



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2023 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 915 448 526
Organisasjonsform: Norskreg. utenlandsk foretak
Foretaksnavn: GRENKE BANK AG BRANCH NORWAY NUF
Forretningsadresse: Martin Linges vei 25
1364 FORNEBU

Regnskapsår

Årsregnskapets periode: 01.01.2023 - 31.12.2023

Konsern

Morselskap i konsern: Nei

Regnskapsregler

Regler for små foretak benyttet: Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet: IFRS

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Ray Werschky
Dato for fastsettelse av årsregnskapet: 28.03.2024

Grunnlag for avgivelse

År 2023: Årsregnskapet er elektronisk innlevert
År 2022: Tall er hentet fra elektronisk innlevert årsregnskap fra 2023

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 26.08.2025



Resultatregnskap

Beløp i: NOK	Note	2023	2022
RESULTATREGNSKAP			
Inntekter			
net interest income	2	20 066 093	15 834 400
other operating income	3	18 425 820	11 692 907
net change in value and exchange rate loss		2 046 369	-1 929 742
Sum inntekter	9	40 538 282	25 597 565
Kostnader			
payroll expenses	4	3 656 389	3 272 051
depreciation and amortisation expense of tangible assets	6,15	1 053 072	459 302
other operating expenses	2,5	4 888 959	4 007 668
impairment losses on loans and guarantees	7	6 216 745	5 115 324
commission costs		15 843 634	16 205 793
Sum kostnader		31 658 799	29 060 138
Driftsresultat	10	8 879 483	-3 462 573
Netto finans			
Ordinært resultat før skattekostnad		8 879 483	-3 462 573
tax on ordinary result	8	2 003 056	-761 766
Ordinært resultat etter skattekostnad		6 876 427	-2 700 807
Årsresultat		6 876 427	-2 700 807



Balanse

Beløp i: NOK	Note	2023	2022
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Varige driftsmidler			
equipment and other movables	6	930 247	340 438
Sum varige driftsmidler		930 247	340 438
Finansielle anleggsmidler			
total loans to and deposits with credit institutions	11	11 054 488	3 422 842
financial leasing	12,13, 14	280 589 842	230 382 050
Sum finansielle anleggsmidler		291 644 330	233 804 892
Sum anleggsmidler		292 574 577	234 145 330
Omløpsmidler			
Varer			
Bankinnskudd, kontanter og lignende			
other assets	15,8	4 110 430	879 387
Sum bankinnskudd, kontanter og lignende		4 110 430	879 387
Sum omløpsmidler		4 110 430	879 387
SUM EIENDELER		296 685 007	235 024 717
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
paid-in equity	10	39 937 418	39 937 418
Sum innskutt egenkapital		39 937 418	39 937 418
Opptjent egenkapital			



Balanse

Beløp i: NOK	Note	2023	2022
retained earnings	10	5 253 947	7 954 754
profit and loss of year	10	6 876 427	-2 700 807
Sum opptjent egenkapital		12 130 374	5 253 947
Sum egenkapital		52 067 792	45 191 365
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
public duties payable	16	2 504 850	186 334
other deferred income	17	44 259 849	36 127 591
deferred income tax liability	8,17	5 542 897	2 699 121
Sum annen langsiktig gjeld		52 307 596	39 013 046
Sum langsiktig gjeld		52 307 596	39 013 046
Kortsiktig gjeld			
other short term liabilities	2,16	192 309 619	150 820 306
Sum kortsiktig gjeld		192 309 619	150 820 306
Sum gjeld		244 617 215	189 833 352
SUM EGENKAPITAL OG GJELD		296 685 007	235 024 717



Brønnøysundregistrene

ÅRSREGNSKAP FOR REGNSKAPSÅRET 2023 - GENERELL INFORMASJON

Journalnummer: 2024 646181

Enheten

Organisasjonsnummer: 915 448 526
Organisasjonsform: Norskreg. utenlandsk foretak
Foretaksnavn: GRENKE BANK AG BRANCH NORWAY
Forretningsadresse: Martin Linges vei 25
1364 FORNEBU

Regnskapsår

Årsregnskapets periode: 01.01.2023 - 31.12.2023

Konsern

Morselskap i konsern: Nei

Regnskapsregler

Regler for små foretak benyttet: Nei
Benyttet ved utarbeidelsen av
årsregnskapet til selskapet: IFRS

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Ray Werschky
Dato for fastsettelse av årsregnskapet: 28.03.2024

Grunnlag for avgivelse

År 2023: Årsregnskap er elektronisk innlevert.
År 2022: Tall er hentet fra elektronisk innlevert årsregnskap fra 2023.

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 13.08.2024



Organisasjonsnr: 915 448 526
GRENKE BANK AG BRANCH NORWAY

RESULTATREGNSKAP

Beløp i: NOK	Note	2023	2022
RESULTATREGNSKAP			
Inntekter			
net interest income	2	20 066 093	15 834 400
other operating income	3	18 425 820	11 692 907
net change in value and exchange rate loss		2 046 369	-1 929 742
Sum inntekter	9	40 538 282	25 597 565
Kostnader			
payroll expenses	4	3 656 389	3 272 051
depreciation and amortisation expense of tangible assets	6,15	1 053 072	459 302
other operating expenses	2,5	4 888 959	4 007 668
impairment losses on loans and guarantees	7	6 216 745	5 115 324
commission costs		15 843 634	16 205 793
Sum kostnader		31 658 799	29 060 138
Driftsresultat	10	8 879 483	-3 462 573
Netto finans			
Ordinært resultat før skattekostnad			
tax on ordinary result	8	2 003 056	-761 766
Ordinært resultat etter skattekostnad		6 876 427	-2 700 807
Årsresultat		6 876 427	-2 700 807



Organisasjonsnr: 915 448 526
GRENKE BANK AG BRANCH NORWAY

BALANSE

Beløp i: NOK Note 2023 2022

BALANSE - EIENDELER

Anleggsmidler Immaterielle eiendeler

Varige driftsmidler equipment and other movables	6	930 247	340 438
Sum varige driftsmidler		930 247	340 438

Finansielle anleggsmidler total loans to and deposits with credit institutions	11	11 054 488	3 422 842
financial leasing	12, 13, 14	280 589 842	230 382 050
Sum finansielle anleggsmidler		291 644 330	233 804 892
Sum anleggsmidler		292 574 577	234 145 330

Omløpsmidler Varer

Bankinnskudd, kontanter og lignende other assets	15, 8	4 110 430	879 387
Sum bankinnskudd, kontanter og lignende		4 110 430	879 387
Sum omløpsmidler		4 110 430	879 387

SUM EIENDELER 296 685 007 235 024 717

BALANSE - EGENKAPITAL OG GJELD

Egenkapital Innskutt egenkapital paid-in equity	10	39 937 418	39 937 418
Sum innskutt egenkapital		39 937 418	39 937 418

Opptjent egenkapital retained earnings	10	5 253 947	7 954 754
profit and loss of year	10	6 876 427	-2 700 807
Sum opptjent egenkapital		12 130 374	5 253 947

Sum egenkapital 52 067 792 45 191 365

Gjeld



Langsiktig gjeld			
Annen langsiktig gjeld			
public duties payable	16	2 504 850	186 334
other deferred income	17	44 259 849	36 127 591
deferred income tax			
liability	8,17	5 542 897	2 699 121
Sum annen langsiktig gjeld		52 307 596	39 013 046
Sum langsiktig gjeld		52 307 596	39 013 046
Kortsiktig gjeld			
other short term			
liabilities	2,16	192 309 619	150 820 306
Sum kortsiktig gjeld		192 309 619	150 820 306
Sum gjeld		244 617 215	189 833 352
SUM EGENKAPITAL OG GJELD		296 685 007	235 024 717



Organisasjonsnr: 915 448 526
GRENKE BANK AG BRANCH NORWAY

NOTEOPPLYSNINGER - SELSKAP - alle poster oppgitt i hele tall

Note
1

Regnskapsprinsipper

<u>Sum</u>	<u>Beløp</u>		
<u>Balanseført verdi 31.12.</u>	<u>Varige driftsmidler</u>	<u>Immaterielle eiend.</u>	
<u>Samlet beløp - tilknyttet selskap</u>	<u>Årets</u>	<u>Fjorårets</u>	
<u>Samlet beløp - foretak i samme konsern</u>	<u>Årets</u>	<u>Fjorårets</u>	
<u>Samlet beløp - foretak i samme konsern</u>	<u>Årets</u>	<u>Fjorårets</u>	
<u>Samlet beløp - felles kontrollert virksomhet</u>	<u>Årets</u>	<u>Fjorårets</u>	
<u>Pantstillelse</u>	<u>Beløp</u>		
<u>Beholdning av egne aksjer</u>	<u>Antall</u>	<u>Pålydende</u>	<u>Andel av aksjek.</u>



GRENKE BANK AG
Baden-Baden

Annual financial statements,
management report and
auditor's report
for the financial year from January 1, 2023 to
December 31, 2023







GRENKE BANK AG
Baden-Baden

Annual financial statements,
management report and
auditor's report for the financial year
from January 1, 2023 to December 31,
2023

BDO





GRENKE BANK AG, Baden-Baden Balance sheet as of December 31, 2023

	Assets		Liabilities and Equity	
	€	Previous year €k	€	Previous year €k
1. Cash reserves				
a) Reserves	0.00	0		
b) Provisions with central banks	484,721,140.69	246,614	771,435.51	181
c) Other provisions			39,470,302.76	78,233
of which € 484,721,140.69 (previous year: € 246,614) held at the Deutsche Bundesbank.				
2. Receivables from banks				
a) Due on demand	14,318,374.63	47,336	182,185,324.41	251,548
b) Other receivables	68,148.67	133	1,423,624,038.26	984,444
3. Receivables from customers				
€ 0.00 (previous year: € 0) secured by mortgages				
€ 0.00 (previous year: € 0) in municipal loans				
of which	1,528,353,035.70	1,352,361	1,686,036,159.77	1,686,036,159.77
of which € 35,073,934.07 (previous year: € 39,623) in trust loans			35,073,934.07	39,623
4. Investments				
of which	99.00	0	30,439,227.22	12,382
of which € 0.00 (previous year: € 0) in banks			2,998,955.33	2,660
of which € 0.00 (previous year: € 0) in financial services institutions				
5. Total assets				
€ 0.00 (previous year: € 0) in financial services institutions			1,545,917.00	1,613
of which € 35,073,934.07 (previous year: € 39,623) in trust loans			471,554.93	452
6. Lease assets			11,841,338.30	15,184
of which € 35,073,934.07 (previous year: € 39,623) in trust loans			3,825,226.27	4,184
7. Intangible fixed assets:				
a) Patents, trademarks, commercial property rights and other intangible assets, as well as licences in such rights and assets				
8. Property, plant and equipment				
9. Other assets				
10. Prepaid expenses				
Total assets				
	2,107,364,518.45	1,746,102	2,107,364,518.45	1,746,102
1. Liabilities to banks				
a) Due on demand				
b) With agreed term or period of notice				
2. Liabilities to customers				
Other liabilities				
a) Due on demand				
b) With agreed term or period of notice				
3. Trust liabilities				
of which € 35,073,934.07 (previous year: € 39,623) in trust loans				
4. Other liabilities				
Deferred income				
6. Provisions				
a) Provisions for pensions and similar obligations				
b) Tax provisions				
c) Other provisions				
7. Instruments qualifying as Additional Tier 1 regulatory capital				
8. Equity				
a) Subscribed capital				
b) Capital reserve				
c) Retained earnings				
d) Legal reserve				
e) Other reserves				
f) Unappropriated profits/loss				
Total liabilities and equity				
	2,107,364,518.45	1,746,102	2,107,364,518.45	1,746,102
1. Contingent liabilities				
Liabilities from guarantees and from indemnity agreements				
2. Other obligations				
Irrevocable loan commitments				





