Deutsche Leasing

2020

# ANNUAL REPORT 2020/21

2021

TEAM D

Finanzgruppe

More in Sight

Additional information relating to our Annual Report 2020/21 and current information on the development of the Deutsche Leasing Group's business can be found at **deutsche-leasing.com/finanzberichte**

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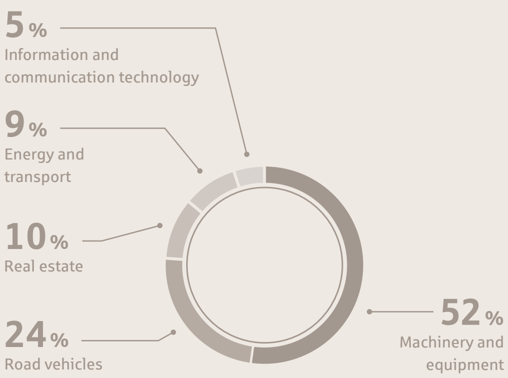
# CONTENTS

# OVERVIEW OF THE DEUTSCHE LEASING GROUP

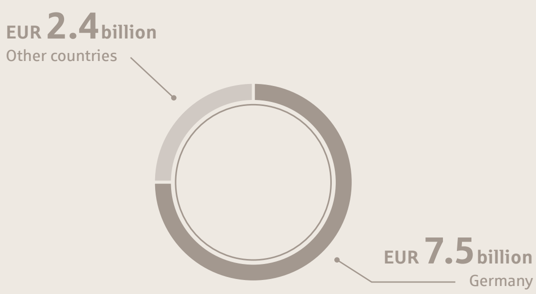
| Figures in EUR million | 2020/21 | 2019/20 | 2018/19 | 2017/18 | 2016/17 |
|---|---|---|---|---|---|
| **New business** | **9,925** | **9,218** | **10,297** | **9,181** | **8,856** |
| New business: movables | 8,927 | 8,768 | 9,630 | 8,474 | 8,095 |
| New business: real estate | 998 | 450 | 667 | 707 | 761 |
| **Assets under management** | **40,964** | **39,981** | **40,426** | **38,561** | **36,830** |
| Assets under management: movables | 32,672 | 31,668 | 31,465 | 29,489 | 27,970 |
| Assets under management: real estate | 8,292 | 8,313 | 8,961 | 9,072 | 8,860 |
| Balance-sheet total | 22,590 | 22,131 | 22,147 | 20,784 | 19,355 |
| Net asset value | 2,201 | 2,099 | 2,070 | 1,969 | 1,923 |
| Equity | 989 | 907 | 927 | 857 | 799 |
| Economic result | 175 | 70 | 170 | 159 | 153 |
| **Employees** | **2,755** | **2,716** | **2,624** | **2,575** | **2,526** |
| Number of employees at Deutsche Leasing* | 1,882 | 1,806 | 1,751 | 1,774 | 1,826 |
| Number of employees at DAL | 336 | 335 | 331 | 324 | 261 |
| Number of employees at investments | 537 | 575 | 542 | 477 | 439 |

* From the financial year 2020/21 onwards, the employees of Deutsche Leasing Finance are included in the "Number of employees at Deutsche Leasing" rather than the "Number of employees at investments".

**New business of the Deutsche Leasing Group 2020/21 by business segment**




**New business of the Deutsche Leasing Group 2020/21 Germany/other countries**



# MANAGEMENT BOARD DEUTSCHE LEASING

**Kai Ostermann**
Chief Executive Officer

**Sonja Kardorf**
Management Board member

**Georg Hansjürgens**
Management Board member

**Markus Strehle**
Management Board member

**Rainer Weis**
Management Board member

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# MANAGEMENT BOARD'S LETTER

Dear clients and business partners
of Deutsche Leasing,

The past financial year 2020/21 continued to be shaped by the coronavirus pandemic and challenging conditions. In this environment, the Deutsche Leasing Group developed positively and was able to return to its pre-crisis level more rapidly than it had anticipated.

While the first half of the past financial year unfolded largely as predicted, in the context of further COVID-19 lockdown measures, the headway made in vaccination campaigns and the related economic recovery had a significant impact on the course of business in the second half of the year. The effects of the supply bottlenecks only made themselves felt in the final few weeks of the financial year. Besides the economic recovery, targeted initiatives such as new partnerships and our entry into the Swiss market contributed to our positive business performance. In addition, we consistently pushed forward with other strategic topics of the future such as digitalisation, and we refined the coronavirus action plan which we had initiated in the previous year.

## 60 years of support for innovation and transformation

The financial year 2020/21 was another year of upheavals and new beginnings. Change is the order of the day. The impelling megatrends of this era have now materialised: digitalisation, sustainability, investments in infrastructure, mobility and new forms of work. All of these issues require a capacity for fast action and innovation. They are shaping the business agenda, both within companies and externally. This is particularly true of the SME sector. Its innovative power will continue to be a significant compelling force behind the successful transformation of the economy as a whole. New technologies are an integral part of this. The need for investment is huge, and this is true of practically every industry and every size of business.

Asset and sector expertise are therefore in demand, together with complementary services, in order to combine business innovation with investment projects, while offering forward-looking planning and protection in a volatile environment. For 60 years, the Deutsche Leasing Group has supported business transformations and financed technological progress, in times both good and challenging. As a member of Sparkassen-Finanzgruppe and through its partnerships with trade and industry, Deutsche Leasing reliably supports the SME sector and its capacity for innovation, while also playing its part in a process of economic transformation.

We would like to thank you – our customers, Sparkassen-Finanzgruppe and our partners – for the close cooperation and the confidence you have placed in us. This has been a constant source of inspiration. Above all, we would like to thank our employees in Germany and other countries for their contribution to our positive course of business in an environment which has remained volatile. We greatly appreciate their strong team spirit and high level of commitment.

## New business matches pre-crisis level

In the financial year 2020/21, the Deutsche Leasing Group held its own in a challenging environment and exploited market opportunities. With new business growth of 7.7 per cent to EUR 9.9 billion, we not only matched our pre-crisis level but also slightly expanded our position in the asset finance and asset service markets. Our economic result increased considerably. At EUR 175 million, it reached its pre-crisis level. Our net asset value increased significantly and amounted to EUR 2.2 billion.

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## Growth in almost every business segment

A glance at the distribution of new business by asset class in our various business segments shows that we were able to return to growth in almost all of our business segments by comparison with the previous year.

- Our volume of new business in the **machinery and equipment** segment rose by around 10 per cent relative to the previous year and amounted to EUR 5.2 billion. This segment remains the core focus of Deutsche Leasing's asset finance business.
- In the **road vehicles** segment – which includes the passenger car fleet business as well as commercial vehicles – our new business volume increased by 16 per cent to EUR 2.4 billion.
- With a new business volume of around EUR 1 billion, the **real estate** segment achieved a result which was more than twice the previous year's level. A volatile new business trend is typical of this business segment, given the longer lead times and structuring requirements. There is also a catch-up effect in some cases since several projects had been postponed in the previous year due to COVID-19.
- The volume of new business in the **information and communication technology** segment amounted to EUR 469 million and was thus around 19 per cent higher than in the previous year. As anticipated in the previous year, the COVID-19 pandemic has prompted an increased level of customer demand for information technology (in conjunction with the digitalisation of processes and jobs).
- The trend pointed in the opposite direction in the **energy and transport** segment, which encompasses investments in infrastructure and utilities as well as transport and logistics. In the infrastructure and utilities sub-segment, which focuses on renewable energy, the volume of new business increased considerably, by 23 per cent to around EUR 429 million. We are thus supporting a key pillar of the energy transition, and we see further strong business potential here over the next few years. In the transport and logistics sub-segment – which mainly consists of large-scale rail projects in the rail passenger transport and local public transport sectors and is therefore characterised by the volatility typical of these sectors – fewer large transactions were registered in the past financial year. Following exceptionally large transaction volumes in the previous year, the volume of new business here declined by 65 per cent to around EUR 416 million.

## Factoring turnover at a record level

**Deutsche Factoring Bank**, which celebrated its 50th anniversary last year, exceeded the EUR 20 billion limit for the first time in 2021 and achieved a factoring turnover volume of EUR 20.1 billion. This represents an 18.8 per cent increase year-on-year. Moreover, factoring turnover significantly exceeded the volume of turnover in the years 2018 and 2019, which were unaffected by the economic impact of COVID-19. The dynamic trend for business with new and existing customers in Germany and in the import factoring segment contributed to this development. In addition, the company launched a pilot project in the field of healthcare factoring together with a specialist provider which has many years of experience in this market. With its receivables financing and debt management products, Deutsche Factoring Bank focuses on SME customers in its joint exploitation of the market together with Deutsche Leasing and the savings banks. In the new customers segment, the volume of business brokered by savings banks was 89 per cent.

## Positive trend for investments

**Bad Homburger Inkasso (BHI)** gained new customers in the housing, energy and healthcare sectors especially and now has 1,331 clients – including 354 savings banks and other Sparkassen-Finanzgruppe companies. Despite the challenging environment associated with the COVID-19 pandemic, BHI acquired its envisaged volume of new cases and won a large number of new customers. As an associated company of the Deutsche Leasing Group, Bad Homburger Inkasso offers bad-loan collection solutions as well as the market-oriented resale of movable and real estate collateral on behalf of its shareholders, the savings banks and other companies and institutions.

**S-Kreditpartner (SKP)**, a joint venture of Deutsche Leasing and Landesbank Berlin/Berliner Sparkasse, fared considerably

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better than expected in coping with the challenges resulting from COVID-19. In the past year, this product specialist for vehicle and consumer loans within Sparkassen-Finanzgruppe achieved a new business volume of EUR 4.3 billion – in particular, this reflected a successful second half of the year. This was its second-highest volume of new business since its founding. In its anniversary year 2021, its total assets exceeded the EUR 10 billion mark. This goes to show that SKP initiated a large number of appropriate and strategic measures in 2021 and effectively implemented these measures together with its savings bank partners. Over half of the savings banks are cooperating with SKP through fully fledged partnerships. Eleven new partnerships were added in 2021, and further savings banks are set to sign up in 2022.

## Market opportunities actively exploited and progress achieved in the field of digitalisation

In the past financial year, we continued to push forward with our strategy of preparing Deutsche Leasing for the future: we exploited market opportunities, made visible progress in the area of digitalisation, and strategically defined sustainability as a key topic of the future.

Through our centre of excellence function, in our **cooperation with the savings banks** we continued to expand our range of digital services in the business and commercial customers segment. The new online application handling process for S-Gewerbekredit, for the financing of smaller plant and equipment expenditures, has expanded digital access through a range of devices. This makes it even easier and simpler to complete an S-Gewerbekredit loan transaction through the full range of contact options, both digitally and in person.

The partnership launched in the previous year with UniCredit Bank, which focuses on our core leasing/hire-purchase business, has got off to a good start.

With a presence in 24 countries overall, in the past financial year we further deepened our **international activities** through new cooperative arrangements. For instance, in the past financial year Deutsche Leasing entered into a strategic partnership with the Norwegian market leader, DNB. This provides our customers and partners with comprehensive access to DNB's market presence and sales financing expertise in Norway, Sweden and Denmark. In addition, in Hungary Deutsche Leasing has entered into a partnership with Erste Bank Hungary. Customers of Erste Bank in Hungary are thus able to rely on Deutsche Leasing's asset finance expertise. Moreover, we further expanded our ECA (export credit agency) offering and we stepped up our sales activities in Germany, Austria and Switzerland (the "DACH" region) by establishing our own branch office in Switzerland.

Through the action and investment programme which we initiated in the financial year 2019/20, we are continuing to pursue a strategic path of **digitalising** our work practices and our business model, where appropriate, and **modernising our IT**. A steady stream of investments in digital solutions of the future for our employees on the one hand, and for our customers and partners/vendors on the other, is essential here. The use of robot-controlled process automation (RPA) solutions has been further professionalised, and unsupervised "bots" (digital assistants) have been introduced to perform selected routine tasks. We have begun to develop a data science platform which will enable the validation of data-based applications (data science use cases). In addition, as a general interface a new sales and product unit is responsible for sales, product and customer relations management.

**vent.io GmbH (vent.io)** was founded by the Deutsche Leasing Group on 1 February 2021. Its nucleus was Deutsche Leasing's old Digital Innovation Unit. It has established itself over the past year in terms of its business activities and operations and has made further progress with projects in fields such as data science and RPA. vent.io is testing and developing digital business models, products and services on behalf of the Deutsche Leasing Group. Moreover, it is continuing to widen its network within the start-up scene, cooperating with start-ups and investing. It is also a development partner in the fields of data science, software engineering, artificial intelligence and digital customer and partner interfaces.

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As one of the first signatories of the "German Savings Banks' Commitment to Climate-Friendly and Sustainable Business Activities", we continued to focus on **sustainability and decarbonisation** in the financial year 2020/21. We integrated these issues more deeply and systematically within our corporate strategy – with a view to our own business activities as well as our customers' business. To this end, we analysed our business portfolio in terms of our carbon footprint and initiated an initial series of projects. Our portfolio analysis demonstrated that the Deutsche Leasing Group already offers its customers a large number of opportunities for investments here: e.g. in renewable energy sources such as solar and wind farms, in (electro-)mobility for vehicle fleets and local public transport, and in more modern machinery and equipment. Close support and assistance for the German SME sector in its gradual process of decarbonisation and its innovative development of further green technologies will be at the heart of our approach here. We feel that we are well placed to achieve this goal, thanks to our experience in supporting innovations and our many years of asset and sector expertise.

## Outlook for the financial year 2021/22

The Deutsche Leasing Group's financial year 2021/22 will continue to be shaped by challenging outline conditions. The COVID-19 pandemic is not over yet and remains a source of uncertainty at a macroeconomic level. Supply bottlenecks are increasingly affecting the economic recovery in Germany and other countries. The inflation trend and the related development of interest rates are further factors. In addition, world affairs and the global economy are being influenced by geopolitical tensions.

At the same time, we see increased business opportunities in view of the need for action associated with the key transformative issues of our time, such as digitalisation, infrastructure and sustainability. We intend to focus in particular on actively exploiting these opportunities. Our corporate strategy and our growth areas in the asset finance and asset service markets are geared towards this.

Our action and investment programme is now entering its third year of implementation, and there are important **digitalisation and modernisation projects** to carry through to fruition. We are focusing on process and product optimisation, so as to increase our speed of automation and implementation in the digital environment by means of standards and modules. The modernisation of our IT landscape is a second area of focus. With this goal in mind, we are relocating to a new data centre, alongside our day-to-day operations, and will have completed the process of changing our provider by the end of 2023.

In the area of **sustainability**, we will continue to add detail to our strategic orientation and will further develop the range of advisory and other services which we offer our customers for their own transformation projects. We will invest in this area and develop further areas of expertise.

We see our **intragroup business with the savings banks** as one of our key growth areas. This especially includes the business and commercial customers segment. We will further intensify and step up the pace of our close cooperation with the savings banks. As a partner of the German SME sector, in future we thus intend to exploit Sparkassen-Finanzgruppe's market potential even more systematically and efficiently. For this reason, we have decided as of the start of the new financial year to bring together in a new central market unit the entire scope of the Deutsche Leasing Group's strategic cooperation with the savings banks. In the meantime, all of the necessary preparatory measures will be implemented and we will be testing our strategic market exploitation approach together with selected pilot savings banks.

The factoring business continues to offer growth potential for the Deutsche Leasing Group and the savings banks. We aim to expand our intragroup business and our exploitation of the market in this area.

Due to German companies continuing to focus heavily on exports and to the international presence of the German economy, we continue to see strong market potential in the **international business** segment. We will further develop this business through our international network as well as the central pillars of our international activities and partnerships: our cooperation with internationally active vendors (machinery and equipment manufacturers), our support for German companies' direct investments and our partnership with the savings banks outside Germany. As a central ECA partner for the savings banks, this will provide additional revenue opportunities in the area of export financing. Our enhanced presence in Germany, Austria and Switzerland will also enable us to increase the level of support which we provide for our customers and vendors.

We will continue to pursue our long-term growth and income goals in this overall context, i.e. with due consideration of the related challenges and potential. All in all, in the financial year 2021/22 the Deutsche Leasing Group aims to achieve a rate of new business growth which surpasses the trend for the overall economy.

While the overall economic outline conditions remain uncertain, we have an optimistic view of the impelling topics of our time: we have an essential role in tackling issues such as digitalisation, sustainability, infrastructure, mobility or new forms of work – together with our customers, the savings banks and our partners in Deutsche Leasing's regions and worldwide. We are guided by this vision and we will play our part in designing and supporting this process of transformation throughout the economy and across a variety of different industries. In our 60th anniversary year, it is undoubtedly a core priority for us to serve as a partner to the German SME sector and to support its capacity for innovation and its technologically driven digital and green transformation.

Kai Ostermann | Georg Hansjürgens | Sonja Kardorf | Markus Strehle | Rainer Weis

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# SUPERVISORY BOARD'S REPORT

For the Supervisory Board
**Alexander Wüerst**
Chairman of the Supervisory Board

In the financial year 2020/21, the Supervisory Board monitored the orderliness of the Management Board's management of the company and performed the tasks required of it by law and according to Deutsche Leasing's company agreement and the Supervisory Board's rules of procedure. In accordance with its function and its understanding of its role, the Supervisory Board is continuously, promptly and comprehensively notified of the company's development and of important business transactions. All key questions concerning the company's position and development, strategic and operational planning, risk management and regulatory requirements were extensively discussed. In regular communication between the chairman of the Supervisory Board and the chairman of the Management Board of the managing shareholder, current operational matters were discussed and strategic planning was initiated.

## Structure of the Supervisory Board

As of 30 September 2021, the Supervisory Board consisted of 19 persons, almost all of whom were Management Board members of savings banks. To improve the efficiency of its operations, the Supervisory Board has established two committees: a loans and investments committee and an audit committee. The Supervisory Board is comprehensively notified of the agenda and outcome of meetings of these committees through the committee chairmen at regular meetings and through receipt of the minutes.

## Supervisory Board's activities

The Supervisory Board's four regular meetings entailed detailed reporting from the Management Board on commercial and risk policy, the current economic environment, the financial and profit situation, strategic and operational planning and risk management as well as related discussions. Investment issues, realisation of the Group's foreign strategy and regulatory requirements were discussed in detail with the Management Board. The Supervisory Board considered issues of relevance for the annual financial statements at a further meeting. The Supervisory Board was regularly kept informed of the impact of the coronavirus pandemic on the macroeconomic environment as well as Deutsche Leasing's course of business and outlook.

Together with the Management Board, in the financial year 2020/21 the Supervisory Board once again examined how modern technologies and digitalisation can be used and developed even more consistently and how to respond to the growing margin, competitive and cost pressure.

Issues of particular relevance were followed up in greater depth in committee meetings and proposed resolutions were prepared.

At its four meetings, the loans and investments committee held detailed discussions concerning risk decisions on commitments beyond the scope of the Management Board's responsibility as well as risk policy issues for the company, and intensively prepared Supervisory Board resolutions in the field of investments.

At a total of two meetings and through a conference call, the audit committee focused on the following issues: the financial statements and consolidated financial statements as well as the combined management report of Deutsche Sparkassen Leasing AG & Co. KG and also, with the auditor, its audit findings, in preparation for the Supervisory Board's financial statements meeting. The auditor's findings concerning the supervisory requirements relating to the audit of the financial statements and consolidated financial statements of Deutsche Sparkassen Leasing AG & Co. KG as of 30 September 2021 were extensively reviewed. The audit committee also discussed the medium-term equity planning of the Deutsche Leasing Group in detail. The audit committee received an update on the economic effects of the coronavirus pandemic on Deutsche Leasing in terms of specific accounting issues.

The Supervisory Board made all of the decisions which were required of it and which fell within the scope of its competence. It was involved in decisions of material significance for the company and, where necessary, provided its consent, following an extensive discussion and review process. The Supervisory Board discussed with the Management Board the company's strategy and resulting measures for realisation of its medium- and long-term goals and took note of these.

## Financial statements and consolidated financial statements

KPMG AG Wirtschaftsprüfungsgesellschaft has been appointed as the auditor and has issued unqualified auditor's reports for the financial statements and consolidated financial statements of Deutsche Sparkassen Leasing AG & Co. KG for the financial year 2020/21 as well as the combined management report. The auditor has notified the Supervisory Board's audit committee of its audit findings and has discussed them in detail with its members. The audit committee has notified the Supervisory Board of the outcome of its review of the auditor's reports and its discussions and has recommended the endorsement of the financial statements and the consolidated financial statements and the presentation of the financial statements to the shareholders' meeting for approval.

The auditor has provided a comprehensive report on its audit findings at the Supervisory Board's financial statements meeting and has replied to questions.

Following its own audit and discussion of the financial statements and the combined management report with the appointed auditor, the Supervisory Board has noted the auditor's audit findings and has not raised any objections. The Supervisory Board endorses the financial statements presented to it and proposes the approval of the financial statements by the shareholders' meeting.

## Proposal for appropriation of profits

The Supervisory Board has discussed the proposal for appropriation of the profit for the year and recommends that the shareholders allocate an amount of EUR 10,035,175.90 out of the parent company's net income for the year of EUR 38,035,175.90 to the non-withdrawable reserves.

The Supervisory Board would like to thank the deputy chairman of the Supervisory Board who left his position during the year under review, Dr Walter Eschle, for his valuable service. The Supervisory Board would also like to express its thanks and recognition to the Management Board and to all of the company's employees for their sustained commitment and for all of their work in the financial year 2020/21.

Bad Homburg v. d. Höhe,
January 2022

For the Supervisory Board

Alexander Wüerst
Chairman

# Combined management report Deutsche Leasing Group

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# Combined management report

Financial year 2020/21
Deutsche Sparkassen Leasing AG & Co. KG, Bad Homburg v. d. Höhe

## Business performance

- New business volume of EUR 9.9 billion matches pre-crisis level
- Growth in all market segments by comparison with the previous year
- Supply bottlenecks have first noticeable effects at end of financial year

## Earnings position

- Significantly increased net income for the year
- Risk provisioning requirement considerably lower than in previous year
- Increased general administrative expenses due to strategic investments in digitalisation, IT and market etc.
- Economic result matches pre-crisis level

## Net assets and financial position

- 2.1 per cent increase in consolidated balance-sheet total to EUR 22.6 billion
- Stable portfolio structure in terms of sectors as well as asset and credit rating classes and volumes
- Equity shown in the balance sheet increases by 9.0 per cent to EUR 989 million
- Net asset value grows to EUR 2.2 billion
- Financing base with broad foundations, prepared for further growth

## Opportunities and risk management

- Risk-bearing capacity remains clearly intact, even in stress scenarios
- Orderly default situation – default rate is lower than expected
- Robust market position thanks to diversification, newly concluded leasing partnerships as well as an extensive range of factoring and insurance products
- Digitalisation initiatives and, in particular, the increasingly rapid pace of the sustainability transformation providing new market opportunities

## Outlook

- Economy to reach pre-crisis level of output in the first six months of 2022
- Pandemic, supply bottlenecks and geopolitical conflicts are having a negative impact but will not impede the economic recovery over the longer term
- New business growth surpasses overall economic trend
- Growth opportunities through intragroup business and foreign network as well as partnerships
- Net asset value expected to increase, together with moderate rise in equity as well as provisions in accordance with §§ 340f and 340g of the German Commercial Code (Handelsgesetzbuch, HGB)

# Basic information regarding the Deutsche Leasing Group

## Overview

Deutsche Sparkassen Leasing AG & Co. KG, headquartered in Bad Homburg v. d. Höhe, (also referred to hereinafter as “DL KG”) is the parent company of the Deutsche Leasing Group. As a financial services provider, it is supervised by the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht, BaFin) and by the German Bundesbank.

