ProCredit HOLDING

Q2 2017
Interim Report

Contents

1. BUSINESS DEVELOPMENT

in million EUR			
Statement of Financial Position	**30.06.2017**	**31.12.2016**	**Change in %**
Total assets	5,551.7	5,667.8	-2.0%
Customer loan portfolio	3,801.4	3,628.7	4.8%
Allowance for losses on customer loan portfolio	145.6	150.7	-3.4%
Customer deposits	3,377.0	3,475.1	-2.8%
Total equity	651.9	654.3	-0.4%
Statement of Profit or Loss	**01.01.-30.06.2017**	**01.01.-30.06.2016**	**Change in %**
Net interest income after allowances*	99.2	104.9	-5.5%
Net fee and commission income*	21.6	21.6	0.0%
Operating income*	123.3	128.4	-4.0%
Operating expenses*	95.2	96.5	-1.4%
Profit of the period from continuing operations*	20.8	24.6	-15.4%
Profit after tax	23.6	29.3	-19.5%
Key performance indicators	**30.06.2017**	**30.06.2016**	**Change in pp**
Change in customer loan portfolio*	4.8%	1.1%	3.6 pp
Change in loan portfolio over EUR 30,000*	9.9%	5.9%	4.0 pp
Return on equity (ROE)**	7.0%	9.5%	-2.5 pp
Tier I Capital Ratio	13.0%	10.4%	2.7 pp
Additional indicators	**30.06.2017**	**30.06.2016**	**Change in pp**
Ratio of customer deposits to loan portfolio*	88.8%	91.7%	-2.9 pp
% of loans in arrears (PAR30)*	3.7%	4.9%	-1.2 pp
Ratio of allowances to loans in arrears (PAR30)*	104.0%	93.6%	10.3 pp
Net interest margin*/**	4.0%	4.9%	-0.9 pp
Cost-income ratio*	75.1%	67.8%	7.3 pp

* *The presentation contains only continuing operations for 2017 as well as for 2016, i.e. without Bolivia, El Salvador, Mexico and Nicaragua*
** *annualized*
Customer loan portfolio corresponds to the balance sheet category "Loans and advances to customers"

Balance sheet and income statement positions as well as other key figures for the ProCredit group

Course of business operations

The ProCredit banks are the "Hausbank" for small and medium-sized businesses (SMEs), to which we offer customised financial services. We aim to further expand our dealings with innovative and sustainable businesses. To private clients we offer innovative financial services. We focus on straightforward deposit products and account services as well as user-friendly electronic banking channels. Our clients are able to perform payment transactions around the clock in our modern self-service areas or using our online banking platform. Our client advisers focus on services that require more intensive consultation.

During the first half year we focused on further automating our services and were able to reduce the number of service points and staff in our banks. Although this process will eventually improve the efficieny of our operations, in the short term extraordinary expenses were incurred.

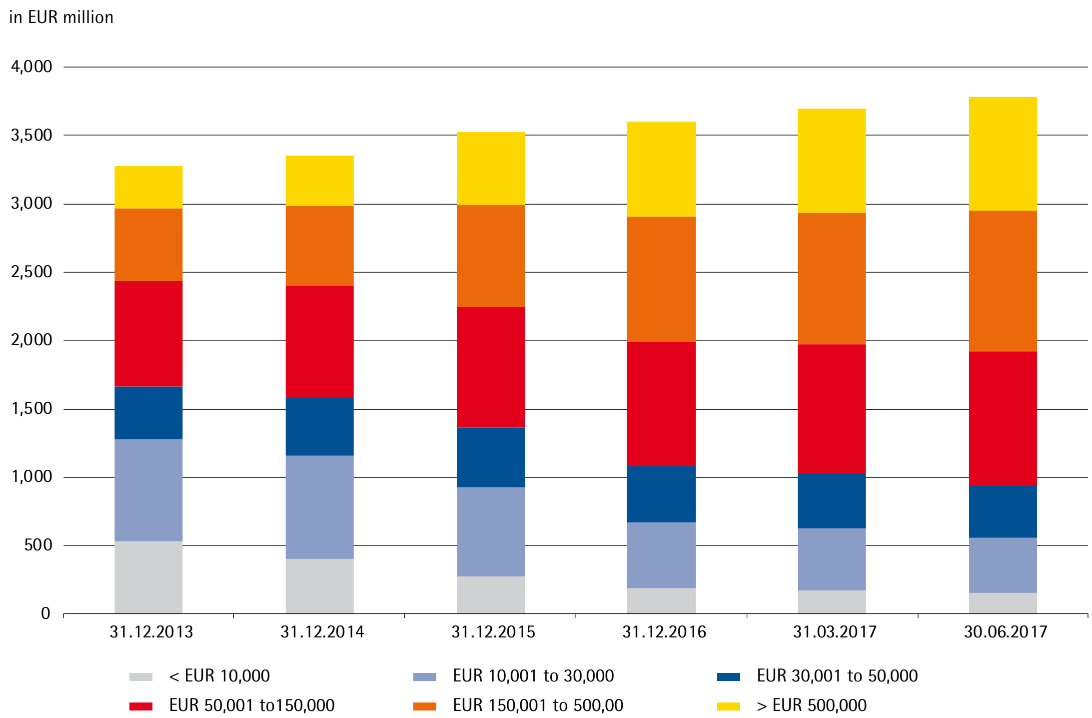
The course of the ProCredit group's business operations in the first half of 2017 was positive and exceeded our expectations with regard to loan portfolio growth. In the group's core segment of loans over EUR 30,000, we achieved growth of 9.9% compared to year-end 2016. The overall customer loan portfolio grew by 4.8%, impacted by the planned reduction of the portfolio of loans under EUR 30,000. The consolidated result for the group was EUR 23.6 million, with a return on equity of 7.0%.

Development of lending

During the first half of the year, our customer loan portfolio increased by EUR 172.7 million or 4.8%. This growth was significantly higher than in the same period of the previous year (6/2016: 0.9%).

This development was mainly the result of a strong increase in our core business. In the core segment of loans above EUR 30,000, we achieved growth of 9.9% or EUR 289.5 million in the first half of 2017. This represents a clear improvement compared to the 5.9% recorded for the first half of 2016.

The planned reduction of the portfolio of loans under EUR 30,000 was continued and is now almost complete. The volume of such smaller loans decreased by EUR 115.5 million. The withdrawal from lending to very small businesses with financing needs below EUR 30,000 is a consequence of the group's strategic focus on SMEs with good development and growth potential.



Customer loan portfolio development (outstanding amount, continuing operations)

In its lending activities, the ProCredit group focuses on business clients. Loans to businesses account for 90.5% of the customer loan portfolio, and 19.3% correspond to the agricultural sector. Loans to private clients account for 9.5% of the customer loan portfolio, with the majority being mortgage loans to purchase or renovate real estate or to improve its energy efficiency. Consumer loans represent only a small part of the portfolio.

The loan portfolio of the ProCredit group continues to be highly diversified. The largest ten exposures represented only 1.8% of the group's total customer loan portfolio at the end of the period under review.

