



ProCredit Holding AG

(Frankfurt am Main, Federal Republic of Germany)

EUR 125,000,000 Subordinated Fixed to Fixed Resettable Notes due 2034

ISIN DE000A383C84, Common Code 280477117, WKN A383C8

Issue price: 100.00%

ProCredit Holding AG (the "**Issuer**") will issue on 25 April 2024 (the "**Issue Date**") EUR 125,000,000 subordinated fixed to fixed resettable notes due 25 July 2034 (the "**Notes**") in the denomination of EUR 100,000 (the "**Specified Denomination**") each.

The Notes will be governed by the laws of the Federal Republic of Germany ("**Germany**").

The Notes will bear interest on their outstanding amount from and including the Issue Date to but excluding 25 July 2029 (the "**Reset Date**") at a rate of 9.500% *per annum* and thereafter from and including the Reset Date to but excluding the Maturity Date (as defined below) at a rate *per annum* equal to the Reset Rate. The "**Reset Rate**" will be the sum of the reference rate for the Reset Period (the "**Reference Rate**") and the margin of 6.628% (all as defined and further described in the terms and conditions of the Notes (the "**Terms and Conditions**"). Interest will be paid annually in arrear on 25 July in each year, commencing on 25 July 2025 (long first coupon).

The Notes shall be redeemed at their Specified Denomination on 25 July 2034 (the "**Maturity Date**"). The Issuer may redeem the Notes in whole, but not in part, at their Specified Denomination on each payment business day during the period from and including 25 April 2029 to and including the Reset Date, subject to certain limitations and conditions as described in the Terms and Conditions.

The Issuer may further redeem the Notes in whole, but not in part, at their Specified Denomination upon occurrence of certain changes in the applicable tax or regulatory treatment or if at any time the aggregate principal amount of the Notes outstanding and held by persons other than the Issuer and its subsidiaries has fallen to 25% or less of the aggregate principal amount of the Notes originally issued, all subject to certain limitations and conditions as described in the Terms and Conditions.

The Notes, as to form and content, and all rights and obligations of the holders and the Issuer will be governed by the laws of the Federal Republic of Germany ("**Germany**").

The Notes will be issued in bearer form and will be represented by a temporary global note without interest coupons (the "**Temporary Global Note**") and a permanent global note without interest coupons (the "**Permanent Global Note**", and together with the Temporary Global Note, the "**Global Notes**") without interest coupons. The Temporary Global Note will be exchangeable, in whole or in part, for interests in a Permanent Global Note not earlier than 40 days after the Issue Date, upon certification as to non-U.S. beneficial ownership. The Global Note will be deposited prior to the issue date with Clearstream Banking AG, Mergenthalerallee 61, 65760 Eschborn, Federal Republic of Germany.

This prospectus (the "**Prospectus**") does not constitute a prospectus within the meaning of Regulation (EU) No 2017/1129 of the European Parliament and of the Council of 14 June 2017, on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, as amended (the "**Prospectus Regulation**"). No "competent authority" (as defined in the Prospectus Regulation) has approved this Prospectus or reviewed information contained in this Prospectus.

This Prospectus constitutes a prospectus for the purpose of Part IV of the Luxembourg Law of 16 July 2019 on Prospectuses for Securities. Application has been made to list the Notes on the official list of the Luxembourg Stock Exchange (the "**Official List**") and for admission to trading of the Notes on the Euro MTF market operated by the Luxembourg Stock Exchange, which is a multilateral trading facility for the purposes of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU, as amended (*Markets in Financial Instruments Directive II – "MiFID II"*), and therefore, not an EU-regulated market.

This Prospectus does not constitute an offer to sell, or the solicitation of an offer to buy, the Notes in any jurisdiction where such offer or solicitation is unlawful.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933 (as amended, the "**Securities Act**") and subject to certain exceptions, the Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons.

The Notes issued pursuant to the Prospectus are complex financial instruments and are not a suitable or appropriate investment for all investors. In some jurisdictions, regulatory authorities have adopted or published laws, regulations or guidance with respect to the offer or sale of securities such as the Notes to retail investors.

Prospective purchasers of the Notes should ensure that they understand the nature of the Notes and the extent of their exposure to risks and that they consider the suitability of the Notes as an investment in light of their own circumstances and financial condition. Investing in the Notes involves certain risks. Please review the section entitled "*Risk Factors*" beginning on page 8 of this Prospectus.

Sole Global Coordinator and Sole Bookrunner

Goldman Sachs Bank Europe SE

RESPONSIBILITY STATEMENT

The Issuer with its registered office in Frankfurt am Main, Germany, accepts responsibility for the information contained in and incorporated by reference into this Prospectus and hereby declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of its knowledge, in accordance with the facts and does not omit anything likely to affect the import of such information.

The Issuer further confirms that (i) this Prospectus contains all relevant information with respect to the Issuer (also referred to as "**ProCredit Holding**" herein) and its consolidated subsidiaries (the "**ProCredit Group**" or the "**Group**") and to the Notes which is material in the context of the issue and the offering of the Notes, including all relevant information which, according to the particular nature of the Issuer and of the Notes is necessary to enable investors and their investment advisers to make an informed assessment of the assets and liabilities, financial position, profits and losses, and prospects of the Issuer and the Group and of the rights attached to the Notes; (ii) the statements contained in this Prospectus relating to the Issuer, the Group and the Notes are in every material respect true and accurate and not misleading; (iii) there are no other facts in relation to the Issuer, the Group or the Notes the omission of which would, in the context of the issue and offering of the Notes, make any statement in this Prospectus misleading in any material respect; (iv) reasonable enquiries have been made by the Issuer to ascertain such facts and to verify the accuracy of all such information and statements and (v) the statements of opinion, intention, belief or expectation expressed in the Prospectus are honestly and reasonably held.

NOTICE

No person is authorized to give any information or to make any representation other than those contained in this Prospectus and, if given or made, such information or representation must not be relied upon as having been authorized by or on behalf of the Issuer or Goldman Sachs Bank Europe SE (the "**Sole Bookrunner**").

This Prospectus should be read and understood in conjunction with any supplement hereto and with all documents incorporated herein or therein by reference.

The legally binding language of this Prospectus is English. Any part of this Prospectus in the German language constitutes a translation, except for the Terms and Conditions, in respect of which German is the legally binding language.

In this Prospectus, all references to "€", "**EUR**" or "**Euro**" are to the currency introduced at the start of the third stage of the European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No. 974/98 of 3 May 1998 on the introduction of the Euro, as amended. References to "**billions**" are to thousands of millions.

Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. This Prospectus does not constitute an offer of Notes or an invitation by or on behalf of the Issuer or the Sole Bookrunner to purchase any Notes. Neither this Prospectus nor any other information supplied in connection with the Notes should be considered as a recommendation by the Issuer or the Sole Bookrunner to a recipient hereof and thereof that such recipient should purchase any Notes.

This Prospectus reflects the status as of its date. The offering, sale and delivery of the Notes and the distribution of this Prospectus may not be taken as an implication that the information contained herein is accurate and complete subsequent to the date hereof or that there has been no adverse change in the financial condition of the Issuer since the date hereof.

To the extent permitted by the laws of any relevant jurisdiction, neither the Sole Bookrunner nor any of its affiliates nor any other person mentioned in this Prospectus, except for the Issuer, accepts responsibility for the accuracy and completeness of the information contained in this Prospectus or any document incorporated by reference, and accordingly, and to the extent permitted by the laws of any relevant jurisdiction, none of these persons accept any responsibility for the accuracy and completeness of the information contained in any of these documents. The Sole Bookrunner has not independently verified any such information and accept no responsibility for the accuracy thereof.

This Prospectus does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation.

The distribution of this Prospectus and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required to inform themselves about and to observe any such restrictions. No representation is being made by the Sole Bookrunner that the Prospectus may be lawfully distributed or that the Notes may be lawfully sold in any jurisdiction. For a description of the restrictions applicable in the European Economic Area (the "**EEA**"), the United States of America ("**United States**" or "**U.S.**"), the United Kingdom of Britain and Northern Ireland ("**United Kingdom**" or "**UK**") and the Republic of Singapore ("**Singapore**") see "*Subscription and Sale of the Notes – Selling Restrictions.*"

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") or with any securities regulatory authority of any state or other jurisdiction of the United States. The Notes will be issued in bearer form and are subject to certain U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, any U.S. person. The term "U.S. person" has the meaning ascribed to it in Regulation S under the Securities Act ("**Regulation S**") and the U.S. Internal Revenue Code of 1986, as amended (the "**Code**") and regulations thereunder. The Notes are being offered and sold outside the United States to non-U.S. persons pursuant to Regulation S and may not be legally or beneficially owned at any time by any U.S. person.

For the avoidance of doubt, the content of any website referred to in this Prospectus with the exception of links to electronic addresses where information incorporated by reference is available does not form part of this Prospectus and the information on such websites has not been scrutinized or approved by the Luxembourg Stock Exchange.

In this Prospectus, unless the contrary intention appears, a reference to a law or a provision of law is a reference to that law or provision as extended, amended or reenacted.

GREEN BONDS

An amount equivalent to the net proceeds from the offer of the Notes will be used exclusively to (re)finance loans (the "**Eligible Green Assets**") for green investments as further described below under "*Use of Proceeds*". The ProCredit Group has established a framework to support the future issuance of sustainable financing instruments, including green bonds, which further specifies the eligibility criteria for such Eligible Green Assets (the "**Green Bond Framework**") based on the recommendations included in the voluntary process guidelines for issuing green bonds published by the International Capital Market Association (the "**ICMA Green Bond Principles**").

The ProCredit Group appointed Sustainalytics BV ("**Sustainalytics**") who has provided a second party opinion (the "**Second Party Opinion**") on the alignment of the Green Bond Framework with the Green Bond Principles.

For a summary of the Green Financing Framework please refer to the section "*Use of Proceeds*" in this Prospectus.

The Green Bond Framework and the Second Party Opinion (as defined below) can be accessed on the website of the Issuer (<https://www.procredit-holding.com/investor-relations/information-for-debt-investors/green-bond/>). For the avoidance of doubt, neither the Green Bond Framework nor the content of the website or the Second Party Opinion (as defined below) or any other document related thereto are incorporated by reference into or form part of this Prospectus.

The second party opinion providers and providers of similar opinions and certifications are not currently subject to any specific regulatory or other regime or oversight. The Second Party Opinion and any such other opinion or certification is not, nor should be deemed to be, a recommendation by the Issuer, the Sole Bookrunner or any second party opinion provider such as Sustainalytics, or any other person to buy, sell or hold any Notes. For more information regarding the assessment methodologies used to determine the Second Party Opinion, please refer to Sustainalytics' website (which website does not form a part of, nor is incorporated by reference in, this Prospectus). None of the Sole Bookrunner, any of its affiliates or any other person mentioned in this Prospectus makes any representation as to the suitability of such sustainable financing instruments to fulfil environmental, social and/or sustainability criteria required by any prospective

investors. The Sole Bookrunner has not undertaken, nor is responsible for, any assessment of the Green Bond Framework or the Eligible Green Assets, any verification of whether any Eligible Green Asset meets the criteria set out in the Green Bond Framework or the monitoring of the use of proceeds.

The Notes will not qualify as "European Green Bonds". The Notes will only comply with the criteria and processes set out in the Green Bond Framework.

MIFID II PRODUCT GOVERNANCE / TARGET MARKET: PROFESSIONAL INVESTORS AND ECPS ONLY

Solely for the purposes of the manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**Distributor**") should take into consideration the manufacturers' target market assessment; however, a Distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.

UK MIFIR PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET

Solely for the purposes of the manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook, and professional clients, as defined in Regulation (EU) No 600/2014 of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**") ("**UK MiFIR**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any Distributor should take into consideration the manufacturer's target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.

PRIIPS REGULATION / PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the "**FSMA**") and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the

Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

SINGAPORE SECURITIES AND FUTURES ACT PRODUCT CLASSIFICATION

In connection with Section 309B of the Securities and Futures Act 2001 of Singapore (the "**SFA**") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products). For a further description of certain restrictions on offerings and sales of the Notes see "*Subscription and Sale of the Notes – Selling Restrictions.*"

BENCHMARK REGULATION: STATEMENT ON REGISTRATION OF BENCHMARK ADMINISTRATOR

For the period from and including the Reset Date to but excluding the Maturity Date, the Rate of Interest payable under the Notes is calculated by reference to a Reference Rate. Subject to the provision in the Terms and Conditions, the Reference Rate will be the annual swap rate for swap transactions denominated in Euro with a term of five years, which appears on the Refinitiv Screen Page ICESWAP2 with a reference to fixings at 11:00 AM Frankfurt time (as such heading may appear from time to time) at or around 11.00 AM (Frankfurt time) on the relevant Reset Determination Date, and which is provided by ICE Benchmark Administration ("**IBA**"). As of the date of this Prospectus, IBA does not appear on the register of administrators and benchmarks established and maintained by the ESMA pursuant to Article 36 of the BMR.

The annual swap rate for swap transactions denominated in Euro with a term of five years, which appears on the Refinitiv Screen Page ICESWAP2 is calculated with reference to the EURIBOR, which is provided by the European Money Market Institute ("**EMMI**"). As of the date of this Prospectus, EMMI appears on the register of administrators and benchmarks established and maintained by the ESMA pursuant to Article 36 of the BMR.

ALTERNATIVE PERFORMANCE MEASURES

Certain financial measures presented in this Prospectus and in the documents incorporated by reference are not recognized financial measures under International Financial Reporting Standards as adopted by the European Union ("**IFRS**") ("**Alternative Performance Measures**") and may therefore not be considered as an alternative to the financial measures defined in the accounting standards in accordance with generally accepted accounting principles. The Issuer's management believes that this information, when considered in conjunction with measures reported under IFRS, is useful to investors because it provides a basis for measuring the organic operating performance in the periods presented and enhances investors' overall understanding of the Issuer's financial performance. In addition, these measures are used in internal management of the Issuer, along with financial measures reported under IFRS, in measuring the Issuer's performance and comparing it to the performance of its competitors. In addition, because the Issuer has historically reported certain Alternative Performance Measures to investors, the Issuer's management believes that the inclusion of Alternative Performance Measures in this Prospectus provides consistency in the Issuer's financial reporting and thus improves investors' ability to assess the Issuer's trends and performance over multiple periods. Alternative Performance Measures should not be considered in isolation from, or as a substitute for, financial information presented in compliance with IFRS.

STABILIZATION

In connection with the issue of the Notes, Goldman Sachs Bank Europe SE (the "**Stabilization Manager**") (or any person acting on behalf of any Stabilization Manager) may over-allot notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilization may not necessarily occur. Any stabilization action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days

after the Issue Date of the Notes and 60 days after the date of the allotment of the Notes. Any stabilization action or over-allotment must be conducted by the Stabilization Manager (or any person acting on behalf of the Stabilization Manager) in accordance with all applicable laws and rules.

FORWARD-LOOKING STATEMENTS

This Prospectus contains certain forward-looking statements, including statements using the words "*believes*", "*anticipates*", "*intends*", "*expects*" or other similar terms. This applies in particular to statements under the caption "*Description of the Issuer and the Group*" and statements elsewhere in this Prospectus relating to, among other things, the future financial performance, plans and expectations regarding developments in the business of the Issuer and the Group. These forward-looking statements are subject to a number of risks, uncertainties, assumptions and other factors that may cause the actual results, including the financial position and profitability of the Issuer or the Group, to be materially different from or worse than those expressed or implied by these forward-looking statements. Any forward-looking statements in this Prospectus are valid only as of the date on which they are made. Neither the Issuer nor the Sole Bookrunner assume any obligation to update such forward-looking statements contained herein or to reflect any change in their respective expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based and to adapt them to future events or developments.

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RISK FACTORS

Before deciding to purchase the Notes, investors should carefully review and consider the following risk factors and the other information contained in this Prospectus. Should one or more of the risks described below materialize, this may have a material adverse effect on the business, prospects, shareholders' equity, assets, financial position and results of operations (Vermögens-, Finanz- und Ertragslage) or general affairs of the Issuer or the Group. Moreover, if any of these risks occur, the market value of the Notes and the likelihood that the Issuer will be in a position to fulfil its payment obligations under the Notes may decrease, in which case the holders of the Notes (the "Noteholders" and each a "Noteholder") could lose all or part of their investments. Factors which the Issuer believes may be material for the purpose of assessing the market risks associated with the Notes are also described below.

The Issuer believes that the factors described below represent the principal risks inherent in investing in the Notes, but the Issuer may be unable to pay interest, principal or other amounts on or in connection with the Notes for other unknown reasons than those described below. Additional risks of which the Issuer is not presently aware could also affect the business operations of the ProCredit Group and have a material adverse effect on the ProCredit Group's business activities, financial condition and results of operations. Prospective investors should read this section and the detailed information set out elsewhere in this Prospectus (including any documents incorporated by reference herein) and reach their own views prior to making any investment decision. In addition, prospective investors should bear in mind that several of the mentioned risks may occur simultaneously and that their implications can, possibly together with other circumstances, thus be intensified.

Words and expressions defined in the Terms and Conditions shall have the same meanings in this section.

Potential investors should, among other things, consider the following:

Risks relating to the Issuer and the ProCredit Group

Macroeconomic and geopolitical risks

Due to its operations in Ukraine, the Group has been significantly affected by the Russian military actions against Ukraine and the conflict could have further material adverse consequences for the Group.

The Group operates a banking business in Ukraine via a wholly-owned subsidiary of the Issuer ("**ProCredit Ukraine**"). As of 31 December 2023, the loan portfolio of ProCredit Ukraine amounted to EUR 497.3 million and contributed 8% to the total portfolio of the Group.

The Russian military actions against Ukraine (the "**Russo-Ukrainian War**") have had and continue to have a significant impact on ProCredit Ukraine's loan portfolio and have led to a substantial increase in the bank's loss allowances. In the first half of 2022, a large part of the loan portfolio in Ukraine was under a moratorium, which expired in August 2022. Throughout 2022, the Group reassessed the risk classification of all its Ukrainian exposures. In 2022, loss allowances in the amount of EUR 86.7 million were booked on the ProCredit Ukraine level. In 2023, this amount was reduced to EUR 5.5 million. In order to have a better overview and facilitate the Group's response, it sub-divided its loan portfolio into different geographical zones, which the Group continuously reassesses based on their risk with respect to the Russo-Ukrainian War. Exposures to customers whose business activities are exclusively in occupied territories or exclusively in close proximity to military activities are considered defaulted. As of 31 December 2023, these exposures accounted for about 4% of ProCredit Ukraine's total loan portfolio (31 December 2022: 10.1%). The overall share of defaulted loans in Ukraine was 11.9% in 2022 and 7.3% in 2023. The impact on its customers in the other zones is continuously monitored by the Group, particularly regarding such customers' repayment capacity. The frequency and intensity of such monitoring is linked to the respective zone and related identified risks. If necessary, clients are downgraded and/or exposures are restructured.

New business in Ukraine has also sharply declined as a result of the Russo-Ukrainian War. Moreover, due to the expiry of the Initiative on the Safe Transportation of Grain and Foodstuffs from Ukrainian Ports in July 2023, customers from the agricultural sector, which represent a significant portion of ProCredit Ukraine's customers, were limited in exporting

grain via maritime shipments due to military actions in the Black Sea resulting from the Russo-Ukrainian War. Due to resulting restricted options to export their grain and thus generate turnover, the economic situation of these clients deteriorated, which could have a material impact on their ability to repay granted loans or other financing provided by the Group. Consequently, the risk classification of some of these customers was adjusted in 2023, and there is a risk that further customers could face downgrades or reclassifications, as even as such customers find alternative methods to export grain, grain prices have been volatile due to the conflict.

The ongoing state of the Russo-Ukrainian War, the uncertainty of its development and the related political and economic uncertainty could further worsen the quality of the Group's loan portfolio in Ukraine and thus that of the overall Group.

In addition to the direct financial and economic impact, the Russo-Ukrainian War has had and could continue to have a material negative impact on ProCredit Ukraine in other ways. This concerns areas such as the safety of the Group's employees, an increased frequency of cyber threats such as hacker attacks, interruptions in the supply of electricity and other restrictions that could have a significant negative impact on the operations of ProCredit Ukraine.

Finally, the Russo-Ukrainian War has had and continues to have significant negative effects on the global economy which could also negatively affect the Group and its end-clients in other countries of operation (see "*The ProCredit Group is exposed to risks arising from the general macro-economic environment and geopolitical tensions.*"), including as a result of new economic and or political blocs and in regard to supply chain interruptions, economic slowdowns, inflationary pressure and energy availability.

The realization of any of these risks could affect the business operations of the ProCredit Group and have a material adverse effect on its business activities, financial condition and results of operations.

The ProCredit Group is exposed to risks arising from the general macro-economic environment and geopolitical tensions.

The ProCredit Group's principal business is the financing of small and medium enterprises ("SMEs") and direct banking for private clients. The financial services industry generally prospers in conditions of economic growth, a stable geopolitical situation, transparent, liquid and buoyant capital markets and positive investor sentiment. During recessionary or stagnating periods, there may be less demand for loan products and creditors' ability to service loan products may be affected as a greater number of customers may default on their loans and other obligations.

Stagnating or deteriorating macroeconomic conditions may have a particular impact on the business development and therefore the financial strength of the Group's customers. As SMEs, the Group's customers typically lack the provisions and diversified income streams of larger enterprises. A material deterioration in conditions in one sector or the overall economy could therefore have a disproportionately strong impact on the Group's customers. This applies in particular to the agricultural sector, in which a significant proportion of the Group's customers are active.

Interest rate increases may also have a negative impact on the demand for loan products. As a financial services institution, the ProCredit Group is thus affected by changing conditions in the global financial markets, economic conditions generally and perceptions of those conditions and future economic prospects, which can cause its financial condition and results of operations to fluctuate from year to year as well as on a long-term basis.

The global economy has in the recent period been and continues to be characterized by volatility, uncertainty and declining growth, particularly in Europe. High debt levels, increased interest rates, elevated inflation, and the move towards more restrictive monetary policy, particularly in the European Union ("EU") and the United States of America ("**United States**"), and related vulnerabilities in the banking sector have in the recent past resulted and could in the future result in shocks to the global economy. Deglobalization and the associated decoupling of global supply chains, persistent supply shortages in raw materials, intermediate products and transport capacities, decreased energy availability, high energy prices and restructuring of energy policies, protectionist tendencies, terrorist activities, natural disasters or the spread of infectious diseases may have a corresponding impact on the global economy. This global trend is also reflected for example in the increased likelihood of a recession in Germany and is indicated in the general forecasts for a stagnating or only slight growth of Germany's economy. Such a recession could directly impact the customers of the Group with

business in Germany or the EU as well as indirectly impact customers with business outside of Germany or the EU should their respective economies contract as a result.

Further, ongoing wars, armed conflicts such as the escalation of the conflict between Israel and Hamas, related retaliatory actions by Iran and its proxies including trade route disruptions in the Red Sea and geopolitical tensions in other regions have had and may continue to have significant negative effects on the global economy. In particular, the Russo-Ukrainian War and the sanctions and export-control measures instituted by the EU, the United Kingdom, the United States, Canada and Japan, among others, against Russian and Belarusian entities and individuals in response have contributed and will likely continue to contribute to increased inflationary pressures (including increased prices for oil and natural gas), gas supply shortages, supply chain disruptions, market volatility and economic uncertainty, particularly in Europe. Furthermore, since the start of the Russo-Ukrainian War and the opening of accession talks with the EU, Moldova as a neighboring country of Ukraine has become subject to an increased number of cyber-attacks and could face hybrid attacks.

In addition, 2024 has been and may continue to be characterized by increased political uncertainty due to elections in key economies and countries of geopolitical importance such as the United States, Taiwan, Russia, India and the European Union.

Consequently, weaker macroeconomic conditions may lead to a decline in credit quality and loan portfolio growth, as well as further corrections in prices of real estate and other property held as collateral for loans, which may lead to large loan impairment charges.

As a result, the performance of the ProCredit Group will continue to be influenced by conditions in the global, and especially European, economies and the performance of global markets.

The realization of any of these risks could affect the business operations of the ProCredit Group and have a material adverse effect on its business activities, financial condition and results of operations.

The ProCredit Group could be negatively affected by the prevailing interest rate environment.

Against the backdrop of economic uncertainty and to tackle rising inflation in the eurozone, the European Central Bank ("ECB") raised interest rate levels in 2022 and 2023 to a rate of 4.5%. Since then, the ECB announced in its following decisions starting in October 2023 to keep the key ECB interest rates unchanged. Other central banks of relevance to the Group, including those of Bulgaria, Serbia and Kosovo similarly increased interest rates in 2022 and 2023. While rates in these countries have generally plateaued or moderately decreased in recent months, they remain above recent historical levels. If, contrary to expectations, there is a renewed rise in interest rates, this could, among other effects, undermine further economic growth, contribute to regional or global economic recessions, increase borrowing costs and reduce repayment capacity on the client-level.

In addition, volatility in global credit, currency and equity markets may result in uncertainty that could affect all financial institutions, including the ProCredit Group. Future market volatility may lead to the following negative effects (among others) for the banking industry:

- increased cost of funding and/or reduced availability of funding;
- deterioration in the value and liquidity of assets (including collateral);
- inability to price, or difficulty in pricing, certain assets on balance sheets;
- higher provisions for bad and doubtful debts;
- increased likelihood of customer and counterparty default and credit losses;
- increased economic exposures from hedging activities; and
- lower growth, business revenues and earnings.

The realization of any of these risks could affect the business operations of the ProCredit Group and have a material adverse effect on its business activities, financial condition and results of operations.

Risks relating to the business of the ProCredit Group

The ProCredit Group is exposed to credit risk, the risk of impairments and write-downs in relation to its loans and advances and the risk that the relevant collateral may not be sufficient.

The ProCredit Group defines credit risk as the risk that the party to a transaction cannot fulfil its contractual obligations in full or on time. Within overall credit risk, the ProCredit Group distinguishes between customer credit risk, counterparty risk (including issuer risk) and country risk. As a consequence of the ProCredit Group's business model, credit exposures to customers dominate the balance sheets of both the individual ProCredit banks in the Group (each a "**ProCredit Bank**" and together, the "**ProCredit Banks**") and the ProCredit Group. Credit risk is the most significant risk which the ProCredit Group faces and customer credit exposures account for the largest share of that risk.

The Group collateralizes loans mostly with mortgages as an instrument for limiting credit risk. Although the largest share of the collateral is concentrated in real estate, it is diversified across regions, countries and economic sectors, similar to the distribution of the loan portfolio of the Group. If the economic situation in relation to any of the debtors of the ProCredit Group changes, the Group may have to recognize impairment losses or write down individual claims against debtors. A deterioration in the economic situation of customers, a default by customers or impairments of collateral may require the ProCredit Group to increase allowances for credit losses to cover actual or potential credit default risks and/or may expose the Group to higher regulatory capital requirements due to an increase in the amount of regulatory capital which must be held against the relevant asset.

The ProCredit Group is also exposed to risks arising from higher than expected non-performing loans. Furthermore, the current elevated interest rates could result in lower asset values or asset/investment returns for the respective customers of the ProCredit Group, which could increase the risk of default on loans granted to such customers by the Group. Regarding collateral, the ProCredit Group is also exposed to the risk that collateral granted to it as security is or could become insufficient to cover the full loan amount.

ESG-related risks can arise as a part of credit risk, particularly in the case of customers involved in the agricultural or in carbon dioxide emission intensive sectors. See "*The nature of the customer base of the ProCredit Group entails inherent risks, including climate risks.*" Further, the credit risk of the Group may be exacerbated by external events, such as the Russo-Ukrainian War (see "*Due to its operations in Ukraine, the Group has been significantly affected by the Russian military actions against Ukraine and the conflict could have further material adverse consequences for the Group.*") and a worsening of the overall macroeconomic environment (see "*The ProCredit Group is exposed to risks arising from the general macro-economic environment and geopolitical tensions.*").

The realization of any of these risks could affect the business operations of the ProCredit Group and have a material adverse effect on its business activities, financial condition and results of operations.

The Group is exposed to risks with regard to its business activities in emerging markets.

The Group operates in emerging markets such as Ecuador and throughout Eastern and South Eastern Europe.

Emerging markets generally do not have in place the full business, legal and regulatory structures that commonly exist in more mature free market economies. Thus, the Group's operations are exposed to risks common to regions undergoing political, economic and social changes, including – but not limited to – currency fluctuations, exchange control restrictions, an evolving regulatory environment, inflation or deflation, economic recession, restrictions on the movement of people, local market disruption and labor unrest or even military disputes (including between neighboring nations). Such risks common to emerging markets recently became apparent in countries where the Group operates. For example, in January 2024, a state of emergency was declared by the government of Ecuador due to a deterioration of the general security situation caused by gang activity. The general business and consumer environment in Ecuador was impacted negatively as a result, as many businesses in large cities had to reduce their operations. Furthermore, there are ethnic, political, economic and military conflicts and tensions between Serbia, Bosnia and Kosovo which resurface from time to time.

While political, fiscal and monetary reforms have been implemented in a number of the emerging markets in which the Group operates, new laws, regulations, and case law applicable to the securities and financial services industries and many of the transactions in which the ProCredit Group is involved are still evolving in many of these markets. The legal basis of transactions entered into in the past may be brought into question as a result. Moreover, many of the laws and courts of these countries have not been fully tested in contract enforcement and other types of commercial disputes. These conditions could lead to delays in enforcement proceedings, restructurings, and other aspects of the ProCredit Group's operations in these markets, which in the worst case could negatively impact the Group financially.

The realization of any of these risks could affect the business operations of the ProCredit Group and have a material adverse effect on its business activities, financial condition and results of operations.

The nature of the customer base of the ProCredit Group entails inherent risks, including ESG risks.

The customers of the Group are predominately SMEs operating in emerging markets. In addition to the typical risks associated with the lending business, such as a default of the borrower due to commercial failure or poor business management, the Group is exposed to risks arising from the vulnerability of its customer base to external factors.

The Group's customers are often only active in specific locations and regions and only in individual sectors of the economy. This lack of diversification, which is typical for SMEs, makes the Group's customers more vulnerable to negative external influences. In addition to (macro)economic, political, social and security factors, the Group's customers, particularly those active in agricultural or carbon dioxide emission intensive sectors, can be significantly affected by ESG risks, including the various physical and transition risks triggered by climate change. Physical risks of climate change include increasing global temperatures, droughts, forest fires, input shortages and crop and livestock diseases, while transition risks include, among others, changes to subsidies regimes, increases in commodity prices and risks associated with compliance with regulations and policies intended to support the transition to a lower-carbon and more sustainable economy. Relatedly, the Group's customers may also be significantly affected by natural disasters (e.g., flooding and storms) and natural events (e.g., earthquakes and their associated effects). A failure by the Group's customers to manage certain of these risks could also expose such customers, and therefore indirectly the Group, to reputational damage.

As SMEs are typically not able to maintain substantial financial reserves, the occurrence of an adverse external event or a sudden change of the prevailing conditions can lead to a rapid deterioration of their economic situation or consequently their ability to meet their obligations under loans and other financing arrangements.

The worsening political and economic conditions in many regions and the increased occurrence of natural disasters as a result of climate change could significantly increase the frequency of such external events.

If a negative external event or factor affects a large group of clients of the Group at the same time (for example a flood in one of the regions in which a ProCredit Bank is active), this could lead to a concentration of credit risk at the respective ProCredit Bank and thus affect the entire Group (see "*The ProCredit Group is exposed to credit risk, the risk of impairments and write-downs in relation to its loans and advances and the risk that the relevant collateral may not be sufficient.*").

The realization of any of these risks could affect the business operations of the ProCredit Group and have a material adverse effect on its business activities, financial condition and results of operations.

The ProCredit Group is subject to counterparty and issuer risk due to the liquidity invested in the financial markets.

The ProCredit Group defines counterparty risk, including issuer risk, as the risk that a counterparty/issuer cannot fulfil its contractual obligations at all, not in full or not on time. Counterparty risk in the ProCredit Group mainly arises from keeping highly liquid assets for the purpose of managing liquidity. There are also structural exposures towards national central banks in the form of mandatory minimum reserves. The typical counterparties of the Group are central banks, central governments and commercial banks. The main exposures are account balances, short-term temporary domestic assignments, highly liquid securities, and, to a very limited extent, simple derivative instruments for liquidity management and hedging purposes (mostly interest rate swaps and foreign currency forwards and swaps). The Group predominantly invests liquidity in domestic currency in central bank papers or sovereign bonds in the respective country. On the other

hand, the Group generally invests Euro and U.S. dollars in OECD sovereigns or securities issued by multilaterals with a high international rating. The Group expects its counterparty exposure to increase within established limits in the near term due to higher liquidity reserves and a strategic focus on increasing deposit portfolio growth.

Counterparty risk has historically been greater during periods of economic downturn or rumors or skepticism about financial institutions or the banking or financial industry in general. A default by any counterparty may require the ProCredit Group to recognize losses and/or adversely affect the market price of its securities portfolio and/or may expose the ProCredit Group to higher capital requirements due to an increase in the amount of regulatory capital which must be held against the relevant counterparty and issuer exposures. In particular, the Russo-Ukrainian War led to a downgrade of Ukraine by all major rating agencies. The Group's counterparty and issuer risk in Ukraine consists primarily of exposures towards the National Bank of Ukraine in the national currency. The ongoing state of the Russo-Ukrainian War and the uncertainty of its development could further expand this exposure. Further, in August 2023, Ecuador was downgraded by Fitch Ratings Ireland Limited ("**Fitch**") due to an increasingly challenged financial environment.

The realization of any of these risks could affect the business operations of the ProCredit Group and have a material adverse effect on its business activities, financial condition and results of operations.

The ProCredit Group is subject to country risk due to cross-border exposures.

Due to its international operations, cross-border country risks may arise for the ProCredit Group from circumstances and events in which the Group may not be able to enforce rights over certain assets in a foreign country or in which a counterparty in a foreign country is unable to perform an obligation.

Relevant circumstances and events include, among others, the following:

- transfer restrictions, *i.e.*, an entity, although willing to do so, is unable to pay back a loan or to transfer dividends because the government of a foreign country introduced restrictions;
- convertibility restrictions, *i.e.*, the government of a foreign country prevents an entity from freely converting local currency to foreign currency, especially hard currency, at a free market rate; or
- expropriation on cross-border exposures, *i.e.*, the government of a foreign country directly or indirectly intervenes in the business operations of a ProCredit Bank by nationalizing or seizing assets.

Within the ProCredit Group, country risk is incurred mainly by the Issuer and its subsidiary ProCredit Bank AG in Germany. Both entities have cross-border exposures resulting from providing funding and/or equity to ProCredit Banks and from lending activities with clients abroad. Moreover, the Russo-Ukrainian War and the associated level of political and macroeconomic uncertainty (see "*Due to its operations in Ukraine, the Group has been significantly affected by the Russian military actions against Ukraine and the conflict could have further material adverse consequences for the Group.*") represent substantial country risk.

The realization of any of these risks could affect the business operations of the ProCredit Group and have a material adverse effect on its business activities, financial condition and results of operations.

The ProCredit Group is exposed to operational risks inherent to the banking industry such as human error, system failures, cybersecurity risks, fraud or an inability to fully protect know-how in the local banking sectors.

By its nature, the banking industry is subject to numerous and substantial operational risks, in particular in the emerging economies in which the ProCredit Group operates. These risks include, in particular, the possibility of inadequate or failed internal processes, people or systems (*e.g.*, failure of data-processing systems, cybersecurity risks, embezzlement, fraud, human error, faulty processes, structural weaknesses and insufficient monitoring). Violations of applicable laws, regulations and rules may lead to civil and/or criminal investigations which could result in fines or other measures (*e.g.*, violations in connection with combating money laundering and the financing of terrorism or other acts punishable by law, see also "*Measures taken by the ProCredit Group to protect data and ensure its confidentiality may prove to be inadequate.*") as well as reputational damage.

Moreover, external events such as criminal activities, natural disasters or other states of emergency, such as the Russo-Ukrainian War (see "*Due to its operations in Ukraine, the Group has been significantly affected by the Russian military actions against Ukraine and the conflict could have further material adverse consequences for the Group.*"), may significantly impair the environment in which the Group is active and thus indirectly affect the Group's internal processes. Such events may result in the Group incurring substantial losses as well as reputational damage. The Group endeavors to prevent the occurrence of operational risks by implementing appropriate control processes tailored to its business and the market and regulatory environment in which it operates. However, it is possible that these measures may prove ineffective.

The realization of any of these risks could affect the business operations of the ProCredit Group and have a material adverse effect on its business activities, financial condition and results of operations.

*The ProCredit Group depends to a large extent on the use of complex information and communication technology, which is provided almost exclusively by a single information technology service and software provider, the wholly-owned subsidiary of the Issuer QUIPU GmbH ("**Quipu**"), the functionality of which may be impaired by internal and external factors.*

International banking operations are increasingly dependent on highly sophisticated information technology ("**IT**") systems, modern telecommunication media and other technical systems, in particular regarding risk management and payment transactions. Such IT systems are vulnerable to cybersecurity risks such as computer viruses and other malware, physical damage to IT centers as well as software errors, hardware failure and improper operation due to human error.

In addition, it is possible that a malfunction of the Group's data system security measures could enable unauthorized persons to access sensitive business data, including information relating to its intellectual property, business strategy or confidential customer data. Unauthorized disclosure, modification or loss of confidential, personally identifiable or sensitive data or other operational failures may occur through a variety of methods. Information security risks have generally increased in recent years, in part because of the proliferation of new technologies and the use of the internet, such as the increased trend towards digitalization in banking, as well as the increased sophistication and activity of organized crime, hackers, terrorists, activists, cybercriminals and other external parties, some of which may be linked to terrorist organizations or hostile foreign governments. The risk of such attacks has recently further increased as a result of the Russo-Ukrainian War.

