2020

QUARTERLY STATEMENT

FOR THE 1ST QUARTER 2020
GRENKE CONSOLIDATED GROUP

GRENKE
FAST // FORWARD // FINANCE

KEY FIGURES

GRENKE GROUP

	Q1 2020	CHANGE (%)	Q1 2019	UNIT
NEW BUSINESS GRENKE GROUP LEASING	681,276	1.6	670,255	EURK
of which international	503,068	–2.4	515,454	EURk
of which franchise international	19,967	6.2	18,796	EURk
of which DACH*	158,241	16.4	136,004	EURk
Western Europe (without DACH)*	177,410	–5.0	186,724	EURk
Southern Europe*	196,855	–7.4	212,655	EURk
Northern / Eastern Europe*	120,501	11.3	108,287	EURk
Other regions*	28,269	6.3	26,584	EURk
NEW BUSINESS GRENKE GROUP FACTORING (INCL. COLLECTION SERVICES)	171,726	20.6	142,354	EURK
of which Germany	49,195	19.5	41,154	EURk
of which international	38,044	3.2	36,872	EURk
of which franchise international	84,487	31.3	64,328	EURk
GRENKE BANK				
Deposits	976,733	35.1	723,097	EURk
New business SME lending business incl. business start-up financing	18,007	53.0	11,767	EURk
CONTRIBUTION MARGIN 2 (CM2) ON NEW BUSINESS				
GRENKE GROUP LEASING	123,888	11.4	111,239	EURK
of which international	95,363	8.2	88,111	EURk
of which franchise international	4,260	9.0	3,907	EURk
of which DACH*	24,266	26.3	19,221	EURk
Western Europe (without DACH)*	33,425	2.2	32,719	EURk
Southern Europe*	37,289	10.6	33,708	EURk
Northern / Eastern Europe*	22,837	14.4	19,968	EURk
Other regions*	6,072	8.0	5,624	EURk
FURTHER INFORMATION LEASING BUSINESS				
Number of new contracts	75,654	1.2	74,760	units
Share of corporate customers in lease portfolio	100	0.0	100	percent
Mean acquisition value	9.0	0.4	9.0	EURk
Mean term of contract	49	0.0	49	months
Volume of leased assets	8,705	17.9	7,382	EURm
Number of current contracts	965,446	16.5	828,798	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

	Q1 2020	CHANGE (%)	Q1 2019	UNIT
INCOME STATEMENT				
Net interest income	101,111	15.9	87,256	EURk
Settlement of claims and risk provision	50,791	79.4	28,317	EURk
Total operating expenses	56,747	7.3	52,904	EURk
Operating result	31,362	–24.9	41,736	EURk
Earnings before taxes (EBT)	29,136	–28.3	40,643	EURk
Net profit	23,740	–29.8	33,797	EURk
Net profit attributable to ordinary shareholders of GRENKE AG	16,312	–40.2	27,266	EURk
Net profit attributable to hybrid capital holders (interest on hybrid capital)	7,428	13.7	6,531	EURk
Earnings per share (ordinary shareholders of GRENKE AG)	0.35	–40.7	0.59	EUR
Adjusted earnings per share (ordinary shareholders of GRENKE AG)[1]	0.46	–33.3	0.69	EUR
Cost/income ratio	43.5	–1.6	44.2	percent
Dividend	0.80[2]	0.0	0.80[3]	EUR
STATEMENT OF FINANCIAL POSITION	MAR. 31, 2020		DEC. 31, 2019	
Total assets	7,360	3.0	7,147	EURm
Lease receivables	5,748	1.8	5,646	EURm
Equity persuant to statement of financial position	1,265	1.3	1,249	EURm
Equity persuant to CRR	1,055	12.1	941	EURm
Equity ratio	17.2	–1.7	17.5	percent
Embedded value, leasing contract portfolio (excl. equity before taxes)	637	–3,8	662	EURm
Embedded value, leasing contract portfolio (incl. equity after taxes)	1,774	–0.9	1,791	EURm
EMPLOYEES	Q1 2020		Q1 2019	
Average number of employees in full-time equivalents	1,744	9.5	1,593	employees
Staff costs	30,304	9.7	27,631	EURk
of which total remuneration	24,713	8.3	22,811	EURk
of which fixed remuneration	18,164	9.7	16,561	EURk
of which variable remuneration	6,549	4.8	6,250	EURk

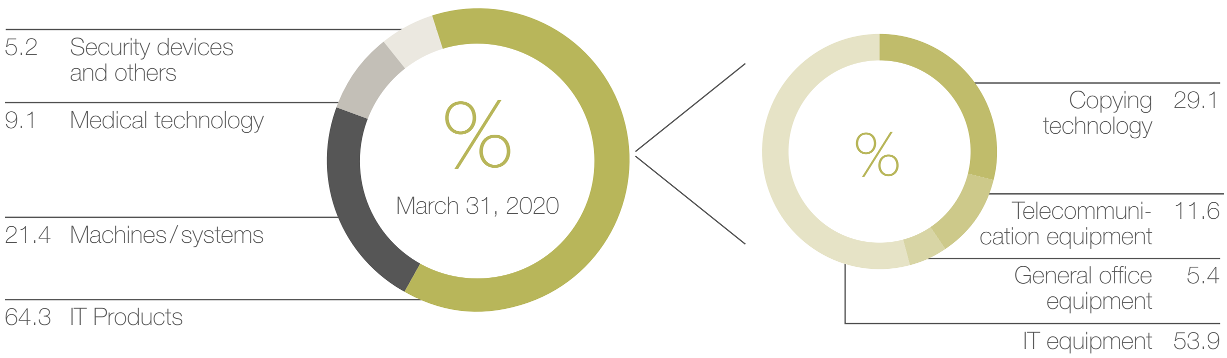
[1] For the calculation of adjusted earnings per share, the hypothetical interest expenses on hybrid capital are deferred over the fiscal year.
[2] Dividend proposal to the Annual General Meeting for the fiscal year 2019.
[3] Dividend for the fiscal year 2018.

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

LEASING NEW BUSINESS PORTFOLIO

IT PRODUCTS (IN DETAIL)



BROADLY DIVERSIFIED

GRENKE GROUP LOCATIONS

152

CELL DIVISIONS

Brazil (2x), Sweden and Portugal

GRENKE GROUP NEW BUSINESS

+6%

Volume including franchise partners reaches EUR 871.0 million, (previous year: EUR 824.4 million)