GRENKE BANK AG, Baden-Baden

Income statement for the period from 1 January 2023 to December 31, 2023

	EUR	EUR	EUR	Previous year EURk
1. Interest income from				
Lending and money market transactions		92,254,246.00		49,081
2. Negative interest from				
Lending and money market transactions		0.00		1,551
3. Interest expenses		34,453,575.16		11,398
4. Positive interest on deposits		0.00	57,800,670.84	48
5. Leasing income		11,144,978.97		9,205
6. Leasing expenses		2,248,605.45	8,896,373.52	1,040
7. Current income from investments			0.00	0
8. Commission income		3,038,341.42		3,119
9. Commission expenses		3,330,367.06	-292,025.64	3,683
10. Other operating income			6,719,620.06	2,493
11. General administrative expenses				
a) Staff costs				
aa) Wages and salaries	8,492,422.76			7,081
ab) Social security contributions and expenses for pensions and other employee benefits of which € 227,118.66 (previous year: € 316k) for pensions	1,489,893.79	9,982,316.55		1,447
b) Other administrative expenses		13,456,243.48	23,438,560.03	13,879
12. Depreciation, amortisation and impairment of intangible assets and property, plant and equipment				
a) on leased assets		5,741,699.98	5,980,142.61	4,752
b) on intangible assets and property, plant and equipment		238,442.63		310
13. Other operating expenses			254,718.80	11,735
14. Write-downs and valuation allowances on receivables and certain securities as well as additions to provisions for loan losses			21,451,574.87	12,367
15. Depreciation, amortisation and impairment of investments, interests in affiliated companies and securities treated as fixed assets			0.00	0
16. Result from ordinary activities			21,999,642.47	-5,298
17. Extraordinary income		0.00		0
18. Extraordinary expenses		0.00		0
19. Extraordinary result		0.00	0.00	0
20. Taxes on income and earnings		493,024.81		133
21. Other taxes not included in item 13		0.00	493,024.81	0
22. Income from loss transfer			0.00	0
23. Profits transferred under a profit pooling, profit and loss transfer agreement or partial profit and loss transfer agreement			21,506,617.66	19
24. Net profit/loss for the year			0.00	-5,450
25. Withdrawals from retained earnings				
a) from the legal reserve		0.00		0
b) from other retained earnings		0.00	0.00	5,450
26. Allocations to retained earnings				
a) to the legal reserve		0.00		0
b) to other retained earnings		0.00	0.00	0
27. Unappropriated profits			0.00	0





GRENKE BANK AG, Baden-Baden

Notes to the financial statements for the 2023 financial year

I. General information

These annual financial statements were prepared in accordance with Sections 340 ff. of the German Commercial Code (HGB), the provisions of the German Stock Corporation Act (AktG), and the Ordinance on Accounting for Banks and Financial Services Institutions (RechKredV). The regulations for large corporations apply. The annual financial statements consist of the annual balance sheet, the income statement and the notes to the financial statements. In addition, a report on the situation of the Company was prepared in accordance with Section 289 HGB in conjunction with Section 340a HGB. GRENKE BANK AG, Baden-Baden, is registered with the District Court of Mannheim in the Commercial Register, Department B, under number 710100.

Pursuant to Section 265 (5) sentence 2 HGB, the classification scheme according to the RechKredV was expanded to include the balance sheet items "lease assets" and "instruments qualifying as Additional Tier 1 regulatory capital", as well as the income statement items "negative interest on lending and money market transactions", "positive interest on deposits" and "leasing income" and "leasing expenses".

Accounting and valuation methods

The accounting and valuation methods described below were used to prepare the annual financial statements.

Cash reserves are recognised at their nominal value.

Receivables from banks and receivables from customers are reported at the lower of nominal value or acquisition cost plus accrued interest. Specific valuation allowances, as well as lump-sum valuation allowances for acute risks and lump-sum valuation allowances for pending risks, are deducted from receivables from customers on the assets side.

Receivables from customers resulting from the purchase of lease receivables within the Consolidated Group (purchase of receivables) are reported less the pro rata purchase price discount.

In the case of defaults on loan receivables, specific valuation allowances are recognised. A default occurs once the borrower has failed to make the contractual interest and/or redemption payments on time, and the deadline for the second reminder has passed without settlement. Depending on the product, deferred interest is capitalised as a receivable and recognised as interest income. Collateral in the form of pledged company shares was generally not taken into account due to a lack of objective market value.



On December 13, 2019, the Banking Committee (BFA) of the German Institute of Public Auditors (IDW) adopted the "IDW Statement on Accounting: Risk provisioning for foreseeable, not yet individually specified counterparty risks in the lending business of credit institutions (lump-sum loan loss provisions)" (IDW Circular BFA 7). The new standard is mandatory for the first time for financial years beginning after December 31, 2021. The Bank however has voluntarily undertaken early application starting with the 2020 financial year.

The lump-sum loan loss provision is recognised on the basis of the values determined from IFRS 9 Level 1 and Level 2 without deducting the credit rating premiums received.

Investments are capitalised at acquisition cost plus incidental acquisition costs. If an impairment exists that is expected to be permanent, the valuation is reduced to the lower fair value.

Lease assets, intangible assets and property, plant and equipment are recognised at cost and, if subject to wear and tear, are reduced using straight-line depreciation and amortisation in accordance with official tax depreciation tables. Low-value assets up to a net individual value of EUR 410.00 are written off in full and recognised as an expense in the year of acquisition; their immediate disposal was assumed.

Trust assets and trust liabilities are reported at nominal value.

Other assets are stated at the lower of nominal or fair value.

Prepaid expenses are expenses incurred prior to the reporting date and represent expenses for a certain period after that date.

Liabilities are recognised at the settlement amount.

Provisions for pensions and similar obligations are calculated according to the present value method on the basis of actuarial principles using the "2018 G mortality tables" and recognised at the amount of the obligation permitted under commercial law. Discounting is conducted in accordance with Section 253 (2) HGB. A flat rate is used that is equal to the average market interest rate of the last 10 years with a residual term of 15 years with 1.82 percent (previous year: 1.78 percent) in accordance with the German Regulation on the Discounting of Provisions of November 18, 2009. Expected pension increases are taken into account at 2.20 percent (previous year: 2.10 percent).

Other provisions take into account all uncertain liabilities, identifiable risks and contingent losses from pending transactions. They are recognised at the settlement amount required according to prudent business judgement. Provisions with a remaining term of more than one year are discounted at the average market interest rate of the past seven financial years that corresponds to their residual term and with a future price and cost increase of 1.00 percent p.a.

For the general interest rate risk within the framework of the loss-free valuation of the banking book, a provision is recognised according to the present value method when the present value of the entire interest book is less than the carrying amount of the interest book and, thereby, there are net unrealised losses in the interest book. The discounted future cash flows expected from the contract portfolio from the interest book are compared to the carrying amount of the interest-bearing assets and liabilities. In addition, any risk costs incurred must be taken into account.

Negative interest is shown as a separate item on the income statement.

Positive interest on deposits is shown in a separate item on the income statement.

The expense from disposals of lease assets of EUR 2,249k (previous year: EUR 1,040k) is reported in lease expenses as in the previous year and not under depreciation of lease assets.

2/15



Derivative financial instruments are measured at fair value using recognised methods based on swap rates as of December 31, 2023.

In cases where receivables (underlying transactions) are combined to offset opposing changes in value from the occurrence of comparable risks from forward exchange transactions (valuation unit), the general valuation principles do not apply to the extent and for the period in which the opposing changes in value offset each other in accordance with Section 254 HGB. The balance sheet is presented in accordance with the net hedge presentation method.

Assets and liabilities denominated in foreign currencies are translated at the mean spot exchange rate on the reporting date in accordance with Sections 340h and 256a HGB. If the remaining term is more than one year, the realisation principle (Section 252 [1] no. 4 half-sentence 2 HGB) and the acquisition cost principle (Section 253 [1] sentence 1 HGB) are observed.

II. Notes to the balance sheet

Receivables and other assets

Balances with central banks are due on demand and solely include credit balances with Deutsche Bundesbank. Of this amount, EUR 0.5 million (previous year: EUR 0.5 million) is pledged as collateral to a development bank due to the accreditation of the promotional lending business. With the discontinuation of the promotional lending business, the provision of collateral for a development bank also ended.

Receivables from banks are divided into receivables **due on demand** in the amount of EUR 14,749k (previous year: EUR 47,336k) and **other receivables** with the following residual terms:

Other receivables from banks with residual terms of	<u>Dec. 31, 2023</u>	<u>Dec. 31, 2022</u>
	EURk	EURk
a) up to three months	17	17
b) between three months and one year	49	48
c) between one year and five years	3	68
d) more than five years	0	0



Receivables from customers are broken down by residual terms as follows:

Receivables from customers with residual terms of	Dec. 31, 2023	Dec. 31, 2022
	EURk	EURk
a) up to three months *	231,158	218,566
b) between three months and one year	379,496	369,368
c) between one year and five years	907,996	757,819
d) more than five years	10,903	6,608
	3,468	4,075

* Of which receivables from customers with an indefinite term

Receivables from customers include primarily purchased lease receivables of EUR 1,326,718k (previous year: EUR 1,145,980k). This item includes amounts including accrued interest of EUR 19,755k (previous year: EUR 48,728k) due from affiliated companies and EUR 0k (previous year: EUR 1,650k) due from investments. Furthermore, subordinated loans in the amount of EUR 200k (previous year: EUR 1,200k) are included. In the 2023 financial statements, the pro rata temporis purchase price discount of EUR 57.9 million (previous year: EUR 40.8 million) is deducted from the purchased lease receivables.

Other assets mainly include receivables from payment clearing accounts amounting to EUR 11,552k (previous year: EUR 8,610k) and from VAT clearing amounting to EUR 320k (previous year: EUR 442k). Also included are EUR 230k (previous year: EUR 333k) in receivables from affiliated companies.

Development of fixed assets

	Acquisition/ manufacturing costs				Depreciation/ amortisation Accumulated	Carrying amounts		Depreciation/ amortisation Financial year	Write- ups Financial year
	Jan 1, 2023	Additions	Disposals	Reclassifications		Dec 31, 2023	Dec 31, 2022		
	EURk	EURk	EURk	EURk	EURk	EURk	EURk	EURk	EURk
Lease assets	30,580	11,162	6,229	0	13,081	22,431	19,260	5,742	0
Intangible assets	1,376	686	0	0	1,339	722	135	98	0
Property, plant and equipment (incl. low- value assets)	1,241	205	5	0	1,067	375	310	140	0
Investments	3,225	0	0	0	3,225	0	0	0	0
Total	36,422	12,053	6,234	0	18,712	23,528	19,705	5,980	0

Property, plant and equipment are used entirely within the scope of the Company's own business activities.



Investments

In 2016, GRENKE BANK AG acquired a 15 percent interest in the capital of Finanzchef24 GmbH, headquartered in Munich, Germany. The acquisition cost amounted to EUR 3,000k. The share in the capital was reduced to 13.71 percent within the scope of a capital increase in 2021. The carrying amount of EUR 3,225k (previous year: EUR 3,225k) was already fully written down in 2021 due to a permanent impairment and, as a result, the investment is not reported on the balance sheet. The equity of Finanzchef24 GmbH amounted to EUR -1,880k as of December 31, 2021, and the net loss for the year amounted to EUR 2,747k in 2021. This investment is not listed on the stock exchange.

Trust business

Trust assets and liabilities consist of the following:

	<u>Dec. 31, 2023</u>	<u>Dec. 31, 2022</u>
	EURk	EURk
Trust assets		
Trust loans	35,074	39,632
Trust liabilities		
Trust loans	35,074	39,632

Trust loans are fast-track loans for companies sponsored by the Kreditanstalt für Wiederaufbau (KfW) in the wake of the corona pandemic, which are provided with a 100 percent release from liability, leading to the corresponding disclosure being made under trust liabilities.

Prepaid expenses

GRENKE BANK AG has concluded guarantee agreements with GRENKE FINANCE PLC and GRENKE AG to hedge the counterparty default risk of the purchased German, Irish, Spanish and Portuguese lease receivables. As part of the hedging of purchased lease receivables, the premium paid in advance is reported under prepaid expenses. As of the reporting date, an amount of EUR 0k (previous year: EUR 6k) was related to premiums paid to hedge lease receivables. The reduction can be attributed to the decrease in guaranteed lease receivables. Since the second quarter of 2018, all lease receivables have been purchased without a guarantee model.



