CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Quarter 2/2016

ProCredit Holding AG & Co. KGaA
## Consolidated Statement of Profit or Loss

<table>
<thead>
<tr>
<th>Note</th>
<th>01.04. - 30.06.2016</th>
<th>01.04. - 30.06.2015</th>
<th>01.01. - 30.06.2016</th>
<th>01.01. - 30.06.2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest and similar income</td>
<td>98,562</td>
<td>108,101</td>
<td>199,851</td>
<td>216,892</td>
</tr>
<tr>
<td>Interest and similar expenses</td>
<td>28,243</td>
<td>31,516</td>
<td>56,349</td>
<td>63,759</td>
</tr>
<tr>
<td><strong>Net interest income</strong></td>
<td>(5)</td>
<td>70,319</td>
<td>76,583</td>
<td>143,502</td>
</tr>
<tr>
<td>Allowance for losses on loans and advances to customers</td>
<td>5,224</td>
<td>7,652</td>
<td>15,717</td>
<td>16,404</td>
</tr>
<tr>
<td><strong>Net interest income after allowances</strong></td>
<td>(6)</td>
<td>65,096</td>
<td>68,931</td>
<td>127,785</td>
</tr>
<tr>
<td>Fee and commission income</td>
<td>15,333</td>
<td>15,940</td>
<td>30,081</td>
<td>30,690</td>
</tr>
<tr>
<td>Fee and commission expenses</td>
<td>4,432</td>
<td>3,969</td>
<td>8,460</td>
<td>7,529</td>
</tr>
<tr>
<td><strong>Net fee and commission income</strong></td>
<td>(7)</td>
<td>10,901</td>
<td>11,971</td>
<td>21,621</td>
</tr>
<tr>
<td>Result from foreign exchange transactions</td>
<td>2,675</td>
<td>4,176</td>
<td>4,752</td>
<td>6,858</td>
</tr>
<tr>
<td>Net result from financial instruments at fair value through profit or loss</td>
<td>-53</td>
<td>-130</td>
<td>-447</td>
<td>950</td>
</tr>
<tr>
<td>Net result from available-for-sale financial assets</td>
<td>4,043</td>
<td>216</td>
<td>4,375</td>
<td>-134</td>
</tr>
<tr>
<td>Net other operating income</td>
<td>-4,391</td>
<td>-3,213</td>
<td>-10,552</td>
<td>-6,406</td>
</tr>
<tr>
<td><strong>Operating income</strong></td>
<td>78,271</td>
<td>81,950</td>
<td>147,534</td>
<td>161,158</td>
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<tr>
<td>Personnel expenses</td>
<td>25,782</td>
<td>29,557</td>
<td>51,317</td>
<td>58,831</td>
</tr>
<tr>
<td>Administrative expenses</td>
<td>30,747</td>
<td>34,152</td>
<td>60,010</td>
<td>65,895</td>
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<tr>
<td>Operating expenses</td>
<td>56,529</td>
<td>63,708</td>
<td>111,327</td>
<td>124,726</td>
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<tr>
<td><strong>Profit before tax</strong></td>
<td>21,742</td>
<td>18,242</td>
<td>36,208</td>
<td>36,432</td>
</tr>
<tr>
<td>Income tax expenses</td>
<td>(8)</td>
<td>4,378</td>
<td>4,960</td>
<td>8,947</td>
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<tr>
<td><strong>Profit of the period from continuing operations</strong></td>
<td>17,364</td>
<td>13,282</td>
<td>27,261</td>
<td>26,354</td>
</tr>
<tr>
<td>Profit of the period from discontinued operations</td>
<td>(16)</td>
<td>900</td>
<td>3,366</td>
<td>2,051</td>
</tr>
<tr>
<td><strong>Profit of the period</strong></td>
<td>18,264</td>
<td>16,648</td>
<td>29,312</td>
<td>33,086</td>
</tr>
<tr>
<td>Profit attributable to equity holders of the parent company</td>
<td>17,960</td>
<td>15,929</td>
<td>28,545</td>
<td>32,047</td>
</tr>
<tr>
<td>Profit attributable to non-controlling interests</td>
<td>304</td>
<td>718</td>
<td>767</td>
<td>1,039</td>
</tr>
</tbody>
</table>
### Consolidated Statement of Other Comprehensive Income

<table>
<thead>
<tr>
<th>In '000 EUR</th>
<th>01.04. - 30.06.2016</th>
<th>01.04. - 01.01.-</th>
<th>01.04. - 30.06.2015</th>
<th>01.01.- 30.06.2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit of the period</td>
<td>18,264</td>
<td>16,648</td>
<td>29,312</td>
<td>33,086</td>
</tr>
<tr>
<td><strong>Items that will not be reclassified to profit or loss</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change in revaluation reserve from remeasurements of post employment benefits</td>
<td>-466</td>
<td>-64</td>
<td>-469</td>
<td>-133</td>
</tr>
<tr>
<td>Change in deferred tax from remeasurements of post employment benefits</td>
<td>74</td>
<td>16</td>
<td>75</td>
<td>33</td>
</tr>
<tr>
<td><strong>Items that are or may be reclassified to profit or loss</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change in revaluation reserve from available-for-sale financial assets</td>
<td>-2,998</td>
<td>-312</td>
<td>-3,448</td>
<td>218</td>
</tr>
<tr>
<td>Change in deferred tax on revaluation reserve from available-for-sale financial assets</td>
<td>304</td>
<td>14</td>
<td>383</td>
<td>-42</td>
</tr>
<tr>
<td>Change in translation reserve</td>
<td>9,265</td>
<td>-1,663</td>
<td>29</td>
<td>8,624</td>
</tr>
<tr>
<td><strong>Other comprehensive income of the period, net of tax continuing operations</strong></td>
<td>6,180</td>
<td>-2,009</td>
<td>-3,431</td>
<td>8,701</td>
</tr>
<tr>
<td><strong>Other comprehensive income of the period, net of tax discontinued operations</strong></td>
<td>478</td>
<td>-3,596</td>
<td>-96</td>
<td>7,146</td>
</tr>
<tr>
<td>Total comprehensive income of the period</td>
<td>24,922</td>
<td>11,043</td>
<td>25,785</td>
<td>48,933</td>
</tr>
<tr>
<td>Comprehensive income attributable to equity holders of the parent company</td>
<td>20,430</td>
<td>3,535</td>
<td>21,757</td>
<td>41,495</td>
</tr>
<tr>
<td>Comprehensive income attributable to non-controlling interests</td>
<td>4,492</td>
<td>7,508</td>
<td>4,028</td>
<td>7,438</td>
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</tbody>
</table>
## Consolidated Statement of Financial Position

