

Press release

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Balance sheet press conference, 2021

Deutsche Leasing expects business to improve

- **Lower volume of new business than in record previous year due to coronavirus pandemic**
- **Stronger risk provisions**
- **Extensive investments in future fields**

In a market environment shaped by the coronavirus pandemic, in the financial year 2019/2020 the Deutsche Leasing Group's volume of new business fell to EUR 9.2 billion. Following a record result of EUR 10.3 billion in the previous year and a 12.5 per cent decline in plant and equipment expenditures throughout Germany, the new business trend was better than expected.

The consolidated balance sheet total was stable at EUR 22.1 billion, as was equity including provisions under §§340 f and g of the German Commercial Code (Handelsgesetzbuch, HGB), with a figure of EUR 1.3 billion. The economic result decreased to EUR 70 million. Risk provisions for potential coronavirus-related defaults and exchange rate effects as of the reporting date had a significant impact here. The company once again distributed a dividend to its shareholders, although a smaller one than in previous years.

The Group increased its net asset value slightly to EUR 2.1 billion.

“We have achieved a satisfactory performance in an extraordinary economic environment in which the real economy suffered a pronounced slump,” remarked Kai Ostermann, Chief Executive Officer of Deutsche Leasing, at the company's balance sheet press conference.

Trend for subsidiaries and investments

With a new business volume of EUR 2.3 billion, DAL Deutsche Anlagen-Leasing achieved a result which was only 5 per cent lower than the previous year's record level. A number of transport projects in the rail passenger transport and local public transport sectors provided a particularly significant contribution.

Deutsche Factoring Bank (DFB) achieved factoring turnover of EUR 16.9 billion in 2020 (as at 31 December 2020), a decline of 6.9 per cent year-on-year. Factoring turnover among existing customers varied, but declined in overall terms. This trend contrasted with significant growth through new factoring customers. 27.4 per cent of turnover was generated in the areas of export and import factoring.

S-Kreditpartner GmbH, Deutsche Leasing's joint venture with Landesbank Berlin/Berliner Sparkasse, achieved slight growth of 2 per cent year-on-year, with a EUR 8.5 billion volume of loans. The number of fully fledged partnerships

Press release

Page 2 of 3

with savings banks continued to grow. More than 50 per cent of the savings banks rely on this car and consumer loans specialist.

Foundations laid for future growth

“We have further strengthened our business fundamentals and shored up our market position,” Ostermann commented.

Deutsche Leasing expanded its export credit agency (ECA)-backed business in the past financial year through its investment in AKA Ausfuhrkredit-Gesellschaft mbH (AKA). SME customers of Deutsche Leasing and the savings banks used this service for export finance projects involving a volume of investment of between EUR 1 and 10 million.

Deutsche Leasing made further progress in its expansion of its online and digital offerings, in concert with the savings banks, for its business and commercial customers segment. Its S-Gewerbekredit product, for financing of smaller plant and equipment expenditures, is meeting with a strong market response and yielding further growth opportunities.

Outlook for the financial year 2020/2021

In the first half of the new financial year 2020/2021 the Deutsche Leasing Group has got off to a good start, largely as planned, in terms of its new business.

“We expect the business climate to improve in the second half of the year,” the company’s Chief Executive Officer continued. “With our alternative financing products, we intend to actively support the SME sector during its restart.”

Deutsche Leasing is continuing to invest in the modernisation of its IT and in the digitalisation of products, services and interfaces with customers and partners in trade and industry. In its vendor business, it is developing efficient and integrated platforms by way of a digital framework for business transactions.

With the founding of vent.io GmbH, the digital innovation unit which was established three years ago will now be hived off as a subsidiary and expanded. As an innovation partner of the Deutsche Leasing Group, it aims to pursue the ongoing development of new business models and fields such as data science, software engineering, artificial intelligence and digital customer and partner interfaces.

Sustainability is an increasingly important issue for Deutsche Leasing. The company was one of the first companies to sign Sparkassen-Finanzgruppe’s “Commitment to Climate-Friendly and Sustainable Business Activities” last December and intends to play its part in shaping and implementing the related objectives over the next few years.

Press release

Page 3 of 3

About Deutsche Leasing

The Deutsche Leasing Group is the leading solutions-oriented asset finance partner for German small and medium-sized enterprises and offers a broad range of investment-related financing solutions (asset finance) as well as supplementary services (asset services). Within Sparkassen-Finanzgruppe, Deutsche Leasing is the centre of excellence for leasing and factoring as well as other asset finance solutions and complementary services aimed at small and medium-sized companies both in Germany and abroad. In its international business segment, Deutsche Leasing supports its German customers' activities in 23 countries, including their core European export markets, as well as in China, Russia, the USA, Canada and Brazil.

Notice for the editorial team

All of the documents associated with the balance sheet press conference are also available at: <https://www.deutsche-leasing.com/en/company/press>