ProCredit
HOLDING

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Christian Dagrosa, Manager

Q2 2022 results

Frankfurt am Main, August 2022

Agenda

Highlights H1 2022

Positive H1 2022 result amid strong cost-efficiency improvements, despite continued negative impact from the war in Ukraine

- **Result of EUR 7.7m (annualised RoE 1.8%)** includes provisioning of EUR 57.3m in H1-22 mainly for Ukrainian operations
- **Strong increase in result excluding Ukrainian operations by 64%** or EUR 16.3m to H1-21, **group excl. Ukraine delivering RoE of 9.5%**
- **Operating income increase by 24% yoy**, mainly driven by good loan growth of 6.2% in H1-22 (4.7% FX adj) and 24 bps increase in net interest margin to 3.0%
- **Cost-income ratio at 60.1%** improved by 4.3 percentage points on H1-2021, close to medium-term guidance level of <60%

Group loan portfolio quality remaining strong, green loan portfolio > EUR 1.2bn

- **Portfolio quality remaining at good level** in spite of higher defaults in Ukraine, with Stage-3 ratio slightly increased to 2.6% and net write-offs of 0.1%
- **Cost of risk of 188 bps based on ongoing risk assessment for Ukraine**; reflecting significant stage transfers within the Ukrainian portfolio
- **Green loans surpassed the EUR 1.2 billion loan portfolio mark**

Prudent capitalisation levels comfortably above regulatory requirements

- **CET1 ratio at 13.7% (fully loaded) well above regulatory requirement of 8.2%**; leverage ratio comfortable at 9.7%
- **Without attribution of Q2-22 profits;** limited pro-forma FX impact of 25% Hryvnia adjustment of c. -3bps on CET1 ratio

More difficult operating environment, with group response building on strengths of impact-oriented business model

- **Normal banking operations in Ukraine broadly maintained;** strong focus on credit risk and individual client view
- **All other banks focused on generating profitable growth and cost efficiencies** as SME clients respond to opportunities and challenges of economic prospects, inflation and supply chain disruptions

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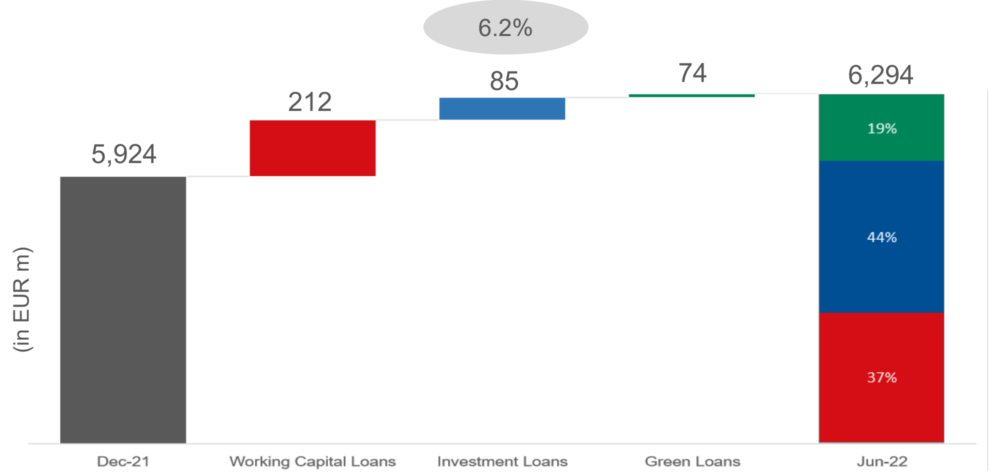
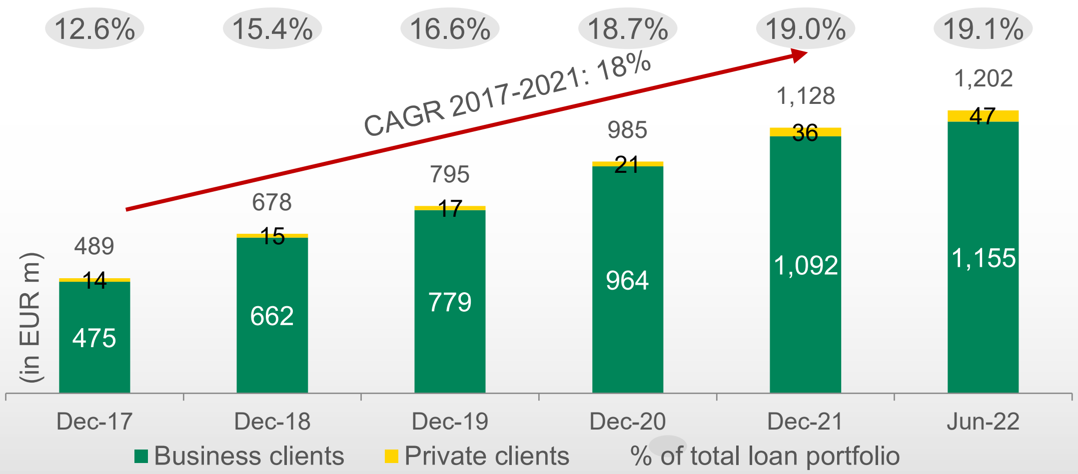
Continued strong growth in customer loans

Loan portfolio growth



Green loan portfolio development

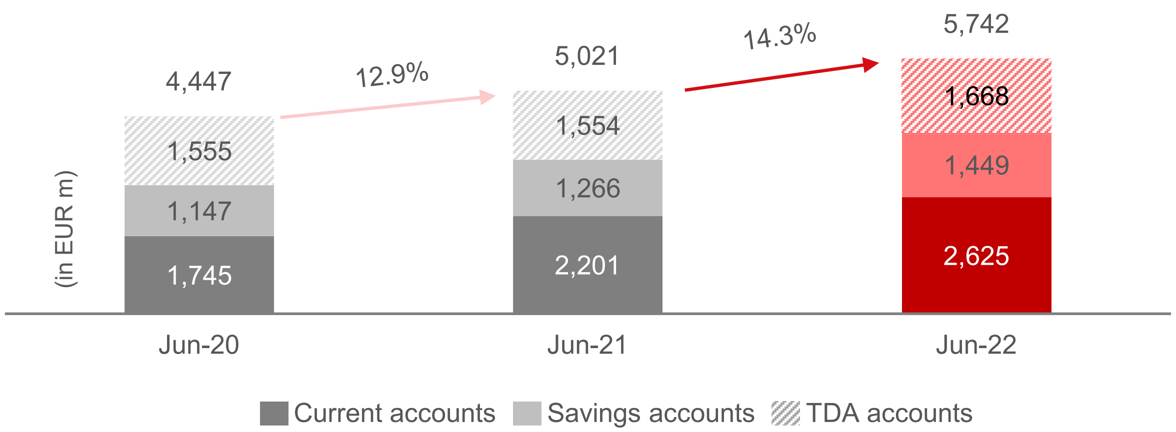


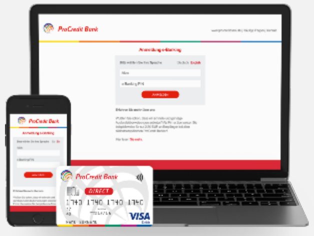
- H1 2022 customer loan growth of EUR 370m or 6.2%
  - Growth in all loan categories, with stronger demand for working capital loans with maturities < 3 years, as clients stock up inventory due to high inflation
  - Loan growth in H1-22 mainly driven by regional segments SEE and SA, growth in EE mainly driven by FX changes
  - FX-adjusted loan growth at 4.7%
- Green loan portfolio amounting to EUR 1.2bn and representing 19.1% of total loan portfolio
  - High portfolio quality; default rate of the green loan portfolio at 1.1% (1.5pp lower than for total loan portfolio)
  - Current medium-term target for green loans of 20% share of total loan portfolio

Good deposit development through digital banking channels

- YOY increase of EUR 720m (+14.3%) based on strong client relationships and growing appeal of digital approach
  - Achieved mostly through growth in business clients, also private client deposits increasing visibly (+ EUR 114m)
  - Increased share of sight deposits and FlexSave (+2.1pp YOY)
  - OTC transactions essentially eliminated
- Strategic management of deposit/ loan ratios
  - On group and individual bank level
  - Positive impact on interest expenses and net interest margin in past quarters, observable increase in deposit expenses in some countries going forward

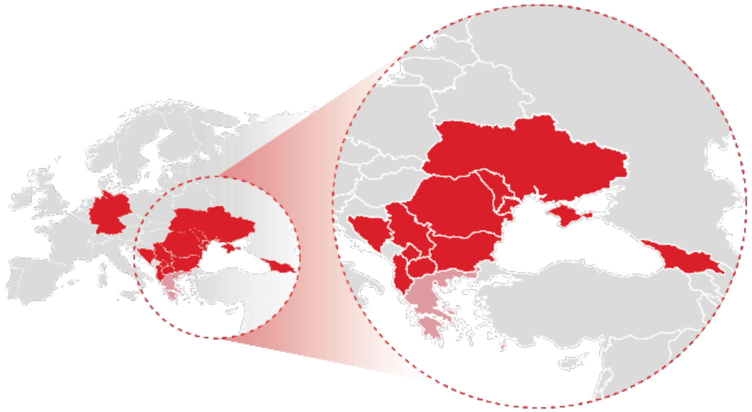
Deposits by product





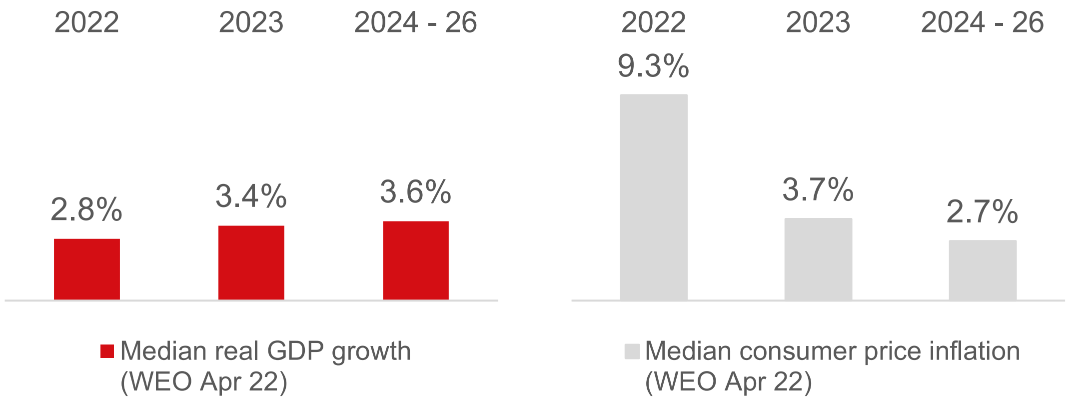
Positive expected GDP development in SEE/EE despite more difficult overall environment

Overview of regional presence in SEE/EE



Expected GDP and inflation development in SEE/EE[1]

(Estimates as of April 2022, excluding Ukraine)



Notes: (1) Includes PCH countries of operation in SEE and EE, excluding Ukraine as data not available; Inflation figures based on average period consumer prices; Source: IMF World Economic Outlook Apr-22

Macroeconomic environment / key current themes

War on Ukraine	• Ongoing with significant human and economic losses in Ukraine; further development difficult to assess • Currently limited spill-over effects to other Eastern European countries as e.g. Georgia or Moldova
Expected GDP growth	• Resilience of the region with 2022 median GDP growth estimated close to 3%; mid-term GDP growth outlook intact • IMF estimation for Ukraine of -35% GDP development in 2022, estimates for 2023ff. still to come
Inflation outlook / interest rate policies	• Strong inflationary development in 2022; 2023ff. currently assumed to revert to 3-4% depending on country; effects from wage inflation to be observed • Many central banks with increased base rates (Ukraine, Moldova, Romania, Serbia, Georgia and Albania)
Covid-19 pandemic	• Steady vaccination progress continued; strong recovery in 2021/H1 2022 in all countries • Loan clients not strongly affected by pandemic as of today
Supply chain disruptions	• Continued supply chain disruptions driven by capacity constraints imposed by e.g. pandemic, China‘s Zero-Covid strategy, war in Ukraine
Energy prices/ security	• Strong increase in commodity/energy prices YTD as key challenge to consumers/SMEs • Mixed degree of respective country dependencies to energy imports from Russia or gas supply shock scenarios

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H1 2022 results versus updated guidance

	Updated guidance FY 2022	Actual H1 2022
► **Growth of the loan portfolio**	High single digit percentage growth *(FX adjusted)*	6.2% *(4.7% FX adjusted)*
► **Return on equity (RoE)**	Substantially below the level of 2021	1.8% *(annualised)*
► **Cost-income ratio (CIR)**	60 – 63%	60.1%
► **CET1 ratio and leverage ratio**	Approx. 13% and 9%	13.7% and 9.7%

Medium-term outlook:

In the medium term, assuming a stable political, economic and operating environment, we see potential for a medium to high-single digit percent annual loan growth, a cost-income ratio (CIR) of < 60% and a return on equity (RoE) of about 10%.

