EDISON

ProCredit Holding

FY21 results

Looking oversold at FY21 P/BV of 0.3x

Banks

ProCredit Holding (PCB) has reported a strong set of FY21 results, with net income up 92.4% y-o-y to €79.6m and an ROE of 9.7%. However, this was overshadowed by Russia's invasion of Ukraine, where PCB had 12.8% of its loan book at end-2021 and generated 27.2% of net profit before allocation of group functions in FY21. While the situation in Ukraine remains difficult to predict, we note that PCB's loss is limited to the €129.9m equity and €48.8m other funding provided to the local bank by ProCredit Holding and ProCredit Germany (c 21% of PCB's group equity) at end-2021. We temporarily refrain from issuing forecasts and a valuation for PCB, but believe that investors may have overreacted as it is now traded at only c 0.3x its group tangible book value at end-2021 of €14.2 per share.

Year end	Net interest income (€m)	EPS* (€)	DPS (€)	P/BV (x)	P/E (x)	ROE (%)	Yield (%)
12/19	194.5	0.89	0.00	0.3	4.2	6.9%	0.0
12/20	201.6	0.70	0.53	0.3	5.4	5.3%	14.1
12/21	222.0	1.35	0.00	0.3	2.8	9.7%	0.0

Source: ProCredit Holding. Note: *From total operations.

Digitalisation allows continued operations in Ukraine

PCB's successful digitalisation and physical branch reduction across its local banks in recent years, coupled with its in-house software company Quipu, is now facilitating ProCredit Bank Ukraine's day-to-day operations. Having said that, new lending is restricted to selected cases only and the bank introduced a 30-day moratorium for close to all existing borrowers. Ukrainian banks are operating under martial law, with the National Bank of Ukraine (NBU) providing unlimited and unsecured liquidity to the local banks. At this stage, there is limited visibility in terms of physical damage to loan collateral.

Management reiterated its mid-term targets

Given the limited financial visibility in Ukraine, PCB's management refrained from issuing precise guidance for FY22, but acknowledged that loan book growth, return on equity (ROE) and capital ratios are likely to decline versus FY21, while the cost income ratio (CIR) will be higher. It has, however, reiterated the mid-term targets of loan book growth of 10% pa, CIR below 60% and ROE of c 10%. We believe that if not for the war in Ukraine, PCB could have increased its ROE target given the 9.7% reported in FY21.

Valuation: Ukrainian bank default more than priced in

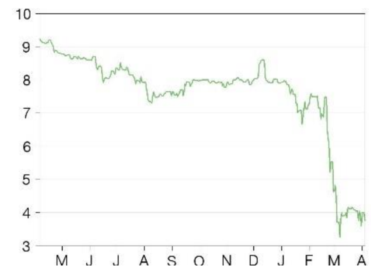
Although we believe it is premature to assume a default of ProCredit Bank Ukraine, we have still designed a scenario in which this materialises. We estimate that this would (all else being equal): (1) reduce PCB's tangible book value per share from €14.2 at end-2021 to €11.2, (2) reduce its net profit from €79.6m in FY21 to a run rate of c €58.0m and (3) result in lower run-rate RoTE of 8.4% versus 10.0% in FY21. At a cost of equity of 9.4%, these assumptions would imply a fair value of €9.77 per PCB share (vs our previous valuation of €14.70), significantly above the current share price. We note that PCB has no direct exposure to Russia.

5 April 2022

Price	**€3.75**
Market cap	**€221m**

Total assets (€bn) at end 2021	8.2
Shares in issue	58.9m
Free float	35.7%
Code	PCZ
Primary exchange	Frankfurt Prime Standard
Secondary exchange	N/A

Share price performance



%	1m	3m	12m
Abs	0.8	(53.0)	(58.8)
Rel (local)	(9.1)	(47.7)	(57.1)
52-week high/low		€9.26	€3.26

Business description

ProCredit Holding is a Germany-based group operating regional banks across South Eastern and Eastern Europe and Ecuador. The banks focus on SMEs and private middle-income and high earners.

