A profitable, development-oriented commercial banking group for SMEs with focus on Eastern Europe

November 2017
ProCredit – A unique approach to banking

Summary

► A profitable, development-oriented commercial banking group for SMEs with focus on South Eastern Europe and Eastern Europe
► Headquartered in Frankfurt and supervised by the German Federal Financial Supervisory Authority (BaFin) and Deutsche Bundesbank
► Mission of promoting sustainable development with ethical corporate culture and long-term business relationships
► Track record of high quality loan portfolio
► Profitable every year since creation as a banking group in 2003
► Listed at Frankfurt Stock Exchange since Dec-16
► Approved member of the Social Stock Exchange since May-17

Key figures 9M-2017 and FY-2016

<table>
<thead>
<tr>
<th></th>
<th>Total assets</th>
<th>Customer loan portfolio(1)</th>
<th>Deposits/loans(2)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>EUR 5,504m</td>
<td>EUR 3,832m</td>
<td>91%</td>
</tr>
<tr>
<td></td>
<td>EUR 5,668m</td>
<td>EUR 3,629m</td>
<td>96%</td>
</tr>
<tr>
<td>Number of employees(1)</td>
<td>3,522</td>
<td>4,078</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Profit of the period</td>
<td>EUR 36m</td>
<td>RoAE</td>
</tr>
<tr>
<td></td>
<td></td>
<td>EUR 61m</td>
<td>7.1%(3)</td>
</tr>
<tr>
<td>CET1 ratio (fully loaded)</td>
<td>13.3%</td>
<td>12.4%</td>
<td></td>
</tr>
</tbody>
</table>

Reputable development-oriented shareholder base

|                      | Insert chart showing shareholder distribution |

Note: Shareholder structure according to the voting right notifications as published on our website www.procredit-holding.com

Geographical distribution

South Eastern Europe and Eastern Europe (ca. 91% of gross loan portfolio)
South America(6) (ca. 6% of gross loan portfolio)
Germany (ca. 2% of gross loan portfolio)

Notes: As of 31 December 2016 and as of 30 September 2017; (1) Continuing operations only; (2) Customer deposits divided by customer loan portfolio; (3) Annualised; (4) Full Rating Report as of 08.12.2016; (5) Aggregate of different investment entities; (6) The South America segment also includes the institution “Administración y Recuperación de Cartera Michoacán S. A” (ARDEC) in Mexico, 0.2% of Group assets
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Appendix
Key company highlights

1. Young, modern and highly integrated banking group for SMEs with established positions in core markets
2. Strong international and local reputation as an international development-oriented commercial banking group
3. Highly experienced team with strong commitment to ethical corporate culture
4. Solid risk profile due to high diversification
5. Impressive financial track record in terms of stability and profitability
6. Further potential through growth opportunities and cost efficiencies
“Hausbank” for SMEs serving their typical banking needs

ProCredit Bank
Comprehensive service as “Hausbank”

<table>
<thead>
<tr>
<th>Products</th>
<th>Customers</th>
<th>Value-added</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Simple loan and deposit products</strong></td>
<td><strong>Target customers with high potential: SMEs</strong></td>
<td><strong>Significant benefits for clients…</strong></td>
</tr>
<tr>
<td>- Full range of business loans (loan size range typically EUR 30k to EUR 3m)</td>
<td>- SMEs with formalised structures and sustainable business models</td>
<td>✓ Access to full range of relevant banking services</td>
</tr>
<tr>
<td>- Deposits</td>
<td>- Focus on agriculture and manufacturing</td>
<td>✓ Valuable in countries with high level of informality and lack of transparency</td>
</tr>
</tbody>
</table>

| | | **Trustful long-term relationships** |
| **Supplementary financial services** | **Typical SME client (Serbia)** | **…and for ProCredit** |
| - e-banking | - Vegetable cultivation (300 ha, 31 FTEs) | ✓ Understanding of clients’ financial needs and risks |
| - Card services | - Long-term relationship | ✓ Additional stable revenues |
| - Liquidity management | - Regular financing of working capital and fixed assets | ✓ Customer deposits |
| - Documentary business | | |
| - Personal banking services | | |

**Loan volume PCB**

<table>
<thead>
<tr>
<th>Total financing since 2011</th>
<th>Outstanding loan amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>EUR 864k</td>
<td>EUR 549k</td>
</tr>
</tbody>
</table>

**Credit limit**

<table>
<thead>
<tr>
<th>short-term</th>
<th>long-term</th>
<th>total limit</th>
</tr>
</thead>
<tbody>
<tr>
<td>EUR 150k</td>
<td>EUR 600k</td>
<td>EUR 750k</td>
</tr>
</tbody>
</table>

**Utilisation of PCB services**

- Current account (EUR, RSD)
- Domestic and International payments
- e-Banking

**Revenue Account turnover**

- EUR 70k (monthly)
- EUR 103k (monthly)

Most recent project: Solar panels to power irrigation of agricultural land

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1 Young, modern and highly integrated banking group for SMEs with established positions in core markets
Focused positioning in selected markets in Eastern Europe

Overview of ProCredit’s footprint in Eastern Europe

<table>
<thead>
<tr>
<th>Country</th>
<th>Bulgarian</th>
<th>Serbian</th>
<th>Kosovo</th>
<th>Macedonian</th>
<th>Romanian</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share of PCH loan portfolio (1)</td>
<td>19%</td>
<td>17%</td>
<td>13%</td>
<td>7%</td>
<td>6%</td>
</tr>
<tr>
<td>GDP CAGR 13-16 (2)</td>
<td>2.3%</td>
<td>0.2%</td>
<td>2.6%</td>
<td>3.6%</td>
<td>3.6%</td>
</tr>
<tr>
<td>Loan / GDP ratio 2016</td>
<td>58%</td>
<td>47%</td>
<td>37%</td>
<td>49%</td>
<td>36%</td>
</tr>
</tbody>
</table>

Strong reputation in attractive Eastern European markets...

► A leading bank for SMEs, with particular focus on this client group
► Strong reputation as early Western entrant in many Eastern European markets
► Banking sector still underdeveloped; Western banks focusing away from Eastern European markets
► Solid GDP growth in 2016, mainly in Eastern Europe, driven by:
  - Accommodative macroeconomic policies
  - Falling unemployment rates
  - Rising real wages

...where SMEs are inadequately served

1. Inadequately served client group
   - SMEs demand longer-term lending relationships and less hierarchical lending procedures
   - SMEs not a priority for competitor banks

2. Complexity increases barriers to success
   - SMEs demand high level of expertise and flexibility – traditional scoring models cannot always be applied

3. Development impact
   - SMEs as drivers of job creation and sustainable development

Note: (1) As of 30-Sep-17; Residual share of gross loan portfolio comprising Germany and South America; (2) Based on GDP in constant prices; (3) Start of operations in 2016; Sources: International Monetary Fund, National banks of respective countries
ProCredit offers its SME clients a variety of loan and deposit products

- Loan size range typically EUR 30k to EUR 3m
- Refocus to new core category of SME loans (> EUR 30k) well on track
- Strong growth achieved in core customer segments
  - 13% in 9M-2017 (not annualised)
  - 13% in 2016
  - 18% in 2015
- Decrease in non-core loan categories (< EUR 30k) expected to be largely completed in 2017

Young, modern and highly integrated banking group for SMEs with established positions in core markets
Modern platform, investments executed – more benefits to come

