



**ProCredit**  
H O L D I N G



# Q2 2017 results

Frankfurt am Main, 14<sup>th</sup> August 2017

Borislav Kostadinov, Member of the Management Board

Jana Donath, Manager Finance and Controlling



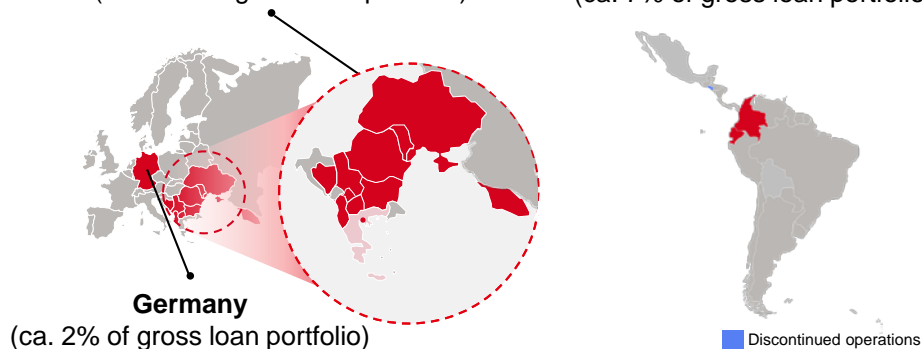
## Summary

- ▶ A profitable, development-oriented commercial banking group for SMEs with focus on South Eastern Europe and Eastern Europe
- ▶ Headquartered in Frankfurt and supervised by the German Federal Financial Supervisory Authority (BaFin) and Deutsche Bundesbank
- ▶ Mission of promoting sustainable development with ethical corporate culture and long-term business relationships
- ▶ Track record of high quality loan portfolio
- ▶ Profitable every year since creation as a banking group in 2003
- ▶ Listed at Frankfurt Stock Exchange since Dec-16
- ▶ Approved member of the Social Stock Exchange since May-17

## Geographical distribution

**South Eastern Europe and Eastern Europe**  
(ca. 91% of gross loan portfolio)

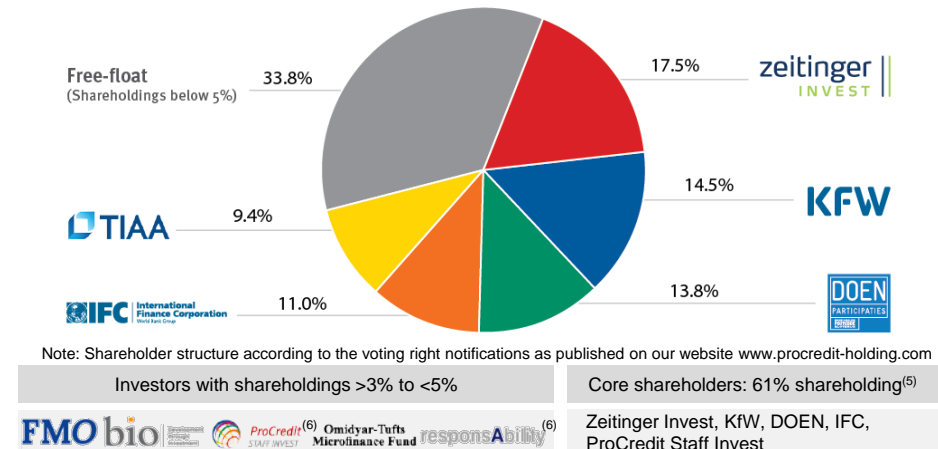
**South America<sup>(7)</sup>**  
(ca. 7% of gross loan portfolio)



## Key figures H1 2017 and FY 2016

<b>Total assets</b> EUR 5,552m EUR 5,668m	<b>Customer loan portfolio<sup>(1)</sup></b> EUR 3,801m EUR 3,629m	<b>Deposits/loans<sup>(2)</sup></b> 89% 96%
<b>Number of employees<sup>(1)</sup></b> 3,658 4,078	<b>Profit of the period</b> EUR 24m EUR 61m	<b>RoAE</b> 7.0% <sup>(3)</sup> 9.6%
<b>CET1 ratio (fully loaded)</b> 13.0% 12.4%	<b>Rating (Fitch)</b> BBB (stable) <sup>(4)</sup>	


## Reputable development-oriented shareholder base



Notes: As of 31 December 2016 and as of 30 June 2017; (1) Continuing operations only; (2) Customer deposits divided by customer loan portfolio; (3) Annualised; (4) Full Rating Report as of 08.12.2016; (5) Shareholders of the general partner entity (does not include ProCredit Staff Invest 3 GmbH & Co. KG); (6) Aggregate of different investment entities; (7) The South America segment also includes the institution "Administración y Recuperación de Cartera Michoacán S. A" (ARDEC) in Mexico, 0.2% of Group assets.



Comprehensive service as “Hausbank”

Products	Customers	Value-added																														
<p><u>Simple loan and deposit products</u></p> <ul style="list-style-type: none"> <li>▶ Full range of business loans (loan size range typically EUR 30k to EUR 3m)</li> <li>▶ Deposits</li> </ul>	<p><u>Target customers with high potential: SMEs</u></p> <ul style="list-style-type: none"> <li>▶ SMEs with formalised structures and sustainable business models</li> <li>▶ Focus on agriculture and manufacturing</li> <li>▶ Yearly revenues between EUR 50k to over EUR 2m</li> </ul>	<p><u>Significant benefits for clients...</u></p> <ul style="list-style-type: none"> <li>✓ Access to full range of relevant banking services</li> <li>✓ Valuable in countries with high level of informality and lack of transparency</li> <li>✓ Trustful long-term relationships</li> </ul>																														
<p><u>Supplementary financial services</u></p> <ul style="list-style-type: none"> <li>▶ E-banking</li> <li>▶ Card services</li> <li>▶ Liquidity management</li> <li>▶ Documentary business</li> <li>▶ Personal banking services</li> </ul>	<p><u>Typical SME client (Serbia)</u></p> <ul style="list-style-type: none"> <li>▶ Vegetable cultivation (300 ha, 31 FTEs)</li> <li>▶ Long-term relationship</li> <li>▶ Regular financing of working capital and fixed assets</li> </ul> <div style="display: flex; align-items: flex-start;"> <div style="margin-right: 10px;"> <p><b>Most recent project:</b> Solar panels to power irrigation of agricultural land</p> </div>  </div> <table border="1" style="margin-top: 10px;"> <tr> <td colspan="3"><b>Loan volume PCB</b></td> </tr> <tr> <td>Total financing since 2011</td> <td colspan="2">Outstanding loan amount</td> </tr> <tr> <td>EUR 864k</td> <td colspan="2">EUR 549k</td> </tr> <tr> <td colspan="3"><b>Credit limit</b></td> </tr> <tr> <td>short-term</td> <td>long-term</td> <td>total limit</td> </tr> <tr> <td>EUR 150k</td> <td>EUR 600k</td> <td>EUR 750k</td> </tr> <tr> <td colspan="3"><b>Utilisation of PCB services</b></td> </tr> <tr> <td colspan="3"> <ul style="list-style-type: none"> <li>• Current account (EUR, RSD)</li> <li>• Domestic and International payments</li> <li>• e-Banking</li> </ul> </td> </tr> <tr> <td><b>Revenue</b></td> <td colspan="2"><b>Account turnover</b></td> </tr> <tr> <td>EUR 70k (monthly)</td> <td colspan="2">EUR 103k (monthly)</td> </tr> </table>	<b>Loan volume PCB</b>			Total financing since 2011	Outstanding loan amount		EUR 864k	EUR 549k		<b>Credit limit</b>			short-term	long-term	total limit	EUR 150k	EUR 600k	EUR 750k	<b>Utilisation of PCB services</b>			<ul style="list-style-type: none"> <li>• Current account (EUR, RSD)</li> <li>• Domestic and International payments</li> <li>• e-Banking</li> </ul>			<b>Revenue</b>	<b>Account turnover</b>		EUR 70k (monthly)	EUR 103k (monthly)		<p><u>...and for ProCredit</u></p> <ul style="list-style-type: none"> <li>✓ Understanding of clients' financial needs and risks</li> <li>✓ Additional stable revenues</li> <li>✓ Customer deposits</li> </ul>
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A Highlights

B Financial development

C Asset quality

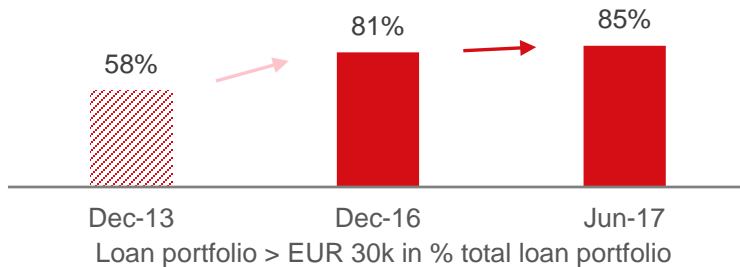
D Balance sheet, capital and funding

Q&A

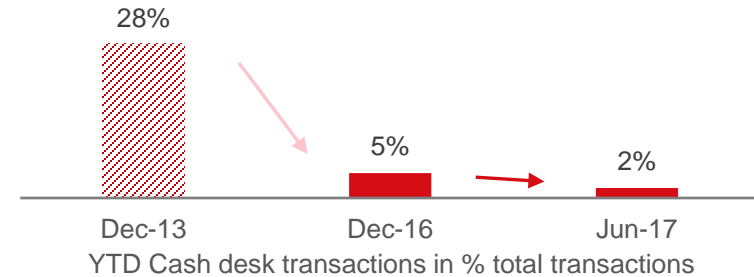
Appendix

# Where do we come from? Significant progress since 2013

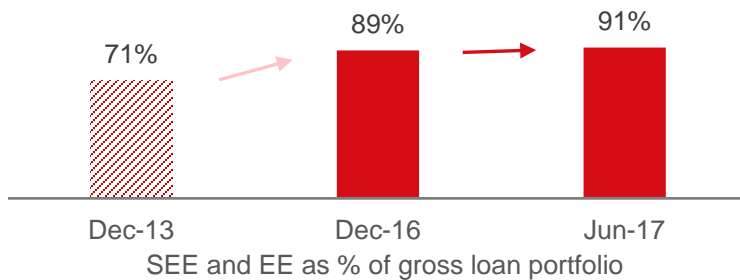
## Focused growth in SME loan categories <sup>(1)</sup>



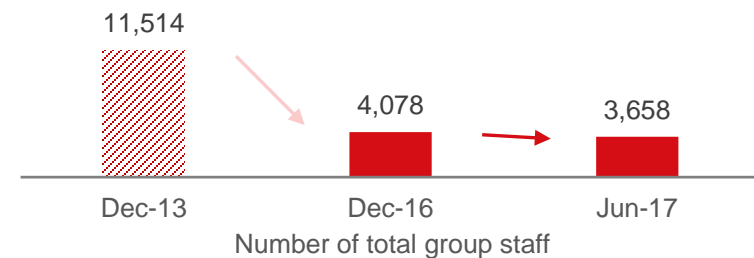
## Decrease in number of cash desk transactions



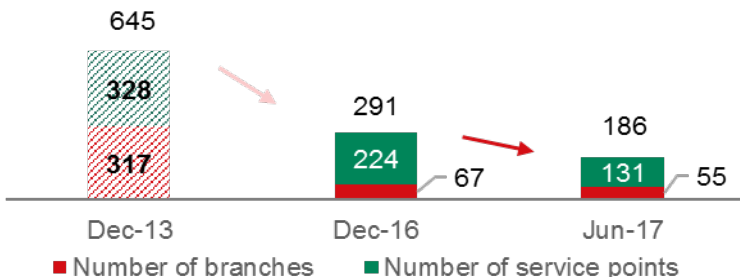
## Regional focus on South Eastern Europe and Eastern Europe



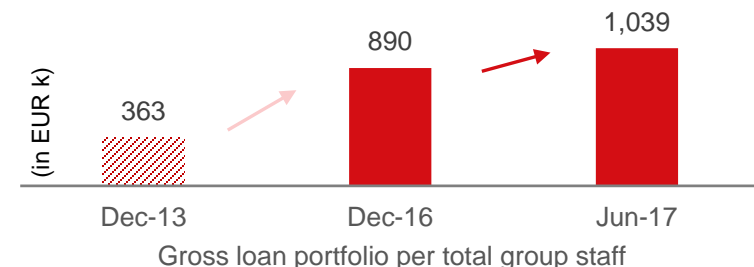
## Decrease in number of total group staff



## Decrease in overall branch network



## Increase in loan portfolio per total group staff



Note: All related figures and ratios for Dec-13 relate to the subsidiaries as shown in the consolidated financial statement as of 2013; (1) Loan portfolio > EUR 30k initial loan size in % of customer loan portfolio by outstanding principal

## Execution of business client strategy

- ▶ Very strong growth with target SME clients in Eastern Europe (+10.8% loan portfolio growth > EUR 30k in H1 2017)
- ▶ On track for sharp business profile as modern SME bank for Eastern Europe:
  - ✓ Announced successful sale of Banco ProCredit Nicaragua
  - ✓ 91% of loan portfolio with SMEs and SEE/EE segments
  - ✓ Further decreased branch and service point network
  - ✓ Increased automation using state-of-the-art IT infrastructure



## Execution of private client strategy

- ▶ Implementation of a simple, unified offer for target private clients (entrepreneurs, middle-income clients) accessible above all via relevant electronic channels



