ProCredit HOLDING

Hubert Spechtenhauser, Chairman of the Management Board
Christian Dagrosa, CFO and member of the Management Board

Q2 2023 results

Frankfurt am Main, August 2023 (updated as of 14th February 2024)

A. **Highlights and business update**

B. Group results

C. Regional performance

D. Outlook

ProCredit HOLDING

Highlights H1 2023

ProCredit group achieves best H1 result since listing

Strong half year result with 14.2% return on equity, underlining the group's earnings potential and medium-term ambitions

- **Profit of EUR 64.1m** mainly due to positive margin development and strong credit risk performance
- **Operating income increases by 20%,** as net interest and net fee income grow by 25% and 10% respectively
- **Cost-income ratio at 59.7%**; adjusted by one-offs at 58.3%, 1.5pp below previous year
- **PCB Ukraine with continued positive result development** and selected/targeted portfolio reduction
- **Management confirms raised guidance for FY 2023** and underlines the group's medium-term outlook

Good business development; robust balance sheet and portfolio quality driving low risk costs

- **Good loan growth dynamics particularly in Q2** (+1.6%); good growth in number of clients
- **Deposit to loan ratio at 104.9%** on the back of 2.7% deposit growth predominantly driven by private individuals
- **Cost of risk at low level of 2 basis points**; group loss allowance of EUR 0.5m positively impacted by non-recurring effects
- **CET1 ratio at prudent level of 14.2%**; +68 bps since year-end, of which +57 bps related to increased RWA efficiency

Important milestones achieved in the areas of environment and governance

- **Group opens 3 MWp ProEnergy solar park in Kosovo**
  - Targeted to offset the group's own emissions almost completely and thus marks a significant step towards group CO_2 neutrality
- **2023 AGM resolves with large majority to change the legal form to that of a stock corporation**
  - Strong project execution on earliest possible timeline leading to expected completion of conversion now already in Q3-23

14.2%
return on equity
(+12.4pp vs. H1-22)

3.5%
net interest margin
(+0.5pp vs. H1-22)

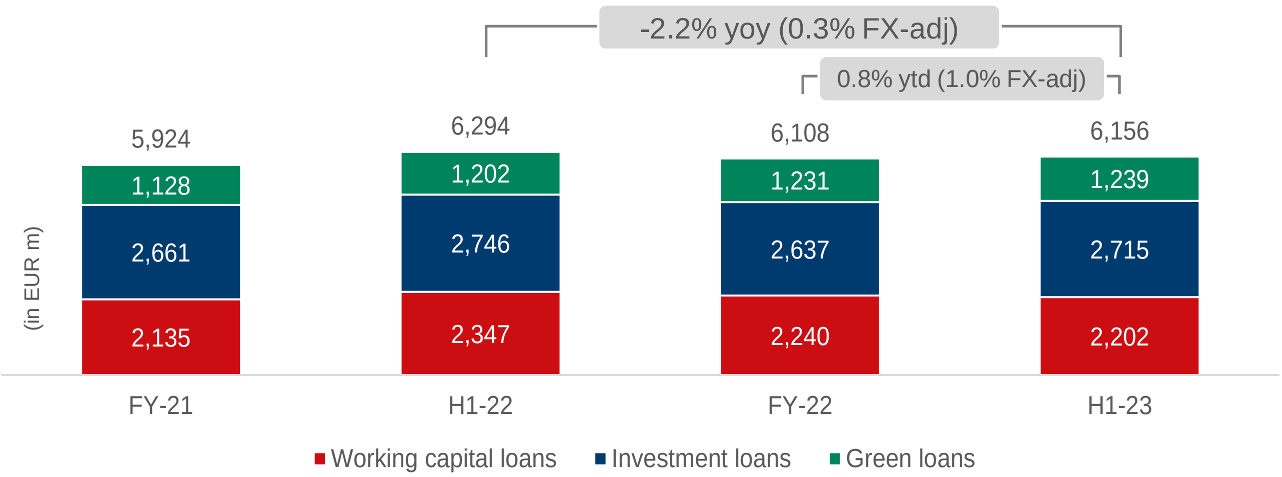
13.7 ppt
yoy increase in deposit to loan ratio to 104.9%

2.3%
share of defaulted loans outside Ukraine

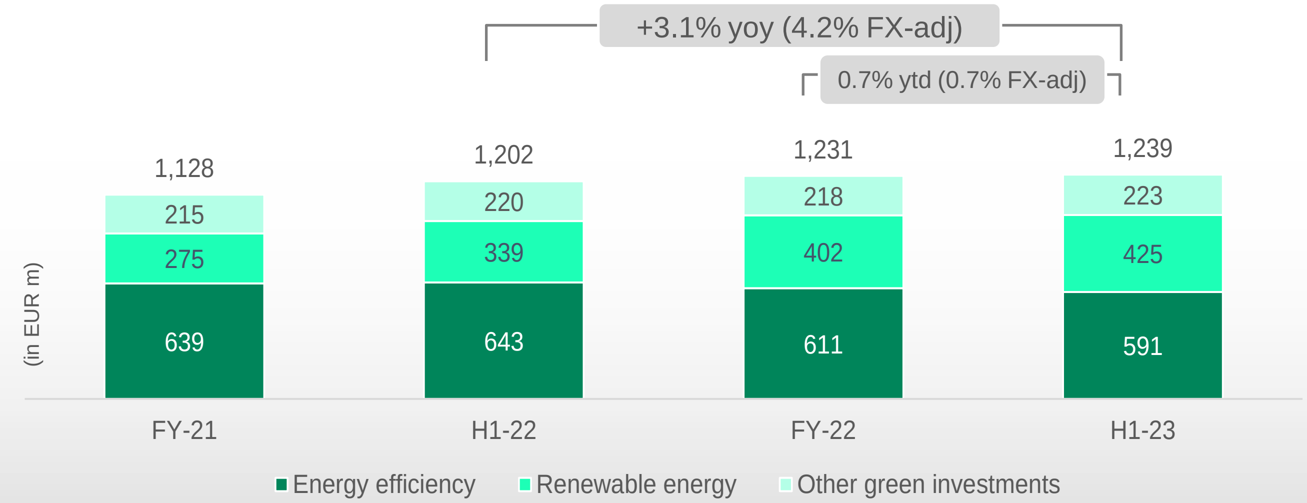
57 bps
increased capital adequacy due to higher RWA efficiency

Customer loan portfolio on stable level

Loan portfolio growth



Green loan portfolio development



- Customer loans increase by EUR 48m or 0.8% since beginning of the year
  - Good growth in Q2 of EUR 95m or 1.6% indicative for gradually improving investment environment for SMEs
  - Targeted reduction of loan portfolio in Ukraine by EUR 33m
  - Strong focus on profitable growth opportunities and customers in line with ‘Hausbank’ concept
- Green loan portfolio steady at EUR 1.2bn, representing more than 20% of total loan portfolio
  - Medium-term target share of green loans of 25%
  - High portfolio quality as default rate of green loan portfolio at 2.2% (1.0pp lower than for total loan portfolio)

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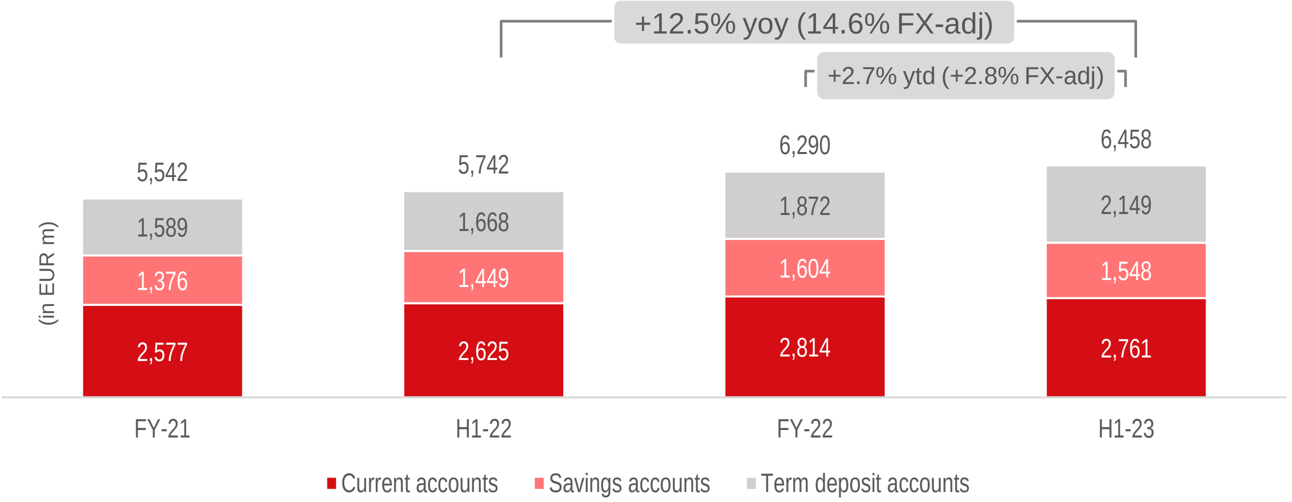
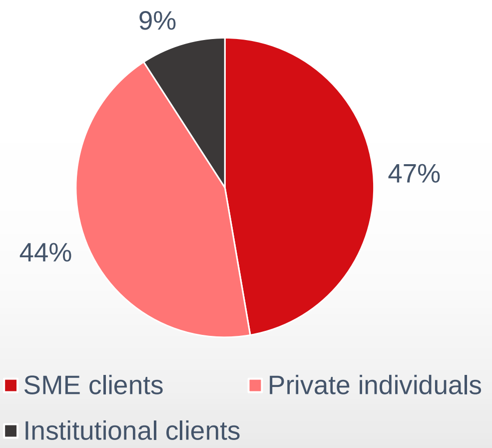
Good deposit development through digital banking channels

Deposit growth



Deposits by client and key metrics



66 k
total # of SME clients, up 3.2% yoy

104.9%
deposit / loan ratio, up 13.7 ppt yoy

- Strong yoy increase of EUR 716m or 12.5%
  - Good contribution from private individual client deposits to overall growth of approx. 40%
  - Growth diversified across all products
- H1 deposit growth of EUR 168m or 2.7%
  - Growth largely driven by private individual clients and well diversified across banks, showing good progress of ProCredit Direct strategy
  - Growth dominated by term deposits, underlining increased appetite for interest-bearing accounts in a high-margin environment
- Strategic management of deposit/loan ratio and deposit base
  - Deposit-to-loan ratio up 13.7 percentage points yoy and 1.9 percentage points ytd, with positive developments across almost all banks
  - Well diversified deposit structure as a result of good positioning as ‘Hausbank’ for SMEs and ProCredit Direct

Opening of ProEnergy solar park located in Kosovo

Milestone in achieving group climate neutrality

Opening of group-owned PV park, located in Kosovo

3 MWp
production via
5,552 solar panels

450
equivalent
households powered

c. 90%
compensation of
remaining Scope 1 & 2
emissions targeted[1]

Consistent progress towards group climate neutrality…

- ✓ Mid-term group target of climate neutrality announced *(2018)*
- ✓ Reduction of own emissions by 44% *(2018 - 2022)*
- ✓ EDGE certification for offices, 5 offices including Kosovo headquarter *(2022)*
- ✓ Roll-out of electric vehicles in own fleet, >50% of fleet electric/hybrid plug-in, 272 e-chargers in operation *(2022)*
- → **In progress**: Certification of Kosovo PV park in accordance with Gold Standard

… and overall environmental impact through business

- ✓ Roll-out of ProCredit Plastic Strategy *(since 2020)*, member of Finance Leadership Group on Plastics
- ✓ Joined UN Net-Zero Banking Alliance *(2022)*
- ✓ 728 MWp total PV capacity financed by ProCredit *(2022)*
- ✓ Pioneering role in Kosovo as first banking group owning PV park; c. 90% of electricity in country still from coal-fired power plants[2]
- → **Medium-term outlook**: Achieving a share of green loans of 25% and further expand renewable energies portfolio

1) Estimate on an annual basis, subject to successful certification of ProEnergy L.L.C., Lipjan in accordance with Gold Standard; 2) In 2022

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Conversion of legal form into stock corporation (AG)
Update based on successful resolution at 2023 AGM

Update ESG

Strong project execution on earliest possible timeline

14-Oct 2022
- ▶ Agreement of ProCredit General Partner and core shareholders
- ▶ Publication of intention to convert into AG within the next 2 years

April 2023
- ▶ Invitation to AGM 2023
- ✓ Conversion into AG on agenda already at 2023 AGM

05-Jun-23
- ▶ Annual General Meeting
- ✓ AGM resolved with large majority to change the legal form to that of a stock corporation

Within 2023
- ▶ Registration of the conversion with the commercial register
- ▶ Admission to stock exchange trading
- ✓ Completion now expected already in Q3 2023

Important clarifications from legal and shareholder perspective:
- ▶ Upon conversion, a new share class of ownership in ProCredit Holding AG will be created
- ▶ The current class of shares reflecting ownership in ProCredit Holding KGaA will cease to exist and be delisted from the stock exchange
- ▶ From shareholder perspective, existing shares in ProCredit Holding KGaA will automatically convert into the newly created shares in ProCredit Holding AG
- ▶ The total number and notional par value of outstanding shares is not subject to changes

Strategic rationale

- ✓ Conversion embedded in the ongoing strengthening of the corporate structure and capital market presence of the group
- ✓ More internationally recognised corporate structure
- ✓ Group’s unique development mission and long-term partnerships with IFIs to be preserved
- ✓ Timing reflecting the maturity of the ProCredit group as a publicly listed company and the confidence in its further development