Efficient network
- Redesign of branch network to 54 selected, strategic locations
- All 102 service points and all branches equipped with 24/7 self-service areas
- Mobile staff, regularly visiting business clients on-site

Strong IT platform
- Self-developed, state-of-the-art IT systems through subsidiary Quipu
- High investments in automation and e-banking

High investments in “brain power”
- Yearly investments of > EUR 10m in staff training and selection
- Establishment of own academies for intensive training of employees

- Significant reduction in administration and personnel costs
- Competitive, modern market appearance
- Comprehensive coverage of clients

- Unique in-house IT capabilities
- High customer value through modern group-wide e-banking software
- Significant reduction of personnel-intensive cash transactions

- High qualification as a major driver of low credit risk
- Highly motivated employees with strong skills to serve SME clients
- Less employees handle more clients

Note: Continuing operations only; (1) On average for 2013-2016

Young, modern and highly integrated banking group for SMEs with established positions in core markets
New attractive digital private client offer

Ongoing implementation

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

Strategic objectives

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

Examples

- ProCredit FlexSave
  - Your saving account.
  - Flexible and safe.
- ProCredit FlexFund
  - Your overdraft.
  - Extra cash, when you need it.
- Term Deposit
  - Fulfill your long term plans in a secure way.
- Current Account
  - Your Bank in one account. Simple.
- Housing Loan
  - Buy your home. Long term loans at a fixed interest rate.
- Investment Loan
  - Buy a new car, refurbish your home. Fast and convenient.
Key company highlights

1. Young, modern and highly integrated banking group for SMEs with established positions in core markets
2. Strong international and local reputation as an international development-oriented commercial banking group
3. Highly experienced team with strong commitment to ethical corporate culture
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The development-oriented approach as the foundation of ProCredit’s strong reputation

ProCredit has an ethical corporate mission…

► Development also means
  – Fostering democracy and free speech
  – Respect for fellow human beings
  – Social justice
  – Ecological awareness and ethical behaviour

► Aiming for a sustainable contribution to economic, social and environmental development

► Education and empowerment of employees

…backed by a mix of development-oriented and government-backed core shareholders…

► Long-term mission lock supported by organisational set-up as KGaA (Kommanditgesellschaft auf Aktien) and reputable shareholder base

► Ideal blend of entrepreneurial spirit and catalytic public support

…and reflected in how ProCredit does business

Fostering entrepreneurs and SMEs

► Focus on SMEs as drivers of economic growth and employment in emerging countries

► Strong leverage in terms of job generation and prosperity

Social responsibility

► No focus on consumer lending

► No complex products

► Promotion of price and banking sector transparency

► Rigorous approach regarding AML and informal clients

Environmental responsibility

► State-of-the-art standards for environmental impact of ProCredit’s lending operations

► Focus on promotion of “green” investments

► Strict exclusion lists

Notes: (1) Only includes ProCredit Staff Invest 1 GmbH & Co. KG and ProCredit Staff Invest 2 GmbH & Co. KG
Focus on SMEs as drivers of economic growth and employment in emerging countries

### Importance of SMEs for economic growth

Relative contribution of SMEs to non-financial Value Added, in 2015:

- >70%
- 60 – 70%
- 50 – 60%
- <50%
- n.a.

**Commentary**

- SMEs account for a significant share of Value Added across all countries within the EU.
- On average, SMEs represent 57% of Value Added.
- Number of SMEs relative to size of economy particularly high in Central and Eastern Europe.

### Importance of SMEs for employment

Employment by SMEs/ total employment (% as of 2015)

#### Western Europe

- **Average: 69%**
  - UK: 54%
  - DE: 71%
  - IT: 71%
  - NL: 70%
  - BE: 71%
  - IE: 70%
  - SE: 71%
  - FR: 71%
  - AT: 59%
  - NO: 71%
  - FI: 70%
  - RO: 54%
  - IT: 71%
  - CZ: 71%
  - PL: 71%
  - HU: 70%
  - SI: 71%
  - BG: 71%
  - LT: 71%
  - EE: 71%
  - CY: 71%
  - GR: 71%
  - Average Western Europe: 69%

#### Eastern Europe

- **Average: 74%**
  - RO: 87%
  - HU: 83%
  - SL: 81%
  - GR: 87%
  - LT: 81%
  - EE: 81%
  - LV: 81%
  - CY: 81%
  - MT: 81%
  - SI: 81%
  - RO: 87%
  - HR: 87%
  - CZ: 81%
  - PK: 81%
  - HU: 87%
  - SK: 87%
  - PL: 87%
  - CZ: 87%
  - SI: 87%
  - LT: 87%
  - EE: 87%
  - LV: 87%
  - CY: 87%
  - RO: 87%
  - Average Eastern Europe: 74%

**Note:** (1) Sources: Eurostat, European Commission Annual report on European SMEs 2015/2016 based on National statistics offices and DW Ecobar; (2) Across EU member states, in 2015; (3) Value added defined as nominal GDP growth in the non-financial business sector; (4) UK= United Kingdom, DE= Germany, FI= Finland, FR= France, DK= Denmark, SE= Sweden, NL= Netherlands, LU= Luxembourg, AT= Austria, BE= Belgium, IE= Ireland, ES= Spain, PT= Portugal, IT= Italy, MT= Malta; (5) RO= Romania, HR= Croatia, PL= Poland, CZ= Czech Republic, HU= Hungary, SK= Slovakia, SI= Slovenia, BG= Bulgaria, LT= Lithuania, EE= Estonia, LV= Latvia, CY= Cyprus, GR= Greece

In total, SMEs in the EU28 employed c. 90 million people, i.e. 67% of total employment (74% in Eastern Europe).
“Green loans” as key pillar of business model

Environmental engagement is based on three pillars

1. **Internal environmental management**
   - Continuous monitoring and improvement of own energy and resource consumption

2. **Management of environmental risk in lending**
   - Granting of loans only to applicants whose activities are in line with ethical principles
   - Exclusion list includes, inter alia:
     - Underground mining
     - Charcoal production
     - Logging activities and trade of forestry products (except sustainably managed forests)

3. **Green finance / green loans**
   - Credit products for investments in
     - Energy efficiency
     - Renewable energies
     - Other environment-related activities
   - Mid-term ambition of min. 15% of the total loan portfolio (currently at 11.3%) by end of 2019

Strong growth of the green loan portfolio

- CAGR 2013-2016: 38%
- 3.0% 4.0% 6.4% 9.1% 11.3%

<table>
<thead>
<tr>
<th></th>
<th>Business clients</th>
<th>Private clients</th>
<th>% of total loan</th>
<th>Sep-17 portfolio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dec-13</td>
<td>126</td>
<td>104</td>
<td>3.0%</td>
<td>126</td>
</tr>
<tr>
<td>Dec-14</td>
<td>174</td>
<td>150</td>
<td>4.0%</td>
<td>234</td>
</tr>
<tr>
<td>Dec-15</td>
<td>264</td>
<td>242</td>
<td>6.4%</td>
<td>506</td>
</tr>
<tr>
<td>Dec-16</td>
<td>329</td>
<td>307</td>
<td>9.1%</td>
<td>636</td>
</tr>
<tr>
<td>Sep-17</td>
<td>428</td>
<td>23</td>
<td>11.3%</td>
<td>451</td>
</tr>
</tbody>
</table>

Green loan portfolio by use of proceeds(1)

- Total: EUR 428m
  - Energy efficiency: 67%
  - Renewable energy: 19%
  - Other green investments: 14%

Note: (1) As per 30-Sep-2017
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Long-standing and well interconnected management teams at group and local level

 Experienced management collaborating at Holding and local level

- **Borislav Kostadinov**
  - Credit risk management
  - Investor relations
  - Communications
  - Environmental management and impact reporting

- **Dr. Anja Lepp**
  - Risk control
  - Financial risk
  - Operational risk
  - AML

- **Sandrine Massiani**
  - Human resources
  - IT
  - Business support
  - Compliance & legal
  - Internal audit

- **Dr. Gabriel Schor**
  - Finance and controlling
  - Treasury and funding

Local ProCredit banks (2)

- **33 key management members**
  - On average 14 years of experience within ProCredit
  - 18 female/15 male

Collective training...