As one of the leading asset finance and asset service partners in Germany and Europe, the Deutsche Leasing Group offers investment-related financing solutions (asset finance) as well as supplementary services (asset services) for both fixed and current assets. On the basis of a broad product range, the Deutsche Leasing Group supports its customers in their realisation of investment projects in Germany and other countries. This encompasses small-volume investments and financing, individual, complex major projects, factoring business and debt management. In terms of its customers, Deutsche Leasing – as a central group partner of the savings banks – mainly focuses on SMEs in Germany, which it also supports at an international level.

On 30 September 2021, overall the Group had 2,755 employees in 24 countries.

## Products and services

The solutions offered by the Deutsche Leasing Group mainly comprise leasing and asset financing for machinery and equipment, vehicles, IT and communication equipment, medical technology, real estate, intangible assets and large-scale movable assets (such as rail vehicles, solar and wind farms) and also factoring. It offers its partners sales financing products as well as dealer purchase finance.

Asset finance solutions play a key role in the Deutsche Leasing Group’s business model. They cover the entire life cycle of a contract, from purchasing of assets via brokerage of asset-related insurance and administrative activities to resale of assets. Its service range is supplemented with full-service products as well as certified returns in the vehicle fleet segment, construction management services for real estate leasing and lifecycle management, including IT services and logistics. In its factoring and collection segment, the Deutsche Leasing Group offers comprehensive debt management services.

Its in-depth asset know-how and its understanding of specific industry requirements enable the tailored ongoing development of its range of services in line with the market’s requirements. Market segments with relevant investment requirements are identified early on and customers receive individual support during the planning of their investments and right up to their realisation, thus laying the foundations for successful long-term partnerships. Sustainable investments (such as renewable energy, electric mobility) in particular are increasingly important for our customers and for the Deutsche Leasing Group itself. In addition, the Deutsche Leasing Group offers standardised, small-volume financing for its business customers seeking simple and rapid access to smaller investment assets.

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## Organisation and structure

The Deutsche Leasing Group is represented on the market through Deutsche Leasing AG and its different business segments, its subsidiaries DAL Deutsche Anlagen-Leasing GmbH & Co. KG (DAL), Deutsche Leasing Finance GmbH (DLF) and Deutsche Factoring Bank GmbH & Co. KG (DFB) as well as further investments specialising in the asset finance and asset service segments. Companies in 24 countries in Europe, Asia and America provide an international platform for the Deutsche Leasing Group's services.

As the market leader in Germany and one of the leading providers of leasing in Europe, it focuses on business-to-business operations with small and medium-sized enterprises. In particular, the combination of comprehensive asset, industry, product and service competence, all from a single source, provides added value for its customers.

On the German market, as distribution channels Deutsche Leasing's **Savings Banks and SMEs business segment** uses the savings banks – which are supported through a combination of offline and online channels – as well as direct distribution. Within the framework of a holistic sales model, this business segment offers a comprehensive range of financing services for movable investment assets (including assistance from DL Finance), from solutions-oriented support for individual projects to processing of small-volume standard transactions. In line with the segmentation model of the Deutscher Sparkassen- und Giroverband (German Savings Banks Association, DSGV), Deutsche Leasing distinguishes between the customer support services which it provides for larger corporate and company customers on the one hand, and smaller commercial and business customers on the other. Besides Deutsche Leasing's well-known leasing and hire-purchase products, its digital S-Gewerbekredit product also supported the financing of smaller plant and equipment expenditures. The new online application handling process for S-Gewerbekredit represents an important step towards omni-channel capability. For instance, this enables customers to view online, or on their mobile devices, a quotation which has been produced offline and to fill out further details. In future, new marketing packages are intended to enhance the attractiveness of Deutsche Leasing's range of services via targeted communication and impulse management. In addition, in cooperation with the International business segment the savings banks and their customers receive needs-oriented support for their foreign activities through so-called "German desks" in the foreign companies of the Deutsche Leasing Group.

The **Mobility business segment** positions itself as a finance and service partner for the SME sector's mobility concepts. The services offered in this business segment encompass vehicle-related investment and service solutions as well as efficient fleet management for SMEs in Germany especially. The ongoing market changes – in the form of the growing significance of alternative drive types and new mobility concepts – require a consistent focus on the market's requirements as well as the development of new product concepts and solutions. In addition to the existing configuration and calculation service and the online customer portal, (customer contact) processes will be gradually digitalised with the goal of increased customer satisfaction and retention. Through AutoExpo Deutsche Auto-Markt GmbH (AutoExpo), this business segment has its own specialised reselling company which resells returned leasing assets to private and commercial purchasers in Germany and other countries.

The **International business segment** focuses on support for German industrial enterprises in Germany and other countries, as a sales financing partner. This business segment serves as an international centre of excellence for asset finance and asset services within Sparkassen-Finanzgruppe and offers selected vendors and their customers in 24 countries asset finance solutions

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which match local requirements. With its entry into the Swiss market at the end of the previous financial year, Deutsche Leasing has stepped up its sales activities in Germany, Austria and Switzerland (the “DACH” region). The Deutsche Leasing Group has expanded its international business activities through its investment in AKA Ausfuhrkredit-Gesellschaft mbH (AKA) as well as the involvement of well-known vendors. In addition, so-called “German desks” established in Deutsche Leasing’s foreign companies assist customers of Deutsche Leasing and the savings banks with their foreign investments. Moreover, the use of digital interfaces (virtual captive platform) and their consistent ongoing development enable the development of new market segments and efficient handling of business transactions in multiple countries.

**DAL Deutsche Anlagen-Leasing GmbH & Co. KG (DAL)** operates as a centre of excellence for real estate business as well as specialist transactions and project business. It offers its customers structured financing for long-term and large-scale investments in the real estate (including construction management), transport, logistics, (renewable) energy, medical technology, IT and special products (e.g. financing solutions for intangible assets and current assets) business segments. It specialises in the arrangement of major projects. In the context of the growth potential offered by sustainability, in the past financial year several large-scale projects in the field of renewable energy were once again successfully completed in Germany and other countries. The DAL Asset Service Centre handles the processing and resale of returned leasing assets from the IT segment.

**Deutsche Leasing Insurance Services GmbH (DL InS)** is the centre of excellence for the Deutsche Leasing Group’s insurance services. It has Group-wide responsibility for insurance services, including the optimisation of purchasing and product development processes; this includes the Group’s foreign activities. This business unit develops insurance services tailored to customers’ specific requirements. It markets these services through all of Deutsche Leasing’s market units and distribution channels via brokered business. In addition, DL InS develops, purchases and manages self-insurance and workforce insurance policies for Deutsche Leasing. These include investment goods and commercial credit insurance for the outplacement of economic and, where applicable, regulatory (credit) and/or political (country) risks at a portfolio- or transaction-based level.

**Deutsche Leasing Finance GmbH (DLF)** offers asset-related credit financing, primarily investment loans and dealer purchase finance. Its accreditation with various public business development banks enables DLF to integrate public development funds in the Deutsche Leasing Group’s business. In addition, DLF assists its sister companies in case of financing requirements, including outside Germany, and provides intragroup overdraft facilities, credit facilities and guarantees within the scope of its financing activities.

**Deutsche Factoring Bank GmbH & Co. KG (DFB)** is Sparkassen-Finanzgruppe’s factoring centre of excellence. In addition to the range of services which the Group provides for the SME sector, DFB offers comprehensive receivables financing, debt management and loss protection solutions in Germany and other countries in over 50 different industries. The savings banks play an important role as distribution partners. Besides the transfer of expertise in the areas of factoring and sales support, DFB is gradually deepening its joint exploitation of the market together with the savings banks. DFB also cooperates with selected intermediaries and brokers.

**Bad Homburger Inkasso GmbH (BHI)** – an associated company of the Deutsche Leasing Group – offers bad-debt solutions as well as the market-oriented resale of movable and real estate collateral on behalf of its shareholders, the savings banks and other companies and institutions.

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**S-Kreditpartner GmbH (SKP)**, a Deutsche Leasing investment, focuses on personal car and consumer loans in Germany. It pursues its sales activities within the scope of partnerships with the savings banks; SKP also offers financing of purchasing activities for the vehicle industry. In Berlin, with S-Lab SKP has established a platform for innovation and exchange which enables the development of new, forward-looking solutions by bringing together various market actors. Some initial successes were already realised here in the past financial year. These include our new account-transactions-based loan product, “Kontoumsatzkredit”.

In order to keep up with the heightened pace of the digitalisation process which has resulted from the COVID-19 pandemic and to safeguard key future competences for the Deutsche Leasing Group, on 1 February 2021 the Group’s Digital Innovation Unit was spun off and established as a separate company and wholly owned subsidiary of DL KG, **vent.io GmbH (vent.io)**. This will enable greater commercial and regulatory flexibility and speed in areas such as the development and testing of new digital solutions. vent.io focuses on new digital business models, the joint development of digital customer and partner interfaces (through a user-centred focus and front-end software development) and data science methods (e.g. data-based cost optimisations/business models).

## Positioning within Sparkassen-Finanzgruppe

As a centre of excellence for leasing, factoring and other SME-oriented asset finance solutions, the Deutsche Leasing Group is a central and internationally focused group partner which supports the savings banks in the realisation of their customers’ investments. Given the growing significance of digitalisation, the development of a market-oriented digital product portfolio which is available online is essential. As well as improving Deutsche Leasing’s centre of excellence function within Sparkassen-Finanzgruppe, this will also enhance the intragroup benefit. As well as facilitating close market cooperation, the savings banks serve as the Deutsche Leasing Group’s key financing partner. Moreover, on the whole 351 savings banks (previous year: 356) are shareholders in the Deutsche Leasing Group, as direct and indirect limited partners; the number of savings banks has decreased slightly on account of mergers.

## Distribution channels

The Deutsche Leasing Group exploits its markets through three different distribution channels:

**Savings banks:** The needs of the savings banks’ customers are the key priority here and are optimally fulfilled through the cooperation of the savings bank in question with the Deutsche Leasing Group. The savings banks are able to select from an extensive range of services: from standardised product lines to tailored specialist solutions. The Deutsche Leasing Group thus enables the savings banks to access its full range of products and services. Over the next few financial years, Deutsche Leasing intends to step up its cooperation with the savings banks by strategically exploiting the market in order to leverage revenue potential. Moreover, so-called “German desks” have been established through the foreign companies of DL KG; German-speaking employees serve there as on-site contacts for the savings banks and their customers.

**Direct business:** With a regional sales structure which enables a local presence, DL KG and DAL exploit the market independently, through direct acquisition. Direct business sales focus especially on those customers and market segments whose potential the savings banks or partners/vendors have not yet fully exhausted. Direct business promotes the expansion of the Group’s

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existing customer base through the acquisition of new customers and safeguards its know-how as well as its customer and industry insight, thus underlining the independence of the Deutsche Leasing Group.

**Partners:** The Deutsche Leasing Group's partners are its dealers, vendors and cooperation partners. By working with dealers and vendors, the Deutsche Leasing Group achieves efficient and early access to customers, thus ensuring broad sales coverage in Germany and other countries. In addition, the Deutsche Leasing Group intends to intensify its existing successful partnerships with AKA and UniCredit Bank in order to develop new areas of market potential.

## Locations

Germany is the core market of the Deutsche Leasing Group. Through its foreign network, it supports German companies' exports and their international presence. It does so through cooperation with international vendors – mainly in Germany, Austria and Switzerland ("DACH") – which rely on the financing expertise of the Deutsche Leasing Group's international network to support their sales activities. On the other hand, as well as assisting German companies' foreign direct investment programmes the Group also supports foreign subsidiaries of German corporate groups through its 24-country network.

In the year under review, as well as its headquarters in Bad Homburg v. d. Höhe the Deutsche Leasing Group had one German branch office, in Berlin, and seven other German sales offices. The Deutsche Leasing Group is also represented in its various regions through its investments. The following figure provides an overview of the Group's international locations.

**International presence of the Deutsche Leasing Group**

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# Economic report

## Overall economic and industry-specific environment

The **world economy** is on the road to recovery. However, in 2021 the recovery process was sluggish up to the autumn, and only unfolded at a moderate pace over the course of the year as a whole. Only a few countries, such as the USA, returned to the level of output seen in 2019. The pandemic is continuing to negatively affect economic activity in some places on account of recurrent new waves of infection. This is particularly true of areas which have not yet reached a sufficient level of vaccination uptake. Supply bottlenecks are also having a restraining effect. This significantly weakened the very strong upswing in global industrial output at the start of the current year. Together with an increase in overall economic demand, these bottlenecks have contributed to higher inflation rates over the past few months.

In the first six months of the current year, the **US** economy has continued to recover strongly thanks to a considerable increase in the level of private consumption. In the second quarter, the pace of gross domestic product growth was nonetheless slightly weaker. In particular, this was attributable to the decline in the level of activity in the home-building sector and the rundown of inventories. On the other hand, corporate investments increased significantly. Unemployment also rose. However, in the summer it was still 3.5 per cent lower than it had been prior to the outbreak of the crisis. The level of persons in employment – at an all-time low of 62 per cent – is likewise only hesitantly recovering.

In **China**, the economy suffered a significant loss of momentum after overall economic output had already returned to its pre-crisis trajectory towards the end of the previous year. To be sure, in the second quarter gross domestic product growth reached a stronger rate of 1.3 per cent, compared to marginal growth at the start of the year. However, economic momentum once again deteriorated over the course of the summer. Industrial output has even generally been falling since the spring. A lack of primary products such as computer chips has likely also had a curbing effect here. In addition, a restrictive lending policy has curbed the development of the construction sector especially. This sector is of great importance in China. Not least, the country's rigid COVID-19 policy – which initiates drastic measures in response to isolated cases of infection – had a markedly negative effect on the economic climate.

Following a slight fall over the winter, overall economic output in the **Eurozone** once again strongly increased in the second quarter. The level of economic output fell by up to 15 per cent due to the COVID-19 pandemic. However, most of the production capacities which were shut down had already been reactivated by the summer of 2020. Thanks to the progress achieved in vaccination campaigns and falling case numbers from the spring of 2021 onwards, a large number of restrictions were removed and economic output in the Eurozone thus picked up strongly in the second quarter. Overall in the second quarter of 2021, economic output was 2.5 per cent lower than its pre-crisis level in the final quarter of 2019. The gap was most pronounced in Spain (–8.4 per cent), Portugal (–5.8 per cent) and Italy (–3.8 per cent).

The **German economy** is continuing to grow, but has suffered a noticeable loss of impetus. While its recovery suffered a setback due to the second wave of the pandemic around the turn of the year 2020/21, the German economy has returned to a strong growth trend since the spring of 2021. However, the pandemic and its effects are having a stronger impact on economic activity than had been expected in the summer of 2021. While service sectors which involve a high level of contact are more strongly affected by infection prevention measures, the main problem for industry is supply bot-

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tlenecks for primary products. The vaccination campaign has thus not yet enabled a complete return to normality. In the previous year, **plant and equipment expenditures** were disproportionately negatively affected by the impact of the COVID-19 pandemic. Pronounced catch-up effects were apparent at the start of the year 2021 and were particularly significant in the second quarter of 2021, where they reached a rate of +20.4 per cent.

## Financial performance indicators

As in the previous year, the Deutsche Leasing Group is managed by means of a Group-wide integrated logic which focuses on the development of new business as well as its net asset value and equity, with due consideration of risk-bearing capacity.

### New business

As a key management ratio, new business comprises all of the (confirmed) transactions within a specific reporting period, including the total historical costs for all associated investment assets from leasing, hire-purchase, rental and investment loans, the services stipulated under service agreements as well as the average level of recourse to credit lines within the scope of dealer purchase finance. Turnover and debt volumes in factoring and collection business are not included in this definition on grounds of limited comparability but are nonetheless separately considered for internal management purposes.

On the development of new business, please refer to the comments on the Group's › "Business performance".

### Net asset value

Leasing companies use the net asset value calculation in addition to annual financial statements prepared in accordance with German commercial law. The net asset value calculation presents hidden reserves and hidden liabilities within the scope of the volume/portfolio entered into and thus provides information on the present-value future net earnings potential which will be reflected in the profit and loss accounts for subsequent periods. The net asset value calculation thus transcends the inherent weaknesses associated with a profit and loss account prepared in accordance with commercial law (periodisation, inevitable establishment and release of hidden reserves) and helps to avoid the potential mismanagement which would result in case of a purely P&L-based performance assessment.

As well as equity shown in the balance sheet, the net asset value includes the earnings potential and profit contributions for future profit and loss accounts on the basis of the portfolio as of the key date, established by means of prior offsetting of expenses (declining interest-rate trend, start-up costs from acquisition and advance depreciation, by comparison with their straight-line leasing instalment equivalents) and calculated profits in a given portfolio.

While the net asset value calculation plays a less prominent role than the annual financial statements, it is a key precondition for an overall assessment of the economic situation and serves as the basis for determining a leasing company's risk coverage potential, as determined on a value-oriented basis. At the same time, the net asset value is used as a financial measure of total equity.

As a necessary supplement to the profit and loss account prepared in accordance with commercial law, the net asset value calculation provides the basis for a general indication of net income realised within a given period. This is referred to as the economic result for the period. The Deutsche Leasing Group calculates its net asset value and its economic result on the basis of the industry standard developed by the Federal Association of German Leasing Companies.

On the development of the net asset value, please refer to the comments on the › "Earnings position".

**Equity**

To ensure adequate economic foundations for its growth objectives and as cover against possible unexpected risks, the Deutsche Leasing Group maintains a strong equity base as well as reserves in accordance with §§ 340f and 340g HGB.

On the development of equity, please refer to the comments on the › "Earnings position".

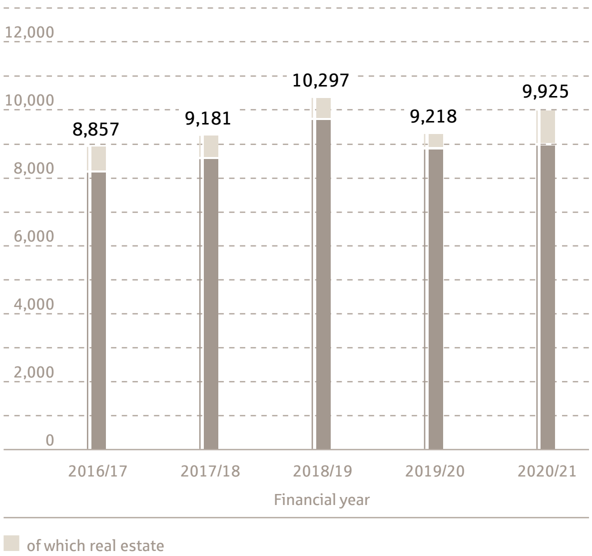
## Business performance

For the financial year 2020/21, due to an expected slower economic recovery the Deutsche Leasing Group had envisaged a new business volume at the same level as in the financial year 2019/20, which had registered a significant decline in the volume of new business as a result of the outbreak of the coronavirus pandemic in the second half of the financial year 2019/20. In addition, Deutsche Leasing envisaged a slight increase in its net asset value and a moderate rise in its equity as well as its provisions established in accordance with §§ 340f and 340g HGB. These forecasts were based on current studies by economic research institutes which were characterised by a strong degree of uncertainty over the pace of the recovery, given the potential macroeconomic effects of the COVID-19 pandemic.

While the first half of the financial year 2020/21 was largely in line with forecasts, due to the reimposition of lockdown measures, the progress of the vaccination campaign and the related economic recovery had a significant impact in the second half of the year. New business thus clearly exceeded the envisaged trend. With 7.7 per cent growth in its new business volume to EUR 9.9 billion, the Group was able to return to its pre-crisis level sooner than expected; the negative effects of the incipient supply bottlenecks prevented it from fully matching the level achieved prior to the outbreak of the pandemic. The Deutsche Leasing Group was once again able to defend its market leadership in Germany and its position among the leading leasing providers in Europe. The following summary shows the development of new business over a period of five years:

**New business of the Deutsche Leasing Group**

EUR million



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The distribution of new business by asset class is as follows:

**New business by asset class**

| Asset class | 2019/20 New business In EUR million | 2019/20 New business Share in per cent | 2020/21 New business In EUR million | 2020/21 New business Share in per cent | Change in EUR million in relation to previous year |
|---|---|---|---|---|---|
| Machinery and equipment | 4,749 | 52 | 5,202 | 52 | +453 |
| Road vehicles | 2,072 | 22 | 2,412 | 24 | +340 |
| Real estate | 450 | 5 | 998 | 10 | +548 |
| Energy and transport | 1,552 | 17 | 844 | 9 | –708 |
| Information and communication technology | 395 | 4 | 469 | 5 | +74 |
| **Deutsche Leasing Group** | **9,218** | **100** | **9,925** | **100** | **+707** |

The new business volume in the **machinery and equipment** segment increased by comparison with the previous year and amounted to EUR 5.2 billion. This segment remains the core focus of Deutsche Leasing's asset finance business.

As well as commercial vehicles, the **road vehicles** segment also includes the passenger car fleet. Its new business volume improved to EUR 2.4 billion, thanks to significant individual transactions.

The volume of new business in the **real estate** segment increased considerably to EUR 1.0 billion.

In the **energy and transport** segment, which encompasses investments in infrastructure and utilities as well as transport and logistics, the new business volume remained clearly below the previous year's level which had been shaped by the extraordinary impact of several large-scale financing transactions in the regional rail passenger transport sector.

In the **information and communication technology** segment, the volume of new business exceeded the level achieved in the previous year. On account of the COVID-19 pandemic, there is an increased level of customer demand for information technology (in conjunction with the digitalisation of processes and jobs).

## Economic situation

### EARNINGS POSITION

New business matched the trend seen prior to the outbreak of the pandemic. Accordingly, the earnings potential of Deutsche Leasing's portfolio significantly increased. However, due to the periodisation requirement the new business margins entered into will only gradually make themselves felt in the profit and loss accounts for subsequent periods. Upstream personnel and material expenses required in order to develop new market potential, on the one hand, and performance-related increased personnel expenses, on the other, resulted in an asynchronous trend for the earnings components within the profit and loss account. This is documented via the significantly increased net asset value as of 30 September 2021.

**Leasing income** resulting from leasing and hire-purchase business and from the sale of second-hand leasing assets rose by EUR 65 million on the previous year to EUR 7,538 million. On the other hand, **leasing expenses** increased by EUR 158 million to EUR 4,540 million.

However, directly related **depreciation and valuation adjustments on leasing assets** were at EUR 2,518 million lower than in the previous year (EUR 2,642 million). In principle, scheduled depreciation on newly acquired leasing assets included in this amount in the period remains in line with the term of the underlying leasing contracts.

**Net interest income** significantly improved by comparison with the previous year. Interest income developed disproportionately strongly by comparison with interest expenses and benefited from the growth in the volume of banking and factoring transactions.

**General administrative expenses** amounted to EUR 429 million and thus increased on the previous year (previous year: EUR 401 million), in the context of the significantly improved course of business.

Risk provisions under commercial law, in the form of **depreciation and valuation adjustments on receivables** (including the allocation made to the provisions in accordance with §§ 340f and 340g HGB), amounted to EUR 21 million and were significantly lower than in the previous year (previous year: EUR 46 million). The improved risk result mainly reflects the government support measures – which our customers have likewise benefited from – as well as the early stabilisation of the economic trend.