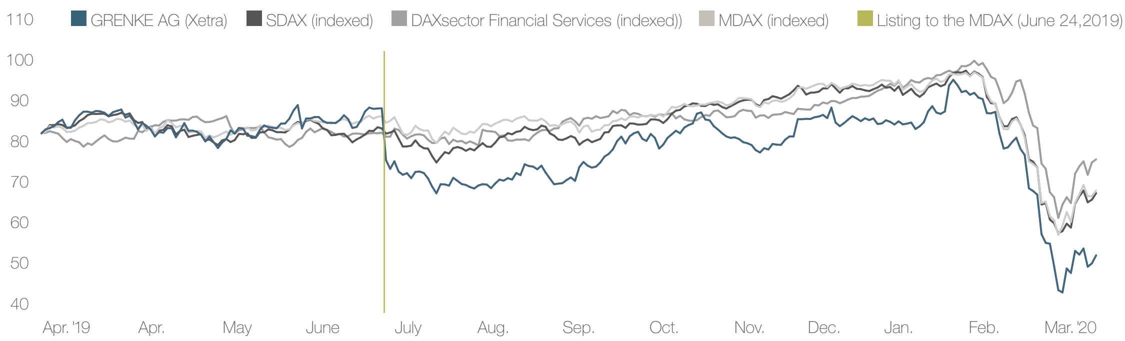
NUMBER OF EMPLOYEES

1,744

Year-on-year increase of 9%
(GRENKE Consolidated Group; previous year: 1,593)

SOLID GROWTH

GRENKE SHARE PRICE PERFORMANCE (APRIL 1, 2019 TO MARCH 31, 2020)



COURSE STABILISATION

CONTENT

CONDENSED INTERIM GROUP MANAGEMENT REPORT

1. BUSINESS PERFORMANCE

1.1 EFFECTS OF THE COVID-19 PANDEMIC

As a result of the dynamic spread of the COVID-19 pandemic, governments in almost all countries have taken measures that have significantly restricted public life and economic activity and have had an unprecedented impact on global economic performance since March 2020. Many governments have launched extensive aid programmes to cushion the economic impact of the crisis, especially for companies. In Germany, the federal government has adopted a package of measures that provides immediate aid to micro-enterprises and the self-employed, above all, and grants unlimited loans and guarantees. The package also includes flexible provisions for short-time work compensation and tax deferrals. Other European countries have implemented or announced similar programmes. The EU Commission has also signalled its intention to make the European Union's Stability Pact, which limits the new debt of member states, “as flexible as possible”.

Despite the emerging crisis, the overall business operations of the GRENKE Consolidated Group remained largely unaffected in the first quarter of 2020. Employees were promptly able to work remotely and electronically from home, making GRENKE, as a digital company, accessible to all partners. Financing requests can still be processed, and lease contracts have already been processed entirely digitally for years.

In the first ten weeks of the first quarter, the new business generated by the GRENKE Group was within the forecast range. However, the introduction of global restrictions on macroeconomic activities led to a marked deterioration in new business growth, especially during the final days of the reporting period. As a result, the performance in the individual countries and regions in the first quarter of 2020 varied considerably, reflecting the extent and timing of the macroeconomic slump triggered by the COVID-19 pandemic. The situation becomes evident when viewing the figures in the GRENKE Group’s key individual markets. In Germany, new business grew by 15 percent. The numerous, long-standing relationships the Company shares with customers and dealers in its home market have been particularly positive during this crisis. Moreover, the pandemic effects on GRENKE’s business in Germany were scarcely noticeable in March. New business in France, in contrast, fell by 8 percent. In Italy, the country in Europe most affected by the COVID-19 pandemic, new business dropped 16 percent. In Spain, where the pandemic also spread very quickly but later than in Italy, new business increased by 23 percent, primarily as a result of the business strength in January and February. In the United Kingdom, where the government took containment measures against the pandemic relatively late, new business increased by 5 percent in the first quarter of 2020.

GRENKE has adapted to this new environment. The protection of employees, partners and customers is a clear priority for GRENKE. At the same time, the quality of the new business contracted and the most balanced possible assumption of risks continue to stand at the focus. During this phase, GRENKE deliberately accepts lower growth, enabling it to achieve higher contribution margins and thereby cushion any possible increase in risks. In the first quarter of 2020, the Company achieved a sharp increase in its contribution margins across all regions. The contribution margin 2 of the GRENKE Group in new leasing business in the first quarter of 2020 rose by EUR 12.6 million for a year-on-year increase of 11.4 percent to EUR 123.9 million.

1.2 GRENKE GROUP’S NEW BUSINESS

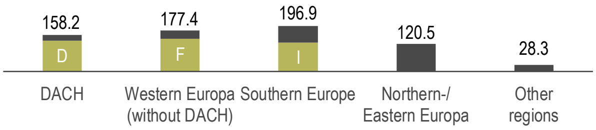
GRENKE Group’s new business volume comprises the newly financed business of the Group and thereby the Consolidated Group’s as well as that of the franchise partners. In the first quarter of 2020, the GRENKE Group increased new business volume by 6 percent to EUR 871.0 million (previous year: EUR 824.4 million). All three business lines – Leasing, Banking and Factoring – recorded growth.

The new business volume at GRENKE Group Leasing, – defined as the total acquisition costs of newly acquired leased assets – increased 2 percent in the reporting quarter to EUR 681.3 million (previous year: EUR 670.3 million). In the DACH region, comprising Germany, Austria and Switzerland, new business in the first quarter of 2020 rose 16 percent to EUR 158.2 million (previous year: EUR 136.0 million). In Western Europe (excluding DACH), however, new business fell 5 percent to EUR 177.4 million (previous year: EUR 186.7 million). Southern Europe also recorded a decline of 7 percent to EUR 196.9 million (previous year: EUR 212.7 million). The Northern / Eastern Europe region in the reporting quarter recorded growth of 11 percent to EUR 120.5 million (previous year: EUR 108.3 million). Taking off from a still relatively low base, other regions recorded an increase in the volume of acquired new business of 6 percent to EUR 28.3 million (previous year: EUR 26.6 million).

SEE DIAGRAM “GRENKE GROUP LEASING’S NEW BUSINESS BY REGION”.

NEW BUSINESS GRENKE GROUP LEASING

Q1 2020, in EUR millions



In the first quarter of 2020, the GRENKE Group registered 154,175 lease applications (previous year: 158,369). The applications resulted in 75,654 new lease contracts (previous year: 74,760), corresponding to a slightly higher conversion rate (applications into contracts) of 49 percent (previous year: 47 percent). In the international markets, GRENKE recorded 128,439 applications (previous year: 134,481), which led to 60,673 new contracts (previous year: 62,623) and an unchanged conversion rate of 47 percent (previous year: 47 percent). Although in the DACH region, the conversion rate rose to 58 percent (previous year: 51 percent), it remained at a stable level when compared to the second half of 2019. At EUR 9,005 (previous year: EUR 8,965), the mean acquisition value per lease contract in the period from January to March 2020 was nearly equal to the value in the same prior-year period and remained at a level customary for the business.

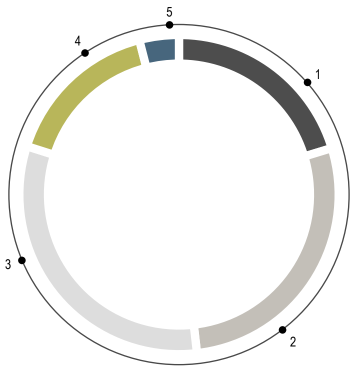
The contribution margin 2 (CM2) of the leasing business rose 11 percent to EUR 123.9 million in the first quarter of 2020, compared to EUR 111.2 million in the same prior-year period. This resulted in a corresponding improvement in the CM2 margin to 18.2 percent (previous year: 16.6 percent). The CM2 margin in the first quarter of the prior year had been negatively affected by the expiry of tax incentives for lease financing in Italy ("super ammortamento"). In early 2019, after the end of this programme, GRENKE adjusted its conditions, and the CM2 margin gradually increased again in the subsequent quarters. Compared to the fourth quarter of 2019 (17.8 percent), the CM2 margin improved by 40 basis points.

