4 percent higher than the value at the end of the 2018 fiscal year of EUR 692.4 million.

GRENKE GROUP LEASING'S NEW BUSINESS BY REGION



GRENKE Group Leasing *(Share of overall new business in percent)*	Jan. 1, 2019 to Mar. 31, 2019	Jan. 1, 2018 to Mar. 31, 2018
1 DACH	20.3	22.9
2 Western Europe (without DACH)	27.8	27.7
3 Southern Europe	31.7	31.3
4 Northern / Eastern Europe	16.2	15.4
5 Other regions	4.0	2.7
GRENKE Group *(in EUR millions)*	**Jan. 1, 2019 to Mar. 31, 2019**	**Jan. 1, 2018 to Mar. 31, 2018**
New business GRENKE Group Leasing	670.3	549.2
New business GRENKE Group Factoring	142.4	116.8
Business start-up financing GRENKE Bank (incl. microcredit business)	11.8	9.0

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, Great Britain, Ireland, Latvia*, Norway, Sweden / Czechia, Hungary, Poland, Romania, Slovakia
Other regions: Australia*, Brazil, Canada*, Chile*, Singapore*, Turkey, UAE

* Franchise

1.2 GRENKE CONSOLIDATED GROUP'S BUSINESS PERFORMANCE

In the context of its cell division strategy, GRENKE opened one new location each in Belgium and Canada in the first quarter of 2019. As per March 31, 2019, GRENKE was present for its customers on five continents with 146 locations worldwide. In 2019, GRENKE plans to open at least seven new locations. In addition, GRENKE is preparing to enter the US market with its lease offers and is currently carrying out a corresponding feasibility study.

The structure of the lease portfolio developed as planned. Expanding our offers beyond the traditional IT area, which we have accelerated starting in 2017, proves the scalability of the GRENKE business model. Medical technology products, small machinery and systems accounted for a combined share of new business totalling 29.0 percent in the reporting quarter, compared to 27.2 percent in the same quarter of the prior year. At EUR 8,965 (previous year: EUR 8,441), the mean acquisition value per lease contract was at a slightly higher level but still in line with customary business and reflects our strong focus on the small-ticket segment.

The digitisation of our offers is also progressing, with the number of contracts concluded by eSignature recording another above-average increase in the first quarter of 2019. A total of 136,485 contracts have been concluded using the eSignature method – which allows lease contracts to be processed entirely digitally – since its introduction in 2015. Meanwhile, we are offering this service to customers in 19 countries.

GRENKE also repositioned its brand in the first quarter. With the brand's promise of "Fast. Forward. Finance" the Company places added value for the customer even further at the forefront. In this way, partners and customers can benefit even more than before from GRENKE solutions. The aim is to offer customers holistic solutions in leasing, factoring and banking.

The focal point of the Consolidated Group's refinancing measures in the reporting quarter was the successful placement of a five-year bond with an issue volume of EUR 300 million in February 2019. Based on the Consolidated Group's investment grade rating, we were able to issue this bond once again at attractive terms.

SELECTED INFORMATION FROM THE CONSOLIDATED INCOME STATEMENT

EURk	Jan. 1, 2019 to Mar. 31, 2019	Jan. 1, 2018 to Mar. 31, 2018*
Net interest income	**77,164**	**67,711**
Settlement of claims and risk provision	28,131	21,859
Net interest income after settlement of claims and risk provision	**49,033**	**45,852**
Profit from service business	21,907	18,564
Profit from new business	22,658	19,202
Gains (+)/losses (–) from disposals	422	–1,427
Income from operating business	**94,020**	**82,192**
Staff costs	27,631	24,428
of which total remuneration	*22,811*	*20,065*
of which fixed remuneration	*16,561*	*15,172*
of which variable remuneration	*6,250*	*4,893*
Selling and administrative expenses (excluding staff costs)	18,158	17,656
of which IT project costs	*1,449*	*1,682*
Earnings before taxes	**40,446**	**35,427**
Net profit	**33,634**	**29,618**
Earnings per share (according to IFRS; in EUR)	0.58	0.56

* Prior-year figures adjusted (see section "Adjustments" in the notes to the condensed interim consolidated financial statements)

2. NET ASSETS, FINANCIAL POSITION AND RESULTS OF OPERATIONS

2.1 NEW IFRS 16 ACCOUNTING STANDARD

::► SEE NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS, PAGE 23

2.2 RESULTS OF OPERATIONS

Interest and similar income from financing business increased by 14 percent in the reporting quarter, which was slightly below the 16 percent rise in the interest expenses on refinancing. As a result, net interest income increased by 14 percent to EUR 77.2 million in the first quarter of 2019 (previous year: EUR 67.7 million). Expenses for the settlement of claims and risk provision increased disproportionately by 29 percent to EUR 28.1 million in the reporting quarter (previous year: EUR 21.9 million). This rise resulted from periodic fluctuations in risk provisions in different countries. The Consolidated Group's loss rate in the reporting quarter was 1.5 percent after 1.4 percent in the same period of the previous year. As a result, the loss rate remained in line with the long-term targeted level after expenses for the settlement of claims and risk provision in the past quarters recorded a below-average rise versus new business growth. Due to the strong volume growth in earlier periods, this development is in line with expectations and is incorporated into the calculation of the contribution margins accordingly. Overall, net interest income after settlement of claims and risk provision improved by 7 percent to EUR 49.0 million in the first quarter of 2019 (previous year: EUR 45.9 million).

The profits from service and new business each increased by 18 percent in the reporting quarter. After a loss from disposals of EUR –1.4 million in the same quarter of the previous year, the result for the first quarter of 2019 was slightly positive, amounting to EUR 0.4 million. As a result, income from operating business reached EUR 94.0 million compared to EUR 82.2 million in the first quarter of the previous year, corresponding to an increase of 14 percent.