### Assets

<table>
<thead>
<tr>
<th>Description</th>
<th>Note</th>
<th>30.06.2016</th>
<th>31.12.2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>(9)</td>
<td>871,648</td>
<td>834,191</td>
</tr>
<tr>
<td>Loans and advances to banks</td>
<td></td>
<td>295,506</td>
<td>339,395</td>
</tr>
<tr>
<td>Financial assets at fair value through profit or loss</td>
<td></td>
<td>268</td>
<td>891</td>
</tr>
<tr>
<td>Available-for-sale financial assets</td>
<td></td>
<td>202,510</td>
<td>206,970</td>
</tr>
<tr>
<td>Loans and advances to customers</td>
<td></td>
<td>4,142,563</td>
<td>4,104,939</td>
</tr>
<tr>
<td>Allowance for losses on loans and advances to customers</td>
<td>(10)</td>
<td>-178,039</td>
<td>-176,608</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td></td>
<td>173,441</td>
<td>172,211</td>
</tr>
<tr>
<td>Investment properties</td>
<td></td>
<td>2,106</td>
<td>2,176</td>
</tr>
<tr>
<td>Intangible assets</td>
<td></td>
<td>23,843</td>
<td>23,758</td>
</tr>
<tr>
<td>Current tax assets</td>
<td></td>
<td>3,149</td>
<td>3,262</td>
</tr>
<tr>
<td>Deferred tax assets</td>
<td></td>
<td>6,029</td>
<td>6,001</td>
</tr>
<tr>
<td>Other assets</td>
<td></td>
<td>68,147</td>
<td>63,363</td>
</tr>
<tr>
<td>Assets held for sale</td>
<td>(16)</td>
<td>423,690</td>
<td>428,919</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td></td>
<td><strong>6,034,859</strong></td>
<td><strong>6,009,469</strong></td>
</tr>
</tbody>
</table>

### Liabilities

<table>
<thead>
<tr>
<th>Description</th>
<th></th>
<th>30.06.2016</th>
<th>31.12.2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liabilities to banks</td>
<td></td>
<td>358,363</td>
<td>394,244</td>
</tr>
<tr>
<td>Financial liabilities at fair value through profit or loss</td>
<td></td>
<td>1,921</td>
<td>2,350</td>
</tr>
<tr>
<td>Liabilities to customers</td>
<td></td>
<td>3,812,757</td>
<td>3,792,994</td>
</tr>
<tr>
<td>Liabilities to international financial institutions</td>
<td></td>
<td>517,811</td>
<td>509,443</td>
</tr>
<tr>
<td>Debt securities</td>
<td>(11)</td>
<td>202,434</td>
<td>205,188</td>
</tr>
<tr>
<td>Other liabilities</td>
<td></td>
<td>22,631</td>
<td>27,035</td>
</tr>
<tr>
<td>Provisions</td>
<td></td>
<td>17,008</td>
<td>17,923</td>
</tr>
<tr>
<td>Current tax liabilities</td>
<td></td>
<td>1,365</td>
<td>1,980</td>
</tr>
<tr>
<td>Deferred tax liabilities</td>
<td></td>
<td>4,125</td>
<td>4,251</td>
</tr>
<tr>
<td>Subordinated debt</td>
<td></td>
<td>165,472</td>
<td>131,353</td>
</tr>
<tr>
<td>Liabilities related to assets held for sale</td>
<td>(16)</td>
<td>322,927</td>
<td>318,709</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td></td>
<td><strong>5,426,814</strong></td>
<td><strong>5,405,471</strong></td>
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</tbody>
</table>

### Equity

<table>
<thead>
<tr>
<th>Description</th>
<th></th>
<th>30.06.2016</th>
<th>31.12.2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subscribed capital</td>
<td></td>
<td>254,123</td>
<td>254,123</td>
</tr>
<tr>
<td>Capital reserve</td>
<td></td>
<td>97,178</td>
<td>97,178</td>
</tr>
<tr>
<td>Legal reserve</td>
<td></td>
<td>136</td>
<td>136</td>
</tr>
<tr>
<td>Retained earnings</td>
<td></td>
<td>294,850</td>
<td>283,908</td>
</tr>
<tr>
<td>Translation reserve</td>
<td></td>
<td>-46,550</td>
<td>-43,688</td>
</tr>
<tr>
<td>Revaluation reserve</td>
<td></td>
<td>683</td>
<td>4,610</td>
</tr>
<tr>
<td><strong>Equity attributable to equity holders of the parent company</strong></td>
<td></td>
<td><strong>600,420</strong></td>
<td><strong>596,267</strong></td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td></td>
<td>7,626</td>
<td>7,731</td>
</tr>
<tr>
<td><strong>Total equity</strong></td>
<td></td>
<td><strong>608,046</strong></td>
<td><strong>603,998</strong></td>
</tr>
</tbody>
</table>

**Total equity and liabilities**                                            **6,034,859** | **6,009,469**
## Consolidated Statement of Changes in Equity