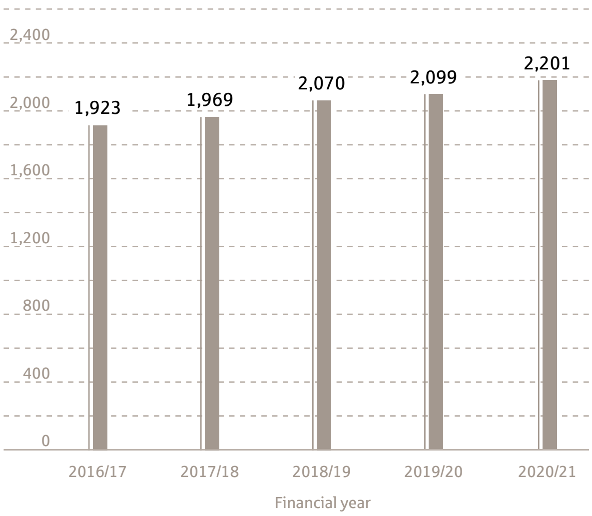
Overall, these effects have resulted in a **net profit for the year** for the Group of EUR 100.9 million (previous year: EUR 29.9 million). The Group's **net income for the year** amounted to EUR 110.9 million (previous year: EUR 37.7 million).

**Equity shown in the balance sheet** has increased by a significant EUR 82 million, from EUR 907 million to EUR 989 million.

In the financial year 2020/21, Deutsche Leasing's net asset value rose to EUR 2,201 million. Buoyed by the improved outline conditions and the higher volume of new business, future income increased and more than made up for the higher level of future expenses. The net asset value is calculated according to the standard developed by the Federal Association of German Leasing Companies in terms of its structure and substance. The auditor reviews this value in line with the "IDW Audit Standard: Net Asset Value Calculation Auditing for Leasing Companies (IDW PS 810)" issued by the Institute of Public Auditors in Germany, Düsseldorf. The net asset value reflects the value of the Deutsche Leasing Group's equity, after disclosure of hidden reserves. It is a key element for calculation of the economic result – a recognised, summary ratio indicating period net income for leasing companies.

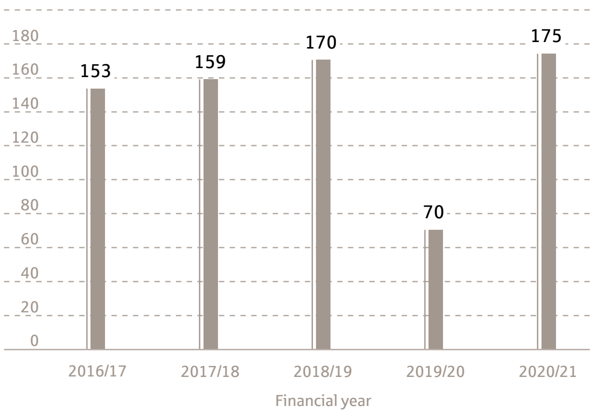
**Net asset value of the Deutsche Leasing Group**

EUR million

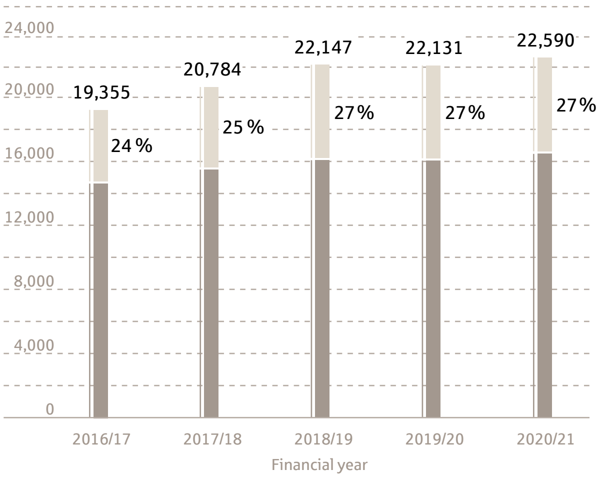



Allowing for the dividend distributed by Deutsche Sparkassen Leasing AG & Co. KG, the Deutsche Leasing Group achieved an **economic result** of EUR 175 million for the financial year 2020/21.

**Economic result of the Deutsche Leasing Group**
EUR million




**Development of consolidated balance-sheet total**
EUR million




% share accounted for by foreign business

## NET ASSET SITUATION

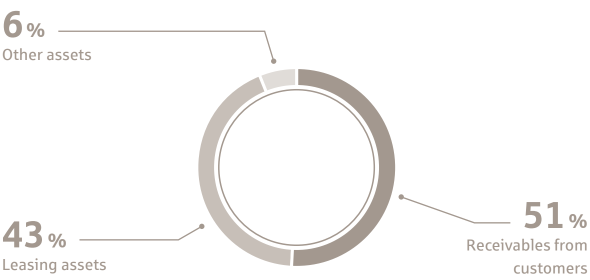
Deutsche Leasing's **consolidated balance-sheet total** increased from EUR 22.1 billion to EUR 22.6 billion at the end of the year under review. This resulted from the growth in the volume of receivables from customers (EUR +950 million), which contrasted with a decline in leasing assets (EUR –653 million).

At EUR 17.1 billion, leasing assets at historical costs were lower than in the previous year (EUR 17.7 billion). Leasing assets measured at residual book values – one of the key elements of the consolidated balance-sheet total – had the following structure on 30 September 2021, with a breakdown for individual business segments:

| Leasing assets measured at residual book values | 2019/20 | | 2020/21 | | Change | |
|---|---|---|---|---|---|---|
| Asset class | In EUR million | Share in per cent | In EUR million | Share in per cent | In EUR million | Share in per cent |
| Machinery and equipment | 5,639 | 54 | 5,116 | 52 | –523 | –9 |
| Road vehicles | 3,100 | 30 | 3,007 | 31 | –93 | –3 |
| Information and communication technology | 981 | 9 | 936 | 10 | –45 | –5 |
| Energy and transport | 572 | 6 | 604 | 6 | 32 | 6 |
| Real estate | 105 | 1 | 81 | 1 | –24 | –23 |
| **Deutsche Leasing Gruppe** | **10,397** | **100** | **9,744** | **100** | **–653** | **–6** |

The residual book values of leasing assets thus accounted for 43 per cent of the overall consolidated balance-sheet total (previous year: 47 per cent). Receivables from customers (mainly hire-purchase receivables and receivables from banking and factoring transactions) amounted to 51 per cent of the consolidated balance-sheet total (previous year: 48 per cent).

**Structure of assets as of 30 September 2021**



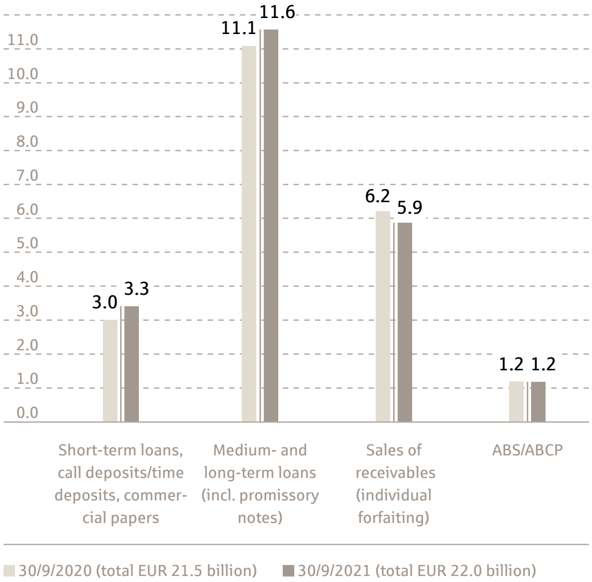

Foreign subsidiaries account for around 27 per cent of the Group's total assets. The leasing business of foreign subsidiaries is generally reported as hire-purchase business in accordance with the German Commercial Code.

## FINANCIAL POSITION

The debt capital borrowed in the financial year 2020/21 served to finance the customer business of the Deutsche Leasing Group, in particular the acquisition of leasing assets and the grant of loans to customers. Borrowed funds of the Group's domestic and foreign companies (without DAL's non-recourse business, but including DFB) increased slightly, by around 2 per cent on the previous year, on account of the new business trend. On 30 September 2021 they amounted to EUR 22.0 billion (previous year: EUR 21.5 billion). The following figure shows the development of the financing volume by financing instrument:

**Development of financing volume by financing instrument**

EUR billion




Medium- and long-term borrowing (including promissory note loans) from savings banks and other banks and forfaiting – which jointly accounted for four-fifths of the total debt capital borrowed – remained the key elements of Deutsche Leasing's financing structure. Loan financing increased disproportionately strongly. This was mainly due to the expansion of financing via public business development banks.

Money market borrowing was mainly for the purpose of financing short-term customer business. More than one quarter of money market borrowing served to finance DFB's factoring business.

The contribution provided by securitisation-based financing to the overall financing volume was unchanged. Refinancing was handled via the established ABCP financing platforms in the financial year 2020/21. Some of the financing portfolio was successfully transferred to an ABS bond over the course of the financial year.

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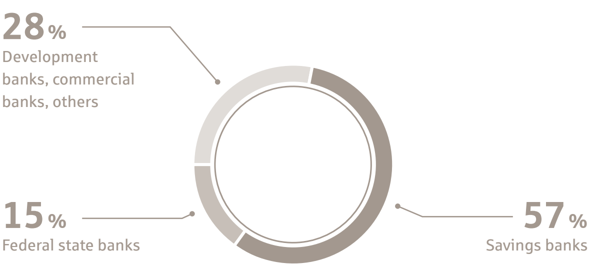
Borrowed funds primarily resulted from fixed-rate agreements and had original terms of up to seven years and average terms of around five years. Where necessary, interest rates were also fixed by means of interest rate derivatives. In almost all cases, these funds were borrowed on terms matching the structures of customer transactions in terms of the capital commitment and fixed interest-rate periods as well as the respective currency. Maturity transformations were thus not implemented to any significant extent.

As before, derivative financing instruments for management of interest and currency risks (mainly interest rate swaps) were exclusively entered into for hedging purposes. Since the volume, term and capital commitment periods of the derivative financing instruments entered into were determined on the basis of the structures of the underlying customer transactions and borrowed funds (mainly as a macro hedge on the basis of interest-rate gap analyses and in some cases as a micro hedge), risk is effectively covered. A documented, appropriate and functional risk management system is used for these transactions.

The volume of financing (Germany and other countries, excluding DAL's non-recourse business, including DFB) was distributed as follows between the financing partners as of 30 September 2021:

**Financing volume**

(Germany and other countries, excl. DAL's non-recourse business)




The Deutsche Leasing Group continued to receive almost all of its funding from institutions within Sparkassen-Finanzgruppe. As of 30 September 2021, savings banks and federal state banks provided considerably more than two-thirds of all borrowed funds. Public business development banks accounted for around two-thirds of the remaining borrowing.

In its financial management, the Deutsche Leasing Group seeks to safeguard permanent solvency and to cover financing requirements on the best possible terms, with the goals of hedging financial risks and achieving the greatest possible level of independence in relation to developments on the financial markets.

In the financial year 2020/21, the Deutsche Leasing Group maintained a broadly diversified debt financing structure, in terms of the number of financing partners and the financing instruments used. Financing reserves were maintained at a high level in the financial year 2020/21, even in a market environment which continued to be adversely affected by the COVID-19 pandemic. As of 30 September 2021, Deutsche Leasing's "free liquidity" was clearly in excess of EUR 4 billion. By virtue of the structures established for forfaiting and securitisation over the past few years, as well as financing by means of conventional credit lines further options were utilised for debt financing and in order to ensure liquidity. Overall, on the basis of its anchoring in Sparkassen-Finanzgruppe, its stable, long-term business relationships with credit institutions and a diversified range of financing instruments, the Deutsche Leasing Group thus has a broad financing base which will enable future business growth.

The Deutsche Leasing Group was able to fulfil its payment obligations at all times in the financial year 2020/21.

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Within the scope of the **statement of cash flows**, cash and cash equivalents amounted to TEUR 105,037 at the start of the financial year and to TEUR 184,024 at the end of the financial year. The structure of the statement of cash flows reflects the specific characteristics of the leasing sector.

The cash inflow from current business activities mounted to TEUR 109,375 (previous year: TEUR 103,898), while the cash outflow from investing activities totalled TEUR – 16,257 (previous year: TEUR – 17,718). The cash outflow from financing activities amounted to TEUR – 14,131 (previous year: TEUR – 42,181).

Contingent liabilities under suretyships and guarantee agreements amounted to EUR 397 million at the end of the financial year (previous year: EUR 403 million). On the balance-sheet date, irrevocable loan commitments were valued at EUR 493 million (previous year: EUR 519 million).

## General statement by the Management Board on the economic situation

The Deutsche Leasing Group held its own in a challenging environment in the financial year 2020/21. The start of the financial year was shaped by the nervousness over the infections trend and by the related COVID-19 measures, while in the second half of the year the economy experienced an upturn thanks to the progress of the vaccination campaign. Overall, the trend in the financial year significantly exceeded the Management Board's expectations which had been reflected in its planning. As well as the macroeconomic momentum, active exploitation of the market opportunities arising meant that it was possible to increase the new business volume by a significant 7.7 per cent to EUR 9.9 billion. At the same time, the Coronavirus Action Plan which had been initiated in the previous financial year was successfully completed, together with some strategically important projects within the scope of Deutsche Leasing's action and investment programme.

The Deutsche Leasing Group registered significant growth in its net asset value. As of the balance-sheet date, this amounted to EUR 2,201 million (previous year: EUR 2,099 million). Its economic result also increased considerably and amounted to EUR 175 million; please see the comments on the › "Earnings position" for further details. Equity shown in the balance sheet rose by 9.0 per cent to EUR 989 million. The contingency reserves in accordance with §§ 340f and 340g HGB have also increased slightly and total EUR 440 million (previous year: EUR 430 million).

The Deutsche Leasing Group enjoyed a secure refinancing position, particularly thanks to its integration within Sparkassen-Finanzgruppe and its long-established business relationships with credit institutions. The financial position of the Deutsche Leasing Group is unchanged and remains stable.

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DL KG, as the Group's parent company, reported a net income for the year of EUR 38.0 million. This provides the basis for the proposed distribution to the shareholders of DL KG in the amount of EUR 28.0 million (previous year: EUR 12.5 million).

Deutsche Leasing has held its own in a challenging environment. Deutsche Leasing's net asset, financial and liquidity position remains in good order and stable.

## Non-financial performance indicators

### Employees

As well as a sustainable business model, well-qualified, motivated and committed employees who are able to react flexibly to changes, both in Germany and other countries, are critical to the business success of the Deutsche Leasing Group. In the current financial year, in the context of the ongoing global COVID-19 pandemic the employees of the Deutsche Leasing Group have once again demonstrated their ability to adapt and their commitment. They have displayed an above-average level of dedication. New means of communication and changed work models – particularly those associated with working from home – have been successfully established and further developed.

The dedication and expertise of Deutsche Leasing's employees are vital to its success in ensuring a high level of satisfaction on the part of its customers and partners. Employees and managers refine their technical, methodical and personal skills by means of skill-building and training measures. Core areas of focus are continuously adjusted in line with changed outline conditions as well as the requirements of the respective target groups. In the past financial year, due to the continuing COVID-19 pandemic training continued to focus on topics such as distance leadership in the new work context, strengthening project management competences and developing sales skills. Moreover, at the start of the new financial year 2021/22 Deutsche Leasing will introduce a new hybrid work model which will grant its entire workforce a permanent right to work from outside the office for some of their working hours. This will be accompanied by a gradual redesign of workplaces.

Deutsche Leasing's employees set great store by its corporate culture and its central values of "Trust", "Team spirit", "Passion" and "Commitment". The four cornerstones of this culture – "Assuming real responsibility", "Market orientation", "Focus on getting things done" and "Learning from errors" – play a key role in the company's targeted and continuous, ongoing development. This corporate culture is the key foundation of the Deutsche Leasing Group's success and represents the basis for an improvement in the level of customer and employee satisfaction.

On the balance-sheet date, the Deutsche Leasing Group had a total of 2,755 (previous year: 2,716) employees, of which 510 outside Germany (previous year: 513). The average length of employees' service in Germany amounted to 12.0 years (previous year: 11.5 years), with an average age of 46.2 years (previous year: 45.6 years). The fluctuation rate amounted to 4.7 per cent (previous year: 4.8 per cent) and the sickness level to 4.2 per cent (previous year: 5.1 per cent).

A performance-oriented remuneration system links individual employees' goals with the company's strategic objectives and thus provides an additional framework for the company's consistent management.

The workforce's high level of commitment played a key role in Deutsche Leasing's successful handling of the ongoing business challenges which resulted from the COVID-19 pandemic. Employees' in-depth expertise and many years of experience were essential here. Deutsche Leasing is aware that it is necessary to approach ever-faster and increasingly complex cycles of change

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professionally and confidently, as a basic precondition in order to ensure a business' future viability.

Deutsche Leasing organises its initial training, its dual courses and its programmes for trainees and young and upcoming managers within the context of its corporate strategy, and does so with very strong results. This is an investment which pays off and which in the reporting period once again enabled an increased number of technical and management positions at a wide range of different levels to be filled internally, with former apprentices, dual-course students and trainees in particular.

Deutsche Leasing currently has five trainees (previous year: 17) with permanent employment contracts. The trainee programme and the recruiting process were revised on a needs-oriented basis. Trainees are hired on a rolling quarterly basis. The company's initial training programme is currently offering 24 apprentices a career in office administration. By means of a dual-course structure, students can pursue degrees in International Business Management/General Management and Digital Business Management at the accadis University of Applied Sciences in Bad Homburg and a Bachelor of Science degree in Information Management at the Rhine-Main University of Cooperative Education. These courses are Deutsche Leasing's response to the market's demands in relation to digitalisation and IT issues. After successfully completing their training or courses of study, all of Deutsche Leasing's apprentices and students enrolled on Bachelor degree programmes were offered full-time employment positions. All of these trainees have taken on more advanced roles in line with the core areas of their training and their expertise.

#### Social commitment

As a member of Sparkassen-Finanzgruppe, the Deutsche Leasing Group lives up to its social responsibility in various ways, for example through the support which it provides in the areas of art and culture, science, social issues and sport.

Besides financial initiatives, many Deutsche Leasing Group employees display a high level of social engagement through the company's "Socially Active Employees" (SAM) scheme. Since 2011, employees have participated in social projects on their own initiative as part of this scheme, with Deutsche Leasing contributing benefits in kind. The COVID-19 pandemic and the related restrictions meant that fewer projects than planned were implemented in the financial year 2020/21. At the start of the financial year, a major registration campaign was implemented with DKMS gemeinnützige GmbH (previously known as the German Database of Bone Marrow Donors – Deutsche Knochenmarkspenderdatei) in the fight against leukaemia. Employees who had not yet signed up were able to register with this database as potential donors, with the costs covered by Deutsche Leasing. During the Christmas period, Deutsche Leasing's employees once again took part in its annual Christmas wish list initiative. Wish lists were collected from various social welfare institutions in the local region, and Deutsche Leasing's employees were thus able to fulfil the Christmas wishes noted on these lists. Deutsche Leasing maintains a continuous dialogue with all of these social welfare institutions which it has supported for many years now, and Deutsche Leasing's commitment is highly appreciated. Towards the end of the summer a sponsored run was successfully held, with the number of kilometres covered by each participant digitally tracked. As in the previous year, a large number of Deutsche Leasing employees participated and raised funds for a good cause. The major flooding disaster in many parts of Germany in 2021 prompted Deutsche Leasing to commit available funds to the relevant savings bank associations and thus assist the emergency aid effort in the affected regions. In addition, some Deutsche Leasing employees assisted people in the affected areas in person and by means of donations in kind.

Deutsche Leasing continues to support and to assist a large number of organisations and associations through donations and funding. It sets great store by continuing to honour its existing commitments as a reliable partner, even during these challenging times. Accordingly, in the past financial year Deutsche Leasing has maintained its current commitments without any changes.

Deutsche Leasing is actively dedicated to sports funding. This includes its support for the German Sports Aid Foundation. Moreover, as part of Sparkassen-Finanzgruppe Deutsche Leasing has for many years now been a “Top Partner of Team Germany”. In 2021, it thus supported the German Olympics and Paralympics teams at the Olympic Games in Tokyo as well as young sportsmen and -women and grassroots sport.

Deutsche Leasing has supported a large number of cultural initiatives in the field of art and culture for many years now. The Rheingau Music Festival has been enriching the Rhine-Main region’s cultural scene, with almost 150 concerts at over 40 venues every summer. Deutsche Leasing maintained its premium partnership with the Rheingau Music Festival without any changes. Whereas the festival had been cancelled in 2020, in 2021 the planned concerts successfully took place while complying with all of the required social distancing and hygiene rules.

Deutsche Leasing is also active in science funding and provides assistance for a wide range of research projects conducted by various institutions. Deutsche Leasing’s long-standing membership of the funding association for the University of Cologne’s Institute for Leasing Research documents the company’s intensive relationships with universities. In addition, the lectures and forums supported by Deutsche Leasing and its membership of Sparkassen-Finanzgruppe’s science funding association ensure an active exchange between the realms of theory and practice.

Moreover, having been a member for many years, since 2020 Deutsche Leasing now has a seat on the board of trustees of the German Sparkassenstiftung for International Cooperation, Bonn. This foundation has been jointly established by all of the savings banks in Germany, with the goal of offering people in developing countries and emerging economies the prospect of a better life. Its projects primarily focus on helping people to help themselves rather than providing financial support. Sparkassen-Finanzgruppe employees pass on their expertise on the ground and are supported by local colleagues in developing structures and providing training. Deutsche Leasing is also a member of Sparkassen-Finanzgruppe’s Scientific Research Foundation (Stiftung für die Wissenschaft), Bonn. It funds projects, events and publications in the fields of finance, banking and stock exchange studies, politics and the social sciences as well as digitalisation-related questions. These two foundations are charitable organisations and carry out research into issues such as sustainability.

# Report on risks and opportunities and forecast report

## Report on opportunities

The rapidly changing environment means that the Deutsche Leasing Group needs to identify opportunities at the earliest possible moment, evaluate them and take suitable action so that these opportunities can be transformed into commercial success.

Within the scope of its annual medium-term planning, organic growth opportunities are systematically identified on the basis of a comprehensive analysis of the market environment. As well as market potential, customer requirements and general and specific market and environment developments, the detailed analysis includes trends as well as competitors and regulatory requirements; at a general level, planning reflects the related impacts and resulting requirements. The goals and business activities defined in the company's business strategy on the basis of its "Strategy 2025" and the measures thus determined in accordance with the company's risk strategy serve as the basis for medium-term planning for the financial years 2021/22 to 2023/24 of the Deutsche Leasing Group. These strategies are reviewed and, if necessary, adjusted every year.

The Deutsche Leasing Group sees future growth opportunities in the following fields in particular:

### SAVINGS BANKS AND SME CUSTOMERS

Intragroup business with the **savings banks** is one of the Group's largest growth areas. Having been successfully opened up, this business segment is undergoing further intensification and development, in close cooperation with the savings banks and with the structural involvement of regional associations and advisory boards. This will enable a targeted focus on the existing market potential offered by Sparkassen-Finanzgruppe and improved exploitation of this potential. Deutsche Leasing supervises its **SME customers** in cooperation with the savings banks on a target-group-oriented basis. This is rounded off by means of segment-oriented sales management. For the financial year 2021/22, the further development of the corporate and commercial customer segment is a key area of focus. In its exploitation of the market, Deutsche Leasing distinguishes between the high volumes of investment which corporate customers require and commercial customers' fairly low-volume investment needs. As well as the customer-specific sales focus, this segmentation also enables a flexible distribution structure. A further goal is to utilise previously unrealised potential by means of an adjusted strategic market exploitation strategy in cooperation with the savings banks. Deutsche Leasing's partnership with UniCredit Bank provides additional revenue potential for the savings banks via forfaiting.