Next events

Q122 results	12 May 2022
Equity Forum Spring Conference 2022	23–25 May 2022

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Edison profile page

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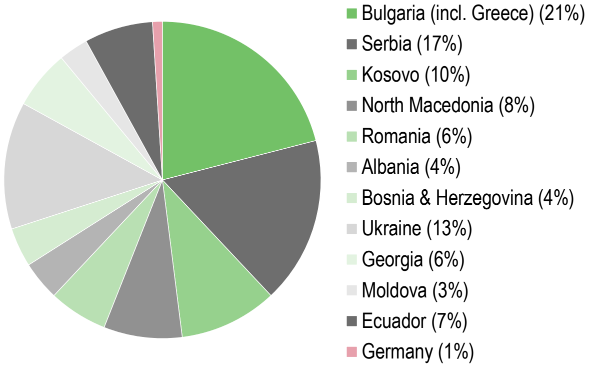
The current situation in Ukraine for PCB

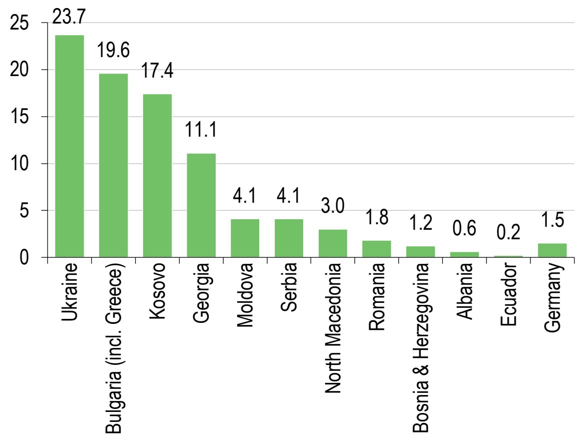
Given that ProCredit Bank Ukraine represented 12.8% of PCB's loan book at end-2021 and was the most profitable local bank (see Exhibits 1 and 2), we summarise the current conditions under which this bank is operating and examine the impact its potential default could have on PCB's financial position. PCB has no direct exposure to Russia and thus the sanctions imposed on Russia will have no direct meaningful impact on PCB's business. Management highlighted that only a limited number of clients of the ProCredit Banks in South Eastern (SEE) and Eastern Europe (EE) rely on business relationships with Russian entities.

Exhibit 1: PCB's loan book by country at end-2021



Source: ProCredit Holding data

Exhibit 2: Net profit of ProCredit banks in FY21 (€m)



Source: ProCredit Holding data

Local banks are operating under martial law

Ukraine will certainly experience a deep recession this year, with recent International Monetary Fund (IMF) estimates suggesting a 10% real GDP decline in 2022 assuming prompt resolution of the war and substantial donor support. This compares to a 6.6% GDP decline in 2014 (when the Russian-Ukraine conflict in Eastern Ukraine started and Russia annexed Crimea), which was followed by a decline of just under 10% in 2015. However, if physical destruction of capital stock and mass migration continues, GDP is likely to fall much more; the IMF indicated that wartime real GDP contraction (based on cases such as Iraq, Lebanon, Syria and Yemen) may reach 25–35%.

Since 24 February 2022, the Ukrainian banking system has been operating under martial law. Consequently, Ukraine's central bank (NBU) will grant unlimited and unsecured loans to banks with a maturity of up to one year (and an option to extend to another year). Moreover, among other things, the official Ukrainian hryvnia exchange rate has been fixed and a moratorium on cross-border payments has been introduced. On 9 March, the IMF approved funding of US$1.4bn under the Rapid Financing Instrument to Ukraine (50% of the country's quota at the IMF) and the NBU is in discussions with the IMF on further support measures.

ProCredit Bank Ukraine is leveraging its digital backbone

ProCredit Bank Ukraine has five branches (four in Kyiv and one in Kharkiv, all of which are temporarily closed), as well as a number of 24/7 zones. PCB's successful digitalisation and physical branch reduction strategy as part of its direct bank concept (see our June 2020 initiation note for details) should help it to operate as normally as possible. At present, c 70% of the more than 300 employees of ProCredit Bank Ukraine are working from a number of locations inside and outside of Ukraine (eg its call centre was relocated to Germany) and have access to PCB's banking systems.