Total operating expenses in the first quarter of 2019 grew largely in line with the income trend. Accordingly, the cost-income ratio of 57.3 percent (previous year: 57.8 percent) remained close to the previous year's level and therefore well below our medium-term target of 60 percent. Staff costs, the largest expense item, increased by 13 percent to EUR 27.6 million (previous year: EUR 24.4 million) mainly as a result of the further increase of 17 percent in the average number of employees to a total of 1,593 (based on full-time employees, previous year: 1,361) and higher variable remuneration components. Selling and administrative expenses in the reporting quarter, in contrast, increased by only 3 percent to EUR 18.2 million (previous year: EUR 17.7 million). This below-average increase was mainly due to lower operating and IT project costs.

The development of depreciation and amortisation is significantly influenced by the change in the accounting of rental and lease contracts under IFRS 16. Due to the capitalisation of rental and lease contracts, the corresponding expenses are classified as depreciation and amortisation of rights-of-use (Q1 2019: EUR 2.5 million) and interest expenses for rental and lease liabilities (Q1 2019: EUR 0.1 million). Depreciation and amortisation in comparison to the same quarter of the prior year rose by 84 percent to EUR 7.1 million (previous year: EUR 3.9 million) primarily due to the first-time amortisation of rights-of-use. The balance of other operating income and expenses amounted to EUR 0.4 million in the reporting quarter (previous year: EUR –0.5 million).

The operating result improved by 16 percent year-on-year in the reporting quarter, reaching EUR 41.5 million (previous year: EUR 35.7 million), and earnings before taxes rose to EUR 40.4 million (previous year: EUR 35.4 million). At 16.8 percent (previous year: 16.4 percent), the tax rate was virtually unchanged in the first quarter compared to the same period of the previous year and was slightly above the full-year 2018 figure of 15.7 percent, as planned. Net profit in the first quarter of 2019 increased by 14 percent to EUR 33.6 million compared to EUR 29.6 million in the same period of the previous year, resulting in earnings per share of EUR 0.58 in the first quarter of 2019 compared to EUR 0.56 in the first quarter of the previous year. In viewing the earnings per share, it is important to consider the change in the accrual of the interests in net profit of hybrid capital holders, which was amended as per December 31, 2018, in accordance with the legal terms of the bonds. The interests in net profit of the hybrid capital holders are now recognised in full as per March 30 of the respective fiscal year, whereas previously this interest was accrued on a pro rata temporis basis. :: ► SEE SECTION "ADJUSTMENTS" IN THE NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

2.2.1 SEGMENT DEVELOPMENT

2.2.1.1 Business Segments

Segment reporting is based on the organisational structure of the Consolidated Group. The Consolidated Group's operating segments are defined accordingly based on the management of the business areas in the Leasing, Banking and Factoring segments. Further information on the business segments is provided in the Consolidated Group's segment reporting on page 21, which is part of the notes to the condensed interim consolidated financial statements.

2.2.1.2 Business Development

With a share of 92 percent (previous year: 93 percent) of the total operating segment income in the reporting quarter, the Leasing segment remained the most important segment, as well as the earnings pillar of the Consolidated Group. Operating segment income in the Leasing segment in the first quarter of 2019 increased by 13 percent to EUR 86.4 million (previous year: EUR 76.4 million). The segment result improved by 13 percent to EUR 36.9 million compared to a level of EUR 32.5 million in the same period of the previous year. The Banking segment generated above-average income growth of 40 percent to EUR 6.8 million (previous year: EUR 4.8 million). The segment result even rose by 47 percent to EUR 5.0 million (previous year: EUR 3.4 million). The Factoring segment, however, recorded lower operating segment income in the first quarter of EUR 0.8 million compared to the previous year's figure of EUR 1.0 million. Continued investment in our sales infrastructure and start-up costs for the broader international presence of the business led to a segment result in the reporting quarter of EUR –0.4 million compared to EUR –0.2 million in the same quarter of the prior year.

SELECTED INFORMATION FROM THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EURk	**Mar. 31, 2019**	**Dec. 31, 2018***
Current assets	**2,555,157**	**2,433,300**
of which cash and cash equivalents	*314,102*	*333,626*
of which lease receivables	*1,704,185*	*1,605,173*
Non-current assets	**3,628,007**	**3,443,191**
of which lease receivables	*3,241,350*	*3,098,837*
Total assets	**6,183,164**	**5,876,491**
Current liabilities	**1,626,813**	**1,642,962**
of which financial liabilities	*1,447,788*	*1,520,095*
Non-current liabilities	**3,440,996**	**3,146,432**
of which financial liabilities	*3,355,207*	*3,092,431*
Equity	**1,115,355**	**1,087,097**
Equity ratio (in percent)	18.0	18.5
Total liabilities and equity	**6,183,164**	**5,876,491**
Embedded value after taxes	1,577,487	1,538,085

* Prior-year figures adjusted (see section "Adjustments" in the notes to the condensed interim consolidated financial statements)

2.3 NET ASSETS AND FINANCIAL POSITION

2.3.1 NET ASSETS

Total assets of the GRENKE Consolidated Group as per March 31, 2019 increased by 5 percent compared to the end of the 2018 fiscal year to EUR 6.2 billion. The continued growth in new business also resulted in an increase of 5 percent in current and non-current lease receivables, which is by far the largest item in the balance sheet. As per March 31, 2019, lease receivables totalled EUR 4.9 billion (December 31, 2018: EUR 4.7 billion), corresponding to an unchanged share in total assets of 80 percent (December 31, 2018: 80 percent).

