

## **Statement from the Management of ProCredit Holding on the situation of ProCredit Bank Ukraine**

Frankfurt am Main, 25 February 2022

We all witness with deep concern the Russian invasion of Ukraine. It goes without saying that this concern stretches far beyond ProCredit and its bank in Ukraine, but we felt it was important to communicate with our shareholders and partners at this time—not in political or financial terms, but with just a few key messages.

The ProCredit group stands behind our bank in Ukraine. It is at these times above all that our development-oriented approach comes into its own. We have long experience in working in Ukraine and in conflict situations. In guiding the bank in this context we will have the long-term view in mind, whilst supporting local management to take intelligent daily decisions in response to a rapidly evolving situation on the ground. We believe we play an important part, as we trust that the international community as a whole will also, in acting in a wise and considered way.

Our first thoughts are of course with all our 328 bank staff in Ukraine, as well as the 65 staff of our IT subsidiary, Quipu, based in Kyiv. All possible precautions are and will be taken to ensure their safety. We will at the same time maintain close relationships with our credit borrowers and depositors via the effective remote communication tools that we have developed in recent years. Our bank in Ukraine has sent out messages to all our customers informing them about the current situation of our banking operations in general. Above all it is the long-term relationships ProCredit has with its very experienced staff and with its clients that helps us to respond to the current situation.

ProCredit Bank Ukraine will work closely with the National Bank of Ukraine (NBU) to ensure that the response of the financial sector to the developments is strong and responsible and we will continue to provide support to clients. The NBU has already introduced foreign exchange and cash withdrawal restrictions. The close relationships we have with our depositors and their confidence in ProCredit as a German banking group will be important in this context.

This message is not one that focuses on possible financial implications as the situation is far too dynamic for any meaningful assessment at this very early stage. By way of general facts: ProCredit Bank Ukraine contributes approximately 13% to the group's loan portfolio. Our exposure in the Donetsk and Luhansk regions is very limited. The group is well situated to manage short-term liquidity constraints. Clearly, lending is now limited in Ukraine and we focus on working with existing clients to respond to the evolving situation.

The ProCredit group comprises 12 banks, with the bulk of our assets not directly impacted by events in Ukraine. ProCredit Holding has put in place risk management structures to ensure good visibility, assessment and response to group relevant risks emerging from the situation in Ukraine and the wider sanctions.

We value the support of our shareholders and partners. Be assured, our colleagues in Ukraine also appreciate your thoughts and support.