ProCredit Holding AG & Co. KGaA

Full Rating Report

Ratings

Long-Term IDR	BBB
Short-Term IDR	F2
Viability Rating	bb-
Support Rating	2

Sovereign Risk

Foreign-Currency Long-Term IDR	AAA
Local-Currency Long-Term IDR	AAA

Last Rating Action: Affirmed at 'BBB' on 26 May 16

Outlooks

Foreign-Currency Long-Term Rating	Stable
Sovereign Foreign-Currency Long-Term IDR	Stable
Sovereign Local-Currency Long-Term IDR	Stable

Financial Data

ProCredit Holding AG & Co. KGaA

	30 Jun 16	31 Dec 15
Total assets (USDm)	6,700.2	6,542.7
Total assets (EURm)	6,034.9	6,009.5
Total equity (EURm)	608.0	604.0
Operating profit (EURm)	36.2	71.6
Published net income (EURm)	29.3	61.3
Comprehensive income (EURm)	25.8	74.4
Operating ROAA (%)	1.2	1.2
Operating ROAE (%)	12.0	12.2
Internal capital generation (%)	3.0	8.5
Fitch Core Capital/weighted risks (%)	11.2	11.0
Common equity Tier 1 capital ratio (%)	10.4	10.2

Amendment

This report, originally published on 2 December 2016, has been amended to update the Gross Loans chart on page 2, the name of the Bolivian subsidiary and the assets of the Ecuadorian subsidiary. All other content is as of the original publication date.

Related Research

ProCredit Holding AG & Co. KGaA – Ratings Navigator (June 2016)

Fitch Affirms ProCredit Holding and 5 Subsidiary Banks (May 2016)

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Key Rating Drivers

Support-Driven IDR: ProCredit Holding AG & Co. KGaA's (PCH Group) Issuer Default Ratings (IDRs) and Support Rating are driven by Fitch Ratings' view of the potential support from its core international financial institution (IFI) shareholders. Fitch views Zeitinger Invest (formerly IPC), ProCredit Staff Invest, KfW, IFC and DOEN Foundation as core shareholders. They have strategic control over the group through their status as general partners within the KGaA structure.

Fitch's view of support is based on the long-term and strategic commitment of these shareholders, as highlighted by their role within PCH, the alignment of their own missions of development finance with that of PCH, and a record of debt and capital support to PCH and its subsidiary banks.

Key Exposure to South-Eastern Europe: PCH Group's Viability Rating (VR) reflects its exposure to difficult emerging market environments and the credit risks inherent in SME lending. At end-3Q16, 57% of assets were in south-eastern Europe (SEE). The group is on track with its strategy to exit Africa, Central America and Bolivia, and maintains a focus on its 13 remaining banks. The operating environment for SEE and Eastern Europe subsidiaries is likely to remain difficult due to subdued credit demand, falling interest rates and competition.

Capitalisation Is Improving: Group capitalisation is improving (Fitch Core Capital (FCC) of 11.2% at end-1H16), although at these levels it still remains moderate given exposure to volatile markets and to SME lending. The group targets a Tier 1 capital ratio of more than 12% (end-3Q16: 10.6%), through divestment of subsidiaries in South America and a Tier 1 capital increase of EUR31.9m completed in November 2016.

Good Corporate Governance, Management: PCH Group's VR also reflects strong corporate governance and risk management across the group, underpinned by supervision from BaFin, the German banking regulator, and by solid management.

Resilient Performance; Strong Asset Quality: Good asset quality through the cycle underpins stable and resilient operating profitability. Pressure on revenues from tightening net interest margins is being offset by efficiency gains and reasonable loan impairment charges (LICs). PCH applies a conservative trigger for impairment (days past due 30 days), relative to peers. Impaired loans were a low 7.3% of gross loans at end-1H16 and coverage with IFRS reserves was adequate at 58%.

Liquidity Is Well Managed: Liquidity is well managed across the group and the holding company has adequate reserves to support the group in stress scenarios. The group is funded through customer deposits (75% of total funding at end-1H16) and long-term IFI funding.

Rating Sensitivities

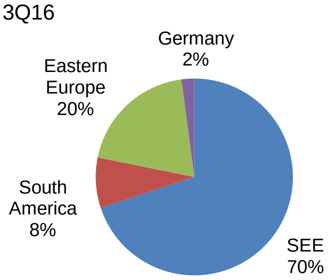
Support Unlikely to Change: A change in Fitch's view of the support available to PCH, for example, due to the exit of one or more core shareholders, or a change in their support stance, could be negative for PCH's IDRs. However, the Stable Outlook reflects Fitch's view that the propensity and ability of PCH's owners to provide support are unlikely to change.

Operating Environment: Upside for PCH's VR could result from an improvement in the operating environments of jurisdictions where the group has a presence. A marked deterioration in asset quality and capitalisation would be negative for the VR.

Within this report:

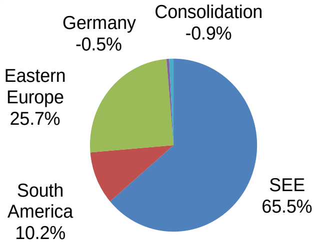
- PCH Group refers to the consolidated group including ProCredit Holding AG & Co. KGaA - the holding company, and its subsidiary banks.
- PCH refers to ProCredit Holding AG & Co. KGaA, the holding company only.

Gross Loans By Segment
3Q16



Source: Fitch, PCH Group

Net Interest Income By Segment
3Q16



Source: Fitch, PCH Group

Related Criteria

Global Bank Rating Criteria (November 2016)

Support

IDR Based on Institutional Support

PCH Group's ratings are driven by Fitch's view of the potential support from its core IFI shareholders (end-2015: combined stake of 37.2%). Fitch views Zeitinger Invest (formerly IPC), ProCredit Staff Invest, KfW, IFC and DOEN Foundation as core shareholders in PCH: they have strategic control over the group through their status as general partner within the KGaA structure.

Fitch understands that in October 2016, these core shareholders renewed their commitment to maintain a minimum 20% combined stake in the KGaA for a further three years. Fitch's view of support is based on the long-term and strategic commitment of these shareholders, as highlighted by their role within PCH's structure, the alignment of their own missions of development finance with that of PCH, and a record of debt and capital support to PCH and its subsidiary banks.

Operating Environment

Constraining Factor for Viability Rating

PCH is located in Germany (AAA/Stable), but the group's direct exposure to the German market through ProCredit Bank Germany (PCBDE) remains small. Group banks largely operate in markets rated 'bb' or below, which constitute less stable and advanced economies, often with limited transparency and susceptibility to event risk. Consequently, the sovereign ratings and Fitch's view of country risk relating to the subsidiary banks constrain the VRs of the individual ProCredit banks and, in many cases, their support-driven IDRs to the Country Ceiling.

Consolidated BaFin Supervision

The PCH group has been supervised on a consolidated basis by the German financial supervisory authorities (BaFin and Bundesbank) since 2011, when the Germany subsidiary bank PCBDE was established. Fitch views the legal and regulatory framework in Germany as strong. PCBDE is also a member of the German Government Deposit Insurance Scheme. Individual ProCredit banks are subject to group consolidated supervision by BaFin as well as to regulation by their local country regulators. Only three subsidiaries – Romania, Bulgaria and Germany – operate in EU countries.

Company Profile

Germany-Based Holding Company, Focused on Emerging Markets

The PCH group (consolidated) had total assets of EUR6.0bn at end-3Q16 and consisted of 16 banks, three of which are held for sale. The group has its roots in microfinance banks, which have evolved into full-service commercial banks focused on SMEs and households. The group operations are divided into four regional segments, with the holding company, PCH, based in Germany.

PCH's business and revenues are well-diversified geographically. However, seven of the 13 banks are in SEE, which accounted for 70% of gross loans and 66% of operating income at end-3Q16. The largest country exposures are in Kosovo (13% of group assets at end-2015), Bulgaria (13%), Serbia (11%), and Georgia (8%), and their performance tends to have a strong effect on overall group performance. Group earnings rely on net interest income from the loan book: net interest income after allowances accounted for 83% of operating income in 9M16.

Simple Business Model and Typically Small Franchises

The banks operate simple business models with loans to small business clients on the asset side, and predominantly retail customer deposits on the liabilities side, complemented with long-term loans from IFIs.

ProCredit banks typically occupy a niche market position in their countries, with a clear focus on SMEs and on agro lending in some countries (e.g. Romania, Serbia: 30%-40% of loan book). The two exceptions are the banks in Kosovo and Georgia, which rank second (24% at end-2015) and sixth (5% at end-1H16) by total sector assets, respectively.

Organisational Structure

KGaA Legal Structure Ensures Strategic Control for Core Shareholders

PCH's legal structure consists of a Kommanditgesellschaft auf Aktien (KGaA; a partnership limited by shares). The purpose of the KGaA is to enable future capital increases (via private placement, public listing or an IPO) without relinquishing the influence of the core shareholders. Under this structure, the "core" shareholders have to retain a minimum 20% joint stake in PCH for at least three years, with the current term ending in 2019.

Should the core shareholders fail to maintain this minimum stake, the legal structure of PCH would revert to an AG, whereby they would then lose the strategic control afforded them through the KGaA. Given their combined stake of 61% at end-1H16, such dilution seems unlikely in the near term and is unlikely to occur even in the event of a share listing or other form of capital increase.

The KGaA structure comprises the ordinary shareholders, who hold 100% of capital and enjoy the usual rights of ordinary voting shareholders (including voting on capital-raising decisions and the appointment of auditors). The core shareholders agreement (signed in July 2011) has a maturity of 30 years.

ProCredit General Partner AG (GP), a separate company, exists within the umbrella of the KGaA structure and constitutes PCH's management board. It is fully owned by the core shareholders. The GP has consent rights over certain key shareholder decisions (eg, strategy, change of mission) and appoints PCH's senior management. From a legal perspective, the GP, and therefore its shareholders, have liability, but this is capped at the level of equity in the GP.

Role of PCH Holding Company

The role of the holding company is to provide equity and debt financing to group banks, to set the mission, risk-management framework and policies, and to oversee the performance of all group banks. PCH holds 100% stakes in most group banks. PCH derives its income from dividend payments from ProCredit banks; interest on long-term loans to ProCredit banks and management services provided to ProCredit banks (see Earnings).

Double Leverage at the Holding Company

Double leverage of 145% at end-1H16 at the holding company level occurs as it partly funds itself through mostly long-term senior and some subordinated debts, which is invested into the subsidiary banks as equity or as subordinated debt, creating potential cash flow mismatches. The group manages this risk by ensuring regular payments or upstreaming of dividends by the subsidiary banks to the holding company. If necessary for the local subsidiary bank's capital requirements, the holding company often reinvests part of these dividends as paid-in capital in the same subsidiary bank.

ProCredit Bank Germany

PCBDE acts as the hub for group treasury and liquidity operations. It is also establishing a platform for centralising international payments. The bank's size and growth targets are fairly modest. It has a profit-sharing agreement in place with PCH. The bank reached break-even in March 2016 and has to maintain a 13% minimum total capital adequacy ratio.

PCB Germany

End-2015	(EURm)
Gross customer loans	81.2
Of which	
Wind projects	20.6
German SME loans	5.0
Of which co-lending with group banks	55.6
Total assets (EURm)	307.6
Customer deposits	110.9
Group interbank deposits	137.3
Equity (EURm)	50.0
Staff	60

Source: PCH Group

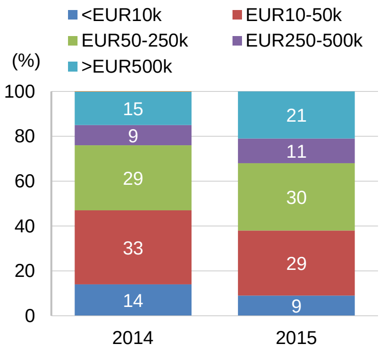
Direct lending by the bank is limited although it holds a small portfolio of renewable energy project finance loans and undertakes limited co-lending with some subsidiaries (Serbia, Bulgaria, Romania, Macedonia and Georgia). This is to enable them to attract new and retain existing clients by pricing competitively and offering larger loans to medium-size clients (loans over EUR500,000). PCBDE's strategy is to attract limited diversified online customer deposits from private individuals and socially responsible investors.

