

## **Balance sheet press conference, 2021**

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**The spoken word is the authoritative version.**

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## **Deutsche Leasing: the financial year 2019/2020**

The Deutsche Leasing Group has embarked on growth over the past few years. In the financial year 2018/2019, we realised a volume of new business in excess of EUR 10 billion for the first time. In the past financial year 2019/2020, we too were unable to escape the impact of the Covid-19 pandemic on the overall economy. While the first half of the year largely unfolded as planned, in the second half of the year the pandemic clearly affected our course of business in Germany and other countries.

Despite this, we

- realised a new business volume of EUR 9.2 billion,
- achieved an economic result of EUR 70 million (after extensive provisions for future default risks and exchange rate effects as of the reporting date),
- slightly increased our net asset value (EUR 2.1 billion) and thus maintained the positive trend of the past few years.

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And despite the difficult external environment, we made further progress with our strategic future projects focusing on digitalisation and exploited market opportunities.

In our financial year 2019/2020, worldwide and in Germany we experienced the worst recession since the Second World War. In Germany and in many other countries, an extensive range of government assistance packages have been made available for companies, the obligation to file for insolvency has been restricted (currently until 30 April) and the value-added tax rate was reduced up to the end of 2020, as an economic stimulus measure.

Moreover, in 2020 German banks extended special loans from the business development bank Kreditanstalt für Wiederaufbau (KfW) with a volume of around EUR 35 billion. More than a third of this [37 per cent] was organised through savings banks and federal state banks.

In general, the German SME sector experienced an increasingly urgent need for action and change as a result of the challenges associated with coronavirus. This was particularly true of key industries such as mechanical engineering and the automotive industry. This is especially apparent in relation to the digitalisation of products and processes, IT modernisation and mobility. In view of the need to work from home and the travel restrictions, forms of collaboration within companies and with their customers and partners have also changed. In the past year, this need for action was also shaped by enduring political and economic uncertainty: the trade conflict between the USA and China, the US elections, the United

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Kingdom's withdrawal from the EU and the ECB's continuing low interest-rate policy.

To sum up the current situation: Most German companies are faced with the challenge of, on the one hand, boosting their stability and resilience while, on the other, ensuring their future viability amid heightened pressure for change.

### **Financial year 2019/2020 – economic environment**

Looking back at the overall economic and sector-specific outline conditions in the financial year 2019/2020, it is clear that, even before Covid-19, we found ourselves in an environment characterised by an economic slowdown, with a subdued growth outlook in Germany and elsewhere. This situation reached an unprecedented level as a result of the pandemic.

We have all followed the discussion regarding the impact on the economy in Germany and other countries. Many of you will undoubtedly also have written about it. We have been faced with the various gross domestic product scenarios, with a V, U or L-shaped trend, and the pros and cons of the different lockdown models, from “light” to “hard”. Here, I would therefore like to merely briefly comment on the developments of relevance for Deutsche Leasing in its key economic regions.

Overall, the world economy experienced a sharp decline in the second quarter of 2020 on account of the Covid-19 pandemic. In many places, the downturn was stronger than during the 2009 financial and economic crisis.

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In **China**, the spread of Covid-19 and the related lockdown already began in January, i.e. significantly earlier than in other countries. The economic situation improved considerably following the gradual easing of the containment measures. In the third quarter of 2020, China's economy registered a growth rate which was close to its pre-crisis level. The IMF predicted a growth rate of 2.3 per cent for China for the year as a whole. For 2021, the IMF considers strong economic growth of 8.1 per cent to be possible.

Following a record decline of -31.4 per cent in the second quarter, the US economy subsequently staged a strong recovery. In 2020 as a whole, economic output was only 3.5 per cent lower than at the end of 2019.

The Eurozone experienced an unprecedented drop in economic output in the first half of 2020. This 15 per cent decrease reflected the negative effects of the pandemic and the measures implemented in order to curb it. These measures were mainly introduced in March and generally remained in place for much of the second quarter before being gradually eased. Economic activity thus recovered in line with this trend. Overall, according to an initial estimate from eurostat economic output in 2020 fell by 6.8 per cent.