The CM1 margin in the leasing business (contribution margin 1 at acquisition values) was 12.9 percent in the first quarter of 2020, reaching a level of EUR 88.1 million (previous year: 12.0 percent and EUR 80.7 million).

The factoring business (GRENKE Group Factoring) in the first quarter of 2020 increased new business volume (defined as the total of purchased receivables) by 21 percent to EUR 171.7 million (previous year: EUR 142.4 million). New business in Germany, as well as in the international markets, recorded high growth. With the debt collection business representing a share of 22 percent (previous year: 10 percent), new business in Germany increased by 20 percent to EUR 49.2 million (previous year: EUR 41.2 million). The gross margin in Germany fell to 1.43 percent (previous year: 1.64 percent) due to a higher proportion of debt collection but was still at a high level. In the international business, GRENKE Group Factoring achieved growth of 21 percent to EUR 122.5 million (previous year: EUR 101.2 million). Internationally, the proportion of the debt collection business, which does not assume any default risk, amounted to 25 percent (previous year: 22 percent). The gross margin in the international markets improved significantly to 1.59 percent (previous year: 1.09 percent). The gross margin is based on an average period for a factoring transaction of approx. 27 days in Germany (previous year: approx. 28 days) and approx. 47 days on an international level (previous year: approx. 43 days).

In the first quarter of 2020, GRENKE Bank expanded its new business in the area of lending to small and medium-sized enterprises by 53 percent to EUR 18.0 million (previous year: EUR 11.8 million). The deposit volume at GRENKE Bank amounted to EUR 976.7 million as per the March 31, 2020 reporting date. This level was 10 percent above the value of EUR 884.2 million at the end of fiscal year 2019 and 35 percent above the value as per March 31, 2019 (EUR 723.1 million), demonstrating the Bank's significant contribution to the Consolidated Group's refinancing in a tense market environment.

GRENKE GROUP LEASING'S NEW BUSINESS BY REGION



GRENKE Group Leasing *(Share of overall new business in percent)*		Q1 2020	Q1 2019
1	DACH	23.2	20.3
2	Western Europe (without DACH)	26.0	27.8
3	Southern Europe	28.9	31.7
4	Northern / Eastern Europe	17.7	16.2
5	Other regions	4.2	4.0
GRENKE Group *(in EUR millions)*		**Q1 2020**	**Q1 2019**
New business GRENKE Group Leasing		681.3	670.3
New business GRENKE Group Factoring		171.7	142.4
Business start-up financing GRENKE Bank (incl. microcredit business)		18.0	11.8

Regions: DACH: Germany, Austria, Switzerland
Western Europe (without DACH): Belgium, France, Luxembourg, 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

1.3 GRENKE CONSOLIDATED GROUP'S BUSINESS PERFORMANCE

Within the scope of cell divisions, GRENKE opened two new locations in Brazil and one new branch in Sweden and one in Portugal during the first few weeks of the reporting year. As a result, GRENKE was present for its customers in 32 countries with a total of 152 locations as per the March 31, 2020 reporting date. Preparations for US market entry also proceeded according to plan during the reporting period.

The number of contracts concluded via eSignature rose by 15 percent in the first quarter of 2020, which was again a disproportionately strong increase. eSignature has now been established in 20 markets and enables lease contracts to be processed entirely digitally.

2. NET ASSETS, FINANCIAL POSITION AND RESULTS OF OPERATIONS

SELECTED INFORMATION FROM THE CONSOLIDATED INCOME STATEMENT

EURk	**Q1 2020**	**Q1 2019**
Net interest income	**101,111**	**87,256**
Settlement of claims and risk provision	50,791	28,317
Net interest income after settlement of claims and risk provision	**50,320**	**58,939**
Profit from service business	28,844	21,907
Profit from new business	13,728	13,570
Gains (+)/losses (–) from disposals	–974	–199
Income from operating business	**91,918**	**94,217**
Staff costs	30,304	27,631
of which total remuneration	*24,713*	*22,811*
of which fixed remuneration	*18,164*	*16,561*
of which variable remuneration	*6,549*	*6,250*
Selling and administrative expenses (excluding staff costs)	18,972	18,158
of which IT project costs	*1,048*	*1,449*
Earnings before taxes	**29,136**	**40,643**
Net profit	**23,740**	**33,797**
Earnings per share (according to IFRS; in EUR)	0.35	0.59

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

2.1 RESULTS OF OPERATIONS

Interest and similar income from the financing business increased by 16 percent in the first quarter of 2020. With interest expenses on refinancing rising by the same percentage, net interest income rose by 16 percent to EUR 101.1 million in the reporting quarter (previous year: EUR 87.3 million). Expenses for the settlement of claims and risk provision rose by 79 percent in the first quarter of 2020 to EUR 50.8 million (previous year: EUR 28.3 million). The reason for this increase was the higher expected losses as a result of the COVID-19 pandemic. This was visible as per the reporting date in risk provisions under IFRS, which had increased by 15 percent compared to December 31, 2019. A large part of the additional risk provisions was attributable to the leasing business in Italy. Consequently, the Consolidated Group's loss rate increased to 2.3 percent (previous year: 1.5 percent). Net interest income after settlement of claims and risk provision in the reporting quarter fell accordingly by 15 percent to EUR 50.3 million (previous year: EUR 58.9 million).

Profit from service business improved by 32 percent mainly as a result of the strong growth generated in the recent periods. Profit from new business, in contrast, had a more moderate increase of 1 percent. In light of the single-digit growth in new business and the Consolidated Group's stable cost basis in the first quarter, this moderate rise resulted above all from volume effects. At EUR –1.0 million, gains/losses from disposals were slightly negative (previous year: EUR –0.2 million). Income from operating business in the first quarter of 2020 therefore equalled EUR 91.9 million (previous year: EUR 94.2 million), representing a decline of 2 percent.

The Consolidated Group's largest expense item, staff costs, increased 10 percent to EUR 30.3 million in the first quarter of 2020 (previous year: EUR 27.6 million). This rise resulted primarily from a further increase in the average number of employees of 9 percent to 1,744 (based on full-time equivalents; previous year: 1,593). The increases in depreciation and amortisation and selling and administrative expenses, were relatively moderate at 5 percent and 4 percent, respectively. The considerable increase in other operating expenses to EUR 5.7 million (previous year: EUR 1.9 million) was caused by currency translation differences of EUR –3.5 million (previous year: EUR 0.3 million), which were mainly due to temporary differences during the term of hedge relationships in foreign currencies that do not qualify for hedge accounting. The differences resulted from the translation of balance sheet items at the closing rate and the market valuation of forward exchange rates. In particular, the migration at the currency markets as a result of the COVID-19 pandemic has caused the temporary valuation difference to increase significantly. This difference should decline over the term of the hedge relationship, so that at the end of the term the contracted forward exchange rate at which the hedge was made will be decisive and realised. The cost-income ratio was 43.5 percent in the reporting quarter (previous year: 44.2 percent). As explained in the 2019 Annual Report, it is important to note that as of the 2020 fiscal year, the cost-income ratio has been calculated using the method customarily used in the financial sector without taking into account expenses for the settlement of claims and risk provision.