IT systems require regular adjustments and updates in order to meet changing business needs and requirements by supervisory authorities. This places considerable demands on the functionality of the ProCredit Group's IT systems. If the ProCredit Group is unable to make the necessary adjustments and updates to its IT systems, this may result in disruptions to business transactions, datasets that contain errors, calculations that do not meet the requirements of banking regulations, and other disruptions and risks, the scope and materiality of which are difficult to predict.

The core banking software of the Group, which is used by the great majority of the ProCredit Banks, is provided by a single software solutions provider, Quipu. If Quipu is unable to provide the ProCredit Group with continued support or to adequately meet the Group's needs in the future, the ProCredit Group would be required to migrate to a different software solution. This migration could require a considerable investment of time and resources by the Group and could materially disrupt its business and operations.

Any partial or complete failure of the IT or telecommunication systems on which the ProCredit Group relies could have a considerable negative impact on the ProCredit Group's operations and may result in the temporary discontinuation of operations, the Group suffering reputational damage, claims for damages and the loss of customers.

The realization of any of these risks could affect the business operations of the ProCredit Group and have a material adverse effect on its business activities, financial condition and results of operations.

The Group may fail to comply with banking secrecy, information security and data protection regulations.

Non-compliance with evolving banking secrecy, information security and data protection regulations could damage ProCredit's reputation and adversely impact the Group's financial condition. EU and national regulatory authorities have

implemented or are considering a number of legislative changes or regulations concerning data protection and cybersecurity which have required or may require the Group to incur additional expenses.

The customer, staff and market data that the ProCredit Group collects and processes in the ordinary course of its business is crucial for its business activities. This data is however subject to data protection laws in the countries in which the ProCredit Group operates or to confidentiality arrangements as a result of certain fiduciary relationships or otherwise. For example, in 2018, the General Data Protection Regulation ("**GDPR**") entered into force in all European Union member states, providing for substantial changes in the regulatory landscape of data protection. GDPR is complex and it cannot be guaranteed that the Group's compliance systems are actually sufficient to control the risks associated with the GDPR and other relevant data protection regulations. It cannot be ruled out that these systems may prove to be inadequate or that the confidentiality of protected data may be violated, including by third parties that gain (virtual or physical) access to the ProCredit Group's systems without authorization. In addition, the Group is subject to the laws and regulations concerning banking secrecy, which entails additional organizational and process requirements.

In particular, should the Group violate essential provisions of the GDPR, substantial fines of up to 4% of the worldwide annual turnover or EUR 20 million (whichever is higher) may be imposed. In addition to the financial damage the Group may suffer, violations of the GDPR or other applicable data protection laws may also cause considerable damage to its reputation, a loss of customers, claims for damages or could result in criminal prosecution or regulatory actions against it.

From 2025, the Group will be subject to the requirements imposed by the Regulation (EU) 2022/2554 on digital operational resilience for the financial sector ("**DORA**"). DORA sets uniform requirements for the security of network and information systems of companies and organizations operating in the financial sector as well as critical third parties which provide information communication technologies-related services to them, such as cloud platforms or data analytics services. The implementation of these requirements could entail additional costs and expenses for the Group and a breach of the relevant requirements could have significant negative consequences for the Group.

The realization of any of these risks could affect the business operations of the ProCredit Group and have a material adverse effect on its business activities, financial condition and results of operations.

The ProCredit Group's risk management strategies and procedures may be insufficient to limit risks and may leave it exposed to unidentified or unanticipated risks.

The ProCredit Group utilizes strategies and procedures to manage risks and has implemented a risk management system, aimed at defining the concepts, objectives, and procedures related to conscious risk appetite through quantitative and qualitative models covering the types of risks already experienced by the Group as well as the types that it could be exposed to in the future. These strategies and procedures may, under certain circumstances, fail, notably if the Group is faced with risks that it failed to identify or properly assess. Several risk management methods of the Issuer are based on observations of historical market behavior. Statistical methods are applied to these observations to assess the risks to which the Issuer is exposed. These statistical methods might not adequately assess the risks the Group faces if circumstances occur that were not observed in the historical information or last occurred a long time ago. If circumstances arise that the ProCredit Group did not identify or correctly assess in developing its statistical models, losses could be greater than the maximum losses envisaged under its risk management system. Furthermore, the assessments might not take all risks or market conditions into account.

Risk management requires senior management to make complex judgements, including decisions (based on assumptions about economic factors) about the level and types of risk that the ProCredit Group is willing to accept in order to achieve its business objectives, the maximum level of risk the Group can assume before breaching constraints determined by regulatory capital and liquidity needs and its regulatory and legal obligations, including, among other things, from a conduct and prudential perspective. Given these complexities and the dynamic environment in which the ProCredit Group operates as a regulated financial institution, the decisions made by senior management may not be appropriate or yield the results expected. In addition, senior management may be unable to recognize emerging risks for the ProCredit Group quickly enough to take appropriate action in a timely manner.

If the measures used to assess and mitigate risks prove unsuccessful, the ProCredit Group may experience material unanticipated losses, which could have a material adverse effect on its business activities, financial condition and results of operations.

The Group's business is subject to many operational risks for which it may not be adequately insured.

The Group believes that the Issuer and the ProCredit Banks have reasonable insurance protection, to the extent customary in the banking sector. However, there is no guarantee that insurances cover every possible future loss, or that the terms of currently implemented insurance policies will be sufficient to cover losses as they occur and the Group cannot guarantee that it will be able to renew its current insurance policies on favorable terms, or at all. In addition, if the Group or other financial services providers sustain significant losses or make significant insurance claims, the ability of the Group to obtain future insurance coverage at commercially reasonable rates could be materially adversely affected. While the Group has purchased what it deems to be insurance coverage customary in the banking sector, such coverage is subject to limitations or exclusions, deductibles and maximum limits of insurance.

The realization of any such risk not or not fully covered by insurance could have a material adverse effect on the Group's business activities, financial condition and results of operations.

Resignation or loss of key personnel, including members of the Management Board, and possible difficulties in recruiting or retaining qualified employees could adversely affect the ProCredit Group's ability to execute its strategy.

The ProCredit Group's key personnel, *i.e.*, the management of the Issuer and other members of its senior management, have been essential in establishing and implementing the Group's key strategies. In addition, the ProCredit Group needs to attract new talent to be able to compete in the national and international banking market, which efforts could be impeded. For example, emerging competitors from the FinTech industry as well as employers in other industries competing for talent with the ProCredit Group (such as consulting firms or auditors) or employers in other jurisdictions may be able to offer more attractive remuneration packages than the Group. If the ProCredit Group is unable to retain the services of one or more members of its management, it may not succeed in attracting individuals with equal qualifications and comparable experience within a suitable time period or at adequate terms. In general, the Group may also not be able to attract, recruit and retain the highly skilled employees that it needs to support the implementation of its strategy and its intended future growth.

The loss of management or other key personnel or a failure in recruiting new or replacing departing personnel could thus have a material adverse effect on the Group's business activities, financial condition and results of operations.

The ProCredit Group relies extensively on models in managing many aspects of its business, and if they are not accurate or are misinterpreted, it could have a material adverse effect on the Group's business and results of operations.

The ProCredit Group relies extensively on models in managing many aspects of its business, including liquidity and capital planning (including stress testing), customer risk assessment, credit and other risk management, pricing, reserving and collections management.

The models may prove in practice to be less predictive than the Group expects for a variety of reasons, including as a result of errors in constructing, interpreting or using the models or the use of inaccurate assumptions (including failures to update assumptions appropriately or in a timely manner). The Group's assumptions may be inaccurate for many reasons, including that they often involve matters that are inherently difficult to predict and beyond the Issuer's control (for example, macroeconomic conditions and their impact on counterparty and customer behavior) and they often involve complex interactions between a number of dependent and independent variables, factors and other assumptions. Errors or inaccuracies in the ProCredit Group's models may be material, which could lead the Group to make wrong or sub-optimal decisions in managing its business. This could have a material adverse effect on the Group's business activities, financial condition and results of operations.

Financial risks

The ProCredit Group is exposed to liquidity and refinancing risks which may negatively affect its ability to fulfil its obligations.

The ProCredit Group has significant liquidity needs since it refinances its operations primarily through customer deposits, supplemented by funding through international organizations and, to a lesser extent, local bond issues.

Due to the nature of its core business activities, the ProCredit Group depends on external funding and is exposed to various funding risks. Any future growth of the ProCredit Group depends on the continued availability of customer deposits and other sources to fund the lending business and to meet its capital needs or regulatory capital requirements. For example, the volume of customer deposits and other local funding available might decrease or may only be available at higher costs due to market developments or changes in the economic climate in one or more local markets. As a result, the Group's funding may cease to be available or might become more expensive. In the future, the Group might thus need or desire to raise capital through public or private financing. Such financing might not be available on acceptable terms, or at all. Factors that could increase the difficulty of obtaining capital include, but are not necessarily limited to, a further deterioration in general economic conditions globally or in the markets in which the ProCredit Group operates, continuing high interest rates, a deterioration in the ProCredit Group's financial results or condition, insufficient competition among banks or other potential sources of financing, insufficient demand for securities in the debt or equity capital markets, changes in credit ratings, and natural disasters. Any inability to raise capital as needed could harm the ProCredit Group's business, financial condition and results of operations.

External refinancing sources may become – possibly within a very short time period – insufficient and/or more expensive in the future. Any further increase in interest rates levels may adversely impact the liquidity available for the ProCredit Group through debt instruments (secured and unsecured). A lack of liquidity in the market for unsecured funding would also negatively affect the ProCredit Group.

Further, some financing agreements the Group has entered into with other banks, other financial institutions or other creditors contain restrictions, undertakings, warranties, limitations as to further financing, covenants and definitions of events of default that may reduce the Group's financial and operational flexibility. Any breach of these clauses could trigger an immediate and substantial need for refinancing (see "*The Group is exposed to risks in relation to certain provisions under its financing arrangements.*" below).

In extreme market situations, one or more of the ProCredit Banks may have to repay significant deposit amounts and may not be able to close the resulting funding gap with debt instruments or other funding means, including the realization of liquid assets. If the ProCredit Group is not able to provide the relevant ProCredit Bank with appropriate intra-group funding due to a lack of the necessary funds or other factors, including regulatory limitations, the relevant bank may not be able to fulfil its payment obligations partly, at all or in a timely manner. The lending business of the relevant ProCredit Bank could be adversely affected and it may also be forced to reduce its lending business, which in turn could lead to a loss of customers or reputation and might lead to the imposition of regulatory sanctions or even cause the insolvency of the relevant ProCredit Bank. Any such event could make funding more expensive, inefficient or even unavailable to the ProCredit Group as a whole.

The realization of any of these risks could affect the business operations of the ProCredit Group and have a material adverse effect on its business activities, financial condition and results of operations.

The Group is exposed to risks in relation to certain provisions under its financing arrangements.

A large portion of the Group's financing agreements require the respective borrower, *i.e.*, the Issuer or the relevant ProCredit Bank, to comply with certain covenants, representations and undertakings. These clauses require, for example, the maintenance of a certain credit rating of the borrower or guarantor or only provide for very short grace periods for the remedying of outstanding obligations before an event of default occurs under the respective contract.

Due to the large number of financing agreements the Group enters into, complex and interrelated clauses and possibly due to external factors that cannot be influenced by the Group, there can be no assurance that the Issuer and its subsidiaries will be able to comply with each of these provisions at any given time.

If the Issuer or its subsidiaries fail to comply with relevant contractual provisions and the respective lenders do not grant a waiver, a default or early repayment event could result under the relevant financing arrangement, which then could be declared to be immediately due and payable and/or would become immediately due and payable. The Issuer or the respective subsidiary may, however, not be able to obtain the funds required to make payments when due, in particular in the event its obligations are accelerated due to a default.

Further, certain financing arrangements of the Issuer contain covenants which give creditors the right to demand immediate repayment of the relevant instruments in the event of a payment default by a material subsidiary of the Issuer of a payment obligation in excess of a certain threshold amount or in the case of an insolvency or similar event with respect to a material subsidiary.

In addition, indebtedness under other financing arrangements of the Group that contain cross-default or cross-acceleration provisions also may be accelerated and become due and payable in the event of a default under another financing agreement. The relevant lenders therefore could also require the Issuer or its subsidiaries to apply all available cash to repay the borrowings or prevent it from making debt service payments on these financing arrangements, any of which would lead to a default thereunder.

Although the Group has very good and long-standing relationships with its main lenders, it cannot be ruled out that a breach of contract by the Issuer or another member of the Group under one financing agreement would have far-reaching consequences for a large number of other financing arrangements. There is no guarantee that the Group would have sufficient liquidity to service all claims in the event of a widespread premature termination of financing arrangements or that a comprehensive refinancing of such liabilities could be successfully implemented in due course.

The realization of any of these risks could affect the business operations of the ProCredit Group and have a material adverse effect on its business activities, financial condition and results of operations.

A decline in one of the ProCredit Group's ratings may adversely affect the Group's ability to refinance itself and/or increase its refinancing costs.

The rating agency Fitch evaluates the creditworthiness of the Group in order to publish an assessment of whether the Group will be in a position to meet its contractually agreed credit obligations in the future.

The Issuer, ProCredit Bank AG in Germany and the ProCredit Banks in Eastern and South Eastern Europe and Ecuador were awarded ratings from Fitch (ranging from BBB (for the Issuer and ProCredit Bank AG in Germany), BBB- (ProCredit Bank (Bulgaria) E.A.D. in Bulgaria, ProCredit Bank AD Skopje in North Macedonia, ProCredit Bank S.A. in Romania and ProCredit Bank a.d. Beograd in Serbia) to CCC- (ProCredit Bank in Ukraine)). The ProCredit Bank in Ecuador (Banco ProCredit S.A.) received a rating of B from Fitch. These ratings take into consideration the respective country ratings, as well as the rating agency's assessment on the propensity and ability of the Issuer to support its subsidiaries.

The ProCredit Group's ratings have traditionally benefitted from the Issuer's shareholder structure and the support the Issuer would receive from its core international financial institution shareholders. A change in Fitch's view of the support available to the Issuer, for example, due to the exit of one or more core shareholders, or a change in their support stance, could negatively affect the Group's issuer default ratings. Consequently, if the strategic role of the Issuer's shareholders changes in the long-term future, such withdrawal of support from the Issuer's major shareholders might negatively affect the ratings in the ProCredit Group.

A credit rating assesses an issuer's creditworthiness by determining the likelihood that it will, in the future, not be in a position to meet its payment obligations as they fall due. The assessment of a borrower's net assets, financial position and results of operations is key to the assigned rating. A rating agency's assessment depends on a number of factors, in particular an entity's business model and associated earnings potential, capitalization, risk positioning, profitability and

refinancing opportunities or liquidity. In addition to these fundamental factors, rating agencies take into consideration debt buffers dependent on volume and ranking of liabilities within the bail-in liability cascade.

Furthermore, the rating of the local ProCredit Banks can be limited by the creditworthiness of the relevant country where such ProCredit Bank is located and engages in lending activities.

A downgrade of the Issuer's or a local ProCredit Bank's rating would have a negative impact on the costs of the Group's refinancing volume, which in turn could force the ProCredit Group to reduce its lending activities or could negatively affect its growth opportunities (see also, "*The Group is exposed to risks in relation to certain provisions under its financing arrangements.*"). Furthermore, a downgrade or the mere possibility of a downgrade of the Issuer's rating or the rating of one of the ProCredit Banks may have a detrimental effect on the respective company's customer relationships and sales of products and services. As the ProCredit Group is only rated by one ratings agency, it may be more vulnerable to adverse rating actions by such rating agency than banks rated by more than one agency and may be at a competitive disadvantage in its funding activities as compared to banks rated by more than one agency. In addition, the Group's rating is also an important comparative element in competition with other banks.

The realization of any of these risks could affect the business operations of the ProCredit Group and have a material adverse effect on its business activities, financial condition and results of operations.

The ProCredit Group is subject to exchange rate risks.

Most ProCredit Banks located outside the eurozone operate both in Euro and other currencies, typically the relevant local currency. Thus, most of the ProCredit Group's assets and liabilities are not denominated in Euro. Moreover, applicable banking supervisory regulations require most ProCredit Banks to hold significant amounts (if not all) of their equity in local currency. This leads to an open currency position on the ProCredit Group level in those local currencies. The Issuer must convert the corresponding accounts of most ProCredit Banks to Euro when preparing its consolidated financial statements, which are reported in Euro. This conversion exposes the ProCredit Group to currency translation risk and may also affect the equity capital of the ProCredit Group.

As of 31 December 2023, the ProCredit Group's aggregate equity was held in a total of ten different local currencies and thus exposed to such a translation risk (as far as such currencies are not subject to Euro fixing). For example, due to the Russo-Ukrainian War, the Ukrainian central bank decided in February 2022 to fix the official exchange rate of the local currency hryvnia to the United States dollar. On 22 July 2022, the Ukrainian central bank set a new exchange rate against the U.S. dollar, resulting in a 25% depreciation of the currency in 2022. The hryvnia further depreciated approximately 6.5% in 2023. This has negatively impacted the translation reserve. Considering that ProCredit Bank in Ecuador is required to keep its capital in United States dollars, as well as that the local currencies in Eastern European countries typically follow movement of the United States dollar against the Euro, there is a certain risk concentration towards that currency.

The realization of any of these risks could affect the business operations of the ProCredit Group and have a material adverse effect on its business activities, financial condition and results of operations.

The ProCredit Group's business is exposed to interest rate risks.

The Group earns interest from loans and other assets and pays interest to depositors and other creditors. If interest rates change, the level of the ProCredit Group's interest income and interest expense will change as well. Specifically, the ProCredit Group is subject to interest rate risk to the extent certain asset and liability positions in the various maturity ranges do not match. Accordingly, the ProCredit Group defines interest rate risk as the risk of incurring losses due to changes in market interest rates which primarily arises from differences between the repricing maturities of assets and liabilities. For open liability-side interest positions (*e.g.*, term deposits), falling market interest rates result in an increase in the market value of the liability positions. For open interest-bearing asset positions (*e.g.*, loans), a renewed rise in market interest rates could result in a decline in the market value of certain asset positions. The ProCredit Group's net interest income will fall in the short term if rates move adversely considering the existing differences in duration between

assets and liabilities. In case of variable rate assets or liabilities, interest rate fluctuations may also cause a reduction in net interest income.

If the ProCredit Group is not successful in managing its open interest positions efficiently in the current high interest rate level environment (see "*The ProCredit Group is exposed to risks arising from the general macro-economic conditions and geopolitical tensions.*") in line with predetermined limits, this could have material adverse effects on the Group's profitability, its risk-bearing capacity and its core capital and total capital ratios.

The realization of any of these risks could affect the business operations of the ProCredit Group and have a material adverse effect on its business activities, financial condition and results of operations.

Regulatory, legal and tax risks

The Issuer is subject to a number of strict and extensive regulatory rules and requirements.

As a German financial holding entity, the Issuer is subject to supervision by the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*, "**BaFin**") within the Single Supervisory Mechanism ("**SSM**") and the Deutsche Bundesbank. Relevant decisions are taken and confirmed by the supervisory college and for the ProCredit Banks in Bulgaria and Romania by the regulatory authorities in their respective countries. Consequently, the Issuer and the ProCredit Group must comply with a number of regulatory rules and requirements at all times which continuously change and become more extensive and stricter.

The national and international regulations of various legislatures, supervisory authorities and standard-setting bodies (*e.g.*, the European Commission, the German legislature, the ECB, BaFin, the Basel Committee on Banking Supervision ("**BCBS**") and the European Banking Authority ("**EBA**")) have made regulatory capital and liquidity standards as well as procedural and reporting requirements for financial institutions increasingly stricter in recent years.

In particular, on 20 May 2019, the European Union adopted Directive (EU) 2019/878 amending Directive 2013/36/EU ("**CRD IV**", and, as amended, the "**CRD V**"), Regulation (EU) 2019/876 amending the Regulation (EU) No 575/2013 ("**CRR**", and, as amended, the "**CRR II**"), Regulation (EU) 2019/877 amending the Council Regulation (EU) No 1024/201 ("**SRM Regulation**", and, as amended, the "**SRM Regulation II**") and Directive (EU) 2019/879 amending the Directive 2014/59/EU ("**BRRD**", and, as amended "**BRRD II**") (all legislative amending acts together the "**Banking Reform Package**"). The Banking Reform Package came into force on 27 June 2019, with certain provisions gradually being phased-in and other provisions subject to national implementation.

While the European Commission proposed on 28 April 2020, for example, to postpone certain requirements of CRR II, such as the leverage ratio buffer, and to extend the transition period applying to the effects of the implementation of IFRS 9 on common equity tier 1 capital to mitigate the effects of the COVID-19 pandemic, as well as certain other mitigating measures, the trend towards more stringent regulatory requirements can be expected to continue in the future, as evidenced by current negotiations relating to the still pending reforms under the framework of "Basel III: Finalizing post-crisis reforms" issued by the BCBS on 7 December 2017 (also called the "**Basel IV**" reforms).

On 27 October 2021, the European Commission published a draft legislative package amending the Capital Requirements Directive 2013/36/EU (the proposed amended directive being referred to as "**CRD VI**") and the Capital Requirement Regulation 575/2013 (the proposed amended directive being referred to as "**CRR III**") for consultation (the "**2021 Banking Package**"). The 2021 Banking Package aims to implement the final Basel IV reforms with some specific changes and to strengthen the resilience of the banking sector to environmental, social and governance ("**ESG**") risks. Trilogue negotiations between the European Council, the European Parliament and the European Commission have been finalized end of November 2023. A publication of the respective legislative package in the official Journal of the EU is expected in the first half of the year 2024. Most of these new rules shall apply as of 1 January 2025 (with multi-year transitional periods for the out-put floor and some other provisions).

The impact of the Basel IV reforms options is expected to lead to a weighted average increase in EU banks' minimum capital requirements after the envisaged transitional period.

Stress tests analyzing the robustness of the banking sector are regularly carried out and published by national and supranational supervisory authorities. The aim of the EU-wide stress test is to assess the resilience of EU banks to a common set of adverse economic developments in order to identify potential risks, inform supervisory decisions and increase market discipline. The Group cannot rule out that, as a result of such stress tests, it may be required to build up additional or higher capital buffers. If a bank fails to build up and maintain the required capital buffers, it will be subject to restrictions on payments on own funds instruments (such as paying dividends, for example), share buybacks, and discretionary compensation payments.

Furthermore, the relevant authorities have set an institution-specific Pillar 2 requirement ("**P2R**"), the institution-specific capital requirement which supplements the minimum capital requirement (known as the Pillar 1 requirement) in cases where the latter underestimates or does not cover certain risks. The P2R is determined as part of the Supervisory Review and Evaluation Process (SREP). The Group cannot rule out that it may be required to build up higher P2R in future.

Compliance with these regulatory rules and requirements, in particular including the ongoing monitoring and implementation of new or amended rules and regulations, cause significant costs and additional effort for the Group and any (factual or alleged) breach of such rules and requirements, such as the 2021 Banking Package and the Basel IV reforms, may result in major regulatory measures and bear significant legal and reputational risk. Furthermore, stricter regulatory rules and requirements, in particular the 2021 Banking Package and the Basel IV reforms, could result in significant capital demand for the Group and/or result in constraints and limitations on the Group's strategy in a form that it has to focus more on capital conservation and raising instead of generating revenue and profit growth.

In addition, the Group is subject to numerous other regulations specific to the banking industry, for example in the areas of data protection and banking secrecy (see "*The Group may fail to comply with banking secrecy, information security and data protection regulations.*") and anti-money laundering and anti-corruption (see "*The ProCredit Group is obliged to comply with applicable rules and regulations, in particular on anti-money laundering and anti-terrorism financing, anti-bribery and corruption, conflicts of interest, fraud prevention, financial sanctions and embargoes as well as capital markets (investor protection and prevention of market abuse).*"), non-compliance with which would have material negative consequences for the Group.

The realization of any of these risks could affect the business operations of the Group and have a material adverse effect on its business activities, financial condition and results of operations.

The Group must comply with its applicable regulatory capital requirements at all times.

The Group must comply with certain regulatory capital requirements (on a consolidated basis (at the level of the Group) see also "*Description of the Issuer and the Group – Capital Requirements – Regulatory Capital Framework*" below) at all times:

- The applicable minimum capital requirements pursuant to Article 92 CRR (the so-called "**Pillar 1 requirements**"). This includes a Common Equity Tier 1 ("**CET 1**") capital ratio of 4.5%, a Tier 1 capital ratio of 6.0% and a total capital ratio of 8.0%.
- The capital requirements imposed by BaFin following the SREP, *i.e.*, the P2R which goes beyond the Pillar 1 requirements. An individual capital add-on pursuant to the SREP was set for the ProCredit Group based on total capital. This add-on is currently 3.5%.
- Furthermore, the Group is subject to an institution-specific countercyclical capital buffer in accordance with Section 10d of the German Banking Act (*Kreditwesengesetz* – "**KWG**"), which amounted to 0.3% as of 31 December 2023. This results from the following: The Bulgarian National Bank increased the countercyclical capital buffer from 1.0% to 2.0% as of October 2023. BaFin set the countercyclical capital buffer for Germany at 0.75%. The National Bank of the Republic of North Macedonia also introduced, for the first time, a countercyclical capital buffer of 0.5% for the 2023 reporting period.

Stricter regulatory capital requirements applicable to the Group and/or any failure to comply with such requirements may result in (unscheduled) additional (quantitative or qualitative) capital demands for the Group, restrictions on making

payments on interest, distributions and dividends, and/or result in constraints and limitations on the Group's strategy in a form that it has to focus on capital conservation and raising instead of generating revenue and profit growth.

The realization of any of these risks could affect the business operations of the ProCredit Group and have a material adverse effect on its business activities, financial condition and results of operations.

The ProCredit Group may fail to comply with ESG standards and expectations, which could adversely impact the Group's business and reputation. At the same time, compliance with certain ESG standards as well as the introduction of new regulatory requirements as regards ESG factors may pose additional challenges to the Group's business and result in increased costs.

The ProCredit Group applies and assesses ESG aspects when selecting its customers and thus when making business and financing decisions.

However, the Group may not always be able to identify and adequately assess the relevant concerns, which may result in a failure to meet ESG standards and expectations of stakeholders or the public. In addition, the Group may not be able to meet the ESG targets and objectives which it has set for itself and communicated to the public. Any such failure could adversely impact the Group's reputation.

At the same time, compliance with certain ESG standards may pose challenges to the Group's business and lead to additional costs. For example, the Group has become increasingly subject to sustainability and risk management related ESG regulations, such as Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector and Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment (the "**EU Taxonomy Regulation**") and the Directive (EU) 2022/2464 on corporate sustainability reporting. These regulations require or will require the Group to include information at an entity level and at a product level with regard to certain financial products on whether it takes into account adverse sustainability impact, whether it promotes environmental or social characteristics and whether it meets one or more of the environmental objectives set out in the EU Taxonomy Regulation. Also, regulations such as the EU Carbon Border Adjustment Mechanism may impose reporting obligations and costs on carbon intensive goods which enter the EU, which could impact the Group and its customers. Additionally, in light of the EBA action plan on sustainable finance, the European Green Deal by the European Commission and other preparatory steps taken by the EU, the Group expects the implementation of ESG factors into the prudential framework by 2025.

These measures could lead to revisions of risk management frameworks, and may, in combination with the objective of transparency and long-termism in financial and economic activity, lead to a shift in the business strategies of financial institutions in general. More specifically, the Group expects that it will become subject to additional regulatory requirements, such as additional disclosure and monitoring obligations regarding ESG aspects of its operations and its business. Also, a green supporting factor and a brown penalizing factor may be introduced by supervisory authorities which are, respectively, a discount and an add-on to the weighting of capital risk for investments in "green" companies or in companies which produce significant greenhouse gas emissions. While it is currently not possible to precisely predict whether and how this regulatory development will affect the Group, it may have various negative implications for the Group's business model and impact it prior to 2025. For example, the Group may face increased costs due to the (expected) introduction of additional regulatory requirements in relation to the ESG factors and may no longer be able to take advantage of certain business opportunities, especially in carbon intensive activities (or only at the cost of higher capital charges and monitoring efforts). In addition, there is a risk that, inadvertently, the Group may falsely declare certain financial products, investments or other measures as compliant with relevant ESG standards which could cause additional costs and reputational damage. Furthermore, costs associated with the physical impacts of climate change or legal risks for those deemed responsible for climate change may negatively affect the financial performance of customers and other counterparties of the ProCredit Banks. This would increase the exposure of the Group to default risks.

The realization of any of these risks could affect the business operations of the ProCredit Group and have a material adverse effect on its business activities, financial condition and results of operations.

The ProCredit Group is subject to risks related to legal disputes, litigation, arbitration and administrative or similar proceedings.

In the course of its normal business operations, members of the Group are involved in legal disputes, litigation, arbitration and administrative or similar proceedings.

Legal, administrative and arbitration proceedings could involve substantial claims for damages, fines or other payments, and consequently may require the Group to make substantial payments, entail significant litigation costs and have a significant negative impact on the reputation of the Group.

Furthermore, in certain emerging markets in which the ProCredit Group operates, the case law applicable to the securities and financial services industries and many of the transactions in which the Group is involved are still evolving and the courts of these countries have not been fully tested in contract enforcement and other types of commercial disputes (see "*The Group is exposed to risks with regard to its business activities in emerging markets.*" above). The outcome of legal disputes in these countries is therefore particularly difficult to predict and proceedings can last for several years.

The realization of any of these risks could affect the business operations of the ProCredit Group and have a material adverse effect on its business activities, financial condition and results of operations.

The ProCredit Group is subject to risks attributable to periodic audits, inspections and similar proceedings conducted by regulators, such as findings of deficiencies.

The ProCredit Group has been, and will remain, subject to periodic audits, inspections and similar proceedings conducted by regulators which focus on the ProCredit Group's compliance with regulations applicable to the financial sector.

Periodic audits, inspections and similar proceedings conducted by regulators of the Issuer or any ProCredit Bank could lead to a stricter calculation of capital adequacy. Stricter regulatory capital requirements applicable to the Group and/or any failure to comply with such requirements may result in (unscheduled) additional (quantitative or qualitative) capital demands for the Group, restrictions on making payments on interest, distribution and dividends, and/or result in constraints and limitations on the Group's strategy and business plan.

The realization of any of these risks could affect the business operations of the ProCredit Group and have a material adverse effect on its business activities, financial condition and results of operations.

If the ProCredit Group fails to comply with the wide range of laws and regulations applicable to its business, the ProCredit Group or its representatives may become subject to regulatory investigations, regulatory restrictions, penalties, injunctive reliefs, litigation and criminal prosecution.

The Group's business activities are regulated and supervised by the central banks and regulatory authorities of those countries in which the Issuer and the ProCredit Banks operate.

Additional requirements may be imposed on regulated entities in the event of changes to the regulatory provisions in one or more countries, which may occur at any time. This could hamper their ability to operate in certain business areas or even bar them from such business areas completely. Furthermore, it cannot be guaranteed that the ProCredit Group continuously complies with all laws and regulations at all times, in particular since legislation and jurisprudence are constantly evolving. The ProCredit Group or its representatives may become subject to regulatory investigations, regulatory restrictions, penalties, injunctive relief and criminal prosecution for any failures to comply with all applicable laws and regulations.

Violations of applicable laws and regulations may also give rise to significant liabilities, reputational damage and limitations on the Group's business operations.

Any such measures or other enforcement activities vis-à-vis ProCredit Banks due to non-compliance with regulatory requirements or otherwise could affect the business operations of the Group and have a material adverse effect on its business activities, financial condition and results of operations.

The ProCredit Group is obliged to comply with applicable rules and regulations, in particular on anti-money laundering and anti-terrorism financing, anti-bribery and corruption, conflicts of interest, fraud prevention, financial sanctions and embargoes as well as capital markets (investor protection and prevention of market abuse).

The ProCredit Group is subject to rules and regulations in various jurisdictions in connection with measures to avoid money laundering, corruption and terrorism financing and regarding conflicts of interest, fraud prevention, financial sanctions and embargoes, which are continuously amended and tightened.

The Group has adopted a risk management and compliance management system that is aimed, among other things, at preventing corruption, fraud, money laundering, the financing of terrorism, human rights violation and other criminal or unauthorized behavior by its managers, employees, consultants, agents and business partners. However, the Group's compliance management system could fail to prevent or detect willful illegal, in particular collusive, behavior circumventing existing safeguards and controls, particularly as such behavior has and continues to become more sophisticated. Similarly, the Group's risk management function could fail to identify, mitigate or manage relevant risk exposures. Furthermore, it is possible that violations of existing law could occur despite careful observance of such legal requirements. Increasing digitalization of banking operations may also increase this risk.

If the Group's managers, employees, consultants, agents or business partners engage or are (involuntarily) involved in money-laundering, corruption, fraud or other criminal or unauthorized behavior, the Group could be subject to administrative, civil or criminal fines or other sanctions, such as the loss of banking licenses or permits or other restrictions. Even only alleged wrongdoing by its managers, employees, consultants, agents or business partners could damage the Group's reputation and have an adverse impact on its ability to compete for business.

Increasingly strict EU and U.S. sanctions against certain countries, legal entities and individuals may restrict or prevent the Issuer as well as the ProCredit Banks from entering into new transactions with affected entities or may affect the settlement of existing transactions. The situation may be exacerbated in cases where countries affected by such sanctions counter with their own sanctions legislation, as ProCredit Group entities may thus be required to comply with contradicting acts of legislation with extra-territorial effect enacted in different jurisdictions.

If the Group fails to comply with the sanctions laws applicable to it, the ProCredit Group may be subject to fines, monetary assessments, and other penalties. Governments may also seek to impose modifications to compliance management systems, or implement new compliance legislation, which may further increase the Group's compliance costs. New economic sanctions and export controls, like those issued by the United States, European Union, and the United Kingdom in response to the Russo-Ukrainian War, may evolve quickly and unpredictably, with new requirements or prohibitions potentially coming into force with little or no notice and with immediate effect. These rapidly evolving and increasingly severe economic sanctions have impacted, and are expected to continue to impact, the operations of the ProCredit Group, and may increase its compliance costs.

The realization of any of these risks could affect the business operations of the ProCredit Group and have a material adverse effect on its business activities, financial condition and results of operations.

The ProCredit Group is subject to the general tax environment in the various jurisdictions in which it operates.

The Group is subject to the general tax environment in Germany as well as the various jurisdictions of the ProCredit Banks.

The Group's tax burden depends on various aspects of tax laws, as well as their application and interpretation. Tax laws can be changed retroactively, and their application/interpretation can be amended by the tax authorities and courts.

These circumstances could lead to an increase in the Group's tax obligations and could result in interest on back tax payments (*Steuernachzahlungen*). The realization of this risk could affect the business operations of the ProCredit Group and have a material adverse effect on its business activities, financial condition and results of operations.

Risks relating to the Notes

The risk factors herein are organized into the following categories:

- Risks relating from the Notes representing regulatory capital of the Issuer;
- Risks relating to the characteristics of the Notes;
- Risks relating to an investment in the Notes;
- Other related risks.

In each of these categories specific risk factors are described with the most significant risk factor being mentioned first in each category.

Risks relating from the Notes representing regulatory capital of the Issuer

Risks resulting from the subordination of the Notes.

The Notes are intended to qualify as Tier 2 instruments of the Issuer pursuant to Article 63 CRR. The obligations under the Notes constitute direct, unsecured, unconditional and subordinated obligations of the Issuer. In the event of resolution measures imposed on the Issuer and in the event of the dissolution, liquidation, insolvency, composition or other proceedings for the avoidance of insolvency of, or against, the Issuer,

- (a) the obligations under the Notes *rank pari passu* among themselves and *pari passu* with all other present or future equally subordinated obligations of the Issuer;
- (b) the obligations under the Notes rank senior to all subordinated obligations of the Issuer resulting from own funds items that pursuant to their terms or under applicable law rank, or are expressed to rank, subordinated to the obligations of the Issuer under the Notes and rank senior to the obligations of the Issuer under Additional Tier 1 instruments of the Issuer pursuant to Article 52 et seq. CRR; and
- (c) the obligations under the Notes will be fully subordinated to the Issuer's Senior Ranking Obligations (as defined in the Terms and Conditions), so that in any such event the claims of the Noteholders under the Notes (in particular the claims for payment of principal and interest, if any) will only be satisfied if all of the Issuer's Senior Ranking Obligations have first been satisfied in full.

No Noteholder may set-off its claims arising under the Notes against any claims of the Issuer. No security of whatever kind is, or shall at any time be, provided by the Issuer or any other person securing rights of the Noteholders under such Notes. No payment in respect of the Notes (whether of principal, interest or otherwise) may be made by the Issuer if such payment would have the consequence that the own funds (*Eigenmittel*) of the Issuer would no longer meet the statutory requirements applicable from time to time; any payment made in violation of the foregoing must be repaid to the Issuer irrespective of any agreement to the contrary.

In case resolution tools are applied, or if early intervention measures are applied at the point of non-viability (the "**PONV**") before and regardless of any subsequent resolution action, subordinated creditors, such as the Noteholders, will be among the first to absorb losses and suffer from a write down or conversion of their claims against the Issuer. If the Notes cease to qualify as Tier 2 instruments, they will no longer be within the scope of PONV but will remain within the scope of the bail-in tool.

Risks in connection with the implementation of a resolution regime for credit institutions.

On 15 May 2014, the European Parliament and the Council of the European Union adopted Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms (commonly referred to as the "**Bank Recovery and Resolution Directive**" or the "**BRRD**") which was transposed into German law by the Recovery and Resolution Act (*Sanierungs- und Abwicklungsgesetz – "SAG"*) with effect from 1 January 2015. In November 2020, the so-called risk reduction act (*Risikoreduzierungs-gesetz*) was adopted to implement BRRD II in

Germany, which led to, *inter alia*, amendments to the SAG. For credit institutions established in the eurozone, such as the Issuer, that are supervised within the framework of the SSM, the SRM Regulation provides for a coherent application of the resolution provisions across the SSM.

Under the SRM Regulation, the Issuer is subject to the resolution decisions that might be taken by the European Single Resolution Board and in close cooperation with the European Central Bank, the European Commission and the national resolution authorities. The SRM's decisions are executed by the competent German authority, BaFin.