- Central training in Fürth
- English as lingua franca (> 50 courses p.a.)
- Regular specialist events and regional meetings

...as catalyst for a shared vision and teamwork...

- Common set of values
- Closely-knit network
- Rapid diffusion of best practices

...supported by clear framework

- Strict common operating standards and policy guidelines
- Strong, standardised MIS reporting
- Holding management with supervisory board seats at local banks involved in strategic business processes
Key management of the ProCredit banks in South Eastern / Eastern Europe and South America

- Average age: 39
- Average years with ProCredit: 14
- 29 ProCredit Management Academy graduates
- 18 female /15 male

Highly experienced team with strong commitment to ethical corporate culture

1. Albania
2. BiH
3. Bulgaria
4. Georgia
5. Kosovo
6. Macedonia
7. Moldova
8. Romania
9. Serbia
10. South Eastern Europe
11. Eastern Europe
12. South America
13. Colombia
14. Ecuador
15. Georgia
16. Kosovo
17. Macedonia
18. Moldova
19. Romania
20. Serbia
21. Ukraine
22. BiH
23. Bulgaria
24. Georgia
25. Georgia
26. Georgia
27. Georgia
28. Kosovo
29. Kosovo
30. Macedonia
31. Macedonia
32. Macedonia
33. Moldova
34. Moldova
35. Romania
36. Romania
37. Serbia
38. Serbia
39. Serbia
40. Ukraine
41. Ukraine
42. Ukraine
43. Ukraine
44. Ukraine
45. Ukraine
46. Ukraine
The corporate culture is the base of a unique approach to employee selection

ProCredit’s corporate mission is the foundation of its business ethics...

- “Bankers who don’t conform to the banker stereotype”:
  - Values-based approach and critical political awareness
  - Social and intellectual competence
  - Not reducing “success” to monetary amounts

...with a multistage and highly selective approach to hiring employees...

- Unique approach compared to the norm in ProCredit’s key markets, where “who you know” often counts more than what your potential is
- Only c. 2% of applicants receive an offer (1)

...committing employees to a unique corporate culture

- Very attractive employer
- Build up of knowledge within the organisation
- Strong discussion culture with flat hierarchies
- Transparent, standardised salary system
- No performance-based bonus payments
- Market-oriented salaries
- Cap of senior management pay
- Managers and staff as shareholders (4.9% of shares outstanding as of 20 December 2016)

Note: (1) Relating to applicants of the first selection phase versus admissions to the 6-month entry programme, excluding direct hires

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Continuous training in centralised academy is the cornerstone of ProCredit’s corporate culture

ProCredit Entry Programme

► Mandatory for all new recruits
► Six-month programme before final hiring
► Dual education through hands-on job training and courses
► 2/3 of participants usually receive a final employment offer

Continuous training

► Systematic, intensive on-the-job training
► Seminars and training units with specialist topics
► Salary linked to training level
► “Up-or-out” in the first two years, with long-term prospects thereafter

International management development

► ProCredit Management Academy:
  − Training of middle management as well as future senior management
  − Catalyst of the closely-knit management network
► ProCredit Banker Academy:
  − Training of middle management

Note: (1) In relation to participants of six-month ProCredit entry programme

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1 2 3 Highly experienced team with strong commitment to ethical corporate culture

4 5 6

Significant growth opportunity in multiple end markets
Disruptive product portfolio opening numerous potential applications

Highly experienced team with strong commitment to ethical corporate culture

1 2 3
## Key company highlights

1. **Young, modern and highly integrated banking group for SMEs with established positions in core markets**

2. **Strong international and local reputation as an international development-oriented commercial banking group**

3. **Highly experienced team with strong commitment to ethical corporate culture**

4. **Solid risk profile due to high diversification**

5. **Impressive financial track record in terms of stability and profitability**

6. **Further potential through growth opportunities and cost efficiencies**
High loan quality based on trustful long-term relationships and prudent risk management

**Selected SME clients**

- **Bedegi**, founded in 1999, chose the ProCredit Bank in Georgia in 2003 to take out its first loan to enlarge its site.
- In the 13 years since then, the client has used a wide range of banking services tailored to its different stages of development.

  - "I always feel that ProCredit Bank is there to support me."  
  - Koba Liparteliani, Founder Bedegi Ltd.

**Business client advisers (BCAs) with key focus on clients and risk**

- Comprehensive internal BCA training fosters high staff qualification.

- Clients receive individual attention from specialised BCAs who:
  - Truly understand the clients, their situation and (risk) profile.
  - Diligently assess the legitimacy of their clients’ income and avoid over-indebting them.
  - Provide advice on the entire range of banking services.

- BCAs thus act as key drivers of low default risk and key facilitators of mutually beneficial client relations.

- Clear positioning as high quality advisory service allows build-up of clients’ trust as base for successful and long-term relationships.

- BCAs as “first line of defence” for managing risk.

- True client centricity instead of bonus-driven “sales personnel”.

---

**Significant growth opportunity in multiple end markets**

- Disruptive product portfolio opening numerous potential applications.

**Solid risk profile due to high diversification**

1. Construction materials producer - Georgia
2. Agriculture Romania
3. Photovoltaic equipment producer Moldova
4. Soap producer Ukraine
5. Kitchen and office furniture Serbia
6. Medicinal and aromatic herbs Albania
7. Textile manufacturing Bulgaria
8. Medicinal and aromatic herbs Albania
Low concentration risk and high diversification by geography, loan size and sector

### Loan portfolio by initial loan size (1)

<table>
<thead>
<tr>
<th>Segment loan size</th>
<th>In % of outstanding principal (2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; EUR 30k:</td>
<td>13%</td>
</tr>
<tr>
<td>EUR 30-50k</td>
<td>10%</td>
</tr>
<tr>
<td>EUR 50-150k</td>
<td>12%</td>
</tr>
<tr>
<td>EUR 150-250k</td>
<td>27%</td>
</tr>
<tr>
<td>EUR 250-1m</td>
<td>3%</td>
</tr>
<tr>
<td>&gt; EUR 1m</td>
<td>13%</td>
</tr>
<tr>
<td>EUR 10-30k</td>
<td>10%</td>
</tr>
<tr>
<td>&lt; EUR 10k</td>
<td>3%</td>
</tr>
</tbody>
</table>

### Loan portfolio by geographical segments (1)

- **South America:** 6%
- **Bulgaria:** 6%
- **Serbia:** 3%
- **Kosovo:** 5%
- **Macedonia:** 12%
- **Romania:** 13%
- **Germany:** 2%
- **South Eastern Europe:** 27%
- **Eastern Europe:** 21%
- **Ecuador:** 10%
- **Colombia:** 4%
- **Ukraine:** 5%
- **Georgia:** 7%
- **Mexico:** 7%
- **Moldova:** 2%