Cash and cash equivalents decreased by 6 percent to EUR 314.1 million during the first quarter of 2019 (December 31, 2018: EUR 333.6 million). GRENKE continues to pursue the strategy of using liquid funds exclusively as the source of finance for the Consolidated Group's growth next to meeting legal and regulatory requirements'.

The application of IFRS 16 accounting standard resulted in the recognition of rights-of-use assets for the first time in the amount of EUR 38.9 million as per March 31, 2019 for assets used under rental and lease contracts. At the GRENKE Consolidated Group, these rights pertain mainly to leased office buildings and company cars. This amount compares to the first-time recognition of corresponding lease liabilities of EUR 39.6 million.

On the liabilities side of the balance sheet, current and non-current liabilities from refinancing increased by 4 percent to EUR 4.1 billion as per the reporting date compared to December 31, 2018. The non-current and current liabilities from the deposit business recorded an increase of 3 percent. Overall, the Consolidated Group's financial liabilities increased by 4 percent to EUR 4.8 billion (December 31, 2018: EUR 4.6 billion). Deferred lease payments more than doubled as per the reporting date. This balance sheet item, however, is often subject to major fluctuations during the year; compared to March 31, 2018 there was a decline of 20 percent.

As a result of the Consolidated Group's net profit generated in the reporting period, equity rose to EUR 1,115.4 million as per the end of the first quarter of 2019 (December 31, 2018: EUR 1,087.1 million). The equity ratio fell slightly to 18.0 percent (December 31, 2018: 18.5 percent), but still clearly exceeded our long-term benchmark of a minimum of 16 percent. The first-time application of IFRS 16 resulted in a one-time conversion effect on the Consolidated Group's equity of EUR –0.7 million, which was recognised as per January 1, 2019. :: ► SEE NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

2.3.2 LIQUIDITY

During the first quarter of the 2019 fiscal year, GRENKE continued to use a broad range of refinancing instruments. Through the subsidiary Grenke Finance PLC, three new fixed-interest bonds were issued with a total gross volume of EUR 321.5 million and one bond was increased by EUR 20 million. Further information on the bonds issued can be found in the condensed interim consolidated financial statements and can also be downloaded from the website at www.grenke.de/grenke-group/investor-relations/debt-capital/issued-bonds. A promissory note totalling EUR 10 million was also issued, and the maturity of one note with a volume of EUR 10 million was extended. In the short-term segment, GRENKE executed seven commercial paper issues totalling EUR 80 million. During the reporting period, bonds amounting to EUR 85 million alongside promissory notes of EUR 12.5 million, CHF 2.8 million, DKK 13 million and SEK 15 million were repaid.

The utilisation of the ABCP programmes amounted to EUR 708.5 million as per March 31, 2019 (December 31, 2018: EUR 750.5 million). The total volume of these programmes amounted to EUR 792.5 million and GBP 100 million.

Refinancing via bank deposits of GRENKE Bank also grew significantly. Liabilities from the deposit business rose by 25 percent year-on-year to EUR 723.1 million (March 31, 2018: EUR 576.6 million).

2.3.3 FINANCIAL POSITION

SELECTED INFORMATION FROM THE CONSOLIDATED STATEMENT OF CASH FLOWS

EURk	**Jan. 1, 2019 to Mar. 31, 2019**	**Jan. 1, 2018 to Mar. 31, 2018**
Cash flow from operating activities	–3,090	177,987
Net cash flow from operating activities	–5,126	177,078
Cash flow from investing activities	–3,716	–2,880
Cash flow from financing activities	–10,784	–6,870
Total cash flow	**–19,626**	**167,328**

Cash flow from operating activities reached EUR –3.1 million in the first quarter of 2019 compared to EUR 178.0 million in the same period of the prior year. This decline resulted from the increase in lease receivables (EUR 241.5 million compared to EUR 172.5 million in the prior year). At the same time, the increase in refinancing liabilities (EUR 165.0 million compared to EUR 250.1 million) and the deposit business (EUR 24.2 million compared to EUR 59.4 million) was below the comparable figure from the same period of the prior year. The change in loans to franchisees also resulted in a cash outflow of EUR 14.5 million (previous year: cash inflow of EUR 27.5 million). A positive effect on cash flow resulted from an increase in earnings before taxes of EUR 40.4 million (previous year: EUR 35.4 million) and higher depreciation and amortisation of EUR 7.1 million (previous year: EUR 3.9 million).

After interest and taxes paid and received, the net cash flow from operating activities amounted to EUR –5.1 million compared to EUR 177.1 million in the same period of the prior year.

At EUR –3.7 million (previous year: EUR –2.9 million), cash flow from investing activities was little changed in the reporting quarter and essentially comprised the payments for the acquisition of property, plant and equipment and intangible assets of EUR 3.9 million (previous year: EUR 3.8 million). Cash flow from investing activities in the previous year had also included proceeds related to the acquisition of subsidiaries in the amount of EUR 0.6 million.

Cash flow from financing activities totalled EUR –10.8 million in the first quarter of 2019 (previous year: EUR –6.9 million). As in the previous year, the key item was the interest payment of EUR 9.4 million (previous year: EUR 6.8 million) on hybrid capital. The repayment of lease liabilities also resulted in a cash outflow of EUR 2.4 million in the reporting quarter (previous year: EUR 0.0 million).

As a result of the above, the total cash flow in the first quarter of 2019 amounted to EUR –19.6 million compared to EUR 167.3 million in the same period of the previous year. As per March 31, 2019, cash and cash equivalents decreased to EUR 310.7 million in comparison with their level of EUR 330.5 million at the end of the 2018 fiscal year.