The SRM Regulation includes, *inter alia*, potential loss participation of creditors of credit institutions. Pursuant to the SRM Regulation, the competent resolution authorities shall be given the authority to write down the claims of unsecured creditors of a failing institution and to convert debt claims into equity (so-called "**bail-in tool**"), transfer assets, rights and liabilities to a bridge bank or an asset management vehicle, sell the credit institution or its business to a third party or change the maturity or the interest rate of the instruments if certain requirements are met ("**Resolution Tools**").

Under the bail-in tool the competent resolution authority shall have the power, upon certain trigger events, to cancel existing shares, to write down liabilities eligible for bail-in (*i.e.*, own funds instruments such as the Notes and other subordinated debt and even non-subordinated debt, subject to exceptions in respect of certain liabilities) of a failing credit institution or to convert such eligible liabilities of a failing credit institution into shares or other instruments of ownership at certain rates of conversion in order to strengthen the credit institution's financial position and allow it to continue as a going concern subject to appropriate restructuring.

Pursuant to the SRM Regulation, any write-down (or conversion into equity) shall not result in an early redemption. Consequently, any amounts so written down would be irrevocably lost and the holders of such instruments would cease to have any claims thereunder, regardless of whether the bank's financial position is restored.

Furthermore, the competent resolution authority may transfer all or parts of the assets, rights and liabilities of the institution to a bridge bank, a publicly controlled entity holding such assets, rights or liabilities with a view to reselling them. Under the asset separation tool, the resolution authority is empowered to transfer assets, rights or liabilities to one or more publicly owned asset management vehicles to allow them to be managed with a view to maximizing their value. By making use of the sale of business tool, the resolution authority is enabled to direct the sale of the respective credit institution or parts or the whole of its business to a third party without requiring the shareholder's consent. Under the aforementioned Resolution Tools, the assets will no longer be available for meeting the claims of the Noteholders. Therefore, the capacity of the firm to meet its repayment obligations to the Noteholders may be significantly limited.

In addition, or alternatively, the resolution authorities may alter the maturity and the interest rate of the Notes and suspend the payments under the Notes for a certain period in case of a resolution.

The provisions of the SRM Regulation or of the similar provisions under the SAG may severely affect the rights of the holders of the Notes as in the event that conditions for resolution of the Issuer are met. This may result in the loss of their entire investment and could – also before the conditions for resolution are met (and resolution is initiated) – adversely affect the market price of the Notes.

Noteholders are exposed to the risk of statutory loss absorption.

The SRM Regulation provides the relevant resolution authority with uniform and effective resolution tools and resolution powers to achieve the resolution objectives.

The main resolution tool is the bail-in tool. When applying the bail-in tool, the resolution authority shall exercise the write-down and conversion powers in accordance with the following sequence (also called "loss absorbing cascade"): (i) CET 1 items; (ii) Additional Tier 1 ("**AT 1**") instruments; (iii) Tier 2 instruments (such as the Notes); (iv) subordinated debt that is not AT 1 or Tier 2 capital; (v) unsecured claims resulting from debt instruments which meet the conditions pursuant to the SAG (so-called "non-preferred senior debt instruments"); and (vi) the rest of bail-inable liabilities in accordance with the hierarchy of claims in normal insolvency proceedings, including the ranking of deposits, all in accordance with the SAG, to the extent required.

Furthermore, where the Issuer meets the conditions for resolution and the resolution authority decides to apply a resolution tool to the Issuer, the resolution authority shall exercise the write down or conversion power in relation to relevant capital instruments (*i.e.*, CET 1, AT 1 and Tier 2 instruments) and certain eligible liabilities before or applying any resolution tool (other than the bail-in tool).

If the power of write-down or conversion of relevant capital instruments or the bail-in tool is applied to the Issuer, the principal amount of the Notes may be fully or partially written down or converted into instruments of ownership, although claims of other creditors of the Issuer might not be affected.

Each Noteholder will be bound by the exercise of the power to write down or convert or the taking of any resolution action in respect of the Notes. No Noteholder will have any claim or other right against the Issuer arising out of any exercise of the power to write down or convert or the taking of any resolution action. In particular, any exercise of the power to write down or convert or the taking of any resolution action will not constitute a default under the Notes.

Risks relating to the characteristics of the Notes

Any rights of the Issuer to redeem the Notes prior to the Maturity Date or to repurchase any Notes are subject to the prior permission of the Competent Authority (or any other relevant supervisory authority).

Potential investors should not invest in the Notes with the expectation that any early redemption right will be exercised by the Issuer.

The Issuer may, at its discretion, redeem the Notes at any time (i) for reasons of taxation, (ii) regulatory reasons or (iii) if at any time the aggregate principal amount of the Notes outstanding and held by persons other than the Issuer and its subsidiaries has fallen to 25% or less of the aggregate principal amount of the Notes originally issued, all as further described in the Terms and Conditions.

Further, the Issuer may, at its discretion, redeem the Notes on each Payment Business Day during the period from and including 25 April 2029 to and including 25 July 2029 (the "**Reset Date**"), as further described in the Terms and Conditions.

Any such early redemption and any repurchase of the Notes is subject to the prior permission of the Competent Authority (or any other relevant supervisory authority), all if and as applicable from time to time to the Issuer. Under the CRR, the Competent Authority may only permit institutions to redeem or repurchase Tier 2 instruments (such as the Notes) if certain conditions prescribed by the CRR are complied with. These conditions, as well as a number of other technical rules and standards relating to regulatory capital requirements applicable to the Issuer, should be taken into account by the Competent Authority in its assessment of whether to permit any redemption or repurchase. It is uncertain how the Competent Authority will apply these criteria in practice and such rules and standards may change during the maturity of the Notes. It is therefore difficult to predict whether, and if so, on what terms, the Competent Authority will grant its prior permission for any redemption or repurchase of the Notes.

Furthermore, even if the Issuer would be granted the prior permission of the Competent Authority, any decision by the Issuer as to whether it will redeem the Notes will be made at the sole discretion of the Issuer with regard to external factors (such as the economic and market impact of exercising a redemption right, regulatory capital requirements and prevailing market conditions). The Issuer disclaims, and investors should therefore not expect (and not invest with the expectation), that the Issuer will exercise any early redemption right in relation to the Notes.

If the Notes are redeemed or repurchased by the Issuer otherwise than in accordance with the specific requirements set out in the Terms and Conditions, then the amounts redeemed or paid must be returned to the Issuer irrespective of any agreement to the contrary unless the Competent Authority has given its prior consent to such redemption or repurchase.

If the Issuer redeems the Notes prior to the Maturity Date, a Noteholder is exposed to the risk that, due to such redemption, its investment may have a lower than expected yield. The Issuer might redeem the Notes if the yield on comparable notes in the capital markets falls, which means that the Noteholder may only be able to reinvest the redemption proceeds in notes with a lower yield or with a similar yield of a higher risk.

No events of default or put rights for investors.

The Terms and Conditions do not provide for events of default allowing acceleration of the Notes if certain events occur. Accordingly, if the Issuer fails to meet any obligations under the Notes investors will not have a right of acceleration of the Notes. Upon a payment default, the sole remedy available to Noteholders for recovery of amounts owing in respect of any payment of principal or interest under the Notes will be the institution of proceedings to enforce such payment. Notwithstanding the foregoing, the Issuer will not, by virtue of the opening of any such proceedings, be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it.

The Noteholders will have no rights to call for the early redemption of their Notes. Noteholders should therefore be aware that they may be required to bear the financial risks of an investment in the Notes until their final maturity.

Risks related to the fixed rate interest applicable until the Reset Date.

The Notes bear interest at a fixed rate from and including the interest commencement date to but excluding the Reset Date.

During that time, Noteholders are exposed to the risk that the price of such Notes may fall because of changes in the market yield. While the nominal interest rate (*i.e.*, the coupon) of the Notes is fixed until, but excluding, the Reset Date, the market yield typically changes continuously. As the market yield changes, the price of the Notes typically moves in the opposite direction. More specifically, if the market yield increases, the price of the Notes typically falls. If the market yield falls, the price of the Notes typically increases. Noteholders should be aware that movements of the market yield can adversely affect the price of the Notes and can lead to losses for the Noteholders.

Noteholders should also be aware that the market yield has two components, *i.e.*, the risk-free rate and the credit spread. The credit spread is reflective of the yield that investors require in addition to the yield on a risk-free investment of approximately equal tenor as a compensation for the risks inherent in the Notes. The credit spread reflects risks related to the Issuer's credit standing as well as risks related to the contractual features of the Notes. The credit spread changes over time and can decrease as well as increase for many different reasons. The market yield of the Notes can change due to changes of the credit spread, the risk-free rate, or both.

Risks related to the reset of the interest rate linked to the 5-year mid swap rate.

From and including the Reset Date to but excluding the Maturity Date, the Notes bear interest at a rate which will be determined two T2 Business Days prior to the Reset Date by reference to the annual swap rate for Euro denominated swap transactions with a maturity of 5 years plus a margin.

The Noteholders should be aware that the performance of the annual swap rate for Euro denominated swap transactions with a maturity of 5 years and the interest income on the Notes cannot be anticipated and neither the current nor the historical level of this swap rate is an indication of the future development of the annual swap rate for Euro denominated swap transactions with a maturity of 5 years. Due to varying interest income, investors are not able to determine a definite yield to maturity of the Notes at the time they purchase them, so that their return on investment cannot be compared with that of investments having longer fixed interest periods. In addition, after interest payment dates, investors are exposed to the reinvestment risk if market interest rates decline. That is, investors may reinvest the interest income paid to them only at the relevant lower interest rates then prevailing.

Furthermore, during the Reset Period, it cannot be ruled out that the market price of the Notes may fall as a result of changes in the current interest rate on the capital market (market interest rate), as the market interest rate fluctuates. During such period, the investor is exposed to the same risk as described in the above risk factor.

Risks related to the reform of interest rate "benchmarks" and possible replacement of a benchmark.

Following the Reset Date, interest amounts payable under the Notes are calculated by reference to the annual swap rate for swap transactions denominated in Euro with a term of 5 years.

This swap-rate, the Euro Interbank Offered Rate ("**EURIBOR**") underlying the floating leg of this swap rate and other interest rates or other types of rates and indices which are deemed "benchmarks" (each a "**Benchmark**" and together, the

"**Benchmarks**") have, in recent years, been the subject of ongoing national and international regulatory review and reform, with further changes anticipated. These reforms have resulted in the cessation of certain benchmarks, including Sterling London Interbank Offered Rate ("**LIBOR**") and Japanese Yen LIBOR, and the cessation of U.S. dollar LIBOR at the end of June 2023. Other benchmarks could be eliminated entirely or declared unrepresentative. Such reforms may cause benchmarks to perform differently than in the past, a benchmark could be eliminated entirely or declared unrepresentative, or there could be other consequences that cannot be predicted. Any such consequence could have a material adverse effect on any Notes linked to such a benchmark.

International proposals for reform of Benchmarks include in particular Regulation (EU) 2016/1011, as amended (the "**Benchmarks Regulation**"). The Benchmarks Regulation could have a material impact on Notes linked to a Benchmark, including in any of the following circumstances:

- a rate or index which is a Benchmark may only be used if its administrator obtains authorization (Art. 29 Benchmarks Regulation) or is registered and in case of an administrator which is based in a non-EU jurisdiction, if the administrator's legal benchmark system is considered equivalent (Art. 30 Benchmarks Regulation), the administrator is recognized (Art. 32 Benchmarks Regulation) or the relevant Benchmark is endorsed (Art. 33 Benchmarks Regulation) (subject to applicable transitional provisions). If this is not the case, Notes linked to such Benchmarks could be impacted; and
- the methodology or other terms of the Benchmark could be changed in order to comply with the terms of the Benchmarks Regulation, and such changes could have the effect of reducing or increasing the rate or level or affecting the volatility of the published rate or level, and could impact the Notes, including Calculation Agent determination of the rate.

Following the implementation of such reforms, the manner of administration of Benchmarks may change, with the result that they perform differently than in the past, or Benchmarks could be eliminated entirely, or there could be consequences which cannot be predicted. Any changes to a Benchmark as a result of the Benchmarks Regulation or other initiatives could have a material adverse effect on the costs of obtaining exposure to a Benchmark or the costs and risks of administering or otherwise participating in the setting of a Benchmark and complying with any such regulations or requirements. Such factors may have the effect of discouraging market participants from continuing to administer or participate in certain Benchmarks, trigger changes in the rules or methodologies used in certain Benchmarks or lead to the disappearance of certain Benchmarks.

Under the Terms and Conditions, certain benchmark replacement provisions will apply in case a Benchmark used as a reference for calculation of amounts payable under the Notes were to be discontinued or otherwise unavailable (a "**Benchmark Event**").

If a Benchmark Event occurs, then the Issuer shall endeavor to appoint an independent adviser, which must be an independent financial institution of international repute or other independent financial adviser experienced in the international debt capital markets. The independent adviser will attempt to find an alternative rate which, possibly after application of adjustments or spreads, can replace the discontinued Benchmark. Any adjustments or spreads determined by the Issuer or the independent adviser, as the case may be, are intended to be applied in order to produce an industry-accepted replacement benchmark rate, however the relevant adjustments or spreads may not be successful in doing so and the Notes may still perform differently than if the original Benchmark had continued to be used. If the Issuer determines a successor rate or the independent adviser determines an alternative rate (the "**New Benchmark Rate**"), such rate will replace the previous Benchmark for purposes of determining the relevant rate of interest. Such determination will be binding for the Issuer, the Principal Paying Agent, the Paying Agents, the Calculation Agent and the Noteholders.

If the Issuer does not appoint an independent adviser or if the Issuer or the independent adviser appointed by it do not determine a New Benchmark Rate, an Adjustment Spread or Benchmark Amendments (if required) following a discontinuation of a relevant Benchmark, the reference rate applicable to the Reset Period shall be 2.841% *per annum*.

The replacement of a Benchmark used to calculate the interest under the Notes could have adverse effects on the economic return of the Noteholders compared to the applicable original benchmark rate.

Risks associated with "Green Bonds".

An amount equivalent to the net proceeds of the Notes will be used exclusively to (re)finance Eligible Green Assets. The ProCredit Group has established a framework to support the future issuance of sustainable financing instruments, including green bonds, which further specifies the eligibility criteria for such Eligible Green Assets (the "**Green Bond Framework**") based on the recommendations included in the voluntary process guidelines for issuing green bonds published by the International Capital Market Association (the "**ICMA Green Bond Principles**"). For a summary of the Green Bond Framework please refer to the section "*Use of Proceeds*" in this Prospectus. The Green Bond Framework and the Second Party Opinion (as defined below) can be accessed on the website of the Issuer (<https://www.procredit-holding.com/investor-relations/information-for-debt-investors/green-bond/>). For the avoidance of doubt, neither the Green Bond Framework nor the content of the website or the Second Party Opinion (as defined below) or any other document related thereto are incorporated by reference into or form part of this Prospectus.

Prospective investors should refer to the information set out in this Prospectus and in the Green Bond Framework regarding such use of proceeds and must determine for themselves the relevance of such information for the purpose of any investment in such Notes together with any other investigation such investor deems necessary.

No mandatory alignment with EU Taxonomy Regulation and no compliance with European Green Bond Standard

At the EU level, the EU Taxonomy Regulation, which was published in the Official Journal of the European Union on 22 June 2020 and entered into force on 12 July 2020, defined six environmental objectives and established a framework to facilitate sustainable investments in the European Union. The EU Taxonomy Regulation tasked the European Commission with establishing the actual list of environmentally sustainable activities by defining technical screening criteria for each environmental objective through delegated acts. The technical screening criteria for the activities which contribute to climate change adaptation and climate change mitigation have been in place since 1 January 2022. The technical screening criteria for the other environmental objectives, namely: sustainable use and protection of water and marine resources; transition to a circular economy; pollution prevention and control; and protection and restoration of biodiversity and ecosystems were adopted by Commission Delegated Regulation (EU) 2023/2486 of the European Parliament and of the Council of 27 June 2023, supplementing the EU Taxonomy Regulation.

On 30 November 2023, Regulation (EU) 2023/2631 on European Green Bonds and optional disclosures for bonds marketed as environmentally sustainable and for sustainability-linked bonds was published in the Official Journal of the European Union. This regulation entered into force on 20 December 2023 and will apply from 21 December 2024. The regulation introduces the "European Green Bond" as a voluntary label for issuers of green use of proceeds bonds. In order to use the "European Green Bond" label, issuers have to invest the proceeds from the issuance of the relevant instrument in economic activities aligned with the EU Taxonomy Regulation (subject to a flexibility pocket). Issuers further need to comply with comprehensive process and disclosure requirements (such requirements, the "**EuGB**").

While the Group has the ambition to align the criteria for Eligible Green Assets as defined by the Group in its Green Bond Framework with the environmental objectives as defined in the EU Taxonomy Regulation on a voluntary basis, prospective investors should note that such intended alignment is not a mandatory element under the Green Bond Framework. Further, the issue and documentation procedures set out by the Group in its Green Bond Framework are not aligned with the requirements of the EuGB.

Consequently, the Notes will not qualify as "European Green Bonds". The Notes referred to as "green bond" will only comply with the criteria and processes set out in the Group's Green Bond Framework.

It is not clear at this stage the impact which the EuGB may have on investor demand for, and pricing of, green use of proceeds bonds that do not meet such standard. Once the EuGB applies and there are instruments with the European Green Bond label available on the market, this could reduce demand and liquidity for Notes issued as "green bonds" by the Issuer as well as their price.

Other existing or future regulatory initiatives or voluntary standards and investor expectations

Since an amount equivalent to the net proceeds of the Notes will be used exclusively to (re)finance any Eligible Green Assets as defined below in accordance with the Green Bond Framework, the Issuer will refer to the Notes as "green bonds".

There is currently no clearly defined term (legal, regulatory or otherwise) of, nor market consensus as to what constitutes or may be classified as, a "green" or an equivalently-labelled project. It is an area which has been, and continues to be, the subject of many and wide-ranging voluntary and regulatory initiatives to develop rules, guidelines, standards, taxonomies and objectives. While regulatory projects such as the EU Taxonomy Regulation and the EuGB have made considerable progress, these standards are currently either voluntary or otherwise not universally applicable.

No assurance can be given by the Issuer or the Sole Bookrunner that the envisaged use of proceeds of the Notes by the Issuer for any Eligible Green Assets in accordance with the Green Bond Framework will satisfy, either in whole or in part, any existing or future legislative or regulatory requirements or voluntary standards unless such compliance is explicitly stated in this Prospectus.

Further, no assurance is or can be given by the Issuer or the Sole Bookrunner that the envisaged use of proceeds of the Notes by the Issuer for any Eligible Green Assets in accordance with the Green Bond Framework will satisfy any present or future investor expectations or requirements with respect to investment criteria or guidelines with which any investor or its investments are required to comply under its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental impact of any projects or uses, the subject of or related to, the relevant Eligible Green Assets. No assurance or representation is or can be given by the Issuer or the Sole Bookrunner that the reporting under the Green Bond Framework will meet investor needs or expectations.

Moreover, in light of the continuing development of legal, regulatory and market conventions in the green markets, there is a risk that the Group's Green Bond Framework may (or may not) be modified in the future to adapt any update that may be made to the ICMA Green Bond Principles or any other voluntary standard or applicable regulation. Such changes may have a negative impact on the market value and the liquidity of the Notes issued prior to the amendment.

Failure to comply with the intended use of proceeds

An amount equivalent to the net proceeds of the Notes will be used exclusively to (re)finance Eligible Green Assets in accordance with certain prescribed eligibility criteria set out in the section "*Use of Proceeds*" in this Prospectus and the Green Bond Framework. However, there can be no assurance by the Issuer, the Sole Bookrunner or any other person that the relevant green loans the subject of, or related to, any Eligible Green Assets will be identified and added to the green loan portfolio and/or accordance with any timing schedule and that accordingly such proceeds will be disbursed for such Eligible Green Assets. Neither can there be any assurance by the Issuer, the Sole Bookrunner or any other person that such Eligible Green Assets will be identified within any specified period or at all or with the results or outcome (whether or not related to the environment) as originally expected or anticipated by the Issuer or that any adverse environmental and/or other impacts will not occur during the identification or asset selection the subject of, or related to, any Eligible Green Assets. Neither has the Sole Bookrunner undertaken, nor are they responsible for, any assessment of the Eligible Green Assets or the application, impact or monitoring of the use of proceeds of the Notes.

Investors should note that (i) any such event or any failure by the Issuer to do so or (ii) any failure to provide or publish any reporting or any (impact) assessment, or (iii) any failure to obtain any certification or label (or the withdrawal of any such certification or label or the Second Party Opinion (as defined below)), or (iv) any Eligible Green Assets ceasing to be classed as such prior to maturity of the relevant Notes, or (v) the fact that the maturity of an Eligible Green Asset may not match the minimum duration of the Notes, (a) will not constitute an event or default under the Notes, (b) will not give the Noteholders the right to otherwise early terminate and demand redemption of the Notes and (c) will not give the Issuer the right to early terminate and redeem the Notes.

Payment of principal and interest in respect of relevant Notes will be made from the Issuer's general funds and will not be directly linked to the performance of any Eligible Green Assets (or any other environmental or similar targets set by the Issuer).

Second Party Opinion

No assurance or representation can be given by the Issuer or the Sole Bookrunner as to the suitability or reliability for any purpose whatsoever of the second party opinion dated 15 April 2024 issued by Sustainalytics in relation to the Issuer's Green Bond Framework (the "**Second Party Opinion**"). The Second Party Opinion may not address risks that may affect the value of the Notes issued under the Green Bond Framework or any Eligible Green Assets against which the Issuer may assign the proceeds of any Notes.

The Second Party Opinion provides an opinion on certain environmental and related considerations and is not intended to address any credit, market or other aspects of an investment in any Notes, including without limitation market price, marketability, investor preference or suitability of any security. The Second Party Opinion is a statement of opinion, not a statement of fact. The Second Party Opinion is not, nor should be deemed to be, a recommendation by the Issuer, the Sole Bookrunner or any other person to buy, sell or hold any Notes. The Second Party Opinion is only current as of the date that opinion was initially issued and may be updated, suspended or withdrawn by the relevant provider(s) at any time. Prospective investors must determine for themselves the relevance of the Second Party Opinion and/or the information contained therein and/or the provider of the Second Party Opinion for the purpose of any investment in the Notes.

Currently, the providers of such opinions and certifications are not subject to any specific regulatory or other regime or oversight. There can be no assurance that Noteholders will have any recourse against Sustainalytics as provider of the Second Party Opinion.

Listing of Notes on dedicated stock exchange segments or platforms or inclusion in dedicated indices

In the event that the Notes are displayed, listed or admitted to trading on the Luxembourg Green Exchange or any other dedicated "ESG", "green", "environmental", "sustainability" or other equivalently-labelled segment of any stock exchange or securities market (whether or not regulated) or included in any index so labelled, no representation or assurance is given by the Issuer, the Sole Bookrunner or any other person that such display, listing, admission or inclusion satisfies, whether in whole or in part, any present or future investor expectations or requirements with respect to investment criteria or guidelines with which any investor or its investments are required to comply under its own by-laws or other governing rules or investment portfolio mandates. Furthermore, it should be noted that the criteria for any such display, listing, admission to trading or inclusion in any index may vary from one stock exchange or securities market to another. Nor is any representation or assurance given or made by the Issuer, the Sole Bookrunner or any other person that any such display, listing, admission to trading or inclusion in any index will be obtained in respect of the Notes or, if obtained, that any such display, listing, admission to trading or inclusion in any index will be maintained during the life of the Notes.

Summary of potential implications for Noteholders

Any of the risks mentioned above and in particular (i) the non-compliance of the Notes with the EuGB and any other future voluntary or regulatory standard for sustainable instruments, (ii) a failure to apply an amount equivalent to the proceeds of the Notes for any Eligible Green Assets, (iii) the withdrawal of the Second Party Opinion or (iv) the Notes ceasing to be displayed, listed, admitted to trading on any dedicated stock exchange or securities market or included in any dedicated index may have a material adverse effect on the value of such Notes and also potentially the value of any other Notes which are intended to finance similar Eligible Green Assets and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.

Risk factors relating to the investment in the Notes

Risk of a change in market value.

The development of market prices of the Notes depends on various factors, such as changes of market interest rate levels or the lack of or excess demand for the relevant type of Note. The Noteholders are therefore exposed to the risk of an unfavorable development of market prices of their Notes, which materializes if the Noteholders sell the Notes prior to the final maturity of such Notes. If the Notes are held until final maturity, the Notes will be redeemed at their Specified Denomination.

Noteholders are exposed to the risk that the price of the Notes falls as a result of changes in the market interest rate levels. While the nominal interest rate for each Interest Period of the Notes is fixed during the life of the Notes, the current interest rate on the capital market ("**market interest rate**") typically changes on a daily basis. As the market interest rate changes, the price of the Notes also changes, but in the opposite direction. If the market interest rate increases, the price of the Notes typically falls, until the yield of the Notes is approximately equal to the market interest rate of comparable issues. If the market interest rate falls, the price of the Notes typically increases, until the yield of the Notes is approximately equal to the market interest rate of comparable issues. If the Notes are held until maturity, changes in the market interest rate are without relevance to the Noteholders as the Notes will be redeemed at their Specified Denomination.

Credit ratings of the Notes may not adequately reflect all risks of the investment in such Notes.

A credit rating of Notes may not adequately reflect all risks of the investment in such Notes. Credit rating agencies could decide to assign credit ratings to the Notes on an unsolicited basis. Equally, credit ratings may be suspended, downgraded or withdrawn. Any such unsolicited credit rating, suspension, downgrading or withdrawal may have an adverse effect on the market price and trading price of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the credit rating agency at any time.

A liquid secondary market for the Notes may not develop or, if it does develop, it may not continue.

The Notes constitute a new issue of securities. Application has been made to the Luxembourg Stock Exchange to list the Notes on the Official List of the Luxembourg Stock Exchange and for admission to trading of the Notes on the Euro MTF market operated by the Luxembourg Stock Exchange, which is a multilateral trading facility for the purposes of MiFID II, and, therefore, not an EU-regulated market.

Regardless of the envisaged admission to trading of the Notes, a secondary market for the Notes may not develop or, if it does develop, it may not continue. The fact that the Notes will be listed does not necessarily lead to greater liquidity as compared to unlisted Notes. In an illiquid market, an investor might not be able to sell its Notes at all or at any time at fair market prices. Moreover, the liquidity and the market for the Notes can be expected to vary with changes in the securities market and economic conditions, the financial condition and prospects of the Issuer and other factors which generally influence the market prices of securities. Such fluctuations may significantly affect liquidity and market prices for the Notes.

In an illiquid market, an investor is subject to the risk that it will not be able to sell its Notes at any time at fair market prices.

Exchange rate risks may occur if a Noteholder's financial activities are denominated in a currency or currency unit other than Euro, in which the Issuer will make principal and interest payments.

The Issuer will pay principal and interest on the Notes in Euro. This presents certain risks relating to currency conversions if a Noteholder's financial activities are denominated principally in a currency or currency unit other than Euro (the "**Noteholder's Currency**"). These include the risk that exchange rates may significantly change (including changes due to devaluation of the Euro or revaluation of the Noteholder's Currency) and the risk that authorities with jurisdiction over the Noteholder's Currency may impose or modify exchange controls. An appreciation in the value of the Noteholder's Currency relative to the Euro would decrease (i) the Noteholder's Currency-equivalent yield on the Notes; (ii) the

Noteholder's Currency-equivalent value of the principal payable on the Notes; and (iii) the Noteholder's Currency-equivalent market price of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, Noteholders may receive less distributions or principal than expected, or no interest or principal.

Noteholders are subject to the risk of a partial or total failure of the Issuer to make interest and/or redemption payments.

Any person who purchases the Notes is relying on the creditworthiness of the Issuer and has no rights against any other person. Noteholders are subject to the risk of a partial or total failure of the Issuer to make interest and/or redemption payments that the Issuer is obliged to make under the Notes. The worse the creditworthiness of the Issuer, the higher the risk of loss.

Further, the Notes are not secured by any collateral.

A materialization of the credit risk may result in partial or total failure of the Issuer to make interest and/or redemption payments under the Notes.

In addition, even if the likelihood that the Issuer will be in a position to fully perform all obligations under the Notes when they fall due actually has not decreased, market participants could nevertheless be of that opinion. Market participants may in particular be of such opinion if market participants' assessment of the creditworthiness of corporate debtors in general or debtors operating in the industries sector adversely change. If any of these risks occur, third parties may only be willing to purchase the Notes for a lower price than before the materialization of said risk. The market value of the Notes may therefore decrease.

Other related risks

There may be circumstances under which the Notes may be subject to withholding tax which will not be grossed-up, including withholding tax under FATCA.

Investors should be aware that duties, other taxes and expenses, including any stamp duty, depositary charges, transaction charges and other charges, may be levied in accordance with the laws and practices in the countries where the Notes are transferred and that it is the obligation of an investor to pay all such duties, other taxes and expenses.

All payments made under the Notes shall be made free and clear of, and without withholding or deduction for, any present or future taxes imposed by the Issuer's country of incorporation (or any authority or political subdivision thereof or therein), unless such withholding or deduction is imposed or required by law. If any such withholding or deduction is imposed and required by law, the Issuer will, in limited circumstances, be required to pay additional amounts to cover the amounts so withheld or deducted ("**Additional Amounts**") and such event will allow the Issuer to redeem them early as this would allow the Issuer to redeem the Notes in full, but not in part as further specified in the Terms and Conditions of the Notes.

In no event will Additional Amounts be payable in respect of U.S. withholding taxes pursuant to the Foreign Account Tax Compliance Act ("**FATCA**"). Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting, or related requirements. A number of jurisdictions have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, the Issuer will not pay any additional amounts as a result of the withholding.

Investors should be aware that payments made under the Notes and capital gains from the sale or redemption of the Notes may be subject to taxation in the jurisdiction of the holder of the Notes or in other jurisdictions in which the holder of the Notes is required to pay taxes.

Risk related to further issuances without consent of the Noteholders.

The Issuer may at any time, without the consent of Noteholders, issue further Notes having the same Terms and Conditions as the Notes in all respects (or in all respects except for the issue date, interest commencement date and/or issue price), if certain conditions are satisfied.

The Terms and Conditions may be amended by resolution of the Noteholders in which a Noteholder may be subject to the risk of being outvoted by a majority resolution of the Noteholders.

As the Terms and Conditions may be amended by the Issuer with the consent of the relevant Noteholders by way of a majority resolution in a Noteholders' Meeting or by a vote not requiring a physical meeting (*Abstimmung ohne Versammlung*) as described in Sections 5 et seq. of the German Act on Issues of Debt Securities (*Gesetz über Schuldverschreibungen aus Gesamtemissionen*, "**SchVG**"), the Issuer may subsequently amend the Terms and Conditions with the consent of the majority of Noteholders as described in the Terms and Conditions, which amendment will be binding on all Noteholders, even on those who voted against the change. As the relevant majority for Noteholders' resolutions is generally based on votes cast, rather than on the aggregate principal amount of the Notes outstanding, any such resolution may technically be passed with the consent of less than a majority of the aggregate principal amount of the Notes outstanding.

Therefore, a Noteholder is subject to the risk of being outvoted by a majority resolution of the Noteholders. As such majority resolution is binding on all Noteholders of the Notes, certain rights of such Noteholder against the Issuer under the Terms and Conditions may be amended or reduced or cancelled, even for Noteholders who have declared their claims arising from the Notes due and payable but who have not received payment from the Issuer prior to the amendment taking effect, which may have significant negative effects on the value of the Notes and the return from the Notes.

The Noteholders may by majority resolution provide for the appointment or dismissal of a joint representative. If a joint representative is appointed a Noteholder may be deprived of its individual right to pursue and enforce a part or all of its rights under the Terms and Conditions against the Issuer, such right passing to the Noteholders' joint representative who is then exclusively responsible to claim and enforce the rights of all the Noteholders.

Any amendment of the Terms and Conditions by way of a majority resolution is subject to compliance with the requirements of regulatory law for the recognition of the Notes as Tier 2 instruments of the Issuer pursuant to Article 63 CRR and the prior permission of the competent supervisory authority of the Issuer.

TERMS AND CONDITIONS OF THE NOTES

ANLEIHEBEDINGUNGEN

§ 1 WÄHRUNG, STÜCKELUNG, FORM, EINZELNE DEFINITIONEN

(1) *Währung; Stückelung.* Diese Serie von nachrangigen Schuldverschreibungen (die "**Schuldverschreibungen**") der ProCredit Holding AG, Rohmerplatz 33-37, 60486 Frankfurt am Main, Deutschland (die "**Emittentin**") wird in Euro (die "**Festgelegte Währung**") im Gesamtnennbetrag von 125.000.000 (in Worten: einhundertfünfundzwanzig Millionen) in einer Stückelung von EUR 100.000 (die "**Festgelegte Stückelung**") begeben.

(2) *Form.* Die Schuldverschreibungen lauten auf den Inhaber.

(3) *Vorläufige Globalurkunde – Austausch.*

(a) Die Schuldverschreibungen sind anfänglich durch eine vorläufige Globalurkunde (die "**vorläufige Globalurkunde**") ohne Zinsscheine verbrieft. Die vorläufige Globalurkunde wird gegen Schuldverschreibungen in der Festgelegten Stückelung, die durch eine Dauerglobalurkunde (die "**Dauerglobalurkunde**", und die vorläufige Globalurkunde und die Dauerglobalurkunde gemeinsam die "**Globalurkunden**" und jeweils eine "**Globalurkunde**") ohne Zinsscheine verbrieft sind, ausgetauscht.

(b) Die vorläufige Globalurkunde wird frühestens an einem Tag gegen die Dauerglobalurkunde austauschbar, der 40 Tage nach dem Tag der Ausgabe der vorläufigen Globalurkunde liegt. Ein solcher Austausch wird nur nach Vorlage von Bescheinigungen gemäß US-Steuerrecht erfolgen, wonach der oder die wirtschaftlichen Eigentümer der durch die vorläufige Globalurkunde verbrieften Schuldverschreibungen keine US-Personen (*U.S. persons*) sind (ausgenommen bestimmte Finanzinstitute oder bestimmte Personen, die Schuldverschreibungen über solche Finanzinstitute halten). Zinszahlungen auf durch eine vorläufige Globalurkunde verbrieft Schuldverschreibungen erfolgen erst nach Vorlage solcher Bescheinigungen. Eine gesonderte Bescheinigung ist hinsichtlich einer jeden solchen Zinszahlung erforderlich. Jede Bescheinigung, die an oder nach dem 40. Tag nach dem Tag der Ausgabe der vorläufigen Globalurkunde eingeht, wird als ein Ersuchen behandelt werden, die vorläufige Globalurkunde gemäß diesem § 1(3)(b) auszutauschen. Wertpapiere, die im Austausch für die vorläufige

TERMS AND CONDITIONS OF THE NOTES

§ 1 CURRENCY, DENOMINATION, FORM, CERTAIN DEFINITIONS

(1) *Currency; Denomination.* This series of subordinated notes (the "**Notes**") of ProCredit Holding AG, Rohmerplatz 33-37, 60486 Frankfurt am Main, Germany (the "**Issuer**") is being issued in Euro (the "**Specified Currency**") in the aggregate principal amount of 125,000,000 (in words: one hundred twenty five million) in denominations of EUR 100,000 (the "**Specified Denomination**").

(2) *Form.* The Notes are being issued in bearer form.

(3) *Temporary Global Note – Exchange.*

(a) The Notes are initially represented by a temporary global note (the "**Temporary Global Note**") without interest coupons. The Temporary Global Note will be exchangeable for Notes in the Specified Denomination represented by a permanent global note (the "**Permanent Global Note**", and the Temporary Global Note and the Permanent Global Note together, the "**Global Notes**" and each a "**Global Note**") without interest coupons.

(b) The Temporary Global Note shall be exchangeable for the Permanent Global Note from a date 40 days after the date of issue of the Temporary Global Note. Such exchange shall only be made upon delivery of certifications to the effect that the beneficial owner or owners of the Notes represented by the Temporary Global Note is not a U.S. person (other than certain financial institutions or certain persons holding Notes through such financial institutions) as required by U.S. tax law. Payment of interest on Notes represented by a Temporary Global Note will be made only after delivery of such certifications. A separate certification shall be required in respect of each such payment of interest. Any such certification received on or after the 40th day after the date of issue of the Temporary Global Note will be treated as a request to exchange such Temporary Global Note pursuant to this § 1(3)(b). Any securities delivered in exchange for the Temporary Global Note shall be delivered only outside of the United States (as defined in § 1(5)).

Globalurkunde geliefert werden, sind nur außerhalb der Vereinigten Staaten (wie in § 1(5) definiert) zu liefern.

- (c) Die vorläufige Globalurkunde und die Dauerglobalurkunde tragen jeweils die handschriftlichen oder faksimilierten Unterschriften ordnungsgemäß bevollmächtigter Vertreter der Emittentin und sind jeweils von der Hauptzahlstelle oder in deren Namen mit einer handschriftlichen oder faksimilierten Kontrollunterschrift versehen.

Einzelkunden und Zinsscheine werden nicht ausgegeben. Der Anspruch der Anleihegläubiger auf die physische Herausgabe der Globalurkunden und die Ausgabe einzelner Schuldverschreibungen oder Zinsscheine ist ausgeschlossen.

(4) *Clearingsystem.* Jede Globalurkunde wird solange von einem oder im Namen eines Clearingsystems verwahrt, bis sämtliche Verbindlichkeiten der Emittentin aus den Schuldverschreibungen erfüllt sind.

(5) *Bestimmte Definitionen.*

"Abwicklungsbehörde" bezeichnet die zuständige Abwicklungsbehörde gemäß Artikel 4(1)(130) CRR.