- **Bulgaria:** 72%
- **South Eastern Europe:** 19%
- **Eastern Europe:** 7%
- **South America:** 6%
- **Ecuador:** 2%
- **Colombia:** 2%
- **Mexico:** 7%

### Loan portfolio by sector (1)

- **Business loans:** 91%
- **Private loans:** 9%
- **Agricultural loans:** 2%
- **Housing loans:** 7%
- **Other private client loans:** 2%

### Commentary

- C. 91% (1) of the customer loan portfolio comprising business clients
- Private lending clients mainly extremely small businesses with characteristics of a private individual (c. 9% (1) of the customer loan portfolio)
- 10 largest loans amounting to 1.8% (1) of customer loan portfolio
- Strong sector and geographical diversification through footprint in 13 countries (1)

**Notes:**

- Loan portfolio by initial loan size in % of total outstanding principal (EUR 3,812m as per 30-Sep-17);
- Loan portfolio by geographical segments in % of total loan portfolio (EUR 3,832m as per 30-Sep-17);
- (1) Excluding assets held for sale, as per 30-Sep-17, Thessaloniki branch’s loan portfolio part of ProCredit Bank Bulgaria loan portfolio, the South America segment also includes the institution "ARDEC" in Mexico, which is not assigned to a separate segment due to its negligible share (0.2%) of the Group’s assets;
- (2) Customer loan portfolio adjusted for accrued interest, deferred fees and other claims to customers.
Very solid risk profile despite a challenging operating environment

Group loan portfolio at risk and coverage ratios

<table>
<thead>
<tr>
<th></th>
<th>PAR 30</th>
<th>PAR 90</th>
<th>Coverage ratio PAR 30</th>
<th>Coverage ratio PAR 90</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>122%</td>
<td>4.7%</td>
<td>97%</td>
<td>95%</td>
</tr>
<tr>
<td>2014</td>
<td>116%</td>
<td>4.7%</td>
<td>92%</td>
<td>106%</td>
</tr>
<tr>
<td>2015</td>
<td>116%</td>
<td>4.9%</td>
<td>95%</td>
<td>103%</td>
</tr>
<tr>
<td>2016</td>
<td>124%</td>
<td>3.9%</td>
<td>106%</td>
<td>103%</td>
</tr>
<tr>
<td>Sep-17</td>
<td>124%</td>
<td>3.5%</td>
<td>106%</td>
<td>103%</td>
</tr>
</tbody>
</table>

Commentary

- Consistently low portfolio at risk, further improved since 2013
- PAR 30 and PAR 90 well covered by loan loss provisions
- High coverage ratios underlining ProCredit’s prudent risk management
- Continuous monitoring of loan portfolio, with PAR 30 and PAR 90 as key reporting triggers
- Net write-offs at continuously low level\(^{(1)}\)
  - 0.3% in 9M-2017 (annualised)
  - 0.7% in 2016
  - 0.9% in 2015
  - 0.9% in 2014

Non-performing loans in Eastern Europe\(^{(2)}\)

<table>
<thead>
<tr>
<th>Non performing loans in % of total loans, for illustrative purposes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Publicly available benchmarking of Western banks’ CEE segment (^{(3)})</td>
</tr>
<tr>
<td>SEE and EE segments as per local NPL definition</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Bank 1</th>
<th>Bank 2</th>
<th>Bank 3</th>
<th>Bank 4</th>
<th>ProCredit</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>9.6%</td>
<td>10.9%</td>
<td>9.9%</td>
<td>9.8%</td>
</tr>
<tr>
<td>2016</td>
<td>9.8%</td>
<td>9.1%</td>
<td>7.8%</td>
<td>6.3%</td>
</tr>
</tbody>
</table>

Notes: (1) Net write-offs to gross loan portfolio ratio; (2) In % of total loans; Western banks’ NPL ratio as per RBI CEE Research Report June 2017 based on aggregated data of CEE subsidiaries and comprising individual banks’ CEE segment (Bank 1: Poland, Hungary, Czech Republic, Slovakia, Bulgaria, Romania, Croatia, Albania, Serbia, Bosnia and Herzegovina, Kosovo, Belarus, Russia, Ukraine, Bank 2: Hungary, Czech Republic, Slovakia, Romania, Croatia, Serbia, Bank 3: Poland, Hungary, Czech Republic, Slovenia, Bulgaria, Romania, Croatia, Serbia; Bank 4: Poland, Czech Republic, Slovenia, Bulgaria, Romania, Croatia, Serbia, Russia); Data of ProCredit includes SEE and EE segment, NPL ratio based on local definition of ProCredit banks; (3) Source: RBI CEE Research Report June 2017

ProCredit well positioned compared to peers in Eastern European markets regarding loan portfolio quality
- Even in the aftermath of the financial crisis, both net write-offs and provisioning expenses remained at a moderate level

Operating environment and asset quality in most markets improving
Transparent and focused business model reflected in solid balance sheet structure

### Key financing figures (1)

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Solid CET1 ratio (fully loaded)</td>
<td>13.3%</td>
</tr>
<tr>
<td>Very strong leverage ratio (fully loaded)</td>
<td>10.5%</td>
</tr>
<tr>
<td>High and stable deposit-to-loan ratio (2)</td>
<td>91%</td>
</tr>
<tr>
<td>Long-standing investment grade rating (Fitch)</td>
<td>BBB (stable)</td>
</tr>
</tbody>
</table>

### Commentary

- Simple balance sheet structure with very limited speculative lines of business
  - Assets largely comprise net loans to customers (67% of assets) (1)
  - Liabilities largely comprise customer deposits (63% of liabilities and equity) (1)
- High and stable customer deposits to loans ratio
- Majority of institutional funding in the form of
  - Long-term loans from international development banks
  - German institutional investors
- Comprehensive risk management approach for main risks
  - Full implementation of MaRisk
  - AML policy stricter than legally required
  - Foreign currency risk closed locally; risk limited to foreign equity holdings (largely offset by corresponding changes in RWAs)

### Composition of balance sheet (1)

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Assets</td>
<td>67%</td>
</tr>
<tr>
<td>Liabilities and equity</td>
<td>12%</td>
</tr>
<tr>
<td>Net loans to customers</td>
<td>8%</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>3%</td>
</tr>
<tr>
<td>Other assets</td>
<td>17%</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>3%</td>
</tr>
<tr>
<td>Debt securities</td>
<td>14%</td>
</tr>
<tr>
<td>Liabilities to financial institutions</td>
<td>6%</td>
</tr>
</tbody>
</table>

Notes: (1) As per 30-Sep-17; (2) Customer deposits divided by customer loan portfolio; (3) Including Assets held for sale; (4) Including Liabilities related to assets held for sale and Subordinated debt; (5) Including Liabilities to banks and Liabilities to International Financial Institutions
Key company highlights

1. Young, modern and highly integrated banking group for SMEs with established positions in core markets

2. Strong international and local reputation as an international development-oriented commercial banking group

3. Highly experienced team with strong commitment to ethical corporate culture

4. Solid risk profile due to high diversification

5. Impressive financial track record in terms of stability and profitability

6. Further potential through growth opportunities and cost efficiencies
Profitable in every year since creation as a banking group