The local bank's reporting system is functional and databases essential for the banking business were secured on servers in Germany by PCB's in-house software company Quipu. Payment orders are processed in a timely manner (card payments are processed by Quipu as the Ukrainian national provider experienced some disruption, according to PCB's management). Cash withdrawals are also largely handled in a smooth manner. The bank's business client advisors try to maintain close contact with borrowers and deposit customers through digital communication channels. However, new lending is restricted and mostly on a case-by-case basis (eg drawdowns of credit lines) and ProCredit Bank Ukraine granted a 30-day moratorium to all existing borrowers.

Refraining from issuing detailed FY22 guidance for now

In light of the uncertainty associated with Russia's invasion of Ukraine, PCB (understandably enough) has refrained from publishing detailed guidance for FY22 at this stage. Management expects the loan portfolios of 'many' PCB banks to continue to grow by around 10% in 2022 but growth at group level will likely be below 2021. It expects the ROE to decline significantly (possibly even moving into negative territory) and its cost income ratio to increase noticeably compared to FY21. Management also sees potential for a decline in CET-1 and leverage ratios in FY22 compared to the strong level of FY21.

Given the above, management proposed at the AGM to retain all FY21 earnings. Nevertheless, it reiterated the previous mid-term target of loan book growth of 10% pa, a cost income ratio below 60% and an ROE of around 10% (also in a scenario without a contribution from ProCredit Bank Ukraine). We believe that if not for the war in Ukraine, PCB could have increased its ROE target given the 9.7% reported in FY21.

What if ProCredit Bank Ukraine defaults?

Liquidity of the local bank remains stable for now

ProCredit Bank Ukraine had a loan portfolio of €757m at end-2021 (12.8% of group), with close to 50% in agriculture and the other half mostly in local production, as well as wholesale and retail trade. We note that only a very small part of the loans (c €17m or c 2% of the total loan book in Ukraine) has been provided to customers in the breakaway republics of Donetsk and Lugansk and that the overall credit quality of the portfolio was previously solid with the share of credit-impaired loans at 1.6% at end-January 2022 (with a coverage ratio of 179%).

During the FY21 earnings call, management highlighted that the liquidity of ProCredit Bank Ukraine is stable with €196m held in highly liquid assets (out of €950m total assets) as of 18 March 2022 and an additional unused c €60m contingency liquidity line provided by NBU (in line with the support provided across the Ukrainian banking sector). Importantly, the bank's private client deposits increased by c €12m since the start of the invasion, while SME client deposits stabilised recently after declining in the initial days of the war.

ProCredit Bank Ukraine's CET-1 ratio as of 8 February 2022 was 12.2% versus a regulatory requirement of 7%. We estimate that this provides a capital cushion of c €45.7m, allowing (together with the excess coverage of existing credit-impaired loans) it to absorb a c 7% default rate on the credit portfolio (assuming a 0% recovery rate). The bank's loan collateral in the case of agricultural borrowers is mostly in financial guarantees from international financial institutions (eg the European Investment Bank) and in specialised farming equipment, while for the remaining borrowers it is primarily mortgage and financial guarantees. The company is not disclosing the collateral value for each of the local banks, but we note that at group level overall collateral was €5.1bn (of which €3.9bn is in financial guarantees and mortgages), corresponding to 86% of PCB's total loan book.

At this stage, management is unable to provide detailed information on the extent of physical damage to the collateral of Ukrainian borrowers.

PCB's capital ratios should remain above regulatory levels

ProCredit Bank Ukraine is a fully owned subsidiary of PCB and had an equity position of €129.9m at end-2021. Moreover, PCB and ProCredit Bank Germany had outstanding receivables of €45.1m and guarantees (to be claimed in case of war) of €3.7m with ProCredit Bank Ukraine at end-2021. Consequently, the maximum potential loss of PCB would be c €178.7m, or c 21% of PCB's equity at end-2021 of €856.3m. Here, we note that a default of ProCredit Bank Ukraine would also remove the risk-weighted assets of the local bank (c €818m at end-2021) from PCB's capital ratios. For illustrative purposes, we calculate that PCB's end-2021 CET-1 ratio and total capital ratio (TCR) (after including the Q421 profit and removing the one-third dividend accrual) would decline from 14.8% to 13.6% and from 16.0% to 15.0%, respectively. Hence, they would still remain well above regulatory requirements of 8.2% and 12.6%, respectively.