Risk factors to guidance:

The extension of the war to further areas of the country or to further countries of operation is a risk factor to the guidance. Further risk factors include negative economic effects from deteriorated conditions related to the COVID-19 pandemic, major disruptions in the Eurozone, further supply chain and energy sector disruptions such as gas supply shock scenarios, significant changes in foreign trade or monetary policy, a worsening of interest rate margins, increasing inflationary pressures and pronounced exchange rate fluctuations.

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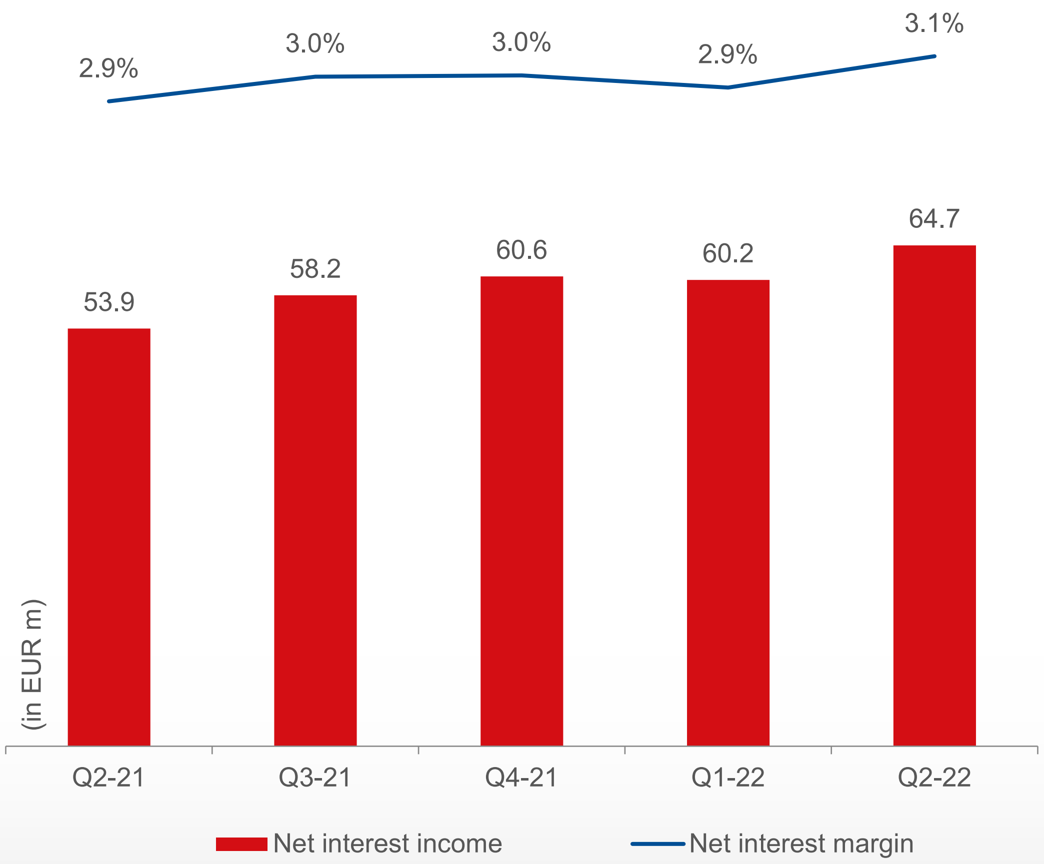
H1 2022 results at a glance

In EUR m		Q2-2021	Q2-2022	H1-2021	H1-2022	y-o-y
Income statement	Net interest income	53.9	64.7	103.2	124.8	21.6
	Net fee and commission income	12.1	13.7	24.1	26.3	2.2
	Other operating income (net)	0.5	4.2	2.1	9.1	7.0
	Operating income	66.5	82.5	129.3	160.2	30.9
	Personnel expenses	21.1	23.6	42.1	47.0	4.9
	Administrative expenses	21.4	26.7	41.2	49.3	8.1
	Loss allowance	-0.9	21.7	2.7	57.3	54.6
	Tax expenses	4.1	1.0	6.9	-1.1	-8.0
	Profit after tax	20.7	9.4	36.4	7.7	-28.7
Key performance indicators	Change in customer loan portfolio	4.5%	4.4%	7.7%	6.2%	-1.4pp
	Cost-income ratio	64.0%	61.0%	64.4%	60.1%	-4.3pp
	Return on equity (annualised)	10.2%	4.4%	9.1%	1.8%	-7.3pp
	CET1 ratio (fully loaded)	13.7%	13.7%	13.7%	13.7%	0.0pp
Additional indicators	Net interest margin (annualised)	2.9%	3.1%	2.8%	3.0%	0.2pp
	Net write-off ratio	0.2%	0.1%	0.1%	0.1%	0.0pp
	Credit impaired loans (Stage 3)	2.5%	2.6%	2.5%	2.6%	0.1pp
	Cost of risk (annualised)	-6bp	141bp	10bp	188bp	178bp
	Stage 3 loans coverage ratio	46.0%	55.6%	46.0%	55.6%	9.6pp
	Book value per share (EUR)	13.9	14.9	13.9	14.9	1.0

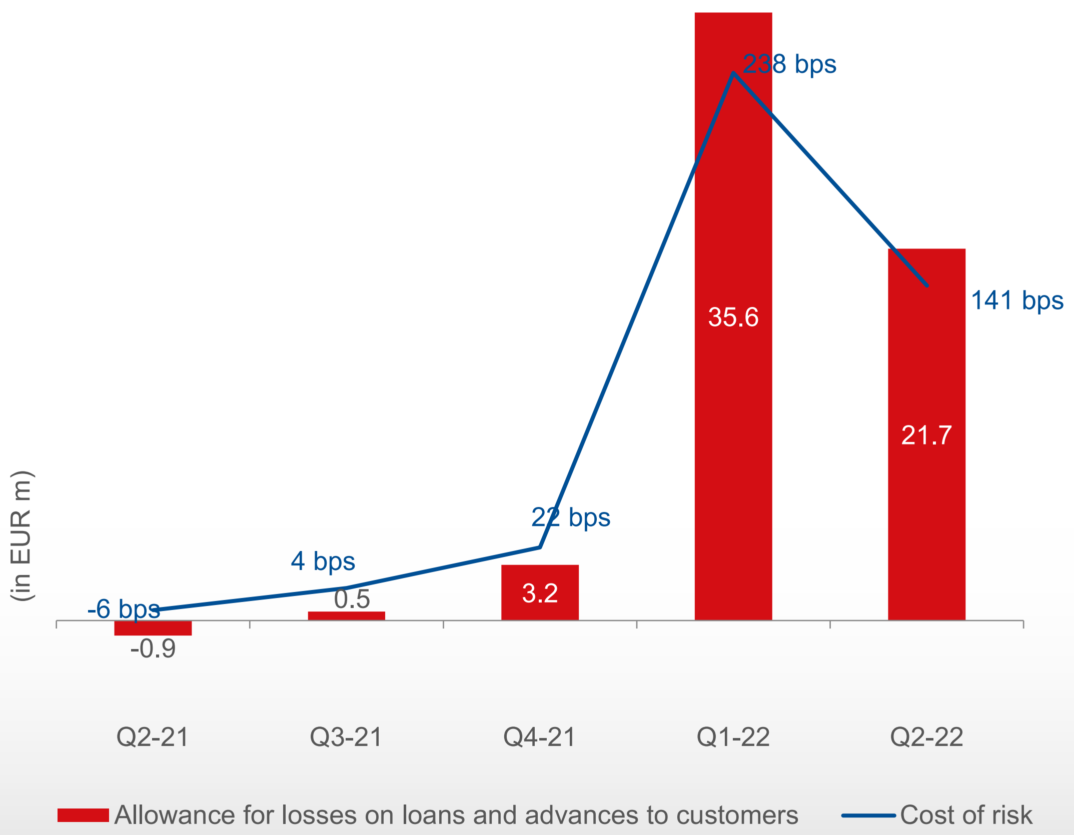
Net interest income



- Q2-22 NII increased by EUR 4.5m against Q1-22, well above all previous quarters
  - NIM increased by 18 bps against Q1-22 to 3.1%, mainly driven by higher base rates and number of days
- Compared to Q2-21, Q2-22 NII EUR 10.8m or 20% higher driven by both, positive volume and base rate effects
  - All ProCredit banks contributing to year-on-year increase, highlighting margin stability and in some cases margin increases
  - Steadily increasing share of sight deposits supporting structurally lower funding costs in the last quarters
  - For H1-22, YOY increase amounting to EUR 21.6m

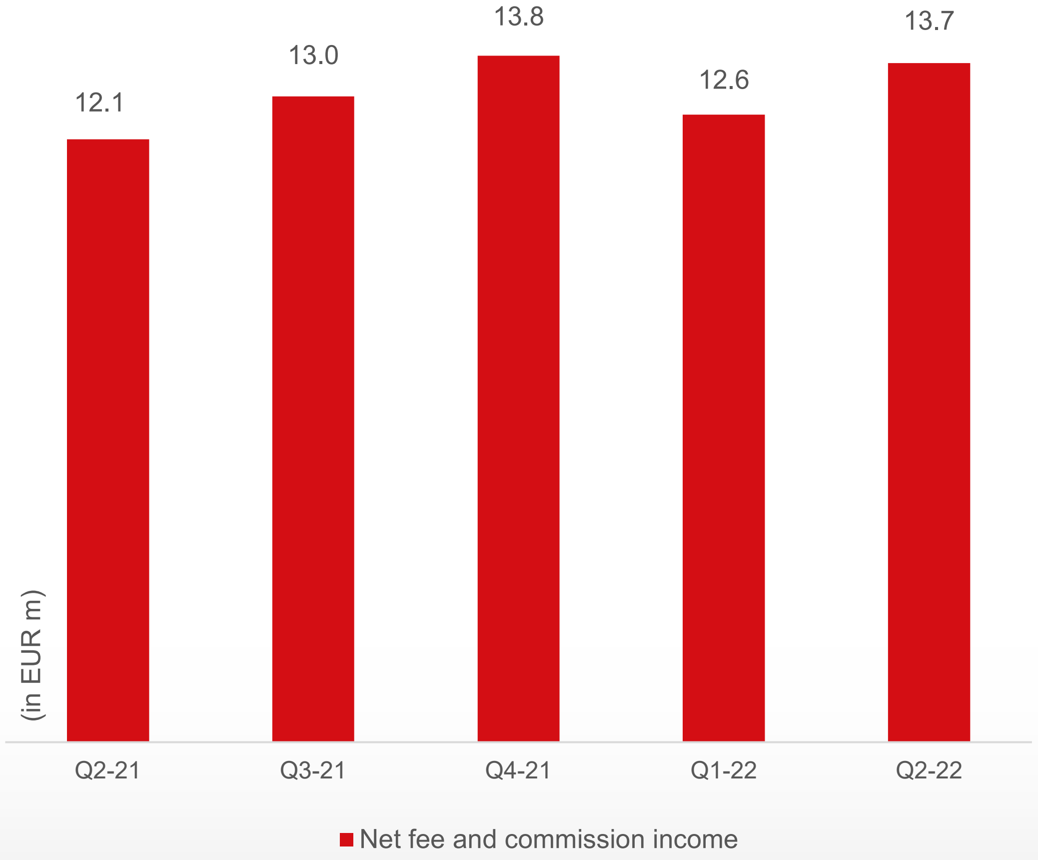
![ProCredit Holding]