3. REPORT ON RISKS, OPPORTUNITIES AND FORECASTS

3.1 OPPORTUNITIES AND RISKS

There were no material changes to the opportunities and risks in the reporting period compared to those presented in the 2018 Annual Report. With regard to the future development of the Consolidated Group and the Company, as well as their subsidiaries, there are no unusual risks that have been ascertained beyond those associated with the normal scope of business.

3.2 FORECAST

Based on the results of the first quarter of 2019, we believe we are well on our way to achieving our forecasts for the full fiscal year. The growth in new business at GRENKE Group Leasing of 22 percent in the first quarter of the year exceeded our expectation for the full year of an increase in the range of 14 to 19 percent. The 22 percent growth at GRENKE Group Factoring, in contrast, remained slightly below the target for the 2019 fiscal year of 25 percent.

With an increase in Consolidated Group net profit of 14 percent, our earnings development in the first quarter of 2019 was within the range of the growth we are expecting for full-year 2019 of 12 to 19 percent. We therefore maintain our forecast of achieving a net profit in the range of EUR 147 to 156 million for the current 2019 fiscal year (2018: EUR 131.1 million).

HIGH REPUTATION

STANDARD & POOR'S //
Counterparty credit rating

BBB+

First-class reputation on the equity and debt markets

STRONG GROWTH

CONSOLIDATED GROUP NET PROFIT //
Mio. EUR

33.6

EARNINGS PER SHARE //
EUR

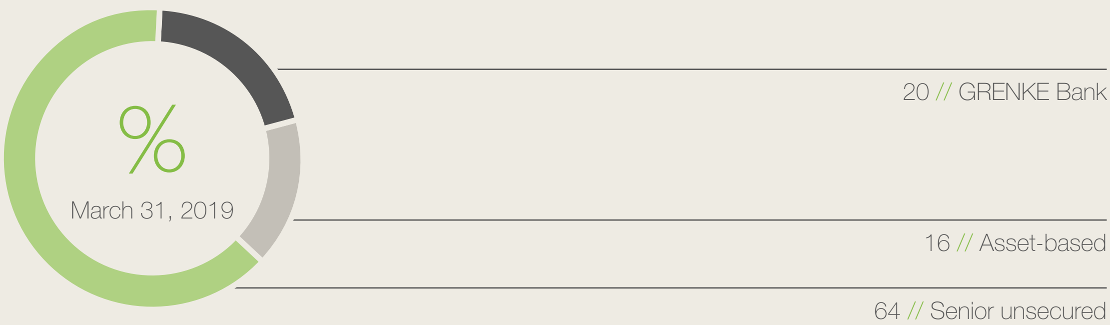
0.58

EQUITY RATIO //
in percent

18.0

BROAD REFINANCING BASE

THREE PILLARS: GRENKE CONSOLIDATED GROUP'S REFINANCING MIX //



INTERNATIONAL STRATEGY

CELL DIVISIONS //
in Q1

+2

Belgium and Canada

eSIGNATURE //
Number of countries

19

eSignature is used in 19 countries

// CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

EURk	Jan. 1, 2019 to Mar. 31, 2019	Jan. 1, 2018 to Mar. 31, 2018[1]
Interest and similar income from financing business[2]	89,659	78,521
Expenses from interest on refinancing and deposit business	12,495	10,810
Net interest income	**77,164**	**67,711**
Settlement of claims and risk provision	28,131	21,859[1]
Of which, impairment losses	26,678	20,052
Net interest income after settlement of claims and risk provision	**49,033**	**45,852**
Profit from service business	21,907	18,564
Profit from new business	22,658	19,202
Gains(+) / losses (–) from disposals	422	–1,427
Income from operating business	**94,020**	**82,191**
Staff costs	27,631	24,428
Depreciation and impairment	7,115	3,860
Selling and administrative expenses (not including staff costs)	18,158	17,656
Other operating expenses	1,875	2,488
Other operating income	2,298	1,976
Operating result	**41,539**	**35,735**
Result from investments accounted for using the equity method	–41	–42
Expenses / income from fair value measurement	–288	43
Other interest income	290	172
Other interest expenses	1,054	481
Earnings before taxes	**40,446**	**35,427**
Income taxes	6,812	5,809[1]
Net profit	**33,634**	**29,618**
Ordinary shareholders and hybrid capital holders of GRENKE AG	33,634	29,618
Earnings per share (basic/diluted in EUR)	0.58	0.56[1]
Average number of shares outstanding	46,353,918	44,313,102

[1] Selected prior-year figures adjusted (see section "Adjustments" in the notes to the condensed interim consolidated financial statements).
[2] Interest and similar income based on effective interest method: EUR 1,931k (previous year: EUR 1,471k).

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EURk	Jan. 1, 2019 to Mar. 31, 2019	Jan. 1, 2018 to Mar. 31, 2018
Net profit	**33,634**	**29,618**
Items that may be reclassified to profit and loss in future periods		
Appropriation to / reduction of hedging reserve	6	–13
thereof: income tax effects	–1	2
Change in currency translation differences	1,882	–708[1]
thereof: income tax effects	0	0
Items that will not be reclassified to profit and loss in future periods		
Change in value of equity instruments recognised in other comprehensive income (option under 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	**1,888**	**–721**
Total comprehensive income	**35,522**	**28,897**
Ordinary shareholders and hybrid capital holders of GRENKE AG	35,522	28,897