Insights gained during the COVID-19 pandemic will be followed up in order to take advantage of this potential. To ensure a high level of satisfaction on the part of the savings banks and their customers, the Deutsche Leasing Group has developed, and integrated in its operating processes, specific support concepts in accordance with their individual requirements as well as digital solutions which provide new opportunities for customers' small-volume business. Rapid contract processing is underpinned by efficient processes and systems as well as modern technologies. For small-ticket business, credit and contract processes were combined within a specialised unit (encompassing multiple business segments) for transaction-volume-based bulk business. This unit supports the business segments through standardised, system-based and cost-efficient procedures and services.

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### INTERNATIONAL BUSINESS

Due to the German business sector's strong export focus and international presence, the Deutsche Leasing Group sees **international business** as a further growth field. Here, it supports vendors in their international sales markets and assists German companies with their foreign investments. In concrete terms, Deutsche Leasing enters into partnerships with international vendors and assists German companies and their foreign subsidiaries with direct investments. Via Deutsche Leasing's ECA offering, in cooperation with AKA, it is positioned as a central ECA partner for the savings banks. Partnerships with DL InS – in order to expand its range of insurance products – and with DAL – for the purpose of structured financing in the areas of specialist transactions and project business – provide additional business potential. The German business sector's global presence offers market opportunities for the Deutsche Leasing Group. Apart from Germany, it aims to access these opportunities through the 23 countries which make up its foreign network. Deutsche Leasing also intends to leverage these opportunities together with the savings banks. Due to coronavirus-related factors, these various markets and regions offer the potential for new business thanks to catch-up effects.

### FACTORING

**Factoring business** offers growth potential for the Deutsche Leasing Group in its commercial and corporate customer business. DFB makes use of a modular package of services for financing, loss protection and debt management which undergoes systematic development. Since leasing and factoring have complementary product characteristics, this enables synergies that affect customer requirements, the customer structure for these two products and risk management. Factoring represents an indispensable component of the financing mix for SMEs and is increasingly significant in the high-margin and strongly fragmented business and commercial customers segment. DFB utilises the following distribution channels for the purpose of market exploitation: savings banks, intermediaries and direct distribution. The consolidation and expansion of its partnerships with the savings banks in the SME business segment as well as sales activities covering established major customers represent areas of potential. Moreover, as overall economic output returns to its pre-crisis level this is expected to generate an increasing requirement for liquidity on the part of companies. This may deliver positive momentum for DFB's course of business.

### INSURANCE

The Deutsche Leasing Group's **insurance** products offer it a significant volume of potential revenue which is independent of interest rates. Its range of insurance products will be further expanded through its market entry into additional country units as well as an in-depth partnership with the savings banks. In principle, in future each financing product is to include an insurance component and will thus gradually increase the level of market penetration. In addition, own risk coverage models in selected sales units, the opening up of selected segments at DAL, residual debt insurance products for S-Gewerbekredit and the introduction of GAP insurance policies in vendor business represent further opportunities.

### DIGITAL PRODUCTS

**Digital products** and solutions have been developed through Deutsche Leasing's customer focus and the lessons learned from the crisis. Deutsche Leasing's offering includes opening up online sales channels as well as developing web-based platforms in line with customers' specific requirements. One example during the financial year 2020/21 was the app presented at AutoExpo which enables users to view and select vehicles on their mobile devices. The digitalisation of products is being accelerated by means of a standardisation

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and modularisation of product structures as well as uniform execution processes in the Group's business units. In Deutsche Leasing's RPA (Robotic Process Automation) project, unsupervised "bots" (digital assistants) were introduced for the first time in order to perform selected routine tasks, i.e. the bot independently completes a process. This is to be implemented on a broad basis for processes. As well as improving customer satisfaction and enhancing customer profitability, optimisation of processes is likewise an area of focus in a project initiated for the Group-wide standardisation of Deutsche Leasing's CRM tool. On the basis of continuous market monitoring, vent.io is developing prototype digital capacities which are coordinated with potential customers and optimised at shorter intervals. For example, in the past financial year an app was successfully developed in order to implement digital acceptance and mobile-optimised asset review processes. Through its focus, vent.io is helping to safeguard the future viability of the Deutsche Leasing Group while also strengthening its market position.

### SUSTAINABILITY

The issue of **sustainability** is increasingly important at a political, economic and regulatory level. The financial sector has an important role to play in the process of economic and social transformation due to climate change, in particular by assisting with its customers' (green) transformation. Decarbonisation of manufacturing industry is a key area of focus. Financial support is being provided for this by means of major structural programmes initiated by governmental and private-sector institutions. In addition, the establishment of new technologies is promoting companies' digital transformation. This includes the networking and control of machines (Industry 4.0), the targeted use of data (smart data) and digitalised value creation processes (digitalisation). Almost all of Deutsche Leasing's customers are faced with these changed conditions and require a reliable and competent financing partner who understands their business model and market environment and is able to accompany them on this path. The Deutsche Leasing Group considers that it is well placed in order to closely support its customers during their transformation and to play an active role here. Its asset focus and its understanding of technologically driven innovations are just as important as its understanding of its customers' business sectors.

## Risk report

Risk management supports the management of the Deutsche Leasing Group in the implementation of its business and risk strategy and considers all relevant risk types and all of the Group's German and foreign companies.

Risk Controlling is responsible for holistic, company-wide risk management for all types of risk. This department has technical competence and responsibility for methods and models of risk measurement, control and aggregation, for calculation of risk-relevant parameters, for internal risk control and for internal and external reporting.

This department also performs the risk controlling function prescribed in the Minimum Requirements for Risk Management (Mindestanforderungen an das Risikomanagement, MaRisk) published by BaFin. The head of the Risk Controlling department is responsible for the risk controlling function and reports to the Chief Risk Officer.

Risk reporting provides quarterly reporting on the development of risk-bearing capacity (RBC) and all risk types classified as material. In addition, an ad hoc reporting procedure has been established for information which is significant in terms of risk aspects. Action recommendations for risk control are also provided.

The risk & finance committee is the central advisory body for the overall Management Board for issues

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relating to the integrated, holistic risk- and revenue-oriented management of the DL Group. In particular, the committee's core tasks include preparatory activities for the purpose of the Management Board's decision-making and implementation of these activities in relation to management-related issues. The risk board provides additional assistance in relation to specific risk-related issues. Information concerning the various risk types is jointly presented in this committee.

Internal Audit regularly audits the Deutsche Leasing Group's risk management within the scope of its audit plan.

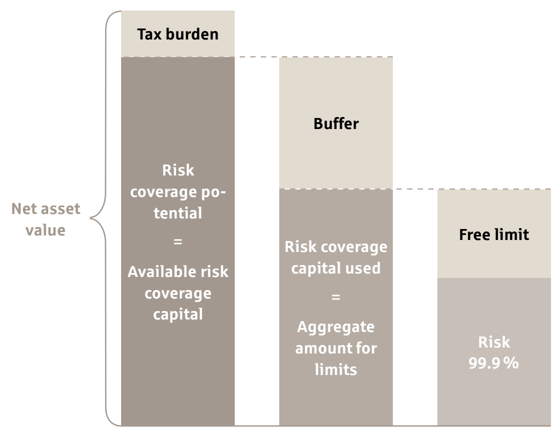
The goal of opportunities and risk management is to establish a balanced relationship between risk and opportunity/income at the level of the overall Group; adequate risk-bearing capacity is ensured in terms of the relationship between the level of capital available for risk coverage and overall risks. The risk-bearing capacity calculation provides the basis for the Deutsche Leasing Group's risk control strategy.

The Deutsche Leasing Group endeavours to continuously develop its risk measurement methods so as to comply with the requirements for modern risk management as well as current regulatory trends. In the financial year 2020/21, development activities comprised the implementation of the expanded default definition according to Art. 178 CRR, the introduction of a risk-sensitive LGD model aligned with Deutsche Leasing's business model/degree of risk outside Germany as well as the optimisation of the parameter assessment in case of correlations within a given segment/country (intrasectoral correlations) and between segments/countries (intersectoral correlations). In addition, within the scope of the gap analysis relating to the sixth amendment of the Minimum Requirements for Risk Management – published by BaFin on 16 August 2021 – action fields were identified for Deutsche Leasing which will be implemented by way of projects in the financial year 2021/22. Deutsche Leasing has adopted a strategic positioning in relation to sustainability risks. For this purpose, Deutsche Leasing has signed up to the "German Savings Banks' Commitment to Climate-Friendly and Sustainable Business Activities" and aims to play an active role both in its own transformation and in terms of the support which it provides for its customers. There are also clear guidelines relating to compliance issues which arise as of the initiation of new business. These guidelines are to be further developed in accordance with sustainability criteria.

## RISK-BEARING CAPACITY

The risk-bearing capacity concept is based on the risk coverage potential calculated according to the net asset value less the expected future income tax burden. The risk coverage capital used is calculated by deducting a buffer position (including anticipated excess obligation for pension risk) and corresponds to the aggregate amount of the RBC limits allocated and thus the risk tolerance of the overall Management Board. The Deutsche Leasing Group's risk-bearing capacity remained clearly intact in the financial year 2020/21. As of 30 September 2021, its risk-bearing capacity was 50 per cent; in line with its business model, customers' credit risk remains the material risk type.

Risk-bearing capacity concept of Deutsche Leasing



Limits apply for all relevant quantifiable risk types/ categories within the framework of the risk-bearing capacity concept. Overall, the risk coverage capital remains sufficient so as to be able to cover further risks in future.

The risk types credit and asset risk, market price risk, funding-spread risk, operational risk, equity investment risk, business risk, translation risk and pension risk are determined on the basis of value-at-risk methods. The risks determined through a historical stress test and a serious hypothetical stress test were covered by the available risk coverage capital. Risk-bearing capacity was thus intact in all stress scenarios. The historical stress test is a macroeconomic stress test covering multiple risk types. This is based on the historical scenario of the situation in the financial year 2008/09 and complies with the requirement in the Minimum Requirements for Risk Management to reflect a serious economic downturn.

In the financial year 2020/21, risk-bearing capacity and capital requirements planning once again formed a component of Deutsche Leasing's planning process, which involved i.a. a review of the VaR limits.

## RISK INVENTORY

Within the scope of the regular risk inventory, materiality analyses have been performed for all of the risks identified, enabling clear categorisation of risks as material and non-material. Since currency risk is significantly lower than the loss potential, this is now

### Risks at Deutsche Leasing

Risk types

| Credit risk | Asset risk | Market price risk | Liquidity risk | Operational risks | Equity investment risk | Business risk | Other risks |
|---|---|---|---|---|---|---|---|
| Customers' credit risk | Residual value risk – automotive | Interest rate risk | Insolvency risk | Risks resulting from internal procedures, people or systems as well as external factors (incl. legal and validity risk) | Equity investment risk | Business risk | Translation risk |
| Counterparty risk | Residual value risk – EQUIP | Currency risk[A] | Funding-spread risk | | | | Strategic risk |
| Country risk | Residual value risk – ITK | | | | | | Pension risk[B] |
| Lessor risk | | | | | | | Reputation risk |
| | | | | | | | Liability risk |
| | | | | | | | Net present value risk[C] |

Risk categories: material risk; material risk which cannot be usefully limited through RCC; non-material risk

[A] Currency risk is now a non-material risk.
[B] Pension risk is now a material risk.
[C] Net present value risk is a new, non-material risk category in the "Other risks" segment.

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classified as non-material and is no longer taken into consideration in the RBC calculation. Following the transfer of the Deutsche Leasing Group's pension commitments to a pension fund and their investment there, pension risks are now classified under "Other risks" as a material risk category. All quantifiable risks which may be usefully limited by means of the available risk coverage capital (RCC) are included in the RBC calculation.

### Credit risk

Credit risk is the risk of non-fulfilment of agreed payments or services under contracts concluded, resulting in a loss for the Deutsche Leasing Group. The credit risk comprises the following risk categories:

- **Customers' credit risk:** Customers' credit risk refers to the risk of the customer failing to make the payments agreed under the leasing, hire-purchase, rental and loan agreements or related service contracts concluded with it on account of its default.
- **Counterparty risk:** Counterparty risk refers to the risk of the default of a professional market participant (counterparty) in relation to investments, credit balances, foreign exchange transactions and derivatives (with the replacement risk and the fulfilment risk considered separately).
- **Country risk:** Country risk refers to the risk of losses arising on account of crisis situations for individual countries which result due to political or economic events. Country risk applies in the form of transfer and sovereign risk.
- **Lessor risk:** Lessor risk refers to the risk of suffering losses due to the customer asserting rights under rental agreements upon non-fulfilment of service providers' contractually agreed services.

### Asset risk

Asset risk (also referred to as residual value risk) applies for contracts with open residual values. In such contracts, the historical costs for the asset are not fully amortised through the lessee's agreed instalments. Residual value risk refers to the risk of a loss in the event of the selling price realised on the asset at the end of the period negatively deviating from the previously calculated and anticipated selling price, the residual value.

### Market price risk

Market price risk refers to the general risk of unexpected losses due to a change in market parameters (interest rates, share prices, exchange rates, commodity prices and resulting variables). At Deutsche Leasing, market price risk is limited to interest rate risk and currency risk.

### Liquidity risk

For Deutsche Leasing, liquidity risk encompasses the following risk categories: insolvency risk and funding-spread risk. Insolvency risk is the risk of the Deutsche Leasing Group no longer being able to fulfil its current and future payment obligations in full or no longer being able to do so in good time. Funding-spread risk is the risk of an unanticipated loss resulting from changes in Deutsche Leasing's refinancing curve because new borrowing is only possible at refinancing levels which are significantly higher than expected. In particular, increased funding spreads may result from a deterioration in Deutsche Leasing's credit rating or a general worsening of borrowing terms, on grounds relating to the market itself.

### Operational risks

Operational risks comprise the risk of losses due to the inadequacy or failure of internal procedures and systems as well as people or external events. This definition includes legal risk and validity risk.

### Equity investment risk

Equity investment risk is the risk of unanticipated losses in the event of the market value of an investment falling below its book value.

### Business risk

Business risk describes the risk of business development yielding lower income and/or higher costs than envisaged and in this respect the depletion of the net

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asset value at the end of the monitoring period by comparison with the current risk coverage potential as of the reporting date.

### Other risks

Other risks cover the risk of an unanticipated loss which cannot be allocated to credit risk, asset risk, market price risk, liquidity risk, operational risks, equity investment risk or business risk. Other risks include the following risk types:

- **Translation risk:** Translation risk refers to the risk of the foreign-currency net asset value of the foreign companies leading to unanticipated losses due to exchange-rate fluctuations.
- **Strategic risk:** Strategic risk refers to the risk of unanticipated losses resulting from poor management decisions in relation to the business-policy positioning of the Deutsche Leasing Group.
- **Reputation risk:** Reputation risk refers to the risk of losses in the event that the reputation of the Deutsche Leasing Group suffers harm or deteriorates. Such losses may also result, directly or indirectly, from other risk types which have materialised or may amplify these other risk types.
- **Liability risk:** The Deutsche Leasing Group is exposed to a liability risk in terms of the risk of losses resulting from its position as an owner or importer of assets.
- **Pension risk:** Pension risk arises from the Deutsche Leasing Group's obligations under pension commitments which may give rise to an increased burden for the company in the event that, on account of adverse market trends, the investment which is intended to cover these obligations is not sufficient in order to fulfil them.
- **Net present value risk:** Net present value risk is a correction factor for risk coverage potential in the event that the margin shares included are too high. It will only be relevant if the current market interest rate exceeds the historical refinancing interest rates applied for the purpose of discounting.

## RISK MANAGEMENT FOR RELEVANT RISKS

Over the course of the COVID-19 pandemic, the Deutsche Leasing Group has been able to continuously react flexibly to changed outline conditions. For the purpose of active management of new and existing business, in particular measures have been implemented for the management of heightened risks and these measures have been converted into standard processes and incorporated in the written rules of procedure. Active management of future customer groups, compliance with risk appetite while exploiting market opportunities and the phased review and adjustment of acceptance criteria represent key components for the management of new business. In regard to existing commitments, the portfolio quality is subject to continuous review and early warning indicators are monitored.

### Credit risks

On the balance-sheet date, the credit risk for the risk categories defined as material amounted to EUR 306 million.

### Customers' credit risk

The Deutsche Leasing Group calculates the VaR for customers' credit risk on the basis of a credit portfolio model in the 99.9 per cent quantile.

The credit worthiness structure of Deutsche Leasing's own-risk portfolio remained stable at a positive level in the financial year 2020/21; almost 80 per cent of its commitments are in good or very good rating classes.

As of 30 September 2021, the Group's portfolio by segment remains characterised by a high level of granularity and thus no specific risk concentration. No segment exceeds the concentration limits laid down in the risk strategy. While in the previous year a balanced increase/decrease in the rate of default was registered, due to the provisions made as of the start of the COVID-19 pandemic, in the financial year 2020/21 the volume of default has declined, despite the continuing pandemic.

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In the financial year 2020/21, the pandemic had only a slight impact on the default and loss situation. To date, the significant additional losses which had been expected due to the drastic economic downturn have on the whole failed to materialise. Nonetheless, in the financial year 2020/21 the gross amount allocated to risk provisions was above-average. The positive result thus mainly reflects a high close-out volume for old cases, thanks to stringent workout management in Germany and other countries.

### Counterparty risk

The value at risk (VaR) for counterparty risk is determined on the basis of the same credit portfolio model which is applied for customers' credit risk.

As a rule, the Deutsche Leasing Group only accepts as counterparties banks with a very low level of credit risk. In accordance with the risk principles for transactions with banks, the risk volume for credit balances, investments, foreign exchange transactions and derivatives is limited through maximum limits and maturity periods in accordance with the credit rating and size of the counterparties. A balanced credit rating structure focusing on the upper to medium investment-grade segment and a strongly diversified portfolio have thus been safeguarded.

### Country risk

The Deutsche Leasing Group calculates the value at risk for the country risk on the basis of a statistical model in the 99.9 per cent quantile. The potential effects arising from sovereign and transfer risk are considered separately.

The individual countries are assigned limits and these limits are monitored for operational management of country risks.

### Asset risks

Asset risk is calculated for the automotive portfolio (passenger cars and vans) by means of a portfolio model, on the basis of the 99.9 per cent quantile. The loss potential in the EQUIP portfolio is determined by means of an expert assessment. The overall asset risk for the above-mentioned risk categories amounted to EUR 30 million as of 30 September 2021.

The **automotive** business segment (passenger cars and vans) continues to utilise long-term normal-market residual value assessments and transfers residual value risks to solvent third-party guarantors in some cases. In addition, a high level of diversification is ensured in the contract portfolio. Residual value assessments and diversification in terms of makes, models and resale channels have a significant impact on the level of success in reselling vehicles.

Ongoing monitoring of the leasing and second-hand car market, stringent use and optimisation of asset management instruments, the institutionalised integration of all of the relevant units and vehicle-specific resale analyses (vehicle type, drive type, manufacturer, model, etc.) provide a professional basis for sound residual value management. The residual value assessment is regularly reviewed by means of external asset-based validation (including Schwacke GmbH). Positive resale results were once again achieved in the financial year 2020/21. Following a pronounced decline in the volume of second-hand car sales in the context of the first lockdown imposed due to the COVID-19 crisis, the second-hand car market in Germany subsequently staged a relatively rapid recovery. In the wake of the production outages directly associated with COVID-19, the scarcity of semiconductors is resulting in a further reduction in the availability of new cars and thus also of second-hand cars. At the same time, the level of demand for cars remains high – partly due to investments which were deferred during the COVID-19 crisis. This is resulting in higher new and second-hand car prices. Future developments are being closely monitored. Alternative drive technology trends and new mobility concepts are being analysed in this respect and corresponding measures initiated.

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With adequate valuation methods in its **machinery and equipment** business segment, the Deutsche Leasing Group has solid foundations for control and management of the risk resulting from open residual values. Residual value quotations are exclusively handled by specialised employees in Deutsche Leasing's Intensive Care & Asset Management department.

The results of expiring contracts featuring open residual values were once again positive in the financial year 2020/21. The agreement of terms and conditions of use and return on a case-by-case basis has had a positive effect on the technical condition of assets leased under operating leasing contracts. In most market segments, there is a strong level of demand for second-hand assets in good condition.

In the **information and communication technology** business segment, Deutsche Leasing also offers its customers contracts with open residual values. Specialist asset management teams implement the asset residual value assessments which are required for this purpose on the basis of conservative benchmarks. Due to regular resale activities, these units have the excellent level of market expertise which is required for valid residual value forecasts. This is reflected in continuous additional revenue in the asset resale segment over the past few years.

### Market price risks

In line with the basic principle that financing activities provide for congruent, interest-rate-optimised financing of customer business, the Deutsche Leasing Group does not pursue any own-account trading of money and capital market products.

To a limited extent, interest rate risks are entered into in order to realise additional income resulting from market trends, within the scope of original financing requirements, and are managed by means of a stringent limit system.

In terms of currency risks, customer transactions always have same-currency financing. Currency risks therefore apply, at most, on a temporary basis prior to execution of financing/hedging transactions or due to margin components of customer receivables which are not secured through same-currency financing.

The applicable rules for control of market price risks are based on the above-mentioned principles and consistently limit the scope of the risk position which is permissible for optimisation of financing costs through interest rate and currency risk limits in line with the economic risk. This limit is also linked with sensitivity limits for operational control of interest rate risk.

**a) Interest rate risk**

Interest rate risks are subject to operational monitoring and control on the basis of interest-rate gap analyses and sensitivities (basis point value concept), with corresponding limitations of the permitted interest-rate-induced changes in present values in line with the control guidelines. For calculation of the economic risk and for operational management purposes, value-at-risk calculations are performed for open interest rate positions. These calculations are based on the variance/co-variance method and apply differentiating assumptions concerning the holding period of the open interest rate position and the inclusion of equity as a component of the financing portfolio.

**b) Currency risk**

In Germany, foreign-currency risks are limited to a few transactions mainly executed in US dollars and (in a small number of cases) in British pounds, all of which have same-currency financing. The foreign subsidiaries' operating business is likewise financed in the same currency in principle. Transactions not denominated in the euro or in the respective national currency are mainly denominated in US dollars. The risks of exchange-rate fluctuations which are inherently associated with such transactions generally apply in relation to those margin components included in receivables from customers that are not used for financing provided,

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as a rule, in the same currency. These currency risks are measured by means of the value-at-risk method, using the variance-covariance method.

### Liquidity risk

The business activities and the continuing growth of the Deutsche Leasing Group are based on permanent availability of liquidity and financing through optimised interest rates. The Deutsche Leasing Group adheres to the principle of financing its business at matching maturities, including in relation to liquidity maturities.

The guidelines applicable for liquidity control reflect this basic conservative orientation and limit the scope of the risk position which is permissible for optimisation of financing costs. In relation to insolvency risk, the limits defined for the liquidity risk refer to nominal minimum requirements for free liquidity as well as the ratio of free liquidity to the liquidity requirements resulting due to the funding matrix. In regard to the funding-spread risk, the limits are based on the economic risk resulting from liquidity mismatches and are broken down into nominal position and sensitivity limits at the operational level.

In concrete terms, as a reflection of insolvency risk liquidity risk is controlled and monitored through liquidity planning which distinguishes between various planning periods and different scenarios. In addition, cumulative cash flows are compared with the available financing lines within the scope of liquidity control. The resulting (minimum) liquidity ratio was complied with at all times.

Overall, in the past financial year a high volume of liquidity remained available on the financing markets due to the continued expansionary monetary policy. In this market environment, Deutsche Leasing continued to expand its relationships with savings banks and with other credit institutions (including business development banks) and increased the scope of available financing lines. At the end of the financial year, these free lines amounted to considerably more than EUR 4 billion and thus exceeded their target levels.

