ProCredit HOLDING

QUARTERLY REPORT AS OF 31 MARCH

2022

Contents

Quarterly Financial Report

FUNDAMENTAL INFORMATION ABOUT THE GROUP

Our strategy

The activities of the ProCredit group comprise the financing of Small and Medium-sized Enterprises (SMEs) and direct banking for private clients. We operate in South Eastern Europe, Eastern Europe, South America and Germany. The superordinated company of the group is ProCredit Holding, based in Frankfurt am Main.

Through our business activities we aim to sustainably provide a return on investment for our shareholders while making a contribution to economic, social and ecological development. Our business strategy is based on long-term relationships with our clients and staff as well as a conservative approach to risk. The group does not engage in speculative lines of business.

Accountability is part of our culture. Sustainable behaviour is therefore essential for us, and we want our activities to make a positive, lasting contribution to the environment and to society. We coordinate our actions using a comprehensive environmental management system. Accordingly, we analyse the environmental impact of both our own activities and those of our clients. During this process, we promote green investment projects, especially in energy efficiency and renewable energies.

We aim to be the "Hausbank" for our clients, and thus to be their first point of contact for financing and deposits as well as for account and payment services. Our SME clients typically have financing needs ranging from EUR 50 thousand to the single-digit millions. As specialists in financing SMEs, we understand the particular challenges these clients face and the specific needs they have, often going well beyond just loans. We offer all banking services in terms of financing, account operations, payments and deposit business, and we also support our clients in their long-term investment projects. In addition, we offer efficient solutions for trade finance business and international payments through our network of banks.

In addition to serving SMEs, we also pursue a direct banking strategy for private clients, particularly the growing middle class. Our comprehensive range of online services creates the foundation for long-term client relationships. Our clients can conduct their banking transactions directly via our digital channels, and individual customer enquiries are processed in a focused way through our call centres. In general, we do not offer counter and cash transactions, which meant that the changes in contact and distance rules introduced in the time of the pandemic were relatively easy for us to implement and had virtually no impact on business operations. With our direct services, we aim to stand out from other providers in our markets in terms of convenience, security and transparency.

REPORT ON THE ECONOMIC POSITION OF THE GROUP

Course of business operations

On the one hand, our business performance in the first three months of the year was positive for the majority of ProCredit banks, even if their results were negatively affected by uncertainties related to COVID-19 and its impact on the economy. On the other hand, the war of aggression against Ukraine dominated the first quarter. The attack on a sovereign European country and the further developments of the war have caused us great concern and we are extremely worried about the people in Ukraine. At the same time, the ongoing conflict in Ukraine is also reflected in our economic development. In our reporting, we would like to take this into account by presenting extraordinary charges separately. Further information can also be found in the sections on results of operations, the Eastern Europe segment and credit risk.