Management and Strategy

Management a Rating Strength

PCH's management has significant depth and experience, and members of the management team typically have a long history with the group. PCH's management board (and therefore that of ProCredit General Partner) has four members. The group consistently invests in the training of all levels of management through its three ProCredit Academies, which ensures that it has access to a pool of talent for promotion.

Outstanding Loans By Size



Source: Fitch, PCH Group

Effective Corporate Governance

PCH's six-member supervisory board consists mostly of shareholder representatives, five of whom are nominated by the core shareholders. There is one independent member. The Supervisory Board reviews key risk and audit policies. It receives a quarterly comprehensive Risk Report and a quarterly comprehensive Audit Report.

At a subsidiary bank level most members come from PCH executive management, which helps group standardisation. PCH introduced independent members on the supervisory board of ProCredit banks in 2015.

Focus on SEE and Eastern Europe

The group continues to focus on formalised SMEs and wants to leverage regional trade/regional relationships across SEE and Eastern Europe. PCB (Bulgaria) recently opened a branch in Thessaloniki, Greece.

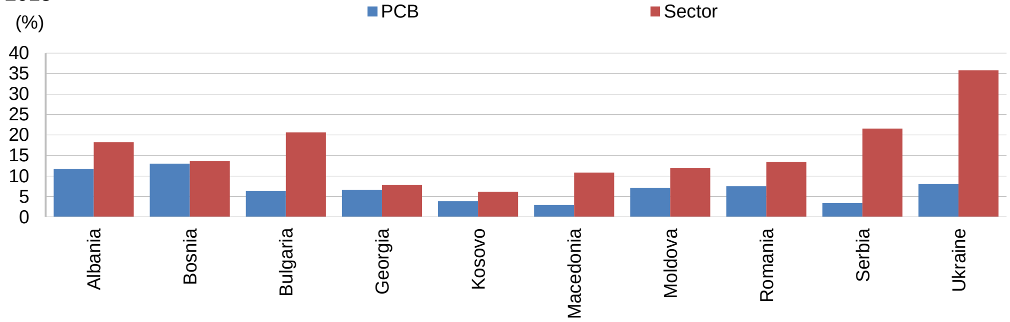
The group targets loan growth of about 10% in its target loan segment of SME loans above EUR30,000. Gross loans contracted by 13% in 9M16, due to the sale or consideration as discontinued operations of some subsidiary banks. However, gross loans at the 13 remaining banks remained broadly stable.

The group is focused on building a streamlined outlet network, based on automated zones and e-banking channels. It is also strengthening group synergies, for example, by centralising international payments through ProCredit Bank Germany.

Record of Stable Performance; Good Asset Quality

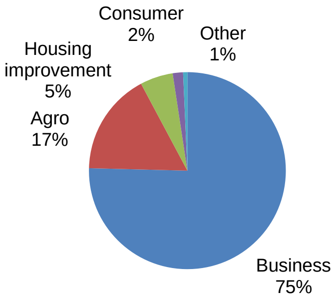
Against the backdrop of a difficult operating environment since 2008 in all its countries of operations, the group has delivered a stable and resilient financial performance and a track record of asset-quality indicators that have outperformed their respective banking sector averages. The group has delivered on its stated objectives. It made some important adjustments to its strategy – e.g. exiting from loans of less than EUR30,000, and from Africa, Central America and Bolivia – and completed important institutional changes, including reducing workforce and rationalising branch networks.

PCH Banks vs. Home Sector; Regulatory NPLs
2015



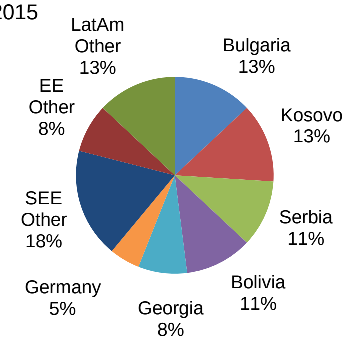
Source: Fitch, PCH Group

Gross Loans by Product
2015



Source: PCH Group

Assets by Country
2015



Source: PCH Group

Risk Appetite

Prudent Underwriting; Strengthening Credit Risk

The group's prudent and analytical-intensive underwriting standards, internally trained staff and key personnel, focus on building long-term relationships with clients and avoidance of sensitive sectors such as CRE and consumer loans play a large part in supporting its good asset quality ratios through the cycle.

The group has several projects to strengthen its credit risk management, including the introduction of quantitative risk classification system and early-warning signals, and a change in the collateral evaluation methodology. The group is supplementing its PAR30/PAR90 approach to portfolio management and will introduce risk scores on a scale of one to eight. The aim is to use this classification to quantify credit risk, rather than for automated credit decision making. The group intends to maintain tailored analytical approach in its underwriting.

Moreover, the group implemented stricter collateral evaluation requirements in 2016, which was also part of its move towards larger SME exposures, where the collateral plays a greater role. The re-evaluation of collateral under this procedure led directly to additional LICs for ProCredit Bank Bosnia & Herzegovina and was a key driver of its net loss in 2015. The group does not expect any such large adjustments at other subsidiaries.

Diversified Loan Book

The loan book is dominated by business/SME loans, but well-diversified by country, borrower, sector and exposure. The top 25 on and off-balance sheet exposures at end-1H16 amounted to EUR123m, representing a low 21% of FCC, none of which were reported as impaired.

Centralised Group Risk Management

The Group Risk Management Committee develops the group-wide framework for risk management, and monitors and manages the risk profile of the group and of individual ProCredit banks. The group Asset-Liability Committee monitors the liquidity reserve and liquidity management of the group, and coordinates funding for the group and the individual ProCredit banks. The risk departments of all individual banks report to the central risk function at the PCH level and the local supervisory board is informed at least on a quarterly basis of all relevant developments.

Low Risk from Other Assets

At end-1H16, gross loans accounted for 69% of the group's balance sheet. Other assets are held mostly with the purpose of liquidity management. Securities (3% of total assets) consist mostly of sovereign bonds of the subsidiary banks' countries of operations, while cash and interbank deposits (19%) consist of deposits with the local central banks of subsidiary banks and mostly short-term deposits with OECD correspondent banks.

Exposures towards central governments/banks in non-EU countries, in countries with weaker supervisory systems than the EU, and those with country ratings below investment grade are weighted at least 100%. PCH insures its mandatory minimum reserves with MIGA and this is recognised as a risk-mitigating factor when calculating capital requirement for credit risk.

Off-balance-sheet exposures at end-1H16 were a low EUR583m (about 100% of FCC) and consisted exclusively of customer-related business.

Market Risk for the Group Is Moderate and Well Managed

Foreign-exchange (FX) risk for the group comes from two sources: the potential gain/loss from open-currency positions (OCPs) of its individual banks and the net effect at a consolidated level. At a group level, FX risk also arises from the equity investments made by PCH in its subsidiary banks as most banks keep their equity in their respective local currency or in US dollars. The group's regulatory capital is exposed to changes in the exchange rates of local currencies and of the dollar against the euro, through the translation reserve in the group's equity position.

The group manages the OCP risk by setting a limit for the total OCP at 10% of the individual bank's regulatory capital. However, it has approved longer OCP limits for three countries – for example, a long euro position to a maximum of 150% equity is allowed in Bulgaria to protect PCH's equity investment in case of a break in the currency board.

The group's interest-rate risk mainly derives from loans at fixed interest rates, financed by customer deposits with shorter maturities. To manage this, ProCredit banks are increasingly offering loans with variable interest rates. The group reported an interest earnings impact over 12 months of EUR22.7m in 2015 (37% of 2015 net income) based on 200bp stresses for the dollar and the euro, and seven-year historical changes for other currencies (2014: EUR16.7m, or 33% of 2014 net income).

Asset Quality

	1H16	End-15
(%) of gross loans		
Impaired loans[a]	7.3	7.4
DPD30	4.5	4.4
DPD90	3.7	3.6
Net write offs	0.4	0.8
Coverage (%)		
IFRS reserves/ impaired loans	58	58
IFRS reserves/ DPD30	95	97
IFRS reserves/DPD90	117	119
Specific reserves/impaired loans	40	39

[a] Key trigger, loans 30 days past due and other signs of impairment
Source: Fitch, PCH group

Financial Profile

Asset Quality

Asset Quality

(%)	2013	2014	2015	1H16
Growth of gross loans	-0.1	3.5	-5.2	0.9
Impaired loans/gross loans	8.2	8.1	7.4	7.3
Reserves for impaired loans/impaired loans	55.0	54.0	57.9	58.5
Impaired loans less reserves for impaired loans/Fitch Core Capital	33.6	31.0	22.3	21.8
Loan impairment charges/average gross loans	1.3	1.3	1.0	0.8

Source: Fitch

Conservative Impairment Recognition

Impaired loans were a low 7.3% of gross loans at end-1H16. The group uses a key trigger for impairment of DPD30 days plus other signs of impairment, as opposed to the DPD90 typically used by peers. The contamination principle applies to all on-balance and off-balance-sheet exposures towards a client.

Healthy Coverage Level

We view coverage of impaired loans with IFRS reserves as adequate (58% at end-1H16), particularly given their conservative approach to impairment. Fitch understands that the group targets near full coverage of DPD30 loans. Coverage levels should continue to reflect the weak legal framework of some of the group's key operating countries – e.g. Kosovo and Bosnia – where recovery periods can be very lengthy (average five to seven years).

Low LICs Reflect Good Asset Quality

The group moved to a provisioning policy based on a bank's local migration analysis in 2015 (from a previous policy based on the results of group migration analysis). This new policy resulted in additional LICs in some smaller subsidiaries (e.g. Bosnia, Colombia and Moldova) and releases of LICs in others. The overall impact for the group was negligible. The group does not expect substantial additional LICs or large collateral re-evaluation needs from the introduction of its new collateral evaluation policy (see Underwriting Standards). LICs in 2016 are expected to remain broadly unchanged from 2015 at about 1% of gross loans. Net write-offs have typically been limited (less than 1% of gross loans).

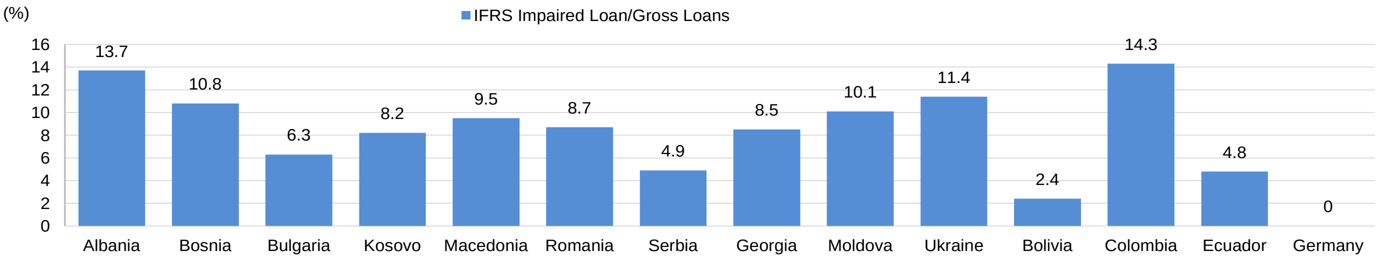
Restructured Loans Are Well Managed

The group reported a low 1.3% of loans restructured but not impaired at end-1H16 (2015: 1.4%). Restructurings in 2016 are driven mainly by the subsidiaries in Georgia and Ukraine. Overall, the volume of restructured loans continues to decline from its post-crisis peak in 2009-2010. PCH applies a two-year curing period. Approval for restructuring is by higher-level committees and based on a new analysis.