"Anwendbare Aufsichtsrechtliche Vorschriften" bezeichnet die jeweils gültigen, sich auf die Kapitalanforderungen, die Solvabilität, andere Aufsichtsanforderungen und/oder Abwicklung der Emittentin und/oder der Institutsgruppe der Emittentin beziehenden Vorschriften des Bankaufsichtsrechts und der darunter fallenden Verordnungen (einschließlich, jedoch nicht ausschließlich, der BRRD, der CRD, der CRR, der SRM-Verordnung, sofern auf die Emittentin anwendbar, der SSM-Verordnung, sofern auf die Emittentin anwendbar, sowie der jeweils geltenden Leitlinien und Empfehlungen der Europäischen Bankaufsichtsbehörde, der Europäischen Zentralbank, der Zuständigen Behörde, des Single Resolution Board und/oder der Abwicklungsbehörde, der Verwaltungspraxis einer zuständigen Behörde, den einschlägigen Entscheidungen der Gerichte und den anwendbaren Übergangbestimmungen).

"Anleihegläubiger" bezeichnet jeden Inhaber eines Miteigentumsanteils oder anderen Rechts an der vorläufigen Globalurkunde oder der Dauerglobalurkunde.

"BRRD" bezeichnet die Richtlinie 2014/59/EU, in der Fassung wie jeweils geändert oder ersetzt; soweit Bestimmungen der BRRD geändert oder ersetzt werden, bezieht sich der Verweis auf Bestimmungen der BRRD in diesen Anleihebedingungen auf die jeweils geänderten Bestimmungen bzw. die Nachfolgeregelungen.

"Clearingsystem" bezeichnet Clearstream Banking AG, Mergenthalerallee 61, 65760 Eschborn,

- (c) The Temporary Global Note and the Permanent Global Note each bear the handwritten or facsimile signatures of duly authorised representatives of the Issuer and are provided with a handwritten or facsimile control signature by or on behalf of the Principal Paying Agent.

Definitive note certificates and interest coupons will not be issued. The Noteholders will have no right to request physical delivery of the Global Notes or to require the issue of definitive notes certificates or interest coupons.

(4) *Clearing System.* Each Global Note will be kept in custody by or on behalf of the Clearing System until all obligations of the Issuer under the Notes have been satisfied.

(5) *Certain Definitions.*

"Resolution Authority" means the competent resolution authority pursuant to Article 4(1)(130) CRR.

"Applicable Supervisory Regulations" means the provisions of bank supervisory laws and any regulations and other rules thereunder applicable from time to time (including, but not limited to, the BRRD, the CRD, the CRR, the SRM Regulation, if applicable to the Issuer, and the SSM Regulation (if applicable to the Issuer) and the guidelines and recommendations of the European Banking Authority, the European Central Bank, the Competent Authority, the Single Resolution Board and/or the Resolution Authority, the administrative practice of any competent authority, any applicable decision of a court and any applicable transitional provisions) relating to capital adequacy, solvency, other prudential requirements and/or resolution and applicable to the Issuer and/or the Issuer's Regulatory Group from time to time.

"Noteholder" means any holder of a proportionate co-ownership or other beneficial interest or right in the Temporary Global Note or the Permanent Global Note.

"BRRD" means Directive 2014/59/EU, as amended or replaced from time to time; to the extent that any provisions of the BRRD are amended or replaced, the reference to provisions of the BRRD as used in these Terms and Conditions shall refer to such amended provisions or successor provisions from time to time.

"Clearing System" means Clearstream Banking AG, Mergenthalerallee 61, 65760 Eschborn, Federal

Bundesrepublik Deutschland sowie jeden Funktionsnachfolger.

"**CRD**" bezeichnet die Richtlinie 2013/36/EU, in der Fassung wie jeweils geändert oder ersetzt; soweit Bestimmungen der CRD geändert oder ersetzt werden, bezieht sich der Verweis auf Bestimmungen der CRD in diesen Anleihebedingungen auf die jeweils geänderten Bestimmungen bzw. die Nachfolgeregelungen.

"**CRR**" bezeichnet die Verordnung (EU) Nr. 575/2013, in der Fassung wie jeweils geändert oder ersetzt; soweit Bestimmungen der CRR geändert oder ersetzt werden, bezieht sich der Verweis auf Bestimmungen der CRR in diesen Anleihebedingungen auf die jeweils geänderten Bestimmungen bzw. die Nachfolgeregelungen.

"**Depotbank**" bezeichnet jede Bank oder ein sonstiges anerkanntes Finanzinstitut, das berechtigt ist, das Wertpapierverwahrungsgeschäft zu betreiben und bei der/dem der Anleihegläubiger ein Wertpapierdepot für die Schuldverschreibungen unterhält, einschließlich des Clearingsystems.

"**Geschäftstag**" bezeichnet jeden Tag (außer einem Samstag oder Sonntag), an dem (a)(i) das Real-time Gross-Settlement System des Eurosystems (T2) oder dessen Nachfolgesystem und (ii) das Clearingsystem Zahlungen abwickeln, und (b) Geschäftsbanken und Devisenmärkte in Frankfurt am Main geöffnet sind.

"**InsO**" bezeichnet die Insolvenzordnung, in der Fassung wie jeweils geändert oder ersetzt; soweit Bestimmungen der InsO geändert oder ersetzt werden, bezieht sich der Verweis auf Bestimmungen der InsO in diesen Anleihebedingungen auf die jeweils geänderten Bestimmungen bzw. die Nachfolgeregelungen.

"**Institutsgruppe der Emittentin**" bezeichnet jeweils jede Bankengruppe mit einem Mutterinstitut und/oder jede Bankengruppe mit einer Mutterfinanzholdinggesellschaft, (i) der die Emittentin angehört und (ii) für die die Eigenmittelanforderungen auf konsolidierter Basis aufgrund der aufsichtsrechtlichen Konsolidierung gemäß den anwendbaren aufsichtsrechtlichen Vorschriften gelten.

"**KWG**" bezeichnet das Gesetz über das Kreditwesen, in der Fassung wie jeweils geändert oder ersetzt; soweit Bestimmungen des KWG geändert oder ersetzt werden, bezieht sich der Verweis auf Bestimmungen des KWG in diesen Anleihebedingungen auf die jeweils geänderten Bestimmungen bzw. die Nachfolgeregelungen.

"**SRM-Verordnung**" bezeichnet Verordnung (EU) Nr. 806/2014 in der Fassung wie jeweils geändert oder ersetzt; soweit Bestimmungen der SRM-Verordnung geändert oder ersetzt werden, bezieht sich der Verweis auf Bestimmungen der SRM-Verordnung in diesen

Republic of Germany and any successor in such capacity.

"**CRD**" means Directive 2013/36/EU, as amended or replaced from time to time; to the extent that any provisions of the CRD are amended or replaced, the reference to provisions of the CRD as used in these Terms and Conditions shall refer to such amended provisions or successor provisions from time to time.

"**CRR**" means Regulation (EU) No 575/2013, as amended or replaced from time to time; to the extent that any provisions of the CRR are amended or replaced, the reference to provisions of the CRR as used in these Terms and Conditions shall refer to such amended provisions or successor provisions from time to time.

"**Custodian**" means any bank or other financial institution of recognized standing authorized to engage in securities custody business with which the Noteholder maintains a securities account in respect of the Notes and includes the Clearing System.

"**Business Day**" means each day (other than a Saturday or Sunday) on which (a)(i) the real-time gross-settlement system operated by the Eurosystem (T2) or any successor system and (ii) the Clearing System settle payments, and (b) commercial banks and foreign exchange markets in Frankfurt am Main are open for business.

"**InsO**" means of the German Insolvency Statute (*Insolvenzordnung*), as amended or replaced from time to time; to the extent that any provisions of the InsO are amended or replaced, the reference to provisions of the InsO as used in these Terms and Conditions shall refer to such amended provisions or successor provisions from time to time.

"**Issuer's Regulatory Group**" means, from time to time, any banking group with a parent institution and/or any banking group with a parent financial holding company: (i) to which the Issuer belongs; and (ii) to which the own funds requirements on a consolidated basis due to prudential consolidation in accordance with the Applicable Supervisory Regulations apply.

"**KWG**" means the German Banking Act (*Kreditwesengesetz*), as amended or replaced from time to time; to the extent that any provisions of the KWG are amended or replaced, the reference to provisions of the KWG as used in these Terms and Conditions shall refer to such amended provisions or successor provisions from time to time.

"**SRM Regulation**" means the Regulation (EU) No 806/2014, as amended or replaced from time to time, and any references to relevant provisions of the SRM Regulation in these Terms and Conditions include references to any applicable provisions of law

Anleihebedingungen auf die jeweils geänderten Bestimmungen bzw. die Nachfolgeregelungen

"**SSM-Verordnung**" bezeichnet Verordnung (EU) Nr. 1024/2013 in der Fassung wie jeweils geändert oder ersetzt; soweit Bestimmungen der SRM-Verordnung geändert oder ersetzt werden, bezieht sich der Verweis auf Bestimmungen der SRM-Verordnung in diesen Anleihebedingungen auf die jeweils geänderten Bestimmungen bzw. die Nachfolgeregelungen

"**Vereinigte Staaten**" bezeichnet die Vereinigten Staaten von Amerika (einschließlich deren Bundesstaaten und des District of Columbia) sowie deren Territorien (einschließlich Puerto Rico, der US-amerikanischen Virgin Islands, Guam, American Samoa, Wake Island und Northern Mariana Islands).

"**Zahlungsgeschäftstag**" bezeichnet einen Tag (außer einem Samstag oder Sonntag), an dem das Clearingsystem sowie alle betroffenen Bereiche des Real-time Gross Settlement System des Eurosystems oder dessen Nachfolgesystem (T2) offen sind, um Zahlungen abzuwickeln.

"**Zuständige Behörde**" bezeichnet die zuständige Behörde gemäß Artikel 4(1)(40) CRR und/oder Artikel 9(1) SSM-Verordnung, die für die Beaufsichtigung des Emittenten auf individueller und/oder konsolidierter Basis zuständig ist.

§ 2 STATUS

(1) *Status*. Die Schuldverschreibungen sollen als Instrumente des Ergänzungskapitals (Tier-2-Kapital) der Emittentin gemäß Artikel 63 CRR dienen. Die Verbindlichkeiten aus den Schuldverschreibungen begründen unmittelbare, nicht besicherte, unbedingte und nachrangige Verbindlichkeiten der Emittentin. Im Fall von Abwicklungsmaßnahmen in Bezug auf die Emittentin und im Fall der Auflösung, der Liquidation oder der Insolvenz der Emittentin oder eines Vergleichs oder eines anderen der Abwendung der Insolvenz dienenden Verfahrens gegen die Emittentin

- (a) sind die Verbindlichkeiten aus den Schuldverschreibungen gleichrangig untereinander und gleichrangig mit allen gegenwärtigen und zukünftigen ebenso nachrangigen Verbindlichkeiten der Emittentin;
- (b) gehen die Verbindlichkeiten aus den Schuldverschreibungen allen nachrangigen Verbindlichkeiten der Emittentin, die sich aus Eigenmittelposten ergeben und die gemäß ihren Bedingungen oder nach geltenden Rechtsvorschriften gegenüber den Verbindlichkeiten der Emittentin aus den Schuldverschreibungen nachrangig sind oder ausdrücklich im Rang zurücktreten, im Rang vor und sind vorrangig zu den Verbindlichkeiten der

amending or replacing such provisions from time to time.

"**SSM Regulation**" means the Regulation (EU) No 1024/2013, as amended or replaced from time to time, and any references to relevant provisions of the SSM Regulation in these Terms and Conditions include references to any applicable provisions of law amending or replacing such provisions from time to time.

"**United States**" means the United States of America (including the States thereof and the District of Columbia) and its possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and Northern Mariana Islands).

"**Payment Business Day**" means any day (other than a Saturday or a Sunday) on which the Clearing System as well as all relevant parts of the real-time gross settlement system operated by the Eurosystem or any successor system (T2) are open to effect payments.

"**Competent Authority**" means the competent authority pursuant to Article 4(1)(40) CRR and/or Article 9(1) SSM Regulation, as applicable to the Issuer, which is responsible to supervise the Issuer on an individual basis and/or consolidated basis.

§ 2 STATUS

(1) *Status*. The Notes are intended to qualify as Tier 2 instruments of the Issuer pursuant to Article 63 CRR. The obligations under the Notes constitute direct, unsecured, unconditional and subordinated obligations of the Issuer. In the event of resolution measures imposed on the Issuer and in the event of the dissolution, liquidation, insolvency, composition or other proceedings for the avoidance of insolvency of, or against, the Issuer,

- (a) the obligations under the Notes rank *pari passu* among themselves and *pari passu* with all other present or future equally subordinated obligations of the Issuer;
- (b) the obligations under the Notes rank senior to all subordinated obligations of the Issuer resulting from own funds items that, pursuant to their terms or under applicable law rank, or are expressed to rank, subordinated to the obligations of the Issuer under the Notes and rank senior to the obligations of the Issuer under Additional Tier 1 instruments of the Issuer pursuant to Article 52 *et seq.* CRR; and

Emittentin aus Instrumenten des zusätzlichen Kernkapitals der Emittentin gemäß Artikel 52ff. CRR;

- (c) gehen die Verbindlichkeiten aus den Schuldverschreibungen den Vorrangigen Verbindlichkeiten der Emittentin (wie nachstehend definiert) im Range vollständig nach, so dass die Forderungen der Anleihegläubiger aus den Schuldverschreibungen (insbesondere die Ansprüche auf Zahlung von Kapital und etwaigen Zinsen) erst berichtigt werden, wenn alle Vorrangigen Verbindlichkeiten der Emittentin zunächst berichtigt worden sind.

"Vorrangige Verbindlichkeiten der Emittentin" bezeichnet alle Verbindlichkeiten der Emittentin, die vorrangig gegenüber den Verbindlichkeiten der Emittentin aus den Schuldverschreibungen sind, einschließlich:

- (i) allen Forderungen nicht-nachrangiger Gläubiger der Emittentin im Sinne des § 38 InsO (einschließlich, jedoch nicht ausschließlich, Forderungen gegen die Emittentin aus deren nicht-bevorrechtigten, nicht-nachrangigen Schuldtiteln im Sinne von § 46f Absatz 6 Satz 1 KWG);
- (ii) allen in § 39 Absatz 1 Nr. 1 bis 5 InsO bezeichneten gesetzlich nachrangigen Forderungen gegen die Emittentin; und
- (iii) allen vertraglich-nachrangigen Forderungen gegen die Emittentin gemäß § 39 Absatz 2 InsO, die nach geltenden Rechtsvorschriften vorrangig gegenüber den Forderungen gegen die Emittentin aus den Schuldverschreibungen sind, einschließlich, jedoch nicht ausschließlich, allen Forderungen gegen die Emittentin, die sich nicht aus Eigenmittelposten ergeben und die gemäß § 46f Absatz 7a KWG vorrangig gegenüber den Forderungen gegen die Emittentin aus den Schuldverschreibungen sind.

(2) *Keine Aufrechnung.* Kein Anleihegläubiger ist berechtigt, Forderungen aus den Schuldverschreibungen gegen etwaige gegen ihn gerichtete Forderungen der Emittentin aufzurechnen. Die Schuldverschreibungen unterliegen keinen Aufrechnungs- oder Nettingvereinbarungen, die ihre Verlustabsorptionsfähigkeit in der Abwicklung, Insolvenz oder Liquidation beeinträchtigen würden.

(3) *Keine Sicherheiten.* Für die Verbindlichkeiten der Emittentin aus den Schuldverschreibungen ist den Anleihegläubigern keine Sicherheit durch die Emittentin oder durch Dritte gestellt; eine solche Sicherheit wird auch zu keinem Zeitpunkt gestellt werden.

(4) *Keine nachträgliche Änderung des Status und vorzeitige Rückzahlung ohne Zustimmung.*

- (c) the obligations under the Notes will be fully subordinated to the Issuer's Senior Ranking Obligations (as defined below), so that in any such event the claims of the Noteholders under the Notes (in particular the claims for payment of principal and interest, if any) will only be satisfied if all of the Issuer's Senior Ranking Obligations have first been satisfied in full.

"Issuer's Senior Ranking Obligations" means all obligations of the Issuer which rank senior to the obligations of the Issuer under the Notes, including:

- (i) all claims of unsubordinated creditors of the Issuer within the meaning of § 38 InsO (including, but not limited to, claims against the Issuer under its non-preferred senior debt instruments within the meaning of § 46f paragraph 6, first sentence KWG);
- (ii) all statutorily subordinated claims against the Issuer specified in § 39 paragraph 1 nos. 1 to 5 InsO; and
- (iii) all contractually subordinated claims pursuant to § 39 paragraph 2 InsO which, pursuant to mandatory provisions of law, rank senior to the claims against the Issuer under the Notes, including, but not limited to, all claims which do not result from own funds items of the Issuer and which rank senior to the claims against the Issuer under the Notes pursuant to § 46f paragraph 7a KWG.

(2) *No set-off.* No Noteholder may set-off any claims arising under the Notes against any claims that the Issuer may have against it. The Notes are not subject to any set-off arrangements or netting rights that would undermine their capacity to absorb losses in resolution, insolvency or liquidation of the Issuer.

(3) *No security.* No security of whatever kind securing the obligations of the Issuer under the Notes is, or shall at any time be, provided by the Issuer or any other person to the Noteholders.

(4) *No subsequent change of status and early redemption without consent.* No subsequent agreement

Nachträglich können der Nachrang gemäß § 2(1) nicht beschränkt sowie die Laufzeit der Schuldverschreibungen und jede anwendbare Kündigungsfrist nicht verkürzt werden. Werden die Schuldverschreibungen (i) unter anderen als den in § 2 beschriebenen Umständen oder (ii) anders als infolge einer Kündigung oder eines Ankaufs nach Maßgabe dieser Anleihebedingungen zurückgezahlt oder von der Emittentin zurückerworben, so ist der gezahlte Betrag der Emittentin ohne Rücksicht auf entgegenstehende Vereinbarungen zurückzugewähren.

(5) *Befugnisse der zuständigen Behörde.* Nach den für die Emittentin geltenden Abwicklungsvorschriften unterliegen die Schuldverschreibungen den Befugnissen der Abwicklungsbehörde:

- (a) Ansprüche auf Zahlungen auf die Schuldverschreibungen ganz oder teilweise herabzuschreiben,
- (b) diese Ansprüche in Anteile oder sonstige Instrumente des harten Kernkapitals (i) der Emittentin, (ii) eines gruppenangehörigen Unternehmens oder (iii) eines Brückeninstituts umzuwandeln und solche Instrumente an die Gläubiger auszugeben oder zu übertragen, und/oder
- (c) sonstige Abwicklungsmaßnahmen anzuwenden, einschließlich (ohne Beschränkung) (i) einer Übertragung der Schuldverschreibungen auf einen anderen Rechtsträger, (ii) einer Änderung der Bedingungen der Schuldverschreibungen oder (iii) deren Löschung;

(jede eine "**Abwicklungsmaßnahme**").

(6) *Abwicklungsmaßnahmen.* Abwicklungsmaßnahmen, welche die Schuldverschreibungen betreffen, sind für die Anleihegläubiger der Schuldverschreibungen verbindlich. Aufgrund einer Abwicklungsmaßnahme bestehen keine Ansprüche oder andere Rechte eines Anleihegläubigers gegen die Emittentin. Insbesondere stellt die Anordnung einer Abwicklungsmaßnahme keinen Kündigungsgrund des Anleihegläubigers dar.

§ 3 ZINSEN

(1) *Zinssatz und Zinszahlungstage.* Die Schuldverschreibungen werden bezogen auf ihre festgelegte Stückelung ab dem 25. April 2024 (der "**Verzinsungsbeginn**") (einschließlich) mit dem für die betreffende Zinsperiode jeweils anwendbaren Zinssatz (wie in § 3(2) definiert) verzinst.

Die Zinsen für jede Zinsperiode sind jährlich nachträglich am 25. Juli eines jeden Jahres zahlbar (jeweils ein "**Zinszahlungstag**"). Die erste

may limit the subordination pursuant to § 2(1) or shorten the term of the Notes or any applicable notice period. If the Notes are redeemed or repurchased by the Issuer otherwise than (i) in the circumstances described in § 2 or (ii) as a result of a redemption or purchase as set forth in these Terms and Conditions, then the amounts paid must be returned to the Issuer irrespective of any agreement to the contrary.

(3) *Powers of the competent authority.* Under the relevant resolution laws and regulations as applicable to the Issuer from time to time, the Notes may be subject to the powers exercised by the Resolution Authority to:

- (a) write down, including write down to zero, the claims for payment in respect of the Notes;
- (b) convert these claims into ordinary shares of (i) the Issuer or (ii) any group entity or (iii) any bridge bank or other instruments of ownership qualifying as common equity tier 1 capital (and the issue to or conferral on the counterparty of such instruments); and/or
- (c) apply any other resolution measure, including, but not limited to, (i) any transfer of the Notes to another entity, (ii) the amendment, modification or variation of the Conditions or (iii) the cancellation of the Notes;

(each, a "**Resolution Measure**").

(6) *Resolution Measures.* The Noteholders shall be bound by any Resolution Measure. No Noteholder shall have any claim or other right against the Issuer arising out of any Resolution Measure. In particular, the exercise of any Resolution Measure shall not constitute an event of default resulting in a termination right of the Noteholder.

§ 3 INTEREST

(1) *Rate of Interest and Interest Payment Dates.* The Notes shall bear interest on their Specified Denomination at the Rate of Interest (as defined in § 3(2)) as is applicable to the relevant Interest Period from and including 25 April 2024 (the "**Interest Commencement Date**").

Interest for each Interest Period shall be payable annually in arrear on 25 July in each year (each such date, an "**Interest Payment Date**"). The first payment

Zinszahlung erfolgt am 25. Juli 2025 (erster langer Kupon).

(2) *Zinssatz*. Der jeweils anwendbare Zinssatz (der "**Zinssatz**") für jede Zinsperiode ist

- (a) für den Zeitraum ab dem Verzinsungsbeginn (einschließlich) bis zum 25. Juli 2029 (der "**Zinsanpassungstag**") (ausschließlich), ein fester Zinssatz in Höhe von 9,500 % *per annum*; und
- (b) für den Zeitraum ab dem Zinsanpassungstag (einschließlich) bis zum Endfälligkeitstag (ausschließlich) (dieser Zeitraum der "**Zinsanpassungszeitraum**") der Referenzsatz (wie nachstehend definiert) zuzüglich der Marge (wie nachstehend definiert),

wobei für die Bestimmung des Referenzsatzes ein nicht auf jährlicher Basis ausgedrückter Satz in wirtschaftlich vernünftiger Weise auf eine jährliche Basis umgerechnet wird.

Die Berechnungsstelle bestimmt an dem Zinsfestsetzungstag (wie nachstehend definiert) den Referenzsatz und den daraus folgenden Zinssatz für den Zinsanpassungszeitraum nach Maßgabe dieses § 3(2).

"**Marge**" bezeichnet 6,628 % *per annum*.

"**Zinsperiode**" bezeichnet jeweils den Zeitraum ab dem Verzinsungsbeginn (einschließlich) bis zum ersten Zinszahlungstag (ausschließlich) bzw. ab jedem Zinszahlungstag (einschließlich) bis zum jeweils darauffolgenden Zinszahlungstag (ausschließlich).

(3) *Feststellung des Referenzsatzes*. Die Berechnungsstelle bestimmt an dem Zinsfestsetzungstag (wie nachstehend definiert) den betreffenden Referenzsatz nach Maßgabe dieses § 3(3).

Der "**Referenzsatz**" für den Zinsanpassungszeitraum wird wie folgt bestimmt:

- (a) Vor dem Eintritt eines Benchmark-Ereignis (wie in § 3(4)(f) definiert), entspricht der Referenzsatz dem Ursprünglichen Benchmarksatz am Zinsfestsetzungstag.

Falls der Ursprüngliche Benchmarksatz zu dem betreffenden Zeitpunkt am Zinsfestsetzungstag nicht auf der Bildschirmseite angezeigt wird, entspricht der Referenzsatz dem Ursprünglichen Benchmarksatz auf der Bildschirmseite an dem letzten Tag vor dem Zinsfestsetzungstag, an dem dieser Ursprüngliche Benchmarksatz angezeigt wurde.

- (b) Nach Eintritt eines Benchmark-Ereignis wird der Referenzsatz gemäß § 3(4) bestimmt.

of interest shall be made on 25 July 2025 (first long coupon).

(2) *Rate of Interest*. The applicable rate of interest (the "**Rate of Interest**") for each Interest Period will be

- (a) for the period from and including the Interest Commencement Date to but excluding 25 July 2029 (the "**Reset Date**"), a fixed rate of 9.500% *per annum*; and
- (b) for the period from and including the Reset Date to but excluding the Maturity Date (such period the "**Reset Period**") the Reference Rate (as defined below) plus the Margin (as defined below),

provided that, for purposes of the determination of the Reference Rate, a rate which is not expressed on an annual basis will be converted to an annual basis in a commercially reasonable manner.

The Calculation Agent will determine the Reference Rate and the resulting Rate of Interest for the Reset Period in accordance with this § 3(2) on the Interest Determination Date (as defined below).

"**Margin**" means 6.628% *per annum*.

"**Interest Period**" means each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and from and including each Interest Payment Date to but excluding the following Interest Payment Date.

(3) *Determination of the Reference Rate*. The Calculation Agent will determine the Reference Rate in accordance with this § 3(3) on the Interest Determination Date (as defined below).

The "**Reference Rate**" for the Reset Period will be determined as follows:

- (a) Prior to the occurrence of a Benchmark Event (as defined in § 3(4)(f)), the Reference Rate will be equal to the Original Benchmark Rate on the Interest Determination Date.

If the Original Benchmark Rate does not appear on the Screen Page as at the relevant time on Interest Determination Date, the Reference Rate shall be equal to the Original Benchmark Rate on the Screen Page on the last day preceding the Interest Determination Date on which such Original Benchmark Rate was displayed.

- (b) After the occurrence of a Benchmark Event, the Reference Rate will be determined in accordance with § 3(4).

(c) Falls nach Auffassung der Emittentin die Bestimmung des Referenzsatzes gemäß § 3(3)(b) die Einstufung der Schuldverschreibungen als Tier 2-Instrumente und/oder als berücksichtigungsfähige Verbindlichkeiten oder Instrumente mit Verlustausgleichsfunktion auf individueller Basis der Emittentin und/oder auf konsolidierter Basis der Institutsgruppe der Emittentin im Sinne der Anwendbaren Aufsichtsrechtlichen Vorschriften beeinträchtigen würde, beträgt der für den Zinsanpassungszeitraum anwendbare Referenzsatz 2,841 % *per annum*.¹

Dabei gilt Folgendes:

"5-Jahres-Euro-Mid-Swapsatz" bezeichnet das arithmetische Mittel der nachgefragten (*bid*) und angebotenen (*offered*) Sätze für den jährlichen Festzinszahlungsstrom einer fest- zu variablen (*fixed-for-floating*) Zinsswap-Transaktion in Euro, (x) die eine fünfjährige Laufzeit hat, und (y) deren variabler Zahlungsstrom auf dem 6-Monats-EURIBOR-Satz (oder dem EURIBOR-Satz für eine andere Laufzeit, die der Laufzeit gemäß dem dann vorherrschenden Marktstandard für solche fest- zu variable (*fixed-for-floating*) Zinsswap-Transaktionen in Euro entspricht) beruht.

"Bildschirmseite" bezeichnet die Reuters Bildschirmseite "ICESWAP2" (oder eine Nachfolgersseite) unter der Überschrift "11:00 AM" (oder einer Nachfolgeüberschrift) (die **"Ursprüngliche Bildschirmseite"**). Wenn die Ursprüngliche Bildschirmseite dauerhaft eingestellt wird, oder wenn darauf die Quotierung des Ursprünglichen Benchmarksatzes dauerhaft eingestellt wird, jedoch diese Quotierung von einem anderen Anbieter und/oder auf einer anderen Bildschirmseite, der bzw. die von der Emittentin nach billigem Ermessen ausgewählt worden ist, verfügbar ist (die **"Ersatzbildschirmseite"**), dann bezeichnet der Begriff "Bildschirmseite" zum Zweck der Festlegung des Ursprünglichen Benchmarksatzes die Ersatzbildschirmseite, und zwar ab dem Tag, an dem die Emittentin die Ersatzbildschirmseite auswählt.

"T2-Geschäftstag" bezeichnet einen Tag (außer einem Samstag oder Sonntag) an dem alle betroffenen Bereiche des Real-time Gross Settlement System des Eurosystems oder dessen Nachfolgesystem (T2) offen sind, um Zahlungen abzuwickeln.

"Ursprünglicher Benchmarksatz" an einem Tag bezeichnet (vorbehaltlich § 3(4)) den jährlichen 5-Jahres-Euro-Mid-Swapsatz (ausgedrückt als Prozentsatz *per annum*) um 11:00 Uhr (Frankfurt am Main Zeit), wie er auf der Bildschirmseite gegen 11:00

(c) If, in the determination of the Issuer, the determination of the Reference Rate in accordance with § 3(3)(b) would be likely to prejudice the qualification of the Notes as Tier 2 Instruments and/or as eligible liabilities or loss absorbing capacity instruments on an individual basis of the Issuer and/or on a consolidated basis of the Issuer's Regulatory Group for the purposes of the Applicable Supervisory Regulations, the Reference Rate applicable to the Reset Period shall be 2.841% *per annum*.²

Where:

"5-year Euro Mid Swap Rate" means the arithmetic mean of the bid and offered rates for the annual fixed leg of a fixed-for-floating interest rate swap transaction in Euro which (x) has a term of five years and (y) has a floating leg based on the 6-month EURIBOR rate (or the EURIBOR rate for such other tenor as is the then prevailing market standard tenor for such fixed-for-floating interest rate swap transactions in Euro).

"Screen Page" means Reuters Screen Page "ICESWAP2" (or any successor page) under the heading "11:00 AM" (or any successor heading) (the **"Original Screen Page"**). If the Original Screen Page permanently ceases to exist or permanently ceases to quote the Original Benchmark Rate but such quotation is available from another provider and/or page selected by the Issuer in its reasonable discretion (the **"Replacement Screen Page"**), the term "Screen Page" for purposes of the determination of the Original Benchmark Rate shall be the Replacement Screen Page with effect from the date on which the Replacement Screen Page is selected by the Issuer.

"T2 Business Day" means a day (other than a Saturday or a Sunday) on which all relevant parts of the real-time gross settlement system operated by the Eurosystem or any successor system (T2) are open to effect payments.

"Original Benchmark Rate" on any day means (subject to § 3(4)) the annual 5-year Euro Mid Swap Rate (expressed as a percentage *per annum*) as at 11:00 a.m. (Frankfurt am Main time), as displayed on the Screen Page as at or around 11:00 a.m. (Frankfurt

¹ Entspricht der Reoffer Rendite im Zeitpunkt der Preisfestsetzung der Schuldverschreibung minus der Marge (wie in § 3(2) definiert).

² Calculated as the reoffer yield at the time of pricing of the Notes less the Margin (as defined in § 3(2)).

Uhr (Frankfurt am Main Zeit) (oder zu einer späteren Uhrzeit, zu welcher der 5-Jahres-Euro-Mid-Swapsatz auf der Bildschirmseite verfügbar wird) an dem betreffenden Tag angezeigt wird.

"**Zinsfestsetzungstag**" bezeichnet den zweiten T2-Geschäftstag vor dem Zinsanpassungstag.

(4) *Benchmark-Ereignis*. Wenn ein Benchmark-Ereignis (wie in § 3(4)(f) definiert) in Bezug auf den Ursprünglichen Benchmarksatz eintritt, gilt für die Bestimmung des betreffenden Referenzsatzes und die Verzinsung der Schuldverschreibungen gemäß § 3(2) Folgendes:

- (a) *Unabhängiger Berater*. Die Emittentin wird sich bemühen, sobald dies (nach Ansicht der Emittentin) nach Eintritt des Benchmark-Ereignisses und vor dem Zinsfestsetzungstag erforderlich ist, einen Unabhängigen Berater (wie in § 3(4)(f) definiert) zu benennen, der einen Neuen Benchmarksatz (wie in § 3(4)(f) definiert), die Anpassungsspanne (wie in § 3(4)(f) definiert) und etwaige Benchmark-Änderungen (wie in § 3(4)(f) definiert) festlegt.
- (b) *Ausweichsatz (Fallback Rate)*. Wenn vor dem 10. Geschäftstag vor dem Zinsfestsetzungstag
 - (i) die Emittentin keinen Unabhängigen Berater ernannt hat; oder
 - (ii) der von ihr ernannte Unabhängige Berater keinen Neuen Benchmarksatz, keine Anpassungsspanne und/oder keine Benchmark-Änderungen (sofern erforderlich) gemäß diesem § 3(4) festgelegt hat,

entspricht der für den Zinsanpassungszeitraum anwendbare Referenzsatz 2,841 % *per annum*.³

- (c) *Nachfolge-Benchmarksatz oder Alternativ-Benchmarksatz*. Falls der Unabhängige Berater nach billigem Ermessen feststellt,
 - (i) dass es einen Nachfolge-Benchmarksatz gibt, dann ist dieser Nachfolge-Benchmarksatz der Neue Benchmarksatz; oder
 - (ii) dass es keinen Nachfolge-Benchmarksatz, aber einen Alternativ-Benchmarksatz gibt, dann ist dieser Alternativ-Benchmarksatz der Neue Benchmarksatz.

In beiden Fällen entspricht der Referenzsatz vorbehaltlich § 3(2)(c) dann (x) dem Neuen Benchmarksatz am Zinsfestsetzungstag zuzüglich (y) der Anpassungsspanne.

am Main time) (or, if later, as at or around such time at which the 5-year Euro Mid Swap Rate becomes available on the Screen Page) on such day.

"**Interest Determination Date**" means the second T2 Business Day preceding the Reset Date.

(4) *Benchmark Event*. If a Benchmark Event (as defined in § 3(4)(f)) occurs in relation to the Original Benchmark Rate, the relevant Reference Rate and the interest on the Notes in accordance with § 3(2) will be determined as follows:

- (a) *Independent Adviser*. The Issuer shall, as soon as is required (in the Issuer's view) following the occurrence of the Benchmark Event and prior to the Interest Determination Date, endeavor to appoint an Independent Adviser (as defined in § 3(4)(f)), who will determine a New Benchmark Rate (as defined in § 3(4)(f)), the Adjustment Spread (as defined in § 3(4)(f)) and any Benchmark Amendments (as defined in § 3(4)(f)).
- (b) *Fallback rate*. If, prior to the 10th Business Day prior to the Interest Determination Date,
 - (i) the Issuer has not appointed an Independent Adviser; or
 - (ii) the Independent Adviser appointed by it has not determined a New Benchmark Rate, has not determined the Adjustment Spread and/or has not determined any Benchmark Amendments (if required) in accordance with this § 3(4),

the Reference Rate applicable to the Reset Period shall be 2.841% *per annum*.⁴

- (c) *Successor Benchmark Rate or Alternative Benchmark Rate*. If the Independent Adviser determines in its reasonable discretion that:
 - (i) there is a Successor Benchmark Rate, then such Successor Benchmark Rate shall be the New Benchmark Rate; or
 - (ii) there is no Successor Benchmark Rate but there is an Alternative Benchmark Rate, then such Alternative Benchmark Rate shall be the New Benchmark Rate.

In either case the Reference Rate, subject to § 3(2)(c), will then be (x) the New Benchmark Rate on the Interest Determination Date plus (y) the Adjustment Spread.

³ Entspricht der Reoffer Rendite der Schuldverschreibungen im Zeitpunkt der Preisfestsetzung minus Kreditmarge.

⁴ Calculated as the reoffer yield at the time of pricing of the Notes less the Credit Spread.

(d) *Benchmark-Änderungen.* Wenn ein Neuer Benchmarksatz und die entsprechende Anpassungsspanne gemäß diesem § 3(4) festgelegt werden und wenn der Unabhängige Berater nach billigem Ermessen feststellt, dass Änderungen dieser Anleihebedingungen notwendig sind, um die ordnungsgemäße Anwendung des Neuen Benchmarksatzes und der entsprechenden Anpassungsspanne zu gewährleisten (diese Änderungen die "**Benchmark-Änderungen**"), dann wird der Unabhängige Berater die Benchmark-Änderungen feststellen.

Diese Benchmark-Änderungen können insbesondere folgende Regelungen in diesen Anleihebedingungen erfassen:

- (i) die Feststellung des Referenzsatzes gemäß § 3(3) und diesem § 3(4); und/oder
- (ii) die Definitionen der Begriffe "Geschäftstag", "Zahlungsgeschäftstag", "Zinsanpassungszeitraum", "Zinsanpassungstag", "Zinsperiode", "Zinstagequotient", "Zinsfestsetzungstag" und/oder "Zinszahlungstag" (einschließlich der Festlegung, ob der Referenzsatz vorwärts- oder rückwärtsgerichtet bestimmt wird); und/oder
- (iii) die Zahlungsgeschäftstagekonvention gemäß § 5(4).

(e) *Mitteilungen etc.*

- (i) Die Emittentin wird einen Neuen Benchmarksatz, die Anpassungsspanne und etwaige Benchmark-Änderungen gemäß diesem § 3(4) bzw. den Ausweichsatz gemäß § 3(4)(b) der Berechnungsstelle und jeder Zahlstelle in Form einer von zwei Unterschriftsberechtigten der Emittentin unterzeichneten Bescheinigung mitteilen, und zwar sobald eine solche Mitteilung bzw. Bescheinigung (nach Ansicht der Emittentin) nach deren Feststellung erforderlich ist, spätestens jedoch an dem 10. Geschäftstag vor dem Zinsfestsetzungstag.
- (ii) Die Emittentin wird einen Neuen Benchmarksatz, die Anpassungsspanne und etwaige Benchmark-Änderungen gemäß diesem § 3(4) bzw. den Ausweichsatz gemäß § 3(4)(b) den Anleihegläubigern gemäß § 9 mitteilen, und zwar sobald wie möglich nach der Mitteilung gemäß Buchstabe (i). Eine solche Mitteilung ist unwiderruflich.