Provisioning expenses



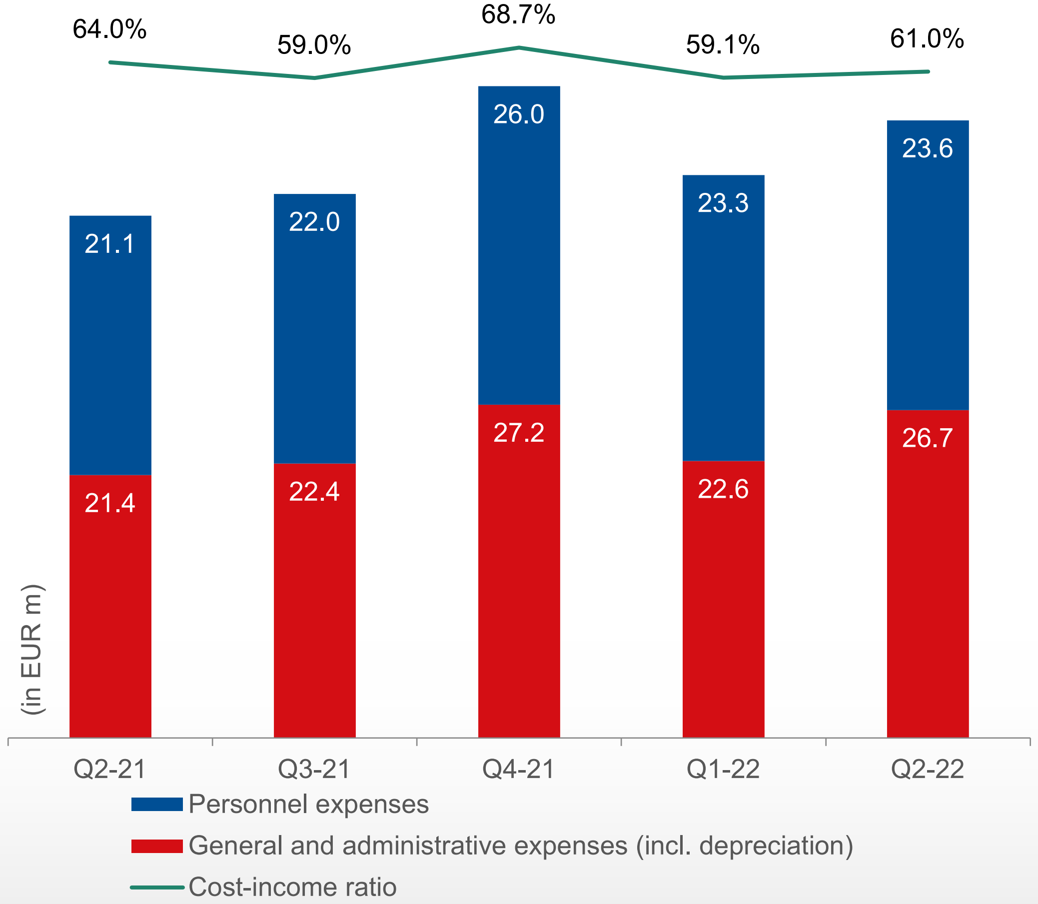
- Q2-22 loan loss provisioning expenses at EUR 21.7m, driven almost entirely by provisions for Ukrainian portfolio
  - Ongoing risk assessment reflecting significant stage transfers within the Ukrainian portfolio
  - Cost of risk of 141 bps decreased compared to Q1-22 but still well above levels observed in recent group history
  - Excluding contribution of ProCredit bank Ukraine, cost of risk of remaining ProCredit banks of EUR 0.8m or 3 bps
- Significant level of provisioning since beginning of war in Ukraine, amounting to EUR 56.5m in H1-22 for PCB Ukraine
- Management overlays as of Q2-22 of EUR 30.1m related to higher LGD for Ukrainian portfolio (EUR 13.7m) and macroeconomic headwinds in countries other than Ukraine (EUR 16.4m)

Net fee and commission income



- Q2-22 net fee and commission income of EUR 13.7m, 8.2% or EUR 1.0m above Q1-22
  - Increase back to level achieved in Q4-21 mostly related to seasonally low transaction business beginning of the year
- Against Q2-21, net fee and commission income shows increase of 1.6m or 13.2%
  - Positive development broadly in line with steady business development
  - Steady increase in number of clients and transactions as most significant drivers

Personnel and administrative expenses



- Q2-22 cost-income ratio of 61.0% with marked improvement YOY by 3.0 percentage points
  - Close to medium-term target level of <60% despite challenging operating environment
  - H1-22 cost-income ratio of 60.1% improved by 4.3 percentage points based on good increase in operating income of 24% compared to H1-21
- Q2-22 operating expenses increased compared to Q1-22 in part relating to seasonal and extraordinary items in first half-year
  - EUR 2.9m one-time legal and advisory and audit fees in relation to war in Ukraine (booked in Q2-22)
  - EUR 1.5m seasonally higher deposit insurance contributions (booked in Q2-22)
  - EUR 0.9m one-time additional salary for staff in EE mostly for preparations in relation to invasion (booked in Q1-22)
- Exceptionally high net other operating income booked in Q2-22
  - EUR 1.9m extraordinary income from derivative financial instruments; partly compensated by EUR 0.8m one-time goodwill write-down in Ukraine (booked in Q2-22)

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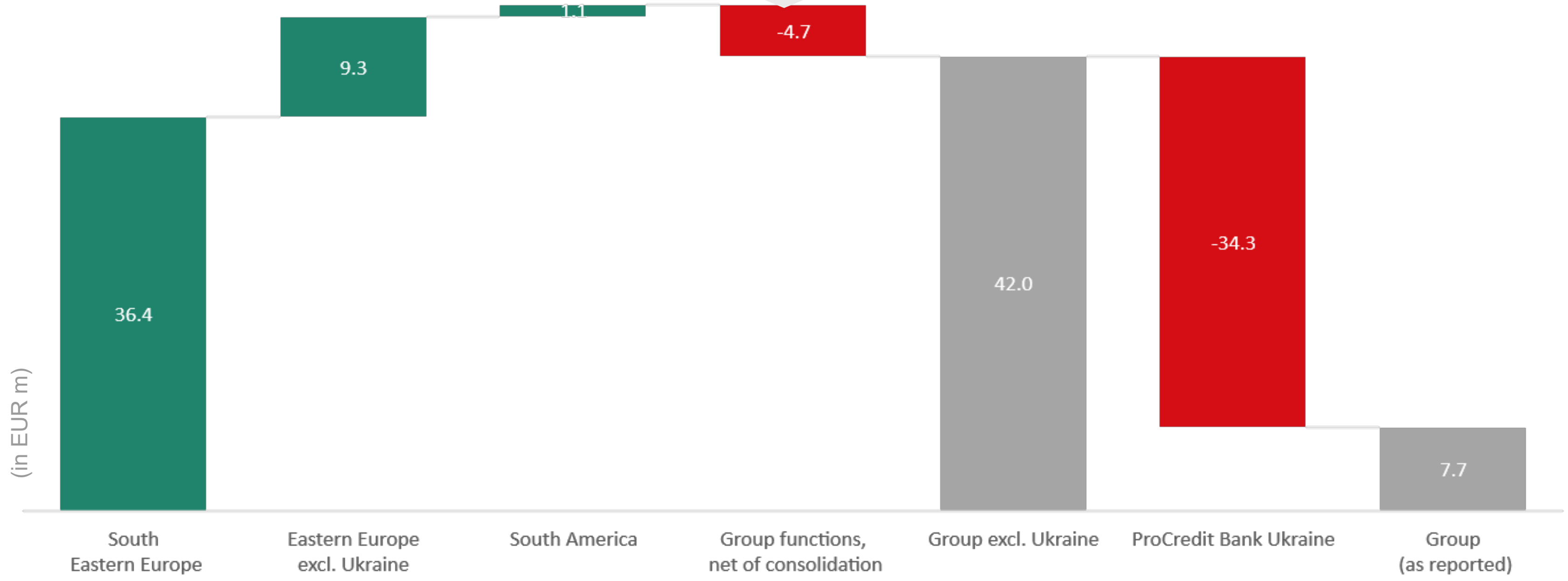
Contribution of regional segments to group net income (H1 2022)

Group functions, e.g. risk management, reporting, capital management, IT, liquidity management, training and development
Includes ProCredit Holding, Quipu, ProCredit Academy Fürth, PCB Germany (EUR 50m loan portfolio; EUR 264m deposits)

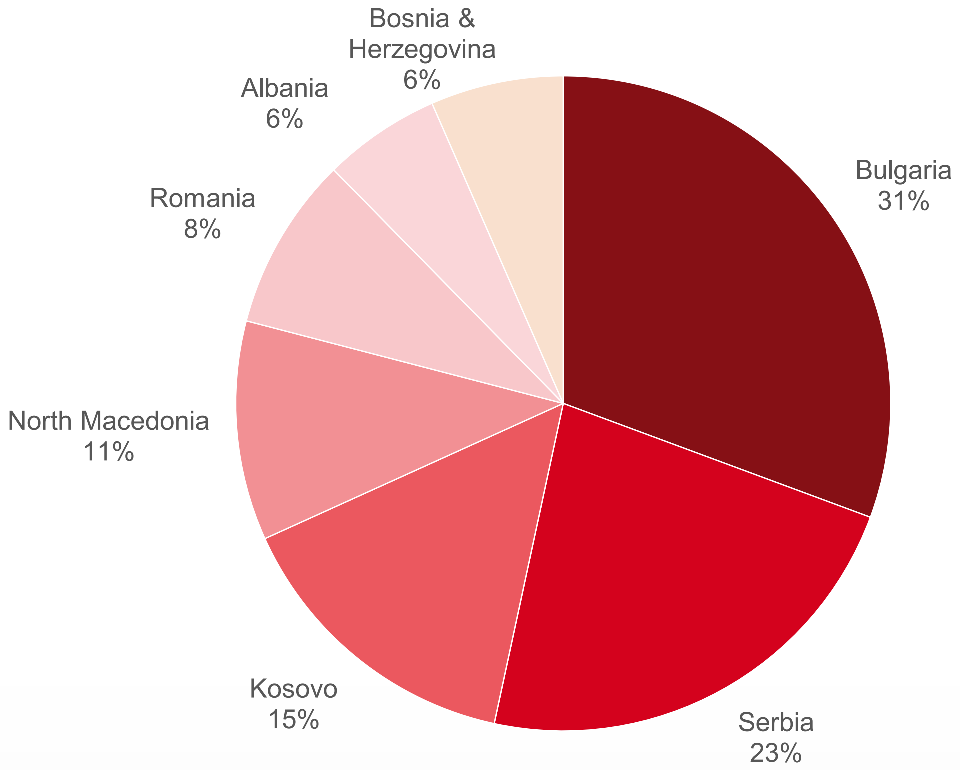


	South Eastern Europe	Eastern Europe excl. Ukraine	South America	Group functions, net of consolidation	Group excl. Ukraine	ProCredit Bank Ukraine	Group (as reported)
Customer loan portfolio (EUR m)	4,356	587	485	–	**5,478**	816	**6,294**
Change in customer loan portfolio	5.3%	5.0%	14.5%	–	**6.0%**	7.9%	**6.2%**
Cost-income ratio	57.0%	50.3%	79.9%	–	**63.9%**	39.6%	**60.1%**
Allocated equity (EUR m)	621	131	54	–	–	95	**876**
Return on equity (ann.) (H1-21)	12.0% (7.4%)	15.4% (15.4%)	4.2% (0.0%)	–	**9.5%[1] (6.5%)**	-60.9% (19.4%)	**1.8% (9.1%)**

1) Based on group consolidated equity assuming no result contribution from PCB Ukraine in H1-2022

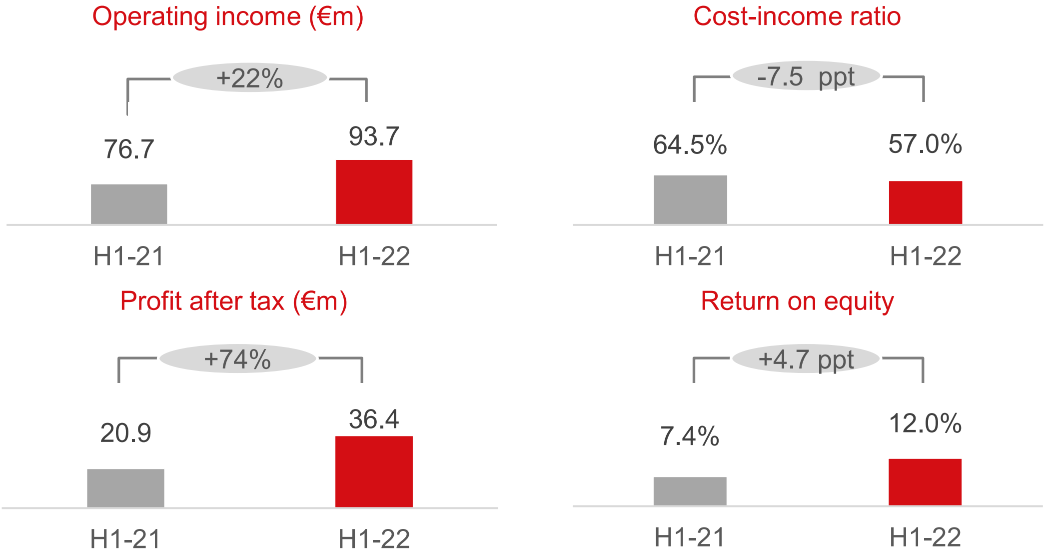
Segment perspective: South Eastern Europe

Regional loan portfolio breakdown



Total: EUR 4,356m (69% of gross loan portfolio)