In Germany too, in the first half of 2020 economic output declined at a rate unprecedented over a six-month period in the history of the Federal Republic; it was -11.5 per cent lower than the level which it had reached in the final quarter of 2019. This sharp drop in output mainly occurred in the

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six-week period from mid-March onwards. A strong recovery already ensued in May. This continued in virtually every sector of the economy and was strongly influenced by catch-up effects. For 2020 as a whole, the German Federal Statistical Office expects to see a 5 per cent drop in gross domestic product (GDP).

Plant and equipment expenditures suffered disproportionately strongly due to the effects of the Covid-19 pandemic. They were 12.5 per cent lower in 2020 than in the previous year, due to companies' pandemic-related uncertainty. Particularly in the SME sector, as the backbone of the German economy, this uncertainty meant that the agenda was dominated by safeguarding liquidity and crisis management rather than large-scale future investments. This investment restraint also affected the leasing sector. According to a preliminary forecast from the Federal Association of German Leasing Companies (Bundesverband Deutscher Leasing-Unternehmen e.V.), in 2020 new business in the movables leasing segment including hire-purchase declined by 10 per cent on the record year 2019.

### **Performance in the financial year 2019/2020**

The Deutsche Leasing Group once again maintained its market leadership in Germany as well as its leading position among leasing providers in Europe and achieved a new business volume of EUR 9.2 billion.

In our business with our SME customers and the savings banks, in the business and commercial customers segment which is strategically important for us we introduced further savings banks to our digital S-

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Gewerbekredit product and met with a strong response on the market. At the same time, in our business with our corporate and company customers we noticed an attitude of restraint in relation to new and large-scale investments.

Domestic vendor business in cooperation with machinery and equipment manufacturers developed positively and increased year-on-year. That is particularly true of our business with the construction sector, where we once again achieved an improvement in our level of business success. Our business via our subsidiaries outside Germany was unable to match the prior-year's figures. This reflected the varying impact of the coronavirus pandemic, companies' related uncertainty over the economy and also restricted supply chains in some countries.

In the vehicle leasing and fleet management segment, we fell below the previous year's level, since our customers postponed replacement investments and extended their existing financing arrangements. During the lockdown, we were forced to close AutoExpo, our specialised reselling company which resells returned leasing assets to private and commercial purchasers in Germany and other countries. In general, the shuttering of car dealerships depressed sales prices. However, thanks to our conservative residual value policy we were able to achieve consistently positive earnings contributions.

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DAL Deutsche Anlagen-Leasing (DAL) regularly handles major transactions. In our Group, it is the centre of excellence for real estate business as well as specialist transactions and project business.

This remained the case in the financial year 2019/2020. As in the previous year, several large-scale transactions in the transport and logistics segment provided a significant contribution to our volume of new business.

A glance at the distribution of new business by asset class in our various business segments shows that we suffered declines in most business segments and countries following the outbreak of the pandemic. The exceptions included our major projects segment, which once again registered a successful business trend, particularly in the rail sector.

In the machinery and equipment segment, which represents the core focus of Deutsche Leasing's asset finance business, the volume of new business reached a level of EUR 4.7 billion, which represents a 14 per cent decline on the previous year.

As well as the passenger car business, which was severely affected by the fall in the volume of new vehicle registrations, the road vehicles segment also includes commercial vehicles. Deutsche Leasing realised a volume of new business of EUR 2.1 billion in this segment. With a decline of around 7 per cent on the previous year, it outperformed the market, partly on account of large-scale transactions such as in the logistics and local public transport sectors.

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The picture varied for our energy and transport, real estate and information and communication technology segments, which are characterised by specialist transactions and project business in particular.

The result for the energy and transport segment was 14 per cent higher than in the previous year, thanks to several large-scale financing transactions and a new business volume of EUR 1.5 billion. This trend was mainly driven by transactions with customers in the rail passenger transport and local public transport sectors. Here, over the past few years we have become the leading leasing arranger in the German market. We also achieved double-digit growth in the field of renewable energy projects.

At a level of EUR 450 million, the volume of new business in the real estate segment was 32.5 per cent lower than in the previous year. A volatile new business trend is typical of this business segment, given the longer lead times and structuring requirements. A further factor in the financial year 2019/2020 was that several projects were postponed due to coronavirus.

