An impact-oriented group of commercial banks with a focus on SMEs in South Eastern and Eastern Europe

Analyst workshop, March 2023 (updated as of 14th February 2024)
We strive to be the **leading SME bank** in our markets following **sustainable and impact-oriented** banking practices. Together with our **fully digital offering to private clients**, we want to generate **long-term sustainable returns** and create **positive impact** in the economies and societies we work in.
Group positioning as Hausbank for SMEs in Eastern Europe
ProCredit at a glance

Key elements of the ProCredit approach

► An impact-oriented group of commercial banks with a focus on SMEs in South Eastern and Eastern Europe. Headquartered in Frankfurt and supervised by BaFin and Bundesbank.

► “Hausbank” for SMEs complemented by “ProCredit Direct” for Private Clients.

► Strong organic business growth, to consistently grow market share without costly integration.

► High-quality loan portfolio based on prudent risk management and long-term business relationships.

► Skilled, loyal staff and scalable technology platform with no legacy systems.

► Profitable every year since creation as a banking group.

► Listed on the Frankfurt Stock Exchange with strong ESG positioning.

Notes: See page 30 of this presentation.
ProCredit Group | Analyst workshop | Frankfurt am Main, 24 March 2023
Impact orientation firmly integrated in the business model

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

Environmental responsibility
- Green loan portfolio > €1.2bn, avg. growth 13% p.a. since 2018
- Strict lending standards and exclusion list
- Internal measures for greener planet, including
  - plastic strategy
  - energy efficient buildings

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

Sustainable business model
- Long-term client relationships
- Steady organic business growth
- Majority longer-term investment loans (> 3 years)
- NPLs and write-offs significantly below the banking sectors of operation
- Profitable every year since creation as a banking group

Notes: See page 30 of this presentation
Well diversified loan portfolio

- Strong footprint in SEE (72% of total loan portfolio) and EE (19%)
- Complemented by further operations in Ecuador (8%) and Germany (1%)
- Well diversified loan portfolio with operations in 12 countries
- Largest single bank (Bulgaria) accounting for only 23% of total loan portfolio

Key macro drivers

GDP growth outlook (median real GDP growth p.a. 2024 - 27)

- SEE/EE: 3.7%
- CEE: 1.7%
- Western Europe: 1.5%

Banking sector penetration (loans/GDP 2021, median)

- SEE/EE: 0.5x
- CEE: 0.9x
- Western Europe: 1.5x

High importance of SMEs in SEE/EE

- 71% of people employed
- 62% of GDP

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We partner with SMEs – the ProCredit “Hausbank” principle

Our approach to SMEs is based **both** client relationship and technology

![Target SME segment] (Retail, Platform banking, Relationship banking, Corporate)

Highly tailored approach to serve target SME clients …

- Trustful long-term relationships and true understanding of clients’ needs and risks: working with forward-looking SMEs investing in innovation and green technology
- ‘Hausbank approach’: SMEs which bank fully with ProCredit, e.g. loans, cards, transactions, deposits
- Business Client Advisers’ central to ProCredit client relationships: focus on client and risk
- Strong technology with natively integrated and scalable technology infrastructure, secured and intuitive front-end channels, highly automated back-end

... complemented by ProCredit Direct, an entirely digital offer for Private Clients

### ProCredit digital transformation

<table>
<thead>
<tr>
<th></th>
<th>Number of branches</th>
<th>Number of group staff</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Dec-13</td>
<td>Dec-22</td>
</tr>
<tr>
<td>Target SME segment</td>
<td>645</td>
<td>3,437</td>
</tr>
<tr>
<td></td>
<td>-93%</td>
<td>-70%</td>
</tr>
<tr>
<td>Retail</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corporate</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Platform banking</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Relationship banking</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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Track record of profitability through the economic cycle

Long-term financial stability and attractive profitability

**Foundation and expansion:**
- First bank founded in Bosnia in 1998; rapid expansion in Eastern Europe, South America and Africa offering loans to very small, small and medium enterprises
- Foundation of ProCredit Holding
- First green loans for energy efficiency and renewable energy investments in 2006
- Start of positioning as “Hausbank” for SMEs in 2008
- Managed financial crisis of 2008 – 2010 with positive results