Net income and return on average equity

<table>
<thead>
<tr>
<th>Year</th>
<th>Net income (in EUR m)</th>
<th>Group RoAE (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>37</td>
<td>7.7%</td>
</tr>
<tr>
<td>2014</td>
<td>48</td>
<td>9.4%</td>
</tr>
<tr>
<td>2015</td>
<td>60</td>
<td>10.5%</td>
</tr>
<tr>
<td>2016</td>
<td>59</td>
<td>9.6%</td>
</tr>
<tr>
<td>Sep-17</td>
<td>35</td>
<td>7.1% (4)</td>
</tr>
</tbody>
</table>

Commentary

- RoAE (4) of 7.1% in 9M-2017
- Solid results despite lower net interest income and implementation of efficiency measures with positive effects yet to fully materialize
  - Positive development of loan loss provisioning expenses
  - Reduced underlying cost base (staff reduction, branch network restructuring, increased automation and optimisation of processes)
  - Currently extraordinary costs (e.g. cost relating to staff reductions or branch closures) or investments (e.g. digital product offering) still playing a role

Comparing to the SEE banking sector, ProCredit SEE during 2013 – 2016 with

- Significantly higher average profitability (12.8% RoAE vs 3.4% in the banking sector)
- Significantly higher stability in terms of profitability (ProCredit RoAE during 2013 – 2016 ranging between 12.3% to 13.3%, whilst the average banking sector ranging from -4.5% to 9.8%)

RoAE of ProCredit SEE versus SEE banking sector

Notes: (1) Excl. non-controlling interest; (2) includes Romania, Bulgaria, Croatia, Serbia, Bosnia and Herzegovina and Albania; (3) includes Albania, Bosnia and Herzegovina, Bulgaria, Kosovo, Macedonia, Romania and Serbia. Source: RBI CEE Research Report June 2017; (4) Annualised
Key company highlights

1. Young, modern and highly integrated banking group for SMEs with established positions in core markets

2. Strong international and local reputation as an international development-oriented commercial banking group

3. Highly experienced team with strong commitment to ethical corporate culture

4. Solid risk profile due to high diversification

5. Impressive financial track record in terms of stability and profitability

6. Further potential through growth opportunities and cost efficiencies
Growth opportunities in core markets

**Real GDP growth in South Eastern Europe**

<table>
<thead>
<tr>
<th>Year</th>
<th>Growth Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016E</td>
<td>2.8%</td>
</tr>
<tr>
<td>2017E</td>
<td>3.1%</td>
</tr>
<tr>
<td>2018E</td>
<td>3.4%</td>
</tr>
<tr>
<td>2019E</td>
<td>3.4%</td>
</tr>
</tbody>
</table>

**Commentary**

- Economies of target markets are gradually improving
- South Eastern European countries among the fastest growing economies in Europe
- Banking markets in South Eastern Europe with improving asset quality and balance sheet growth picking up
- High potential in South Eastern Europe due to
  - Expected high GDP growth
  - Still underdeveloped banking sector
- Competitive situation in South Eastern Europe favourable as
  - Competition remains weak due to ongoing consolidation
  - Western banks focusing away
  - ProCredit with key advantages to serve SME clients (e.g. modern branches and service points, high quality of staff)

**Significant potential ahead**

- Saturated banking markets, low growth
- Developed banking markets, high growth
- Underdeveloped banking markets, high growth

**Banking sector penetration (loans/GDP)**

<table>
<thead>
<tr>
<th>Country</th>
<th>2016E</th>
</tr>
</thead>
<tbody>
<tr>
<td>Italy</td>
<td>6</td>
</tr>
<tr>
<td>France</td>
<td>5</td>
</tr>
<tr>
<td>Spain</td>
<td>4</td>
</tr>
<tr>
<td>Slovenia</td>
<td>3</td>
</tr>
<tr>
<td>UK</td>
<td>2</td>
</tr>
<tr>
<td>Germany</td>
<td>3</td>
</tr>
<tr>
<td>US</td>
<td>4</td>
</tr>
<tr>
<td>Japan</td>
<td>6</td>
</tr>
</tbody>
</table>

**ProCredit local bank presence**

- South Eastern Europe
- Central Eastern Europe
- Western Europe

**Economies of target markets**

- Economies of target markets are gradually improving
- South Eastern European countries among the fastest growing economies in Europe
- Banking markets in South Eastern Europe with improving asset quality and balance sheet growth picking up

**Commentary**

- High potential in South Eastern Europe due to
  - Expected high GDP growth
  - Still underdeveloped banking sector
- Competitive situation in South Eastern Europe favourable as
  - Competition remains weak due to ongoing consolidation
  - Western banks focusing away
  - ProCredit with key advantages to serve SME clients (e.g. modern branches and service points, high quality of staff)
Efficient platform built for scale effects and growing automation

Branch and service points network

<table>
<thead>
<tr>
<th></th>
<th>Dec-13</th>
<th>Dec-16</th>
<th>Sep-17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of branches</td>
<td>317</td>
<td>328</td>
<td>317</td>
</tr>
<tr>
<td>Number of service points</td>
<td>291</td>
<td>224</td>
<td>156</td>
</tr>
</tbody>
</table>

Commentary

- Efficiency gains through quality positioning
  - Focus on locations with the largest potential for ProCredit’s “Hausbank” concept
  - Branches in prime locations increasing visibility in the market
- Better trained BCAs able to handle more complex SME clients
- More business (transactions, turnover, trade finance, deposits and fees) per BCA as important lever for growth and efficiency

Number of cash desk transactions

<table>
<thead>
<tr>
<th></th>
<th>Dec-13</th>
<th>Dec-16</th>
<th>Sep-17</th>
</tr>
</thead>
<tbody>
<tr>
<td>YTD Cash desk transactions in % total transactions</td>
<td>28%</td>
<td>5%</td>
<td>2%</td>
</tr>
</tbody>
</table>

Commentary

- Scale effects through automation
- Cash desk operations almost completely eliminated
- Standardised transactions and services shifted to 24/7 service points and online-banking services as foundation for further efficient growth
- Card transactions and e-banking developing, especially in Eastern Europe
- Simple, unified offer for target private clients (via electronic channels)

Note: All related figures and ratios for Dec-13 relate to the subsidiaries as shown in the consolidated financial statement as of 2013
Agenda

A  Key company highlights  3

B  Financial overview  26

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Appendix
Resilience through continuous sharpening of business model towards SMEs

**Sharpening of business model towards SMEs...**

Loan portfolio > EUR 30k in % total loan portfolio:
- 2013: 58%
- 2014: 62%
- 2015: 74%
- 2016: 81%
- Sep-17: 87%

**Commentary**

- Strategic focus on SMEs and the core segment of loans > EUR 30k
  - Strong growth in the core segment +13% in 9M-2017 (+8% in 9M-2016)
  - Significant decrease in loans < EUR 30k -25% in 9M-2017 (-20% in 9M-2016)

- Decrease in net interest margins as a result of the prevailing low interest environment, but also due to the strategic specialisation in SMEs
- At the same time net interest income is beginning to stabilise
- Loan portfolio growth increasingly compensates for margin decline

**...impacting margins...**

Net interest margin(1):
- 2013: 7.6%
- 2014: 6.3%
- 2015: 5.5%
- 2016: 4.6%
- Sep-17: 3.9%

**...accompanied by lower cost of risk**

In EUR m:
- 2013:
  - Loan loss provision expenses: 135 bps
  - Cost of risk(2): 57 bps
- 2014:
  - Loan loss provision expenses: 116 bps
  - Cost of risk(2): 49 bps
- 2015:
  - Loan loss provision expenses: 122 bps
  - Cost of risk(2): 42 bps
- 2016:
  - Loan loss provision expenses: 52 bps
  - Cost of risk(2): 19 bps
- Sep-17:
  - Loan loss provision expenses: 16 bps
  - Cost of risk(2): 5 bps

Notes: (1) Annualised; Continuing operations only; (2) Cost of risk defined as net expenses for allowances on loans and advances to customers plus income from recovery of written-off loans divided by average gross loan portfolio

---

ProCredit Holding | November 2017
Highly disciplined cost management

Significantly changed staff structure and responsibilities...

