Brønnøysundregistrene

ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2024 - 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:	01.01.2024 - 31.12.2024

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:	Fatih Arslanbey
Dato for fastsettelse av årsregnskapet:	07.04.2025

Grunnlag for avgivelse

År 2024: Årsregnskapet er elektronisk innlevert
År 2023: Tall er hentet fra elektronisk innlevert årsregnskap fra 2024

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: EUR	Note	2024	2023
RESULTATREGNSKAP			
Inntekter			
Net interest income		127 858 000	92 254 000
Leasing Income		12 457 000	11 145 000
other operating income		7 739 000	6 720 000
net change in value and exchange rate loss			
Commission income		3 238 000	3 038 000
Income from the reversal of impairments		500 000	0
Sum inntekter		**151 792 000**	**113 157 000**
Kostnader			
payroll expenses		9 489 000	8 492 000
Social security contributions		1 647 000	1 490 000
depreciation and amortisation expense on lease		6 227 000	5 742 000
depreciation and amortisation expense on PPE and intagible		551 000	238 000
other administrative expenses		13 498 000	13 456 000
impairment losses on loans and guarantees			
commission costs			
Leasing expenses		2 541 000	2 249 000
Commission expenses		3 208 000	3 330 000
Write-downs and valuation allowances		23 927 000	21 452 000
Other operating expenses		309 000	254 000
Sum kostnader		**61 397 000**	**56 703 000**
Driftsresultat		**90 395 000**	**56 454 000**
Annen rentekostnad		54 961 000	34 454 000
Sum finanskostnader		**54 961 000**	**34 454 000**
Netto finans		**-54 961 000**	**-34 454 000**
Resultat før skattekostnad		**35 434 000**	**22 000 000**
tax on ordinary result		112 000	493 000
Årsresultat		**35 322 000**	**21 507 000**

Balanse

Beløp i: EUR	Note	2024	2023
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Intangible fixed assets		761 000	722 000
Sum immaterielle eiendeler		**761 000**	**722 000**
Varige driftsmidler			
Property, plant and equipment		309 000	375 000
Sum varige driftsmidler		**309 000**	**375 000**
Sum anleggsmidler		**1 070 000**	**1 097 000**
Omløpsmidler			
Varer			
Investments of which in banks		500 000	0
Sum varer		**500 000**	**0**
Fordringer			
Receivables from banks Due on demand		8 712 000	14 749 000
Receivables from banks Other receivables		3 000	69 000
Receivables from customers		1 831 753 000	1 529 553 000
Sum fordringer		**1 840 468 000**	**1 544 371 000**
Investeringer			
Balances with central banks		790 711 000	484 721 000
Trust assets		30 008 000	35 074 000
Lease assets		23 359 000	22 431 000
Other assets		18 932 000	12 614 000
Prepaid expenses		1 013 000	557 000
Sum investeringer		**864 023 000**	**555 397 000**
Sum omløpsmidler		**2 704 991 000**	**2 099 768 000**
SUM EIENDELER		**2 706 061 000**	**2 100 865 000**

Balanse

Beløp i: EUR	Note	2024	2023
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
paid-in equity		50 000 000	50 000 000
Sum innskutt egenkapital		**50 000 000**	**50 000 000**
Opptjent egenkapital			
Capital reserve		244 000 000	244 000 000
retained earnings		2 766 000	1 000 000
profit and loss of year			
Other retained earnings		2 233 000	0
Sum opptjent egenkapital		**248 999 000**	**245 000 000**
Sum egenkapital		**298 999 000**	**295 000 000**
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
public duties payable			
other deferred income			
deferred income tax liability			
other provision		1 450 000	1 546 000
Liabilities to banks - due on demand		1 095 000	271 000
Liabilities to banks - With agreed term or period of notice		18 214 000	39 199 000
Due on demand		176 993 000	192 186 000
With agreed term or period of notice		2 131 004 000	1 493 854 000
Trust liabilities		30 008 000	35 074 000
Other liabilities		40 024 000	30 439 000
Tax provisions		448 000	491 000
other provision - pension		4 793 000	9 805 000
Sum annen langsiktig gjeld		**2 404 029 000**	**1 802 865 000**
Sum langsiktig gjeld		**2 404 029 000**	**1 802 865 000**
Kortsiktig gjeld			
Deferred income		3 033 000	3 000 000
Sum kortsiktig gjeld		**3 033 000**	**3 000 000**

Balanse

Beløp i: EUR	Note	2024	2023
Sum gjeld		**2 407 062 000**	**1 805 865 000**
SUM EGENKAPITAL OG GJELD		**2 706 061 000**	**2 100 865 000**

Brønnøysundregistrene

ÅRSREGNSKAP FOR REGNSKAPSÅRET 2024 - GENERELL INFORMASJON

Journalnummer:	2025 750034

Enheten

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Organisasjonsform:	Norskreg. utenlandsk foretak
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Brønnøysundregistrene, 25.08.2025

Brønnøysundregistrene
Postadresse: Postboks 900, 8910 Brønnøysund
Telefon: 75 00 75 00
E-post: firmapost@brreg.no Internett: www.brreg.no
Organisasjonsnummer: 974 760 673

Organisasjonsnr: 915 448 526
GRENKE BANK AG BRANCH NORWAY NUF

RESULTATREGNSKAP

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Organisasjonsnr: 915 448 526
GRENKE BANK AG BRANCH NORWAY NUF

BALANSE

Beløp i: EUR	Note	2024	2023
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Sum anleggsmidler		**1 070 000**	**1 097 000**
Omløpsmidler			
Varer			
Investments of which in banks		500 000	0
Sum varer		**500 000**	**0**
Fordringer			
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BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
paid-in equity		50 000 000	50 000 000
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Opptjent egenkapital			

Capital reserve	244 000 000	244 000 000
retained earnings	2 766 000	1 000 000
profit and loss of year		
Other retained earnings	2 233 000	0
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Gjeld		
Langsiktig gjeld		
Annen langsiktig gjeld		
public duties payable		
other deferred income		
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Deferred income	3 033 000	3 000 000
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SUM EGENKAPITAL OG GJELD	**2 706 061 000**	**2 100 865 000**

Organisasjonsnr: 915 448 526
GRENKE BANK AG BRANCH NORWAY NUF

NOTEOPPLYSNINGER - SELSKAP

- alle poster oppgitt i hele tall

Note
1

Regnskapsprinsipper

Sum	Beløp

Balanseført verdi 31.12.	Varige driftsmidler	Immaterielle eiend.

Samlet beløp - tilknyttet selskap	Årets	Fjorårets

Samlet beløp - foretak i samme konsern	Årets	Fjorårets

Samlet beløp - foretak i samme konsern	Årets	Fjorårets

Samlet beløp - felles kontrollert virksomhet	Årets	Fjorårets

Pantstillelse	Beløp

Beholdning av egne aksjer	Antall	Pålydende	Andel av aksjek.

GRENKE BANK AG
Baden-Baden

Annual financial statements, management report and auditor's report for the financial year from January 1, 2024 to December 31, 2024

GRENKE BANK AG
Baden-Baden

Annual financial statements, management report and auditor's report for the financial year from January 1, 2024 to December 31, 2024

Annual financial statements for financial year January 1, 2024 to December 31, 2024

GRENKE BANK AG, Baden-Baden
Balance sheet as of December 31, 2024

Asset

	€	€	Previous year €k
1. Cash reserves			
a) Cash in hand	0.00		0
b) Balances with central banks	790,710,693.40	790,710,693.40	484,721
of which € 790,710,693.40 (previous year € 484,721k) held at the Deutsche Bundesbank			
2. Receivables from banks			
a) Due on demand	8,712,418.59		14,749
b) Other receivables	2,704.38	8,715,122.97	69
3. Receivables from customers		1,831,753,365.42	1,529,553
of which secured by mortgages € 0.00 (previous year: € 0k)			
municipal loans € 0.00 (previous year: € 0k)			
4. Investments		500,050.00	0
of which in banks € 0.00 (previous year: € 0k)			
in financial services institutions € 0.00 (previous year: € 0k)			
5. Trust assets		30,007,524.67	35,074
of which trust loans € 30,007,524.67 (previous year € 35,074k)			
6. Lease assets		23,358,782.11	22,431
7. Intangible fixed assets:			
b) Paid concessions, commercial property rights and similar rights and assets, as well as licences in such rights and assets		760,936.95	722
8. Property, plant and equipment		308,550.81	375
9. Other assets		18,932,458.59	12,613
10. Prepaid expenses		1,013,243.53	557
Total assets		2,706,060,728.45	2,100,865