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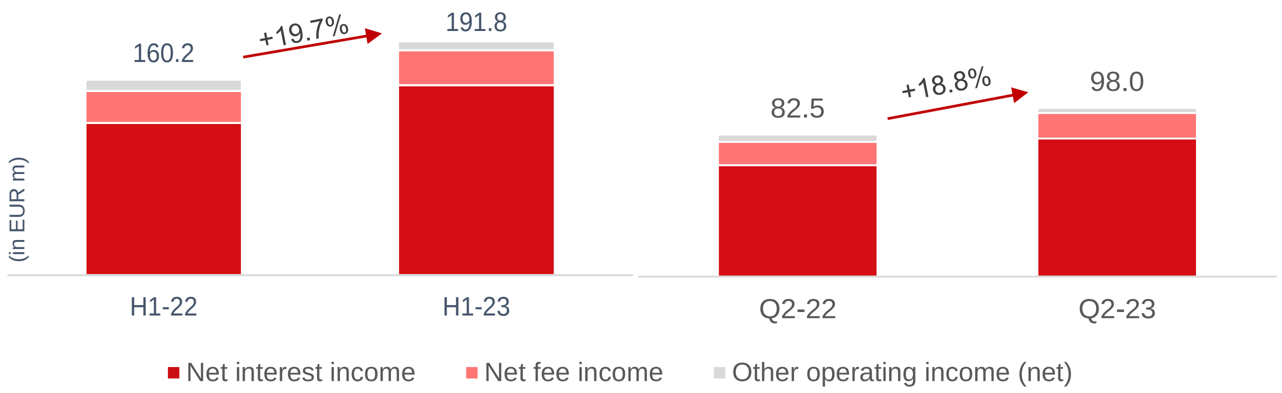
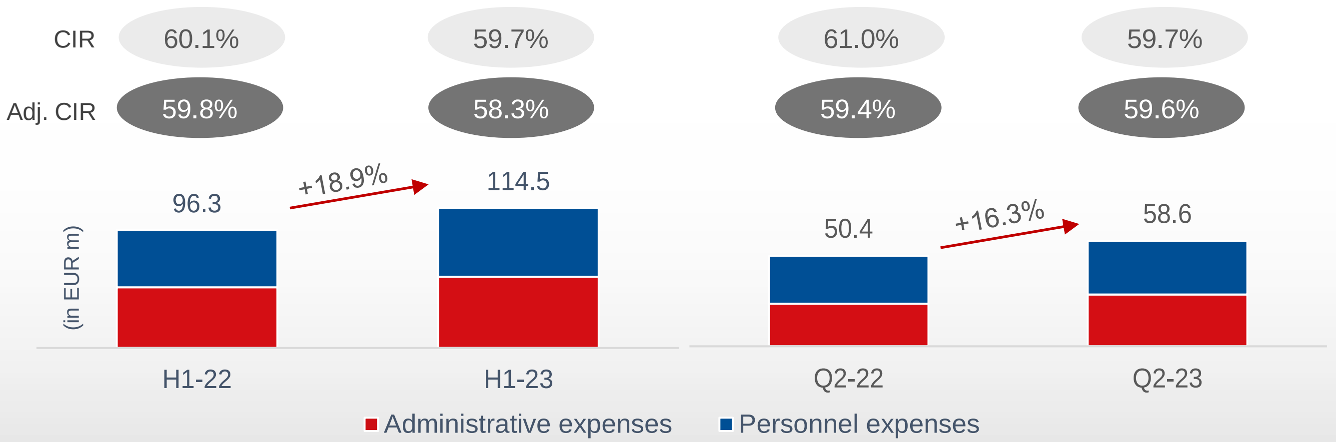
Operating income and expense overview

Operating income



- Strong increase in operating income yoy by approx. 20%, to EUR 191.8m in H1-23
  - Continued positive dynamics in net interest (up 25% yoy) and net fee income (up 10% yoy)
  - NII growth driven mostly by higher base rates in our markets, underlining the prudent asset/liability structure of the group

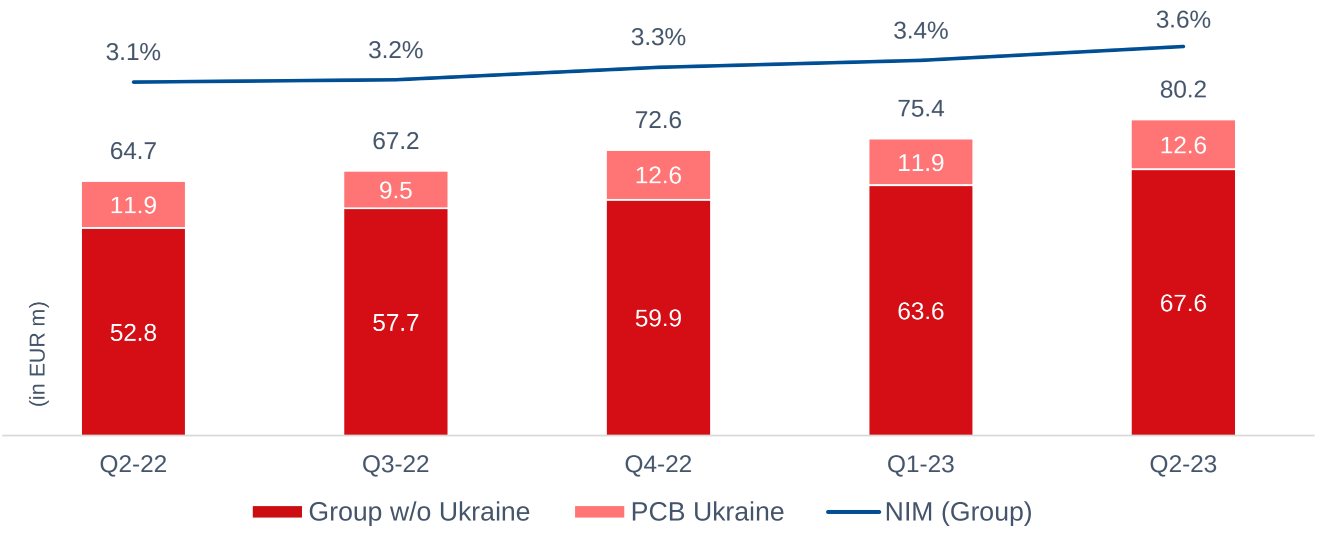
Personnel and administrative expenses



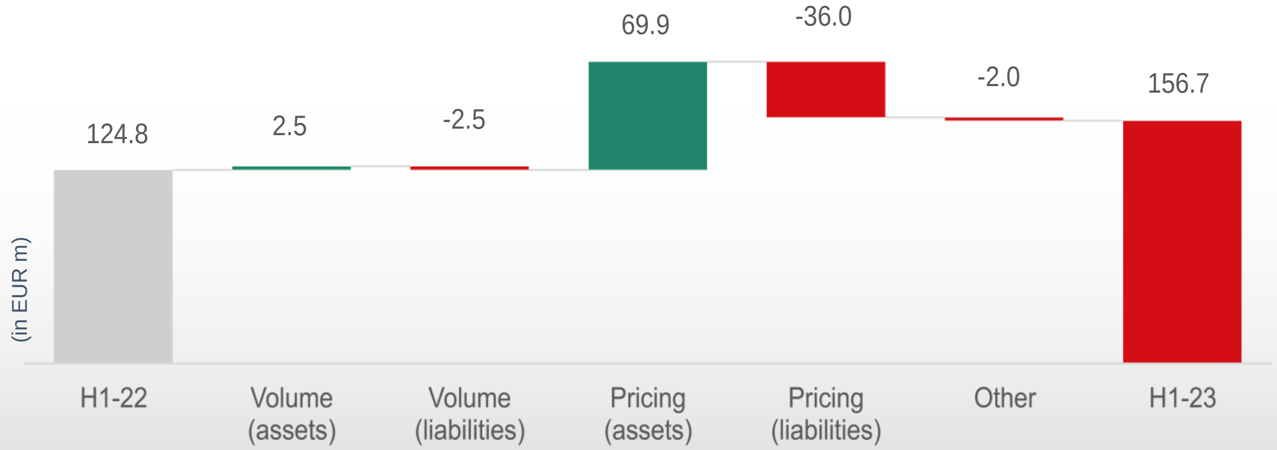
- Cost-income ratio at 58.3% adjusted for extraordinary items, improved by 1.5 percentage points
  - Underlining level close to medium-term target of ~57%
- Stated cost-income ratio slightly improved yoy to 59.7% reflecting efficiency improvements compensated by inflationary impact on personnel and admin expenses and extraordinary effects

Net interest income

Quarterly development



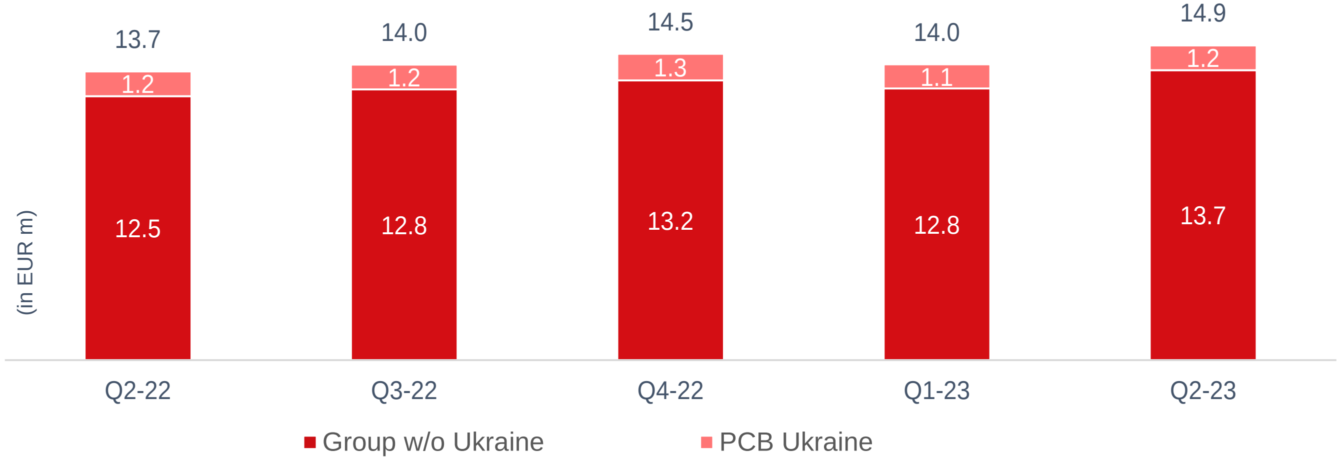
Development yoy (H1-23 vs. H1-22)



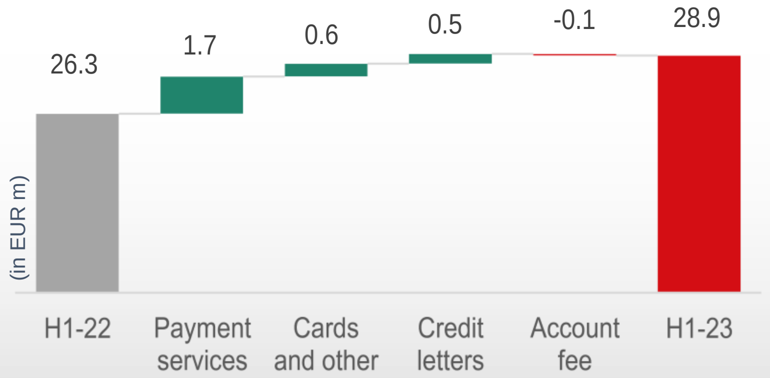
- Q2-23 NII increased by EUR 4.8m or 6.4% vs. Q1-23 to EUR 80.2m
  - Continued positive NIM dynamics with additional NIM increase in Q2 by 18 basis points to 3.6%
  - Income from loans to customers as main driver, but also income from banks and central banks as well as investment securities contributing positively
  - Almost all ProCredit banks contributing to qoq increase, demonstrating the structural diversification of this positive development
- Compared to H1-22, group NII up EUR 30.8m or 25%, driven above all by positive pricing effect
  - NIM increased by 49 bps yoy
  - Prudent asset/liability structure supporting a steady re-pricing with net positive effect for the group

Net fee and commission income

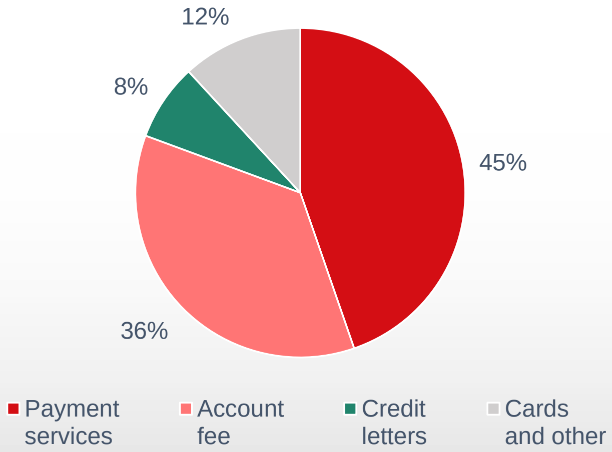
Quarterly development



Development yoy (H1-23 vs. H1-22)