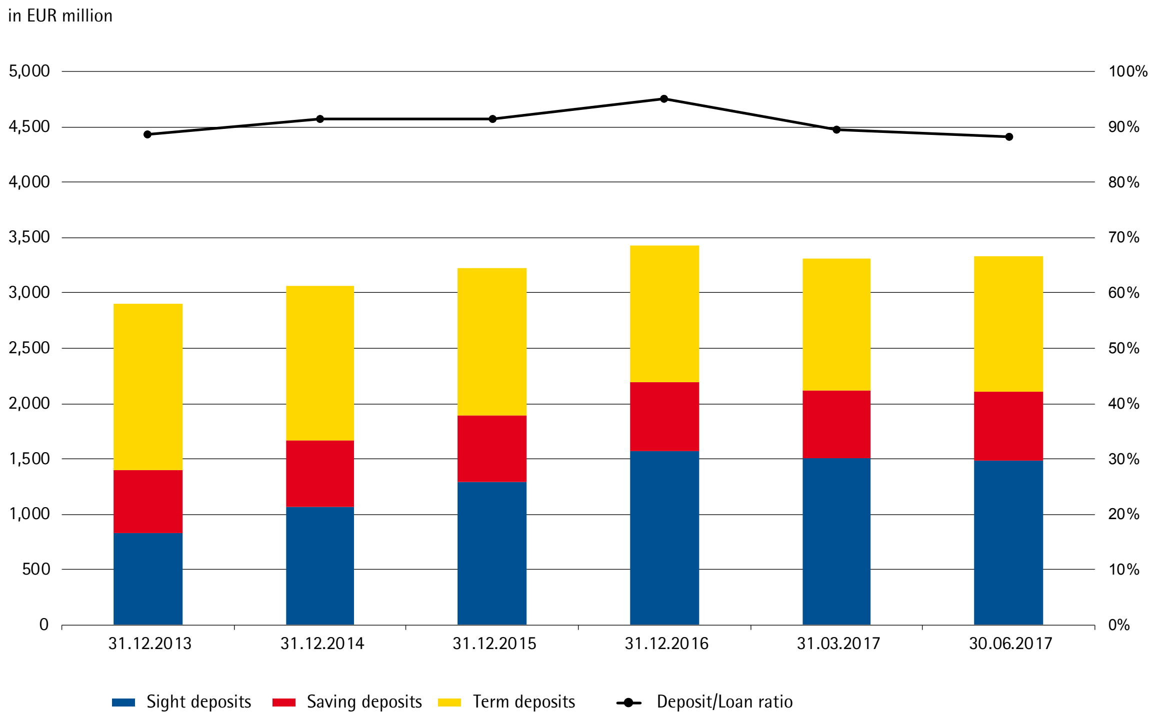
The ProCredit group cooperates closely with European institutions such as EIB and EIF. Especially the agreement with EIF for the InnovFin guarantee programme is to be mentioned. It facilitates lending to innovative SMEs and small MidCaps in South Eastern and Eastern Europe through the provision of guarantees. Thanks to a EUR 450 million expansion of the programme in June 2017, 11 ProCredit banks now have a total amount of EUR 820 million available to support the development of such businesses.

Deposits and other banking services

Customer deposits are our most important source of funding. The ratio of customer deposits to the loan portfolio stood at 88.8% as of 30 June 2017. Two-thirds of our total customer deposits come from private clients.

The volume of customer deposits was EUR 3.4 billion at the end of June 2017, a decrease of 2.8% compared to end-December 2016. This development is due to the seasonal effects experienced in Q1. In Q2, customer deposits were stable, with a small increase of EUR 9.7 million.

After the successful automation of cash transactions via our self-service areas, we are now focusing on increasing the use of our online-banking services. We are particularly targeting middle and high-income clients interested in modern, innovative banking services. This enables us to further optimise our outlet network and allows our client advisers to keep a strong focus on acquiring and advising clients.



Customer deposits development (continuing operations)

2. MATERIAL EVENTS

Revised forecast

During the course of the financial year, we raised our forecast for loan portfolio growth. Initially, it was expected that overall customer loan portfolio growth would range between 5% and 8% during the 2017 financial year. The Management Board now expects that the net growth in the overall customer loan portfolio in 2017 will be above 8%. Growth in the core segment of loans over EUR 30,000 had been expected to be around 10% in the 2017 financial year. Growth in this core segment is now forecast to be above 10%.

Changes in the Supervisory Board

On 17 May 2017, Mr Wolfgang Bertelsmeier stepped down from his positions on the supervisory boards of ProCredit Holding AG & Co. KGaA and ProCredit General Partner AG after expiry of his mandates. Both positions were entrusted to Ms Marianne Loner, finance specialist (MBA), Zurich, Switzerland, who was appointed as a member of the supervisory boards of ProCredit Holding AG & Co. KGaA and ProCredit General Partner AG from 17 May 2017.

3. FINANCIAL POSITION AND FINANCIAL PERFORMANCE

The financial position and financial performance of the group remain solid and in line with expectations.

The consolidated result for the ProCredit group in the first half of 2017 was EUR 23.6 million, which represented a return on equity of 7.0%. Not taking into account the extraordinary income that was recorded in the first half of 2016, the consolidated result from continuing operations was at the level recorded in the previous year.

The development of the consolidated financial position was mainly influenced by the strong growth of the customer loan portfolio and the reduction of the surplus liquidity which had been recorded at year-end. The capital adequacy of the ProCredit group is highly stable. The Common Equity Tier 1 capital ratio (CET1 fully loaded) was 13.0% as at 30 June 2017.

Assets

Total assets decreased by EUR 116.1 million in the first half of 2017. The strong growth in the loan portfolio was more than offset by the reduction in surplus liquidity reserves in particular.

Our customer loan portfolio increased by EUR 172.7 million or 4.8% compared to year-end 2016, ending the period at EUR 3.8 billion.

The volume of liquid assets decreased by EUR 262.9 million compared to year-end, amounting to EUR 1.2 billion as at 30 June 2017. This development can be attributed to the reduction of the liquidity which had been accumulated in the fourth quarter of 2016.

Liabilities

Liabilities were down slightly due to a decrease in customer deposits. The drop in liabilities to international financial institutions was offset by additional liabilities to banks and the issuance of debt securities.

At the end of the period, customer deposits stood at EUR 3.4 billion, down by EUR 98.1 million from year-end 2016. This development is mainly attributable to seasonal effects and, to a lesser extent, the closure of service points.

The equity of the ProCredit group decreased by EUR 2.4 million during the period and amounted to EUR 651.9 million as at 30 June 2017. This change was based on the profit of the period (EUR 23.6 million) less dividend payments (EUR 20.3 million) and a reduction in the translation reserve (EUR 5.7 million).

Result of operations

The consolidated result for the ProCredit group in the first half of 2017 was EUR 23.6 million, which is in line with our expectations. The result from continuing business operations amounted to EUR 20.8 million (previous year: EUR 24.6 million). Not taking extraordinary effects in 2016 into account, the 2017 result was similar to the 2016 level. The strategic re-orientation was reflected in a further drop in the net interest margin and reduced provisioning expenses.

The result from continuing business operations is presented in greater detail below.

Net interest income decreased by 13.7% compared to the previous year, ending the period at EUR 102.6 million. Lower global interest rates and our strategic withdrawal from the segment of loans below EUR 30,000 contributed to this trend. In Q2 2017, net interest income was stable compared to Q1. A further fall in average interest rates was compensated by strong overall loan portfolio growth.

A reduction of around EUR 10.5 million was achieved in provisioning expenses compared to H1 2016. This was due to higher recoveries of written-off loans and to an improvement in portfolio quality and the resulting decrease in provisioning expenses. The PAR 30 coverage ratio increased by 10.3 percentage points compared to H1 2016, ending the period at 104.0%.

Non-interest income came mainly from fees and commissions and amounted to EUR 21.6 million. This was at the same level recorded for the previous year. Lower income from cash transactions, a result of the ongoing automation process, was offset by an increase in account maintenance fees. The consolidated result for the current period contained extraordinary effects, although the net impact of these was insignificant. The previous year's result from available-for-sale financial assets includes extraordinary income from the merger between Visa Europe and Visa Inc.

Personnel and administrative expenses stood at EUR 95.2 million in H1 2017, which is slightly below the level recorded in the previous year. The restructuring of the outlet network with the closure of 93 service points resulted in additional expenses in the short term, but these measures will lead to further efficiency gains in the future. Should we close more service points and continue to reduce staff numbers, we will incur further extraordinary expenses.

The cost income ratio is still relatively high, which can partially be explained by extraordinary expenses related to the closure of service points. The cost income ratio is likely to improve once the effects of the network optimisation materialise and once interest income increases from strong portfolio growth.