GRENKE BANK AG, Baden-Baden
Balance sheet as of December 31, 2024

Liabilities and Equity

	€	€	Previous year €k
1. Liabilities to banks			
a) Due on demand	1,094,634.92		271
b) With agreed term or period of notice	18,213,713.30	19,308,348.22	39,199
2. Liabilities to customers			
Other liabilities			
a) Due on demand	176,992,970.38		192,186
b) With agreed term or period of notice	2,131,003,700.78	2,307,996,671.16	1,493,854
3. Trust liabilities		30,007,524.67	35,074
of which trust loans € 30,007,524.67 (previous year: € 35,074k)			
4. Other liabilities		40,023,709.23	30,439
5. Deferred income		3,033,077.01	3,000
6. Provisions			
a) Provisions for pensions and similar obligations	1,450,351.00		1,546
b) Tax provisions	447,782.70		491
c) Other provisions	4,793,264.46	6,691,398.16	9,805
7. Instruments qualifying as Additional Tier 1 regulatory capital		0.00	0
8. Equity			
a) Subscribed capital	50,000,000.00		50,000
b) Capital reserve	244,000,000.00		244,000
c) Retained earnings			
ca) Legal reserve	2,766,095.47		1,000
cd) Other retained earnings	2,233,904.53		0
d) Unappropriated profit/loss	0.00	299,000,000.00	0
Total liabilities and equity		2,706,060,728.45	2,100,865

	€	Previous year €k
1. Contingent liabilities		
Liabilities from guarantees and from indemnity agreements	86,670.32	101
2. Other obligations		
Irrevocable loan commitments	6,967,552.21	7,360

GRENKE BANK AG, Baden-Baden
Income statement for the period from January 1, 2024 to December 31, 2024

	EUR	EUR	EUR	Previous year EURk
1. Interest income from				
Lending and money market transactions		127,857,501.12		92,254
2. Negative interest from				
Lending and money market transactions		0.00		0
3. Interest expenses		54,961,184.31		34,454
4. Positive interest on deposits		0.00	72,896,316.81	0
5. Leasing income		12,456,731.30		11,145
6. Leasing expenses		2,540,917.37	9,915,813.93	2,249
7. Current income from investments			0.00	0
8. Commission income		3,238,394.30		3,038
9. Commission expenses		3,207,920.02	30,474.28	3,330
10. Other operating income			7,738,613.46	6,720
11. General administrative expenses				
a) Staff costs				
aa) Wages and salaries	9,488,585.60			8,492
ab) Social security contributions and expenses for pensions and other employee benefits	1,647,136.59	11,135,722.19		1,490
of which pensions € 223,089.10 (previous year: € 227k)				
b) Other administrative expenses		13,497,748.43	24,633,470.62	13,456
12. Depreciation, amortisation and impairment of intangible assets and property, plant and equipment				
a) on lease assets		6,226,928.33		5,742
b) on intangible assets and property, plant and equipment		550,852.08	6,777,780.41	238
13. Other operating expenses			309,533.78	255
14. Write-downs and valuation allowances on receivables and certain securities as well as additions to provisions for loan losses			23,926,533.45	21,452
15. Income from the reversal of impairments of investments, interests in affiliated companies and securities treated as fixed assets			500,000.00	0
16. Result from ordinary activities			35,433,900.22	22,000
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		111,990.84		493
21. Other taxes not included in item 13		0.00	111,990.84	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			31,321,909.38	21,507
24. Net profit/loss for the year			4,000,000.00	0
25. Withdrawals from retained earnings				
a) from the legal reserve		0.00		0
b) from other retained earnings		0.00	0.00	0
26. Allocations to retained earnings				
a) to the legal reserve		1,766,095.47		0
b) to other retained earnings		2,233,904.53	4,000,000.00	0
27. Unappropriated profits			0.00	0

GRENKE BANK AG, Baden-Baden

Notes to the financial statements for the 2024 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. The annual financial statements have been prepared on the going concern basis in accordance with Section 252 (1) No. 2 HGB.

The classification scheme of the RechKredV was supplemented pursuant to Section 265 (5) sentence 2 HGB by adding the balance sheet items “Lease assets,” “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 GRENKE 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.

In preparing the 2020 annual financial statements, the bank opted for the voluntary application of BFA 7. The lump-sum valuation allowance is recognised based on the values determined in IFRS 9 Level 1 and Level 2, without deducting received credit risk premiums. No impairments were recognised for performing contracts in Level 3.

Investments are recognised at acquisition cost plus incidental acquisition costs. If there is an indication of a likely permanent impairment, they are measured at the lower fair value. A reversal of impairment is to be made if the reasons for the impairment no longer apply.

Lease assets, intangible fixed assets, and **property, plant and equipment** are recognised at acquisition cost and, insofar as subject to wear and tear, are reduced by straight-line scheduled depreciation and amortisation based on the official tax depreciation tables. In the case of intangible fixed assets, the production costs of development have been capitalised. Low-value assets with a net individual value of up to EUR 800.00 are fully depreciated in the year of acquisition or recognised as an expense; their immediate disposal is 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 1.90 percent (previous year: 1.82 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: 2.20 percent).

Tax provisions are recognised at the settlement amount required based on prudent commercial judgement. Effects from the Minimum Tax Act were not taken into account, as the revenue threshold of EUR 750 million for the ultimate parent company was not reached in the last two of the four preceding financial years.

Other provisions take into account all uncertain liabilities, identifiable risks, and impending losses from pending transactions. They are recognised at the settlement amount required based on prudent commercial judgement. Provisions with a remaining term of more than one year are discounted using the average market interest rate of the past seven financial years corresponding to their remaining term and are calculated with an assumed 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.

The expense from disposals of lease assets of EUR 2,541k (previous year: EUR 2,249k) is reported in leasing expenses as in the previous year and not under depreciation of lease assets.

Derivative financial instruments are measured at fair value using recognised methods based on swap rates as of December 31, 2024.

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.

Deferred income includes revenues that were received before the reporting date and represent income for a specific period after that date.

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 8,712k (previous year: EUR 14,749k) and **other receivables** with the following residual terms:

Other receivables from banks with residual terms of		Dec. 31, 2024	Dec. 31, 2023
		EURk	EURk
a)	up to three months	1	17
b)	between three months and one year	2	49
c)	between one year and five years	0	3
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, 2024	Dec. 31, 2023
		EURk	EURk
a)	up to three months*	250,405	231,158
b)	between three months and one year	413,772	379,496
c)	between one year and five years	1,153,255	907,996
d)	more than five years	14,321	10,903
* Of which receivables from customers with an indefinite term		4,321	3,468

Receivables from customers include primarily purchased lease receivables of EUR 1,627,392k (previous year: EUR 1,326,718k). This item includes amounts including accrued interest of EUR 56,424k (previous year: EUR 19,755k) due from affiliated companies and EUR 0k (previous year: EUR 0k) due from investments. Furthermore, subordinated loans in the amount of EUR 200k (previous year: EUR 200k) are included. In the 2024 financial statements, the pro rata temporis purchase price discount of EUR 84.7 million (previous year: EUR 57.9 million) is deducted from the purchased lease receivables.

Other assets mainly include receivables from payment clearing accounts amounting to EUR 12,390k (previous year: EUR 11,552k) and from VAT clearing amounting to EUR 5,721k (previous year: EUR 320k). No receivables from affiliated companies are included (previous year: EUR 230k).