Liabilities

The following balance sheet items are broken down by residual terms as follows:

	<u>Dec. 31, 2023</u>	<u>Dec. 31, 2022</u>
	EURk	EURk
Liabilities to banks with agreed maturities or notice periods		
with residual terms of		
a) up to three months	9,766	22,160
b) between three months and one year	14,636	30,687
c) between one year and five years	14,291	24,753
d) more than five years	506	729

Liabilities to banks consist of global loans from NRW.BANK, Düsseldorf; Thüringer Aufbaubank, Erfurt; and KfW, Frankfurt am Main; in an amount totalling EUR 28,457k (previous year: EUR 60,895k). The loans have an original term between three and five years and are repaid regularly. Refinancing from KfW and L-Bank also existed for business start-up financing and amounted to EUR 10,586k (previous year: EUR 17,372k).

Liabilities to customers with agreed maturities or notice periods

	<u>Dec. 31, 2023</u>	<u>Dec. 31, 2022</u>
	EURk	EURk
a) up to three months	164,152	166,872
b) between three months and one year	350,170	488,777
c) between one year and five years	938,897	316,278
d) more than five years	40,635	12,517

Liabilities to customers consist of customer deposits due on demand in the amount of EUR 192,186k (previous year: EUR 251,548k) and customer time deposits in the amount of EUR 1,493,854k (previous year: EUR 984,444k). The line item "liabilities to customers" includes amounts of accrued interest of EUR 68,967k (previous year: EUR 85,306k) to affiliated companies and EUR 0k (previous year: EUR 0k) to investments.

Other liabilities consist primarily of the following items:

	<u>Dec. 31, 2023</u>	<u>Dec. 31, 2022</u>
	EURk	EURk
To affiliated companies	21,805	2,938
To third parties	4,230	4,418
From valuation units (forward exchange transaction accounts)	2,780	4,694
To tax authorities	1,624	332

Other liabilities to affiliated companies contain profit transfers in the amount of EUR 21,507k (previous year: EUR 0k), interest of EUR 0k (previous year: EUR 2,771k) and other intergroup clearing accounts in the amount of EUR 299k (previous year: EUR 166k).

6/15



Deferred income

Deferred income of EUR 3,000k (previous year: EUR 2,660k) includes lease instalments already received and commission income from our Norwegian branch, which will not be recognised in income until 2024.

Provisions

Pension provisions are discounted at the average market interest rate from the past ten financial years. The amount of the provision as of December 31, 2023, discounted at the average market interest rate of the past seven financial years, exceeds the reported amount by EUR 14k (previous year: EUR 66k). This difference is subject to a distribution ban in accordance with Section 253 (6) HGB.

Other provisions break down as follows:

	Dec. 31, 2023	Dec. 31, 2022
	EURk	EURk
Risks from trust transactions	5,945	11,318
Employee-related	913	231
Commissions for lease contracts	924	744
Annual financial statement and audit costs	756	768
Legal and consulting fees	423	1,128
Outstanding invoices	298	230
Deposit guarantee	236	250
Supervisory Board remuneration	218	206
Archiving costs	82	75
Provisions for contingent losses	0	234
Other	10	0
Total	9,805	15,184

A portion of the previous year's provisions for risks from the incorrect processing of trust transactions were reversed in 2023.

The business activities of GRENKE BANK AG do not generally allow for the direct allocation of individual asset- and liability-related interest rate financial instruments to each other. Irrespective of this, due to the objective of the transactions (generating a margin from the interest business), there is an economic connection between these transactions recognised by law (known as a refinancing connection). For all financial instruments in the interest book, the principle of imparity under commercial law is taken into account by recognising a provision for any excess liability arising from the valuation of the entire interest book in accordance with Section 340a in conjunction with Section 249 (1) sentence 1, 2nd alternative HGB. The Bank uses the present value method to determine the provision for contingent losses. The recognition of a provision for contingent losses in accordance with Section 249 (1) sentence 1 HGB for the general interest rate risk within the framework of the loss-free valuation of the bank book (see IDW RS BFA 3) is not necessarily due to the positive net present value of the interest book as of December 31, 2023.



Instruments qualifying as Additional Tier 1 regulatory capital

On July 22, 2015, GRENKE BANK AG issued an unsecured, subordinated hybrid bond (non-cumulative, perpetual Additional Tier 1, known as an AT1 bond or hybrid capital) with a nominal volume of EUR 30,000k. This bond was increased by EUR 20,000k on December 20, 2016. Both tranches could be cancelled annually on March 31 of each year. In a letter from the German Federal Financial Supervisory Authority (BaFin) dated March 28, 2023, permission was granted to reduce the supplementary capital in accordance with Articles 77 (1) c), 78 (1) b) CRR, i.e. permission to repay the aforementioned AT 1 hybrid bonds early. As a result, EUR 50 million was repaid to GRENKE AG by mutual agreement on April 26, 2023.

Kommentiert [NCK1]: Please note: In DE text „EUR“ is missing.

Equity

The Bank's subscribed capital amounts to EUR 50,000,000.00 (December 31, 2022: EUR 10,000,000.00) and is divided into 50,000,000 no-par value registered shares (December 31, 2022: 10,000,000). By resolution of the Extraordinary Shareholder's Meeting on May 15, 2023, the subscribed capital was increased by EUR 40,000,000.00 to a total of EUR 50,000,000.00 by converting a partial amount of EUR 40,000,000.00 of the capital reserve reported in the Company's balance sheet as at December 31, 2022 into subscribed capital in accordance with the provisions of the German Stock Corporation Act on capital increases from company funds (Sections 207 et seq. AktG). The capital increase was carried out by issuing 40,000,000 new no-par value registered shares. The new shares are all attributable to GRENKE AG as the sole shareholder and participate in the profits for the full 2023 financial year.

GRENKE AG carried out a capital increase of EUR 15 million with effect as of September 29, 2023, by paying into the capital reserves.

The capital reserves as of December 31, 2023 amounted to EUR 244,000k (previous year: EUR 269,000k).

Contingent liabilities

Contingent liabilities consist solely of guarantee commitments of EUR 101k (previous year: EUR 212k). The risk that the guarantees will be drawn down is currently not foreseeable due to the good credit rating of the contractual partners.

Other commitments

Additionally, irrevocable loan commitments amounted EUR 7,360k (previous year: EUR 6,392k).



Other financial obligations

Financial obligations from continuing obligations amounted to EUR 290k p.a. (previous year: EUR 280k p.a.) due to long-term tenancies. This resulted in a total of EUR 1,037k (previous year: EUR 1,263k) for the remaining terms of the individual obligations (up to 66 months).

Derivative financial instruments

Derivative financial instruments are concluded in the form of interest rate swaps and forward exchange transactions, insofar as a hedging transaction is required. Interest rate swaps are used exclusively to hedge interest rate risks, and forward exchange transactions are used exclusively to cover exchange rate fluctuations. Forward exchange transactions were concluded in the financial year. The following forward exchange transactions were held as of the reporting date:

Forward exchange transactions in Norwegian kroner are measured individually at market value. There were 243 forward exchange contracts (previous year: 263) amounting to a nominal value of NOK 243,490k (previous year: NOK 195,130k) with a market value of EUR +350k (previous year: EUR -234k).

Provisions for contingent losses in the amount of EUR 0k (previous year: EUR 234k) were recognised for the negative market values in accordance with IDW RS HFA 4.

Forward exchange transactions are concluded in Turkish lira and Hungarian forint only to hedge currency risks.

The risk arising from the different changes in value (currency) of the underlying transactions (receivables from customers in Turkish lira and Hungarian forint) is managed using forward exchange contracts. For this purpose, GRENKE BANK AG combines an underlying transaction with a hedging instrument as a valuation unit (micro hedge), whereby a resulting coverage gap (net risk position) is hedged. As of December 31, 2023, the nominal volume of financing in Turkish lira and Hungarian forint amounted to EUR 7,872k (previous year: EUR 39,061k).

The valuation unit for the underlying transaction (loan) and hedging transaction (forward exchange transaction) is generally effective (currency-induced), as both transactions were concluded on the same day at the spot rate, and the assessment of effectiveness was based on the spot rate. Due to the effectiveness of the valuation unit, the provision for contingent losses for the forward exchange transaction (net hedge presentation method) and the write-up of the loan are not recognised. The maximum residual term of the financing in Turkish lira and Hungarian forint is three months.

There is a documented, appropriate and functional risk management system in place for these transactions.



Foreign currencies

Assets denominated in foreign currencies amounted to a total of EUR 12,964k (previous year: EUR 43,394k). These consisted primarily of foreign currency loans to affiliated companies in Turkish lira and Hungarian forint that are hedged by corresponding forward exchange transactions.

Liabilities in foreign currencies amounted to EUR 4,901k (previous year: EUR 3,892k) and relate exclusively to liabilities in Norwegian kroner.

III. Notes to the income statement

A breakdown of revenue by geographical markets is not provided, as the pricing is not country-specific, and revenues therefore do not differ significantly with regard to geographical factors.

A breakdown of revenue by area of activity is not provided, as the breakdown into the main areas of banking business and leasing business is already shown in the statement of income.

Interest income

Interest income includes mainly income from lease receivables in the amount of EUR 66,262k (previous year: EUR 42,260k). Currency effects from the formation of valuation units in the amount of EUR 2,659k (previous year: EUR 3,744k) were deducted from interest income. Interest income also includes interest income from affiliated companies in the amount of EUR 554k (previous year: EUR -280k).

Negative interest

No negative interest income was generated in 2023 due to the elimination of negative interest rates by the Deutsche Bundesbank starting in July 2022 (previous year: EUR 1,551k).

Interest expenses

Interest expenses consisted of interest on global and refinancing loans of EUR 664k (previous year: EUR 302k), interest on customer deposits of EUR 32,558k (previous year: EUR 7,432k) and interest on instruments qualifying as Additional Tier 1 regulatory capital of EUR 1,155k (previous year: EUR 3,665k).

Leasing expenses

Leasing expenses of EUR 2,249k (previous year: EUR 1,040k) resulted from the disposal of lease assets.



Other operating income

Other operating income of EUR 6,720k (previous year: EUR 2,493k) includes income from currency valuation of EUR 534k (previous year: EUR 1,221k), which includes reversals of provisions for contingent losses due to the change in market values for forward exchange transactions in Norwegian kroner amounting to EUR 234k (previous year: EUR 459k), income from the reversal of other provisions amounting to EUR 5,668k (previous year: EUR 853k), income from the refund of value-added tax for previous years amounting to EUR 150k (previous year: EUR 159k) and income from the intragroup reimbursement of staff costs of EUR 26k (previous year: EUR 27k).

General administrative expenses

General administrative expenses consisted of staff costs in the amount of EUR 9,982k (previous year: EUR 8,528k) and other administrative expenses of EUR 13,456k (previous year: EUR 13,879k). The development of costs was significantly influenced by the special audit and associated measures and was in line with the Bank's planned development.

Other operating expenses

Other operating expenses amounted to EUR 255k (previous year: EUR 11,735k) and in the prior year mainly consisted of extraordinary allocations to other provisions of EUR 11,318k for risks from the incorrect processing of trust transactions. Also included are expenses from the disposal of intangible assets in the amount of EUR 0k (previous year: EUR 203k) and non-deductible expenses from foreign branches amounting to EUR 147k (previous year: EUR 150k). In addition, other operating expenses included discounting for provisions in the amount of EUR 29k (previous year: EUR 28k).

Write-downs and valuation allowances on receivables and certain securities as well as additions to provisions for loan losses

Write-downs and valuation allowances on receivables and certain securities, as well as additions to provisions for loan losses, were as follows:

	As of Jan. 1, 2023	Utilisation	Reversals	Additions	Currency effects	As of Dec. 31, 2023
	EURk	EURk	EURk	EURk	EURk	EURk
Specific valuation allowances	16,172	8,047	1,244	3,014	0	9,895
Lump-sum specific valuation allowances	6,697	1,008	2,318	2,186	-23	5,534



	As of Jan. 1, 2023	Utilisation	Reversals	Additions	Currency effects	As of Dec. 31, 2023
	EURk	EURk	EURk	EURk	EURk	EURk
<i>of which purchased lease receivables</i>	2,816	1,008	344	1,329	0	2,793
<i>of which SME and promotional loans</i>	2,470	0	1,922	0	0	548
Total specific valuation allowances	22,869	9,056	3,563	5,201	-23	15,428
Lump-sum specific valuation allowances	17,294	0	347	4,906	0	21,852
<i>of which purchased lease receivables</i>	16,599	0	0	4,906	0	21,505
Total lump-sum specific valuation allowances	17,294	0	347	4,906	0	21,852
Loan loss provisions	0	0	0	0	0	0

The decrease in specific lump-sum valuation allowances was mainly due to the reversal of specific lump-sum valuation allowances for KfW contracts (EUR 1,922k).