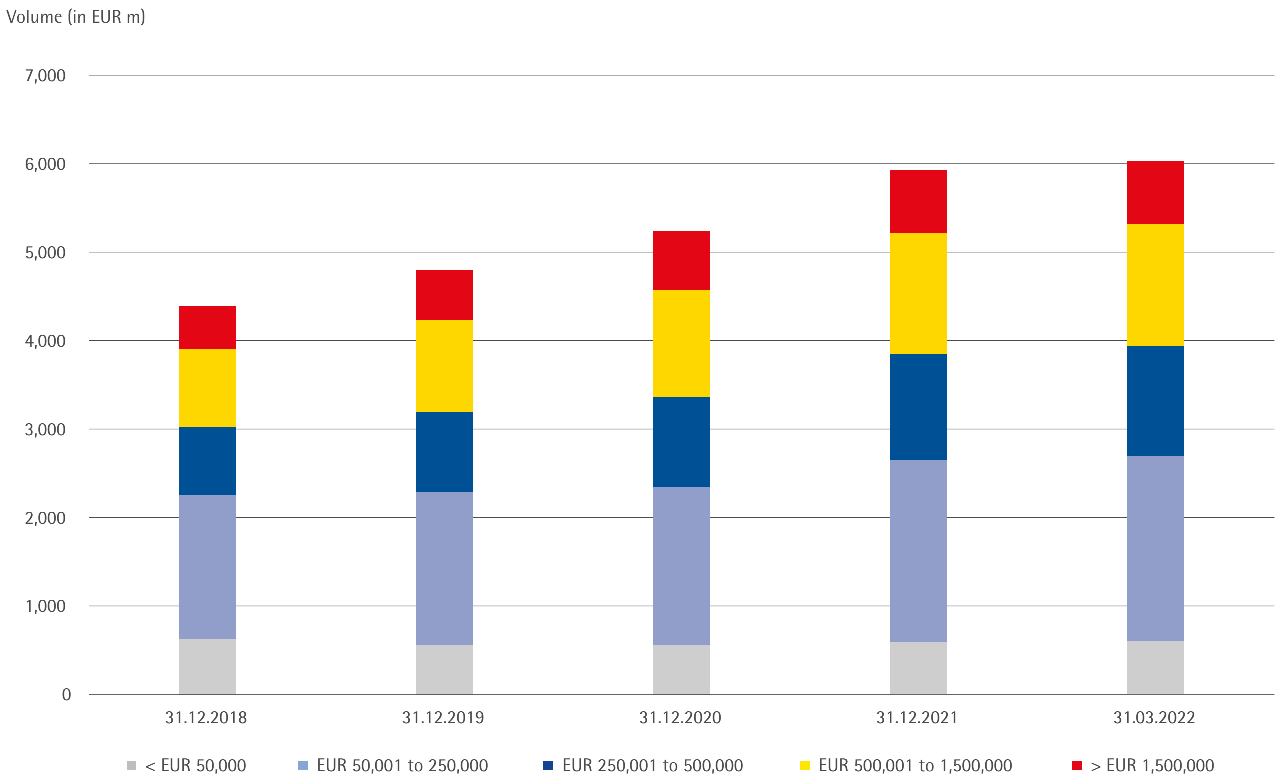
The loan portfolio increased overall by more than EUR 100 million, or 1.8%, which was influenced to a minor extent by negative currency effects. At the same time, more than 20% of the total growth came from green loans. Deposits remained at roughly the same level as at the end of the year, recording a slight decrease of around EUR 25 million. In the current income and expense items, we generally achieved a good result and our cost-income ratio decreased by 5.7 percentage points to 59.1%; however, additional provisioning expenses of around EUR 35 million resulting from the war of aggression against Ukraine impacted our consolidated result. At EUR -1.7 million, this figure is significantly below the level reported for the same period of the previous year. Taking into account the uncertainties noted above, the financial position and financial performance of the group remain solid overall and are in line with expectations.

in EUR m

Statement of Financial Position	**31.03.2022**	**31.12.2021**	**Change**
Loan portfolio	6,029.1	5,924.4	104.6
Deposits	5,517.4	5,542.3	-24.9
Statement of Profit or Loss	**1.1.-31.03.2022**	**1.1.-31.03.2021**	**Change**
Net interest income	60.2	49.3	10.9
Net fee and commission income	12.6	12.0	0.7
Operating income	77.7	62.8	14.8
Personnel and administrative expenses	45.9	40.7	5.2
Loss allowance	35.6	3.6	31.9
of which contribution of PCB Ukraine	*35.3*	*1.1*	*34.2*
Profit of the period	-1.7	15.6	-17.3
of which contribution of PCB Ukraine	*-23.4*	*3.9*	*-27.4*
Key performance indicators	**1.1.-31.03.2022**	**1.1.-31.03.2021**	**Change**
Change in loan portfolio	1.8%	3.0%	-1.2 pp
Cost-income ratio	59.1%	64.8%	-5.7 pp
Return on equity (annualised)	-0.8%	7.9%	-8.7 pp
	31.03.2022	**31.12.2021**	**Change**
Common Equity Tier 1 capital ratio	13.4%	14.1%	-0.7 pp
Additional indicators	**31.03.2022**	**31.12.2021**	**Change**
Deposits to loan portfolio	91.5%	93.5%	-2.0 pp
Net interest margin (annualised)	2.9%	2.9%	0.1 pp
Cost of risk (annualised)	238 bp	12 bp	226 bp
Share of defaulted loans	2.3%	2.3%	0.0 pp
Stage 3 loans coverage ratio	51.5%	49.6%	1.9 pp
Green loan portfolio	1,150.6	1,128.1	22.5