Having said that, we also note that PCB flagged in its annual report that a material default event of ProCredit Bank Ukraine could lead to special termination rights in funding agreements at the PCB level (we understand this mostly relates to its €353.2m debt securities and part of its €87.4m subordinated debt), which could result in an additional liquidity risk for the group. While PCB considers the default risk of ProCredit Bank Ukraine as low at present, it has already taken measures to mitigate the above-mentioned liquidity risk, in particular through negotiations on new funding guarantees, which are in progress. At end-2021, 75% of PCB's liabilities were from customer deposits, followed by liabilities to banks (18%), debt securities (5%), subordinated debt (1%) and other liabilities (1%).

Market seems to have overreacted with the extent of de-rating

We have temporarily suspended our forecasts and fair value estimate for PCB as we feel it is too early to assume any base case scenario for ProCredit Ukraine. We acknowledge the possibility that the local bank may default due to (1) high credit losses as a result of physical damage to the assets of borrowers (including loan collateral) and an inevitable economic crisis or (2) a discontinuation of Ukrainian rule of law in the case of a successful occupation of large parts of the country by Russia (even if we consider this unlikely).

However, we feel it is premature to assume a default of the local bank given:

1. Russia's somewhat stalled military offensive,
2. the likely support that troubled local banks will receive from NBU (backed by the IMF and other international financial institutions), and
3. the possibility that PCB's own prominent shareholders, including International Finance Corporation (which is part of the World Bank) and KfW (a leading German development bank), may be willing to rescue ProCredit Bank Ukraine.

Still, we believe it is illustrative to examine PCB's P/BV-ROE valuation assuming ProCredit Bank Ukraine does actually default. We estimate that this would result in (1) a decline in PCB's tangible equity as at end-2021 from c €838m to €659m (or from €14.2 to €11.2 per share) and (2) a fall in group FY21 net profit from €79.6m to a run-rate of c €58.0m (assuming a 27.2% reduction, in line with ProCredit Bank Ukraine's share in PCB's net profit before allocation of group functions). Consequently, PCB's return on tangible equity (RoTE) would drop from 10.0% in FY21 to a run-rate of c 8.4% (assuming a net profit of the remaining PCB group in line with FY21).

For the purpose of our scenario analysis, we have assumed a risk-free rate of 1.00% (vs current rates implied by the euro area yield curve beyond 10 years at 0.60–0.75%), a beta of 1.00 and a sustainable growth rate of 2.0% (all in line with our last valuation assumptions), as well as an updated risk premium assumption of 8.4% (vs 8.7% previously) after excluding Ukraine. These imply a cost of equity of 9.4%. All the above parameters yield a 'fair' price to tangible book value ratio of 0.87x, which multiplied by the above-mentioned €11.2 per share translates into a fair value for PCB of c €9.77 per share (vs the current share price of €3.75).

We acknowledge that investor risk perception of some of the SEE and EE countries may have changed since the invasion (potentially justifying a higher risk premium). On the other hand, PCB's management reiterated its mid-term ROE target of 10% (even without the local bank in Ukraine). Below we present PCB's theoretical fair value under different RoTE and cost of equity assumptions. Even assuming a cost of equity 3pp higher than our base assumption, PCB's implied valuation per share is significantly above the current share price (which with the remaining assumptions unchanged implies a cost of equity of c 20%).

Exhibit 3: Scenario analysis of PCB's fair value (€/share)

		Sustainable RoTE						
		5.4%	**6.4%**	**7.4%**	**8.4%**	**9.4%**	**10.4%**	**11.4%**
Cost of equity	7.9%	6.54	8.45	10.35	12.26	14.17	16.08	17.99
	8.4%	6.02	7.78	9.54	11.30	13.06	14.82	16.58
	8.9%	5.58	7.22	8.85	10.48	12.11	13.74	15.37
	9.4%	5.21	6.73	8.25	9.77	11.28	12.80	14.32
	10.4%	4.58	5.92	7.26	8.60	9.94	11.27	12.61
	11.4%	4.09	5.29	6.48	7.68	8.87	10.07	11.27
	12.4%	3.70	4.78	5.86	6.94	8.02	9.10	10.18

Source: Edison Investment Research

Finally, even in an extreme and rather unlikely scenario of further escalation of the conflict to both Moldova and Georgia (which both have breakaway regions where Russian troops are stationed), resulting in the default of the entire EE reporting segment, PCB's fair value would fall to c €7.37 per share (assuming a tangible book value of €8.8 per share and an RoTE of 8.1%).