New business in the information and communication technology segment amounted to EUR 395 million and was thus around 24 per cent lower than in the previous year. The pandemic is likely to accelerate companies' process of technological change (digitalisation of processes and jobs), while the related IT requirements will provide strong impetus for new business.

Overall, we slightly increased our market shares in the manufacturer-independent movables business segment. This shows that we remained competitive even in this market situation.



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Our investments were likewise affected by the pandemic:

Deutsche Factoring Bank achieved factoring turnover of EUR 16.9 billion in 2020, a change of -6.9 per cent on the previous 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. With its S-Compact product, Deutsche Factoring Bank offers the savings banks' smaller business and commercial customers specific corporate financing solutions – and from 2021 onwards, these solutions will also be available online. Around 85 per cent of the contracts signed in the past financial year were brokered by savings banks. In its anniversary year 2021, which marks its 50th birthday, Deutsche Factoring Bank has thus become not only a leading provider on the market but also an established group partner.

Bad Homburger Inkasso (BHI) gained new customers, in the housing and energy sectors especially, and has 1,187 clients – including 319 savings banks and other Sparkassen-Finanzgruppe companies. The company experienced a significant increase in its level of income. Above all, this was due to the acquisition of a major new customer with a package of around 50,000 bad debts, as well as an increase in the volume of business with an existing customer which has handed over more than 100,000 small-volume debts to the company for processing. 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

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collateral on behalf of its shareholders, the savings banks and other companies and institutions.

In 2020, S-Kreditpartner GmbH (“SKP”) once again registered a successful course of business despite the effects of the Covid-19 pandemic. With a EUR 8.5 billion volume of loans and 199 fully fledged partnerships with savings banks in the consumer loan business segment, Deutsche Leasing’s joint venture with Landesbank Berlin/Berliner Sparkasse further expanded its position within Sparkassen-Finanzgruppe as a product specialist for vehicle and consumer loans. Currently, over half of the savings banks are cooperating with SKP through fully fledged partnerships. Roughly 20 further savings banks will be added in 2021. More than 340 savings banks are using the online product offering S Kredit-per-Klick.

### **Annual financial statements**

Due to the new business trend which I have outlined, the Deutsche Leasing Group’s consolidated balance-sheet total has hardly changed. It amounted to EUR 22.1 billion at the end of the year under review (30 September 2020) and thus matched the previous year’s level.

Leasing assets measured at residual book values – as one of the central components of the consolidated balance-sheet total – amounted to approx. EUR 10.4 billion. This comprises the residual book values of the leasing assets in which we have invested for our customers. This figure declined by EUR 470 million due to the diminished momentum and volume of new

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business.

Receivables from customers reflect the Deutsche Leasing Group's hire-purchase business in Germany and, to a significant extent, our foreign subsidiaries' leasing business (since this is generally treated as hire-purchase business in accordance with the German Commercial Code). Further components are the loan business of our bank, Deutsche Leasing Finance, and the factoring receivables of Deutsche Factoring Bank. The latter increased by EUR 374 million in the past financial year. Business involving the use of development funds – an area where we have established extensive expertise – also contributed to this.

The new business trend and the low interest-rate level, which we too are affected by, are having an adverse impact on income. On the expense side, upstream personnel and material expenses in areas such as IT and other projects relating to Deutsche Leasing's future strategy and higher risk provisions reduced the net income for the year reported in the profit and loss account. The net income for the year amounted to EUR 37.7 million (previous year: EUR 86.5 million).

As calculated according to German commercial law, with a EUR 40 million dividend distributed in the financial year 2019/2020 and a net profit for the year of EUR 29.9 million, equity shown in the balance sheet has decreased somewhat, by EUR 20 million, from EUR 927 million to EUR 907 million. The contingency reserves in accordance with §§340 f and g of the German Commercial Code (Handelsgesetzbuch, HGB) have increased slightly and

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total EUR 430 million. Expanded Group equity including provisions under §§340 f and g HGB thus reached a volume of EUR 1,336 million. A further increase in the volume of equity remains a strategic objective, and Deutsche Leasing will continue to rigorously pursue this goal.

### **Economic result and net asset value**

Allowing for the dividend distributed by Deutsche Sparkassen Leasing AG & Co. KG and extensive provisions for future default risks and exchange rate effects as of the reporting date, despite the pandemic the Deutsche Leasing Group achieved an economic result of EUR 70 million for the financial year 2019/2020.