**Strategic refocussing & restructuring:**
- Sharpening of group profile in terms of regional focus on SEE/EE and SME finance
- Divestment of operations in Africa and Latin America; strong reduction of staff and branches in remaining markets by ~80%
- Green finance and Direct Banking approach fully implemented
- Listing of ProCredit Holding on the Frankfurt Stock Exchange in 2016

**Hausbank for SMEs in SEE/EE:**
- Banks leveraging lean and digital structures
- SEE/EE account for 91%, SMEs for 91% of total loans
- Strong performance in pandemic 2020/21
- FY-22 with good operational performance of group excl. PCB Ukraine (7.8% RoE, reported 1.9%)

**Average RoE: 8 – 9%**

![Graph showing long-term financial stability and attractive profitability](image-url)

Notes: See page 30 of this presentation

ProCredit Group | Analyst workshop | Frankfurt am Main, 24 March 2023
Update on group medium-term guidance, key drivers and measures
### Strong track record of delivering on guidance

**Delivery on guidance in past years**

<table>
<thead>
<tr>
<th>Year</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2017</td>
<td>✓</td>
</tr>
<tr>
<td>FY 2018</td>
<td>✓</td>
</tr>
<tr>
<td>FY 2019</td>
<td>✓</td>
</tr>
<tr>
<td>FY 2020</td>
<td>✓</td>
</tr>
<tr>
<td>FY 2021</td>
<td>✓</td>
</tr>
<tr>
<td>FY 2022</td>
<td>Limited guidance due to Ukraine war</td>
</tr>
</tbody>
</table>

**Good operational progress and enhanced strategic priorities driving update of group medium-term outlook**

<table>
<thead>
<tr>
<th>Medium-term targets (previous)</th>
<th>Management assessment / key milestones achieved</th>
</tr>
</thead>
<tbody>
<tr>
<td>~10% loan portfolio growth</td>
<td>Good execution of growth target, strategy going forward focused even more on ‘profitable growth’ (vs. top line growth)</td>
</tr>
<tr>
<td>~10% RoE</td>
<td>Profitability level largely reached on an underlying basis, with clear further upside potential identified</td>
</tr>
<tr>
<td>&lt;60% CIR</td>
<td>Good progress achieved, however, inflation impact on operating expenses clearly visible</td>
</tr>
<tr>
<td>20% share of green loans</td>
<td>Target level achieved, with further build up core to ProCredit business and environmental impact strategy</td>
</tr>
</tbody>
</table>

ProCredit Group | Analyst workshop | Frankfurt am Main, 24 March 2023
## Medium-term outlook for ProCredit group

<table>
<thead>
<tr>
<th>Item</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Growth of the loan portfolio</strong></td>
<td>Medium to high single digit percentage growth p.a.</td>
</tr>
<tr>
<td><strong>Return on equity (RoE)</strong></td>
<td>~12% (based on 25 – 30 bps risk cost over the cycle)</td>
</tr>
<tr>
<td><strong>Cost-income ratio (CIR)</strong></td>
<td>~57% (without one-off effects)</td>
</tr>
<tr>
<td><strong>Green loan portfolio</strong></td>
<td>25% share of total loan portfolio</td>
</tr>
</tbody>
</table>

Assumption on PCB Ukraine included in medium-term guidance:
Moderate bottom line group contribution from 2024 onwards (upper single digit to lower double digit €m p.a.).

Risk factors that apply to the medium-term guidance are included in the appendix of this presentation.
Lending strategy
Focus on profitable growth with target SME clients

Competitive edge in focus on small to medium loan clients
Distribution of loan sizes in overall loan portfolio (€bn)

<table>
<thead>
<tr>
<th>Size Bucket</th>
<th>ProCredit Key Strategic Focus</th>
<th>Competitors Targeting Mainly Via Platform Banking</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; 50k</td>
<td>0.6</td>
<td>2.1</td>
</tr>
<tr>
<td>50k - 250k</td>
<td>1.3</td>
<td>1.4</td>
</tr>
<tr>
<td>250k - 500k</td>
<td>1.4</td>
<td>0.7</td>
</tr>
<tr>
<td>500k - 1.5m</td>
<td></td>
<td></td>
</tr>
<tr>
<td>&gt;1.5m</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Selected key indicators and strategic direction