4. SEGMENT PERFORMANCE

The development in the geographic segments South Eastern Europe, Eastern Europe and South America are presented below. The Germany segment mainly comprises the activities of ProCredit Holding and ProCredit Bank Germany and is not presented separately. The Germany segment, particularly ProCredit Holding, is mainly responsible for performing support functions for the ProCredit banks. The consolidated result for the group breaks down into the individual segments as follows:

in '000 EUR	01.01.-30.06.2017	01.01.-30.06.2016
South Eastern Europe	25,842	29,481
Eastern Europe	8,679	9,907
South America	-1,788	-1,172
Germany*	-11,935	-13,641
Central America (Discontinued Operations)**	2,793	4,737
Profit of the period	**23,590**	**29,312**

* *Segment Germany includes Consolidation effects*
** *Banco ProCredit El Salvador and Banco ProCredit Nicaragua are shown as discontinued operations*

a. South Eastern Europe

During the first half of 2017, the South Eastern Europe segment recorded 5.4% growth of the customer loan portfolio. Profit after tax amounted to EUR 25.8 million, which was stable compared to the previous year, not taking extraordinary effects into account.

in million EUR			
Statement of Financial Position	**30.06.2017**	**31.12.2016**	**Change in %**
Customer loan portfolio	2,671.7	2,534.9	5.4%
Customer deposits	2,394.7	2,457.3	-2.5%
Statement of Profit or Loss	**01.01.-30.06.2017**	**01.01.-30.06.2016**	**Change in %**
Net interest income after allowances	68.5	71.7	-4.4%
Net fee and commission income	14.7	14.9	-1.9%
Operating expenses	53.5	54.4	-1.7%
Profit after tax	25.8	29.5	-12.3%
Key performance indicators	**30.06.2017**	**30.06.2016**	**Change in pp**
Change in customer loan portfolio	5.4%	1.6%	3.8 pp
Change in loan portfolio over EUR 30,000	9.6%	5.5%	4.1 pp
Return on equity (ROE)*	11.3%	13.7%	-2.4 pp
Additional indicators	**30.06.2017**	**30.06.2016**	**Change in pp**
Ratio of customer deposits to loan portfolio	89.6%	94.4%	-4.7 pp
% of loans in arrears (PAR30)	3.5%	4.6%	-1.0 pp
Ratio of allowances to loans in arrears (PAR30)	102.5%	97.2%	5.4 pp
Net interest margin*	3.7%	4.7%	-0.9 pp
Cost-income ratio	66.0%	57.8%	8.3 pp

* *annualized*

Balance sheet and income statement positions as well as other key figures for the South Eastern Europe segment

The customer loan portfolio for this segment increased during the period by EUR 136.8 million to EUR 2.7 billion. Positive growth was recorded in all ProCredit banks in the region, and was particularly notable in our banks in Bulgaria, Serbia and Kosovo. The growth recorded for the region in the core segment above EUR 30,000 stood at 9.6% or EUR 192.8 million.

Customer deposits totalled EUR 2.4 billion at the end of the period, a decrease of EUR 62.5 million compared to year-end 2016. This development was mainly due to seasonal effects in Q1.

The net interest margin declined by 0.9 p.p. in comparison to the previous year, due to strategic measures and market factors. However, the drop in interest income was offset by the reduction in interest expenses and operating expenses, as well as by additional non-interest income. This segment's result for the current period was influenced by extraordinary effects, which had a small but positive net impact. The previous year's result from available-for-sale financial assets includes extraordinary income from the merger between Visa Europe and Visa Inc.

The share of past-due loans (PAR 30) in the ProCredit banks in South Eastern Europe stood at 3.5% as the banks were able to achieve a significant reduction of 1.0 p.p. in this indicator compared to the previous year. Therefore, net expenses for risk provisions were reduced significantly. The PAR 30 coverage ratio had increased to 102.5% by the end of Q2.

It was possible to reduce operating expenses by 1.7%. Although savings were made through the optimisation of the outlet network and reductions in staff numbers, these were largely offset by a number of related one-off expenses. These measures will lead to substantial efficiency gains in the future.

b. Eastern Europe

The Eastern Europe segment recorded above-average loan portfolio growth of EUR 83.4 million or 11.8%. Profit after tax amounted to EUR 8.7 million in H1.

in million EUR			
Statement of Financial Position	**30.06.2017**	**31.12.2016**	**Change in %**
Customer loan portfolio	792.1	708.7	11.8%
Customer deposits	649.3	698.2	-7.0%
Statement of Profit or Loss	**01.01.-30.06.2017**	**01.01.-30.06.2016**	**Change in %**
Net interest income after allowances	21.2	23.2	-9.0%
Net fee and commission income	4.3	4.3	-0.7%
Operating expenses	16.2	16.5	-1.9%
Profit after tax	8.7	9.9	-12.4%
Key performance indicators	**30.06.2017**	**30.06.2016**	**Change in pp**
Change in customer loan portfolio	11.8%	4.9%	6.8 pp
Change in loan portfolio over EUR 30,000	14.6%	10.6%	4.0 pp
Return on equity (ROE)*	12.6%	16.8%	-4.2 pp
Additional indicators	**30.06.2017**	**30.06.2016**	**Change in pp**
Ratio of customer deposits to loan portfolio	82.0%	89.4%	-7.4 pp
% of loans in arrears (PAR30)	3.0%	4.8%	-1.8 pp
Ratio of allowances to loans in arrears (PAR30)	148.3%	98.9%	49.4 pp
Net interest margin*	5.2%	6.1%	-0.9 pp
Cost-income ratio	48.7%	46.4%	2.2 pp

* *annualized*

Balance sheet and income statement positions as well as other key figures for the Eastern Europe segment

The region recorded a strong increase of 11.8% in the customer loan portfolio during the first half of the year. All of our banks in the region recorded positive growth. It was possible to achieve growth of EUR 94.9 million or 14.6% in the core segment of loans above EUR 30,000; ProCredit Bank Ukraine was the major contributor to this result. At the same time, customer deposits in the Eastern Europe segment fell by EUR 48.9 million or 7.0%.

The 0.9 p.p. reduction in the net interest margin compared to H1 2016 was influenced by strategic measures and market factors. As the tightening of the margin was only partially offset by the strong portfolio growth and reduced risk provisioning expenses during the period, the profit after tax declined by 12.4%.

A significant improvement of 1.8 p.p. was achieved in the share of loans overdue by more than 30 days, and the PAR 30 indicator stood at 3.0%. All of our banks in the region recorded an improvement in portfolio quality during the period.

Risk provisioning expenses were relatively stable, despite the significant improvement in portfolio quality. This was reflected in a clear increase in the PAR30 coverage ratio.

Compared to H1 2016, operating expenses showed a minor decrease of EUR 0.3 million. Here too, savings were made through the optimisation of the outlet network and reductions in staff numbers; however, these were largely offset by a number of related one-off expenses. These measures will generate further efficiency gains in the future.

c. South America

The ProCredit banks in Ecuador and Colombia are re-orienting their business in response to the strategic focus. This process, which was more time-consuming than in the banks in Eastern Europe, has a negative impact on financial performance.

in million EUR			
Statement of Financial Position	**30.06.2017**	**31.12.2016**	**Change in %**
Customer loan portfolio	252.3	306.9	-17.8%
Customer deposits	169.4	205.4	-17.5%
Statement of Profit or Loss	**01.01.-30.06.2017**	**01.01.-30.06.2016**	**Change in %**
Net interest income after allowances*	11.8	11.5	3.3%
Net fee and commission income*	0.0	-0.1	-119.2%
Operating expenses*	13.6	14.0	-2.4%
Profit after tax*	-1.8	-1.2	52.6%
Key performance indicators	**30.06.2017**	**30.06.2016**	**Change in pp**
Change in customer loan portfolio*	-17.8%	-8.1%	-9.7 pp
Change in loan portfolio over EUR 30,000*	-4.6%	1.1%	-5.7 pp
Return on equity (ROE)*/**	-5.5%	-3.6%	-1.9 pp
Additional indicators	**30.06.2017**	**30.06.2016**	**Change in pp**
Ratio of customer deposits to loan portfolio	67.2%	55.6%	11.5 pp
% of loans in arrears (PAR30)*	8.9%	8.9%	0.0 pp
Ratio of allowances to loans in arrears (PAR30)*	59.6%	68.9%	-9.3 pp
Net interest margin*/**	4.8%	5.3%	-0.5 pp
Cost-income ratio*	124.0%	101.8%	22.1 pp

* *The presentation contains only continuing operations for 2017 as well as for 2016, i.e. without Bolivia, El Salvador, Mexico and Nicaragua*
** *annualized*

Balance sheet and income statement positions as well as other key figures for the South America segment

The decrease in the customer loan portfolio during the first half of 2017 was mainly due to the withdrawal from lending below EUR 30,000. A corresponding reduction in customer deposits was also recorded. This development was due to delays in the introduction of the business strategy.

The interest income after provisioning increased by EUR 0.4 million. The decrease in the interest margin which resulted from the strategic reorientation was offset by lower costs for credit risk. The decline in profit was largely attributable to a number of one-off costs associated with optimising the outlet network. These measures will lead to efficiency gains in the future.

5. RISK REPORTING

In accordance with our simple, transparent and sustainable business strategy, we follow a conservative risk strategy. By following a consistent group-wide approach to managing risks, the aim is to ensure the internal capital adequacy of the group and each individual bank at all times and to achieve stable results, despite volatile external conditions. The overall risk profile of the group is adequate and stable.

In general, the information contained in the 2016 management report remains valid. An explanation will be provided in the event of changes to the methodology and processes involved in risk management during the current financial year.