Economic risk resulting from funding-spread risk is quantified on the basis of scenario analyses. This is implemented according to sensitivity calculations (liquidity basis point value concept) on the basis of the extension requirements for borrowed funds resulting from the maturity structure for future liquidity inflows and outflows.

### Operational risks

In principle, operational risks may result from all commercial activities and are thus inherent in the business activities of the Deutsche Leasing Group. They mainly depend on the level of complexity of products and processes. Systematic risk management enables early identification of these risks and implementation of suitable control measures to avoid or limit them.

The risk management process encompasses regular risk identification and quantification in all departments of the company and an analysis of loss events actually arising. Moreover, an annual risk analysis is conducted to prevent criminal acts which might jeopardise the Deutsche Leasing Group’s assets. This identifies, analyses and evaluates potential gateways for internal and external criminal activities. The Deutsche Leasing Group focuses in particular on the early identification of new types of fraud and on how to prevent them.

The Deutsche Leasing Group has outsourced selected corporate functions to other companies in accordance with § 25b KWG. A regular risk analysis is performed in case of outsourced activities. This assesses the nature, scope, complexity and risk content of outsourced processes. A risk analysis is performed prior to the conclusion of a new outsourcing agreement or in case of changes to an existing outsourcing agreement. This risk assessment is used to determine whether outsourcing is material or immaterial from the point of view of risk. The assessment method applied for this purpose includes risk-sensitive assessment criteria and distinguishes between the materiality assessment and the evaluation of the service provider.

The potential risks for the Deutsche Leasing Group arising from current litigation are fully covered through provisions.

**Equity investment risk, business risk, translation risk**
Equity investment risk is determined by means of a simulation model, on the basis of the book value of investments. The business risk is estimated on the basis of historical deviations in the actual values of relevant components of the company's business performance in relation to their target values. The translation risk is measured by means of a VaR approach. These risks are likewise restricted by specifying limits within the scope of the RBC concept and are monitored and controlled by means of internally prescribed processes.

**General comments**
In summary, subject to unchanged conservative valuation benchmarks and on the strength of the additional measures which it has implemented in the context of the COVID-19 crisis the Deutsche Leasing Group has made appropriate provision for all discernible risks in its consolidated financial statements. Non-scheduled depreciation, provisions and valuation adjustments remain adequate and are calculated according to conservative benchmarks. In addition, the Deutsche Leasing Group has reserves in line with §§ 340f and 340g HGB; it has also established significant hidden risk provisions due to advance expenses typical of the leasing business. These are documented i.a. by means of the Group's net asset value which is calculated on the basis of the standard applied by the Federal Association of German Leasing Companies.

Overall, no special business-model-related risks exceeding the normal level of risk and jeopardising going-concern status are discernible for the Deutsche Leasing Group.

## Forecast report for the Deutsche Leasing Group

In view of the prospect of further waves of the coronavirus pandemic and supply bottlenecks, the Kiel Institute for the World Economy (IfW) expects the **global economy** to recover at a slow pace – however, following the unprecedented collapse in the previous year output is now nonetheless experiencing strong growth. New waves of infection will have a particularly significant impact on those countries where vaccination rates are still too low in order to be able to make do without containment measures. The Kiel Institute for the World Economy expects the outline conditions to gradually improve as vaccination campaigns progress and the risks of infection thus decline over the next few months. While supply chain disruptions are curbing the upswing in industrial output, the recovery is set to continue over the next two years in the advanced economies, due to their high vaccination levels. Moreover, economic risks for the world economy will arise from the corporate solvency trend – in the event that government subsidies and loan programmes are wound down – as well as the impact of some major Chinese conglomerates' financial difficulties. A study presented by the Kiel Institute for the World Economy (as of: September 2021) envisages an economic growth rate of 5.9 per cent for 2021. This will fall to 5.0 per cent in 2022 and to 3.8 per cent in 2023. The forecast issued by the German council of economic experts (as of: November 2021) predicts a global economic growth rate of 5.7 per cent in 2021 and 4.4 per cent in 2022.

Since the spring of 2021, the progress made in vaccination campaigns and falling case numbers have enabled the gradual removal of coronavirus-related restrictions in the **Eurozone**. For the coming winter, the Kiel Institute's economists nonetheless expect economic momentum to decline, since the pandemic-related drops in output will by then have been largely made up for and the expected trend for infections

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will again have a more significant impact on economic activity. In addition, supply bottlenecks will likely also impede output over the next few months. In this context, in the current year the Kiel Institute expects to see a very strong price upsurge of 2.2 per cent. The rate of price increases will then in subsequent years return to below the inflation target and amount to 1.9 per cent in 2022 and 1.7 per cent in 2023 (forecast: September 2021). The ECB is not expected to tighten its key interest rate in the forecast period in response to the recent price surge. For the Eurozone, the Kiel Institute therefore predicts (as of: September 2021) economic growth of 5.1 per cent in 2021, 4.4 per cent in 2022 and 2.4 per cent in 2023. The forecast issued by the German council of economic experts (as of: November 2021) predicts growth of 5.3 per cent in 2021 and 4.2 per cent in 2022.

**Germany's** economy is continuing to grow, but with declining momentum. The pandemic and its effects are having a significant impact on economic activity. While service sectors which involve a high level of contact are more strongly affected by infection prevention measures, industry is mainly suffering due to the negative effects of the supply bottlenecks for primary products. Moreover, the vaccination campaign – which has recently flagged – has not yet enabled a full return to normality. Overall, with a rising number of infections during the 2021/22 winter the Kiel Institute expects that precautions imposed by the authorities and adopted by the general public will once again curb economic activity. Output will thus likely continue to be noticeably depressed until the spring of 2022. While economic output will remain on an upward trajectory in the coming winter, it will not return to its pre-crisis level until the first six months of 2022. All in all, according to the Kiel Institute's forecasts German GDP will rise by 2.6 per cent in the current year, by 5.1 per cent in 2022 and by 2.3 per cent in 2023. The German council of economic experts (as of: November 2021) expects GDP to increase by 2.7 per cent in 2022 and by 4.6 per cent in 2023. **Plant and equipment expenditures** – which play such an important role in the leasing sector – are also expected to stage a significant recovery in 2021, 2022 and 2023, according to the Kiel Institute's forecasts, and will reach positive growth rates of 5.9 per cent, 8.8 per cent and 6.2 per cent, respectively. The German council of economic experts predicts growth of 5.6 per cent in 2022 and 6.8 per cent in 2023.

In the coming financial year 2021/22, **Deutsche Leasing** will continue to face challenging outline conditions due to the known risks resulting from the course of the pandemic, supply bottlenecks and geopolitical conflicts in particular. While the economic research institutes have recently slightly downgraded their economic forecasts for 2021 and 2022, for the first half of 2022 they nonetheless expect overall economic output to match its pre-crisis level. The Deutsche Leasing Group's planning is based on these economic forecasts and assumes that the stated risks will not permanently impede the economic recovery. Instead, this will be delayed and in general there will be an increased level of volatility. In principle, the volume of plant and equipment expenditures – which are important for the leasing industry – is expected to increase. In addition, there are challenges associated with digitalisation, the requirements in connection with sustainability and the ever more stringent regulatory requirements: in particular, as a result of the amendments of BaFin's Minimum Requirements for Risk Management and its Bank Supervisory Requirements for IT (Bankaufsichtliche Anforderungen an die IT, BAIT) and the German Act Strengthening Financial Market Integrity (Gesetz zur Stärkung der Finanzmarktintegrität, FISG), which has now come into force and which affects the regulatory requirements for monitoring systems (internal control and risk management systems), and external rotation obligations in regard to the auditor. The ECB is continuing to pursue a low interest-rate policy which is maintaining pressure on margins; together with what remains a strong level of competition, a challenging competitive environment can thus be expected.

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The Deutsche Leasing Group continues to have attractive growth areas in the asset finance and asset services markets which support its long-term growth and income goals. As well as expanding its intragroup business (in particular, S-Gewerbekredit), a core area of focus is developing and leveraging potential outside Germany with partners such as AKA, for ECA business, and UCB. In addition, Deutsche Leasing will focus even more strongly on the development of business which is independent of interest rates and will realise the growth potential offered by the insurance and factoring segments. Customers' financing requirements in connection with sustainability offers potential for new business not only in the fields of renewable energy, mobility and healthcare but also through customers' digitalisation initiatives, through the establishment of new technologies. The expansion of its online presence alongside traditional offline offerings and investments in the increasing level of automation and digitalisation of business processes are also boosting the Deutsche Leasing Group's long-term prospects of success. In order to maintain its operational capacity and achieve future success, the Deutsche Leasing Group is continuing to invest in digitalisation, step by step; the Group will continue to pursue this strategically important path through its action and investment programme.

The risk side is closely monitored, with an especially close focus on the country units, which have increased deferral levels due to moratoria. In addition, over the next few months the solvency of individual companies will strongly depend on the further course of the economic recovery, in order for these companies to be able to compensate for the losses which they incurred due to the pandemic and the associated decrease in their equity bases.

With these challenges and this potential in mind, while adhering to its conservative risk policy Deutsche Leasing is continuing to pursue its long-term growth and income goals. The Deutsche Leasing Group is seeking to achieve a new business growth rate which surpasses the overall economic trend. In addition, the Deutsche Leasing Group envisages an increase in its net asset value and a moderate rise in its equity as well as its provisions established in accordance with §§ 340f and 340g HGB.

A great debt of gratitude is owed to Deutsche Leasing's employees. Their strong team spirit, high level of commitment and outstanding performance have enabled a successful financial year 2020/21. We would also like to thank, not least, our customers and partners for our in-depth relationship which is based upon mutual trust. Deutsche Leasing would like to thank Sparkassen-Finanzgruppe for its continuously successful cooperation and partnership and for the trust which this reflects.

# Internal control system and risk management system in relation to the Group's financial reporting process

The objectives of the financial-reporting-related internal control system (ICS) are compliance with the financial reporting rules and maintaining an orderly financial reporting system. Deutsche Leasing draws up its consolidated financial statements in accordance with the German Commercial Code and supplementary provisions of the German Accounting Ordinance for Banks and Financial Services Providers (Verordnung über die Rechnungslegung der Kreditinstitute und Finanzdienstleistungsinstitute, RechKredV).

The Management Board has overall responsibility for the Group's financial reporting process. All of the companies included in the consolidated financial statements are incorporated by means of a process defined in writing. The basis of consolidation is centrally organised. The principles and the structural and organisational procedures of the financial-reporting-related ICS are defined in writing and are continuously refined. The Finance department is responsible for the accounting rules which must be complied with, the definition of account allocation rules, the methodology for accounting entries and for administration of the financial accounting system. The financial reporting process is documented in line with the principles of orderly accounting, in a manner which expert third parties are able to understand. The relevant records are kept in compliance with the retention periods stipulated by law.

The functions of the organisational units involved in the financial reporting process are clearly segregated. In the contract management systems, the leasing, hire-purchase and loan contracts of contract units, among others, are recorded in subsidiary ledgers. The data are transferred from the subsidiary ledgers to the general ledger via automated interfaces.

The involvement of the Finance department in the new product process ensures that new products are duly incorporated in the financial reporting system.

Deutsche Leasing uses a standard financial accounting software package. The limited grant of access rights protects the financial reporting process against unauthorised access. In addition, the dual-control principle, standardised reconciliation routines and target and actual data comparisons ensure that errors are identified and corrected in good time. These measures also ensure that assets and liabilities are properly recognised, measured and presented. The company's financial reporting process is also incorporated in the Group's risk management system.

Internal Audit regularly conducts process-independent audits in order to verify the functionality of the financial-reporting-related internal control system and the risk management system.

# Deutsche Sparkassen Leasing AG & Co. KG

## Basic information regarding Deutsche Sparkassen Leasing AG & Co. KG

DL KG is the parent company of the Deutsche Leasing Group. DL KG plays the key role in the business activities of the Deutsche Leasing Group which are outlined in the › "Basic information" chapter.

In the year under review, it had one branch office in Berlin. This handled risk decision-making and processing of a portion of new and existing business. On 30 September 2021, it had twelve (previous year: 13) employees.

## Economic report

The overall economic and industry-specific environment presented in the › "Economic report" chapter and business performance are largely consistent with those of DL KG.

### Earnings position

DL KG's **net income for the year** amounted to EUR 38.0 million (previous year: EUR 24.8 million).

At EUR 5,041 million, **leasing income** from leasing and hire-purchase business and from the sale of second-hand leasing assets was close to the previous year's level (EUR 5,034 million). **Leasing expenses** which are associated with leasing income increased slightly (+4 per cent).

**Depreciation on leasing assets** decreased by 5 per cent to EUR 2,185 million. In principle, scheduled depreciation on newly acquired leasing assets included in this amount in the period remains in line with the term of the underlying leasing contracts.

The continuing low interest-rate phase was a key factor which shaped net interest income. The associated lower interest-rate level for borrowed funds resulted in a significant decline in interest expenses. **Net interest income** improved from EUR –38 million to EUR –25 million, with interest income at the same level as in the previous year.

**General administrative expenses** rose by 5 per cent in the past financial year to EUR 234 million. This increase reflected the significantly improved course of business by comparison with the previous year.

**Equity** increased to EUR 673 million in the financial year 2020/2021 (EUR +26 million). Provisions for general banking risks pursuant to § 340g HGB amount to EUR 168 million and are in line with the previous year's level.

### Financial position

The financial position outlined in the › "Economic situation" section is largely consistent with the financial position of DL KG.

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## Net asset situation

The **total assets** of Deutsche Leasing declined by EUR 315 million by comparison with the previous year and amount to EUR 12.6 billion. The net asset situation remains mainly shaped by leasing assets as well as receivables from customers. At EUR 14.5 billion, leasing assets, measured at initial values, were lower than in the previous year (EUR 15.1 billion).

## General statement by the Management Board on the economic situation

Deutsche Sparkassen Leasing AG & Co. KG reported a net income for the year of EUR 38.0 million.

This income provides the basis for the proposal to distribute a dividend to the shareholders in the amount of EUR 28.0 million (previous year: EUR 12.5 million).

The net asset, financial and earnings situation of Deutsche Sparkassen Leasing AG & Co. KG remains in good order.

The economic situation outlined in the › "General statement by the Management Board on the economic situation" section of the Group management report is largely consistent with that of DL KG.

## Financial and non-financial performance indicators

The performance indicators outlined in the › "Financial performance indicators" and "Non-financial performance indicators" sections of the Group management report are largely consistent with the performance indicators of DL KG.

On the balance-sheet date, DL KG had a total of 1,113 (previous year: 1,293) employees. This decrease is mainly attributable to the transfer of employees to DLF. For further information, please refer to the › "Employees" subsection.

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# Report on risks and opportunities and forecast report

## Report on risks and opportunities

Risks and opportunities and the processes for handling risks and opportunities at Deutsche Sparkassen Leasing AG & Co. KG are largely analogous to those applicable for the Deutsche Leasing Group. They are discussed in the › "Report on risks and opportunities and forecast report" chapter.

## Forecast report

In general, DL KG is subject to the same factors as the Deutsche Leasing Group in relation to its envisaged business development. Please refer to the › "Report on risks and opportunities and forecast report" chapter for further information and figures.

Bad Homburg v. d. Höhe, 14 December 2021

Deutsche Sparkassen Leasing AG & Co. KG
represented by its general partner

Deutsche Sparkassen Leasing
Verwaltungs-Aktiengesellschaft

Östermann Hansjürgens Kardorf Strehle Weis

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# Consolidated financial statements

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# Consolidated balance sheet as of 30 September 2021

Deutsche Sparkassen Leasing AG & Co. KG, Bad Homburg v. d. Höhe

## Assets

| | | | As of 30/9/2021 | As of 30/9/2020 |
|---|---|---|---|---|
| | | EUR | EUR | TEUR |
| 1. Cash reserves | | | | |
| a) Cash in hand | | 23,422.40 | | 37 |
| b) Central bank balances | | 184,000,485.00 | 184,023,907.40 | 105,000 |
| 2. Receivables from credit institutions | | | | |
| a) Due daily | | 299,963,750.74 | | 250,082 |
| b) Other receivables | | 67,512,160.08 | 367,475,910.82 | 73,007 |
| 3. Receivables from customers | | | 11,472,990,005.80 | 10,523,019 |
| 4. Equities and other non-fixed-interest securities | | | 2,944,332.08 | 3,645 |
| 5. Investments<br>of which:<br>in credit institutions<br>EUR 228,319,501.03 (previous year: TEUR 207,685) | | | 255,961,971.16 | 237,455 |
| 6. Shares in affiliated companies | | | 16,268,526.04 | 13,554 |
| 7. Leasing assets | | | 9,743,838,695.08 | 10,396,900 |
| 8. Intangible assets | | | | |
| a) Concessions, industrial property rights acquired for consideration and similar rights and assets and licences for such rights and assets | | 39,077,284.08 | | 33,144 |
| b) Goodwill | | 40,323,843.64 | | 44,356 |
| c) Advanced payments | | 8,950,908.34 | 88,352,036.06 | 13,188 |
| 9. Property, plant and equipment | | | 112,733,594.18 | 120,370 |
| 10. Other assets | | | 326,830,774.74 | 299,444 |
| 11. Prepayments | | | 18,800,458.06 | 17,470 |
| 12. Surplus resulting from offsetting of assets | | | 10,835.83 | 58 |
| **Total assets** | | | **22,590,231,047.25** | **22,130,729** |

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# Consolidated balance sheet as of 30 September 2021

Deutsche Sparkassen Leasing AG & Co. KG, Bad Homburg v. d. Höhe

## Equity and liabilities

| | | | As of 30/9/2021 | As of 30/9/2020 |
|---|---|---|---|---|
| | | EUR | EUR | TEUR |
| 1. Liabilities owed to credit institutions | | | | |
| a) Due daily | | 851,125,858.81 | | 763,919 |
| b) With agreed maturity or notice period | | 13,926,462,086.49 | 14,777,587,945.30 | 13,507,585 |
| 2. Liabilities owed to customers | | | | |
| a) Other liabilities | | | | |
| aa) Due daily | | 438,781,634.94 | | 281,672 |
| ab) With agreed maturity or notice period | | 533,427,488.61 | 972,209,123.55 | 517,932 |
| 3. Liabilities evidenced by certificates | | | | |
| a) Issued bonds | | | 1,270,746,428.85 | 1,151,171 |
| 4. Other liabilities | | | 366,023,594.38 | 357,883 |
| 5. Deferred income | | | 3,738,565,410.13 | 4,075,860 |
| 6. Provisions | | | | |
| a) Provisions for pensions and similar obligations | | 46,853,450.07 | | 166,732 |
| b) Provisions for taxation | | 8,572,342.30 | | 9,023 |
| c) Other provisions | | 134,902,043.97 | 190,327,836.34 | 111,138 |
| 7. Subordinate liabilities | | | 29,228,215.68 | 29,228 |
| 8. Fund for general banking risks | | | 257,000,000.00 | 252,000 |
| 9. Equity | | | | |
| a) Called-up capital<br>Subscribed capital/<br>equity shares of limited partners | | 240,000,000.00 | | 240,000 |
| b) Reserves | | 489,784,048.84 | | 487,756 |
| c) Differences from currency translation | | 896,604.04 | | −783 |
| d) Non-controlling interests | | 156,953,228.75 | | 149,678 |
| e) Net profit for the year | | 100,908,611.39 | 988,542,493.02 | 29,935 |
| **Total equity and liabilities** | | | **22,590,231,047.25** | **22,130,729** |

| | | | | |
|---|---|---|---|---|
| 1. Contingent liabilities<br>Liabilities under suretyships and guarantee agreements | | | 397,404,906.86 | 403,212 |
| 2. Other obligations<br>Irrevocable loan commitments | | | 492,932,160.07 | 519,161 |

# Consolidated profit and loss account for the period from 1 October 2020 to 30 September 2021

Deutsche Sparkassen Leasing AG & Co. KG, Bad Homburg v. d. Höhe

| | | | 2020/21 | 2019/20 |
|---|---|---|---|---|
| | EUR | EUR | EUR | TEUR |
| 1. Leasing income | | 7,538,128,352.19 | | 7,473,457 |
| 2. Leasing expenses | | −4,539,751,723.81 | 2,998,376,628.38 | −4,382,076 |
| 3. Interest income from<br>a) Credit and money market transactions<br>of which:<br>negative interest income<br>EUR 6,805,079.26 (previous year: TEUR 5,395) | | 146,913,346.34 | | 133,394 |
| 4. Interest expenses<br>of which:<br>negative interest expenses<br>EUR 5,000,993.42 (previous year: TEUR 4,559) | | −125,289,655.81 | 21,623,690.53 | −133,192 |
| 5. Current income from<br>a) Investments<br>b) Shares in affiliated companies | | <br>27,502,310.29<br>8,392,991.10 | <br><br>35,895,301.39 | <br>18,415<br>934 |
| 6. Income from profit and loss transfer agreements | | | 654,163.25 | 638 |
| 7. Commission income | | 33,783,173.26 | | 31,020 |
| 8. Commission expenses | | −34,745,105.86 | −961,932.60 | −31,239 |
| 9. Other operating income | | | 327,281,066.42 | 313,807 |
| 10. General administrative expenses<br>a) Personnel expenses<br>aa) Wages and salaries<br>ab) Social security contributions and expenses for retirement pensions and other benefits<br>of which:<br>for retirement pensions EUR 15,834,676.57 (previous year: TEUR 6,126)<br>b) Other administrative expenses | <br><br>−227,458,953.14<br>−50,414,009.23 | <br><br><br>−277,872,962.37<br><br><br>−150,641,452.43 | <br><br><br><br><br><br>−428,514,414.80 | <br><br>−220,454<br>−38,947<br><br><br>−141,839 |

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# Consolidated profit and loss account for the period from 1 October 2020 to 30 September 2021

Deutsche Sparkassen Leasing AG & Co. KG, Bad Homburg v. d. Höhe

| | | | 2020/21 | 2019/20 |
|---|---|---|---|---|
| | EUR | EUR | EUR | TEUR |
| 11. Depreciation and valuation adjustments on | | | | |
| a) Leasing assets | | −2,518,064,348.79 | | −2,641,829 |
| b) Intangible assets and property, plant and equipment | | −26,229,774.68 | −2,544,294,123.47 | −24,203 |
| 12. Other operating expenses | | | −256,253,229.03 | −253,234 |
| 13. Depreciation and valuation adjustments on receivables and specific securities and allocations to provisions for leasing and loan business of which: expenses for allocation to the fund for general banking risks pursuant to § 340g HGB EUR 5,000,000.00 (previous year: TEUR -) | | | −21,434,787.34 | −46,401 |
| 14. Income from write-ups on (previous year: depreciation and valuation adjustments on) investments, shares in affiliated companies and securities treated as non-current assets | | | 758,099.09 | 405 |
| 15. Expenses from profit and loss transfer agreements | | | −120,319.02 | −131 |
| **16. Profit on ordinary activities** | | | **133,010,142.80** | **58,525** |
| 17. Taxes on income and profit | | | −19,955,138.10 | −18,815 |
| 18. Other taxes, not included under Item 12 | | | −2,146,606.12 | −2,047 |
| **19. Net income for the year** | | | **110,908,398.58** | **37,663** |
| 20. Non-controlling interests in profit | | | −10,082,576.59 | −7,749 |
| 21. Non-controlling interests in loss | | | 82,789.40 | 21 |
| **22. Net profit for the year** | | | **100,908,611.39** | **29,935** |

# Notes to the consolidated financial statements for the financial year 2020/21

Deutsche Sparkassen Leasing AG & Co. KG, Bad Homburg v. d. Höhe

## General disclosures

As a financial services provider, Deutsche Sparkassen Leasing AG & Co. KG (registration court: Bad Homburg v. d. Höhe, commercial register no.: HRA 3330) has prepared its consolidated financial statements for the financial year ending 30 September 2021 in accordance with commercial law provisions (§§ 290 ff. HGB), the supplementary provisions for credit institutions and financial services providers (§§ 340 ff. HGB) as well as the provisions of the German Accounting Ordinance for Banks and Financial Services Providers (Verordnung über die Rechnungslegung der Kreditinstitute und Finanzdienstleistungsinstitute, RechKredV). The company makes use of RechKredV forms 1 (balance sheet) and 3 (vertical-format profit and loss account).