(d) *Benchmark Amendments.* If any New Benchmark Rate and the applicable Adjustment Spread are determined in accordance with this § 3(4), and if the Independent Adviser determines in its reasonable discretion that amendments to these Terms and Conditions are necessary to ensure the proper operation of such New Benchmark Rate and the applicable Adjustment Spread (such amendments, the "**Benchmark Amendments**"), then the Independent Adviser will determine the Benchmark Amendments.

Such Benchmark Amendments may include, without limitation, the following conditions of these Terms and Conditions:

- (i) the determination of the Reference Rate in accordance with § 3(3) and this § 3(4); and/or
- (ii) the definitions of the terms "Business Day", "Payment Business Day", "Interest Period", "Day Count Fraction", "Interest Determination Date", "Reset Date", "Reset Period" and/or "Interest Payment Date" (including the determination whether the Reference Rate will be determined on a forward-looking or a backward-looking basis); and/or
- (iii) the payment business day convention in accordance with § 5(4).

(e) *Notices etc.*

- (i) The Issuer will notify any New Benchmark Rate, the Adjustment Spread and the Benchmark Amendments (if any) determined in accordance with this § 3(4) or the fallback rate in accordance with § 3(4)(b), as the case may be, to the Calculation Agent and each Paying Agent in the form of a certificate signed by two authorized signatories of the Issuer as soon as such notification or certification is required (in the Issuer's view) following the determination thereof, but in any event not later than on the 10th Business Day prior to the Interest Determination Date.
- (ii) The Issuer will notify any New Benchmark Rate, the Adjustment Spread and the Benchmark Amendments (if any) determined in accordance with this § 3(4) or the fallback rate in accordance with § 3(4)(b), as the case may be, to the Noteholders in accordance with § 9 as soon as practicable following the notice in accordance with clause (i). Such notice shall be irrevocable.

Der Neue Benchmarksatz, die Anpassungsspanne und etwaige Benchmark-Änderungen bzw. der Ausweichsatz, die jeweils in der Mitteilung benannt werden, sind (sofern nicht ein offensichtlicher Irrtum vorliegt) für die Emittentin, die Zahlstellen, die Berechnungsstelle und die Anleihegläubiger bindend.

(iii) Die Anleihebedingungen gelten ab erfolgter Mitteilung gemäß Buchstabe (ii) und § 9 durch den Neuen Benchmarksatz, die Anpassungsspanne und die etwaigen Benchmark-Änderungen bzw. dem Ausweichsatz geändert.

(f) Zur Verwendung in diesem § 3(4):

Die "**Anpassungsspanne**", die positiv, negativ oder gleich null sein kann, wird in Basispunkten ausgedrückt und bezeichnet entweder (x) die Spanne oder (y) das Ergebnis der Anwendung der Formel oder Methode zur Berechnung der Spanne, die

- (1) im Fall eines Nachfolge-Benchmarksatzes formell im Zusammenhang mit der Ersetzung des Ursprünglichen Benchmarksatzes durch den Nachfolge-Benchmarksatz von einem Maßgeblichen Nominierungsgremium empfohlen wird; oder
- (2) (sofern keine Empfehlung gemäß Ziffer (1) abgegeben wurde oder im Fall eines Alternativ-Benchmarksatzes) üblicherweise an den internationalen Anleihekapitalmärkten auf den Neuen Benchmarksatz angewendet wird, um einen industrieweit akzeptierten Ersatz-Benchmarksatz für den Ursprünglichen Benchmarksatz zu erzeugen, wobei sämtliche Feststellungen durch den Unabhängigen Berater nach billigem Ermessen vorgenommen werden; oder
- (3) (sofern der Unabhängige Berater nach billigem Ermessen feststellt, dass keine solche Spanne üblicherweise angewendet wird und dass das Folgende für die Schuldverschreibungen angemessen ist) als industrieweiter Standard für Over-the-Counter-Derivatetransaktionen, die sich auf den Ursprünglichen Benchmarksatz beziehen, anerkannt oder bestätigt ist, wenn der Ursprüngliche Benchmarksatz durch den Neuen Benchmarksatz ersetzt worden ist, wobei sämtliche Feststellungen durch den Unabhängigen Berater nach billigem Ermessen vorgenommen werden.

The New Benchmark Rate, the Adjustment Spread and the Benchmark Amendments (if any) or the fallback rate, as the case may be, each as specified in such notice, will (in the absence of manifest error) be binding on the Issuer, the Paying Agents, the Calculation Agent and the Noteholders.

(iii) The Terms and Conditions shall be deemed to have been amended by the New Benchmark Rate, the Adjustment Spread and any Benchmark Amendments or the fallback rate, as the case may be, with effect from the effectiveness of the notice in accordance with clause (ii) and § 9.

(f) As used in this § 3(4):

The "**Adjustment Spread**", which may be positive, negative or zero, will be expressed in basis points and means either (x) the spread, or (y) the result of the operation of the formula or methodology for calculating the spread, which

- (1) in the case of a Successor Benchmark Rate, is formally recommended in relation to the replacement of the Original Benchmark Rate with the Successor Benchmark Rate by any Relevant Nominating Body; or
- (2) (if no recommendation pursuant to clause (1) has been made, or in the case of an Alternative Benchmark Rate) is customarily applied to the New Benchmark Rate in the international debt capital markets to produce an industry-accepted replacement benchmark rate for the Original Benchmark Rate, provided that all determinations will be made by the Independent Adviser in its reasonable discretion; or
- (3) (if the Independent Adviser in its reasonable discretion determines that no such spread is customarily applied and that the following would be appropriate for the Notes) is recognized or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Benchmark Rate, where the Original Benchmark Rate has been replaced by the New Benchmark Rate, provided that all determinations will be made by the Independent Adviser in its reasonable discretion.

"**Alternativ-Benchmarksatz**" bezeichnet eine alternative Benchmark oder einen alternativen Bildschirmsatz, die bzw. der üblicherweise an den internationalen Anleihekapitalmärkten zur Bestimmung von variablen Zinssätzen (oder dazugehörigen Zinskomponenten) in der Festgelegten Währung angewendet wird, wobei sämtliche Feststellungen durch den Unabhängigen Berater nach billigem Ermessen vorgenommen werden.

Ein "**Benchmark-Ereignis**" tritt ein, wenn:

- (1) eine öffentliche Erklärung oder eine Veröffentlichung von Informationen von oder im Namen der für den Administrator des Ursprünglichen Benchmarksatzes zuständigen Aufsichtsbehörde vorgenommen wird, (x) aus der hervorgeht, dass dieser Administrator die Bereitstellung des Ursprünglichen Benchmarksatzes dauerhaft oder auf unbestimmte Zeit eingestellt hat oder einstellen wird, es sei denn, es gibt einen Nachfolgeadministrator, der den Ursprünglichen Benchmarksatz weiterhin bereitstellt, oder (y) aufgrund derer der Ursprüngliche Benchmarksatz allgemein oder in Bezug auf die Schuldverschreibungen nicht mehr verwendet werden darf; oder
- (2) eine öffentliche Erklärung oder eine Veröffentlichung von Informationen von oder im Namen des Administrators des Ursprünglichen Benchmarksatzes vorgenommen wird, aus der hervorgeht, dass der Administrator die Bereitstellung des Ursprünglichen Benchmarksatzes dauerhaft oder auf unbestimmte Zeit eingestellt hat oder einstellen wird, es sei denn, es gibt einen Nachfolgeadministrator, der den Ursprünglichen Benchmarksatz weiterhin bereitstellt; oder
- (3) eine öffentliche Erklärung der Aufsichtsbehörde des Administrators des Ursprünglichen Benchmarksatzes veröffentlicht wird, wonach der Ursprüngliche Benchmarksatz ihrer Ansicht nach nicht mehr repräsentativ für den zugrunde liegenden Markt, den er zu messen vorgibt, ist oder sein wird, und keine von der Aufsichtsbehörde des Administrators des Ursprünglichen Benchmarksatzes geforderten Maßnahmen zur Behebung einer solchen Situation ergriffen werden oder zu erwarten sind; oder
- (4) die Verwendung des Ursprünglichen Benchmarksatzes aus irgendeinem Grund

"**Alternative Benchmark Rate**" means an alternative benchmark or an alternative screen rate which is customarily applied in the international debt capital markets for the purpose of determining floating rates of interest (or the relevant component part thereof) in the Specified Currency, provided that all determinations will be made by the Independent Adviser in its reasonable discretion.

A "**Benchmark Event**" occurs if:

- (1) a public statement or publication of information by or on behalf of the regulatory supervisor of the Original Benchmark Rate administrator is made, (x) stating that said administrator has ceased or will cease to provide the Original Benchmark Rate permanently or indefinitely, unless there is a successor administrator that will continue to provide the Original Benchmark Rate, or (y) as a consequence of which the Original Benchmark Rate will be prohibited from being used either generally or in respect of the Notes; or
- (2) a public statement or publication of information by or on behalf of the Original Benchmark Rate administrator is made, stating that said administrator has ceased or will cease to provide the Original Benchmark Rate permanently or indefinitely, unless there is a successor administrator that will continue to provide the Original Benchmark Rate; or
- (3) a public statement by the regulatory supervisor of the Original Benchmark Rate administrator is made that, in its view, the Original Benchmark Rate is no longer, or will no longer be, representative of the underlying market it purports to measure and no action to remediate such a situation is taken or expected to be taken as required by the regulatory supervisor of the Original Benchmark Rate administrator; or
- (4) it has become, for any reason, unlawful under any law or regulation applicable to

nach einem Gesetz oder einer Verordnung, die in Bezug auf die Zahlstellen, die Berechnungsstelle oder die Emittentin anwendbar sind, rechtswidrig geworden ist; oder

- (5) der Ursprüngliche Benchmarksatz ohne vorherige offizielle Ankündigung durch die zuständige Aufsichtsbehörde oder den Administrator dauerhaft nicht mehr veröffentlicht wird; oder
- (6) eine wesentliche Änderung der Methodologie des Ursprünglichen Benchmarksatzes vorgenommen wird.

"Maßgebliches Nominierungsgremium" bezeichnet in Bezug auf die Ersetzung des Ursprünglichen Benchmarksatzes:

- (1) die Zentralbank für die Währung, auf die sich die Benchmark oder der Bildschirmsatz bezieht, oder eine Zentralbank oder andere Aufsichtsbehörde, die für die Aufsicht des Administrators der Benchmark oder des Bildschirmsatzes zuständig ist; oder
- (2) jede Arbeitsgruppe oder jeden Ausschuss, die bzw. der von (I) der Zentralbank für die Währung, auf die sich die Benchmark oder der Bildschirmsatz bezieht, (II) einer Zentralbank oder anderen Aufsichtsbehörde, die für die Aufsicht des Administrators der Benchmark oder des Bildschirmsatzes zuständig ist, (III) einer Gruppe der zuvor genannten Zentralbanken oder anderer Aufsichtsbehörden oder (IV) dem Finanzstabilitätsrat (*Financial Stability Board*) oder Teilen davon gefördert, geführt oder mitgeführt wird oder auf deren Verlangen gebildet wird.

"Nachfolge-Benchmarksatz" bezeichnet einen Nachfolger oder Ersatz des Ursprünglichen Benchmarksatzes, der formell durch das Maßgebliche Nominierungsgremium empfohlen wurde.

"Neuer Benchmarksatz" bezeichnet den jeweils gemäß diesem § 3(4) bestimmten Nachfolge-Benchmarksatz bzw. Alternativ-Benchmarksatz.

"Unabhängiger Berater" bezeichnet ein von der Emittentin ernanntes unabhängiges Finanzinstitut mit internationalem Ansehen oder einen anderen von der Emittentin ernannten unabhängigen Finanzberater mit Erfahrung in den internationalen Anleihekapitalmärkten.

- (g) Wenn ein Benchmark-Ereignis in Bezug auf einen Neuen Benchmarksatz eintritt, gilt dieser § 3(4) entsprechend für die Ersetzung des Neuen

the Paying Agents, the Calculation Agent or the Issuer to use the Original Benchmark Rate; or

- (5) the Original Benchmark Rate is permanently no longer published without a previous official announcement by the regulatory supervisor or the administrator; or
- (6) a material change is made to the Original Benchmark Rate methodology.

"Relevant Nominating Body" means, in respect of the replacement of the Original Benchmark Rate:

- (1) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other regulatory supervisor which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or
- (2) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (I) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (II) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (III) a group of the aforementioned central banks or other supervisory authorities or (IV) the Financial Stability Board or any part thereof.

"Successor Benchmark Rate" means a successor to or replacement of the Original Benchmark Rate which is formally recommended by the Relevant Nominating Body.

"New Benchmark Rate" means the Successor Benchmark Rate or, as the case may be, the Alternative Benchmark Rate determined in accordance with this § 3(4).

"Independent Adviser" means an independent financial institution of international repute or other independent financial adviser experienced in the international debt capital markets, in each case appointed by the Issuer.

- (g) If a Benchmark Event occurs in relation to any New Benchmark Rate, this § 3(4) shall apply mutatis mutandis to the replacement of such New

Benchmarksatzes durch einen neuen Nachfolge-Benchmarksatz bzw. Alternativ-Benchmarksatz. In diesem Fall gilt jede Bezugnahme in diesem § 3(4) auf den Begriff "Ursprünglicher Benchmarksatz" als Bezugnahme auf den zuletzt verwendeten Neuen Benchmarksatz.

- (h) In diesem § 3(4) schließt jede Bezugnahme auf den Begriff "Ursprünglicher Benchmarksatz" gegebenenfalls auch eine Bezugnahme auf eine etwaige Teilkomponente des Ursprünglichen Benchmarksatzes ein, wenn in Bezug auf diese Teilkomponente ein Benchmark-Ereignis eingetreten ist.

(5) *Auflaufende Zinsen.* Der Zinslauf der Schuldverschreibungen endet mit Ablauf des Tages, der dem Tag vorangeht, an dem sie zur Rückzahlung fällig werden. Falls die Emittentin die Schuldverschreibungen bei Fälligkeit nicht einlöst, erfolgt die Verzinsung des ausstehenden Gesamtnennbetrags der Schuldverschreibungen vom Tag der Fälligkeit bis zum Ablauf des Tages, der dem Tag der tatsächlichen Rückzahlung der Schuldverschreibungen vorausgeht, in Höhe des gesetzlich festgelegten Satzes für Verzugszinsen.⁵

(6) *Zinstagequotient.* Sofern Zinsen für einen beliebigen Zeitraum zu berechnen sind, erfolgt die Berechnung dieser Zinsen auf der Grundlage des Zinstagequotienten (wie nachstehend definiert).

"**Zinstagequotient**" bezeichnet im Hinblick auf die Berechnung eines Zinsbetrags auf eine Schuldverschreibung für einen beliebigen Zeitraum (der "**Zinsberechnungszeitraum**"):

- (i) wenn der Zinsberechnungszeitraum der Feststellungsperiode entspricht, in die er fällt, oder kürzer als diese ist, die Anzahl von Tagen in dem Zinsberechnungszeitraum dividiert durch das Produkt aus (A) der Anzahl von Tagen in der betreffenden Feststellungsperiode und (B) der Anzahl der Feststellungsperioden, die üblicherweise in einem Jahr enden; und
- (ii) wenn der Zinsberechnungszeitraum länger als eine Feststellungsperiode ist, die Summe aus
- (A) der Anzahl der Tage in dem betreffenden Zinsberechnungszeitraum, die in die Feststellungsperiode fallen, in der der Zinsberechnungszeitraum beginnt, dividiert durch das Produkt aus (1) der Anzahl der Tage in der betreffenden Feststellungsperiode und (2) der Anzahl der

Benchmark Rate by any new Successor Benchmark Rate or Alternative Benchmark Rate, as the case may be. In this case, any reference in this § 3(4) to the term "Original Benchmark Rate" shall be deemed to be a reference to the New Benchmark Rate that last applied.

- (h) Any reference in this § 3(4) to the term "Original Benchmark Rate" shall be deemed to include a reference to any component part thereof, if any, in respect of which a Benchmark Event has occurred.

(5) *Accrual of Interest.* The Notes shall cease to bear interest from the expiry of the day preceding the day on which they are due for redemption. If the Issuer shall fail to redeem the Notes when due, interest shall continue to accrue on the outstanding aggregate principal amount of the Notes from the due date until the expiry of the day preceding the day of the actual redemption of the Notes at the default rate of interest established by law.⁶

(6) *Day Count Fraction.* If interest is required to be calculated for any period of time, such interest shall be calculated on the basis of the Day Count Fraction (as defined below).

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest on any Note for any period of time (the "**Calculation Period**"):

- (i) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (A) the number of days in such Determination Period and (B) the number of Determination Periods normally ending in any year; and
- (ii) if the Calculation Period is longer than one Determination Period, the sum of:
- (A) the number of days in such Calculation Period falling in the Determination Period in which the Calculation Period begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and

⁵ Der gesetzliche Verzugszinssatz beträgt für das Jahr fünf Prozentpunkte über dem von der Deutsche Bundesbank von Zeit zu Zeit bekanntgemachten Basiszinssatz, §§ 288 Absatz 1, 247 BGB.

⁶ The default rate of interest established by law is five percentage points above the basic rate of interest published by *Deutsche Bundesbank* from time to time, §§ 288 paragraph 1, 247 German Civil Code (BGB).

Feststellungsperioden, die üblicherweise in einem Jahr enden; und

- (B) der Anzahl der Tage in dem betreffenden Zinsberechnungszeitraum, die in die nachfolgende Feststellungsperiode fallen, dividiert durch das Produkt aus (1) der Anzahl der Tage in der betreffenden Feststellungsperiode und (2) der Anzahl der Feststellungsperioden, die üblicherweise in einem Jahr enden.

Dabei gilt Folgendes:

"**Feststellungstermin**" bezeichnet jeden 25. Juli;

"**Feststellungsperiode**" bezeichnet jeden Zeitraum ab einem Feststellungstermin (einschließlich), der in ein beliebiges Jahr fällt, bis zum nächsten Feststellungstermin (ausschließlich).

§ 4

RÜCKZAHLUNG, RÜCKKAUF

(1) *Rückzahlung bei Endfälligkeit.* Soweit nicht zuvor bereits ganz oder teilweise zurückgezahlt oder angekauft und entwertet, werden die Schuldverschreibungen am 25. Juli 2034 (der "**Endfälligkeitstag**") zu ihrer festgelegten Stückelung zurückgezahlt.

(2) *Vorzeitige Rückzahlung nach Wahl der Emittentin.*

- (a) Vorbehaltlich der Erfüllung der Rückzahlungs- und Rückkaufbedingungen (wie nachstehend definiert) ist die Emittentin berechtigt, die ausstehenden Schuldverschreibungen (insgesamt, jedoch nicht nur teilweise) durch Mitteilung an die Anleihegläubiger gemäß § 9 unter Einhaltung einer Frist von nicht weniger als 15 und nicht mehr als 30 Geschäftstagen mit Wirkung zu jedem Optionalen Rückzahlungstag (wie nachstehend definiert) zu kündigen. Wenn die Emittentin ihr Rückzahlungsrecht gemäß Satz 1 ausübt und die Rückzahlungs- und Rückkaufbedingungen erfüllt sind, ist die Emittentin verpflichtet, die Schuldverschreibungen an dem in der Bekanntmachung für die Rückzahlung festgelegten Optionalen Rückzahlungstag zu ihrer festgelegten Stückelung zuzüglich bis zu dem Optionalen Rückzahlungstag (ausschließlich) aufgelaufener Zinsen zurückzuzahlen.

"**Optionalen Rückzahlungstag**" bezeichnet

- (i) jeden Zahlungsgeschäftstag in dem Zeitraum ab dem 25. April 2029 (einschließlich) bis zum Zinsanpassungstag (ausschließlich); und

- (B) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year.

Where:

"**Determination Date**" means each 25 July;

"**Determination Period**" means each period from and including a Determination Date in any year to but excluding the next Determination Date.

§ 4

REDEMPTION, REPURCHASE

(1) *Redemption at Maturity.* Unless previously redeemed in whole or in part or purchased and cancelled, the Notes shall be redeemed at their Specified Denomination on 25 July 2034 (the "**Maturity Date**").

(2) *Early Redemption at the Option of the Issuer.*

- (a) Subject to the Conditions to Redemption and Repurchase (as defined below) being fulfilled, the Issuer may, on giving not less than 15 and not more than 30 Business Days' prior notice to the Noteholders in accordance with § 9, redeem all, but not only some, of the outstanding Notes with effect as of each Optional Redemption Date (as specified below). If the Issuer exercises its call right in accordance with sentence 1 and the Conditions to Redemption and Repurchase are fulfilled, the Issuer shall redeem the Notes at the Specified Denomination together with accrued interest to but excluding such Optional Redemption Date on the Optional Redemption Date fixed for redemption.

"**Optional Redemption Date**" means

- (i) each Payment Business Day during the period from and including 25 April 2029 to but excluding the Reset Date; and

- (ii) den Zinsanpassungstag.
- (b) Eine solche Kündigung beinhaltet die folgenden Angaben:
 - (i) die zurückzuzahlende Serie von Schuldverschreibungen und deren Wertpapier-Kennnummern; und
 - (ii) den für die Rückzahlung festgelegten Optionalen Rückzahlungstag.

(3) *Vorzeitige Rückzahlung aus regulatorischen Gründen.* Vorbehaltlich der Erfüllung der Rückzahlungs- und Rückkaufbedingungen (wie nachstehend definiert) ist die Emittentin berechtigt, die ausstehenden Schuldverschreibungen (insgesamt, jedoch nicht nur teilweise) jederzeit durch Mitteilung an die Anleihegläubiger gemäß § 9 unter Einhaltung einer Frist von nicht weniger als 15 und nicht mehr als 30 Geschäftstagen mit Wirkung zu dem in der Mitteilung für die Rückzahlung festgesetzten Tag zu kündigen, wenn ein Aufsichtsrechtliches Ereignis (wie nachstehend definiert) eintritt. Wenn die Emittentin ihr Rückzahlungsrecht gemäß Satz 1 ausübt und die Rückzahlungs- und Rückkaufbedingungen erfüllt sind, ist die Emittentin verpflichtet, die Schuldverschreibungen an dem in der Mitteilung für die Rückzahlung festgelegten Tag zu ihrer festgelegten Stückelung zuzüglich bis zum für die Rückzahlung festgesetzten Tag (ausschließlich) aufgelaufener Zinsen zurückzuzahlen.

Ein "**Aufsichtsrechtliches Ereignis**" tritt ein, wenn sich an oder nach dem Tag der Begebung der letzten Tranche dieser Serie von Schuldverschreibungen die aufsichtsrechtliche Einstufung der Schuldverschreibungen ändert, was wahrscheinlich zu (i) ihrem Ausschluss von den Eigenmitteln oder (ii) ihrer Neueinstufung als Eigenmittel geringerer Qualität führen würde (jeweils auf individueller Basis der Emittentin und/oder auf konsolidierter Basis der Institutsgruppe der Emittentin), vorausgesetzt, dass bei einer Rückzahlung vor dem fünften Jahrestag des Tags der Begebung der Schuldverschreibungen die Bedingungen in Artikel 78(4)(a) CRR erfüllt sind, nach denen die Zuständige Behörde eine solche Rückzahlung nur gestatten kann, wenn (i) sie es für ausreichend sicher hält, dass eine Änderung der aufsichtsrechtlichen Einstufung stattfindet und (ii) die Emittentin ihr hinreichend nachgewiesen hat, dass die aufsichtsrechtliche Neueinstufung am Tag der Begebung der letzten Tranche dieser Serie von Schuldverschreibungen nicht vorherzusehen war.

(4) *Vorzeitige Rückzahlung aus steuerlichen Gründen.* Vorbehaltlich der Erfüllung der Rückzahlungs- und Rückkaufbedingungen (wie nachstehend definiert) ist die Emittentin berechtigt, die ausstehenden Schuldverschreibungen (insgesamt, jedoch nicht nur teilweise) jederzeit durch Mitteilung an die Anleihegläubiger gemäß § 9 unter Einhaltung einer Frist von nicht weniger als 15 und nicht mehr als 30

- (ii) the Reset Date.
- (b) Any such notice shall specify:
 - (i) the series and securities identification numbers of the Notes subject to redemption; and
 - (ii) the Optional Redemption Date fixed for redemption.

(3) *Early Redemption for Regulatory Reasons.* Subject to the Conditions to Redemption and Repurchase (as defined below) being fulfilled, the Issuer may, at any time on giving not less than 15 and not more than 30 Business Days' prior notice to the Noteholders in accordance with § 9, redeem all, but not only some, of the outstanding Notes with effect as of the date of redemption fixed in the notice if a Regulatory Event (as defined below) occurs. If the Issuer exercises its call right in accordance with sentence 1 and the Conditions to Redemption and Repurchase are fulfilled, the Issuer shall redeem the Notes at their Specified Denomination together with interest accrued to but excluding the date fixed for redemption on the date fixed for redemption.

A "**Regulatory Event**" occurs if, on or after the date of issue of the last tranche of this series of Notes, there is a change in the regulatory classification of the Notes that would be likely to result in their (i) exclusion from the own funds or (ii) reclassification as own funds of a lower quality (in each case, on an individual basis of the Issuer and/or on a consolidated basis of the Issuer's Regulatory Group), provided that in respect of a redemption prior to the fifth anniversary of the issue date of the Notes the conditions in Article 78(4)(a) CRR are met, pursuant to which the Competent Authority may approve such redemption only if (i) it considers the change in the regulatory classification to be sufficiently certain and (ii) the Issuer demonstrated to its satisfaction that the regulatory reclassification of the Notes was not reasonably foreseeable at the date of issue of the last tranche of this series of Notes.

(4) *Early Redemption for Reasons of Taxation.* Subject to the Conditions to Redemption and Repurchase (as defined below) being fulfilled, the Issuer may, at any time on giving not less than 15 and not more than 30 Business Days' prior notice to the Noteholders in accordance with § 9, redeem all, but not only some, of the outstanding Notes with effect as of the date of redemption fixed in the notice if a Gross up Event (as

Geschäftstagen mit Wirkung zu dem in der Mitteilung für die Rückzahlung festgesetzten Tag zu kündigen, wenn ein Gross-up-Ereignis (wie nachstehend definiert) eintritt, und wenn, bei einer Rückzahlung vor dem fünften Jahrestag des Tags der Begebung der Schuldverschreibungen, die Bedingungen in Artikel 78(4)(b) CRR erfüllt sind, nach denen die Zuständige Behörde eine solche Rückzahlung nur gestatten kann, wenn sich die geltende steuerliche Behandlung der Schuldverschreibungen ändert und die Emittentin ihr hinreichend nachgewiesen hat, dass die Änderung der steuerlichen Behandlung wesentlich ist und am Tag der Begebung der letzten Tranche dieser Serie von Schuldverschreibungen nicht vorherzusehen war. Wenn die Emittentin ihr Rückzahlungsrecht gemäß Satz 1 ausübt und die Rückzahlungs- und Rückkaufbedingungen erfüllt sind, ist die Emittentin verpflichtet, die Schuldverschreibungen an dem in der Mitteilung für die Rückzahlung festgelegten Tag zu ihrer Festgelegten Stückelung zuzüglich bis zum für die Rückzahlung festgesetzten Tag (ausschließlich) aufgelaufener Zinsen zurückzuzahlen.

Eine solche Kündigungserklärung darf nicht früher als 90 Tage vor dem Tag erfolgen, an dem die Emittentin erstmals verpflichtet wäre, Zusätzliche Beträge (wie in § 6 definiert) zu zahlen.

Ein "**Gross-up-Ereignis**" tritt ein, wenn der Emittentin ein Gutachten einer anerkannten Anwaltskanzlei vorliegt (und die Emittentin der Hauptzahlstelle eine Kopie davon gibt), aus dem hervorgeht, dass die Emittentin aufgrund einer Änderung oder Klarstellung von Gesetzen, Verordnungen oder sonstigen Vorschriften, oder aufgrund einer Änderung oder Klarstellung der Auslegung oder Anwendung, oder aufgrund einer erstmaligen Auslegung oder Anwendung dieser Gesetze, Verordnungen oder sonstigen Vorschriften durch eine gesetzgebende Körperschaft, ein Gericht oder eine Behörde (einschließlich des Erlasses von Gesetzen sowie der Bekanntmachung von Entscheidungen eines Gerichts oder einer Behörde) verpflichtet ist oder verpflichtet sein wird, Zusätzliche Beträge gemäß § 6 auf die Schuldverschreibungen zu zahlen, wenn die Änderung oder Klarstellung an oder nach dem Tag der Begebung der letzten Tranche dieser Serie von Schuldverschreibungen in Kraft tritt (einschließlich des Falles, dass die betreffende Änderung oder Klarstellung rückwirkend Anwendung findet), und die Emittentin diese Verpflichtung nicht abwenden kann, indem sie Maßnahmen ergreift, die sie nach Treu und Glauben für zumutbar und angemessen hält.

Eine solche Kündigung ist unwiderruflich, muss den für die Rückzahlung festgelegten Tag nennen und eine zusammenfassende Erklärung enthalten, welche die das Rückzahlungsrecht der Emittentin begründenden Umstände darlegt.

(5) *Vorzeitige Rückzahlung wegen geringen ausstehenden Gesamtnennbetrags.* Vorbehaltlich der

defined below) occurs, provided that in respect of a redemption prior to the fifth anniversary of the issue date of the Notes, if the conditions in Article 78(4)(b) CRR are met, pursuant to which the Competent Authority may approve such redemption only if there is a change in the applicable tax treatment of the Notes which the Issuer demonstrated to its satisfaction is material and was not reasonably foreseeable at the date of issue of the last tranche of this series of Notes. If the Issuer exercises its call right in accordance with sentence 1 and the Conditions to Redemption and Repurchase are fulfilled, the Issuer shall redeem the Notes at their Specified Denomination together with interest accrued to but excluding the date fixed for redemption on the date fixed for redemption.

No such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be for the first time obliged to pay any Additional Amounts (as defined in § 6).

A "**Gross up Event**" will occur if an opinion of a recognised law firm has been delivered to the Issuer (and the Issuer has provided the Principal Paying Agent with a copy thereof) stating that, as a result of any change in, or amendment or clarification to, the laws, regulations or other rules, or as a result of any change in, or amendment or clarification to, the interpretation or application, or as a result of any interpretation or application made for the first time, of any such laws, regulations or other rules by any legislative body, court or authority (including the enactment of any legislation and the publication of any decision of any court or authority), which change, amendment or clarification becomes effective on or after the date of issue of the last tranche of this series of Notes (including in case any such change, amendment or clarification has retroactive effect), the Issuer has or will become obliged to pay Additional Amounts pursuant to § 6 on the Notes, and that obligation cannot be avoided by the Issuer taking such measures it (acting in good faith) deems reasonable and appropriate.

Any such notice shall be irrevocable, must specify the date fixed for redemption and must set forth a statement in summary form of the facts constituting the basis for the right of the Issuer so to redeem.

(5) *Early Redemption due to Minimal Outstanding Aggregate Principal Amount.* Subject to the Conditions

Erfüllung der Rückzahlungs- und Rückkaufbedingungen (wie nachstehend definiert) ist die Emittentin berechtigt, die ausstehenden Schuldverschreibungen (insgesamt, jedoch nicht nur teilweise) jederzeit durch Mitteilung an die Anleihegläubiger gemäß § 9 unter Einhaltung einer Frist von nicht weniger als 15 und nicht mehr als 30 Geschäftstagen mit Wirkung zu dem in der Mitteilung für die Rückzahlung festgesetzten Tag zu kündigen, wenn zu irgendeinem Zeitpunkt der Gesamtnennbetrag der ausstehenden Schuldverschreibungen, die von anderen Personen als der Emittentin und ihren Tochtergesellschaften gehalten werden, auf 25 % oder weniger des Gesamtnennbetrags der ursprünglich begebenen Schuldverschreibungen (einschließlich der gemäß § 10 zusätzlich begebenen Schuldverschreibungen) gefallen ist. Wenn die Emittentin ihr Rückzahlungsrecht gemäß Satz 1 ausübt und die Rückzahlungs- und Rückkaufbedingungen erfüllt sind, ist die Emittentin verpflichtet, die Schuldverschreibungen an dem in der Mitteilung für die Rückzahlung festgelegten Tag zu ihrer festgelegten Stückelung zuzüglich bis zum für die Rückzahlung festgesetzten Tag (ausschließlich) aufgelaufener Zinsen zurückzuzahlen

(6) *Rückkauf.* Vorbehaltlich der Erfüllung der Rückzahlungs- und Rückkaufbedingungen (wie nachstehend definiert) ist die Emittentin oder eine Tochtergesellschaft berechtigt, Schuldverschreibungen im Markt oder anderweitig zurückzukaufen. Derartig erworbene Schuldverschreibungen können entwertet, gehalten oder wieder veräußert werden.

(7) *Rückzahlungs- und Rückkaufbedingungen.* Die "**Rückzahlungs- und Rückkaufbedingungen**" sind an einem Tag in Bezug auf eine vorzeitige Rückzahlung oder einen geplanten Rückkauf der Schuldverschreibungen erfüllt, wenn die Zuständige Behörde und/oder die Abwicklungsbehörde ihre vorherige Zustimmung gemäß Artikel 77ff. CRR oder einer Nachfolgebestimmung erteilt hat. Zum Zeitpunkt der Begebung der Schuldverschreibungen setzt eine solche Zustimmung voraus, dass eine der folgenden Bedingungen erfüllt ist:

- (i) die Emittentin ersetzt die Schuldverschreibungen vor oder gleichzeitig mit der Rückzahlung oder dem Rückkauf durch Eigenmittelinstrumente zumindest gleicher Qualität zu Bedingungen, die im Hinblick auf die Ertragsmöglichkeiten der Emittentin nachhaltig sind; oder
- (ii) die Emittentin hat der Zuständigen Behörde hinreichend nachgewiesen, dass ihre Eigenmittel und berücksichtigungsfähigen Verbindlichkeiten nach der Rückzahlung oder dem Rückkauf die Anforderungen nach der CRD, der CRR und der BRRD um eine Spanne übersteigen, die die Zuständige Behörde für erforderlich hält;

to Redemption and Repurchase (as defined below) being fulfilled, the Issuer may, at any time on giving not less than 15 and not more than 30 Business Days' prior notice to the Noteholders in accordance with § 9, redeem all, but not only some, of the outstanding Notes with effect as of the date of redemption fixed in the notice if at any time the aggregate principal amount of the Notes outstanding and held by persons other than the Issuer and its subsidiaries has fallen to 25% or less of the aggregate principal amount of the Notes originally issued (including any Notes additionally issued in accordance with § 10). If the Issuer exercises its call right in accordance with sentence 1 and the Conditions to Redemption and Repurchase are fulfilled, the Issuer shall redeem the Notes at their Specified Denomination together with interest accrued to but excluding the date fixed for redemption on the date fixed for redemption.

(6) *Repurchase.* Subject to the Conditions to Redemption and Repurchase (as defined below) being fulfilled, the Issuer or any subsidiary may repurchase Notes in the open market or otherwise. Such acquired Notes may be cancelled, held or resold.

(7) *Conditions to Redemption and Repurchase.* The "**Conditions to Redemption and Repurchase**" are fulfilled on any day with respect to an early redemption or a planned repurchase of the Notes, if the Competent Authority and/or the Resolution Authority has granted the Issuer the prior permission in accordance with Articles 77 *et seq.* CRR or any successor provision. At the time of the issuance of the Notes, such permission requires that either of the following conditions is met:

- (i) before or at the same time as the redemption or the repurchase, the Issuer replaces the Notes with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer; or
- (ii) the Issuer has demonstrated to the satisfaction of the Competent Authority that the own funds and eligible liabilities of the Issuer would, following such redemption or repurchase, exceed the requirements laid down in the CRD, the CRR and the BRRD by a margin that the Competent Authority considers necessary;

wobei die Zuständige Behörde der Emittentin für eine Rückzahlung oder einen Rückkauf eine allgemeine vorherige Zustimmung für einen bestimmten Zeitraum, der auf ein Jahr begrenzt ist und danach verlängert werden kann, und für einen vorab von der Zuständigen Behörde festgelegten Betrag erteilen kann, die Kriterien unterliegt, die sicherstellen, dass jede derartige künftige Rückzahlung bzw. jeder derartige künftige Rückkauf im Einklang mit den oben unter (i) und (ii) festgelegten Bedingungen vonstattengeht, wenn die Emittentin ausreichende Vorkehrungen hinsichtlich ihrer Fähigkeit trifft, mit Eigenmitteln, welche die in den Anwendbaren Aufsichtsrechtlichen Vorschriften vorgeschriebenen Beträge übersteigen, tätig zu sein.

Zusätzlich gilt bei einer Rückzahlung bzw. einem Rückkauf vor dem fünften Jahrestag des Tags der Begebung der Schuldverschreibungen:

- (i) Wenn die Emittentin, die Schuldverschreibungen aus regulatorischen oder steuerlichen Gründen kündigt oder zurückkauft, müssen die in § 4(3) bzw. § 4(4) für die Rückzahlung vor dem fünften Jahrestag des Tags der Begebung der letzten Tranche dieser Serie von Schuldverschreibungen genannten Bedingungen erfüllt sein.
- (ii) Eine Rückzahlung bzw. ein Rückkauf von Schuldverschreibungen, der die unter (i) beschriebenen Vorgaben nicht erfüllt, ist nur zulässig, wenn
 - (A) die Emittentin die Schuldverschreibungen vor oder gleichzeitig mit der Rückzahlung bzw. dem Rückkauf durch Eigenmittelinstrumente zumindest gleicher Qualität zu Bedingungen, die im Hinblick auf die Ertragsmöglichkeiten der Emittentin nachhaltig sind, ersetzt und die Zuständige Behörde die Rückzahlung bzw. den Rückkauf auf der Grundlage der Feststellung erlaubt hat, dass sie aus aufsichtlicher Sicht vorteilhaft und durch außergewöhnliche Umstände gerechtfertigt ist, oder
 - (B) die Schuldverschreibungen für Market-Making-Zwecke innerhalb der von der Zuständigen Behörde genehmigten Grenzen zurückgekauft werden.