- Established, trusted relationship to growing SMEs with long-lasting duration of SME client relationship
- Interaction with clients significantly differs versus other banks, generating competitive advantage in terms of business and credit risk data points
- Key targets include:
  - Continue ‘Hausbank’ strategy to growth with target SME clients in relevant size buckets (mainly EUR 50k – 1.5m loan sizes)
  - Strategic focus of min. 50% of total group growth in those segments
  - Continue profitable loan growth from i. demand for larger loan sizes as existing SME clients grow, ii. additional banking business from existing SME clients in line with ‘Hausbank’ approach, iii. new client growth
  - Recent growth in non-loan clients above growth in loan clients and remains strategic priority as capital-light and builds strong pipeline for future volume growth

Selected key indicators:

- 64 k total # of SME clients
- +3.5% growth yoy in # of SME clients
- c. 50% of clients are non-loan clients

ProCredit Group key strategic focus
Competitors targeting mainly via platform banking

Loan portfolio growth outlook
Development loan portfolio (€bn), illustrative

-7.7% 12.5% 10.3% 9.5% 12.8% Group w/o Ukraine, reported 3.1%
CAGR 17 – 22: 9.3% 6.9% Medium to high single digit % growth p.a.

Medium-term

2017 2018 2019 2020 2021 2022 …
Lending strategy

360° integrated view on client situation in all cases

- **Decision-making for a tailored-made financing structure**
- **Business potential**
- **Client profile and business model**
- **Impact & E&S aspects**
- **Collateral quality and quantity**
- **Financing request**
- **Financial situation / Credit worthiness**

**Client’s overall needs apart of complementary to current request and potential future business with the client as part of the Hausbank concept and long-term client relationship**

**Degree of collateral coverage, based on available collateral and in accordance with the collateral requirements**

**Rationale, scope, size, “fit” to the overall business approach, quality of the plan/projections, capacity to manage**

**Ownership structure, management capabilities & experience, organisation of the company (e.g. succession plan), business model, markets trends and developments**

**Client’s approach to environmental, social, health, safety impact of business operations**

**Financial strength and capacity to meet financial obligations in terms of levels of liquidity, profitability and solvency, potential risks to the financial strength and how those risks are managed**
**Lending strategy**

**Expansion of green loan portfolio at attractive risk parameters**

**Growing share of green loans, particularly renewable energy**

- **Share of green loan portfolio**
  - FY-22: 20.2%
  - Medium-term: 25%
- **Renewable energy as % green loans**
  - FY-22: 33%
  - Medium-term: 50%
- **Share of credit impaired loans**
  - Group (w/o Ukraine): 2.4%
  - Green loans (w/o Ukraine): 1.4%

**Key strategic direction**

- Leverage existing employees and technologies to continued growth in green lending, targeting 25% share of total loan portfolio
- Significant investments in green lending capabilities in the past: dedicated Environmental Units in each bank plus expertise in Holding
- Green loans typically with high payback certainty, with strong client profile of forward-looking SMEs resulting in good risk profile and low credit impaired loans

**Green loan portfolio growth outlook**

Development green loan portfolio (€bn), illustrative

- 2017: 0.5
- 2018: 0.7
- 2019: 0.8
- 2020: 1.0
- 2021: 1.1
- 2022: 1.2

CAGR 18 – 22: 13%

25% of total loan portfolio

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Refinancing strategy
Deposit growth mainly through digital banking channels

ProCredit SME and private client approach driving deposits
Development of deposits by client group (€bn)

<table>
<thead>
<tr>
<th></th>
<th>FY-2020</th>
<th>FY-2021</th>
<th>FY-2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>SMEs</td>
<td>2.2</td>
<td>2.4</td>
<td>2.7</td>
</tr>
<tr>
<td>Private clients</td>
<td>0.5</td>
<td>0.5</td>
<td>2.7</td>
</tr>
<tr>
<td>Institutional clients</td>
<td>4.9</td>
<td>5.5</td>
<td>6.3</td>
</tr>
</tbody>
</table>