<table>
<thead>
<tr>
<th>Subscribed capital</th>
<th>Capital reserve</th>
<th>Legal reserve</th>
<th>Retained earnings</th>
<th>Translation reserve</th>
<th>Revaluation reserve</th>
<th>Equity attributable to equity holders of the parent company</th>
<th>Non-controlling interests</th>
<th>Total equity</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Balance at January 1, 2016</strong></td>
<td>254,123</td>
<td>97,178</td>
<td>136</td>
<td>283,908</td>
<td>-43,688</td>
<td>4,610</td>
<td>596,267</td>
<td>7,731</td>
</tr>
<tr>
<td>Change in reserve</td>
<td>-2,862</td>
<td>-2,862</td>
<td>3,288</td>
<td>426</td>
<td></td>
<td></td>
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<tr>
<td>Revaluation of afs securities</td>
<td>-3,066</td>
<td>-3,066</td>
<td>0</td>
<td>-3,066</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revaluation of actuarial gains and losses</td>
<td>-861</td>
<td>-861</td>
<td>-26</td>
<td>-887</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Other comprehensive income of the period, net of tax</td>
<td>-2,862</td>
<td>-3,927</td>
<td>3,262</td>
<td>-3,527</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit of the period</td>
<td>28,545</td>
<td>28,545</td>
<td>767</td>
<td>29,312</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total comprehensive income of the period</td>
<td>28,545</td>
<td>-2,862</td>
<td>-3,927</td>
<td>21,757</td>
<td>4,028</td>
<td>25,785</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change derived from purchase/sale of shares of subsidiaries</td>
<td>1,792</td>
<td>1,792</td>
<td>-3,392</td>
<td>-1,600</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Change from derecognition of actuarial gains and losses</td>
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<td>1,073</td>
<td>0</td>
<td>1,073</td>
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<td></td>
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<tr>
<td>Currency translation differences on retained earnings</td>
<td>7</td>
<td>7</td>
<td>7</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Distributed dividends</td>
<td>-20,331</td>
<td>-20,331</td>
<td>-1</td>
<td>-20,332</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Change of non-controlling interests</td>
<td>-145</td>
<td>-145</td>
<td>-741</td>
<td>-886</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td><strong>Balance at June 30, 2016</strong></td>
<td>254,123</td>
<td>97,178</td>
<td>136</td>
<td>294,850</td>
<td>-46,550</td>
<td>683</td>
<td>600,420</td>
<td>7,626</td>
</tr>
<tr>
<td>Change in reserve</td>
<td>9,372</td>
<td>9,372</td>
<td>6,398</td>
<td>15,770</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Revaluation of afs securities</td>
<td>176</td>
<td>176</td>
<td>0</td>
<td>176</td>
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<td></td>
<td></td>
<td></td>
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<tr>
<td>Revaluation of actuarial gains and losses</td>
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<td>-100</td>
<td>0</td>
<td>-100</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Other comprehensive income of the period, net of tax</td>
<td>9,372</td>
<td>76</td>
<td>6,399</td>
<td>15,847</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Profit of the period</td>
<td>32,047</td>
<td>32,047</td>
<td>1,039</td>
<td>33,086</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Total comprehensive income of the period</td>
<td>32,047</td>
<td>9,372</td>
<td>76</td>
<td>41,495</td>
<td>7,438</td>
<td>48,933</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change derived from purchase/sale of shares of subsidiaries</td>
<td>-2,455</td>
<td>-2,455</td>
<td>0</td>
<td>-2,455</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Currency translation differences on retained earnings</td>
<td>-24</td>
<td>-24</td>
<td>0</td>
<td>-24</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Distributed dividends</td>
<td>-10,165</td>
<td>-10,165</td>
<td>-1</td>
<td>-10,166</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change of non-controlling interests</td>
<td>809</td>
<td>809</td>
<td>-7,195</td>
<td>-6,386</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Balance at June 30, 2015</strong></td>
<td>254,123</td>
<td>96,529</td>
<td>136</td>
<td>255,449</td>
<td>-39,349</td>
<td>889</td>
<td>567,777</td>
<td>17,505</td>
</tr>
</tbody>
</table>
## Consolidated Statement of Cash Flows

<table>
<thead>
<tr>
<th>01.01.-</th>
<th>01.01.-</th>
</tr>
</thead>
<tbody>
<tr>
<td>30.06.2016</td>
<td>30.06.2015</td>
</tr>
</tbody>
</table>

### Net profit after tax
29,312 33,086

### Income tax expenses
8,947 10,078

### Income tax from discontinued operations
277 2,061

### Profit before tax
38,535 45,225

### Non-cash items included in the profit of the period and transition to the cash flow from operating activities

- **Allowance for losses on loans and advances to customers**: 15,717 16,404
- **Measurement gains / losses from financial assets / liabilities designated at fair value through profit or loss**: 0 -1,201
- **Depreciation**: 14,457 14,114
- **Unrealised gains / losses from currency revaluation**: -29 -842
- **Addition to / release of provisions**: 3,929 6,400
- **Gains / losses from disposal of property, plant and equipment**: 174 1,016
- **Interest and dividends**: -143,502 -155,750
- **Other non-cash items**: -3,590 -3,670

### Cash flow from discontinued operations
638 -23,671

### Subtotal
-73,671 -101,975

### Increase / decrease of assets and liabilities from operating activities after non-cash items

- **Loans and advances to banks**: -1,003 12,990
- **Financial assets at fair value through profit or loss**: 624 -1,148
- **Financial assets available for sale**: 1,595 -1,407
- **Loans and advances to customers**: -57,307 -167,222
- **Other assets**: -7,802 -7,615
- **Liabilities to banks**: -17,348 10,986
- **Financial liabilities at fair value through profit or loss**: -429 -1,940
- **Liabilities to customers**: 55,522 55,840
- **Other liabilities**: -4,720 1,909
- **Interest received**: 197,334 211,557
- **Interest paid**: -56,791 -59,695
- **Income tax paid**: -9,087 -13,470

### Operating cash flow from discontinued operations
-40,516 22,313

### Cash flow from operating activities
-13,600 -38,877

### Purchase of / proceeds from:

- **Property, plant and equipment**: -16,473 -18,536
- **Subsidiaries**: 3,644 0
- **Securities**: -240 -344

### Investing cash flow from discontinued operations
2,222 -3,226

### Cash flow from investing activities
-10,847 -22,106

### Purchase of / proceeds from:

- **Dividends paid**: -20,332 -10,166
- **Acquisition of interest in subsidiaries from non-controlling interest**: -173 -7,533
- **Long-term borrowings**: 48,917 -17,072

### Financing cash flow from discontinued operations
-2,151 2,855

### Cash flow from financing activities
26,261 -31,917

### Cash and cash equivalents at end of previous year
849,124 874,166

### Cash flow from operating activities
-13,600 -38,877

### Cash flow from investing activities
-10,847 -22,106

### Cash flow from financing activities
26,261 -31,917

### Effects of exchange rate changes
-6,064 10,672

### Cash and cash equivalents at end of period
844,875 791,937

*The breakdown of the previous year’s figures has also been adapted to the current disclosure structure*
Notes to the Condensed Consolidated Interim Financial Statements

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A. Basis of Preparation

1. Compliance with International Financial Reporting Standards

The ProCredit group (the group) prepares its Consolidated Financial Statements in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board and adopted by the European Union (EU).

The Condensed Consolidated Interim Financial Statements for the first six months ended 30 June 2016 have been prepared in accordance with IAS 34, “Interim Financial Reporting”. The preparation of these Condensed Consolidated Interim Financial Statements follows the same accounting policies and methods of computation as were used for the group’s Consolidated Financial Statements for the financial year 2015. The Condensed Consolidated Interim Financial Statements should be read in conjunction with the Consolidated Financial Statements for the financial year 2015.