- Loan portfolio per group staff (in EUR '000)
  - SEE and EE segments: 1,335
  - Total group staff: 355, 497, 4,659, 4,078, 3,522

- Commentary
  - Significant reduction of overall staff in the past 3 years: -69% from 11,514 as of Dec-13 to 3,522 as of Sep-17, resulting in:
    - Very lean, efficient organisation with little overhead
    - Increasing loan portfolio per total group staff (+206% from Dec-13 to Sep-17)

...in line with reduction of branches and service points...

- Number of branches and service points
  - SEE and EE segments: 139
  - Number of service points: 224, 67, 54

- Commentary
  - Consistent reduction and modernisation of branches and service points resulting in:
    - Efficient platform with client advisers focusing on services requiring more intensive consultation
    - Standardised transactions and services shifted to 24/7 service points and online banking platform

...with cost benefits from this strategy only partly visible now

- Operating expenses and Cost-income ratio
  - SEE and EE segments: 59%
  - 2013: 75%, 2014: 71%, 2015: 69%, 2016: 71%, Sep-17: 73%

- Commentary
  - Significant reduction of overall staff in the past 3 years: -69% from 11,514 as of Dec-13 to 3,522 as of Sep-17, resulting in:
    - Very lean, efficient organisation with little overhead
    - Increasing loan portfolio per total group staff (+206% from Dec-13 to Sep-17)

  - Consistent reduction and modernisation of branches and service points resulting in:
    - Efficient platform with client advisers focusing on services requiring more intensive consultation
    - Standardised transactions and services shifted to 24/7 service points and online banking platform

  - Since 2013 annual operating expenses have decreased significantly
  - Current level of operating expenses influenced by extraordinary expenses related to further closures of service points
  - Cost-income ratio development also influenced by strategic shift to specialisation on SMEs and overall low interest rate environment
  - South Eastern Europe and Eastern Europe segments with cost-income ratios of 65% and 47%, respectively
Overview of key ratios

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net interest margin(^{(1)})</td>
<td>5.5%</td>
<td>4.6%</td>
<td>3.9%</td>
</tr>
<tr>
<td>Cost-income ratio</td>
<td>68.9%</td>
<td>71.3%</td>
<td>73.1%</td>
</tr>
<tr>
<td>Change in loan portfolio &gt; EUR 30,000</td>
<td>18.3%</td>
<td>13.0%</td>
<td>12.9%</td>
</tr>
<tr>
<td>Deposits to loans ratio(^{(2)})</td>
<td>92%</td>
<td>96%</td>
<td>91%</td>
</tr>
<tr>
<td>Return on average equity(^{(1)})</td>
<td>10.5%</td>
<td>9.6%</td>
<td>7.1%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Loan portfolio quality:</th>
<th>(\text{Loan loss provision ratio}^{(3)})</th>
<th>Net write-off ratio(^{(1)(4)})</th>
<th>Impaired loans(^{(5)})</th>
<th>Loans in PAR30</th>
<th>Loans in PAR90</th>
<th>Coverage ratio Impaired</th>
<th>Coverage ratio PAR30</th>
<th>Coverage ratio PAR90</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>1.2%</td>
<td>0.9%</td>
<td>8.2%</td>
<td>4.9%</td>
<td>4.0%</td>
<td>56%</td>
<td>95%</td>
<td>116%</td>
</tr>
<tr>
<td>2016</td>
<td>0.5%</td>
<td>0.7%</td>
<td>6.3%</td>
<td>3.9%</td>
<td>3.4%</td>
<td>66%</td>
<td>106%</td>
<td>124%</td>
</tr>
<tr>
<td>9M-2017</td>
<td>0.2%</td>
<td>0.3%</td>
<td>5.4%</td>
<td>3.5%</td>
<td>2.9%</td>
<td>67%</td>
<td>103%</td>
<td>124%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Capital and dividends:</th>
<th>CET1 ratio (fully loaded)</th>
<th>Total capital ratio (fully loaded)</th>
<th>Leverage ratio (fully loaded)</th>
<th>Book value per share (in EUR)</th>
<th>Dividend payout ratio(^{(7)})</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>10.2%(^{(6)})</td>
<td>12.4%</td>
<td>8.6%(^{(6)})</td>
<td>11.73</td>
<td>33%</td>
</tr>
<tr>
<td>2016</td>
<td>12.4%</td>
<td>15.4%</td>
<td>9.8%</td>
<td>12.07</td>
<td>33%</td>
</tr>
<tr>
<td>9M-2017</td>
<td>13.3%</td>
<td>16.2%</td>
<td>10.5%</td>
<td>12.14</td>
<td>n.a.</td>
</tr>
</tbody>
</table>

Notes: (1) Annualised; (2) Customer deposits divided by customer loan portfolio; (3) Expenses for allowances on loans and advances to customers divided by average gross loan portfolio; (4) Net write-offs: Quotient of net write-offs for the period and customer loan portfolio for continuing operations; (5) Impaired loans in % of customer loan portfolio; defined as exposures more than 30 days past due plus other signs of impairment (e.g. breach of covenants, initiation of proceedings); (6) Not fully loaded; (7) Dividend payout ratio relating to the respective financial year, irrespective of actual payout of dividends in subsequent year.

Commentary

1. Strong growth in 9M-2017 in core loan categories (compared to 7.7% in 9M-2016, not annualised)
2. Steady profitability from continuing operations, RoAE impacted by capital increase in November 2016 and decrease in profit from discontinued operations
3. Decreasing provisioning costs and low write-offs reflect a steady improvement of portfolio quality
4. Strong and improving PAR 30 coverage ratio due to high and improving portfolio quality
5. Strong leverage ratio results from our plain balance sheet structure and limited use of RWA reduction measures
A  Key company highlights  3

B  Financial overview  26

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Appendix
## Key strategic outline

### 1. Strongly focusing on core business

#### Business clients
- Become a leading “Hausbank” for target SME clients in core markets
- Expand business with formal, innovative and growing SMEs to grow loan portfolio and financial services fees
- Increase cross border cooperation and co-financing for larger, internationally oriented SMEs
- Decrease business with smaller end of business clients (< EUR 30k loan size)

#### Private clients
- Focus on stable, low cost deposits from private clients
- Target entrepreneurs as private clients
- Approach middle income clients who have a salary account with ProCredit and provide overdraft facilities and loans

### 2. Leveraging efficiency gains

#### Services
- Leverage modern platform to increase fee-generating business

#### Channels
- Focus on modern outlet network offering comprehensive 24/7 services
- Increase automation of simple transactions e.g. increase in e-banking

#### Staff
- Continue development of BCAs and client advisers (CAs) at the service points to support business and group risk strategy
- Further develop key staff and middle managers in charge of branches through careful selection

#### Infrastructure
- Centralise IT infrastructure and increase level of process standardisation for greater operational efficiency
- Further strengthen credit risk management systems with quantitative risk classification

### 3. Promoting sustainable development

#### Socially responsible banking
- Continue to promote sustainable development in all facets, including banking sector transparency
- Focus on innovative and sustainable SMEs