Development of key financials



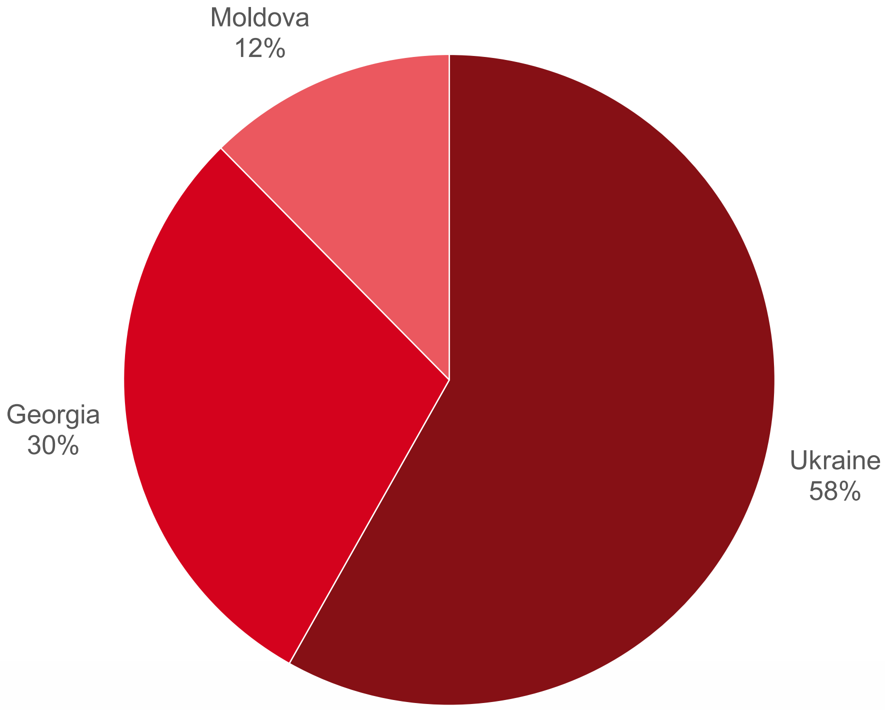
Individual bank development

(H1-22 vs H1-21)	Bulgaria	Serbia	Kosovo	North Macedonia	Romania	Bosnia & Herzegovina	Albania
Cost-income ratio	47% ➡	58% ⬆	46% ↗	64% ↗	72% ⬆	67% ↗	87% ⬆
Return on equity	11% ➡	8% ⬆	24% ⬆	10% ↗	15% ⬆	8% ⬆	5% ↗

⬆ *Improvement of >10pp on C/I Ratio and >5pp on RoE*
↗ *Improvement of 3-9pp on C/I Ratio and 2-5pp on RoE*
➡ *C/I Ratio +/- 2pp, RoE +/- 1pp*

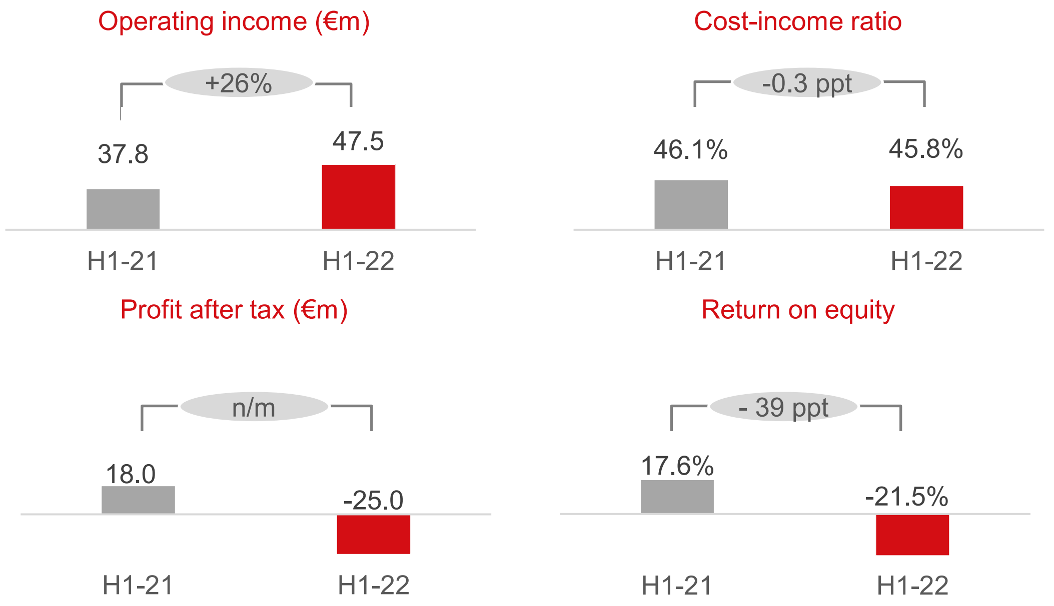
Segment perspective: Eastern Europe

Regional loan portfolio breakdown



Total: EUR 1,403m (22% of gross loan portfolio)

Development of key financials



Individual bank development

(H1-22 vs H1-21)	Ukraine	Georgia	Moldova
Cost-income ratio	40% ➡	50% ↘	50% ⬆
Return on equity	Neg. ⬇	14% ↘	20% ⬆

⬆ *Improvement of >10pp on C/I Ratio and >5pp on RoE*

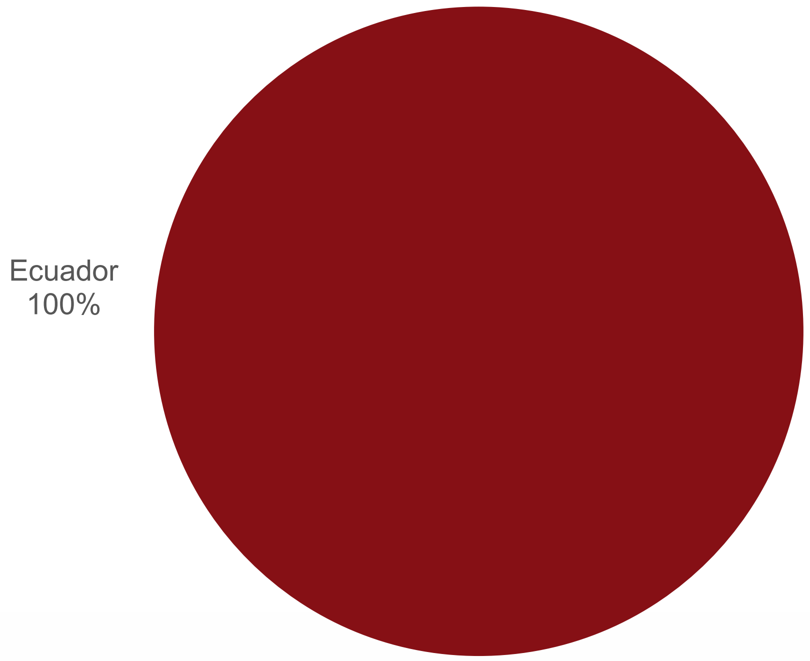
➡ *C/I Ratio +/- 2pp, RoE +/- 1pp*

↘ *Deterioration of 3-9pp on C/I Ratio and 2-5pp on RoE*

⬇ *Deterioration of >10pp on C/I Ratio and >5pp on RoE*

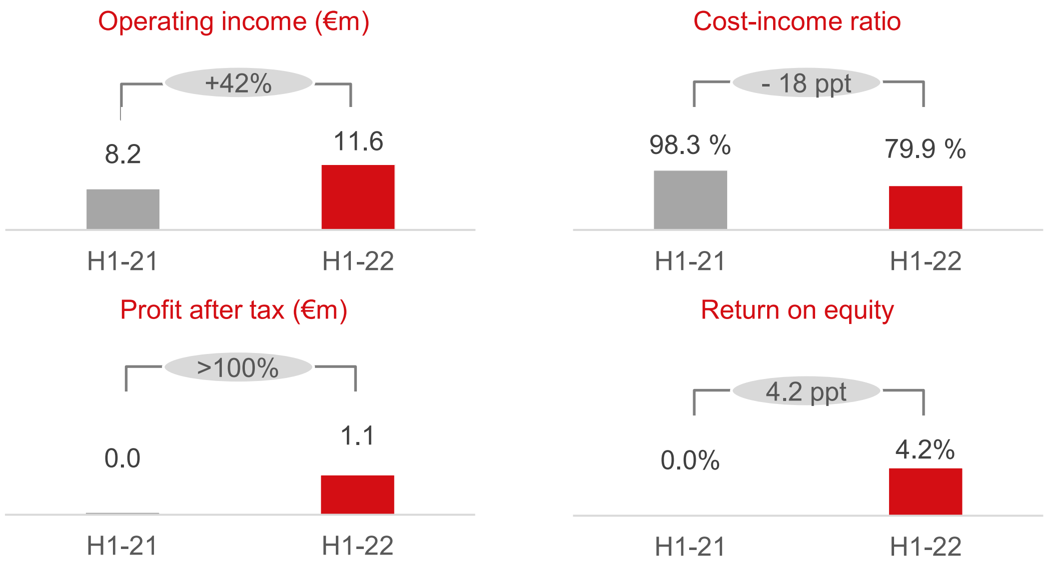
Segment perspective: South America

Regional loan portfolio breakdown



Total: EUR 485m (8% of gross loan portfolio)

Development of key financials



Update Ukraine

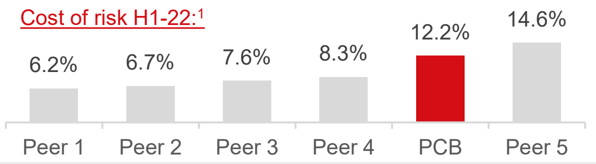
Update on ProCredit Bank Ukraine

Current status of operations (11.08.2022)

- **Safety of staff**: c. 95% of staff continue working from decentral locations in and outside Ukraine
- **Banking operations basically uninterrupted:** 4 out of 5 branches open, with increasing number of staff returning to office
- **Close contact with clients**: Bank's in-house contact center continues to play an important role in providing real-time and re-assuring information to private individual clients; BCAs in constant exchange with all loan clients, in part even on a weekly basis

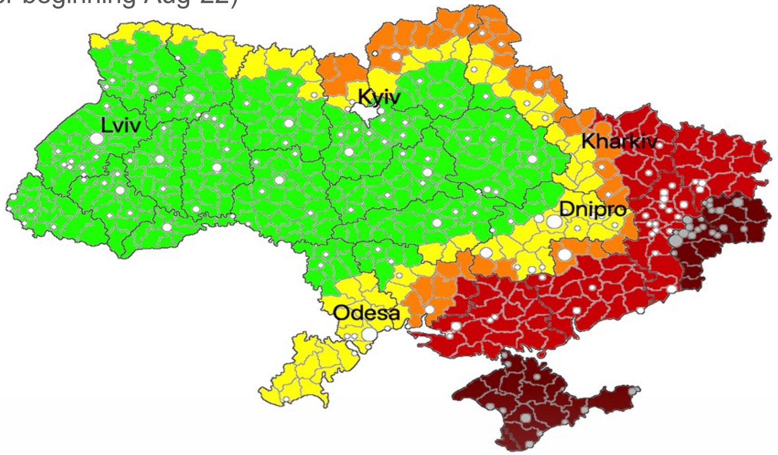
Loan portfolio / risk provision update

- **Loan portfolio EUR 816m, 13.0% of group; H1-22 provisions EUR 56.5m**
- **100% of new loan disbursements in Q2 using state or EBRD guarantees,** as main driver of EUR 69m loan growth in Q2
- **Regional risk classifications:** 75% in green / yellow zones; 10% in red zones under occupation or active military action; 94% of exposure in red zone classified either as default or Stage 2 (Stage 3: 31% , Stage 2: 63%)
- **Share of impaired loans at 4.8%;** close to 10% of loan portfolio covered by provisions (excl. guarantees and collateral); reclassifications driving increased level of **Stage-2 loans to 35%**
- **Local CET1 ratio buffer at approx. 4 percentage points as of July-22**, already taking into account of 25% Hryvnia adjustment in July
- **Upper end H1-22 provisioning in peer context[1]**



Regional risk classification

(as per beginning Aug-22)



Risk zone by business location	% of PCB Ukraine loan portfolio	% of PCH group loan portfolio
Dark Red	0%	0%
Red	10%	1%
Orange	15%	2%
Yellow	22%	3%
Green	53%	7%

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

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

1) Graph shows annualised cost of risk in Ukrainian banking sector; based on local definitions as per local regulatory reporting; for ProCredit Bank Ukraine, cost of risk on a group IFRS reporting would amount to 14.4% in H1-22 (annualised)

