



ProCredit
H O L D I N G

The German impact bank for the CEE region

November 2024

Today's presenters



Hubert Spechtenhauser

CEO

Joined ProCredit in 2021

*Previously held leading positions at
Commerzbank and UniCredit*



Christian Dagrosa

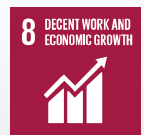
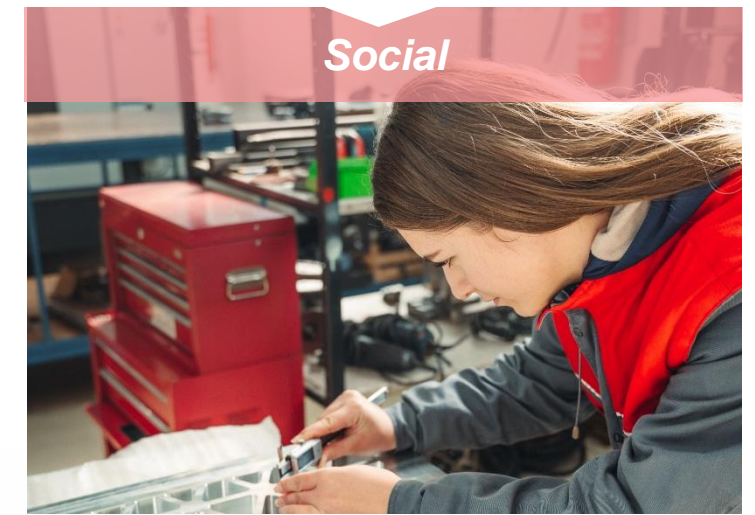
CFO

Joined ProCredit in 2017

*Previously held finance positions at
ProCredit and KPMG*

Impact-oriented business practices embedded into our DNA

“ **Responsible banking in transition economies allows to combine comprehensive positive impact with attractive and sustainable returns for investors** ”



~200k
jobs supported
by our SME
clients⁽¹⁾

64%
of our loans for
capital formation
of clients



~20%
green loans for
renewable energy &
energy efficiency

Net-zero
SBTi⁽²⁾
commitment to
net-zero



**Extensive
training**
part of holistic staff
training

~20%
of our clients are
woman-owned
MSMEs

The German impact bank for the CEE region



ProCredit
HOLDING

- ▶ Frankfurt listed
- ▶ BaFin / Bundesbank regulated

*Bank
Holding*



ProCredit Bank

- ▶ 12 self-sufficient green-field banks
- ▶ All 100% owned with high strategic alignment
- ▶ > 20 years experience in every market

*100%
owned
subsidiary*



- ▶ Strategic partners on debt and equity side
- ▶ Strong impact orientation with similar goals and alignment on SME lending, green transition and women empowerment

