



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



# Q3 2017 results

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

Borislav Kostadinov, Member of the Management Board

Jana Donath, Manager Finance and Controlling



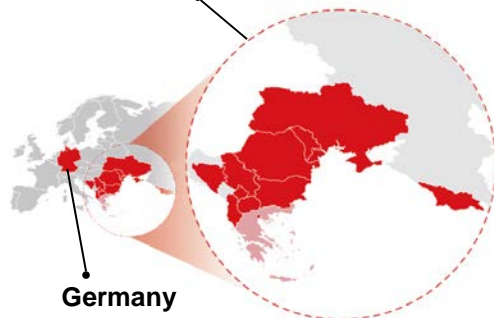
## Summary

- ▶ A profitable, development-oriented commercial banking group for SMEs with a 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 an 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 on the 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>(5)</sup>**  
(ca. 6% of gross loan portfolio)

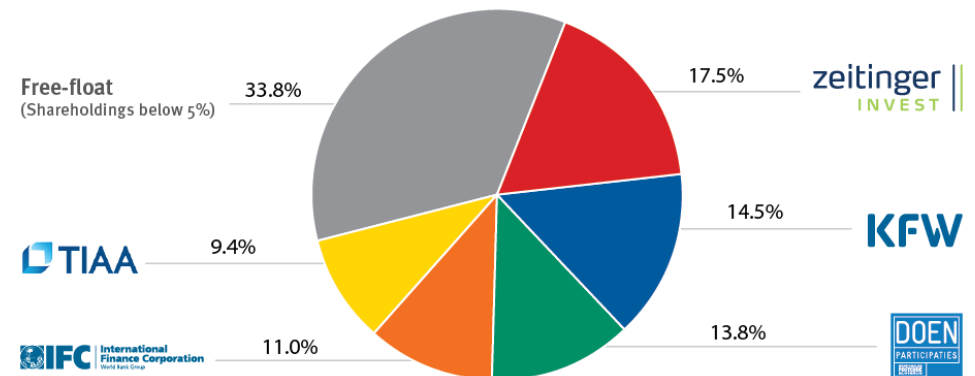


**Germany**  
(ca. 2% of gross loan portfolio)

## Key figures 9M 2017 and FY 2016

<b>Total assets</b> EUR 5,504m EUR 5,668m	<b>Customer loan portfolio<sup>(1)</sup></b> EUR 3,832m EUR 3,629m	<b>Deposits/loans<sup>(2)</sup></b> 91% 96%
<b>Number of employees<sup>(1)</sup></b> 3,522 4,078	<b>Profit of the period</b> EUR 36m EUR 61m	<b>RoAE</b> 7.1% <sup>(3)</sup> 9.6%
<b>CET1 ratio (fully loaded)</b> 13.3% 12.4%	<b>Rating (Fitch)</b> BBB (stable) <sup>(4)</sup>	

## Reputable development-oriented shareholder base




Note: Shareholder structure according to the voting right notifications as published on our website [www.procredit-holding.com](http://www.procredit-holding.com)

Notes: As of 31 December 2016 and as of 30 September 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) 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> </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>Most recent project: 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

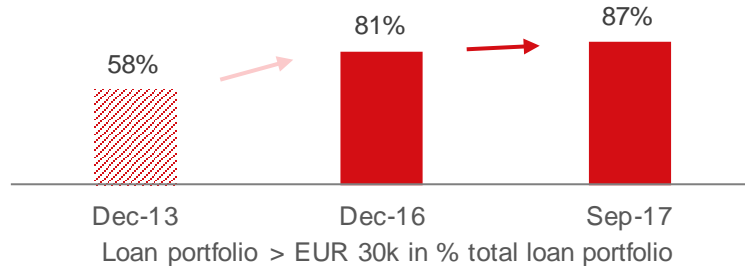
D Balance sheet, capital and funding

Q&A

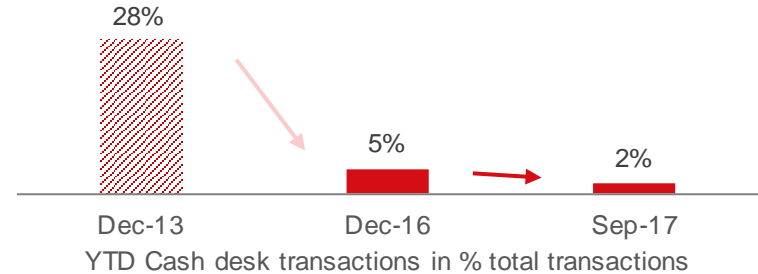
Appendix

# Where do we come from? Significant progress since 2013

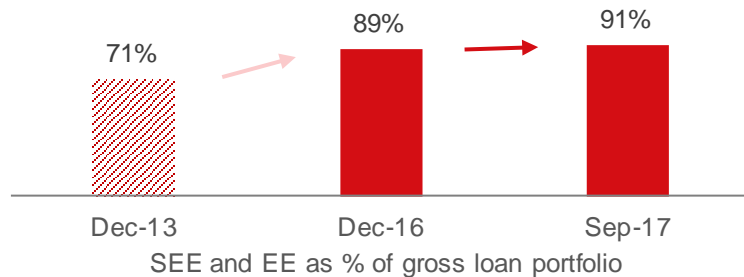
## Focused growth in SME loan categories <sup>(1)</sup>



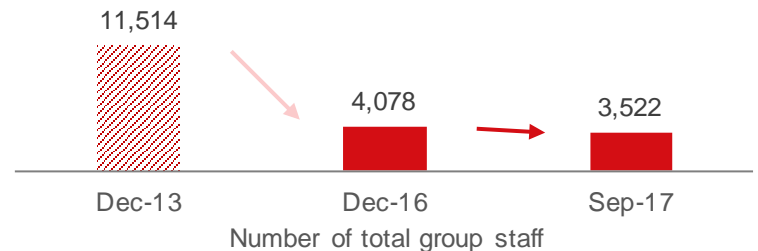
## Decrease in number of cash desk transactions



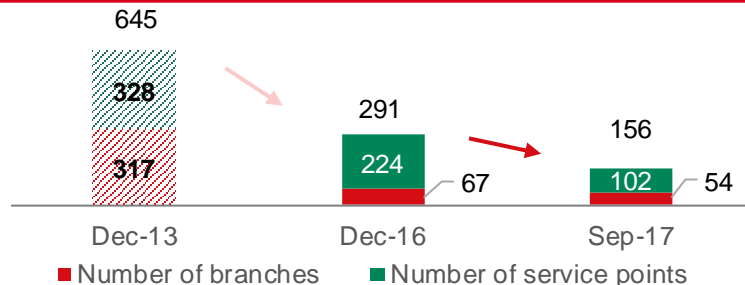
## Regional focus on South Eastern Europe and Eastern Europe



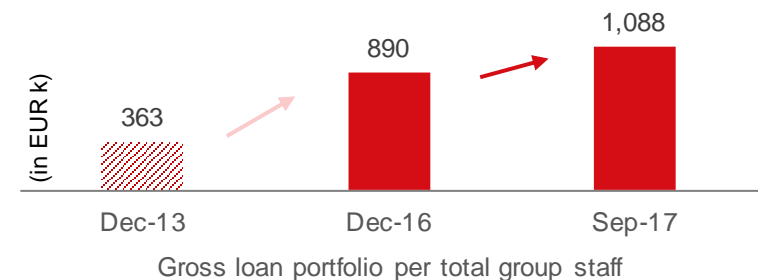
## Decrease in number of total group staff



## 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
- ▶ On track for sharp business profile as modern SME bank for Eastern Europe:
  - ✓ Successful sale of Banco ProCredit Nicaragua and Banco ProCredit El Salvador
  - ✓ 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 accessible via relevant electronic channels
  - ✓ Unified service offer to private clients for standard fee in all ProCredit Banks
  - ✓ Launch of one dedicated private client website
  - ✓ Release of new version of mobile banking app



## 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, European Conference, Berenberg Pan-European Discovery Conference, DVFA Autumn Conference, Berenberg and Goldman Sachs 6th German Corporate Conference
  - ✓ 2017 to come: Deutsche Börse German Equity Forum



Picture provided by Impact Summit Europe 2017

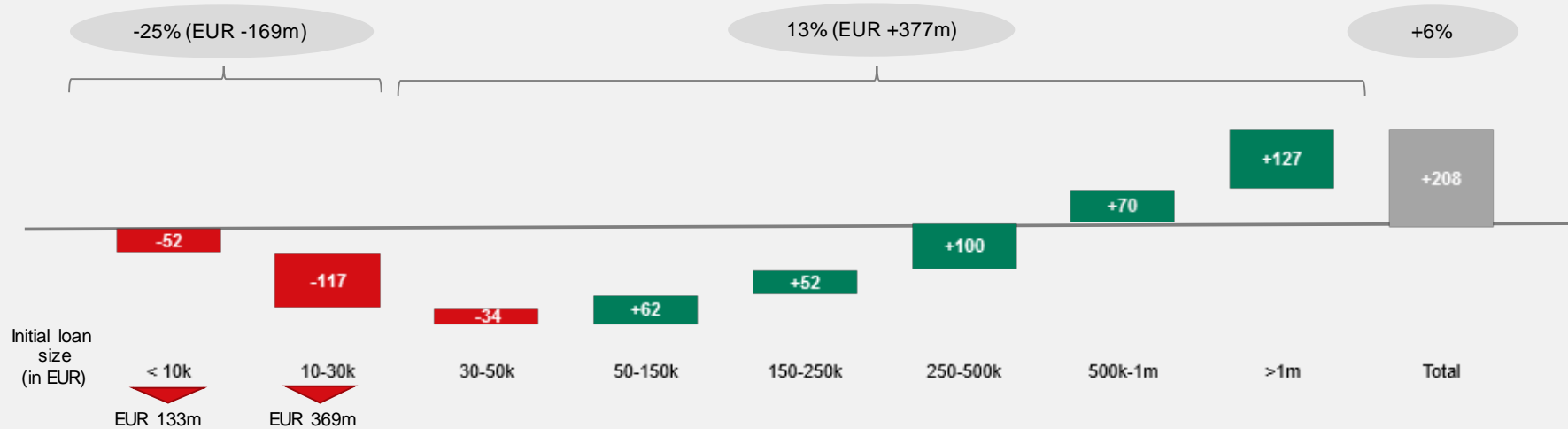
## Continued external recognition and certification

- ▶ SMEs in Romania and Ukraine benefit as the EIB, ProCredit Bank Romania and ProCredit Bank Ukraine sign first loan agreements in local currency
- ▶ First guarantee agreements with EIB signed under the EU4Business initiative for Georgia, Moldova and Ukraine
- ▶ ISO 14001 certification completed for all ProCredit institutions