Development of fixed assets

	Acquisition/manufacturing costs				Depreciation/amortisation			
	Jan. 1, 2024	Additions	Disposals	Dec. 31, 2024	Jan. 1, 2024	Additions	Disposals	Dec. 31, 2024
	EURk	EURk	EURk	EURk	EURk	EURk	EURk	EURk
Lease assets	35,513	9,695	8,859	36,350	13,081	6,227	6,318	12,991
Intangible fixed assets	2,062	397	0	2,459	1,339	359	0	1,698
Property, plant and equipment (incl. low-value assets)	1,441	126	92	1,475	1,067	192	92	1,167
Investments	3,225	0	0	3,225	3,225	0	500	2,725
Total	**42,241**	**10,219**	**8,951**	**43,509**	**18,712**	**6,778**	**6,909**	**18,581**

	Carry amounts		Depreciation/ amortisation	Write-ups
	Dec. 31, 2024	Dec. 31, 2023	Financial year	Financial year
	EURk	EURk	EURk	EURk
Lease assets	23,359	22,431	6,227	0
Intangible fixed assets	761	722	359	0
Property, plant and equipment (incl. low-value assets)	308	375	192	0
Investments	500	0	0	500
Total	**24,928**	**23,528**	**6,778**	**500**

Operating and office 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. Based on the current valuation reflecting particularly the positive operating and income performance of the past two years, the impairment was partially reversed, resulting in a carrying amount of EUR 500k. The equity of Finanzchef24 GmbH amounted to EUR -1,925k as of December 31, 2023 (previous year: EUR -2,475k), and the net profit for the year amounted to EUR 150k in 2023 (previous year: loss of EUR 1,444k). This investment is not listed on the stock exchange.

Trust business

Trust assets and liabilities consist of the following:

	Dec. 31, 2024	Dec. 31, 2023
	EURk	EURk
Trust assets		
Trust loans	30,008	35,074
Trust liabilities		
Trust loans	30,008	35,074

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

Prepaid expenses primarily include commissions for the placement of deposits, which are allocated over the term of the related fixed-term deposits (EUR 625k; previous year: EUR 258k). In addition, they include insurance premiums already paid for 2025 (EUR 195k; previous year: EUR 144k), payments for software maintenance agreed for 2025 (EUR 75k; previous year: EUR 31k), and rent (EUR 26k; previous year: EUR 26k).

Liabilities

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

		Dec. 31, 2024	Dec. 31, 2023
		EURk	EURk
Liabilities to banks with agreed maturities or notice periods			
with residual terms of			
a)	up to three months	7,009	9,766
b)	between three months and one year	6,414	14,636
c)	between one year and five years	4,601	14,291
d)	more than five years	190	506

Liabilities to banks consist of global loans from NRW.BANK, Düsseldorf, and Thüringer Aufbaubank, Erfurt, in an amount totalling EUR 10,206k (previous year: EUR 28,457k). 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 7,919k (previous year: EUR 10,586k).

Liabilities to customers with agreed maturities or notice periods

with residual terms of		Dec. 31, 2024	Dec. 31, 2023
		EURk	EURk
a)	up to three months	531,162	164,152
b)	between three months and one year	867,946	350,170
c)	between one year and five years	724,283	938,897
d)	more than five years	7,613	40,635

Liabilities to customers consist of customer deposits due on demand in the amount of EUR 176,993k (previous year: EUR 192,186k) and customer time deposits in the amount of EUR 2,131,004k (previous year: EUR 1,493,854k). The line item "liabilities to customers" includes liabilities, including accrued interest, to affiliated companies of EUR 79,558k (previous year: EUR 68,967k) and to investments of EUR 0k (previous year: EUR 0k).

Other liabilities consist primarily of the following items:

	Dec. 31, 2024	Dec. 31, 2023
	EURk	EURk
To affiliated companies	31,686	21,805
To third parties	4,859	4,230
To tax authorities	3,471	1,624
From valuation units (forward exchange transaction accounts)	7	2,780

Other liabilities to affiliated companies contain profit transfers in the amount of EUR 31,322k (previous year: EUR 21,507k) and other intergroup clearing accounts in the amount of EUR 364k (previous year: EUR 299k).

Deferred income

Deferred income of EUR 3,033k (previous year: EUR 3,000k) includes lease instalments already received and commission income from our Norwegian branch, which will not be recognised in income until 2025.

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, 2024, discounted at the average market interest rate of the past seven financial years, was below the reported amount by EUR 9k (previous year: exceeded reported amount by EUR 14k).

The tax provision includes foreign income taxes amounting to EUR 448k.

Other provisions break down as follows:

	Dec. 31, 2024	Dec. 31, 2023
	EURk	EURk
Commissions for lease contracts	1,090	924
Employee-related	921	913
Legal and consulting fees	724	423
Annual financial statements and audit costs	689	756
Outstanding invoices	643	298
Risks from trust transactions	244	5,945
Supervisory Board remuneration	198	218
Deposit guarantee	144	236
Archiving costs	96	82
Other	44	10
Total	**4,793**	**9,805**

The provision recognised in 2023 and partially reversed in the previous year for risks arising from the incorrect processing of trust transactions was almost completely reversed in 2024.

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 necessary due to the positive net present value of the interest book as of December 31, 2024.

Equity

The Bank's subscribed capital amounts to EUR 50,000,000.00 (December 31, 2023: EUR 50,000,000.00) and is divided into 50,000,000 no-par value registered shares (December 31, 2023: 50,000,000). In 2023, by resolution of the Shareholder's Meeting, the subscribed capital was increased by EUR 40,000k to a total of EUR 50,000k. In doing so, the statutory reserve was increased from EUR 1,766k to EUR 2,766k in accordance with the provisions of the German Stock Corporation Act. Furthermore, to strengthen equity due to the increased business volume and the planned developments in 2025, an additional EUR 2,234k was allocated to other retained earnings.

The capital reserves as of December 31, 2024 amounted to EUR 244,000k (previous year: EUR 244,000k).

Contingent liabilities

Contingent liabilities consist solely of guarantee commitments of EUR 87k (previous year: EUR 101k). 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 6,968k (previous year: EUR 7,360k).

Other financial obligations

Financial obligations from continuing obligations amounted to EUR 298k p.a. (previous year: EUR 290k p.a.) due to long-term tenancies. The remaining terms of the individual obligations (up to 54 months) resulted in a total amount of EUR 761k (previous year: EUR 1,037k).

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. The number of contracts is 244 (previous year: 243), with a nominal amount of NOK 262,500k (previous year: NOK 243,490k) and a market value of EUR 893k (previous year: EUR +350k).

Provisions for contingent losses are recognised for negative market values in accordance with IDW RS HFA 4. No provisions for contingent losses were required for 2023 and 2024.

Forward exchange transactions in Norwegian kroner and Hungarian forint are entered into solely for the purpose of hedging currency risks.

The risk arising from differing changes in value (currency) of the underlying transactions (customer receivables in Hungarian forint) is managed using forward exchange transactions. For this purpose, GRENKE BANK AG combines an underlying transaction with a hedging instrument to form a valuation unit (micro hedge), whereby any resulting coverage gap (net risk position) is hedged. As of December 31, 2024, the outstanding nominal volume of financing in Hungarian forint amounted to EUR 3,160k (previous year: EUR 3,662k).

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 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 8,897k (previous year: EUR 12,964k). These consisted primarily of foreign currency loans to affiliated companies in Hungarian forint that are hedged by corresponding forward exchange transactions and customer receivables of the Norwegian branch from lease instalments due in Norwegian kroner.

Liabilities in foreign currencies amounted to EUR 4,968k (previous year: EUR 4,901k) and relate exclusively to liabilities in Norwegian kroner.

III. Notes to the income statement

A breakdown of revenue by geographical market 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 91,477k (previous year: EUR 66,262k). Currency effects from the formation of valuation units in the amount of EUR 313k (previous year: EUR 2,659k) were deducted from interest income. Interest income also includes interest income from affiliated companies in the amount of EUR 1,958k (previous year: EUR 554k).

Interest expenses

Interest expenses consist of interest on global and refinancing loans of EUR 478k (previous year: EUR 664k) and interest on customer deposits in the amount of EUR 54,454k (previous year: EUR 32,558k).

Leasing expenses

Leasing expenses of EUR 2,541k (previous year: EUR 2,249k) resulted from the disposal of lease assets.