All amounts are presented in thousands of euros, unless otherwise stated. For computational reasons, the figures in the tables may exhibit rounding differences of ± one unit (EUR, %, etc.).

2. Compliance with German law

ProCredit Holding AG & Co. KGaA (ProCredit Holding), Frankfurt am Main, and its subsidiaries together form a financial holding group according to section 10a (3) of the German Banking Act (KWG). As the parent company of subsidiaries of which a majority are banks or financial institutions, ProCredit Holding presents the group’s Consolidated Financial Statements.

The ProCredit group’s Consolidated Financial Statements have been prepared in accordance with IFRS, as adopted by the EU, and the additional requirements established under section 340i of the German Commercial Code (HGB) in conjunction with section 315a (1) HGB. The Consolidated Financial Statements according to IFRS were prepared in accordance with section 315a (3) HGB in conjunction with section 315a (1) HGB on a voluntary basis.

ProCredit Holding is not a capital market-oriented parent company.

These Condensed Consolidated Interim Financial Statements of the ProCredit group were approved for issue by the Management Board of ProCredit General Partner AG, Frankfurt am Main, representing ProCredit Holding, on 29 July 2016.

3. Consolidation

The Condensed Consolidated Interim Financial Statements comprise the Financial Statements of ProCredit Holding and its subsidiaries. Subsidiaries are all companies which are controlled by the group, i.e. for which the group can determine the financial and operating policies. For the ProCredit group, control over a subsidiary is achieved when ProCredit Holding is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary.

In 2016, ProCredit Holding sold all of its shares in ProConfianza Mexico and the entity has been removed from the scope of consolidation (see also note 16).
There were no further changes in the group composition during the first six months of 2016 as compared to the Consolidated Financial Statements as of 31 December 2015.

4. Use of assumptions and estimates

The group’s financial reporting and its financial result are influenced by assumptions, estimates, and management judgements which necessarily have to be made in the preparation of the Condensed Consolidated Interim Financial Statements.

All estimates and assumptions required in conformity with IFRS are best estimates undertaken in accordance with the applicable standard. Estimates and judgements are evaluated on a continuous basis, are based on past experience and other factors, including expectations with regard to future events and are considered appropriate under the given circumstances. There were no material changes in estimates and assumptions in the current year.

Taxes on income in the interim period are accrued using the local tax rates that would be applicable to expected total annual earnings.

B. Notes to the Consolidated Statement of Profit or Loss

5. Net interest income

<table>
<thead>
<tr>
<th>in '000 EUR</th>
<th>01.04. - 30.06.2016</th>
<th>01.04. - 30.06.2015</th>
<th>01.01.- 30.06.2016</th>
<th>01.01.- 30.06.2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest and similar income from*</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>2,576</td>
<td>1,772</td>
<td>5,780</td>
<td>2,938</td>
</tr>
<tr>
<td>Loans and advances to banks</td>
<td>725</td>
<td>445</td>
<td>1,481</td>
<td>833</td>
</tr>
<tr>
<td>Available-for-sale assets</td>
<td>237</td>
<td>540</td>
<td>631</td>
<td>1,131</td>
</tr>
<tr>
<td>Loans and advances to customers</td>
<td>92,995</td>
<td>103,237</td>
<td>187,946</td>
<td>207,652</td>
</tr>
<tr>
<td>Unwinding</td>
<td>1,812</td>
<td>1,877</td>
<td>3,638</td>
<td>3,685</td>
</tr>
<tr>
<td>Early closure of TDA’s</td>
<td>216</td>
<td>230</td>
<td>376</td>
<td>653</td>
</tr>
<tr>
<td><strong>Interest and similar income</strong></td>
<td><strong>98,562</strong></td>
<td><strong>108,101</strong></td>
<td><strong>199,851</strong></td>
<td><strong>216,892</strong></td>
</tr>
</tbody>
</table>

| Interest and similar expenses on | | | | |
| Liabilities to banks | 3,013 | 2,903 | 6,051 | 6,237 |
| Liabilities to customers | 17,013 | 18,339 | 33,921 | 37,072 |
| Subordinated debt | 4,108 | 4,221 | 8,397 | 8,184 |
| Early closure of TDA’s | 2,123 | 2,419 | 3,949 | 4,910 |
| Debt securities and hybrid capital | 1,812 | 1,877 | 3,638 | 3,685 |
| Option agreements | 30 | 34 | 59 | 70 |
| **Interest and similar expenses** | **28,243** | **31,518** | **56,349** | **63,759** |

**Net interest income**

70,319 | 76,583 | 143,502 | 153,132

* The breakdown of the previous year’s figures has also been adapted to the current disclosure structure.
6. Allowance for losses on loans and advances to customers

<table>
<thead>
<tr>
<th>in '000 EUR</th>
<th>01.04.- 30.06.2016</th>
<th>01.04.- 30.06.2015</th>
<th>01.01.- 30.06.2016</th>
<th>01.01.- 30.06.2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase of impairment charge</td>
<td>44,863</td>
<td>47,652</td>
<td>95,276</td>
<td>98,905</td>
</tr>
<tr>
<td>Release of impairment charge</td>
<td>-34,103</td>
<td>-37,029</td>
<td>-70,763</td>
<td>-74,429</td>
</tr>
<tr>
<td>Recovery of written-off loans</td>
<td>-5,757</td>
<td>-3,900</td>
<td>-9,131</td>
<td>-9,767</td>
</tr>
<tr>
<td>Direct write-offs</td>
<td>220</td>
<td>930</td>
<td>335</td>
<td>1,695</td>
</tr>
<tr>
<td>Allowance for losses on loans and advances to customers</td>
<td><strong>5,224</strong></td>
<td><strong>7,652</strong></td>
<td><strong>15,717</strong></td>
<td><strong>16,404</strong></td>
</tr>
</tbody>
</table>