The operating result for the first quarter of 2020 fell by 25 percent to EUR 31.4 million (previous year: EUR 41.7 million) as a result of the rise in risk provisions, and earnings before taxes declined 28 percent to EUR 29.1 million (previous year: EUR 40.6 million). Based on a higher tax rate of 18.5 percent (previous year: 16.8 percent), the net profit in the reporting quarter amounted to EUR 23.7 million (previous year: EUR 33.8 million), representing a decline of 30 percent. As a result, earnings per share equalled EUR 0.35 compared to EUR 0.59 in the prior year. The interest in the net profit attributable to hybrid capital holders (EUR 7.4 million compared to EUR 6.5 million) must be recognised in full as a one-time amount as per March 30 of the respective fiscal year, in accordance with the legal terms of the bonds. As a result, earnings per share fell by 41 percent. An economic view of earnings per share, which takes into account a corresponding deferral of interest payments for hybrid capital, results in earnings per share of EUR 0.46 (previous year: EUR 0.69).

SEGMENT DEVELOPMENT

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 will be provided within the scope of the financial reporting for the second quarter and first half-year of 2020.

SELECTED INFORMATION FROM THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EURk	**Mar. 31, 2020**	**Dec. 31, 2019***
Current assets	**3,123,137**	**2,972,450**
of which cash and cash equivalents	*548,856*	*434,379*
of which lease receivables	*1,955,855*	*1,901,181*
Non-current assets	**4,237,302**	**4,175,032**
of which lease receivables	*3,792,291*	*3,744,735*
Total assets	**7,360,439**	**7,147,482**
Current liabilities	**2,019,000**	**1,861,352**
of which financial liabilities	*1,795,001*	*1,716,313*
Non-current liabilities	**4,076,581**	**4,037,380**
of which financial liabilities	*3,972,815*	*3,924,353*
Equity	**1,264,860**	**1,248,750**
Equity ratio (in percent)	17.2	17.5
Total liabilities and equity	**7,360,439**	**7,147,482**
Embedded value after taxes	1,774,467	1,791,388

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

2.2 NET ASSETS AND FINANCIAL POSITION

2.2.1 NET ASSETS

Total assets of the GRENKE Consolidated Group as per March 31, 2020 increased by 3 percent to EUR 7.4 billion compared to the end of the 2019 fiscal year (December 31, 2019: EUR 7.1 billion). Current and non-current lease receivables, which is by far the largest item on the balance sheet, recorded a total increase of 2 percent to EUR 5.7 billion (December 31, 2019: EUR 5.6 billion). This performance reflects the relatively low level of new business growth in the first quarter of 2020.

Cash and cash equivalents increased by 26 percent to EUR 548.9 million as per March 31, 2020 (December 31, 2019: EUR 434.4 million). This increase primarily resulted from a rise in deposit volumes at GRENKE Bank. In the current difficult overall economic situation, the GRENKE Consolidated Group is especially focused on maintaining sufficient liquidity to be able to react with flexibility to market conditions. Due to regulatory requirements, the Consolidated Group is obliged to maintain a liquidity buffer. Of the EUR 548.9 million in cash and cash equivalents, EUR 280.0 million was held in Deutsche Bundesbank accounts as per the reporting date. The negative interest burden from the interest on credit balances in the amount of -0.5 percent still exists in the current situation.

On the liabilities side of the balance sheet, current and non-current financial liabilities rose by a total of 2 percent to EUR 5.8 billion (December 31, 2019: EUR 5.6 billion). Current and non-current liabilities from refinancing continued to account for the largest share, rising by 1 percent above the level at the end of 2019 to a total of EUR 4.8 billion (December 31, 2019: EUR 4.7 billion). Current and non-current liabilities from the deposit business grew by a total of 10 percent to EUR 1.0 billion (December 31, 2019: EUR 0.9 billion).

Deferred lease payments as per March 31, 2020 increased roughly fourfold for reporting date-related reasons. This balance sheet item is often subject to major fluctuations during the course of the year; deferred lease payments in comparison to March 31, 2019 saw an increase of 49 percent.

The Consolidated Group's equity as per March 31, 2020 was 1 percent higher at EUR 1,264.9 million (December 31, 2019: EUR 1,248.8 million). The Consolidated Group's net profit in the reporting period reached EUR 23.7 million, which was offset by interest payments on hybrid capital (EUR 7.4 million) and negative currency translation differences (EUR 6.5 million). In contrast, a positive effect resulted from the fair value measurement of hedging instruments (EUR 6.3 million). Total assets amounted to EUR 7,360.4 million (December 31, 2019: EUR 7,147.5 mil-lion), of which EUR 114.5 million alone is attributable to the increase in cash and cash equivalents described above. The equity ratio declined slightly and amounted to 17.2 percent at the end of March 2020 (Decem-ber 31, 2019: 17.5 percent), but still exceeded the Consolidated Group's long-term benchmark of at least 16 percent.

In April, the Board of Directors and the Supervisory Board decided to hold the Annual General Meeting, which was originally scheduled for May 19, 2020, on August 6, 2020. The Annual General Meeting will be held as a virtual Annual General Meeting. The Company had already announced in early April that the Annual General Meeting would not be held in May.

The Board of Directors and the Supervisory Board also discussed and resolved to amend the proposal for the appropriation of the unappropriated surplus announced in early February. Instead of the announced EUR 0.88 per share, a dividend at the previous year's level of EUR 0.80 per share is proposed, which shareholders can choose to receive in cash or in a combination of cash and shares in order to strengthen the equity position.

2.2.2 LIQUIDITY

Given the high level of cash and cash equivalents and the broadly diversified refinancing structure, the GRENKE Consolidated Group was always in a position to meet its payment obligations during the reporting quarter.

The subsidiary GRENKE FINANCE PLC issued 2 new fixed-interest bonds with a total gross volume EUR 10 million and HKD 300 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-group.com/investor-relations/debt-capital/issued-bonds. In addition, 2 promissory notes with a total of EUR 29 million were issued. In the short-term segment, GRENKE carried out 7 issues of commercial paper for EUR 65 million. Bonds in the amount of EUR 60 million and promissory notes in the amount of EUR 20 million, DKK 13 million and SEK 15 million were redeemed in the reporting period.

As per March 31, 2020, the utilisation of the ABCP programmes came to EUR 762.3 million and GBP 123.2 million (December 31, 2019: EUR 709.9 million and GBP 125 million). The total volume of these programmes was EUR 947.8 million and GBP 150 million (December 31, 2019: EUR 947.8 million and GBP 150 million).