Strong positioning for increased scale ✓

11
CEE countries of
operation⁽¹⁾

>270k
clients

~€10bn
balance sheet

Simple asset and liability structure ✓

€6.8bn
loan portfolio

~20%
share of
green loans

€7.8bn
deposits

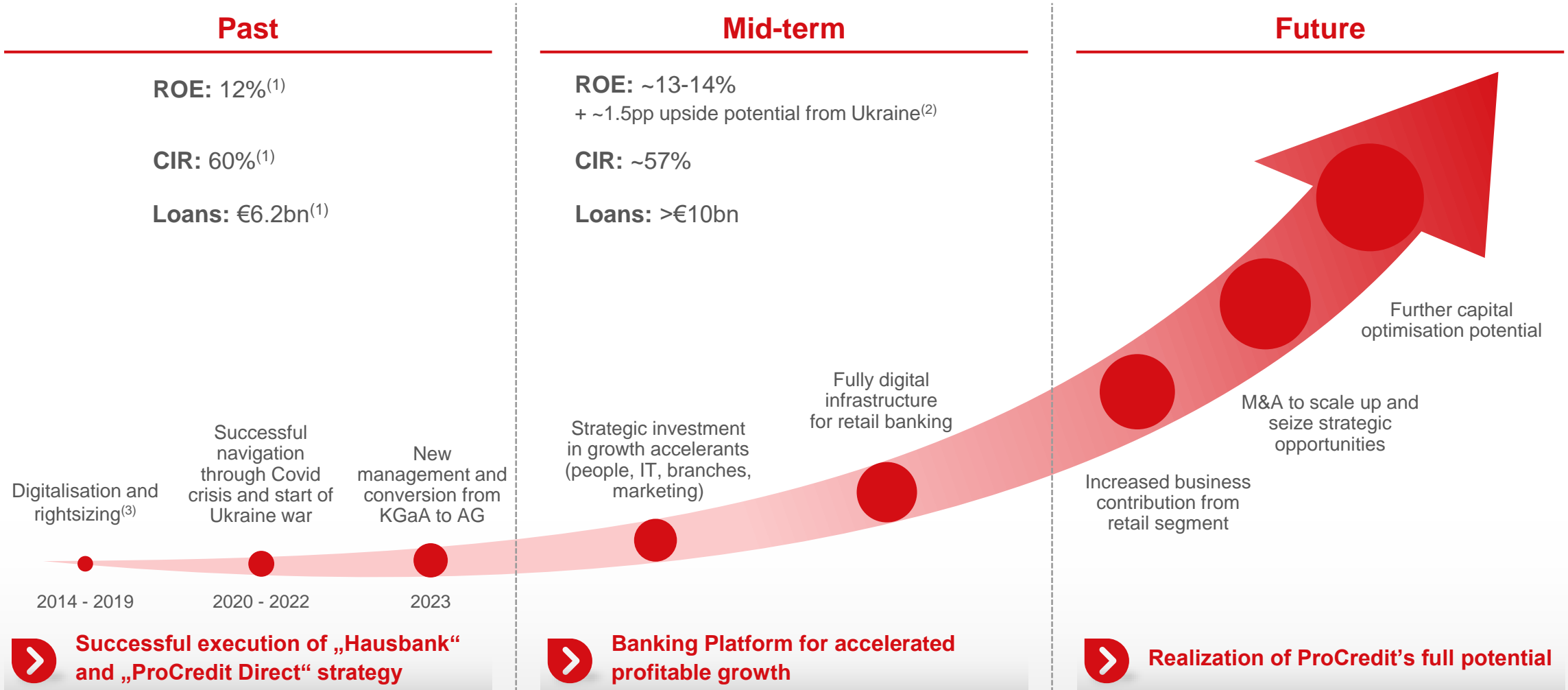
Good profitability and capitalisation, attractive payout ✓

11.3%
RoE in 9M-24

14.1%
CET1 ratio
(fully loaded)