Selected key indicators and strategic direction

- 0.3% cost of deposits (FY-22, SEE)
- 1.8% cost of non-customer funding (FY-22, SEE)
- 0.6% average total cost of funds (FY-22, SEE)

- Attract and grow with target SME clients, both on loans and deposit side
- 100% of clients have deposits with ProCredit – current account as requirement to bank with ProCredit
- Continue focus on SMEs which bank fully with ProCredit: e.g. loans, cards, transactions, deposits
- Focus on target private clients (middle income and higher earners, associated with SME owners), looking for modern, transparent and reliable banking services
- Strategic increase in deposit/loan ratios on individual bank level both via targeted loan growth and targeted deposit gathering
- Continuous promotion of current and saving accounts as lower-priced deposits, with weight and funding cost differing per bank; complemented by TDA accounts
- Increase in average deposit cost anticipated both on group and segment level, with 2022 showing increased costs for customer deposits (Q4-22 approx. +20bps yoy); with difference on segmental level as SEE significantly below EE

ProCredit SME and private client approach driving deposits
Deposit/loan ratios on bank level, illustrative

<table>
<thead>
<tr>
<th></th>
<th>Group: 103%</th>
<th>Lowest PCB</th>
<th>Highest PCB</th>
</tr>
</thead>
<tbody>
<tr>
<td>2022</td>
<td>64%</td>
<td>33%</td>
<td>128%</td>
</tr>
</tbody>
</table>

Strategic management of loan and deposit growth

Current accounts: 55%
Savings accounts: 25%
TDA accounts: 20%

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Continuous growth with existing and new SME and private clients as main driver for operating income growth

Net interest income:
- Slightly declining NIM assumed vs. Q4-22 level
- Anticipated increase in funding cost to be almost matched by increased average loan margin
- Upside from NIM expansion beyond Q4-22 level e.g. depending on general market environment, loan / deposit structure and strategic steering of growth of individual banks

Net fee income:
- Expansion of fee income mainly as result of ‘Hausbank’ approach and ProCredit private client strategy: key drivers additional # of (non-loan) clients, growth in private individuals, expansion of trade finance
- Assumed fee income growth rates on the level of good overall operating income – resulting in assumed stable share of fee income
- Upside from e.g. higher transaction levels or increasing fee structures
Profitability enhancement
Cost efficiency improvement largely through additional scale

Operating leverage via scale and continued cost discipline
Illustrative development of operating income and expenses, illustrative

<table>
<thead>
<tr>
<th>Year</th>
<th>Operating expenses</th>
<th>Operating result</th>
<th>CIR</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>171.4</td>
<td>80.7</td>
<td>68.0%</td>
</tr>
<tr>
<td>2021</td>
<td>180.9</td>
<td>101.0</td>
<td>64.2%</td>
</tr>
<tr>
<td>2022</td>
<td>217.4</td>
<td>122.4</td>
<td>64.0%</td>
</tr>
<tr>
<td>...</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mid-term</td>
<td></td>
<td></td>
<td>c. 57%</td>
</tr>
</tbody>
</table>

Upside potential on group CIR yet to be realized
Group cost-income ratio (FY-22), illustrative

<table>
<thead>
<tr>
<th>Peer</th>
<th>49%</th>
<th>50%</th>
<th>50%</th>
<th>51%</th>
<th>53%</th>
<th>58%</th>
<th>64%</th>
<th>c. 57%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Peer 1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Peer 2</td>
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<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Peer 3</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Peer 4</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Peer 5</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Peer 6</td>
<td></td>
<td></td>
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<tr>
<td>ProCredit</td>
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<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Medium-term</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
</tbody>
</table>