## Successful roll-out of IR activities

- ▶ PCH at analyst and investor conferences
  - ✓ 2017 YTD: Oddo Seydler 11th German Conference, Impact Summit Europe 2017, DVFA Spring Conference, ESN 33rd European Conference, Berenberg Pan-European Discovery Conference
  - ✓ 2017 to come: DVFA Autumn Conference, Berenberg and Goldman Sachs 6th German Corporate Conference, Deutsche Börse German Equity Forum



*Picture provided by Impact Summit Europe 2017*

## Continued external recognition and certification

- ▶ Provision of additional EUR 450 million by the European Investment Fund (EIF) and ProCredit Group to innovative small and medium-sized companies
- ▶ Confirmation of BBB rating by Fitch for ProCredit Holding
- ▶ ISO 14001 certification almost completed for ProCredit institutions (15 of our 16 institutions already certified)





## Reduction of branches and service points

- ▶ Since Dec. 2013, reduction of total number of branches and service points by more than 70%
- ▶ Client advisers with clear focus on customer acquisition and consultation



## Modernisation of branches and service points

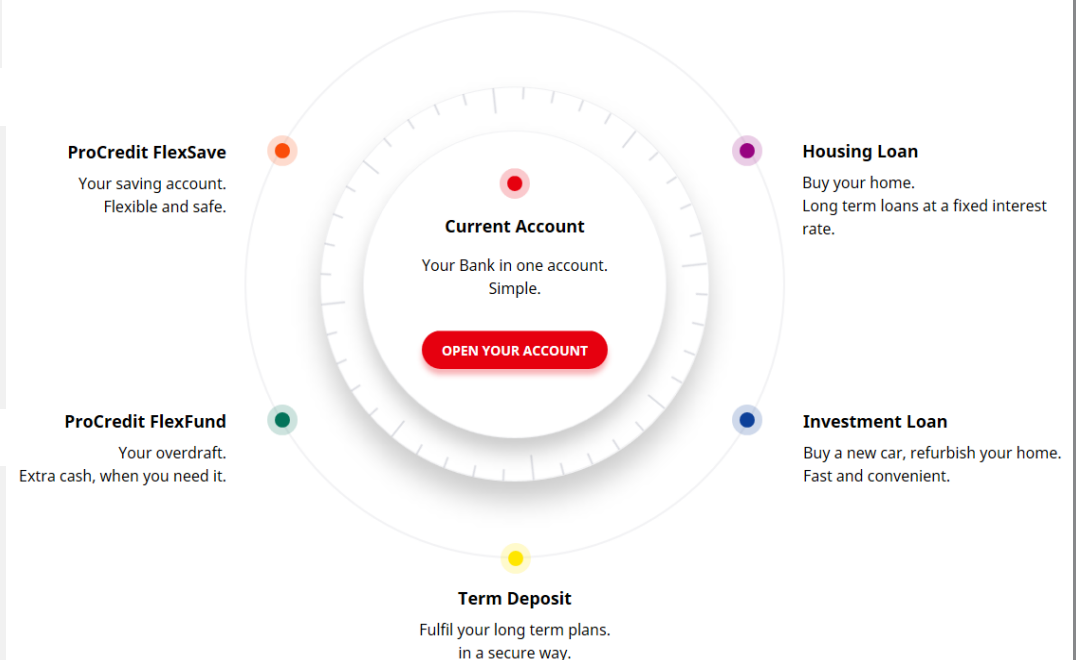
- ▶ Automation of cash transactions via 24/7 self-service zones
- ▶ Cash desk operations almost completely eliminated



## Digitalisation of our offer for private clients

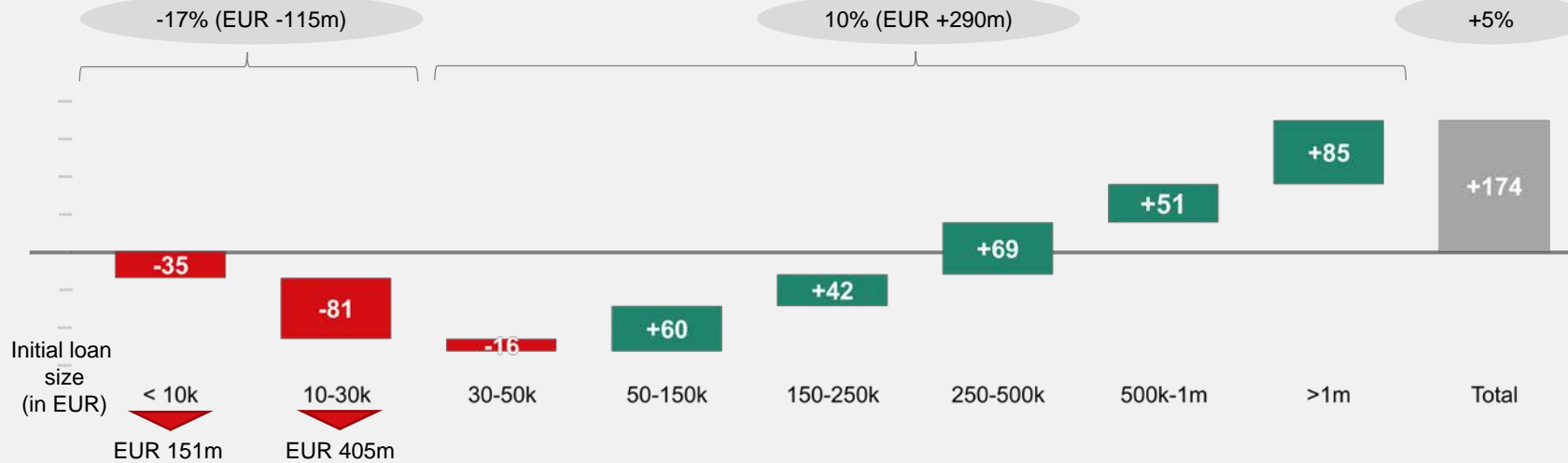
- ▶ Target middle and high-income clients interested in modern banking services
- ▶ Straightforward deposit and credit facilities as well as account services

*“A simple, unified offer for target private clients (entrepreneurs, middle-income clients) accessible above all via relevant electronic channels”*

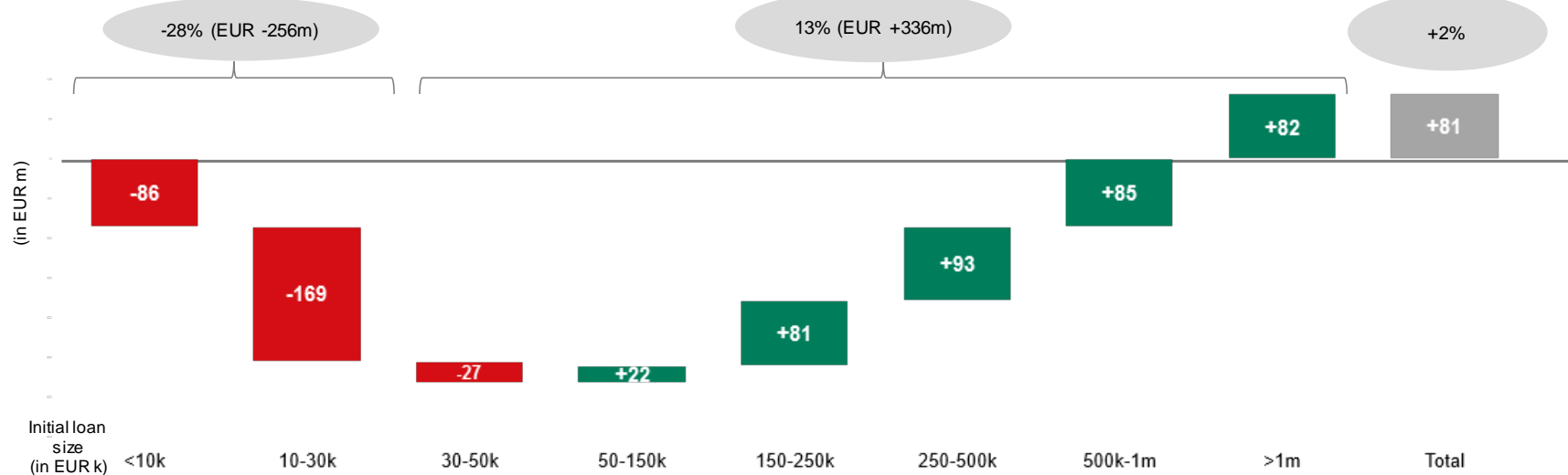


# Strong volume growth in core loan categories

## H1 2017



## FY 2016



Note: Loan volume growth split by initial loan size in all segments



▶ <b>Growth of the gross loan portfolio in the target loan categories (&gt;EUR 30,000)</b>	> 10%
▶ <b>Growth of the total gross loan portfolio</b>	> 8%
▶ <b>Return on average equity (RoAE)</b>	7 – 9%
▶ <b>CET1 ratio (fully loaded)</b>	> 13%
▶ <b>Dividend payout ratio</b>	1/3 of profits

In the mid-term, and taking into consideration a stabilising political, economic and operating environment, we see potential for ca. 10% p.a. growth of the gross loan portfolio, a cost income ratio (CIR) < 60%, and a return on average equity (RoAE) of ca. 10%