Capital management

During the reporting period, all regulatory capital requirements were met at all times. The capital ratios of the ProCredit group increased during the first half of 2017. This was due to an equity increase and a parallel reduction in the total risk amount for the group. The rise in equity is mainly due to recognition of Q4 2016 profits.

During the first half of 2017, the CET1 ratio increased to 13.0%, with a Tier 1 ratio likewise at 13.0% and a total capital ratio of 16.0%. The level of capitalisation in the ProCredit group is higher than the current regulatory requirements.

in EUR million	**30.06.2017**	**31.12.2016**
Common equity (net of deductions)	593	574
Additional Tier 1 (net of deductions)	0	0
Tier 2 capital	133	150
Total capital	726	724
RWA total	4,546	4,603
o/w Credit risk	3,528	3,446
o/w Market risk (currency risk)	467	462
o/w Operational risk	549	694
o/w CVA risk	1	1
Common equity Tier 1 capital ratio	13.0%	12.5%
Total capital ratio	16.0%	15.7%
leverage ratio (CRR)	10.4%	9.9%
CET1 capital ratio (fully loaded)	13.0%	12.4%
Total capital ratio (fully loaded)	15.9%	15.4%
Leverage ratio (fully loaded)	10.3%	9.8%

Own Funds and Capital Ratios as well as Risk-weighted assets

The internal capital adequacy and the results of the stress tests are discussed by the Group Risk Management Committee and the Management on a quarterly basis and reported to the Supervisory Board. During the first half of the year, the internal capital adequacy and stress resistance of the ProCredit group was ensured at all times. This is also reflected in the development of the group's individual risks, as briefly described below.

Credit risk

Credit risk is the most significant risk facing the ProCredit group. Within credit risk, we distinguish between customer credit risk, counterparty risk (including issuer risk) and country risk. Customer credit exposures account for the largest share. At group and bank level, the customer loan portfolio is monitored continuously for possible risk-relevant developments using performance indicators. These include, among other items, past due credit exposures (PAR 30 and PAR 90), restructured credit exposures, written-off credit exposures, impaired exposures, allowances for impairment on the loan portfolio and risk concentrations towards single counterparties.

The clear focus on small and medium-sized businesses led to positive developments in portfolio quality. PAR 30 stood at 3.7% at the end of H1 2017, slightly lower than the 3.9% recorded at the end of 2016 and significantly below the 4.9% recorded at the end of H1 2016. Moreover, the share of restructured loans fell to 1.0%.

in '000 EUR **As at June 30, 2017**	**Loan portfolio**	**Allowance for impair-ment**	**PAR 30 as % of loan portfolio**	**PAR 30 Coverage ratio**	**PAR 90 as % of loan portfolio**	**Restructured loans in % of loan portfolio**	**Net write-offs as % of loan portfolio**	**Impaired loans in % of loan portfolio**
Germany	85,387	-728	-	-	-	0.0%	0.1%	-
South Eastern Europe	2,671,672	-96,284	3.5%	102.5%	2.9%	1.0%	0.1%	5.4%
Eastern Europe	792,087	-35,244	3.0%	148.3%	2.4%	0.9%	0.2%	6.0%
South America	252,288	-13,333	8.9%	59.6%	7.3%	1.3%	0.0%	11.5%
Total	**3,801,434**	**-145,589**	**3.7%**	**104.0%**	**3.0%**	**1.0%**	**0.1%**	**5.8%**

in '000 EUR **As at December 31, 2016**	**Loan portfolio**	**Allowance for impair-ment**	**PAR 30 as % of loan portfolio**	**PAR 30 Coverage ratio**	**PAR 90 as % of loan portfolio**	**Restructured loans in % of loan portfolio**	**Net write-offs as % of loan portfolio**	**Impaired loans in % of loan portfolio**
Germany	78,306	-656	-	-	-	0.0%	3.0%	-
South Eastern Europe	2,534,854	-101,442	3.8%	105.6%	3.2%	1.2%	0.5%	6.1%
Eastern Europe	708,669	-32,962	3.3%	140.0%	3.0%	1.4%	1.6%	6.3%
South America	306,872	-15,591	7.5%	67.8%	6.5%	1.1%	0.3%	9.8%
Total	**3,628,700**	**-150,651**	**3.9%**	**105.6%**	**3.4%**	**1.2%**	**0.7%**	**6.3%**

in '000 EUR **As at June 30, 2016**	**Loan portfolio**	**Allowance for impair-ment**	**PAR 30 as % of loan portfolio**	**PAR 30 Coverage ratio**	**PAR 90 as % of loan portfolio**	**Restructured loans in % of loan portfolio**	**Net write-offs as % of loan portfolio**	**Impaired loans in % of loan portfolio**
Germany	75,714	-694	-	-	-	0.0%	0.0%	-
South Eastern Europe	2,494,825	-110,484	4.6%	97.2%	3.7%	1.3%	0.1%	7.8%
Eastern Europe	715,017	-34,176	4.8%	98.9%	4.0%	2.2%	0.7%	8.8%
South America	299,248	-18,356	8.9%	68.9%	7.6%	0.7%	-0.2%	10.5%
Total	**3,584,805**	**-163,710**	**4.9%**	**93.6%**	**4.0%**	**1.4%**	**0.2%**	**8.0%**

Risk provisions in lending

Concentration risk in the customer loan portfolio is effectively limited by a high degree of diversification. This diversification is a consequence of lending to small and medium businesses in various economic sectors and the distribution of the loan portfolio across the different ProCredit institutions.

in '000 EUR **As at June 30, 2017**	**EUR/USD < 50,000**	**EUR/USD 50,00 - 250,000**	**EUR/USD > 250,000**	**Total**
Germany	129	1,161	84,097	85,387
South Eastern Europe	747,497	1,001,160	923,014	2,671,672
Eastern Europe	94,245	344,131	353,711	792,087
South America	121,899	97,769	32,620	252,288
Total	**963,770**	**1,444,221**	**1,393,443**	**3,801,434**

in '000 EUR **As at December 31, 2016**	**EUR/USD < 50,000**	**EUR/USD 50,00 - 250,000**	**EUR/USD > 250,000**	**Total**
Germany	3,948	428	73,930	78,306
South Eastern Europe	808,648	934,868	791,338	2,534,854
Eastern Europe	105,994	307,025	295,650	708,669
South America	177,160	100,843	28,869	306,872
Total	**1,095,750**	**1,343,163**	**1,189,787**	**3,628,700**

Portfolio diversification: Loan size, by region

The breakdown of credit exposures by business areas shows strong growth in business and agricultural lending during H1 2017.

in '000 EUR **As at June 30, 2017**	**Business**	**Agricultural**	**Housing Improvement**	**Consumer**	**Finance leases**	**Other**
< 50,000 EUR/USD	470,591	211,888	203,519	60,734	154	16,884
50,000 - 250,000 EUR/USD	1,063,421	304,414	69,841	3,950	97	2,499
>250,000 EUR/USD	1,174,677	214,703	1,988	734	1,341	0
Total	**2,708,689**	**731,005**	**275,348**	**65,418**	**1,592**	**19,383**

in '000 EUR **As at December 31, 2016**	**Business**	**Agricultural**	**Housing Improvement**	**Consumer**	**Finance leases**	**Other**
< 50,000 EUR/USD	568,687	244,043	194,302	68,540	590	19,588
50,000 - 250,000 EUR/USD	1,042,877	257,028	38,772	1,669	178	2,640
> 250,000 EUR/USD	1,022,488	164,142	761	0	1,556	841
Total	**2,634,052**	**665,213**	**233,835**	**70,209**	**2,323**	**23,068**

Portfolio diversification: Business areas, by loan size

Foreign currency risk

Foreign currency risk at group level arises as a result of the equity holdings that ProCredit Holding maintains in its foreign subordinated companies. The group's regulatory capital and risk-taking potential are exposed to fluctuations caused by changes in the exchange rates between EUR and the local currencies in which the majority of our banks hold their equity. These translation differences are included in the translation reserve for the consolidated equity of the group. The amount for this reserve decreased by EUR 5.7 million, mainly due to the depreciation of the USD and USD-indexed local currencies against the EUR.

Interest rate risk in the banking book

At the group level, interest rate risk is quantified on the basis of economic value impact and the 12-month P&L effect; limits are set for this risk on the basis of economic value impact. As of end-June 2017, this indicator continued to be comfortably within the limit set for it in the ICAAP framework.