7. Net fee and commission income

<table>
<thead>
<tr>
<th>in '000 EUR</th>
<th>01.04.- 30.06.2016</th>
<th>01.04.- 30.06.2015</th>
<th>01.01.- 30.06.2016</th>
<th>01.01.- 30.06.2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fee and commission income from</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payment services</td>
<td>6,735</td>
<td>7,374</td>
<td>13,193</td>
<td>14,014</td>
</tr>
<tr>
<td>Debit/credit cards</td>
<td>2,928</td>
<td>2,452</td>
<td>5,611</td>
<td>5,386</td>
</tr>
<tr>
<td>Account maintenance fee</td>
<td>2,912</td>
<td>3,191</td>
<td>5,871</td>
<td>5,733</td>
</tr>
<tr>
<td>Letters of credit and guarantees</td>
<td>1,135</td>
<td>1,170</td>
<td>2,259</td>
<td>2,121</td>
</tr>
<tr>
<td>Other fee and commission income</td>
<td>1,625</td>
<td>1,753</td>
<td>3,147</td>
<td>3,436</td>
</tr>
<tr>
<td>Fee and commission income</td>
<td><strong>15,333</strong></td>
<td><strong>15,940</strong></td>
<td><strong>30,081</strong></td>
<td><strong>30,690</strong></td>
</tr>
</tbody>
</table>

| Fee and commission expenses on | | | | |
| Payment services | 1,492 | 1,408 | 2,704 | 2,588 |
| Debit/credit cards | 2,043 | 1,707 | 3,808 | 3,277 |
| Account maintenance fee | 532 | 412 | 994 | 789 |
| Letters of credit and guarantees | 130 | 189 | 433 | 356 |
| Other fee and commission expenses | 235 | 253 | 520 | 518 |
| Fee and commission expenses | **4,432** | **3,969** | **8,460** | **7,529** |

| Net fee and commission income | **10,901** | **11,971** | **21,621** | **23,161** |

8. Income tax expenses

Income tax expenses are recognised based on management’s estimate of the weighted average annual income tax rate expected for the full financial year. The estimated average annual income tax rate used for the year 2016 is 13.7% (the income tax rate for the six months ended 30 June 2016 was 10.6%).
C. Notes to the Consolidated Statement of Financial Position

9. Cash and cash equivalents

<table>
<thead>
<tr>
<th></th>
<th>30.06.2016</th>
<th>31.12.2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash in hand</td>
<td>222,990</td>
<td>217,920</td>
</tr>
<tr>
<td>Balances at central banks excluding mandatory reserves</td>
<td>182,156</td>
<td>163,743</td>
</tr>
<tr>
<td>Money market instruments</td>
<td>138,689</td>
<td>137,934</td>
</tr>
<tr>
<td>Mandatory reserve deposits</td>
<td>327,813</td>
<td>314,593</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents</strong></td>
<td><strong>871,648</strong></td>
<td><strong>834,191</strong></td>
</tr>
<tr>
<td>Cash from discontinuing operations</td>
<td>70,765</td>
<td>68,450</td>
</tr>
<tr>
<td>Loans and advances to banks with a maturity up to 3 months</td>
<td>269,951</td>
<td>332,305</td>
</tr>
<tr>
<td>Minimum reserve, which does not qualify as cash for the statement of cash flows</td>
<td>-367,490</td>
<td>-385,822</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents for the statement of cash flows</strong></td>
<td><strong>844,875</strong></td>
<td><strong>849,124</strong></td>
</tr>
</tbody>
</table>

10. Allowance for losses on loans and advances to customers

<table>
<thead>
<tr>
<th></th>
<th>30.06.2016</th>
<th>31.12.2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Specific impairment</td>
<td>70,978</td>
<td>70,249</td>
</tr>
<tr>
<td>Allowance for individually insignificant impaired loans</td>
<td>49,990</td>
<td>50,226</td>
</tr>
<tr>
<td>Allowance for collectively assessed loans</td>
<td>57,072</td>
<td>56,132</td>
</tr>
<tr>
<td><strong>Allowance for losses on loans and advances to customers</strong></td>
<td><strong>178,039</strong></td>
<td><strong>176,608</strong></td>
</tr>
</tbody>
</table>

11. Debt securities

In 2016, debt securities totalling EUR 2,607 thousand were repaid.

12. Fair value of financial instruments

<table>
<thead>
<tr>
<th>Financial assets</th>
<th>Category</th>
<th>Carrying value</th>
<th>Fair value</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>AFV/LaR/NS</td>
<td>871,648</td>
<td>871,648</td>
<td>222,990</td>
<td>648,658</td>
<td>0</td>
</tr>
<tr>
<td>Loans and advances to banks</td>
<td>LaR</td>
<td>295,506</td>
<td>295,460</td>
<td>0</td>
<td>295,460</td>
<td>0</td>
</tr>
<tr>
<td>Financial assets at fair value through profit or loss</td>
<td>AFV</td>
<td>268</td>
<td>268</td>
<td>0</td>
<td>268</td>
<td>0</td>
</tr>
<tr>
<td>Available-for-sale financial assets</td>
<td>AS</td>
<td>202,510</td>
<td>202,510</td>
<td>140,774</td>
<td>60,858</td>
<td>878</td>
</tr>
<tr>
<td>Loans and advances to customers</td>
<td>LaR</td>
<td>3,964,523</td>
<td>4,006,657</td>
<td>0</td>
<td>0</td>
<td>4,006,657</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>5,334,455</strong></td>
<td><strong>5,376,542</strong></td>
<td><strong>363,764</strong></td>
<td><strong>1,005,244</strong></td>
<td><strong>4,007,535</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Financial liabilities</th>
<th>Category</th>
<th>Carrying value</th>
<th>Fair value</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liabilities to banks</td>
<td>AC</td>
<td>358,363</td>
<td>372,858</td>
<td>0</td>
<td>69,743</td>
<td>303,115</td>
</tr>
<tr>
<td>Financial liabilities at fair value through profit or loss</td>
<td>AFV</td>
<td>1,921</td>
<td>1,921</td>
<td>0</td>
<td>1,921</td>
<td>0</td>
</tr>
<tr>
<td>Liabilities to customers</td>
<td>AC</td>
<td>3,812,757</td>
<td>3,816,695</td>
<td>0</td>
<td>2,224,159</td>
<td>1,592,536</td>
</tr>
<tr>
<td>Liabilities to international financial institutions</td>
<td>AC</td>
<td>517,811</td>
<td>507,872</td>
<td>0</td>
<td>7,839</td>
<td>500,033</td>
</tr>
<tr>
<td>Debt securities</td>
<td>AC</td>
<td>202,434</td>
<td>219,024</td>
<td>46,484</td>
<td>0</td>
<td>172,540</td>
</tr>
<tr>
<td>Subordinated debt</td>
<td>AC</td>
<td>165,472</td>
<td>162,754</td>
<td>0</td>
<td>0</td>
<td>162,754</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>5,058,756</strong></td>
<td><strong>5,081,123</strong></td>
<td><strong>46,484</strong></td>
<td><strong>2,303,662</strong></td>
<td><strong>2,730,977</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Contingent liabilities</th>
<th>Category</th>
<th>Carrying value</th>
<th>Fair value</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contingent liabilities and commitments</td>
<td>n/a</td>
<td>0</td>
<td>1,294</td>
<td>0</td>
<td>0</td>
<td>1,294</td>
</tr>
</tbody>
</table>
ProCredit’s fair value determination gives the highest priority to (unadjusted) quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The ProCredit group has no fair value financial instruments with Level 3 inputs, with the exception of an insignificant amount of available-for-sale shares. For short-term financial instruments carried at amortised costs, the carrying value represents a reasonable estimate of fair value.