A Highlights

**B Financial development**

C Asset quality

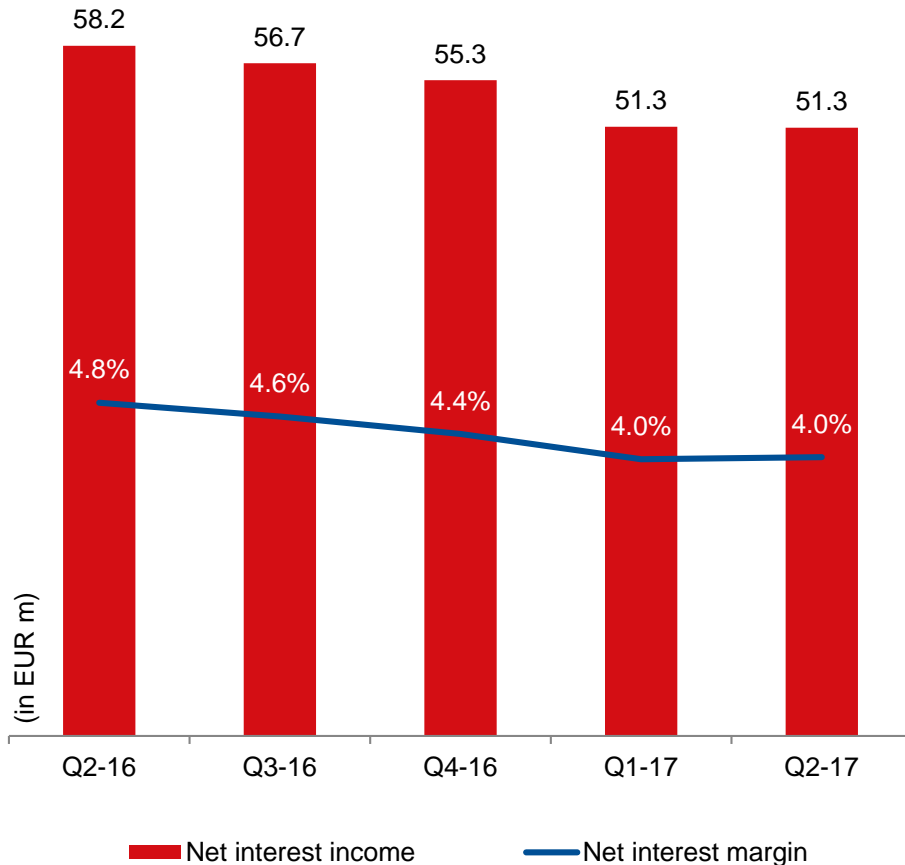
D Balance sheet, capital and funding

Q&A

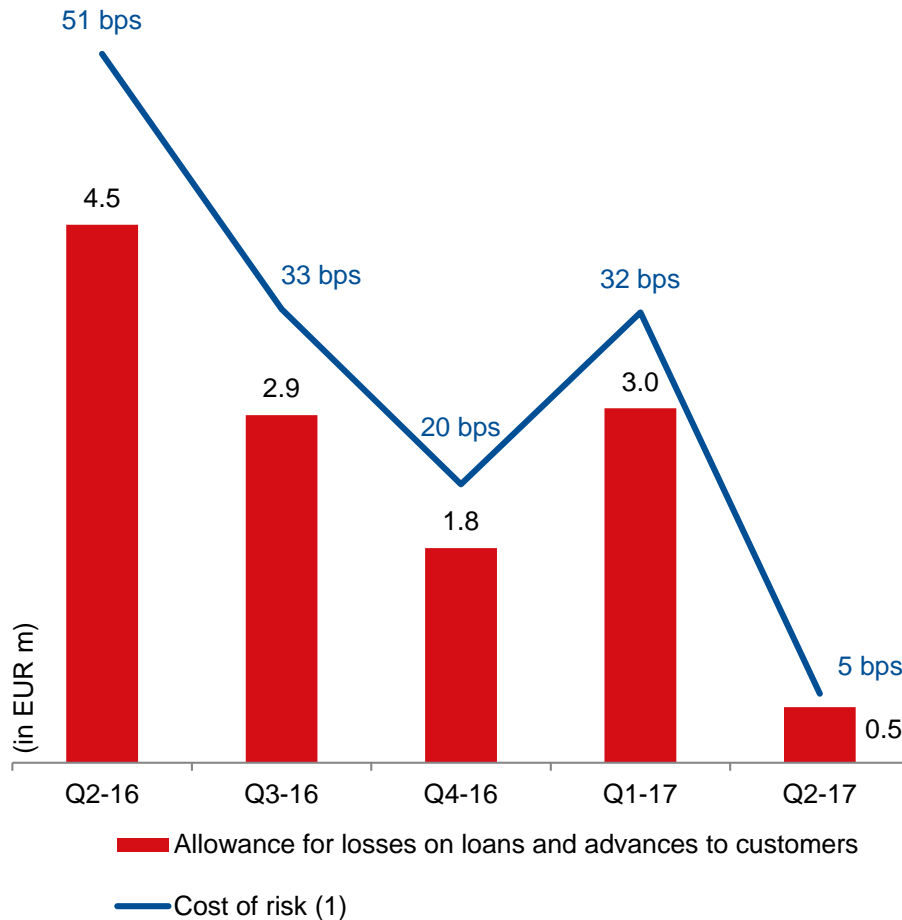
Appendix

(In EUR m)		H1-2016	H1-2017	Q1-2017	Q2-2017	y-o-y
Income statement	Net interest income	118.9	102.6	51.3	51.3	0%
	Provision expenses	13.9	3.4	3.0	0.5	-84%
	Net fee and commission income	21.6	21.6	10.7	10.9	2%
	Net result of other operating income	1.9	2.5	2.0	0.5	n.m.
	Operating income	128.4	123.3	61.1	62.2	2%
	Operating expenses	96.5	95.2	47.3	47.9	1%
	Operating results	31.9	28.1	13.8	14.3	4%
	Tax expenses	7.4	7.3	4.3	3.0	-29%
	Profit from continuing operations	24.6	20.8	9.5	11.3	18%
	Profit from discontinued operations	4.7	2.8	2.3	0.4	-81%
	Profit of the period	29.3	23.6	11.9	11.7	-1%
Key performance indicators	Change in loan portfolio > EUR 30,000	5.9%	9.9%	4.9%	4.7%	-0.2pp
	Return on average equity <sup>(1)</sup>	9.5%	7.0%	7.0%	6.9%	-0.1pp
	CET1 ratio (fully loaded)	10.3%	13.0%	12.3%	13.0%	0.7pp
Additional indicators	Net interest margin <sup>(1)</sup>	4.9%	4.0%	4.0%	4.0%	0.0pp
	Net write-off ratio <sup>(1)(2)</sup>	0.4%	0.2%	-0.1%	0.2%	0.3pp
	Loans in PAR30	4.9%	3.7%	4.1%	3.7%	-0.4pp
	Impaired loans	8.0%	5.8%	6.3%	5.8%	-0.5pp
	Cost-income ratio	67.8%	75.1%	73.8%	76.4%	2.6pp
	Book value per share	11.81	12.01	12.35	12.01	-3%

Note: P&L related figures and ratios, unless indicated otherwise, are based on continuing operations; i.e. excluding Banco PyME Los Andes ProCredit Bolivia, ProConfianza Mexico, Banco ProCredit El Salvador and Banco ProCredit Nicaragua for 2017 and 2016; Return on average equity, CET1 ratio, and dividend payout ratio include as well discontinued operations; (1) Annualised; (2) Net write-off ratio presented always YTD;



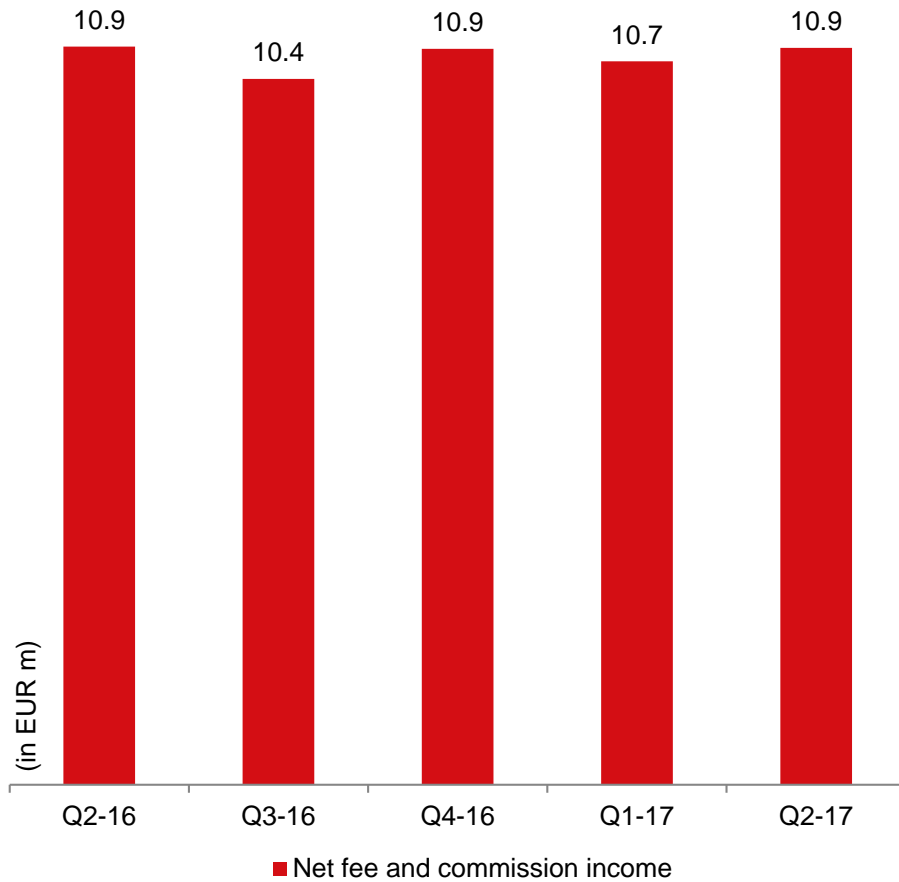
- ▶ Net interest income development stabilising in Q2 2017
- ▶ Decreasing interest expenses fully compensated for decline in interest income on group level
- ▶ Interest income in Eastern Europe increasing in Q2 2017, portfolio growth more than compensated for declining average portfolio return
- ▶ Strategic focus on SME clients is associated with significant positive effects on both risk and operating costs



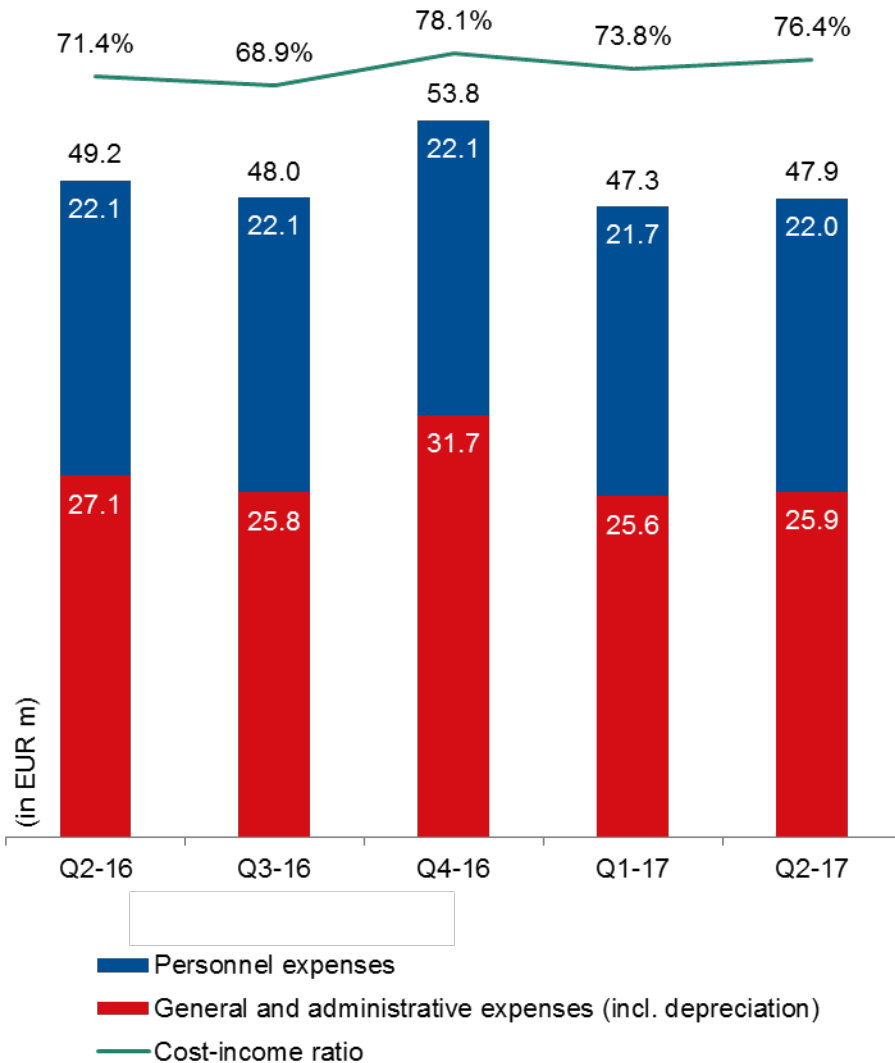
- ▶ Allowances for losses on loans and advances to customers (LLP) continues to be on low levels with comfortable PAR 30 coverage ratio (104%)
- ▶ Decrease in LLP/cost of risk driven by improved loan portfolio quality and recovery of written-off loan portfolio

Notes: (1) Cost of risk defined as allowances for losses on loans and advances to customers, divided by average customer loan portfolio; Annualised

## Net fee and commission income

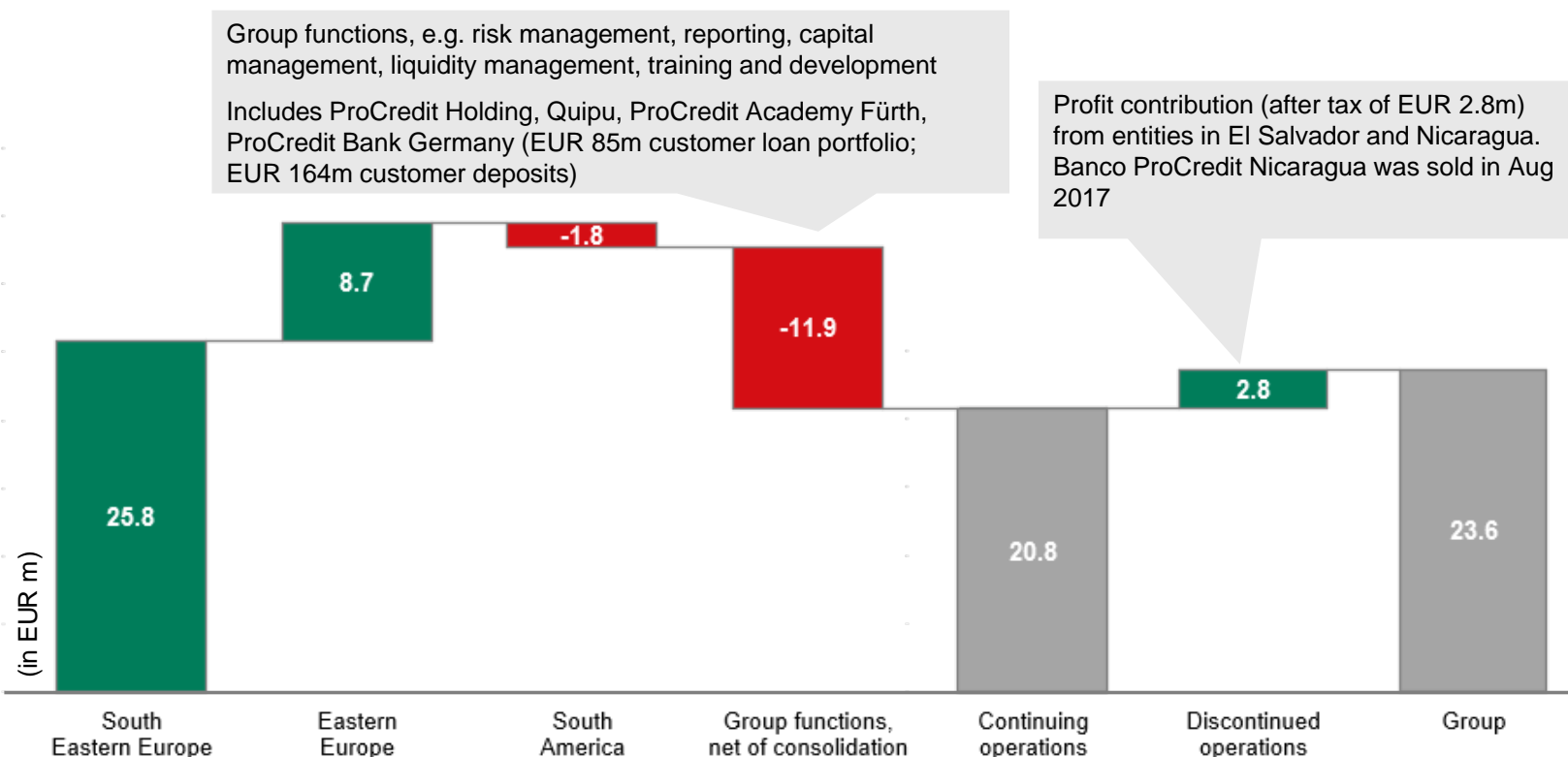


- ▶ Increase in account maintenance and card transaction income compensated for declining fee income from cash transactions
- ▶ Continuous strong increase of net fee and commission income per client