Our scenario analysis is subject to a number of subjective assumptions, and we may have ignored some additional negative valuation triggers, such as (1) slower near-term GDP growth in the region as a consequence of declining retail and corporate sentiment and (2) a higher average long-term cost of risk than the 12bp booked in FY21 (which historically was closer to 30bp pa on average). Importantly, we also do not account for any impact from potential new financing measures that PCB may decide to embark on to (1) support ProCredit Bank Ukraine to avoid its bankruptcy and/or (2) keep its capital ratios above regulatory requirements (in case of the whole EE segment defaulting) and/or (3) mitigate the liquidity risk related to special termination rights in the funding agreements (in case of a default event of a local bank) at the level of PCB as mentioned above. Here, it is important to note the strong relationships PCB has with international financial institutions, including its major shareholders, as mentioned above. Consequently, we believe that the market has overreacted by bringing PCB's share price down c 53% ytd and its FY21 P/BV ratio to 0.3x.

FY21 results: Net profit nearly doubling versus FY20

In FY21, PCB reported an increase in net income of 92.4% y-o-y to €79.6m, translating into an ROE of 9.7%. This is slightly ahead of management guidance for FY21 of 8.0–9.5% and means that PCB has broadly reached its medium-term target of c 10%. All 12 regional banks contributed positively in FY21. This includes three banks that were loss-making in FY20: Romania, Albania and Ecuador (though the latter booked only a minor profit of €0.2m in FY21).

Exhibit 4: Q421 and FY21 results highlights

€m, unless otherwise stated	Q421	Q420	y-o-y change	FY21	FY20	y-o-y change
Net interest income	60.6	50.8	19.3%	222.0	201.6	10.2%
Net interest margin (annualized)	*3.0%*	*2.8%*	*20 bp*	*2.9%*	*2.9%*	*0 bp*
Expenses for loss allowances	3.6	7.5	-52.2%	6.5	28.6	-77.3%
Cost of risk (annualized, bp)	22	57	-32 bp	12	57	-45 bp
Net fee and commission income	13.8	12.7	8.9%	50.9	47.4	7.3%
Pre-tax profit	21.0	10.2	105.2%	94.5	52.1	81.5%
Net income	**17.7**	**8.0**	**121.4%**	**79.6**	**41.4**	**92.4%**
CIR	68.7%	72.3%	-3.6 pp	64.2%	68.0%	-3.8 pp
CET-1 ratio	14.1%	13.3%	0.9 pp	14.1%	13.7%	0.4 pp
Gross loan portfolio growth*	2.1%	0.9%	1.2 pp	12.8%	9.5%	3.2 pp
Customer deposits growth*	5.1%	3.8%	1.3 pp	13.1%	13.0%	0.1 pp

Source: ProCredit Holding accounts, Edison Investment Research. Note: *q-o-q growth for Q421 and Q420, y-o-y growth for FY21 and FY20.

Customer loans and deposits up by c 13%

PCB's gross loan book went up by 12.8% y-o-y in FY21 (with 2.1% q-o-q growth in Q421), or just over 10% when adjusted for FX (in line with management guidance). The South Eastern Europe segment saw loan book growth at 8.8%, Eastern Europe at 21.9% and Ecuador at 31.7%. The €670m total loan book increase y-o-y was primarily supported by so-called 'working capital loans' (ie all loans with a maturity of up to three years), which contributed €376m to growth as SMEs were rebuilding capacity in the aftermath of COVID-19 lockdowns. Investment and green loans added a further €151m and €143m, respectively, with the latter representing 19.0% of PCB's total loan book at end-2021 (vs 18.7% at end-2020), close to PCB's mid-term target of 20%. We note that the green loan book growth in FY21 of c 14.5% was somewhat below the average growth in previous years of +25% pa.

One of the reasons behind this is that PCB updated its exclusion list to account for the purchase of solar panels produced in the Xinjiang province in China due to a high likelihood that these were manufactured using Uyghur forced labour. This region supplied PV panels for 67% of the installed capacity financed so far through PCB's loans, according to PCB. This resulted in the postponement of the disbursement of some solar loans, as the bank is in discussions with the potential borrowers on the use of alternative PV panel suppliers.