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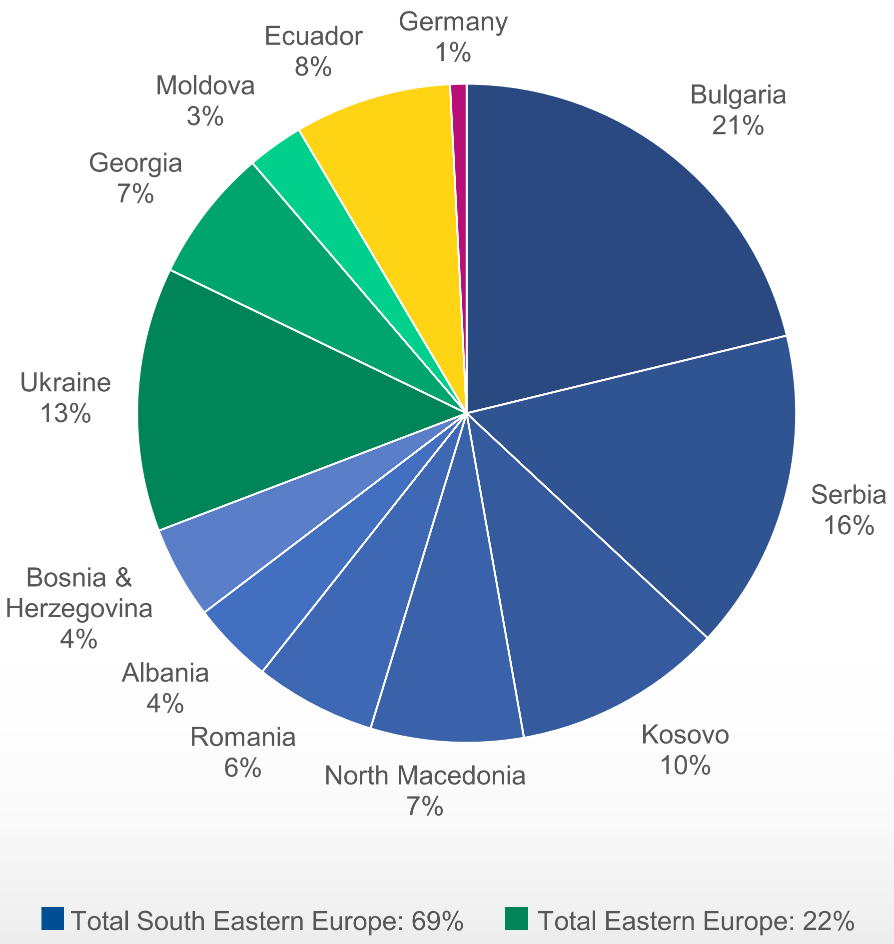
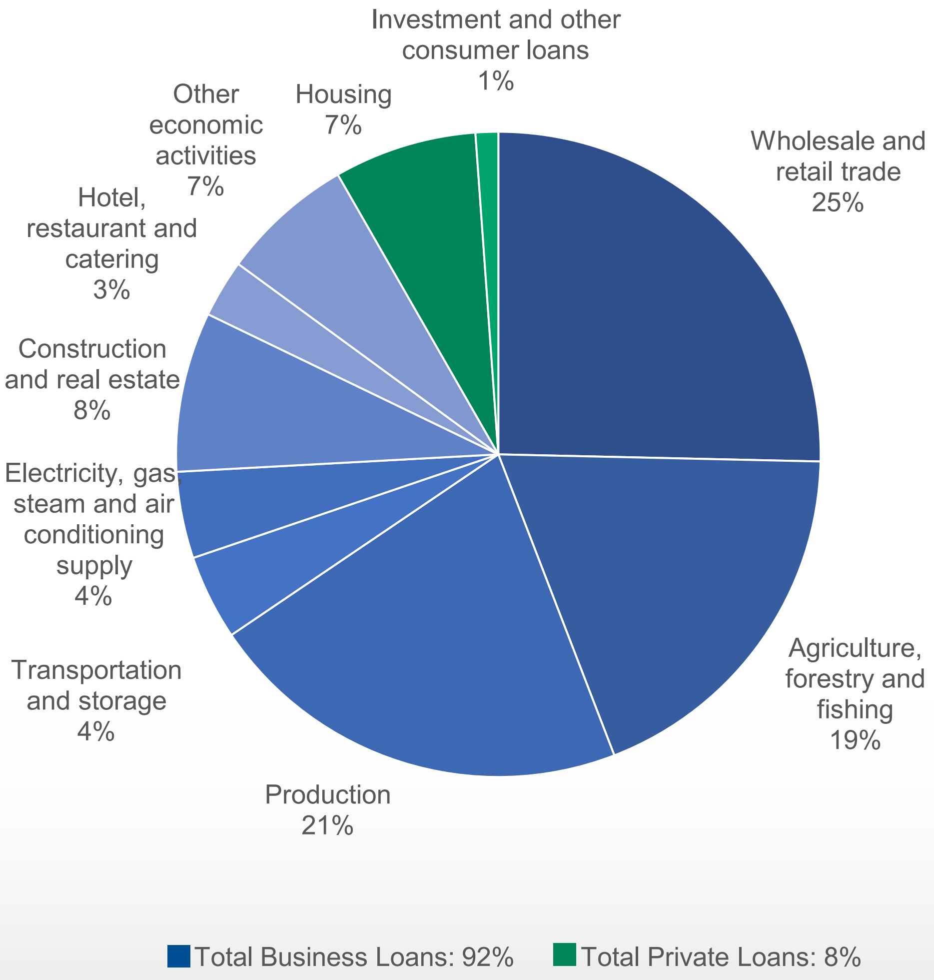
Structure of the loan portfolio

Loan portfolio by geographical segments



Loan portfolio by sector



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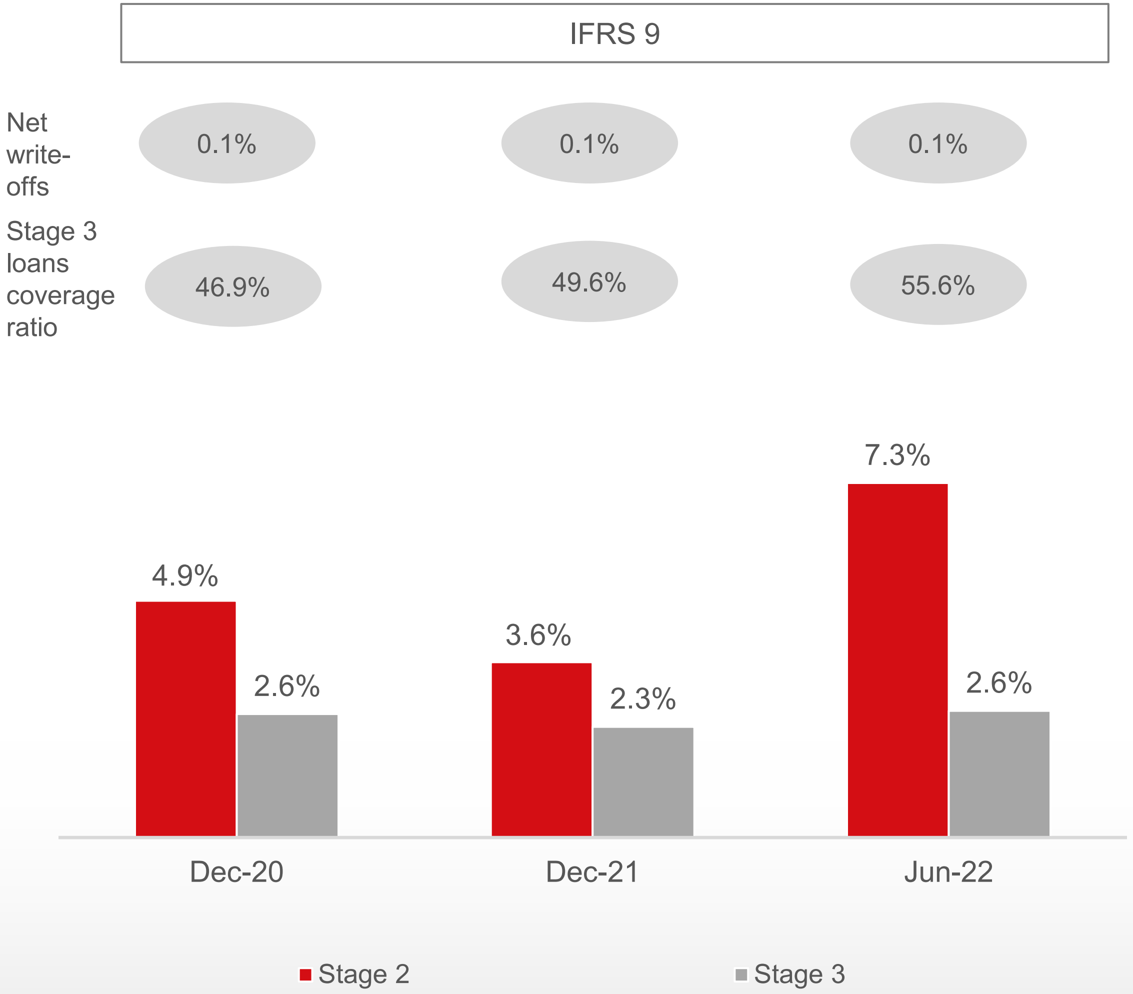
Loan portfolio quality



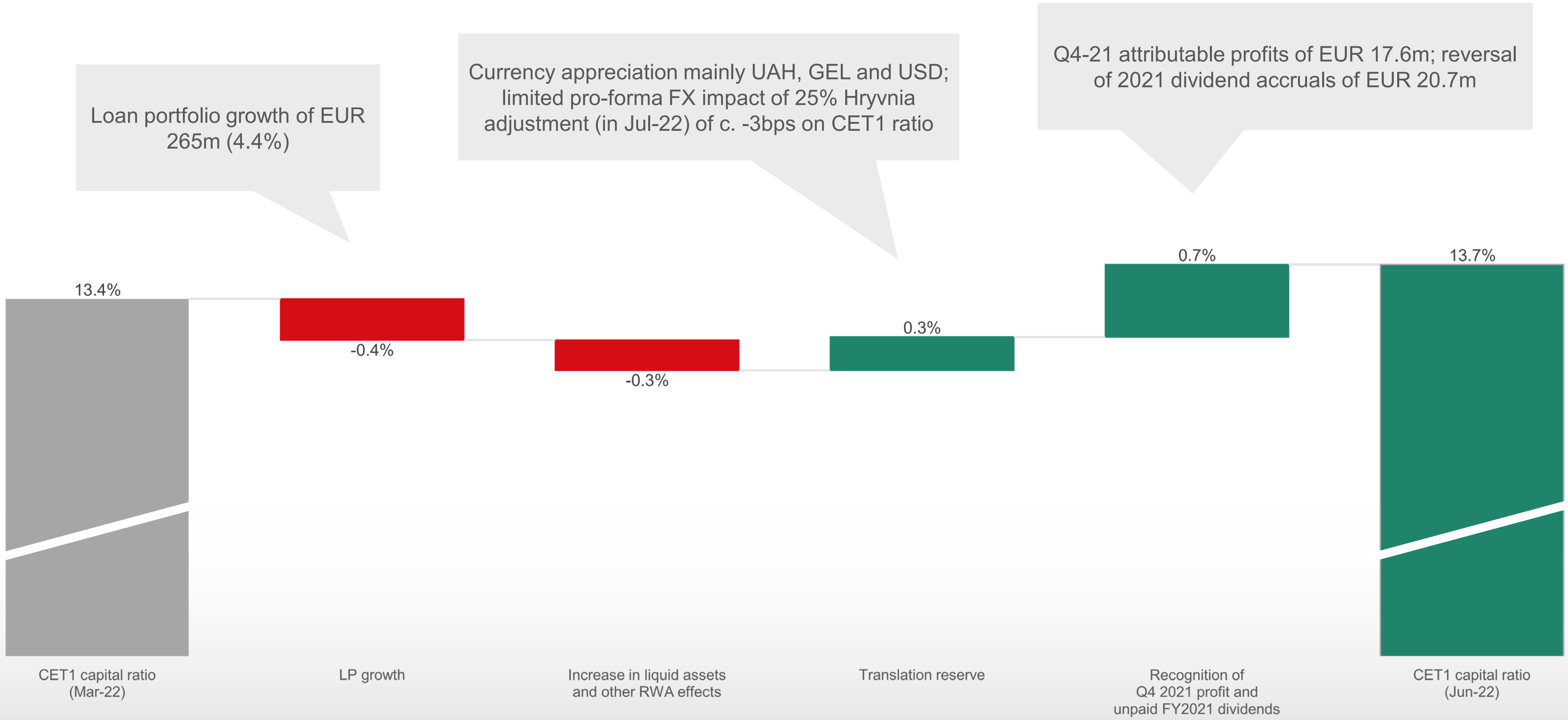
- ▶ Stage 3 loans increased by 0.3 pp to 2.6%, due to stage transfers within Ukrainian portfolio (approx. EUR 28m)
  - Stage 3 loans in PCB Ukraine at 4.8%
  - In remaining ProCredit banks, share of Stage 3 loans slightly reduced with respect to Dec-21
- ▶ Stage 2 loans at 7.3%, well above levels of previous years, slightly reduced vs. Q1-22
  - Mainly driven by increased credit risk of exposures in Ukraine (>EUR 250m additions to Stage-2 in H1-22)
  - Partly compensated by reduced pandemic-related restructuring activities since mid Q2-21 and good level of repayments within restructured portfolio
- ▶ Net write-offs consistently at very low level mainly as a result of client-centric approach towards credit risk
- ▶ Increase in Stage 3 loans coverage ratio to 55.6% reflecting management overlays in additional default provisions

Regulatory capital and risk-weighted assets

in EUR m	Dec-21	Jun-22
CET1 capital	792	847
Additional Tier 1 capital	0	0
Tier 1 capital	792	847
Tier 2 capital	64	58
Total capital	856	905
RWA total	5,601	6,162
o/w Credit risk	4,562	5,064
o/w Market risk (currency risk)	591	594
o/w Operational risk	433	458
o/w CVA risk	15	46
CET1 capital ratio (fully loaded)	14.1%	13.7%
Total capital ratio	15.3%	14.7%
Leverage ratio	9.3%	9.7%