- ▶ Operating expenses below average FY 2016 levels
- ▶ Cost base influenced by
  - ▶ One-off expenses related to reduction of branch network
  - ▶ Increased average salaries in line with SME strategy
  - ▶ Strong IT investments e.g. private cloud infrastructure in Germany, centralisation of IT activities at Quipu, increased software development activities, information and event monitoring, and data analytics
- ▶ Efficiency gains from branch and service point closures are expected to be realised going forward

## Contribution of segments to group net income H1 2017



	South Eastern Europe	Eastern Europe	South America	Group
Customer loan portfolio (EUR m)	2,672	792	252	3,801
H1-2017 loan growth > EUR 30k	+9.6%	+14.6%	-4.6%	+9.9%
Loans in arrears (PAR 30)	3.5%	3.0%	8.9%	3.7%
Cost-income ratio (YTD)	66.0%	48.7%	124.0%	75.1%
ROAE (YTD) <sup>(1)</sup>	11.3%	12.6%	-5.5%	7.0%

Note: (1) Annualised



A Highlights

B Financial development

**C Asset quality**

D Balance sheet, capital and funding

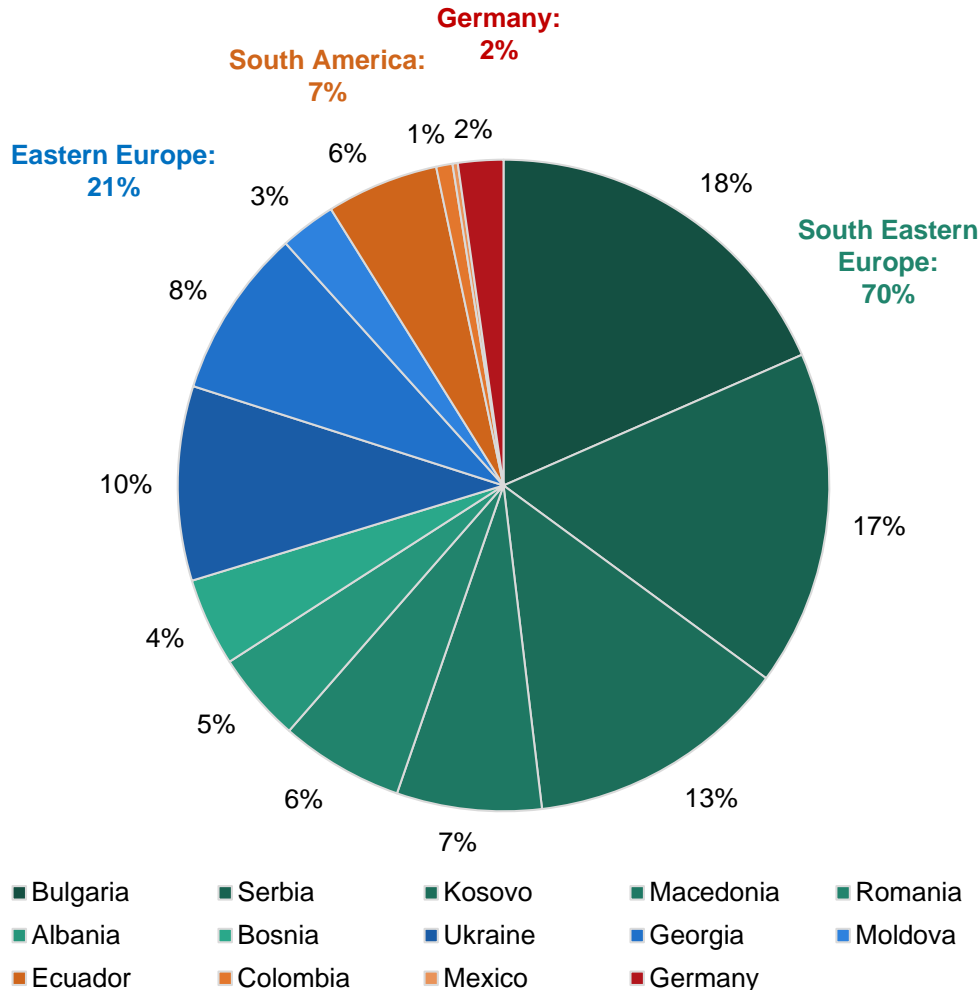
Q&A

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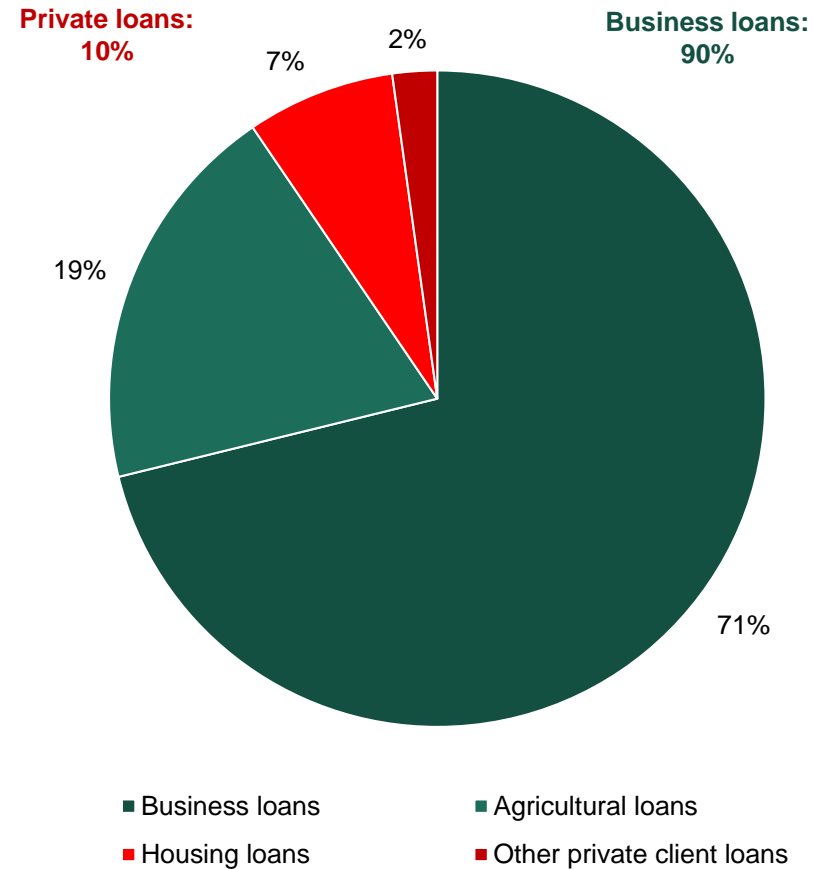


# Structure of the loan portfolio

Loan portfolio by geographical segments



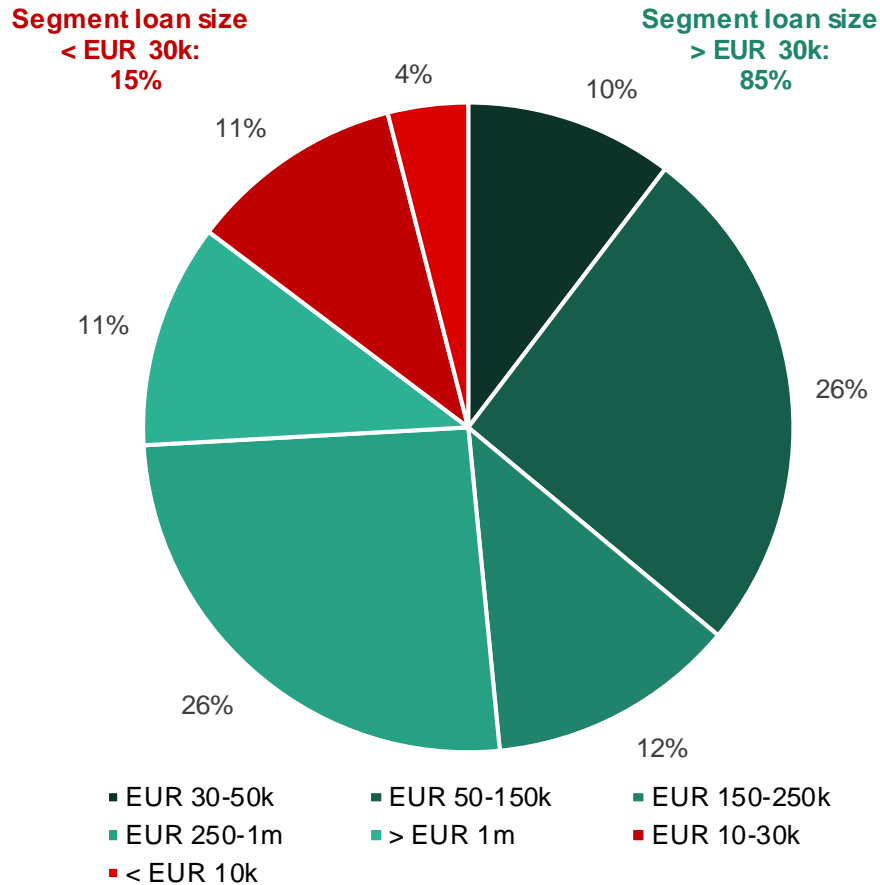
Loan portfolio by sector



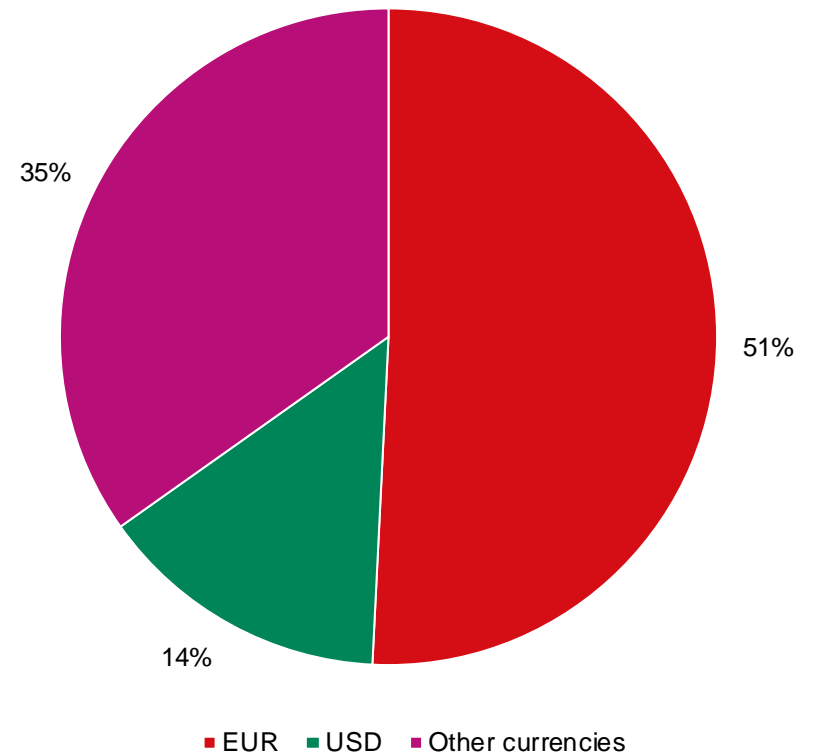
Notes: Loan portfolio by geographical segments and by sector in % of total customer loan portfolio (EUR 3,801m as per 30-Jun-17)

# Structure of the loan portfolio (continued)

Loan portfolio by initial loan size



Loan portfolio by currency



Notes: Loan portfolio by initial loan size in % of total outstanding principal (EUR 3,778m as per 30-Jun-17); loan portfolio by currency in % of net loan portfolio (EUR 3,656m as per 30-Jun-17)

