



ProCredit
H O L D I N G

Socially Responsible Banking in South Eastern Europe

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Manager**



- **The growth in SEE banking markets**
 - **Risks of "irresponsible" banking practices**
- **What does responsible banking mean in this context?**
 - **For the regulatory and operating environment**
 - **For ProCredit Banks**



2006	Banking sector					
	Total asset to GDP	Loan portfolio to GDP	Deposits to GDP	Total asset growth	Loan portfolio growth	Deposit growth
Albania	68%	21%	57%	26%	57%	19%
Bosnia	77%	49%	46%	24%	23%	29%
Bulgaria	86%	45%	68%	28%	25%	31%
Georgia	31%	19%	15%	66%	63%	60%
Macedonia	57%	30%	30%	24%	30%	28%
Moldava	59%	34%	42%	27%	37%	22%
Romania	51%	28%	28%	35%	52%	29%
Serbia	73%	34%	42%	51%	28%	38%
Ukraine	64%	50%	34%	59%	73%	39%
Germany	298%	132%	176%	4.3%	0.9%	3.2%

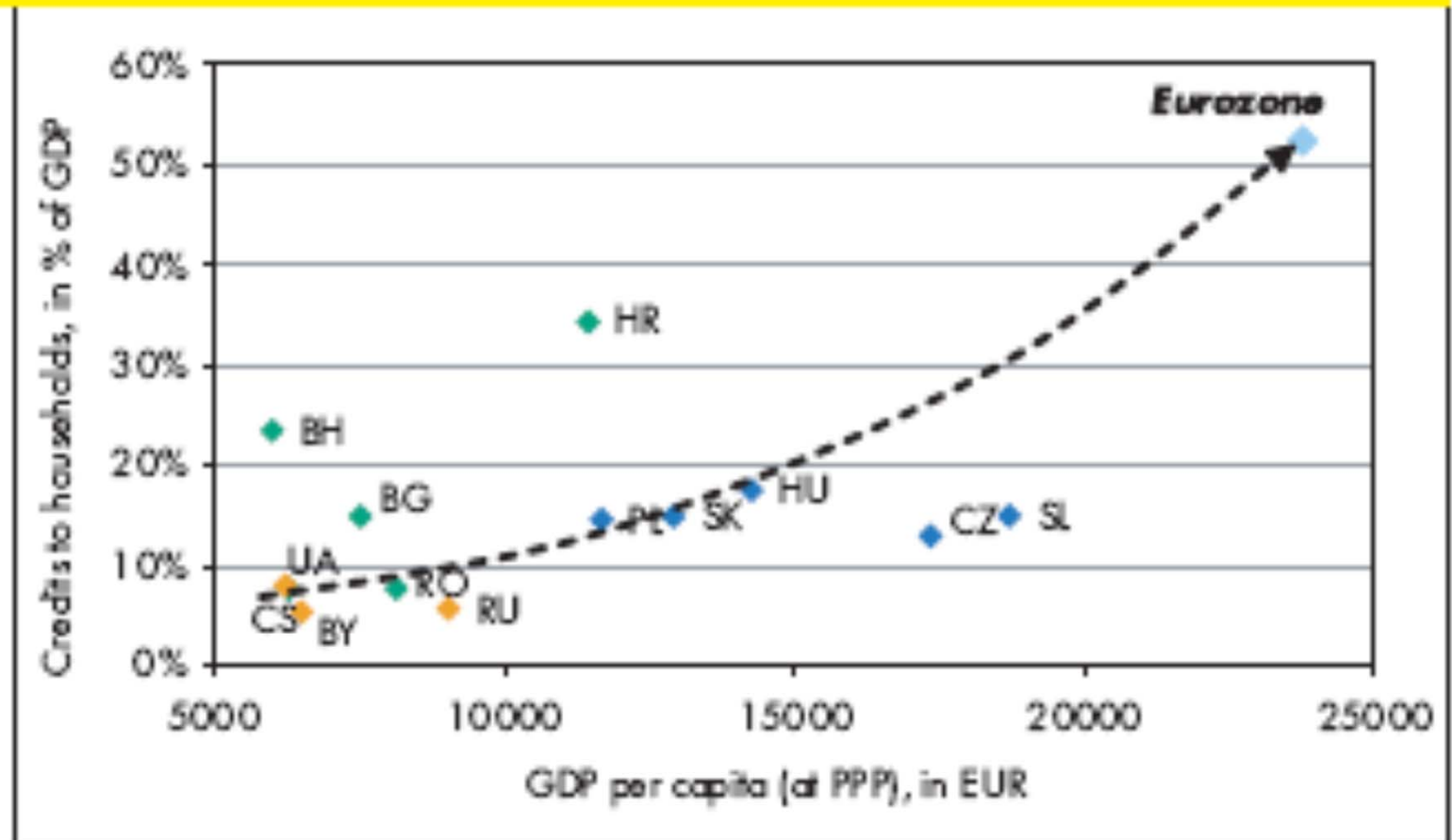


“Retail sector an
engine of growth ...

... especially
consumer lending
expanded at sonic
speed,

with consumer loans
accounting for 23%
to 50% of total loans
in 2006“.