The increase in the lump-sum valuation allowances results from the changes in purchased lease receivables.

In addition, immediate write-offs are made, particularly for purchased lease receivables.

Taxes on income and earnings

Since April 1, 2009, a corporate and trade tax group has been in place with GRENKE AG, Baden-Baden.

Taxes on income and earnings amounting to EUR 493k (previous year: EUR 133k) were related to our foreign branches.

IV. Other information

Governing bodies

The members of the **Board of Directors** are as follows:

Helge Kramer, graduate in business mathematics, Hattersheim am Main, Germany (until September 30, 2023)

Dr Oliver Recklies, graduate in business administration, Rüsselsheim am Main, Germany

Dr Arndt Röchling, graduate in business administration, Vienna, Austria (since September 11, 2023)



The members of the **Board of Directors** hold the following additional mandates on supervisory boards or in other supervisory bodies:

Dr Arndt Röchling has been a member of the supervisory board of GF Faktor Zártkörűen Működő Részvénytársaság (GF Faktor Zrt) since December 22, 2023.

The members of the Bank's **Supervisory Board** are the following:

Dr Ljiljana Mitic (Chair), independent management consultant, Munich, Germany (Chair since January 4, 2023; previously held position as Deputy Chair)

Jens Rönneberg (Deputy Chair), independent auditor/tax consultant, Mainz, Germany (Chair until January 4, 2023)

Moritz Grenke, graduate statistician, Baden-Baden, Germany

Dr. Martin Paal, graduate in business administration, Oberursel (Taunus), Germany (since January 1, 2023)

The Supervisory Board has formed an audit committee.

The members of the Supervisory Board have the following additional mandates on supervisory boards and other governing bodies:

Dr Ljiljana Mitic was Managing Director of Venture Value Partners GmbH, Munich, until May 1, 2023. She is a member of the Supervisory Board of GRENKE AG, Baden-Baden, and a Non-Executive Director of Computacenter plc, Hatfield, United Kingdom.

Jens Rönneberg is Managing Director of Roenneberg UG, Mainz, and Deputy Chair of the Supervisory Board of GRENKE AG, Baden-Baden.

Moritz Grenke was Managing Director of GRENKE-Stiftung Verwaltungs GmbH, Baden-Baden, until March 31, 2023.

Total remuneration of the members of governing bodies

The Bank makes use of the protective clause pursuant to Section 286 (4) HGB with regard to the disclosure of the Board of Directors' remuneration as well as of former members of governing bodies pursuant to Section 285 no. 9a and 9b HGB.

The Supervisory Board received remuneration of EUR 208k (previous year: EUR 196k) for the past 2023 financial year.

Advances and loans to members of governing bodies

Loans to members of the Board of Directors amounted to EUR 0k (previous year: EUR 1k).

These loans are related to the non-interest-bearing provision of credit cards with a credit card limit totalling EUR 0k (previous year: EUR 3k).

Loans to members of the Supervisory Board amounted to EUR 0k (previous year: EUR 0k).

These loans are related to non-interest-bearing provision of credit cards with a credit card limit totalling EUR 0k (previous year: EUR 0k).



Transactions with related parties

In the course of its ordinary business activities, GRENKE BANK AG offers services to related parties in key positions and their close family members, as well as to related companies that are controlled or jointly managed by these persons. As of the reporting date, the Bank had received deposits of EUR 1,014k (previous year: EUR 7,648k) from persons in key positions and their close family members and related companies. The related interest expense amounted to EUR 6k (previous year: EUR 25k). As of the reporting date, credit card accounts to related persons in key positions that were not yet settled showed a balance of EUR 0k (previous year: EUR 8k) with a credit card limit of EUR 0k (previous year: EUR 103k). No further loans were extended to this group of persons during the reporting period.

Liabilities to associated companies result from the Bank's deposit business. As of the December 31, 2023 reporting date, the Bank had received deposits of EUR 0k (previous year: EUR 12k) from associated companies. Interest expenses arose in the amount of EUR 0k (previous year: EUR 0k). There were no longer any receivables from loans (previous year: none).

Receivables from loans granted in connection with the refinancing of GRENKE AG franchise companies amounted to EUR 9,490k (previous year: EUR 6,300k); interest income amounted to EUR 241k (previous year: EUR 117k). Liabilities in the amount of EUR 408k (previous year: EUR 623k) and receivables of EUR 0k (previous year: EUR 654k) resulted from accounts payable on demand. The related income from commissions and interest equalled EUR 0k (previous year: EUR 87k).

Receivables from related parties in accordance with IAS 24.10 from current account credit balances due on demand amounted to EUR 830k (previous year: EUR 802k). Interest income totalled EUR 32k (previous year: EUR 31k).

Employees

The average number of employees (excluding members of the Board of Directors) was 87 full-time employees (previous year: 80) and 20 part-time employees (previous year: 21).

Group affiliations

Since February 18, 2009, the Bank has been an entity of the GRENKE AG Group, Baden-Baden, which holds all shares in the Bank. The Bank's annual financial statements are included in the consolidated financial statements of GRENKE AG. The consolidated financial statements are published in the German Federal Gazette.

Auditor's fee

The information on the auditor's fee in accordance with Section 285 sentence 1 no. 17 HGB is provided in the consolidated financial statements of GRENKE AG, Baden-Baden.

Baden-Baden, February 29, 2024

GRENKE BANK AG



THE BOARD OF DIRECTORS



Dr. Peter Rockliss



Dr. Arndt Röchling





GRENKE BANK AG, Baden-Baden

Management report

for the 2023 financial year

1. Business and economic environment

The macroeconomic environment presented numerous challenges in 2023. The war between Russia and Ukraine, which began in February 2022, has caused an enduring high level of uncertainty. The start of the war between Israel and Hamas in October 2023 introduced further risk factors for global trade and the global economy.

At the beginning of the year, the European Central Bank (ECB) initially continued its restrictive monetary policy due to the eurozone's very high inflation rate of 8.6 percent. The year began with the eurozone's key refinancing rate still at 2.5 percent and a deposit rate, which had been setting the trend for the financial markets, of 2.0 percent. By September 2023, however, the ECB had raised the key interest rates six more times, bringing the main refinancing rate to 4.5 percent and the deposit rate to 4 percent, resulting in a challenging capital market environment. Easing inflationary pressures and the associated ECB interest rate pause that began in the fall of 2023, brought down tension in the capital markets, and the leading indices recorded gains. Based on an estimate from January 5, 2024, the eurozone's inflation rate in December 2023 was 2.9 percent. The trend in key interest rates in the USA was similar but preceded the rate hikes in Europe. After starting the year 2023 in the range of 4.25 percent to 4.5 percent, by July 2023 the US Federal Reserve had raised the benchmark rate to a range of 5.25 percent to 5.5 percent and has left it at this level ever since.

In its estimate published at the end of January, the International Monetary Fund (IMF) assumed global growth in 2023 of 3.1 percent, surpassing initial expectations. On the demand side, positive impetus came from global consumer and government spending, which was unexpectedly high in some countries despite the global rise in interest rates. On the supply side, functioning value chains and a good labour market supported companies' production conditions. Falling inflation rates also sent a positive signal.



Economic growth according to the IMF

Percent	2023	2022
World	3.1	3.5
USA	2.5	1.9
Euro area	0.5	3.4
Germany	-0.3	1.8
France	0.8	2.5
Italy	0.7	3.7
Spain	2.4	5.8
Great Britain	0.5	4.3

The United States proved to be robust in 2023, growing stronger than in the previous year. In the eurozone, the increase in key interest rates that began in 2022 took its toll, resulting in growth in the eurozone of just around one-seventh of the previous year. However, thanks to the comparatively strong growth in the vacation destinations of Spain, Italy and Portugal, the euro economy was able to avoid a recession. The gross domestic product in Germany, in contrast, declined in 2023. According to the IMF, domestic demand weakened in Germany, and export demand fell short of previous years. The IMF also cited the German debt brake and a recent ruling by the Federal Constitutional Court as weighing on German growth.

The sentiment indicator for the eurozone economy published by the European Commission reached 96.4 points in December 2023. With the corresponding indicator standing at 96.7 points in December 2022, the sentiment of the companies surveyed had thus remained essentially unchanged compared to the prior year. After initially trending higher at the start of the reporting year, the indicator fell to 93.6 points by September and rose again to close the year.

In contrast, the sentiment among the German companies surveyed by the Ifo Institute deteriorated over the course of 2023. Starting in April 2023, there was a continuous decline in the Ifo Business Climate Index. This indicator, which summarises companies' assessment of their current business situation as well as their expectations for development for the subsequent six months, had fallen to 86.4 points by December 2023 (December 2022: 88.9 points). Companies' assessment of their current business situation in particular had deteriorated significantly compared to the same month of the previous year and equalled 88.6 points (December 2022: 94.2 points). Companies were however somewhat more optimistic about the future, with expectations for the next six months slightly higher year-on-year at 84.3 points (December 2022: 83.8 points). According to the Ifo Institute, the energy crisis and uncertainty surrounding Germany's financial and economic policies likely had a negative impact on companies' assessments. In a sector comparison, companies in the construction industry were particularly negative about the business situation, attributing this to high interest rates and extensive regulations.

On the positive side, the shortage of materials that still existed at the beginning of the year had largely dissipated over the course of the year. The number of insolvencies in Germany rose in the reporting year, whereas insolvencies in the eurozone recorded a slight decline as a whole in the third quarter.

Amid this challenging environment, the Group succeeded once again in continuing its growth trajectory in new leasing business in full-year 2023. In addition, the ECB's interest rate hikes have now been fully incorporated in the leasing conditions, and year-on-year profitability in new business has increased. These factors also have a positive impact on the Bank's business performance.

Against this backdrop, GRENKE BANK AG recorded an increase in total assets of 22.4 percent in 2023.

7/19



The growth in total assets was primarily due to the 20.5 percent increase in lease receivables purchased within the GRENKE Group and, on the liabilities side, the higher volume of liabilities to customers (+36.4 percent). The majority of these are attributable to customer time deposits (+50.1 percent). This development had a noticeable impact on the liquidity reserve (+69.9 percent) at the Bundesbank and other correspondent banks.

The Bank's result from ordinary activities was sharply positive due to the absence of the extraordinary factors occurring in the previous year (recognition of provisions for the trust loan business) and the contrasting impact from the partial reversal of these provisions.

GRENKE BANK AG is an integral part of the GRENKE Group and acts as a significant source of refinancing for the GRENKE Group. GRENKE BANK AG is also involved in the processing of the GRENKE Group's payment transactions. As a specialist financing partner, GRENKE BANK AG offered short- and medium-term financing products exclusively for SMEs in the form of microcredit loan financing during the reporting year. In 2021, GRENKE BANK AG was again awarded the sole contract for the German government's microcredit fund under the auspices of the German Federal Ministry of Labour and Social Affairs for a further three years and has been offering the product on the market again since September 2021. After the launch of the programme in 2015 and the extension three years later, GRENKE BANK AG assumed the role of lender of government microcredits of up to EUR 25k for micro, small and medium-sized enterprises (SMEs) for the third time.

Another focal point of activity is the traditional deposit business with primarily private customers and, in some cases, commercial customers. The primary purpose of this business is to refinance the purchased lease receivables and the Bank's other SME lending business that is being phased out. Serving as a financial performance indicator is the change in the portfolio of receivables from customers (EUR +177,192k vs. planned EUR -42,554k; previous year: EUR -36,350k), and particularly the change in the portfolio of intragroup purchases of receivables (EUR +176,116k vs. planned EUR +26,298k; previous year: EUR -49,848k), including the corresponding refinancing through customer deposits (EUR +450,047k vs. planned: EUR +124,816k; previous year: EUR -253,938k) and global loan partnerships with development banks (EUR -39,040k vs. planned: EUR -11,819k; previous year: EUR -63,617k). Other financial performance indicators include the net profit for the year and the cost-income ratio (CIR) as a ratio of staff costs and other administrative expenses to gross profit (before risk result and other operating income/expenses). The CIR was 39 percent in 2023 (previous year: 58 percent) and is expected to be below 50 percent in the future.