Credit Risk from Foreign-Currency Loans

Loans in euros and dollars accounted for 62% of gross loans at end-2015 (stable on recent periods). This puts borrowers' repayments at risk in the event of a sharp depreciation of the local currency. In some markets – Bulgaria, Bosnia, Kosovo and Macedonia – the risk is mitigated by the presence of a currency peg. The mid-term target of all PCH banks is to increase the share of lending in domestic currencies. The share of foreign-currency lending of subsidiary banks is also in line with their respective sector averages, particularly in SEE.

Impaired Loans of PCH Subsidiary Banks
2015



Source: Fitch, PCH Group

Earnings and Profitability

Earnings and Profitability

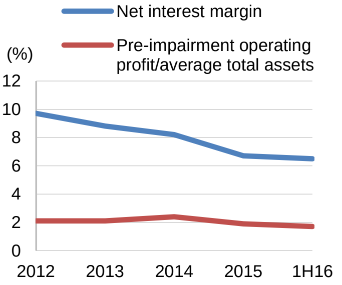
(%)	2013	2014	2015	1H16
Net interest income/average earning assets	8.8	8.2	6.7	6.5
Non-interest expense/gross revenues	73.4	69.3	68.4	68.2
Loans and securities impairment charges/ pre-impairment operating profit	45.2	39.6	37.0	30.2
Operating profit/average total assets	1.2	1.4	1.2	1.2
Operating profit/risk-weighted assets	1.2	1.6	1.4	1.4
Net income/average equity	7.6	9.6	10.5	9.7

Source: Fitch

Group Earnings

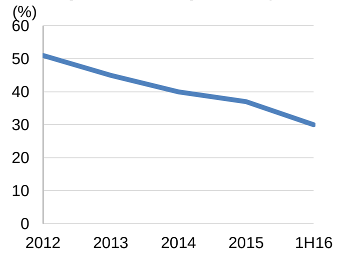
The key to the group's resilient financial performance relies on its ability to grow its SME loan book while improving efficiency, and controlling LICs and asset quality. To date, it has managed this despite strong headwinds in many of its operating countries, and despite comprehensive internal restructuring (exit from very small/micro loans, sale of subsidiaries, changes to risk management). Results of subsidiary banks have typically been more stable through the cycle than regional banking peers, mostly due to wider margins and moderate risk costs.

Margin Pressure



Source: Fitch

Loan Impairment Charges/ Pre-Impairment Operating Profit



Source: Fitch

Result on Sale of Subsidiaries

(EUR m)	In 1H16 and 2015
Mexico	-2.8
Armenia	-4.7
Congo	10.5

Source: PCH audited Accounts

3Q16 Summary Results

End-3Q16	(EURm)
Net interest income	175.6
Pre-imp. operating profit	64.7
Operating profit	47.9
Net income	35.5
Gross loans	3,564.8
Total assets	6,046.3
Total equity	610.6

Source: PCH Group

Tightening Margins, Efficiency Gains and Low Credit Risk Costs Drive Performance

Operating profit is supported by low credit risk costs, with LICs only absorbing about 30% of pre-impairment operating profit.

Pre-impairment operating profit declined in 9M16 (yoy) and 2015, mostly due to pressure on net interest income (NII), given a contracting loan book in line with the sale of subsidiaries, the group's shift to lower-yielding SME loans and a low-interest-rate environment. Margins remain wide compared to commercial banking peers but are tightening (650bps in 1H16), despite the group's success in reducing its cost of funding on local customer deposits – both by shifting the structure towards more current accounts and by reducing interest rates.

The group has reorganised its branch network and reduced staff numbers, in line with its shift to SME lending. Efficiency ratios continue to improve in line with this reorganisation: non-interest expenses/average assets fell significantly to 3.7% at end-1H16 (end-2014: 5.3%) but remained higher than commercial banking peers.

Impact of Subsidiaries Held for Sale

The group expects to close the year in broadly in line with 2015 results (EUR61m). PCH Group reported net income of EUR35.5m in 9M16, lower than in 9M15 (EUR55.5m), due mainly to the negative contribution from the reclassification of the Bolivian subsidiary as held for sale in 3Q16. This negative contribution, due mainly to the difference between net assets of the Bolivian subsidiary under local GAAP and IFRS, will be reversed by year end, upon the completion of the expected sale.

Banks in Bolivia, El Salvador, Nicaragua and Mexico are classified as discontinued operations at end-3Q16: Mexico was sold, whilst the other three are held for sale. Together they accounted for 19% of total group asset at end-3Q16 and generated a loss in 9M16 of EUR1.1m.

In 2015, group net income was EUR61.3m, the highest for five years. One-off income from the sale of the Congo subsidiary was treated as non-recurring by Fitch (group net other operating income from deconsolidation of subsidiaries: EUR5.8m).

Holding Company Earnings

PCH has a record of adequate operating profit through the cycle and earnings are predictable as they are based on revenues from its subsidiary banks. PCH reported net income of EUR34.8m in 1H16, exclusively on ordinary business operations. Net income of EUR34.9m in 2015 was supported by the extraordinary income of EUR17.2m from the sale of its subsidiary in Congo.

PCH derives its income from dividend payments from subsidiary banks, interest income on loans to subsidiaries and from management services provided to subsidiaries. It also has a profit and loss agreement in place with ProCredit Bank Germany. Key contributors to both group and holding company earnings have been the larger subsidiary banks, in particular, Kosovo, Bolivia, Bulgaria, Georgia and Serbia.

Capitalisation and Leverage

Capitalisation and Leverage

(%)	2013	2014	2015	1H16
Fitch Core Capital/weighted risk	8.4	10.1	10.9	11.2
Tangible common equity/tangible assets	7.9	8.7	9.6	9.6
Common equity Tier 1 regulatory capital ratio	9.0	10.1	10.2	10.4
Internal capital generation	5.7	7.2	8.5	3.0

Source: Fitch

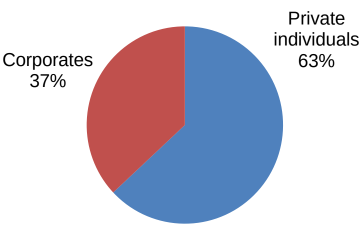
Capitalisation Moderate But Improving

Group capitalisation is improving. FCC was 11.2% at end-1H16, although it still remains moderate given exposure to volatile markets and the risks inherent in SME lending. However, the group's capital position is supported by the low levels of unreserved impaired loans/FCC, particularly given the more conservative definition of IFRS impaired loans used by the group than its peers (DPD30 vs DPD90 days). In 2016, PCH paid dividends of EUR20m (8% on nominal), higher than previous periods (EUR10m annually, 4% on nominal). It targets a pay-out of about a third of group annual profit.

Strengthening Capital Position

In preparation of the expected EU's Supervisory Review and Evaluation Process, PCH is targeting a Tier 1 capital ratio of 12% (end-3Q16: 10.6%) and total capital ratio of 15% (end-3Q16: 13.5%). A Tier 1 capital increase of EUR31.9m was completed by some existing shareholders in November 2016, and additional subordinated debt was issued in 2Q16 (EUR51m). Fitch understands there was no reduction in the share of the core shareholders, further to the issuance of new Tier 1 capital. Some capital relief will also come from the expected sale of the three subsidiaries held for sale (Bolivia, El Salvador and Nicaragua). Capital planning is intended to support 5% loan growth at the 13 remaining banks and dividend payments of 8% on nominal.

Customer Deposits
2015



Source: PCH group audited accounts

Funding and Liquidity

Funding and Liquidity

(%)	2013	2014	2015	1H16
Loans/customer deposits	110.1	108.5	108.2	108.6
Interbank assets/interbank liabilities	103.6	117.3	86.1	82.4
Customer deposits/total funding (excluding derivatives)	72.0	74.5	75.4	75.4

Source: Fitch

Funding and Liquidity at Group Level

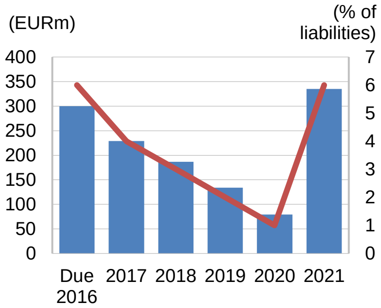
Customer Deposits and IFI Loans

Customer deposits held by the ProCredit subsidiary banks accounted for 75% of total end-1H16 funding. The second most important source of funding is from long-term IFI loans. The focus for the medium term is to increase locally sourced funding from customer deposits and optimise funding from IFIs. The group reports modest third-party funding needs and a good pipeline of new funding to cover expected repayments.

Good Liquidity Profile

The group's liquidity coverage ratio (LCR) was comfortable at 162% at end-1H16 (2015: 174%). Since June 2014, ProCredit banks report the LCR and NSFR; there is no regulatory minimum requirement yet for the NSFR. PCH reports these on a consolidated basis to Bundesbank.

Group Funding by Maturities
End-2015



Source: PCH group audited accounts

Centralised Liquidity Management

The group liquidity reserve consists of subsidiary banks' available liquidity reserve plus a core liquidity reserve (see below). The core liquidity reserve is held by PCH and includes cash, funds on correspondent accounts, and credit lines from Commerzbank and Westdeutsche Genossenschafts-Zentralbank eG. The banks' available liquidity is defined as the euro and dollar funds that could be pooled form subsidiary banks over and above the results of the worst of three different stress scenarios.

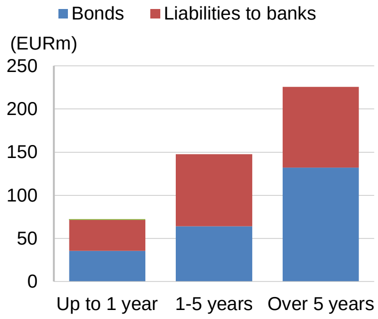
Since mid-2015, the internal minimum target for core liquidity reserve has been set at EUR55m. This is intended to cover unexpected stress liquidity needs at subsidiary banks derived through reasonably conservative group stress tests. In 1H16, the group tightened its definition of available liquidity reserve, to only include excess liquidity from subsidiary banks over and above the results of the worst of three stress scenarios.

Group Liquidity Reserve

(EURm)	2014	2015	1H16
Banks' available liquidity reserve	55.3	32.1	13.3
PCH core liquidity reserve	65.0	76.3	62.9
Total	**120.3**	**108.3**	**76.3**

Source: PCH group

HoldCo Funding Maturities
End-2015



Source: PCH

Funding and Liquidity at Holding Company Level

PCH's non-equity funding consists of medium-term bonds (at origination; 48% of end-2015 total liabilities) and long-term loans, mostly in the form of certificates of indebtedness "schuldscheindarlehen" placed via German banks (44%). Maturities are well spread. At end-2015, bonds and bank loans due within one year accounted for 16% of the total outstanding. Fitch notes that these sources of funding have been stable through the cycle.

PCH typically reports liquid assets – in the form of cash, placements in correspondent accounts and intragroup deposits, and receivables from affiliated companies up to three months – that cover payments on third-party funding due in the next 12 months. PCH also has recourse if necessary on committed credit lines from Commerzbank and Westdeutsche Genossenschafts-Zentralbank eG, for a total of EUR40m.