Assets

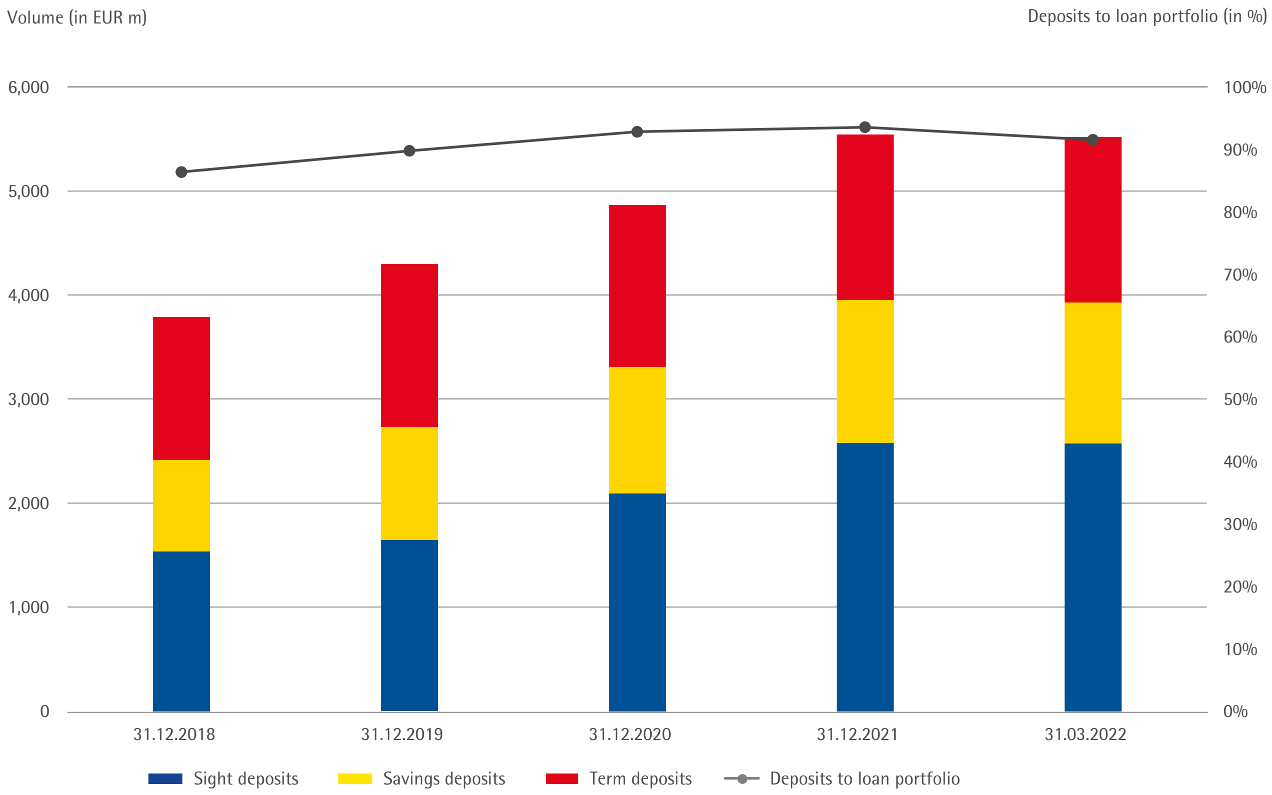
Total assets decreased by around EUR 50 million in the first quarter of the year. We were able to continue growing our loan portfolio as expected in most countries and size segments, and overall our portfolio increased by EUR 104.6 million. Green loans accounted for 21.5% of this growth. At the same time, we recorded a decline in our liquid assets, which are usually somewhat higher at year-end due to seasonal factors but lower again in the new year.



Loan portfolio development, by loan volume

Liabilities and equity

On the liabilities side, the balance sheet decrease resulted predominantly from the repayment of debt securities in the amount of EUR 26.8 million and a slight decline in deposits by EUR 24.9 million. Compared to year-end, the ratio of deposits to the loan portfolio decreased slightly to 91.5%.



Deposit development

We had a solid liquidity position at all times during the reporting period. At the end of the first quarter, the liquidity coverage ratio (LCR) stood at 151%.

Equity declined by EUR 8.2 million compared to year-end 2021, due to a decrease in the translation reserve, the revaluation reserve and the current consolidated result. At 13.4% as of 31 March 2022, the Common Equity Tier 1 capital ratio (CET1 fully loaded) is 0.7 percentage points below the year-end level, which is mainly attributable to the downgrade of Ukraine's country rating. The group's capitalisation continues to be stable.

Result of operations

At EUR -1.7 million, the consolidated result is significantly below the result for the same period of the previous year. This figure must, however, be viewed in a differentiated manner: first the operating performance of our banks and then the war of aggression against Ukraine with its effects on our group. All ProCredit banks (with the exception of PCB Ukraine) continue to develop successfully as in recent years and are, despite the effects that COVID-19 may have on the economy, generally reporting growing loan portfolios, including in green loans, increasing net interest and fee income and improved returns on equity and cost-income ratios. On the other hand, the war in Ukraine has affected us both in a human sense and economically. We have concern for the people who are affected in any way by the armed conflict. At the operational level, we are in close exchange with our Ukrainian colleagues, who mainly work remotely within Ukraine or abroad. Our colleagues are continuing to run the bank as well as feasible in this generally challenging context, and operations are maintained to the greatest possible extent. We hope for an improvement of the whole situation soon.