Key strategic direction

- Continued cost management and revenue expansion in order to reduce CIR further towards a level of around 57%
- FY-22 already achieved cost efficiency improvements on an underlying basis – CIR of 60.8% w/o EUR 10.2m net extraordinary items mainly related to the war in Ukraine
- CIR in FY 2022 on segmental level in SEE of 57.8% and EE of 51.1%
- Previous years strategic investments into IT, its digital platforms, marketing and staff to be continued in 2023/24, resulting in a strong franchise with good scaling potential going forward
- Headwinds from inflation and regulatory costs included, e.g. personnel costs per FTE with anticipated further increase over plan horizon; however, loan portfolio per employee assumed to further increase as well
- ProCredit approach to scale based on already fully digitalized operations partially differs from efforts of main larger competitors
### Profitability enhancement
Prudent risk management supporting over-the-cycle risk cost

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**ProCredit key success factors of credit risk management**

**Careful selection of clients**
- Strict client selection
- Trusted, long-term client relationships

**Holistic client assessment**
- 360° integrated view on client situation
- No scoring or automated lending, but strong technological support

**Structured lending process**
- Strict assessment standards
- Robust decision-making processes and monitoring

**Qualified staff**
- Comprehensive and regular training
- Agile and systematic exchange of best practices

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**Strong track record of low credit risk costs**

Group cost of risk and net-write offs 2017 - 2022

<table>
<thead>
<tr>
<th>Year</th>
<th>CoR (bps)</th>
<th>Net write-offs</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>14</td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>57</td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td>33</td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td>12</td>
<td></td>
</tr>
<tr>
<td>2021</td>
<td>17</td>
<td></td>
</tr>
</tbody>
</table>

Average 2017 – 2022: 17 bps

Group w/o Ukraine, risk cost including Ukraine of 174 bps

o/w 39 bps Covid provisions

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**Conservative risk cost assumptions**

Group cost of risk

- After FY 2024, group cost of risk assumed to gradually return towards level of c. 25 – 30 bps
- Provisioning in PCB Ukraine expected to normalise starting in FY 2023 based on significant level of provisions built, however, outlook largely depending on further development of the war

—

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Profitability enhancement
Improvement of ‘weaker’ banks driving group RoE

Different sources for improved RoE level
Illustrative development of return on equity

Key strategic direction

► Group profitability enhancement driven by scaling operating income whilst increasing cost efficiency
► Normalisation of risk costs and other effects on income side assumed to be complemented by increased RWA efficiency
► On bank level, medium-term ambition to
  ► expand good market positions and profitability levels of banks that already deliver strong RoE levels
  ► optimise and improve RoE performance of currently ‘weaker’ banks – individual approach per bank depending on bank positioning and market environment / external conditions
► Benefit of strong regional diversification of ProCredit group of 12 banks as banks usually at different points of the cycle with strategic importance that target RoE can be achieved on a structural level
► Upside potential to c.12% RoE target exists
► **Case study Bosnia**: 2019 – 2022 strong subsequent improvement of RoE from -3% to 8% based on +70bps increased income on loans, -60bps decreased funding costs, +52% ppt increased deposit / loan ratio

Improvement of ‘weaker’ banks as key group driver
Assumed RoE development of ProCredit banks

<table>
<thead>
<tr>
<th>RoE level</th>
<th>FY 2022</th>
<th>Medium-term ambition</th>
</tr>
</thead>
<tbody>
<tr>
<td>&gt; 15%</td>
<td>Kosovo, Moldova, Georgia</td>
<td>Few selected banks</td>
</tr>
<tr>
<td>10 – 15%</td>
<td>1 bank Bulgaria</td>
<td>Majority of banks</td>
</tr>
<tr>
<td>5 – 10%</td>
<td>Serbia, Romania, Bosnia, N. Maced.</td>
<td></td>
</tr>
<tr>
<td>&lt; 5%</td>
<td>Albania, Ukraine, Ecuador</td>
<td></td>
</tr>
</tbody>
</table>
Potential upside from contribution of ProCredit Ukraine to group profit depending on scenario

- Participation of PCB Ukraine in post-war reconstruction of the country and its infrastructure – recent estimations for cost of reconstruction in the range of around EUR 400 billion, depending on source and war scenario
- Such scenario could translate into double-digit loan growth rates of the bank p.a. based on good positioning of PCB Ukraine and established relationships with IFIs
- **Indicative medium-term upside potential on group RoE: 1.0 – 1.5% p.t.a.**