D. Additional Notes

13. Segment reporting

in '000 EUR

<table>
<thead>
<tr>
<th>30 June 2016</th>
<th>Total assets excl. taxes</th>
<th>Total liabilities excl. taxes</th>
<th>Contingent liabilities and commitments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>1,392,974</td>
<td>840,992</td>
<td>7,872</td>
</tr>
<tr>
<td>Eastern Europe</td>
<td>1,025,162</td>
<td>894,398</td>
<td>78,033</td>
</tr>
<tr>
<td>South Eastern Europe</td>
<td>3,339,850</td>
<td>2,913,885</td>
<td>447,751</td>
</tr>
<tr>
<td>South America</td>
<td>1,152,223</td>
<td>999,571</td>
<td>49,705</td>
</tr>
<tr>
<td>Discontinued Operations*</td>
<td>434,728</td>
<td>390,505</td>
<td>0</td>
</tr>
<tr>
<td>Consolidation</td>
<td>-1,319,255</td>
<td>-618,028</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>6,025,682</td>
<td>5,421,323</td>
<td>583,362</td>
</tr>
</tbody>
</table>

* Banco ProCredit El Salvador, ProConfianza Mexico, and Banco ProCredit Nicaragua are shown as discontinued operations

in '000 EUR

<table>
<thead>
<tr>
<th>31 December 2015</th>
<th>Total assets excl. taxes</th>
<th>Total liabilities excl. taxes</th>
<th>Contingent liabilities and commitments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>1,294,642</td>
<td>737,760</td>
<td>21,393</td>
</tr>
<tr>
<td>Eastern Europe</td>
<td>937,606</td>
<td>828,574</td>
<td>81,009</td>
</tr>
<tr>
<td>South Eastern Europe</td>
<td>3,358,108</td>
<td>2,932,087</td>
<td>426,028</td>
</tr>
<tr>
<td>South America</td>
<td>1,168,784</td>
<td>1,015,307</td>
<td>31,033</td>
</tr>
<tr>
<td>Discontinued Operations*</td>
<td>740,894</td>
<td>652,354</td>
<td>0</td>
</tr>
<tr>
<td>Consolidation</td>
<td>-1,500,012</td>
<td>-767,036</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>6,000,022</td>
<td>5,399,047</td>
<td>559,464</td>
</tr>
</tbody>
</table>

* ProCredit Bank Armenia, ProCredit Bank Congo, Banco ProCredit El Salvador, ProConfianza Mexico, and Banco ProCredit Nicaragua are shown as discontinued operations

The group divides its operations into segments according to geographical regions. It carries out its business activities in the regions Germany, Eastern Europe, South Eastern Europe and South America.
With the exception of the relationship between the segment Germany and the individual subsidiaries, business activities in all countries are usually carried out with local customers, and all items are allocated to the country in which the respective subsidiary is based. In all countries, the core business consists of lending to small and medium enterprises and the provision of other banking services.

<table>
<thead>
<tr>
<th>01.01.- 30.06.2016</th>
<th>Germany</th>
<th>Eastern Europe</th>
<th>South Eastern Europe</th>
<th>South America</th>
<th>Consolidation</th>
<th>Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest and similar income</td>
<td>10,028</td>
<td>53,706</td>
<td>92,686</td>
<td>51,646</td>
<td>-8,307</td>
<td>199,851</td>
</tr>
<tr>
<td>of which inter-segment</td>
<td>8,252</td>
<td>31</td>
<td>18</td>
<td>6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest and similar expenses</td>
<td>10,557</td>
<td>23,899</td>
<td>14,305</td>
<td>14,986</td>
<td>-7,398</td>
<td>56,349</td>
</tr>
<tr>
<td>of which inter-segment</td>
<td>8,0</td>
<td>1,980</td>
<td>3,603</td>
<td>1,836</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net interest income</td>
<td>-528</td>
<td>29,899</td>
<td>76,381</td>
<td>36,660</td>
<td>-910</td>
<td>143,502</td>
</tr>
<tr>
<td>Allowance for losses on loans and advances to customers</td>
<td>-94</td>
<td>6,659</td>
<td>6,717</td>
<td>2,435</td>
<td>0</td>
<td>15,717</td>
</tr>
<tr>
<td>Net interest income after allowances</td>
<td>-434</td>
<td>23,240</td>
<td>71,864</td>
<td>34,225</td>
<td>-910</td>
<td>127,785</td>
</tr>
<tr>
<td>Fee and commission income</td>
<td>4,070</td>
<td>6,048</td>
<td>22,050</td>
<td>2,052</td>
<td>-4,140</td>
<td>30,081</td>
</tr>
<tr>
<td>of which inter-segment</td>
<td>3,488</td>
<td>0</td>
<td>651</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fee and commission expenses</td>
<td>1,006</td>
<td>1,751</td>
<td>7,108</td>
<td>2,270</td>
<td>-3,674</td>
<td>8,460</td>
</tr>
<tr>
<td>of which inter-segment</td>
<td>24</td>
<td>568</td>
<td>2,549</td>
<td>53</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net fee and commission income</td>
<td>3,064</td>
<td>4,296</td>
<td>14,944</td>
<td>-218</td>
<td>-466</td>
<td>21,621</td>
</tr>
<tr>
<td>Result from foreign exchange transactions</td>
<td>-751</td>
<td>1,756</td>
<td>3,571</td>
<td>165</td>
<td>11</td>
<td>4,752</td>
</tr>
<tr>
<td>Net result from financial instruments at fair value through profit or loss</td>
<td>-350</td>
<td>-66</td>
<td>-30</td>
<td>0</td>
<td>0</td>
<td>-447</td>
</tr>
<tr>
<td>Net result from available-for-sale financial assets</td>
<td>-186</td>
<td>317</td>
<td>3,957</td>
<td>287</td>
<td>0</td>
<td>4,375</td>
</tr>
<tr>
<td>Net other operating income</td>
<td>59,981</td>
<td>-683</td>
<td>-6,673</td>
<td>251</td>
<td>-63,427</td>
<td>-10,552</td>
</tr>
<tr>
<td>of which inter-segment</td>
<td>61,359</td>
<td>0</td>
<td>437</td>
<td>1,631</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating income</td>
<td>61,324</td>
<td>28,859</td>
<td>87,433</td>
<td>34,710</td>
<td>-64,792</td>
<td>147,534</td>
</tr>
<tr>
<td>Personnel expenses</td>
<td>10,737</td>
<td>6,143</td>
<td>21,984</td>
<td>12,453</td>
<td>0</td>
<td>51,317</td>
</tr>
<tr>
<td>Administrative expenses</td>
<td>13,673</td>
<td>10,352</td>
<td>32,389</td>
<td>17,565</td>
<td>-13,969</td>
<td>60,010</td>
</tr>
<tr>
<td>of which inter-segment</td>
<td>2,857</td>
<td>2,231</td>
<td>5,230</td>
<td>3,652</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating expenses</td>
<td>24,410</td>
<td>16,495</td>
<td>54,373</td>
<td>30,018</td>
<td>-13,969</td>
<td>111,327</td>
</tr>
<tr>
<td>Profit before tax</td>
<td>36,914</td>
<td>12,365</td>
<td>33,060</td>
<td>4,692</td>
<td>-50,823</td>
<td>36,208</td>
</tr>
<tr>
<td>Income tax expenses</td>
<td>1,044</td>
<td>2,458</td>
<td>3,579</td>
<td>1,865</td>
<td>8,947</td>
<td></td>
</tr>
<tr>
<td>Profit of the period from continuing operations</td>
<td>35,869</td>
<td>9,907</td>
<td>29,481</td>
<td>2,827</td>
<td>-50,823</td>
<td>27,261</td>
</tr>
<tr>
<td>Profit of the period from discontinued operations*</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2,001</td>
<td></td>
</tr>
<tr>
<td>Profit of the period</td>
<td>35,869</td>
<td>9,907</td>
<td>29,481</td>
<td>2,827</td>
<td>-50,823</td>
<td>29,312</td>
</tr>
<tr>
<td>Profit attributable to equity holders of the parent company</td>
<td>28,545</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit attributable to non-controlling interests</td>
<td>767</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Banco ProCredit El Salvador, ProConfianza Mexico, and Banco ProCredit Nicaragua are shown as discontinued operations
14. Risk management