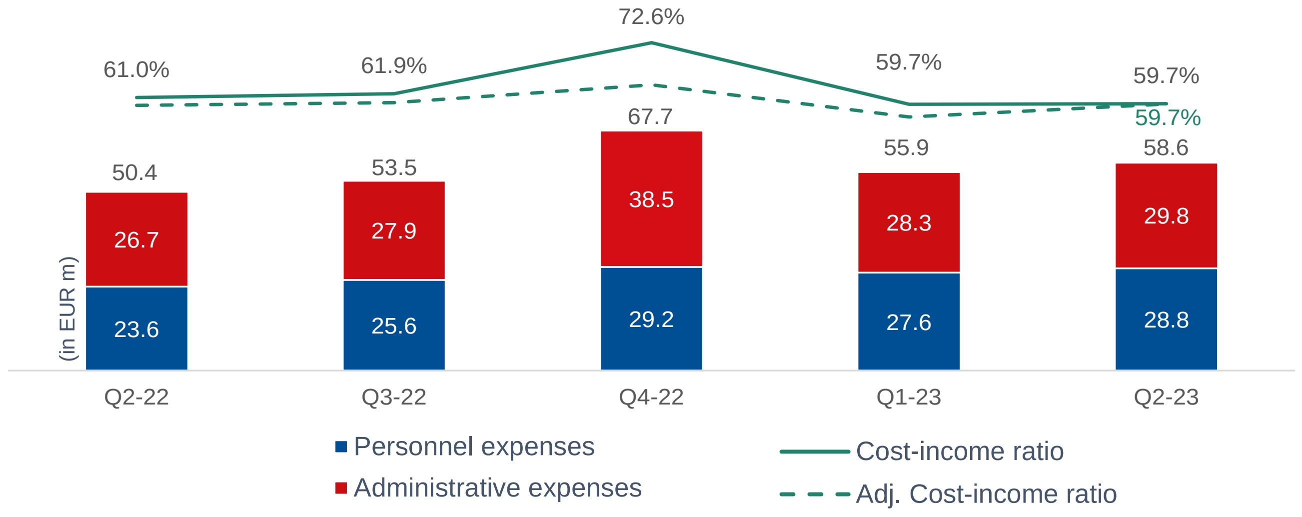
Fee income split (H1-23)



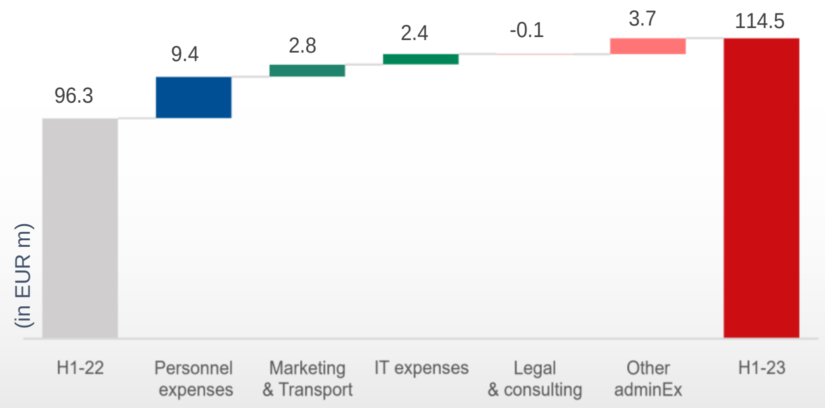
- Q2-23 net fee and commission income on strong level of 14.9m
  - Increase qoq of EUR 0.9m or 6.4% mainly driven by payment and card services
- H1-23 net fee and commission income of EUR 28.9m, up EUR 2.6m or 9.9%
  - Well diversified, structural increase in revenue streams, with particularly good increases in fees from payments
- Positive development driven by continued focus on acquisition of private individual clients and non-loan business clients
  - Number of SME clients up c. 3% yoy

Personnel and administrative expenses

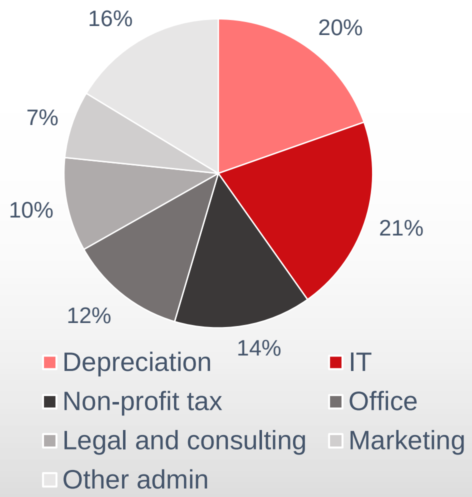
Quarterly development



Development yoy (H1-23 vs. H1-22)



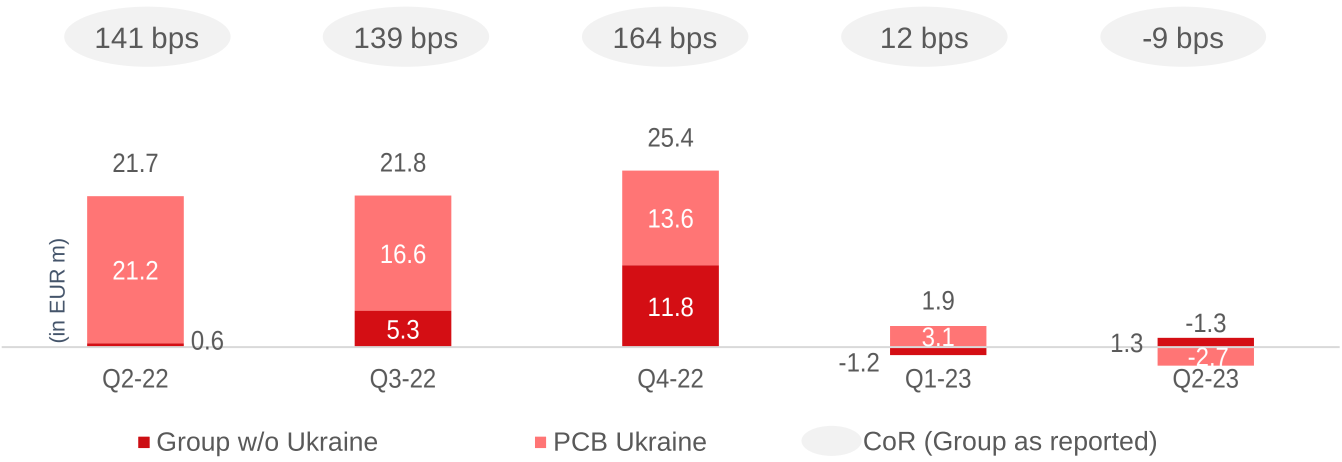
Admin expense split (H1-23)



- Q2-23 cost-income ratio on good level of below 60%
  - Increase in personnel and administrative costs qoq of EUR 2.7m more than offset by EUR 4.3m increase in operating income
  - Q2 with decreased extraordinary items vis-à-vis Q1; net EUR 0.2m (net result from derivative financial instruments) versus net EUR 3.0m in Q1
- Cost increase yoy EUR 18.2m or 18.9%
  - Increase mostly driven by higher personnel expenses due to increased number of employees in almost all ProCredit institutions (c. 10%) and higher average salaries (c. 9%)
  - Continued intensified strategic investment in marketing in order to build on strong positioning of ProCredit Direct to attract new private individual clients, increase net fee income and further optimize funding structure

Loss allowance

Quarterly development

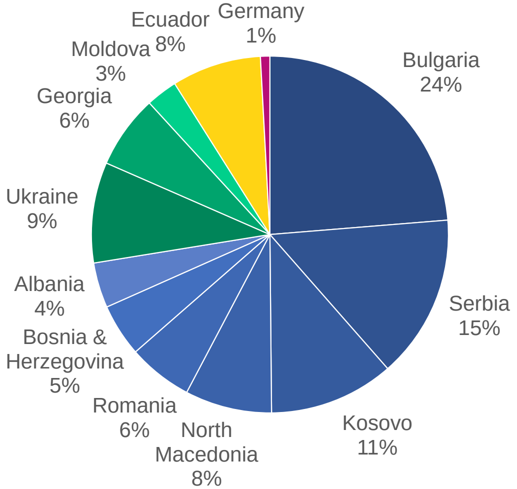


Provisioning overview (H1-23)

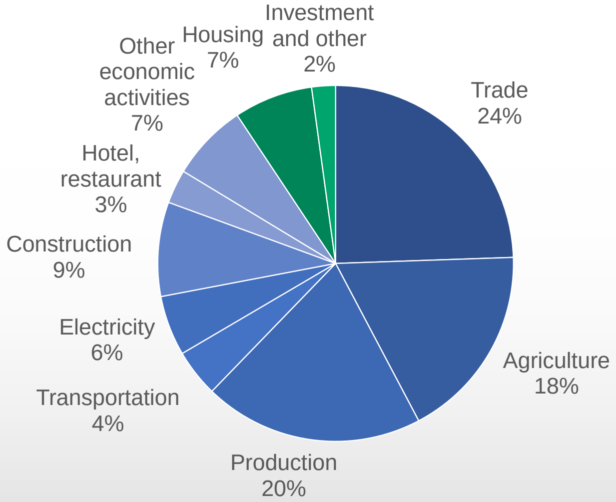
- Q2-23 loss allowance on continued low level due to steady portfolio indicators; net release of provisions of EUR 1.3m corresponds to cost of risk of -9bps
  - Strong recoveries from written off loans and release of provisions from model parameter updates overcompensating stage transfers and slight further additions to management overlays
  - Previous year includes consequential provisioning in Ukraine as well as significant management overlays outside Ukraine
- Strong credit risk performance with absence of substantial risk events (including in Ukraine) main catalyst for low expenses
  - Credit risk cost ytd of EUR 0.5m corresponds to cost of risk of 2 basis points
  - Amid stable credit risk indicators, risk event-driven provisions at level of EUR 11.0m, recoveries of written-off loans at EUR 6.7m
- Management overlays of total EUR 41.0m (EUR 29.9m without PCB Ukraine) to account for macroeconomic risks (e.g. energy, inflation, geopolitical risks)

Loan portfolio quality

Loan portfolio by geography



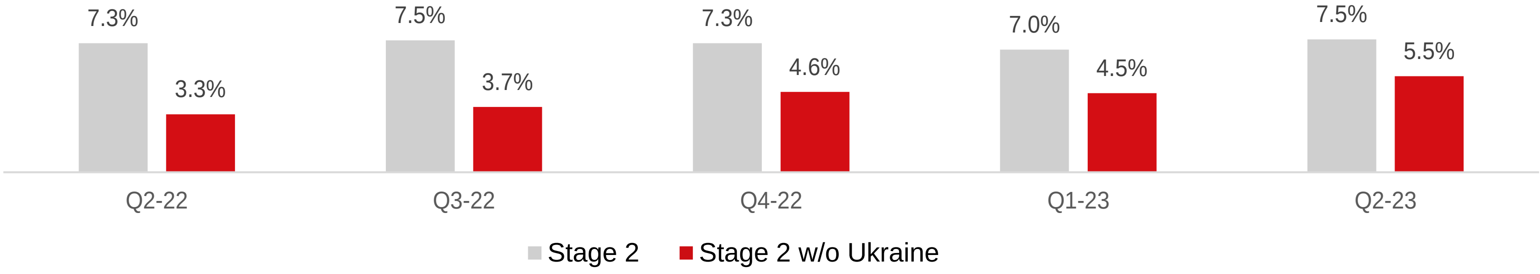
Loan portfolio by sector



Net-write offs (annualised)

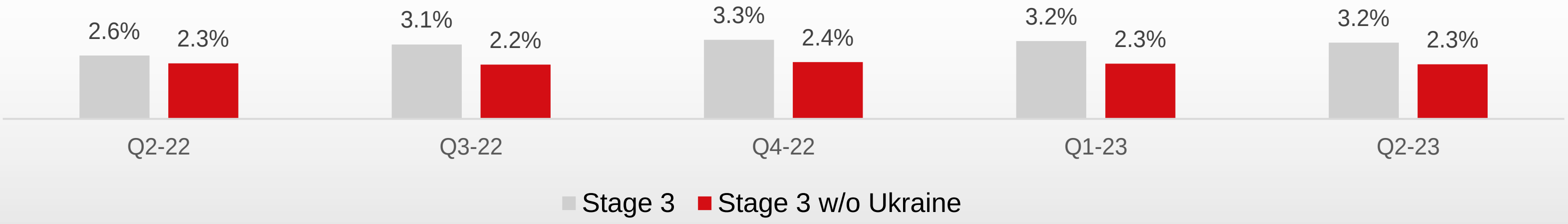
0.1% 0.1% 0.2% 0.2% 0.1%

Stage 2



Stage 3 and coverage ratio

55.6% 57.1% 61.8% 62.3% 62.4%

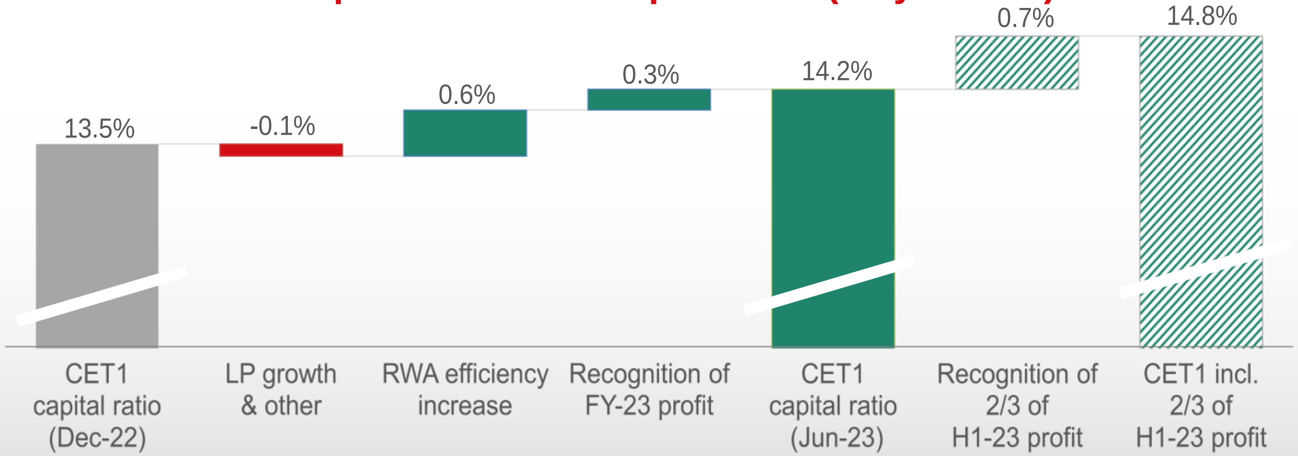


Regulatory capital, risk-weighted assets, capital ratios

Capitalisation overview

in EUR m	Dec-22	Jun-23
CET1 capital	820	836
Additional Tier 1 capital	0	0
Tier 1 capital	820	836
Tier 2 capital	48	72
Total capital	868	908
RWA total	6,087	5,905
RWA density (RWA / total assets)	69.0%	65.6%
CET1 capital ratio (fully loaded)	13.5%	14.2%
Total capital ratio	14.3%	15.4%
Leverage ratio	8.9%	9.0%