The Consolidated Group's unused credit lines (defined as bank lines plus the available volume of bonds and commercial paper) amounted to EUR 3,261.5 million, PLN 33 million, HRK 70 million and CHF 16 million as per the reporting date (December 31, 2019: EUR 1,565.6 million, PLN 27.0 million, HRK 70.0 million and CHF 14.5 million).

The Consolidated Group also enhanced its cooperation with development banks and expanded the existing programmes – particularly in the final weeks of March – to provide further support for SMEs. A EUR 90 million drawing was prepared and submitted to the EIB in March, which was paid out on April 6, 2020.

Refinancing via bank deposits of GRENKE Bank amounted to EUR 976.7 million as per March 31, 2020 compared to a level of

EUR 723.1 million for the same prior-year period and corresponding to a rise of 35 percent.

2.2.3 FINANCIAL POSITION

SELECTED INFORMATION FROM THE CONSOLIDATED STATEMENT OF CASH FLOWS

EURk	Q1 2020	Q1 2019
Cash flow from operating activities	134,633	–3,090
Net cash flow from operating activities	131,607	–5,126
Cash flow from investment activities	–5,549	–3,716
Cash flow from financing activities	–12,945	–10,784
Total cash flow	**113,113**	**–19,626**

Cash flow from operating activities improved to EUR 134.6 million in the first quarter of 2020 (previous year: EUR –3.1 million). The increase in cash flow was primarily due to the increase in liabilities from the deposit business (EUR 92.3 million compared to EUR 24.2 million in the previous year) and deferred lease payments (EUR 70.1 million after EUR 38.2 million in the previous year). In addition, the increase in lease receivables in the reporting quarter (EUR 102.2 million) was lower than in the same period of the previous year (EUR 241.7 million) due to lower growth in new business. This was offset by a declining increase in refinancing liabilities (EUR 33.6 million compared to EUR 165.0 million). Positive effects on cash flow in the first quarter also resulted from a decline in loans to franchisees (EUR 5.1 million compared to an increase of EUR 14.5 million in the previous year) and a lower rise in other assets (EUR 7.7 million compared to EUR 33.4 million in the previous year).

After interest and taxes paid and received, the net cash flow from operating activities amounted to EUR 131.6 million in the reporting quarter, compared to EUR –5.1 million in the same period of the previous year.

Cash flow from investing activities in the first quarter of 2020 amounted to EUR –5.5 million (previous year: EUR –3.7 million). This item consisted primarily of payments for the acquisition of property, plant and equipment and intangible assets amounting to EUR 5.7 million (previous year: EUR 3.9 million).

Cash flow from financing activities reached EUR –12.9 million in the reporting quarter (previous year: EUR –10.8 million). As in the previous year, the largest item was the interest payment on hybrid capital of EUR 10.7 million (previous year: EUR 9.4 million). The repayment of lease liabilities also resulted in a cash outflow of EUR 3.0 million (previous year: EUR 2.4 million).

As a result of the above, the total cash flow in the first quarter amounted to EUR 113.1 million compared to EUR –19.6 million in the same quarter of the previous year. As per March 31, 2020, cash and cash equivalents had risen to EUR 548.3 million, up from EUR 434.3 million at the end of the 2019 fiscal year.

3. REPORT ON RISKS, OPPORTUNITIES AND FORECASTS

3.1 OPPORTUNITIES AND RISKS

Due to the restrictions on macroeconomic activity resulting from the COVID-19 pandemic in the first quarter of 2020, uncertainty has increased significantly in comparison to the environment described in the 2019 Annual Report, particularly with respect to credit and liquidity risks.

Many economists now expect a global economic recession in the further course of 2020. Although many countries have launched extensive aid programmes in the form of loan commitments and guarantees to help keep companies solvent, there is still a rise in corporate insolvencies anticipated in the current fiscal year. Beyond the first quarter, initial signs of a deterioration in the payment behaviour of customers began to appear in April. Based on this indication, losses are expected to rise in the 2020 fiscal year, which has already been taken into account as an additional, extraordinary IFRS 9 risk provision of EUR 16 million as per March 31, 2020. The company is currently assuming that the loss rate in the coming quarters will remain at approximately the same level as in the first quarter of 2020, or between 2.0 and 2.3 percent.

In terms of new business, the Consolidated Group recorded a level in the last days of the quarter that was roughly half of the volume originally planned. Nevertheless, this environment also offers opportunities in the sense that findings and observations can be integrated into risk measurement at an early stage, which facilitates the risk-adjusted concluding of contracts. In taking this approach, GRENKE is striving more to maintain the best possible balance between risk and contribution margins rather than avoiding risk altogether. Customer and partner relationships are also strengthened by the fact that GRENKE continues to support companies in the implementation of investment projects, which especially in the medical sector and for the provision of mobile office infrastructure, represents a stable source of demand, even in the current environment.

Liquidity risks are essentially associated with the tangible options available for refinancing and well manageable with the existing tools. Refinancing largely with matching maturities and avoiding the risk associated with large individual tickets, also in terms of liabilities, considerably minimises follow-up financing risk, helping the Consolidated Group to avoid making large redemptions in the further course of the year. In order to finance new business, the Consolidated Group can access its money and capital market programmes and, above all, rely on the recent increase in deposits at GRENKE Bank. GRENKE Consolidated Group also has a number of collaborations with development banks, including NRW.Bank, KfW and the European Investment Bank (EIB).

On April 23, 2020, S&P Global Ratings affirmed the 'BBB+/A-2' long- and short-term issuer credit ratings on the bank, as well as the issue ratings on the bank's debt. At the same time, S&P revised its outlook on GRENKE AG due to expected impact of the COVID-19 pandemic to negative from stable. In its statement, the rating agency cited tougher economic conditions in GRENKE´s main European markets over the next 18-24 months.

3.2 MACROECONOMIC AND INDUSTRY-SPECIFIC ENVIRONMENT

With the outbreak of the corona pandemic, economic conditions worldwide have massively deteriorated. The International Monetary Fund (IMF), which at the beginning of the year had forecast accelerated global economic growth of 3.3 percent for 2020 (2019: 2.9 percent), drastically lowered its outlook in April and now expects global economic output to decline by 3.0 percent. This estimate is based on the hope that the global economy will gradually regain momentum over the rest of the year after the slump in the spring and move into a V-shaped recovery in the second half of the year. The IMF emphasises that this forecast is subject to considerable uncertainty. For the eurozone, the IMF currently expects economic output to decline by 7.5 percent in 2020 (January forecast: +1.3 percent), with all major economies likely to slide into recession. In Germany, the ifo business climate index in March 2020 recorded the sharpest decline since reunification and, at 85.9 points (February 2020: 96.0 points), fell to the lowest level since the financial market crisis. In April, the unprecedented slump continued, and the index fell to its lowest ever level of 74.3 points.