[1] Selected prior-year figures adjusted (see section "Adjustments" in the notes to the condensed interim consolidated financial statements)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EURk	Mar. 31, 2019	Dec. 31, 2018
Assets		
Current assets		
Cash and cash equivalents	314,102	333,626
Derivative financial instruments that are assets	1,343	1,874
Lease receivables	1,704,185	1,605,173
Other current financial assets	181,750	160,430
Trade receivables	7,955	7,666
Lease assets for sale	20,145	16,586
Tax assets	24,683	27,488
Other current assets	300,994	280,457
Total current assets	**2,555,157**	**2,433,300**
Non-current assets		
Lease receivables	3,241,350	3,098,837
Derivative financial instruments that are assets	2,336	1,842
Other non-current financial assets	84,744	82,692
Investments accounted for using the equity method	4,919	4,910
Property, plant and equipment	93,979	89,980
Right-of-use assets	38,907	0
Intangible assets	147,754	148,497
Deferred tax assets	12,698	15,203
Other non-current assets	1,320	1,230
Total non-current assets	**3,628,007**	**3,443,191**
Total assets	**6,183,164**	**5,876,491**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION – TOTAL LIABILITIES AND EQUITY

EURk	**Mar. 31, 2019**	**Dec. 31, 2018**
Liabilities and equity		
Liabilities		
Current liabilities		
Financial liabilities	1,447,788	1,520,095
Lease liabilities	9,438	0
Derivative liability financial instruments	3,362	1,406
Trade payables	37,607	28,156
Tax liabilities	7,486	10,688
Deferred liabilities	27,019	27,545
Other current liabilities	31,217	30,348
Deferred lease payments	62,896	24,724
Total current liabilities	**1,626,813**	**1,642,962**
Non-current liabilities		
Financial liabilities	3,355,207	3,092,431
Lease liabilities	30,145	0
Derivative liability financial instruments	2,523	1,557
Deferred tax liabilities	48,518	47,991
Pensions	4,499	4,348
Non-current provisions	104	105
Total non-current liabilities	**3,440,996**	**3,146,432**
Equity		
Share capital	46,354	46,354
Capital reserves	289,314	289,314
Retained earnings	652,107	625,737
Other components of equity	2,580	692
Total equity attributable to shareholders of GRENKE AG	**990,355**	**962,097**
Additional equity components[1]	125,000	125,000
Total equity	**1,115,355**	**1,087,097**
Total liabilities and equity	**6,183,164**	**5,876,491**

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

CONSOLIDATED STATEMENT OF CASH FLOWS

	EURk	Jan. 1, 2019 to Mar. 31, 2019	Jan. 1, 2018 to Mar. 31, 2018[1]
	Earnings before taxes	**40,446**	**35,427**
	Non-cash items contained in earnings and reconciliation to cash flow from operating activities		
+	Depreciation and impairment	7,115	3,860
– / +	Profit / loss from the disposal of property, plant, and equipment and intangible assets	28	7
– / +	Net income from non-current financial assets	630	309
– / +	Other non-cash effective income / expenses	1,987	222
+ / –	Increase / decrease in deferred liabilities, provisions, and pensions	–376	–5,336
–	Additions to lease receivables	–675,229	–556,067
+	Payments by lessees	461,044	387,441
+	Disposals / reclassifications of lease receivables at residual carrying amounts	83,363	75,397
–	Interest and similar income from leasing business	–86,660	–76,083
+ / –	Decrease / increase in other receivables from lessees	–10,627	–3,267
+ / –	Currency translation differences	–13,416	93
=	Change in lease receivables	–241,525	–172,486
+	Addition to liabilities from refinancing	652,394	686,362
–	Payment of annuities to refinancers	–496,798	–436,331
–	Disposal of liabilities from refinancing	–12,000	–10,691
+	Expenses from interest on refinancing and on deposit business	11,306	10,810
+ / –	Currency translation differences	10,132	–97
=	Change in refinancing liabilities	165,034	250,053
+ / –	Increase / decrease in liabilities from deposit business	24,228	59,391
– / +	Increase / decrease in loans to franchisees	–14,545	27,509
	Changes in other assets / liabilities		
– / +	Increase / decrease in other assets	–33,418	–44,644
– / +	Increase / decrease in lease assets from operating leases	–4,108	0
+ / –	Increase / decrease in deferred lease payments	38,172	40,503
+ / –	Increase / decrease in other liabilities	13,242	–16,828
=	**Cash flow from operating activities**	**–3,090**	**177,987**

[1] Selected prior-year figures adjusted (see section "Adjustments" in the notes to the condensed interim consolidated financial statements).

continued on next page

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

	EURk	Jan. 1, 2019 to Mar. 31, 2019	Jan. 1, 2018 to Mar. 31, 2018
– / +	Income taxes paid / received	–1,272	–600
–	Interest paid	–1,054	–481
+	Interest received	290	172
=	**Net cash flow from operating activities**	**–5,126**	**177,078**
–	Payments for the acquisition of property, plant and equipment and intangible assets	–3,862	–3,836
– / +	Payments for / proceeds from the acquisition of subsidiaries	0	579
–	Payments for the acquisition of associated entities	–50	0
–	Payments for the acquisition of financial assets	0	0
+	Proceeds from the sale of property, plant and equipment and intangible assets	196	377
=	**Cash flow from investing activities**	**–3,716**	**–2,880**
+ / –	Borrowing / repayment of bank liabilities	963	–84
–	Repayment of lease liabilities	–2,372	0
+	Proceeds from cash capital increase	0	0
–	Interest coupon payments on hybrid capital	–9,375	–6,786
–	Dividend payments	0	0
=	**Cash flow from financing activities**	**–10,784**	**–6,870**
	Cash funds at beginning of period		
	Cash in hand and bank balances	333,626	203,357
–	Bank liabilities from overdrafts	–3,112	–111
=	**Cash and cash equivalents at beginning of period**	**330,514**	**203,246**
+ / –	Change due to currency translation	–142	101
=	**Cash funds after currency translation**	**330,372**	**203,347**
	Cash funds at end of period		
	Cash in hand and bank balances	314,102	371,333
–	Bank liabilities from overdrafts	–3,356	–658
=	**Cash and cash equivalents at end of period**	**310,746**	**370,675**
	Change in cash and cash equivalents during the period (= total cash flow)	**–19,626**	**167,328**
	Net cash flow from operating activities	–5,126	177,078
+	Cash flow from investing activities	–3,716	–2,880
+	Cash flow from financing activities	–10,784	–6,870
=	**Total cash flow**	**–19,626**	**167,328**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY[1]