Other operating income

Other operating income amounting to EUR 7,739k (previous year: EUR 6,720k) includes income from foreign currency valuation of EUR 1,366k (previous year: EUR 534k), income from the reversal of other provisions of EUR 6,088k (previous year: EUR 5,668k), and EUR 23k (previous year: EUR 26k) from intragroup reimbursement of staff costs.

General administrative expenses

General administrative expenses consist of staff costs in the amount of EUR 11,136k (previous year: EUR 9,982k) and other administrative expenses of EUR 13,498k (previous year: EUR 13,456k). The development of costs was in line with the Bank's planned development.

Other operating expenses

Other operating expenses amounted to EUR 310k (previous year: EUR 255k) and included non-deductible expenses from foreign branches amounting to EUR 178k (previous year: EUR 147k) and discounting for provisions in the amount of EUR 28k (previous year: EUR 29k).

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, 2024	Utilisation	Reversals	Additions	Currency effects	As of Dec. 31, 2024
	EURk	EURk	EURk	EURk	EURk	EURk
Specific valuation allowances	9,895	514	1,266	720	0	8,835
Lump-sum specific valuation allowances	5,534	2,282	924	1,839	-50	4,117
of which: purchased lease receivables	2,793	986	342	1,010	0	2,475
of which: SME and *promotional loans*	548	0	542	0	0	6
Total specific valuation allowances	**15,428**	**2,796**	**2,190**	**2,559**	**-50**	**12,951**
Lump sum specific valuation allowances	21,852	0	144	2,464	0	24,172
of which: purchased lease receivables	21,505	0	0	2,464	0	23,969

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	As of Jan. 1, 2024	Utilisation	Reversal	Additions	Currency effects	As of Dec. 31, 2024
	EURk	EURk	EURk	EURk	EURk	EURk
Total lump-sum specific valuation allowances	**21,852**	**0**	**144**	**2,464**	**0**	**24,172**
Loan loss provisions	**0**	**0**	**0**	**0**	**0**	**0**

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

In addition, direct write-downs were carried out particularly on purchased lease receivables.

Taxes on income and earnings

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

Taxes on income and earnings amounting to EUR 112k (previous year: EUR 493k) relates solely to our foreign branches.

IV. Other information

Governing bodies

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

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

Dr Arndt Röchling, graduate in business administration, Vienna, Austria

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 Zártkörüen Müködö 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

Jens Rönnberg (Deputy Chair), independent auditor/tax consultant, Mainz, Germany

Moritz Grenke, graduate statistician, Baden-Baden, Germany

Dr Martin Paal, graduate in business administration, Oberursel (Taunus), Germany

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 is a member of the Supervisory Board of GRENKE AG, Baden-Baden, as well as a Non-Executive Director of Computacenter plc, Hatfield, United Kingdom.

Jens Rönnberg is Managing Director of Rönnberg UG, Mainz, and Deputy Chairman of the Supervisory Board of GRENKE AG, Baden-Baden, Germany.

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 nos. 9a and 9b HGB.

The Supervisory Board received remuneration of EUR 188k (previous year: EUR 208k) for the past 2024 financial year.

Advances and loans to members of governing bodies

No loans were granted to members of the Board of Directors (previous year: none).
No loans were granted to members of the Supervisory Board (previous year: none).

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 135k (previous year: EUR 1,014k) from persons in key positions and their close family members and related companies. The related interest expense amounted to EUR 3k (previous year: EUR 6k). 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 0k) with a credit card limit of EUR 0k (previous year: EUR 0k). No further loans were extended to this group of persons during the reporting period.

No liabilities to associated companies resulted from the Bank's deposit business. As of the December 31, 2024 reporting date, the Bank did not receive any deposits (previous year: none) from associated companies. Receivables from loans have not existed since 2021.

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

Receivables from related parties in accordance with IAS 24.10 from current account credit balances due on demand amounted to EUR 856k (previous year: EUR 830k). Interest income totalled EUR 33k (previous year: EUR 32k).

Employees

The average number of employees (excluding members of the Board of Directors) was 91 full-time employees (previous year: 87) and 27 part-time employees (previous year: 20).

Group affiliations

Since February 18, 2009, the Bank has been part of the GRENKE AG group, Baden-Baden, which holds all of the shares in the Bank. The annual financial statements are included in the consolidated financial statements of GRENKE AG, which represent both the largest and the smallest scope of consolidation pursuant to Section 285, sentence 1, nos. 14 and 14a HGB. The consolidated financial statements are published in the company register.

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, March 5, 2025

GRENKE BANK AG

THE BOARD OF DIRECTORS

Dr. Oliver Recklies

Dr. Arndt Röchling

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GRENKE BANK AG, Baden-Baden

Management Report

for the 2024 financial year

1. Business and economic environment

The global macroeconomic and geopolitical environment in 2024 was shaped by ongoing and new challenges. Weak economic performance and rising insolvency figures in key core regions caused additional uncertainty. The continuing wars between Russia and Ukraine, as well as in the Middle East, had numerous direct and indirect implications for economic activity. Political upheaval, particularly the elections in the USA, had far-reaching effects on national and international economic policy. Almost simultaneously, government crises in Germany, France, and most recently Canada led to instability.

Conversely, monetary easing by central banks worldwide, driven by declining inflation rates, had a stimulative effect on the economy. In the euro area, the inflation rate at the beginning of 2024 stood at 2.8 percent, remaining above the 2 percent target level. As a result, the European Central Bank (ECB) initially maintained its key interest rate at 4 percent. As inflationary pressure eased over the course of the year, the ECB gradually lowered its key interest rate. The first rate cut occurred in June 2024. Following additional rate cuts in September, October, and December 2024, the key interest rate stood at 3 percent by the end of the reporting year. In the interim, inflation declined and reached 1.7 percent in September 2024, temporarily falling below the 2 percent mark. In the subsequent months, however, it again rose slightly above the ECB's target, with initial estimates indicating an increase to 2.4 percent in December 2024. The ECB did not provide a detailed outlook for further rate adjustments, stating instead that it would continue to make data-dependent decisions in upcoming meetings. In its meeting on December 12, 2024, the ECB continued to characterise its monetary policy as restrictive, although lending conditions for companies and households had already improved over the course of 2024.

According to the ECB's "Bank Lending Survey," banks surveyed in the euro area reported that they had tightened lending standards for companies in the fourth quarter of 2024 more sharply than at any time since the third quarter of 2023. This was attributed to increased risks related to the economic outlook, industry- and company-specific conditions, and a reduced risk tolerance on the part of the banks themselves. Germany and France were particularly affected, while lending standards in Italy were eased. For the first quarter of 2025, the surveyed banks expected a further tightening of corporate lending standards.

In the United States, monetary easing began somewhat later than in the euro area. The United States entered 2024 with a key interest rate range of 5.25 percent to 5.5 percent. The US central bank, the Federal Reserve (the Fed), implemented its first rate cut in September 2024. Two further rate cuts followed in November and December. As a result, the key interest rate range at year-end was 4.25 percent to 4.5 percent. The US inflation rate, measured by the index for personal consumption expenditures (PCE) relevant to the Fed's inflation target, initially declined over the course of the year similar to the trend seen in the euro area, falling from 2.6 percent in January and 2.8 percent in March to 2.1 percent in September before rising again to 2.6 percent in December 2024.

In its World Economic Outlook published in January 2025, the International Monetary Fund (IMF) described global economic growth in 2024 – estimated at 3.3 percent – as generally stable, although growth varied significantly across countries. The United States grew by 2.8 percent, supported by strong consumer spending, showing similar momentum to the previous year. The euro area economy experienced a weak recovery, with growth of 0.8 percent compared to the prior year. The lack of a more pronounced recovery in the euro area was attributed to exceptionally high European gas prices and continued weakness in manufacturing and exports. On the positive side, consumer spending rebounded due to increased real incomes. Spain, which benefited from tourism, grew at an above-average rate of 3.1 percent. France and Italy recorded mid-range growth of 1.1 percent and 0.6 percent respectively. Germany, by contrast, contracted by 0.2 percent, as high real interest rates made construction projects more expensive. The United Kingdom posted growth of 0.9 percent, similar to that of the euro area.