At end-2021, the share of portfolio in moratorium was marginal at 0.02% (but this has changed recently with the introduction of moratoria in Ukraine). At the same time, customer deposits went up by 13.1% y-o-y in FY21 (5.1% q-o-q in Q421), driven by sight and FlexSave deposits (which represented 71% of PCB's deposit base, up 3.3pp y-o-y).

NIM improving during the year

Net interest income came in at €222.0m (up 10.2% y-o-y) with a stable year-on-year net interest margin (NIM) of 2.9%. However, it is important that NIM improved throughout the quarters in 2021, with Q421 margin at 3.0% versus 2.7% in Q121 and 2.8% in Q420, assisted by (1) a solid loan book increase, (2) a growing share of sight deposits and (3) rate hikes of local central banks throughout 2021 (in Eastern European countries in particular). Net fee and commission income improved by 7.3% y-o-y to €50.9m and by c 9% y-o-y in Q421 to €13.8m, aided by a higher volume of money transfers and card transactions.

Cost of risk remained low in FY21

The company continues to report limited cost of risk at 12bp in FY21 versus 57bp in FY20 (Q421 at an annualised 22bp vs 57bp in Q420), with expenses for loss allowances at €6.5m in FY21 (FY20: €28.6m). Importantly, most of the macro provisions created in response to the pandemic have not been released yet, which means that the low cost of risk reflects the good credit metrics of PCB's individual borrowers. PCB's share of credit-impaired loans in its total loan book stood at 2.3% at end-2021 (vs 2.6% at end-2020 and 2.5% at end-2019), with the green loan book continuing to exhibit an even better credit quality (default rate of 1.1%). This was coupled with a decline of Stage 2 loans to 3.6% from 4.9% at end-2020 (and vs 3.4% at end-2019). The group experienced a reduction in pandemic-induced restructuring activities across its loan portfolio since mid Q221 and now sees solid repayments in the restructured portfolio. PCB saw consistently robust recoveries from written-off loans of €12.8m in FY21 (vs €11.6m in FY20 and €12.4m in FY19) and its non-performing loans coverage ratio stood at a high 96.8% at end-2021 (not taking into account the €5.1bn loan collateral it had at year-end).

Going forward, if the NBU continues to accept credit moratoria in the coming months, a decline in the credit quality of ProCredit Bank Ukraine's loan book should not affect its profitability. However, PCB would have to classify these loans as Stage 2 loans (as they would be in arrears) and thus recognise the corresponding loan loss provisions. Consequently, an increase in PCB's cost of risk is likely this year, but at this stage its magnitude is difficult to predict.

Further improvement in CIR

PCB's CIR was 64.2% (vs management guidance of c 65%), down from 68.0% in FY20 amid only a modest 5.5% increase in operating expenses (mostly higher wages as well as IT and marketing spending). PCB's P&L still benefited from lower travel expenses (down c €3.5m in FY21 vs FY19). In Q421 alone, CIR was somewhat higher at 68.7% due to some additional expenses seasonally falling into Q421 and reflected a €2m employee stock program expense and write-down of goodwill. Still, it was visibly below the 72.3% reported for Q420. Management highlighted that the class action suits in Serbia related to card processing fees (see our previous notes for details) are steadily being rejected by local courts (following the revised verdict of the Serbian supreme court). The net provision effect in FY21 on PCB's P&L was a negative €2.6m and the remaining provision balance of €2.5m could be released in FY22.

CET-1 ratio at 14.1%, total capital ratio at 15.3%

The group's capital base remained solid with a CET-1 ratio of 14.1% at end-2021 (up from 13.3% at end-2020) and its TCR reached 15.3% (vs 14.7% at end-2020). The above do not include the Q421 profit and are after a one-third dividend accrual deduction from profits for the first nine months of 2021, adjusting for which PCB's CET-1 ratio and TCR would be 14.8% and 16.0%, respectively (according to our calculations). PCB's group liquidity coverage ratio (LCR) stood at 158%, well above the regulatory requirement of 100%.