EURk	**Share capital**	**Capital reserves**	**Retained earnings / Consoli-dated net profit**	**Hedging reserve**	**Reserve for actuarial gains / losses**	**Currency translation**	**Revaluation reserve for equity instruments (IFRS 9)**	**Total equity attributable to shareholders of GRENKE AG**	**Additional equity components**	**Total equity**
Equity as per Dec. 31, 2018 (as reported)	**46,354**	**289,314**	**625,737**	**–7**	**–828**	**–768**	**2,295**	**962,097**	**125,000**	**1,087,097**
Adjustment to accounting standard (IFRS 16)	--	--	–733	--	--	--	--	–733	--	–733
Equity as per Jan. 1, 2019 (adjusted)	**46,354**	**289,314**	**625,004**	**–7**	**–828**	**–768**	**2,295**	**961,364**	**125,000**	**1,086,364**
Net profit	--	--	33,634	–	--	--	--	33,634	0	33,634
Other comprehensive income	--	--	--	6	--	1,882	--	1,888	--	1,888
Interest coupon payment on hybrid capital (net)	--	--	--	--	--	--	--	--	–6,531	–6,531
Interest coupon for hybrid capital (net)	--	--	–6,531	--	--	--	--	–6,531	6,531	0
Equity as per Mar. 31, 2019	**46,354**	**289,314**	**652,107**	**–1**	**–828**	**1,114**	**2,295**	**990,355**	**125,000**	**1,115,355**
Equity as per Jan. 1, 2018	**44,313**	**93,611**	**530,373**	**–6**	**–1,258**	**–619**	**0**	**666,414**	**125,000**	**791,414**
Net profit	--	--	29,618	--	--	--	--	29,618	0	29,618
Other comprehensive income	--	--	--	–13	0	–708	--	–721	--	–721
Interest coupon payment on hybrid capital (net)	--	--	--	--	--	--	--	--	–4,727	–4,727
Interest coupon for hybrid capital (net)	--	--	–4,727	--	--	--	--	–4,727	4,727	--
Equity as per Mar. 31, 2018	**44,313**	**93,611**	**555,264**	**–19**	**–1,258**	**–1,327**	**0**	**690,584**	**125,000**	**815,584**

[1] Selected prior-year figures adjusted (see section "Adjustments" in the notes to the condensed interim consolidated financial statements).

GROUP SEGMENT REPORTING

EURk	Leasing segment		Banking segment		Factoring segment		Total segments		Consolidation effects		Consolidated Group	
January to March	**2019**	2018	**2019**	2018	**2019**	2018	**2019**	2018	**2019**	2018	**2019**	2018
Operating segment income	**86,433**	76,360[1]	**6,765**	4,815[1]	**822**	1,016	**94,020**	82,191[1]	**0**	0	**94,020**	82,191[1]
Segment result	**36,898**	32,523[1]	**5,028**	3,419[1]	**–387**	–207	**41,539**	35,735[1]	**0**	0	**41,539**	35,735[1]
Reconciliation to consolidated financial statements												
Operating result											41,539	35,735[1]
Other financial income											–1,093	–308
Taxes											6,812	5,809[1]
Net profit according to consolidated income statement											**33,634**	29,618[1]
As per Mar. 31 (prev. year: Dec. 31)												
Segment assets	**5,975,375**	5,740,958	**1,286,428**	1,137,383	**41,672**	40,212	**7,303,475**	6,918,553	**–1,157,692**	–1,084,753	**6,145,783**	5,833,800
Reconciliation to consolidated financial statements												
Tax assets											37,381	42,691
Total assets according to consolidated statement of financial position											**6,183,164**	5,876,491
Segment liabilities	**5,034,968**	4,774,365	**1,102,846**	1,010,537	**31,683**	30,566	**6,169,497**	5,815,468	**–1,157,692**	–1,084,753	**5,011,805**	4,730,715
Reconciliation to consolidated financial statements												
Tax liabilities											56,004	58,679
Liabilities according to consolidated statement of financial position											**5,067,809**	4,789,394

[1] Selected prior-year figures adjusted (see section "Adjustments" in the notes to the condensed interim consolidated financial statements).

//CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1.1.1 LEASING

The Leasing segment comprises all of the activities that are related to the Consolidated Group's leasing business. The service offer encompasses the provision of financing to commercial lessees, rental, services, service and maintenance offerings for leased assets, as well as the disposal of used equipment.

1.1.2 BANKING

The Banking segment comprises the activities of GRENKE BANK AG, which regards itself as a financing partner particularly to small- and medium-sized companies (SMEs). Additionally, GRENKE BANK AG cooperates with development banks in providing financing to this clientele in the context of business start-ups. Furthermore, fixed-term deposits are offered via its internet presence. The bank's business is focused primarily on German customers.

1.1.3 FACTORING

The Factoring segment contains traditional factoring services focused on small-ticket factoring. Within non-recourse factoring, the segment offers both notification factoring, where the debtor is notified of the assignment of receivables, and non-notification factoring, where the debtor is not notified accordingly. The segment also offers collection services (recourse factoring) where the customer continues to bear the credit risk.