Economic growth according to the IMF

Percent	**2024**	**2023**
World	3.2	3.3
USA	2.8	2.9
Euro area	0.8	0.4
Germany	-0.2	-0.3
France	1.1	1.1
Italy	0.6	0.7
Spain	3.1	2.7
Great Britain	0.9	0.3

In the months leading up to its publication, the IMF also observed a continuing disinflationary process, with the global median of core inflation during this period slightly above 2 percent. This was supported by moderate nominal wage growth. Nevertheless, the IMF continued to report elevated inflation rates in the services sector, particularly in the United States and the euro area, which could impede the normalisation of inflation rates.

According to Eurostat calculations, corporate insolvencies in the euro area rose for the sixth consecutive quarter compared to the previous one. The relevant index was estimated at 172.7 points in Q3 2024, exceeding the level of the same quarter in the previous year by 15.9 percent (Q3 2023: 149.0 points). In a country comparison, France, at 247.0 points, was significantly above the aggregated figure; Germany, at 153.6 points, was roughly in line with the average; and Spain (130.7 points) and Italy (102.9 points) performed slightly better than the euro area overall. The credit insurance company Atradius forecast a global increase in insolvencies of 23 percent for the full year 2024, due to the weak economic environment.

The Purchasing Managers' Index (PMI) for the manufacturing and services sectors in the euro area stood at 49.6 points in December 2024, remaining just below the 50-point threshold (December 2023: 47.6 points). The index is based on a monthly survey of purchasing managers in the manufacturing and services sectors, who are asked about order intake, production, employment, deliveries received, and inventories. The PMI is regarded as a leading indicator: a reading above 50 points signals rising production, while a reading below 50 points indicates a decline in output in the surveyed sectors. After standing at 47.6 points in December 2023, the PMI initially rose steadily through May 2024 but declined again in the later part of the year.

German companies surveyed by the ifo Institute were more pessimistic at the end of 2024 than in the same month of the previous year. The ifo Business Climate Index, which summarises companies' assessments of their current business situation and expectations for the next six months, stood at 84.7 points in December 2024 (December 2023: 86.7 points). This figure marked the lowest level since May 2020. Over the course of 2024, the index initially improved until May but then declined again through to the end of the year. The growing pessimism affected all sectors surveyed by the ifo Institute. Potential tariffs from the United States and political uncertainty in France and Germany are likely to have influenced business sentiment.

Despite this challenging environment, we once again succeeded in steadily continuing our growth trajectory in new leasing business in 2024. In addition, we significantly improved the profitability of new business compared to the previous year. These factors also influenced the bank's business performance.

Against this background, GRENKE BANK AG recorded a 28.8 percent increase in total assets in 2024. This growth was primarily driven by a 22.6 percent rise in lease receivables purchased within the Group and, correspondingly, a higher volume of customer liabilities on the liabilities side (plus 36.9 percent). Customer term deposits included in this figure (plus 42.9 percent) accounted for the majority share. This development had a particular impact on the liquidity reserve (plus 60.0 percent) held with the Bundesbank and other correspondent banks.

The Bank's result from ordinary activities once again showed a clearly positive result.

GRENKE BANK AG is an integral part of the GRENKE Group and functions as a significant source of refinancing for the GRENKE Group. It is also involved in processing the Group's payment transactions.

As a specialised financing partner, GRENKE BANK AG offered short- and medium-term financing products for SMEs in the form of microcredit financing during the financial year under review. In 2021, the Bank was again awarded the exclusive mandate for a further three years to manage the German Federal Government's Microcredit Fund, under the leadership of the Federal Ministry of Labour and Social Affairs. In 2024, the Ministry exercised an option to extend the mandate by an additional two years. Having launched in 2015 and now extended for a total of five years, GRENKE BANK AG continues to act as the lender of government-backed microcredit loans of up to EUR 25,000 for micro, small, and medium-sized enterprises (SMEs).

Another core focus is the traditional deposit business, primarily with private and, in some cases, commercial customers, which serves as a key refinancing source for the purchased lease receivables and the Bank's other SME lending activities. The key financial performance indicator is the change in the portfolio of customer receivables (EUR +302,200k; planned: EUR +38,251k; previous year: EUR +177,192k), particularly the change in the portfolio of intragroup purchases of receivables (EUR +297,525k; planned: EUR +126,134k; previous year: EUR +176,116k), along with the corresponding refinancing through customer deposits (EUR +621,957k; planned: EUR +127k; previous year: EUR +450,047k) and global loan partnerships with development banks (EUR -21,203k; planned: EUR +18,434k; previous year: EUR -39,040k).

Further financial performance indicators include the net profit for the year and the "cost-income ratio" (CIR), defined as the ratio of staff and other administrative costs to gross profit (before risk result and other operating expenses/income). The CIR amounted to 33 percent in 2024 (previous year: 39 percent) and is intended to remain permanently below 50 percent in the long term.

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. At the end of 2024, we were at 25 percent, placing us below this target, but were able to meet the target again at the beginning of 2025.

Total assets increased to EUR 2,706.1 million (planned: EUR 2,095.3 million), primarily due to a significant rise in customer deposits. The result from ordinary activities amounted to EUR 35.4 million (planned: EUR 14.8 million), exceeding expectations due to the higher business volume and the unexpected reversal of a provision.

GRENKE BANK AG's customer deposits serve as an important refinancing source for the GRENKE Group. The management of new deposit business is therefore largely aligned with the GRENKE Group's refinancing needs and the planned and realised receivables purchase volumes, which are coordinated at Group level. Accordingly, developments in the average interest rates of other refinancing sources, as well as general deposit rate trends for private and commercial customers in the banking sector, are of particular relevance. In the past financial year, the general interest rate environment also influenced the terms of the deposit business. The key interest rate was lowered in 2024 from 4.50 percent (interest rate decision on September 20, 2023) to 3.15 percent (December 18, 2024), which also affected the interest rates offered by GRENKE BANK AG.

GRENKE BANK AG continues to benefit from the generally strong demand for safe investments. GRENKE BANK AG's deposit business plays a significant role in this, being covered both by statutory deposit protection and the Deposit Protection Fund of German Private Banks in Germany, as governed by its statutes. Due to the high degree of diversification and granularity, the maximum protection amount per customer is not relevant for GRENKE BANK AG. In 2024, the deposit volume increased by 36.9 percent to EUR 2,307,997k.

In 2024, GRENKE BANK AG was able to maintain a largely stable loan portfolio in the area of microcredit financing. Acting on behalf of the Federal Republic of Germany, the bank processes and refinances microcredit loans without bearing any default risk of its own and receives an appropriate interest margin in return. As of December 31, 2024, the loan volume for this product totalled EUR 90,987k (previous year: EUR 96,933k), distributed across 8,306 existing loans (previous year: 8,322). The active distribution of start-up loans outside the microcredit segment was discontinued in 2019. The Bank continues to manage the remaining portfolio.

Furthermore, until 2021, GRENKE BANK AG, in line with its SME focus at the time, issued overdraft facilities and, in particular, small working capital and investment loans to SME customers in Germany. However, the Bank's new business activities in these loan products were significantly reduced from the second quarter of 2020 due to the COVID-19 pandemic and were fully discontinued from mid-2021. In the 2024 financial year, the product segment for smaller working capital and investment loans to SME customers in Germany was reactivated. The sales channel used again was the referral marketing of GRENKE AG. The loan volume of this portfolio amounted to EUR 4,111k as of December 31, 2024 (previous year: EUR 7,883k). For companies within the GRENKE Group, overdraft facilities and refinancing funds for the leasing and factoring businesses were made available, typically backed by a guarantee issued by GRENKE AG. As of December 31, 2024, the utilisation amounted to EUR 56,410k (previous year: EUR 43,106k).

As of the reporting date, the total volume of purchased German and European lease receivables rose to EUR 1,615.9 million (previous year: EUR 1,318.4 million). Lease receivables continue to be purchased at risk-adjusted prices.