**Post-war reconstruction scenario**

(Upside case)

**Moderate scenario**

(Business plan case)

**Write-off scenario**

(Worst case, not considered)

- 2023 expectation of no bottom-line group contribution with still elevated risk costs and increased expenses offsetting operating income; continued targeted loan portfolio reduction
- Moderate bottom-line group contribution from 2024 onwards
- **From 2024, expected net income contribution in the upper single digit to lower double digit €m area p.a.**

- One-time write-off of remaining equity of EUR 56.7m (as per Dec-22) and group funding of EUR 20m (as per Jan-23), with group FY-22 CET1 ratio after one-time write-off stable at c. 14.0%, as RWA likewise de-consolidated
- No profit contribution from PCB Ukraine going forward
- **Group w/o PCB Ukraine medium-term RoE target unchanged at c. 12%; CIR target unchanged at c. 57%**
Capital strategy
Capital allocation, efficiency and distribution

**Prudent capitalisation levels**
Capitalisation (fully-loaded), FY-22

- CET1: 13.5%
- AT1: 0
- T1: 820
- T2: 48
- TC: 868

8.9% leverage ratio (fully-loaded)
13.5% capital ratio (fully-loaded)
14.3%

**RWA density improvement as key lever for capital efficiency**

- FY-22: 69%
- Medium-term: c. 60%

**Key strategic measures**

- Comfortable capitalisation levels to be maintained on all levels
- 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
- Selected RWA efficiency measures planned or already in execution:
  - Attribution of infrastructure factor to selected renewable energy projects
  - Attribution of hard collateral to RWA calculation according to CRR standardized approach for Bulgarian portfolio
  - Widening of MIGA agreement
  - Securitization of portfolio
  - In total approx. EUR 0.3 – 0.4bn RWA reduction measures envisaged, with additional medium-term potential

**Key strategic measures**

- Prudent capitalisation levels
- RWA / total assets ratio (illustrative)
- Benchmarking of RWA / total assets ratio (FY-22) (illustrative)
- Regulatory capital
- Capital ratio (fully-loaded)
- Peer 1: <40%
- Peer 2: <40%
- Peer 3: 44%
- Peer 4: 47%
- Peer 5: 51%
- Peer 6: 61%
- PCH: 69%
- Mid-term: c. 60%

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Outline of corporate development and capital market strategy
Corporation development milestones and agenda

Continued strengthening of the impact-oriented capital markets presence well under way …

**Selected milestones:**

- Listing of shares on Frankfurt Stock Exchange (Dec-16), successful €60m capital increase as listed company (Feb-18)
- Investment story sharpened with strong exposure to serving SMEs in Eastern and South Eastern Europe
  - Sale of Banco ProCredit Colombia (Q4-19)
  - SMEs account for 91% of total loans (Dec-22)
  - SEE/EE accounts for 91% of total loans (Dec-22)
- Further developed management board (Chair, CFO) reflecting maturity of ProCredit as a listed banking group (Q4-22)
- Intention to convert into an AG published (Q4-22), with conversion targeted within the next two years
- Announced transaction (Mar-23) of EBRD to become a core shareholder in ProCredit

... with further enhancing attractiveness from investor perspective on top of management agenda

**Key targets:**

- **Continue sharpen unique investment profile** as ‘pure-play’ Eastern Europe/SME share
- **Deliver attractive capital returns** (1/3 dividend payout ratio, close potential ‘valuation gap’)
- **Enhance visibility of ProCredit share** (equity research, IR, communication)
- **Improve communication of ProCredit impact focus** – impact embedded in business model, not add-on
- **Increase share liquidity** (traded liquidity, ADTV)
Conversion into AG – strengthening the capital market presence of the group

**Milestones of Conversion into AG**

- **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
  - **Further milestones illustrative and subject to conversion on AGM agenda and voting in favor of Conversion**

- **05-Jun-23**
  - Annual General Meeting

- **Within 2023**
  - Registration of the conversion with the commercial register
  - Admission to stock exchange trading