33%
dividend payout
ratio policy

Management focused to transform ProCredit into thriving banking group

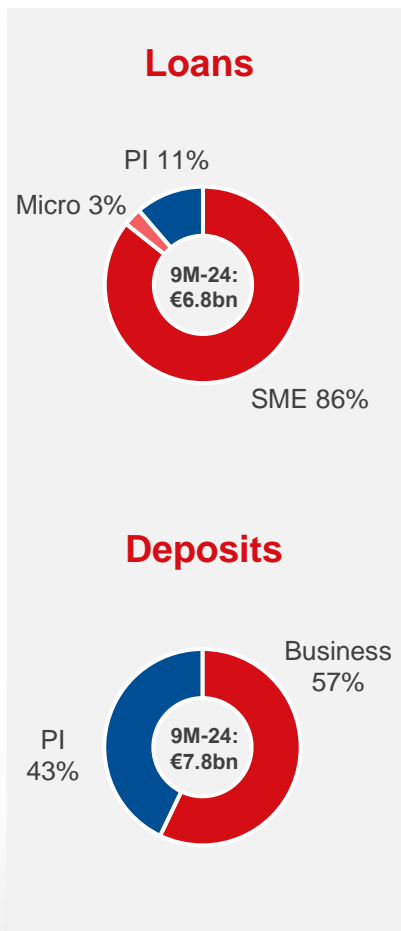


Investment highlights



- 1** | **Impact banking group regulated and listed in Germany**, with **diversified presence across 13 countries** servicing Micro-, Small- and Medium Enterprises and Private Clients
- 2** | **Focus on EU accession markets in Southern- and Eastern Europe** with attractive economic growth
- 3** | **Attractive and sustainable financial profile** driven by organic growth, strong risk-adjusted earnings and scaling effects; group always profitable in > 20-year history
- 4** | **Prudent lending practices** amid high diversification, careful client selection and strong risk management reflected in low through-the-cycle cost of risk
- 5** | **Simple balance sheet structure** reflecting plain, low-risk approach to banking
- 6** | **Proven track record** to execute strategies and deliver financial and non-financial goals

1 | Focus on MSME and Private Individuals as core clients



Retail

Private individuals

Client (exposure)

Standardised retail

Service model

ProCredit Direct

Digital Bank + contact centres

Impact & business rationale

Transparent pricing
Avoid client over-indebtedness
Granular deposit base

Key products

Account services
Mortgages | Consumer loans

active clients, target multiplier⁽¹⁾

206k
~2.5x client growth



Business

Micro

SME

Very Small:
(Up to € 100k)

Small:
(€ 100 – 750k)

Medium:
(> € 750k)



Hausbank

Digital Bank + contact centres

Business Client Advisor + digital channels

High quality services | Client formalisation | Green finance
“MSMEs who invest, employ, train, and are open for innovation and ecological transformation”

Credit lines | Working capital loans | Investment loans | Overdrafts
Business accounts | Documentary business | Trade finance