// 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 interim financial statement within the meaning of International Accounting Standard (IAS) 34. The quarterly statement has been prepared in accordance with International Financial Reporting Standards (IFRS) as applicable in the EU. It should be read in conjunction with the IFRS consolidated financial statements as per December 31, 2018. The accounting policies generally correspond to the methods used in the previous year. Exceptions to the methods previously used relate to changes resulting from the mandatory application of new accounting standards. An audit review as defined by Section 115 (5) WpHG was not conducted.

2. MANDATORY NEW ACCOUNTING STANDARDS

In the 2019 fiscal year, the GRENKE Consolidated Group applied IFRS 16 "Leases" for the first time. In addition, IFRIC 23 "Uncertainty over Income Tax Treatments" and various other amendments to standards and interpretations are applicable for the first time in the 2019 fiscal year but have no effect on the consolidated financial statements of GRENKE AG. The effects of IFRS 16 on the consolidated financial statements are presented below.

IFRS 16 "LEASES"

In January 2016, the IASB published the new standard IFRS 16 "Leases". IFRS 16 replaces the previous IAS 17 standard on lease accounting and the interpretations IFRIC 4, SIC-15 and SIC-27. The application of the new standard is mandatory for fiscal years beginning on or after January 1, 2019. The main changes introduced by IFRS 16 related to lessee accounting is the elimination of the differentiation between an operating lease and a finance lease. The lessee must recognise an asset for the right to use a lease object and a liability for the committed payment obligations for all leases ("right-of-use approach"). Exemptions are provided for "low-value" leases and short-term leases of 12 months or less. For "low-value" leases, this exemption applies even if their aggregate amount is material. Simplified application consists of an option to apply the recognition and disclosure requirements of IFRS 16.

As part of the transition to IFRS 16, rights-of-use assets for leased assets in the amount of EUR 40.1 million and lease liabilities in the amount of EUR 40.5 million were recognised as per January 1, 2019, of which EUR 9.1 million were due within one year. This resulted in additional deferred tax assets of EUR 0.2 million. The accumulated resulting conversion effect has been recognised directly in equity (retained earnings) in the opening balance sheet as per January 1, 2019. Due to changes in the exercise of options within the scope of first-time application, total assets increased slightly compared to the original forecast. This was specifically the result of the determination of the incremental borrowing rate and the option of retroactive maturity determination. The transition was carried out based on the modified retrospective approach. The comparative figures of the previous year's periods have not been adjusted by using this approach.

Upon first-time application, the GRENKE Consolidated Group has made use of the exemption to refrain from reassessing whether the existing agreements constitute or include a lease. The option to disregard the initial direct costs in the measurement of the right-of-use at the time of first-time application was also used. In addition, leases whose terms end within the next 12 months after the date of initial application were classified as current leases and accounted for accordingly. In the case of low value lease assets, the simplification rule was also applied, and there were no adjustments upon first-time application.

Upon first-time application, lease liabilities were discounted as per January 1, 2019 using their individual incremental borrowing rates. Extension periods were taken into account in the measurement of rights-of-use, to the extent the exercise of the underlying extension options was considered sufficiently likely. The option of retroactive maturity determination upon first-time application was used.

In the first quarter of 2019, the application of IFRS 16 resulted in EUR 2,496k higher amortisation of rights-of-use, additional interest expenses of EUR 131k due to the discounting of lease liabilities and EUR 2,437k lower rental/lease liabilities.

There were only minimal changes and selective clarifications to the accounting policies for the lessor. These policies generally correspond to the previous provisions of IAS 17.

3. ADJUSTMENTS

The impairment charge resulting from the first-time application of IFRS 9 was adjusted for the comparable quarters of the prior year due to a recalculation in the fourth quarter of 2018. The items in the consolidated income statement affected by this change are "settlement of claims and risk provision" (EUR +1,105k) and "income taxes" (EUR –497k). There was a corresponding slight change in the other components of the interim consolidated financial statements.

Due to the change in the presentation of the accrual of the interests in net profit of hybrid capital holders as per December 31, 2018 (see 3.19 of the notes to the consolidated financial statements as per December 31, 2018), the comparative presentation shows a change in earnings per share for the first quarter of the previous year from EUR 0.65 to EUR 0.56 per share.

4. LEASE RECEIVABLES

EURk	**Mar. 31, 2019**	**Mar. 31, 2018**
Changes in lease receivables from current contracts (performing lease receivables)		
Receivables at beginning of period	**4,652,442**	**3,845,473**
+ Change during the period	230,897	190,539
Lease receivables (current + non-current) from current contracts at end of period	**4,883,339**	**4,036,012**
Changes in lease receivables from terminated contracts/contracts in arrears (non-performing lease receivables)		
Gross receivables at beginning of period	**331,048**	**270,421**
+ Additions to gross receivables during the period	41,105	33,666
– Disposals of gross receivables during the period	13,173	14,457
Gross receivables at end of period	**358,980**	**289,630**
Total gross receivables (terminated and current)	**5,242,319**	**4,325,642**
Impairments at beginning of period	**279,480**	**230,777**
+ Change in accumulated impairment during the period	17,304	13,047
Impairments at end of period	**296,784**	**243,824**
Lease receivables (carrying amount, current and non-current) at beginning of period	4,704,010	3,885,117
Lease receivables (carrying amount, current and non-current) at end of period	**4,945,535**	**4,081,818**

5. INTANGIBLE ASSETS

Intangible assets include the existing balance sheet items goodwill and other intangible assets.