Development of CET1 capital ratio (fully loaded)



- ► CET1 ratio increased to 14.2%, up 68 ppt from Dec-22
  - Increase in CET1 capital mainly driven by attribution of previous year profit
  - Capital ratios well above regulatory capital requirements of 9.2% CET1, 11.4% Tier 1, 14.3% Total capital
  - 2/3 of H1-23 result to be attributed to CET1 capital in Q3-23; pro-forma CET1 ratio at strong level of 14.8%
- ► Successfully implemented multiple RWA efficiency measures, driving RWA density further down by 8pp yoy to 65.6%
  - Broadening of MIGA collaboration in Q1-23, additional agreement for Ukraine signed in Jun-23 (combined RWA effect up to EUR 140m[1]); +25bps in CET1 ratio ytd
  - Securitization project with EIF in Bulgaria (RWA effect c. EUR 180m); +32bps in CET1 ratio ytd
- ► Dividend distribution intended in 2024 from FY-23 result (1/3 payout ratio), final decision as usually taken ahead of 2024 AGM
- ► Leverage ratio of 9.0% well above banking sector averages

1) Decrease of EUR 112m in H1-23 related to MIGA collaboration; actual RWA effect amongst others depending on usage of MIGA insurance

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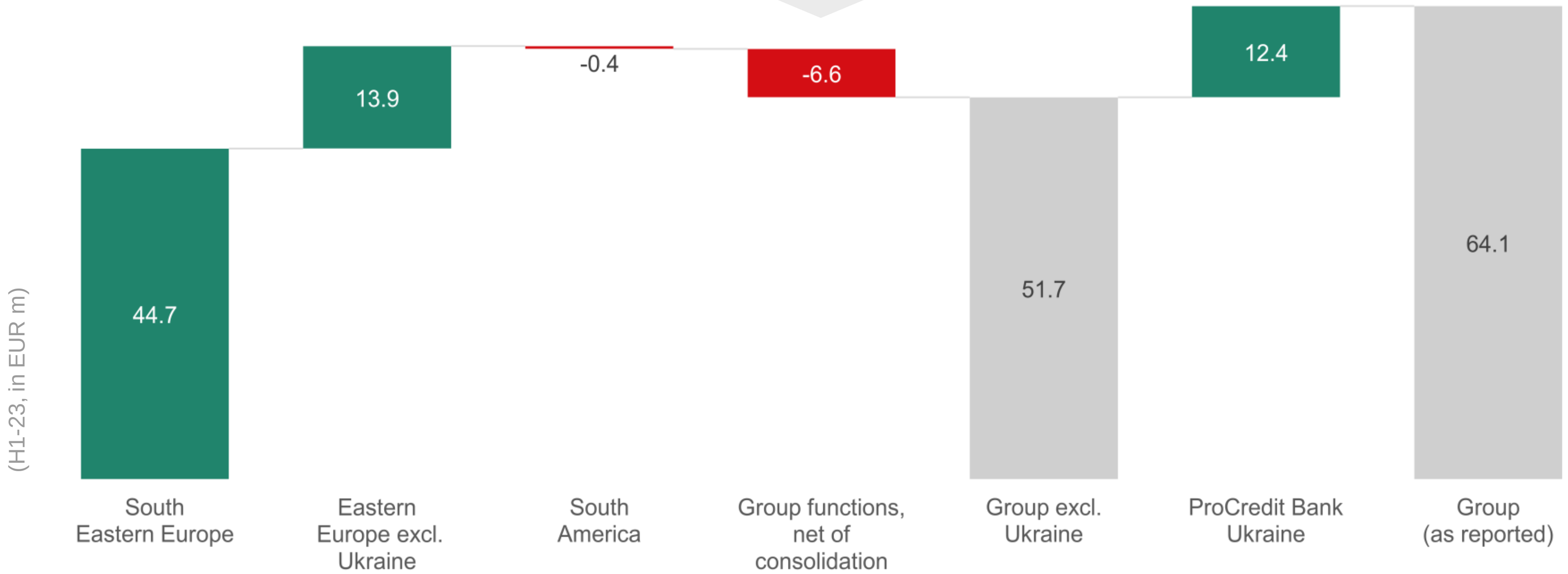
Contribution of regional segments to group net income

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 55m loan portfolio; EUR 251m deposits)



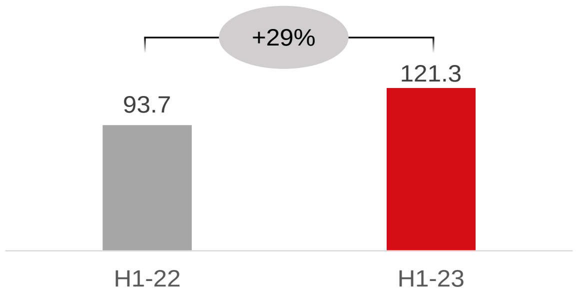
	South Eastern Europe	Eastern Europe excl. Ukraine	South America	Group functions, net of consolidation	Group excl. Ukraine	ProCredit Bank Ukraine	Group (as reported)
Customer loan portfolio (EUR m)	4,489	571	494	–	**5,607**	549	**6,156**
Change in customer loan portfolio	2.1%	-1.2%	-0.8%	–	**1.5%**	-5.7%	**0.8%**
Cost-income ratio	54.6%	52.6%	101.4%	–	**63.5%**	35.1%	**59.7%**
Allocated equity (EUR m)	712	152	52	–	**–**	68	**939**
Return on equity[1]	13.2%	18.9%	-1.3%	–	**11.2%**	39.7%	**14.2%**

1) Based on average allocated segment equity; group excl. Ukraine based on group consolidated equity assuming no result contribution from PCB Ukraine

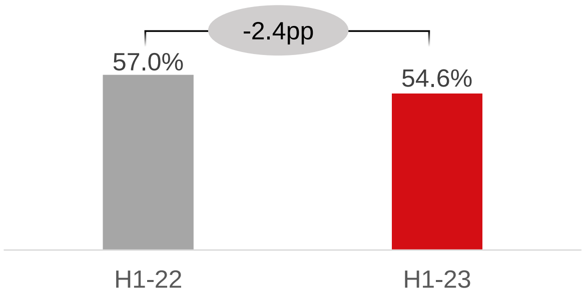
Segment South Eastern Europe

Segment key financials SEE

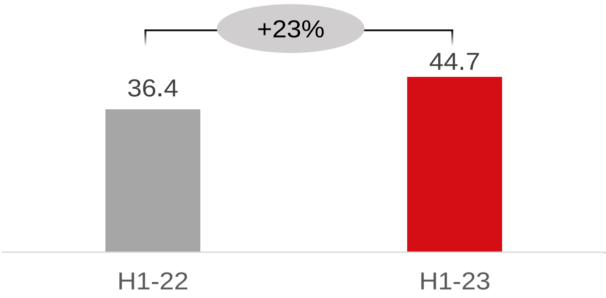
Operating income (€m)



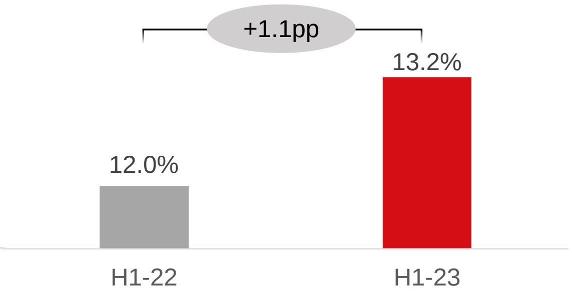
Cost-income ratio



Profit after tax (€m)



Return on equity



Individual bank development (H1-23)

Country	Profit after tax (€m)	Cost-income ratio	Return on equity
Bulgaria	12.0	49%	11%
Kosovo	11.7	48%	23%
Serbia	9.4	49%	12%
North Macedonia	4.8	52%	13%
Romania	2.9	73%	13%
Bosnia & Herzegovina	2.8	57%	13%
Albania	1.3	100%	7%

Decline yoy of >10pp on C/I Ratio and >5pp on RoE

Decline yoy of 4-10pp on C/I Ratio and 3-5pp on RoE

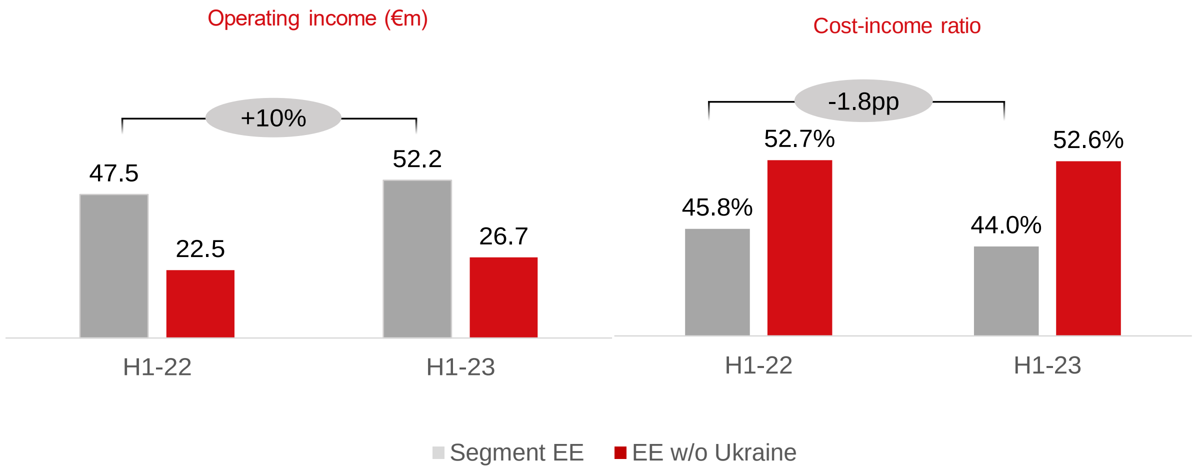
Improvement yoy of >10pp on C/I Ratio and >5pp on RoE

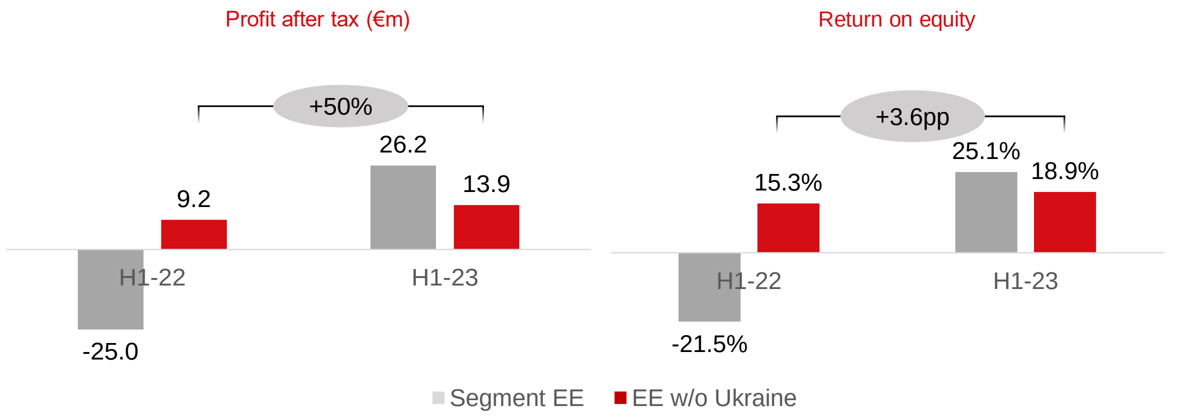
Improvement yoy of 4-10pp on C/I Ratio and 3-5pp on RoE

C/I Ratio +/- 4pp, RoE +/- 3pp

Segment Eastern Europe

Segment key financials EE





Individual bank development (H1-23)

Country	Profit after tax (€m)	Cost-income ratio	Return on equity
Ukraine	12.4	32.9% ↗	33.4% ↑
Georgia	9.9	47.9% →	18.5% ↗
Moldova	4.1	60.2% ↓	17.7% →
Segment South America			
Ecuador	-0.4	103.7% ↓	-3.5% ↓