Ungeachtet der oben genannten Bedingungen, falls die zum Zeitpunkt der Rückzahlung oder des Rückkaufs Anwendbaren Aufsichtsrechtlichen Vorschriften eine Rückzahlung oder einen Rückkauf nur zulassen, wenn eine solche Rückzahlung oder ein solcher Rückkauf im Einklang mit zumindest einer alternativen oder weiteren Voraussetzung steht, dann muss die Emittentin jeder dieser etwaigen anderen und/oder zusätzlichen Voraussetzungen (wie jeweils anwendbar) entsprechen.

provided that the Competent Authority may grant the Issuer a general prior permission to make a redemption or a repurchase for a specified period, which shall not exceed one year, after which it may be renewed, and for a certain predetermined amount as set by the Competent Authority, subject to criteria that ensure that any such future redemption or repurchase will be in accordance with the conditions set out in points (i) and (ii) above, if the Issuer provides sufficient safeguards as to its capacity to operate with own funds above the amounts required in the Applicable Supervisory Regulations.

Additionally, in the event of a redemption or, as the case may be, a repurchase prior to the fifth anniversary of the issue date of the Notes, the following applies:

- (i) If the Issuer redeems or repurchases the Notes for regulatory reasons or reasons of taxation the conditions in § 4(3) or § 4(4), as the case may be, in respect of a redemption prior to the fifth anniversary of the date of issue of the last tranche of this series of Notes must be met.
- (ii) A redemption or repurchase of Notes that does not meet the conditions set forth under (i) requires either that
 - (A) before or at the same time of the redemption or the repurchase the Issuer replaces the Notes with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer and the Competent Authority has permitted the redemption or the repurchase on the basis of the determination that it would be beneficial from a prudential point of view and justified by exceptional circumstances; or
 - (B) the Notes are repurchased for market making purposes within the limits permitted by the Competent Authority.

Notwithstanding the above conditions, if, at the time of any redemption or repurchase, the Applicable Supervisory Regulations permit the redemption or repurchase only after compliance with one or more alternative or additional pre-conditions to those set out above, the Issuer shall comply with such other and/or, as applicable, additional pre-conditions, if any.

Zur Klarstellung: Die Nichterteilung der Zustimmung gemäß Artikel 77ff. CRR durch die Zuständige Behörde stellt in keinem Fall eine Pflichtverletzung dar.

(8) *Kein Recht der Anleihegläubiger zur Kündigung oder zur Fälligestellung.* Die Anleihegläubiger sind nicht berechtigt, die Schuldverschreibungen zu kündigen oder deren vorzeitige Rückzahlung zu verlangen.

§ 5 ZAHLUNGEN

(1)(a) *Zahlungen auf Kapital.* Zahlungen auf Kapital in Bezug auf die Schuldverschreibungen erfolgen nach Maßgabe des nachstehenden § 5(2) an das Clearingsystem oder (falls anwendbar) dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearingsystems außerhalb der Vereinigten Staaten.

(b) *Zahlung von Zinsen.* Die Zahlung von Zinsen auf die Schuldverschreibungen erfolgt nach Maßgabe von § 5(2) an das Clearingsystem oder (falls anwendbar) dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearingsystems.

Die Zahlung von Zinsen auf Schuldverschreibungen, die durch die vorläufige Globalurkunde verbrieft sind, erfolgt nach Maßgabe von § 5(2) an das Clearingsystem oder (falls anwendbar) dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearingsystems, und zwar nach ordnungsgemäßer Bescheinigung gemäß § 1(3)(b).

(2) *Zahlungsweise.* Vorbehaltlich geltender steuerlicher und sonstiger gesetzlicher Regelungen und Vorschriften erfolgen zu leistende Zahlungen auf die Schuldverschreibungen in der Festgelegten Währung.

(3) *Erfüllung.* Die Emittentin wird durch Leistung der Zahlung an das Clearingsystem oder dessen Order von ihrer Zahlungspflicht befreit.

(4) *Zahlungsgeschäftstage.* Fällt der Fälligkeitstag einer Zahlung in Bezug auf eine Schuldverschreibung auf einen Tag, der kein Zahlungsgeschäftstag ist, dann hat der Anleihegläubiger keinen Anspruch auf Zahlung vor dem nächsten Zahlungsgeschäftstag. Der Anleihegläubiger ist nicht berechtigt, weitere Zinsen oder sonstige Zahlungen aufgrund dieser Verspätung zu verlangen.

(5) *Bezugnahmen.* Bezugnahmen in diesen Anleihebedingungen auf Kapital der Schuldverschreibungen schließen, soweit anwendbar, die folgenden Beträge ein: den Rückzahlungsbetrag der Schuldverschreibungen; den Vorzeitigen Rückzahlungsbetrag; sowie jeden Aufschlag sowie

For the avoidance of doubt, any refusal of the Competent Authority to grant permission in accordance with Articles 77 *et. seq.*, CRR shall not constitute a default for any purpose.

(8) *No Right of Termination or Acceleration by the Noteholders.* The Noteholders shall not be entitled to terminate or otherwise accelerate the redemption of the Notes.

§ 5 PAYMENTS

(1)(a) *Payment of Principal.* Payment of principal in respect of the Notes shall be made, subject to § 5(2) below, to the Clearing System or (if applicable) to its order for credit to the accounts of the relevant account holders of the Clearing System outside the United States.

(b) *Payment of Interest.* Payment of interest on the Notes shall be made, subject to § 5(2), to the Clearing System or (if applicable) to its order for credit to the relevant account holders of the Clearing System.

Payment of interest on Notes represented by the Temporary Global Note shall be made, subject to § 5(2), to the Clearing System or (if applicable) to its order for credit to the relevant account holders of the Clearing System, upon due certification as provided in § 1(3)(b).

(2) *Manner of Payment.* Subject to applicable fiscal and other laws and regulations, payments of amounts due in respect of the Notes shall be made in the Specified Currency.

(3) *Discharge.* The Issuer shall be discharged by payment to, or to the order of, the Clearing System.

(4) *Payment Business Days.* If the due date for payment of any amount in respect of any Note is not a Payment Business Day, then the Noteholder shall not be entitled to payment until the next such Payment Business Day and shall not be entitled to further interest or other payment in respect of such delay.

(5) *References.* References in these Terms and Conditions to principal in respect of the Notes shall be deemed to include, as applicable: the Final Redemption Amount; the Early Redemption Amount; and any premium and any other amounts which may be payable under or in respect of the Notes. References in these

sonstige auf oder in Bezug auf die Schuldverschreibungen zahlbaren Beträge. Bezugnahmen in diesen Anleihebedingungen auf Zinsen auf Schuldverschreibungen schließen, soweit anwendbar, sämtliche gemäß § 6 zahlbaren Zusätzlichen Beträge ein.

(6) *Anwendbare Gesetze und Verordnungen.* Unbeschadet der Bestimmungen des § 6 unterliegen alle Zahlungen in jedem Fall allen anwendbaren Steuer- und anderen Gesetzen, Verordnungen und Richtlinien und die Emittentin ist nicht für irgendwelche Steuern oder Abgaben gleich welcher Art verantwortlich, die aufgrund solcher gesetzlichen Vorschriften, Richtlinien oder Verordnungen auferlegt oder erhoben werden. Den Anleihegläubigern werden wegen solcher Zahlungen keine Kosten entstehen.

§ 6 STEUERN

Sämtliche auf die Schuldverschreibungen zu zahlenden Beträge sind ohne Abzug oder Einbehalt gegenwärtiger oder zukünftiger Steuern, Abgaben oder amtlicher Gebühren gleich welcher Art zu leisten, die von oder in einer Relevanten Jurisdiktion (wie nachstehend definiert), in der die Emittentin steuerlich ansässig ist, oder für deren bzw. dessen Rechnung oder von oder für Rechnung einer dort jeweils zur Steuererhebung ermächtigten Gebietskörperschaft oder Behörde auferlegt, erhoben oder eingezogen werden (nachstehend zusammen "**Quellensteuern**" genannt), es sei denn, ein solcher Abzug oder Einbehalt ist gesetzlich vorgeschrieben. "**Relevante Jurisdiktion**" bezeichnet den Staat, in dem die Emittentin steuerlich ansässig ist. Sofern die Emittentin gesetzlich zu einem solchen Abzug oder Einbehalt in Bezug auf Zinszahlungen (nicht jedoch Zahlungen auf Kapital) verpflichtet ist, wird die Emittentin die zusätzlichen Beträge (die "**Zusätzlichen Beträge**") zahlen, die erforderlich sind, damit der dem Anleihegläubiger nach diesem Abzug oder Einbehalt zufließende Nettobetrag jeweils den Beträgen an Zinsen entspricht, die ihm zustehen würden, wenn der Abzug oder Einbehalt nicht erforderlich wäre. Solche Zusätzlichen Beträge sind jedoch nicht zahlbar wegen Quellensteuern,

- (a) die von einer als depotführende Stelle oder Inkassobeauftragter des Anleihegläubigers handelnden Person oder sonst auf andere Weise zu entrichten sind als dadurch, dass die Emittentin aus den von ihr zu leistenden Zahlungen einen Abzug oder Einbehalt vornimmt; oder
- (b) die wegen einer gegenwärtigen oder früheren persönlichen oder geschäftlichen Beziehung des Anleihegläubigers zu der Relevanten Jurisdiktion oder einem anderen Staat der Europäischen Union zu zahlen sind, und nicht allein deshalb, weil Zahlungen auf die Schuldverschreibungen

Terms and Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any Additional Amounts which may be payable under § 6.

(6) *Applicable Laws and Regulations.* All payments are subject in all cases to any applicable fiscal and other laws, regulations and directives and the Issuer will not be liable for any taxes or duties of whatever nature imposed or levied by such laws, regulations, or directives, but without prejudice to the provisions of § 6. No commission or expense shall be charged to the Noteholders in respect of such payments.

§ 6 TAXATION

All amounts payable in respect of the Notes shall be paid without deduction or withholding for or on account of any present or future taxes, duties or governmental charges of any nature whatsoever imposed, levied or collected by or in or on behalf of any Relevant Jurisdiction (as defined below) or by or on behalf of any political subdivision or authority in any of them having power to tax (hereinafter together called "**Withholding Taxes**"), unless such deduction or withholding is required by law. "**Relevant Jurisdiction**" means the Issuer's country of domicile for tax purposes. If the Issuer is required by law to make any such deduction or withholding on payments of interest (but not in respect of the payment of any principal in respect of the Notes), the Issuer shall pay such additional amounts (the "**Additional Amounts**") as may be necessary in order that the net amounts received by the Noteholder after such deduction or withholding shall equal the respective amounts of interest which would have been receivable had no such deduction or withholding been required. No such Additional Amounts shall, however, be payable on account of any Withholding Taxes which:

- (a) are payable by any person acting as custodian bank or collecting agent on behalf of a Noteholder, or otherwise in any manner which does not constitute a deduction or withholding by the Issuer from payments made by it; or
- (b) are payable by reason of the Noteholder having, or having had, some personal or business connection with the Relevant Jurisdiction or any other member state of the European Union and not merely by reason of the fact that payments in respect of the Notes are, or for purposes of

aus Quellen in der Relevanten Jurisdiktion stammen (oder für Zwecke der Besteuerung so behandelt werden) oder dort besichert sind; oder

- (c) deren Einbehalt oder Abzug ein Anleihegläubiger durch Vorlage eines Formulars oder einer Bescheinigung und/oder durch Abgabe einer Nichtansässigkeitserklärung oder Inanspruchnahme einer vergleichbaren Ausnahme oder Geltendmachung eines Erstattungsanspruches hätte vermeiden können, aber nicht vermieden hat; oder
- (d) die aufgrund (i) einer Richtlinie oder Verordnung der Europäischen Union betreffend die Besteuerung von Zinserträgen oder (ii) einer zwischenstaatlichen Vereinbarung über deren Besteuerung, an der die Relevante Jurisdiktion oder die Europäische Union beteiligt ist/sind, oder (iii) einer gesetzlichen Vorschrift, die diese Richtlinie, Verordnung oder Vereinbarung umsetzt oder befolgt, abzuziehen oder einzubehalten sind.

Die Emittentin ist nicht verpflichtet, Zusätzliche Beträge in Bezug auf einen Einbehalt oder Abzug von Beträgen zu zahlen, die gemäß Sections 1471 bis 1474 des US-amerikanischen Internal Revenue Code (in der jeweils geltenden Fassung oder gemäß Nachfolgebestimmungen), gemäß zwischenstaatlicher Abkommen, gemäß den in einer anderen Rechtsordnung in Zusammenhang mit diesen Bestimmungen erlassenen Durchführungsvorschriften oder gemäß mit dem US-amerikanischen Internal Revenue Service geschlossenen Verträgen von der Emittentin, der jeweiligen Zahlstelle oder einem anderen Beteiligten abgezogen oder einbehalten wurden ("FATCA-Steuerabzug") oder Anleihegläubiger in Bezug auf einen FATCA-Steuerabzug schadlos zu halten.

§ 7 VORLEGUNGSFRIST

Die in § 801 Absatz 1 Satz 1 BGB bestimmte Vorlegungsfrist wird für die Schuldverschreibungen auf zehn Jahre verkürzt.

§ 8 HAUPTZAHLSTELLE, ZAHLSTELLE UND BERECHNUNGSSTELLE

(1) *Bestellung; bezeichnete Geschäftsstelle.* Die Hauptzahlstelle, die Berechnungsstelle und deren jeweilige bezeichnete Geschäftsstelle lauten wie folgt:

taxation are deemed to be, derived from sources in, or are secured in the Relevant Jurisdiction; or

- (c) the withholding or deduction of which a Noteholder would be able to avoid by presenting any form or certificate and/or making a declaration of non-residence or similar claim for exemption or refund but fails to do so; or
- (d) are deducted or withheld pursuant to (i) any European Union Directive or Regulation concerning the taxation of savings, or (ii) any international treaty or understanding relating to such taxation and to which the Relevant Jurisdiction or the European Union is a party/are parties, or (iii) any provision of law implementing, or complying with, or introduced to conform with, such Directive, Regulation, treaty or understanding.

In any event, the Issuer will not have any obligation to pay Additional Amounts deducted or withheld by the Issuer, the relevant Paying Agent or any other party in relation to any withholding or deduction of any amounts required by the rules of U.S. Internal Revenue Code Sections 1471 through 1474 (or any amended or successor provisions), pursuant to any inter-governmental agreement, or implementing legislation adopted by another jurisdiction in connection with these provisions, or pursuant to any agreement with the U.S. Internal Revenue Service ("FATCA Withholding"), or to indemnify any Noteholder in relation to any FATCA Withholding.

§ 7 PRESENTATION PERIOD

The presentation period provided in § 801 paragraph 1, sentence 1 German Civil Code (BGB) is reduced to ten years for the Notes.

§ 8 PRINCIPAL PAYING AGENT, PAYING AGENT AND CALCULATION AGENT

(1) *Appointment; Specified Offices.* The Principal Paying Agent, the Calculation Agent and their respective specified offices are:

"Hauptzahlstelle":

Deutsche Bank Aktiengesellschaft

Taunusanlage 12
60325 Frankfurt am Main
Bundesrepublik Deutschland

"Berechnungsstelle":

Deutsche Bank Aktiengesellschaft

Taunusanlage 12
60325 Frankfurt am Main
Bundesrepublik Deutschland

Die Hauptzahlstelle und die Berechnungsstelle behalten sich das Recht vor, jederzeit ihre bezeichneten Geschäftsstellen durch eine andere bezeichnete Geschäftsstelle in demselben Land zu ersetzen.

(2) *Änderung der Bestellung oder Abberufung.* Die Emittentin behält sich das Recht vor, jederzeit zusätzliche Zahlstellen (gemeinsam mit der Hauptzahlstelle, die "**Zahlstellen**" und jede eine "**Zahlstelle**") zu benennen. Die Emittentin behält sich ferner das Recht vor, jederzeit die Bestellung der Hauptzahlstelle, einer Zahlstelle oder der Berechnungsstelle zu ändern oder zu beenden und eine andere Hauptzahlstelle, andere Zahlstelle oder eine andere Berechnungsstelle zu bestellen. Die Emittentin wird zu jedem Zeitpunkt eine Hauptzahlstelle und eine Berechnungsstelle unterhalten. Eine Änderung, Abberufung, Bestellung oder ein sonstiger Wechsel wird nur wirksam, sofern die Anleihegläubiger hierüber gemäß § 9 vorab unter Einhaltung einer Frist von mindestens 30 und nicht mehr als 45 Tagen informiert wurden (außer im Insolvenzfall, in dem eine solche Änderung sofort wirksam wird).

(3) *Erfüllungsgehilfen der Emittentin.* Die Hauptzahlstelle, die Zahlstelle und die Berechnungsstelle handeln ausschließlich als Erfüllungsgehilfen der Emittentin und übernehmen keinerlei Verpflichtungen gegenüber den Anleihegläubigern und es wird kein Auftrags- oder Treuhandverhältnis zwischen ihnen und den Anleihegläubigern begründet.

**§ 9
MITTEILUNGEN**

(1) *Veröffentlichungen auf der Internet-Seite der Luxemburger Wertpapierbörse.*

(a) Alle Mitteilungen, die die Schuldverschreibungen betreffen, werden vorbehaltlich des nachstehenden § 9(1)(b) auf der Internetseite der Luxemburger Wertpapierbörse (derzeit www.luxse.com) veröffentlicht, solange die Schuldverschreibungen auf Veranlassung der Emittentin zum Handel an der Luxemburger Wertpapierbörse zugelassen sind und die Regeln der Luxemburger Wertpapierbörse dies

"Principal Paying Agent":

Deutsche Bank Aktiengesellschaft

Taunusanlage 12
60325 Frankfurt am Main
Federal Republic of Germany

"Calculation Agent":

Deutsche Bank Aktiengesellschaft

Taunusanlage 12
60325 Frankfurt am Main
Federal Republic of Germany

The Principal Paying Agent and the Calculation Agent reserve the right at any time to change its specified offices to some other specified offices in the same country.

(2) *Variation or Termination of Appointment.* The Issuer reserves the right at any time to appoint additional paying agents (together with the Principal Paying Agent, the "**Paying Agents**" and each a "**Paying Agent**"). The Issuer further reserves the right at any time to vary or terminate the appointment of the Principal Paying Agent, any Paying Agent or the Calculation Agent and to appoint another Principal Paying Agent, another Paying Agent or another Calculation Agent. The Issuer shall at all times maintain a Principal Paying Agent and a Calculation Agent. Any variation, termination, appointment or change shall only take effect after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Noteholders in accordance with § 9 (other than in the case of insolvency, when it shall be of immediate effect).

(3) *Agents of the Issuer.* The Principal Paying Agent, the Paying Agent and the Calculation Agent act solely as agents of the Issuer and do not have any obligations towards or relationship of agency or trust to any Noteholder.

**§ 9
NOTICES**

(1) *Publications on the website of the Luxembourg Stock Exchange.*

(a) Subject to § 9(1)(b) below, for so long as the Notes are admitted to trading on the Luxembourg Stock Exchange at the initiative of the Issuer and the rules of the Luxembourg Stock Exchange so require, all notices concerning the Notes shall be published on the website of the Luxembourg Stock Exchange (currently www.luxse.com). Any such notice so given will be deemed to have been validly given on the day of its publication

vorsehen. Jede solche Mitteilung gilt am Tag ihrer Veröffentlichung (oder falls sie mehr als einmal veröffentlicht wird, am Tag der ersten Veröffentlichung) als wirksam erfolgt.

- (b) Soweit die Regeln der Luxemburger Wertpapierbörse dies zulassen, kann die Emittentin eine Veröffentlichung nach § 9(1)(a) durch eine Mitteilung nach § 9(2) ersetzen.

(2) *Mitteilungen an das Clearingsystem.* Die Emittentin wird alle die Schuldverschreibungen betreffenden Mitteilungen an das Clearingsystem zur Weiterleitung seitens des Clearingsystems an die Anleihegläubiger übermitteln.

(3) *Bekanntmachungen im Bundesanzeiger.* Wenn eine die Schuldverschreibungen betreffende Mitteilung nach anwendbarem Recht im Bundesanzeiger bekanntzumachen ist, erfolgt zusätzlich die Veröffentlichung der betreffenden Mitteilung durch die Emittentin im Bundesanzeiger. Die Veröffentlichung einer solchen Mitteilung im Bundesanzeiger berührt nicht die Wirksamkeit einer Mitteilung gemäß § 9(1) und (2).

§ 10

BEGEBUNG WEITERER SCHULDVERSCHREIBUNGEN

Die Emittentin ist berechtigt, jederzeit ohne Zustimmung der Anleihegläubiger weitere Tranchen von Schuldverschreibungen mit gleicher Ausstattung (gegebenenfalls mit Ausnahme des Tags der Begebung, des Verzinsungsbeginns und/oder des Emissionspreises) in der Weise zu begeben, dass sie mit diesen Schuldverschreibungen eine einheitliche Serie bilden.

§ 11

ÄNDERUNG DER ANLEIHEBEDINGUNGEN, GEMEINSAMER VERTRETER

(1) *Änderung der Anleihebedingungen.* Die Emittentin kann die Anleihebedingungen mit Zustimmung aufgrund Mehrheitsbeschlusses der Anleihegläubiger nach Maßgabe der §§ 5ff. des Gesetzes über Schuldverschreibungen aus Gesamtemissionen ("**SchVG**") in seiner jeweils geltenden Fassung ändern. Die Anleihegläubiger können insbesondere einer Änderung wesentlicher Inhalte der Anleihebedingungen, einschließlich der in § 5 Absatz 3 SchVG vorgesehenen Maßnahmen, durch Beschlüsse mit den in dem nachstehenden § 11(2) genannten Mehrheiten zustimmen. Ein ordnungsgemäß gefasster Mehrheitsbeschluss ist für alle Anleihegläubiger gleichermaßen verbindlich.

(or, if published more than once, on the day of the first such publication).

- (b) To the extent the rules of the Luxembourg Stock Exchange so permit, the Issuer may deliver the relevant notice in accordance with § 9(2) instead of publication pursuant § 9(1)(a).

(2) *Notification to Clearing System.* The Issuer will deliver all notices concerning the Notes to the Clearing System for communication by the Clearing System to the Noteholders.

(3) *Notices in the German Federal Gazette (Bundesanzeiger).* If the publication of any notice concerning the Notes is required to be made by applicable law in the German Federal Gazette (*Bundesanzeiger*), the relevant notice shall also be published by the Issuer in the German Federal Gazette (*Bundesanzeiger*). The publication of any such notice in the German Federal Gazette (*Bundesanzeiger*) shall be without prejudice to the efficacy of any notice made in accordance with § 9(1) and (2).

§ 10

FURTHER ISSUES OF NOTES

The Issuer may from time to time, without the consent of the Noteholders, issue further tranches of Notes having the same conditions as the Notes in all respects (or in all respects except for the issue date, Interest Commencement Date and/or issue price) so as to form a single series with the Notes.

§ 11

AMENDMENT OF THE TERMS AND CONDITIONS, NOTEHOLDERS' REPRESENTATIVE

(1) *Amendment of the Terms and Conditions.* The Issuer may amend the Terms and Conditions with the consent of a majority resolution of the Noteholders pursuant to §§ 5 *et seqq.* of the German Act on Issues of Debt Securities (*Gesetz über Schuldverschreibungen aus Gesamtemissionen*), as amended from time to time (the "**SchVG**"). In particular, the Noteholders may consent to amendments which materially change the substance of the Terms and Conditions, including such measures as provided for under § 5 paragraph 3 SchVG by resolutions passed by such majority of the votes of the Noteholders as stated under § 11(2) below. A duly passed majority resolution shall be binding equally upon all Noteholders.

Das Recht der Emittentin gemäß diesem § 11(1) steht unter dem Vorbehalt

- (a) der Einhaltung der aufsichtsrechtlichen Voraussetzungen für die Anerkennung der Schuldverschreibungen als Instrumente des Ergänzungskapitals gemäß Artikel 63 CRR der Emittentin; und
- (b) der vorherigen Zustimmung der zuständigen Behörde.

Eine Änderung der Anleihebedingungen ohne Zustimmung der Emittentin scheidet aus.

(2) *Mehrheitserfordernisse.* Die Anleihegläubiger entscheiden, vorbehaltlich der Erreichung der erforderlichen Beschlussfähigkeit, mit einer Mehrheit von 75 % der an der Abstimmung teilnehmenden Stimmrechte. Beschlüsse, durch welche der wesentliche Inhalt der Anleihebedingungen nicht geändert wird und die keinen Gegenstand der § 5 Absatz 3, Nr. 1 bis Nr. 9 SchVG betreffen, bedürfen, vorbehaltlich der Erreichung der erforderlichen Beschlussfähigkeit, zu ihrer Wirksamkeit einer einfachen Mehrheit der an der Abstimmung teilnehmenden Stimmrechte.

(3) *Beschlussfassung.* Beschlüsse der Anleihegläubiger werden nach Wahl der Emittentin im Wege der Abstimmung ohne Versammlung nach § 18 SchVG oder einer Gläubigerversammlung nach § 9 SchVG gefasst.

(4) *Gläubigerversammlung.* Die Teilnahme an der Gläubigerversammlung und die Ausübung der Stimmrechte ist von einer vorherigen Anmeldung der Anleihegläubiger abhängig. Die Anmeldung muss unter der in der Bekanntmachung der Einberufung mitgeteilten Adresse spätestens am dritten Tag vor der Gläubigerversammlung zugehen. Mit der Anmeldung müssen die Anleihegläubiger ihre Berechtigung zur Teilnahme an der Abstimmung durch einen in Textform erstellten besonderen Nachweis der Depotbank gemäß § 12(4)(i)(a) und (b) und durch Vorlage eines Sperrvermerks der Depotbank, aus dem hervorgeht, dass die betreffenden Schuldverschreibungen ab dem Tag der Absendung der Anmeldung (einschließlich) bis zum angegebenen Ende der Gläubigerversammlung (einschließlich) nicht übertragbar sind, nachweisen.

(5) *Abstimmung ohne Versammlung.* Zusammen mit der Stimmabgabe müssen die Anleihegläubiger ihre Berechtigung zur Teilnahme an der Abstimmung durch einen in Textform erstellten besonderen Nachweis der Depotbank gemäß § 12(4)(i)(a) und (b) und durch Vorlage eines Sperrvermerks der Depotbank, aus dem hervorgeht, dass die betreffenden Schuldverschreibungen ab dem Tag der Stimmabgabe (einschließlich) bis zum letzten Tag des Abstimmungszeitraums (einschließlich) nicht übertragbar sind, nachweisen.

The Issuer's right under this § 11(1) is subject to

- (a) the compliance with the requirements of regulatory law for the recognition of the Notes as Tier 2 instruments of the Issuer pursuant to Article 63 CRR; and
- (b) the prior permission of the competent authority.

There will be no amendment of the Terms and Conditions without the Issuer's consent.

(2) *Majority Requirements.* Resolutions shall be passed by a majority of not less than 75% of the votes cast, provided that the quorum requirements are met. Resolutions relating to amendments of the Terms and Conditions which are not material and which do not relate to the matters listed in § 5 paragraph 3, Nos. 1 to 9 SchVG require a simple majority of the votes cast, provided that the quorum requirements are met.

(3) *Resolution of Noteholders.* Resolutions of Noteholders shall be passed at the election of the Issuer by vote taken without a meeting in accordance with § 18 SchVG or in a Noteholder's meeting in accordance with § 9 SchVG.

(4) *Meeting.* Attendance at the meeting and exercise of voting rights is subject to the Noteholders' prior registration. The registration must be received at the address stated in the convening notice no later than the third day preceding the meeting. As part of the registration, Noteholders must demonstrate their eligibility to participate in the vote by means of a special confirmation of the Custodian in accordance with § 12(4)(i)(a) and (b) in text form and by submission of a blocking instruction by the Custodian stating that the relevant Notes are not transferable from and including the day such registration has been sent until and including the stated end of the meeting.

(5) *Vote without a meeting.* Together with casting their votes, Noteholders must demonstrate their eligibility to participate in the vote by means of a special confirmation of the Custodian in accordance with § 12(4)(i)(a) and (b) in text form and by submission of a blocking instruction by the Custodian stating that the relevant Notes are not transferable from and including the day such votes have been cast until and including the day the voting period ends.

(6) *Zweite Versammlung.* Wird für die Gläubigerversammlung gemäß § 11(4) oder die Abstimmung ohne Versammlung gemäß § 11(5) die mangelnde Beschlussfähigkeit festgestellt, kann – im Fall der Gläubigerversammlung – der Vorsitzende eine zweite Versammlung im Sinne von § 15 Absatz 3 Satz 2 SchVG und – im Fall der Abstimmung ohne Versammlung – der Abstimmungsleiter eine zweite Versammlung im Sinne von § 15 Absatz 3 Satz 3 SchVG einberufen. Die Teilnahme an der zweiten Versammlung und die Ausübung der Stimmrechte sind von einer vorherigen Anmeldung der Anleihegläubiger abhängig. Für die Anmeldung der Anleihegläubiger zu einer zweiten Versammlung gelten die Regelungen des § 11(4) entsprechend.

(7) *Gemeinsamer Vertreter.*

Die Anleihegläubiger können durch Mehrheitsbeschluss zur Wahrnehmung ihrer Rechte einen gemeinsamen Vertreter (der "**Gemeinsame Vertreter**") für alle Anleihegläubiger bestellen. Die Bestellung eines Gemeinsamen Vertreters bedarf einer Mehrheit gemäß § 11(2) Satz 1, wenn er ermächtigt werden soll, Änderungen des wesentlichen Inhalts der Anleihebedingungen oder sonstigen wesentlichen Maßnahmen zuzustimmen.

Der Gemeinsame Vertreter hat die Aufgaben und Befugnisse, welche ihm durch Gesetz oder von den Anleihegläubigern durch Mehrheitsbeschluss eingeräumt wurden. Er hat die Weisungen der Anleihegläubiger zu befolgen. Soweit er zur Geltendmachung von Rechten der Anleihegläubiger ermächtigt ist, sind die einzelnen Anleihegläubiger zur selbständigen Geltendmachung dieser Rechte nicht befugt, es sei denn, der Mehrheitsbeschluss sieht dies ausdrücklich vor. Über seine Tätigkeit hat der Gemeinsame Vertreter den Anleihegläubigern zu berichten. Für die Abberufung und die sonstigen Rechte und Pflichten des Gemeinsamen Vertreters gelten die Vorschriften des SchVG.

(8) *Veröffentlichung.* Alle Bekanntmachungen diesen § 11 betreffend erfolgen ausschließlich gemäß den Bestimmungen des SchVG.

§ 12 SCHLUSSBESTIMMUNGEN

(1) *Anwendbares Recht.* Form und Inhalt der Schuldverschreibungen sowie die Rechte und Pflichten der Anleihegläubiger und der Emittentin bestimmen sich in jeder Hinsicht nach deutschem Recht.

(2) *Erfüllungsort.* Erfüllungsort ist Frankfurt am Main, Bundesrepublik Deutschland.

(3) *Gerichtsstand.* Ausschließlich zuständig für sämtliche im Zusammenhang mit den Schuldverschreibungen entstehenden Klagen oder

(6) *Second meeting.* If it is ascertained that no quorum exists for the meeting pursuant to § 11(4) or the vote without a meeting pursuant to § 11(5), in case of a meeting the chairman (*Vorsitzender*) may convene a second meeting in accordance with § 15 paragraph 3 sentence 2 SchVG or in case of a vote without a meeting the scrutineer (*Abstimmungsleiter*) may convene a second meeting within the meaning of § 15 paragraph 3 sentence 3 of SchVG. Attendance at the second meeting and exercise of voting rights is subject to the Noteholders' prior registration. The provisions set out in § 11(4) shall apply *mutatis mutandis* to the Noteholders' registration for a second meeting.

(7) *Noteholders' Representative.*

The Noteholders may by majority resolution appoint a common representative (the "**Noteholders' Representative**") to exercise the Noteholders' rights on behalf of each Noteholder. The appointment of a Noteholders' Representative may only be passed by a majority pursuant to § 11(2) sentence 1 if such Noteholders' Representative is to be authorised to consent to a material change in the substance of the Terms and Conditions or other material matters.

The Noteholders' Representative shall have the duties and powers provided by law or granted by majority resolution of the Noteholders. The Noteholders' Representative shall comply with the instructions of the Noteholders. To the extent that the Noteholders' Representative has been authorised to assert certain rights of the Noteholders, the Noteholders shall not be entitled to assert such rights themselves, unless explicitly provided for in the relevant majority resolution. The Noteholders' Representative shall provide reports to the Noteholders on its activities. The regulations of the SchVG apply with regard to the recall and the other rights and obligations of the Noteholders' Representative.

(8) *Publication.* Any notices concerning this § 11 shall be made exclusively pursuant to the provisions of the SchVG.

§ 12 FINAL CLAUSES

(1) *Applicable Law.* The Notes, as to form and content, and all rights and obligations of the Noteholders and the Issuer, shall be governed by German law.

(2) *Place of performance.* Place of performance is Frankfurt am Main, Federal Republic of Germany.

(3) *Submission to Jurisdiction.* The District Court (*Landgericht*) in Frankfurt am Main shall have exclusive jurisdiction for any action or other legal

sonstige Verfahren ("**Rechtsstreitigkeiten**") ist das Landgericht Frankfurt am Main.

Dies gilt nur vorbehaltlich eines zwingenden Gerichtsstandes für besondere Rechtsstreitigkeiten im Zusammenhang mit dem SchVG.

(4) *Gerichtliche Geltendmachung.* Jeder Anleihegläubiger ist berechtigt, in jedem Rechtsstreit gegen die Emittentin oder in jedem Rechtsstreit, in dem der Anleihegläubiger und die Emittentin Partei sind, seine Rechte aus diesen Schuldverschreibungen im eigenen Namen auf der folgenden Grundlage zu schützen oder geltend zu machen: (i) er bringt eine Bescheinigung der Depotbank (wie nachstehend definiert) bei, bei der er für die Schuldverschreibungen ein Wertpapierdepot unterhält, welche (a) den vollständigen Namen und die vollständige Adresse des Anleihegläubigers enthält, (b) den Gesamtnennbetrag der Schuldverschreibungen bezeichnet, die unter dem Datum der Bestätigung auf dem Wertpapierdepot verbucht sind und (c) bestätigt, dass die Depotbank gegenüber dem Clearingsystem eine schriftliche Erklärung abgegeben hat, die die vorstehend unter (a) und (b) bezeichneten Informationen enthält; und (ii) er legt eine Kopie der die betreffenden Schuldverschreibungen verbriefenden Globalurkunde vor, deren Übereinstimmung mit dem Original eine vertretungsberechtigte Person des Clearingsystems oder des Verwahrers des Clearingsystems bestätigt hat, ohne dass eine Vorlage der Originalbelege oder der die Schuldverschreibungen verbriefenden Globalurkunde in einem solchen Verfahren erforderlich wäre.

§ 13 SPRACHE

Diese Anleihebedingungen sind in deutscher Sprache abgefasst. Eine Übersetzung in die englische Sprache ist beigelegt. Der deutsche Text ist bindend und maßgeblich. Die Übersetzung in die englische Sprache ist unverbindlich.

proceedings ("**Proceedings**") arising out of or in connection with the Notes.

This is subject to any exclusive court of venue for specific legal proceedings in connection with the SchVG.

(4) *Enforcement.* Any Noteholder may in any Proceedings against the Issuer, or to which such Noteholder and the Issuer are parties, protect and enforce in its own name its rights arising under such Notes on the basis of (i) a statement issued by the Custodian (as defined below) with whom such Noteholder maintains a securities account in respect of the Notes (a) stating the full name and address of the Noteholder, (b) specifying the aggregate principal amount of Notes credited to such securities account on the date of such statement and (c) confirming that the Custodian has given written notice to the Clearing System containing the information pursuant to (a) and (b) and (ii) a copy of the Note in global form certified as being a true copy by a duly authorized officer of the Clearing System or a depository of the Clearing System, without the need for production in such proceedings of the actual records or the global note representing the Notes.

§ 13 LANGUAGE

These Terms and Conditions are written in the German language and provided with an English language translation. The German text shall be controlling and binding. The English language translation is provided for convenience only.

USE OF PROCEEDS

The net proceeds from the issue and sale of the Notes will amount to approximately EUR 123,437,500.

Use of Proceeds

An amount equivalent to the net proceeds of the Notes will be used exclusively to (re)finance Eligible Green Assets as defined in the Green Bond Framework as further described below.

Green Bond Framework

In April 2024, the Issuer published its Green Bond Framework (replacing an older framework) which provides one methodology for all future green financing of ProCredit Group.

The Green Bond Framework and the intended use of instruments issued in accordance with the Green Bond Framework (each a "**Green Finance Instrument**") are part of the overall sustainability approach of the ProCredit Group which is summarized in the sub-section "*Description of the Issuer and the Group - Sustainability*".

Use of proceeds

The net proceeds or an amount equivalent to the net proceeds from any Green Finance Instrument will be used to (re)finance loans (the "**Eligible Green Assets**") granted by the ProCredit Group to customers for green investments in the following sub-categories:

Energy efficiency

The main objective of energy efficiency measures is to achieve a reduction in energy consumption which in turn should lead to a reduction in CO₂ emissions (depending on the energy source used).

To qualify as an eligible green investment in the energy efficiency category, one of the following three general underlying approaches must be incorporated into the eligibility criteria.

The measure must:

- lead to a reduction in energy consumption or CO₂ emissions of at least 20% compared to the defined baseline; or
- have a high impact approach with significant absolute savings (*e.g.*, window systems); or
- utilize the best available technology on the market (*e.g.*, battery electric vehicles).

The approach is translated into an indicator with a defined threshold applicable to the respective ProCredit country of operation. Fossil fuel technologies are excluded as per the exclusion list.