Due to the parent company's legal form, equity is presented in deviation from the requirements stipulated in the RechKredV forms. The components of the company's reserves are not disclosed separately.

Where disclosures may be provided either in the consolidated balance sheet or in the notes to the consolidated financial statements, as a rule they are provided in the notes to the consolidated financial statements.

## Group of consolidated companies

As well as Deutsche Sparkassen Leasing AG & Co. KG, a total of 80 subsidiaries have been incorporated in the consolidated financial statements. By comparison with the previous year, one subsidiary was included in the consolidated financial statements for the first time; four subsidiaries were deconsolidated. This has not had any adverse impact on comparability with the previous year.

A total of twelve associated companies have been valued using the equity method.

The subsidiaries, joint ventures and associated companies which are of minor significance for an assessment of the net asset, financial and profit situation – even collectively – have not been consolidated and have not been valued according to the equity method.

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The parent company has the following key investments:

| **Name of the company** | Registered office of the company | Equity share in per cent |
|---|---|---|
| Germany | | |
| Deutsche Leasing AG | Bad Homburg v. d. Höhe | 100.0 |
| Deutsche Leasing Finance GmbH | Bad Homburg v. d. Höhe | 100.0 |
| DAL Deutsche Anlagen-Leasing GmbH & Co. KG | Mainz | 99.8 |
| AutoExpo Deutsche Auto-Markt GmbH | Fernwald | 100.0 |
| Bad Homburger Inkasso GmbH | Bad Vilbel | 47.4 |
| BHS Bad Homburger Servicegesellschaft mbH | Bad Vilbel | 100.0 |
| Deutsche Leasing Global GmbH (to 8 September 2021: Deutsche Objekt-Leasing GmbH) | Bad Homburg v. d. Höhe | 100.0 |
| S-Kreditpartner GmbH | Berlin | 33.3 |
| Deutsche Factoring Bank GmbH & Co. KG | Bremen | 53.0 |

| **Name of the company** | Registered office of the company | Equity share in per cent |
|---|---|---|
| Other countries | | |
| Deutsche Leasing Austria GmbH | Vienna | 100.0 |
| Deutsche Leasing Benelux N.V. | Antwerp (Berchem) | 100.0 |
| Deutsche Leasing Bulgaria EAD | Sofia | 100.0 |
| Deutsche Leasing Canada (Del.), Inc. | Wilmington | 100.0 |
| Deutsche Leasing Canada, Corp. | Halifax | 100.0 |
| Deutsche Leasing (China) Co., Ltd. | Shanghai | 100.0 |
| Deutsche Leasing ČR, spol. s r.o. | Prague | 100.0 |
| Deutsche Leasing France Operating S.A.S. | Rueil-Malmaison | 100.0 |
| Deutsche Leasing France S.A.S. | Rueil-Malmaison | 100.0 |
| Deutsche Leasing Funding B.V. | Amsterdam | 100.0 |
| Deutsche Leasing Hungária Zrt. | Budapest | 100.0 |
| Deutsche Leasing Hungária Kft. | Budapest | 100.0 |
| Deutsche Leasing Ibérica, E.F.C., S.A. | Barcelona | 100.0 |
| DL Ibérica EquipRent, S.A. | Barcelona | 100.0 |
| Deutsche Leasing (Ireland) D.A.C. | Dublin | 100.0 |
| Deutsche Leasing Italia S.p.A. | Milan | 100.0 |
| Deutsche Leasing Operativo S.r.l. | Milan | 100.0 |
| Deutsche Leasing Nederland B.V. | Amsterdam | 100.0 |
| Deutsche Leasing North America, Inc. | Wilmington | 100.0 |
| Deutsche Leasing USA, Inc. | Wilmington | 100.0 |
| Deutsche Leasing Polska S.A. | Warsaw | 100.0 |
| Deutsche Leasing Romania IFN S.A. | Bucharest | 100.0 |
| Deutsche Leasing Romania Operational SRL | Bucharest | 100.0 |
| Deutsche Leasing Slovakia spol. s r.o. | Bratislava | 100.0 |
| Deutsche Leasing Sverige AB | Stockholm | 100.0 |
| Deutsche Leasing (UK) Ltd. | London | 100.0 |
| Deutsche Leasing Vostok AG | Moscow | 100.0 |
| Deutsche Sparkassen Leasing do Brasil Banco Múltiplo S.A. | São Paulo | 100.0 |
| Locadora DL do Brasil Ltda. | São Paulo | 100.0 |

Please refer to the appendix to the notes to the consolidated financial statements (§ 313 (2) HGB) for full **disclosures concerning shareholdings.**[1]

[1] The appendices to the notes to the consolidated financial statements are not printed in the annual report. They may be viewed in the electronic version of the German Federal Gazette as disclosed.

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## Consolidation methods

For subsidiaries newly incorporated in the group of consolidated companies, capital consolidation is performed according to the revaluation method. The historical costs of the shares in subsidiaries are offset against their share of equity as of the date on which this company became a subsidiary.

The profits brought forward of consolidated subsidiaries are allocated to the reserves.

Loans, receivables and liabilities between consolidated companies are offset.

Trade receivables and other income realised between consolidated companies are offset against corresponding expenses.

Future receivables resulting from intragroup purchases of receivables – which are reported in the consolidated financial statements at their present value – are consolidated with the deferred income item from sales of receivables under leasing contracts. Any remaining amount is reported in the profit and loss account.

The value of the investments in associated companies reported using the equity method has been calculated by means of the book value method as of the date on which the company became an associated company.

## Currency translation

Currency translation for foreign financial statements is based on the modified closing rate method. Assets and liabilities are translated at mean spot exchange rates on the balance-sheet date, expenses and income at average annual rates and equity at historical rates. Differences resulting from currency translation are not recognised in income and are separately reported in equity.

## Accounting policies

Currency translation for assets and liabilities is in accordance with the rules laid down in § 340h HGB and §§ 300 (2) in conjunction with 256a HGB.

Cash reserves and receivables from credit institutions are reported at nominal value.

In principle, receivables are reported at their historical costs. Claims under hire-purchase contracts and sales of receivables are reported at their present value. Discernible risks are taken into account by means of depreciation to the lower fair value. According to §§ 253 (5) in conjunction with 298, 300 (2) HGB, write-ups are implemented where the grounds for depreciation are no longer applicable.

The methodology applied for the calculation of the general valuation adjustment made on receivables from customers was revised in the past financial year. While in the past a calculation was made in accordance with the letter from the German Federal Finance Ministry (Bundesministerium der Finanzen, BMF) of 10 January 1994, a calculation was now made on the basis of differently weighted future-oriented scenarios.

Deferral agreements were concluded with some of Deutsche Leasing’s customers in the context of the

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economic crisis caused by the COVID-19 pandemic. In accordance with the guidance published by the Banking Committee of the Institute of Public Auditors in Germany (IDW), in principle leasing and hire-purchase instalments are recognised in line with the original instalment plans, irrespective of the payment date, while payment is required of customers as of a later date.

Equities and other non-fixed-interest securities, investments not measured using the equity method and shares in affiliated companies are reported at amortised historical costs. The value of the investments in associated companies reported using the equity method is calculated in accordance with § 312 HGB.

As a rule, scheduled depreciation on newly acquired leasing assets is in line with the term of the leasing contracts. In some cases, scheduled depreciation is recognised over the ordinary useful life of the asset.

As a rule, the straight-line depreciation method is used instead of the declining-balance depreciation method if this results in an increase in depreciation.

Intangible assets are reported at their historical costs less scheduled amortisation. Goodwill is subject to straight-line amortisation over the average residual terms of the existing portfolio of contracts, over a period of 15 years.

Property, plant and equipment is valued at historical costs less scheduled depreciation.

Leasing goods, intangible assets and property, plant and equipment are subject to non-scheduled depreciation in case of permanent impairment. Leasing goods are subject to non-scheduled depreciation in case of possible risks associated with violations of leasing contracts.

In principle, other assets are reported at their historical costs. Where this includes assets resulting from terminated leasing contracts, these are valued at amortised historical costs.

Differences between the amount disbursed and the amount repaid are shown under accrued and deferred items and released as scheduled.

The surplus resulting from the offsetting of assets has been calculated pursuant to § 246 (2) HGB.

Liabilities are valued at their settlement amounts.

Deferred income mainly consists of the selling prices resulting from the sale of leasing receivables. Where these result from the sale of non-straight-line leasing instalments they are reversed in proportion to the capital, and otherwise on a straight-line basis. In case of non-monthly leasing instalments, deferred income includes income to guarantee realisation of revenues in accordance with the performance period.

On 31 July 2021, the model was adjusted for some of Deutsche Leasing's retirement pension commitments. These obligations to the beneficiaries were transferred to a pension fund. The difference between the higher one-off amount and the provision amount which was carried as a liability as of the date of transfer was recognised in profit or loss.

Provisions for pensions are valued using the projected unit credit method and their reported amounts are based on actuarial calculations. The provision amounts have been calculated in accordance with §§ 253 (2) in conjunction with 298, 300 (2) HGB and in conjunction with the German Provisions Discounting Ordinance (Rückstellungsabzinsungsverordnung, RückAbzinsV), subject to the interest rates for accounting purposes fixed by the German Bundesbank and on the basis of an average market interest rate for the past ten financial years of between 1.98 and 2.38 per cent. This calculation is based on the current Heubeck 2018 G guideline tables and an index-linked pension increase of between 1.60 and 2.00 per cent. An index-linked salary

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increase of 2.00 per cent has been assumed for a portion of the provisions for pensions. For calculation of the rate of fluctuation, age-specific fluctuation probabilities of 2.00 to 4.50 per cent have been applied.

Provisions for anniversary bonuses have been calculated according to the projected unit credit method, with discounting rates of between 1.39 and 1.60 per cent and an index-linked salary increase of 2.00 per cent. For calculation of the rate of fluctuation, age-specific fluctuation probabilities of (in some cases) 2.00 per cent have been applied.

Old-age part-time working obligations are calculated by means of a discounting rate of 0.36 per cent and an index-linked salary increase of 2.00 per cent.

Provisions for taxation and other provisions are reported in the value of the settlement amount which is deemed necessary according to a prudent commercial assessment.

Financial statements of foreign companies have been included on the basis of the uniform valuation methods for the consolidated financial statements – while considering peculiarities in individual countries and complying with the principle of materiality.

Within the scope of the loss-free valuation of interest-related business in the banking book, a progress review has been prepared for financial assets as well as interest-bearing deposit operations, including carefully calculated risk and administrative expenses. The surpluses expected to result from this have been identified. This has not given rise to a need to establish provisions for contingent losses.

In cases where liabilities (underlying transactions) are pooled (valuation units) to equalise opposite cash flows or changes in value resulting from similar risks entered into through financial instruments (hedging instruments), the general valuation principles laid down in § 254 HGB will not apply insofar as and for as long as opposite cash flows or changes in value equalise one another. For the effective portion, changes in the values of underlying transactions and hedging instruments are calculated according to the "net hedge presentation method" for interest and the "gross hedge presentation method" for currencies.

Deferred taxes are calculated for time differences between the commercial and tax balance-sheet valuations of assets, liabilities and accruals and deferrals, in principle encompassing includable tax loss carryforwards. Timing differences resulting from the parent company's balance-sheet items are included as well as those applicable for subsidiary companies. Domestic and foreign subsidiaries which are not included in the tax group are also considered. Tax loss carryforwards are included in the valuation of deferred tax assets if they are expected to be offsettable against taxable income within a period of five years. Deferred taxes are calculated on the basis of the income tax rate for the respective member company of the consolidated group of between 9.00 per cent and 40.00 per cent. Deferred tax assets and liabilities are offset. Due to the overall assessment – including the deferred taxes from the annual financial statements of the incorporated companies – in case of tax relief, balance-sheet reporting is waived in line with the capitalisation option. In the reporting year, no deferred taxes are reportable in the consolidated financial statements of Deutsche Sparkassen Leasing AG & Co. KG, since this option has not been used.

## Notes on the consolidated balance sheet

Please see the fixed-asset movement schedule for disclosures concerning equities and other non-fixed-interest securities, investments, shares in affiliated companies, leasing assets, intangible assets and property, plant and equipment.

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# Fixed-asset movement schedule

| | Historical costs | | | | Write-ups |
|---|---|---|---|---|---|
| | 1/10/2020 | Additions | Disposals | Reclassifications | in financial year |
| | EUR | EUR | EUR | EUR | EUR |
| 1. Equities and other non-fixed-interest securities | 3,801,104.16 | 19,140.72 | 719,212.08 | 0.00 | 0.00 |
| 2. Investments | 237,507,500.44 | 20,536,268.82 | 2,029,176.51 | 0.00 | 0.00 |
| 3. Shares in affiliated companies | 14,090,025.79 | 3,967,443.20 | 1,253,285.57 | 0.00 | 0.00 |
| 4. Leasing assets | | | | | |
| Leasing goods | 17,372,293,096.29 | 2,391,037,853.70 | 3,470,167,992.10 | +345,112,284.21 | 1,788,705.50 |
| Advanced payments | 345,112,284.21 | 439,497,621.40 | 0.00 | −345,112,284.21 | 0.00 |
| | 17,717,405,380.50 | 2,830,535,475.10 | 3,470,167,992.10 | 0.00 | 1,788,705.50 |
| 5. Intangible assets | | | | | |
| Industrial rights | 146,151,338.30 | 2,174,077.52 | 153,300.24 | +13,374,790.62 | 0.00 |
| Goodwill | 68,438,785.72 | 0.00 | 0.00 | 0.00 | 0.00 |
| Advanced payments | 13,188,099.01 | 10,177,681.45 | 1,040,081.50 | −13,374,790.62 | 0.00 |
| | 227,778,223.03 | 12,351,758.97 | 1,193,381.74 | 0.00 | 0.00 |
| 6. Property, plant and equipment | | | | | |
| Buildings on lease-hold properties | 121,062,539.78 | 307,564.60 | 2,305.64 | 1,140,281.29 | 0.00 |
| Fittings, tools and equipment | 77,992,059.29 | 4,433,333.09 | 986,826.30 | +111,751.49 | 0.00 |
| Advanced payments | 1,165,484.99 | 592,509.17 | 0.00 | −1,252,032.78 | 0.00 |
| | 200,220,084.06 | 5,333,406.86 | 989,131.94 | 0.00 | 0.00 |
| | **18,400,802,317.98** | **2,872,743,493.67** | **3,476,352,179.94** | **0.00** | **1,788,705.50** |

**Continued**

# Fixed-asset movement schedule

| | Depreciation/amortisation | | | |
|---|---|---|---|---|
| | 1/10/2020 | Additions | Disposals | 30/9/2021 |
| | EUR | EUR | EUR | EUR |
| 1. Equities and other non-fixed-interest securities | 156,700.72 | 0.00 | 0.00 | 156,700.72 |
| 2. Investments | 52,621.59 | 0.00 | 0.00 | 52,621.59 |
| 3. Shares in affiliated companies | 535,657.38 | 0.00 | 0.00 | 535,657.38 |
| 4. Leasing assets | | | | |
| Leasing goods | 7,322,817,419.94 | 2,519,853,054.29 | 2,506,947,600.31 | 7,335,722,873.92 |
| Advanced payments | 0.00 | 0.00 | 0.00 | 0.00 |
| | 7,322,817,419.94 | 2,519,853,054.29 | 2,506,947,600.31 | 7,335,722,873.92 |
| 5. Intangible assets | | | | |
| Industrial rights | 113,007,134.25 | 9,591,384.70 | 128,896.83 | 122,469,622.12 |
| Goodwill | 24,082,557.71 | 4,032,384.37 | 0.00 | 28,114,942.08 |
| Advanced payments | 0.00 | 0.00 | 0.00 | 0.00 |
| | 137,089,691.96 | 13,623,769.07 | 128,896.83 | 150,584,564.20 |
| 6. Property, plant and equipment | | | | |
| Buildings on lease-hold properties | 27,630,208.98 | 4,662,157.88 | 1,671.70 | 32,290,695.16 |
| Fittings, tools and equipment | 52,219,881.33 | 7,943,847.73 | 623,659.42 | 59,540,069.64 |
| Advanced payments | 0.00 | 0.00 | 0.00 | 0.00 |
| | 79,850,090.31 | 12,606,005.61 | 625,331.12 | 91,830,764.80 |
| | **7,540,502,181.90** | **2,546,082,828.97** | **2,507,701,828.26** | **7,578,883,182.61** |

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# Fixed-asset movement schedule

| | | Book values | |
|---|---|---|---|
| | | 30/9/2021 | 30/9/2020 |
| | | EUR | EUR |
| 1. Equities and other non-fixed-interest securities | | 2,944,332.08 | 3,644,403.44 |
| 2. Investments | | 255,961,971.16 | 237,454,878.85 |
| 3. Shares in affiliated companies | | 16,268,526.04 | 13,554,368.41 |
| 4. Leasing assets | | | |
| Leasing goods | | 9,304,341,073.68 | 10,051,787,427.34 |
| Advanced payments | | 439,497,621.40 | 345,112,284.21 |
| | | 9,743,838,695.08 | 10,396,899,711.55 |
| 5. Intangible assets | | | |
| Industrial rights | | 39,077,284.08 | 33,144,204.05 |
| Goodwill | | 40,323,843.64 | 44,356,228.01 |
| Advanced payments | | 8,950,908.34 | 13,188,099.01 |
| | | 88,352,036.06 | 90,688,531.07 |
| 6. Property, plant and equipment | | | |
| Buildings on leasehold properties | | 90,217,384.87 | 93,432,330.80 |
| Fittings, tools and equipment | | 22,010,247.93 | 25,772,177.96 |
| Advanced payments | | 505,961.38 | 1,165,484.99 |
| | | 112,733,594.18 | 120,369,993.75 |
| | | **10,221,838,191.30** | **10,862,611,887.07** |

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| | 30/9/2021 | 30/9/2020 |
|---|---|---|
| | EUR | TEUR |
| **Receivables from credit institutions** | **367,475,910.82** | **323,089** |
| a) Due daily | 299,963,750.74 | 250,082 |
| b) Other receivables | 67,512,160.08 | 73,007 |
| ba) up to three months | 5,488,061.62 | 21,385 |
| bb) more than three months and up to one year | 60,298.61 | – |
| bc) more than one year and up to five years | 10,108,887.35 | 1,622 |
| bd) more than five years | 51,854,912.50 | 50,000 |
| **Receivables from customers** | **11,472,990,005.80** | **10,523,019** |
| a) up to three months | 2,182,730,821.70 | 1,851,919 |
| b) more than three months and up to one year | 1,530,652,302.00 | 1,445,357 |
| c) more than one year and up to five years | 5,168,890,753.62 | 4,805,189 |
| d) more than five years | 2,348,166,385.16 | 2,146,151 |
| e) with an indefinite term | 242,549,743.32 | 274,403 |

| | 30/9/2021 | 30/9/2020 |
|---|---|---|
| | EUR | TEUR |
| **Liabilities owed to credit institutions** | **14,777,587,945.30** | **14,271,504** |
| a) Due daily | 851,125,858.81 | 763,919 |
| b) With agreed maturity or notice period | 13,926,462,086.49 | 13,507,585 |
| ba) up to three months | 1,313,715,170.21 | 993,546 |
| bb) more than three months and up to one year | 2,855,067,448.16 | 1,606,208 |
| bc) more than one year and up to five years | 7,563,402,688.53 | 7,307,941 |
| bd) more than five years | 2,194,276,779.58 | 3,599,890 |
| **Liabilities owed to customers** | **972,209,123.55** | **799,605** |
| a) Due daily | 438,781,634.94 | 281,673 |
| b) With agreed maturity or notice period | 533,427,488.61 | 517,932 |
| ba) up to three months | 39,817,952.38 | 171,766 |
| bb) more than three months and up to one year | 122,005,157.20 | 120,082 |
| bc) more than one year and up to five years | 362,073,960.25 | 224,377 |
| bd) more than five years | 9,530,418.79 | 1,707 |
| **Liabilities evidenced by certificates** | **1,270,746,428.85** | **1,151,170** |
| a) up to three months | 464,508,322.41 | 120,557 |
| b) more than three months and up to one year | 40,000,000.00 | 55,724 |
| c) more than one year and up to five years | 0.00 | 974,889 |
| d) more than five years | 766,238,106.44 | – |

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Please see above for the disclosures concerning receivables from credit institutions and customers as well as the liabilities owed to credit institutions and customers and liabilities evidenced by certificates.

**Receivables from credit institutions** include sales of receivables to savings banks and credit institutions which have not yet been settled up. Receivables from shareholders amount to EUR 9.4 million (previous year: EUR 11.0 million).

Of the **receivables from customers**, EUR 8,720.6 million (previous year: EUR 8,029.4 million) relates to leasing, hire-purchase, rental and factoring business. Of this total figure, foreign-currency receivables amount to EUR 2,901.5 million (previous year: EUR 2,744.8 million). Receivables from shareholders amount to EUR 0.1 million (previous year: EUR 0.1 million).

Of the **property, plant and equipment**, EUR 58.8 million (previous year: EUR 61.3 million) relates to the main administrative headquarters of the Deutsche Leasing Group, which it uses for its own purposes, and EUR 22.0 million (previous year: EUR 25.8 million) to fittings, tools and equipment.

The **other assets** item includes loans to affiliated companies in the amount of EUR 166.3 million (previous year: EUR 154.3 million) and tax receivables in the amount of EUR 89.9 million (previous year: EUR 98.2 million). In the loans to affiliated companies item, EUR 51.9 million (previous year: EUR 51.9 million) relates to subordinated loans. Of the total amount, EUR 29.3 million (previous year: EUR 33.6 million) relates to foreign-currency amounts.

Of the total volume of assets, foreign-currency amounts total EUR 3,430.6 million (previous year: EUR 3,292.0 million).

The **prepayments** item includes prepaid premiums for credit and property insurance in the amount of EUR 5.9 million (previous year: EUR 5.4 million).

In relation to the **surplus resulting from the offsetting of assets**, the reinsurance policies are exclusively for fulfilment of the obligations resulting from pension provisions and are not available to other creditors. They have been offset against the underlying obligations pursuant to § 246 (2) Clause 2 HGB. The fair values of the plan assets correspond to the cover funds documented by the insurer and thus match the historical costs in the amount of TEUR 1,317. The fair value of the plan provisions which exceeds the relevant pension obligation has been reported as TEUR 11 in accordance with § 246 (2) Clause 3 HGB. Expenses and income are offset.

**Liabilities owed to credit institutions** mainly relate to loans and time deposits and include foreign-currency items in the amount of EUR 1,820.2 million (previous year: EUR 1,669.0 million). In addition, liabilities owed to shareholders amount to EUR 695.8 million (previous year: EUR 819.8 million). Of the total amount, EUR 393.8 million (previous year: EUR 412.3 million) is secured by means of the transfer of title of leasing goods for security purposes. This is associated with the sale of claims resulting from residual values and leasing instalments.

Of the **liabilities owed to customers**, EUR 200.0 million (previous year: EUR 192.5 million) is secured by means of the transfer of title of leasing goods for security purposes. This is associated with the sale of claims resulting from leasing instalments. Of the overall volume of liabilities, foreign-currency liabilities amount to EUR 24.0 million (previous year: EUR 18.8 million).