In the context of the difficult outline conditions, the marginally positive net asset value trend in particular is highly favourable, since this includes all of the valuation effects on the portfolio. It thus also reflects increased burdens which are currently expected in future as a result of counterparty risks that are likely to rise due to deteriorating credit ratings on account of coronavirus. In the past financial year, the net asset value increased to EUR 2,099 million.

### Net assets and financial position

The Deutsche Leasing Group continued to receive almost all of its funding from institutions within Sparkassen-Finanzgruppe. As of 30 September 2020, savings banks and federal state banks provided more than three-quarters of all borrowed funds. Public business development banks accounted for over two-thirds of the remaining borrowing.

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 enables future business growth.

### Risk assessment

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. 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 is continuously refining its risk measurement methods, so as to comply with the requirements for modern risk

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management as well as current regulatory trends. In the financial year 2019/2020, development activities comprised the adjustment of the Group's risk-bearing capacity concept in line with the requirements of the new risk-bearing capacity guidelines issued by the German Bundesbank and the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht, BaFin) as well as the risk models and the optimisation of the parameter assessment process.

The Deutsche Leasing Group's risk-bearing capacity remained clearly intact at all times in the financial year 2019/2020.

### **Further key areas of focus in the financial year 2019/2020**

The financial year 2019/2020 posed particular challenges for us in relation to Covid-19. Deutsche Leasing implemented a series of measures in Germany and other countries in order to tackle head-on the economic and operational challenges resulting from the outbreak of the Covid-19 pandemic. Ad hoc measures such as protection of health in the workplace, switching to home-office working – while ensuring that everything functioned smoothly – and handling of deferral measures were the initial areas of focus. Here, I would like to particularly thank our employees. They have done an outstanding job.

In addition, we implemented for our customers the temporary cut in the rate of VAT, which the government coalition resolved in early June for the period between 1 July and 31 December (from 19 per cent to 16 per cent, and from 7 per cent to 5 per cent). This was by no means a minor project.

Moreover, in order to be able to react appropriately and actively to medium- and long-term economic and structural effects of the Covid-19 crisis, the Deutsche Leasing Group has initiated a **coronavirus action plan**. In particular, this addresses distribution, risk, cost and digitalisation issues. Above all, this included a revised market exploitation and risk management strategy, as well as close personal support for our customers, in order to identify their individual needs in good time and assess potential risk factors.

### Strategic initiatives and market opportunities

Despite all the challenges associated with the pandemic, we continued to pursue Deutsche Leasing's future-oriented development strategy and invest in the future.

We thus stepped up our digitalisation and IT modernisation projects on our path to becoming a "Digital Deutsche Leasing" and made important progress in terms of forward-looking solutions for our employees as well as our customers and partners/vendors. The Covid-19 pandemic was a further factor which encouraged us to increase our level of investment in digital products and processes. Despite all of the existing challenges, we prioritised the long-term action and investment programme which we had initiated in the financial year 2019/2020. Besides the modernisation of our IT systems and increasing the efficiency of our products and processes, this programme focuses on the development and expansion of digital business solutions which are independent of interest rates as well as a continuous, more

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intensive partnership with the savings banks in our domestic and foreign business activities.

However, this also includes the continuing expansion of vendor business through the development of digital interfaces (virtual captive platform).

They provide a digital framework for efficient handling of business transactions with our partners in trade and industry.

Within Deutsche Leasing, we have accelerated the introduction of the collaboration tool Microsoft Teams, which had already been planned, in order to achieve further improvements in our work with one another, including when working from home. We have also begun to simplify processes through the use of the company's first robot-controlled process automation (RPA) solutions. Our subsidiary DAL Deutsche Anlagen-Leasing (DAL) introduced a digital purchasing and financing portal for IT hardware business for customers, partners and employees. This is already being employed within Sparkassen-Finanzgruppe and is suitable as a blueprint for other Deutsche Leasing portal solutions.