Net write-offs<sup>(1)</sup>

0.7%

0.2%

Coverage ratio  
impaired<sup>(2)</sup>

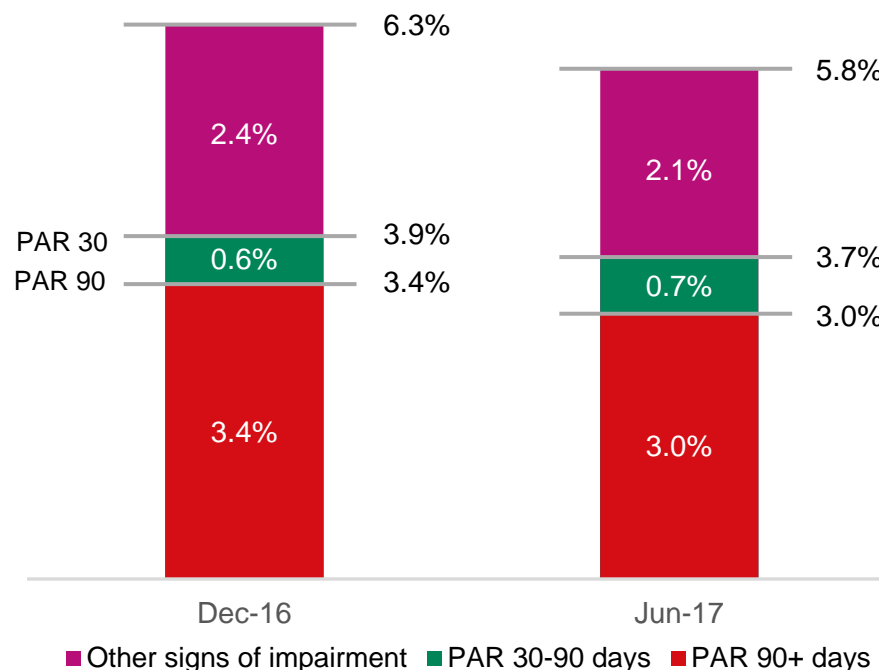
66%

66%

Coverage ratio  
PAR30<sup>(3)</sup>

106%

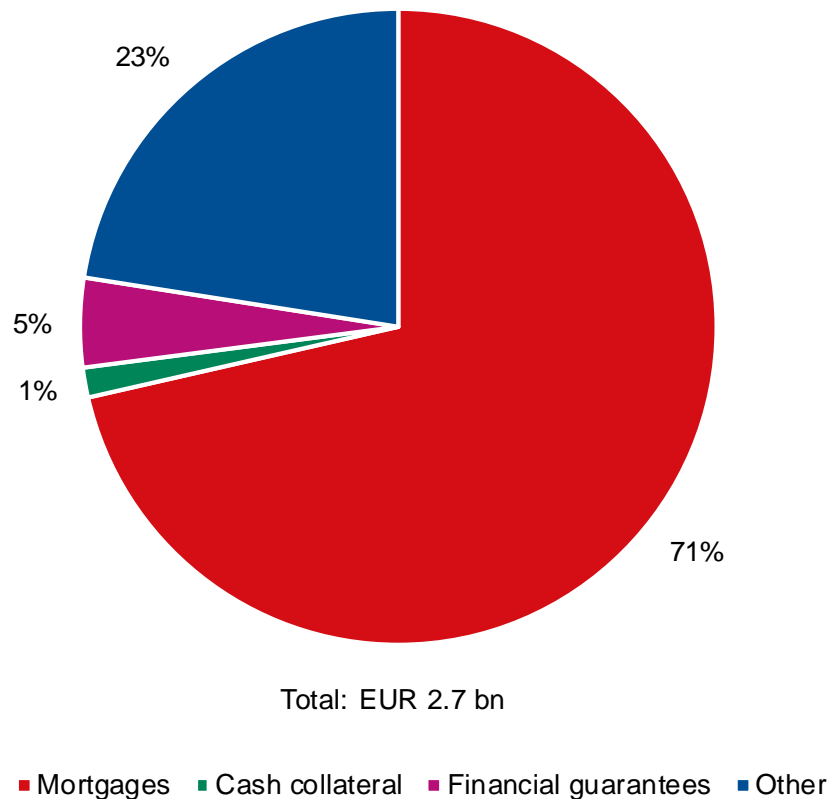
104%



- ▶ Favourable net write-off development due to high recoveries in Q2 2017
- ▶ Further improvement in portfolio at risk (PAR)
- ▶ Prudent risk management underlined by high coverage ratios
- ▶ Continuous monitoring of loan portfolio, with PAR 90, PAR 30, and impaired loans as key reporting triggers
- ▶ Very conservative definition of impaired loans, including PAR 30

Notes: (1) Net write-offs to customer loan portfolio ratio, annualised; (2) Allowances for losses on loans and advances to customers divided by impaired loan portfolio; (3) Allowances for losses on loans and advances to customers divided by PAR 30 loan portfolio

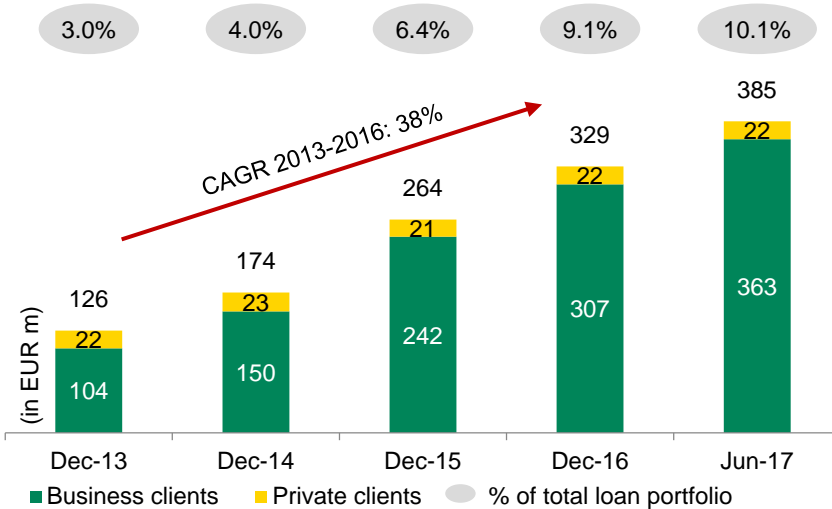
## Collateral by type



- ▶ Majority of collateral consists of mortgages
- ▶ Clear and strict requirements regarding types of acceptable collateral, legal aspects of collateral and insurance of collateral items
- ▶ Standardised collateral valuation methodology
- ▶ Regular monitoring of the value of all collateral and a clear process of collateral revaluation, also by external, independent experts
- ▶ Verification of external appraisals and regular monitoring activities carried out by specialist staff members

# Development of green loan portfolio

## Green loan portfolio growth



▶ Strong growth of the green loan portfolio (38% p.a. 2013-2016)

▶ Includes credit products for investments in

▶ Energy efficiency

▶ Renewable energies

▶ Other environmentally-related activities

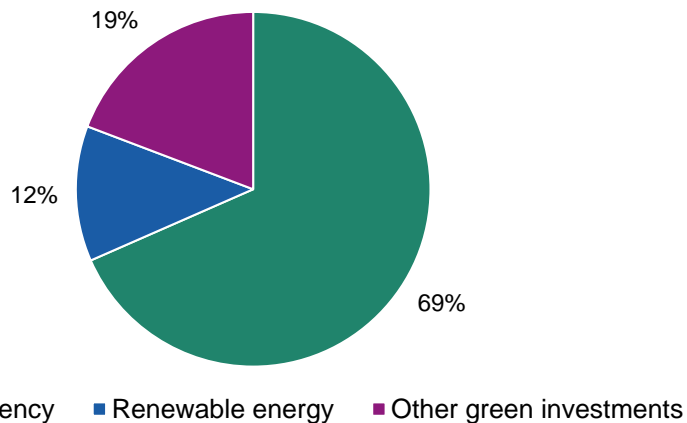
▶ New ambitious target: 15% of the total loan portfolio (currently at 10.1%)

▶ 7,389 outstanding credit exposures

▶ Largest part of green loan portfolio to finance energy efficiency measures (69%)