Capital management
At no point may either a ProCredit bank or the ProCredit group as a whole incur greater risks than they are able to bear. This principle is implemented using different indicators, for which early warning indicators and limits have been established. The indicators for each individual ProCredit bank and the group as a whole include, in addition to local regulatory standards, a Basel capital adequacy calculation, a Tier 1 leverage ratio and a risk-bearing capacity calculation.

The capital management of the group has the following objectives:
- compliance with external capital requirements
- compliance with the internally defined minimum capital adequacy requirements
- support for the group in implementing its plans for continued growth while following its business strategy as a “house bank for small and medium-sized businesses”

The capital management of the ProCredit banks and the group as a whole is governed by group policies and monitored on a monthly basis by the Group Risk Management Committee.

Whereas the external minimum capital requirements for the ProCredit group are imposed and monitored by the German Federal Financial Supervisory Authority (BaFin) and the Supervisory College for the group, the individual ProCredit banks are subject to the minimum capital requirements imposed and monitored by the local banking supervisory authorities.
Methods for the calculation of capital adequacy vary between countries, but an increasing number of jurisdictions where the ProCredit banks operate base their calculation methods on the recommendations of the Basel Committee on Banking Supervision. Compliance with local supervisory requirements is monitored for each ProCredit institution on the basis of the respective local accounting rules, and all group banks have to ensure that they comply with their respective regulatory requirements regarding capitalisation.

During the reporting period, all regulatory capital requirements were met at all times.

In the following table, the group’s regulatory capital ratios according to CRR (Capital Requirements Regulation) are presented:

<table>
<thead>
<tr>
<th>in '000 EUR</th>
<th>30.06.2016</th>
<th>31.12.2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Common Equity Tier 1 capital</td>
<td>538,520</td>
<td>535,396</td>
</tr>
<tr>
<td>Additional Tier 1 capital</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Tier 2 capital</td>
<td>149,425</td>
<td>103,325</td>
</tr>
<tr>
<td><strong>Total capital</strong></td>
<td><strong>687,945</strong></td>
<td><strong>638,721</strong></td>
</tr>
</tbody>
</table>

**Risk weighted assets**

<table>
<thead>
<tr>
<th>in '000 EUR</th>
<th>30.06.2016</th>
<th>31.12.2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Credit risk</td>
<td>3,907,743</td>
<td>3,950,318</td>
</tr>
<tr>
<td>Market risk (currency risk)</td>
<td>525,342</td>
<td>505,084</td>
</tr>
<tr>
<td>Operational risk</td>
<td>747,547</td>
<td>800,719</td>
</tr>
<tr>
<td>CVA risk</td>
<td>1,793</td>
<td>1,919</td>
</tr>
<tr>
<td><strong>Total Risk Weighted Assets</strong></td>
<td><strong>5,182,425</strong></td>
<td><strong>5,258,041</strong></td>
</tr>
</tbody>
</table>

The credit risk standardised approach (CRSA) is used to assess the exposure towards credit risk for all exposure classes. For calculating the capital requirements to cover credit valuation adjustment risk (CVA risk) the group uses the standardised method. As the ProCredit group consists solely of non-trading book institutions, which moreover do not engage in transactions involving commodities, foreign currency risk is the only market risk to be considered. The determination of the capital requirements for foreign currency risk is based on the aggregation method. The ProCredit group applies the standardised approach to quantify operational risk.

The Common Equity Tier 1 capital of the ProCredit group is mainly composed of subscribed capital and reserves. Deductions are made for intangible assets, deferred tax assets that rely on future profitability and do not arise from temporary differences, and additional valuation adjustments for fair-valued balance sheet positions.

The Tier 2 capital consists of long-term subordinated loans which in the event of insolvency or liquidation are not repaid until all non-subordinated creditors have been satisfied.

With a Common Equity Tier 1 capital ratio of 10.4%, a Tier 1 capital ratio of 10.4% and a total capital ratio of 13.3% as of 30 June 2016, the ProCredit group’s ratios exceed regulatory requirements and are in line with internal targets.