Peer Comparison

Key Financial Highlights

	Germany ProCredit Holding AG & Co. KGaA (BBB/Stable/bb-)			Bulgaria ProCredit Bank (Bulgaria) EAD (BBB-/Stable/bb-)			Kosovo ProCredit Bank SH.A. Kosovo (BB-/Stable/b)			Serbia ProCredit Bank ad Beograd (BB-/Stable/b+)		
(%)	2015	2014	2013	2015	2014	2013	2015	2014	2013	2015	2014	2013
Profitability												
Operating profit/average total assets	1.2	1.4	1.2	2.3	2.1	1.8	23.2	17.8	18.1	2.9	3.4	3.7
Operating profit/average equity	12.2	16.1	13.4	18.1	16.5	15.1	2.7	2.1	2.2	18.3	20.7	24.2
Cost/income	68.4	69.3	73.4	56.8	65.5	69.0	50.9	48.4	46.4	59.2	60.1	59.5
Loan and securities impairment charges/pre-impairment operating profit	37.0	40.0	45.2	15.4	8.8	16.8	12.3	40.8	45.0	-0.2	3.1	3.7
Net interest margin	6.7	8.2	8.8	5.7	6.0	6.6	7.0	7.1	8.1	6.9	9.1	9.8
Capitalisation												
Fitch Core Capital/RWA	10.9	10.1	8.4	23.0	21.3	16.1	16.8	17.3	17.7	18.3	16.3	17.2
Regulatory Tier 1 ratio	10.2	10.6	10.2	16.9	18.0	12.3	16.5	15.2	13.7	15.5	13.3	13.6
Net NPLs[a]/Fitch Core Capital	22.3	31.0	33.6	17.7	27.7	37.6	6.5	16.0	30.0	5.5	4.3	0.2
Asset quality and credit risk												
NPLs[a]/total gross loans	7.4	8.1	8.2	6.3	8.2	9.5	6.9	10.4	13.2	4.3	4.3	4.9
Gross loan growth	-5.2	3.5	-0.1	14.4	-3.0	0.0	3.5	-5.8	-7.0	8.3	11.9	-1.9
Reserves/NPLs	57.9	54.0	55.0	52.2	43.2	36.9	80.9	67.3	54.5	76.1	81.5	99.3
LICs/average gross loans	1.0	1.3	1.3	0.6	0.3	0.5	0.7	2.6	3.1	-0.0	0.1	0.2
Liquidity and funding												
Gross loans/customer deposits	108.2	108.5	110.1	105.0	106.8	117.9	68.2	65.1	71.3	142.4	146.6	151.9
Customer deposits/total funding	75.4	75.5	72.9	84.1	76.4	78.4	97.7	97.8	96.3	68.3	68.2	62.7

[a] IFRS Impaired loan
Source: Bank data, adapted by Fitch

Peer Comparison – Key Financial Highlights (Cont.)

	Macedonia ProCredit Bank AD Skopje (BB+/Negative/bb-)			Albania ProCredit Bank Sh.a. (B/Stable/b)			Romania ProCredit Bank S.A. (BBB-/Stable/b+)			Bosnia & Herzegovina ProCredit Bank d.d. Sarajevo (B/Stable/b-)		
(%)	2015	2014	2013	2015	2014	2013	2015	2014	2013	2015	2014	2013
Profitability												
Operating profit/average total assets	1.6	1.4	1.1	0.5	0.5	-0.5	0.7	0.7	0.5	-1.5	0.2	0.3
Operating profit/average equity	16.2	13.9	11.7	4.4	4.4	-4.4	7.1	7.4	5.5	-12.6	1.9	2.3
Cost/income	61.6	60.2	66.8	77.7	74.0	78.7	78.9	80.3	82.4	87.0	86.2	92.2
Loan and securities impairment charges/pre-impairment operating profit	25.9	42.0	44.7	57.4	66.4	134.3	60.3	58.6	67.4	290.3	71.2	47.1
Net interest margin	5.6	6.0	6.4	7.1	7.3	7.1	8.1	8.7	9.3	5.9	6.0	6.2
Capitalisation												
Fitch Core Capital/RWA	11.0	11.9	12.3	16.4	15.8	14.7	14.3	13.8	12.0	12.3	11.2	11.7
Regulatory Tier 1 ratio	10.2	10.4	10.8	13.8	12.0	12.9	14.8	14.6	12.7	13.4	10.8	11.4
Net NPLs[a]/Fitch Core Capital	11.4	0.2	-13.6	33.8	44.8	38.4	25.9	29.5	40.6	20.4	26.0	20.3
Asset quality and credit risk												
NPLs[a]/total gross loans	4.9	3.8	1.7	13.8	16.1	14.0	8.7	9.8	11.2	8.2	6.5	5.7
Gross loan growth	7.3	14.9	10.1	3.1	-5.4	3.2	-4.5	10.6	13.1	0.5	9.7	8.2
Reserves/NPLs	72.3	99.5	196.8	50.8	44.9	50.4	63.7	67.0	59.2	64.4	48.5	51.2
LICs/average gross loans	0.7	1.3	1.2	1.1	1.7	3.0	1.4	1.3	1.4	2.8	0.8	0.3
Liquidity and funding												
Gross loans/customer deposits	116.9	117.6	117.9	84.5	78.8	76.2	126.9	122.9	120.3	117.6	120.3	112.8
Customer deposits/total funding	76.2	76.0	73.0	96.3	93.6	91.6	70.2	70.7	72.8	74.1	75.1	79.0

[a] IFRS Impaired loans
Source: Bank data, adapted by Fitch

Peer Comparison – Key Financial Highlights (Cont.)

	Georgia ProCredit Bank (Georgia) (BB/Stable/bb-)			Ukraine ProCredit Bank (Ukraine) (CCC/ccc)		
(%)	2015	2014	2013	2015	2014	2013
Profitability						
Operating profit/average total assets	3.0	2.7	2.2	1.7	1.4	2.9
Operating profit/average equity	21.0	19.1	15.7	24.0	14.7	23.9
Cost/income	50.5	57.1	66.5	47.8	66.6	80.5
Loan and securities impairment charges/pre-impairment operating profit	23.9	25.9	21.1	69.8	69.9	-4.56
Net interest margin	8.2	9.5	9.2	11.6	11.7	13.9
Capitalisation						
Fitch Core Capital/RWA	17.8	16.4	16.3	7.5	8.7	13.3
Regulatory Tier 1 ratio	16.7	16.4	16.3	7.6	8.9	14.2
Net NPLs[a]/Fitch Core Capital	-4.1	-3.9	-5.4	-26.1	-31.8	-21.2
Asset quality and credit risk						
NPLs[a]/total gross loans	2.3	2.3	1.8	5.6	3.8	2.4
Gross loan growth	21.3	7.0	-2.3	51.3	89.2	16.9
Reserves/NPLs	133.0	132.8	159.7	146.1	178.6	239.4
LICs/average gross loans	1.3	1.3	0.8	5.4	3.9	-0.2
Liquidity and funding						
Gross loans/customer deposits	138.4	127.7	125.4	84.4	99.5	102.8
Customer deposits/total funding	64.3	65.1	63.8	91.1	91.0	88.2

[a] For Georgia and Ukraine, NPLs include loans over 90 days overdue
Source: Bank data, adapted by Fitch

Annex 2 – Subsidiary Banks

PCH Group Banks

Issuer name	Sovereign IDR[a]	PCH 1H16 (%)	Founded in	Fitch IDR[a]	Total assets 1H16 (EURm)	Net loans 1H16 (EURm)	Customer deposits 1H16 (EURm)	Net income 1H16 (EUR 000)	Impaired loans 1H16 (%)
South Eastern Europe									
ProCredit Bank Sh.a. (Albania)	n.a.	100.0	1998	B/Stable	238.6	147.8	195.7	-1.0	16.9
ProCredit Bank d.d. Sarajevo (Bosnia & Herzegovina)	n.a.	100.0	1997	B/Stable	198.3	146.6	129.7	0.3	11.2
ProCredit Bank (Bulgaria) EAD	BBB-/Stable	100.0	2001	BBB-/Stable	809.2	575.6	580.5	11.6	5.9
ProCredit Bank SH.A. Kosovo	n.a.	100.0	2000	BB-/Stable	758.8	450.7	654.3	8.8	6.7
ProCredit Bank AD Skopje (Macedonia)	BB/Negative	100.0	2003	BB+/Negative	320.4	246.9	216.1	2.4	6.0
ProCredit Bank S.A. (Romania)	BBB-/Stable	100.0	2002	BBB-/Stable	323.9	249.8	198.4	1.2	8.1
ProCredit Bank ad Beograd (Serbia)	BB-/Stable	100.0	2001	BB-/Stable	692.0	566.8	379.3	6.2	5.5
Eastern Europe									
ProCredit Bank (Georgia)	BB-/Stable	100.0	1999	BB/Stable	479.1	334.4	241.2	4.1	8.4
ProCredit Bank (Moldova)	n.a.	82.1	2007	NR	174.2	103.1	100.0	1.4	10.2
ProCredit Bank (Ukraine)	CCC	84.5	2001	B-/Stable	372.4	243.4	297.9	4.4	8.6
South and Central America									
Banco PyME Los Andes ProCredit S.A. (Bolivia)[b]	BB-/Stable	100.0	1995	NR	709.6	543.4	524.2	4.0	2.8
Banco ProCredit Colombia S.A.	BBB/Negative	93.0	2006	AA+(col)	41.7	29.3	22.4	-1.2	14.3
Banco ProCredit S.A. (Ecuador)	B/Negative	100.0	2001	NR	367.2	243.6	144.1	0.3	5.7
Banco ProCredit S.A. (El Salvador)[b]	B+/Stable	99.9	1995	AAA(slv)	279.4	208.5	157.4	-0.6	3.3
Mexico Ardec	BBB+/Stable	100.0	2015	NR	10.5	8.0	0.0	-0.4	98.0
Banco ProCredit S.A. Nicaragua[b]	B+/Stable	94.7	2000	AA+(nic)	145.2	104.9	96.7	0.5	3.6
Germany									
Procredit Bank A.G.	AAA/Stable	100.0	2012	NR	375.2	75.0	129.0	0.1	0.0

NR: Not rated
[a] Long-Term IDR or national long-term ratings at date of report publication
[b] Subsidiary held for sale at end-3Q16
Source: PCH, adapted by Fitch

Annex 3 – Ownership Structure

PCH Ownership Structure

		End-1H16	End-2015	End-2014	End-2013
Voting capital (%)					
Zeitinger Invest GmbH[a]	Consultancy company	18.4	18.4	18.4	17.7
KfW	German development bank	13.6	13.6	13.6	13.6
The DOEN Foundation	Dutch sustainable development fund	13.3	13.3	13.3	13.3
ProCredit Staff Invest GmbH & Co. KG[b]	Owned by PCH staff members	5.5	5.5	5.5	6.8
IFC	World banking group	10.3	10.3	10.3	10.3
TIAA Global Asset Management	US teachers' insurance and annuity fund	10.0	10.0	10.0	10.0
FMO	Dutch development bank	5.3	5.3	5.3	5.3
ResponsAbility	Microfinance funds	5.2	5.2	5.2	4.8
Omidyar Tufts	Microfinance fund	5.2	5.2	5.2	5.2
BIO	Belgian development bank	5.7	5.7	5.7	5.7
Fundasal	Salvadoran foundation for development	1.9	1.9	1.9	1.9
Proparco	French development agency	2.6	2.6	2.6	2.6
MicroVest	Microfinance funds	2.0	2.0	2.0	1.8
GAWA	Microfinance fund	0.5	0.5	0.5	0.5
Ohana	Microfinance fund	0.5	0.5	0.5	0.5
Total		**100**	**100**	**100**	**100**
Subscribed capital (EURm)		**254.1**	**254.1**	**254.1**	**254.1**

[a] Formerly IPC
[b] ProCredit staff invest, ProCredit staff invest 2 and ProCredit staff invest 3
Source: PCH