A gender-specific quota at the first management level of GRENKE Bank was defined as a non-financial performance indicator. With regard to the equal participation of women and men in management positions, we were able to achieve our target of 30 percent for both genders in the first management level in 2022 and 2023.

Total assets increased to EUR 2,100.9 million (planned: EUR 1,776.4 million), as there was a significant increase in customer deposits in particular. The result from ordinary activities of EUR 22.0 million (planned: EUR 8.2 million) exceeded expectations due to the higher business volume and the unscheduled partial reversal of a provision.

GRENKE BANK AG's customer deposits fulfil an important refinancing function for the GRENKE Group. The management of new deposit business is therefore largely based on the GRENKE Group's refinancing requirements and the planned and realised receivables purchase volumes, which are coordinated at the Group level. Therefore, the development of average interest rates is important for other refinancing sources, as is the general development of conditions for deposits of private and commercial customers in the banking sector. During the past financial year, the development of the general level of interest rates also affected conditions in the deposit business. The benchmark interest rate was raised in 2023 from 2.50 percent (interest rate decision on December 21, 2022) to 4.50 percent

7/19



(September 20, 2023). This also had an impact on GRENKE BANK AG's interest rates.

GRENKE BANK AG continues to benefit from the generally high demand for safe investments. GRENKE BANK AG's deposit business is considered such a safe investment as a result of the statutory deposit protection and the security provided by the deposit protection fund of German private banks in Germany within the scope of statutes. The maximum amount of deposit protection per customer of GRENKE BANK AG is not relevant due to the high level of diversification and low deposit volume per customer. In 2023, the deposit volume increased 36.4 percent to EUR 1,686,040k.

GRENKE BANK AG was able to further expand its small-scale lending business in 2023 in terms of its loan portfolio in the area of microcredit loan financing. GRENKE BANK AG handles the processing and refinancing of microcredit loans on behalf of the Federal Republic of Germany without taking on any default risk and receives an appropriate interest margin in return. As of December 31, 2023, the loan portfolio for this product amounted to EUR 96,933k (previous year: EUR 94,365k) and was distributed across 8,322 existing loans (previous year: 8,052). The active sale of business start-up loans outside of the microcredit loan area was discontinued in the course of 2019. The Bank continues to service the remaining portfolio.

Furthermore, prior to 2021, GRENKE BANK AG extended credit lines and particularly smaller operating and investment loans to SME customers in Germany in view of its SME focus at the time. The Bank's new business activity in these credit products however was significantly reduced as of the second quarter of 2020 due to the corona pandemic and entirely discontinued as of mid-2021. The loan value of this loan portfolio amounted to EUR 7,883k as of December 31, 2023 (previous year: EUR 16,226k). Current account loans and refinancing funds for the lease and factoring businesses were made available to GRENKE Group companies, with GRENKE AG customarily providing a guarantee as collateral. As of December 31, 2023, the utilisation amounted to EUR 43,106k (previous year: EUR 46,051k).

The total volume of purchased German and European lease receivables increased to EUR 1,318.4 million as of the reporting date (previous year: EUR 1,142.3 million). The recognised lease receivables not guaranteed by a Group company totalled EUR 1,318.4 million as of the reporting date (previous year: EUR 1,142.1 million). Lease receivables continue to be purchased at risk-adjusted prices.

There is a cooperation between NRW.BANK in Düsseldorf in conjunction with GRENKE AG and GRENKE BANK AG. Through this cooperation, small and medium-sized enterprises and self-employed professionals in North Rhine-Westphalia can take advantage of promotional funds when they finance new business purchases through leasing. In 2022, a contract for a volume of EUR 20 million was concluded, and EUR 10 million was utilised in 2022. In 2023, the second tranche of EUR 10 million was drawn down and fully utilised, leaving three global loan tranches with NRW.BANK in Düsseldorf with an outstanding total amount of EUR 17,499k (previous year: EUR 23,125k) as of December 31, 2023. At the end of 2023, the portfolio contained 4,591 lease contracts (previous year: 6,792) resulting from these promotional programmes. The refinancing of the lease contracts, which are exclusively available for investment projects in North Rhine-Westphalia by commercial enterprises and self-employed professionals with annual sales of up to EUR 500 million, is carried out through the purchase of receivables by GRENKE BANK AG. Another global loan is planned for 2024.

There is also a cooperation with the Kreditanstalt für Wiederaufbau (KfW) in Frankfurt am Main, through which three global loan agreements have been concluded, also involving our parent company, GRENKE AG. This cooperation enables small and medium-sized enterprises throughout Germany to take advantage of development funds when they finance new business acquisitions through leasing. GRENKE BANK AG also handles the processing via the purchase of receivables. As of December 31, 2023, three global loan tranches amounted to EUR 8,311k (previous year: EUR 36,740k). As of the end of 2023, a total of 11,663 lease contracts (previous year: 21,067) with funding from KfW in Frankfurt am Main were in place and amounted to EUR 51,294k (previous year: EUR 114,963k).

7/19



In addition, a new agreement with a volume of EUR 5 million was concluded with Thüringer Aufbaubank (TAB) in Erfurt and was utilised in the amount of EUR 2.5 million. As a result, there are two global loan tranches originally amounting to EUR 5.0 million with the Thüringer Aufbaubank (TAB) in Erfurt, which were valued at EUR 2,647k as of December 31, 2023 (previous year: EUR 1,029k). At the end of 2023, there were 381 lease contracts (previous year: 676) from this programme valued at EUR 1,199k (previous year: EUR 2,933k).

GRENKE BANK AG has a branch in Lysaker, which operates the leasing business in Norway. The Bank assumes the role of lessor in the GRENKE Group, utilising its EU passport. Since the commencement of business activities in Norway, 5,708 lease contracts (previous year: 4,320) have been concluded, amounting to a total commitment (carrying amount of the leased assets) as of the reporting date of EUR 22,431k (previous year: EUR 19,260k). The average net acquisition value of newly concluded lease contracts totalled EUR 8k (previous year: EUR 7k) and was thereby within the range of the GRENKE Group's "small-ticket leasing".

Since 2017, GRENKE BANK AG has had a branch office in Milan, Italy, from which it offers factoring services in Italy. By the end of 2023, a total of 264 factoring agreements (previous year: 229) had been concluded, and purchased receivables amounted to EUR 18,502k at year-end (previous year: EUR 15,969k).

In the first half of 2019, GRENKE BANK AG established a branch in Portugal to offer factoring services. By the end of 2023, a total of 97 factoring framework agreements (previous year: 78) had been concluded, and purchased receivables amounted to EUR 14,531k at year-end (previous year: EUR 9,767k).

The Bank still does not expect the current war between Russia and Ukraine to have any direct impact on the business development of GRENKE AG's lease purchases or on the factoring business. GRENKE AG has analysed the energy sensitivity of the customers in its existing portfolio relative to their dependence on Russian gas in the respective European countries affected. A significant reduction in new business in the Leasing segment is not foreseeable. GRENKE BANK AG's planning for 2024-2026 includes only just under one-fifth of the potential new business volume in each of the European countries refinanced by GRENKE BANK and therefore the economic effects of the war are not material for GRENKE BANK AG.

2. Economic report

2.1. Results of operations

GRENKE BANK AG's result from ordinary activities amounted to EUR 22,000k in 2023 (previous year: EUR -5,298k).

The result is due to the higher-than-planned purchase of lease receivables, greater interest on the cash reserve at the Bundesbank, and the partial reversal of the provisions for risks from the trust loan business recognised in 2022.

At the end of the financial year, net interest income amounted to EUR 57,801k (previous year: EUR 36,179k). Significant interest income of EUR 66,262k (previous year: EUR 42,260k) was generated from purchased lease receivables. This accounted for 71.8 percent of the Bank's total interest income of EUR 92,254k (previous year: EUR 49,129k) and thus continued to provide a stable foundation for the Bank's income. The factoring business contributed EUR 3,094k (previous year: EUR 2,130k) to net interest

7/19



income.

Leasing income from the leasing business in Norway increased to EUR 11,145k (previous year: EUR 9,205k). Commission income fell to EUR 3,038k (previous year: EUR 3,119k), particularly as a result of lower income from trust loans. Commission expenses of EUR 3,330k (previous year: EUR 3,663k) included EUR 1,458k (previous year: EUR 1,677k) in commissions for the brokering of lease contracts in Norway and EUR 857k (previous year: EUR 649k) in commissions for the brokering of factoring framework agreements in Italy and Portugal.

Staff costs in the past financial year amounted to EUR 9,982k (previous year: EUR 8,528k). The higher staff costs were related to the recruitment of new specialists, particularly to cope with increased administrative and supervisory tasks. Other administrative expenses in the financial year totalled EUR 13,456k (previous year: EUR 13,879k).

Depreciation/amortisation and impairment of intangible assets and property, plant and equipment amounted to EUR 238k (previous year: EUR 310k). Scheduled depreciation of leased assets amounted to EUR 5,742k (previous year: EUR 4,752k). Write-downs and valuation allowances on receivables and certain securities equalled EUR 21,452k (previous year: EUR 12,367k).

Other operating expenses amounted to EUR 255k (previous year: EUR 11,735k) and primarily concern non-deductible value-added taxes of the foreign branches in the amount of EUR 147k (previous year: EUR 151k) and the compounding of non-current provisions in the amount of EUR 29k (previous year: EUR 28k). No allocation to the provision for processing risks in trust transactions was necessary for the reporting year (previous year: EUR 11,318k).

Other operating income consists of the result from foreign currency gains and losses of EUR 534k (previous year: EUR 1,221k), arising from the settlement of forward exchange transactions concluded to hedge our foreign currency risks in connection with the Norwegian leasing business and the granting of intragroup foreign currency loans. This amount also includes the reversal of provisions for contingent losses due to the change in the market value of forward exchange transactions in Norwegian kroner in the amount of EUR 234k (previous year: EUR 459k). In addition, this figure includes EUR 82k (previous year: EUR 68k) from rental income in Norway and Portugal and EUR 26k (previous year: EUR 27k) from the reimbursement of staff costs and VAT refunds totalling EUR 150k (previous year: EUR 159k). Other operating income additionally includes EUR 5,668k (previous year: EUR 853k) from the release of other provisions, including the partial reversal of provisions recognised in the previous year for processing risks in trust transactions in the amount of EUR 5,373k.

The result from ordinary activities was EUR 22,000k (previous year: EUR -5,298k). After taking into account the profit transfer of EUR 21,507k (previous year: EUR 18k), as well as the income taxes incurred in Norway of EUR 493k (previous year: EUR 133k), the net profit for the year amounted to EUR 0k (previous year: EUR 5,450k).

As a result, the return on capital in accordance with Section 26a (1) sentence 4 of the German Banking Act (ratio of net profit to total assets) amounted to 1.05 percent (previous year: -0.31 percent) before taxes.

The net profit of EUR 22,000k significantly exceeded the planning adopted in December 2022 for 2023, which envisaged a net profit of EUR 8,235k. The better-than-planned result is attributable to the fact that instead of the provisions made in the previous year for risks from trust transactions in the amount of EUR 11,318k, there was a partial reversal in provisions in 2023. In addition, the higher business volume resulted in a significantly better net interest income in the financial year.



2.2. Financial position, net assets and liquidity

GRENKE BANK's total assets increased by 22.4 percent to EUR 2,100,865k compared to December 31, 2022, mainly due to the increase in loans and advances to customers and customer deposits. As a result, liquidity in the form of balances with the Deutsche Bundesbank increased.

Receivables from banks as of the reporting date amounted to EUR 14,818k (previous year: EUR 47,469k) and balances with central banks to EUR 484,721k (previous year: EUR 246,614k). These funds are used to manage and secure liquidity and increased by a total of 69.9 percent compared to the previous year. As of December 31, 2023, committed but unutilised credit lines in the amount of EUR 10,000k existed.

The Bank continues to find itself in a comfortable liquidity situation as of the reporting date, as reflected by the credit balances held at the Deutsche Bundesbank. The Bank complied with the liquidity coverage ratio (LCR) at all times and was able throughout the financial year to meet its payment obligations.