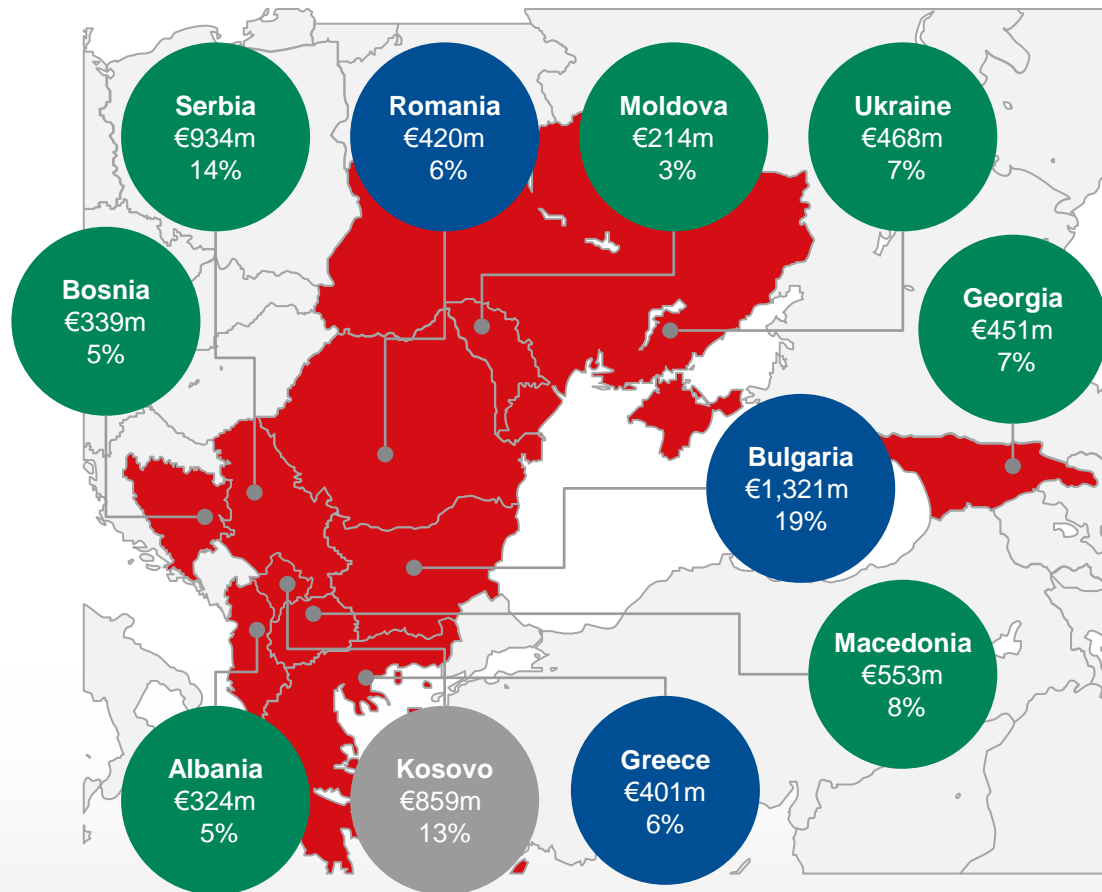
26k
~2.0x client growth

47k
~1.5x client growth

2 | Strong regional footprint in highly attractive markets

Group focus on attractive CEE region

- ▶ Countries with high GDP growth and low banking sector penetration
- ▶ High impact potential due to elevated industrial emission levels, significant informal sector, and inadequate banking services for SMEs
- ▶ Attractive margins allowing for sustainable returns
- ▶ EU accession process major factor for positive region outlook