▶ Very high portfolio quality; PAR 30 ratio for the portfolio at 0.5%

## Structure of green loan portfolio



A Highlights

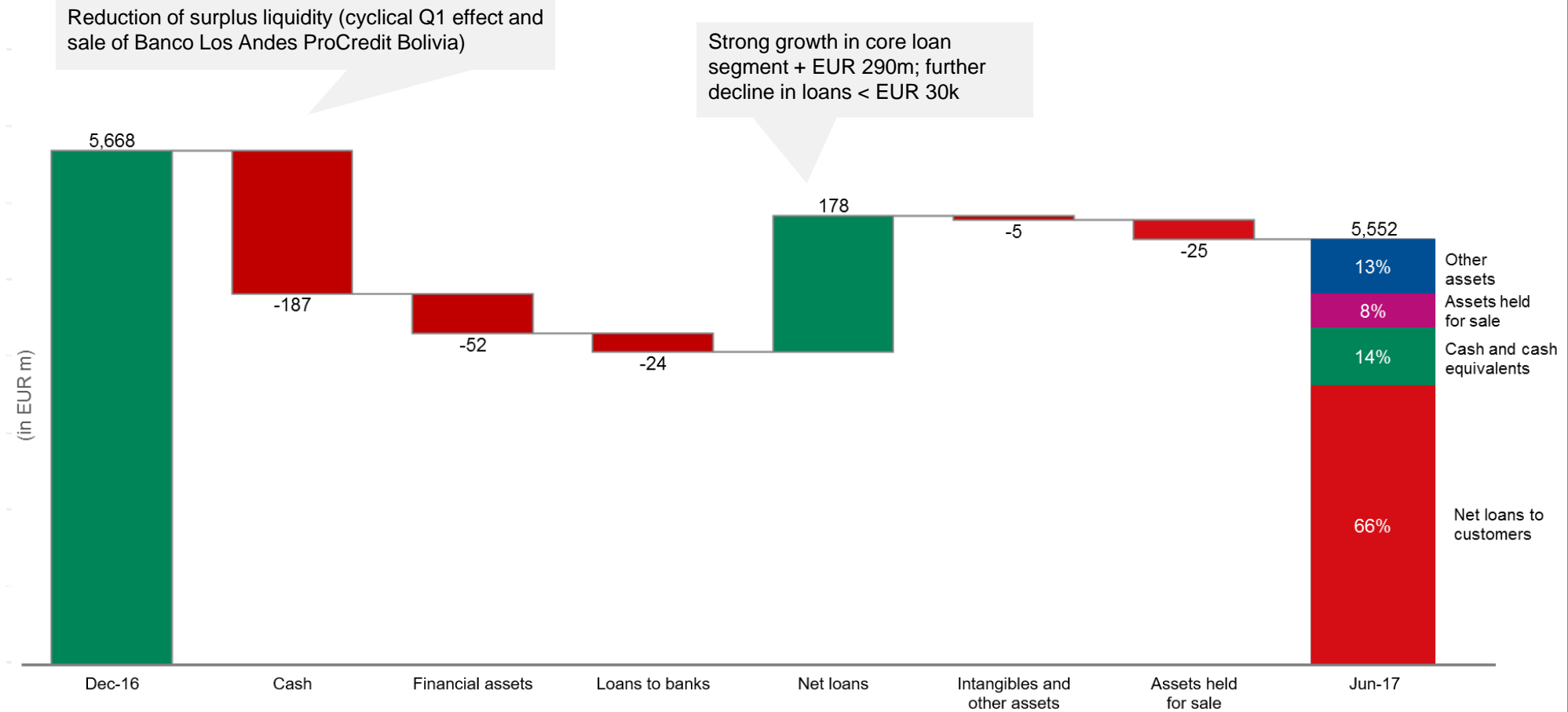
B Financial development

C Asset quality

**D Balance sheet, capital and funding**

Q&A

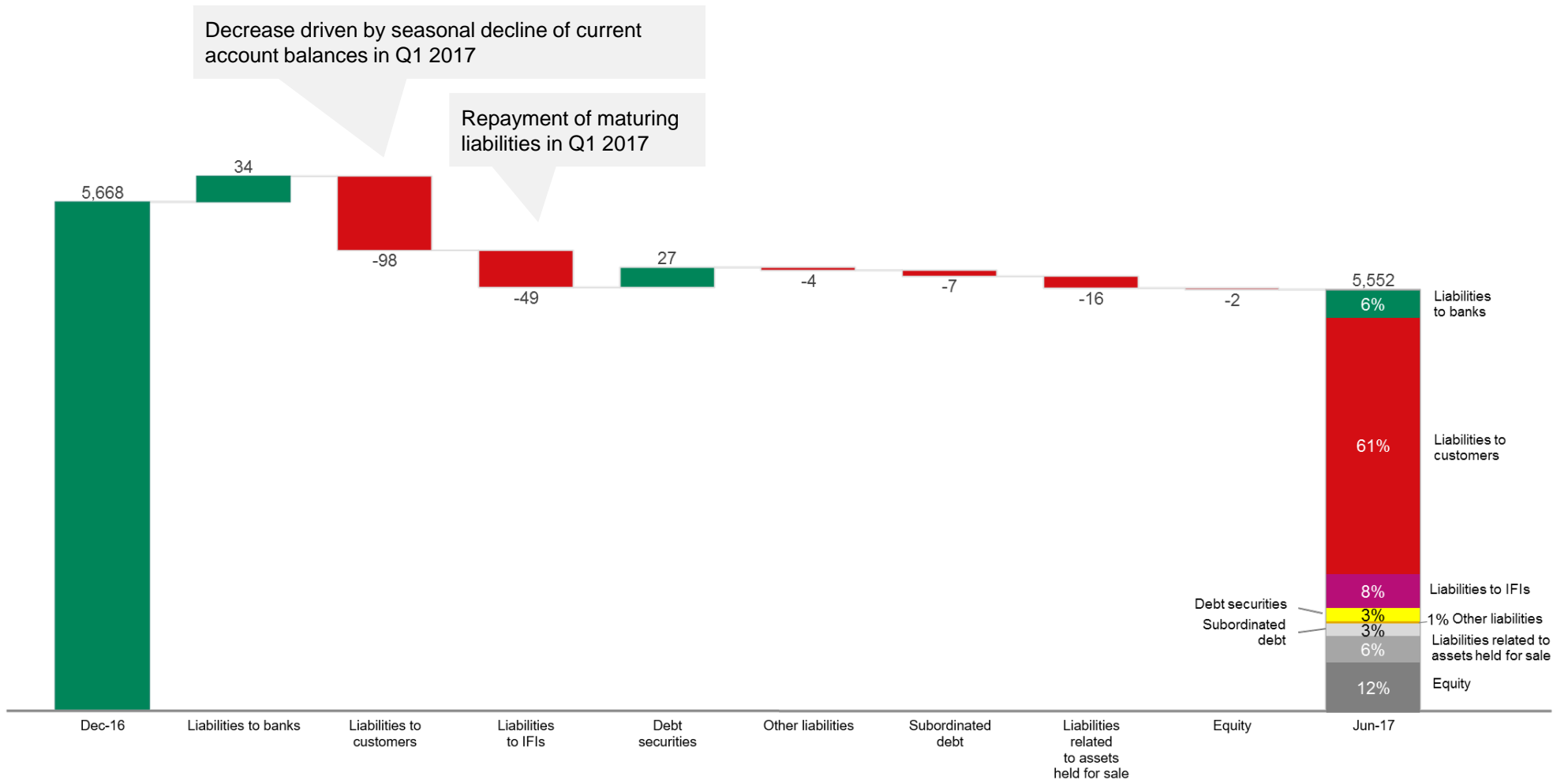
Appendix



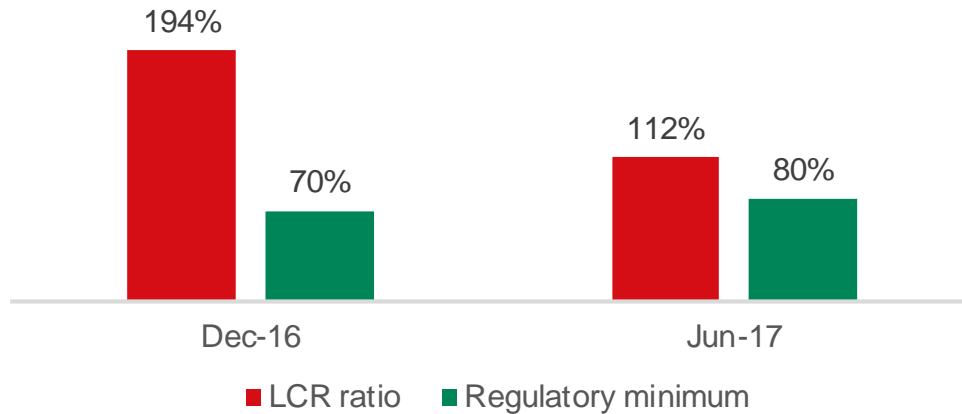




# Liabilities and equity reconciliation

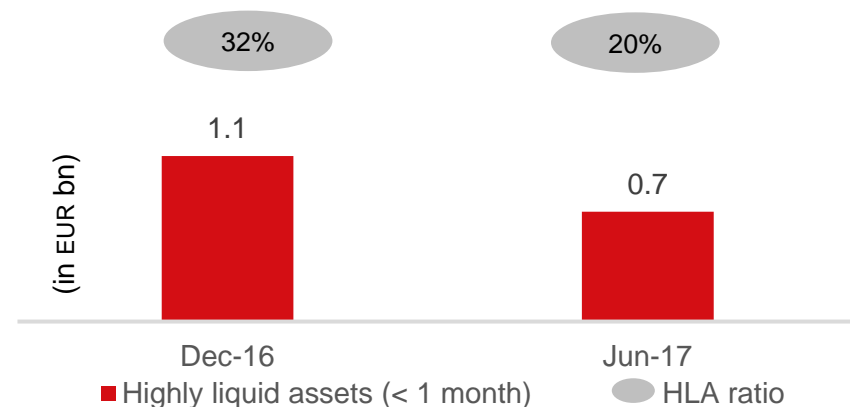


## Liquidity coverage ratio



- ▶ Adequate group liquidity situation
- ▶ All ratios comfortably above limits
- ▶ Liquidity decrease in Q2 is due to strong loan portfolio growth, deposit base adjustment process and HLA adjustments in line with new regulatory requirements

## Highly liquid assets (HLA) and HLA ratio

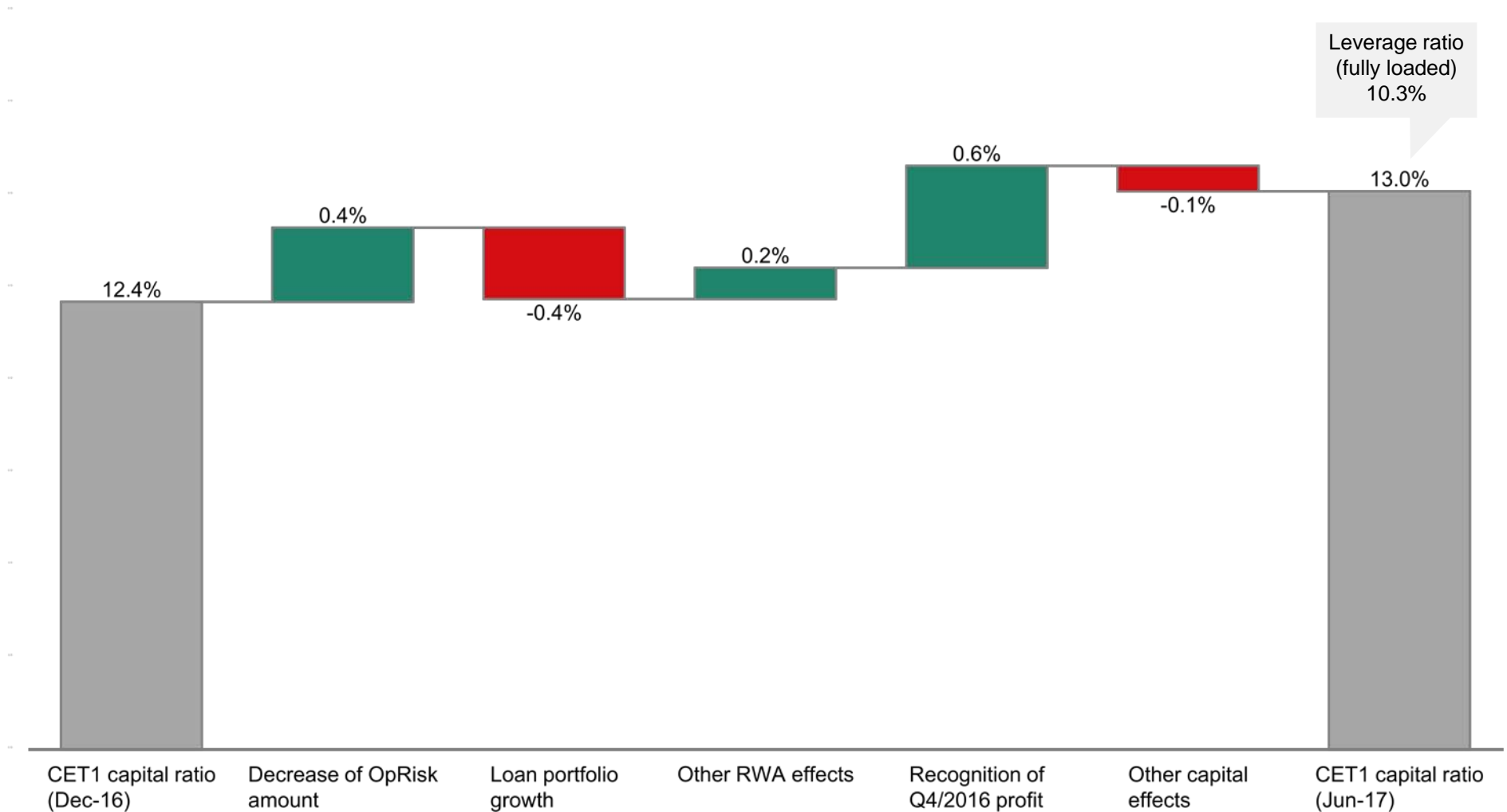


## Overview of capitalisation

in EUR m	Dec-16	Jun-17
CET1 capital (net of deductions)	574	593
Additional Tier 1 capital (net of deductions)	0	0
Tier 1 capital	574	593
Tier 2 capital	150	133
Total capital	724	726
RWA total	4,603	4,546
o/w Credit risk	3,446	3,528
o/w Market risk (currency risk)	462	467
o/w Operational risk	694	549
o/w CVA risk	1	1
CET1 capital ratio	12.5%	13.0%
Total capital ratio	15.7%	16.0%
Leverage ratio	9.9%	10.4%
CET1 capital ratio (fully loaded)	12.4%	13.0%
Total capital ratio (fully loaded)	15.4%	15.9%
Leverage ratio (fully loaded)	9.8%	10.3%

- ▶ Increase of CET1, Total Capital and Leverage ratios
- ▶ Q4 2016 profits recognised (after Annual General Meeting)
- ▶ Tier 1 capital currently consisting of CET1 capital only
- ▶ RWA mainly comprise credit risk (78% of total RWA)

## Development of CET1 capital ratio (fully loaded)



- A Highlights
- B Financial development
- C Asset quality
- D Balance sheet, capital and funding

Q&A

Appendix



**ProCredit**  
HOLDING

**Q&A**

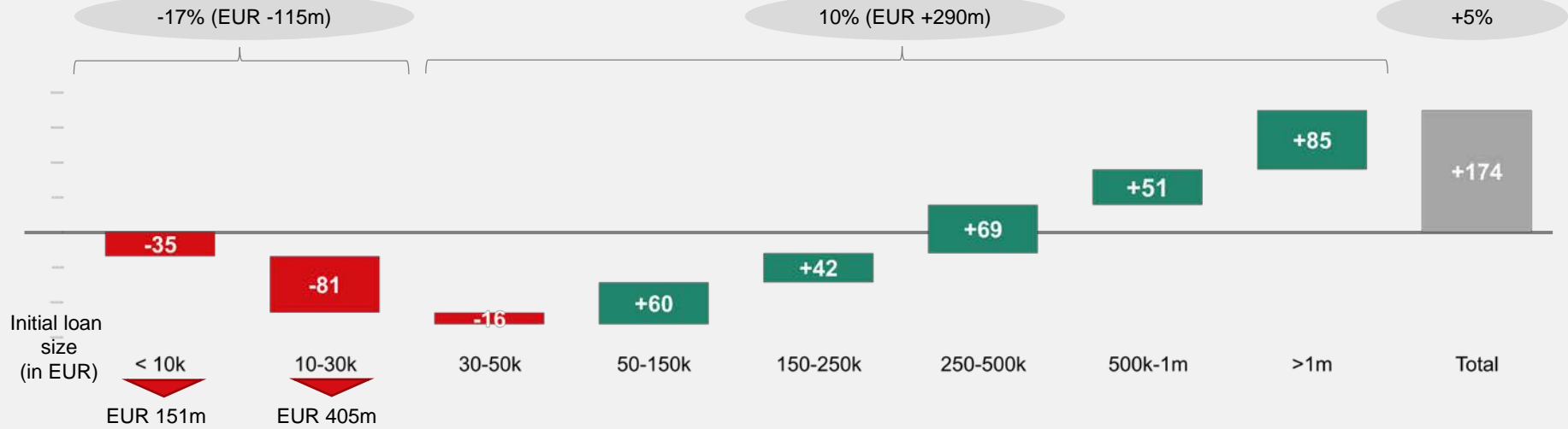


*ProCredit Bank Romania*

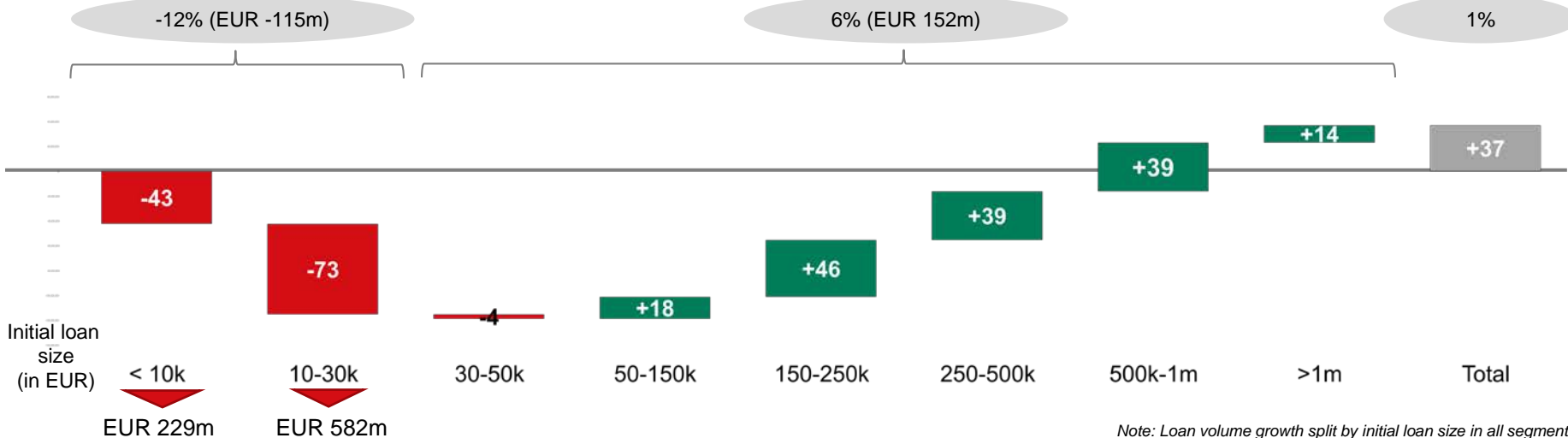
- A            Highlights
  
- B            Financial development
  
- C            Asset quality
  
- D            Balance sheet, capital and funding
  
- Q&A

Appendix

### H1 2017



### H1 2016



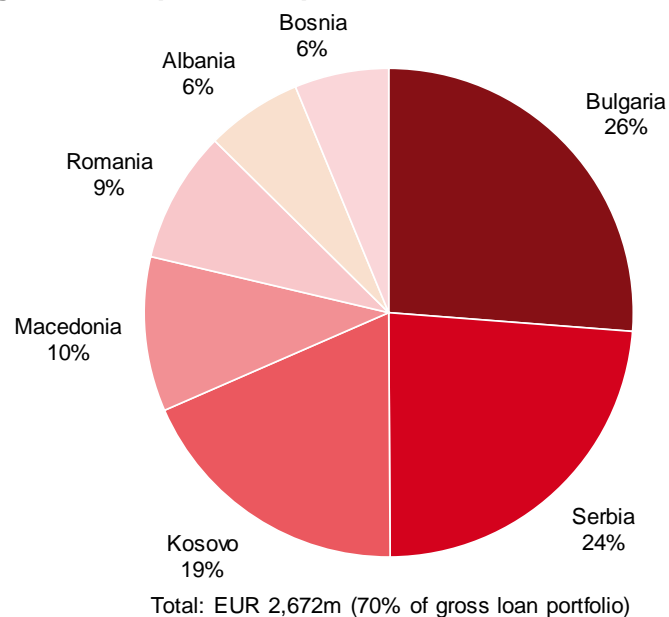
Note: Loan volume growth split by initial loan size in all segments