Receivables from customers consist of purchased lease receivables, microcredit loans, business start-up financing and other financing (e.g. overdraft facilities and investment loans). As of the reporting date, receivables from customers amounted to EUR 1,529.6 million (previous year: EUR 1,352.4 million). Of this amount, EUR 1,318.4 million (previous year: EUR 1,142.3 million) was attributable to purchased lease receivables, which accounted for 86.2 percent of the Bank's total portfolio of receivables from customers as of the December 31, 2023 reporting date. The granting of microcredit loans was further expanded. As of the reporting date, these totalled EUR 96,933k (previous year: EUR 94,365k).

The investment in Finanzchef24 GmbH, Munich, had been fully impaired in 2021.

Leasing transactions in Norway resulted in leased assets with a carrying amount of EUR 22,431k (previous year: EUR 19,260k) as of the reporting date. In the course of the year, the volume of business increased by 16.5 percent.

Liabilities to customers as of the reporting date increased by 36.4 percent compared to December 31, 2022 and amounted to EUR 1,686.0 million (previous year: EUR 1,236.0 million). Of this amount, EUR 1,493.9 million resulted from deposits with a contractually agreed term or notice period (previous year: EUR 984.4 million).

As of the reporting date, liabilities to banks included calls on the global loans with the development banks Kreditanstalt für Wiederaufbau (KfW) in Frankfurt am Main, NRW.BANK in Düsseldorf, and Thüringer Aufbaubank (TAB) in Erfurt, as well as the refinancing of start-up business financing through KfW in Frankfurt am Main, and Landes Kreditbank Baden-Württemberg (L-Bank) in Karlsruhe. As a result, the total amount as of the reporting date, including the accrued interest on the aforementioned items, was EUR 39,470k (previous year: EUR 78,510k).

Provisions totalled EUR 11,842k (previous year: EUR 16,925k) and included provisions for pension obligations of EUR 1,546k (previous year: EUR 1,612k) and tax provisions of EUR 491k (previous year: EUR 129k) for the Norwegian branch. In addition, provisions existed for the trust loan business in the amount of EUR 5,945k (previous year: EUR 11,318k), for commission obligations in the amount of EUR 924k (previous year: EUR 744k), for staff costs in the amount of EUR 913k (previous year: EUR 231k), for annual financial statement and audit costs in the amount of EUR 756k (previous year: EUR 768k), for legal and consultancy costs of EUR 423k (previous year: EUR 1,128k), for outstanding invoices of EUR 298k (previous year: EUR 230k) and for contributions to deposit insurance of EUR 236k (previous year: EUR 250k). In addition, there were provisions for archiving obligations amounting to EUR 82k (previous year: EUR 75k). The provisions for contingent losses on forward exchange transactions amounting to EUR 234k were reversed.

In the context of the issue of a hybrid bond at the Group level, GRENKE BANK AG issued a subordinated

7/19



bond in the amount of EUR 30 million on July 22, 2015, which was purchased by GRENKE AG. This represents what is referred to as Additional Tier 1 regulatory capital (AT 1). On December 20, 2016, this subordinated bond was increased by EUR 20 million, which was also purchased by GRENKE AG. The bond was called and fully repaid on March 31, 2023.

In accordance with the resolution of the Annual General Meeting, the subscribed capital was increased by EUR 40,000k to EUR 50,000k in 2023. A total of EUR 40,000k of the capital reserves was withdrawn for this increase in accordance with Section 272 (2) no. 4 HGB. In addition, GRENKE BANK AG received cash contributions into the capital reserves of EUR 15,000k from its sole shareholder, GRENKE AG, to strengthen its equity in accordance with Section 272 (2) no. 4 HGB. For the composition of equity, please refer to the notes.

Contingent liabilities from guarantees amounted to EUR 101k as of the reporting date (previous year: EUR 212k). In addition, there are irrevocable loan commitments for unused credit lines in the amount of EUR 7,360k (previous year: EUR 6,392k).

2.3. General statement on the Bank's business performance and situation

The 2023 financial year developed better than planned. The Bank's net assets, financial position and results of operations are in good order.

3. Report on risks and opportunities

GRENKE BANK's strategic focus is on providing targeted support to the parent company and its subsidiaries and particularly to the latter's target customers. In its function as a captive bank, GRENKE BANK AG plays an important role in the refinancing of the GRENKE Group. It creates the technical, organisational and regulatory framework for acquiring low-volume customer deposits and making them reliably available at market conditions for the refinancing of the GRENKE Group, even in times of crisis.

Transaction costs are decisive for the profitability and attractiveness of the products offered for both the Bank and its customers. The Bank strives to make the settlement of transactions simple and therefore cost-effective for the customer and to keep process costs low through the use of modern technology.

The business and risk strategies are defined by the Board of Directors and form the basis for the risk management system. The Board of Directors bears overall responsibility for monitoring the risks of GRENKE BANK AG.

The Risk Control function informs the Board of Directors and Supervisory Board of the overall risk situation and the utilisation of the defined limits within the framework of regular reporting. The main tasks of the Risk Control function include the following:

- Supporting the Board of Directors in all risk policy matters and particularly in the development and implementation of the risk strategy
- Designing a system to limit risk (risk indicators, early risk detection procedures)
- Establishing and further developing risk management and controlling processes
- Monitoring and communicating significant risks (carrying out risk inventories; preparing overall risk profiles and risk reports; and monitoring the risk situation, risk-bearing capacity and compliance with limits)

GRENKE BANK AG's risk strategy is aligned with its business strategy.

7/19



3.1. Strategic opportunities

The Bank represents a significant additional refinancing pillar for the GRENKE Group. For this purpose, the Bank purchases lease receivables from GRENKE Group companies and uses its time deposits, mainly from private and commercial customers, to make these purchases. With a consistent business focus, the Bank's planning provides for replacing the high level of repaid and expired lease receivables in 2024. It also facilitates a continuous expansion in the business volume in subsequent years by including additional European countries from the GRENKE Group in lease purchases each year. At the same time, development depends to a large extent on the GRENKE Group's future new business figures and the economic circumstances in Europe, as the intragroup purchases shape the Bank's balance sheet structure. The Bank also has the option to directly extend loans to GRENKE Group companies in order to finance their new business. The Bank's role as a payment transaction service provider within the GRENKE Group is also very important. Various companies in the GRENKE Group process direct debits for the leasing business via the Bank, which has established a direct payment channel to the Deutsche Bundesbank for this purpose. In the field of SME financing, going forward, the Bank will concentrate on small-scale standardised transactions (bank loans and overdrafts of up to EUR 25k and, if necessary, state-sponsored microcredit loans of up to EUR 25k). Work is currently underway to expand the further credit offering for leasing customers of GRENKE AG in the area of "supplemental lease loans", also in connection with "ESG loans". There is no current plan to extend beyond these thresholds for new lending business with customers outside of the GRENKE Group. However, there are still loan commitments from the past related to promotional loans, bank loans and overdraft facilities where the loan commitments exceed the aforementioned amounts. The Bank will gradually reduce this portfolio through ongoing repayments.

The business in the three banking branches is discussed annually together with the Group, as the business activities allocated there are part of GRENKE AG's business segments.

In light of the strategic objectives, GRENKE BANK AG will continue to provide its branches (Leasing in Norway; Factoring in Portugal and Italy) suitable support in their day-to-day operations.

By resolution of the governing bodies on January 26/31, 2024, GRENKE AG announced its intention to focus its business activities on the leasing business in the future and divest itself of the Factoring segment. A corresponding ad hoc announcement was published on January 31, 2024. The Board of Directors of GRENKE BANK AG resolves in the same manner as GRENKE AG to strive to discontinue the Bank's factoring business and to examine the options available to accomplish this.

Meanwhile, the process of acquiring the leasing franchisers continues, which may make this function for Norway no longer necessary in the future.

3.2. Markets

The Bank's business activities are centred on the purchase of intragroup lease receivables from selected European countries. The focus here is exclusively on countries where the GRENKE Group is already operating and has many years of experience. In addition, complementary banking products continue to be mainly offered in the domestic market.

In addition to the purchase of lease receivables, other types of financing are offered in Germany, with a focus on small loans for SMEs up to EUR 25k. In line with the GRENKE Group's orientation, the Bank does not offer consumer loans on the market. It also offers loans to companies in the GRENKE Group. In deposit-taking business, the Bank continues to offer traditional deposit business for private and corporate customers. In addition, there are payment transaction services associated with these

7/19



transactions, particularly for GRENKE Group companies and as part of the viafintech cooperation. GRENKE BANK AG has offered the leasing business in Norway since September 2015 and the factoring business in Italy since August 2017. The operational launch of the factoring business in Portugal took place in July 2019.

3.3. Risk management

In generating income, risks are taken only to the extent permitted by the Bank's risk strategy. The foundation for their management is the Bank's risk-bearing capacity calculation in the normative and economic perspectives. This is supplemented by a liquidity view and regulatory-compliant liquidity planning.

The Bank's risk management distinguishes between the main risk types of credit risk, market risk, liquidity risk and operational risk. In addition, the other risks and the risks to be considered cross-sectionally (model risk, reputational risk and sustainability risk) are examined for their relevance and materiality as part of the risk inventory. The risk policy guidelines for managing these risks are set out in GRENKE BANK AG's risk strategy.

The overriding objective of our risk management is to limit the assumed capital and liquidity risks to an acceptable level in line with regulatory and internal bank standards. This overall objective is a mandatory requirement for the Bank to be able to fulfil its financing function and role as the GRENKE Group's captive bank in the long term. In addition to complying with the minimum capital and liquidity requirements, when applying the normative perspective (NP), regulatory standards also require a related internal analysis and assessment of the Bank's risk-bearing capacity from the economic perspective (EP).

The responsibilities within the risk management process are clearly defined. The entire Board of Directors is responsible for the proper establishment, organisation and effectiveness of the risk management system. The Board is supported by the Risk Control function in accordance with the German minimum requirements for risk management (MaRisk). Based on the goals of the business strategy for the Bank as a whole, the Bank's Board of Directors defines the risk strategy, which sets the strategic framework for risk management. Within this framework, the overarching risk objectives, the risk appetite and the use of standards, methods, procedures and instruments to achieve them are defined. The risk management process encompasses all organisational regulations and measures for the systematic handling of risks in their entirety.

Ensuring the functionality and effectiveness of control and monitoring systems in risk management is one of the responsibilities of the Internal Audit department.



3.4. Risk-bearing capacity

To ensure risk-bearing capacity, the Bank has implemented management concepts from a capital (Internal Capital Adequacy Assessment Process – ICAAP) and liquidity standpoint (Internal Liquidity Adequacy Assessment Process – ILAAP).

3.4.1. Internal Capital Adequacy Assessment Process (ICAAP)

The regular risk-bearing capacity assessment (RBC assessment) ensures that the material risks according to the risk inventory are continuously covered by risk coverage potential (RCP). Applying a normative perspective (NP), planned compliance with regulatory capital requirements and thus the Bank's regulatory ability to continue as a going concern must be demonstrated. Applying an economic perspective (EP), the coverage of all risks by the enterprise value and thus the protection of creditors against losses must be proven.

The normative perspective distinguishes between a plan scenario and adverse scenarios in which different capital requirements are set. In the plan scenario, the regulatory requirement is 19.1 percent, and the regulatory minimum requirement is 16.35 percent. Over the planning period, the capital ratios in the plan scenario will decrease slightly to 21.6 percent in 2026.

Applying the economic perspective, the Bank generally chooses a present-value quantification approach. If suitable methods and procedures are available, both the components of the risk coverage potential and the material risks are quantified at present value.

The risk coverage potential consists of the enterprise value as the difference between assets and liabilities, including off-balance sheet items (existing business) at the time of valuation. The present value risk coverage potential is calculated after deducting future expenses, particularly those associated with the existing business, and a risk buffer.

Applying the economic perspective, the limit system set up on the basis of the risk coverage potential provided as of December 31, 2023 for the next 12-month risk horizon is as follows:

Risks	Limit	Risk 12/2023	Utilisation
Counterparty default risk	125.0	68.3 ●	54.6%
+ Market price risk	33.0	12.0 ●	36.4%
+ Operational risk	7.0	4.2 ●	60.0%



3.4.2. Counterparty default risk

Credit risks are controlled within the framework of the risk-bearing capacity calculation by means of a limit system, and there are also limits at the level of the individual exposures. To reduce credit risks, collateral with a standard bank valuation is agreed upon if necessary. Risk concentrations are limited as much as possible through small-scale business and diversification.