ProCredit Holding AG & Co. KGaA

Income Statement

	30 Jun 2016			31 Dec 2015		31 Dec 2014		31 Dec 2013		31 Dec 2012	
	6 Months - Interim USDm Unaudited	6 Months - Interim EURm Unaudited	As % of Earning Assets	Year End EURm Audited - Unqualified	As % of Earning Assets	Year End EURm Audited - Unqualified	As % of Earning Assets	Year End EURm Audited - Unqualified	As % of Earning Assets	Year End EURm Audited - Unqualified	As % of Earning Assets
1. Interest Income on Loans	208.6	187.9	8.46	412.6	9.21	517.0	10.78	562.0	12.04	617.9	13.55
2. Other Interest Income	13.2	11.9	0.54	21.5	0.48	23.0	0.48	24.3	0.52	17.3	0.38
3. Dividend Income	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
4. Gross Interest and Dividend Income	**221.8**	**199.8**	**9.00**	**434.1**	**9.69**	**540.0**	**11.26**	**586.3**	**12.56**	**635.2**	**13.92**
5. Interest Expense on Customer Deposits	37.6	33.9	1.53	73.0	1.63	89.2	1.86	108.8	2.33	112.2	2.46
6. Other Interest Expense	24.9	22.4	1.01	50.9	1.14	64.3	1.34	69.6	1.49	83.1	1.82
7. Total Interest Expense	**62.5**	**56.3**	**2.54**	**123.9**	**2.77**	**153.5**	**3.20**	**178.4**	**3.82**	**195.3**	**4.28**
8. Net Interest Income	**159.3**	**143.5**	**6.46**	**310.2**	**6.93**	**386.5**	**8.06**	**407.9**	**8.74**	**439.9**	**9.64**
9. Net Gains (Losses) on Trading and Derivatives	0.0	0.0	0.00	(0.8)	(0.02)	(0.5)	(0.01)	(0.1)	(0.00)	0.8	0.02
10. Net Gains (Losses) on Other Securities	4.9	4.4	0.20	0.2	0.00	0.4	0.01	1.0	0.02	(1.4)	(0.03)
11. Net Gains (Losses) on Assets at FV through Income Statement	(0.4)	(0.4)	(0.02)	1.6	0.04	2.7	0.06	0.2	0.00	0.0	0.00
12. Net Insurance Income	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
13. Net Fees and Commissions	24.0	21.6	0.97	48.0	1.07	56.2	1.17	58.3	1.25	58.9	1.29
14. Other Operating Income	(6.6)	(5.9)	(0.27)	0.5	0.01	7.8	0.16	4.1	0.09	(0.9)	(0.02)
15. Total Non-Interest Operating Income	**21.9**	**19.7**	**0.89**	**49.5**	**1.11**	**66.6**	**1.39**	**63.5**	**1.36**	**57.4**	**1.26**
16. Personnel Expenses	57.0	51.3	2.31	116.4	2.60	156.1	3.25	177.3	3.80	195.1	4.28
17. Other Operating Expenses	66.6	60.0	2.70	129.7	2.90	157.8	3.29	168.9	3.62	181.3	3.97
18. Total Non-Interest Expenses	**123.6**	**111.3**	**5.01**	**246.1**	**5.50**	**313.9**	**6.54**	**346.2**	**7.41**	**376.4**	**8.25**
19. Equity-accounted Profit/ Loss - Operating	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
20. Pre-Impairment Operating Profit	**57.6**	**51.9**	**2.34**	**113.6**	**2.54**	**139.2**	**2.90**	**125.2**	**2.68**	**120.9**	**2.65**
21. Loan Impairment Charge	17.4	15.7	0.71	42.0	0.94	55.1	1.15	56.6	1.21	61.5	1.35
22. Securities and Other Credit Impairment Charges	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
23. Operating Profit	**40.2**	**36.2**	**1.63**	**71.6**	**1.60**	**84.1**	**1.75**	**68.6**	**1.47**	**59.4**	**1.30**
24. Equity-accounted Profit/ Loss - Non-operating	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
25. Non-recurring Income	0.0	0.0	0.00	14.6	0.33	6.2	0.13	3.1	0.07	1.0	0.02
26. Non-recurring Expense	0.0	0.0	0.00	15.3	0.34	16.4	0.34	10.4	0.22	1.3	0.03
27. Change in Fair Value of Own Debt	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
28. Other Non-operating Income and Expenses	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
29. Pre-tax Profit	**40.2**	**36.2**	**1.63**	**70.9**	**1.58**	**73.9**	**1.54**	**61.3**	**1.31**	**59.1**	**1.30**
30. Tax expense	10.0	9.0	0.41	17.7	0.40	22.4	0.47	22.9	0.49	12.8	0.28
31. Profit/Loss from Discontinued Operations	2.3	2.1	0.09	8.1	0.18	(1.3)	(0.03)	0.6	0.01	0.0	0.00
32. Net Income	**32.5**	**29.3**	**1.32**	**61.3**	**1.37**	**50.2**	**1.05**	**39.0**	**0.84**	**46.3**	**1.01**
33. Change in Value of AFS Investments	(3.4)	(3.1)	(0.14)	3.6	0.08	(0.4)	(0.01)	0.1	0.00	1.8	0.04
34. Revaluation of Fixed Assets	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
35. Currency Translation Differences	0.0	0.0	0.00	3.9	0.09	3.3	0.07	(18.7)	(0.40)	(11.7)	(0.26)
36. Remaining OCI Gains/(losses)	(0.4)	(0.4)	(0.02)	5.6	0.13	10.2	0.21	(3.0)	(0.06)	0.0	0.00
37. Fitch Comprehensive Income	**28.6**	**25.8**	**1.16**	**74.4**	**1.66**	**63.3**	**1.32**	**17.4**	**0.37**	**36.4**	**0.80**
38. Memo: Profit Allocation to Non-controlling Interests	0.9	0.8	0.04	1.7	0.04	2.4	0.05	2.1	0.04	1.5	0.03
39. Memo: Net Income after Allocation to Non-controlling Interests	31.6	28.5	1.28	59.6	1.33	47.8	1.00	36.9	0.79	44.8	0.98
40. Memo: Common Dividends Relating to the Period	22.5	20.3	0.91	10.2	0.23	10.2	0.21	10.2	0.22	9.9	0.22
41. Memo: Preferred Dividends Related to the Period	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
Exchange rate	USD1 = EUR0.90070			USD1 = EUR0.91850		USD1 = EUR0.82370		USD1 = EUR0.72510		USD1 = EUR0.75790	

ProCredit Holding AG & Co. KGaA
Balance Sheet

	30 Jun 2016			31 Dec 2015		31 Dec 2014		31 Dec 2013		31 Dec 2012	
	6 Months - Interim USDm	6 Months - Interim EURm	As % of Assets	Year End EURm	As % of Assets	Year End EURm	As % of Assets	Year End EURm	As % of Assets	Year End EURm	As % of Assets
Assets											
A. Loans											
1. Residential Mortgage Loans	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
2. Other Mortgage Loans	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
3. Other Consumer/ Retail Loans	0.0	0.0	0.00	292.5	4.87	286.0	4.79	264.6	4.53	271.9	4.71
4. Corporate & Commercial Loans	0.0	0.0	0.00	3,787.8	63.03	4,005.7	67.12	3,920.5	67.11	3,918.7	67.93
5. Other Loans	4,599.3	4,142.6	68.64	24.6	0.41	40.5	0.68	0.0	0.00	0.0	0.00
6. Less: Reserves for Impaired Loans	197.6	178.0	2.95	176.6	2.94	188.5	3.16	188.5	3.23	175.5	3.04
7. Net Loans	**4,401.7**	**3,964.6**	**65.69**	**3,928.3**	**65.37**	**4,143.7**	**69.43**	**3,996.6**	**68.42**	**4,015.1**	**69.60**
8. Gross Loans	**4,599.3**	**4,142.6**	**68.64**	**4,104.9**	**68.31**	**4,332.2**	**72.59**	**4,185.1**	**71.64**	**4,190.6**	**72.65**
9. Memo: Impaired Loans included above	338.0	304.4	5.04	305.1	5.08	349.2	5.85	342.8	5.87	297.2	5.15
10. Memo: Loans at Fair Value included above	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
B. Other Earning Assets											
1. Loans and Advances to Banks	328.1	295.5	4.90	339.4	5.65	411.1	6.89	339.0	5.80	335.1	5.81
2. Reverse Repos and Cash Collateral	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
3. Trading Securities and at FV through Income	0.3	0.3	0.00	0.0	0.00	4.3	0.07	4.0	0.07	16.2	0.28
4. Derivatives	0.0	0.0	0.00	0.9	0.01	0.8	0.01	2.2	0.04	0.6	0.01
5. Available for Sale Securities	224.8	202.5	3.36	207.0	3.44	232.4	3.89	323.2	5.53	192.1	3.33
6. Held to Maturity Securities	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
7. Equity Investments in Associates	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
8. Other Securities	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
9. Total Securities	**225.2**	**202.8**	**3.36**	**207.9**	**3.46**	**237.5**	**3.98**	**329.4**	**5.64**	**208.9**	**3.62**
10. Memo: Government Securities included Above	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
11. Memo: Total Securities Pledged	0.0	0.0	0.00	1.0	0.02	1.7	0.03	5.8	0.10	70.3	1.22
12. Investments in Property	2.3	2.1	0.03	2.2	0.04	3.9	0.07	4.0	0.07	2.7	0.05
13. Insurance Assets	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
14. Other Earning Assets	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
15. Total Earning Assets	**4,957.3**	**4,465.0**	**73.99**	**4,477.8**	**74.51**	**4,796.2**	**80.36**	**4,669.0**	**79.93**	**4,561.8**	**79.08**
C. Non-Earning Assets											
1. Cash and Due From Banks	967.8	871.7	14.44	834.2	13.88	855.1	14.33	832.4	14.25	863.4	14.97
2. Memo: Mandatory Reserves included above	363.9	327.8	5.43	314.6	5.24	370.2	6.20	373.3	6.39	359.9	6.24
3. Foreclosed Real Estate	0.0	0.0	0.00	25.9	0.43	35.1	0.59	36.8	0.63	31.9	0.55
4. Fixed Assets	192.5	173.4	2.87	172.2	2.87	193.3	3.24	204.2	3.50	207.7	3.60
5. Goodwill	0.0	0.0	0.00	11.6	0.19	14.7	0.25	16.6	0.28	20.2	0.35
6. Other Intangibles	26.4	23.8	0.39	12.2	0.20	15.3	0.26	17.1	0.29	17.6	0.31
7. Current Tax Assets	3.4	3.1	0.05	3.3	0.05	2.6	0.04	7.2	0.12	5.6	0.10
8. Deferred Tax Assets	6.7	6.0	0.10	6.0	0.10	9.7	0.16	13.5	0.23	18.2	0.32
9. Discontinued Operations	470.4	423.7	7.02	428.9	7.14	0.0	0.00	0.0	0.00	0.0	0.00
10. Other Assets	75.7	68.2	1.13	37.4	0.62	46.4	0.78	44.9	0.77	42.1	0.73
11. Total Assets	**6,700.2**	**6,034.9**	**100.00**	**6,009.5**	**100.00**	**5,968.4**	**100.00**	**5,841.7**	**100.00**	**5,768.5**	**100.00**
Liabilities and Equity											
D. Interest-Bearing Liabilities											
1. Customer Deposits - Current	4,233.2	3,812.8	63.18	1,343.7	22.36	1,339.8	22.45	1,118.7	19.15	1,005.8	17.44
2. Customer Deposits - Savings	0.0	0.0	0.00	611.6	10.18	852.0	14.28	831.9	14.24	738.8	12.81
3. Customer Deposits - Term	0.0	0.0	0.00	1,837.7	30.58	1,800.4	30.17	1,851.3	31.69	1,882.7	32.64
4. Total Customer Deposits	**4,233.2**	**3,812.8**	**63.18**	**3,793.0**	**63.12**	**3,992.2**	**66.89**	**3,801.9**	**65.08**	**3,627.3**	**62.88**
5. Deposits from Banks	397.9	358.4	5.94	394.2	6.56	350.4	5.87	327.3	5.60	343.6	5.96
6. Repos and Cash Collateral	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
7. Commercial Paper and Short-term Borrowings	0.0	0.0	0.00	193.6	3.22	231.8	3.88	107.3	1.84	106.1	1.84
8. Total Money Market and Short-term Funding	**4,631.1**	**4,171.2**	**69.12**	**4,380.8**	**72.90**	**4,574.4**	**76.64**	**4,236.5**	**72.52**	**4,077.0**	**70.68**
9. Senior Unsecured Debt (original maturity > 1 year)	799.6	720.2	11.93	521.0	8.67	557.1	9.33	815.8	13.97	892.8	15.48
10. Subordinated Borrowing	183.7	165.5	2.74	131.4	2.19	156.2	2.62	163.5	2.80	174.4	3.02
11. Covered Bonds	n.a.	n.a.	-	n.a.	-	0.0	0.00	0.0	0.00	n.a.	-
12. Other Long-term Funding	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
13. Total LT Funding (original maturity > 1 year)	**983.3**	**885.7**	**14.68**	**652.4**	**10.86**	**713.3**	**11.95**	**979.3**	**16.76**	**1,067.2**	**18.50**
14. Derivatives	2.1	1.9	0.03	2.4	0.04	2.6	0.04	0.0	0.00	0.3	0.01
15. Trading Liabilities	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
16. Total Funding	**5,616.5**	**5,058.8**	**83.83**	**5,035.6**	**83.79**	**5,290.3**	**88.64**	**5,215.8**	**89.29**	**5,144.5**	**89.18**
E. Non-Interest Bearing Liabilities											
1. Fair Value Portion of Debt	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
2. Credit impairment reserves	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
3. Reserves for Pensions and Other	18.9	17.0	0.28	17.9	0.30	17.5	0.29	15.4	0.26	14.6	0.25
4. Current Tax Liabilities	1.6	1.4	0.02	2.0	0.03	4.1	0.07	6.6	0.11	5.0	0.09
5. Deferred Tax Liabilities	4.6	4.1	0.07	4.3	0.07	5.0	0.08	5.1	0.09	4.2	0.07
6. Other Deferred Liabilities	0.0	0.0	0.00	2.3	0.04	5.8	0.10	5.2	0.09	0.0	0.00
7. Discontinued Operations	358.5	322.9	5.35	318.7	5.30	0.0	0.00	0.0	0.00	0.0	0.00
8. Insurance Liabilities	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
9. Other Liabilities	25.2	22.7	0.38	24.7	0.41	23.2	0.39	23.8	0.41	29.9	0.52
10. Total Liabilities	**6,025.2**	**5,426.9**	**89.93**	**5,405.5**	**89.95**	**5,345.9**	**89.57**	**5,271.9**	**90.25**	**5,198.2**	**90.11**
F. Hybrid Capital											
1. Pref. Shares and Hybrid Capital accounted for as Debt	0.0	0.0	0.00	0.0	0.00	67.1	1.12	67.1	1.15	67.2	1.16
2. Pref. Shares and Hybrid Capital accounted for as Equity	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
G. Equity											
1. Common Equity	717.6	646.3	10.71	635.4	10.57	586.0	9.82	548.7	9.39	524.6	9.09
2. Non-controlling Interest	8.4	7.6	0.13	7.7	0.13	17.3	0.29	20.1	0.34	22.7	0.39
3. Securities Revaluation Reserves	0.8	0.7	0.01	4.6	0.08	0.8	0.01	1.1	0.02	0.4	0.01
4. Foreign Exchange Revaluation Reserves	(51.7)	(46.6)	(0.77)	(43.7)	(0.73)	(48.7)	(0.82)	(67.2)	(1.15)	(44.6)	(0.77)
5. Fixed Asset Revaluations and Other Accumulated OCI	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
6. Total Equity	**675.0**	**608.0**	**10.07**	**604.0**	**10.05**	**555.4**	**9.31**	**502.7**	**8.61**	**503.1**	**8.72**
7. Total Liabilities and Equity	**6,700.2**	**6,034.9**	**100.00**	**6,009.5**	**100.00**	**5,968.4**	**100.00**	**5,841.7**	**100.00**	**5,768.5**	**100.00**
8. Memo: Fitch Core Capital	643.7	579.8	9.61	575.8	9.58	517.8	8.68	459.0	7.86	453.2	7.86
Exchange rate	USD1 = EUR0.90070			USD1 = EUR0.91850		USD1 = EUR0.82370		USD1 = EUR0.72510		USD1 = EUR0.75790	