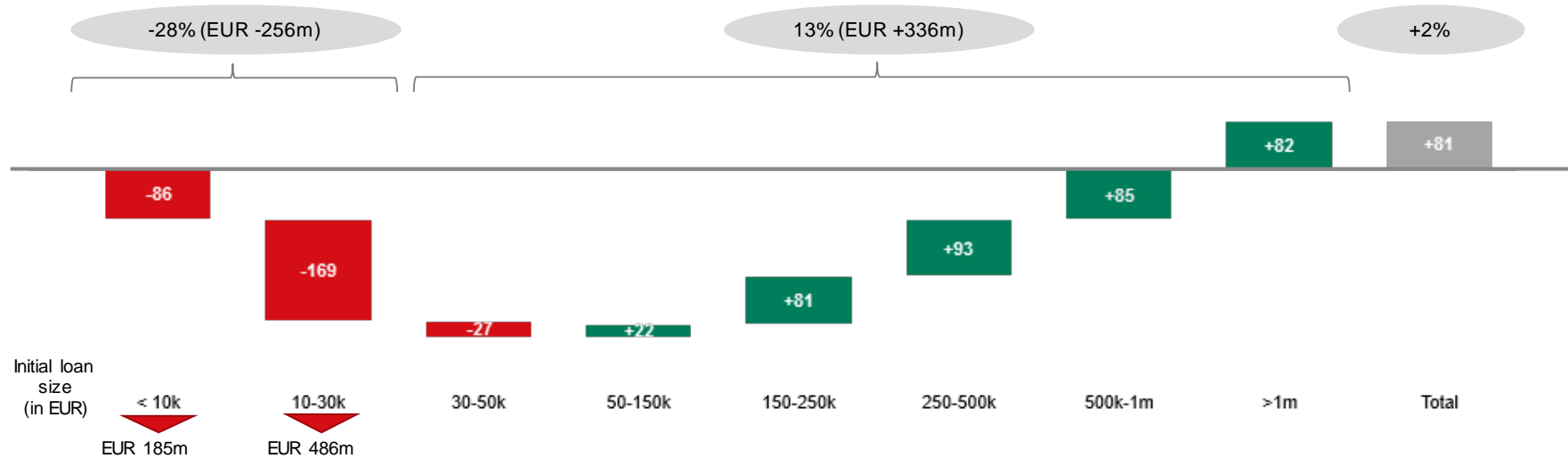


# Strong volume growth in core loan categories

Sep 2017 YTD



FY 2016



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

Outlook for ProCredit Group 2017	Guidance 2017	Actuals 9M 2017	Commentary
▶ Growth of the gross loan portfolio in the target loan categories (>EUR 30,000)	> 10%	+13%	✓ Continued strong growth in the SME segment
▶ Growth of the total gross loan portfolio	> 8%	+6%	✓ Decrease of non-core loan categories largely completed by end of 2017
▶ Return on average equity (RoAE)	7 – 9%	7.1% (annualised)	✓ Profitable third quarter with ROE of 7.4%
▶ CET1 ratio (fully loaded)	> 13%	13.3%	✓ Positive impact from disposal of El Salvador expected in Q4
▶ Dividend payout ratio	1/3 of profits	n.a.	✓ Confirmation of dividend policy

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



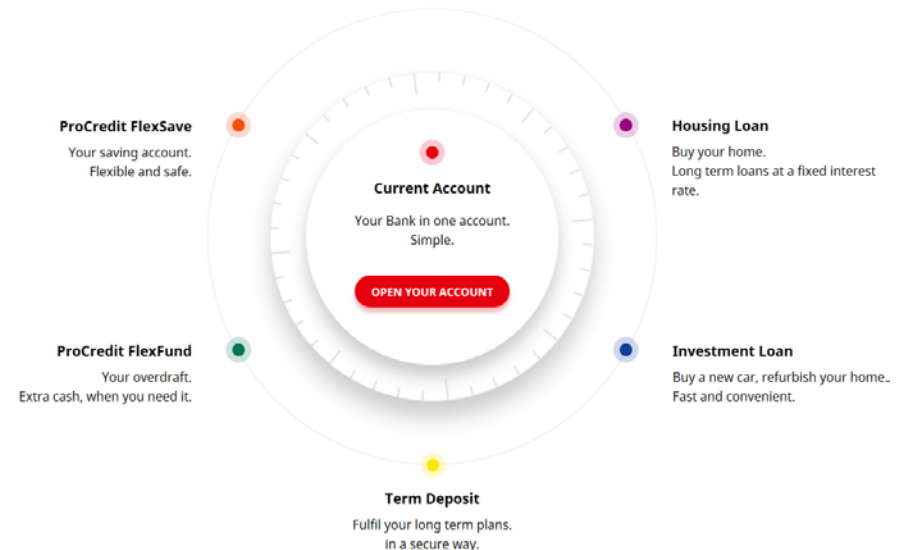
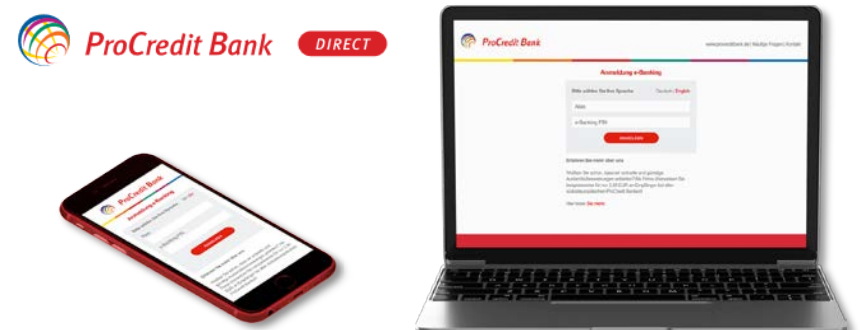
## Ongoing implementation

- ▶ Implementation of unified service offer to private clients for standard fee in all ProCredit banks
- ▶ Launch of one dedicated website: [www.procreditbank-direct.com](http://www.procreditbank-direct.com)
- ▶ Release of new version of mobile banking app (live: Ukraine)
- ▶ Global launch of new version of mobile banking app in all ProCredit banks (Group-wide rollout: Q1-18)

## Strategic objectives

- ▶ Providing a state-of-the-art online channel for banking transactions to all our private clients
- ▶ Continuous investments in innovation, customer experience and security standards
- ▶ Further increase of group efficiency and automation
- ▶ Strengthening of fee income
- ▶ Entrepreneurs and middle income-clients as a reliable source of funding

## Examples



A Highlights

**B Financial development**

C Asset quality

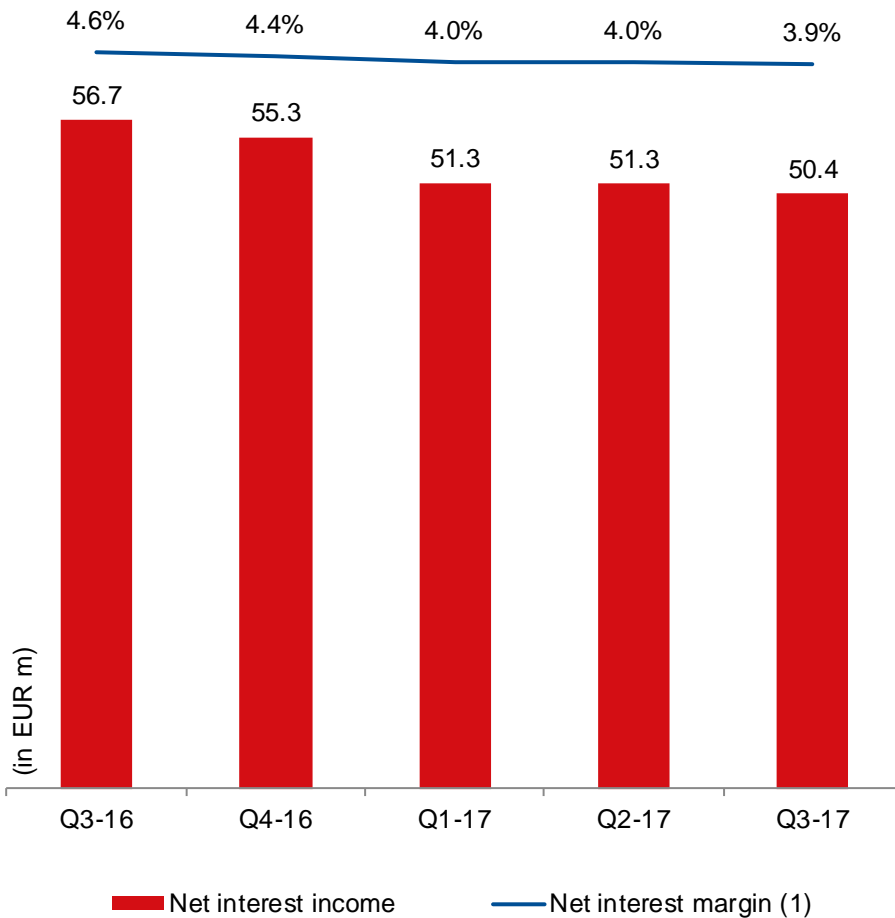
D Balance sheet, capital and funding

Q&A

Appendix

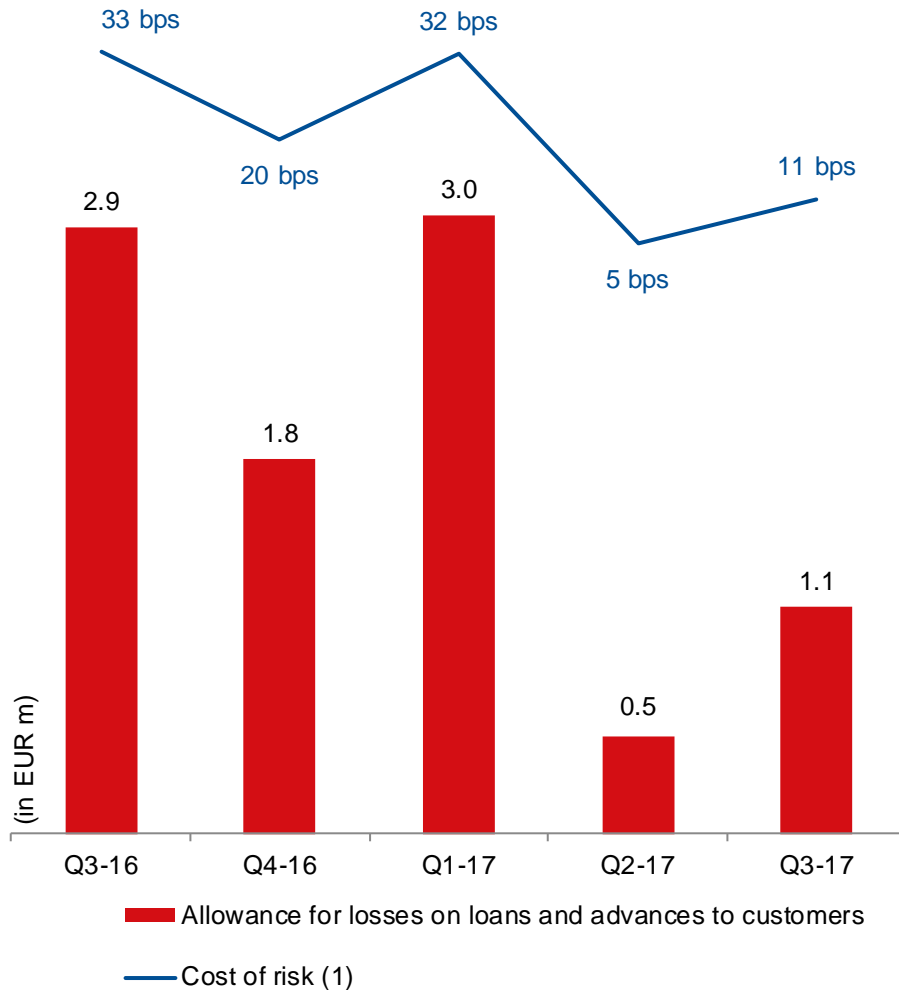
In EUR m		Q2-2017	Q3-2017	9M-2016	9M-2017	y-o-y
Income statement	Net interest income	51.3	50.4	175.6	153.0	-13%
	Provision expenses	0.5	1.1	16.8	4.5	-73%
	Net fee and commission income	10.9	11.7	32.1	33.3	4%
	Net result of other operating income	0.5	2.8	1.5	5.3	n.m.
	Operating income	62.2	63.8	192.3	187.1	-3%
	Operating expenses	47.9	44.9	144.5	140.1	-3%
	Operating results	14.3	18.9	47.9	47.0	-2%
	Tax expenses	3.0	3.2	11.2	10.5	-6%
	Profit from continuing operations	11.3	15.7	36.6	36.4	-1%
	Profit from discontinued operations	0.4	-3.4	-1.1	-0.7	-41%
	Profit of the period	11.7	12.2	35.5	35.8	1%
Key performance indicators	Change in loan portfolio > EUR 30,000	4.7%	2.7%	7.7%	12.9%	5.1pp
	Return on average equity <sup>(1)</sup>	6.9%	7.4%	7.6%	7.1%	-0.5pp
	CET1 ratio (fully loaded)	13.0%	13.3%	10.6%	13.3%	2.7pp
Additional indicators	Net interest margin <sup>(1)</sup>	4.0%	3.9%	4.8%	3.9%	-0.9pp
	Net write-off ratio <sup>(1)(2)</sup>	0.1%	0.2%	0.6%	0.3%	-0.3pp
	Loans in PAR30	3.7%	3.5%	4.7%	3.5%	-1.2pp
	Impaired loans	5.8%	5.4%	7.7%	5.4%	-2.3pp
	Cost-income ratio	76.4%	69.3%	69.1%	73.1%	4.1pp
	Book value per share	12.01	12.14	11.86	12.14	2%

