



**An impact-oriented group of commercial banks
with a focus on SMEs in South Eastern and Eastern Europe**

Company presentation, November 2022

We strive to be the **leading SME bank** in our markets following **sustainable and impact-oriented** banking practices. In doing so, we want to generate **long-term sustainable returns** and create **positive impact** in the economies and societies we work in.



Group overview & strategy

ProCredit – a unique approach to banking

Key elements of the ProCredit approach

- ▶ An **impact-oriented** group of commercial banks with a focus on **SMEs in South Eastern and Eastern Europe**. Headquartered in Frankfurt and supervised by BaFin and Bundesbank
- ▶ “**Hausbank**” for SMEs complemented by “**ProCredit Direct**” for Private Clients
- ▶ **Strong organic business growth**, to consistently grow market share without costly integration
- ▶ **High-quality loan portfolio** based on prudent risk management and long-term business relationships
- ▶ **Skilled, loyal staff** and **scalable technology** platform with no legacy systems
- ▶ **Profitable** every year since creation as a banking group
- ▶ Listed on the Frankfurt Stock Exchange with **strong ESG positioning**

ProCredit at a glance

Hausbank
for SMEs

ProCredit Direct
for Private Clients

Impact and development orientation

ProCredit banks
12

Loan portfolio
EUR 6,292m

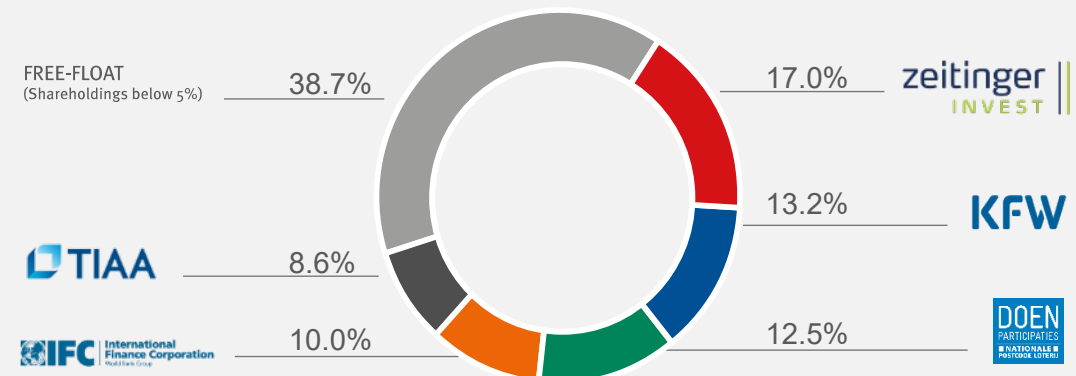
Loan growth (9M 2022)
6.2%

CET1 ratio
13.6% (fully loaded)

Rating (Fitch)
BBB (stable)

RoE (9M 2022)
9.0% excl. Ukraine

Development-oriented shareholder base



Impact orientation firmly integrated in the business model

Impact through business

- ▶ Supporting SMEs through the cycle
- ▶ No focus on consumer lending
- ▶ ESG assessment central to client selection and lending
- ▶ Promoting transparency
- ▶ Commitment to SDGs and signatory to UNEP FI & PCAF



Environmental responsibility

- ▶ Green loan portfolio > €1.2bn, avg. growth 18% p.a. since 2017
- ▶ Strict lending standards and exclusion list
- ▶ Internal measures for greener planet, including
 - ▶ plastic strategy
 - ▶ energy efficient buildings



Comprehensive staff development

- ▶ High diversity, gender parity
- ▶ Unique approach to staff recruitment and development
- ▶ Continuous value-based training in own academy
- ▶ Fair, transparent salary linked to training level; no variable components