The ProCredit group recorded a significant increase in net interest income in the first quarter of the financial year. This indicator increased by EUR 10.9 million, or 22.1%, compared to the same period of the previous year.

Interest income increased by EUR 13.5 million, while interest expenses grew by EUR 2.6 million. The net interest margin was 2.9%, 8 basis points above the margin for the whole of 2021.

Net fee and commission income also increased by EUR 0.7 million or 5.5%. In particular, income from payment transactions and from debit and credit cards improved.

Overall, our operating income rose by EUR 14.8 million or 23.6%. Personnel and administrative expenses increased by EUR 5.2 million or 12.8%. Higher spending for salaries, marketing and IT were the main drivers here. The cost-income ratio improved by 5.7 percentage points to 59.1%, due to the positive development of income. Loss allowances increased by EUR 31.9 million to a total of EUR 35.6 million; this was due in particular to a substantial rise in the average expected losses resulting from the armed conflict in Ukraine. These loss allowances correspond to an annualised cost of risk of 238 basis points, which is significantly higher than the previous year's level.

As a result of the higher loss allowances, the consolidated result fell by EUR 17.3 million to EUR -1.7 million, leading to a negative return on equity of 0.8% in the first quarter.

At 2.3%, the share of defaulted loans remained stable compared with the year-end 2021 level. The ratio of allowances to defaulted loans increased slightly, rising to 51.5%. Taking into account the ongoing armed conflict in Ukraine as well as the macroeconomic impact caused by the COVID-19 pandemic, the result of operations is in line with our expectations.

Segment overview

Developments in the geographic segments South Eastern Europe, Eastern Europe, South America and Germany will be discussed below.

in '000 EUR	**1.1.-31.03.2022**	**1.1.-31.03.2021**
South Eastern Europe	18,226	9,950
Eastern Europe	-18,490	7,072
South America	105	116
Germany*	-1,554	-1,514
Profit of the period	**-1,713**	**15,624**

* *Segment Germany includes consolidation effects*

South Eastern Europe

in EUR m

Statement of Financial Position	31.03.2022	31.12.2021	Change
Loan portfolio	4,234.7	4,134.7	99.9
Deposits	3,946.1	3,936.8	9.3

Statement of Profit or Loss	1.1.-31.03.2022	1.1.-31.03.2021	Change
Net interest income	34.8	29.8	4.9
Net fee and commission income	8.0	7.5	0.5
Operating income	46.2	38.6	7.6
Personnel and administrative expenses	25.9	24.5	1.4
Loss allowance	0.3	3.1	-2.8
Profit of the period	18.2	9.9	8.3

Key performance indicators	1.1.-31.03.2022	1.1.-31.03.2021	Change
Change in loan portfolio	2.4%	2.1%	0.3 pp
Cost-income ratio	56.1%	63.4%	-7.3 pp
Return on equity (annualised)	12.2%	7.1%	5.1 pp

Additional indicators	31.03.2022	31.12.2021	Change
Deposits to loan portfolio	93.2%	95.2%	-2.0 pp
Net interest margin (annualised)	2.5%	2.4%	0.1 pp
Cost of risk (annualised)	3 bp	18 bp	-15 bp
Share of defaulted loans	1.9%	2.0%	-0.1 pp
Stage 3 loans coverage ratio	54.8%	53.2%	1.6 pp
Green loan portfolio	848.9	826.1	22.8

Loan portfolio and deposits are presented without intercompany accounts.

South Eastern Europe is the group's largest segment. The loan portfolio for this segment increased by EUR 99,9 million to EUR 4.2 billion, with our banks in Bulgaria, Kosovo, and Bosnia and Herzegovina achieving the highest growth figures. The green loan portfolio recorded an increase of EUR 22,8 million. The share of defaulted loans improved by 0.1 percentage points to 1.9%, and the ratio of allowances to defaulted loans increased slightly.

Deposits increased by EUR 9 million, with particularly strong growth at our banks in Bosnia and Herzegovina and in Bulgaria.

The profit for the period climbed significantly, by EUR 8.3 million, primarily due to a rise of EUR 4.9 million in net interest income. All banks in this segment reported positive profit for the period. Despite slightly higher personnel and administrative expenses, the cost-income ratio of the segment improved substantially, dropping 7.3 percentage points to 56.1%.