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 stabilisation continued in Q3 in line with previous two quarters
- ▶ Growth of loan portfolio largely compensated declining margins
- ▶ Strategic focus on SME clients is associated with significant positive effects on both risk and operating costs

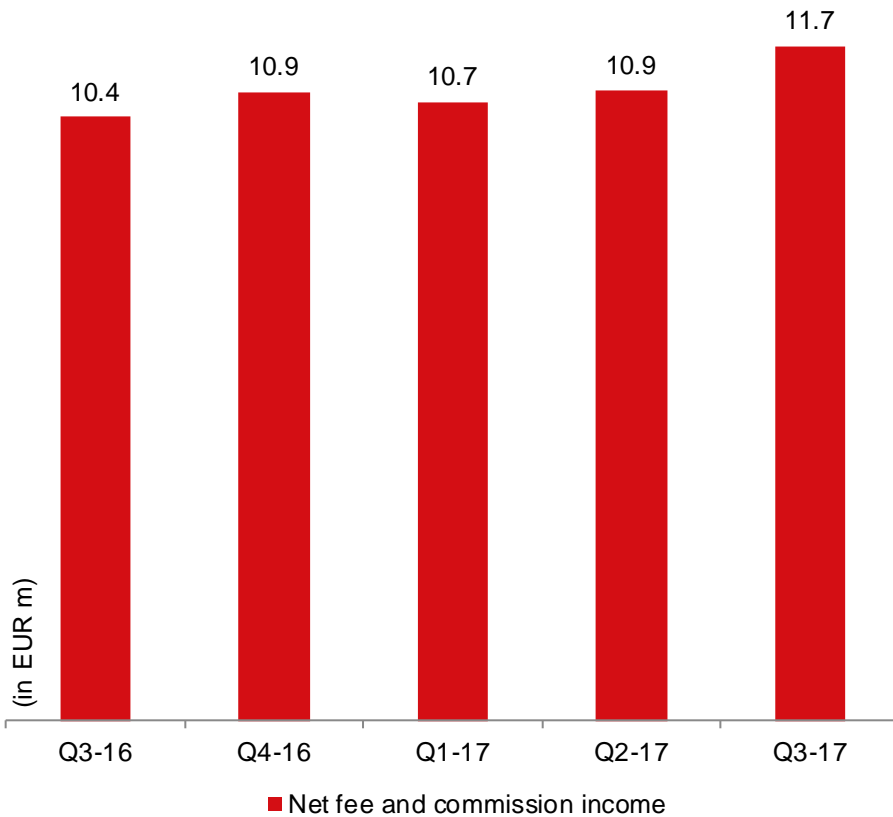
Notes: (1) Annualised



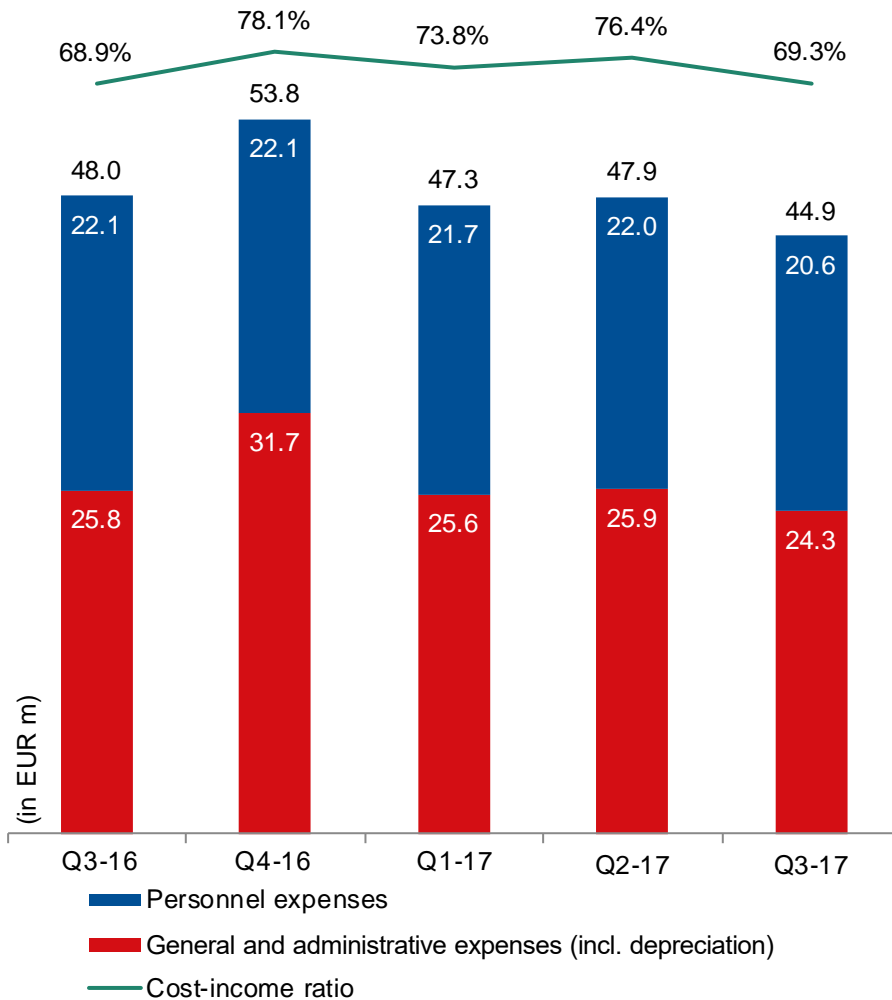
- ▶ Expenses for allowances for losses on loans and advances to customers (LLP) on low level with comfortable coverage ratio (103%)
- ▶ Decrease in LLP/cost of risk in 2017 driven by improved loan portfolio quality and recovery of written-off loan portfolio

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



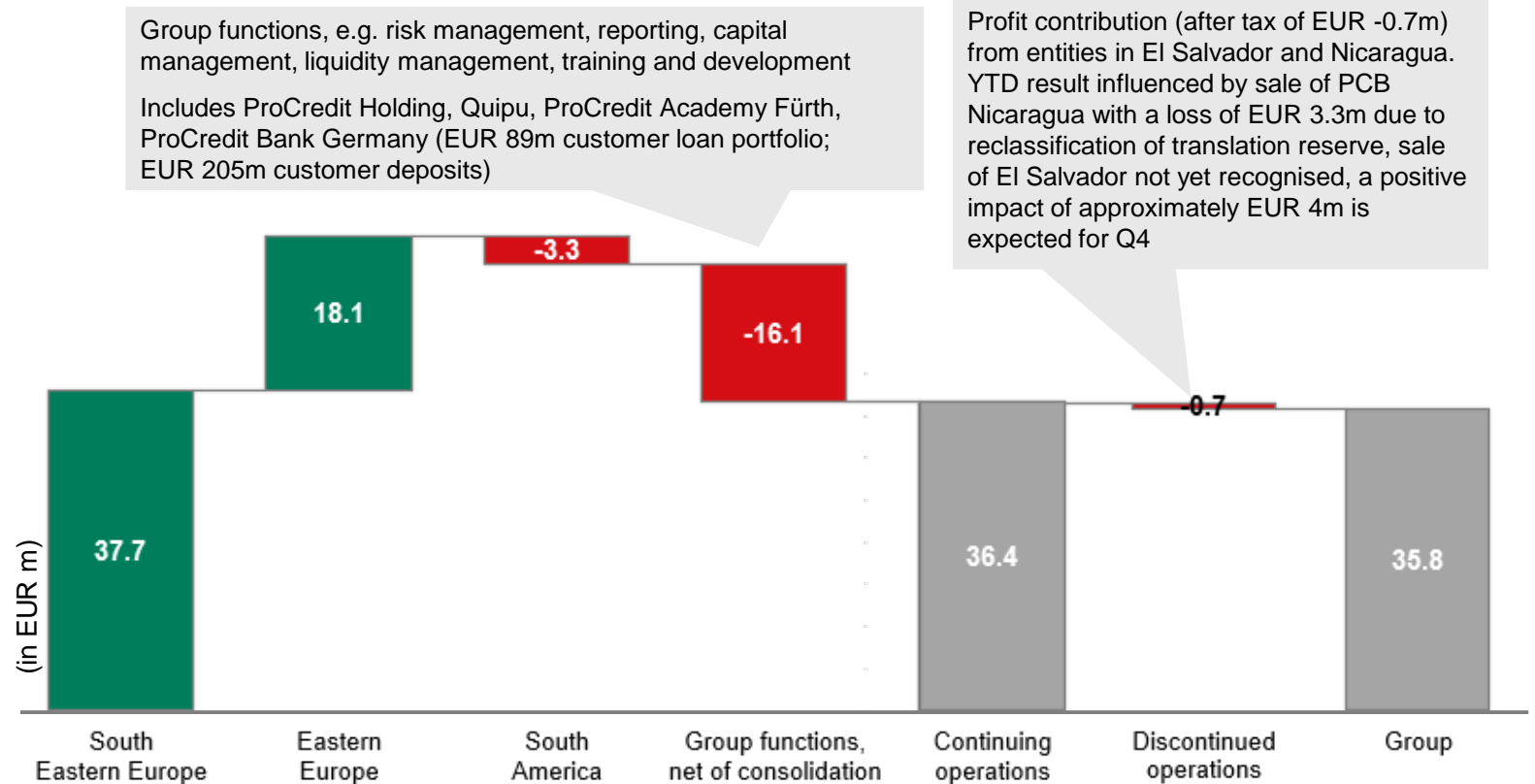
- ▶ Q3-17 net fee and commission income with substantial increase compared to all previous quarters
- ▶ Increase predominantly driven by adjustment to fees for account maintenance services, which have been gradually implemented in most banks
- ▶ Increase in income from account maintenance and card transaction services more than compensated for the declining fee income from the reduced number of cash transactions



- ▶ Decreased operating expenses in Q3 due to efficiency gains from branch and service point closures
- ▶ YTD operating expenses below average FY 2016 levels
- ▶ The YTD cost base has been influenced by:
  - ▶ One-time expenses related to reduction of the branch network and number of employees
  - ▶ 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