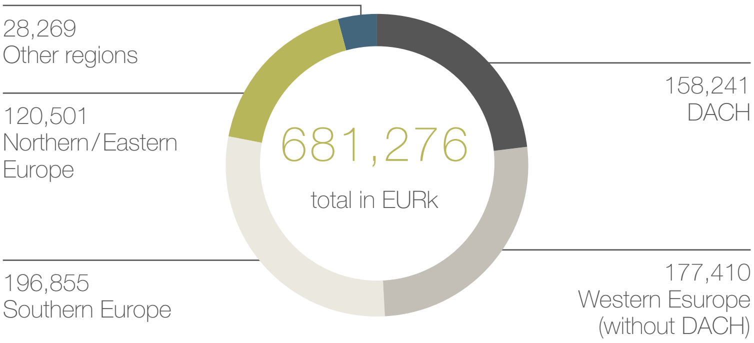
3.3 COMPANY FORECAST

As announced on April 2, 2020 with the publication of the new business figures for the first quarter of 2020, the impact of the COVID-19 pandemic on the GRENKE Group’s further business and earnings development cannot yet be assessed with any certainty and was not taken into consideration in the forecast for the 2020 financial year published on February 11, 2020. In light of the general economic restrictions resulting from the COVID-19 pandemic, from today’s point of view, the Board of Directors is assuming that the level of new business in the second and third quarters of 2020 will settle at around 50 percent of the new business originally planned. Consequently, new business growth for the current fiscal year as a whole remains dependent on the further course of the COVID-19 pandemic. At the beginning of the year, the initial target for new business growth was between 14 and 18 percent.

Nevertheless, the Consolidated Group can continue to operate profitably during this crisis with the appropriate cost savings and despite a lower volume of new business. The net profit, however, will still be below the target range of EUR 153 to 165 million announced at the beginning of the year. The Consolidated Group retains, above all, the ability to react to any respective easing or normalisation developments.

The Board of Directors will update and detail its forecast for the 2020 fiscal year as soon as the effects of the COVID-19 pandemic can be determined with sufficient certainty.

NEW BUSINESS GRENKE GROUP LEASING by regions, Q1 2020



PROXIMITY TO THE CUSTOMER

Regions/Markets

32

Close to our customers on 5 continents

ON SITE WORLDWIDE

CONSOLIDATED GROUP NET PROFIT

23.7

EUR million

EARNINGS PER SHARE

0.35

EUR

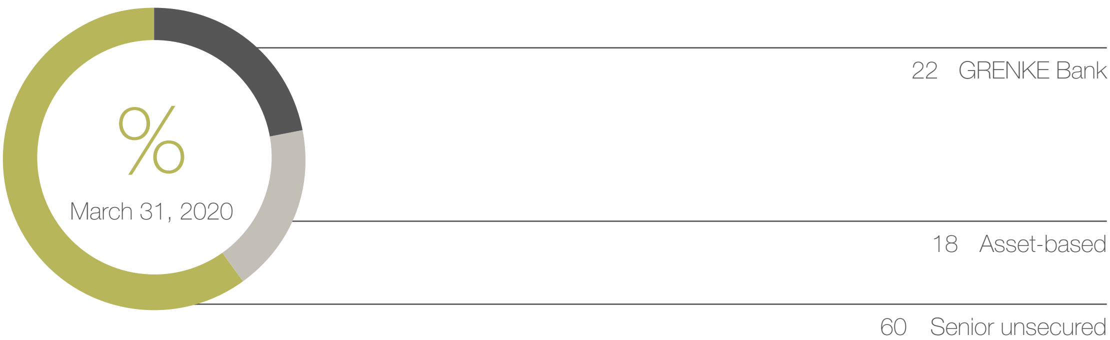
EQUITY RATIO

17.2

percent

SOLID KEY FIGURES

THREE PILLARS: GRENKE CONSOLIDATED GROUP'S REFINANCING MIX



BROAD REFINANCING BASE

CELL DIVISIONS IN Q1

+4

Brazil (2x), Sweden and Portugal

eSIGNATURE

Number of countries

20

eSignature is used in 20 countries

INTERNATIONAL STRATEGY

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

EURk	Jan. 1, 2020 to Mar. 31, 2020	Jan. 1, 2019 to Mar. 31, 2019[1]
Interest and similar income from financing business[2]	115,571	99,751
Expenses from interest on refinancing and deposit business	14,460	12,495
Net interest income	**101,111**	**87,256**
Settlement of claims and risk provision	50,791	28,317
Of which, impairment losses	*49,688*	*26,864*
Net interest income after settlement of claims and risk provision	**50,320**	**58,939**
Profit from service business	28,844	21,907
Profit from new business	13,728	13,570
Gains(+) / losses (–) from disposals	–974	–199
Income from operating business	**91,918**	**94,217**
Staff costs	30,304	27,631
Depreciation and impairment	7,471	7,115
Selling and administrative expenses (not including staff costs)	18,972	18,158
Other operating expenses	5,668	1,875
Other operating income	1,859	2,298
Operating result	**31,362**	**41,736**
Result from investments accounted for using the equity method	–115	–41
Expenses / income from fair value measurement	–1,054	–288
Other interest income	318	290
Other interest expenses	1,375	1,054
Earnings before taxes	**29,136**	**40,643**
Income taxes	5,396	6,846
Net profit	**23,740**	**33,797**
Ordinary shareholders and hybrid capital holders of GRENKE AG	23,740	33,797
Earnings per share (basic/diluted in EUR)	0.35	0.59
Average number of shares outstanding	46,353,918	46,353,918

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 2,727k (previous year: EUR 1,931k).

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EURk	Jan. 1, 2020 to Mar. 31, 2020	Jan. 1, 2019 to Mar. 31, 2019[1]
Net profit	**23,740**	**33,797**
Items that may be reclassified to profit and loss in future periods		
Appropriation to / reduction of hedging reserve	6,271	6
thereof: income tax effects	–896	–1
Change in currency translation differences	–6,473	1,882
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	**–202**	**1,888**
Total comprehensive income	**23,538**	**35,685**
Ordinary shareholders and hybrid capital holders of GRENKE AG	23,538	**35,685**

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION – ASSETS

EURk	Mar. 31, 2020	Dec. 31, 2019
Assets		
Current assets		
Cash and cash equivalents	548,856	434,379
Derivative financial instruments that are assets	7,640	946
Lease receivables	1,955,855	1,901,181
Other current financial assets	236,626	252,504
Trade receivables	10,836	9,272
Lease assets for sale	25,786	24,038
Tax assets	25,936	27,450
Other current assets	311,602	322,680
Total current assets	**3,123,137**	**2,972,450**
Non-current assets		
Lease receivables	3,792,291	3,744,735
Derivative financial instruments that are assets	15,692	1,492
Other non-current financial assets	101,144	96,650
Investments accounted for using the equity method	4,808	4,923
Property, plant and equipment	113,661	109,092
Right-of-use assets	49,017	50,315
Goodwill	103,450	106,555
Other intangible assets	36,342	37,899
Deferred tax assets	19,511	21,967
Other non-current assets	1,386	1,404
Total non-current assets	**4,237,302**	**4,175,032**
Total assets	**7,360,439**	**7,147,482**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION – TOTAL LIABILITIES AND EQUITY