#### Environmental responsibility
- Further raise awareness about environmental topics in the bank
- Continue to promote investments in environmentally friendly technologies and businesses
Further execution of strategy as enabler of profitable growth

<table>
<thead>
<tr>
<th>Continued growth of gross loan portfolio in core SME category</th>
</tr>
</thead>
<tbody>
<tr>
<td>▶ Strong growth of loan portfolio in core categories of loans &gt; EUR 30k</td>
</tr>
<tr>
<td>▶ Decrease in non-core loan categories (&lt; EUR 30k) expected to be largely completed in 2017</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2017 and mid-term outlook</th>
</tr>
</thead>
<tbody>
<tr>
<td>▶ Growth of the gross loan portfolio in the target loan categories (&gt;EUR 30,000)</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>▶ Growth of the total gross loan portfolio</td>
</tr>
<tr>
<td>▶ Return on average equity (RoAE)</td>
</tr>
<tr>
<td>▶ CET1 ratio (fully-loaded)</td>
</tr>
<tr>
<td>▶ Dividend payout ratio</td>
</tr>
<tr>
<td>▶ In the mid-term(1), we see potential for c. 10% p.a. growth of the gross loan portfolio, a cost income ratio (CIR) &lt; 60%, and a return on average equity (RoAE) of c.10%</td>
</tr>
</tbody>
</table>

Notes: (1) Taking into consideration a stabilising political, economic and operating environment

Regional footprint

ProCredit presence

Notes: (1) Taking into consideration a stabilising political, economic and operating environment
<table>
<thead>
<tr>
<th></th>
<th>Agenda</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Key company highlights</td>
<td>3</td>
</tr>
<tr>
<td>B</td>
<td>Financial overview</td>
<td>26</td>
</tr>
<tr>
<td>C</td>
<td>Strategic outlook</td>
<td>30</td>
</tr>
</tbody>
</table>

Appendix
Consolidated profit of EUR 35.8 million on previous year’s level

- Stable profit from continuing operations, in spite of positive one-time effects in the same period of the previous year

Decrease in NII compared to previous year primarily the result of the low interest rate environment as well as the strategic shift away from very small loans to SME loans

- Largely stable NII throughout the three quarters of 2017 as loan portfolio growth compensates for decreasing interest margins

Strong decrease in risk provisioning expenses due to improvement in portfolio quality, low write-offs and additional income from recoveries

Decrease of operating expenses as a result of further reduction and modernisation of branch network, in spite of the one-time expenses incurred from these measures
## Balance Sheet

<table>
<thead>
<tr>
<th>In EUR m</th>
<th>31.12.2016</th>
<th>30.09.2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>937</td>
<td>900</td>
</tr>
<tr>
<td>Loans and advances to banks</td>
<td>287</td>
<td>208</td>
</tr>
<tr>
<td>Financial assets at fair value through profit or loss</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Available-for-sale financial assets</td>
<td>250</td>
<td>184</td>
</tr>
<tr>
<td>Loans and advances to customers</td>
<td>3,629</td>
<td>3,832</td>
</tr>
<tr>
<td>Allowance for losses on loans and advances to customers</td>
<td>-151</td>
<td>-139</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>157</td>
<td>143</td>
</tr>
<tr>
<td>Other assets</td>
<td>97</td>
<td>94</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>5,668</td>
<td>5,504</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Liabilities to banks</td>
<td>318</td>
<td>307</td>
</tr>
<tr>
<td>Financial liabilities at fair value through profit or loss</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Liabilities to customers</td>
<td>3,475</td>
<td>3,479</td>
</tr>
<tr>
<td>Liabilities to International Financial Institutions</td>
<td>499</td>
<td>477</td>
</tr>
<tr>
<td>Debt securities</td>
<td>144</td>
<td>180</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>38</td>
<td>35</td>
</tr>
<tr>
<td>Subordinated debt</td>
<td>171</td>
<td>141</td>
</tr>
<tr>
<td>Liabilities related to assets held for sale</td>
<td>368</td>
<td>227</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>5,014</td>
<td>4,846</td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subscribed capital</td>
<td>268</td>
<td>268</td>
</tr>
<tr>
<td>Capital reserve</td>
<td>115</td>
<td>115</td>
</tr>
<tr>
<td>Legal reserve</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>325</td>
<td>340</td>
</tr>
<tr>
<td>Translation reserve</td>
<td>-62</td>
<td>-73</td>
</tr>
<tr>
<td>Revaluation reserve</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Equity attributable to ProCredit shareholders</strong></td>
<td>646</td>
<td>650</td>
</tr>
<tr>
<td><strong>Total equity</strong></td>
<td>654</td>
<td>657</td>
</tr>
<tr>
<td><strong>Total equity and liabilities</strong></td>
<td>5,668</td>
<td>5,504</td>
</tr>
</tbody>
</table>

### Commentary

1. **Decrease of total assets after successful sale of PCB**
   Nicaragua, loan portfolio growth compensated by decrease of excess liquidity

2. **Portfolio growth has been curbed by the continuing exit of loans < EUR 30,000 and the depreciation of the US dollar since the beginning of the year**
   - Lower allowances paired with an increase in the PAR30 coverage ratio underline the continuous improvement in portfolio quality

3. **Assets/Liabilities held for sale are related to PCB El Salvador, which was sold after the reporting date**

4. **Stable liabilities to customers; some decline of deposits from private individuals has been compensated for by growing deposits from legal entities**

5. **Equity largely stable after capitalisation of profit, dividend payout and change of translation reserve**
ProCredit has continuously developed its business model since foundation in 2003

Key historic milestones


Origin of ProCredit with IPC (now Zeitinger Invest): Consulting financial institutions and NGOs in developing countries

Downscaling: Focus on advising commercial banks on how to grant loans to very small businesses

Creation of ProCredit as a banking group comprising 17 banks with key shareholders IFC, KfW and FMO

Consolidation of ownership in ProCredit Holding and subsequent investment grade rating since 2004

Establishment of the ProCredit Academies in recognition of the need to develop and integrate middle and senior managers

Move from a product-oriented microfinance provider to a positioning as the “Hausbank” for SMEs

Banking licence in Germany and change of legal form to AG & Co. KGaA

Supervision by German banking authority (BaFin) and Deutsche Bundesbank

Sale of units in Armenia, Congo and Mexico as part of the strategic refocusing on SME clients

Sale of ProCredit Bank in Bolivia

Listing of ProCredit Holding shares (PCZ) at Prime Standard of Frankfurt Stock Exchange

Sale of units in Nicaragua and El Salvador

ProCredit Holding becoming member of the Social Stock Exchange (SSX)

Organisational and holding structure(1)

Germany

ProCredit Bank AG
ProCredit Academy GmbH
Quipu GmbH

SE Europe

ProCredit Bank sh.a
ProCredit Bank d.d.
ProCredit Bank Sh.a
ProCredit Bank A.D.
ProCredit Bank E.A.D.
ProCredit Bank a.d.

Eastern Europe

ProCredit Bank S.A.
ProCredit Bank JSC
ProCredit Bank JSC

South America

ProCredit Bank S.A.
Banco ProCredit S.A.
Banco ProCredit Columbia S.A.