# Contribution of segments to group net income 9M 2017



	South Eastern Europe	Eastern Europe	South America	Group
Customer loan portfolio (EUR m)	2,699	802	244	3,832
2017 YTD loan growth > EUR 30k	+12.9%	+17.0%	-3.3%	+12.9%
Loans in arrears (PAR 30)	3.4%	2.8%	8.7%	3.5%
Cost-income ratio (YTD)	64.7%	46.6%	126.4%	73.1%
ROAE (YTD) <sup>(1)</sup>	10.9%	16.9%	-6.9%	7.1%

Note: (1) Annualised



A Highlights

B Financial development

**C Asset quality**

D Balance sheet, capital and funding

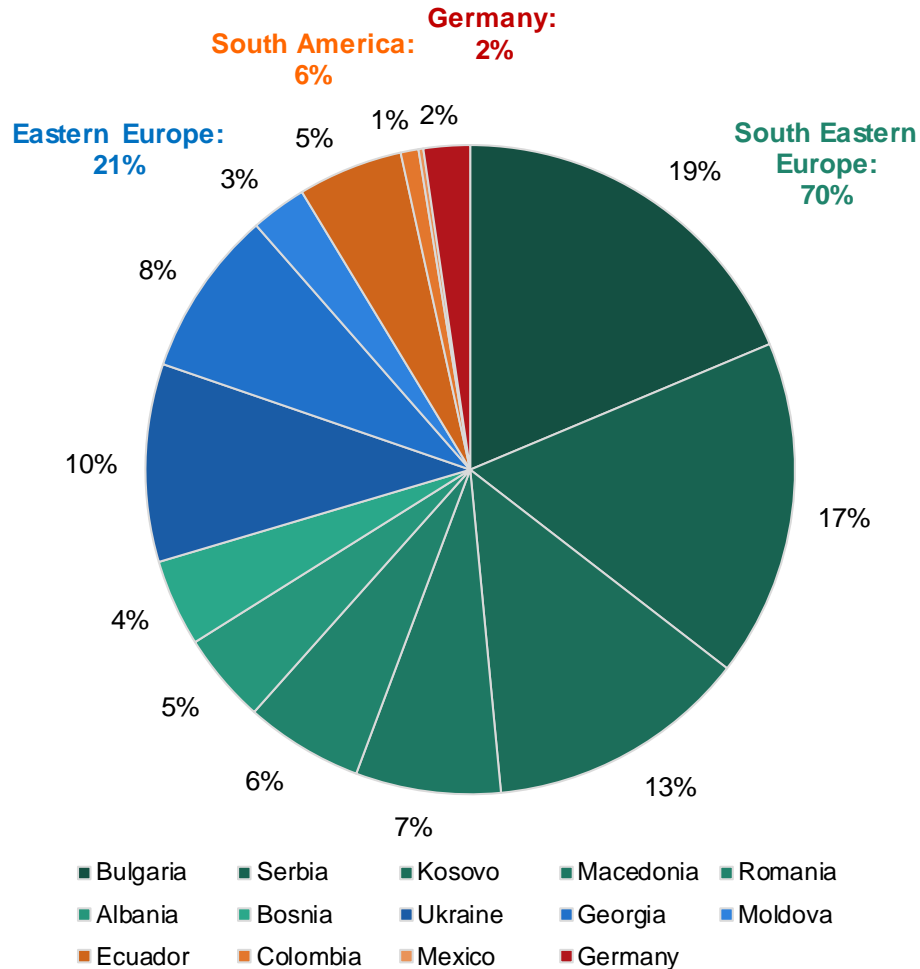
Q&A

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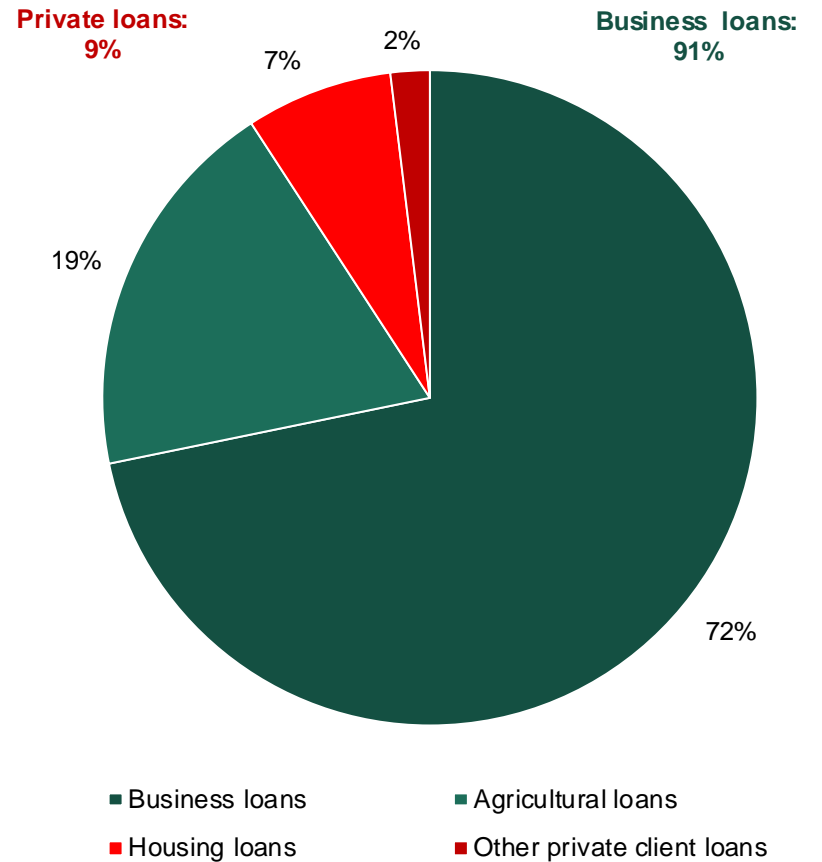


# Structure of the loan portfolio

Loan portfolio by geographical segments



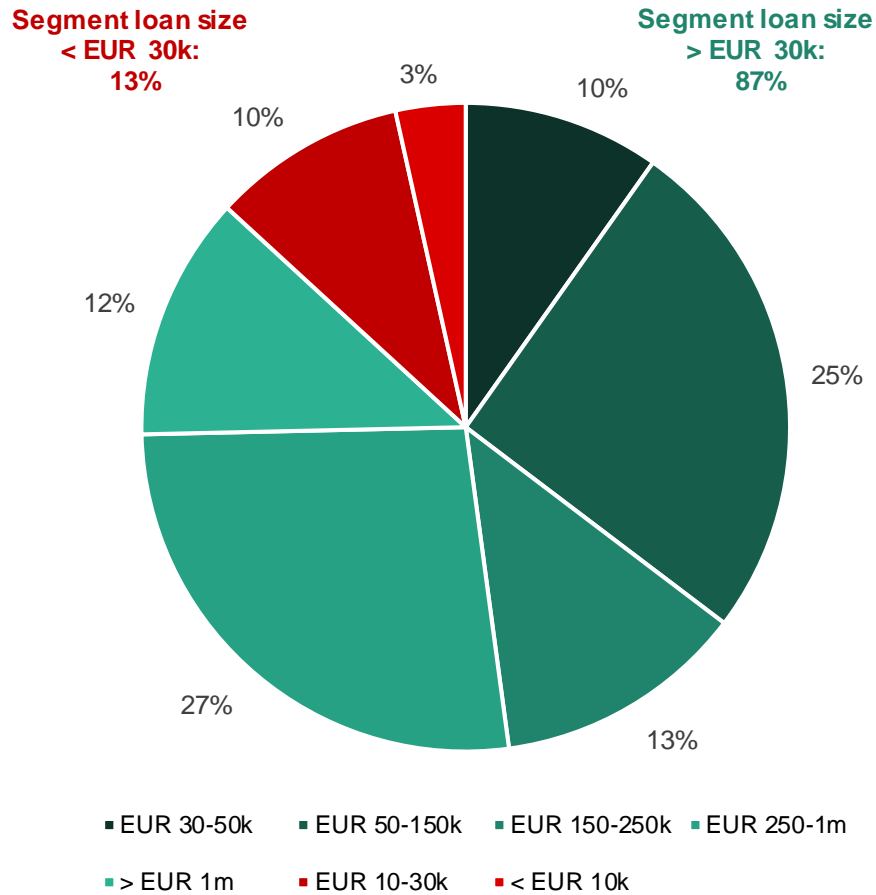
Loan portfolio by sector



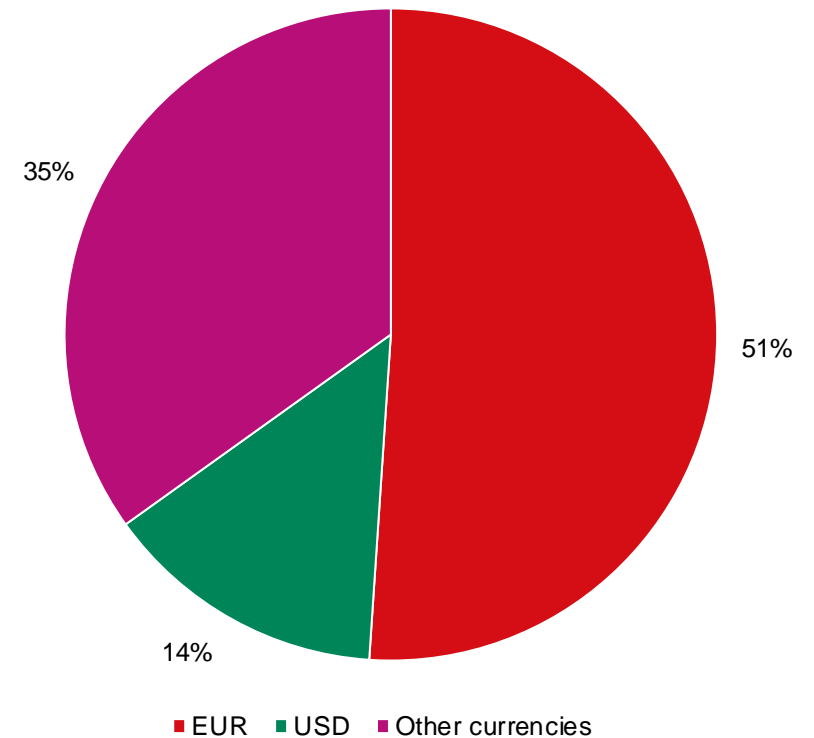
Notes: Loan portfolio by geographical segments and by sector in % of total customer loan portfolio (EUR 3,832m as per 30-Sep-17)

# Structure of the loan portfolio (continued)

Loan portfolio by initial loan size

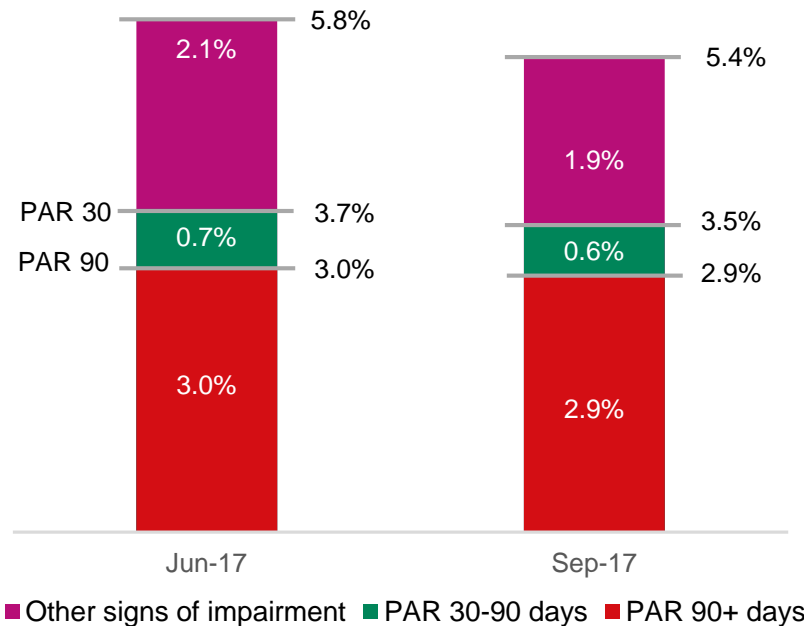


Loan portfolio by currency



Notes: Loan portfolio by initial loan size in % of total outstanding principal (EUR 3,812m as per 30-Sep-17); loan portfolio by currency in % of net loan portfolio (EUR 3,704m as per 30-Sep-17)