**Credit risk**

The quality of the loan portfolio is monitored on an ongoing basis. The main indicator for loan portfolio quality is the portfolio at risk (PAR>30), which is defined as all credit exposures with
one or more payment of interest and/or principal in arrears by more than 30 days. This measure was chosen because the vast majority of all credit exposures have fixed instalments with monthly payment of principal and interest. Exceptions are seasonal agricultural loans and investment loans. No collateral is deducted and no other exposure-reducing measures are applied when determining PAR>30.

The quality of credit operations is assured by credit control units at the individual bank level, which are responsible for monitoring the bank’s credit operations and compliance with its procedures. These units, made up of experienced lending staff, ensure compliance, in form and substance, with the lending policy and procedures through on-site checks and system screening.

Liquidity risk
Each bank is required to keep sufficient liquidity to enable it to remain liquid in a scenario based on very conservative assumptions, especially with regard to deposit withdrawals. All banks met this requirement at the reporting date.

15. Contingent liabilities and commitments

The above table discloses the nominal principal amounts of contingent liabilities, commitments and guarantees, i.e. the amounts at risk, should contracts be fully drawn upon and clients default. We expect that a significant portion of guarantees and commitments will expire without being drawn upon; therefore the total of the contractual amounts is not representative of future liquidity requirements.

16. Discontinued operations held for sale

In 2016, ProCredit Holding sold all of its shares in ProConfianza Mexico. Furthermore, ProCredit Holding intends to sell all of its shares in Banco ProCredit El Salvador, and Banco ProCredit Nicaragua. The assets, liabilities, and profit of the period of the discontinued operations are presented as follows:
### Assets

<table>
<thead>
<tr>
<th></th>
<th>Mexico</th>
<th>El Salvador</th>
<th>Nicaragua</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>2</td>
<td>49,544</td>
<td>21,221</td>
</tr>
<tr>
<td>Loans and advances to banks</td>
<td>573</td>
<td>505</td>
<td>4,238</td>
</tr>
<tr>
<td>Financial assets at fair value through profit or loss</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Available-for-sale financial assets</td>
<td>0</td>
<td>5,134</td>
<td>225</td>
</tr>
<tr>
<td>Loans and advances to customers</td>
<td>10,566</td>
<td>213,559</td>
<td>107,311</td>
</tr>
<tr>
<td>Allowance for losses on loans and advances to customers</td>
<td>-381</td>
<td>-5,109</td>
<td>-2,376</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>95</td>
<td>7,872</td>
<td>9,603</td>
</tr>
<tr>
<td>Investment properties</td>
<td>0</td>
<td>0</td>
<td>1,067</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>0</td>
<td>856</td>
<td>528</td>
</tr>
<tr>
<td>Current tax assets</td>
<td>85</td>
<td>0</td>
<td>340</td>
</tr>
<tr>
<td>Deferred tax assets</td>
<td>2,848</td>
<td>469</td>
<td>0</td>
</tr>
<tr>
<td>Other assets</td>
<td>71</td>
<td>6,360</td>
<td>2,342</td>
</tr>
<tr>
<td><strong>Total assets disposed / held for sale</strong></td>
<td><strong>13,860</strong></td>
<td><strong>279,190</strong></td>
<td><strong>144,499</strong></td>
</tr>
</tbody>
</table>

### Liabilities

<table>
<thead>
<tr>
<th></th>
<th>Mexico</th>
<th>El Salvador</th>
<th>Nicaragua</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liabilities to banks</td>
<td>9,374</td>
<td>0</td>
<td>12,708</td>
</tr>
<tr>
<td>Financial liabilities at fair value through profit or loss</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Liabilities to customers</td>
<td>0</td>
<td>157,417</td>
<td>96,742</td>
</tr>
<tr>
<td>Liabilities to international financial institutions</td>
<td>35</td>
<td>28,203</td>
<td>3,604</td>
</tr>
<tr>
<td>Debt securities</td>
<td>0</td>
<td>15,356</td>
<td>0</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>211</td>
<td>2,695</td>
<td>1,116</td>
</tr>
<tr>
<td>Provisions</td>
<td>44</td>
<td>112</td>
<td>265</td>
</tr>
<tr>
<td>Current tax liabilities</td>
<td>0</td>
<td>188</td>
<td>0</td>
</tr>
<tr>
<td>Deferred tax liabilities</td>
<td>0</td>
<td>0</td>
<td>1,211</td>
</tr>
<tr>
<td>Subordinated debt</td>
<td>0</td>
<td>3,309</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total liabilities disposed / related to assets held for sale</strong></td>
<td><strong>9,664</strong></td>
<td><strong>207,281</strong></td>
<td><strong>115,646</strong></td>
</tr>
</tbody>
</table>

### Net assets disposed

<table>
<thead>
<tr>
<th></th>
<th>Mexico</th>
<th>El Salvador</th>
<th>Nicaragua</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total net assets disposed</strong></td>
<td><strong>4,196</strong></td>
<td><strong>207,281</strong></td>
<td><strong>115,646</strong></td>
</tr>
</tbody>
</table>

### Results of discontinued operations

<table>
<thead>
<tr>
<th></th>
<th>01.01.-</th>
<th>01.01.-</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income</strong></td>
<td>21,672</td>
<td>44,930</td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td>19,344</td>
<td>36,138</td>
</tr>
<tr>
<td><strong>Profit before tax</strong></td>
<td><strong>2,328</strong></td>
<td><strong>8,793</strong></td>
</tr>
<tr>
<td><strong>Income tax expenses</strong></td>
<td><strong>277</strong></td>
<td><strong>2,061</strong></td>
</tr>
<tr>
<td><strong>Profit of the period</strong></td>
<td><strong>2,051</strong></td>
<td><strong>6,732</strong></td>
</tr>
</tbody>
</table>

**Profit attributable to equity holders of the parent company** | 2,022 | 6,293 |
**Profit attributable to non-controlling interests** | 29 | 439 |

*For 2015, ProCredit Bank Armenia, ProCredit Bank Congo, Banco ProCredit El Salvador, ProConfianza Mexico, and Banco ProCredit Nicaragua are shown as discontinued operations
Address and general information

ProCredit Holding AG & Co. KGaA is a partnership limited by shares and is incorporated and domiciled in Germany. The address of its registered office is as follows: Rohmerplatz 33-37, 60486 Frankfurt, Germany.

Frankfurt, 29 July 2016

ProCredit Holding AG & Co. KGaA represented by: ProCredit General Partner AG

Board of Management

Helen Alexander

Dr. Anja Lepp

Dr. Gabriel Schor

Borislav Kostadinov