Key macro factors

Growth outlook

Median real GDP growth '24-'29

3,4%

1,2%

ProCredit countries⁽¹⁾

Euro area

Banking sector penetration

Loans / GDP '22

~0.6x

~1.5x

ProCredit countries⁽¹⁾

Euro area

High importance of SMEs

in our countries of operation⁽²⁾

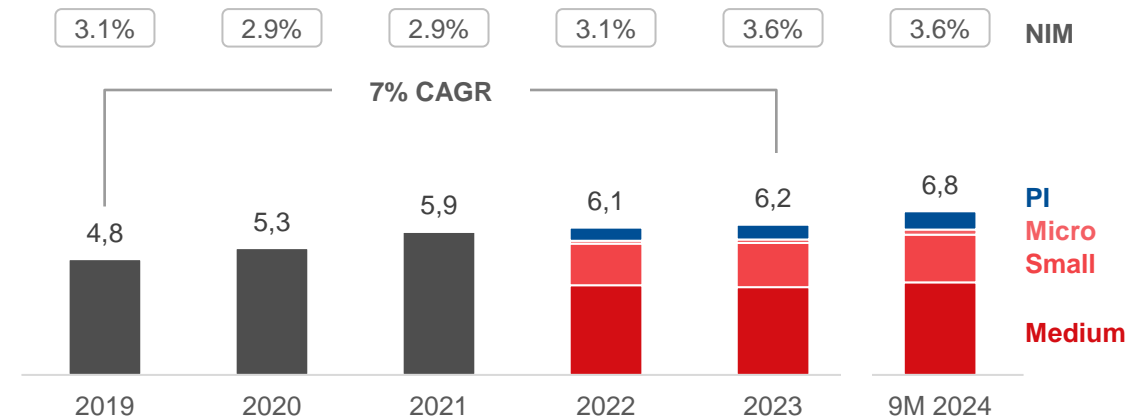
62% of GDP

71% of people employed

3 | Attractive and sustainable financial profile set for growth

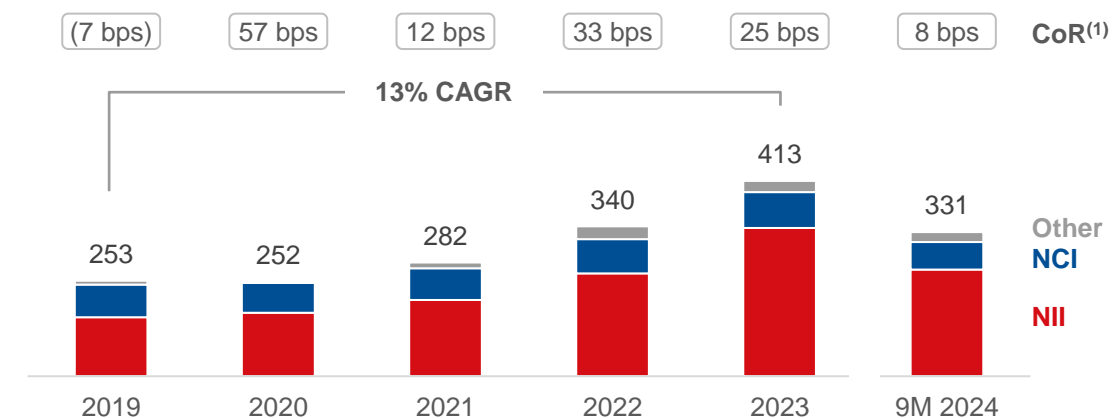
Track record of high loan growth at attractive margins

Loan book (€bn)



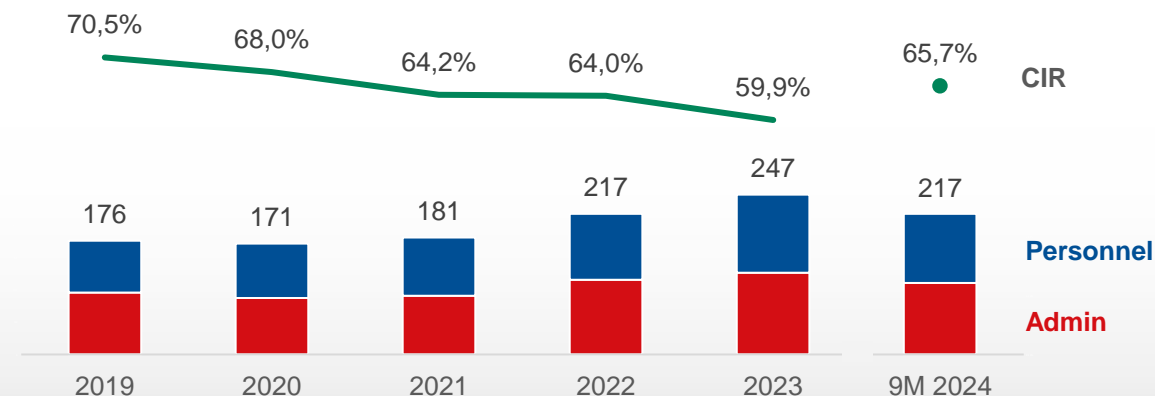
Strong operating income expansion at low risk costs

Operating income (€m)



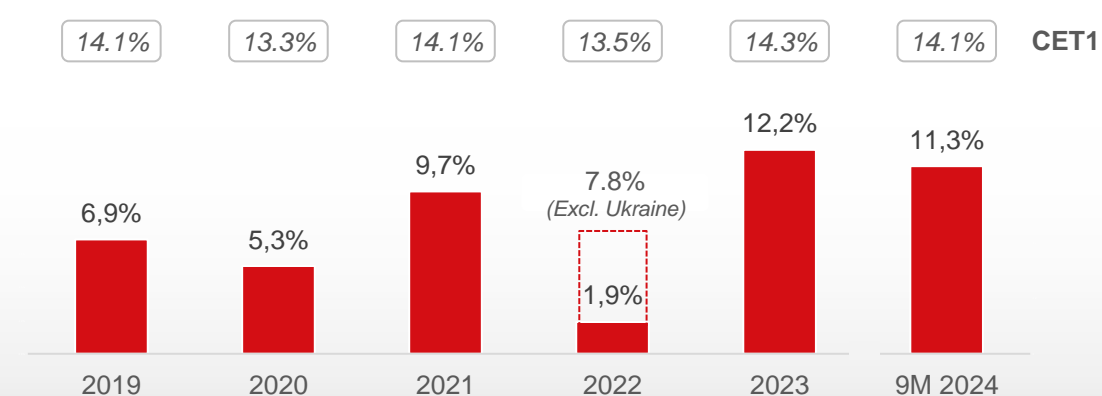
Efficiency well improved; strategic growth investments drive 9M-24 CIR