ProCredit Holding AG & Co. KGaA

Summary Analytics

	30 Jun 2016 6 Months - Interim	31 Dec 2015 Year End	31 Dec 2014 Year End	31 Dec 2013 Year End	31 Dec 2012 Year End
A. Interest Ratios					
1. Interest Income on Loans/ Average Gross Loans	9.22	10.08	12.12	13.32	14.93
2. Interest Expense on Customer Deposits/ Average Customer Deposits	1.81	1.94	2.32	2.93	3.21
3. Interest Income/ Average Earning Assets	9.05	9.34	11.40	12.71	14.01
4. Interest Expense/ Average Interest-bearing Liabilities	2.26	2.47	2.94	3.45	3.88
5. Net Interest Income/ Average Earning Assets	6.50	6.68	8.16	8.84	9.70
6. Net Int. Inc Less Loan Impairment Charges/ Av. Earning Assets	5.79	5.77	7.00	7.61	8.34
7. Net Interest Inc Less Preferred Stock Dividend/ Average Earning Assets	6.50	6.68	8.16	8.84	9.70
B. Other Operating Profitability Ratios					
1. Non-Interest Income/ Gross Revenues	12.07	13.76	14.70	13.47	11.54
2. Non-Interest Expense/ Gross Revenues	68.20	68.42	69.28	73.44	75.69
3. Non-Interest Expense/ Average Assets	3.75	4.08	5.34	5.96	6.67
4. Pre-impairment Op. Profit/ Average Equity	17.22	19.41	26.66	24.50	24.95
5. Pre-impairment Op. Profit/ Average Total Assets	1.75	1.88	2.37	2.15	2.14
6. Loans and securities impairment charges/ Pre-impairment Op. Profit	30.25	36.97	39.58	45.21	50.87
7. Operating Profit/ Average Equity	12.01	12.24	16.10	13.42	12.26
8. Operating Profit/ Average Total Assets	1.22	1.19	1.43	1.18	1.05
9. Operating Profit / Risk Weighted Assets	1.40	1.36	1.65	1.25	1.08
C. Other Profitability Ratios					
1. Net Income/ Average Total Equity	9.72	10.48	9.61	7.63	9.55
2. Net Income/ Average Total Assets	0.99	1.02	0.85	0.67	0.82
3. Fitch Comprehensive Income/ Average Total Equity	8.56	12.71	12.12	3.40	7.51
4. Fitch Comprehensive Income/ Average Total Assets	0.87	1.23	1.08	0.30	0.65
5. Taxes/ Pre-tax Profit	24.86	24.96	30.31	37.36	21.66
6. Net Income/ Risk Weighted Assets	1.14	1.17	0.98	0.71	0.85
D. Capitalization					
1. FCC/FCC-Adjusted Risk Weighted Assets	11.19	10.95	10.15	8.36	8.27
2. Tangible Common Equity/ Tangible Assets	9.65	9.63	8.73	7.92	7.93
3. Tier 1 Regulatory Capital Ratio	10.40	10.20	10.60	10.20	10.40
4. Total Regulatory Capital Ratio	13.30	12.10	12.80	12.20	12.90
5. Common Equity Tier 1 Capital Ratio	10.40	10.20	10.10	9.00	9.20
6. Equity/ Total Assets	10.07	10.05	9.31	8.61	8.72
7. Cash Dividends Paid & Declared/ Net Income	69.28	16.64	20.32	26.15	21.38
8. Internal Capital Generation	2.98	8.46	7.20	5.73	7.24
E. Loan Quality					
1. Growth of Total Assets	0.42	0.69	2.17	1.27	5.00
2. Growth of Gross Loans	0.92	(5.25)	3.51	(0.13)	4.00
3. Impaired Loans/ Gross Loans	7.35	7.43	8.06	8.19	7.09
4. Reserves for Impaired Loans/ Gross Loans	4.30	4.30	4.35	4.50	4.19
5. Reserves for Impaired Loans/ Impaired Loans	58.48	57.88	53.98	54.99	59.05
6. Impaired loans less Reserves for Impaired Loans/ Fitch Core Capital	21.80	22.32	31.04	33.62	26.85
7. Impaired Loans less Reserves for Impaired Loans/ Equity	20.79	21.27	28.93	30.69	24.19
8. Loan Impairment Charges/ Average Gross Loans	0.77	1.03	1.29	1.34	1.49
9. Net Charge-offs/ Average Gross Loans	n.a.	0.76	0.93	0.77	0.83
10. Impaired Loans + Foreclosed Assets/ Gross Loans + Foreclosed Assets	7.35	8.01	8.80	8.99	7.79
F. Funding and Liquidity					
1. Loans/ Customer Deposits	108.65	108.22	108.52	110.08	115.53
2. Interbank Assets/ Interbank Liabilities	82.45	86.10	117.32	103.57	97.53
3. Customer Deposits/ Total Funding (excluding derivatives)	75.40	75.36	74.55	71.97	69.60
4. Liquidity Coverage Ratio	n.a.	n.a.	n.a.	n.a.	n.a.
5. Net Stable Funding Ratio	n.a.	n.a.	n.a.	n.a.	n.a.