Liquidity and funding risk

We measure our liquidity risk using a maturity gap analysis, among other instruments, and monitor this risk based on a 30-day liquidity indicator (Sufficient Liquidity Indicator, SLI), as well as in accordance with the minimum liquidity ratio stipulated by CRR (Liquidity Coverage Ratio, LCR) and by performing liquidity stress tests. At the end of H1 2017, the LCR at group level was 112%, and thus comfortably above the regulatory requirement of 80%. The ratio of highly liquid assets to customer deposits was 20%. All ProCredit banks complied with the respective liquidity ratio requirements at all times and always had sufficient liquidity available to meet all financial obligations in a timely manner.

ProCredit Holding keeps an adequate liquidity reserve available for the group. The amount of the liquidity reserve is determined on the basis of group stress tests and monitored on a regular basis.

Other material risk

For us, other material risks include operational risk and fraud risk as well as business risk and model risk. The prevention of money laundering, terrorist financing and fraud is also a key component of our risk management. As there have been no substantial changes concerning these risks, the statements contained in the 2016 management report remain valid.

6. OUTLOOK

During the financial year, we raised our forecast for loan portfolio growth. The Management Board expects the net growth of the overall customer loan portfolio to be above 8% for the current financial year and has also forecast growth of more than 10% in the core segment of loans over EUR 30,000.

The forecasts for return on equity (RoE) and the CET1 capital ratio remain unchanged. The RoE for the 2017 financial year is expected to range between 7% and 9%. The CET1 capital ratio is expected to be above 13% after the sale of the institutions in El Salvador and Nicaragua.

Based on the information available at the time of publication, we assume that the other statements made in the 2016 Annual Report concerning opportunities, risks and forecasts remain valid.

Consolidated Interim Financial Reports of ProCredit Group

Auditor's Report

To ProCredit Holding AG & Co. KGaA, Frankfurt am Main

We have performed an audit review of the condensed Consolidated Interim Financial Statements – consisting of the Consolidated Statement of Profit or Loss, Consolidated Statement of Other Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Changes in Equity, condensed Consolidated Statement of Cash Flows as well as selected explanations (Consolidated Notes to the Financial Statements) – and the Consolidated Interim Management Report for ProCredit Holding AG & Co. KGaA, Frankfurt am Main, for the period from 1 January to 30 June 2017, representing the components of a half-yearly financial report pursuant to section 37w of the Securities Trading Act (Wertpapierhandelsgesetz – WpHG). The Management of the Company is responsible for the preparation of the condensed consolidated interim financial statements in accordance with IFRS for interim reporting as applicable in the European Union, and of the consolidated interim management report in accordance with the requirements of the WpHG applicable to consolidated interim management reports. Our duty is to issue a statement on the condensed Consolidated Interim Financial Statements and the Consolidated Interim Management Report on the basis of our audit review.

We have conducted our audit review of the condensed Consolidated Interim Financial Statements and the Consolidated Interim Management Report in accordance with the generally accepted standards in Germany for the audit review of financial statements as promulgated by the Institute of Public Auditors in Germany [Institut der Wirtschaftsprüfer – IDW]. Accordingly, we are required to plan and perform the audit review to obtain upon critical evaluation reasonable assurance about whether the consolidated interim financial statements have been prepared in a manner consistent in material respects with IFRS for interim financial reporting as applicable in the EU, and whether the consolidated interim management report has been prepared in a manner consistent in material respects with the requirements of the WpHG applicable to consolidated interim management reports. An audit review is limited primarily to discussions with bank staff and analytical evaluations, thus precluding the level of certainty possible by means of auditing financial statements. As the scope of our mandate does not include the performance of an audit of the financial statements, we are unable to issue an audit opinion.

On the basis of our audit review, we did not become aware of any circumstances that led us to assume that the consolidated interim financial statements have not been prepared in a manner consistent in material respects with IFRS for interim financial reporting as applicable in the EU, or that the consolidated interim management report has not been prepared in a manner consistent in material respects with the requirements of the WpHG applicable to consolidated interim management reports.

Frankfurt am Main, 4 August 2017

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Eva Handrick	*ppa. Muriel Atton*
Auditor	*Auditor*

Consolidated Statement of Profit or Loss

in '000 EUR	Note	01.01.-30.06.2017	01.01.-30.06.2016
Interest and similar income		145,124	167,904
Interest and similar expenses		42,513	49,043
Net interest income	(5)	**102,611**	**118,861**
Allowance for losses on loans and advances to customers	(6)	3,437	13,922
Net interest income after allowances		**99,174**	**104,939**
Fee and commission income		29,085	28,927
Fee and commission expenses		7,463	7,301
Net fee and commission income	(7)	**21,621**	**21,626**
Result from foreign exchange transactions		5,326	4,562
Net result from financial instruments at fair value through profit or loss		-502	-447
Net result from available-for-sale financial assets		34	4,374
Net other operating income		-2,339	-6,612
Operating income		**123,315**	**128,441**
Personnel expenses		43,727	43,956
Administrative expenses		51,472	52,547
Operating expenses		**95,199**	**96,503**
Profit before tax		**28,116**	**31,938**
Income tax expenses		7,318	7,364
Profit of the period from continuing operations		**20,798**	**24,575**
Profit of the period from discontinued operations	(14)	2,793	4,737
Profit of the period		**23,590**	**29,312**
Profit attributable to ProCredit shareholders		22,699	28,545
from continuing operations		19,928	23,837
from discontinued operations		2,771	4,708
Profit attributable to non-controlling interests		891	767
from continuing operations		870	737
from discontinued operations		22	30
Earnings per share (continuing operations)* in EUR		0.37	0.47
Earnings per share (discontinued operations)* in EUR		0.05	0.09
Earnings per share* in EUR		0.42	0.56

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

Consolidated Statement of Other Comprehensive Income

in '000 EUR	01.01.-30.06.2017	01.01.-30.06.2016
Profit of the period	**23,590**	**29,312**
Items that will not be reclassified to profit or loss		
Change in revaluation reserve from remeasurements of post employment benefits*	0	-583
Change in deferred tax from remeasurements of post employment benefits*	0	103
Items that are or may be reclassified to profit or loss		
Change in revaluation reserve from available-for-sale financial assets		
Reclasified to profit or loss	-19	-3,881
Change in value not recognised in profit or loss	294	433
Change in deferred tax on revaluation reserve from available-for-sale financial assets	-30	383
Change in translation reserve		
Reclasified to profit or loss	0	1,399
Change in value not recognised in profit or loss	-2,482	-1
Other comprehensive income of the period, net of tax continuing operations	**-2,236**	**-2,148**
Other comprehensive income of the period, net of tax discontinued operations	**-3,540**	**-1,379**
Total comprehensive income of the period	**17,814**	**25,785**
Profit attributable to ProCredit shareholders	17,273	21,757
from continuing operations	17,952	18,385
from discontinued operations	-679	3,372
Profit attributable to non-controlling interests	542	4,028
from continuing operations	610	4,042
from discontinued operations	-68	-13

* *Recognition of remeasurements of post employment benefits according to IAS 19 are omitted due to insignifcance for the group*

Consolidated Statement of Financial Position

in '000 EUR	Note	30.06.2017	31.12.2016
Assets			
Cash and cash equivalents	(8)	750,543	937,307
Loans and advances to banks		262,378	286,673
Financial assets at fair value through profit or loss		139	243
Available-for-sale financial assets		197,896	249,757
Loans and advances to customers		3,801,434	3,628,700
Allowance for losses on loans and advances to customers	(9)	-145,589	-150,651
Property, plant and equipment		150,542	157,336
Investment properties		3,747	1,918
Intangible assets		21,473	21,446
Current tax assets		4,231	4,101
Deferred tax assets		5,588	6,411
Other assets		63,359	63,136
Assets held for sale	(14)	435,973	461,398
Total assets		**5,551,716**	**5,667,776**
Liabilities			
Liabilities to banks		351,780	317,592
Financial liabilities at fair value through profit or loss		628	1,367
Liabilities to customers		3,377,045	3,475,099
Liabilities to international financial institutions		450,052	499,263
Debt securities	(10)	170,533	143,745
Other liabilities		17,041	18,735
Provisions		14,704	15,775
Current tax liabilities		579	1,452
Deferred tax liabilities		2,122	1,900
Subordinated debt		163,617	171,024
Liabilities related to assets held for sale	(14)	351,748	367,551
Total liabilities		**4,899,850**	**5,013,504**
Equity			
Subscribed capital		267,720	267,720
Capital reserve		115,253	115,253
Legal reserve		136	136
Retained earnings		327,515	325,020
Translation reserve		-67,783	-62,112
Revaluation reserve		264	19
Equity attributable to ProCredit shareholders		**643,106**	**646,035**
Non-controlling interests		8,761	8,237
Total equity		**651,866**	**654,272**
Total equity and liabilities		**5,551,716**	**5,667,776**