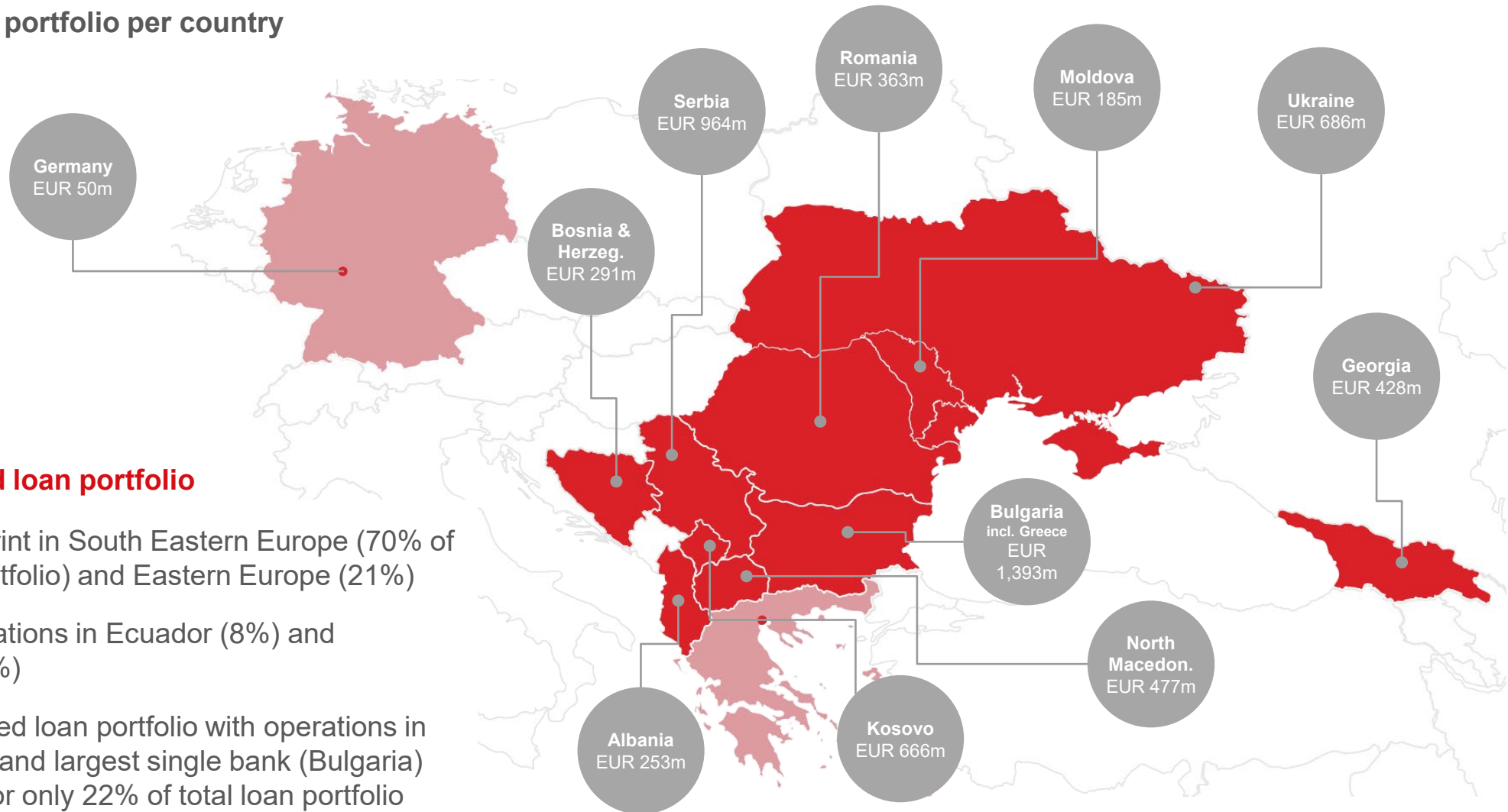
Sustainable business model

- ▶ Long-term client relationships
- ▶ Steady organic business growth
- ▶ Majority longer-term investment loans (> 3 years)
- ▶ NPLs and write-offs significantly below the banking sectors of operation
- ▶ Profitable every year since creation as a banking group



Strong regional footprint across South Eastern and Eastern Europe

Customer loan portfolio per country



Well diversified loan portfolio

- ▶ Strong footprint in South Eastern Europe (70% of total loan portfolio) and Eastern Europe (21%)
- ▶ Further operations in Ecuador (8%) and Germany (1%)
- ▶ Well diversified loan portfolio with operations in 12 countries and largest single bank (Bulgaria) accounting for only 22% of total loan portfolio

We partner with SMEs – the ProCredit “Hausbank” principle

Target SME clients

- ▶ Growing, stable businesses
- ▶ Forward-looking SMEs investing in innovation and green technology
- ▶ SMEs which bank fully with ProCredit: e.g. loans, cards, transactions, deposits



Our approach

- ▶ Comprehensive loan and electronic account facilities
- ▶ Business Client Advisers' focus: client and risk
- ▶ Trustful long-term relationships and true understanding of clients' needs and risks



Strong SME market positions

routinely ranked amongst the most important banks for SME clients

92%

of loan portfolio to SMEs

€1.6bn

financing backed by EIF as part of InnovFin initiative for innovative SMEs

3.1%

credit impaired loans, significantly better than market, reflecting strong customer relationships

19.7%

share of green loan portfolio in total loan portfolio

Growth. Impact. Low credit risk.

Target private clients

- ▶ Middle income and higher earners
- ▶ Associated with SME owners
- ▶ Looking for modern, transparent and reliable banking services

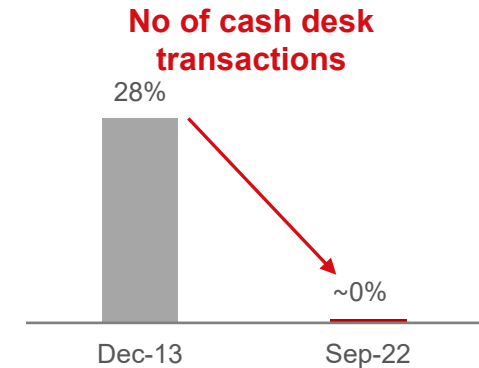
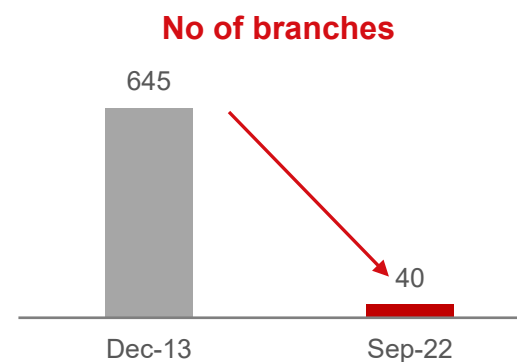
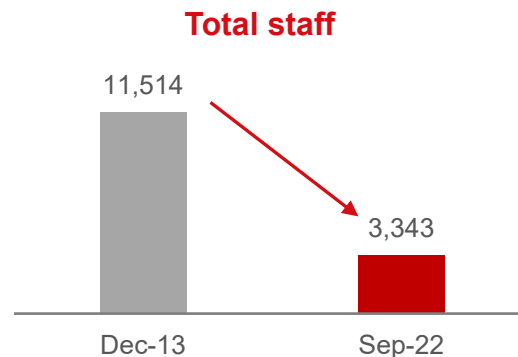


Our approach

- ▶ All-in digital offer – no over-the-counter transaction
- ▶ Low complexity – one account for all products
- ▶ High price transparency – standard monthly fee with no hidden costs



€6.0bn
of total deposits,
strong growth of
+8.0% in 9M 2022



Transparency. Efficiency. Scalability.

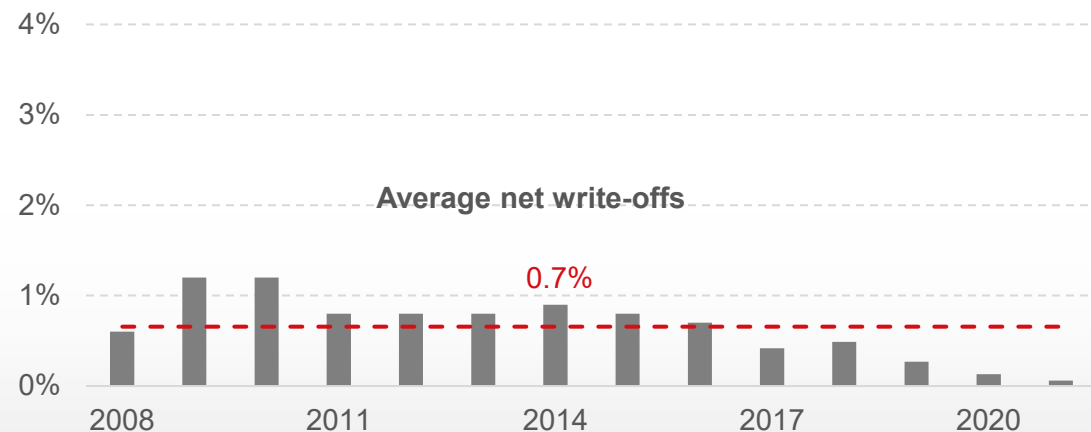
Prudent risk management as key pillar of our business model and impact approach