Credits to households



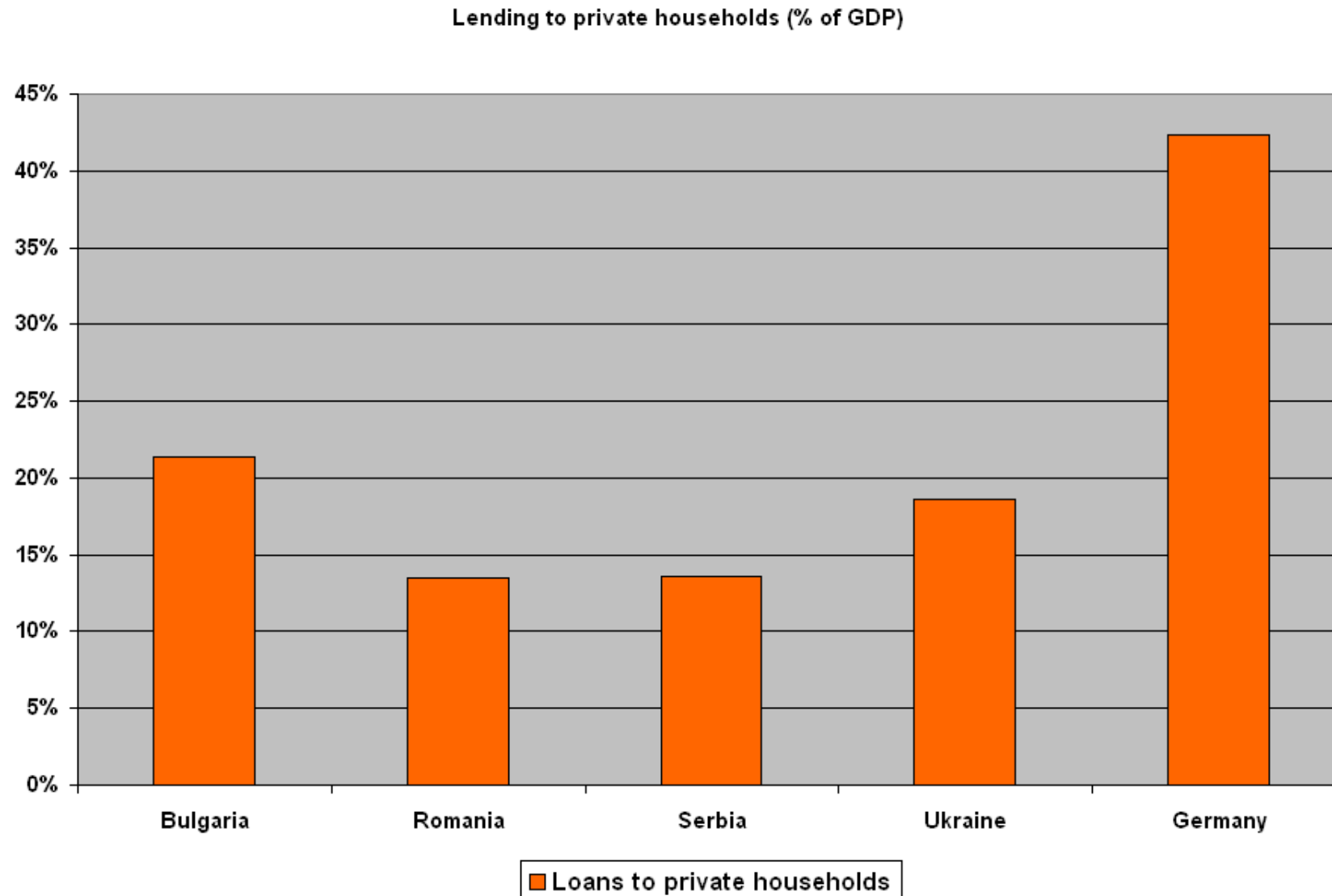
In per cent of GDP vs. GDP per capita

Data as of 2005