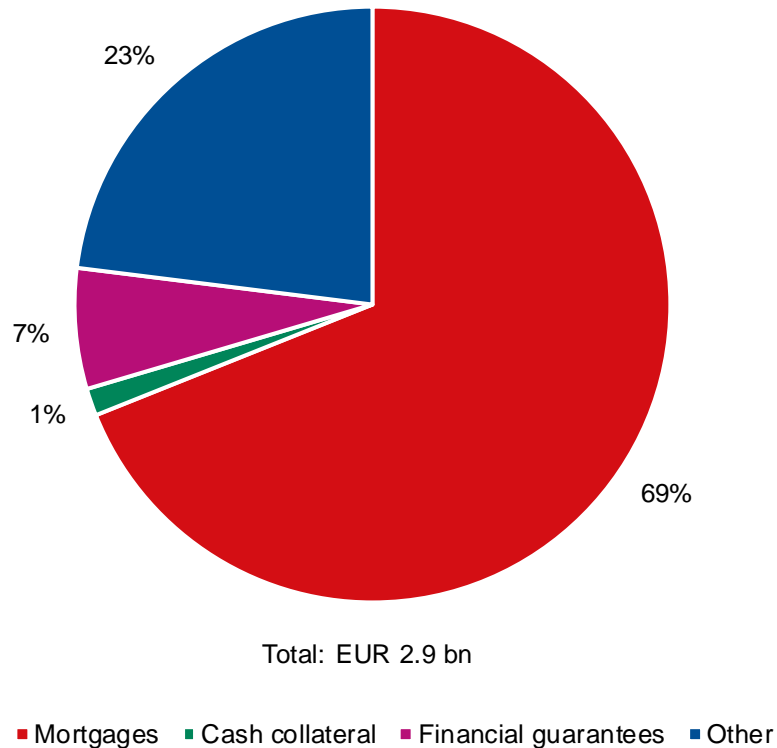
Net write-offs <sup>(1)</sup>	0.2%	0.3%
Coverage ratio impaired <sup>(2)</sup>	66%	67%
Coverage ratio PAR30 <sup>(3)</sup>	104%	103%



- ▶ Net write-off development remains at a low level
- ▶ 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

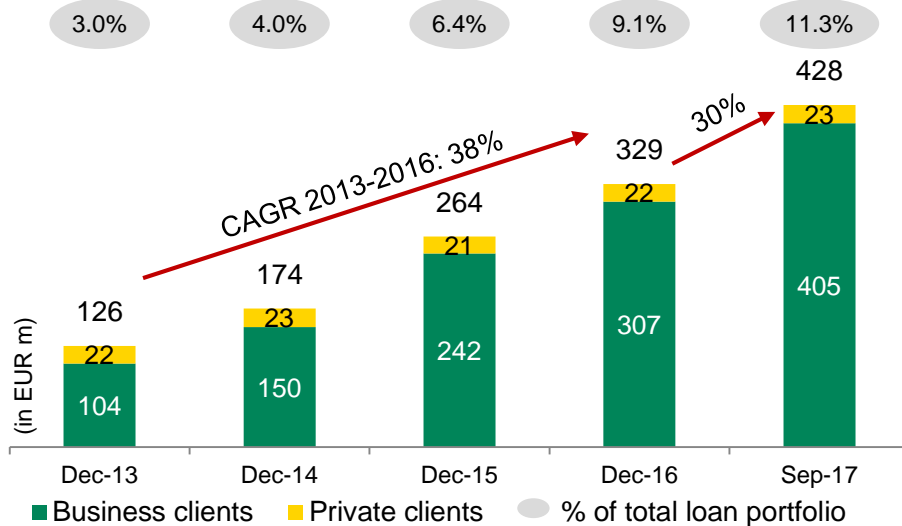
### Collateral by type



- ▶ Majority of collateral consisting 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

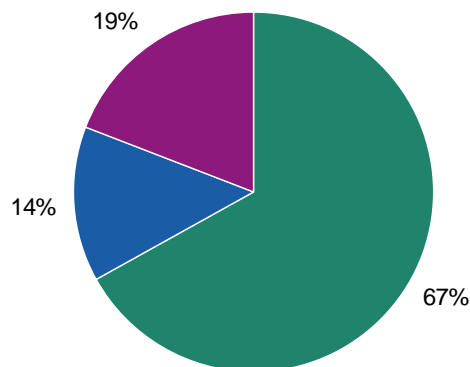
# Development of green loan portfolio

## Green loan portfolio growth



- ▶ Strong growth of the green loan portfolio (38% p.a. 2013-2016)
- ▶ Includes financing of investments in
  - ▶ Energy efficiency
  - ▶ Renewable energies
  - ▶ Other environmentally-friendly related activities
- ▶ New ambitious target: 15% of the total loan portfolio by end of 2019 (currently at 11.3%)
- ▶ Largest part of green loan portfolio to finance energy efficiency measures (67%)
- ▶ Very high portfolio quality; PAR 30 ratio for the green loan portfolio at 0.6%

## Structure of green loan portfolio



■ Energy efficiency ■ Renewable energy ■ Other green investments

A Highlights

B Financial development

C Asset quality

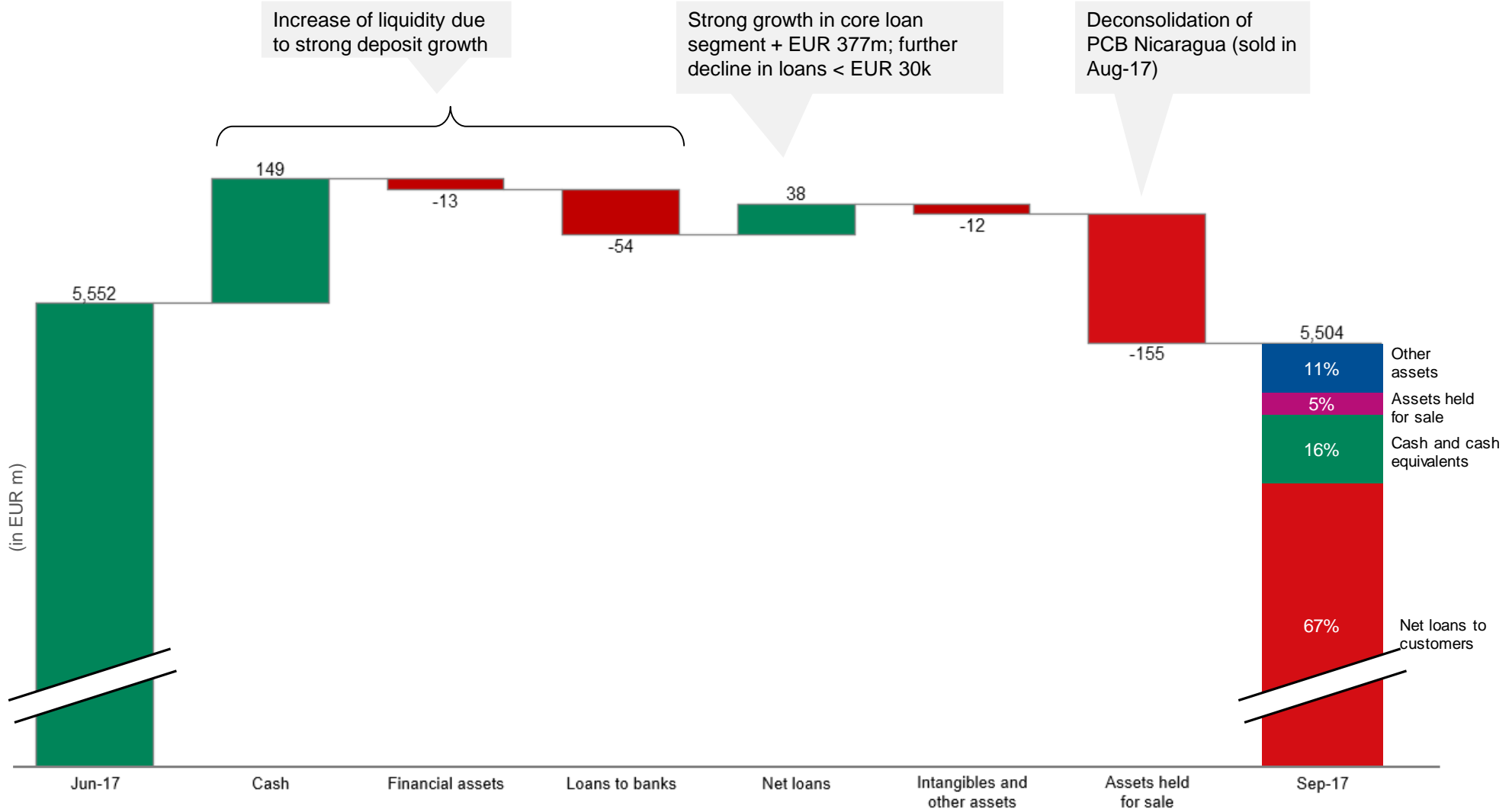
**D Balance sheet, capital and funding**