ESG remains an integral part of PCB

PCB maintains its market position as an impact-oriented bank focused on building long-term relationships with well-established and innovative SMEs, which we believe has helped it navigate the pandemic well and keep credit default rates below the average level seen in its countries of operations. The company's green loan portfolio represented c 19% of its loan book at end-FY21, growing at a CAGR of 18% between FY17 and FY21, and management aims to increase this share to 20% by 2023. This includes loans to fund energy efficiency projects that reduce energy consumption by at least 20% (these made up 57% of the green loan portfolio at end-FY21), renewable energy (19%) and other green investments (24%), including investments leading to the prevention of air, water and soil pollution, waste management, as well as organic agriculture and production. We note that PCB has committed to measuring and disclosing the carbon emissions of its loan portfolio (Scope 3) through the Partnership for Carbon Accounting Financials (PCAF) standard and align its operations with the recommendations of the Task Force on Climate-related

Financial Disclosures (TCFD). This should support its long-standing internal environmental, social and governance assessment standards that it applies to all lending decisions. The company is also committed to reducing its direct impacts on the environment, with CO_2 emissions at group level down by 56% between 2018 and 2021 and continued investments in its own photovoltaic farms, electric vehicles and efficient buildings.

On the social front, PCB's focus is on comprehensive staff development, reflected in the average number of training hours that its employees take per year (134 in FY21 vs 106 in FY20) and its competencies (eg 100% of employees had a minimum B1/intermediate English proficiency in FY21). The company promotes equitable pay and its annual total compensation ratio including the management board (calculated as the annual total compensation for the highest-paid individual in each country of significant operations to the median annual total compensation for all employees in the same country) stood at 2.3–6.9 depending on the region in FY21 (vs 2.1–7.2 in FY20). Importantly, the renumeration policy is aligned with PCB's long-term oriented business objectives and does not include any short-term, performance-related bonuses. Management highlights the diversity within PCB with 30+ nationalities in its German head office and c 51% of the group's senior and middle management being women. PCB provides a comprehensive overview of its sustainability-oriented strategy in its 2021 Impact Report.

Exhibit 5: Financial summary

Year ending December (€000s)	2018	2019	2020	2021
Income Statement				
Net interest income	186,235	194,533	201,561	222,021
Net fee and commission income	52,172	51,972	47,380	50,855
Loss allowances (-)	(4,714)	(3,327)	28,600	6,490
Operating income	245,394	252,603	223,514	275,392
Operating expenses	167,866	175,737	171,430	180,859
PBT	77,528	76,866	52,085	94,533
Net profit after tax	54,479	54,305	41,396	79,642
Reported EPS (€)	0.90	0.89	0.70	1.35
DPS (€)	0.30	0.00	0.53	0.00
Balance Sheet				
Cash and balances at Central Banks	963,714	1,081,723	1,405,349	1,545,523
Loans and advances to banks	211,592	320,737	236,519	252,649
Investment securities	297,308	378,281	336,476	410,400
Loans and advances to customers	4,267,829	4,690,961	5,131,582	5,792,966
Property, plant and equipment and investment properties	130,153	138,407	140,744	137,536
Intangible assets	22,191	20,345	19,316	18,411
Other assets	73,396	67,106	59,315	58,416
Total assets	5,966,184	6,697,560	7,329,301	8,215,901
Liabilities to banks	1,014,182	1,079,271	1,235,763	1,313,666
Liabilities to customers	3,825,938	4,333,436	4,898,897	5,542,251
Debt securities	206,212	343,727	266,858	353,221
Subordinated debt	143,140	87,198	84,974	87,390
Other liabilities	33,076	50,436	63,080	63,059
Total liabilities	5,222,549	5,894,068	6,549,573	7,359,587
Total shareholders' equity	743,634	803,492	779,728	856,314
BVPS	12.5	13.5	13.2	14.5
TNAV per share	12.1	13.1	12.9	14.2
Ratios				
NIM	3.30%	3.10%	2.90%	2.90%
Costs/Income	69.7%	70.5%	68.0%	64.2%
ROAE	7.6%	6.9%	5.3%	9.7%
CET1 Ratio	14.4%	14.1%	13.3%	14.1%
Tier 1 ratio	14.4%	14.1%	13.3%	14.1%
Capital adequacy ratio	17.2%	15.7%	14.7%	15.3%
Payout ratio (%)	33.3%	0.0%	33.3%	0.0%
Customer loans/Total assets	73.6%	71.6%	71.7%	72.1%
Loans/Deposits	114.8%	110.7%	107.3%	107.0%

Source: ProCredit Holding data