EURk	Mar. 31, 2020	Dec. 31, 2019
Liabilities and equity		
Liabilities		
Current liabilities		
Financial liabilities	1,795,001	1,716,313
Lease liabilities	11,512	12,148
Derivative liability financial instruments	2,542	8,506
Trade payables	38,447	35,890
Tax liabilities	5,781	3,059
Deferred liabilities	24,310	30,219
Other current liabilities	47,636	31,583
Deferred lease payments	93,771	23,634
Total current liabilities	**2,019,000**	**1,861,352**
Non-current liabilities		
Financial liabilities	3,972,815	3,924,353
Lease liabilities	38,247	38,679
Derivative liability financial instruments	4,475	7,445
Deferred tax liabilities	55,572	61,676
Pensions	5,389	5,128
Non-current provisions	81	99
Total non-current liabilities	**4,076,579**	**4,037,380**
Equity		
Share capital	46,354	46,354
Capital reserves	289,314	289,314
Retained earnings	728,984	712,672
Other components of equity	208	410
Total equity attributable to shareholders of GRENKE AG	**1,064,860**	**1,048,750**
Additional equity components[1]	200,000	200,000
Total equity	**1,264,860**	**1,248,750**
Total liabilities and equity	**7,360,439**	**7,147,482**

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

CONSOLIDATED STATEMENT OF CASH FLOWS

	EURk	Jan. 1, 2020 to Mar. 31, 2020	Jan. 1, 2019 to Mar. 31, 2019[1]
	Earnings before taxes	**29,136**	**40,643**
	Non-cash items contained in earnings and reconciliation to cash flow from operating activities		
+	Depreciation and impairment	7,471	7,115
– / +	Profit / loss from the disposal of property, plant, and equipment and intangible assets	–32	28
– / +	Net income from non-current financial assets	948	630
– / +	Other non-cash effective income / expenses	5,252	1,987
+ / –	Increase / decrease in deferred liabilities, provisions, and pensions	–5,666	–376
–	Additions to lease receivables	–678,323	–668,974
+	Payments by lessees	546,688	461,044
+	Disposals / reclassifications of lease receivables at residual carrying amounts	100,234	87,003
–	Interest and similar income from leasing business	–111,624	–96,752
+ / –	Decrease / increase in other receivables from lessees	10,204	–10,627
+ / –	Currency translation differences	30,591	–13,416
=	Change in lease receivables	–102,230	–241,722
+	Addition to liabilities from refinancing	499,765	652,394
–	Payment of annuities to refinancers	–447,587	–496,798
–	Disposal of liabilities from refinancing	–13,828	–12,000
+	Expenses from interest on refinancing	12,969	11,306
+ / –	Currency translation differences	–17,732	10,132
=	Change in refinancing liabilities	33,587	165,034
+ / –	Increase / decrease in liabilities from deposit business	92,316	24,228
– / +	Increase / decrease in loans to franchisees	5,082	–14,545
	Changes in other assets / liabilities		
– / +	Increase / decrease in other assets	–7,666	–33,418
– / +	Increase / decrease in lease assets from operating leases	–3,378	–4,108
+ / –	Increase / decrease in deferred lease payments	70,137	38,172
+ / –	Increase / decrease in other liabilities	9,676	13,242
=	**Cash flow from operating activities**	**134,633**	**–3,090**

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, 2020 to Mar. 31, 2020	Jan. 1, 2019 to Mar. 31, 2019[1]
– / +	Income taxes paid / received	–1,969	–1,272
–	Interest paid	–1,375	–1,054
+	Interest received	318	290
=	**Net cash flow from operating activities**	**131,607**	**–5,126**
–	Payments for the acquisition of property, plant and equipment and intangible assets	–5,659	–3,862
–	Payments for the acquisition of associated entities	0	–50
+	Proceeds from the sale of property, plant and equipment and intangible assets	110	196
=	**Cash flow from investing activities**	**–5,549**	**–3,716**
+ / –	Borrowing / repayment of bank liabilities	735	963
–	Repayment of lease liabilities	–3,016	–2,372
–	Interest coupon payments on hybrid capital	–10,664	–9,375
=	**Cash flow from financing activities**	**–12,945**	**–10,784**
	Cash funds at beginning of period		
	Cash in hand and bank balances	434,379	333,626
–	Bank liabilities from overdrafts	–73	–3,112
=	**Cash and cash equivalents at beginning of period**	**434,306**	**330,514**
+ / –	Change due to currency translation	852	–142
=	**Cash funds after currency translation**	**435,158**	**330,372**
	Cash funds at end of period		
	Cash in hand and bank balances	548,856	314,102
–	Bank liabilities from overdrafts	–585	–3,356
=	**Cash and cash equivalents at end of period**	**548,271**	**310,746**
	Change in cash and cash equivalents during the period (= total cash flow)	**113,113**	**–19,626**
	Net cash flow from operating activities	131,607	–5,126
+	Cash flow from investing activities	–5,549	–3,716
+	Cash flow from financing activities	–12,945	–10,784
=	**Total cash flow**	**113,113**	**–19,626**

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

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 reserve for equity instruments (IFRS 9)	Total equity attributable to shareholders of GRENKE AG	Additional equity components	Total equity
Equity as per Jan. 1, 2020	**46,354**	**289,314**	**712,672**	**–2,193**	**–1,393**	**1,641**	**2,355**	**1,048,750**	**200,000**	**1,248,750**
Net profit			23,740					23,740		23,740
Other comprehensive income				6,271		–6,473		–202		–202
Interest coupon payment on hybrid capital (net)									–7,428	–7,428
Interest coupon for hybrid capital (net)			–7,428					–7,428	7,428	0
Equity as per Mar. 31, 2020	**46,354**	**289,314**	**728,984**	**4,078**	**–1,393**	**–4,832**	**2,355**	**1,064,860**	**200,000**	**1,264,860**
Equity as per Jan. 1, 2019 (as reported)	**46,354**	**289,314**	**616,257**	**–7**	**–828**	**–731**	**2,295**	**952,654**	**125,000**	**1,077,654**
Adjustment to IFRS 16 accounting standard (lessee)			**–745**			**12**		**–733**		**–733**
Equity as per Jan. 1, 2019 (adjusted)	**46,354**	**289,314**	**615,512**	**–7**	**–828**	**–719**	**2,295**	**951,921**	**125,000**	**1,076,921**
Net profit[1]			33,797					33,797		33,797
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[1]	**46,354**	**289,314**	**642,778**	**–1**	**–828**	**1,163**	**2,295**	**981,075**	**125,000**	**1,106,075**

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

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, 2019. The accounting policies generally correspond to the methods used in the previous year. The impact of changes resulting from the mandatory application of new accounting standards was not material for the GRENKE Consolidated Group. An audit review as defined by Section 115 (5) WpHG was not conducted.

2. ADJUSTMENTS

As a result of the retrospective amendment to IFRS 16 "Leases" for lessors in the previous year, which was implemented in the consolidated financial statements only as per December 31, 2019, there was a corresponding change in the consolidated income statement for the comparative quarter ending March 31, 2019. Net interest income increased by EUR 10,092k and the settlement of claims and risk provision rose by EUR 186k. Profit from new business decreased by EUR 9,088k and gains (+) / losses (-) from disposals declined by EUR 621k. Overall, there was an increase in earnings before taxes of EUR 197k and net profit (after taxes) of EUR 164k. For further details, please refer to the notes to the consolidated financial statements as per December 31, 2019 in section "2.1.4 IFRS 16 Leases – The Group as Lessor".