Source: Local central banks, wiw, Raiffeisen RESEARCH



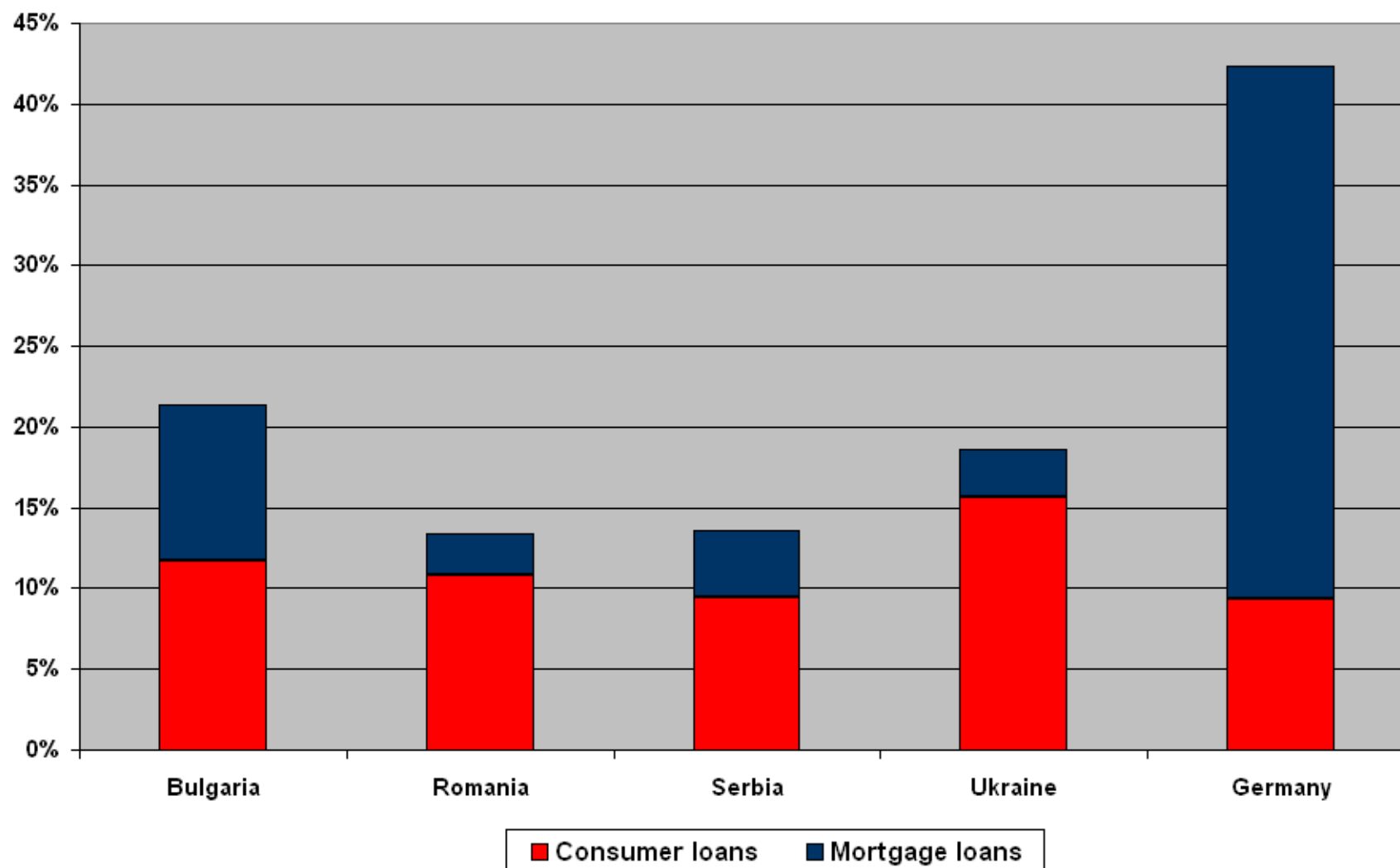
Comparison: Retail lending in Eastern Europe vs. Germany