EURk	**Mar. 31, 2019**	**Dec. 31, 2018**
Goodwill	106,934	106,584
Other intangible assets	40,820	41,913
Total intangible assets	**147,754**	**148,497**

6. FINANCIAL LIABILITIES

EURk	**Mar. 31, 2019**	**Dec. 31, 2018**
Financial liabilities		
Current financial liabilities		
Asset-based	265,231	277,983
Senior unsecured	681,443	782,102
Committed development loans	87,486	83,527
Liabilities from deposit business	408,070	372,131
thereof bank liabilities	6,300	5,513
Other bank liabilities	5,558	4,352
thereof current account liabilities	*3,356*	*3,112*
Total current financial liabilities	**1,447,788**	**1,520,095**
Non-current financial liabilities		
Asset-based	528,266	550,665
Senior unsecured	2,355,954	2,066,659
Committed development loans	156,875	149,286
Liabilities from deposit business	314,112	325,821
Total non-current financial liabilities	**3,355,207**	**3,092,431**
Total financial liabilities	**4,802,995**	**4,612,526**

6.1 ASSET-BASED FINANCIAL LIABILITIES

6.1.1 STRUCTURED ENTITIES

The following consolidated structured entities existed as per the reporting date: Opusalpha Purchaser II Limited, Kebnekaise Funding Limited, CORAL PURCHASING Limited, FCT "GK" COMPARTMENT "G2" (FCT GK 2), and FCT "GK" COMPARTMENT "G3" (FCT GK 3). All structured entities have been set up as asset-backed commercial paper (ABCP) programmes.

EURk	**Mar. 31, 2019**	**Dec. 31, 2018**
Programme volume in local currency		
EURk	792,500	792,500
GBPk	100,000	100,000
Programme volume in EURk	967,264	904,291
Utilisation in EURk	708,534	750,549
Carrying amount in EURk	624,460	661,644
thereof current	*186,847*	*204,476*
thereof non-current	*437,613*	*457,168*

6.1.2 SALES OF RECEIVABLES AGREEMENTS

	Mar. 31, 2019	Dec. 31, 2018
Programme volume in local currency		
EURk	*25,000*	*25,000*
GBPk	*100,000*	*100,000*
PLNk	*80,000*	*80,000*
BRLk	110,000	*110,000*
Programme volume in EURk	185,188	180,142
Utilisation in EURk	161,255	155,489
Carrying amount in EURk	161,255	155,489
thereof current	*72,960*	*67,885*
thereof non-current	*88,295*	*87,604*

6.1.3 RESIDUAL LOANS

The residual loans serve, in part, to finance the residual amounts of lease contracts for which the payment instalments were sold in the context of the sale of receivables.

EURk	Mar. 31, 2019	Dec. 31, 2018
Carrying amount	7,782	11,515
thereof current	*5,424*	*5,622*
thereof non-current	*2,358*	*5,893*

6.2 SENIOR UNSECURED FINANCIAL LIABILITIES

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

EURk	Mar. 31, 2019	Dec. 31, 2018
Bonds	2,187,895	1,932,187
thereof current	*235,195*	*270,165*
thereof non-current	*1,952,700*	*1,662,022*
Promissory notes	472,617	480,223
thereof current	*83,663*	*85,932*
thereof non-current	*388,954*	*394,291*
Commercial paper	227,500	302,500
Revolving credit facility	115,157	106,381
thereof current	*100,857*	*96,035*
thereof non-current	*14,300*	*10,346*
Money market trading	12,683	10,026
Overdraft facility	5,285	3,004
Accrued interest	16,260	14,440

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

	Mar. 31, 2019	Dec. 31, 2018
Bonds EURk	3,500,000	2,500,000
Commercial paper EURk	500,000	500,000
Revolving credit facility EURk	255,000	235,000
Revolving credit facility PLNk	100,000	100,000
Revolving credit facility CHFk	20,000	20,000
Money market trading EURk	35,000	35,000

6.2.1 BONDS

In the fiscal year to date, three new bonds were issued with a total volume of EUR 321,500k, and an existing bond was increased by a total of EUR 20,000k. Scheduled redemptions totalled EUR 85,000k.

6.2.2 PROMISSORY NOTES

In the fiscal year to date, one new promissory note was issued with a total volume of EUR 10,000k. Promissory notes with a volume of EUR 12,500k, DKK 13,000k, SEK 15,000k and CHF 2,809k were redeemed on schedule.

6.2.3 COMMITTED DEVELOPMENT LOANS

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

EURk	Mar. 31, 2019	Dec. 31, 2018
Description		
NRW Bank	76,250	70,971
Thüringer Aufbaubank	4,543	5,170
Investitionsbank Berlin	302	611
LfA Förderbank Bayern	0	2,442
Investitionsbank des Landes Brandenburg	4,843	5,151
KfW	156,471	146,461
Landeskreditbank Baden-Württemberg – Förderbank	1,989	1,996
Accrued interest	-37	11

7. CONTINGENT LIABILITIES

GRENKE AG, as guarantor for individual franchise companies, provided financial guarantees of EUR 75.7 million (previous year as per December 31, 2018: EUR 75.7 million), which represents the maximum default risk. The actual utilisation of the guarantees by the guarantee recipients was lower and amounted to EUR 36.4 million (previous year as per December 31, 2018: EUR 21.9 million).

8. SUBSEQUENT EVENTS

There were no significant events after the reporting date.

CALENDAR OF EVENTS //

May 14, 2019	// Annual General Meeting
July 2, 2019	// New business figures 6M-2019
July 30, 2019	// Financial report for the 2nd quarter and the first half-year 2019
October 2, 2019	// New business figures 9M-2019
October 30, 2019	// Quarterly statement for the 3rd quarter and the first nine month of 2019

INFORMATION AND CONTACT //

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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.

This report is published in German and English. The German version shall prevail.

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