Q&A

Appendix



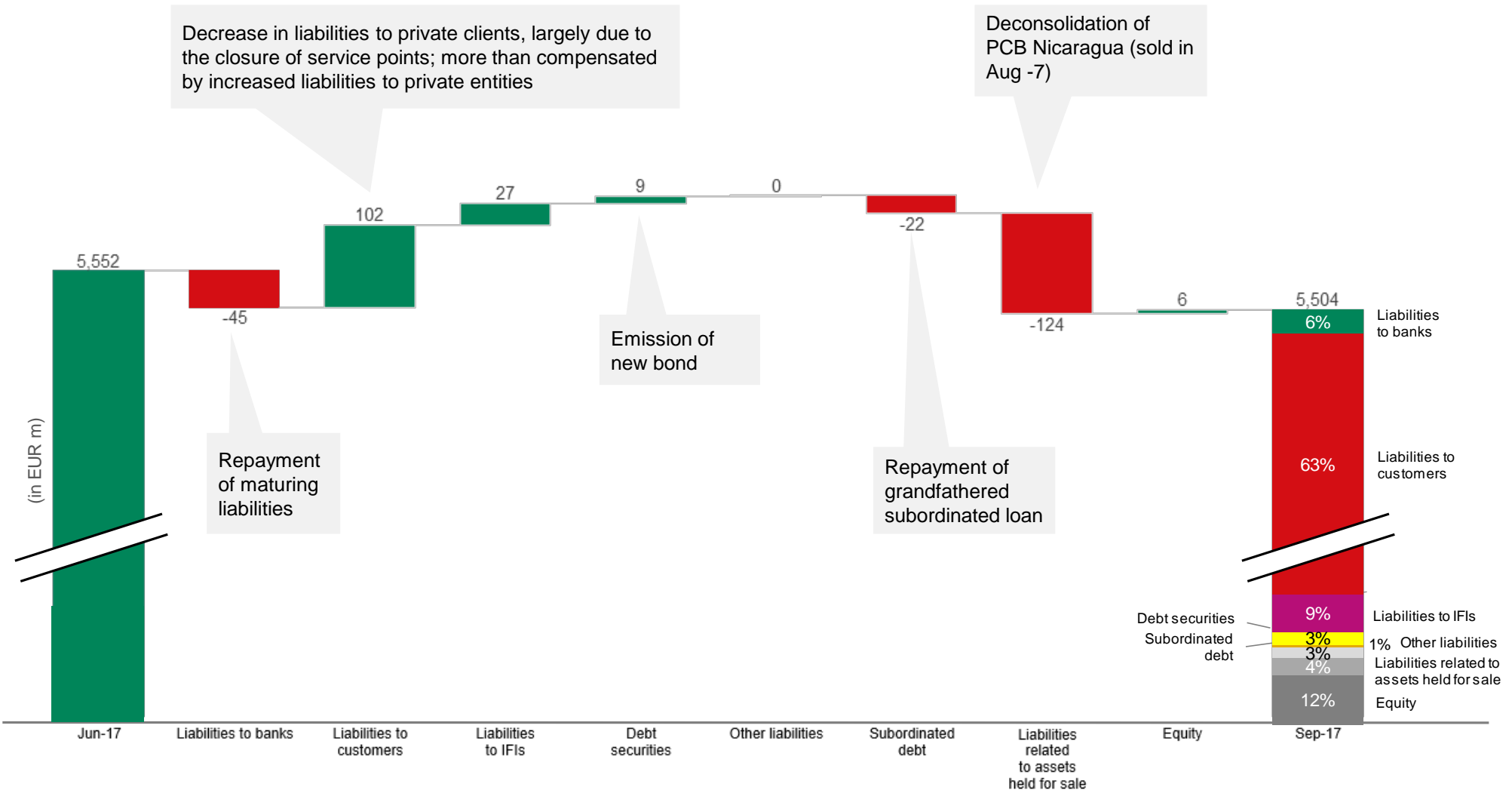
# Asset reconciliation



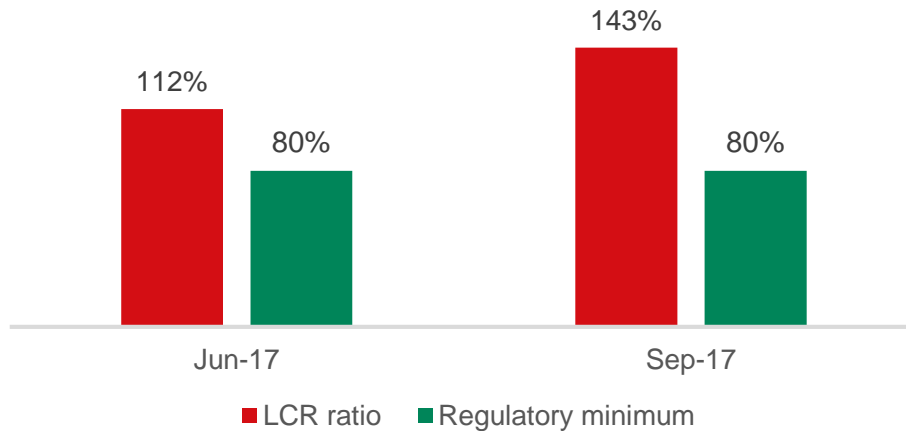




# Liabilities and equity reconciliation

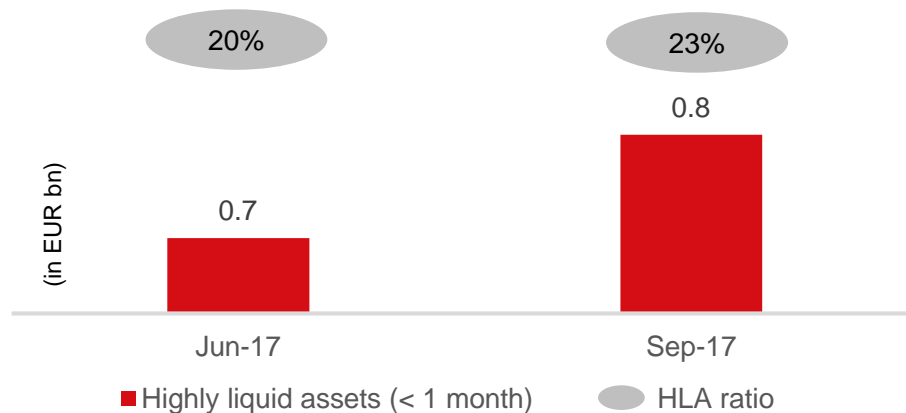


## Liquidity coverage ratio



- ▶ Adequate group liquidity situation
- ▶ All ratios remained comfortably above limits
- ▶ Increase of liquidity in Q3 as a result of deposit growth

## Highly liquid assets (HLA) and HLA ratio

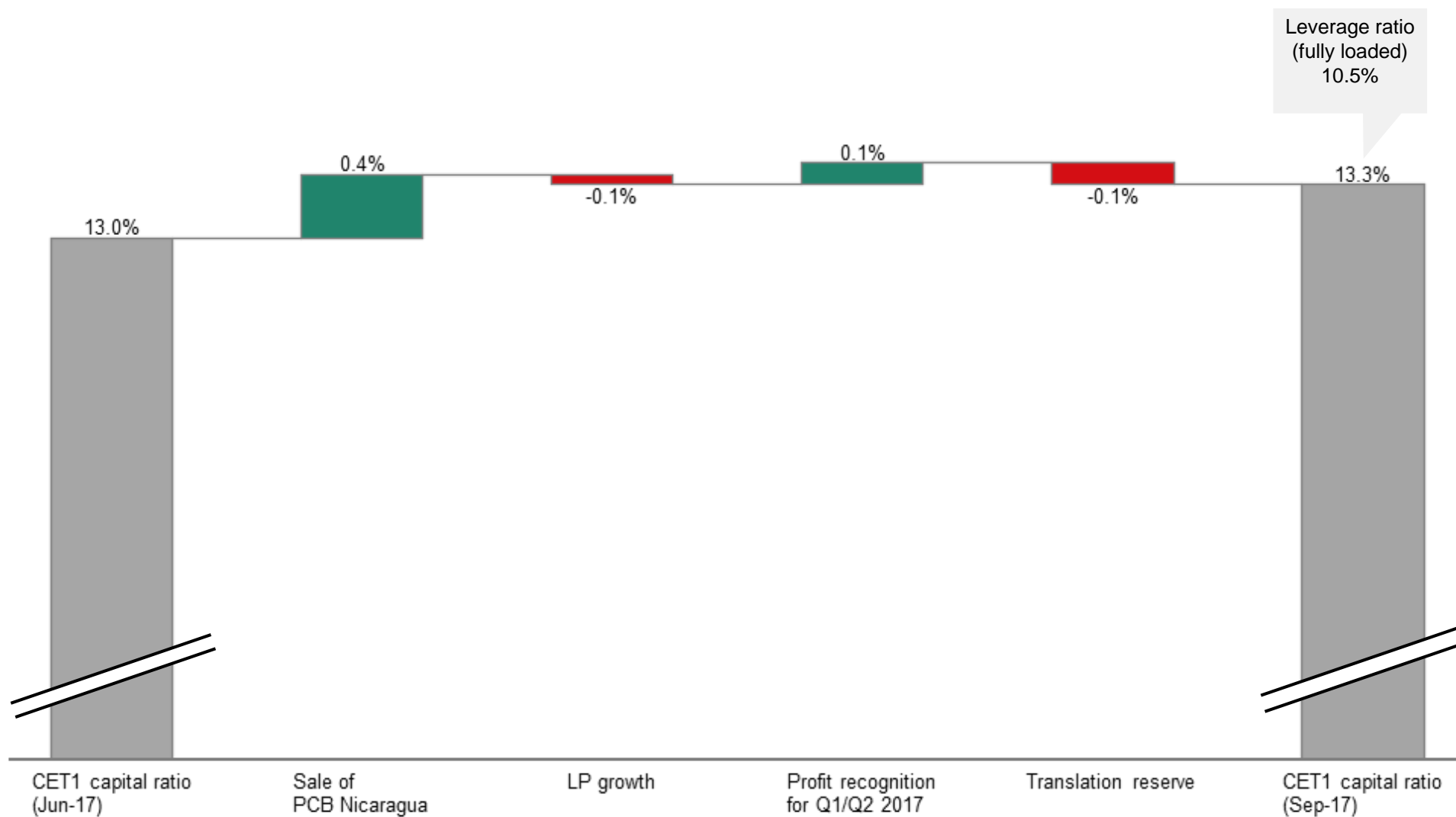


## Overview of capitalisation

In EUR m	Jun-17	Sep-17
CET1 capital (net of deductions)	593	594
Additional Tier 1 capital (net of deductions)	0	0
Tier 1 capital	593	594
Tier 2 capital	133	131
Total capital	726	725
RWA total	4,546	4,451
o/w Credit risk	3,528	3,443
o/w Market risk (currency risk)	467	458
o/w Operational risk	549	549
o/w CVA risk	1	1
CET1 capital ratio	13.0%	13.3%
Total capital ratio	16.0%	16.3%
Leverage ratio	10.4%	10.5%
CET1 capital ratio (fully loaded)	13.0%	13.3%
Total capital ratio (fully loaded)	15.9%	16.2%
Leverage ratio (fully loaded)	10.3%	10.5%

- ▶ Increase of CET1, Total Capital and Leverage ratios
- ▶ CET1 capital includes Q1/Q2 2017 profits less expected dividend-payout
- ▶ RWA decrease resulting from sale of PCB Nicaragua

## Development of CET1 capital ratio (fully loaded)



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

Q&A

Appendix



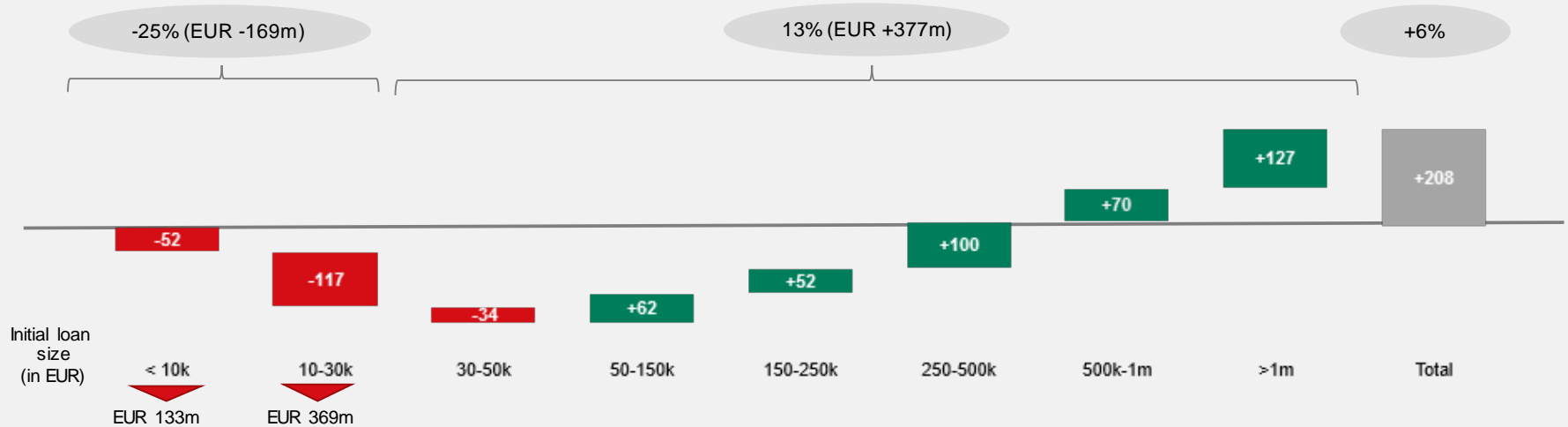
*ProCredit Bank Bulgaria, Thessaloniki Branch*