Comparison: Retail lending in Eastern Europe vs. Germany

Lending to private households (% of GDP)



Aggressive consumer lending

СУПЕР ЦІНА 23-	9 СЕКЦІЙ 26-	11 СЕКЦІЙ 31-
ВИСОКОШВИДКІСНА 18-	НИЖЧЕШВИДКІСНА 67-	ЗОКРЕМІЙНИЙ ЗУМ 293-
278 73-	ДРУЖИ НА СО 67-	ВІДЕОСИСТЕМА ЗВУКУ 402-

Доступно легкість
3 059

З 01.02 по 28.02.2007
Наздоганяй!

Impression

ТІЛЬКИ ПАСПОРТ
І ШАЛЕНЕ КОХАННЯ

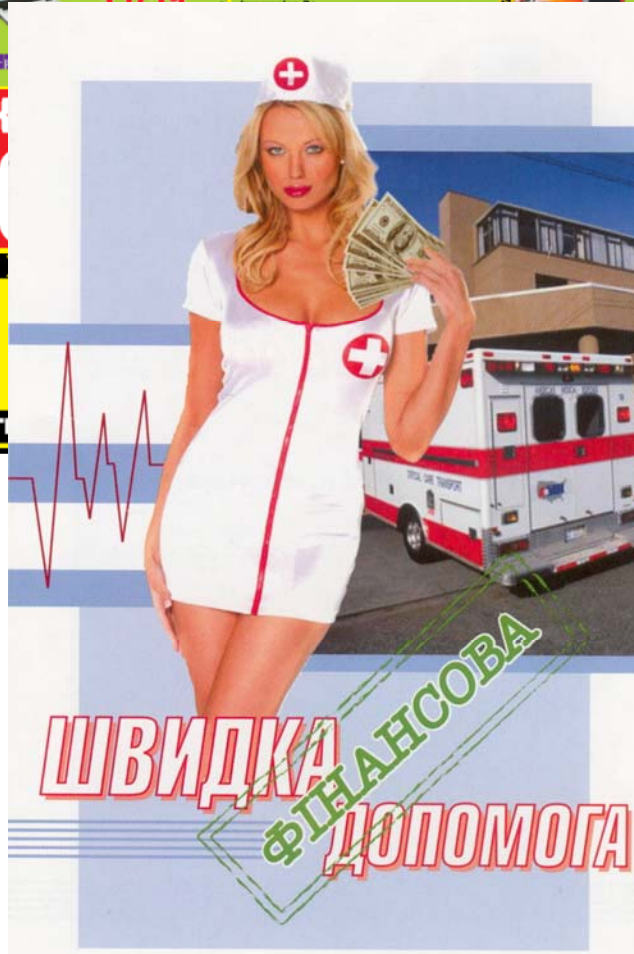
0%

КРЕДИТ

...БЕЗ ДОВІДОК!

Кредит надає Промисловий Банк на суму максимум від 250 грн.

