

The ProCredit group continues to grow in the first quarter of 2017

- **Stronger positioning as the Hausbank for small and medium-sized businesses.**
- **Customer loan portfolio grew by 2.5% in the first quarter of 2017, compared to a decrease of 1.3% in the first quarter of 2016 (continued operations only).**
- **In the group's core segment of loans over EUR 30,000, the customer loan portfolio grew by 4.9% (EUR 144 million) in the first quarter of 2017. This represents a clear improvement compared to the 0.6% (EUR 16 million) recorded in Q1 2016 (continued operations only).**
- **Consolidated profit of EUR 11.9 million slightly above previous year's level (Q1 2016: EUR 11.0 million).**

Frankfurt am Main, 15 May 2017 – ProCredit Holding AG & Co. KGaA (ProCredit Holding), parent company of the ProCredit group of banks, is off to a good start in 2017. The customer loan portfolio of the ProCredit group, which has positioned itself as the Hausbank for small and medium-sized companies (SMEs) and whose operational focus is on South Eastern and Eastern Europe, has grown by 2.5% to EUR 3.7 billion since the beginning of the year as of 31 March 2017 (31 December 2016: EUR 3.6 billion). This figure also includes the South America and Germany segments.

Strong growth in the group's core segment of loans over EUR 30,000

In the core segment of loans with volumes above EUR 30,000, the ProCredit group achieved growth of 4.9% to EUR 3.1 billion in the first quarter of 2017 (31 December 2016: EUR 2.9 billion). This growth is particularly impressive in that it was achieved in the first quarter, when growth is typically not very strong. It demonstrates the market potential of region and the outstanding positioning of the ProCredit banks. South Eastern Europe and Eastern Europe both recorded portfolio growth in the core segment, i.e. 4.6% and 6.7%, respectively. In South America, growth in the core segment reached 0.2%. In the first quarter of 2017, the development of the overall customer loan portfolio continued to be affected by the planned reduction of the portfolio of loans under EUR 30,000. The withdrawal from lending to very small businesses with financing needs below EUR 30,000 is a consequence of the strategic focus on SMEs with good development and growth potential, which generally need loans in amounts ranging from EUR 30,000 to EUR 3 million. Loans to businesses account for 91.3% of the customer loan portfolio, with 18.5% of these disbursed to clients in the agricultural sector. Loans to private clients account for 8.7% of the customer loan portfolio, and most of these are mortgage loans to purchase or renovate real estate or to improve its energy efficiency. Consumer loans made up only a minor share of the portfolio.

The loan portfolio of the ProCredit group continues to be highly diversified. The largest ten exposures represented 1.6% of the group's total customer loan portfolio at the end of the first quarter.

Stable earnings

At EUR 11.9 million in the first quarter of 2017, the ProCredit group slightly surpassed the previous year's earnings (Q1 2016: EUR 11.0 million). This translates into a return on average equity (RoAE) of 7.0% (Q1 2016: 7.1%). In its continuing business operations, the ProCredit group's result of EUR 9.5 million was of a magnitude similar to that of the previous year (Q1 2016: EUR 10.0 million). The focus on providing financing to small and medium-sized companies, coupled with the withdrawal from lending to very small businesses, has resulted in better portfolio quality as well as lower loan loss provisions. This effect, along with the rise in non-interest income, compensated for the reduction of net interest income in line with the group's strategy.

Borislav Kostadinov, member of the Management Board of ProCredit General Partner AG (personally liable managing partner of ProCredit Holding AG & Co. KGaA), elaborated: *"We are pleased with this year's start. We are especially glad that we were able to continue growing in our core markets and increase the total loan portfolio by 2.5%, including growth in the core segment of 4.9%. That is additionally encouraging, given that in the first quarter of 2016 our customer loan portfolio decreased by 1.3%, which represents a 'swing' (or a net difference) of EUR 143.2 million. For us, this is a clear confirmation that our strategy of being the Hausbank for small and medium-sized companies was the right path to take."*

The Common Equity Tier 1 capital (CET1 fully loaded) remained nearly unchanged at 12.3% as of 31 March 2017 (31 December 2016: 12.4%).

Positive outlook for the rest of the 2017 financial year

"The good result of the first quarter gives us an optimistic outlook for the remainder of the year. On the basis of the portfolio growth we achieved in the first three months, the return on equity thus far and our continuing solid capital base, we can confirm our confidence in the overall forecast," Mr Kostadinov explained.

For the current financial year, the Management Board of ProCredit Holding expects net growth in the group's customer loan portfolio of between 5% and 8%. The return on average equity should be between 7% and 9%. Upon completion of the sale of the banks in Nicaragua and El Salvador, as well as the allocation of profits as recommended at the Annual General Meeting (in part carrying forward the profit for 2016), the Common Equity Tier 1 capital ratio (CET1 fully loaded) is expected to exceed 13%.

The group's quarterly report is available in the German and English languages as of today on the ProCredit Holding website under [Investor Relations](http://www.procredit-holding.com/en/investor-relations/reports-publications.html) at <http://www.procredit-holding.com/en/investor-relations/reports-publications.html>.

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About the ProCredit Holding

ProCredit Holding AG & Co. KGaA, based in Frankfurt am Main, Germany, is the parent company of the development-oriented ProCredit group, which consists of commercial banks for small and medium enterprises (SMEs) and whose operational focus is on South Eastern and Eastern Europe. In addition to this regional presence, the ProCredit group is also active in South America and Germany. The company's shares are traded on the Prime Standard segment of the Frankfurt Stock Exchange. The anchor shareholders of ProCredit Holding AG & Co. KGaA include the strategic investors Zeitinger Invest and ProCredit Staff Invest (comprising the investment vehicles for ProCredit staff), the Dutch DOEN Participaties BV, KfW and the IFC (part of the World Bank Group). As the group's superordinated company according to the German Banking Act, ProCredit Holding AG & Co. KGaA is supervised on a consolidated level by the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht, BaFin) and the German Bundesbank. More information can be found on the company's website at www.procredit-holding.com.

Forward-looking

statements

This press release contains forward-looking statements. Forward-looking statements are statements that do not describe past events; they include statements on the assumptions and expectations of ProCredit Holding as well as the underlying assumptions. These statements are based on the plans, estimates and forecasts currently available to the Management of ProCredit Holding. Forward-looking statements therefore pertain solely to the date on which they are made. ProCredit Holding undertakes no obligation to update these statements in the event of new information or future events. Forward-looking statements naturally involve risks and uncertainties. A number of important factors can contribute to the fact that actual results may differ materially from forward-looking statements. Such factors include major disruptions in the Eurozone, a significant change in foreign trade or monetary policy, a worsening of the interest rate margin or pronounced exchange rate fluctuations. Should any of these factors arise, the impact could be manifested in decreased loan portfolio growth and an increase in past-due loans, and thus result in lower profitability.