- Capital ratios well above regulatory capital requirements (8.2% CET1 capital, 10.1% T1, 12.6% total capital)
- CET1 capital includes profits of FY 2021 as well as reversal of dividend retention of the financial year 2021; without attribution of Q2-22 profits
- Risk-weighted assets increased by EUR 561m on Dec-21 level mainly due to sovereign downgrade of Ukraine and good level of loan portfolio growth in H1 2022 (EUR 370m loan growth)
- Application of standardized approach resulting in relatively limited impact of Basel IV implementation in 2025
- Leverage ratio of 9.7% well above banking sector averages

Development of CET1 capital ratio (fully loaded)



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Q&A

Photovoltaic project financed by ProCredit Bulgaria

ProCredit – A unique approach to banking

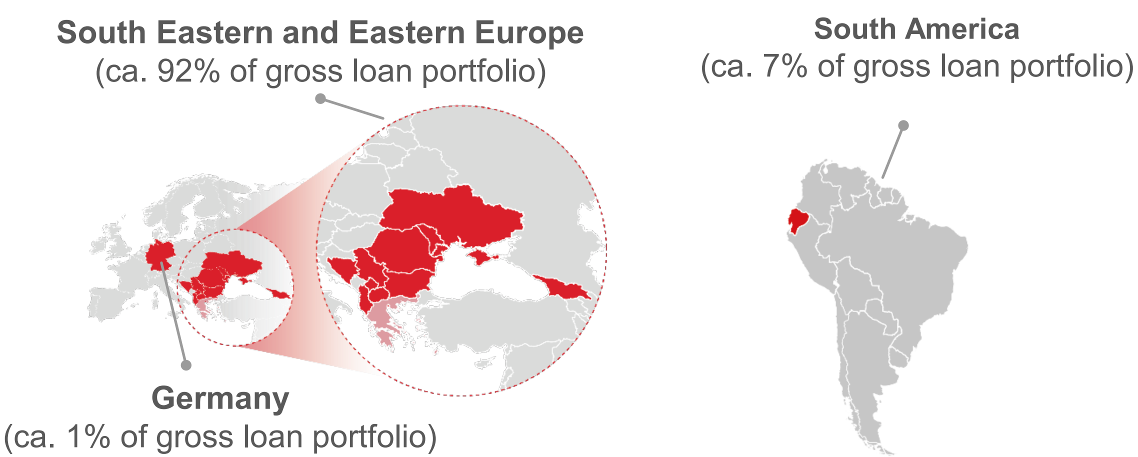
Summary

- A profitable, development-oriented commercial group of banks with a focus on South Eastern and Eastern Europe
- Headquartered in Frankfurt and supervised by the German Federal Financial Supervisory Authority (BaFin) and Deutsche Bundesbank
- Mission of promoting sustainable development with an ethical corporate culture and long-term business relationships
- Track record of high quality loan portfolio
- Profitable every year since creation as a banking group in 2003
- Listed on the Frankfurt Stock Exchange since December 2016

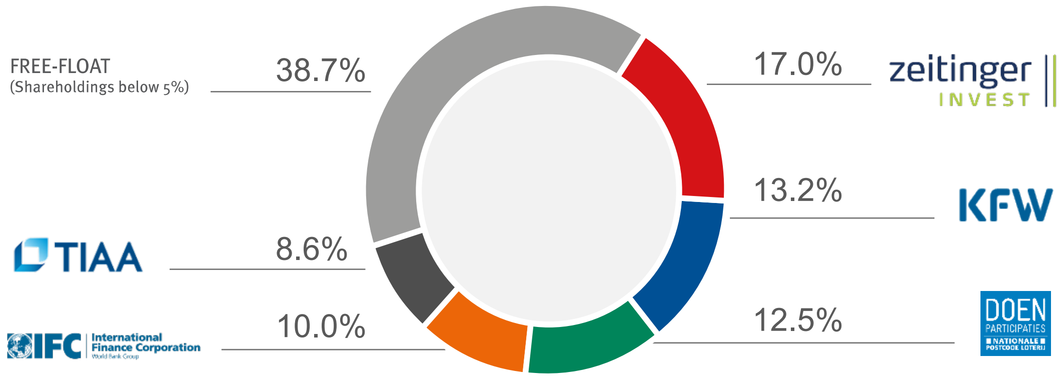
Key figures H1 2022 and FY 2021

Total assets	Customer loan portfolio	Deposit/loan
EUR 8,386m	EUR 6,294m	91%
EUR 8,216m	EUR 5,924m	94%
Number of employees	**Profit of the period**	**RoE (annualised)**
3,278	EUR 7.7m	1.8%
3,178	EUR 79.6m	9.7%
CET1 ratio (fully loaded)	**Rating (Fitch)**	**MSCI ESG rating: AA**
13.7%	BBB (stable)(1)	Corporate ESG Performance Prime ISS ESG
14.1%		

Geographical distribution



Reputable development-oriented shareholder base



Note: Shareholder structure according to the voting right notifications and voluntary disclosure of voting rights as published on our website www.procredit-holding.com

Overview of quarterly financial development

In EUR m		Q2-2021	Q3-2021	Q4-2021	Q1-2022	Q2-2022
Income statement	Net interest income	53.9	58.2	60.6	60.2	64.7
	Net fee and commission income	12.1	13.0	13.8	12.6	13.7
	Other operating income (net)	0.6	3.9	2.9	4.9	4.2
	Operating income	66.6	75.1	77.4	77.7	82.5
	Personnel expenses	21.1	21.9	26.0	23.3	23.6
	Administrative expenses	21.3	22.4	27.2	22.6	26.7
	Loss allowance	-0.9	0.5	3.2	35.6	21.7
	Tax expenses	4.1	4.6	3.4	-2.1	1.0
	Profit after tax	20.7	25.7	17.6	-1.7	9.4
Key performance indicators	Change in customer loan portfolio	4.5%	2.6%	2.1%	1.8%	4.4%
	Cost-income ratio	64.0%	59.0%	68.7%	59.1%	61.0%
	Return on equity (annualised)	10.2%	12.3%	8.2%	-0.8%	4.4%
	CET1 ratio (fully loaded)	13.7%	13.8%	14.1%	13.4%	13.7%
Additional indicators	Net interest margin	2.9%	3.0%	3.0%	2.9%	3.1%
	Net write-off ratio	0.2%	0.1%	0.1%	0.1%	0.1%
	Credit impaired loans (Stage 3)	2.5%	2.6%	2.3%	2.3%	2.6%
	Stage 3 loans coverage ratio	46.0%	44.0%	49.6%	51.5%	55.6%
	Cost of risk (annualised)	-6bp	4bp	22bp	238bp	141bp
	Book value per share (EUR)	13.9	14.5	14.5	14.4	14.9

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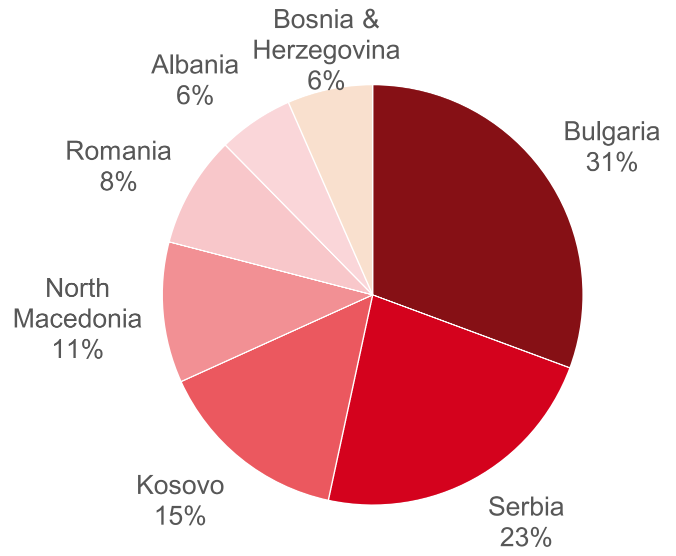
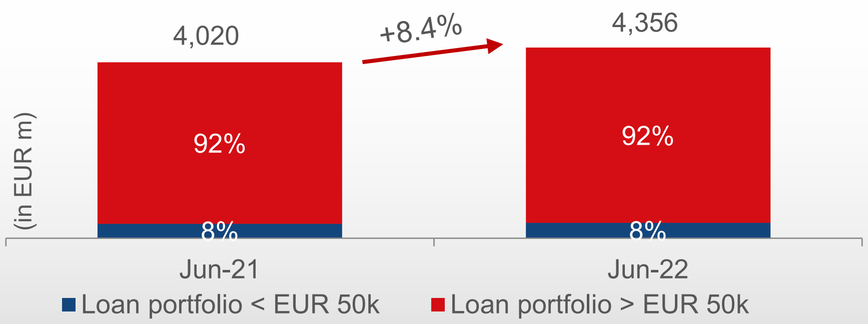
Segment South Eastern Europe

Regional loan portfolio breakdown



Total: EUR 4,356m (69% of gross loan portfolio)

Loan portfolio growth (by exposure)



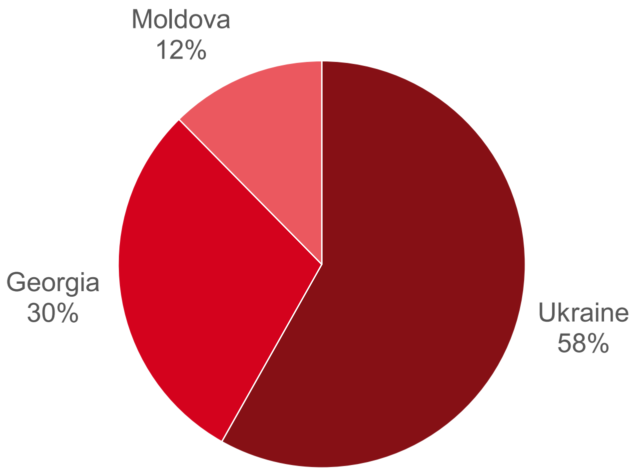
Key financial data

(in EUR m)	Q2 2021	Q2 2022
Net interest income	61.9	**71.6**
Net fee and commission income	**15.3**	**16.8**
Other operating income (net)	9.7	**5.3**
Operating income	**76.7**	**93.7**
Personnel expenses	18.6	**19.5**
Admininistrative expenses	30.8	**33.9**
Loss allowance	3.7	**-0.2**
Tax expenses	2.6	**4.1**
Profit after tax	**20.9**	**36.4**

Change in customer loan portfolio	5.8%	**5.3%**
Deposits to loans ratio	89.7%	**92.4%**
Net interest margin (annualised)	2.3%	**2.5%**
Cost-income ratio	64.5%	**57.0%**
Return on equity (annualised)	7.4%	**12.0%**

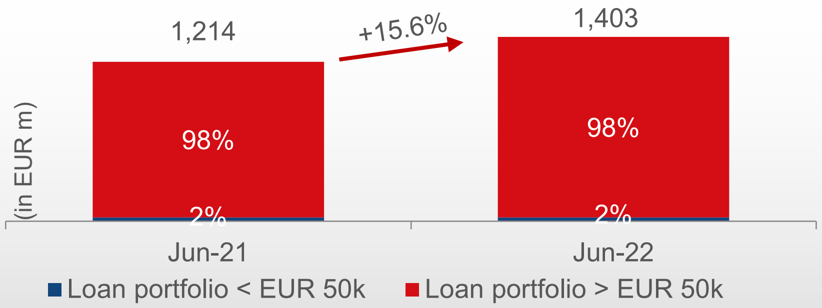
Segment Eastern Europe

Regional loan portfolio breakdown



Total: EUR 1,403m (22% of gross loan portfolio)

Loan portfolio growth (by exposure)



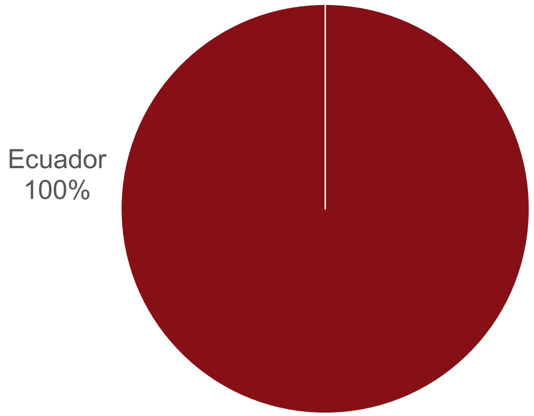
Key financial data

(in EUR m)	Q2 2021	Q2 2022
Net interest income	32.0	**40.2**
Net fee and commission income	**3.4**	**3.4**
Other operating income (net)	3.2	**3.9**
Operating income	37.8	**47.5**
Personnel expenses	6.1	**8.5**
Admininistrative expenses	11.3	**13.3**
Loss allowance	-0.9	**56.6**
Tax expenses	3.3	**-5.8**
Profit after tax	18.0	**-25.0**

Change in customer loan portfolio	12.5%	**6.6%**
Deposits to loans ratio	77.4%	**81.8%**
Net interest margin (annualised)	4.2%	**4.4%**
Cost-income ratio	46.1%	**45.8%**
Return on equity (annualised)	17.6%	**-21.5%**