The following energy efficiency sub-categories are considered under the Green Bond Framework (subject to more detailed requirements set out in the Green Bond Framework):

- Buildings and building measures (sustainable building certifications, insulation materials or energy efficient windows).
 - Buildings are certified by a recognized and credible third-party building standard (*e.g.*, LEED ("Gold" or above), BREEAM ("very good" or above), EDGE, NZEB (10% or 'passive house').
 - For new buildings, a performance improvement of at least 20% compared to national energy performance certificate requirements.
 - For existing buildings/refurbishments, the implementation of a reduction of at least 30% of the energy demand should be implemented with the renovation.

- Heating, cooling, ventilation and air conditioning (*e.g.*, chillers, heat pumps or boilers assessed according to the energy efficiency ratio).
- Household appliances (*e.g.*, washing machines and dryers and fridges and freezers assessed in accordance with the EU energy label with the highest two populated classes).
- Lighting (*e.g.*, energy efficient lighting LED and solar LED street lighting).
- Production and processing machines (*e.g.*, molding machines, motors and pumps assessed for specific energy consumption and according to the Energy Efficiency Index and for the electrical motor efficiency class).
- Transport (battery electric vehicles and plug-in hybrid vehicles, taking into account the EU taxonomy tailpipe emission intensity, electric vehicles chargers, electric coaches, electric buses).
- Power and cogeneration (combined heat and power units assessed for electrical efficiency, lithium-ion batteries and Redox flow batteries assessed for cycle efficiency).

Renewable energy

The aim of financing renewable energy investments is to avoid greenhouse gas emissions that would be produced by using energy from conventional fossil fuel sources.

The following renewable energy sub-categories are considered under the Green Bond Framework (subject to more detailed requirements set out in the Green Bond Framework):

- Solar thermal systems.
- Photovoltaic systems.
- Hydroelectric plants (small scale run-off river systems with no artificial reservoir and with less than 15 MWp installed capacity).
- Wind power systems.
- Geothermal systems.
- Biogas with combined heat and power units.
- Biomass plants with boilers.

Environmentally friendly measures

The main target of environmentally friendly measures is to conserve and improve the quality and availability of natural resources such as soil, air and water. This investment category includes, but is not limited to, the following ICMA Green Project Categories: pollution prevention and control, environmentally sustainable management of living natural resources and land use, sustainable water and wastewater management and circular economy adapted products, production technologies and processes. Environmentally friendly measures related to soil and air are generally concerned with conservation through preventing contamination of the resource. Water is related to both aspects as it is a major input in industrial processes as well as an important natural resource for the community. Therefore, water related measures would either reduce consumption of scarce water resources (*e.g.*, through drip irrigation) or reduce contamination (*e.g.*, through water treatment plants) before returning it to the general water supply. Environmentally friendly measures also extent to waste management and recycling, which reduces contamination of the environment while also increasing the availability of resources.

The following sub-categories of environmentally friendly measures are considered under the Green Bond Framework (subject to more detailed requirements set out in the Green Bond Framework):

- Land, air and water protection (land preparation and seeding equipment like subsoilers, mulchers and soil cultivators, air purification measures or irrigation, and water reuse and recovery systems like rainwater harvesting tanks and wastewater treatment plants).
- Recycling and waste management (measures for the infrastructure of collection, sorting, transportation (zero tailpipe emissions) and anaerobic digestion, composting and recycling of waste).
- Environmental services, certifications and audits on a case-by-case basis (energy audits of projects, energy management systems such as ISO 50001 or BMS or environmental management systems).
- Sustainable certified products according to pre-approved labels (*e.g.*, organic productions and products from Ecocert Organic Standard, OK Organic certification program , BIO SUISSE organic, EU organic standard, Demeter or recycled paper or cardboard Blue Angel).
- Resource efficiency on a case-by-case basis showing 20% resource savings (measures enabling the reduction of raw material consumption, water or waste such as drip irrigation systems or hydroponics).

Exclusion policies

In general, the ProCredit Group does not issue loans to enterprises or individuals if there is any reason to believe that they make use of unsafe, environmentally harmful or morally objectionable forms of labor, in particular child or forced labor. This Group standard is reflected in a comprehensive exclusion list which prohibits any business relationships with potential clients whose businesses are in any way connected with the activities contained in the list. For illustrative purposes, examples from the exclusion list include:

- Unethical practices and labor conditions.
- Activities detrimental to health, safety and the environment.
- Activities having a negative impact on the community.
- Legal entities engaged in any of the following activities:
 - Major production of or trade in alcoholic beverages (excluding beer and wine).
 - Major production of or trade in tobacco.
 - Activities within or adjacent to designated protected areas classified under the International Union for Conservation of Nature Category I – IV.
 - Producers of single-use plastic items or of plastic granulates used for the manufacture of products that are prohibited from placement on the market according to Directive (EU) 2019/904 of the European Parliament and of the Council.

In addition, the ProCredit Group explicitly excludes from the Eligible Green Assets:

- Non-committed (*i.e.*, the lender has full discretion whether to make the loan amount available to a borrower) and non-performing loans, as well as loans that have already been financed by other funding sources that require a specific purpose.
- Loans to the oil and gas industry as well as loans for any equipment or machinery which uses coal or lignite as its energy source.

Process for Project Evaluation and Selection

Business client advisers in the respective countries in which a ProCredit Bank operates identify the possibility of a loan being classified as "green" and therefore eligible to be added to the green loan portfolio (the "**Green Loan Portfolio**"). The decision on the classification is taken by the credit committee of the respective ProCredit Bank by applying the Group's self-developed robust methodology and strict eligibility criteria for green lending. Additionally, for more complex

cases or for loans in a value above EUR 250,000, an individual assessment by the technical specialist in the sustainability department at the respective ProCredit Bank is required. Each individual loan that is classified as green is subsequently added to the Green Loan Portfolio and flagged accordingly in the ProCredit Group's IT system.

The Group Sustainability Steering Committee (the "**Committee**") at ProCredit Holding, which consists at least of two members of the Management Board and the Head of Group Sustainability, decides on any policy issue related to the definition and categorization of green loans. The Committee has the ultimate authority on which loans can be considered to be Eligible Green Assets. It is also responsible for deciding which sub-categories of the Green Loan Portfolio are eligible for use of proceeds under the Green Bond Framework, ultimately determining the Eligible Green Assets. The Committee also approves potential adjustments to the Green Bond Framework's selection criteria or any other changes to its key pillars. No changes to the eligibility criteria will be applied retroactively and change the treatment of the Eligible Green Assets.

Only the sub-categories mentioned above are reviewed by Sustainability for alignment with the ICMA Green Bond Principles and are also the only ones monitored for compliance with the eligibility criteria. These sub-categories were selected as they represent the largest share of the ProCredit Group's Green Loan Portfolio and are also expected to show the highest growth rates in the future.

Environmental and social risk screening

All loans provided by the ProCredit Group, including those which are financed or refinanced via Green Finance Instruments, are subject to the minimum requirements of the ProCredit Group's environmental and social policies, which are scrutinized via a three-step process:

1. Checking the client's business activities against the Group's exclusion list.
2. Categorizing the client's activity according to the degree of environmental, health and safety risk.
3. Conducting an individual on-site environmental and social risk assessment.

Compliance with these standards is regularly monitored throughout the lifetime of the loan.

Management of Proceeds

Based on the selected eligible sub-categories outlined under "*Use of proceeds*" above and subject to the asset selection process, a single pool of Eligible Green Assets – which may constitute a subset of the ProCredit Group's total Green Loan Portfolio – is defined. The net proceeds of any Green Finance Instrument, irrespective of the legal form of the debt instrument, will be used to (re)finance this specific pool of Eligible Green Assets.

The ProCredit Group will strive, over time, to achieve a level of allocation for the single pool of Eligible Green Assets which matches or exceeds the balance of net proceeds from its outstanding green bonds. Additional eligible investments will be added to the single pool of Eligible Green Assets to the extent required to ensure that the net proceeds from outstanding green bonds will be allocated to eligible projects.

As long as any green bond net proceeds remain unallocated, the ProCredit Group will hold and/or invest, at its own discretion, in its treasury liquidity portfolio, in cash or cash equivalents, reimbursement/purchase of existing debt, the balance of net proceeds not yet allocated to the single pool of Eligible Green Assets.

Reporting

The Issuer will prepare and make readily available a dedicated green bond report on an annual basis until full allocation. The report will include (a) the amount and number of loans, and (b) an environmental impact assessment. The green bond report will be made available on a dedicated page in the "Investor Relations" section of the Issuer's corporate website (<https://www.procredit-holding.com/investor-relations/>).

External Review

The ProCredit Group has mandated Sustainalytics to provide an evaluation on the sustainability of its Green Bond Framework and to confirm that it meets the ICMA Green Bond Principles. The result will be documented in Sustainalytics' second party opinion.

Important Notice

For the avoidance of doubt, neither the Green Bond Framework nor the content of ProCredit Holding's website or any Second Party Opinion or any other document related thereto are incorporated by reference into or form part of this Prospectus. Please refer to the section "*Risk Factors*" above for further information regarding risks associated with green bonds.

DESCRIPTION OF THE ISSUER AND THE GROUP

General Information the Issuer

Name, Registered Seat (Sitz) and Purpose (Unternehmensgegenstand)

The Issuer is a stock corporation (*Aktiengesellschaft*) incorporated and operating under the laws of Germany and registered in the commercial register of the local court (*Amtsgericht*) of Frankfurt am Main under HRB 132455. Its commercial name is "ProCredit".

The Issuer's address and registered office is at Rohmerplatz 33-37, 60486 Frankfurt am Main, Federal Republic of Germany. The telephone number of its registered office is +49 69 95 14 37 – 0. The Legal Entity Identifier (LEI) of the Issuer is 529900LIN8L1K9MLTR09.

The website of the Issuer is www.procredit-holding.com. The information on the website does not form part of this Prospectus unless that information is incorporated by reference into this Prospectus.

Pursuant to Article 2 para. 1 of the Issuer's articles of association, the Issuer's corporate purpose is to acquire long-term and if possible majority equity participations in financial institutions which serve, in particular, the financial needs of small and medium-sized enterprises and of private individuals.

Fiscal Year

The fiscal year of the Issuer is the calendar year.

Term

The Issuer has been established for an indefinite term.

Share Capital and Shareholder Structure

As of 31 December 2023, the Issuer's subscribed capital amounted to EUR 294,492,460 and was divided into 58,898,492 registered shares with no par-value which are fully paid up.

The shares in the Issuer (ISIN: DE0006223407) are listed on the Frankfurt Stock Exchange (Prime Standard).

To the knowledge of the Issuer, and according to the last available voting rights notifications and voluntary disclosures by the shareholders, it had the following major shareholders as of the date of this Prospectus:

<u>Shareholder</u>	<u>Share of voting rights (in %)</u>
Zeitinger Invest GmbH	18.3
Kreditanstalt für Wiederaufbau (KfW)	13.2
DOEN Participaties B.V.	12.5
European Bank for Reconstruction and Development	8.7
Teachers Insurance and Annuity Association of America	8.6

The Issuer is not aware of any arrangement the operation of which may at a subsequent date result in a change of control of ProCredit Holding.

Statutory Auditors

The independent auditor of the Issuer is BDO AG Wirtschaftsprüfungsgesellschaft, Hanauer Landstraße 115, 60314 Frankfurt, Federal Republic of Germany ("**BDO**"). BDO is a member of the German Chamber of Public Accountants (*Wirtschaftsprüferkammer*). BDO audited the consolidated financial statements of the Issuer as of the financial years ended 31 December 2022 and 31 December 2023 and issued in each case an unqualified auditor's report.

Ratings

The Issuer has received a "BBB"⁷ rating (outlook stable) by Fitch.

Fitch is established in the European Union and is registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended.

A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal by the rating agency at any time.

History

The Issuer was formed by articles of association dated 6 July 1998 and registered under number HRB 45904 with the commercial register on 6 October 1998. The Issuer's initial legal name "IMI – Internationale Micro Investitionen Aktiengesellschaft" was changed to "ProCredit Holding AG" by means of a shareholder resolution dated 12 January 2005, which was registered with the commercial register on 20 January 2005.

By means of a shareholder resolution dated 27 July 2011, the Issuer changed its legal form to a partnership limited by shares (*Kommanditgesellschaft auf Aktien*), which was registered under number HRB 91858 with the commercial register on 14 September 2011.

The Issuer was listed on the Frankfurt Stock Exchange in 2016.

In 2023, the Issuer was converted from the legal form of a partnership limited by shares (*Kommanditgesellschaft auf Aktien*) into a that of a stock corporation (*Aktiengesellschaft*). The conversion became effective with its registration in the commercial register under HRB 132455 on 27 September 2023.

In accordance with a merger agreement dated 16 October 2023, ProCredit General Partner AG was merged with the Issuer as the receiving legal entity. The merger became effective with its registration in the commercial register on 15 December 2023.

Group Structure

The Issuer is the parent company and the superordinated entity of the ProCredit Group, which is largely comprised of 12 banks. The principal activities of the ProCredit Group comprise the financing of SMEs and direct banking for private clients. The ProCredit Group is supervised by the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*, "**BaFin**") and the Deutsche Bundesbank.

The Issuer owns 100% of the shares in all its subsidiaries. It is responsible for the strategic management, capital adequacy, reporting, risk management and proper business organization of the ProCredit Group pursuant to Section 25a of the German Banking Act (*Kreditwesengesetz*, "**KWG**") and the policy document "Minimum Requirements for Risk Management" (*Mindestanforderungen an das Risikomanagement*, "**MaRisk**") issued by BaFin. The Issuer is also responsible for ensuring the ProCredit Group's compliance with the German Money Laundering Act (*Geldwäschegesetz*, "**GwG**"). The Issuer is a financial institution pursuant to the Regulation (EU) No 575/2013, as amended (the Capital Requirement Regulation, "**CRR**") and does not have a banking license itself.

The members of the Management Board and the Supervisory Board of the Issuer and selected management-level staff of the Group sit on the supervisory boards of the Group's subsidiaries, alongside independent board members. The Issuer sets policy guidelines and standards for risk management and other important areas of banking operations in order to ensure that appropriate uniform organizational structures and processes are in place in the subsidiaries. These guidelines are complemented by the regular exchange of best practices within the Group. Furthermore, the Issuer provides support in shaping human resources policies and in developing and delivering the curricula in its own ProCredit academy. The Group has also established a comprehensive environmental management system ("**EMS**") (see below "*Sustainability*"),

⁷ Fitch defines "BBB" as follows: "BBB ratings indicate that expectations of default risk are currently low. The capacity for payment of financial commitments is considered adequate, but adverse business or economic conditions are more likely to impair this capacity."

the further development of which is coordinated by the Management Board across the Group alongside the respective ProCredit Banks.

The Group's IT and software development priorities are set in the Group IT strategy. In the view of the Group, IT solutions are a central part of implementing its business and risk strategies. Quipu, a wholly owned subsidiary of the Issuer, develops tailored software solutions for the ProCredit Group. In close collaboration, the systems used in connection with banking operations for clients, various treasury functions, as well as for accounting and reporting are developed and implemented.

Business Overview

Overview and Strategy

The ProCredit Group is an impact-oriented commercial banking group with business activities focused on the financing of SMEs and direct banking for private clients in South Eastern and Eastern Europe, with additional operations in South America and Germany. The Group strives to be the leading SME bank in each of its markets while following sustainable and impact-oriented banking practices. In the assessment of the Issuer, the Group has strong MSME (as defined below) market positions in its countries of operation.

The total loan portfolio of the ProCredit Group amounted to EUR 6,226.5 million as of 31 December 2023, with a compound annual growth rate (CAGR) of 2.5% in the period from 2021 to 2023. As of 31 December 2023, approximately 90% of the Group's loan portfolio was attributable to MSMEs (as defined below), and by sector, approximately 24% of the loan portfolio was attributable to clients in trade, approximately 20% from clients in production, and approximately 17% from clients in agriculture, with the remainder of the loan portfolio encompassing clients active in construction, electricity and transportation, among others. The Issuer considers the Group's loan portfolio to be well diversified, with no single market representing more than approximately 18% of the overall portfolio as of year-end 2023.

In the assessment of the Issuer, the Group exhibits strong deposit growth, with deposits totaling approximately EUR 7.3 billion in 2023, as compared to approximately EUR 6.3 billion in 2022 and approximately EUR 5.5 billion in 2021. As of 31 December 2023, the deposit structure of the Group was as follows: EUR 2.9 billion by private clients (2022: EUR 2.5 billion), EUR 0.3 billion by micro enterprises (2022: EUR 0.2 billion), EUR 1.5 billion by small enterprises (2022: EUR 1.3 billion), EUR 1.9 billion by medium enterprises (2022: EUR 1.6 billion) and EUR 0.6 billion by institutional clients (2022: EUR 0.6 billion). Approximately 50% of the growth in the Group's deposits from 2022 to 2023 was attributable to an approximately 16% increase in deposits from private clients across the same period.

As of 31 December 2023, the ProCredit Group employed 3,951 members of staff.

Through its business activities, the Group aims to sustainably provide a return on investment for its shareholders while contributing to the economic, social and ecological development of its countries of operation. The Group's business strategy is based on long-term relationships with its clients and staff as well as a conservative approach to risk. It is the strategic positioning of the ProCredit Group not to engage in speculative lines of business.

The Group aims to be the "*Hausbank*" (principal bank) for its core SME clients, and thus to be their first point of contact for financial matters. The Group's typical SME clients have financing needs ranging from EUR 100 thousand to the single-digit millions. The Group sees itself as a specialist in financing SMEs and thus believes that it understands the particular challenges these clients face and the specific needs they have, often going well beyond the granting of loans. The Group offers banking services in terms of financing, account operations, payments and deposit business, and also supports its clients in their long-term investment projects. In addition, the Group offers efficient solutions for the trade finance business and international payments through the ProCredit Banks. The Group's client base also includes customers with financing needs up to EUR 100 thousand (often referred to as micro enterprises or very small SMEs, and together with SMEs, "**MSMEs**"). As of 31 December 2023, the Group had approximately 72,000 MSME clients, an increase of 10.8% compared to as of 31 December 2022.

In addition to serving SMEs, the Group also pursues a direct banking strategy for private clients ("**ProCredit Direct**"). The intended customer groups of ProCredit Direct are middle and higher income earners, who are often associated with SMEs or are their owners, and who seek modern, transparent and reliable banking services. The Group aims to interact

as a full-service bank with its private customers solely via digital channels, offering them online services in combination with personal customer care. With ProCredit Direct, the Group aims to stand out from other providers in its markets in terms of convenience, security and transparency.

An integral part of the Group's business strategy is its aim to minimize its impact on the environment and to pro-actively bring about a shift in thinking, with a focus on sustainability. Environmental awareness, the consideration of the impact of their actions on the environment and understanding climate change impacts have always been highly relevant to the Group and its clients. The Group coordinates its actions using the EMS and aims to promote sustainable development in all forms. The Group's EMS includes aspects such as: (i) internal measures to reduce the environmental footprint of the individual institutions in the Group and the requisite monitoring thereof, (ii) the strict application of the Group's exclusion list, which prohibits the financing of coal production, among other activities, (iii) the systematic assessment of sustainability aspects as part of the credit risk assessment of all clients and (iv) the offering of green loans for renewable energy, energy efficiency and other environmentally friendly technologies and measures.

For its SME business, the Group assesses the credit risk for every lending activity individually before the disbursement of a loan. Credit decisions are therefore based predominantly on an analysis of the client's financial situation and on an assessment of creditworthiness. For subsequent credit risk monitoring, the ProCredit Banks maintain regular contact with their respective business clients, including regular on-site visits to ensure that adequate consideration of the clients' specific risk profiles and needs is given. The credit risk assessment process further includes the analysis of ESG-related issues as well as the prevention of money laundering, terrorist financing and other illegal activities. For example, the Group aims to reduce transition risks by the application of the Group's exclusion list and its business policy orientation. All credit decisions are taken by a credit committee, whose members have approval limits that reflect their expertise and experience. Granting of medium credit exposures is carried out exclusively by credit committees at the relevant ProCredit Bank's head offices. The credit committee bases its decision primarily on creditworthiness, payment capacity and a funding and collateral structure that is based on the client's needs and conditional on the respective risk profile. The Group's SME exposures are in general collateralized. For private customers, the assessment is mainly based on the amount and source of income and their overall debt.

The Group has implemented internal standards intended to determine acceptable collateral and handle the legal requirements and insurance of collateral items. The value of such collateral is determined and re-valuated (including by external independent experts) by a standardized methodology and regularly monitored. External assessments are updated at regular intervals, with plausibility checks being carried out by specialized ProCredit Bank staff. As of 31 December 2023, the overall collateral of the Group amounted to in aggregate approximately EUR 4.9 billion. Of this, 67% consisted of immovable properties, 16% consisted of financial guarantees by international financial institutions, state guarantees and bank guarantees, 16% consisted of other collateral (e.g., machinery, vehicles and receivables) and 1% consisted of cash collateral.

The Group's target clients for its lending business are companies which exhibit dynamic growth and stable, formalized structures and a willingness to improve economically and organizationally. Through its business activities, the Group wants to deliver added value to its customers as well as make a contribution to creating jobs, enhancing capacity for innovation and encouraging investments in ecological projects as well as green technology. The Group places particular emphasis on issuing green loans and promoting local production, especially in agriculture. It selects its clients in a lending process guided by solvency, transparency and social responsibility aspects. Supporting this is, in the Group's view, its "*Hausbank*" approach and commitment to training business advisors at the ProCredit Banks. In this way, the Group aims to ensure that its customers can adequately service their loans and also build up reserves for economic difficulties. To support the lending activities of the ProCredit Banks, the Group refinances itself in the capital markets through the issuance of finance instruments such as green bonds.

The Group believes that its banks can make a meaningful contribution by promoting sustainable economic development in their countries of operation through green investment projects, particularly in the areas of energy efficiency and renewable energies, and through green investments in waste management and organic agriculture.

In its lending business with SMEs, the Group cooperates closely with European institutions such as the European Investment Bank (EIB), the European Bank for Reconstruction and Development (EBRD), Finance in Motion (FiM) and the European Investment Fund ("EIF"), including through involvement in guarantee programs such as the InnovFin.

The Group aims to have open and transparent business relationships and maintain regular contact with its clients. It believes that its clients also make an important contribution to the formalization of the economy, and thus to social and economic development in their markets, not only through their actions but also by paying taxes and maintaining fair working conditions. As a member of the Net Zero Banking Alliance, the Group has committed to aligning its credit and investment portfolios with net zero emissions by 2050 or earlier. In doing so, the Group supports customers with high greenhouse gas emissions to lower their emissions through green investments, among other initiatives. At the same time, the Group makes clear demands on its customers regarding ethical business practices and the responsible treatment of the environment.

The ProCredit Group aims to employ staff which identifies itself with the Group's sustainable values and goals and understands the needs of the Group's customers. Thus, it has established its own internal academies and training programs to provide training for management staff from the ProCredit Banks. Moreover, the Group holds regular Group-wide meetings and training events to support the exchange of best practices and the development and enhancement of risk management among the Group.

The Group believes that its track record of profitability through economic cycles and events such as the financial crisis of 2008-2010, the Covid-19 pandemic and the Russo-Ukrainian War reflects the success of its SME-orientation, the broad diversification of its business across geographies and industry sectors and overall prudent approach to business. The Group has recorded a profit each year since and including 2008 to 2023 with an average net write-off (the amount of gross loans written off in a period net of any amounts recovered from written-off loans relative to the average gross loan portfolio) in such period of only 0.6% (0.5% in 2023 and 0.2% in 2022). From 2005 to 2023, the Group's average return on equity ("RoE") was 8-9%. The Group's total assets grew at a rate of 9% *per annum* from 2021 to 2023.

The Group is committed to the success of ProCredit Ukraine while also ringfencing the institution to protect the Group against downside risks in the country. Compared to 31 December 2021, ProCredit Ukraine's loan portfolio decreased by approximately 34% from EUR 756.5 million to EUR 497.3 million (the decrease from year-end 2022 to year-end 2023 was 14.6%). Thus, ProCredit Ukraine's contribution to the Group's overall loan portfolio decreased from approximately 13% in 2021 to approximately 8% in 2023. Throughout the conflict banking operations have continued uninterrupted. Deposits increased by approximately 16% (EUR 98 million) from 31 December 2022 to 31 December 2023 and the deposit-to-loan ratio improved from 88% as of 31 December 2021 to 143.5% as of 31 December 2023. In the financial year 2023, ProCredit Ukraine contributed EUR 17.7 million to Group net income and recorded a RoE of 28% and a cost-income ratio of 32.4%. As of 31 December 2023, ProCredit Ukraine had a staff of 336 (31 December 2022: 307, 31 December 2021: 329).

Regional Segments

The Group focuses its business on four regional segments (South Eastern Europe, Eastern Europe, South America and Germany) and 13 different countries. The Group's banks serve a broad spectrum of clients in their respective regions, ranging from small business clients with increasingly formalized structures to larger SMEs.

South Eastern Europe

The segment South Eastern Europe comprises the ProCredit Banks in Albania, Bosnia and Herzegovina, Bulgaria (including a branch operation in Greece), Kosovo, North Macedonia, Romania and Serbia. As of 31 December 2023, the segment reported a loan portfolio of EUR 4,626.3 million (74% of the total loan portfolio of the ProCredit Group) and deposits of EUR 5,327.0 million. In the financial year ended 31 December 2023, the segment recorded net interest income of EUR 218.7 million, net fee and commission income of EUR 36.8 million and profit of EUR 94.7 million.

Albania

As of 31 December 2023, the loan portfolio of the ProCredit Bank in Albania amounted to EUR 265 million (4.3% of the total loan portfolio of the ProCredit Group) with a ratio of 2.2% of defaulted loans. The ProCredit Bank in Albania employed 173 members of staff as of 31 December 2023.

Bosnia and Herzegovina

As of 31 December 2023, the loan portfolio of the ProCredit Bank in Bosnia and Herzegovina amounted to EUR 298 million (4.8% of the total loan portfolio of the ProCredit Group) with a ratio of 1.8% of defaulted loans. The ProCredit Bank in Bosnia and Herzegovina employed 200 members of staff as of 31 December 2023.

Bulgaria

As of 31 December 2023, the loan portfolio of the ProCredit Bank in Bulgaria amounted to EUR 1,517 million (comprising EUR 1,122 million attributable to the operations in Bulgaria (18% of the total loan portfolio of the ProCredit Group) and EUR 395 million attributable of the branch operation in Greece (6% of the total loan portfolio of the ProCredit Group)) with a ratio of 0.8% of defaulted loans. The ProCredit Bank in Bulgaria employed 510 members of staff as of 31 December 2023.

Kosovo

As of 31 December 2023, the loan portfolio of the ProCredit Bank in Kosovo amounted to EUR 748 million (12% of the total loan portfolio of the ProCredit Group) with a ratio of 1.3% of defaulted loans. The ProCredit Bank in Kosovo employed 344 members of staff as of 31 December 2023.

North Macedonia

As of 31 December 2023, the loan portfolio of the ProCredit Bank in North Macedonia amounted to EUR 508 million (8.2% of the total loan portfolio of the ProCredit Group) with a ratio of 2.0% of defaulted loans. The ProCredit Bank in North Macedonia employed 224 members of staff as of 31 December 2023.

Romania

As of 31 December 2023, the loan portfolio of the ProCredit Bank in Romania amounted to EUR 383 million (6.2% of the total loan portfolio of the ProCredit Group) with a ratio of 1.4% of defaulted loans. The ProCredit Bank in Romania employed 175 members of staff as of 31 December 2023.

Serbia

As of 31 December 2023, the loan portfolio of the ProCredit Bank in Serbia amounted to EUR 908 million (14.6% of the total loan portfolio of the ProCredit Group) with a ratio of 3.6% of defaulted loans. The ProCredit Bank in Serbia employed 421 members of staff as of 31 December 2023.

Eastern Europe

The segment Eastern Europe comprises the ProCredit Banks in Ukraine, Georgia and Moldova. As of 31 December 2023, the segment reported a loan portfolio of EUR 1,075.2 million (17% of the total loan portfolio of the ProCredit Group) and deposits of EUR 1,266.6 million. In the financial year ended 31 December 2023, the segment recorded net interest income of EUR 95.9 million, net fee and commission income of EUR 7.0 million and profit of EUR 40.8 million (without contribution of ProCredit Bank Ukraine: EUR 23.1 million).

Ukraine

As of 31 December 2023, the loan portfolio of the ProCredit Bank in Ukraine amounted to EUR 497 million (8% of the total loan portfolio of the ProCredit Group) with a ratio of 7.3% of defaulted loans. The ProCredit Bank in Ukraine employed 336 members of staff as of 31 December 2023.

Georgia

As of 31 December 2023, the loan portfolio of the ProCredit Bank in Georgia amounted to EUR 402 million (6.5% of the total loan portfolio of the ProCredit Group) with a ratio of 3.1% of defaulted loans. The ProCredit Bank in Georgia employed 286 members of staff as of 31 December 2023.

Moldova

As of 31 December 2023, the loan portfolio of the ProCredit Bank in Moldova amounted to EUR 175 million (2.8% of the total loan portfolio of the ProCredit Group) with a ratio of 3.2% of defaulted loans. The ProCredit Bank in Moldova employed 153 members of staff as of 31 December 2023.

South America

The segment South America comprises the ProCredit Bank in Ecuador. As of 31 December 2023, the segment reported a loan portfolio of EUR 481.6 million (7.7% of the total loan portfolio of the ProCredit Group) with a ratio of 6.9% of defaulted loans and deposits of EUR 383 million. In the financial year ended 31 December 2023, the segment recorded net interest income of EUR 19.2 million, net fee and commission income of EUR 0.2 million and losses of EUR 2.6 million.

As of 31 December 2023, the ProCredit Bank in Ecuador employed 336 members of staff.

Germany

The Group's business activity in Germany is mainly limited to services for the other segments and essentially consists of the operations of the Issuer, ProCredit Bank AG and Quipu. As of 31 December 2023, the segment reported a loan portfolio of EUR 43.3 million (0.7% of the total loan portfolio of the ProCredit Group), with a ratio of 0.0% of defaulted loans and deposits of EUR 277.6 million. In the financial year ended 31 December 2023, the segment recorded net interest income of EUR 3.4 million, operating income of EUR 159.0 million and profit of EUR 61.2 million, which includes income recorded on the level of ProCredit Holding from dividends from its subsidiaries in the amount of EUR 80.4 million. The segment's contribution to the Group's consolidated result was a loss of EUR 19.5 million.

As of 31 December 2023, the German entities of the ProCredit Group employed 793 members of staff.

Sustainability

The ProCredit Group evaluates its activities not only in terms of client needs and profitability, but also in terms of the impact these activities could have on society and the environment. The Group is committed to continuously reporting on key ESG results and initiatives in line with Global Reporting Initiative (GRI) standards.

Minimizing its negative impact on the environment and proactively promoting a sustainable way of doing business is an integral part of the business strategy of the ProCredit Group – not only in connection with its lending operations or the provisioning of financial services to its clients, but also in its own day-to-day operations.

To accomplish this, the Group has developed and implemented the EMS. The goal of the EMS is not only to reduce both the internal and external environmental impact of the ProCredit Group but also to promote loans and investments that have a positive impact on the environment:

- The Group's internal processes and procedures are designed to systematically reduce its direct environmental footprint. Through 'greening' the banks' infrastructure, working on the decarbonization of its own operations and communicating about environmental issues, the Group aims to raise environmental awareness in its institutions and to improve resource consumption within the Group.
- The Group aims to work with businesses whose activities do not harm the environment or endanger the health, safety and well-being of their staff or neighbors. By applying a prudent credit risk approach, the ProCredit Group aims to minimize possible negative impacts of its lending operations on the environment.

- The Group promotes green investments and savings in its countries of operation. The Group aims to support clients who want to improve their business processes in an environmentally sound manner.

The Group's first green loans were issued in 2006, long before such structures became more widespread in the market. Since then, the amount of green loans in the overall loan portfolio of the ProCredit Group has steadily grown. The compound annual growth rate (CAGR) of the green loan portfolio in the period from 2018 to 2023 was 13.4%. In December 2023, the green loan portfolio represented 20.4% of the total loan portfolio of the ProCredit Group and contributed more than 50% of the total loan portfolio growth in from 2022 to 2023. As of 31 December 2023, 46% of the green loan portfolio related to investments in energy efficiency and renewable energy contributed more than 50% to total portfolio growth in the financial year 2023. As of December 2023, only 2.0% of loans in the green loan portfolio were considered credit impaired, a percentage approximately 0.7% lower compared to the overall loan portfolio of the ProCredit Group.

Capital Requirements

Regulatory Capital Framework

Whereas the capital requirements for the Group are imposed and monitored by BaFin and by the supervisory college pursuant to Section 8a KWG, the individual ProCredit Banks in the Group are subject to the requirements imposed by the respective national supervisory authorities. Regulations for the calculation of capital adequacy in most jurisdictions where the ProCredit Group operates are focused on the recommendations of the Basel Committee on Banking Supervision.

The CRR minimum capital ratios are set to 4.5% for the Common Equity Tier 1 capital ratio, 6.0% for the Tier 1 capital ratio and 8.0% for the total capital ratio. An individual capital add-on pursuant to the Supervisory Review and Evaluation Process ("**SREP**") was set for the Group based on total capital. This add-on is 3.5%. The capital conservation buffer is currently 2.5%. The institution-specific countercyclical capital buffer amounted to 0.3% as of 31 December 2023. Overall, this results in a minimum capital requirement of 9.3% for the Common Equity Tier 1 capital ratio, 11.4% for the Tier 1 capital ratio and 14.3% for the total capital ratio, taking into account the capital buffers.

With the implementation of CRR, an additional leverage ratio was introduced which is not risk-based. This is defined as the ratio of Tier 1 capital to unweighted on- and off-balance sheet risk exposures. The ratio represents a non-risk-based model to address the growing risk of excessive leverage in the banking sector. The requirements for determining the leverage ratio are set out in Part 7 of CRR. A mandatory minimum ratio of 3% was introduced in June 2021 with Regulation (EU) 2019/876 (CRR II). The leverage ratio is calculated on a monthly basis.

Regulatory Capital

The Group's regulatory capital ratios and some of the most important other key metrics are shown in the table below:

	As of 31 December 2023	As of 31 December 2022
<i>(All figures are stated in millions of EUR, unless otherwise specified)</i>	<i>(Unaudited, unless otherwise stated)</i>	
Available own funds (amounts)		
Common Equity Tier 1 (CET1) capital ⁽¹⁾	885	820
Tier 2 capital ⁽¹⁾	95	48
Total capital ⁽¹⁾	979	868
Risk-weighted exposure amounts		
Total risk-weighted exposure amount ⁽¹⁾	6,193	6,087

	As of 31 December 2023	As of 31 December 2022
<i>(All figures are stated in millions of EUR, unless otherwise specified)</i>	<i>(Unaudited, unless otherwise stated)</i>	
Of which credit risk	5,007	5,016
Of which market risk (currency risk) ⁽²⁾	678	613
Of which operational risk	508	458
Capital ratios (as a percentage of risk-weighted exposure amount)		
Common Equity Tier 1 ratio ⁽¹⁾	14.3% ^{*(2)}	13.5% *
Tier 1 ratio ⁽¹⁾	14.3% *	13.5% *
Total capital ratio ⁽¹⁾	15.8% *	14.3% *
Additional own funds requirements based on SREP (as a percentage of risk weighted exposure amount)		
Additional own funds requirements to address risks other than the risk of excessive leverage	3.5%	2.0%
of which: to be made up of CET1 capital	2.0% *	1.1% *
of which: to be made up of Tier 1 capital	2.6% *	1.5%
Total SREP own funds requirements	11.5% *	10%
Combined buffer requirement (as a percentage of risk-weighted exposure amount)		
Capital conservation buffer	2.5%	2.5%
Institution specific countercyclical capital buffer	0.3% *	0.2% *
Combined buffer requirement	2.8% *	2.7% *
Overall capital requirements	14.3% *	12.7% *
CET1 available after meeting the total SREP own funds requirements	4.3% *	4.3% *
Leverage ratio		
Leverage ratio total exposure measure	10,053	9,174
Leverage ratio	8.8% *	8.9% *

* Rounded.

(1) Audited.

(2) Includes the risk-weighted exposure amount of credit valuation adjustment risk.

(3) Profits recorded in the fourth quarter of 2023 are not yet attributed to the reported Common Equity Tier 1 ratio as of 31 December 2023. The unaudited pro-forma Common Equity Tier 1 ratio as of 31 December 2023 is 14.7%.

Governmental, Legal or Arbitration Proceedings

Group companies are from time to time involved in court, arbitration and regulatory proceedings in Germany and the other countries where the ProCredit Banks are active, which are not described herein and are incidental to the normal

conduct of the Group's business. The Group does not believe that the outcome of any such proceedings during the period covering at least the previous twelve months as of the date of this Prospectus, if decided adversely to the Group's interests, could or will have a material adverse effect on the Group's financial condition, cash flows or results of operations.

As of the date of this Prospectus, the Group is not aware of any material threatened litigation or arbitration.

Material Agreements

Senior Financing Arrangements

The Issuer is the borrower under a loan agreement dated 3 November 2022 between itself and BlueOrchard Microfinance Fund ("**BO**") as lender. The amount of the loan is EUR 60 million and the final maturity date is 8 November 2027. The loan bears interest at a floating interest rate based on the EUR 6M EURIBOR plus a margin.

The Issuer is the borrower under a facility agreement dated 23 September 2022 between itself and The European Fund for Southeast Europe S.A., SICAV-SIF ("**EFSE**") as lender. The amount of the facility is EUR 35 million and the final maturity date is 30 September 2025. The loan bears interest at a floating interest rate based on the EUR 6M EURIBOR plus a margin.

The Issuer is the borrower under a facility agreement dated 23 September 2022 between itself and Green for Growth Fund, Southeast Europe S.A., SICAV-SIF as lender. The amount of the facility is EUR 20 million and the final maturity date is 30 September 2025. The loan bears interest at a floating interest rate based on the EUR 6M EURIBOR plus a margin.