Eastern Europe

in EUR m

Statement of Financial Position	31.03.2022	31.12.2021	Change
Loan portfolio	1,301.6	1,315.6	-14.1
Deposits	1,035.0	1,094.1	-59.1

Statement of Profit or Loss	1.1.-31.03.2022	1.1.-31.03.2021	Change
Net interest income	19.2	15.0	4.2
Net fee and commission income	1.7	1.8	-0.1
Operating income	22.9	17.4	5.5
Personnel and administrative expenses	11.0	7.9	3.1
Loss allowance	34.7	0.8	33.9
of which contribution of PCB Ukraine	*35.3*	*1.1*	*34.2*
Profit of the period	-18.5	7.1	-25.6
of which contribution of PCB Ukraine	*-23.4*	*3.9*	*-27.4*

Key performance indicators	1.1.-31.03.2022	1.1.-31.03.2021	Change
Change in loan portfolio	-1.1%	4.6%	-5.7 pp
Cost-income ratio	48.0%	45.4%	2.6 pp
Return on equity (annualised)	-32.5%	13.8%	-46.3 pp

Additional indicators	31.03.2022	31.12.2021	Change
Deposits to loan portfolio	79.5%	83.2%	-3.6 pp
Net interest margin (annualised)	4.3%	4.3%	0.0 pp
Cost of risk (annualised)	1059 bp	-12 bp	1071 bp
Share of defaulted loans	1.8%	1.9%	-0.1 pp
Stage 3 loans coverage ratio	67.2%	58.7%	8.5 pp
Green loan portfolio	205.1	205.0	0.1

Deposits are presented without intercompany accounts.

The loan portfolio in the Eastern Europe segment declined by EUR 14.1 million or 1.1%. This negative development was due in particular to the war in Ukraine, which has also affected our bank in neighbouring Moldova. This reduction was mainly due to exchange rate effects resulting from the devaluation of national currencies. The share of defaulted loans improved by 0.1 percentage points to 1.8%. The ratio of allowances to defaulted loans increased to 67.2%.

Deposits decreased by EUR 59.1 million or 5.4% compared to the end of the year, which is primarily attributable to the bank in Ukraine. Exchange rate effects also had a negative impact here.

Profit for the period decreased by EUR 18.5 million. Banking operations developed largely in line with expectations, while at the same time taking into account the elevated credit risk and corresponding loss allowances. Expenditures for loss allowances amount to EUR 34.7 million for the segment, with EUR 35.3 million being attributable to ProCredit Bank Ukraine. Net interest income increased by EUR 4.2 million, mainly due to positive volume effects and the rise in key interest rates in this segment. Personnel and administrative expenses increased EUR 3.1 million, particularly due to higher spending on staff and IT. The cost-income ratio increased by 2.6 percentage points to 48.0%. The profit for the period is negative and amounts to EUR -18.5 million, with ProCredit Bank Ukraine contributing EUR -23.4 million. Overall, this represents a return on equity of -32.5%.

South America

in EUR m

Statement of Financial Position	31.03.2022	31.12.2021	Change
Loan portfolio	442.9	423.3	19.6
Deposits	275.1	254.2	20.9

Statement of Profit or Loss	1.1.–31.03.2022	1.1.–31.03.2021	Change
Net interest income	6.0	4.4	1.6
Net fee and commission income	-0.1	-0.1	0.0
Operating income	5.6	4.0	1.6
Personnel and administrative expenses	4.6	4.0	0.6
Loss allowance	0.5	-0.2	0.7
Profit of the period	0.1	0.1	0.0

Key performance indicators	1.1.–31.03.2022	1.1.–31.03.2021	Change
Change in loan portfolio	4.6%	8.8%	-4.2 pp
Cost-income ratio	82.1%	99.7%	-17.6 pp
Return on equity (annualised)	0.9%	1.0%	-0.2 pp

Additional indicators	31.03.2022	31.12.2021	Change
Deposits to loan portfolio	62.1%	60.0%	2.1 pp
Net interest margin (annualised)	4.7%	4.5%	0.2 pp
Cost of risk (annualised)	50 bp	27 bp	22 bp
Share of defaulted loans	6.8%	6.5%	0.4 pp
Stage 3 loans coverage ratio	30.7%	30.3%	0.4 pp
Green loan portfolio	85.5	84.1	1.4

Deposits are presented without intercompany accounts.

The loan portfolio of the South America segment increased by EUR 19.6 million or 4.6%. Deposits also increased by EUR 20.9 million or 8.2%. Both developments were partly boosted by the appreciation of the US dollar, although business growth adjusted for currency effects was also very positive.

Profit for the period remained stable compared to the previous year at EUR 0.1 million. Operating income improved by EUR 1.6 million, or 40%, as net interest income increased by a similar amount with a slight increase in the net interest margin. During the period, personnel and administrative expenses increased by approximately EUR 0.6 million, raising the cost-income ratio by 17.6 percentage points to 82.1%.