ProCredit Holding AG & Co. KGaA
Reference Data

	30 Jun 2016			31 Dec 2015		31 Dec 2014		31 Dec 2013		31 Dec 2012	
	6 Months - Interim USDm	6 Months - Interim EURm	As % of Assets	Year End EURm	As % of Assets	Year End EURm	As % of Assets	Year End EURm	As % of Assets	Year End EURm	As % of Assets
A. Off-Balance Sheet Items											
1. Managed Securitized Assets Reported Off-Balance Sheet	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
2. Other off-balance sheet exposure to securitizations	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
3. Guarantees	172.4	155.3	2.57	109.9	1.83	99.7	1.67	94.9	1.62	100.7	1.75
4. Acceptances and documentary credits reported off-balance sheet	5.1	4.6	0.08	6.4	0.11	2.7	0.05	2.6	0.04	2.2	0.04
5. Committed Credit Lines	470.2	423.5	7.02	394.7	6.57	352.2	5.90	396.2	6.78	52.5	0.91
6. Other Contingent Liabilities	0.0	0.0	0.00	48.5	0.81	44.0	0.74	38.8	0.66	359.6	6.23
7. Total Assets under Management	0.0	0.0	0.00	0.0	0.00	6,423.9	107.63	6,337.7	108.49	0.0	0.00
B. Average Balance Sheet											
Average Loans	4,547.9	4,096.3	67.88	4,092.0	68.09	4,264.5	71.45	4,220.0	72.24	4,139.7	71.76
Average Earning Assets	4,930.7	4,441.1	73.59	4,645.4	77.30	4,735.0	79.33	4,613.8	78.98	4,535.1	78.62
Average Assets	6,627.0	5,968.9	98.91	6,037.1	100.46	5,881.8	98.55	5,812.2	99.50	5,641.1	97.79
Average Managed Securitized Assets (OBS)	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
Average Interest-Bearing Liabilities	5,549.8	4,998.7	82.83	5,006.7	83.31	5,223.4	87.52	5,174.8	88.58	5,031.1	87.22
Average Common equity	714.2	643.3	10.66	611.4	10.17	566.2	9.49	537.9	9.21	479.2	8.31
Average Equity	672.9	606.1	10.04	585.2	9.74	522.2	8.75	511.1	8.75	484.6	8.40
Average Customer Deposits	4,184.2	3,768.7	62.45	3,755.2	62.49	3,840.7	64.35	3,710.2	63.51	3,495.4	60.59
C. Maturities											
Asset Maturities:											
Loans & Advances < 3 months	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
Loans & Advances 3 - 12 Months	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
Loans and Advances 1 - 5 Years	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
Loans & Advances > 5 years	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
Debt Securities < 3 Months	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
Debt Securities 3 - 12 Months	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
Debt Securities 1 - 5 Years	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
Debt Securities > 5 Years	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
Loans & Advances to Banks < 3 Months	0.0	0.0	0.00	332.3	5.53	390.4	6.54	338.3	5.79	330.0	5.72
Loans & Advances to Banks 3 - 12 Months	0.0	0.0	0.00	0.2	0.00	20.7	0.35	0.7	0.01	5.0	0.09
Loans & Advances to Banks 1 - 5 Years	0.0	0.0	0.00	6.9	0.11	0.0	0.00	0.0	0.00	0.0	0.00
Loans & Advances to Banks > 5 Years	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
Liability Maturities:											
Retail Deposits < 3 months	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
Retail Deposits 3 - 12 Months	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
Retail Deposits 1 - 5 Years	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
Retail Deposits > 5 Years	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
Other Deposits < 3 Months	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
Other Deposits 3 - 12 Months	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
Other Deposits 1 - 5 Years	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
Other Deposits > 5 Years	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
Deposits from Banks < 3 Months	0.0	0.0	0.00	90.9	1.51	99.3	1.66	66.1	1.13	72.1	1.25
Deposits from Banks 3 - 12 Months	0.0	0.0	0.00	50.5	0.84	49.5	0.83	86.3	1.48	54.5	0.94
Deposits from Banks 1 - 5 Years	0.0	0.0	0.00	252.8	4.21	201.6	3.38	174.9	2.99	217.1	3.76
Deposits from Banks > 5 Years	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
Senior Debt Maturing < 3 months	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
Senior Debt Maturing 3-12 Months	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
Senior Debt Maturing 1- 5 Years	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
Senior Debt Maturing > 5 Years	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
Total Senior Debt on Balance Sheet	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Fair Value Portion of Senior Debt	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
Subordinated Debt Maturing < 3 months	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
Subordinated Debt Maturing 3-12 Months	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
Subordinated Debt Maturing 1- 5 Year	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
Subordinated Debt Maturing > 5 Years	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
Total Subordinated Debt on Balance Sheet	183.7	165.5	2.74	131.4	2.19	156.2	2.62	163.5	2.80	174.4	3.02
Fair Value Portion of Subordinated Debt	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
D. Risk Weighted Assets											
1. Risk Weighted Assets	5,753.7	5,182.4	85.87	5,258.0	87.49	5,101.6	85.48	5,487.9	93.94	5,477.9	94.96
2. Fitch Core Capital Adjustments for Insurance and Securitisation Risk Weighted Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Fitch Core Capital Adjusted Risk Weighted Assets	5,753.7	5,182.4	85.87	5,258.0	87.49	5,101.6	85.48	5,487.9	93.94	5,477.9	94.96
4. Other Fitch Adjustments to Risk Weighted Assets	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
5. Fitch Adjusted Risk Weighted Assets	5,753.7	5,182.4	85.87	5,258.0	87.49	5,101.6	85.48	5,487.9	93.94	5,477.9	94.96
E. Equity Reconciliation											
1. Equity	675.0	608.0	10.07	604.0	10.05	555.4	9.31	502.7	8.61	503.1	8.72
2. Add: Pref. Shares and Hybrid Capital accounted for as Equity	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	0.0	0.00
3. Add: Other Adjustments	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
4. Published Equity	675.0	608.0	10.07	604.0	10.05	555.4	9.31	502.7	8.61	503.1	8.72
F. Fitch Core Capital Reconciliation											
1. Total Equity as reported (including non-controlling interests)	675.0	608.0	10.07	604.0	10.05	555.4	9.31	502.7	8.61	503.1	8.72
2. Fair value effect incl in own debt/borrowings at fv on the B/S- CC only	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
3. Non-loss-absorbing non-controlling interests	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
4. Goodwill	0.0	0.0	0.00	11.6	0.19	14.7	0.25	16.6	0.28	20.2	0.35
5. Other intangibles	26.4	23.8	0.39	12.2	0.20	15.3	0.26	17.1	0.29	17.6	0.31
6. Deferred tax assets deduction	4.9	4.4	0.07	4.4	0.07	7.6	0.13	10.0	0.17	12.1	0.21
7. Net asset value of insurance subsidiaries	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
8. First loss tranches of off-balance sheet securitizations	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
9. Fitch Core Capital	**643.7**	**579.8**	**9.61**	**575.8**	**9.58**	**517.8**	**8.68**	**459.0**	**7.86**	**453.2**	**7.86**
Exchange Rate	USD1 = EUR0.90070			USD1 = EUR0.91850		USD1 = EUR0.82370		USD1 = EUR0.72510		USD1 = EUR0.75790	

ProCredit Holding AG & Co. KGaA - Holding Company
Income Statement

	30 Jun 2016			31 Dec 2015		31 Dec 2014		31 Dec 2013		31 Dec 2012	
	6 Months - Interim USDm Unaudited	6 Months - Interim EURm Unaudited	As % of Earning Assets	Year End EURm - Unqualified	As % of Earning Assets	Year End EURm - Unqualified	As % of Earning Assets	Year End EURm - Unqualified	As % of Earning Assets	Year End EURm - Unqualified	As % of Earning Assets
1. Interest Income on Loans	n.a.	n.a.	-	14.5	1.71	14.2	1.70	14.7	1.75	18.2	2.25
2. Other Interest Income	7.8	7.0	1.57	0.0	0.00	0.0	0.00	0.0	0.00	n.a.	-
3. Dividend Income	51.0	45.9	10.32	55.5	6.56	66.2	7.91	72.6	8.65	49.3	6.10
4. Gross Interest and Dividend Income	**58.7**	**52.9**	**11.90**	**70.0**	**8.27**	**80.4**	**9.61**	**87.3**	**10.40**	**67.5**	**8.35**
5. Interest Expense on Customer Deposits	n.a.	n.a.	-	0.0	0.00	0.0	0.00	0.0	0.00	n.a.	-
6. Other Interest Expense	11.2	10.1	2.27	22.3	2.64	25.2	3.01	25.0	2.98	27.5	3.40
7. Total Interest Expense	**11.2**	**10.1**	**2.27**	**22.3**	**2.64**	**25.2**	**3.01**	**25.0**	**2.98**	**27.5**	**3.40**
8. Net Interest Income	**47.5**	**42.8**	**9.63**	**47.7**	**5.64**	**55.2**	**6.60**	**62.3**	**7.42**	**40.0**	**4.95**
9. Net Gains (Losses) on Trading and Derivatives	(1.1)	(1.0)	(0.22)	0.0	0.00	0.0	0.00	0.0	0.00	n.a.	-
10. Net Gains (Losses) on Other Securities	n.a.	n.a.	-	0.0	0.00	0.0	0.00	0.0	0.00	n.a.	-
11. Net Gains (Losses) on Assets at FV through Income Statement	n.a.	n.a.	-	0.0	0.00	0.0	0.00	0.0	0.00	n.a.	-
12. Net Insurance Income	n.a.	n.a.	-	0.0	0.00	0.0	0.00	0.0	0.00	n.a.	-
13. Net Fees and Commissions	n.a.	n.a.	-	0.0	0.00	0.0	0.00	0.0	0.00	n.a.	-
14. Other Operating Income	5.3	4.8	1.08	14.1	1.67	16.6	1.98	23.4	2.79	20.2	2.50
15. Total Non-Interest Operating Income	**4.2**	**3.8**	**0.85**	**14.1**	**1.67**	**16.6**	**1.98**	**23.4**	**2.79**	**20.2**	**2.50**
16. Personnel Expenses	4.6	4.1	0.92	8.6	1.02	9.5	1.14	10.8	1.29	10.8	1.34
17. Other Operating Expenses	7.2	6.5	1.46	32.4	3.83	18.1	2.16	19.0	2.26	18.9	2.34
18. Total Non-Interest Expenses	**11.8**	**10.6**	**2.38**	**41.0**	**4.85**	**27.6**	**3.30**	**29.8**	**3.55**	**29.7**	**3.68**
19. Equity-accounted Profit/ Loss - Operating	n.a.	n.a.	-	0.0	0.00	0.0	0.00	0.0	0.00	n.a.	-
20. Pre-Impairment Operating Profit	**40.0**	**36.0**	**8.10**	**20.8**	**2.46**	**44.2**	**5.28**	**55.9**	**6.66**	**30.5**	**3.78**
21. Loan Impairment Charge	n.a.	n.a.	-	0.0	0.00	0.0	0.00	0.0	0.00	n.a.	-
22. Securities and Other Credit Impairment Charges	n.a.	n.a.	-	0.0	0.00	0.0	0.00	0.0	0.00	n.a.	-
23. Operating Profit	**40.0**	**36.0**	**8.10**	**20.8**	**2.46**	**44.2**	**5.28**	**55.9**	**6.66**	**30.5**	**3.78**
24. Equity-accounted Profit/ Loss - Non-operating	n.a.	n.a.	-	0.0	0.00	0.0	0.00	0.0	0.00	n.a.	-
25. Non-recurring Income	n.a.	n.a.	-	17.2	2.03	2.4	0.29	0.0	0.00	n.a.	-
26. Non-recurring Expense	n.a.	n.a.	-	0.0	0.00	0.0	0.00	0.0	0.00	n.a.	-
27. Change in Fair Value of Own Debt	n.a.	n.a.	-	0.0	0.00	0.0	0.00	0.0	0.00	n.a.	-
28. Other Non-operating Income and Expenses	n.a.	n.a.	-	0.0	0.00	(17.3)	(2.07)	(20.8)	(2.48)	(6.4)	(0.79)
29. Pre-tax Profit	**40.0**	**36.0**	**8.10**	**38.0**	**4.49**	**29.3**	**3.50**	**35.1**	**4.18**	**24.1**	**2.98**
30. Tax expense	1.3	1.2	0.27	3.1	0.37	4.2	0.50	3.7	0.44	2.5	0.31
31. Profit/Loss from Discontinued Operations	n.a.	n.a.	-	0.0	0.00	0.0	0.00	0.0	0.00	n.a.	-
32. Net Income	**38.6**	**34.8**	**7.83**	**34.9**	**4.13**	**25.1**	**3.00**	**31.4**	**3.74**	**21.6**	**2.67**
33. Change in Value of AFS Investments	n.a.	n.a.	-	0.0	0.00	0.0	0.00	0.0	0.00	n.a.	-
34. Revaluation of Fixed Assets	n.a.	n.a.	-	0.0	0.00	0.0	0.00	0.0	0.00	n.a.	-
35. Currency Translation Differences	n.a.	n.a.	-	0.0	0.00	0.0	0.00	0.0	0.00	n.a.	-
36. Remaining OCI Gains/(losses)	n.a.	n.a.	-	0.0	0.00	0.0	0.00	0.0	0.00	n.a.	-
37. Fitch Comprehensive Income	**38.6**	**34.8**	**7.83**	**34.9**	**4.13**	**25.1**	**3.00**	**31.4**	**3.74**	**21.6**	**2.67**
38. Memo: Profit Allocation to Non-controlling Interests	n.a.	n.a.	-	0.0	0.00	0.0	0.00	0.0	0.00	n.a.	-
39. Memo: Net Income after Allocation to Non-controlling Interests	38.6	34.8	7.83	34.9	4.13	25.1	3.00	31.4	3.74	21.6	2.67
40. Memo: Common Dividends Relating to the Period	22.5	20.3	4.57	10.2	1.21	10.1	1.21	9.9	1.18	9.0	1.11
41. Memo: Preferred Dividends Related to the Period	n.a.	n.a.	-	0.0	0.00	0.0	0.00	0.0	0.00	n.a.	-
Exchange rate		USD1 = EUR0.90070		USD1 = EUR0.91850		USD1 = EUR0.82370		USD1 = EUR0.72510		USD1 = EUR0.75790	