In our cooperation with the savings banks, we expanded our range of services in the business and commercial customers segment, digitalised these services and made them available online. This close cooperation with the goal of developing digital products which are available online is particularly important in times of Covid-19 and social distancing. In the past financial year, we successfully established at further savings banks our digital S-Gewerbekredit product for financing of smaller plant and



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equipment expenditures. Its rollout will be intensified and executed throughout Germany in the current financial year. In addition, in the past year we added an insurance component to this product which also provides cover for our customers' investments. The positive response on the market demonstrates that, together with the savings banks, we are operating in an important growth field with this type of fully integrated, digital solution. We intend to make further active progress in this field over the next few years. We continue to focus on the ongoing optimisation of interfaces and points of contact with savings banks and customers as well as the ongoing development of simple, rapid and digital offerings, including services.

We expanded our international activities in the area of export financing through our purchase of interests in AKA Ausfuhrkredit-Gesellschaft mbH (AKA). AKA is a specialist bank in the area of international trade financing. Through our cooperation, we are combining our strengths in the field of export credit agency (ECA) business while expanding our international network for the SME customers of the savings banks and Deutsche Leasing as well as for German manufacturers in the trade and industry segments (vendor partners) and their customers outside Germany. Especially for business transactions with a smaller investment volume of between EUR 1 and 10 million, we see solid market opportunities for the future and an additional component for comprehensive solutions and services.

Moreover, in the past financial year we expanded our international network in Germany, Austria and Switzerland (the "DACH" region) with the addition of a branch office in Zurich, Switzerland, which began to operate in the

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financial year 2020/2021. Our Swiss branch office is managed by Deutsche Leasing Austria GmbH and supports German manufacturers of investment goods and their customers as well as German companies which invest directly in Switzerland. The Deutsche Leasing Group is thus present with locations in a total of 24 countries.

We have thus placed Deutsche Leasing on an even stronger footing for the future and are well placed in order to be able to actively support the recovery of the real economy. This is true of our partnerships with the savings banks and our customers and partners of many years' standing, but naturally also of our new business relationships with small and medium-sized enterprises.

### **Course of business in the financial year 2020/2021 – first half of the year**

Let's now turn to the financial year which began on 1 October. The first few months of this period have already demonstrated that we are faced with a challenging environment and that this will remain the case throughout this financial year. We will continue to deal with the economic and structural effects of the Covid-19 crisis, but we have a confident view of the future.

All in all, we got off to a good start. Following the first quarter of the year, our volume of new business is slightly lower than the previous year's level. However, it must be kept in mind here that this prior-year period had not yet been affected by the Covid-19 pandemic. Moreover, we had handled a major rail transaction through DAL at the start of the previous year, as I have previously reported. We have not yet realised a transaction of a similar

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volume in the first quarter of the current financial year, but we do have highly promising projects in the pipeline here.

In Germany, business with our SME customers in particular developed positively, with significant investments. The course of business with our vendors was also favourable, particularly in our construction and agriculture target markets and in terms of the support which we provided for projects in the infrastructure and utilities segment. The picture for our foreign business is a mixed one, since the course of the pandemic differed strongly in our various markets.

On the risk side, the effects of the coronavirus pandemic have (so far) been limited and the default outlook is lower than our implicit risk costs. We are also benefiting from the fact that we generally hold high-value assets and are less active in segments which have been particularly badly affected by coronavirus, such as tourism, over-the-counter retail and catering. In Germany, we clearly focus on sectors such as industry, transport, logistics, construction and agriculture. At the same time, it is of course true that the insolvency law relief measures are currently still in place and that an enormous volume of liquidity assistance has been provided over the last few months. Looking forward, we must expect to see an increase in the number of insolvencies. As I have already mentioned, we have made extensive provisions for this. And we have used the first few months of this period in order to further strengthen these provisions.

**Outlook: financial year 2020/2021**

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If we now look at the first half of our year – the period from October to March – we can expect that our volume of new business and income will largely match our target level. Even after the first six months of the year, the risk situation is better than expected.