Germany

in EUR m

Statement of Financial Position	31.03.2022	31.12.2021	Change
Loan portfolio	49.9	50.7	-0.8
Deposits	261.1	257.1	4.0

Statement of Profit or Loss	1.1.-31.03.2022	1.1.-31.03.2021	Change
Net interest income	0.2	0.0	0.2
Operating income	14.3	13.1	1.2
Personnel and administrative expenses	15.9	14.6	1.3
Loss allowance	0.1	0.0	0.1
Profit of the period	-1.6	-1.5	-0.1
Profit of the period and consolidation effects	-1.6	-1.5	0.0

Loan portfolio and deposits are presented without intercompany accounts.

The development of the Germany segment essentially consists of the operations of ProCredit Holding, ProCredit Bank Germany and Quipu. The loan portfolio and deposits in the segment are attributed to the ProCredit Bank in Germany. The loan portfolio remained virtually unchanged from the previous year. Deposits showed a small increase of EUR 4.0 million.

At EUR -1.6 million, the segment's profit for the period remained largely unchanged compared to the previous year.

RISK REPORT

An informed and transparent approach to risk management is a central component of our socially responsible business model. This is also reflected in our risk culture and our risk appetite, resulting in decision-making processes that are well-balanced from a risk point of view. By following a consistent group-wide approach to managing risks, we aim to ensure that the liquidity and capitalisation of the group and each individual bank continues to be sustainable and appropriate at all times, as well as to achieve steady results. The principles of risk management and the risk strategy of the ProCredit group have not changed significantly compared to year-end. The information provided in the 2021 management report are still generally valid. If any fundamental changes in the methodology and processes involved in risk management have occurred during the current financial year, these are highlighted in this section. The group's overall risk profile remains suitable despite the war in Ukraine and the ongoing uncertainties resulting from the COVID-19 pandemic.

Credit risk

We define credit risk as the risk that the party to a transaction cannot fulfil its contractual obligations, not in full or not on time. Within overall credit risk we distinguish between customer credit risk, counterparty risk (including issuer risk) and country risk. Credit risk is our most significant risk, and customer credit exposures account for the largest share of that risk. The key objectives of credit risk management are to achieve high loan portfolio quality, low risk concentrations within the loan portfolio and appropriate coverage of credit risks with loss allowances.

At group and bank level, the loan portfolio is monitored continuously for possible risk-relevant developments. The riskiness of our clients is determined using a range of indicators, including the risk classification, restructuring status and compliance with contractual payment requirements. The forward-looking expected credit loss (ECL) model in accordance with IFRS 9 is the central element of the concept for quantifying loss allowances, for both on-balance-sheet and off-balance-sheet financial instruments. Accordingly, all credit exposures to customers are allocated among three stages, with a distinct provisioning methodology applied to each group. The calculated loss allowances are determined based on the expected credit losses for several future default scenarios. This represents the combined sum of the probability-weighted results from the scenarios. ECL estimates are based on reliable information about past events, current conditions and projections of future economic conditions.

Based on our intensive monitoring in 2021, we assess the impact of the COVID-19 pandemic on our loan portfolio thus far to be low. This is also reflected in observations regarding our quality indicators for the loan portfolio. There is only a low number of clients who operate in economic sectors which we have classified as vulnerable or whose business could be impacted by the pandemic for a longer period. None of our loans are currently under moratorium in connection with the COVID-19 pandemic.

The conflict in Ukraine has a significant impact on the loan portfolio. The Ukrainian bank has already made adjustments to the risk classification of its exposures at the end of the quarter, reflecting the general increase in risk among its clients. Ukraine's macroeconomic model parameters were also subject to adjustment. In addition, the entire Ukrainian loan portfolio (EUR 747 million) is under a moratorium, which is linked to the martial law conditions in the country.

We also expect the situation in Ukraine to have a negative impact on other banks in the ProCredit group, mainly due to indirect effects of the conflict such as the development of general inflation or energy prices. We also give separate consideration to the direct consequences for our customers of sanctions or business relationships in countries affected by the conflict. However, these did not result in any significant change in riskiness or adjustment to loss allowances for the other banks in the group at the end of the quarter.

Compared to year-end, loss allowances in Stage 1 grew by EUR 1.7 million, which is primarily due to loan portfolio growth, while loss allowances in Stage 2 grew significantly, by EUR 26.4 million. This development is largely attributable to the significant expansion of Stage 2 at our bank in Ukraine. Stage 3 loss allowances grew by EUR 2.9 million due to an increase in defaulted loans.