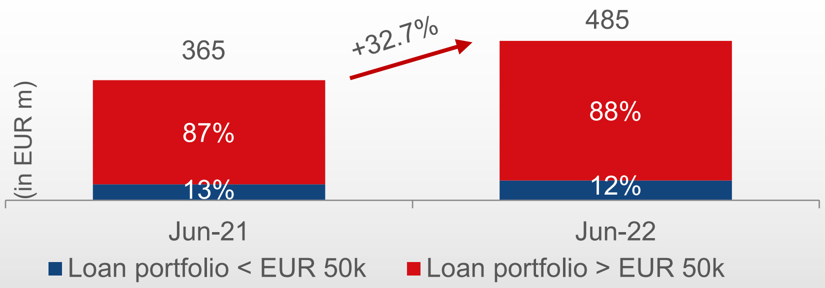
Segment South America

Regional loan portfolio breakdown



Total: EUR 485m (8% of gross loan portfolio)

Loan portfolio growth (by exposure)



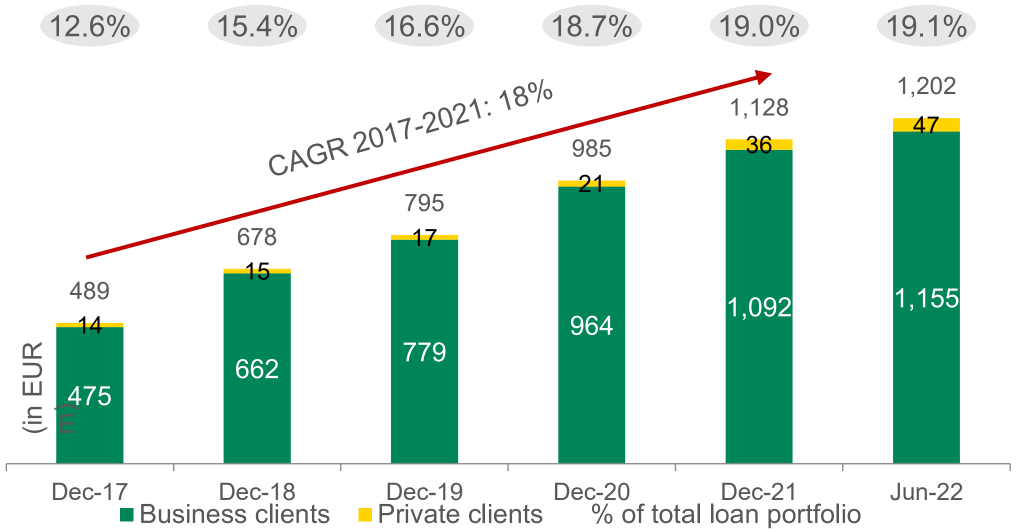
Key financial data

(in EUR m)	Q2 2021	Q2 2022
Net interest income	9.0	**12.4**
Net fee and commission income	-0.2	**-0.1**
Other operating income (net)	-0.6	**-0.7**
Operating income	8.2	**11.6**
Personnel expenses	2.7	**3.2**
Admininistrative expenses	5.3	**6.0**
Loss allowance	-0.1	**0.6**
Tax expenses	0.2	**0.6**
Profit after tax	0.0	**1.1**

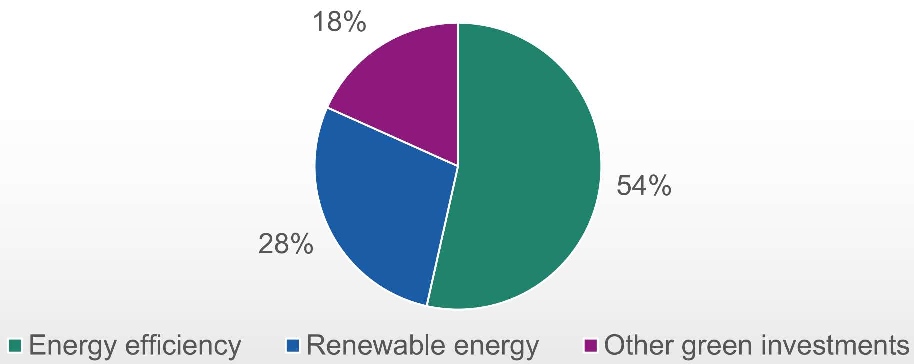
Change in customer loan portfolio	13.6%	**14.5%**
Deposits to loans ratio	55.8%	**62.8%**
Net interest margin (annualised)	4.3%	**4.6%**
Cost-income ratio	98.3%	**79.9%**
Return on equity (annualised)	0.0%	**4.2%**

Development of green loan portfolio

Green loan portfolio growth



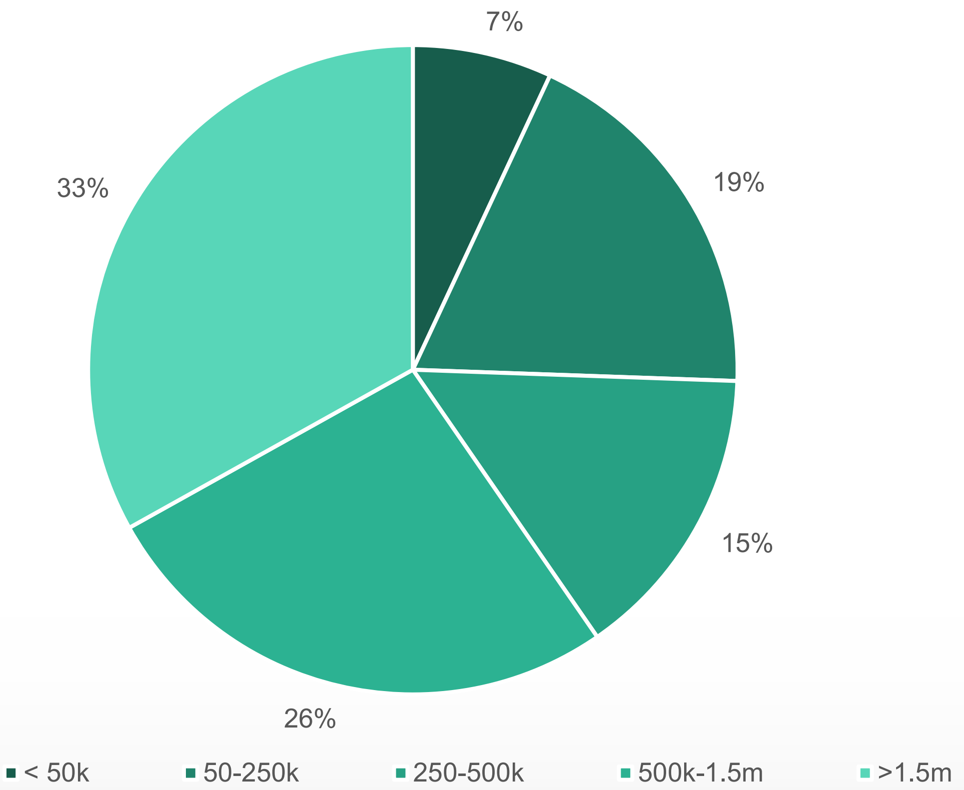
Structure of green loan portfolio



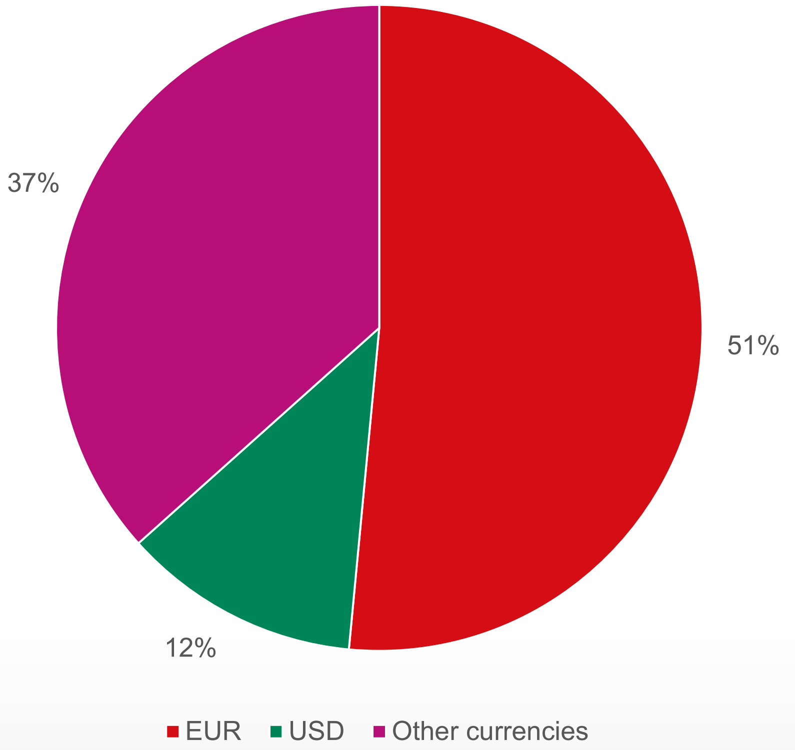
- Green loan portfolio amounting to EUR 1.2bn, representing 19.1% of total loan portfolio
  - Q2-22 growth of EUR 51m, representing approx. 20% of overall loan portfolio growth
- Includes financing of investments in:
  - Energy efficiency
  - Renewable energies
  - Other environmentally-friendly activities
- Investment opportunities in energy efficiency, e.g. buildings' efficiency measures and other investments to enhance sustainability also with agricultural clients; further unlocking portfolio growth and group diversification

Structure of the loan portfolio by exposure and currency

Loan portfolio by exposure

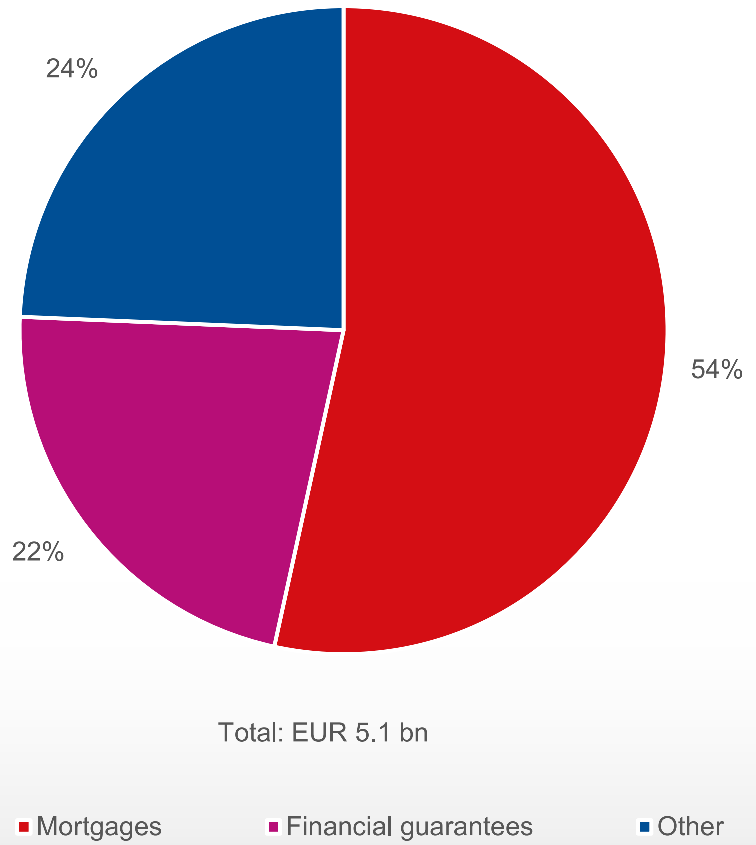


Loan portfolio by currency



Structure of collateral

Collateral by type (FY 2021)

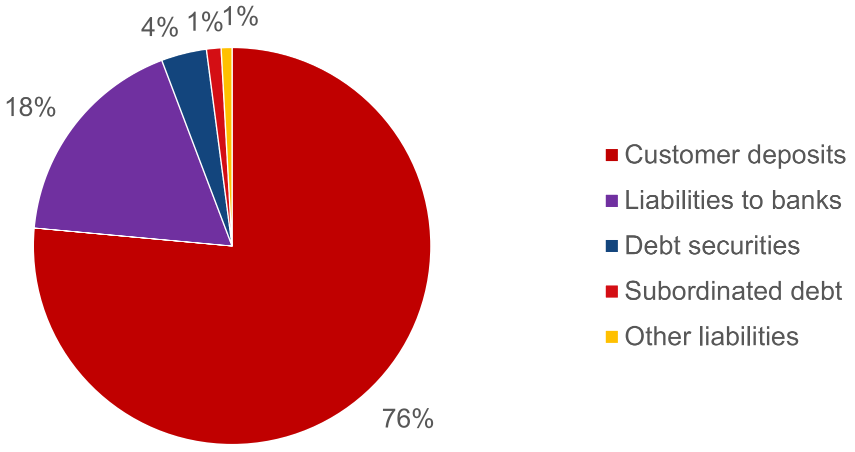


Total: EUR 5.1 bn

- Majority of collateral consists of mortgages
- Growing share of financial guarantees mainly as a result of InnovFin and other guarantee programmes provided by the European Investment Fund
- Clear, strict requirements for types of acceptable collateral, legal aspects of collateral and insurance of collateral items
- Standardised collateral valuation methodology
- Regular monitoring of the value of all collateral and a clear collateral revaluation process, including use of external independent experts
- Verification of external appraisals, yearly update of market standards and regular monitoring of activities carried out by specialist staff members