In addition to the overall bank strategy, these processes are based on the risk-bearing capacity model and corresponding process specifications for the lending business, which are used to implement the legal and supervisory requirements. The written regulations for the credit division contain all essential qualitative and quantitative specifications for lending, above all the strict separation of functions between the front office and the back office at all hierarchical levels. The Bank has opted for the Credit Risk Standard Approach (CRSA) to implement the own funds requirements according to the Capital Requirements Regulation II (CRR II).

The GRENKE Group's purchased lease receivables, which accounted for 64.8 percent of the Bank's total risk volume as of the December 31, 2023 reporting date, excluding the volatile item of bank balances, are broadly diversified and characterised by a relatively low volume per individual receivable.

In the case of **credit risk**, only the unexpected loss (UL) is taken into account, as the expected loss (EL) is already deducted in the RCP calculation. The UL is quantified in accordance with the working instructions for ADR measurement. For the customer business, the present value credit value-at-risk (CvAR [present value]) is recognised as the UL in accordance with KRM or KPM-KG. In the lease purchase and the Bank's own leasing business, the values for the probability of default (PD) and loss given default (LGD) determined by the GRENKE Group are used. For the Bank's own lending business, the PD is mainly derived on the basis of the viability rating (VR).

Loan loss provisions decreased from EUR 51,481k to EUR 43,225k in the financial year.

Counterparty default risks in the proprietary business are of minor significance. Cash investments are made with Deutsche Bundesbank, DZ BANK AG, Commerzbank AG, Deutsche Bank AG and SEB AB. The counterparty risks of these transactions are assessed using external ratings. The one-year probabilities of default (PD) are derived from the default histories of the Standard & Poor's and Fitch rating agencies.



The country risks are tracked in the risk report; no special country risks can be identified at present; rather, the portfolio is diversified across countries. The risk volume (RV) in the customer lending business (excluding the factoring and leasing businesses in Norway) was essentially distributed across the following countries on the reporting date:

Kommentiert [NCK2]: Added for English readers so they understand the abbreviation in the table that follows. Addition okay?

Country	RV 12/2023 (in EURk)	RV share 12/2023 (in percent)
Belgium	99,107	6.2
Germany	384,183	24.1
Finland	10,496	0.7
France	459,256	28.8
Ireland	110,019	6.9
Croatia	25,152	1.6
The Netherlands	122,941	7.7
Portugal	118,571	7.4
Romania	36,939	2.3
Spain	211,561	13.3
Turkey	2,695	0.2
Hungary	4,157	0.3
Rest of World	11,746	0.7
Total	1,596,824	100.0

As of the reporting date, there were no investments with a carrying amount greater than zero.

The Board of Directors and the Supervisory Board are kept informed about the lending business, particularly through the quarterly risk reports. The Board of Directors is also involved in the planning and implementation of purchases of lease receivables.

3.4.3. Market price risk

Interest rate risk is considered a significant market price risk. Its risk content is low due to the strategy, as (i) the balance sheet structure has matching maturities and (ii) the hedging of open foreign currency positions is provided for.

In present value terms in accordance with the BaFin circular dated 06/2019, the interest rate risk coefficients (present value loss relative to regulatory own funds) are ± 200 bps within the internal upper limit of ± 5 percent.



Reported figures (Amounts in EURk)	Dec. 31, 2023	
	Change in present value	Interest rate risk coefficient
Interest book present value as of the reporting date	454,984	
Interest rate increase of +200 bps	5,698	1.92
Interest rate cut by -200 bps	-6,951	-2.34
Steepening of the yield curve	3,411	1.15
Flattening of the yield curve	-2,454	-0.83
Short-term shock upwards	-602	-0.20
Short-term shock downwards	528	0.18

In addition, the present value of the interest rate risk is quantified internally by means of historical simulation based on a mirrored 10-year history of the 3-month tenor swap curve, a holding period of 250 days, and a confidence level of 99.9 percent). The VAR determined in this manner amounts to EUR 12,001k.

One of the Bank's strategic goals is to achieve a broad matching of maturities between the asset and liability side of the balance sheet, thereby making the entire Bank largely immune to interest rate risks.

Forward exchange contracts have been introduced to manage currency risk. Various forward exchange transactions have been concluded to maintain the open positions in foreign currencies at the strategically defined level.

The Bank strategically positions itself as a non-trading book institution and does not engage in any proprietary trading. The use of derivatives as trading transactions is only intended to reduce risk. Such hedging transactions were also entered into in the 2023 financial year. As of the reporting date, the nominal amount of forward exchange contracts equalled EUR 29,123k (previous year: EUR 55,238k) and is related to the Bank's growing leasing business in Norway and foreign currency loans to individual companies within the GRENKE Group.

The Bank is also integrated into the GRENKE Group's refinancing and market price risk management system. Active risk management of market price risks plays an important role in the Bank's strategic orientation and international growth.

3.4.4. Operational risk

Operational risk (OpRisk) is defined in Article 4 no. 52 CRR as the risk of losses caused by the inadequacy or failure of internal procedures, people, systems or by external events. OpRisk includes legal risks but not business and strategic risks (failure to achieve strategic goals) or reputational risks. In addition, all separately considered risk types, especially credit, market and liquidity risks, are not included in OpRisk, even if their causes lie in external events such as credit default, market price changes, or deposit withdrawals.

Operational risk is quantified based on the Bank's own loss database. For this purpose, the standard deviation of the rolling annual average of the actual losses is scaled up to the confidence level of 99.9 percent using the Z-value of the standard normal distribution. Since this symmetrical distribution assumption can understate the operational risk, the resulting value is also multiplied by a safety factor of 2. If the Bank receives risk reports during the year that exceed the risk value calculated in this manner,

7/19



it would be necessary to adjust the risk value accordingly for the purposes of risk calculation.

A systematic review of expected risk is carried out within the framework of AT 8 of MaRisk prior to the introduction of new products or services, as well as for projects related to changes in operational processes or structures. The process encompasses all of the Bank departments involved as well as the Risk Control, Compliance and Internal Audit functions. In the case of IT-relevant issues, the information security officer is also involved as part of his or her duties. The final approval is given by the Board of Directors. A database for the systematic recording of losses due to operational risks has also been installed.

3.4.5. Other risks

Other risks include potential losses that may arise from fundamental business activities and the risk of insufficient or delayed implementation of strategic goals.

3.4.6. Stress tests

Sensitivity analyses of the stress assessment are model calculations. In addition to the ongoing risk assessment, stress tests serve to simulate special stress situations.

For risk-type-related stress tests, a distinction is made between historical and hypothetical stress tests. Historical stress tests are based on the intensification of risk factors observed in the past, while hypothetical stress tests are abstracted from history and go beyond this. Networked stress tests are used to simultaneously intensify several risk parameters/types. GRENKE BANK AG simulates both a severe economic downturn and a stagflation scenario. This scenario also takes into account the possible effects of Russia's war of aggression against Ukraine (e.g. low purchases of receivables of GRENKE AG). In addition, inverse stress tests are used to determine the degree of risk parameter intensification that will utilise or exceed the risk coverage potential.



3.4.7. Internal Liquidity Adequacy Assessment Process (ILAAP)

The Bank's strategic orientation has an effect on its liquidity risk. Because the Bank refinances with matching maturities, it does not require any follow-on financing for its existing business in normal market phases. In line with the business strategy, the risk appetite is determined with regard to short-term liquidity management by internally adding an additional buffer of 25 percent to the currently binding minimum liquidity coverage ratio (LCR). For the medium and long-term liquidity view, a survival horizon of 12 months is defined as the target in the normal scenario in each case with and without new business. Target achievement is reviewed monthly as part of liquidity risk reporting and communicated to the Board of Directors. The ILAAP is the internal process that ensures the adequacy of liquidity resources. Within the defined survival horizon, the Bank has several months of room to manoeuvre to implement liquidity measures if necessary. The Bank has payment claims and liquidity coverage potential (LCP) at its disposal to service its payment obligations. The latter consists of the Bank's credit balances and lines of liquidity with the Deutsche Bundesbank and credit institutions. Most of the Bank's business positions have a set capital commitment, which is used to calculate the scenarios. For the remaining positions without an established capital commitment, assumptions are made on the basis of historical data. As of December 31, 2023, both scenarios – with planned new business and without new business – complied with the risk-bearing capacity for 12 months and beyond. Stress scenarios were also implemented on the basis of the risk factors identified and are primarily intended to show the vulnerability to the most important risk factors in the Bank's individual and/or market-wide phases of stress.

Additionally, the Treasury team compares short-term cash and cash equivalents with short-term payment obligations at least once a week and reports the resulting liquidity situation and liquidity ratios to the Board of Directors. A liquidity contingency plan has also been implemented that describes the triggers, processes and measures to be taken in the event of a liquidity emergency. Compliance with the regulatory minimum requirements according to the German Banking Act was ensured at all times during the reporting year. The mandatory LCR was consistently complied with by the Bank and amounted to 1,565.4 percent as of December 31, 2023; the internally specified LCR, including a minimum buffer, is 125 percent. Regulatory requirements are 100 percent outside of stress phases. In addition, a net stable funding ratio (NSFR) is determined and controlled according to the known specifications.

3.4.8. Overall assessment of risks and opportunities

According to the Board of Directors, counterparty/market price risks have the most significant impact on GRENKE BANK AG. This assessment is based on the Bank's business model, in particular, as well as on the plan for new business in Europe in GRENKE AG's leasing business. Overall, GRENKE BANK is exposed to a reasonable degree of uncertainty, which it can only partially influence itself. Nevertheless, the Bank has not identified any risks that, individually or in combination with other risks, would pose a threat to the Bank's existence.



4. Forecast

For the coming 2024 financial year, the Board of Directors expects a slight increase in the mid double-digit-million euro range in the portfolio of purchased intragroup lease receivables. Total assets are expected to see only a slight change, particularly as the strategic liquidity buffer will be reduced to the planned value of around EUR 460 million (cash reserve). This liquidity buffer is held in order to be available to GRENKE AG if needed as part of its liquidity provision. The Board of Directors does not expect the intended separation from the factoring business to have any significant short-term effects on the Company's net assets, financial position or results of operation.

The assumptions for GRENKE Bank's new business planning in connection with the purchase of receivables from GRENKE AG provide for a receivables volume of around EUR 100 million for the purchase of German receivables. In France, the Bank plans to refinance 20 percent of the expected new business. In each of the Bank's other purchasing countries, 80 percent of the GRENKE Group's new business will be refinanced. In 2023, the Bank purchased Belgian receivables for the first time and intends to continue to make such purchases again in 2024. For 2024, the Bank is planning new business in receivables purchasing totalling around EUR 627 million.

In its commercial customer business, the Bank's focus will be on offering current account products, sight deposits and small-scale financing of up to EUR 25k. The Bank intends to continue offering microcredit financing, the latter with risk assumption by the Federal Republic of Germany as part of its cooperation with the German Federal Ministry of Labour and Social Affairs. The Bank also offers these customers payment transaction services in connection with the aforementioned products.

GRENKE BANK AG's focus in the area of payment transactions is primarily on acting as a payment transaction service provider for GRENKE Group companies and ensuring its operator function for the BARZAHLEN/VIACASH payment system with the intention of increasing commission income. GRENKE Bank also carries out payment transactions for commercial customers as part of its current account business.

On the refinancing side, the intention is to significantly expand the private customer fixed-term deposit business by a lower three-digit-million euro amount to approximately EUR 1.5 billion. To accomplish this, the Bank will work together with platforms in addition to further expanding its own application line in 2024. The Bank will also continue to refinance via global loans from development banks and plans to have a volume of EUR 57 million by the end of 2024.

The Bank's business and control areas, as well as its structural and process organisation, will be further strengthened in 2024, and any findings from this year's special audit under Section 44 KWG will be remedied. As in the past, the Bank's equity will comply with the relevant regulatory requirements, and the Bank also forecasts that it will not permanently fall below the individual performance indicator of the modified balance sheet equity ratio of 16 percent.