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

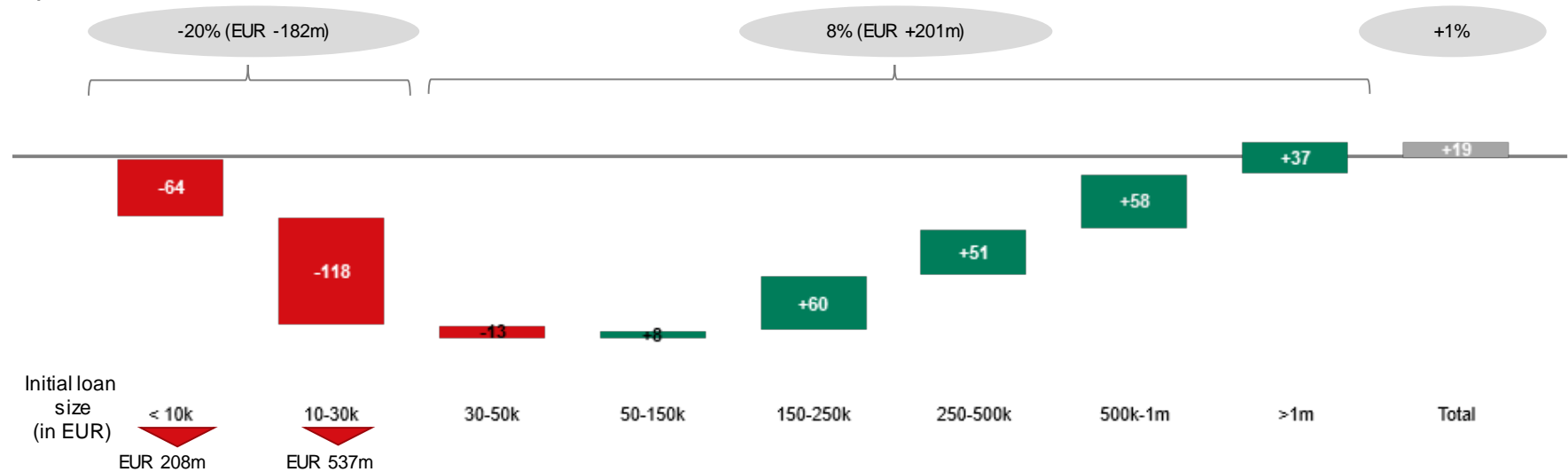
Appendix

# Strong volume growth in core loan categories 9M 2017 vs 9M 2016

## Sep 2017 YTD



## Sep 2016 YTD



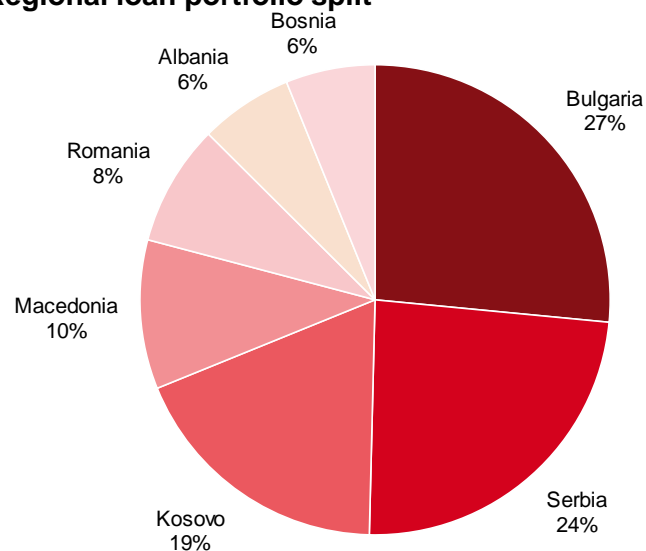
Note: Loan volume growth split by initial loan size in all segments



In EUR m		Q3-2016	Q4-2016	Q1-2017	Q2-2017	Q3-2017
Income statement	Net interest income	56.7	55.3	51.3	51.3	50.4
	Provision expenses	2.9	1.8	3.0	0.5	1.1
	Net fee and commission income	10.4	10.9	10.7	10.9	11.7
	Net result of other operating income	2.4	2.6	2.0	0.5	2.8
	Operating income	66.7	67.0	61.1	62.2	63.8
	Operating expenses	48.0	53.8	47.3	47.9	44.9
	Operating result	18.7	13.2	13.8	14.3	18.9
	Tax expenses	3.9	2.9	4.3	3.0	3.2
	Profit from continuing operations	14.9	10.4	9.5	11.3	15.7
	Profit from discontinued operations	-8.6	15.1	2.3	0.4	-3.4
	Profit of the period	6.2	25.5	11.9	11.7	12.2
Key performance indicators	Change in loan portfolio > EUR 30,000	1.8%	4.8%	4.9%	4.7%	2.7%
	Return on average equity <sup>(1)</sup>	3.9%	16.1%	7.0%	6.9%	7.4%
	CET1 ratio (fully loaded)	10.6%	12.4%	12.3%	13.0%	13.3%
Additional indicators	Net interest margin <sup>(1)</sup>	4.6%	4.4%	4.0%	4.0%	3.9%
	Net write-off ratio <sup>(1)(2)</sup>	0.6%	0.7%	-0.1%	0.2%	0.3%
	Loans in PAR30	4.7%	3.9%	4.1%	3.7%	3.5%
	Impaired loans	7.7%	6.3%	6.3%	5.8%	5.4%
	Cost-income ratio	68.9%	78.1%	73.8%	76.4%	69.3%

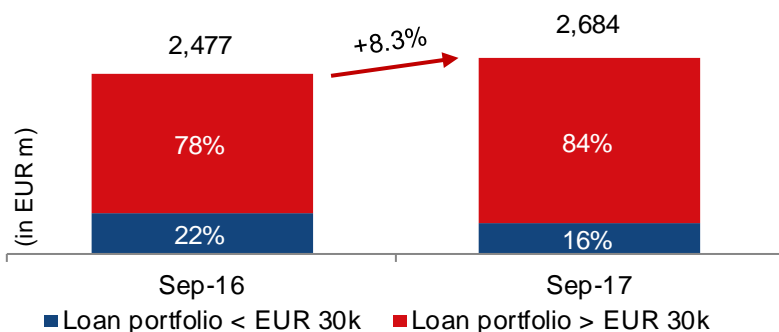
Note: P&L related figures and ratios, unless indicated otherwise, are based on continuing operations; i.e. excluding Banco PyME Los Andes ProCredit Bolivia, ProConfianza Mexico, Banco ProCredit El Salvador and Banco ProCredit Nicaragua for 2017 and 2016; Return on average equity and CET1 ratio include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

## Regional loan portfolio split



Total: EUR 2,699m (70% of gross loan portfolio)

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

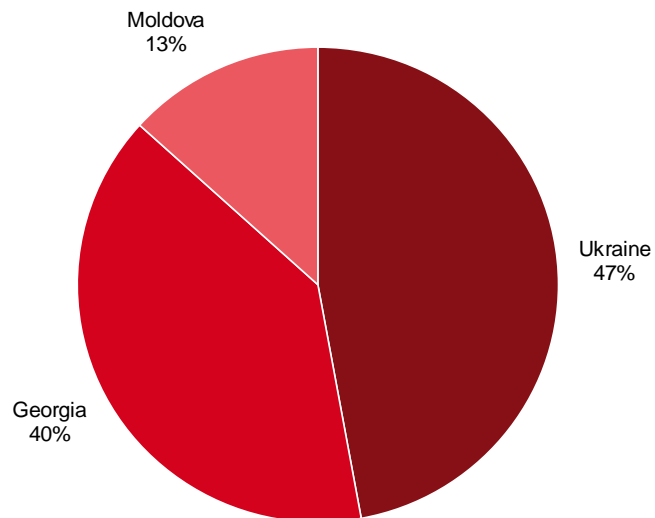


Notes: (1) By initial loan amount; (2) Customer deposits divided by customer loan portfolio; (3) Annualised.

## Key financial data

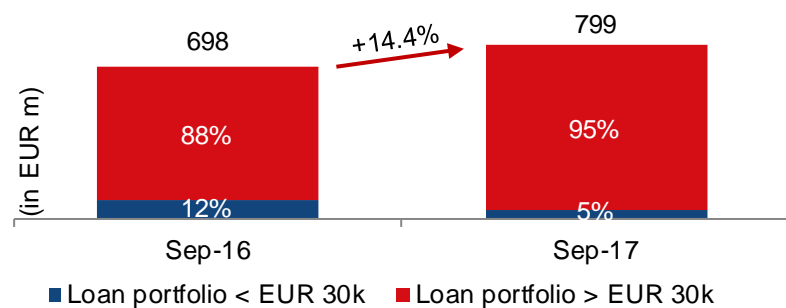
(in EUR m)	Sep-16 YTD	Sep-17 YTD
Net interest income	115.0	99.2
Provision expenses	7.8	0.1
Net fee and commission income	21.7	22.7
Net result of other operating income	1.2	-0.3
Operating income	130.1	121.5
Operating expenses	81.4	78.6
Operating result	48.7	42.9
Tax expenses	5.3	5.1
Profit of the period	43.5	37.7
Change in loan portfolio > EUR 30,000	7.7%	12.9%
Deposits to loans ratio <sup>(2)</sup>	97.1%	91.3%
Net interest margin <sup>(3)</sup>	4.5%	3.7%
Cost-income ratio	59.0%	64.7%
Loans in PAR30	4.4%	3.4%
Coverage ratio PAR30	96.2%	103.3%
Return on average equity <sup>(3)</sup>	13.2%	10.9%

## Regional loan portfolio split



Total: EUR 802m (21% of gross loan portfolio)

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

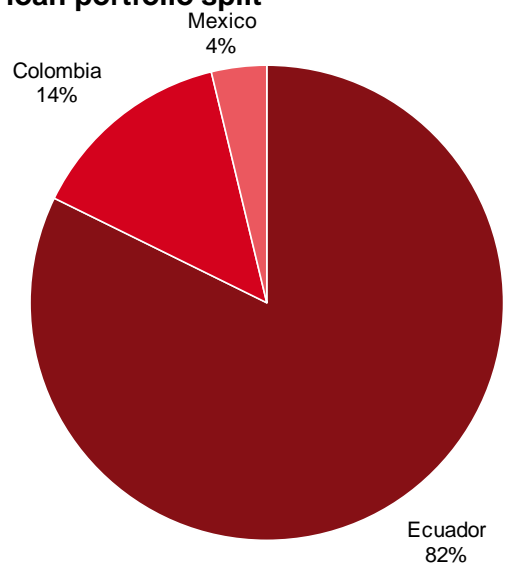


Notes: (1) By initial loan amount; (2) Customer deposits divided by customer loan portfolio; (3) Annualised