Operating expenses (€m)



Enhanced structural profitability at comfortable capitalisation

Return on equity (%)



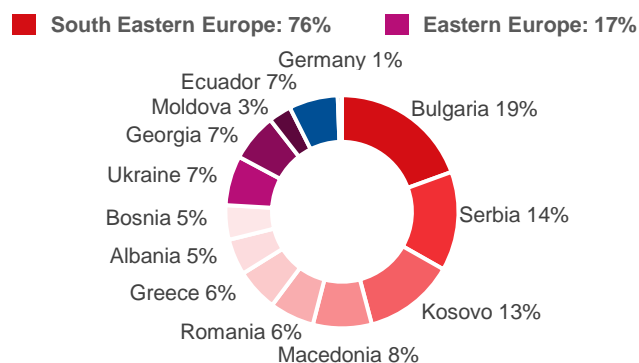
4 | Prudent lending practices

Lending Strategy

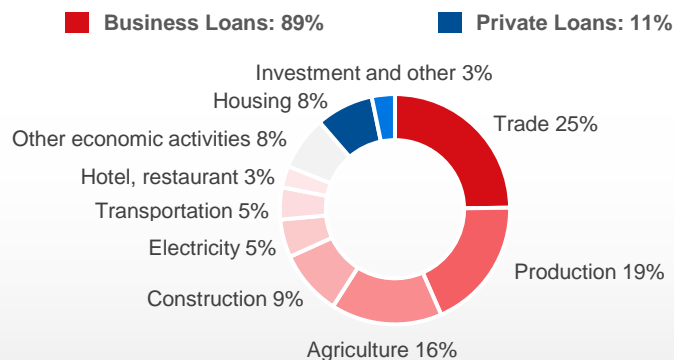
- ▶ Careful client selection and strong client relationships
- ▶ Well trained staff
- ▶ Effective credit risk assessment and monitoring
- ▶ Solid risk profile with low net write offs
- ▶ Loan portfolio quality consistently better than market

Well-diversified loan book

By geography (9M-24)



By sector (9M-24)