A cooperation exists between NRW.BANK in Düsseldorf, GRENKE AG, and GRENKE BANK AG. This collaboration enables small and medium-sized enterprises as well as self-employed professionals in North Rhine-Westphalia to access promotional funds for business-related new acquisitions through leasing. In 2022, a contract was concluded for a volume of EUR 20 million, of which EUR 10 million was utilised. In 2023, the second tranche of EUR 10 million was drawn down and also fully utilised, so that as of December 31, 2024, two global loan tranches with NRW.BANK in Düsseldorf with a total volume of EUR 8,331k (previous year: EUR 17,499k) were outstanding. At the end of 2024, a total of 2,724 lease contracts (previous year: 4,591) from these funding programmes remained in the portfolio. The refinancing of these leasing 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 receivables purchases by GRENKE BANK AG.

In addition, a new agreement for a volume of EUR 5 million was concluded in 2023 with Thüringer Aufbaubank (TAB) in Erfurt, of which EUR 2.5 million was drawn down. As of December 31, 2024, this loan had an outstanding balance of EUR 1,875k (previous year: two loans with EUR 2,647k). At year-end 2024, 306 leasing contracts (previous year: 381) from this programme remained in the portfolio, with an outstanding volume of EUR 2,261k (previous year: EUR 1,199k). It is intended to draw the second tranche of EUR 2.5 million in the first quarter of 2025. Further global loans are planned for 2025 with both cooperation partners.

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, 7,071 lease contracts (previous year: 5,708) have been concluded, amounting to a total commitment (carrying amount of the lease assets) as of the reporting date of EUR 23,359k (previous year: EUR 22,431k). The average net acquisition value of newly concluded lease contracts totalled EUR 7k (previous year: EUR 8k) 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 2024, a total of 107 factoring agreements (previous year: 114) had been concluded, and purchased receivables amounted to EUR 19,224k at year-end (previous year: EUR 18,502k).

In the first half of 2019, GRENKE BANK AG established a branch in Portugal to offer factoring services. By the end of 2024, a total of 51 factoring framework agreements (previous year: 58) had been concluded, and purchased receivables amounted to EUR 14,676k at year-end (previous year: EUR 14,531k).

On January 31, 2024, GRENKE AG announced its decision to focus on the leasing business in the future and therefore to initiate the sale of its factoring companies. The synergies expected at the time of entering the factoring business in relation to the core and main business of leasing had not materialised. In addition, a detailed analysis revealed that the existing factoring business could only have been made profitable in the long term with additional investments and a significant multiplication of business volume (the share of assets from the factoring business accounted for less than 2 percent of the GRENKE Group's balance sheet in 2024). By the end of the reporting year, the sales process had not yet been completed. The intended sales of GRENKE AG concern the two branches of GRENKE BANK AG.

The Bank continues to expect no directly foreseeable effects on business development in lease receivables purchases from GRENKE AG or in the factoring business as a result of the ongoing wars between Russia and Ukraine, and between Israel and Hamas, or the political upheavals (USA, elections in Germany and France). Since GRENKE BANK AG has planned for only just under one-fifth of GRENKE AG's potential total new business volume in the European countries refinanced by GRENKE BANK AG for the 2024–2026 planning period, the economic impact of these conflicts on GRENKE BANK AG is not material.

2. Economic report

2.1. Results of operations

GRENKE BANK AG's result from ordinary activities amounted to EUR 35,434k in 2024 (previous year: EUR 22,000k).

The result is due to the higher-than-planned purchase of lease receivables, greater interest on the cash reserve at the Bundesbank, and the 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 72,896k (previous year: EUR 57,801k). Significant interest income of EUR 91,478k (previous year: EUR 66,262k) was generated from purchased lease receivables. This accounted for 71.5 percent of the Bank's total interest income of EUR 127,857k (previous year: EUR 92,254k) and thus continued to provide a stable foundation for the Bank's income. The factoring business contributed EUR 3,703k (previous year: EUR 3,094k) to net interest income.

Leasing income from the leasing business in Norway increased to EUR 12,457k (previous year: EUR 11,145k). Commission income increased to EUR 3,238k (previous year: EUR 3,038k). Commission expenses of EUR 3,208k (previous year: EUR 3,330k) included EUR 1,473k (previous year: EUR 1,458k) in commissions for the brokering of lease contracts in Norway and EUR 872k (previous year: EUR 857k) in commissions for the brokering of factoring framework agreements in Italy and Portugal.

Staff costs in the past financial year amounted to EUR 11,136k (previous year: EUR 9,982k). 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 13,498k (previous year: EUR 13,456k).

Depreciation/amortisation and impairment of intangible fixed assets and property, plant and equipment amounted to EUR 551k (previous year: EUR 238k). Scheduled depreciation of lease assets amounted to EUR 6,227k (previous year: EUR 5,742k). Write-downs and valuation allowances on receivables and certain securities equalled EUR 23,927k (previous year: EUR 21,452k).

The current measurement of our investment in Finanzchef24 GmbH resulted in income from write-ups on investments amounting to EUR 500k (previous year: EUR 0k).

Other operating expenses amounted to EUR 310k (previous year: EUR 255k) and mainly relate to non-deductible value-added taxes of the foreign branches amounting to EUR 178k (previous year: EUR 147k) and the compounding of non-current provisions in the amount of EUR 28k (previous year: EUR 29k).

Other operating income includes the result from foreign currency gains and losses amounting to EUR 1,366k (previous year: EUR 534k), which arose from the settlement of forward exchange transactions entered into to hedge our foreign currency risks in connection with the Norwegian leasing business and the granting of intragroup foreign currency loans. In addition, EUR 145k (previous year: EUR 127k) relates to cost reimbursements and EUR 87k (previous year: EUR 82k) to rental income in Norway and Portugal. Furthermore, other operating income includes EUR 6,088k (previous year: EUR 5,668k) from the reversal of other provisions, including the continued reversal of provisions recognised in 2022 for processing risks in trust transactions, amounting to EUR 5,701k (previous year: EUR 5,373k).

The result from ordinary activities amounted to EUR 35,434k (previous year: EUR 22,000k). After accounting for the profit transfer of EUR 31,322k (previous year: EUR 21,507k) and income taxes incurred in Norway of EUR 112k (previous year: EUR 493k), net profit for the year totalled EUR 4,000k (previous year: EUR 0k). In accordance with stock corporation law, EUR 1,766k (previous year: EUR 0k) was allocated to the statutory reserve and EUR 2,234k (previous year: EUR 0k) to other retained earnings to further strengthen the capital base in view of increased and planned future business volumes, resulting in no unappropriated profits.

The return on capital pursuant to Section 26a (1), sentence 4 of the German Banking Act (KWG) – defined as the ratio of net profit to total assets – amounted to 1.31 percent before taxes (previous year: 1.05 percent).

The planning for 2024, adopted in December 2023, was significantly exceeded with net profit of EUR 35,434k instead of the planned EUR 14,834k, as business volume grew more strongly than planned and resulted in a significantly better net interest income for the financial year. In addition, it was possible to almost entirely reverse the remaining provisions for risks from trust transactions.

2.2. Financial position, net assets and liquidity

The Bank's total assets rose by 28.8 percent compared to December 31, 2023, reaching EUR 2,706,061k. This increase was primarily driven by the growth in customer receivables and customer deposits. Liquidity in the form of balances with the Deutsche Bundesbank also grew accordingly.

As of the reporting date, receivables from banks amounted to EUR 8,715k (previous year: EUR 14,818k), and balances with central banks amounted to EUR 790,711k (previous year: EUR 484,721k). These funds serve liquidity management and liquidity security and increased by a total of 60.0 percent compared to the previous year. As of December 31, 2024, there were committed but unutilised credit lines in the amount of EUR 10,000k.

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 1,832.8 million (previous year: EUR 1,529.6 million). Of this amount, EUR 1,615.9 million (previous year: EUR 1,318.4 million) was attributable to purchased lease receivables, which accounted for 88.2 percent of the Bank's total portfolio of receivables from customers as of the December 31, 2024 reporting date. The granting of microcredit loans remained nearly stable. As of the reporting date, they totalled EUR 90,987k (previous year: EUR 96,933k).

The investment in Finanzchef24 GmbH, Munich, was fully impaired in 2021. The revaluation at year-end resulted in a partial write-up (reversal of the impairment) amounting to EUR 500k.

Leases assets from leasing transactions in Norway were reported at a carrying amount of EUR 23,359k as of the reporting date (previous year: EUR 22,431k). Over the course of the year, the business volume increased 4.1 percent.