As part of the regular Supervisory Review and Evaluation Process (SREP), the German Federal Financial Supervisory Authority (BaFin) has determined that the Bank must comply with increased capital requirements of 11.5 percent until GRENKE BANK AG has demonstrated that it has worked through the deficiencies. This review took place in the fourth quarter of 2023, and the final review report was not yet available at the time of the adoption of the annual financial statements. The existing own funds requirements will not adversely affect the planned activities on the assets and liabilities side in 2024 or beyond.

According to the planning, administrative expenses will increase again in 2024 in the area of staff costs as a result of the anticipated finalisation of the banking, governance and personnel structures required by the regulator, before administrative costs will decrease again from 2025 onwards due to lower special items with a sustainable number of employees, including the foreign branches, of 118.9 FTEs. The planning foresees that the development of in-house expertise and better processes and workflows will have a significant positive impact on the consulting costs that have dominated to date in many areas, particularly in the areas of business organisation and governance. This is also reflected in the cost-income ratio (CIR), which, after amounting to 58 percent in 2022, is expected to be around 40 percent starting in 2023. For 2024, we are planning for a CIR of around 43 percent.

Another goal of the Board of Directors was to select and further qualify the management team in accordance with the Bank's new requirements and give greater consideration to women in management positions. As of the end of 2023, 4 of the Bank's 12 management positions were held by women. The target rate of over 30 percent is also expected to be achieved in 2024.


The Bank's Board of Directors expects a significantly lower result in 2024 of around EUR 14.8 million compared to 2023, which, however, included a one-off effect of around EUR 5.8 million from the reversal of risk provisions for the KW loans. Thereafter, net profit is planned to grow by 20 percent p.a. in 2025 and 2026. In addition to a sustained positive earnings outlook, the Board of Directors' main focus is on finalising the restructuring work initiated at the Bank by the end of 2024. These structural changes, which are mainly in the IT and governance areas, are intended to make GRENKE BANK more digital, more scalable and more stable from a regulatory perspective in order to meet the needs of our parent company GRENKE AG and the requirements of our customers. A focus will also be placed on closer cooperation with GRENKE AG, where reasonably appropriate. Overall, the Board of Directors is positive about the years to come.

Baden-Baden, February 29, 2024

GRENKE BANK AG



THE BOARD OF DIRECTORS



Dr. Oliver Recklies



Dr. Arndt Röchling





INDEPENDENT AUDITOR'S REPORT

To GRENKE BANK AG, Baden-Baden

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS AND THE MANAGEMENT REPORT

AUDIT OPINION

We have audited the annual financial statements of GRENKE BANK AG, Baden-Baden, comprising the balance sheet as of December 31, 2023 and the income statement for the financial year from January 1, 2023 to December 31, 2023, and the notes to the financial statements, including a description of the accounting policies.

We have also audited the management report of GRENKE BANK AG for the financial year from January 1, 2023 to December 31, 2023.

In our opinion, based on the findings of our audit,

- the accompanying annual financial statements comply in all material respects with the requirements of German commercial law as applicable to stock corporations and give a true and fair view of the net assets and financial position of the Company as of December 31, 2023 and its results of operations for the financial year from January 1, 2023 to December 31, 2023 taking into account the German principles of proper accounting; and
- the accompanying management report as a whole provides an appropriate view of the Company's position. In all material respects, this management report is consistent with the annual financial statements, complies with the German legal requirements and accurately presents the opportunities and risks of future development. In accordance with Section 322 (3) sentence 1 of the German Commercial Code (HGB), we declare that our audit has not led to any reservations concerning the correctness of the annual financial statements or the management report.

BASIS FOR AUDIT OPINION

We conducted our audit of the annual financial statements and the management report in accordance with Section 317 HGB and the EU Audit Regulation (No. 537/2014; hereinafter "EU APrVO") and German generally accepted standards for the audit of financial statements promulgated by the German Institute of Public Auditors (Institut der Wirtschaftsprüfer - IDW). Our responsibility under these regulations and principles is further described in the section of our audit opinion entitled "AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE FINANCIAL STATEMENTS AND THE MANAGEMENT REPORT". We are independent of the Company in accordance with European law and German commercial and professional regulations and have fulfilled our other German professional obligations in accordance with these requirements.

BDO



In addition, we declare pursuant to Article 10 (2) (f) EU APrVO that we have not performed any non-audit services prohibited under Article 5 (1) EU APrVO.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the financial statements and the management report.

KEY AUDIT MATTERS IN THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year from January 1, 2023 to December 31, 2023. These matters were considered in the context of our audit of the financial statements as a whole and in forming our opinion thereon. We do not provide a separate opinion on these matters.

We have identified the following matters as key audit matters to be disclosed in our audit opinion:

DETERMINATION OF SPECIFIC VALUATION ALLOWANCES AND DIRECT WRITE-OFFS ON NON-PERFORMING RECEIVABLES FROM THE PURCHASE OF LEASES

Description of circumstances

Receivables from customers amount to EUR 1,570.1 million before risk provisions in GRENKE BANK AG's annual financial statements. These relate primarily to purchased lease receivables. Specific valuation allowances and direct write-offs were recognised on the purchased lease receivables to account for default risks due to the occurrence of non-performance.

The specific valuation allowances as well as direct write-offs for these receivables were determined using loss rates and processing classes. In this context, discretionary decisions were to be made by the legal representatives. This includes, among others, the model used to determine the loss rates of the terminated receivables, the other estimation parameters used in the model, the assumptions made for this and possible model adjustments based on the findings from model validations. The discretionary decisions are subject to uncertainties, which are exacerbated by the current macroeconomic factors. Furthermore, the determination of impairments is highly complex and depends on a high level of expertise and knowledge of the employees and decision-makers involved.

Against this background, this matter was of particular importance in the context of our audit.

For the accounting and valuation methods applied to non-performing purchased lease receivables, please refer to the information in the Notes in Chapter I "Accounting and Valuation Methods", Chapter II "Notes to the Balance Sheet - Receivables from Customers" and Chapter III "Notes to the Income Statement - Write-downs and valuation allowances on receivables and certain securities as well as additions to provisions for loan losses".

IBDO



Audit response

As part of our audit approach, we first performed a risk assessment and evaluated the risk of material misstatements in relation to the specific valuation allowances and direct write-offs of non-performing purchased lease receivables.

Based on this risk assessment, we obtained an understanding of the process for determining specific valuation allowances and direct write-offs as part of the audit procedures on the internal control system. For this purpose, we assessed the methods, procedures and controls - including higher-level IT controls - on the basis of a review of guidelines and work instructions for the determination of specific valuation allowances and direct write-offs and traced their implementation. We also performed functional tests.

Based on this, we carried out the following statement-related audit procedures in particular, with the involvement of valuation specialists.

We have analysed the fundamental suitability of the valuation model for determining the specific valuation allowances and direct write-offs as well as the suitability of the estimation parameters used in the valuation.

In doing so, we examined whether the significant estimation parameters for the determination of the specific valuation allowances and direct write-offs are determined in a methodologically appropriate and mathematically correct manner and are correctly included in the model for the determination of the specific valuation allowances and direct write-offs on non-performing purchased lease receivables. We also verified the annual validation of key estimation parameters.

We inspected the determination of the significant estimation parameters on a sample basis and understood how these data relevant for the determination result from the cash flows and balances recorded in the accounting system. A reconciliation was performed with the cash flow and balance figures recorded in the accounting system for the underlying contract bases. The correctness of the allocation to the processing classes of the purchased lease receivables was checked in a risk-oriented sample.

Finally, we have satisfied ourselves of the arithmetical correctness of the valuation model used with regard to the calculated specific valuation allowances and direct write-offs on the non-performing purchased lease receivables.

BDO



RESPONSIBILITY OF THE MANAGEMENT AND THE SUPERVISORY BOARD FOR THE FINANCIAL STATEMENTS AND THE MANAGEMENT REPORT

Management is responsible for the preparation of the financial statements that comply, in all material aspects, with the requirements of German commercial law as applicable to stock corporations and give a true and fair view of the net assets, financial position and results of operations of the Company taking into account the German principles of proper accounting. In addition, management is also responsible for such internal control as they have determined necessary in accordance with German principles of proper accounting to enable the preparation of financial statements that are free from material misstatement, whether due to fraud (i.e. manipulation of the accounting system or misstatement of assets) or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern. They are also responsible for disclosing, as applicable, matters related to going concern. Furthermore, they are responsible for financial reporting on the basis of the going concern principle, unless this is precluded by factual or legal circumstances.

Furthermore, management is responsible for the preparation of the management report, which as a whole provides an appropriate view of the Company's position and is consistent in all material respects with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. In addition, management is responsible for such arrangements and measures (systems) that they have deemed necessary to enable the preparation of a management report in accordance with the applicable German legal requirements and to provide sufficient appropriate evidence for the assertions made in the management report.

The Supervisory Board is responsible for overseeing the Company's financial reporting process for the preparation of the annual financial statements and the management report.

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS AND THE MANAGEMENT REPORT

Our objective is to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the management report as a whole provides an appropriate view of the Company's position and is consistent, in all material respects, with the annual financial statements and the audit findings, complies with German legal requirements and appropriately presents the opportunities and risks of future development, and to issue an auditor's report that includes our audit opinions on the annual financial statements and the management report.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Section 317 HGB and EU APrVO and in compliance with German generally accepted standards for the audit of financial statements promulgated by the IDW will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements and management report.

IBDO



During the audit, we exercise professional judgement and maintain professional scepticism. We also

- identify and assess the risks of material misstatement of the annual financial statements and management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting material misstatements resulting from fraud is higher than the risk of not detecting material misstatements resulting from error, as fraud may involve collusion, forgery, intentional omissions, misleading representations, or the override of internal controls.
- obtain an understanding of internal control relevant to the audit of the annual financial statements and of the arrangements and measures relevant to the audit of the management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of the entity's systems.
- evaluate the appropriateness of accounting policies used and the reasonableness of estimates and related disclosures made by management.
- conclude on the appropriateness of the going concern basis of accounting used by management and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual financial statements and the management report or, if such disclosures are inadequate, to modify our audit opinion. We draw our conclusions on the basis of the audit evidence obtained up to the date of our audit opinion. However, future events or conditions may result in the Company being unable to continue as a going concern.
- evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the net assets, financial position and results of operations of the Company in accordance with German principles of proper accounting.
- assess the consistency of the management report with the annual financial statements, its compliance with the law and the view of the Company's position conveyed by it.
- perform audit procedures on the future-oriented disclosures made by management in the management report. On the basis of sufficient appropriate audit evidence, we in particular evaluate the significant assumptions underlying the future-oriented disclosures made by management and assess the appropriate derivation of the future-oriented disclosures from these assumptions. We do not express a separate opinion on the future-oriented disclosures or the underlying assumptions. There is a substantial unavoidable risk that future events may differ materially from the future-oriented disclosures.

BDO



With those charged with governance, we discuss, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We provide a statement to those charged with governance that we have complied with the relevant independence requirements and discuss with them all relationships and other matters that may reasonably be thought to bear on our independence and, where relevant, the actions or safeguards taken to address any threats to independence.

From the matters we discussed with those charged with governance, we determine those matters that were of most significance in the audit of the annual financial statements for the current period and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes their public disclosure.

BDO



FURTHER INFORMATION UNDER ARTICLE 10 EU APRVO

We were elected as auditors by the Annual General Meeting on May 15, 2023. We were engaged by the Chair of the Audit Committee of the Company on June 30, 2023. We have served as auditors of GRENKE BANK AG without interruption since the 2021 financial year.

We declare that the audit opinions contained in this audit report are consistent with the additional report to the audit committee pursuant to Article 11 EU APvVO (long-form audit report).

In addition to the audit of the financial statements, we have performed the following services for the audited entity or the entities controlled by it that were not disclosed in the annual financial statements or the management report:

Project-related auditing in the IT department.

AUDITOR RESPONSIBLE FOR THE AUDIT

The auditor responsible for the audit was Alexander Gaiser.

Frankfurt am Main, March 3, 2024

BDO AG

Auditing firm

QES Qualifizierte elektronische Signatur - Deutsches Recht

Schölch

Wirtschaftsprüfer

QES Qualifizierte elektronische Signatur - Deutsches Recht

Gaiser

Wirtschaftsprüfer



BDO