- ↓ Decline yoy of >10pp on C/I Ratio and >5pp on RoE
- ↘ Decline yoy of 4-10pp on C/I Ratio and 3-5pp on RoE
- ↑ Improvement yoy of >10pp on C/I Ratio and >5pp on RoE
- ↗ Improvement yoy of 4-10pp on C/I Ratio and 3-5pp on RoE
- → C/I Ratio +/- 4pp, RoE +/- 3pp

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Update on ProCredit Bank Ukraine

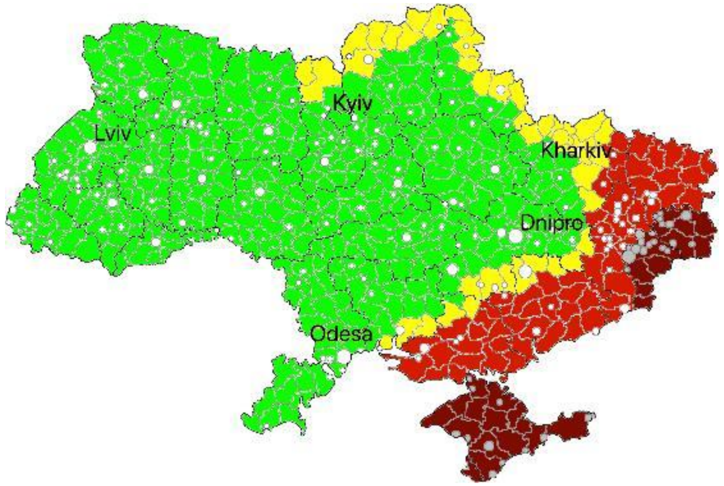
Current status of operations

- **Safety of staff**: Out of 318 staff (329 at the start of the year), 10 are mobilized
- **Banking operations basically uninterrupted since beginning of the war:** Bank's operationality secured through uninterrupted power supply (UPS) and generators; remote working used whenever necessary; ProCredit buildings with emergency shelters; IT infrastructure centralized in Germany since April 2022
- **Close contact with clients**: BCAs in constant exchange with all loan clients, in part even on a weekly basis; strong willingness of clients in occupied areas to resume business activities

Risk situation of the bank

- **Loan portfolio EUR 549m** (8.9% of group loan portfolio), down 27% since outbreak of war
- **Loans reduced by EUR 33m since Dec-22**, due to steady repayments of outstanding loans amid limited new business and minor currency devaluation
- **New guarantee agreement** signed with MIGA at Ukraine Recovery Conference in Jun-23, releasing approx. EUR 35m in RWA and enabling corresponding disbursements going forward
- **Share of impaired loans steady at 12.4%**; bulk of portfolio reclassification completed
- **H1-23 provisioning of EUR 0.4m** driven by portfolio reductions, steady portfolio quality and good level of recoveries of written off loans EUR 1.7m; **H1-23 profit of EUR 12.4m**
- **Strong coverages**; total LP at c. 16%; red zone at c.160%, default portfolio at c. 130%
- **Local capital ratio buffers** above 6 percentage points as of Jun-23
- **Liquidity further strengthened,** deposit-to-loan ratio up 32pp to 124% since outbreak of war

Regional risk classification



Risk zone by business location	% of PCB Ukraine loan portfolio	% of PCH group loan portfolio
Dark Red	0.0%	0.0%
Red	9.8%	0.9%
Yellow	11.2%	1.0%
Green	79.0%	7.0%

- *Dark red:* Regions occupied by Russian forces since 2014
- *Very high risk.* Districts in warzone or under occupation
- *High risk.* A buffer zone from war zone / under occupation regions
- *Low risk.* Districts with relatively lower risk to be affected

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

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Outlook FY 2023
RoE and CIR outlook raised on 30 May 2023

FY 2023 outlook for ProCredit group

► **Growth of the loan portfolio**	Medium single digit percentage growth *(FX adjusted)*
► **Return on equity (RoE)**	8.0 – 10.0% (based on up to 45bps cost of risk) *Previous: 6.0 – 8.0% (based on up to 70bps cost of risk)*
► **Cost-income ratio (CIR)**	62 – 64% *Previous: On FY 2022 level of 64.0% (with margin of +/- 1 ppt)*
► **CET1 ratio and leverage ratio**	> 13.0% CET1 ratio and c. 9% leverage ratio

Dividend payout:

Return to dividend payout assumed for FY 2023 profits in line with dividend policy (payout ratio of 1/3 of profits), final decision on dividend proposal as usually taken ahead of 2024 AGM.

Assumption on PCB Ukraine included in FY 2023 outlook:

Close to ‘Zero’ bottom line group contribution with still elevated risk costs and increased expenses offsetting operating income; continued targeted loan portfolio reduction.

Risk factors that apply to the FY 2023 outlook are included in the appendix of this presentation.

Medium-term outlook for ProCredit group

► **Growth of the loan portfolio**	Medium to high single digit percentage growth p.a.
► **Return on equity (RoE)**	~12% *(based on 25 – 30 bps risk cost over the cycle)*
► **Cost-income ratio (CIR)**	~57% *(without one-off effects)*
► **Green loan portfolio**	25% share of total loan portfolio

Assumption on PCB Ukraine included in medium-term outlook:
Moderate bottom line group contribution from 2024 onwards (upper single digit to lower double digit €m p.a.).
Medium-term RoE and CIR outlook for Group w/o PCB Ukraine confirmed and unchanged also in a worst-case/write-off scenario.

Ukraine upside case (post-war reconstruction scenario):
Assumption of double-digit loan growth rates p.a. of PCB Ukraine; i.e. return to pre-war situation in terms of growth and profitability.
Such scenario would result in an <u>indicative medium-term upside potential on group RoE of +1.0 – 1.5% p.a.</u>

Risk factors that apply to the medium-term outlook are included in the appendix of this presentation.

Q&A

Photovoltaic project financed by ProCredit Bulgaria

2022 sustainability highlights and developments

LATEST ACHIEVEMENTS

REDUCING OWN CARBON FOOTPRINT

- **44%** reduction in own emissions (Scope 1 and 2) 2018-2022

GREEN LOAN PORTFOLIO

- Target achieved: **20%** of loan portfolio
- **Leaders** in promoting green finance, esp. solar energy and e-mobility

STAFF DEVELOPMENT

- Preferred partner for **thematic external events**
- **Promoting** and communicating E&S and green finance
- Successful **back to office** transition with remote working options

ENVIRONMENTAL AND SOCIAL ASSESSMENT

- Enhanced **trainings** on E&S topics
- Introduction of **animal welfare** assessment
- Consideration of **forced labour allegations** in PV supply chain

SUPPORTING SMEs' TRANSITION TO LOW-CARBON

- Member of the **NZBA**
- Commitment to follow **SBTi**
- **Plastic Strategy** fully introduced

OTHER ESG-RELATED STEPS

- **Developing tools** to facilitate ESG impacts and reporting
- Transition and **physical risk analysis** at portfolio level

NEXT ON THE AGENDA

REDUCING OWN CARBON FOOTPRINT

- ProEnergy (to offset 85-90% of Scope 1-2)
- Further work on reducing emissions

GREEN LOAN PORTFOLIO

- Update criteria to align with international practice (e.g. EU Taxonomy)
- Promote more RE investments
- Aiming to reach 25% of green loan portfolio

STAFF DEVELOPMENT

- Increase technical expertise and ESG knowledge of our staff
- Partner with bodies that drive change and awareness on climate-related topics

ENVIRONMENTAL AND SOCIAL ASSESSMENT

- Sustainable agriculture framework
- Coal-related activities added to Exclusion List
- Incorporating EU taxonomy and climate risk aspects

SUPPORTING SMEs' TRANSITION TO LOW-CARBON

- Setting Net Zero targets as per NZBA and SBTi
- Part of UNEP FI Finance Leadership Group on Plastics

OTHER ESG-RELATED STEPS

- Creation of ESG Risk Subcommittee within GRC
- Climate change strategy

Sustainability commitment firmly integrated in the business model – Impact report 2022

Impact through business

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

Corporate ESG Performance
RATED BY ISS ESG
Prime

MSCI ESG rating: A

Environmental responsibility

- Green loan portfolio > €1.2bn, avg. growth 16% p.a. since 2018
- Strict lending standards and exclusion list
- Internal measures for greener planet, including
  - plastic strategy
  - energy efficient buildings

Edge
Excellence in Design For Greater Efficiencies

Comprehensive staff development

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

Key facts and selected achievements in 2022

3.3% (2.4% w/o Ukraine)
credit-impaired loans; well below banking sectors of countries of operation

+6.9%
continued good LP growth outside Ukraine dominated by SME lending

91%
of loan portfolio is to SMEs

71%
of people employed by SMEs in SEE/EE

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

-44%
CO2 reduced since 2018 from Scope 1 and 2 emissions

20.2%
share of green loans in total loan portfolio

-144.7 kilotonnes
CO^2 equivalent of RE project financed in operation

52%
electric and hybrid plug in car fleet; 272 publicly available-chargers

- Own 3 MWp PV park ('ProEnergy')
- Member of the Net-Zero Banking Alliance and commitment to follow Science Based Targets initiative

48% / 52%
diversity of women / men in middle management

100%
of employees with min. B1 English proficiency

139
training hours per employee, total of 493,514 hours

€7.4m
training cost in FY 2022

- Trainings can be delivered in person or online
- Successful back-to-office transition

ProCredit HOLDING

H1 2023 results at a glance

In EUR m		Q2-22	Q2-23	H1-22	H1-23	Y-o-Y
Income statement	Net interest income	64.7	80.2	124.8	155.7	30.9
	Net fee and commission income	13.7	14.9	26.3	28.9	2.6
	Other operating income (net)	4.2	2.9	9.1	7.2	-1.9
	Operating income	82.5	98.0	160.2	191.8	31.6
	Personnel expenses	23.6	28.8	47.0	56.4	9.4
	Administrative expenses	26.7	29.8	49.3	58.1	8.8
	Loss allowance	21.7	-1.3	57.3	0.5	-56.8
	Tax expenses	1.0	6.2	-1.1	12.7	13.8
	Profit after tax	9.4	34.6	7.7	64.1	56.4
Key performance indicators	Change in customer loan portfolio	4.4%	1.6%	6.2%	0.8%	-5.4 pp
	Cost-income ratio	61.0%	59.7%	60.1%	59.7%	-0.4 pp
	Return on equity	4.4%	15.0%	1.8%	14.2%	12.4 pp
	CET1 ratio (fully loaded)	13.7%	14.2%	13.7%	14.2%	0.5 pp
Additional indicators	Net interest margin	3.1%	3.6%	3.0%	3.5%	0.5 pp
	Net write-off ratio	0.1%	0.0%	0.1%	0.1%	0.0 pp
	Credit impaired loans (Stage 3)	2.6%	3.2%	2.6%	3.2%	0.6 pp
	Cost of risk	141 bps	-9 bps	188 bps	2 bps	-186 bp
	Stage 3 loans coverage ratio	55.6%	62.4%	55.6%	62.4%	6.8 pp
	Book value per share (EUR)	14.9	15.9	14.9	15.9	1.0
	Deposit-to-loan ratio	91.2%	104.9%	91.2%	104.9%	13.7 pp

Overview of quarterly financial development

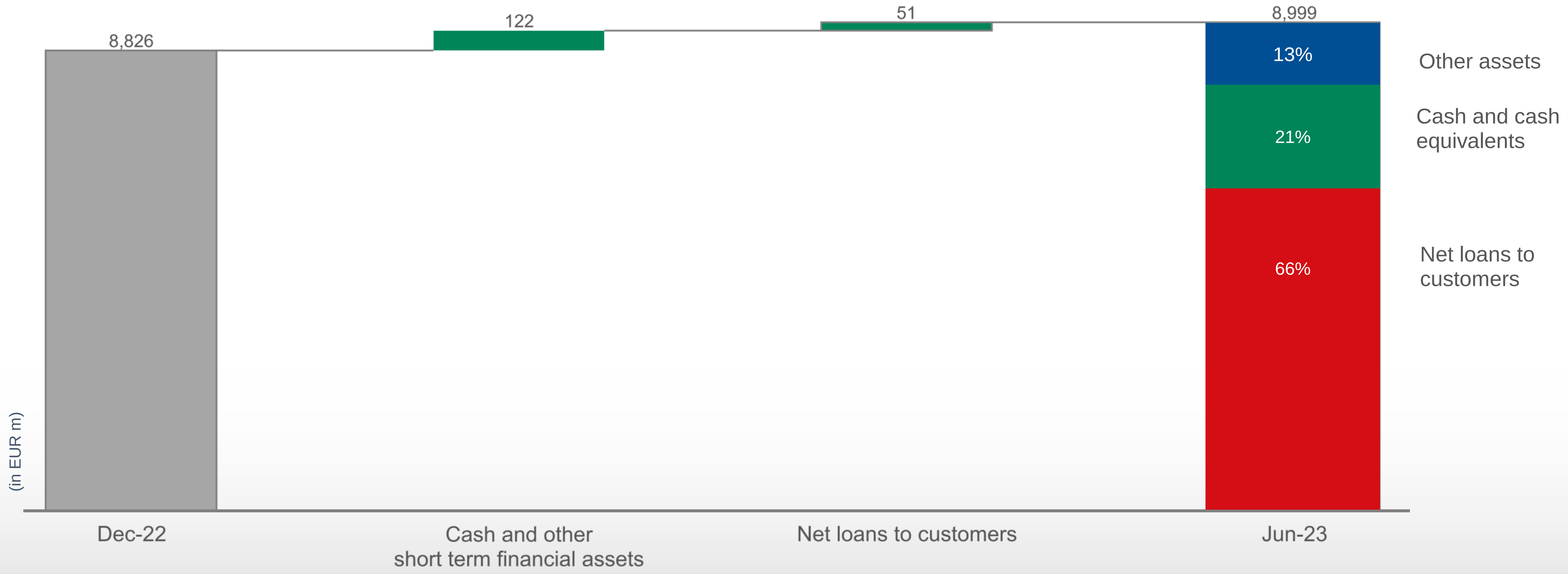
In EUR m		Q2-22	Q3-22	Q4-22	Q1-23	Q2-23
Income statement	Net interest income	64.7	67.2	72.6	75.4	80.2
	Net fee and commission income	13.7	14.0	14.5	14.0	14.9
	Other operating income (net)	4.2	5.2	6.2	4.3	2.9
	Operating income	82.5	86.4	93.2	93.7	98.0
	Personnel expenses	23.6	25.6	29.2	27.6	28.8
	Admininistrative expenses	26.7	27.9	38.5	28.3	29.8
	Loss allowance	21.7	21.8	25.4	1.9	-1.3
	Tax expenses	1.0	1.5	1.0	6.5	6.2
	Profit after tax	9.4	9.6	-0.8	29.5	34.6
Key performance Indicators	Change in customer loan portfolio	4.4%	0.0%	-2.9%	-0.8%	1.6%
	Cost-income ratio	61.0%	61.9%	72.6%	59.7%	59.7%
	Return on Average Equity	4.4%	4.4%	-0.4%	13.3%	15.0%
	CET1 ratio (fully loaded)	13.7%	13.6%	13.5%	14.1%	14.2%
Additional Indicators	Net interest margin	3.1%	3.2%	3.3%	3.4%	3.6%
	Net write-off ratio	0.1%	0.2%	0.4%	0.2%	0.0%
	Credit impaired loans (Stage 3)	2.6%	3.1%	3.3%	3.2%	3.2%
	Stage 3 loans coverage ratio	55.6%	57.1%	61.8%	62.3%	62.4%
	Cost of risk	141 bps	139 bps	164 bps	12 bps	-9 bps
	Book value per share (EUR)	14.9	15.1	14.8	15.3	15.9
	Deposit-to-loan ratio	91.2%	95.1%	103.0%	104.3%	104.9%