High quality loan portfolio built around

- ▶ Careful client selection and strong client relationships
- ▶ Well trained staff
- ▶ Effective group credit risk assessment and monitoring
- ▶ Solid risk profile with consistently low net write offs
- ▶ Loan portfolio quality consistently better than market

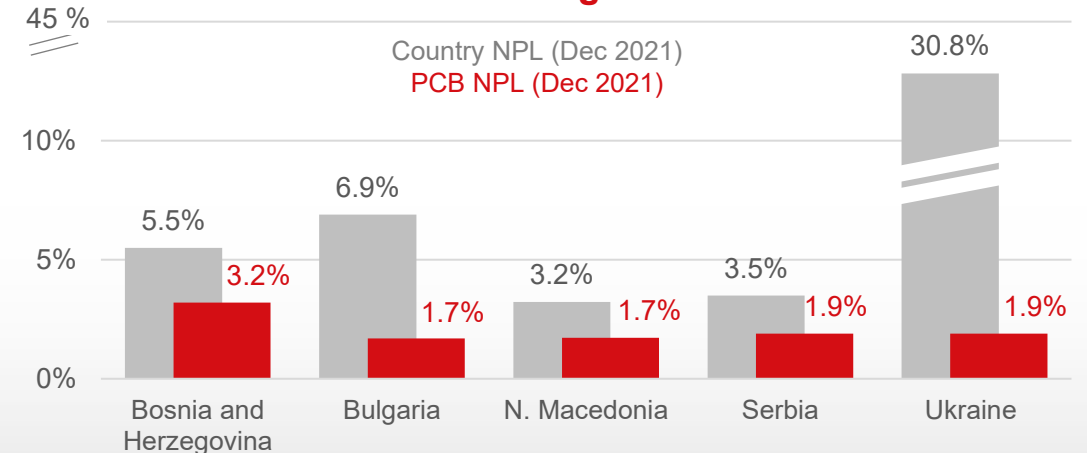


Consistently low net write-offs



Notes: See page 26 of this presentation

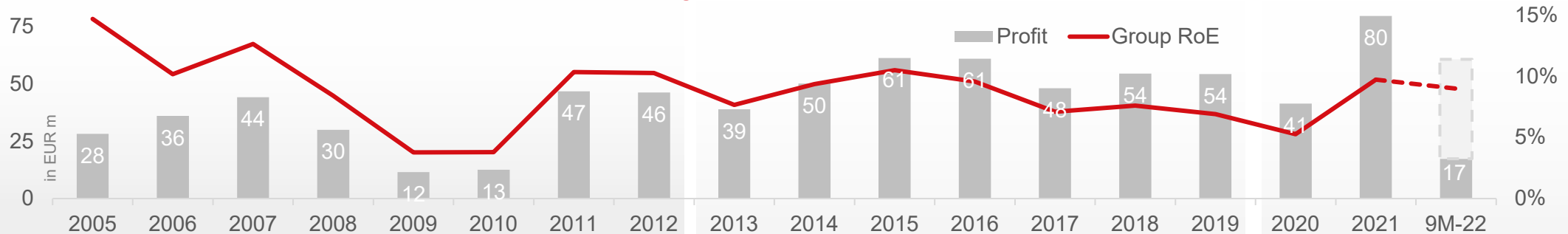
Non-performing loans of ProCredit significantly below local banking sectors



Track record of profitability through the economic cycle

Long-term financial stability and attractive profitability

Average RoE: 8 – 9%



Foundation and expansion:

- ▶ First bank founded in Bosnia in 1998; rapid expansion in Eastern Europe, South America and Africa offering loans to very small, small and medium enterprises
- ▶ Foundation of ProCredit Holding
- ▶ First green loans for energy efficiency and renewable energy investments in 2006
- ▶ Start of positioning as “Hausbank” for SMEs in 2008
- ▶ Managed financial crisis of 2008 – 2010 with positive results

Strategic refocussing & restructuring:

- ▶ Sharpening of group profile in terms of regional focus on SEE/EE and SME finance
- ▶ Divestment of operations in Africa and Latin America; strong reduction of staff and branches in remaining markets by ~80%
- ▶ Green finance and Direct Banking approach fully implemented
- ▶ Listing of ProCredit Holding on the Frankfurt Stock Exchange in 2016

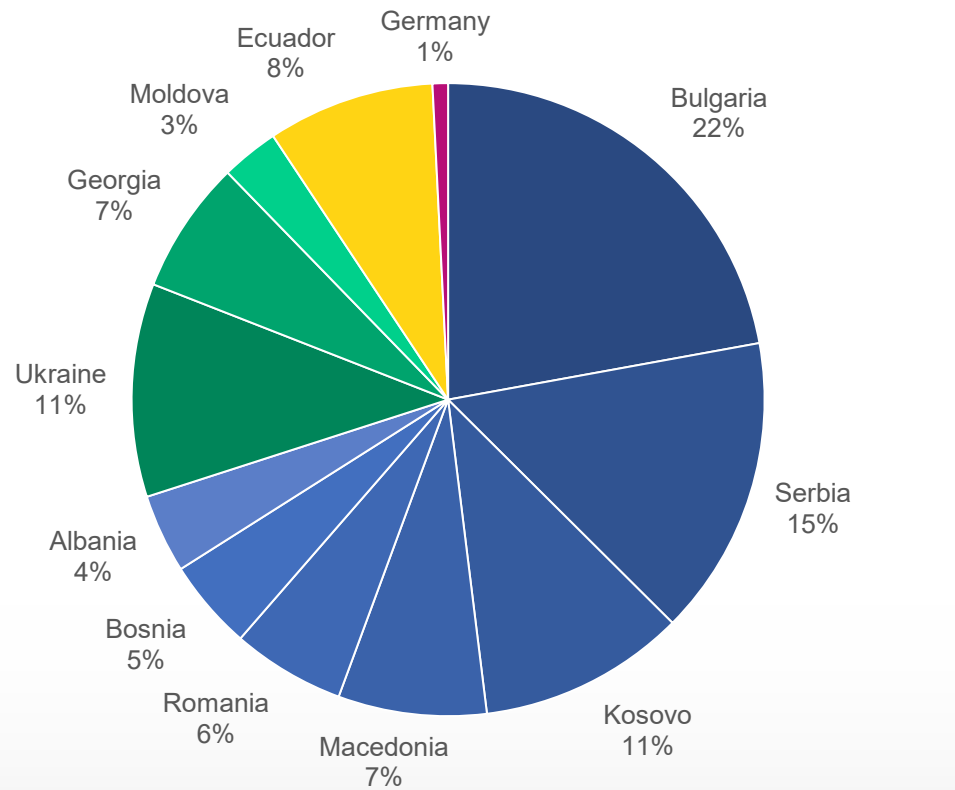
Hausbank for SMEs in SEE/EE:

- ▶ Banks leveraging lean and digital structures
- ▶ SEE/EE account for 92%, SMEs for 92% of total loans
- ▶ Strong performance in pandemic 2020/21
- ▶ 9M-22 with good operational performance of group excl. PCB Ukraine (9.0% RoE, reported 2.7%)

Loan portfolio

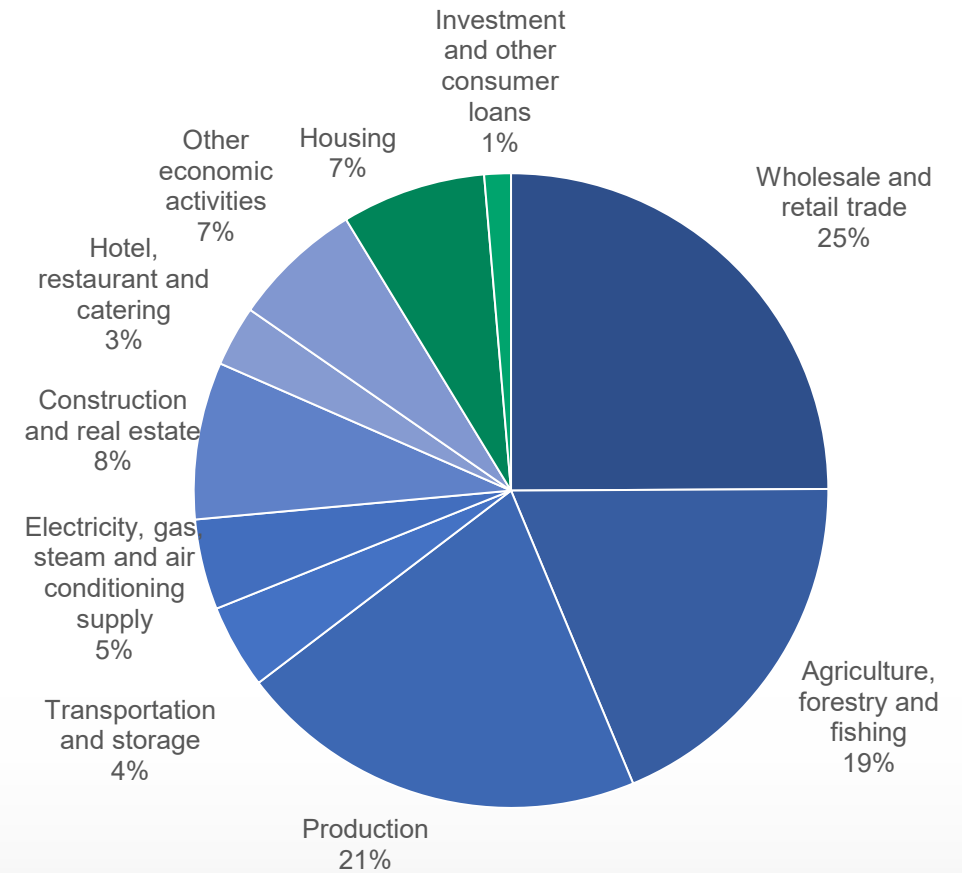
Loan portfolio focused on SEE/EE and loans to SMEs, strong regional footprint and diversification

Loan portfolio by geographical segments



■ Total South Eastern Europe: 70% ■ Total Eastern Europe: 21%

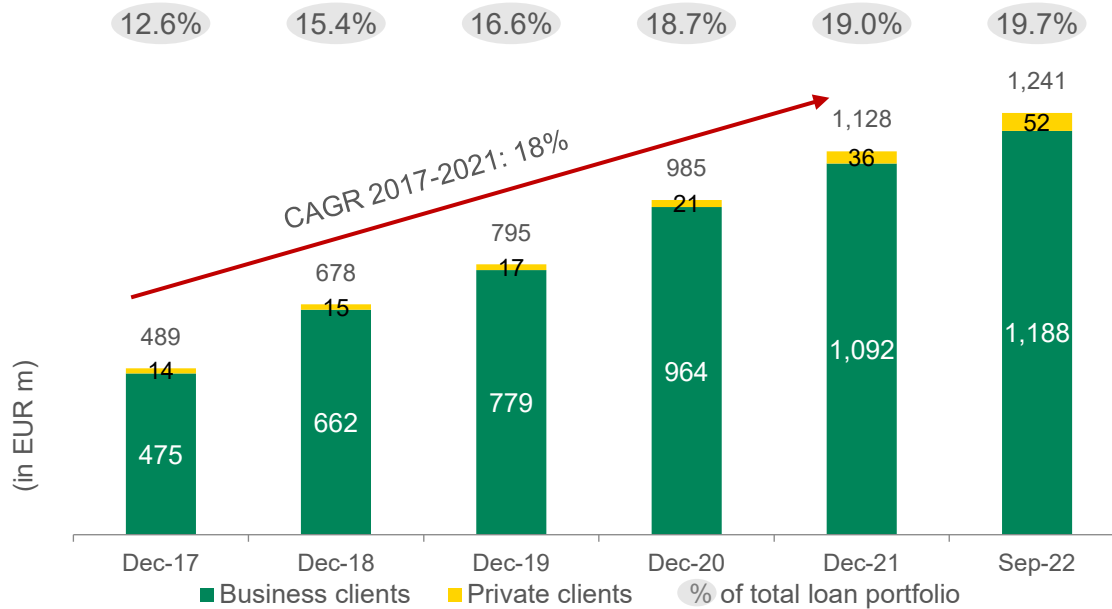
Loan portfolio by sector



■ Total Business Loans: 92% ■ Total Private Loans: 8%

Environmental responsibility is central to the group's impact approach

Strong growth of green loan portfolio, attractive risk parameters



2006

year of first green loans granted for energy efficiency and renewable energy investments