**ШВИДКА
ФІНАНСОВА
ДОПОМОГА**



ЗНИЖКА НА ВСІ ТОВАРИ

КРЕДИТ 0%

КОМІСІЯ БАНКУ
ПРАВЕКС БАНК ліц. НБУ №7 від 03.12.2001 р.

Україна, Київ, вул.Б.Хмельницького, 17/52 тел/факс +38 044 581 10 10





Transparency for customers

Transparency for banks - credit bureaux

Informed and engaged media

Financials controls if necessary



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Socially Responsible ProCredit Banking: Working with the "right" clients ...

Small and Medium Enterprises



Enterprise loans

Lower and middle-income groups



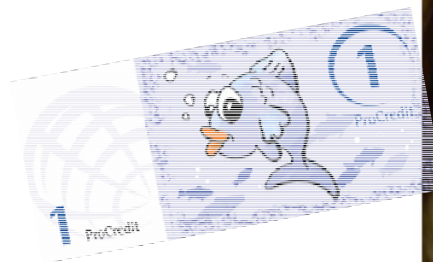
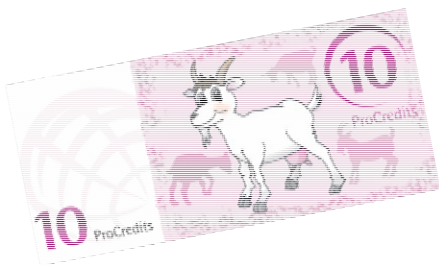
Savings products and home improvement loans

What would you like most?

(See text page 13)



30 Appendix G



Appendix

Class Savings Plan

(See text page 13)

Week	Money earned	Amount saved	Total saved
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			



Appendix H 31



ProCredit Bank

.. in the right way ...



KAKO DA RAZGOVARATE SA BANKOM



Socially Responsible ProCredit Banking: .. with the right staff ...











ACADEMY
EASTERN EUROPE



Shareholder Structure of ProCredit Holding

<u>Capital base:</u>	Voting capital	EUR 152 million	84 %
	Non-voting capital	EUR 28 million	16 %
	Share premium	EUR 36 million	
	Retained earnings / other reserves	EUR 12 million	
	<u>Total</u>	EUR 228 million	

Shareholder structure of voting capital:

	21 %		18 %
ipc-invest	5 %		14 %
	18 %		7 %
	3 %		7 %
	3 %		
Omidyar Tufts	2 %		
responsAbility	1 %		

Working with the “right” customers ...

Micro, small and medium-sized businesses (loan focus)

Lower and middle-income retail groups (savings focus)

.. in the right way ...

Long-term relationships based on understanding needs and ability to repay

Focus on honesty, transparency and financial literacy

.. with the right staff ...