In its annual forecast for 2021, the German government expects Germany to achieve 3 per cent economic growth. It will not return to the level of economic output seen prior to the crisis before mid-2022. The German Council of Economic Experts assumes that there will be a time lag before the volume of insolvencies starts to rise. The suspension of the obligation to file for insolvency and the extensive liquidity assistance provided are likely to have bought struggling companies some extra time. However, in the current financial year we do not expect to see any wave of insolvencies affecting the customer segments which are relevant for Deutsche Leasing. If the pandemic situation does not get any worse, the economic research institutes and the German government envisage growing plant and equipment expenditures over the summer. Their forecasts range from 6.5 per cent (the German Ministry for Economic Affairs) to up to 14 per cent (the ifo Institute) for 2021 as a whole. This momentum will also have a positive impact on the leasing market. To be sure, catch-up effects are certainly part of this. However, the USA's USD 1.9 trillion economic stimulus package and China's growth target in excess of 6 per cent are also likely to deliver significant momentum in support of an economic upswing. The 4.2 per cent growth rate which the International Monetary Fund predicts for the **Eurozone** for the calendar year 2021 will also provide a boost.

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In its forecasts, the IMF assumes that populations in the industrialised countries and some emerging markets will have widespread access to coronavirus vaccinations by mid-year.

The fact that Germany is slowly but surely stepping up its efforts to combat the pandemic also bolsters the prospects of an economic recovery. At the same time, there is still a high level of uncertainty and setbacks are certainly possible at any time. For instance:

- If further waves of infection mean that additional lockdowns are necessary and this interrupts the economic recovery.
- And if the real insolvency trend only becomes apparent once the government assistance packages are wound down and the obligation to file for insolvency is no longer limited.
- Additional challenges include unresolved trade conflicts (USA/China), the “post-Brexit phase” and, for the financial sector especially, the ECB’s low interest-rate policy which it has taken even further during the coronavirus crisis, as well as regulatory requirements.

In line with the German government’s forecasts and the envisaged economic momentum in the Eurozone, the USA and China, we expect that business will once again pick up in the second half of our financial year. As the economy gets going again, the SME sector will require strong financing partners and support for its restart. Particularly during this upswing, leasing companies will be important partners for the initial investments which will then be required.

All in all, we therefore expect that we will achieve a satisfactory performance in the current financial year. We have several highly promising projects in the pipeline, and our in-depth cooperation with the savings banks and our vendor partners will also bear fruit at a general level.

Finally, I would like to briefly discuss three topics which we will be focusing on over the next few months.

First of all: we will further intensify our intragroup business 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 effectively, particularly in a digital world. In order to ensure a systematic and standardised approach for its business and commercial customers segment, the Deutsche Leasing Group established a specialised sales unit at the start of the financial year 2020/2021.

Secondly: digitalisation will have a significant impact on our agenda over the next few years. We are continuously investing in products, service offerings, processes and systems in order to meet the changing market requirements. A key area of focus is opening up online sales channels as well as developing web-based platforms in line with customers' specific requirements. This entails an increased level of standardisation and modularisation of product structures as well as uniform execution processes. Our Digital Innovation Unit (DIU) has also provided significant momentum here over the past three years.

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To enable the Deutsche Leasing Group to make progress in further forward-looking digital areas, we have decided to expand the scope of our existing activities and to provide them with greater autonomy through “vent.io GmbH”. As a service provider for the Deutsche Leasing Group, vent.io is testing and developing digital business models, products and services. 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.

Thirdly, and last but not least: we intend to focus more strongly on the area of sustainability. For this reason, we were one of the first companies to sign Sparkassen-Finanzgruppe’s “Commitment to Climate-Friendly and Sustainable Business Activities” last December. This also reflected our intention, as a member of Sparkassen-Finanzgruppe, to play our part in shaping the related objectives over the next few years.

As an asset finance partner for the German SME sector, we offer our customers a wide range of investments in sustainable technologies.

Leasing is therefore part of the solution in the field of sustainability. For instance, we are financing transport operators’ electric bus fleets and we are realising investments enabling the expansion of rail transport services and renewable energy for local authorities and German federal states.

With our 360° e-mobility strategy for modern fleet management, we cover every aspect of the process for transport companies’ introduction of

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electric fleets: from advice via the use of development funds to the development of the necessary charging infrastructure.

As you can see: in these turbulent and uncertain times, we continue to face a tough environment. However, we are convinced that we have taken the right path with the measures and initiatives which we have adopted: pursuing a rigorous and forward-looking business strategy in the current crisis-laden economic situation, while exploiting opportunities and actively shaping the future.