52%

of green loan portfolio relating to investments in energy efficiency

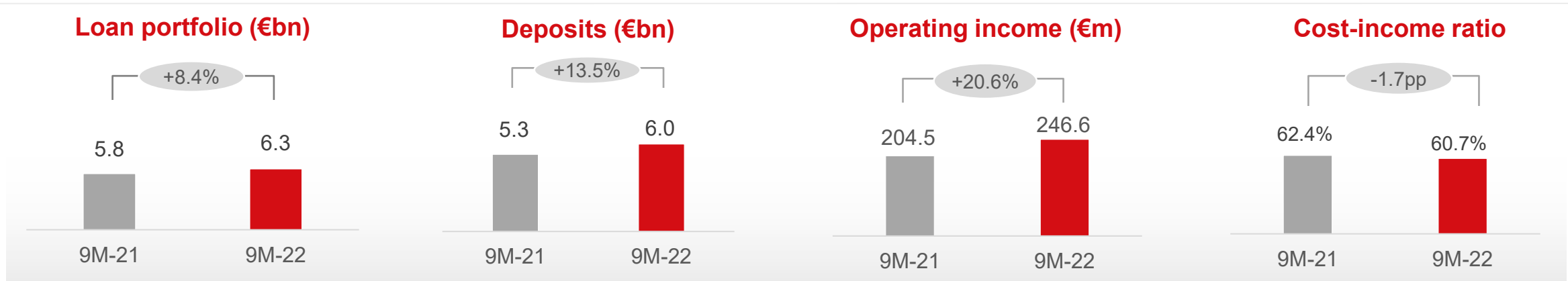
1.5%

credit impaired loans in green loan portfolio, significantly lower than overall portfolio

+60%

p.a. growth of renewable energy portfolio since Dec-19

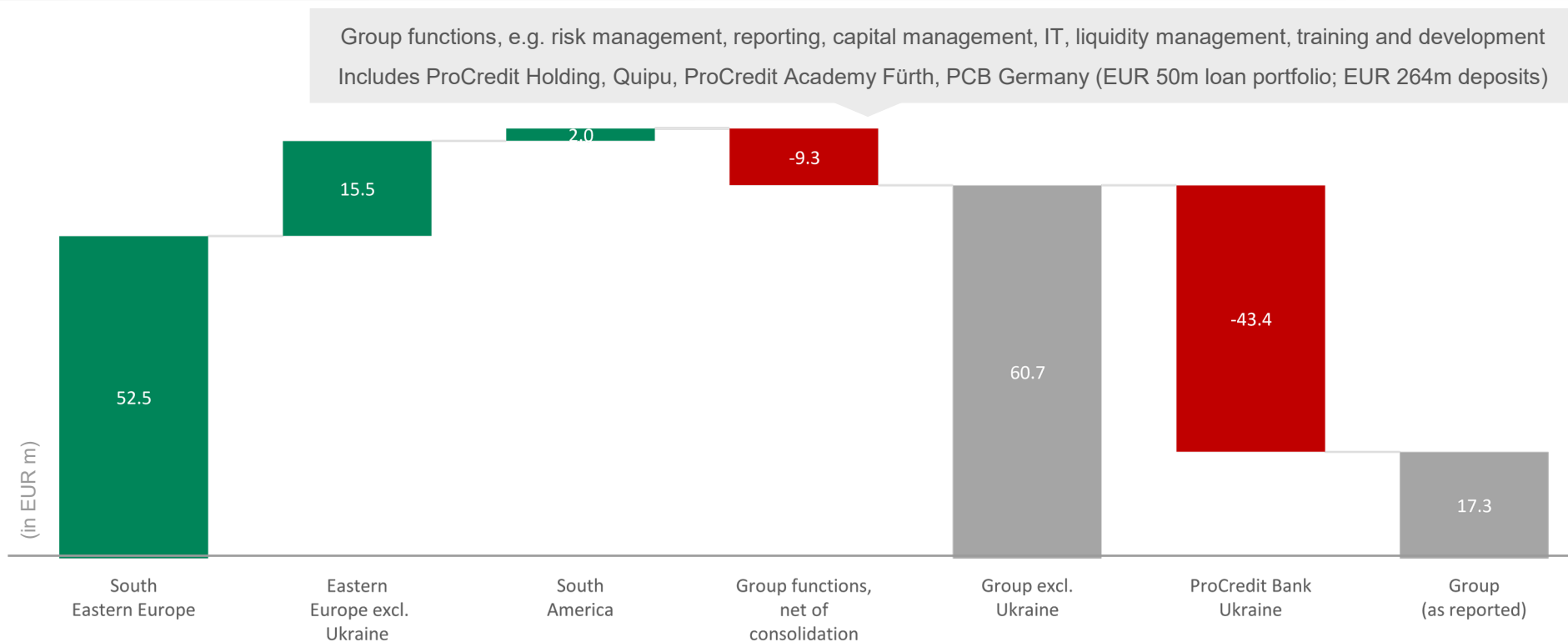
Financials



- ▶ Continued strong growth in both loan portfolio and deposits
- ▶ Increase in operating income on the back of good loan growth and increased net interest margin to 3.0%
- ▶ Cost-income ratio close to medium-term guidance level of <60% as result of good income development and continued cost focus
- ▶ Positive result despite high level of provisioning for Ukrainian operations, with reported RoE of 2.7%, without Ukraine of 9.0%

Net interest income	Provision expenses	Cost of risk	Profit after tax
9M-22 : €192.1m	9M-22 : €79.1m	9M-22: 173 bps	9M-22: €17.3m
YoY: + €30.7m	YoY: +€75.9m	YoY: + 165 bps	YoY: -44.7m