ProCredit HOLDING

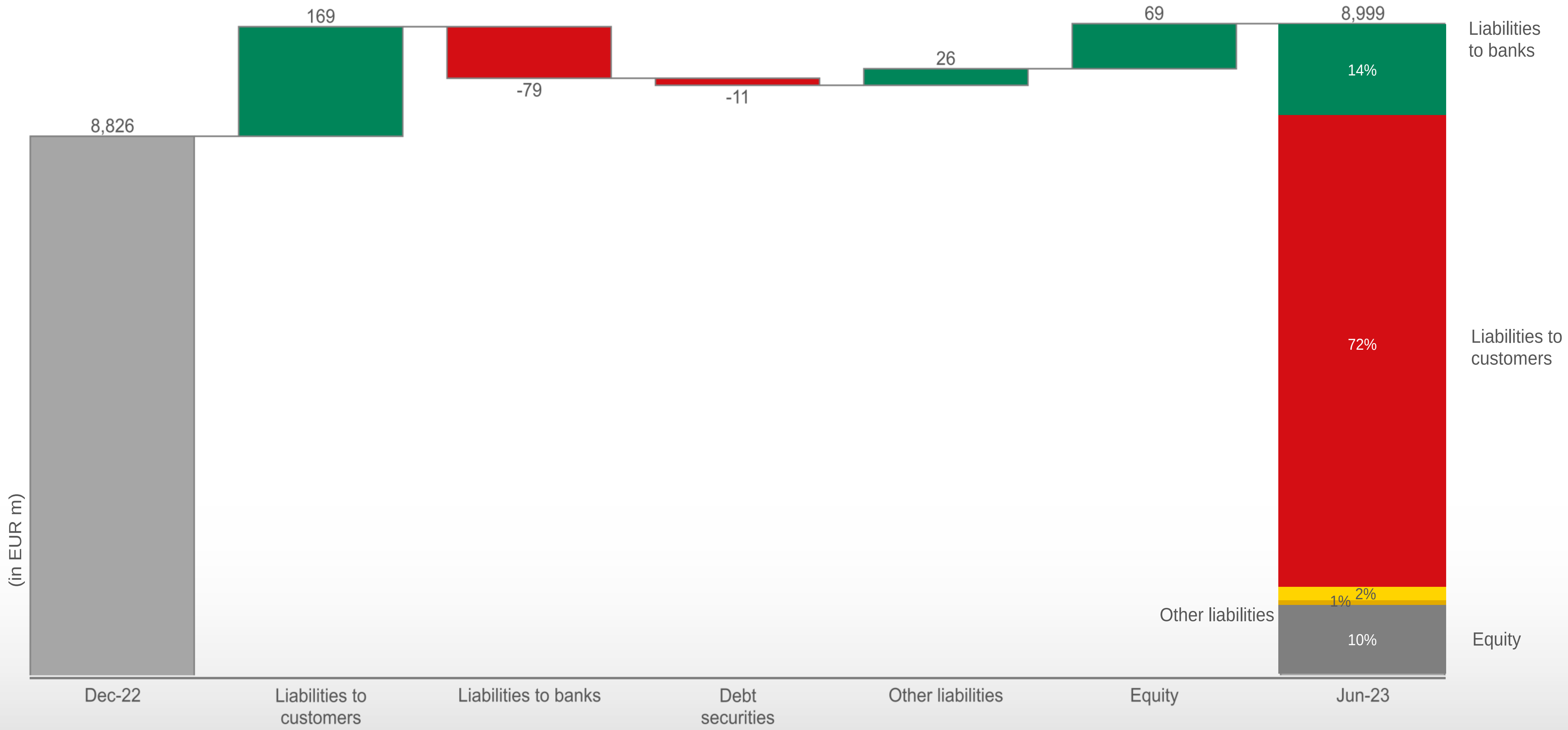
Balance sheet

In EUR m	Dec-22	Jun-23
Assets		
Cash and central bank balances	1,940	1,916
Loans and advances to banks	280	337
Investment securities	480	568
Loans and advances to customers	6,108	6,156
Loss allowance for loans to customers	-215	-212
Derivative financial assets	13	12
Property, plant and equipment	134	135
Other assets	87	88
Total assets	**8,826**	**8,999**
Liabilities		
Liabilities to banks	1,319	1,239
Liabilities to customers	6,290	6,458
Derivative financial instruments	1	0
Debt securities	192	181
Other liabilities	62	68
Subordinated debt	94	114
Total liabilities	**7,957**	**8,061**
Equity		
Subscribed capital	294	294
Capital reserve	147	147
Retained earnings	513	577
Translation reserve	-82	-79
Revaluation reserve	-3	0
Equity attributable to ProCredit shareholders	**869**	**939**
Total equity	**869**	**939**
Total equity and liabilities	**8,826**	**8,999**

Asset reconciliation



Liabilities and equity reconciliation



A. Impact reporting

B. P&L and balance sheet

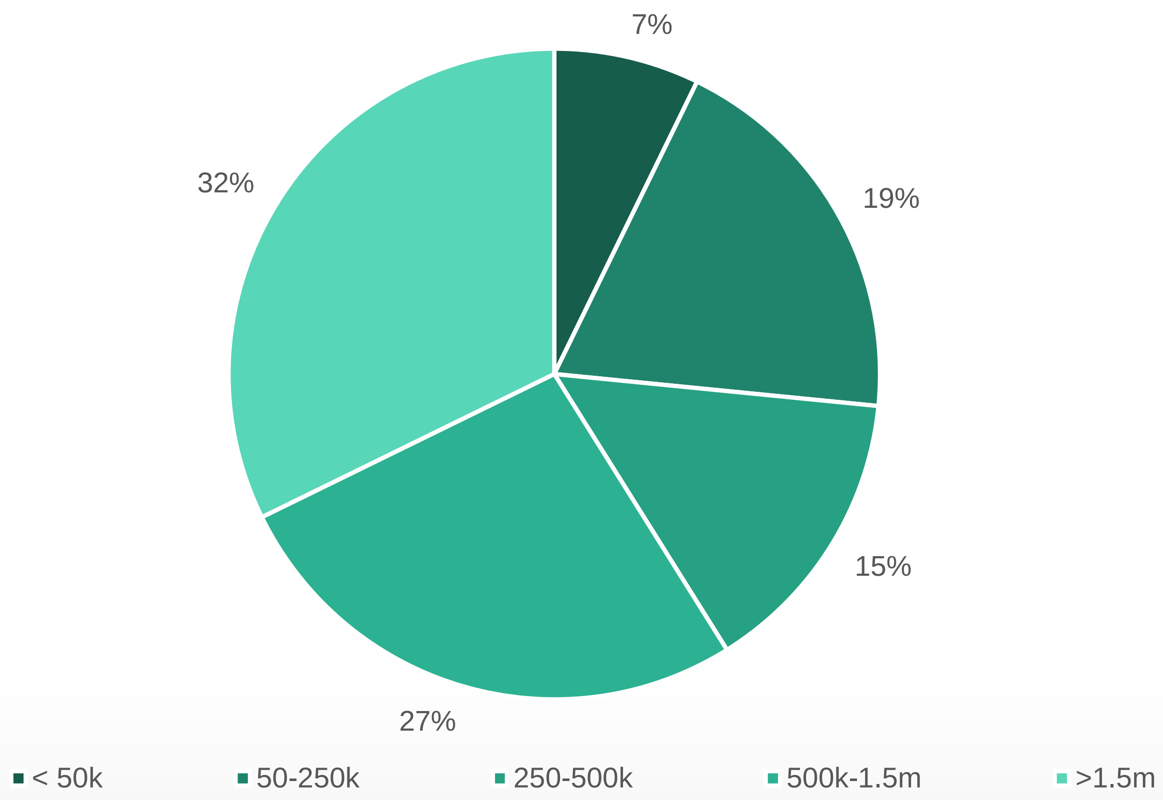
C. **Loan portfolio**

D. Information on segment and bank level

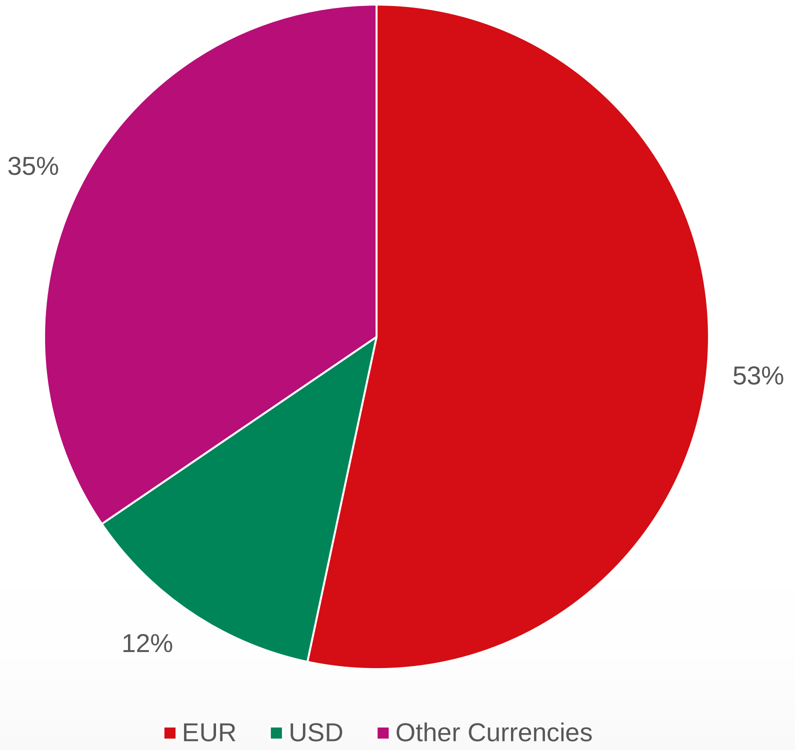
E. Capital, liquidity and other information