3. LEASE RECEIVABLES

EURk	**Mar. 31, 2020**	**Mar. 31, 2019**
Changes in lease receivables from current contracts (performing lease receivables)		
Receivables at beginning of period	**5,588,109**	**4,645,971***
+ Change during the period	112,433	231,095*
Lease receivables (current + non-current) from current contracts at end of period	**5,700,542**	**4,877,066***
Changes in lease receivables from terminated contracts/contracts in arrears (non-performing lease receivables)		
Gross receivables at beginning of period	**411,490**	**331,048**
+ Additions to gross receivables during the period	36,562	41,105
– Disposals of gross receivables during the period	11,512	13,173
Gross receivables at end of period	**436,540**	**358,980**
Total gross receivables (terminated and current)	**6,137,082**	**5,236,046***
Impairments at beginning of period	**353,683**	**279,480**
+ Change in accumulated impairment during the period	35,253	17,304
Impairments at end of period	**388,936**	**296,784**
Lease receivables (carrying amount, current and non-current) at beginning of period	5,645,916	4,697,539*
Lease receivables (carrying amount, current and non-current) at end of period	**5,748,146**	**4,939,262***

* Prior-year figures adjusted due to IFRS 16 (see Note 2).

4. FINANCIAL LIABILITIES

EURk	Mar. 31, 2020	Dec. 31, 2019
Financial liabilities		
Current financial liabilities		
Asset-based	410,643	403,975
Senior unsecured	719,041	758,420
Committed development loans	122,125	83,122
Liabilities from deposit business*	541,058	469,910
Other bank liabilities	2,134	886
thereof current account liabilities	*585*	*73*
Total current financial liabilities	**1,795,001**	**1,716,313**
Non-current financial liabilities		
Asset-based	526,095	512,943
Senior unsecured	2,803,179	2,813,124
Committed development loans	201,848	177,761
Liabilities from deposit business	441,693	420,525
Total non-current financial liabilities	**3,972,815**	**3,924,353**
Total financial liabilities	**5,767,816**	**5,640,666**

* Thereof bank liabilities of EUR 6,000k (previous year: EUR 6,300k).

4.1 ASSET-BASED FINANCIAL LIABILITIES

4.1.1 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), FCT “GK” COMPARTMENT “G3” (FCT GK 3) and FCT “GK” COMPARTMENT “G4” (FCT GK 4). All structured entities have been set up as asset-backed commercial paper (ABCP) programmes.

	Mar. 31, 2020	Dec. 31, 2019
Programme volume in local currency		
EURk	*947,802*	*947,802*
GBPk	*150,000*	*150,000*
Programme volume in EURk	1,117,020	1,124,107
Utilisation in EURk	904,173	860,064
Carrying amount in EURk	793,759	761,560
thereof current	*343,637*	*334,040*
thereof non-current	*450,122*	*427,520*

4.1.2 SALES OF RECEIVABLES AGREEMENTS

	Mar. 31, 2020	Dec. 31, 2019
Programme volume in local currency		
EURk	*20,000*	*20,000*
GBPk	*100,000*	*100,000*
PLNk	*80,000*	*80,000*
BRLk	*185,000*	*185,000*
Programme volume in EURk	182,848	197,298
Utilisation in EURk	141,765	153,634
Carrying amount in EURk	141,765	153,634
thereof current	*65,930*	*68,798*
thereof non-current	*75,835*	*84,836*

4.1.3 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, 2020	Dec. 31, 2019
Carrying amount	1,214	1,724
thereof current	*1,076*	*1,137*
thereof non-current	*138*	*587*

4.2 SENIOR UNSECURED FINANCIAL LIABILITIES

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

EURk	**Mar. 31, 2020**	**Dec. 31, 2019**
Bonds	2,753,529	2,764,192
thereof current	*318,833*	*336,652*
thereof non-current	*2,434,696*	*2,427,540*
Promissory notes	435,826	431,587
thereof current	*116,209*	*92,449*
thereof non-current	*319,617*	*339,138*
Commercial paper	143,500	226,500
Revolving credit facility	142,887	114,319
thereof current	*94,021*	*67,873*
thereof non-current	*48,866*	*46,446*
Money market trading	22,501	11,770
Overdraft facility	2,287	3,829
Accrued interest	21,690	19,347

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

	Mar. 31, 2020	**Dec. 31, 2019**
Bonds EURk	5,000,000	3,500,000
Commercial paper EURk	750,000	750,000
Revolving credit facility EURk	330,000	330,000
Revolving credit facility PLNk	100,000	100,000
Revolving credit facility CHFk	20,000	20,000
Revolving credit facility HRKk	125,000	125,000
Money market trading EURk	35,000	35,000

4.2.1 BONDS

In the fiscal year to date, two new bonds were issued with a total volume of EUR 10,000k and HKD 300,000k. Scheduled redemptions totalled EUR 60,000k.

4.2.2 PROMISSORY NOTES

In the fiscal year to date, two new promissory notes were issued with a total volume of EUR 29,000k. Promissory notes with a volume of EUR 20,000k, DKK 13,000k and SEK 15,000k were redeemed on schedule.

4.2.3 COMMITTED DEVELOPMENT LOANS

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

EURk	**Mar. 31, 2020**	**Dec. 31, 2019**
Description		
NRW Bank	77,798	69,439
Thüringer Aufbaubank	5,687	4,104
Investitionsbank des Landes Brandenburg	2,705	3,006
KfW	236,130	182,555
Landeskreditbank Baden-Württemberg – Förderbank	1,651	1,778
Accrued interest	2	1
Total committed development loans	**323,973**	**260,883**

5. CONTINGENT LIABILITIES

GRENKE AG, as guarantor for individual franchise companies, provided financial guarantees of EUR 58.4 million (previous year as per December 31, 2019: EUR 72.0 million), which represents the maximum default risk. The actual utilisation of the guarantees by the guarantee recipients was lower and amounted to EUR 38.6 million (previous year as per December 31, 2019: EUR 37.5 million).

6. SUBSEQUENT EVENTS

There were no significant events after the reporting date.

CALENDAR OF EVENTS

July 2, 2020 // New business figures 6M-2019

July 30, 2020 // Financial report for the 2nd quarter
and the first half-year 2020

August 6, 2020 // Annual General Meeting

October 2, 2020 // New business figures 9M-2020

October 29, 2020 // Quarterly statement for the 3rd quarter
and the first nine month of 2020

INFORMATION AND CONTACT

GRENKE AG
Team Investor Relations

Neuer Markt 2
76532 Baden-Baden

Phone: +49 7221 5007-204
Fax +49 7221 5007-4218
E-Mail: investor@grenke.de

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.

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

GRENKE AG
Headquarters
Neuer Markt 2
76532 Baden-Baden
Germany

Phone: +49 7221 5007- 204
Fax: +49 7221 5007- 4218
E-mail: investor@grenke.de

www.grenke.com