Contribution of regional segments to group net income (9M 2022)



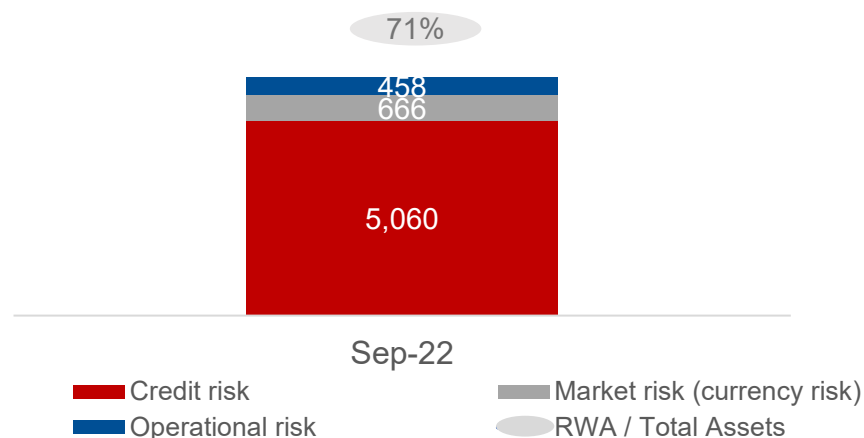
Customer loan portfolio (EUR m)	4,407	613	537	—	5,606	686	6,292
Change in customer loan portfolio	6.6%	9.6%	26.9%	—	8.5%	-9.3%	6.2%
Cost-income ratio	56.4%	48.5%	79.5%	—	64.1%	40.4%	60.7%
Allocated equity (EUR m)	638	150	58	—	-	72	887
Return on equity (ann.) (9M-21)	11.4% (8.6%)	15.9% (15.0%)	5.1% (0.4%)	—	9.0%¹ (7.3%)	-57.3% (19.8%)	2.7% (10.1%)

Comfortable capital position and outlook

Capital structure

in EUR m	Sep-22
CET1 capital	839
Additional Tier 1 capital	0
Tier 1 capital	839
Tier 2 capital	54
Total capital	893
CET1 capital ratio	13.6%
Total capital ratio	14.4%
Leverage ratio	9.3%

RWA structure (in EUR m)



Capital:

- ▶ Capital ratios well above regulatory capital requirements (8.2% CET1 capital, 10.1% T1, 12.6% total capital)
- ▶ CET1 capital includes profits of FY 2021 as well as reversal of dividend retention of the financial year 2021; without attribution of 2022 YTD profit of EUR 17.3m

Leverage:

- ▶ Leverage ratio of 9.3% well above peers and banking sector
- ▶ Very comfortable level as further key indicator of prudent group capitalisation

RWA:

- ▶ Standardized approach for RWA calculation
- ▶ RWA mainly driven by credit risk; RWA / asset ratio of 71%
- ▶ Use of guarantee schemes such as InnovFin, further RWA optimization potentials exist
- ▶ Application of standardized approach resulting in relatively limited impact of Basel IV implementation in 2025

Track record of guidance achievement as strong basis for group medium-term outlook

Strong track record of delivering on guidance

FY 2017 ✓

FY 2018 ✓

FY 2019 ✓

FY 2020 ✓

FY 2021 ✓

Short-term guidance despite difficult operating environment

Updated guidance FY 2022

Loan growth:
Medium single digit
percentage growth
(FX adjusted)

RoE:
Substantially below FY 2021

Cost-income ratio:
60 – 63%

CET1 and leverage ratio:
>13% and approx. 9%

Medium-term outlook confirmed

Medium-term targets

Medium to high-single digit
percent annual loan growth

~10% RoE

<60% CIR

20% share of green loans



Photovoltaic project financed by ProCredit Bulgaria

Appendix

ENVIRONMENTAL MANAGEMENT AND GREEN ACHIEVEMENTS



FIRST GREEN LOANS
granted for energy efficiency and renewable energy investments in 2006

ENVIRONMENTAL EXCLUSION LIST
introduced group-wide in the banks' Codes of Conduct in 2006

2010:
ENVIRONMENTAL COURSES
introduced at the ProCredit Academies

2011: Introduction of a group-wide three-pillar approach to **ENVIRONMENTAL MANAGEMENT**
EM policy and EM Unit at each bank

First **ESG RATING**
by MSCI and oekom research (now ISS ESG)

2011: First **GROUP ENVIRONMENTAL STEERING COMMITTEE**

2012: Introduction of semi-annual group-wide **GREEN SEMINARS**

GREEN FINANCE APPROACH
All ProCredit banks apply the green lending and E&S risk management concept

All ProCredit institutions certified under ISO 14001 or EMAS

Introduction of the **PLASTIC STRATEGY**

Continuous **EDGE CERTIFICATION** of head office buildings

FIRST GREEN BOND placement for emerging countries with IFC for green investments by SMEs

Publication of first group **IMPACT REPORT** following GRI Standards

Introduction of **GREEN DEPOSITS**

Network of **ELECTRIC VEHICLE CHARGING STATIONS** installed in Eastern Europe

1980

ORIGIN
Origin of ProCredit with IPC:
Consulting of financial institutions in developing countries

First microfinance bank in Bosnia and Herzegovina founded as a greenfield bank

Foundation of **IMI** (now ProCredit Holding)

1997-1998

BANKING GROUP
2003: Creation of ProCredit as a banking group with key shareholders IPC (investment arm since transferred to Zeiting Invest), DOEN, KfW, IFC and ProCredit Staff Invest



2006: Establishment of the ProCredit Academies

2003 - 2006

SME FINANCE
2008: Shift from product-oriented microfinance provider to *Hausbank* for SMEs

Introduction of group-wide **APPROACH TO HR**

PROCREDIT HOLDING
Consolidation of ownership in ProCredit Holding

Investment grade rating since 2004

2008 - 2014

BANKING LICENCE IN GERMANY
2011: Implementation of German regulatory standards

SUPERVISION
by German banking authorities (BaFin and Deutsche Bundesbank)



2015 - 2017

LISTING
of ProCredit Holding shares on Frankfurt Stock Exchange



GROUP CODE OF CONDUCT
replaces local banks' versions

PROCREDIT DIRECT
Digital banking approach for private clients fully implemented

FIRST CAPITAL INCREASE
as a listed company (10% of share capital)