Structure of the loan portfolio by exposure and currency

Loan portfolio by exposure

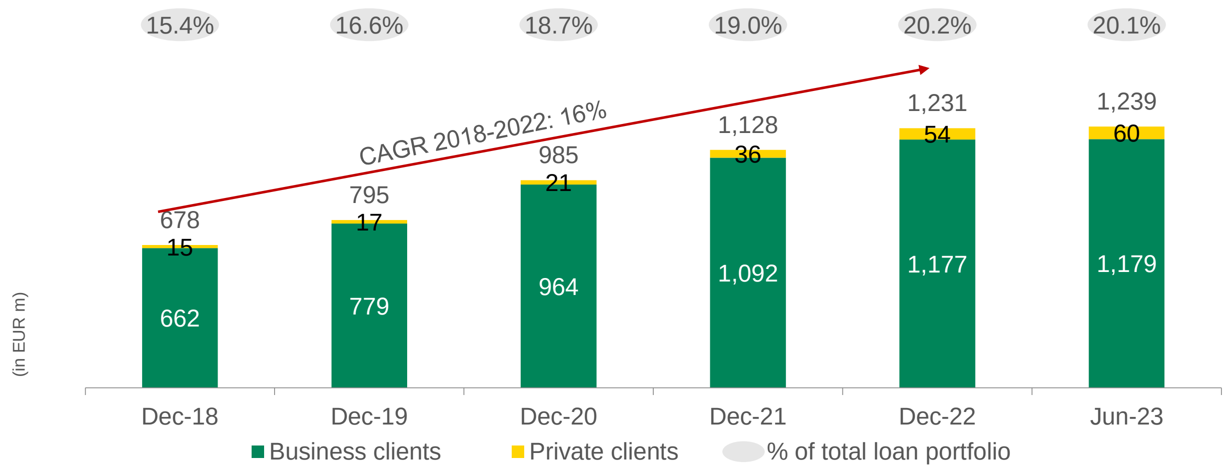


Loan portfolio by currency

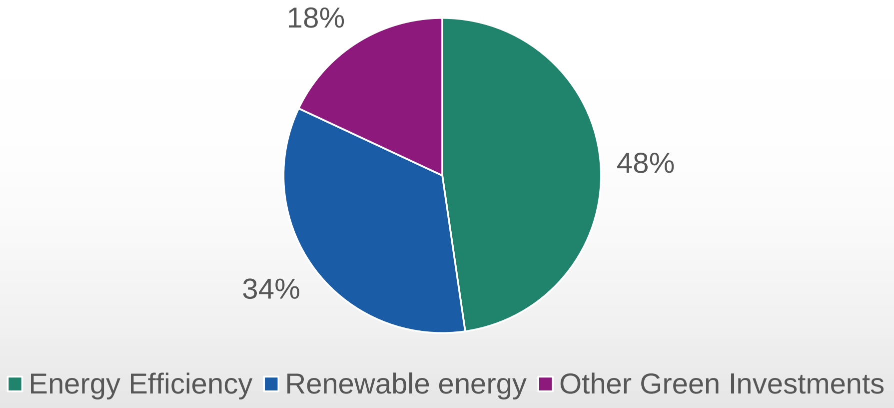


Development of green loan portfolio

Green loan portfolio growth



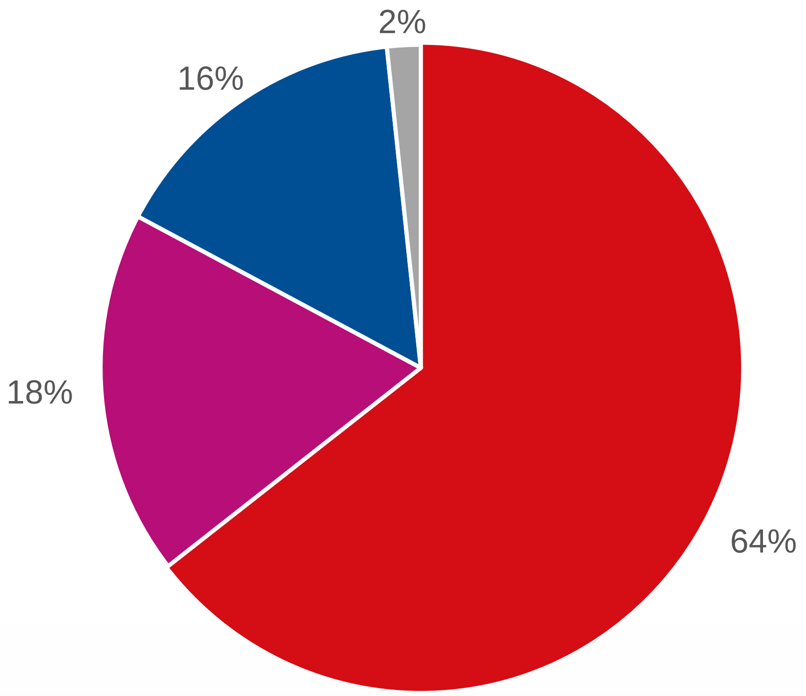
Structure of green loan portfolio



- Green loan portfolio amounting to EUR 1.2bn, representing 20.1% of total loan portfolio
- 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 collateral

Collateral by type (FY 2022)



Total: EUR 4.7 bn

■ Immovable properties ■ Financial guarantees ■ Other ■ Cash collateral

- 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

Appendix

A. Impact reporting

B. P&L and balance sheet

C. Loan portfolio

D. Information on segment and bank level

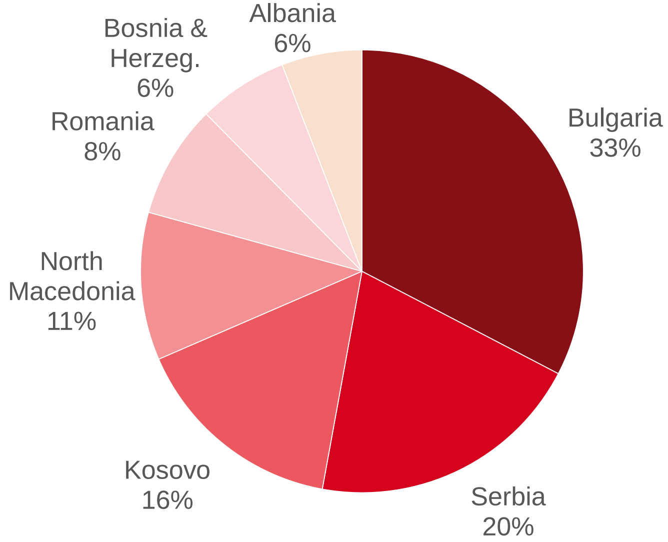
E. Capital, liquidity and other information

Income statement by segment

01.01.- 30.06.2023 (in EUR m)	Germany	Eastern Europe	South Eastern Europe	South America	Consolidation	Group
Interest and similar income	23.9	83.2	132.2	24.2	-19.4	244.0
of which inter-segment	12.3	3.2	2.3	0.0	0.0	0.0
Interest and similar expenses	22.7	38.3	32.7	14.1	-19.4	88.4
of which inter-segment	7.8	2.3	4.7	3.0	0.0	0.0
Net interest income	**1.2**	**44.9**	**99.5**	**10.0**	**0.0**	**155.7**
Fee and commission income	7.8	7.3	31.9	1.0	-6.0	42.0
of which inter-segment	5.8	0.0	0.2	0.0	0.0	0.0
Fee and commission expenses	0.9	3.8	13.5	0.9	-6.0	13.1
of which inter-segment	0.1	0.1	1.1	0.2	0.0	1.5
Net fee and commission income	**6.9**	**3.5**	**18.4**	**0.1**	**0.0**	**28.9**
Result from foreign exchange transactions	0.5	4.1	8.2	0.1	0.0	12.9
Result from derivative financial instruments	-0.3	0.0	-0.6	0.0	0.0	-0.9
Result on derecognition of financial assets measured at amortised cost	0.0	-0.4	0.1	0.0	0.0	-0.4
Net other operating income	25.9	0.1	-4.3	-0.4	-30.7	-4.4
of which inter-segment	28.2	1.0	1.5	0.0	0.0	0.0
Operating income	**39.1**	**52.2**	**121.3**	**9.8**	**-30.7**	**191.8**
Personnel expenses	18.2	8.9	25.2	4.1	0.0	56.4
Administrative expenses	23.0	14.1	41.1	5.9	-26.0	58.1
of which inter-segment	4.6	6.2	12.9	2.3	0.0	0.0
Loss allowance	-0.3	-3.0	4.5	-0.6	0.0	0.5
Profit before tax	**-1.9**	**32.3**	**50.6**	**0.5**	**-4.7**	**76.7**
Income tax expenses	0.0	6.0	5.8	0.9	0.0	12.7
Profit of the period	**-1.9**	**26.2**	**44.7**	**-0.4**	**-4.7**	**64.1**

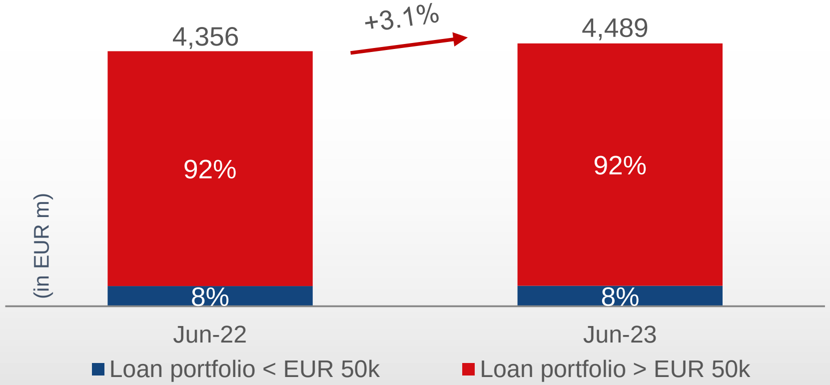
Segment South Eastern Europe

Regional loan portfolio breakdown



Total: EUR 4,498m (73% of gross loan portfolio)

Loan portfolio growth (by exposure)

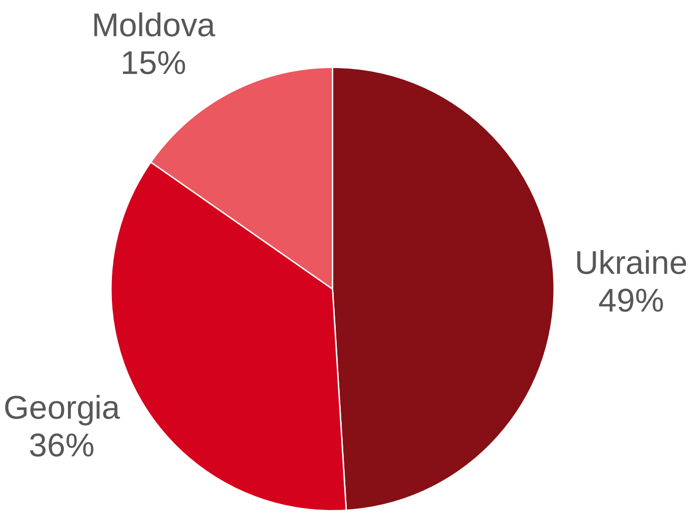


Key financial data

(in EUR m)	H1-22	H1-23
Net interest income	71.6	**99.5**
Net fee and commission income	16.8	**18.4**
Other operating income (net)	5.3	**3.4**
Operating income	93.7	**121.3**
Personnel expenses	19.5	**25.2**
Admininistrative expenses	33.9	**41.1**
Loss allowance	-0.2	**4.5**
Tax expenses	4.1	**5.8**
Profit after tax	36.4	**44.7**
Change in customer loan portfolio	5.3%	**2.1%**
Deposit-to-loan ratio	92.4%	**104.3%**
Net interest margin	2.5%	**3.2%**
Cost-income ratio	57.0%	**54.6%**
Return on equity	12.0%	**13.2%**

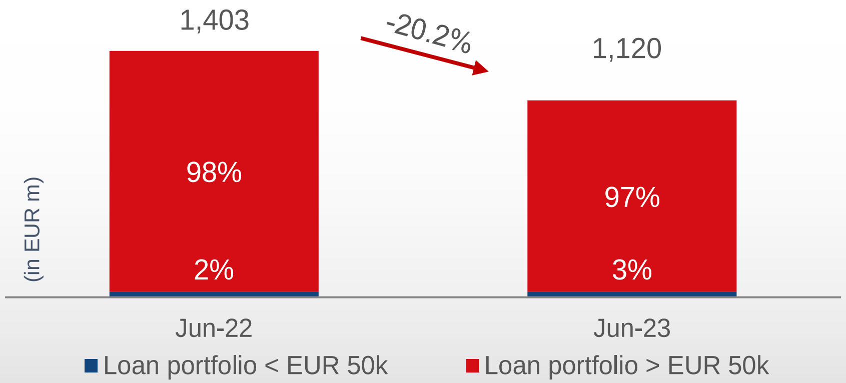
Segment Eastern Europe

Regional loan portfolio breakdown



Total: EUR 1,120m (18% of gross loan portfolio)

Loan portfolio growth (by exposure)

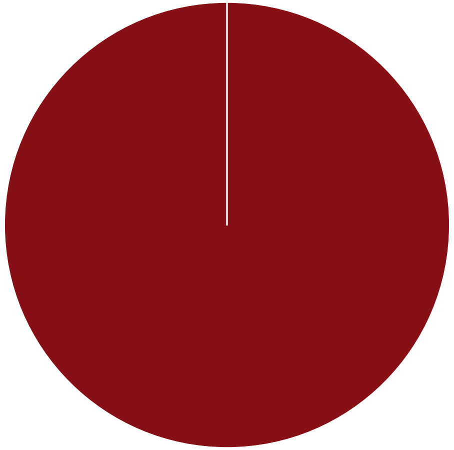


Key financial data

(in EUR m)	H1-22	H1-23
Net interest income	40.2	**44.9**
Net fee and commission income	3.4	**3.5**
Other operating income (net)	3.9	**3.8**
Operating income	47.5	**52.2**
Personnel expenses	8.5	**8.9**
Admininistrative expenses	13.3	**14.1**
Loss allowance	56.6	**-3.0**
Tax expenses	-5.8	**6.0**
Profit after tax	-25.0	**26.2**
Change in customer loan portfolio	6.6%	**-3.5%**
Deposit-to-loan ratio	81.8%	**105.5%**
Net interest margin	4.4%	**5.1%**
Cost-income ratio	45.8%	**44.0%**
Return on equity	-21.5%	**25.1%**