The Issuer is the borrower under a loan agreement dated 28 June 2022 between itself and Pax-Bank eG as lender. The amount of the loan is EUR 20 million and the final maturity date is 30 June 2025. The loan bears interest at a rate of 2.89% and specifies that the Issuer has to use the loan amount in accordance with its green bond framework (as applicable at the issuance of the loan).

The Issuer is the borrower under various German-law governed assignable loan agreements (*Schuldschein-Darlehensvertrag*). The total amount of these agreements is EUR 66.5 million, with final maturity dates ranging from 25 November 2024 to 18 November 2030. The fixed interest rates vary from 0.24% to 3.5%. Five of these agreements specify that the Issuer has to use the loan amount in accordance with its green bond framework (as applicable at the issuance of the loan).

The Issuer has issued various bond bearer instruments. The total amount of these instruments is EUR 147 million, with final maturity dates ranging from 29 May 2024 to 18 March 2041. Some of the bonds bear interest at a floating interest rate based on the EUR 6M EURIBOR plus a margin and some bear interest at a fixed interest rate ranging from 0.50% to 6%. Nine of these bonds specify that the Issuer has to use the proceeds in accordance with its green bond framework (as applicable at the issuance of the loan).

Subordinated Financing Arrangements

The Issuer is the borrower under four subordinated German-law governed assignable loan agreements (*Schuldschein-Darlehensvertrag*). The total amount of these agreements is EUR 38 million, with final maturity dates ranging from 11 April 2024 to 6 May 2026. The interest rates range from 6% to 6.5%.

On 6 May 2016, the Issuer issued EUR 15 million subordinated floating rate notes with a final maturity on 27 May 2030. The notes bear interest at a floating interest rate based on the EUR 6M EURIBOR plus a margin.

On 25 May 2016, the Issuer issued EUR 5 million subordinated floating rate notes with a final maturity date on 27 April 2026. The notes bear interest at a floating interest rate based on the EUR 6M EURIBOR plus a margin.

The Issuer is the borrower under a subordinated facility agreement dated 22 November 2023 between itself and EFSE as lender. The amount of the facility is EUR 10 million and the final maturity date is 30 November 2033. The facility bears interest at a floating interest rate based on the EUR 6M EURIBOR plus a margin.

The Issuer is the borrower under a subordinated term facility agreement dated 20 March 2023 between itself and Oesterreichische Entwicklungsbank AG as lender. The amount of the facility is EUR 15 million and the final maturity date is 30 March 2033. The facility bears interest at a floating interest rate based on the EUR 6M EURIBOR plus a margin.

The Issuer has issued various floating rate subordinated notes in favor of Responsibility SICAV (Lux) and related parties. The total principal amount of the notes is 32 million United States Dollars. The final maturity dates range from 29 April 2033 to 30 June 2033. The notes bear interest at a floating interest rate based on the 6M Term Secured Overnight Financing Rate which is provided by the Federal Reserve Bank of New York ("**SOFR**") plus a margin.

The Issuer is the borrower under a subordinated loan agreement dated 6 October 2023 between itself and BO as lender. The amount of the loan is 15 million United States Dollars and the final maturity date is 12 October 2033. The loan bears interest at a floating interest rate based on the 6M Term SOFR plus a margin.

Guarantees

The Issuer is the guarantor under various guarantee agreements between itself and international financial institutions (including, *inter alia*, the Council of Europe Development Bank, The European Investment Bank and the European Bank for Reconstruction and Development) in connection with financing arrangements between such parties and other members of the Group.

As of the date of this Prospectus, there are no other material agreements which could result in any Group entity being under an obligation or an entitlement that is material to the Issuer's ability to meet its obligations under the Notes.

Administrative, Management and Supervisory Bodies

As a stock corporation (*Aktiengesellschaft*) under German law, ProCredit Holding has a dualistic management structure, which assigns management of the company to the management board (*Vorstand*) and supervision of the management board to the supervisory board (*Aufsichtsrat*).

Management Board

Under the articles of association of the Issuer, the management board of the Issuer (the "**Management Board**") must consist of at least two persons. The supervisory board of the Issuer (the "**Supervisory Board**") shall decide upon the number of Management Board members, their appointment, the conclusion of their service contracts, the revocation of said appointment as well as the amendment and termination of service contracts. Currently, the Management Board consists of six members, with Hubert Spechtenhauser appointed as chairman.

The table below lists the members of the Management Board as of the date of this Prospectus.

Name	Position	Principal Outside Board Memberships
Hubert Spechtenhauser	Chairman of the Management Board with responsibility for: Corporate Office, Group Communications and Legal	–
Eriola Bibolli	Member of the Management Board, with responsibility for: Group Credit Risk Management, Group and PCH Risk Control, Group Financial Risk Management and Group Operational Risk Management	–

Name	Position	Principal Outside Board Memberships
Christian Dagrosa	Member of the Management Board, with responsibility for: Accounting and Taxes, Data Systems Projects, Supervisory Reporting and Capital Planning, Group Funding and Treasury, Controlling, Reporting and Data Management, and Investor Relations	–
Dr. Gian Marco Felice	Member of the Management Board, with responsibility for: Group Sustainability, Group and PCH IT and Business Support and Development	–
Christoph Beeck	Member of the Management Board, with responsibility for: Group and PCH Internal Audit, Administration and Translation, Group and PCH Human Resources, and Fraud Prevention and Compliance and Group and PCH AML	–
George Chatzis	Member of the Management Board, with responsibility for: Chief Risk Officer*	–

*After an onboarding phase. Prior to the completion thereof, Group and Issuer risk functions remain with Eriola Bibolli.

The members of the Management Board may be reached at the Issuer's office at Rohmerplatz 33-37, 60486 Frankfurt am Main, Federal Republic of Germany.

The Issuer has not been notified and has otherwise not been informed by any of the members of the Management Board named above about any potential conflicts of interest between the obligations of the persons towards the Issuer and their own interests or other obligations.

Supervisory Board

The table below lists the members of the Supervisory Board as of the date of this Prospectus.

Name	Position	Principal Outside Board Memberships
Rainer Ottenstein	Chairman of the Supervisory Board, Chairperson of the Nomination Committee and the Remuneration Committee	–

Name	Position	Principal Outside Board Memberships
Dr. H.P.M. (Ben) Knapen	Vice Chairman of the Supervisory Board	<ul style="list-style-type: none"> Chairman of the Foundation Novamedia Continuities
Helen Alexander*	Member of the Supervisory Board	–
Jovanka Joleska Popovska	Member of the Supervisory Board	–
Karin Katerbau	Member of the Supervisory Board, Chairperson of the Audit Committee	<ul style="list-style-type: none"> Chairperson of the OLB Foundation Board of Management, Oldenburg, Germany Member of the supervisory board of SMBC Bank EU AG
Dr. Jan Marcus Schroeder-Hohenwarth	Member of the Supervisory Board, Chairperson of the Risk Committee	–
Nicholas Tesseyman	Member of the Supervisory Board	<ul style="list-style-type: none"> Independent member of the board of directors, chair of board credit committee, member of risk committee, transformation committee and nominations and remuneration committee of First Bank Romania Independent member of the board of directors, chair of audit committee and member of risk committee of Eurobank Private Bank Luxembourg
Berna Ülman	Member of the Supervisory Board	<ul style="list-style-type: none"> Independent member of the board of directors and chair of audit and risk committee of Silk Road Real Estate Group, Georgia Independent member of the board of directors, chair of governance committee and member of audit committee of Akis Real Estate Investment, Turkey Member of the board of directors and treasurer; Trustee of SEV Health and Education Foundation, Turkey

*Ms Alexander will resign from the Supervisory Board on 18 April 2024 and be succeeded by Mr Patrick S. Zeitinger effective 19 April 2024.

The members of the Supervisory Board may be reached at the Issuer's office at Rohmerplatz 33-37, 60486 Frankfurt am Main, Federal Republic of Germany.

The Supervisory Board has established four regular committees: the Risk Committee, the Remuneration Control Committee, the Audit Committee and the Nomination Committee.

The Issuer has not been notified and has otherwise not been informed by any of the members of the Supervisory Board named above about any potential conflicts of interest between the obligations of the persons towards the Issuer and their own interests or other obligations.

Financial Information

The audited consolidated financial statements of the Issuer for the fiscal year ended on 31 December 2023 contained in ProCredit Holding's Annual Report 2023 and the audited consolidated financial statements of the Issuer for the fiscal year ended on 31 December 2022 contained in ProCredit Holding's Annual Report 2022 are incorporated by reference into this Prospectus. Please refer to the section "*Documents Incorporated by Reference*" below.

Key Performance Indicators

The following tables provide for an overview of selected key performance indicators of the Group for the financial years ended 31 December 2023 and 2022, respectively.

Certain of the key performance indicators set out below constitute Alternative Performance Measures and are intended to supplement investors' understanding of the Group's financial information by providing financial measures which investors, financial analysts and management use to help evaluate the Group's operating performance and liquidity. Please also refer to the information in the section "*Notice – Alternative Performance Measures*" above.

Key Performance Indicators

	Financial year ended	
	31 December	
	2023	2022
<i>(All figures are stated in %)</i>	<i>(Unaudited, unless otherwise specified)</i>	
Change in loan portfolio	1.9	3.1
<i>without contribution of ProCredit Bank Ukraine</i>	3.7	6.9
Cost-income ratio.....	59.9	64.0
RoE.....	12.2	1.9
<i>without contribution of ProCredit Bank Ukraine</i>	10.1	7.8
Common Equity Tier 1 capital ratio (CET 1) ⁽¹⁾	14.3 ⁽²⁾	13.5

(1) Audited.

(2) Profits recorded in the fourth quarter of 2023 are not yet attributed to the reported Common Equity Tier 1 ratio as of 31 December 2023. The unaudited pro-forma Common Equity Tier 1 ratio as of 31 December 2023 is 14.7%.

Explanation of the Key Performance Indicators

The following paragraphs provide for a summary explanation of the key performance indicators set out in the tables above.

Change in loan portfolio

The change in loan portfolio is calculated as the Group's loan portfolio as of the balance sheet date of the current period relative to the Group's loan portfolio as of 31 December of the previous year. The Group's loan portfolio corresponds to loans and advances to customers before loss allowances.

The following table provides a reconciliation of the Group's loan portfolio:

**Financial year ended
31 December**

	2023	2022
<i>(All figures are stated in '000 EUR)</i>	<i>(Unaudited, unless otherwise specified)</i>	
Loans and advances to customers (net of provisions) ⁽¹⁾	6,029,715	5,892,796
Loss allowances.....	196,760	214,930
Loan portfolio	6,226,475	6,107,726

(1) Audited.

Cost-income ratio

The cost-income ratio is calculated as the ratio between personnel and administrative expenses to operating income.

Return on Equity

RoE is calculated as the profit attributable to the Group's shareholders, divided by the average equity held by the Group's shareholders.

The following table provides a reconciliation of the Group's RoE:

	Financial year ended 31 December	
	2023	2022
<i>(All figures are stated in '000 EUR, unless otherwise specified)</i>	<i>(Unaudited, unless otherwise specified)</i>	
Profit attributable to the Group's shareholders ⁽¹⁾	113,372	16,497
Average equity held by the Group's shareholders.....	926,612	862,874
RoE	12.2%	1.9%

(1) Audited.

Common Equity Tier 1 capital ratio (CET 1)

The Common Equity Tier 1 capital ratio (CET 1) ("**CET 1 Ratio**") is calculated as the ratio of the Group's Common Equity Tier 1 capital to its risk-weighted assets.

The following table provides a reconciliation of the Group's CET 1 Ratio:

	Financial year ended 31 December	
	2023	2022
<i>(All figures are stated in '000 EUR, unless otherwise specified)</i>	<i>(Audited)</i>	
Common equity Tier 1 capital	884,847	820,244
Risk weighted assets.....	6,192,778	6,087,042
CET 1 Ratio	14.3%⁽¹⁾	13.5%

(1) Profits recorded in the fourth quarter of 2023 are not yet attributed to the reported Common Equity Tier 1 ratio as of 31 December 2023. The unaudited pro-forma Common Equity Tier 1 ratio as of 31 December 2023 is 14.7%.

Recent Developments

There are no recent developments particular to the Issuer which are to a material extent relevant to an evaluation of the solvency of the Issuer.

Trend Information and Significant Changes

There has been no material adverse change in the prospects of the Issuer since 31 December 2023.

There has been no significant change in the financial performance of the Issuer since 31 December 2023.

There has been no significant change in the financial position of the Issuer since 31 December 2023.

Outlook

In the coming years, the ProCredit Group aims to grow its loan portfolio, returning to the Group's strong growth rates seen in the period prior to the Russo-Ukrainian War. In terms of business clients, the Group wants to build on its market position, strengthen internal capacities, optimize lending processes, and provide a stronger response to customer requests for trade financing, point of sale (POS) terminals and other services. The Group sees potential for increased growth, particularly among smaller SMEs with funding demands up to EUR 750,000, which the Issuer believes can sustainably fortify the Group's performance indicators through higher margins, lower risk weighting and stronger customer retention by way of the Group's "*Hausbank*" approach.

Furthermore, the Group sees strong growth potential in the fields of energy efficiency and renewable energy, and therefore intends to further expand its green loan portfolio in line with its positioning as a "green bank". In its retail operations, rather than just focusing on high-income customers, the ProCredit Group plans to also expand the scope of its services in its markets. In addition to the Group's positioning as an impact-oriented bank for SMEs, the Group intends to build on its perception as an attractive bank for private customers. Accordingly, the Group has invested and plans to continue in the near future to invest more in staff, IT, marketing and process automation, as well as expanding its regional presence in certain of the Group's countries of operation. In the medium term (the next three to five years), the Group has the ambition to multiply the number of such customers by 2.5x, to increase the granularity of its deposit structure with private customer deposits accounting for at least 50% of total deposits and to grow its deposit market share in each market by approximately 3%.

In the 2023 financial year, the (currency-adjusted) growth of the Group's loan portfolio was 2.3%. In the medium term, the Issuer aims to grow the ProCredit Group's loan portfolio to a level of over EUR 10 billion with a proportion of green loans of at least 25%. At the same time, the Group is aiming to have a local deposit-to-loan ratio of approximately 120% in all ProCredit Banks.

Assuming a cost of risk of around 30-35 basis points, in the medium term the Issuer sees the potential for a RoE of 13-14% and a cost-income ratio of around 57% (excluding non-recurring effects), even with a slight reduction in interest rates. The Issuer believes that the Group's ambitious growth targets can enable it to achieve significant economies of scale and structurally strengthen the net interest margin on both the asset and liability side through the Group's strategic focus in the coming years. In these medium term ambitions, the overall contribution of ProCredit Ukraine is considered to be largely neutral. In its planning, the Issuer does not take into account any upside potential, *e.g.*, through reconstruction of Ukraine co-financed by the Western community.

As a member of the Net-Zero Banking Alliance, the ProCredit Group has committed to achieving net-zero emissions for its loan and investment portfolio by 2050 or earlier. In this context, the Issuer plans to reduce the Group's absolute Scope 1 and Scope 2 greenhouse gas emissions by 42% by 2030 (compared to 2022 baseline). The Issuer's medium term Scope 3 ambition is to engage with the clients responsible for 28% of the Scope 3 emissions from the Group's business loan portfolio by 2027. This means supporting them in measuring emissions and setting emissions targets, as well as providing funding for green investments. By 2040, the Issuer aims for all of its clients responsible for Scope 3 emissions in its business loan portfolio to have committed themselves to reaching net-zero. The ProCredit Group has also committed to limiting its energy project financing activities to providing financial support for renewable energies.

TAXATION

The following is a general overview of certain tax considerations relating to the purchasing, holding and disposing of Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes. In particular, this discussion does not consider any specific facts or circumstances that may apply to a particular Holder. The discussions that follow for each jurisdiction are based upon the applicable laws in force and their interpretation on the date of this Prospectus. These tax laws and interpretations are subject to change that may occur after such date, even with retroactive effect.

The information contained in this section is limited to taxation issues and prospective investors should not apply any information set out below to other areas, including (but not limited to) the legality of transactions involving the Notes.

Prospective holders of Notes (the "Holders" and each a "Holder") should consult their own tax advisers as to the particular tax consequences of subscribing, purchasing, holding and disposing the Notes, including the application and effect of any federal, state or local taxes, under the tax laws of each country of which they are residents or citizens.

The following is a general discussion of certain German tax consequences of the acquisition, holding and disposal of the Notes. It does not purport to be a comprehensive description of all German tax considerations that may be relevant to a decision to purchase Notes, and, in particular, does not consider any specific facts or circumstances that may apply to a particular purchaser. This discussion of the tax consequences of an investment in the Notes is based on the tax laws of Germany currently in force and as applied on the date of this Prospectus, which are subject to change, possibly with retroactive or retrospective effect.

Responsibility of the Issuer for the withholding of taxes at source

The Issuer does not assume any responsibility for the withholding of taxes at source.

Tax resident Holders of the Notes

The section "*Tax resident Holders of the Notes*" refers to persons who are tax residents of Germany (*i.e.*, persons whose residence, habitual abode, statutory seat, or place of effective management is located in Germany).

Withholding tax (*Kapitalertragsteuer*) on interest payments and capital gains

Interest payments received by an individual Holder of the Notes will be subject to German withholding tax if the Notes are kept or administrated in a custodial account with a German credit or financial services institution (*Kredit- oder Finanzdienstleistungsinstitut*) or a German branch of a foreign credit or financial services institution or with a German securities institution (*Wertpapierinstitut*) (each a "**Disbursing Agent**", *auszahlende Stelle*). The flat income tax rate is 25% (plus 5.5% solidarity surcharge (*Solidaritatszuschlag*) thereon, the total withholding being 26.375%). An electronic information system for withholding of church tax (*Kirchensteuer*) will apply to individuals subject to church tax in relation to investment income, with the effect that church tax will be collected by the Disbursing Agent by way of withholding unless the investor has filed a blocking notice (*Sperrvermerk*) with the German Federal Central Tax Office (*Bundeszentralamt fur Steuern*) in which case the investor will be assessed to church tax. Further, church tax is not collected by way of withholding if the investment income forms part of income from agriculture and forestry, trade or business, self-employment or letting and leasing.

The same treatment applies to capital gains (*i.e.*, the difference between the proceeds from the disposal, redemption, repayment or assignment after deduction of expenses directly related to the disposal, redemption, repayment or assignment and the cost of acquisition) derived by an individual Holder provided the Notes have been held in a custodial account with a Disbursing Agent since the time of their acquisition. If Notes held or administrated in the same custodial account have been acquired at different points in time, the Notes first acquired will be deemed to have been sold first for the purposes of determining the capital gains. Where Notes are acquired and/or sold or redeemed in a currency other than Euro, the sales/redemption price and the acquisition costs have to be converted into Euro on the basis of the foreign exchange rates prevailing on the sale or redemption date and the acquisition date respectively.

To the extent the Notes have not been kept in a custodial account with a Disbursing Agent since the time of their acquisition, upon the disposal, redemption, repayment or assignment withholding tax applies at a rate of 26.375% (including solidarity surcharge, plus church tax, if applicable) on 30% of the disposal proceeds (plus interest accrued on the Notes ("**Accrued Interest**", *Stückzinsen*), if any), unless the investor or the previous depository bank is able and allowed to prove evidence for the investor's actual acquisition costs to the Disbursing Agent.

In computing any German tax to be withheld, the Disbursing Agent may generally deduct from the basis of the withholding tax negative investment income realized by the individual Holder of the Notes via the Disbursing Agent (e.g., losses from the sale of other securities with the exception of shares). The Disbursing Agent may also deduct Accrued Interest on the Notes or other securities paid separately upon the acquisition of the respective security via the Disbursing Agent. In addition, subject to certain requirements and restrictions the Disbursing Agent may credit foreign withholding taxes levied on investment income in a given year regarding securities held by the individual Holder in the custodial account with the Disbursing Agent.

Individual Holders may be entitled to an annual allowance (*Sparer-Pauschbetrag*) of EUR 1,000 (EUR 2,000 for jointly assessed individual Holders) for all investment income received in a given year. Upon the individual Holder filing an exemption certificate (*Freistellungsauftrag*) with the Disbursing Agent, the Disbursing Agent will take the allowance into account when computing the amount of tax to be withheld. No withholding tax will be deducted if the Holder of the Notes has submitted to the Disbursing Agent a certificate of non-assessment (*Nichtveranlagungsbescheinigung*) issued by the competent local tax office.

German withholding tax will not apply to gains from the disposal, redemption, repayment or assignment of Notes held by a corporation as Holder while ongoing payments, such as interest payments, are subject to withholding tax (irrespective of any deductions of foreign tax and capital losses incurred). With regard to gains from the disposal, repayment or assignment of Notes held by an individual Holder, a business partnership or through the permanent establishment of a non-resident taxpayer, the same may apply upon application where the Notes form part of a trade or business, subject to further requirements being met.

The Issuer is not obliged under German law to withhold any withholding tax (*Kapitalertragsteuer*) on interest payments and upon the sale or redemption of the Notes.

Taxation of current income and capital gains

The personal income tax liability of an individual Holder deriving income from capital investments under the Notes is, in principle, settled by the tax withheld. To the extent withholding tax has not been levied, such as in the case of Notes kept in custody abroad or if no Disbursing Agent is involved in the payment process, the individual Holder must report his or her income and capital gains derived from the Notes on his or her tax return and then will also be taxed at a rate of 25% (plus solidarity surcharge and church tax thereon, where applicable). If the withholding tax on a disposal, redemption, repayment or assignment has been calculated from 30% of the disposal proceeds (rather than from the actual gain), an individual Holder may and in case the actual gain is higher than 30% of the disposal proceeds must also apply for an assessment on the basis of his or her actual acquisition costs. Further, an individual Holder may request that all investment income of a given year is taxed at his or her lower individual tax rate based upon an assessment to tax with any amounts over withheld being refunded. In each case, the deduction of expenses (other than the annual allowance and transaction costs) on an itemized basis is not permitted.

The solidarity surcharge is only levied for income tax purposes if the individual income tax of an individual holder of the Notes exceeds the threshold of currently EUR 18,130 (EUR 36,260 for jointly assessed investors). The solidarity surcharge remains in place, however, for purposes of the withholding tax, the flat tax regime and the corporate income tax.

Capital losses from the disposal, redemption, repayment or assignment of the Notes held as private assets should generally be tax-recognized irrespective of the holding period of the Notes. The losses may, however, not be used to offset other income like employment or business income but may only be offset against investment income subject to certain limitations. Losses not utilized in one year may be carried forward into subsequent years but may not be carried back into

preceding years. Losses resulting from (i) a bad debt loss (*Uneinbringlichkeit einer Forderung*), from (ii) a derecognition (*Ausbuchung*) of worthless Notes, from (iii) a transfer (*Übertragung*) of worthless Notes or from (iv) any other shortfall (*sonstigen Ausfall*) of the Notes can only be offset against investment income of the given year in an amount of (altogether) EUR 20,000 ("**Limitation on Loss Deduction**"). Any exceeding loss amount can be carried forward and offset against future savings income, but again subject to the EUR 20,000 limitation. Given that losses, which are subject to the Limitation on Loss Deduction, will not be applied by the German Disbursing Agent (as defined above) holding the Notes in custody, investors suffering losses which are subject to the Limitation on Loss Deduction are required to declare such losses in their income tax return within the limits of the Limitation on Loss Deduction.

Where Notes form part of a trade or business the withholding tax, if any, will not settle the personal or corporate income tax liability. Where Notes form part of a trade or business, interest (accrued) must be taken into account as income. The respective Holder will have to report income and related (business) expenses on the tax return and the balance will be taxed at the Holder's applicable tax rate. Withholding tax levied, if any, will be credited against the personal or corporate income tax of the Holder. Where Notes form part of a German trade or business the current income and gains from the disposal, redemption, repayment or assignment of the Notes may also be subject to German trade tax.

Non-resident Holders of the Notes

Interest, including Accrued Interest, and capital gains are not subject to German taxation, unless (i) the Notes form part of the business property of a permanent establishment, including a permanent representative, or a fixed base maintained in Germany by the Holder or (ii) the income otherwise constitutes German-source income. In cases (i) and (ii) a tax regime similar to that explained above under "*Tax resident Holders of the Notes*" applies.

Non-residents of Germany are, in general, exempt from German withholding tax on interest and the solidarity surcharge thereon. However, where the interest is subject to German taxation as set forth in the preceding paragraph and the Notes are held in a custodial account with a Disbursing Agent, withholding tax may be levied under certain circumstances. The withholding tax may be refunded based on an assessment to tax or under an applicable tax treaty.

Interest paid under a financing relationship (*Finanzierungsbeziehung*) is, in principle, also subject to German taxation, if the financing relationship is entered into between German resident debtors and creditors, which are resident in a non-cooperative tax jurisdiction (*nicht kooperatives Steuerhoheitsgebiet*) within the meaning of the German Act to Prevent Tax Evasion and Unfair Tax Competition dated 25 June 2021 (*Gesetz zur Abwehr von Steuervermeidung und unfairem Steuerwettbewerb – Steueroasen-Abwehrgesetz, "StAbwG"*) as amended or replaced from time to time (including the Legal Ordinance on the Application of Section 3 StAbwG (*Verordnung zur Durchführung des § 3 des Steueroasen-Abwehrgesetzes – Steueroasen-Abwehrverordnung*) enacted on the StAbwG and as amended or replaced from time to time).

Bearer bonds (*Inhaberschuldverschreibungen*), however, which are represented in global notes (*Globalurkunde*) kept in collective custody (*Girosammelverwahrung*) with a central securities depository (*Zentralverwahrer*) and comparable debt instruments (*vergleichbare Schuldtitel*) tradable (*handelbar*) on a recognized exchange (*anerkannte Börse*) within the meaning of sec. 138 para. 2 sent. 1 no. 3 lit. b) sent. 2 of the German General Fiscal Code (*Abgabenordnung, "AO"*) do not qualify as financing relation and are, therefore, excluded from the scope of the StAbwG (sec. 10 para. 1 sent. 1 no. 1 sent. 2 StAbwG).

Since the Notes should qualify as bearer bonds, are represented by Global Notes kept in collective custody with a central securities depository (*i.e.*, with Clearstream Banking AG) and should meet the requirements to be admitted to trading on the Luxembourg Stock Exchange's Euro MTF market (which is a recognized exchange within the meaning of sec. 138 para. 2 sent. 1 no. 3 lit. b) sent. 2 AO), the StAbwG should not be applicable to interest paid under the Notes.

Inheritance and gift tax

The transfer of the Notes to another person by way of gift or inheritance may be subject to German gift or inheritance tax, respectively, if inter alia

- (i) the testator, the donor, the heir, the donee or any other acquirer had his residence, habitual abode or, in case of a corporation, association (*Personenvereinigung*) or estate (*Vermögensmasse*), has its seat or place of management in Germany at the time of the transfer of the Notes, or
- (ii) except as provided under (i), the testator's or donor's Notes belong to business assets attributable to a permanent establishment or a permanent representative in Germany.

Special regulations may apply to certain German expatriates.

Other taxes

No stamp, issue, value added, capital transfer or registration taxes or such duties will be payable in Germany in connection with the issuance, delivery or execution as well as the purchase, sale or other disposal of the Notes. However, under certain circumstances entrepreneurs may choose liability to German value added tax (*Umsatzsteuer*) with regard to the sale of the Notes to other entrepreneurs which would otherwise be tax exempt. Currently, net assets tax (*Vermögensteuer*) or a financial transaction tax are not levied in Germany.

SUBSCRIPTION AND SALE OF THE NOTES

General

Pursuant to a subscription agreement dated 23 April 2024 (the "**Subscription Agreement**") among the Issuer and the Sole Bookrunner, the Issuer has agreed to sell to the Sole Bookrunner, and the Sole Bookrunner has agreed, subject to certain customary closing conditions, to purchase, the Notes on 25 April 2024. The Issuer has furthermore agreed to pay certain fees to the Sole Bookrunner and to reimburse the Sole Bookrunner for certain expenses incurred in connection with the issue of the Notes.

The Subscription Agreement provides that the Sole Bookrunner under certain circumstances will be entitled to terminate the Subscription Agreement. In such event, no Notes will be delivered to investors. Furthermore, the Issuer has agreed to indemnify the Sole Bookrunner against certain liabilities in connection with the offer and sale of the Notes.

The Sole Bookrunner and certain of its affiliates may be customers of, borrowers from or creditors of the Issuer and its affiliates. In addition, the Sole Bookrunner and certain of its affiliates may have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer and its affiliates in the ordinary course of business. In particular, in the ordinary course of their business activities, the Sole Bookrunner and its affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or its affiliates. The Sole Bookrunner or certain of its affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Sole Bookrunner and its affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes offered hereby. Any such positions could adversely affect future trading prices of the Notes. The Sole Bookrunner and its affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments. The Sole Bookrunner or its subsidiaries may take up a portion of the Notes as principal and in that capacity may retain, purchase or sell for its own account such Notes and any securities of the Issuer or related investments and may offer or sell such securities or other investments.

There are no interests of natural and legal persons involved in the issue, including conflicting ones, that are material to the issue.

Selling Restrictions

General

The Sole Bookrunner has acknowledged that other than explicitly mentioned in this Prospectus no action is taken or will be taken by the Issuer in any jurisdiction that would permit a public offering of the Notes, or possession or distribution of any offering material relating to them, in any jurisdiction where action for that purpose is required.

The Sole Bookrunner has represented and agreed that it will comply with all applicable laws and regulations in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes any offering material relating to them.

Prohibition of Sales to EEA Retail Investors

The Sole Bookrunner has represented, warranted and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the European Economic Area. For the purposes of this provision the expression "retail investor" means a person who is one (or more) of the following:

- (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or

- (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

The expression an "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

United States of America and its territories

The Notes have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by the U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder.

The Sole Bookrunner has represented and agreed that except as permitted by the Subscription Agreement, it has not offered, sold or delivered and will not offer, sell or deliver any Notes; (i) as part of its distribution and any time; or (ii) otherwise until 40 days after the later of the commencement of the offering and the Issue Date, within the United States or to, for the account or benefit of, U.S. persons, and will have sent to each dealer to which it sells the Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S.

In addition, until 40 days after the commencement of the offering of the Notes, an offer or sale of the Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

United Kingdom

Prohibition of Sales to UK Retail Investors

The Sole Bookrunner has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Prospectus in relation thereto to any retail investor in the UK. For the purposes of this provision the expression "retail investor" means a person who is one (or more) of the following:

- (i) a retail client, as defined in point (8) of Article 2 EUWA; or
- (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA.

The expression an "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

Other regulatory restrictions

The Sole Bookrunner has represented, warranted and agreed that:

- (i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer, and

- (ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the UK.

Singapore

The Sole Bookrunner has represented and agreed that this Prospectus has not been and will not be registered as a prospectus with the Monetary Authority of Singapore (the "**MAS**"). Accordingly, the Sole Bookrunner has represented, warranted and agreed that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "**SFA**")) pursuant to Section 274 of the SFA; or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to, and in accordance with the conditions specified in Section 275 of the SFA.

GENERAL INFORMATION

1. **Authorizations:** The creation and issue of the Notes has been authorized by a resolution of the Management Board dated 19 February 2024 and by a resolution of the Supervisory Board dated 22 February 2024.
2. **Interest of Natural and Legal Persons involved in the Issue:** The Sole Bookrunner and certain of its affiliates may be customers of, borrowers from or creditors of the Issuer and/or its affiliates. In addition, the Sole Bookrunner and certain of its affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for the Issuer and/or its affiliates in the ordinary course of business.
3. **Legal Entity Identifier:** The legal entity identifier (LEI) of the Issuer is: 529900LIN8L1K9MLTR09.
4. **Expenses related to Admission to Trading:** The total expenses related to the admission to trading of the Notes are expected to amount to approximately EUR 11,000.
5. **Clearing Systems:** Payments and transfers of the Notes will be settled Clearstream Banking AG, Mergenthalerallee 61, 65760 Eschborn, Federal Republic of Germany.

The Notes have the following securities codes:

ISIN: DE000A383C84

Common Code: 280477117

German Securities Code (WKN): A383C8

6. **Listing and Admission to Trading:** Application has been made to the Luxembourg Stock Exchange for the Notes to be admitted to the Official List and to be admitted to trading on the Euro MTF market of the Luxembourg Stock Exchange. The Euro MTF market of the Luxembourg Stock Exchange is not a regulated market for the purposes of MiFID II.
7. **Documents on Display:** Electronic versions of the following documents are available on the Issuer's website (<https://www.procredit-holding.com/investor-relations/>):
 - (a) the articles of association of the Issuer are available under on the Issuer's website (accessed by using the hyperlink: https://www.procredit-holding.com/wp-content/uploads/2023/09/Articles_of_Association_of_ProCredit_Holding_AG.pdf?t=1711460254); and
 - (b) the documents incorporated by reference into this Prospectus (accessed by using the hyperlinks set out in the section "*Documents Incorporated by Reference*" below);
 - (c) the Green Bond Framework (accessed by using the hyperlink: https://www.procredit-holding.com/wp-content/themes/procredit-holding/download_dd.php?t=1713289357&f=/wp-content/uploads/2024/04/ProCredit-Group-Green-Bond-Framework-April-2024.pdf);
 - (d) the Second Party Opinion (accessed by using the hyperlink: <https://www.procredit-holding.com/wp-content/uploads/2024/04/ProCredit-Green-Bond-Framework-Second-Party-Opinion-April-2024.pdf>).

This Prospectus and any supplement to this Prospectus will be published on the website of the Luxembourg Stock Exchange (www.luxse.com). The information on any website does not form part of the Prospectus unless that information is incorporated by reference into the Prospectus.

8. **Third Party Information:** With respect to any information included herein and specified to be sourced from a third party (i) the Issuer confirms that any such information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from information available to it from such third party, no facts have been omitted the omission of which would render the reproduced information inaccurate or misleading and (ii) neither the Issuer nor the Sole Bookrunner has independently verified any such information and neither the Issuer nor the Sole Bookrunner accepts any responsibility for the accuracy thereof.

9. **Yield:** For the Noteholders, the yield of the Notes until the Reset Date is 9.469% *per annum*, calculated on the basis of the Issue Price.

Such yield is calculated in accordance with the ICMA (International Capital Market Association) Method. The ICMA method determines the effective interest rate on Notes by taking into account accrued interest on a daily basis.

The yield of the Notes for the period after the Reset Date cannot be determined as of the date of this Prospectus.

10. **Ratings of the Notes:**

The Notes are expected to be rated "BB-"⁸ by Fitch.

Fitch is established in the European Union, is registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies (the "**CRA Regulation**") and is included in the list of credit rating agencies registered in accordance with the CRA Regulation published by the European Securities and Markets Authority ("**ESMA**") on its website (<https://www.esma.europa.eu/supervision/credit-rating-agencies/risk>).

Investors should be aware that a credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

⁸ Fitch defines "BB-" as follows: "BB ratings indicate an elevated vulnerability to credit risk, particularly in the event of adverse changes in business or economic conditions over time; however, business or financial alternatives may be available to allow financial commitments to be met. The modifiers "+" or "-" may be appended to a rating to denote relative status within major rating categories."

DOCUMENTS INCORPORATED BY REFERENCE

The specified pages of the following documents which have previously been published or are published simultaneously with this Prospectus and which have been filed with the Luxembourg Stock Exchange are incorporated by reference into and form part of this Prospectus.

- (i) The 2022 Annual Report of ProCredit Holding AG & Co. KGaA for the fiscal year ended 31 December 2022 (the "**Annual Report 2022**"); and
- (ii) the 2023 Annual Report of ProCredit Holding AG for the fiscal year ended 31 December 2023 (the "**Annual Report 2023**"),

each containing the English language translation of the respective German language consolidated financial statements of the Issuer and of the German language auditor's report (*Bestätigungsvermerk*) in respect thereof. Any information not incorporated by reference into this Prospectus but contained in one of the documents mentioned as source documents in the cross-reference list below is either not relevant for the investor or covered in another part of this Prospectus.

(i) **Extracted from: Annual Report 2022**

Fundamental Information about the Group – Internal Management System ..	page 24
Report on the Economic Position of the Group	page 29
Consolidated Statement of Profit or Loss	page 110
Consolidated Statement of Other Comprehensive Income	page 111
Consolidated Statement of Financial Position	page 112
Consolidated Statement of Changes in Equity	page 113
Consolidated Statement of Cash Flows	page 114
Notes to the Consolidated Financial Statements	pages 115 – 151
Independent Auditor's Report	pages 153 – 162

(ii) **Extracted from: Annual Report 2023**

Fundamental Information about the Group – Internal Management System ..	pages 42 – 43
Report on the Economic Position of the Group	pages 44, 50, 52 and 53
Consolidated Statement of Profit or Loss	page 132
Consolidated Statement of Other Comprehensive Income	page 133
Consolidated Statement of Financial Position	page 134
Consolidated Statement of Changes in Equity	page 135
Consolidated Statement of Cash Flows	page 136
Notes to the Consolidated Financial Statements	pages 137 – 175
Independent Auditor's Report	pages 178 – 187

The non-incorporated parts of such documents, *i.e.*, the pages not listed in the table above, are either not relevant for the investor or covered elsewhere in the Prospectus.

Copies of documents incorporated by reference in this Prospectus may be obtained (without charge) from the registered office of the Issuer and the website of the Luxembourg Stock Exchange (www.luxse.com).

Electronic versions of the documents containing the information incorporated by reference are also available on the website of the Issuer (<https://www.procredit-holding.com/investor-relations/>) and can be accessed by using the following hyperlinks:

(i) Annual Report 2022:

<https://www.procredit-holding.com/wp-content/uploads/2023/04/Annual-Report-2022.pdf?t=1706628468>

(ii) Annual Report 2023:

<https://www.procredit-holding.com/wp-content/uploads/2024/03/2023-Annual-Report.pdf>

Issuer

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Federal Republic of Germany

Sole Bookrunner

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Marienturm
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Auditors

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