2018 - 2020

MIGA provides **MANDATORY RESERVES COVERAGE** for eight ProCredit Subsidiaries

Financing of **PV PLANTS FOR ENERGY COMMUNITIES** in Greece

2021

PROCREDIT E-CAMPUS
goes online

Joined the **PARTNERSHIP FOR CARBON ACCOUNTING FINANCIALS (PCAF)**
First report on the GHG emissions associated with the loan portfolio (scope 3 emissions)

2022

KEY HISTORIC MILESTONES INSTITUTIONAL DEVELOPMENT

ProCredit is committed to foster sustainability

Impact through business



- ▶ Supporting SMEs through the cycle
- ▶ No focus on consumer lending
- ▶ ESG assessment central to client selection and lending
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Environmental responsibility



- ▶ Green loan portfolio > €1.2bn, avg. growth 18% p.a. since 2017
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Comprehensive staff development



- ▶ High diversity, gender parity
- ▶ Unique approach to staff recruitment and development
- ▶ Continuous value-based training in own academy
- ▶ Fair, transparent salary linked to training level; no variable components

Key facts and selected achievements in 2021

2.3%

credit-impaired loans; well below banking sectors

+13%

continued strong business loan portfolio growth

-56%

CO2 saved since 2018, 5,486 t emissions in 2021

19.0%

share of green loans in total loan portfolio

51% / 49%

diversity of women / men in middle management

100%

of employees with min. B1 English proficiency

92%

of loan portfolio is to SMEs

70%

of people employed by SMEs in SEE/EE

-324 kilotonnes

CO2 equivalent of green loan portfolio

59% electric fleet

electric fleet; 207 publicly available-chargers

134

training hours per employee, total of 425,010 hours

€6.4m

training cost in FY 2021

- ▶ ProCredit taking differentiated view: exclusion of finance for PV projects with PV panels potentially linked to forced labour (China's Xinjiang region)

- ▶ Own 3 MWp PV park ('ProEnergy')
- ▶ ProCredit e-mobility charging station app (developed by group IT company Quipu)
- ▶ Introduction of 'Green Deposits'

- ▶ Launch of ProCredit e-campus
- ▶ Strong employee acceptance of Covid-19 vaccination campaign

Summary of key financial indicators (9M 2022)

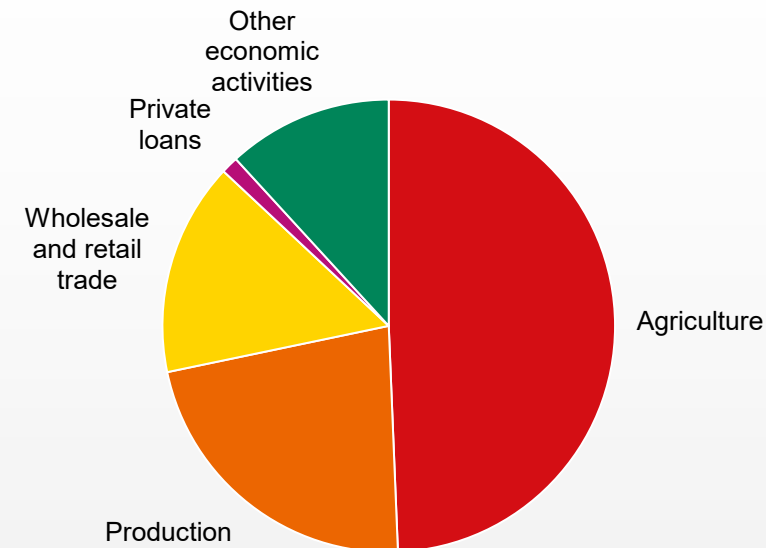
In EUR m		Q3-21	Q3-22	9M-21	9M-22	Y-o-Y
Income statement	Net interest income	58.2	67.2	161.4	192.1	30.7
	Net fee and commission income	13.0	14.0	37.1	40.2	3.2
	Other operating income (net)	4.0	5.2	6.1	14.3	8.3
	Operating income	75.2	86.4	204.5	246.6	42.1
	Personnel expenses	22.0	25.6	64.1	72.5	8.4
	Administrative expenses	22.4	27.9	63.6	77.2	13.7
	Loss allowance	0.5	21.8	3.2	79.1	75.9
	Tax expenses	4.6	1.5	11.5	0.4	-11.2
	Profit after tax	25.7	9.6	62.0	17.3	-44.7
Key performance indicators	Change in customer loan portfolio	2.6%	0.0%	10.4%	6.2%	-4.2 pp
	Cost-income ratio	59.0%	61.9%	62.4%	60.7%	-1.7 pp
	Return on equity	12.3%	4.4%	10.1%	2.7%	-7.5 pp
	CET1 ratio (fully loaded)	13.8%	13.6%	13.8%	13.6%	-0.2 pp
Additional indicators	Net interest margin	3.0%	3.2%	2.8%	3.0%	0.2 pp
	Net write-off ratio	0.1%	0.2%	0.1%	0.1%	0.1 pp
	Credit impaired loans (Stage 3)	2.6%	3.1%	2.6%	3.1%	0.6 pp
	Cost of risk (annualised)	4 bps	139 bps	8 bps	173 bps	135.2 pp
	Stage 3 loans coverage ratio	44.0%	57.1%	44.0%	57.1%	13.1 pp
	Book value per share	14.5	15.1	14.5	15.1	0.5

Current status of operations (Nov-22)

- ▶ **Safety of staff:** Most staff back in Ukraine, with only 7% still working from abroad
- ▶ **Banking operations basically uninterrupted since beginning of the war:** additional contingency measures taken in light of recent bombardment of civilian infrastructure
- ▶ **Close contact with clients:** BCAs in constant exchange with all loan clients, in part even on a weekly basis; strong willingness of clients in occupied areas to resume business activities
- ▶ **Loans reduced by EUR 130m since Q2-22 (-16%),** due to currency devaluation in July (approx. EUR 80m) and steady repayments of outstanding loans (approx. EUR 50m)
- ▶ **Local CET1 ratio buffer** above 5 percentage points, liquidity position remains stable