Consolidated Statement of Changes in Equity

in '000 EUR	Subscribed capital	Capital reserve	Legal reserve	Retained earnings	Translation reserve	Revaluation reserve	Equity attributable to ProCredit shareholders	Non-controlling interests	Total equity
Balance at January 1, 2017	**267,720**	**115,253**	**136**	**325,020**	**-62,112**	**19**	**646,035**	**8,237**	**654,272**
Change in translation reserve					-5,671		-5,671	-351	-6,022
Revaluation of afs securities						245	245	1	245
Other comprehensive income of the period, net of tax					-5,671	245	-5,427	-350	-5,776
Profit of the period				22,699			22,699	891	23,590
Total comprehensive income of the period				22,699	-5,671	245	17,273	542	17,814
Distributed dividends				-20,347			-20,347		-20,347
Change of ownership interests				144			144	-18	126
Balance at June 30, 2017	**267,720**	**115,253**	**136**	**327,516**	**-67,783**	**263**	**643,106**	**8,761**	**651,866**

in '000 EUR	Subscribed capital	Capital reserve	Legal reserve	Retained earnings	Translation reserve	Revaluation reserve	Equity attributable to ProCredit shareholders	Non-controlling interests	Total equity
Balance at January 1, 2016	**254,123**	**97,178**	**136**	**283,908**	**-43,688**	**4,610**	**596,267**	**7,731**	**603,998**
Change in translation reserve					-2,862		-2,862	3,288	426
Revaluation of afs securities						-3,066	-3,066	0	-3,066
Revaluation of actuarial gains and losses						-861	-861	-26	-887
Other comprehensive income of the period, net of tax					-2,862	-3,927	-6,788	3,262	-3,527
Profit of the period				28,545			28,545	767	29,312
Total comprehensive income of the period				28,545	-2,862	-3,927	21,757	4,028	25,785
Distributed dividends				-20,331			-20,331	-1	-20,332
Change of ownership interests				2,727			2,727	-4,133	-1,406
Balance at June 30, 2016	**254,123**	**97,178**	**136**	**294,850**	**-46,550**	**683**	**600,420**	**7,626**	**608,046**

Consolidated Statement of Cash Flows (condensed)

in '000 EUR	01.01.–30.06.2017	01.01.–30.06.2016
Cash and cash equivalents at end of previous year	**979,068**	**849,124**
Cash flow from operating activities	-144,804	-13,600
of which discontinued operations	*-23,120*	*-14,801*
Cash flow from investing activities	-8,607	-10,847
of which discontinued operations	*3,805*	*616*
Cash flow from financing activities	-57,022	26,261
of which discontinued operations	*-17,569*	*-2,441*
Effects of exchange rate changes	-6,275	-6,064
Cash and cash equivalents at end of period	**762,361**	**844,875**

Notes to the Condensed Consolidated Interim Financial Statements

A. Basis of Preparation

(1) Compliance with International Financial Reporting Standards

The ProCredit group (the group) prepares its Consolidated Financial Statements in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board and adopted by the European Union (EU). These financial statements have been prepared on the basis of the going concern assumption.

The Condensed Consolidated Interim Financial Statements for the six months ended 30 June 2017 have been prepared in accordance with IAS 34, "Interim Financial Reporting". The preparation of these Condensed Consolidated Interim Financial Statements follows the same accounting policies and methods of computation as were used for the group's Consolidated Financial Statements for the financial year 2016. In addition, the German Accounting Standards (Deutsch Rechnungslegungsstandards – DRS) were taken into account, insofar as these were not contrary to IFRS. Disclosures with regard to the nature and extent of risks arising from financial instruments have been presented in the risk report of the interim management report. The Condensed Consolidated Interim Financial Statements should be read in conjunction with the Consolidated Financial Statements for the financial year 2016.

The following new standards will have an impact on the group's financial statements in the future. These were not applied in preparing these Condensed Consolidated Interim Financial Statements:

- IFRS 9 "Financial Instruments" will have an impact on the recognition and measurement, the recognition of impairments as well as on the disclosure requirements of financial instruments. The group expects only minor effects from the new approach and valuation rules. Based on the preliminary assessment, the application impairment requirements is expected to result in an increase in loss allowance at the moment of transition and moderate increases for expenses for allowance for losses on loans and advances. The new hedge accounting requirements will not affect the consolidated financial statements as the group does not apply hedge accounting.

- IFRS 15 "Revenue from Contracts with Customers" and amendments to IFRS 15 "Clarifications to IFRS 15" will have a minor impact on the consolidated financial statements.

- IFRS 16 "Leases" will have an impact on the recognition, measurement, presentation and disclosure of leases. The overall impact of the standard is currently being assessed.

All amounts are presented in thousands of euros, unless otherwise stated. For computational reasons, the figures in the tables may exhibit rounding differences of maximum two units (EUR, %, etc.).

(2) Consolidation

There were no changes in the group composition during the period as compared to the Consolidated Financial Statements as of 31 December 2016. Refer to Note 50 in the 2016 management report for an overview of the significant subsidiaries which have been included in the scope of consolidation.

(3) Use of assumptions and estimates

All assumptions and estimates required in conformity with IFRS are best estimates undertaken in accordance with the applicable standard. Estimates and judgements are evaluated on a continuous basis, are based on past experience and other factors, including expectations with regard to future events and are considered appropriate under the given circumstances. There have been no material changes in estimates and assumptions in the current year.

Taxes on income in the interim period are accrued using the local tax rates that would be applicable to expected total annual earnings. The estimated average annual income tax rate used for the year 2017 is 14.9% (the income tax rate for the six months ended 30 June 2017 was 10.8%; 30 June 2016 10.6%).

(4) Measurement basis

On initial recognition financial instruments are measured at fair value. In principle, this is the transaction price at the time they are acquired. Depending on their respective category, financial instruments are recognised in the statement of financial position subsequently either at (amortised) cost or fair value. In general, financial instruments at fair value are measured on a recurring basis in the financial statements.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market between market participants at the measurement date.

The ProCredit group applies the IFRS fair value hierarchy, with a three-level categorisation of the inputs used in valuation techniques to measure fair value.

Level 1 Inputs

Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Level 2 Inputs

Other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The valuation techniques applied refer to the current fair value of similar instruments and discounted cash flow analysis using observable market parameters. Each subsidiary applies individual observable interest and exchange rates, predominantly from local central banks.

Level 3 Inputs

Unobservable inputs for the asset or liability. If observable market rates are not available, internal rates are used as an input for a discounted cash flow model. Internal rates are determined taking into consideration the cost of funds depending on currencies and maturities plus a risk margin, f.e. ProCredit Group funding rates. Internal rates are regularly compared to those applied for third party transactions and are consistent with the parameters of an orderly transaction between market participants under market conditions at the measurement date.

B. Notes to the Consolidated Statement of Profit or Loss

(5) Net interest income

in '000 EUR	01.01.–30.06.2017	01.01.–30.06.2016
Interest and similar income from		
Cash and cash equivalents	3,249	5,310
Loans and advances to banks	1,405	1,423
Available-for-sale assets	544	631
Loans and advances to customers	137,051	156,891
Unwinding	2,663	3,272
Prepayment penalty	212	376
Interest and similar income	**145,124**	**167,904**
Interest and similar expenses on		
Liabilities to banks	4,920	5,446
Liabilities to customers	21,936	27,431
Liabilities to international financial institutions	7,952	8,385
Debt securities	3,042	3,774
Subordinated debt	4,663	3,949
Option agreements	0	59
Interest and similar expenses	**42,513**	**49,043**
Net interest income	**102,611**	**118,861**

(6) Allowance for losses on loans and advances to customers

in '000 EUR	01.01.–30.06.2017	01.01.–30.06.2016
Increase of impairment charge	58,993	86,843
Release of impairment charge	-45,721	-64,428
Recovery of written-off loans	-10,114	-8,828
Direct write-offs	279	335
Allowance for losses on loans and advances to customers	**3,437**	**13,922**