**Important clarifications from legal and shareholder perspective:**

- Upon conversion, a new share class of ownership in ProCredit AG will be created
- In such event, the current class of shares reflecting ownership in ProCredit Holding KGaA will cease to exist and be delisted from the stock exchange
- From a shareholder perspective, existing shares in ProCredit Holding KGaA will automatically convert into the newly created shares in ProCredit 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
Impact-orientated, responsible approach underpins all aspects of our business: no focus on consumer loans, strict exclusion lists, extensive credit risk & ES analysis and high AML standards

Focused Hausbank approach for SMEs, particularly the transparent, innovative SMEs investing in new and green technologies, driving strong organic business growth combined with steady high loan portfolio quality

Purely digital, highly transparent ProCredit Direct service package that speaks to forward-looking private clients

State-of-the-art, scalable technology central to client experience and efficient back-end operations – supported by group IT provider Quipu, consistently implemented, with no legacy systems

Skilled, loyal staff are the backbone of strong client relations and good credit risk management – comprehensive group-wide approach to staff selection and development

Well-diversified presence in our focus regions South Eastern and Eastern Europe – no large “home market” and HQ focused on enhancing group performance with standardized, best practice approaches implemented in all banks
Structural change of bank balance sheet as starting point …

<table>
<thead>
<tr>
<th></th>
<th>FY-19</th>
<th>FY-22</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loan portfolio (€m)</td>
<td>208</td>
<td>285</td>
</tr>
<tr>
<td>Deposits (€m)</td>
<td>139</td>
<td>340</td>
</tr>
<tr>
<td>Deposit / loan ratio</td>
<td>67%</td>
<td>119%</td>
</tr>
</tbody>
</table>

… supporting income streams with continued investment into staff

<table>
<thead>
<tr>
<th></th>
<th>FY-19</th>
<th>FY-22</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average income on loans</td>
<td>4.0%</td>
<td>4.7%</td>
</tr>
<tr>
<td>Average funding cost</td>
<td>1.2%</td>
<td>0.6%</td>
</tr>
<tr>
<td>Other bank information</td>
<td>168 employees, +35 vs 2019</td>
<td>2.1% share of stage 3, -0.7pp vs 2019</td>
</tr>
<tr>
<td></td>
<td>€1.7m portfolio per employee, +8% vs 2019</td>
<td></td>
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Improved cost-income ratio

<table>
<thead>
<tr>
<th></th>
<th>FY-19</th>
<th>FY-22</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>100%</td>
<td>62%</td>
</tr>
</tbody>
</table>

Increased RoE

<table>
<thead>
<tr>
<th></th>
<th>FY-19</th>
<th>FY-22</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>-3.0%</td>
<td>+10.9pp</td>
</tr>
<tr>
<td></td>
<td>-38pp</td>
<td>7.9%</td>
</tr>
</tbody>
</table>
High quality loan portfolio built around

► Careful client selection and strong client relationships
► Well trained staff
► Effective group credit risk assessment and monitoring
► Solid risk profile with consistently low net write offs
► Loan portfolio quality consistently better than market

Consistently low net write-offs

Average net write-offs

0% 1% 2% 3%

Non-performing loans of ProCredit significantly below local banking sectors

Country NPL (Dec 2022)
PCB NPL (Dec 2022)

Bosnia and Herzegovina 4,9%
Bulgaria 2,1%
N. Macedonia 4,0%
Serbia 1,0%
Ukraine 36,7%
N. Macedonia 3,3%
Serbia 1,8%
Ukraine 11,9%
Bosnia and Herzegovina 3,2%
Bulgaria 2,5%

Notes: See page 30 of this presentation
ProCredit Group | Analyst workshop | Frankfurt am Main, 24 March 2023
Long-standing and well-interconnected management teams at group and local level

**Experienced management collaborating at Holding and local level**

**Hubert Spechtenhauser**  
(Chairman)

- Corporate Office
- Group Communications
- Legal
- Group and PCH Internal Audit

**Dr Gian Marco Felice**

- Group Environmental Management and Impact Reporting
- Group and PCH IT
- Business Support and Development