ProCredit Holding AG & Co. KGaA - Holding Company
Balance Sheet

	30 Jun 2016			31 Dec 2015		31 Dec 2014		31 Dec 2013		31 Dec 2012	
	6 Months - Interim USDm	nths - Interim EURm	As % of Assets	Year End EURm	As % of Assets	Year End EURm	As % of Assets	Year End EURm	As % of Assets	Year End EURm	As % of Assets
Assets											
A. Loans											
1. Residential Mortgage Loans	n.a.	n.a.	-	0.0	0.00	0.0	0.00	0.0	0.00	n.a.	-
2. Other Mortgage Loans	n.a.	n.a.	-	0.0	0.00	0.0	0.00	0.0	0.00	n.a.	-
3. Other Consumer/ Retail Loans	n.a.	n.a.	-	0.0	0.00	0.0	0.00	0.0	0.00	n.a.	-
4. Corporate & Commercial Loans	n.a.	n.a.	-	0.0	0.00	0.0	0.00	0.0	0.00	n.a.	-
5. Other Loans	252.7	227.6	23.53	205.0	22.22	188.3	20.43	176.9	19.35	171.6	19.88
6. Less: Reserves for Impaired Loans	n.a.	n.a.	-	0.0	0.00	0.0	0.00	0.0	0.00	n.a.	-
7. Net Loans	**252.7**	**227.6**	**23.53**	**205.0**	**22.22**	**188.3**	**20.43**	**176.9**	**19.35**	**171.6**	**19.88**
8. Gross Loans	**252.7**	**227.6**	**23.53**	**205.0**	**22.22**	**188.3**	**20.43**	**176.9**	**19.35**	**171.6**	**19.88**
9. Memo: Impaired Loans included above	n.a.	n.a.	-	0.0	0.00	0.0	0.00	0.0	0.00	n.a.	-
10. Memo: Loans at Fair Value included above	n.a.	n.a.	-	0.0	0.00	0.0	0.00	0.0	0.00	n.a.	-
B. Other Earning Assets											
1. Loans and Advances to Banks	n.a.	n.a.	-	0.0	0.00	0.0	0.00	0.0	0.00	n.a.	-
2. Reverse Repos and Cash Collateral	n.a.	n.a.	-	0.0	0.00	0.0	0.00	0.0	0.00	n.a.	-
3. Trading Securities and at FV through Income	n.a.	n.a.	-	0.0	0.00	0.0	0.00	0.0	0.00	n.a.	-
4. Derivatives	0.0	0.0	0.00	3.2	0.35	1.9	0.21	2.1	0.23	1.1	0.13
5. Available for Sale Securities	n.a.	n.a.	-	0.0	0.00	0.0	0.00	0.0	0.00	n.a.	-
6. Held to Maturity Securities	n.a.	n.a.	-	0.0	0.00	0.0	0.00	0.0	0.00	n.a.	-
7. Equity Investments in Associates	739.9	666.4	68.89	637.8	69.15	646.5	70.16	650.3	71.15	606.4	70.24
8. Other Securities	n.a.	n.a.	-	0.0	0.00	0.0	0.00	10.3	1.13	28.8	3.34
9. Total Securities	**739.9**	**666.4**	**68.89**	**641.0**	**69.49**	**648.4**	**70.36**	**662.7**	**72.51**	**636.3**	**73.71**
10. Memo: Government Securities included Above	n.a.	n.a.	-	0.0	0.00	0.0	0.00	0.0	0.00	n.a.	-
11. Memo: Total Securities Pledged	n.a.	n.a.	-	0.0	0.00	0.0	0.00	0.0	0.00	n.a.	-
12. Investments in Property	n.a.	n.a.	-	0.0	0.00	0.0	0.00	0.0	0.00	n.a.	-
13. Insurance Assets	n.a.	n.a.	-	0.0	0.00	0.0	0.00	0.0	0.00	n.a.	-
14. Other Earning Assets	n.a.	n.a.	-	0.0	0.00	0.0	0.00	0.0	0.00	n.a.	-
15. Total Earning Assets	**992.6**	**894.0**	**92.42**	**846.0**	**91.72**	**836.7**	**90.80**	**839.6**	**91.86**	**807.9**	**93.58**
C. Non-Earning Assets											
1. Cash and Due From Banks	22.9	20.6	2.13	29.6	3.21	14.5	1.57	33.2	3.63	2.5	0.29
2. Memo: Mandatory Reserves included above	n.a.	n.a.	-	0.0	0.00	0.0	0.00	0.0	0.00	n.a.	-
3. Foreclosed Real Estate	n.a.	n.a.	-	0.0	0.00	0.0	0.00	0.0	0.00	n.a.	-
4. Fixed Assets	4.9	4.4	0.45	4.7	0.51	5.2	0.56	5.7	0.62	6.0	0.70
5. Goodwill	n.a.	n.a.	-	0.0	0.00	0.0	0.00	0.0	0.00	n.a.	-
6. Other Intangibles	0.0	0.0	0.00	0.1	0.01	0.1	0.01	0.3	0.03	0.4	0.05
7. Current Tax Assets	n.a.	n.a.	-	0.0	0.00	0.0	0.00	0.0	0.00	n.a.	-
8. Deferred Tax Assets	n.a.	n.a.	-	0.0	0.00	0.0	0.00	0.0	0.00	n.a.	-
9. Discontinued Operations	n.a.	n.a.	-	0.0	0.00	0.0	0.00	0.0	0.00	n.a.	-
10. Other Assets	53.6	48.3	4.99	42.0	4.55	65.0	7.05	35.2	3.85	46.5	5.39
11. Total Assets	**1,073.9**	**967.3**	**100.00**	**922.4**	**100.00**	**921.5**	**100.00**	**914.0**	**100.00**	**863.3**	**100.00**
Liabilities and Equity											
D. Interest-Bearing Liabilities											
1. Customer Deposits - Current	n.a.	n.a.	-	0.0	0.00	0.0	0.00	0.0	0.00	n.a.	-
2. Customer Deposits - Savings	n.a.	n.a.	-	0.0	0.00	0.0	0.00	0.0	0.00	n.a.	-
3. Customer Deposits - Term	n.a.	n.a.	-	0.0	0.00	0.0	0.00	0.0	0.00	n.a.	-
4. Total Customer Deposits	**n.a.**	**n.a.**	**-**	**n.a.**	**-**	**n.a.**	**-**	**n.a.**	**-**	**n.a.**	**-**
5. Deposits from Banks	230.2	207.3	21.43	34.4	3.73	21.2	2.30	189.5	20.73	181.0	20.97
6. Repos and Cash Collateral	n.a.	n.a.	-	0.0	0.00	0.0	0.00	0.0	0.00	n.a.	-
7. Commercial Paper and Short-term Borrowings	2.2	2.0	0.21	37.1	4.02	52.4	5.69	8.6	0.94	25.9	3.00
8. Total Money Market and Short-term Funding	**232.4**	**209.3**	**21.64**	**71.5**	**7.75**	**73.6**	**7.99**	**198.1**	**21.67**	**206.9**	**23.97**
9. Senior Unsecured Debt (original maturity > 1 year)	303.7	273.5	28.27	373.1	40.45	312.3	33.89	162.9	17.82	122.8	14.22
10. Subordinated Borrowing	n.a.	n.a.	-	0.0	0.00	0.0	0.00	0.0	0.00	n.a.	-
11. Covered Bonds	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
12. Other Long-term Funding	n.a.	n.a.	-	0.0	0.00	10.6	1.15	20.9	2.29	78.4	9.08
13. Total LT Funding (original maturity > 1 year)	**303.7**	**273.5**	**28.27**	**373.1**	**40.45**	**322.9**	**35.04**	**183.8**	**20.11**	**201.2**	**23.31**
14. Derivatives	n.a.	n.a.	-	0.0	0.00	0.0	0.00	0.0	0.00	n.a.	-
15. Trading Liabilities	n.a.	n.a.	-	0.0	0.00	0.0	0.00	0.0	0.00	n.a.	-
16. Total Funding	**536.0**	**482.8**	**49.91**	**444.6**	**48.20**	**396.5**	**43.03**	**381.9**	**41.78**	**408.1**	**47.27**
E. Non-Interest Bearing Liabilities											
1. Fair Value Portion of Debt	n.a.	n.a.	-	0.0	0.00	0.0	0.00	0.0	0.00	n.a.	-
2. Credit impairment reserves	n.a.	n.a.	-	0.0	0.00	0.0	0.00	0.0	0.00	n.a.	-
3. Reserves for Pensions and Other	1.3	1.2	0.12	0.8	0.09	0.7	0.08	0.6	0.07	0.7	0.08
4. Current Tax Liabilities	0.1	0.1	0.01	0.1	0.01	0.1	0.01	0.1	0.01	n.a.	-
5. Deferred Tax Liabilities	n.a.	n.a.	-	0.0	0.00	0.0	0.00	0.0	0.00	n.a.	-
6. Other Deferred Liabilities	0.3	0.3	0.03	0.2	0.02	0.2	0.02	1.0	0.11	n.a.	-
7. Discontinued Operations	n.a.	n.a.	-	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
8. Insurance Liabilities	n.a.	n.a.	-	0.0	0.00	0.0	0.00	0.0	0.00	n.a.	-
9. Other Liabilities	25.8	23.2	2.40	31.5	3.42	36.4	3.95	57.7	6.31	3.2	0.37
10. Total Liabilities	**563.6**	**507.6**	**52.48**	**477.2**	**51.73**	**433.9**	**47.09**	**441.3**	**48.28**	**412.0**	**47.72**
F. Hybrid Capital											
1. Pref. Shares and Hybrid Capital accounted for as Debt	n.a.	n.a.	-	0.0	0.00	67.1	7.28	67.1	7.34	67.2	7.78
2. Pref. Shares and Hybrid Capital accounted for as Equity	n.a.	n.a.	-	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
G. Equity											
1. Common Equity	510.4	459.7	47.52	445.2	48.27	420.5	45.63	405.6	44.38	384.1	44.49
2. Non-controlling Interest	n.a.	n.a.	-	0.0	0.00	0.0	0.00	0.0	0.00	n.a.	-
3. Securities Revaluation Reserves	n.a.	n.a.	-	0.0	0.00	0.0	0.00	0.0	0.00	n.a.	-
4. Foreign Exchange Revaluation Reserves	n.a.	n.a.	-	0.0	0.00	0.0	0.00	0.0	0.00	n.a.	-
5. Fixed Asset Revaluations and Other Accumulated OCI	n.a.	n.a.	-	0.0	0.00	0.0	0.00	0.0	0.00	n.a.	-
6. Total Equity	**510.4**	**459.7**	**47.52**	**445.2**	**48.27**	**420.5**	**45.63**	**405.6**	**44.38**	**384.1**	**44.49**
7. Total Liabilities and Equity	**1,073.9**	**967.3**	**100.00**	**922.4**	**100.00**	**921.5**	**100.00**	**914.0**	**100.00**	**863.3**	**100.00**
8. Memo: Fitch Core Capital	n.a.	n.a.	-	445.1	48.25	420.4	45.62	405.3	44.34	383.7	44.45

Exchange rate	USD1 = EUR0.90070	USD1 = EUR0.91850	USD1 = EUR0.82370	USD1 = EUR0.72510	USD1 = EUR0.75790

The ratings above were solicited by, or on behalf of, the issuer, and therefore, Fitch has been compensated for the provision of the ratings.