(7) Net fee and commission income

in '000 EUR	01.01.–30.06.2017	01.01.–30.06.2016
Fee and commission income from		
Payment services	10,962	12,580
Debit/credit cards	6,021	5,538
Account maintenance fee	7,407	5,871
Letters of credit and guarantees	2,173	2,236
Other fee and commission income	2,523	2,702
Fee and commission income	**29,085**	**28,927**
Fee and commission expenses on		
Payment services	1,777	2,039
Debit/credit cards	3,962	3,510
Account maintenance fee	1,038	994
Letters of credit and guarantees	283	433
Other fee and commission expenses	404	325
Fee and commission expenses	**7,463**	**7,301**
Net fee and commission income	**21,621**	**21,626**

C. Notes to the Consolidated Statement of Financial Position

(8) Cash and cash equivalents

in '000 EUR	30.06.2017	31.12.2016
Cash in hand	151,581	179,406
Balances at central banks	517,685	611,900
Money market instruments	81,276	146,002
Cash and cash equivalents	**750,543**	**937,307**
Cash from discontinuing operations	79,151	77,889
Loans and advances to banks with a maturity up to 3 months	256,263	279,707
Minimum reserve, which does not qualify as cash for the statement of cash flows	-323,596	-315,835
Cash and cash equivalents for the statement of cash flows	**762,361**	**979,068**

(9) Allowance for losses on loans and advances to customers

in '000 EUR	30.06.2017	31.12.2016
Specific impairment	60,527	61,875
Allowance for individually insignificant impaired loans	33,917	36,700
Allowance for collectively assessed loans	51,145	52,076
Allowance for losses on loans and advances to customers	**145,589**	**150,651**

(10) Debt securities

In 2017, new debt securities from continuing operations totalling EUR 30,500 thousand (12.2016: 0 EUR) were issued and debt securities from continuing operations totalling EUR 2,536 thousand (12.2016: EUR 44,183 thousand) were repaid.

(11) Fair value of financial instruments

in '000 EUR 30.06.2017	Category	Carrying value	Fair value	Level 1	Level 2	Level 3
Financial assets						
Cash and cash equivalents	AFV/LaR/AfS	750,543	750,543	151,581	598,961	0
Loans and advances to banks	LaR	262,378	262,353	0	262,353	0
Financial assets at fair value through profit or loss	AFV	139	139	0	139	0
Available-for-sale financial assets	AfS	197,896	197,896	133,792	62,213	1,891
Loans and advances to customers	LaR	3,655,845	3,686,090	0	0	3,686,090
Total		**4,866,802**	**4,897,021**	**285,373**	**923,667**	**3,687,981**
Financial liabilities						
Liabilities to banks	AC	351,780	362,864	0	88,821	274,042
Financial liabilities at fair value through profit or loss	AFV	628	628	0	628	0
Liabilities to customers	AC	3,377,045	3,381,207	0	2,276,959	1,104,247
Liabilities to international financial institutions	AC	450,052	446,516	0	14,049	432,467
Debt securities	AC	170,533	184,531	17,082	0	167,449
Subordinated debt	AC	163,617	158,041	0	0	158,041
Total		**4,513,655**	**4,533,785**	**17,082**	**2,380,457**	**2,136,246**
Contingent liabilities						
Contingent liabilities and commitments	n/a	-	1,217	0	0	1,217

Categories: AFV - At Fair value; LaR - Loans and Receivables; AfS - Available-for-sale; AC - Amortised cost

in '000 EUR 31.12.2016	Category	Carrying value	Fair value	Level 1	Level 2	Level 3
Financial assets						
Cash and cash equivalents	AFV/LaR/AfS	937,307	937,307	179,406	757,901	0
Loans and advances to banks	LaR	286,673	286,673	0	286,673	0
Financial assets at fair value through profit or loss	AFV	243	243	0	243	0
Available-for-sale financial assets	AfS	249,757	249,757	165,935	83,033	789
Loans and advances to customers	LaR	3,478,049	3,487,405	0	0	3,487,405
Total		**4,952,030**	**4,961,385**	**345,341**	**1,127,850**	**3,488,194**
Financial liabilities						
Liabilities to banks	AC	317,592	330,889	0	93,222	237,667
Financial liabilities at fair value through profit or loss	AFV	1,367	1,367	0	1,367	0
Liabilities to customers	AC	3,475,099	3,473,586	0	2,370,019	1,103,567
Liabilities to international financial institutions	AC	499,263	492,757	0	12,849	479,908
Debt securities	AC	143,745	161,610	21,278	0	140,332
Subordinated debt	AC	171,024	162,572	0	0	162,572
Total		**4,608,090**	**4,622,780**	**21,278**	**2,477,456**	**2,124,046**
Contingent liabilities						
Contingent liabilities and commitments	n/a	-	1,258	0	0	1,258

Categories: AFV - At Fair value; LaR - Loans and Receivables; AfS - Available-for-sale; AC - Amortised cost

ProCredit's fair value determination gives the highest priority to (unadjusted) quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. For short-term financial instruments carried at amortised costs, the carrying value represents a reasonable estimate of fair value. The ProCredit group has no fair value financial instruments with Level 3 inputs, with the exception of an insignificant amount of available-for-sale shares.

D. Additional Notes

(12) Segment reporting

in '000 EUR **30 June 2017**	**Total assets excl. taxes**	**Total liabilities excl. taxes**	**Contingent liabilities and commitments**
Germany	1,543,995	910,186	16,715
Eastern Europe	1,040,194	901,918	85,978
South Eastern Europe	3,567,097	3,113,280	483,842
South America	389,900	330,356	11,579
Central America (Discontinued Operations)*	437,858	394,123	0
Consolidation	-1,437,147	-752,715	0
Total	**5,541,897**	**4,897,149**	**598,114**

* *Banco ProCredit El Salvador and Banco ProCredit Nicaragua are shown as discontinued operations*

in '000 EUR **31 December 2016**	**Total assets excl. taxes**	**Total liabilities excl. taxes**	**Contingent liabilities and commitments**
Germany	1,528,715	922,221	7,970
Eastern Europe	1,090,794	952,977	100,672
South Eastern Europe	3,563,062	3,112,139	487,564
South America	481,153	415,321	13,418
Central America (Discontinued Operations)*	461,784	1,044,716	0
Consolidation	-1,468,245	-1,437,223	0
Total	**5,657,264**	**5,010,151**	**609,625**

* *Banco ProCredit El Salvador and Banco ProCredit Nicaragua are shown as discontinued operations*

The group aggregates its operating segments per country into reporting segments according to geographical regions. It carries out its business activities in the regions Eastern Europe, Germany, South America and South Eastern Europe. With the exception of the relationship between the Germany segment and the individual subsidiaries, there are no significant transactions between the individual segments. The items are allocated to the country in which the respective subsidiary is based.

in '000 EUR **01.01.-30.06.2017**	**Germany**	**Eastern Europe**	**South Eastern Europe**	**South America**	**Consolidation**	**Group**
Interest and similar income	9,280	49,422	77,370	17,668	-8,617	145,124
of which inter-segment	*8,383*	*169*	*65*	*-1*		
Interest and similar expenses	10,720	21,844	10,568	7,146	-7,765	42,513
of which inter-segment	*263*	*2,585*	*3,381*	*1,536*		
Net interest income	**-1,440**	**27,579**	**66,802**	**10,522**	**-852**	**102,611**
Allowance for losses on loans and advances to customers	72	6,429	-1,737	-1,327	0	3,437
Net interest income after allowances	**-1,511**	**21,150**	**68,539**	**11,849**	**-852**	**99,174**
Fee and commission income	4,691	6,207	21,882	854	-4,549	29,085
of which inter-segment	*3,879*	*0*	*670*	*0*		
Fee and commission expenses	941	1,942	7,228	835	-3,483	7,463
of which inter-segment	*18*	*726*	*2,459*	*280*		
Net fee and commission income	**3,750**	**4,265**	**14,653**	**19**	**-1,066**	**21,621**
Result from foreign exchange transactions	-410	2,503	3,236	35	-39	5,326
Net result from financial instruments at fair value through profit or loss	-591	-275	372	-7	0	-502
Net result from available-for-sale financial assets	54	3	-27	4	0	34
Net other operating income	58,146	-834	-4,054	423	-56,020	-2,339
of which inter-segment	*55,391*	*0*	*307*	*322*		
Operating income	**59,439**	**26,811**	**82,719**	**12,323**	**-57,977**	**123,315**
Personnel expenses	11,555	5,657	20,894	5,622	0	43,727
Administrative expenses	13,438	10,521	32,561	8,010	-13,059	51,472
of which inter-segment	*2,193*	*2,361*	*6,909*	*1,595*		
Operating expenses	**24,993**	**16,177**	**53,455**	**13,632**	**-13,059**	**95,199**
Profit before tax	**34,445**	**10,634**	**29,264**	**-1,308**	**-44,918**	**28,116**
Income tax expenses	1,462	1,956	3,421	480		7,318
Profit of the period from continuing operations	**32,983**	**8,679**	**25,842**	**-1,788**	**-44,918**	**20,798**
Profit of the period from discontinued operations*						2,793
Profit of the period	**32,983**	**8,679**	**25,842**	**-1,788**	**-44,918**	**23,590**
Profit attributable to ProCredit shareholders						*22,699*
Profit attributable to non-controlling interests						*891*