## Key financial data

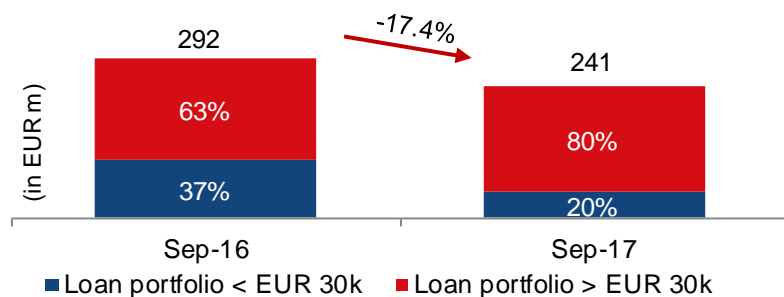
(in EUR m)	Sep-16 YTD	Sep-17 YTD
Net interest income	45.1	41.7
Provision expenses	9.7	6.1
Net fee and commission income	6.4	6.6
Net result of other operating income	2.1	2.7
Operating income	43.9	44.9
Operating expenses	25.3	23.7
Operating result	18.6	21.1
Tax expenses	3.3	3.0
Profit of the period	15.2	18.1
Change in loan portfolio > EUR 30,000	11.2%	17.0%
Deposits to loans ratio <sup>(2)</sup>	88.7%	81.1%
Net interest margin <sup>(3)</sup>	6.2%	5.1%
Cost-income ratio	47.3%	46.6%
Loans in PAR30	4.6%	2.8%
Coverage ratio PAR30	106.5%	142.5%
Return on average equity <sup>(3)</sup>	16.8%	16.9%

## Regional loan portfolio split



Total: EUR 244m (6% of gross loan portfolio)

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

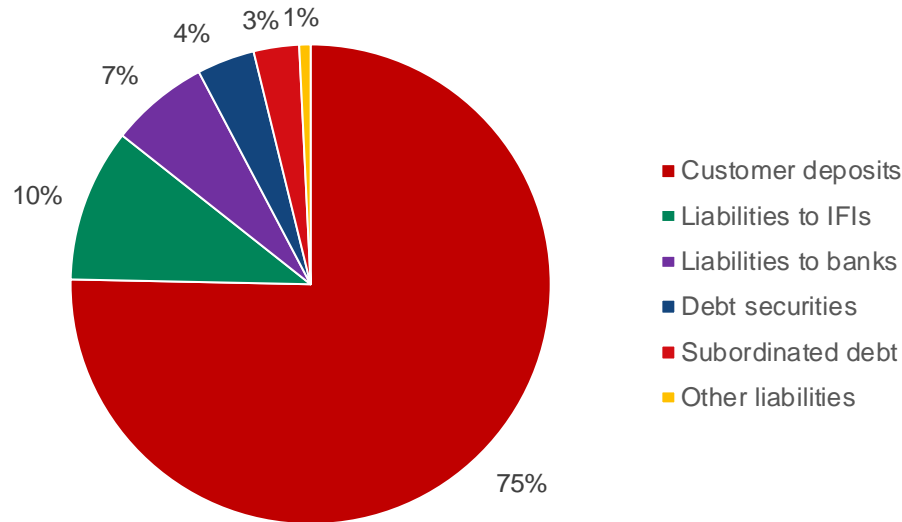


## Key financial data

(in EUR m)	Sep-16 YTD	Sep-17 YTD
Net interest income	17.9	15.1
Provision expenses	-0.5	-1.7
Net fee and commission income	-0.1	-0.1
Net result of other operating income	1.7	0.7
Operating income	20.0	17.4
Operating expenses	21.1	19.8
Operating result	-1.1	-2.4
Tax expenses	0.8	0.9
Profit of the period	-1.9	-3.3
Change in loan portfolio > EUR 30,000	4.8%	-3.3%
Deposits to loans ratio <sup>(2)</sup>	56.9%	65.9%
Net interest margin <sup>(3)</sup>	5.3%	4.7%
Cost-income ratio	108.3%	126.4%
Loans in PAR30	8.9%	8.7%
Coverage ratio PAR30	63.0%	56.5%
Return on average equity <sup>(3)</sup>	-4.0%	-6.9%

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

## Funding sources overview



Total liabilities<sup>(1)</sup>: EUR 4.6bn

## Deposit-to-loan ratio development



Notes: (1) Total liabilities excluding liabilities related to assets held for sale (EUR 227m as of 30-Sep-17)

- ▶ Highly diversified funding structure and counterparties
- ▶ Customer deposits main funding source, accounting for 75% as of Sep-17
- ▶ Supplemented by long-term funding from IFIs and institutional investors
- ▶ High and stable deposit-to-loan ratio of 91%

## 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

## 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 training<sup>(1)</sup>
- ▶ 527 graduates and participants from the Management Academy and Banker Academy
- ▶ ~3,540 person-days of environment-related training<sup>(2)</sup>

## External certification

- ▶ ISO 14001 certification completed for 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*

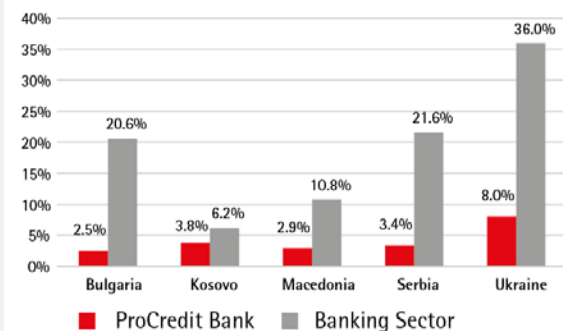


- ▶ Approval as member of the Social Stock Exchange (SSX) following the ratification of the Impact Report by the independent SSX Admissions Panel in May-17
- ▶ Impact Report details the social impact of the group focusing on three main areas of positive impact:

**1 Providing financial services for SME clients in transition countries**

98% of our loan portfolio is in development or transition countries (in terms of volume).

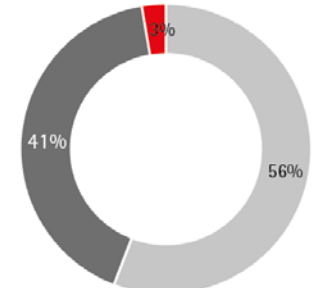
**Non-performing loan (NPL) ratios of selected ProCredit banks**



Country	ProCredit Bank	Banking Sector
Bulgaria	2.5%	20.6%
Kosovo	3.8%	6.2%
Macedonia	2.9%	10.8%
Serbia	3.4%	21.6%
Ukraine	8.0%	36.0%

**2 Enhancing environmental awareness and protection in transition economies**

**Business and agricultural loan portfolio volume by environmental risk category**



31 Dec. 2016

ProCredit banks monitor the environmental and social risk of their SME loan portfolio; more than half of the group's loan portfolio is in the low environmental and social risk category.

**3 Developing human resources in transition economies**

**Number of female staff in management positions**

Senior management: 30 Female, 22 Male

Middle management: 52% Male, 48% Female

31 Dec. 2016

**Amount invested in staff training**

Year	Amount (€)
2015	€ 1,741 / employee
2016	€ 2,194 / employee

**Hours of English courses delivered**

Year	Hours
2015	121,680 hrs
2016	120,240 hrs

Source: ProCredit Impact Report 2016

In EUR m	Dec-16	Sep-17
<b>Assets</b>		
Cash and cash equivalents	937	900
Loans and advances to banks	287	208
Financial assets at fair value through profit or loss	0	0
Available-for-sale financial assets	250	184
Loans and advances to customers	3,629	3,832
Allowance for losses on loans and advances to customers	-151	-139
Property, plant and equipment	157	143
Other assets	97	94
Assets held for sale	461	281
<b>Total assets</b>	<b>5,668</b>	<b>5,504</b>
<b>Liabilities</b>		
Liabilities to banks	318	307
Financial liabilities at fair value through profit or loss	1	1
Liabilities to customers	3,475	3,479
Liabilities to International Financial Institutions	499	477
Debt securities	144	180
Other liabilities	38	35
Subordinated debt	171	141
Liabilities related to assets held for sale	368	227
<b>Total liabilities</b>	<b>5,014</b>	<b>4,846</b>
<b>Equity</b>		
Subscribed capital	268	268
Capital reserve	115	115
Legal reserve	0	0
Retained earnings	325	340
Translation reserve	-62	-73
Revaluation reserve	0	0
<b>Equity attributable to ProCredit shareholders</b>	<b>646</b>	<b>650</b>
Non-controlling interests	8	7
<b>Total equity</b>	<b>654</b>	<b>657</b>
<b>Total equity and liabilities</b>	<b>5,668</b>	<b>5,504</b>



## Income statement by segment

01.01. - 30.09.2017 (in EUR m)	Germany	Eastern Europe	South Eastern Europe	South America	Consolidation	Group
Interest and similar income	13.9	74.5	115.1	25.1	-12.7	215.9
of which inter-segment	12.3	0.2	0.1	0.0		
Interest and similar expenses	15.9	32.8	16.0	10.0	-11.8	62.9
of which inter-segment	0.4	3.9	5.3	2.2		
<b>Net interest income</b>	<b>-2.0</b>	<b>41.7</b>	<b>99.2</b>	<b>15.1</b>	<b>-0.9</b>	<b>153.0</b>
Allowance for losses on loans and advances to customers	0.1	6.1	0.1	-1.7	0.0	4.5
<b>Net interest income after allowances</b>	<b>-2.0</b>	<b>35.6</b>	<b>99.1</b>	<b>16.8</b>	<b>-0.9</b>	<b>148.5</b>
Fee and commission income	7.1	9.5	34.0	1.1	-6.9	44.9
of which inter-segment	5.8	0.0	1.1	0.0		
Fee and commission expenses	1.4	3.0	11.2	1.2	-5.3	11.6
of which inter-segment	0.0	1.1	3.7	0.4		
<b>Net fee and commission income</b>	<b>5.7</b>	<b>6.6</b>	<b>22.7</b>	<b>-0.1</b>	<b>-1.6</b>	<b>33.3</b>
Result from foreign exchange transactions	-0.9	3.9	5.3	0.1	-0.1	8.3
Net result from financial instruments at fair value through profit or loss	-0.8	-0.4	0.6	0.0	0.0	-0.6
Net result from available-for-sale financial assets	-7.5	0.0	0.1	0.0	7.6	0.1
of which inter-segment	-7.6	0.0	0.0	0.0	0.0	0.0
Net other operating income	78.2	-0.9	-6.3	0.7	-74.2	-2.5
of which inter-segment	72.6	0.0	1.2	0.5	0.0	0.0
<b>Operating income</b>	<b>72.6</b>	<b>44.9</b>	<b>121.5</b>	<b>17.4</b>	<b>-69.2</b>	<b>187.1</b>
Personnel expenses	17.4	8.3	30.8	8.0	0.0	64.4
Administrative expenses	21.5	15.5	47.9	11.9	-20.9	75.8
of which inter-segment	4.8	3.7	10.3	2.1	0.0	0.0
<b>Operating expenses</b>	<b>38.9</b>	<b>23.7</b>	<b>78.6</b>	<b>19.8</b>	<b>-20.9</b>	<b>140.1</b>
<b>Profit before tax</b>	<b>33.7</b>	<b>21.1</b>	<b>42.9</b>	<b>-2.4</b>	<b>-48.3</b>	<b>47.0</b>
Income tax expenses	1.5	3.0	5.1	0.9	0.0	10.5
<b>Profit of the period from continuing operations</b>	<b>32.2</b>	<b>18.1</b>	<b>37.7</b>	<b>-3.3</b>	<b>-48.3</b>	<b>36.4</b>
Profit of the period from discontinued operations						-0.7
<b>Profit of the period</b>	<b>32.2</b>	<b>18.1</b>	<b>37.7</b>	<b>-3.3</b>	<b>-48.3</b>	<b>35.8</b>
Profit attributable to ProCredit shareholders						34.6
Profit attributable to non-controlling interests						1.2

Note: Banco ProCredit El Salvador shown as discontinued operations

## **Q3 2017:**

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

## **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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