Funding and rating

Funding sources overview



Total liabilities: EUR 7.5bn

- Highly diversified funding structure and counterparties
- Customer deposits main funding source, accounting for 76%, supplemented by long-term funding from IFIs and institutional investors

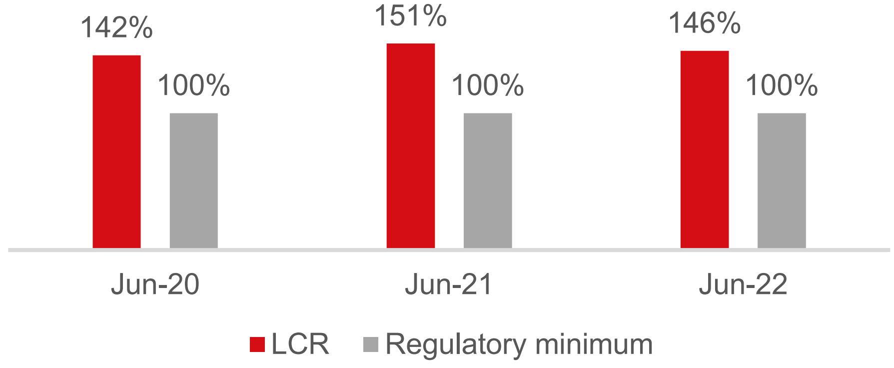
Deposit-to-loan ratio development

Rating:

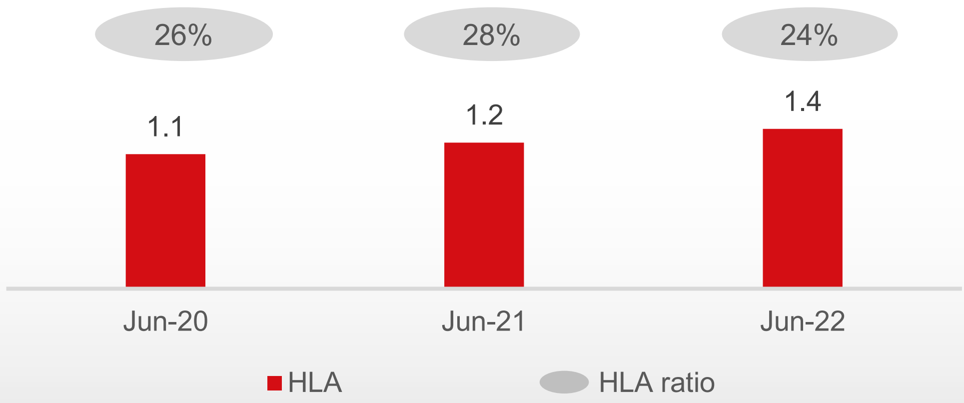
- ProCredit Holding: BBB (stable) by Fitch, last affirmed on 1 April 2022

Liquidity update

Liquidity coverage ratio



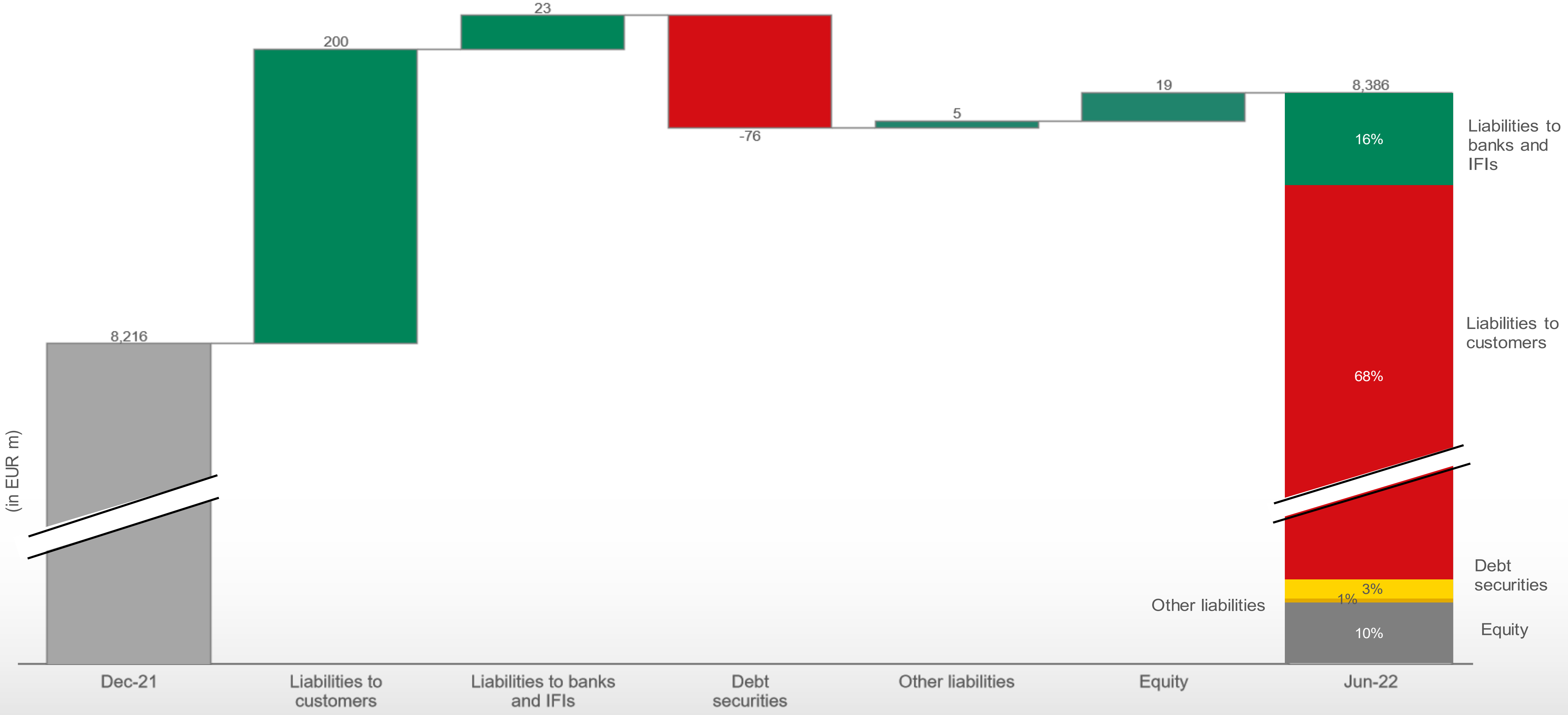
Highly liquid assets (HLA) and HLA ratio



- HLA in Q2 slightly decreased, primarily driven by seasonal development of deposits and loans and net repayments of external funding
- Moderate reduction in liquidity at PCB Ukraine during the first weeks of the war, since then stable deposit and liquidity levels (incl hard currency excess liquidity)
- LCR and NSFR remain comfortably above the regulatory minimum

Asset reconciliation

Liabilities and equity reconciliation



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Balance sheet

in EUR m	Dec-21	Jun-22
Assets		
Cash and central bank balances	1,546	1,444
Loans and advances to banks	253	232
Investment securities	410	364
Loans and advances to customers	5,924	6,294
Loss allowance for loans to customers	-131	-187
Derivative financial assets	1	10
Property, plant and equipment	138	143
Other assets	75	86
Total assets	**8,216**	**8,386**
Liabilities		
Liabilities to banks	1,314	1,337
Liabilities to customers	5,542	5,742
Derivative financial instruments	0	0
Debt securities	353	277
Other liabilities	63	66
Subordinated debt	87	89
Total liabilities	**7,360**	**7,511**
Equity		
Subscribed capital	294	294
Capital reserve	147	147
Retained earnings	496	504
Translation reserve	-83	-66
Revaluation reserve	2	-3
Equity attributable to ProCredit shareholders	**856**	**876**
Total equity	**856**	**876**
Total equity and liabilities	**8,216**	**8,386**

Income statement by segment

01.01.- 30.06.2022 (in EUR m)	Germany	Eastern Europe	South Eastern Europe	South America	Consolidation	Group
Interest and similar income	11.2	67.4	86.6	21.1	-10.5	175.9
of which inter-segment	10.2	0.2	0.2	0.0	0.0	0.0
Interest and similar expenses	10.6	27.2	15.0	8.7	-10.5	51.0
of which inter-segment	1.0	2.5	3.7	3.2	0.0	0.0
Net interest income	**0.6**	**40.2**	**71.6**	**12.4**	**0.0**	**124.8**
Fee and commission income	7.1	7.2	28.7	0.8	-5.5	38.3
of which inter-segment	5.4	0.0	0.1	0.0	0.0	0.0
Fee and commission expenses	0.9	3.8	11.9	0.9	-5.5	12.1
of which inter-segment	0.0	1.9	3.3	0.2	0.0	0.0
Net fee and commission income	**6.2**	**3.4**	**16.8**	**-0.1**	**0.0**	**26.3**
Result from foreign exchange transactions	-0.5	4.6	6.0	0.1	0.0	10.1
Result from derivative financial instruments	1.6	0.0	1.7	0.0	0.0	3.4
Result on derecognition of financial assets measured at amortised cost	0.0	0.0	0.0	0.0	0.0	0.0
Net other operating income	23.1	-0.6	-2.4	-0.8	-23.7	-4.4
of which inter-segment	21.4	1.0	1.3	0.0	0.0	0.0
Operating income	**31.1**	**47.5**	**93.7**	**11.6**	**-23.7**	**160.2**
Personnel expenses	15.8	8.5	19.5	3.2	0.0	47.0
Administrative expenses	19.0	13.3	33.9	6.0	-23.0	49.3
of which inter-segment	4.0	6.2	10.6	2.1	0.0	0.0
Loss allowance	0.2	56.6	-0.2	0.6	0.0	57.3
Profit before tax	-3.9	-30.8	40.5	1.7	-0.8	6.6
Income tax expenses	0.0	-5.8	4.1	0.6	0.0	-1.1
Profit of the period	**-3.9**	**-25.0**	**36.4**	**1.1**	**-0.8**	**7.7**

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Explanatory note on performance indicators and ratios

The ProCredit group uses an integrated system of indicators to monitor and manage the implementation and further development of the group's business and risk strategy:

- The growth of the customer loan portfolio(1) is a key indicator of the success of new business and also provides reference points for the future earning capacity
- The cost-income ratio(2) is a relative indicator that provides insight into our efficient use of resources
- Return on equity (RoE)(3) is the most important indicator in terms of profitability; strong emphasis is placed on maintaining a sustainable RoE in conjunction with an appropriate risk profile
- The Common Equity Tier 1 capital ratio (CET 1)(4) is regarded as a key indicator for compliance with regulatory and internal capital requirements. It also serves as a benchmark for solvency and as basis for strategic decisions

The group also considers the following additional indicators:

- The ratio of customer deposits to the customer loan portfolio(5) reflects the ability to fund lending business through customer deposits
- The net interest margin(6) is an important indicator of profitability and measures the average interest earnings
- The share of credit-impaired loans(7) is the most significant indicator to assess portfolio quality
- The credit-impaired coverage ratio(8) gives insights into loss allowances for credit-impaired loans to the total volume of credit-impaired loans
- The cost of risk(9) indicates the credit risk expenses relative to portfolio size in a given period
- The net write-off (10) ratio shows how much loan portfolio is written off (net of recoveries) relative to portfolio size in a given period
- The green customer loan portfolio includes financing for investments in energy efficiency, renewable energies or other environmentally friendly technologies. By expanding the green loan portfolio, an important contribution to sustainability goals is made, as presented in the Impact Report

(1) Our customer loan portfolio as of the balance sheet date of the current period relative to our customer loan portfolio as of 31 December of the previous year. Our customer loan portfolio corresponds to loans and advances to customers before loss allowances
(2) Our personnel and administrative expenses relative to operating income (excl. expenses for loss allowances)
(3) Profit attributable to ProCredit shareholders, divided by the average equity held by the ProCredit shareholders (annualised for quarterly figures)
(4) Ratio of our CET1 capital to risk-weighted assets
(5) Our customer loan portfolio relative to customer deposits as of the balance sheet date
(6) Our net interest income relative to the average total assets in the reporting period (annualised for quarterly figures)
(7) Credit-impaired loans relative to the customer loan portfolio as of the respective balance sheet date
(8) Loss allowances in credit-impaired loan portfolio relative to credit-impaired loans as of the balance sheet date
(9) Loss allowance expenses relative to average customer loan portfolio (annualised for quarterly figures)
(10) Gross write offs net of recoveries relative to average customer loan portfolio (annualised for quarterly figures)

Contact Investor Relations

Financial calendar (continuously updated on IR Website)

Date	Place	Event information
11.08.2022		Interim Report as of 30 June 2022
10.11.2022		Quarterly Financial Report as of 30 September 2022

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