* *Banco ProCredit El Salvador and Banco ProCredit Nicaragua are shown as discontinued operations*

in '000 EUR **01.01.-30.06.2016**	**Germany**	**Eastern Europe**	**South Eastern Europe**	**South America**	**Consolidation**	**Group**
Interest and similar income	10,028	53,798	92,686	19,699	-8,307	167,904
of which inter-segment	*8,252*	*31*	*18*	*6*		
Interest and similar expenses	10,557	23,899	14,305	7,594	-7,312	49,043
of which inter-segment	*80*	*1,980*	*3,503*	*1,750*		
Net interest income	**-528**	**29,899**	**78,381**	**12,105**	**-996**	**118,861**
Allowance for losses on loans and advances to customers	-94	6,659	6,717	640	0	13,922
Net interest income after allowances	**-434**	**23,240**	**71,664**	**11,465**	**-996**	**104,939**
Fee and commission income	4,070	6,048	22,050	899	-4,140	28,927
of which inter-segment	*3,488*	*0*	*651*	*0*		
Fee and commission expenses	1,006	1,751	7,106	995	-3,557	7,301
of which inter-segment	*24*	*568*	*2,549*	*417*		
Net fee and commission income	**3,064**	**4,296**	**14,944**	**-97**	**-582**	**21,626**
Result from foreign exchange transactions	-751	1,756	3,571	-21	7	4,562
Net result from financial instruments at fair value through profit or loss	-350	-66	-30	0	0	-447
Net result from available-for-sale financial assets	-186	317	3,957	286	0	4,374
Net other operating income	59,981	-683	-6,673	1,447	-60,683	-6,612
of which inter-segment	*58,614*	*0*	*437*	*1,631*		
Operating income	**61,324**	**28,859**	**87,433**	**13,079**	**-62,254**	**128,441**
Personnel expenses	10,737	6,143	21,984	5,092	0	43,956
Administrative expenses	13,673	10,352	32,389	8,877	-12,744	52,547
of which inter-segment	*2,857*	*2,231*	*5,230*	*2,426*		
Operating expenses	**24,410**	**16,495**	**54,373**	**13,969**	**-12,744**	**96,503**
Profit before tax	**36,914**	**12,365**	**33,060**	**-889**	**-49,510**	**31,938**
Income tax expenses	1,044	2,458	3,579	282		7,364
Profit of the period from continuing operations	**35,869**	**9,907**	**29,481**	**-1,172**	**-49,510**	**24,575**
Profit of the period from discontinued operations*						4,737
Profit of the period	**35,869**	**9,907**	**29,481**	**-1,172**	**-49,510**	**29,312**
Profit attributable to ProCredit shareholders						*28,545*
Profit attributable to non-controlling interests						*767*

* *Banco Pyme Los Andes ProCredit Bolivia, Banco ProCredit El Salvador, ProConfianza Mexico, and Banco ProCredit Nicaragua are shown as discontinued operations (in the financial statements as of June 30, 2016, Banco Pyme Los Andes ProCredit Bolivia was shown as continuing operations).*

(13) Contingent liabilities and commitments

in '000 EUR	**30.06.2017**	**31.12.2016**
Credit commitments (revocable)	405,378	431,832
Guarantees	172,569	162,787
Credit commitments (irrevocable)	16,020	8,781
Letters of credit	4,148	6,224
Total	**598,114**	**609,625**

The above table discloses the nominal principal amounts of contingent liabilities. We expect that a significant portion of these will expire without being drawn upon.

(14) Discontinued operations held for sale

ProCredit Holding intends to sell all of its shares in Banco ProCredit El Salvador and Banco ProCredit Nicaragua. The assets, liabilities, and profit of the period from discontinued operations are presented as follows:

in '000 EUR **Assets**	**El Salvador**	**Nicaragua**
Cash and cash equivalents	47,273	31,878
Loans and advances to banks	344	1,002
Financial assets at fair value through profit or loss	0	0
Available-for-sale financial assets	4,995	219
Loans and advances to customers	213,758	116,660
Allowance for losses on loans and advances to customers	-4,212	-2,646
Property, plant and equipment	7,342	8,270
Investment properties	0	1,757
Intangible assets	450	597
Current tax assets	0	338
Deferred tax assets	390	0
Other assets	4,924	2,633
Assets held for sale	**275,264**	**160,709**

in '000 EUR **Liabilities**	**El Salvador**	**Nicaragua**
Liabilities to banks	0	11,304
Financial liabilities at fair value through profit or loss	0	0
Liabilities to customers	170,005	112,070
Liabilities to international financial institutions	24,740	10,623
Debt securities	14,918	0
Other liabilities	2,574	1,377
Provisions	486	346
Current tax liabilities	376	0
Deferred tax liabilities	0	995
Subordinated debt	1,934	0
Liabilities related to assets held for sale	**215,034**	**136,715**

in '000 EUR	01.01.–30.06.2017	01.01.–30.06.2016*
Results of discontinued operations		
Income	23,346	45,201
Expenses	23,808	44,427
Result on disposal (exclusive taxes)	3,862	5,823
Profit before tax	**3,400**	**6,597**
Income tax expenses	607	1,860
Profit of the period	**2,793**	**4,737**
Profit attributable to ProCredit shareholders	2,771	4,708
Profit attributable to non-controlling interests	22	30
Items that will not be reclassified to profit or loss		
Change in revaluation reserve from remeasurements of post employment benefits (incl deferred taxes)	0	-407
Items that are or may be reclassified to profit or loss		
Change in translation reserve	-3,540	-972
Other comprehensive income of the period, net of tax discontinued operations	**-3,540**	**-1,379**
Total comprehensive income of the period	**-747**	**3,358**

* *Banco Pyme Los Andes ProCredit Bolivia, Banco ProCredit El Salvador, ProConfianza Mexico, and Banco ProCredit Nicaragua are shown as discontinued operations (in the financial statements as of June 30, 2016, Banco Pyme Los Andes ProCredit Bolivia was shown as continuing operations).*

(15) Related party transactions

No significant transactions were carried out with related parties during the first half of 2017. The most relevant expenditures for the ProCredit group arising in connection with related parties were for remuneration of the Management Board of ProCredit General Partner AG in the amount of EUR 352 thousand (06.2016: EUR 379 thousand) and the advisory services provided by IPC GmbH in the amount of EUR 337 thousand (06.2016: EUR 270 thousand).

(16) Events after the reporting period

In August 2017, ProCredit Holding sold all of its shares in Banco ProCredit Nicaragua.

Address and general information

ProCredit Holding AG & Co. KGaA is a partnership limited by shares (*Kommanditgesellschaft auf Aktien*) and is incorporated and domiciled in Germany (Commercial Register Frankfurt Section B, No. 91858). The postal address of its registered office is: Rohmerplatz 33-37, 60486 Frankfurt am Main, Germany.

Frankfurt am Main, 04 August 2017

ProCredit Holding AG & Co. KGaA
represented by
ProCredit General Partner AG (personally liable shareholder)

Management Board

Dr. Anja Lepp	Sandrine Massiani
Dr. Gabriel Schor	Borislav Kostadinov

Responsibility of the legal representatives

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, we assert that the consolidated interim financial statements give a true and fair view of the financial position and financial performance of the group, and the consolidated interim management report includes a fair review of the development and performance of the business and the position of the group, together with a description of the significant opportunities and risks associated with the expected development of the group.

Frankfurt am Main, 04 August 2017

ProCredit Holding AG & Co. KGaA
represented by
ProCredit General Partner AG (personally liable shareholder)

Management Board

Dr. Anja Lepp

Sandrine Massiani

Dr. Gabriel Schor

Borislav Kostadinov

ProCredit
HOLDING

ProCredit Holding AG & Co. KGaA
Rohmerplatz 33-37
60486 Frankfurt am Main, Germany
Tel. +49-(0)69 - 95 14 37-0
Fax +49-(0)69 - 95 14 37-168
www.procredit-holding.com