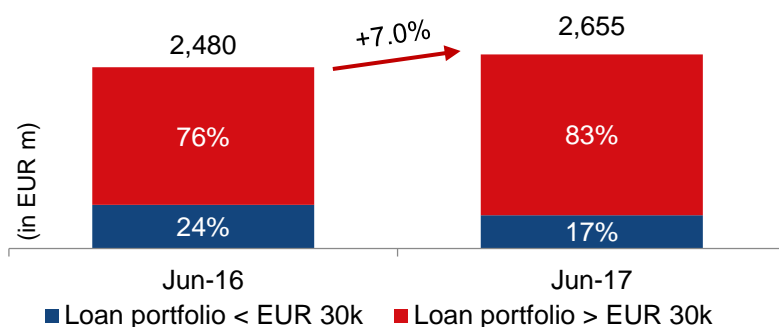
(In EUR m)		Q2-2016	Q3-2016	Q4-2016	Q1-2017	Q2-2017
Income statement	Net interest income	58.2	56.7	55.3	51.3	51.3
	Provision expenses	4.5	2.9	1.8	3.0	0.5
	Net fee and commission income	10.9	10.4	10.9	10.7	10.9
	Net result of other operating income	-0.1	2.4	2.6	2.0	0.5
	Operating income	64.5	66.7	67.0	61.1	62.2
	Operating expenses	49.2	48.0	53.8	47.3	47.9
	Operating result	15.2	18.7	13.2	13.8	14.3
	Tax expenses	3.4	3.9	2.9	4.3	3.0
	Profit from continuing operations	11.8	14.9	10.4	9.5	11.3
	Profit from discontinued operations	6.5	-8.6	15.1	2.3	0.4
	Profit of the period	18.3	6.2	25.5	11.9	11.7
Key performance indicators	Change in loan portfolio > EUR 30,000	5.2%	1.8%	4.8%	4.9%	4.7%
	Return on average equity <sup>(1)</sup>	12.0%	3.9%	16.1%	7.0%	6.9%
	CET1 ratio (fully loaded)	10.3%	10.6%	12.4%	12.3%	13.0%
Additional indicators	Net interest margin <sup>(1)</sup>	4.8%	4.6%	4.4%	4.0%	4.0%
	Net write-off ratio <sup>(1)</sup>	0.4%	0.6%	0.7%	-0.1%	0.2%
	Loans in PAR30	4.9%	4.7%	3.9%	4.1%	3.7%
	Impaired loans	8.0%	7.7%	6.3%	6.3%	5.8%
	Cost-income ratio	71.4%	68.9%	78.1%	73.8%	76.4%

Note: P&L related figures and ratios, unless indicated otherwise, are based on continuing operations; i.e. excluding Banco PyME Los Andes ProCredit Bolivia, ProConfianza Mexico, Banco ProCredit El Salvador and Banco ProCredit Nicaragua for 2017 and 2016; Return on average equity and CET1 ratio include as well discontinued operations; (1) Annualised

## Regional loan portfolio split



## Loan portfolio growth<sup>(1)</sup>

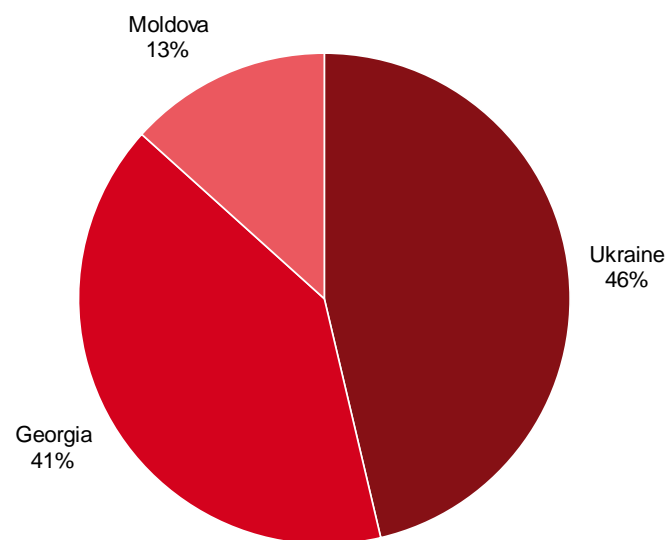


## Key financial data

(in EUR m)	H1-2016	H1-2017
Net interest income	78.4	66.8
Provision expenses	6.7	-1.7
Net fee and commission income	14.9	14.7
Net result of other operating income	0.8	-0.5
Operating income	87.4	82.7
Operating expenses	54.4	53.5
Operating result	33.1	29.3
Tax expenses	3.6	3.4
Profit of the period	29.5	25.8
Change in loan portfolio > EUR 30,000	5.5%	9.6%
Deposits to loans ratio <sup>(2)</sup>	94.4%	89.6%
Net interest margin <sup>(3)</sup>	4.7%	3.7%
Cost-income ratio	57.8%	66.0%
Loans in PAR30	4.6%	3.5%
Coverage ratio PAR30	97.2%	102.5%
Return on average equity <sup>(3)</sup>	13.7%	11.3%

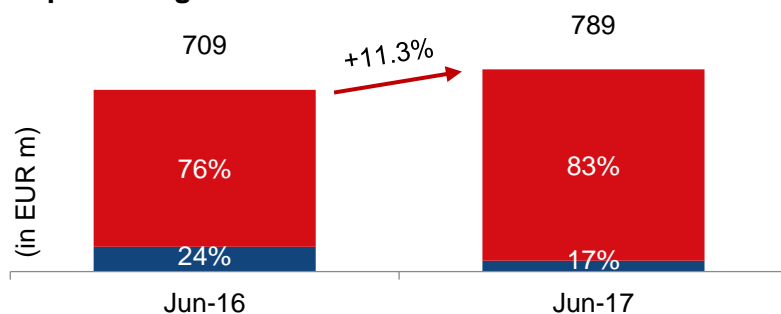
Notes: (1) By initial loan amount; (2) Customer deposits divided by customer loan portfolio; (3) Annualised.

## Regional loan portfolio split



Total: EUR 792m (21% of gross loan portfolio)

## Loan portfolio growth<sup>(1)</sup>



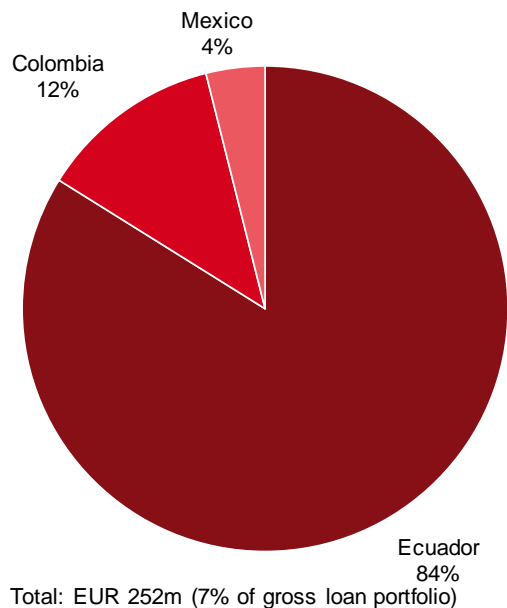
■ Loan portfolio < EUR 30k ■ Loan portfolio > EUR 30k

Notes: (1) By initial loan amount; (2) Customer deposits divided by customer loan portfolio; (3) Annualised

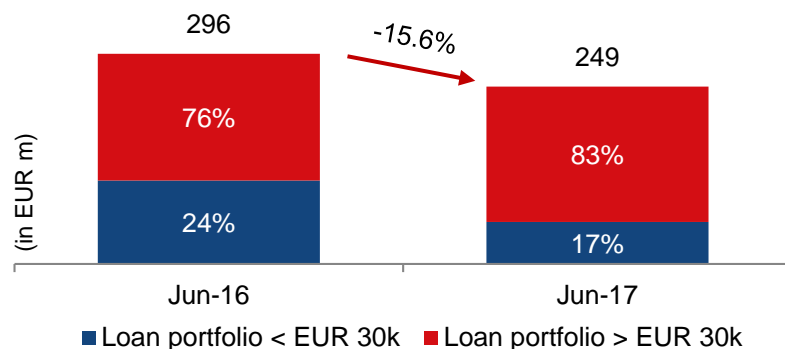
## Key financial data

(in EUR m)	H1-2016	H1-2017
Net interest income	29.9	27.6
Provision expenses	6.7	6.4
Net fee and commission income	4.3	4.3
Net result of other operating income	1.3	1.4
Operating income	28.9	26.8
Operating expenses	16.5	16.2
Operating result	12.4	10.6
Tax expenses	2.5	2.0
Profit of the period	9.9	8.7
Change in loan portfolio > EUR 30,000	10.6%	14.6%
Deposits to loans ratio <sup>(2)</sup>	89.4%	82.0%
Net interest margin <sup>(3)</sup>	6.1%	5.2%
Cost-income ratio	46.4%	48.7%
Loans in PAR30	4.8%	3.0%
Coverage ratio PAR30	98.9%	148.3%
Return on average equity <sup>(3)</sup>	16.8%	12.6%

## Regional loan portfolio split



## Loan portfolio growth<sup>(1)</sup>

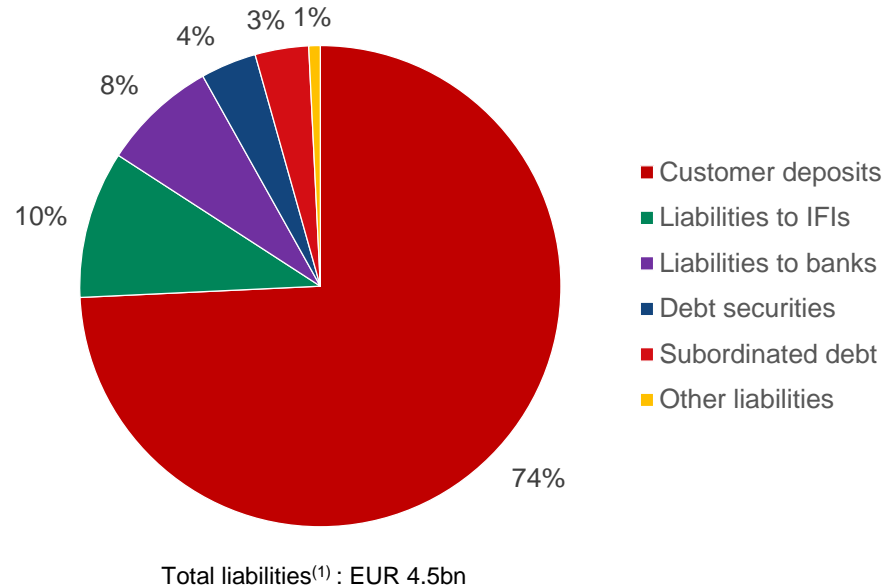


## Key financial data

(in EUR m)	H1-2016	H1-2017
Net interest income	12.1	10.5
Provision expenses	0.6	-1.3
Net fee and commission income	-0.1	0.0
Net result of other operating income	1.7	0.5
Operating income	13.1	12.3
Operating expenses	14.0	13.6
Operating result	-0.9	-1.3
Tax expenses	0.3	0.5
Profit of the period	-1.2	-1.8
Change in loan portfolio > EUR 30,000	1.1%	-4.6%
Deposits to loans ratio <sup>(2)</sup>	55.6%	67.2%
Net interest margin <sup>(3)</sup>	5.3%	4.8%
Cost-income ratio	101.8%	124.0%
Loans in PAR30	8.9%	8.9%
Coverage ratio PAR30	68.9%	59.6%
Return on average equity <sup>(3)</sup>	-3.6%	-5.5%

Notes: (1) By initial loan amount; (2) Customer deposits divided by customer loan portfolio; (3) Annualised

## Funding sources overview



- ▶ Highly diversified funding structure and counterparties
- ▶ Customer deposits main funding source, accounting for 74% as of Jun-17
- ▶ Supplemented by long-term funding from IFIs and institutional investors
- ▶ High and stable self-funding ratio of 89%

## Rating:

- ▶ ProCredit Holding and ProCredit Bank in Germany: BBB (stable) by Fitch
- ▶ ProCredit Banks: At or close to sovereign IDR; Local banks in Macedonia and Georgia are even rated above the sovereign IDR

## Self funding ratio development



Notes: (1) Total liabilities excluding liabilities related to assets held for sale (EUR 352m as of 30-Jun-17)

## Continued focus on transparent reporting

- ▶ Advanced disclosure including e.g.:
  - ▶ Annual Environmental Performance Report 2016
  - ▶ Environmental Statement for the ProCredit institutions located in Germany
  - ▶ Group Environmental Management Policy
  - ▶ Further documents on the group's approach to managing environmental and social risks in lending
  - ▶ Preparation for reporting under GRI Standards as of reporting year 2017