Liabilities to customers increased by 36.9 percent as of the reporting date compared to December 31, 2023, amounting to EUR 2,308.0 million (previous year: EUR 1,686.0 million). Of this amount, EUR 2,131.0 million related to deposits with a contractually agreed term or notice period (previous year: EUR 1,493.9 million).

As of the reporting date, liabilities to banks include calls on the global loans with the development banks NRW.BANK in Düsseldorf and Thüringer Aufbaubank (TAB) in Erfurt, as well as the refinancing of start-up business financing through Kreditanstalt für Wiederaufbau (KfW) in Frankfurt am Main and Landeskreditbank Baden-Württemberg (L-Bank) in Karlsruhe. As a result, the total amount as of the reporting date, including accrued interest relating to the aforementioned items, was EUR 19,308k (previous year: EUR 39,470k).

Provisions totalled EUR 6,691k (previous year: EUR 11,842k) and included provisions for pension obligations of EUR 1,450k (previous year: EUR 1,546k) and tax provisions of EUR 448k (previous year: EUR 491k) for the Norwegian branch. Further provisions related to commission obligations (EUR 1,090k; previous year: EUR 924k), staff costs (EUR 921k; previous year: EUR 913k), legal and consultancy costs (EUR 724k; previous year: EUR 423k), annual financial statements and audit costs (EUR 689k; previous year: EUR 756k), outstanding invoices (EUR 643k; previous year: EUR 298k), the trust loan business (EUR 244k; previous year: EUR 5,945k), and contributions to the deposit protection scheme (EUR 144k; previous year: EUR 236k). Additionally, provisions for archiving obligations amounted to EUR 96k (previous year: EUR 82k).

Subscribed capital was increased in 2023 by EUR 40,000k to EUR 50,000k in accordance with the resolution of the Annual General Meeting. The statutory reserve was increased by EUR 1,766k to EUR 2,766k pursuant to the provisions of German Stock Corporation Act. In addition, EUR 2,234k was allocated to other retained earnings to strengthen equity due to the increased business volume and the planned development in 2025. For a breakdown of equity, reference is made to the notes.

Contingent liabilities from guarantees amounted to EUR 86k as of the reporting date (previous year: EUR 101k). In addition, irrevocable loan commitments for unused credit lines amount to EUR 6,968k (previous year: EUR 7,360k).

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

The 2024 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 management bears overall responsibility for monitoring the risks of GRENKE BANK AG.

The Risk Control function informs the management 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.

3.1. Strategic opportunities

The Bank's strategic focus lies in the targeted support of its parent company and its subsidiaries. As a captive bank, it plays a key role in the refinancing of the GRENKE Group. It provides the technical, organisational, and regulatory infrastructure needed to attract low-volume customer deposits and make them reliably available for the GRENKE Group's refinancing – also in times of crisis – on market terms. Through its retail deposit business, the Bank helps diversify the Group's refinancing and thereby generates a refinancing advantage compared to the capital markets. To fulfil its refinancing function, the Bank provides appropriate processes for purchasing lease receivables from GRENKE AG, maintaining the necessary contractual frameworks across the various markets where leasing products are offered. These markets are generally within the EU or EEA. As part of its role, the Bank also supports the Group in other markets as required.

The Bank also collaborates with various development banks to generate cost and competitive advantages for the GRENKE Group's customers.

The Bank's most important business partner is the parent company (purchase of lease receivables; financing of Group subsidiaries). In addition, the Bank supports the Group in the asset financing of the Group's leasing customers; these customers are co-defined by the Group's target structure and operate in retail, commerce, crafts, and industry across various sectors. The aim is to close strategically significant product gaps in the GRENKE Group's offering and to strengthen long-term ties with customers and partners.

In line with the GRENKE Group's strategic focus, the Bank's services are primarily directed at small business customers and medium-sized enterprises. Large exposures (exceeding 50 percent of the large exposure limit under Articles 387 et seq. CRR/Section 13 KWG) are not a focus for the Bank in either lending or deposit activities with corporate and commercial customers. Nevertheless, in supporting the Group's business development, the Bank may also serve companies and projects that fall outside this definition (e.g. in terms of company size); in such cases, the Bank also ensures an appropriate and sustainable risk-return profile.

Another core target group consists of retail investors, who serve as the primary refinancing source for the Bank's business activities. To address this segment, the Bank focuses on competitive conditions, a customer-centric and efficient onboarding process, and ongoing relationship management.

In addition, the Bank provides intragroup services, particularly in payment transactions.

In EU markets where this is required and possible, the Bank provides the regulatory framework to enable the offering of leasing and factoring products. The intragroup services are intended to make processes more cost-effective and/or faster, thereby enhancing customer friendliness.

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 purchasing lease receivables, the Bank offers other forms of financing in Germany, focusing primarily on SME microcredit loans of up to EUR 50k. In selected cases, commercial loans of up to EUR 150k are extended to existing customers with very strong credit ratings. In line with the Group's strategic focus, the Bank does not offer consumer loans on the market. It also provides loans to companies within the GRENKE Group. In the deposit-taking business, the Bank also offers traditional deposit products for both private and corporate customers. These activities are complemented by related payment services, particularly for GRENKE Group companies and through the viafintech partnership.

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.

By resolution of its governing bodies dated January 26/31, 2024, GRENKE AG announced its intention to focus its future business activities on the leasing business and to divest from the factoring segment; a corresponding ad hoc announcement was published on January 31, 2024. The Board of Directors of GRENKE BANK AG resolved, in alignment with GRENKE AG, to pursue a separation from the factoring business and to review the related available options.

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 planning scenario and adverse scenarios, each with different capital requirements. In the planning scenario, the internal expectation is 17.10 percent, while the regulatory minimum requirement is 14.78 percent. For the planning years, the internal expectation decreases to 16.40 percent as the Bank anticipates further improvements in governance. Against this backdrop, the regulatory minimum requirements are expected to decline to 14.08 percent. Over the planning period, the capital ratios in the planning scenario trend downwards to 14.50 percent by 2027 due to significant growth in lease purchases. Without further measures, the internal capital requirements would be partially undershot due to the expected growth in the planning years 2026 and 2027. At present, given the available courses of action and the relatively late timing of these shortfalls, no ad hoc measures are required. The further business development in 2025 must be closely monitored with regard to new business growth. The development is continuously discussed in the Bank's existing committees (primarily ALCO and the Credit Committee).

For the economic perspective, the Bank fundamentally adopts a present-value-based quantification approach. Where suitable methods and procedures are available, both the components of the risk-bearing capacity and the material risks are quantified on a present-value basis.

The risk-bearing capacity is based on the enterprise value, defined as the difference between assets and liabilities, including off-balance-sheet items, at the valuation date (existing business). After deducting, in particular, future expenses associated with the existing business and a risk buffer, the present-value risk-bearing capacity is calculated.

The limit system established on the basis of the available risk-bearing capacity for the economic perspective is presented as follows as of December 31, 2024 for the risk assessment horizon of the next 12 months:

Risks		Limit	Risk 12/2024	Utilisation
[redacted]	Counterparty default risk	125,000,000	89,941,325 ●	72.0%
[redacted]	+ Interest rate risk	33,000,000	23,182,658 ●	70.3%
[redacted]	+ Operational risk	7,000,000	4,127,471 ●	59.0%
[redacted]				

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 lease receivables purchased from the GRENKE Group, which account for 86.4 percent of the Bank's total risk exposure from customer business as of December 31, 2024, are broadly diversified and characterised by a relatively low volume per individual receivable.

In the context of credit risk, only the unexpected loss (UL) is considered, as the expected loss (EL) is already deducted when determining risk-bearing capacity. UL is quantified in accordance with the work instruction for the measurement of counterparty default risk. For customer business, UL is calculated as the present-value Credit Value at Risk (CVaR [present value]) based on the Credit Risk Model (CRM) or Group Credit Portfolio Model (KPM-KG). For lease purchases and the Bank's own leasing business, group-determined values for probability of default (PD) and loss given default (LGD) are used. In the case of the Bank's own lending business, PD is primarily derived using the viability rating (VR).

Loan loss provisions in the customer portfolio decreased from EUR 43,225k to EUR 37,367k in the financial year.