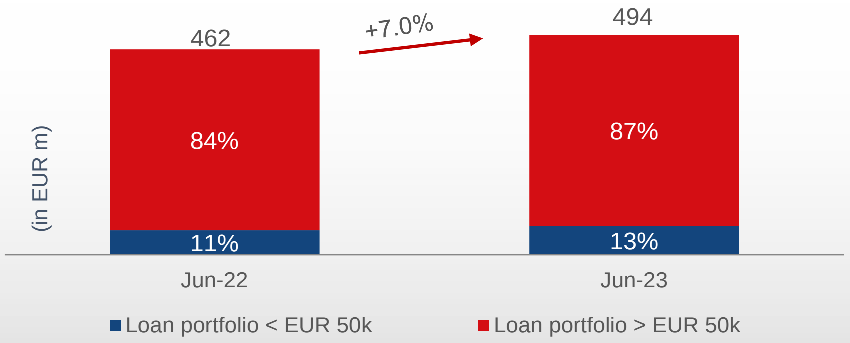
Segment South America

Regional loan portfolio breakdown



Total: EUR 494m (8% of gross loan portfolio)

Loan portfolio growth (by exposure)



Key financial data

(in EUR m)	H1-22	H1-23
Net interest income	12.4	**10.0**
Net fee and commission income	-0.1	**0.1**
Other operating income (net)	-0.7	**-0.3**
Operating income	11.6	**9.8**
Personnel expenses	3.2	**4.1**
Admininistrative expenses	6.0	**5.9**
Loss allowance	0.6	**-0.6**
Tax expenses	0.6	**0.9**
Profit after tax	1.1	**-0.4**
Change in customer loan portfolio	14.5%	**-0.8%**
Deposit-to-loan ratio	62.8%	**69.4%**
Net interest margin	4.6%	**3.2%**
Cost-income ratio	79.9%	**101.4%**
Return on equity	4.2%	**-1.3%**

Key figures per ProCredit bank (as per H1 2023)

Country	Bulgaria	Serbia	Kosovo	North Macedonia	Romania	Bosnia & Herzegovina
Customer loan portfolio (EUR m)	1,466	908	702	484	372	294
Change in customer loan portfolio (%)	2.4%	-2.2%	4.0%	2.2%	6.1%	3.0%
Credit impaired loans (Stage 3)	0.7%	2.8%	1.7%	1.8%	1.5%	2.1%
Profit after tax (EUR m)	12.0	9.4	11.7	4.8	2.9	2.8

- South Eastern Europe
- Eastern Europe
- South America
- Germany

Country	Albania	Ukraine	Georgia	Moldova	Ecuador	Germany
Customer loan portfolio (EUR m)	264	549	399	172	494	53
Change in customer loan portfolio (%)	4.7%	-5.7%	-0.7%	-2.2%	-0.8%	-2.5%
Credit impaired loans (Stage 3)	2.9%	12.4%	2.9%	3.1%	6.6%	0.0%
Profit after tax (EUR m)	1.3	12.4	9.9	4.1	-0.4	5.0

Appendix

A. Impact reporting

B. P&L and balance sheet

C. Loan portfolio

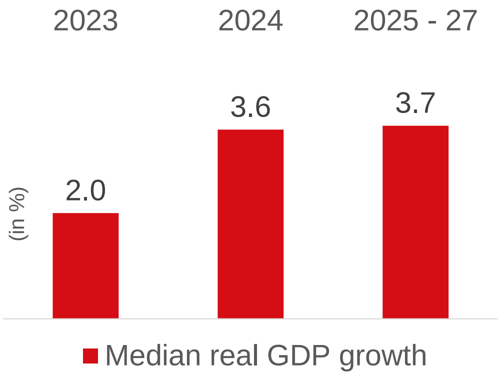
D. Information on segment and bank level

E. Capital, liquidity and other information

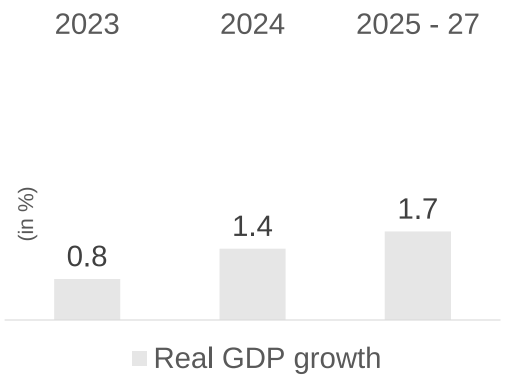
Strategic group positioning on SEE/EE, with positive expected GDP development and increased international focus on the region

GDP outlook for SEE/EE remains intact, Euro area lower

SEE/EE, excl. Ukraine[(1)]

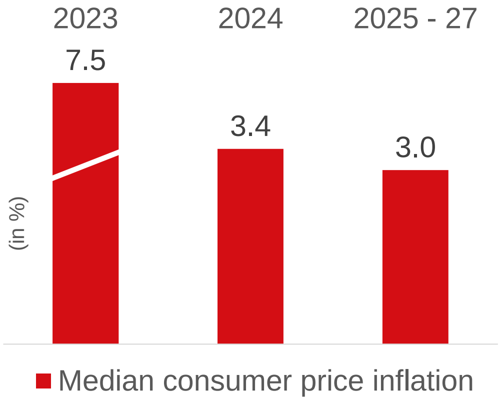


Euro area

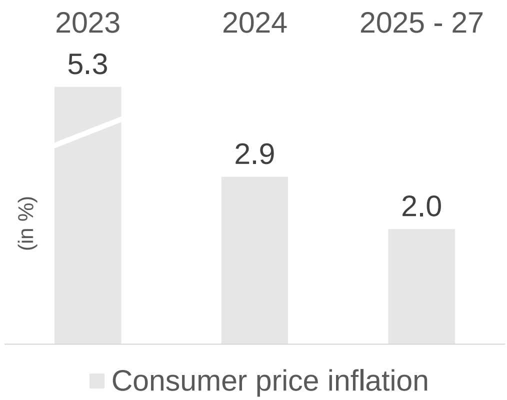


Inflation expected to decrease after 2023

SEE/EE, excl. Ukraine[(1)]



Euro area



(1) Includes PCH countries of operation in SEE and EE, excluding Ukraine as data not available beyond 2023; Inflation figures based on average period consumer prices; Source: IMF World Economic Outlook Apr-23

Macroeconomic environment / key current themes

Expected GDP growth

- 2023 median GDP growth in SEE/EE estimated at 2.0%, however significantly above Euro area
- Resilience of the region demonstrated by intact mid-term GDP growth outlook of c. 3.5 – 4.0% p.a.

Regional focus on SEE/EE

- Increased momentum regarding EU accession since last twelve months (e.g. new candidates, significant increase of diplomatic visits; intensified talks Serbia, Kosovo and EU)
- Partially increased level of investment appetite and FDI inflows

War on Ukraine

- Still ongoing with significant human and economic losses
- Ukraine 2023 GDP outlook recently indicated to plus 1-3% (IMF), however, still subject to high risks as war continues
- Different possible scenarios after recent stop of grain deal

Inflation outlook

- Inflationary environment expected to prevail also in H2-23, recent slowdown observed in some markets
- Reversion to a ~3% level expected to start in 2024, depending on country; lack of labor key constraint in many industries

Interest rate policies

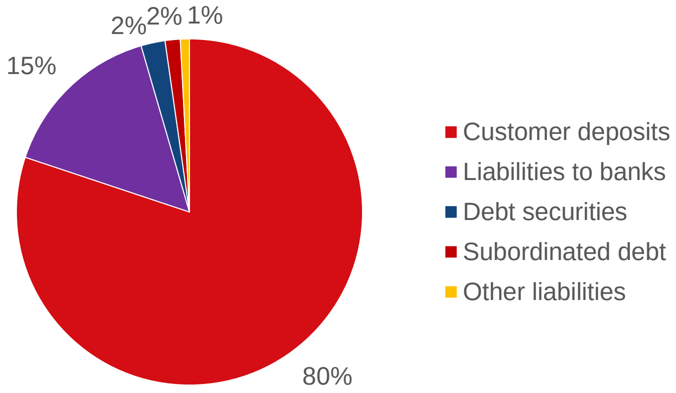
- Many central banks with increased base rates
- ECB and FED with further increased policy rates in Jul-23; additional increases possible

Energy prices/ security

- Strong increase in commodity / energy prices in 2022 as key challenge to consumers / SMEs / governments
- Mostly strong reduction of respective country dependencies to energy imports from Russia

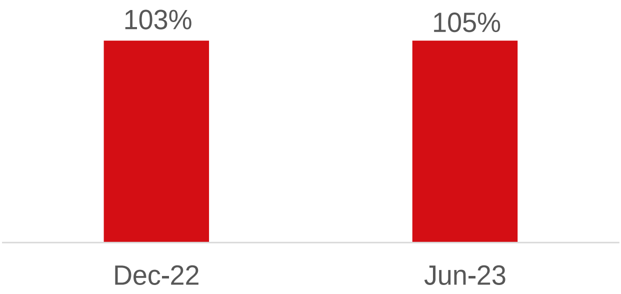
Funding, rating and liquidity

Funding sources



Total liabilities: EUR 8.1 bn

Deposit-to-loan ratio development

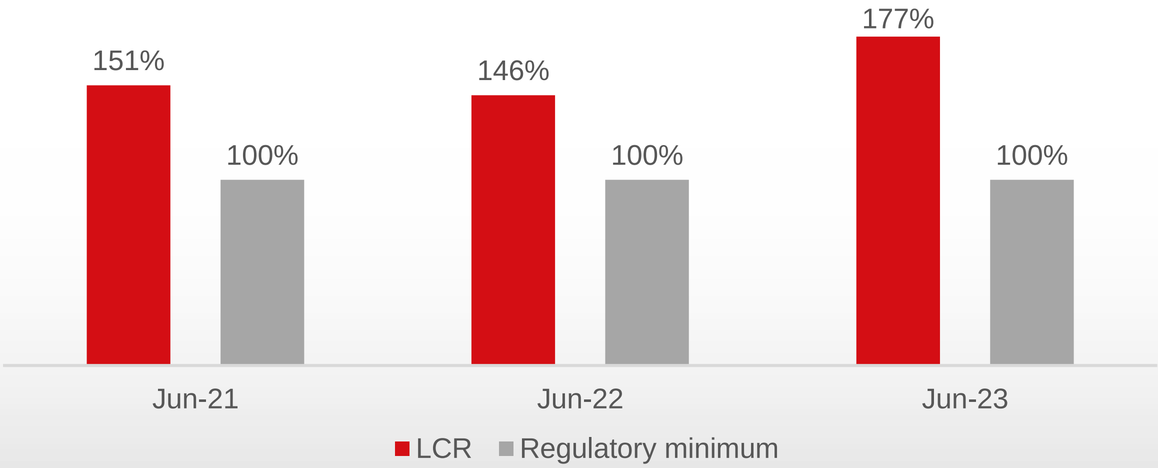


Rating

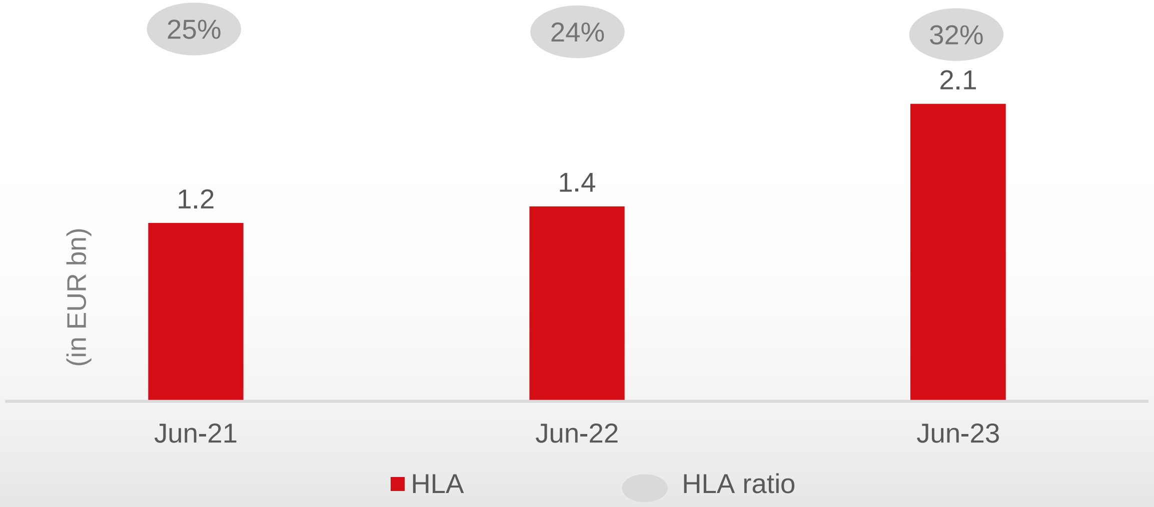
BBB (stable)

ProCredit Holding rating by Fitch, last affirmed on 23 June 2023

Liquidity coverage ratio



Highly liquid assets (HLA) and HLA ratio



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 portfolio, an important contribution to sustainability goals is made, as presented in the Impact Report

The group considers amongst others the following risk factors to its short- and medium-term guidance:

- The potential expansion of the war to further areas of Ukraine and the suspension of the Black Sea Grain Initiative represent a significant risk factors for our guidance and could be reflected in increased cost of risk.
- Additional risk factors include negative economic impacts related to major disruptions in our countries of operation, intensified supply-chain and energy-sector disruptions, higher funding costs and changes in our funding markets, significant changes in foreign trade or monetary policy, a deterioration in interest rate margins, increasing inflationary pressures, and pronounced exchange rate fluctuations.

(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	Location	Event information
04.09. – 05.09.2023	Frankfurt/ Main	Equity Forum, Fall Conference 2023
14.11.2023		Quarterly Financial Report as of 30 September 2023, 16:00 CET Analyst Call
27.11. – 29.11.2023	Frankfurt/ Main	Deutsche Börse, Deutsches Eigenkapitalforum 2023

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Disclaimer

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