## Significantly reduced ecological footprint<sup>(3)</sup>

- ▶ Yearly absolute energy consumption down by 11% yoy
- ▶ Yearly absolute greenhouse gas emissions down by 13% yoy
- ▶ Energy consumption per floor area kWh/m<sup>2</sup> down by 2% yoy
- ▶ Paper use down by 30% yoy; paper use per employee kg/pp down by 15% yoy

## Continued focus on employee training<sup>(3)</sup>

- ▶ ~49,900 person-days of trainings<sup>(1)</sup>
- ▶ 527 graduates and participants from the Management and Banker Academy
- ▶ ~3,540 person-days of environmentally related trainings<sup>(2)</sup>

## External certification

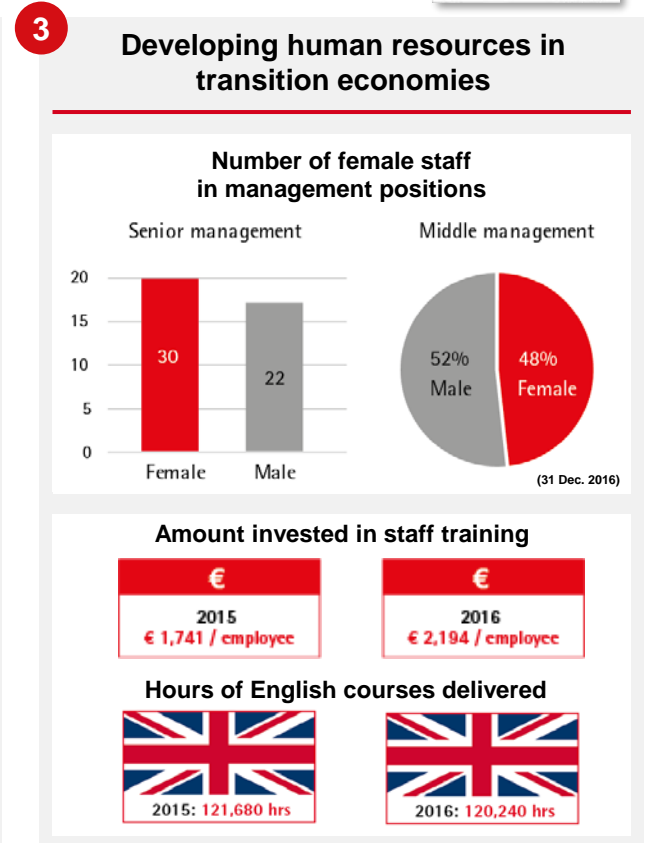
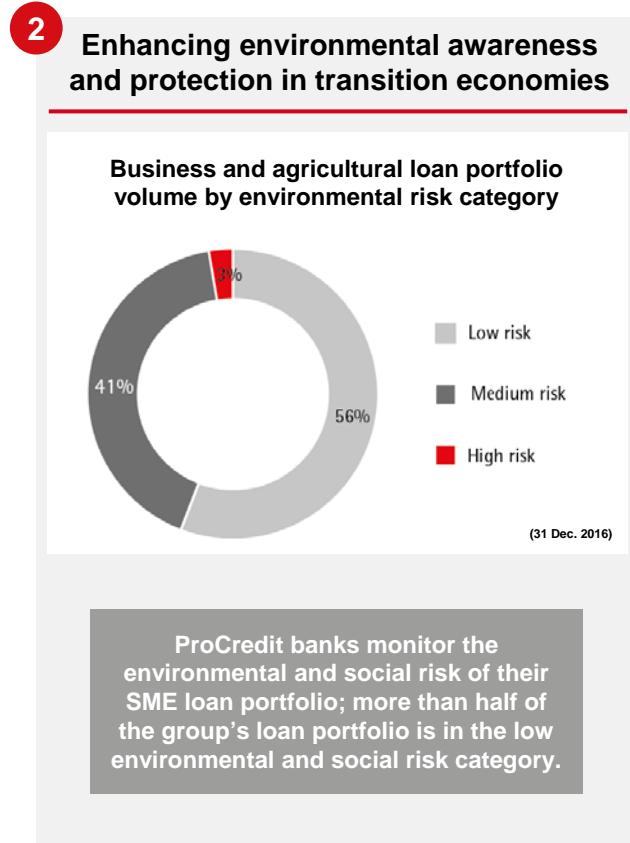
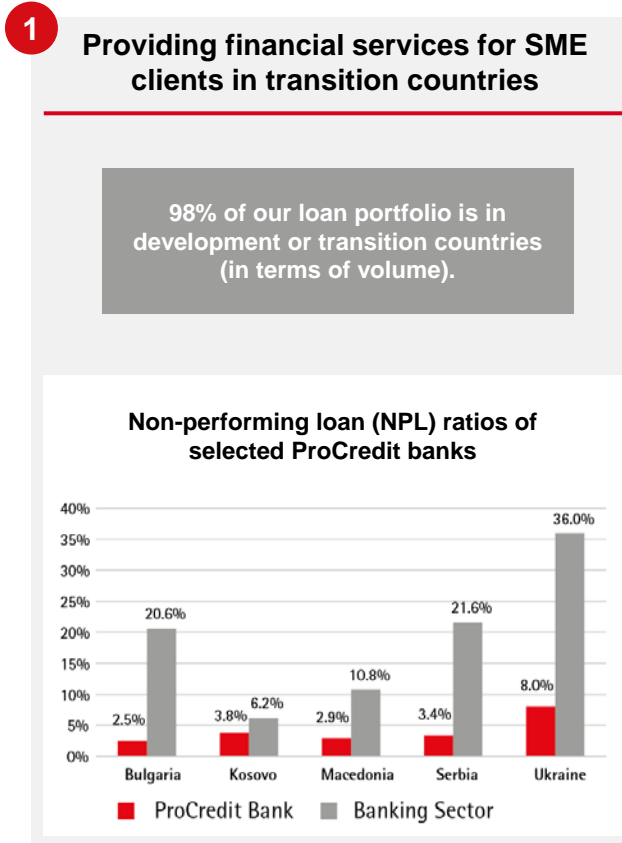
- ▶ ISO 14001 certification completed for most of the ProCredit banks
- ▶ EU Eco-Management and Audit Scheme (EMAS) certification for ProCredit's Germany-based institutions in addition to ISO 14001
- ▶ Corporate Responsibility Prime rating by oekom research



Note: (1) Entry Programme, Group Workshops, Management Academy, Banker Academy, English course (2) Local trainings at 12 banks, academy environmental blocks, workshops, Entry Programme environmental block (3) Data is shown as end of Dec 16



- ▶ Approval as member of the Social Stock Exchange (SSX) following the ratification of the Impact Report by the independent SSX Admissions Panel in May-17
- ▶ Impact Report details the social impact of the group focusing on three main areas of positive impact:



Source: ProCredit Impact Report 2016

(in EUR m)	Dec-16	Jun-17
<b>Assets</b>		
Cash and cash equivalents	937	751
Loans and advances to banks	287	262
Financial assets at fair value through profit or loss	0	0
Available-for-sale financial assets	250	198
Loans and advances to customers	3,629	3,801
Allowance for losses on loans and advances to customers	-151	-146
Property, plant and equipment	157	151
Other assets	97	98
Assets held for sale	461	436
<b>Total assets</b>	<b>5,668</b>	<b>5,552</b>
<b>Liabilities</b>		
Liabilities to banks	318	352
Financial liabilities at fair value through profit or loss	1	1
Liabilities to customers	3,475	3,377
Liabilities to International Financial Institutions	499	450
Debt securities	144	171
Other liabilities	38	34
Subordinated debt	171	164
Liabilities related to assets held for sale	368	352
<b>Total liabilities</b>	<b>5,014</b>	<b>4,900</b>
<b>Equity</b>		
Subscribed capital	268	268
Capital reserve	115	115
Legal reserve	0	0
Retained earnings	325	328
Translation reserve	-62	-68
Revaluation reserve	0	0
<b>Equity attributable to ProCredit shareholders</b>	<b>646</b>	<b>643</b>
Non-controlling interests	8	9
<b>Total equity</b>	<b>654</b>	<b>652</b>
<b>Total equity and liabilities</b>	<b>5,668</b>	<b>5,552</b>



01.01. - 30.06.2017 (in EUR m)	Germany	Eastern Europe	South Eastern Europe	South America	Consolidation	Group
Interest and similar income	9.3	49.4	77.4	17.7	-8.6	145.1
of which inter-segment	8.4	0.2	0.1	0.0		
Interest and similar expenses	10.7	21.8	10.6	7.1	-7.8	42.5
of which inter-segment	0.3	2.6	3.4	1.5		
<b>Net interest income</b>	<b>-1.4</b>	<b>27.6</b>	<b>66.8</b>	<b>10.5</b>	<b>-0.9</b>	<b>102.6</b>
Allowance for losses on loans and advances to customers	0.1	6.4	-1.7	-1.3	0.0	3.4
<b>Net interest income after allowances</b>	<b>-1.5</b>	<b>21.2</b>	<b>68.5</b>	<b>11.8</b>	<b>-0.9</b>	<b>99.2</b>
Fee and commission income	4.7	6.2	21.9	0.9	-4.5	29.1
of which inter-segment	3.9	0.0	0.7	0.0		
Fee and commission expenses	0.9	1.9	7.2	0.8	-3.5	7.5
of which inter-segment	0.0	0.7	2.5	0.3		
<b>Net fee and commission income</b>	<b>3.8</b>	<b>4.3</b>	<b>14.7</b>	<b>0.0</b>	<b>-1.1</b>	<b>21.6</b>
Result from foreign exchange transactions	-0.4	2.5	3.2	0.0	0.0	5.3
Net result from financial instruments at fair value through profit or loss	-0.6	-0.3	0.4	0.0	0.0	-0.5
Net result from available-for-sale financial assets	0.1	0.0	0.0	0.0	0.0	0.0
of which inter-segment	0.0	0.0	0.0	0.0	0.0	0.0
Net other operating income	58.1	-0.8	-4.1	0.4	-56.0	-2.3
of which inter-segment	55.4	0.0	0.3	0.3	0.0	0.0
<b>Operating income</b>	<b>59.4</b>	<b>26.8</b>	<b>82.7</b>	<b>12.3</b>	<b>-58.0</b>	<b>123.3</b>
Personnel expenses	11.6	5.7	20.9	5.6	0.0	43.7
Administrative expenses	13.4	10.5	32.6	8.0	-13.1	51.5
of which inter-segment	2.2	2.4	6.9	1.6	0.0	0.0
<b>Operating expenses</b>	<b>25.0</b>	<b>16.2</b>	<b>53.5</b>	<b>13.6</b>	<b>-13.1</b>	<b>95.2</b>
<b>Profit before tax</b>	<b>34.4</b>	<b>10.6</b>	<b>29.3</b>	<b>-1.3</b>	<b>-44.9</b>	<b>28.1</b>
Income tax expenses	1.5	2.0	3.4	0.5	0.0	7.3
<b>Profit of the period from continuing operations</b>	<b>33.0</b>	<b>8.7</b>	<b>25.8</b>	<b>-1.8</b>	<b>-44.9</b>	<b>20.8</b>
Profit of the period from discontinued operations						2.8
<b>Profit of the period</b>	<b>33.0</b>	<b>8.7</b>	<b>25.8</b>	<b>-1.8</b>	<b>-44.9</b>	<b>23.6</b>
Profit attributable to ProCredit shareholders						22.7
Profit attributable to non-controlling interests						0.9

Note: Banco ProCredit El Salvador and Banco ProCredit Nicaragua shown as discontinued operations

## **Q2 2017:**

- Financial data for six-month period ended June 30, 2017, as shown in the unaudited quarterly financial report ended June 30, 2017
- Entities classified as discontinued operations include Banco ProCredit El Salvador and Banco ProCredit Nicaragua in the balance sheet-related information and in the profit and loss-related information. Previous period financial data for six-month period ended June 30, 2016 also include ProConfianza Mexico and Banco Pyme Los Andes ProCredit Bolivia.

## **Q1 2017:**

- Financial data for three-month period ended March 31, 2017, as shown in the unaudited quarterly financial report ended March 31, 2017
- Entities classified as discontinued operations include Banco ProCredit El Salvador and Banco ProCredit Nicaragua in the balance sheet-related information and in the profit and loss-related information. Previous period financial data for three-month period ended March 31, 2016 also include ProConfianza Mexico and Banco Pyme Los Andes ProCredit Bolivia.

## **FY 2016:**

- Financial data for the fiscal year ended December 31, 2016, as shown in the consolidated financial statements as of and for the fiscal year ended December 31, 2016
- Entities classified as discontinued operations: Banco ProCredit El Salvador and Banco ProCredit Nicaragua in the balance sheet-related information, and ProConfianza Mexico, Banco ProCredit El Salvador, Banco ProCredit Nicaragua, and Banco Pyme Los Andes ProCredit Bolivia in the profit and loss-related information.

*Note: Unless indicated otherwise*

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## Financial calendar

Date	Place	Event information
14.08.2017		Interim Report as of 30-Jun-17, Analyst Conference Call
06.09.2017	Frankfurt/ Main	DVFA 15th DVFA Autumn Conference
20.09.2017	Munich	Berenberg and Goldman Sachs 6th German Corporate Conference
14.11.2017		Quarterly Statement as of 30-Sep-17, Analyst Conference Call
27-29.11.2017	Frankfurt/ Main	Deutsche Börse German Equity Forum 2017

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