Notes: Non-bank subsidiaries; (1) Sorted by reported segments
Shareholder structure ensuring long-term mission lock

Shareholder structure of ProCredit General Partner AG

Shareholder structure of ProCredit Holding & Co. KGaA

Organisational structure

Shareholders
(Zeitinger Invest, ProCredit Staff Invest(1), KfW, DOEN, IFC)

Limited partners
Shareholders of the managing general partner
(Zeitinger Invest, ProCredit Staff Invest, KfW, DOEN, IFC) hold 61%; other shareholders 39%

Notes: (1) Includes ProCredit Staff Invest 1 GmbH & Co. KG and ProCredit Staff Invest 2 GmbH & Co. KG only

Shareholder structure as of 21 December 2016
Approval as member of the Social Stock Exchange (SSX) following the approval of the Impact Report by the independent SSX Admissions Panel in May-17

Impact Report details the social impact of the group, focusing on three main areas of positive impact:

1. Providing financial services for SME clients in transition countries

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

2. Enhancing environmental awareness and protection in transition economies

   - Non-performing loan (NPL) ratios of selected ProCredit banks
     - Bulgaria: 20.6%, Kosovo: 3.8%, Macedonia: 2.9%, Serbia: 3.9%, Ukraine: 8.0%

   - Business and agricultural loan portfolio volume by environmental risk category
     - Low risk: 41%, Medium risk: 50%, High risk: 9%

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

3. Developing human resources in transition economies

   - Number of female staff in management positions
     - Senior management: 30 Female, 22 Male
     - Middle management: 52% Male, 48% Female

   - Amount invested in staff training
     - 2015: €1,741 / employee
     - 2016: €2,184 / employee

   - Hours of English courses delivered
     - 2015: 121,680 hrs
     - 2016: 120,240 hrs

Source: ProCredit Impact Report 2016
Comprehensive “Hausbank” service benefitting ProCredit’s SME clients (I/II)

Al Sistem doo and ProCredit Bank Serbia

► Al Sistem has been a client of ProCredit Bank since 2007

► The company produces and installs aluminium and PVC constructions in residential, business and industrial buildings

► The company operates in Serbia, with a significant share of its products being exported

► To finance supplies for new business opportunities abroad, Al Sistem requested a EUR 250,000 loan from ProCredit Bank Serbia

► In addition, the client works with ProCredit for international payments, e-banking and via usage of a Visa business card. He also uses a credit limit given by ProCredit, which allows for greater operating and financial flexibility

► The company currently employs 55 people

► Given the investment based on the loan from ProCredit, Al Sistem currently plans to train 10 high school graduates who will then be eligible for permanent employment
Comprehensive “Hausbank” service benefitting ProCredit’s SME clients (II/II)

Aliana OOD and ProCredit Bank Bulgaria

► Aliana OOD is a leading textile manufacturer led by Vassil and Rositsa Zahariev

► Founded in 1993, the company today is a top producer of silicone polyester wadding and silicone down

► The company currently has 160 employees and exports a large share of its products to the EU

► In 2013, ProCredit Bank Bulgaria began working with the clients. Since then, they have expanded significantly and have invested in several energy efficiency projects. To date, total borrowing from ProCredit Bank Bulgaria amounts to EUR 2,250,000

► One part of their energy investment plan was to insulate their production facilities and to replace energy-intensive drying equipment for batting with more efficient models

► The investments have resulted in lower production prices, as well as new customers. In addition, turnover increased by approximately 20% in 2014

► Aliana OOD uses several ProCredit services, such as bank cards, e-banking and payroll services, alongside regular visits to the new 24/7 zones
“Green loans” help clients to make an environmental impact with their business (I/II)

Fernuci FPC and ProCredit Bank Moldova

- Fernuci FPC is a leading producer of organic walnuts and an exporter of shelled walnuts for the European food retail and manufacturing industry
- The company has 19,000 walnut trees on approximately 90 ha of land. Additionally, it purchases walnuts from regional farmers and thus positively contributes to the local economy
- ProCredit Bank Moldova has been Fernuci’s FPC main financial partner since April 2015
- Aware of the importance of promoting and supporting water-saving technologies, the bank financed the company’s investment in a drip irrigation system for the walnut orchard with a green loan of EUR 300,000
- The system is expected to reduce water consumption by up to 70%, diminish weeds, reduce the risk of plant diseases and maximise crop yield

“Growing a walnut orchard is a highly capital-intensive activity. It was only logical for us to invest in technologies that would support the rapid growth of the trees and secure an early commercial harvest. ProCredit Bank supported us in the investment in a state-of-the-art irrigation system which improves both productivity and the quality of the nuts.”

Robert Sporschill, co-owner of Fernuci FPC
“Green loans” help clients to make an environmental impact with their business (II/II)

EKO-GRUP and ProCredit Bank Macedonia

► EKO-GRUP was established in 2006 as a consultancy company in agriculture, rural development and environmental protection
► In 2009, it started producing organic food and now offers more than 50 processed organic fruit and vegetable products
► EKO-GRUP produces its own vegetables, but also cooperates with a number of local farmers to obtain the most suitable organic products for processing
► For consumers, EKO-GRUP offers a variety of premium organic and gourmet products and the possibility to purchase them either at a supermarket chain or online at their convenience
► ProCredit supports EKO-GRUP in its business by offering financing and other modern banking services

“We pay attention to the technology and equipment that we use for food processing. We have invested in energy-efficient equipment, and we use biomass pellets for the process of baking the peppers. As a result, we have cut our electricity consumption by up to three quarters.”

Goran Angelovski, owner of EKO-GRUP
Information regarding financial figures in this presentation

Q3-2017:
- Financial data for nine-month period ended September 30, 2017, as shown in the unaudited interim consolidated financial statements for the nine-month period ended September 30, 2017.
- Entities classified as discontinued operations: Banco ProCredit El Salvador in the balance sheet-related information and in the profit and loss-related information.

FY 2016:
- Financial data for the fiscal year ended December 31, 2016, as shown in the consolidated financial statements as of and for the fiscal year ended December 31, 2016.
- Entities classified as discontinued operations: Banco ProCredit El Salvador and Banco ProCredit Nicaragua in the balance sheet-related information, and ProConfianza Mexico, Banco ProCredit El Salvador, Banco ProCredit Nicaragua, and Banco Pyme Los Andes ProCredit Bolivia in the profit and loss-related information.

FY 2015:
- Financial data for the fiscal year ended December 31, 2015, as shown in the consolidated financial statements as of and for the fiscal year ended December 31, 2016.
- Entities classified as discontinued operations: ProConfianza Mexico, Banco ProCredit El Salvador, and Banco ProCredit Nicaragua in the balance sheet-related information, and ProConfianza Mexico, Banco ProCredit El Salvador, Banco ProCredit Nicaragua, Banco Pyme Los Andes ProCredit Bolivia, ProCredit Bank Armenia, and ProCredit Bank Congo in the profit and loss-related information.

FY 2014:
- Financial data for the fiscal year ended December 31, 2014, as shown in the consolidated financial statements as of and for the fiscal year ended December 31, 2015.
- Entities classified as discontinued operations: ProConfianza Mexico, Banco ProCredit El Salvador, Banco ProCredit Nicaragua, ProCredit Bank Congo, and ProCredit Bank Armenia in the profit and loss-related information.

FY 2013:
- Financial data for the fiscal year ended December 31, 2013, as shown in the consolidated financial statements as of and for the fiscal year ended December 31, 2014.
- Entities classified as discontinued operations: ProCredit Ghana, Banco ProCredit Honduras, and Banco ProCredit Mozambique in the profit and loss-related information.

Note: Unless indicated otherwise
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