Of the **liabilities evidenced by certificates**, EUR 976.8 million (previous year: EUR 1,042.3 million) is secured by means of the transfer of title of leasing goods for security purposes. This is associated with the sale of claims resulting from leasing instalments.

Of the **other liabilities**, liabilities owed to suppliers amount to EUR 272.4 million (previous year: EUR 245.9 million).

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**Provisions for pensions and similar obligations** have been established for employees and former Management Board members. The model was adjusted for some of Deutsche Leasing's retirement pension commitments in the past financial year. These obligations to the beneficiaries were transferred to a pension fund. The difference in accordance with § 253 (6) HGB amounts to EUR 5.2 million (previous year: EUR 24.0 million).

The **other provisions** mainly relate to outstanding payments for the personnel segment and provisions for anniversary bonuses and old-age part-time working and also, in the amount of EUR 18.0 million (previous year: EUR 12.8 million), for leasing business.

The **subordinate liabilities** relate to Deutsche Factoring Bank GmbH & Co. KG.

Of the total volume of liabilities, foreign-currency amounts total EUR 1,940.8 million (previous year: EUR 1,735.7 million).

## Notes on contingent liabilities

As of the balance-sheet date, **contingent liabilities** amount to EUR 397.4 million (previous year: EUR 403.2 million) and **other obligations** to EUR 492.9 million (previous year: EUR 519.2 million).

The parent company has issued letters of comfort and loan guarantees for the following foreign subsidiaries to their financing banks:

| **Name of the company** | **Registered office of the company** |
|---|---|
| Deutsche Leasing Austria GmbH | Vienna |
| Deutsche Leasing Benelux N.V. | Antwerp (Berchem) |
| Deutsche Leasing Bulgaria EAD | Sofia |
| Deutsche Leasing (China) Co., Ltd. | Shanghai |
| Deutsche Leasing ČR, spol. s r.o. | Prague |
| Deutsche Leasing France Operating S.A.S. | Rueil-Malmaison |
| Deutsche Leasing France S.A.S. | Rueil-Malmaison |
| Deutsche Leasing Funding B.V. | Amsterdam |
| Deutsche Leasing Hungária Zrt. | Budapest |
| Deutsche Leasing Hungária Kft. | Budapest |
| Deutsche Leasing Ibérica, E.F.C., S.A. | Barcelona |
| DL Ibérica EquipRent S.A. | Barcelona |
| Deutsche Leasing (Ireland) D.A.C. | Dublin |
| Deutsche Leasing Italia S.p.A. | Milan |
| Deutsche Leasing Operativo S.r.l. | Milan |
| Deutsche Leasing Nederland B.V. | Amsterdam |

(Continued on the next page)

| **Name of the company** (Continued) | **Registered office of the company** |
|---|---|
| | |
| Deutsche Leasing Polska S.A. | Warsaw |
| Deutsche Leasing Romania IFN S.A. | Bucharest |
| Deutsche Leasing Romania Operational SRL | Bucharest |
| Deutsche Leasing Slovakia spol. s r.o. | Bratislava |
| Deutsche Leasing Sverige AB | Stockholm |
| Deutsche Leasing (UK) Ltd. | London |
| Deutsche Leasing Vostok AG | Moscow |
| Deutsche Sparkassen Leasing do Brasil Banco Múltiplo S.A. | São Paulo |
| Locadora DL do Brasil Ltda. | São Paulo |

The parent company provides the following confirmation within the scope of the letters of comfort:

> *With the exception of a political risk scenario, Deutsche Sparkassen Leasing AG & Co. KG hereby undertakes to provide its subsidiary with funding so that it is able to fulfil its liabilities.*

Through a loan-guarantee-based commitment in relation to the financing banks, the political risk is regularly also assumed. This is particularly applicable in relation to the subsidiaries Deutsche Leasing (China) Co., Ltd., Shanghai, Deutsche Leasing Vostok AG, Moscow, Deutsche Leasing ČR, spol. s r.o., Prague, Deutsche Sparkassen Leasing do Brasil Banco Múltiplo S.A., São Paulo, and Locadora DL do Brasil Ltda., São Paulo. In principle, Deutsche Sparkassen Leasing AG & Co. KG also assumes the political risk for its financing company Deutsche Leasing Funding B.V., Amsterdam, in relation to the financing banks, within the scope of a guarantee or a letter of comfort.

The parent company has submitted a letter of commitment within the scope of the entry of S-Kreditpartner GmbH, Berlin, into the institutional protection scheme established by Deutscher Sparkassen- und Giroverband e.V., Berlin. Deutsche Sparkassen Leasing AG & Co. KG thus provides Deutscher Sparkassen- und Giroverband e.V., Berlin, with an undertaking that, in the event of this company receiving assistance under this protection scheme, it will reimburse these expenses in accordance with its equity share.

In view of current forecasts, the parent company considers that the risk of recourse under these letters of comfort, guarantees and letters of commitment is highly improbable.

The **liabilities under suretyships and guarantee agreements** reported under contingent liabilities are mainly associated with investment loans granted by Deutsche Leasing Finance GmbH.

The **irrevocable loan commitments** included in the other obligations item are mainly associated with investment loans granted by Deutsche Leasing Finance GmbH as well as dealer purchase finance. Irrevocable loan commitments to an associated company amount to EUR 15.5 million (previous year: EUR 8.0 million).

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## Notes on the consolidated profit and loss account

The disclosures concerning the classification of income by geographic market are based on the structure selected by the parent company for control and reporting purposes.

**Leasing income** comprises revenues from leasing instalments and hire-purchase contracts as well as revenues from the resale of leasing goods and was mainly realised in Germany.

**Leasing expenses** comprise expenses resulting from the acquisition of hire-purchase assets and the disposal of leasing goods.

Of the **interest income**, EUR 120.9 million (previous year: EUR 118.1 million) relates to Germany and EUR 26.0 million (previous year: EUR 15.3 million) to other countries. Interest expenses for liabilities resulting from retirement pension commitments, in the amount of TEUR 33, have been offset against interest income on the plan assets, in the amount of TEUR 51, in accordance with § 246 (2) Clause 2 HGB.

The **interest expenses** include expenses in accordance with §§ 277 (5) in conjunction with 298, 300 (2) HGB in the amount of EUR 11.4 million (previous year: EUR 17.1 million). The interest expenses include an amount of EUR 2.2 million (previous year: EUR 2.1 million) in expenses for subordinated loans.

Of the **commission income**, EUR 32.4 million (previous year: EUR 29.6 million) relates to Germany and EUR 1.4 million (previous year: EUR 1.4 million) to other countries.

The **other operating income** mainly comprises services income. This item includes income not related to the period in the amount of EUR 21.5 million (previous year: EUR 11.9 million). Of the other operating income, EUR 253.3 million (previous year: EUR 247.8 million) relates to Germany and EUR 74.0 million (previous year: EUR 66.0 million) to other countries. Of the total amount, currency translation income totals EUR 67.6 million (previous year: EUR 59.5 million).

**Depreciation of leasing assets** includes non-scheduled depreciation in the amount of EUR 23.3 million (previous year: EUR 31.7 million).

The **other operating expenses** mainly comprise services expenses. This item includes expenses not related to the period in the amount of EUR 3.8 million (previous year: EUR 2.6 million). Currency translation expenses total EUR 63.9 million (previous year: EUR 69.0 million).

**Taxes on income and profit** include tax expenses not related to the period in the amount of EUR 0.0 million (previous year: EUR 0.2 million).

## Other disclosures

On the balance-sheet date, other financial obligations amounted to EUR 32.1 million (previous year: EUR 12.9 million) under service and lease agreements, mainly for branch offices. These lease agreements have a remaining term expiring in 2044 at the latest.

A second-hand car guarantee for a period of twelve months is provided for motor vehicles sold to end-consumers. On the balance-sheet date, this has resulted in contingent liabilities due to warranties. An insurance policy has been taken out to cover this risk.

On the balance-sheet date, order commitments under leasing and hire-purchase contracts amount to EUR 2,430.8 million (previous year: EUR 1,906.5 million).

Derivatives (interest rate swaps, currency swaps, interest rate/currency swaps) are exclusively entered into for hedging of interest-rate fluctuation/currency risks.

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Deutsche Leasing deals with interest rate risks, in particular, through the use of interest rate swaps. Within the scope of its risk management system, as a rule fixed- and variable-interest cash flows are combined for the relevant currencies and jointly considered in interest rate gap analyses. This enables a holistic assessment of all of the relevant cash flows resulting from lending business and deposit operations. The overhang of fixed cash flows which give rise to a risk position in case of a change in the interest rate level is indicated through interest rate gap analyses which can be prepared at the level of the individual company and also at Group level. This risk position is continuously analysed by means of detailed maturity bands and is reduced by means of conventional loans and derivatives (macro hedge). In some cases, hedges (interest rate swaps) are entered into as cover against interest rate risks for specific underlying transactions (variable-interest loans), subject to identical conditions for the underlying transaction and the hedging transaction (micro hedge). Currency risks are reduced through the use of currency swaps in particular.

The effectiveness of the macro hedge ("interest exposure book management") is measured by comparing the interest-rate gap analysis with and without derivatives. The effectiveness of micro hedges is prospectively measured by means of a comparison of the relevant parameters for the underlying transactions and hedging instruments in both qualitative and quantitative terms. A documented, appropriate and functional risk management system is also used for these transactions.

As of 30 September 2021, the nominal value of the derivatives amounted to EUR 2,658.5 million (previous year: EUR 2,605.9 million). The total derivatives with negative fair values as of the balance-sheet date amount to EUR 13.2 million (previous year: EUR 19.9 million) and have been determined by means of the mark-to-market method. Due to the effectiveness of the macro hedge ("interest exposure book"), no provisions are established. The derivatives have a maximum remaining term of 9.0 years.

In the past financial year the total fee for the auditor amounted to TEUR 3,616 (previous year: TEUR 3,083). Of this, an amount of TEUR 320 related to the previous year. Of the total fee amount, TEUR 3,478 related to auditing services (previous year: TEUR 2,915). Of this amount, TEUR 317 comprised auditing services in the previous year. Of the overall fee, TEUR 137 related to other assurance services (previous year: TEUR 153). Of this amount, TEUR 3 related to other assurance services in the previous year (previous year: TEUR -) and TEUR - to tax advice services (previous year: TEUR 15).

Cash and cash equivalents in the statement of cash flows consist of the cash reserves balance-sheet item. The change in cash flow from current business activities is determined on the basis of the consolidated net income for the year; the reconciliation results from the consolidated profit and loss account.

On average, the company had 1,345 female and 1,376 male employees in the past financial year.

Total remuneration of the members of the Supervisory Board of the parent company amounted to EUR 0.3 million (previous year: EUR 0.3 million). EUR 0.2 million (previous year: EUR 1.1 million) was paid out in the form of pensions for former members of the Management Board of the parent company in the current financial year.

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The **Supervisory Board** of the parent company has the following members:

**Alexander Wüerst**
**Chairman**
Chief Executive Officer
*Kreissparkasse Köln, Cologne*

**Marina Barth**
**Deputy Chairwoman (since February 2021)**
Deputy Executive Officer
*Sparkasse Hannover, Hanover*

**Dr Walter Eschle**
**Deputy Chairman (to February 2021)**
former Deputy Executive Officer (retired)
*Stadtsparkasse Augsburg, Augsburg*

**Andreas Bartsch**
Chief Executive Officer
*Sparkasse Marburg-Biedenkopf, Marburg*

**Dr Joachim Bonn**
Chief Executive Officer
*Sparkasse Duisburg, Duisburg*

**Frank Brockmann**
Deputy Executive Officer
*Hamburger Sparkasse AG, Hamburg*

**Roland Burgis**
Deputy Executive Officer
*Sparkasse Nürnberg, Nuremberg*

**Bernd Fischer (since February 2021)**
Deputy Executive Officer
*Sparkasse Memmingen-Lindau-Mindelheim, Memmingen*

**Michael Fröhlich**
Chief Executive Officer
*Sparkasse Bielefeld, Bielefeld*

**Horst Herrmann**
Chief Executive Officer
*Kreissparkasse Saarlouis, Saarlouis*

**Günter Högner**
Chief Executive Officer
*Nassauische Sparkasse, Wiesbaden*

**Michael Huber**
Chief Executive Officer
*Sparkasse Karlsruhe, Karlsruhe*

**Hans Jürgen Kulartz**
Member of the Management Board
*Landesbank Berlin AG, Berlin*

**Ulrich Lepsch**
Chief Executive Officer
*Sparkasse Spree-Neiße, Cottbus*

**Thomas Piehl**
Chief Executive Officer
*Sparkasse Holstein, Bad Oldesloe*

**Matthäus Reiser**
Chief Executive Officer
*Kreissparkasse Rottweil, Rottweil*

**Helmut Schleweis**
President
*Deutscher Sparkassen- und Giroverband e.V., Berlin*

**Rainer Schwab**
Works Council Chairman
*Deutsche Sparkassen Leasing AG & Co. KG,*
*Bad Homburg v. d. Höhe*

**Anke Tiedge**
Key Competence Management Officer
*Deutsche Sparkassen Leasing AG & Co. KG,*
*Bad Homburg v. d. Höhe*

**Thomas Traue**
Chief Executive Officer
*Sparkasse Vorderpfalz, Ludwigshafen am Rhein*

The personally liable and managing shareholder of the parent company is Deutsche Sparkassen Leasing Verwaltungs-Aktiengesellschaft, Bad Homburg v. d. Höhe, with subscribed capital amounting to EUR 50,000.00.

The **Management Board** of the managing shareholder of the parent company consists of the following persons:

**Kai Ostermann, Chief Executive Officer**
**Georg Hansjürgens**
**Sonja Kardorf**
**Markus Strehle**
**Rainer Weis**

The Management Board receives EUR 4.5 million (previous year: EUR 2.9 million) for the performance of its tasks.

Please refer to the appendix to the notes to the consolidated financial statements for full **disclosures concerning shareholdings**.[2]

The consolidated financial statements are published in the German Federal Gazette (Bundesanzeiger).

## Subsequent events

There were no reportable events in the period from 30 September 2021 up to the preparation of the consolidated financial statements.

Bad Homburg v. d. Höhe, 14 December 2021

Deutsche Sparkassen Leasing AG & Co. KG
represented by its general partner

Deutsche Sparkassen Leasing
Verwaltungs-Aktiengesellschaft

Ostermann | Hansjürgens | Kardorf | Strehle | Weis

[2] The appendices to the notes to the consolidated financial statements are not printed in the annual report. They may be viewed in the electronic version of the German Federal Gazette as disclosed.

# Statement of cash flows[3]

Deutsche Sparkassen Leasing AG & Co. KG Group

| | 2020/21 | 2019/20 |
|---|---|---|
| | TEUR | TEUR |
| **1. Consolidated net income for the year** | **110,908** | **37,663** |
| 2. + Depreciation on leasing assets | 2,519,853 | 2,642,195 |
| 3. – Write-ups on leasing assets | –1,789 | –366 |
| 4. – Additions to leasing assets | –2,830,535 | –3,103,763 |
| 5. + Residual book values of disposed leasing assets | 965,532 | 931,983 |
| 6. +/– Increase/decrease in accrued leasing instalments | 6,446 | –10,695 |
| **7. Depreciation on and changes to leasing assets** | **659,507** | **459,354** |
| 8. – Increase in hire-purchase receivables | –356,767 | –231,006 |
| 9. –/+ Increase/decrease in receivables from credit institutions | –44,387 | 38,527 |
| 10. – Increase in receivables from customers (excl. hire-purchase) | –593,204 | –142,854 |
| 11. – Increase in other assets | –49,191 | –80,629 |
| 12. + Amortisation of intangible assets and depreciation of property, plant and equipment | 26,230 | 24,203 |
| 13. + Interest payments received | 146,913 | 133,394 |
| **14. Change in hire-purchase and other assets** | **–870,406** | **–258,365** |
| 15. + Increase in liabilities owed to credit institutions | 506,084 | 324,245 |
| 16. +/– Increase/decrease in liabilities owed to customers | 172,605 | –49,255 |
| 17. +/– Increase/decrease in liabilities evidenced by certificates | 119,576 | –33,281 |
| 18. – Decrease in deferred income from sales of receivables | –343,741 | –250,219 |
| 19. – Interest income less interest expenses | –21,624 | –202 |
| 20. – Interest paid | –125,290 | –133,192 |
| **21. Changes in refinancing leasing and hire-purchase** | **307,610** | **–141,904** |
| 22. –/+ Decrease/increase in provisions | –96,565 | 5,013 |
| 23. +/– Decrease/increase in other liabilities and other items | 8,523 | –2,593 |
| 24. + Income tax expenses less income | 19,955 | 18,815 |
| 25. – Income tax payments | –30,157 | –14,085 |
| **26. Change in other liabilities and other items** | **–98,244** | **7,150** |
| **27. Cash inflow from current business activities** | **109,375** | **103,898** |
| 28. + Cash inflow from the sale of intangible assets | 1,064 | 1,039 |
| 29. – Payments for acquisition of intangible assets | –12,352 | –14,308 |
| 30. + Cash inflow from the sale of property, plant and equipment | 364 | 1,374 |
| 31. – Payments for acquisition of property, plant and equipment | –5,333 | –5,823 |
| **32. Cash outflow from investing activities** | **–16,257** | **–17,718** |
| 33. – Cash outflow to the parent company's shareholders | –12,468 | –40,000 |
| 34. – Cash outflow to other shareholders | –1,663 | –2,181 |
| **35. Cash outflow from financing activities** | **–14,131** | **–42,181** |
| | | |
| **Changes in cash and cash equivalents item nos. (27) + (32) + (35)** | **78,987** | **43,999** |
| **Cash and cash equivalents at the beginning of the period** | **105,037** | **61,038** |
| **Cash and cash equivalents at the end of the period** | **184,024** | **105,037** |

[3] The structure of the statement of cash flows reflects the specific characteristics of the leasing sector.

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# Statement of changes in equity

Deutsche Sparkassen Leasing AG & Co. KG Group

| | | | | | Equity of the parent company |
|---|---|---|---|---|---|
| | Equity shares | | Reserves | | |
| | Equity shares | Total | Reserves according to shareholders' agreement | Other reserves | Total |
| | TEUR | TEUR | TEUR | TEUR | TEUR |
| As of 30/9/2019 | 240,000 | 240,000 | 372,453 | 85,175 | 457,628 |
| Increase/decrease in equity shares | | | | | |
| Amounts credited to shareholder accounts for debt capital | | | −40,000 | | −40,000 |
| Amounts contributed to/withdrawn from reserves | | | 50,307 | 19,821 | 70,128 |
| Currency translation | | | | | |
| Other changes | | | | | |
| Changes to group of consolidated companies | | | | | |
| Consolidated net income/loss for the year | | | | | |
| **As of 30/9/2020** | **240,000** | **240,000** | **382,760** | **104,996** | **487,756** |

| | | | | | Equity of the parent company |
|---|---|---|---|---|---|
| | Equity shares | | Reserves | | |
| | Equity shares | Total | Reserves according to shareholders' agreement | Other reserves | Total |
| | TEUR | TEUR | TEUR | TEUR | TEUR |
| As of 30/9/2020 | 240,000 | 240,000 | 382,760 | 104,996 | 487,756 |
| Increase/decrease in equity shares | | | | | |
| Call on/deposit of capital contributions not called on to date | | | | | 0 |
| Amounts credited to shareholder accounts for debt capital | | | −12,468 | | −12,468 |
| Amounts contributed to/withdrawn from reserves | | | 24,769 | −10,273 | 14,496 |
| Currency translation | | | | | |
| Other changes | | | | | |
| Changes to group of consolidated companies | | | | | |
| Consolidated net income/loss for the year | | | | | |
| **As of 30/9/2021** | **240,000** | **240,000** | **395,061** | **94,723** | **489,784** |

Continued

# Statement of changes in equity

Deutsche Sparkassen Leasing AG & Co. KG Group

| | | Equity of the parent company | | |
|---|---|---|---|---|
| | | Change in equity from currency translation | Consolidated net income/loss for the year which is attributable to the parent company | Total |
| | | TEUR | TEUR | TEUR |
| As of 30/9/2019 | | 8,566 | 74,669 | 780,863 |
| Increase/decrease in equity shares | | | | |
| Amounts credited to shareholder accounts for debt capital | | | | –40,000 |
| Amounts contributed to/withdrawn from reserves | | | –74,669 | –4,541 |
| Currency translation | | –9,349 | | –9,349 |
| Other changes | | | | |
| Changes to group of consolidated companies | | | | |
| Consolidated net income/loss for the year | | | 29,935 | 29,935 |
| **As of 30/9/2020** | | **–783** | **29,935** | **756,908** |

| | | Equity of the parent company | | |
|---|---|---|---|---|
| | | Change in equity from currency translation | Consolidated net income/loss for the year which is attributable to the parent company | Total |
| | | TEUR | TEUR | TEUR |
| As of 30/9/2020 | | –783 | 29,935 | 756,908 |
| Increase/decrease in equity shares | | | | |
| Call on/deposit of capital contributions not called on to date | | | | 0 |
| Amounts credited to shareholder accounts for debt capital | | | | –12,468 |
| Amounts contributed to/withdrawn from reserves | | | –29,935 | –15,439 |
| Currency translation | | 1,679 | | 1,679 |
| Other changes | | | | |
| Changes to group of consolidated companies | | | | |
| Consolidated net income/loss for the year | | | 100,909 | 100,909 |
| **As of 30/9/2021** | | **896** | **100,909** | **831,589** |

Continued

# Statement of changes in equity

Deutsche Sparkassen Leasing AG & Co. KG Group

| | Non-controlling interests | | | Group equity |
|---|---|---|---|---|
| | Non-controlling interests before change in equity from currency translation and profit for the year | Profit/loss attributable to non-controlling interests | Total | Total |
| | TEUR | TEUR | TEUR | TEUR |
| As of 30/9/2019 | 134,427 | 11,868 | 146,295 | 927,158 |
| Increase/decrease in equity shares | | | | |
| Amounts credited to shareholder accounts for debt capital | | −2,181 | −2,181 | −42,181 |
| Amounts contributed to/withdrawn from reserves | 7,522 | −9,687 | −2,165 | −6,706 |
| Currency translation | | | | −9,349 |
| Other changes | | | | |
| Changes to group of consolidated companies | | −77 | −77 | −77 |
| Consolidated net income/loss for the year | | 7,806 | 7,806 | 37,741 |
| **As of 30/9/2020** | **141,949** | **7,729** | **149,678** | **906,586** |

| | Non-controlling interests | | | Group equity |
|---|---|---|---|---|
| | Non-controlling interests before change in equity from currency translation and profit for the year | Profit/loss attributable to non-controlling interests | Total | Total |
| | TEUR | TEUR | TEUR | TEUR |
| As of 30/9/2020 | 141,949 | 7,729 | 149,678 | 906,586 |
| Increase/decrease in equity shares | | | | |
| Call on/deposit of capital contributions not called on to date | | | 0 | 0 |
| Amounts credited to shareholder accounts for debt capital | | −1,663 | −1,663 | −14,131 |
| Amounts contributed to/withdrawn from reserves | 5,005 | −6,066 | −1,061 | −16,500 |
| Currency translation | | | | 1,679 |
| Other changes | | | | |
| Changes to group of consolidated companies | | 0 | 0 | 0 |
| Consolidated net income/loss for the year | | 9,999 | 9,999 | 110,908 |
| **As of 30/9/2021** | **146,954** | **9,999** | **156,953** | **988,542** |

# Group information

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# Auditor's report[4]

KPMG AG Wirtschaftsprüfungsgesellschaft has issued the following unqualified auditor's report for the consolidated financial statements as of 30 September 2021 and the related combined management report:

## Audit opinions

We have audited the financial statements of Deutsche Sparkassen Leasing AG & Co. KG, Bad Homburg v. d. Höhe – comprising the balance sheet as of 30 September 2021, the profit and loss account for the financial year from 1 October 2020 to 30 September 2021 and the notes to the financial statements for the financial year 2020/2021, including the presentation of the accounting policies – and the consolidated financial statements of Deutsche Sparkassen Leasing AG & Co. KG, Bad Homburg v. d. Höhe, and its subsidiaries (the Group) – comprising the consolidated balance sheet as of 30 September 2021, the consolidated profit and loss account for the period from 1 October 2020 to 30 September 2021, the statement of changes in equity and the statement of cash flows for the financial year from 1 October 2020 to 30 September 2021 and the notes to the consolidated financial statements for the financial year 2020/2021, including the presentation of the accounting policies. In addition, we have audited the company and Group management report (hereinafter: the "combined management report") of Deutsche Sparkassen Leasing AG & Co. KG, Bad Homburg v. d. Höhe, for the financial year from 1 October 2020 to 30 September 2021.