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

Country risks are monitored in the risk report; specific country risks are currently not identifiable. Instead, the portfolio is diversified across countries. As of the reporting date, the risk exposure in the customer loan business (excluding the two factoring branches and the bank's own leasing business in Norway) is primarily spread across the following countries:

Country	RV 12/2024 (in EURk)	RV share 12/2024 (in percent)
Belgium	114,258	5.9
Germany	402,967	20.9
Finland	2,988	0.2
France	685,807	35.5
Ireland	114,216	5.9
Croatia	37,153	1.9
The Netherlands	139,373	7.2
Portugal	134,435	7.0
Romania	44,039	2.3
Spain	235,181	12.2
Turkey	0	0.0
Hungary	3,959	0.2
Rest of World	16,722	0.9
Total		

Hinweis: Im deutschen PDF sind die erste und letzte Zeile nicht lesbar. Die erste Zeile haben wir aus dem GB 2023 übernommen (bitte prüfen)

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

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

3.4.3. Market price risk

The main market price risk is identified as interest rate risk (IRR). Its risk content is low due to the strategy, as fundamentally (i) a maturity-matched balance sheet structure and (ii) the hedging of open foreign currency positions are planned.

The present value assessment corresponds to the shock scenarios of the extended requirements for the IRRBB reporting. In all scenarios, the interest rate risk coefficients (present value loss relative to regulatory own funds) remain within the internal limit of ± 5%.

Reported figures (amounts in EURk)	**Dec. 31, 2024**	
	Change in present value	**Interest rate risk coefficient**
Economic value of equity (EVE) level in base scenario	520,869	
Delta EVE with a parallel upward interest rate shock	-13,203	-4.50%
Delta EVE with a parallel downward interest rate shock	7,159	2.44%
Delta EVE with a steepener shock	541	0.18%
Delta EVE with a flattener shock	-3,276	-1.12%
Delta EVE with a short-term interest rate upward shock	-6,966	-2.37%
Delta EVE with a short-term interest rate downward shock	3,745	1.28%

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 23,183k.

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 2024 financial year. As of the reporting date, the nominal amount of forward exchange contracts equalled EUR 25,380k (previous year: EUR 29,123k) 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, 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 management. 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) or other negative macroeconomic developments related to its business. 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 strives to refinance 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 management. 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 a set capital commitment, assumptions are made on the basis of historical data. As of December 31, 2024, 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 997.25 percent as of December 31, 2024; 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 and 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 GRENKE AG's plan for leasing new business in Europe. 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 upcoming 2025 financial year, the Board of Directors expects a slight increase in the mid double-digit million euro range in the volume of purchased intragroup lease receivables. However, total assets are expected to change only slightly, as the strategic liquidity buffer is to be reduced again to the planned value of approximately EUR 460 million (cash reserve). This liquidity buffer is maintained to be available, if necessary, within the liquidity management framework of GRENKE AG. The Board of Directors does not expect any significant short-term effects on the company's net assets, financial position, and results from operations from the intended separation from the factoring business.

GRENKE Bank's new business planning for 2025, with respect to the purchase of receivables from GRENKE AG, is based on the assumption of acquiring German receivables worth approximately EUR 100 million. In France, the Bank plans to refinance 20 percent of the expected new business, while in the other countries where the Bank acquires receivables, 80 percent of the Group's new business in those markets will be refinanced. In total, the Bank is planning new receivables purchases of around EUR 627 million in 2025.

In its business with commercial customers, the Bank focuses on offering overdraft facilities, demand deposit accounts, and small-scale financing solutions. It intends to continue providing microloan financing, with the associated risk borne by the Federal Republic of Germany under its cooperation with the Federal Ministry of Labour and Social Affairs. In conjunction with these products, the Bank also offers payment transaction services to these customers.

The focus of payment transactions at GRENKE BANK AG is primarily on acting as a payment service provider for companies within the GRENKE Group, as well as continuing to ensure the operator function for the "BARZAHLEN/VIACASH" payment system in order to increase commission income. In addition, GRENKE BANK also handles payment transactions for commercial customers within the framework of business current accounts.

On the refinancing side, the Bank plans to significantly expand its fixed-term deposit business with private customers into the lower three-digit-million euro range to around EUR 1.5 billion. For this purpose, cooperation is planned with platforms as well as the further expansion of the Bank's own application channel in 2025. The Bank will also continue to pursue refinancing through global loans from promotional banks and plans a portfolio of EUR 24 million by the end of 2025.

The Bank's business and control functions, as well as its organisational and procedural structures, will continue to be strengthened in 2025, thereby addressing any findings arising from the Section 44 KWG special audit. As in previous years, the Bank's equity will comply with all applicable regulatory requirements. The Bank also expects that its individual modified balance sheet equity ratio will consistently remain above 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 maintain increased own funds requirements of 9 percent. The existing own funds requirements will not adversely affect the planned activities on the asset and liability side in 2025 or beyond.

According to the plan, administrative expenses will rise in 2025 in the area of staff costs due to the anticipated completion of the regulatory banking, governance, and personnel structures. However, from 2025 onward, these costs and related projects are expected to decline again as one-off effects fade and a sustainable headcount of 125.11 FTE, including foreign branches, will be maintained. The planned expansion of in-house expertise and improved processes and workflows will significantly reduce the previously high reliance on external consultancy, particularly in the areas of business organisation and governance. This trend is also reflected in the cost-income ratio (CIR), which is expected to be approximately 36 percent in 2025. In 2024, the CIR had reached around 33 percent from 2024, down from 39 percent in 2023.

Another goal of the Board of Directors was to select and further qualify the management team according to the Bank's new requirements, with a particular emphasis on increasing the representation of women in leadership roles. As of the end of 2024, 4 out of 12 leadership positions at the Bank were held by women. The target quota of over 30 percent is also to be achieved in 2025.

The Bank's Board of Directors expects a significantly lower result of around EUR 17.95 million in 2025 than in 2024, which, however, included a one-off effect from the reversal of risk provisions for the KfW loans amounting to approximately EUR 5.7 million. The net profit is planned to decline in both 2026 and 2027. The Board's main focus, in addition to maintaining a sustainably positive earnings outlook, is on finalising the ongoing restructuring work at the Bank by the end of 2025. These structural changes, primarily in the IT and governance areas, are intended to make GRENKE BANK more digital, scalable, and regulatory-compliant to better meet the needs of our parent company GRENKE AG and the demands of our customers. Closer cooperation with GRENKE AG where appropriate and beneficial is also a key focus. Overall, the Board views the coming years positively.

Baden-Baden, March 5, 2025

GRENKE BANK AG

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, 2024 and the income statement for the financial year from January 1, 2024 to December 31, 2024, 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, 2024 to December 31, 2024.

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, 2024 and its results of operations for the financial year from January 1, 2024 to December 31, 2024 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.

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, 2024 to December 31, 2024. 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 matter 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 1,871.6 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 and 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 included, 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.

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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".

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 are satisfied with 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.

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 misstatements, whether due to fraud or error, and whether the management report as a whole provides an accurate view of the Company's position, 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 developments. Our objective is also 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.

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 evaluate in particular 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.

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 could reasonably be expected to affect our independence and, where relevant, the actions or safeguards taken to eliminate 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.

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FURTHER INFORMATION UNDER ARTICLE 10 EU APRVO

We were elected as auditors by the Annual General Meeting on March 10, 2024. We were engaged by the Chair of the Audit Committee of the Company on September 30, 2024. We have served as auditors of GRENKE BANK AG without interruption since the 2021 financial year.

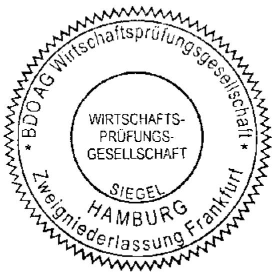
We declare that the audit opinions contained in this audit report are consistent with the additional report to the audit committee pursuant to Article 11 EU APrVO (long-form audit report).

AUDITOR RESPONSIBLE FOR THE AUDIT

The auditor responsible for the audit was Alexander Gaiser.

Frankfurt am Main, March 6, 2025

BDO AG
Auditing firm



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