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Successful debut on the European financial markets: ProCredit, a global microfinance group, has issued a landmark €45 million bond led by Deutsche Bank AG.

FRANKFURT, November 15, 2005 - Deutsche Bank successfully arranged a €45 million bond offering (rated BBB- by Fitch) for ProCredit Holding AG in 7-year (€20m) and 10-year (€25m) tranches. This is the first time that a microfinance entity has accessed the European capital markets, which are geared towards purely commercial investors, on such a scale. Microfinance is the provision of financial services to economically active micro and small entrepreneurs in developing countries and transition economies.

As of September 30, 2005, the ProCredit Group had total assets of roughly €1.9 billion and 526,000 outstanding loans, making it the leading microfinance group in the world. The group comprises 19 banks located in Eastern Europe, Latin America and Africa, and employs more than 7,000 people. ProCredit boasts excellent asset quality (loan arrears of 1%). Its shareholders include the leading microfinance consultancy IPC GmbH, the Dutch foundation DOEN, and some of the leading government, semi-government and multilateral development agencies including KfW, the German development bank; FMO, the Dutch development finance company; and IFC, the private sector development arm of the World Bank. The head office of ProCredit Holding AG is located in Frankfurt, Germany.

Deutsche Bank acted as advisor to and bookrunner for ProCredit Holding, enabling its international debt market debut. The proceeds will be used to meet the growing funding needs of the banks belonging to the ProCredit Group, which in turn will onlend the funds to micro-entrepreneurs who would otherwise have little or no access to financial services.

Claus-Peter Zeiting, Chairman of the Supervisory Board of ProCredit Holding in Frankfurt commented: "As a pioneer and market leader in microfinance, we are once again breaking new ground as we access the capital market to obtain long-term funding for the ProCredit Group. This bond will allow us to expand our outreach to our target group, and thus to achieve an even greater impact in terms of sustainable economic development. We plan to issue further bonds in the future."

Ralf Buschmann, Managing Director and Head Origination Financial Institutions at Deutsche Bank in Frankfurt commented: "In addition to a convincing credit story and ProCredit's BBB- investment grade rating from Fitch, the bond offers a very attractive spread over government bonds. Investors were excited about this debut issue as it offers diversification into a sector that did not exist in the investment universe before. Furthermore, given the current low yield environment, investors get a decent yield pick-up by buying this new credit."

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ProCredit Holding AG

The ProCredit Group has an outstanding loan portfolio of €1.3 billion comprised of some 526,000 loans, 95% of which are loans of less than €10,000 issued to micro entrepreneurs and small businesses. At the same time, the Group has a deposit base of roughly €1.2 billion held in just over a million accounts.

The company was set up in 1998 (under its former name, "IMI") with the objective of enabling small and micro-entrepreneurs in developing countries and transition economies to gain access to financial services. Specifically, ProCredit's aim is to create and manage commercially sustainable financial institutions designed explicitly to serve these target groups, whose economic needs and potential are so often neglected.

www.procredit-holding.com

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Deutsche Bank is a European financial service provider with a global sphere of operations. With €972 billion in assets and 63,751 employees, the bank offers unparalleled financial services in 74 countries. Deutsche Bank is dedicated to excellence, and is constantly challenging the status quo in order to deliver superior solutions to its clients.

Deutsche Bank ranks among the global leaders in corporate banking and securities, transaction banking, asset management, and private wealth management, and has a significant private and business banking franchise in Germany and other selected countries in Continental Europe.

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