In our opinion based on the findings of our audit,

- the attached financial statements comply in all material respects with the German requirements applicable for institutions and give a true and fair view of the company's net asset and financial position as of 30 September 2021 and of its earnings position for the financial year from 1 October 2020 to 30 September 2021, in compliance with the German principles of orderly accounting,
- the attached consolidated financial statements comply in all material respects with the requirements of German commercial law applicable for institutions and give a true and fair view of the Group's net asset and financial position as of 30 September 2021, and of its earnings position for the financial year from 1 October 2020 to 30 September 2021, in compliance with the German principles of orderly accounting, and
- the attached combined management report as a whole presents an accurate view of the company's and the Group's position. In all material respects, this combined management report is consistent with the financial statements and consolidated financial statements, complies with the requirements of German law and suitably presents the risks and opportunities associated with future development.

Pursuant to § 322 (3) Clause 1 HGB, we state that our audit has not led to any reservations with regard to the orderliness of the financial statements and consolidated financial statements or the combined management report.

### BASIS FOR THE AUDIT OPINIONS

We conducted our audit of the financial statements and consolidated financial statements and the combined management report in accordance with § 317 HGB and the generally accepted standards for the audit of financial statements promulgated by the Institute of Public Auditors in Germany (Institut der Wirtschaftsprüfer, IDW). Our responsibility according to these regulations and standards is described in further detail in the "Responsibility of the Auditor for the Audit of the Financial Statements and Consolidated Financial Statements and the Combined Management

[4] The reproduction of the auditor's report is printed in the annual report without the signatures and seal of KPMG AG Wirtschaftsprüfungsgesellschaft.

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Report" section of our auditor's report. We are independent of the company and its subsidiaries in compliance with the provisions of German commercial law and professional law and have fulfilled our other German professional obligations in compliance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to serve as a basis for our audit opinions regarding the financial statements and consolidated financial statements and the combined management report.

#### OTHER INFORMATION

The legal representatives are responsible for the other information.

This other information comprises the other parts of the Annual Report, with the exception of the audited financial statements and consolidated financial statements and the combined management report as well as our related auditor's report.

Our audit opinions regarding the financial statements and consolidated financial statements and the combined management report do not extend to this other information, and accordingly we provide neither an audit opinion nor any other form of audit conclusion in this regard.

As part of our audit, we have a responsibility to read this other information and to evaluate whether it

- exhibits material discrepancies in relation to the financial statements or the consolidated financial statements, the combined management report or the knowledge we have obtained during our audit, or
- otherwise seems significantly incorrect.

#### RESPONSIBILITY OF THE LEGAL REPRESENTATIVES AND THE SUPERVISORY BOARD FOR THE FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS AND THE COMBINED MANAGEMENT REPORT

The legal representatives are responsible for preparing the financial statements and consolidated financial statements, which in all material respects comply with the requirements of German commercial law applicable for institutions, and for the financial statements and consolidated financial statements giving a true and fair view of the net asset, financial and earnings position of the company and the Group in compliance with the German principles of orderly accounting. Furthermore, the legal representatives are responsible for the internal controls that, in accordance with the German principles of orderly accounting, they deemed necessary to enable the preparation of financial statements and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

When preparing the financial statements and consolidated financial statements, the legal representatives are responsible for assessing the company's and the Group's status as a going concern. In addition, they have a responsibility to disclose matters related to the status as a going concern, if relevant. They are also responsible for accounting on the basis of the going concern principle, unless prevented by actual or legal circumstances.

Moreover, the legal representatives are responsible for preparing the combined management report, which as a whole provides an accurate view of the company's and the Group's position and is consistent with the financial statements and consolidated financial statements in all material respects, complies with the requirements of German law and suitably presents

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the risks and opportunities associated with future development. The legal representatives are also responsible for the arrangements and measures (systems) that they considered necessary to enable the preparation of a combined management report in compliance with the applicable requirements of German law and to allow sufficient, suitable evidence to be provided for the statements in the combined management report.

The Supervisory Board is responsible for monitoring the company's and the Group's accounting process for the preparation of the financial statements and consolidated financial statements and the combined management report.

### RESPONSIBILITY OF THE AUDITOR FOR THE AUDIT OF THE FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS AND THE COMBINED MANAGEMENT REPORT

Our objective is to obtain reasonable assurance as to whether the financial statements and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the combined management report as a whole provides an accurate view of the company's and the Group's position and is in all material respects consistent with the financial statements and consolidated financial statements and with the findings of the audit, complies with the requirements of German law and suitably presents the risks and opportunities associated with future development, and to issue an auditor's report containing our audit opinions regarding the financial statements and consolidated financial statements and the combined management report.

Reasonable assurance is a high level of assurance but not a guarantee that an audit carried out in compliance with § 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institute of Public Auditors in Germany (IDW) will always uncover a material misstatement. Misstatements can result from transgressions or inaccuracies and are deemed material if it could be reasonably expected that they would individually or together influence the financial decisions made by users on the basis of these financial statements and consolidated financial statements as well as the combined management report.

We exercise due discretion during the audit and maintain a critical attitude. In addition,

- we identify and evaluate the risks of material misstatements, whether due to fraud or error, in the financial statements and consolidated financial statements and the combined management report, plan and implement audit procedures in response to these risks and obtain audit evidence that is sufficient and appropriate to serve as a basis for our audit opinions. The risk that material misstatements are not uncovered is higher in the case of transgressions than in the case of inaccuracies, as transgressions can entail fraudulent collaboration, falsifications, deliberate omissions, misleading depictions or the suspension of internal controls.
- we gain an understanding of the internal control system relevant for the audit of the financial statements and consolidated financial statements and of the arrangements and measures relevant for the audit of the combined management report in order to plan audit procedures that are appropriate given the circumstances, but not with the aim of providing an audit opinion regarding the effectiveness of these systems.
- we evaluate the appropriateness of the accounting policies used by the legal representatives and the reasonableness of the estimated values presented by the legal representatives and the associated disclosures.

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- we draw conclusions about the appropriateness of the going concern principle applied by the legal representatives and, on the basis of the audit evidence obtained, whether there is material uncertainty regarding events or circumstances that could cause significant doubt about the company's and the Group's ability to continue as a going concern. If we come to the conclusion that there is material uncertainty, we are obliged to call attention to the associated disclosures in the financial statements and consolidated financial statements and in the combined management report in our auditor's report or, if these disclosures are inappropriate, to modify our respective audit opinion. We draw our conclusions on the basis of the audit evidence obtained up to the date of our auditor's report. However, future events or circumstances may mean that the company or the Group is no longer a going concern.
- we evaluate the overall presentation, the structure and the content of the financial statements and consolidated financial statements, including the disclosures, and whether the financial statements and consolidated financial statements present the underlying transactions and events such that the financial statements and consolidated financial statements give a true and fair view of the net asset, financial and earnings position of the company and the Group in compliance with the German principles of orderly accounting.
- we obtain sufficient appropriate audit evidence for the accounting information of the company and its subsidiaries or business activities within the Group to provide a basis for our audit opinions regarding the financial statements and consolidated financial statements and the combined management report. We are responsible for the direction, supervision and performance of the audit of the financial statements and consolidated financial statements. We remain solely responsible for our opinions.
- we evaluate the consistency of the combined management report with the financial statements and consolidated financial statements, its legality and the view it gives of the position of the company and the Group.
- we conduct audit procedures regarding the forward-looking disclosures made by the legal representatives in the combined management report. On the basis of sufficient appropriate audit evidence, we examine the significant assumptions underlying the legal representatives' forward-looking disclosures in particular and evaluate the appropriateness of the derivation of the forward-looking disclosures from these assumptions. We do not provide a separate audit opinion regarding the forward-looking disclosures or the underlying assumptions. There is a considerable, unavoidable risk that future events will differ significantly from the forward-looking disclosures.

Topics for discussion with those responsible for monitoring include the planned scope and scheduling of the audit as well as significant audit findings, including any deficiencies in the internal control system that we find during our audit.

Frankfurt am Main, 15 December 2021

KPMG AG
Wirtschaftsprüfungsgesellschaft

| | |
|---|---|
| Dielehner | Loginov |
| Wirtschaftsprüfer | Wirtschaftsprüfer |
| (German Public Auditor) | (German Public Auditor) |

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## Shareholders
Deutsche Sparkassen Leasing AG & Co. KG

**Association of savings banks**

| | |
|---|---|
| Rheinischer Sparkassen- und Giroverband | 20.02 per cent |
| Sparkassenverband Baden-Württemberg | 18.80 per cent |
| Sparkassenverband Bayern | 12.54 per cent |
| Sparkassen- und Giroverband Hessen-Thüringen | 10.67 per cent |
| Sparkassenverband Westfalen-Lippe | 9.61 per cent |
| Sparkassenverband Niedersachsen | 6.27 per cent |
| Ostdeutscher Sparkassenverband | 5.70 per cent |
| Hanseatischer Sparkassen- und Giroverband | 4.22 per cent |
| Landesbank Berlin AG | 3.86 per cent |
| Sparkassen- und Giroverband Schleswig-Holstein | 3.68 per cent |
| Sparkassenverband Rheinland-Pfalz | 3.56 per cent |
| Sparkassenverband Saar | 1.07 per cent |

As of February 2022

**Supervisory Board**
Deutsche Sparkassen Leasing Verwaltungs-Aktiengesellschaft

| | |
|---|---|
| Alexander Wüerst, Chairman | Chief Executive Officer, Kreissparkasse Köln, Cologne |
| Frank Brockmann, Deputy Chairman | Deputy Executive Officer, Hamburger Sparkasse AG, Hamburg |
| Helmut Schleweis | President, Deutscher Sparkassen- und Giroverband e.V., Berlin |

**Supervisory Board**
Deutsche Leasing AG

| | |
|---|---|
| Alexander Wüerst, Chairman | Chief Executive Officer, Kreissparkasse Köln, Cologne |
| Frank Brockmann, Deputy Chairman | Deputy Executive Officer, Hamburger Sparkasse AG, Hamburg |
| Helmut Schleweis | President, Deutscher Sparkassen- und Giroverband e.V., Berlin |

As of February 2022

## Supervisory Board
Deutsche Sparkassen Leasing AG & Co. KG

| | |
|---|---|
| Alexander Wüerst, Chairman | Chief Executive Officer, Kreissparkasse Köln, Cologne |
| Marina Barth, Deputy Chairwoman (since February 2021) | Deputy Executive Officer, Sparkasse Hannover, Hanover |
| Dr Walter Eschle, Deputy Chairman (until February 2021) | Deputy Executive Officer, Stadtsparkasse Augsburg, Augsburg (retired since July 2020) |
| Andreas Bartsch | Chief Executive Officer, Sparkasse Marburg-Biedenkopf, Marburg |
| Dr Joachim Bonn | Chief Executive Officer, Sparkasse Duisburg, Duisburg |
| Frank Brockmann | Deputy Executive Officer, Hamburger Sparkasse AG, Hamburg |
| Roland Burgis | Deputy Executive Officer, Sparkasse Nürnberg, Nuremberg |
| Bernd Fischer (since February 2021) | Member of the Management Board, Sparkasse Schwaben-Bodensee, Memmingen |
| Michael Fröhlich | Chief Executive Officer, Sparkasse Bielefeld, Bielefeld |
| Horst Herrmann | Chief Executive Officer, Kreissparkasse Saarlouis, Saarlouis |
| Günter Högner | Chief Executive Officer, Nassauische Sparkasse, Wiesbaden |
| Michael Huber | Chief Executive Officer, Sparkasse Karlsruhe Ettlingen, Karlsruhe |
| Hans Jürgen Kulartz | Member of the Management Board, Landesbank Berlin AG, Berlin |
| Ulrich Lepsch | Chief Executive Officer, Sparkasse Spree-Neiße, Cottbus |
| Thomas Piehl | Chief Executive Officer, Sparkasse Holstein, Bad Oldesloe |
| Matthäus Reiser | Chief Executive Officer, Kreissparkasse Rottweil, Rottweil |
| Helmut Schleweis | President, Deutscher Sparkassen- und Giroverband e. V., Berlin |
| Rainer Schwab | Works Council Chairman, Deutsche Sparkassen Leasing AG & Co. KG, Bad Homburg v. d. Höhe |
| Anke Tiedge | Key Competence Management Officer, Deutsche Sparkassen Leasing AG & Co. KG, Bad Homburg v. d. Höhe |
| Thomas Traue | Chief Executive Officer, Sparkasse Vorderpfalz, Ludwigshafen |

As of February 2022

Go to:

**Management Board**
Deutsche Sparkassen Leasing Verwaltungs-Aktiengesellschaft
(managing shareholder of Deutsche Sparkassen Leasing AG & Co. KG)
Deutsche Leasing AG

| | |
|---|---|
| Kai Ostermann | Chief Executive Officer |
| Georg Hansjürgens | Management Board member |
| Sonja Kardorf | Management Board member |
| Markus Strehle | Management Board member |
| Rainer Weis | Management Board member |

**Executive Managers and Members of the Management Team**

| | |
|---|---|
| Heinz-Hermann Hellen | Finance |
| Karsten Reinhard, Thomas Stahl, Meinolf Zörb | International |
| Frank Hägele, Dr Hubertus Mersmann | Mobility |
| Dieter Behrens, Frank Speckmann | Savings Banks and SMEs |

**Directors of Market Units**

| | |
|---|---|
| Bo Liedtke, Cornelius Schneider | Insurance Services |
| Norbert Schmidt | Sales and Product Management |

**Directors of Divisions/Central Staff Units**

| | |
|---|---|
| Mirko Beigel | Accounting, Controlling, Taxation |
| Klaus-Günther Rasch | Intensive Care & Asset Management |
| Axel Brinkmann | Group Audit |
| Michael Orth | Middle Office |
| Dirk Spingler | Operational Risk & Compliance |
| Christoph Khodja | Organisation/Information Technology |
| Otto Schmitz | Organisation/Information Technology International |
| Andreas Kaffka | Human Resources |
| Michael Felde | Legal Department |
| Kristina Tonn | Risk Controlling |
| Rainer Werger | Domestic Risk Management |
| Anika Christophe | International Risk Management |
| Jörn van Rossum | Treasury |
| Ansgar Wagner | Corporate Development |

As of February 2022

Go to:

**Managing Directors of Subsidiaries/Investments**[5]
Germany

| | |
|---|---|
| Sonja Kardorf, Rainer Weis, Andreas Geue, Rainer Werger, Frank Speckmann, Michael Orth | Deutsche Leasing Finance GmbH |
| Bo Liedtke, Cornelius Schneider | Deutsche Leasing Insurance Services GmbH |
| Andreas Geue (Chairman), Tobias Bergmann, Kai Eberhard | DAL Deutsche Anlagen-Leasing GmbH & Co. KG |
| Frederik Wegner, Holger Würk | DAL Bautec Baumanagement und Beratung GmbH |
| Dr Hubertus Mersmann, Michael Velte | AutoExpo Deutsche Auto-Markt GmbH |
| Nhut Ajat Hong, Sven Siering | vent.io GmbH |
| Christian Eymery (Spokesman), Susanne Gögel, Fedor Krüger | Deutsche Factoring Bank GmbH & Co. KG |
| Andreas Appel, Dr Thomas Schneider | Bad Homburger Inkasso GmbH |
| Heinz-Günter Scheer, Jan Welsch | S-Kreditpartner GmbH |

As of February 2022

[5] selected subsidiaries/investments

Go to:

## **Managing Directors of Subsidiaries**[6]
Other countries

| | |
|---|---|
| Ursula Leutl, Marko Markic | Deutsche Leasing Austria GmbH |
| Marc Andries, Nora Vermin | Deutsche Leasing Benelux N.V.<br>Deutsche Leasing Nederland B.V. |
| Rosen Mishev, Neno Stanev | Deutsche Leasing Bulgaria EAD |
| Moritz von Gemmingen, Matheus Canhoto Gera | Deutsche Leasing Canada, Corp.<br>Deutsche Leasing Canada (Del), Inc. |
| Renato Di Chiara, Olive Xu, Vladimir Vladimirov | Deutsche Leasing (China) Co., Ltd. |
| Uta Reichel, Lenka Glavinić Pivoňková | Deutsche Leasing ČR, spol. s r.o. |
| Eric Alessandrin, Richard Parcollet | Deutsche Leasing France S.A.S.<br>Deutsche Leasing France Operating S.A.S. |
| Rüdiger Moll, Jörn van Rossum | Deutsche Leasing Funding B.V. |
| Katalin Nyikos | Deutsche Leasing Hungária Kft.<br>Deutsche Leasing Hungária Zrt. |
| Raúl Sánchez | DL Ibérica EquipRent, S.A.<br>Deutsche Leasing Ibérica, E.F.C., S.A. |
| Fabien Léon Leduc, Simon Dufton, Jari Poutiainen | Deutsche Leasing (Ireland) D.A.C. |
| Andrea Travaglini, Lorenzo Varisco | Deutsche Leasing Italia S.p.A.<br>Deutsche Leasing Operativo S.r.l. |
| Krzysztof Brzeziński, Uta Reichel | Deutsche Leasing Polska S.A. |
| Laurentiu-Mihai Zaharia, Sorin-Emil Valeanu | Deutsche Leasing Romania IFN S.A.<br>Deutsche Leasing Romania Operational SRL |
| Uta Reichel, Lenka Glavinić Pivoňková | Deutsche Leasing Slovakia spol. s r. o. |
| Fabien Léon Leduc, Simon Dufton, Jari Poutiainen | Deutsche Leasing (UK) Ltd. |
| Moritz von Gemmingen, Matheus Canhoto Gera | Deutsche Leasing USA, Inc.<br>Deutsche Leasing North America, Inc. |
| Jonas Roever | Deutsche Leasing Vostok AG |
| Marcelo Festucia, Daniel Coimbra | Deutsche Sparkassen Leasing do Brasil Banco Múltiplo S.A.<br>Locadora DL do Brasil Ltda. |

As of February 2022

[6] selected subsidiaries

Go to:

# Deutsche Leasing Group – The solution experts

**Deutsche Sparkassen Leasing AG & Co. KG**
Owners: around 350 savings banks, directly or through associated companies

## Mobile Equipment/Real Estate Leasing

| | |
|---|---|
| **Deutsche Leasing AG**[7] | 100 per cent |
| **DAL Deutsche Anlagen-Leasing GmbH & Co. KG** | 99.8 per cent |

## International Business

| | |
|---|---|
| **Deutsche Leasing Austria GmbH**<br>(Vienna) | 100 per cent |
| **Deutsche Leasing Benelux N.V.**<br>(Antwerp) | 100 per cent |
| **Deutsche Leasing Bulgaria EAD**<br>(Sofia) | 100 per cent |
| **Deutsche Leasing Canada, Corp.**<br>(Halifax) | 100 per cent |
| **Deutsche Leasing (China) Co., Ltd.**<br>(Shanghai) | 100 per cent |
| **Deutsche Leasing ČR, spol. s r.o.**<br>(Prague) | 100 per cent |
| **Deutsche Leasing Ibérica, E.F.C., S.A.**<br>**DL Ibérica EquipRent, S.A.**<br>(Barcelona) | 100 per cent |
| **Deutsche Leasing France S.A.S.**<br>**Deutsche Leasing France Operating S.A.S.**<br>(Paris) | 100 per cent |
| **Deutsche Leasing Funding B.V.**<br>(Amsterdam) | 100 per cent |
| **Deutsche Leasing Hungária Kft.**<br>**Deutsche Leasing Hungária Zrt.**<br>(Budapest) | 100 per cent |
| **Deutsche Leasing (Ireland) D.A.C.**<br>(Dublin) | 100 per cent |

As of February 2022

[7] profit and loss transfer agreement

Go to:

### International Business (Continued)

| | |
|---|---|
| **Deutsche Leasing Italia S.p.A.**<br>**Deutsche Leasing Operativo S.r.l.**<br>(Milan) | 100 per cent |
| **Deutsche Leasing Nederland B.V.**<br>(Amsterdam) | 100 per cent |
| **Deutsche Leasing Polska S.A.**<br>(Warsaw) | 100 per cent |
| **Deutsche Leasing Romania IFN S.A.**<br>**Deutsche Leasing Romania Operational SRL**<br>(Bucharest) | 100 per cent |
| **Deutsche Leasing Slovakia spol. s r.o.**<br>(Bratislava) | 100 per cent |
| **Deutsche Leasing (UK) Ltd.**<br>(London) | 100 per cent |
| **Deutsche Leasing USA, Inc.**<br>(Chicago) | 100 per cent |
| **Deutsche Leasing Vostok AG**<br>(Moscow) | 100 per cent |
| **Deutsche Sparkassen Leasing do Brasil S.A.**<br>**Locadora DL do Brasil Ltda.**<br>(São Paulo) | 100 per cent |

[8] profit and loss transfer agreement

### Banking

| | |
|---|---|
| Deutsche Leasing Finance GmbH[8] | 100 per cent |
| S-Kreditpartner GmbH | 33.3 per cent |
| AKA Ausfuhrkredit-Gesellschaft mbH | 2.4 per cent |

### Digital Ventures & Solutions

| | |
|---|---|
| vent.io GmbH | 100 per cent |

### Factoring

| | |
|---|---|
| Deutsche Factoring Bank GmbH & Co. KG | 53 per cent |

### Debt Management

| | |
|---|---|
| BHS Bad Homburger Servicegesellschaft mbH[8] | 100 per cent |
| Bad Homburger Inkasso GmbH | 47.4 per cent |

### Remarketing

| | |
|---|---|
| AutoExpo Deutsche Auto-Markt GmbH[8] | 100 per cent |

### Insurance

| | |
|---|---|
| Deutsche Leasing Insurance Services GmbH[8] | 100 per cent |

As of February 2022

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# Imprint


| | |
|---|---|
| Publisher | Deutsche Sparkassen Leasing AG & Co. KG<br>Frölingstraße 15–31<br>61352 Bad Homburg v. d. Höhe<br>Germany<br>Telephone: +49 6172 88-00<br>Fax: +49 6172 21332<br>Email: service@deutsche-leasing.com<br>www.deutsche-leasing.com |
| Project management, editor | Annabelle Nink, Deutsche Leasing Gruppe |
| Concept, design | markenzeichen GmbH<br>www.markenzeichen.de |
| Translation | media lingua translations GmbH, Berlin<br>www.medialingua.de |
| Picture credits | **p. 4:** © Heiko Rhode / Deutsche Leasing<br>**p. 10:** © Kreissparkasse Köln |

5609.DL.UE.0222.DL.PDF-1.0.GB


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