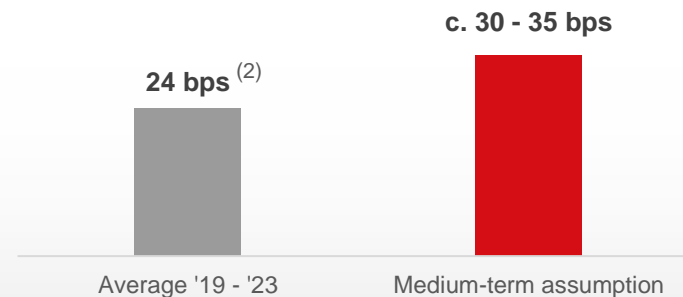
Consistently low default rates

Share of loan portfolio in Stage 3

2.3%
group loans
in Stage 3

On par of average level of significant institutions in the European Union⁽¹⁾

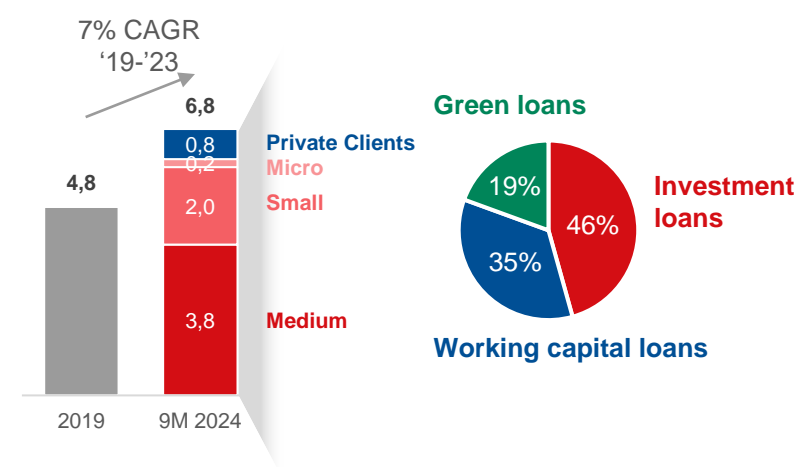
Low through-the-cycle cost of risk



5 | Low-risk balance sheet with local deposit funding

Assets

Loans (in €bn)



Conservative investment strategy

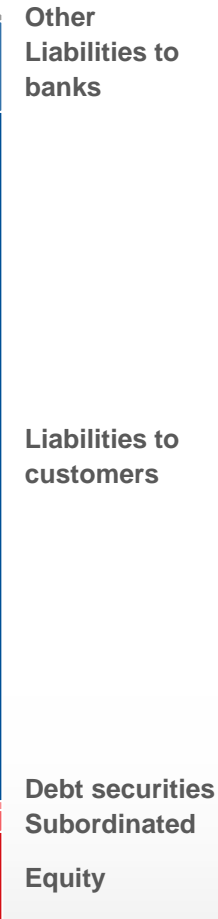
- ▶ Liquidity in domestic currency predominantly invested into central bank paper or sovereign
- ▶ No speculative trading
- ▶ Limited market risk
- ▶ Further optimisation potential from Asset Liability Management

€10.3bn



Assets

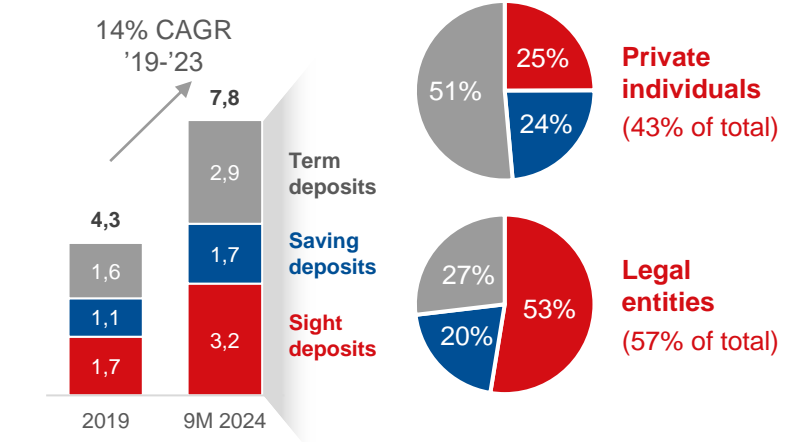
€10.3bn



Liabilities & Equity

Liabilities

Deposits (in €bn)



Regulatory capital

-
- | Metric | Value (%) |
|-----------------------------|-----------|
| Regulatory CET1 requirement | 9,3% |
| Current CET1 capital | 14,1% |
- ▶ RWA efficiency measures to improve density from 64% (9M-24) to <60% medium-term
 - ▶ All Tier 1 capital is CET1 capital; no AT1
 - ▶ ProCredit Holding with limited interdependency to back subsidiaries, which are largely self-funded
 - ▶ Fitch rating: BBB (stable)