Investment in training socially competent and committed people

.. and with the right shareholders

Private-public partners not short-term profit maximisers

Committed to long-term, low risk financial management

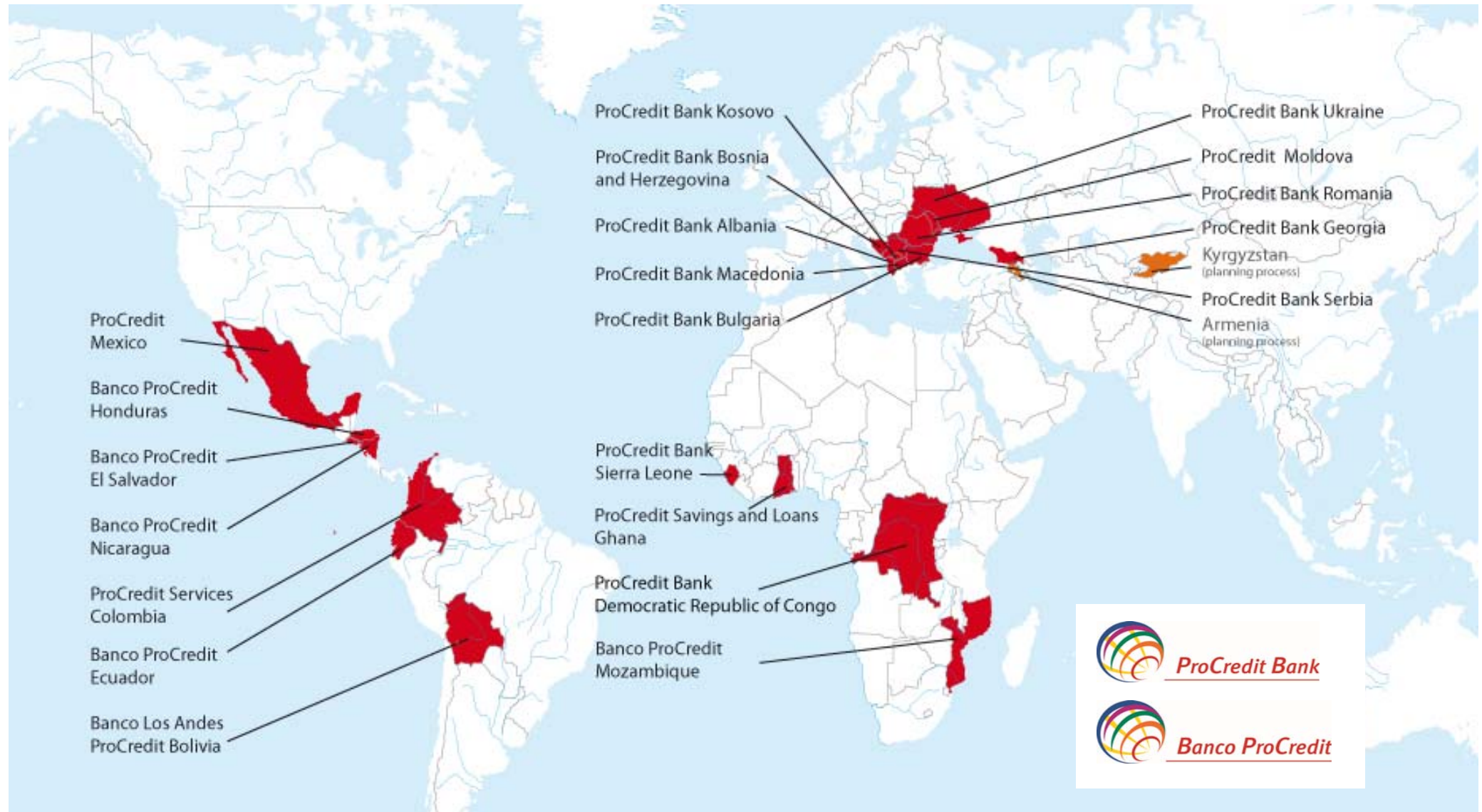


Holistic approach



ProCredit
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The ProCredit group worldwide



Key figures for the ProCredit group worldwide

	2002	2003	2004	2005	2006	Aug-07	Plan for 2007
Loan portfolio							
<i>Volume (in EUR mln)*</i>	347	590	946	1,502	2,119	2,609	2,980
<i>Number (in '000)</i>	204	293	422	566	728	867	1,037
Total assets (in EUR mln)	764	985	1,497	2,251	3,103	3,849	4,100
Deposits							
<i>Volume (in EUR mln)*</i>	465	552	825	1,270	1,811	2,246	2,407
<i>Number (in '000)</i>	301	473	771	1,390	1,924	2,493	3,008
Total borrowings (in EUR mln)	185	292	453	680	785	851	1,021
<i>Borrowings from IFIs</i>	108	196	297	425	491	482	583
<i>Other borrowings</i>	77	96	156	255	294	369	438
Equity (in EUR mln)	97	122	172	221	283	331	350
Net profit (in EUR mln)	7.0	11.9	17.2	29.6	35.6	34.7	41.3
No. of staff	3,273	4,754	6,872	9,128	12,773	15,467	16,043
No. of branches	181	239	302	377	475	553	625

* does not include accrued interest



Loan portfolio quality: Portfolio at Risk (loans overdue > 30 days)

PAR as % of gross loan portfolio