			31.03.2022		
in '000 EUR	Stage 1	Stage 2	Stage 3	POCI	Total
South Eastern Europe					
Gross outstanding amount	4,049,312	103,118	81,035	1,191	**4,234,656**
Loss allowances	-27,661	-8,729	-44,616	-475	**-81,481**
Net outstanding amount	4,021,651	94,389	36,419	716	**4,153,175**
Eastern Europe					
Gross outstanding amount	945,723	331,829	22,749	1,251	**1,301,552**
Loss allowances	-16,554	-34,897	-15,457	-664	**-67,572**
Net outstanding amount	929,169	296,932	7,292	587	**1,233,980**
South America					
Gross outstanding amount	376,349	36,284	29,873	424	**442,930**
Loss allowances	-3,107	-918	-9,211	-101	**-13,337**
Net outstanding amount	373,241	35,366	20,663	323	**429,593**
Germany					
Gross outstanding amount	48,516	1,023	380	0	**49,919**
Loss allowances	-344	-52	-29	0	**-426**
Net outstanding amount	48,172	971	351	0	**49,493**
Total					
Gross outstanding amount	5,419,899	472,254	134,038	2,865	**6,029,056**
Loss allowances	-47,667	-44,596	-69,313	-1,240	**-162,815**
Net outstanding amount	5,372,233	427,658	64,725	1,625	**5,866,241**
Contingent liabilities					
Nominal amount	749,295	37,672	1,121	0	**937,030**
Provisions	-2,752	-1,727	-264	0	**-5,023**

	31.12.2021				
in '000 EUR	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
South Eastern Europe					
Gross outstanding amount	3,933,093	118,360	82,084	1,202	**4,134,739**
Loss allowances	-27,261	-11,012	-43,893	-451	**-82,617**
Net outstanding amount	3,905,833	107,349	38,191	750	**4,052,122**
Eastern Europe					
Gross outstanding amount	1,231,375	59,279	23,619	1,371	**1,315,644**
Loss allowances	-15,248	-6,099	-14,167	-499	**-36,014**
Net outstanding amount	1,216,127	53,180	9,452	872	**1,279,630**
South America					
Gross outstanding amount	358,722	37,132	27,463	0	**423,316**
Loss allowances	-3,102	-1,037	-8,317	0	**-12,457**
Net outstanding amount	355,619	36,095	19,146	0	**410,859**
Germany					
Gross outstanding amount	50,334	376	0	0	**50,711**
Loss allowances	-353	-4	0	0	**-356**
Net outstanding amount	49,982	373	0	0	**50,354**
Total					
Gross outstanding amount	5,573,524	215,148	133,166	2,572	**5,924,410**
Loss allowances	-45,964	-18,152	-66,377	-951	**-131,444**
Net outstanding amount	5,527,560	196,996	66,788	1,622	**5,792,966**
Contingent liabilities					
Nominal amount	827,719	12,334	992	0	**986,577**
Provisions	-2,406	-401	-214	0	**-3,222**

The positive long-term development of portfolio quality is attributable to our clear focus on small and medium-sized businesses, as well as careful credit analysis and customer service. Close relationships with our clients enable us to gain a good understanding of their individual circumstances. This is particularly important in times of crisis and enables credit risks to be identified at an early stage and appropriate measures to be taken. The share of defaulted loans was 2.3% at the end of the first quarter, which was stable compared to the level recorded at year-end. The ratio of allowances to Stage 3 loans increased slightly, from 49.6% to 51.5%. No direct effects have been observed in this area from the war in Ukraine.

Capital management

During the reporting period, the ProCredit group met all regulatory capital requirements at all times.

As of 31 March 2022, the CET1 and T1 capital ratios of the ProCredit group stood at 13.4%. The total capital ratio was 14.4%. Our capitalisation is thus comfortably above the regulatory requirements, which are currently set at 8.2% for the CET1 capital ratio, 10.1% for the T1 capital ratio and 12.6% for the total capital ratio.

in EUR m	**31.03.2022**	**31.12.2021**
Common equity (net of deductions)	784.8	792.0
Additional Tier 1 (net of deductions)	0.0	0.0
Tier 2 capital	60.6	64.4
Total capital	845.4	856.4
RWA total	5,851.3	5,600.9
Credit risk	4,832.9	4,562.1
Market risk	564.4	590.7
Operational risk	433.2	433.2
Credit Valuation Adjustment risk	20.7	14.8
Common Equity Tier 1 capital ratio	13.4%	14.1%
Total capital ratio	14.4%	15.3%
Leverage ratio (CRR)	9.2%	9.3%

In the first three months of the year, the capitalisation of the ProCredit group in the economic and normative perspectives was always ensured, as was its stress resistance level. As part of our annual capital planning and also against the background of the armed conflict in Ukraine, we have analysed additional stress scenarios.