**Christian Edgardo Dagrosa**

- Accounting and Taxes
- Supervisory Reporting and Capital Planning
- Group Funding and Treasury
- Controlling
- Reporting and Data Management
- Investor Relations
- Administration and Translation

**Sandrine Massiani**

- Group and PCH Human Resources
- Group Credit Risk Management
- Group and PCH Risk Control
- Group Financial Risk Management
- Group Operational Risk Management
- Fraud Prevention and Compliance and PCH AML

**Local ProCredit banks**

33 key management members

**Collective training...**
- Central training in Fürth
- English as lingua franca
- Regular specialist events and regional meetings

...as catalyst for a shared vision and teamwork...
- Common set of values
- Closely-knit network
- Rapid diffusion of best practices

...supported by clear framework
- Strict common operating standards and policy guidelines
- Strong, standardised MIS reporting
- Holding management with supervisory board seats at local banks involved in strategic business processes

On average 13 years of experience with ProCredit
General note
Return on equity, net interest margin, cost of risk and net write-off ratio are consistently annualised for all interim (quarterly and half-year) figures.

Slide 3
The Fitch Issuer Default Rating of BBB has been last re-affirmed on March 23 2023.
The shareholder structure shown is according to the voting right notifications, voluntary disclosure of voting rights and ad-hoc news as published on our website www.procredit-holding.com.
EBRD will purchase from IFC their remaining stock of 5.06 per cent in ProCredit Holding. Upon completion of the transaction, EBRD will replace IFC as a core shareholder of ProCredit Holding and hold 8.7 per cent of its share capital.
Completion of the share purchase is subject to fulfilment of conditions precedent including receipt of regulatory approvals where applicable (for further details see the corporate news as of 20.03.2023).

Slide 4
ProCredit Holding AG & Co. KGaA is a member of the UNEP FI, joined the United Nations Global Compact (UNGC) as well as the Net-Zero Banking Alliance (NZBA) and has committed to disclose according to SBTi Net-Zero Standard.

Slide 7
RoE since 2005 as disclosed in “Bundesanzeiger” (German Federal Gazette)
Figures and ratios for Dec-13 relate to the disclosures in the consolidated financial statements as of 2013.
Dec-22 results shown without the negative contribution of PCB Ukraine, whose current result is strongly affected by the war against Ukraine.
Consolidated result and RoE: EUR 16.5m; 1.9%
Result and RoE excl. PCB Ukraine: EUR 68.5m; 7.8%

Slide 10
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 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, banking sector crises and pronounced exchange rate fluctuations.

Slide 28
NPL figures for banking sectors are derived from respective central or national banks as per Dec-22
The material in this presentation and further supporting documents have been prepared by ProCredit Holding AG & Co. KGaA, Frankfurt am Main, Federal Republic of Germany ("ProCredit Holding") and are general background information about the ProCredit group’s activities current as at the date of this presentation. This information is given in summary form and does not purport to be complete. Information in this presentation and further supporting documents, including forecast financial information, should not be considered as advice or a recommendation to investors or potential investors in relation to holding, purchasing or selling securities or other financial products or instruments and does not take into account your particular investment objectives, financial situation or needs. Before acting on any information you should consider the appropriateness of the information having regard to these matters, any relevant offer document and in particular, you should seek independent financial advice. All securities and financial product or instrument transactions involve risks, which include (among others) the risk of adverse or unanticipated market, financial or political developments and, in international transactions, currency risk.

This presentation and further supporting documents may contain forward-looking statements including statements regarding our intent, belief or current expectations with respect to ProCredit Holding’s or the ProCredit group’s businesses and operations, market conditions, results of operation and financial condition, capital adequacy, specific provisions and risk management practices. Readers are cautioned not to place undue reliance on these forward-looking statements. Insofar as not required by law, ProCredit Holding does not undertake any obligation to publicly release the result of any revisions to these forward-looking statements to reflect events or circumstances after the date hereof to reflect the occurrence of unanticipated events. While due care has been used in the preparation of forecast information, actual results may vary in a materially positive or negative manner. Forecasts and hypothetical examples are subject to uncertainty and contingencies outside ProCredit Holding’s control. Past performance is not a reliable indication of future performance.