Overview of ProCredit Bank Ukraine

Loan portfolio by industry



304
total number
of staff

EUR 686m
loan portfolio

49%
of loan portfolio
in agriculture

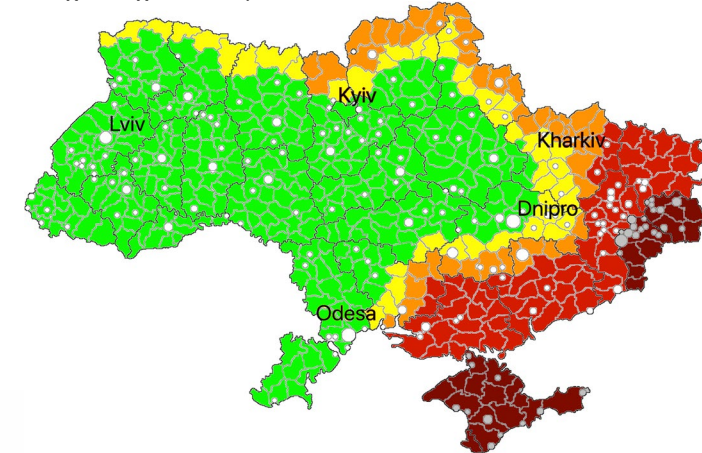
Note: All financial data as of Sep-22, agriculture incl. forestry and fishing

Loan portfolio / risk provision update

- ▶ **Loan portfolio EUR 686m**, share of group portfolio of 10.9%
- ▶ **Regional risk classifications:** Share of portfolio in green zones now at 68%, up 15pp against H1-22; Portfolio in red zone at EUR 72m (approx. 11% of total LP), with average coverage rate of 62%
- ▶ **Share of impaired loans at 9.8%**, with large part of portfolio reclassification completed
- ▶ **Provisions of EUR 87m**, with all portfolio in occupied areas in default; level of total provisions now exceeds portfolio in red zone by EUR 15m;
 - total LP coverage at approx. 13%
 - default coverage at approx. 130%
 - red zone coverage at approx. 120%
- ▶ **Local CET1 ratio buffer** above 5 percentage points, liquidity position remains stable

Regional risk classification

(as per beginning Nov-22)



Risk zone by business location	% of PCB Ukraine loan portfolio	% of PCH group loan portfolio
Dark Red	0%	0%
Red	11%	1.2%
Orange	14%	1.6%
Yellow	7%	0.7%
Green	68%	7.4%

■ **Dark red:** Regions occupied by Russian forces since 2014
■ **Very high risk.** Whole Donetsk and Lugansk regions, districts in warzone or under occupation
■ **High risk.** A buffer zone from war torn / under occupation regions
■ **Medium risk.** Districts on distance from actual warzone, however, relatively higher risk to be affected
■ **Low risk.** Districts with relatively lower risk to be affected

Note: Relates to non-defaulted loan portfolio; loans to private individual of 2% included in green category

Experienced management collaborating at Holding and local level

Hubert Spechtenhauser (Chairman)



- ▶ Corporate Office
- ▶ Group Communications
- ▶ Legal
- ▶ Group and PCH Internal Audit

Dr Gian Marco Felice



- ▶ Group Environmental Management and Impact Reporting
- ▶ Group and PCH IT
- ▶ Business Support and Development

Christian Edgardo Dagrosa



- ▶ Controlling
- ▶ Reporting and Data Management
- ▶ Investor Relations

Sandrine Massiani



- ▶ Group and PCH Human Resources
- ▶ Group Credit Risk Management
- ▶ Group and PCH Risk Control
- ▶ Group Financial Risk Management
- ▶ Group Operational Risk Management
- ▶ Fraud Prevention and Compliance and PCH AML

Dr Gabriel Schor



- ▶ Accounting and Taxes
- ▶ Supervisory Reporting and Capital Planning
- ▶ Group Funding and Treasury
- ▶ Administration and Translation

Local ProCredit banks

32 key management members

Collective training...

- ▶ Central training in Fürth
- ▶ English as lingua franca
- ▶ Regular specialist events and regional meetings

...as catalyst for a shared vision and teamwork...

- ▶ Common set of values
- ▶ Closely-knit network
- ▶ Rapid diffusion of best practices

...supported by clear framework

- ▶ Strict common operating standards and policy guidelines
- ▶ Strong, standardised MIS reporting
- ▶ Holding management with supervisory board seats at local banks involved in strategic business processes

On average **16 years** of experience with ProCredit

General note

Return on equity, net interest margin, cost of risk and net write-off ratio are consistently annualised for all interim (quarterly and half-year) figures

Slide 3

The Fitch Issuer Default Rating of BBB has been last re-affirmed on September 27 2022

The shareholder structure shown is according to the voting right notifications and voluntary disclosure of voting rights as published on our website www.procredit-holding.com

Slide 4

ProCredit Holding AG & Co. KGaA is a signatory to the Principles for Responsible Banking and is a member of the UN Environment Programme Finance Initiative (UNEP FI)

Slide 8

Figures and ratios for Dec-13 relate to the disclosures in the consolidated financial statements as of 2013

Sep-22 results shown without the negative contribution of PCB Ukraine, whose current result is strongly affected by the war against Ukraine.

Consolidated result and RoE: EUR 17.3m; 2.7%

Result and RoE excl. PCB Ukraine: EUR 60.6m; 9.0%

Slide 9

NPL figures for banking sectors are derived from respective central or national banks as per Dec-21

The share of defaulted loans in our portfolio in Ukraine, but also for the entire Ukrainian, has increased significantly due to the ongoing war against the country. As of Sep-22, the share of defaulted loans of PCB Ukraine is at 9.8%

Slide 10

RoE since 2005 as disclosed in “Bundesanzeiger” (German Federal Gazette)

Slide 13

Green loan portfolio figures from previous periods have been adjusted according to the current scope of continuing operations

Slide 15

Return on equity for “Group excluding Ukraine” calculated on the basis of the consolidated equity, excluding the result contribution of PCB Ukraine in 9M-2022

Slide 18

Risks to the FY 2021 and medium-term targets include negative economic effects from slower improvement or deterioration in conditions related to the COVID-19 pandemic and recovery therefrom, major disruptions in the Eurozone, a significant change in foreign trade or monetary policy, a worsening of the interest rate margin, pronounced exchange rate fluctuations, extension of war to further countries of operation

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