OUTLOOK

On the basis of the current developments in the first quarter, we continue to expect loan portfolio growth of approximately 10% in the 2022 financial year for many of our banks. At the same time, in view of the armed conflict in Ukraine, we expect the growth of our loan portfolio at group level to be below that of the previous year (12.8%). We also expected a marked increase in our cost-income ratio (previous year: 64.2%), which, however, is lower due to the good operating performance in the first quarter. The higher cost of risk, mainly due to the situation in Ukraine, is reflected in our current result and leads to a significant reduction in our return on equity. We expect that our CET1 ratio may show a pronounced decline due to the armed conflict in Ukraine, but will remain well above regulatory requirements.

In consideration of the information available at the time of publication, we assume that the statements in the 2021 Annual Report concerning medium-term opportunities, risks and forecasts continue to be valid.

SELECTED FINANCIAL INFORMATION

Consolidated Statement of Profit or Loss

in '000 EUR	**1.1.–31.03.2022**	**1.1.–31.03.2021**
Interest income (effective interest method)	84,359	70,841
Interest expenses	24,178	21,538
Net interest income	**60,180**	**49,303**
Fee and commission income	18,484	16,837
Fee and commission expenses	5,867	4,881
Net fee and commission income	**12,617**	**11,955**
Result from foreign exchange transactions	4,729	3,413
Result from derivative financial instruments and hedging relationships	1,477	387
Result on derecognition of financial assets measured at amortised cost	0	0
Net other operating result	-1,350	-2,229
Operating income	**77,653**	**62,830**
Personnel expenses	23,329	20,954
Administrative expenses	22,587	19,769
Loss allowance	35,557	3,626
Profit before tax	**-3,820**	**18,480**
Income tax expenses	-2,107	2,856
Profit of the period	**-1,713**	**15,624**
Profit attributable to ProCredit shareholders	*-1,713*	*15,624*

Consolidated Statement of Other Comprehensive Income

in '000 EUR	**1.1.–31.03.2022**	**1.1.–31.03.2021**
Profit of the period	**–1,713**	**15,624**
Items that are or may be reclassified to profit or loss		
Change in revaluation reserve	–2,158	245
Change in value not recognised in profit or loss	*–2,153*	*236*
Change in loss allowance (recognised in profit or loss)	*–6*	*9*
Change in deferred tax on revaluation reserve	39	–4
Change in translation reserve	–4,337	8,603
Change in value not recognised in profit or loss	*–4,337*	*8,603*
Other comprehensive income of the period, net of tax	**–6,456**	**8,844**
Total comprehensive income of the period	**–8,170**	**24,468**
Total comprehensive income attributable to ProCredit shareholders	*–8,170*	*24,468*
Earnings per share* in EUR	-0.03	0.27

* *Basic earnings per share were identical to diluted earnings per share.*

Consolidated Statement of Financial Position

in '000 EUR	31.03.2022	31.12.2021
Assets		
Cash	130,792	140,488
Central bank balances	1,369,011	1,405,034
Loans and advances to banks	215,956	252,649
Derivative financial assets	4,693	1,343
Investment securities	357,008	410,400
Loans and advances to customers	5,866,241	5,792,966
Property, plant and equipment	137,502	137,536
Intangible assets	18,235	18,411
Current tax assets	4,904	3,472
Deferred tax assets	6,471	1,746
Other assets	53,405	51,855
Total assets	**8,164,218**	**8,215,901**
Liabilities and equity		
Liabilities to banks	1,320,357	1,313,666
Derivative financial liabilities	919	360
Liabilities to customers	5,517,354	5,542,251
Debt securities	326,395	353,221
Other liabilities	39,894	41,629
Provisions	19,753	16,816
Current tax liabilities	1,442	3,614
Deferred tax liabilities	726	640
Subordinated debt	89,229	87,390
Liabilities	**7,316,070**	**7,359,587**
Subscribed capital and capital reserve	441,277	441,277
Retained earnings	494,334	496,044
Translation reserve	-87,483	-83,145
Revaluation reserve	20	2,139
Equity attributable to ProCredit shareholders	**848,148**	**856,314**
Total liabilities and equity	**8,164,218**	**8,215,901**

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For computational reasons, the figures in the tables may exhibit rounding differences of ± one unit (EUR, %, etc.).

Forward-looking statements

This report contains forward-looking statements on the business and earnings development of the ProCredit group; among other things, these are based on current plans, assumptions and forecasts. Forward-looking statements involve risks and uncertainties, such that actual results may differ materially from forward-looking statements. In particular, these factors include economic development trends, possible loan defaults, the state of financial markets and exchange rate fluctuations. Forward-looking statements are therefore only valid at the time of publication. We assume no obligation to adjust the forward-looking statements, nor do we intend to do so, in light of new information or unexpected events.