6 | Experienced Management focused to deliver on set financial goals

Senior Management leading ProCredit Holding



Hubert Spechtenhauser

CEO
Legal, Communications



Christian Dagrada

CFO
Finance, Funding, Investor Relations



Christoph Beeck

CHRCO
HR, Compliance, Audit



Eriola Bibolli

CCO
Retail, SME, Economics



Georgios Chatzis

CRO
Risk



Dr. Gian Marco Felice

CTO
IT, Sustainability

Local ProCredit banks



Collective training in own ProCredit Academy



Shared vision with ~4,500 employees working **purpose driven**



Clear Group framework with strict operating, business and risk guidelines

Strong track record of delivering on financial guidance

FY 2017



FY 2018



FY 2019



FY 2020



FY 2021



FY 2022

Limited guidance due to Ukraine war

FY 2023



ProCredit's medium-term ambitions

Medium-term guidance

>€10bn loan portfolio

(based on significant growth in # of clients)

Return on equity ~13-14%

(w/o ~1.5pp upside potential from Ukraine)

Cost income ratio ~57%

(w/o one-off effects)

Offer attractive dividends

(33% payout ratio in line with group dividend policy)

Target operating model



Leading bank for **MSMEs** in our region



Attractive bank for **private clients** with superior customer experience



Increased **size and scale** for enhanced medium-term profitability



Strong **sustainability** commitment

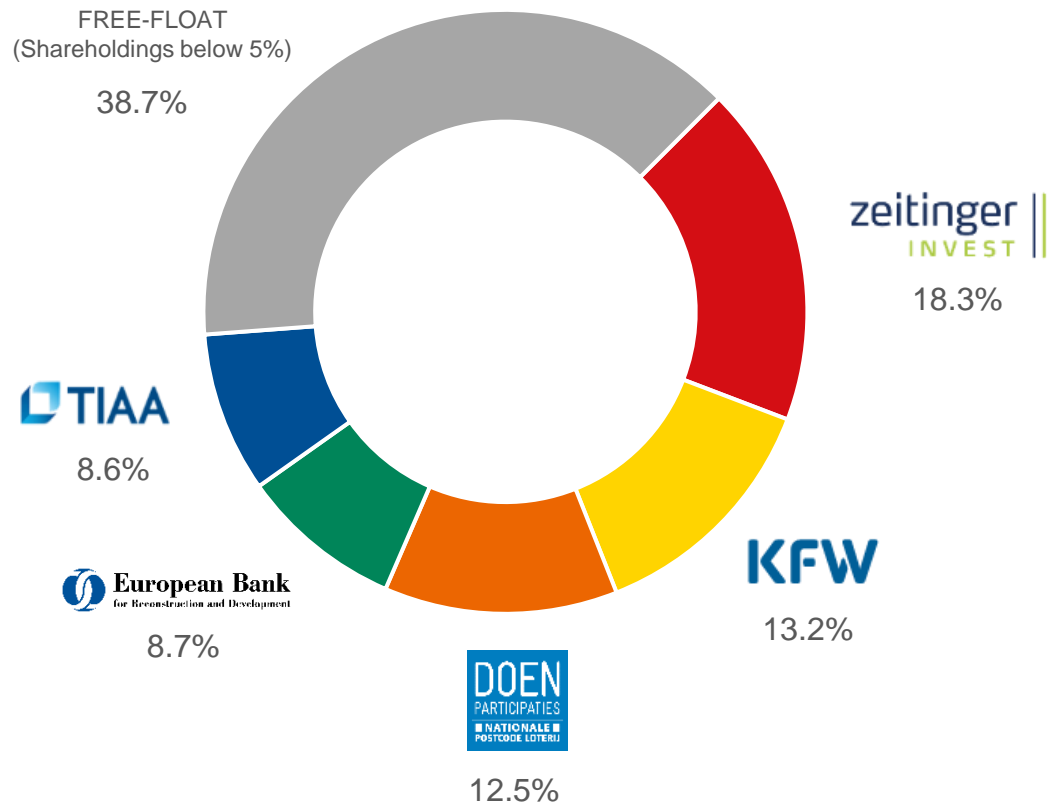


ProCredit
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Appendix

ProCredit ownership

Shareholder structure of ProCredit Holding AG



Key information

Stock Exchange	Frankfurt Stock Exchange
Segment	Prime Standard
Trading symbol	PCZ

Disclaimer

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