Quipu

Part of the ProCredit Group

2012

Annual Report

1. Business Activities of QUIPU GmbH

Quipu GmbH is a software company based in Germany which provides IT services for financial institutions in more than 20 countries and maintains a processing centre for the online processing of financial transactions. The company was set up in 2004, emerging out of the IT department of Internationale Projekt Consult GmbH (hereinafter "IPC"). It specialises in the development and implementation of software to support the business activities of financial institutions, training of software users and local IT staff, and maintenance of hardware and software. The company's main clients are ProCredit Holding AG & Co. KGaA (hereinafter "ProCredit Holding") and its subsidiaries, the majority of which are banks. The priorities for the company's software development and implementation activities are defined by Quipu and ProCredit Holding together in quarterly meetings of a joint IT Steering Committee.

Due to its key role within the ProCredit group as the developer of the company-wide software infrastructure, Quipu became part of ProCredit Holding AG in January 2011 as a wholly-owned subsidiary.

The company's activities fall into three main areas:

1) The System Administration Department supports ProCredit Holding and all projects of IPC and members of the ProCredit group in the planning, installation and expansion of their technological infrastructure, including communication systems.
2) The Processing Centre offers the banks connected to it a complete service package for their card operations. The services offered include personalisation and authorisation of bank cards and credit cards in POS terminals and ATMs as well as the daily exchange of data.
3) The Software Development and Support Department is at the heart of the company's activities. The proprietary software developed by Quipu efficiently supports all key operational aspects of banks serving the target group of small and medium-sized enterprises.

The tasks of the System Administration Department comprised providing day-to-day support for IPC and ProCredit Holding, including the ProCredit Academy GmbH in Fürth, Germany and ProCredit Bank AG, Frankfurt, which was founded 2012, and conducting numerous further training courses for the banks of the ProCredit group.

The Processing Centre continues to serve 20 connected banks. ProCredit Bank Colombia has become a new client, and Ecobank in Sierra Leone has switched to the group's own provider. This takes the number of affiliated ProCredit institutions to six in Latin America, three in Africa and nine in Eastern Europe. In addition, two banks that do not belong to the ProCredit group are served as clients. The Processing Centre is regularly assessed according to PCI DSS[1] as required by VISA and MasterCard. Since August 2010, the Processing Centre has been certified by the German management systems certification body (Deutsche Gesellschaft zur Zertifizierung von Managementsystemen - DQS) according to ISO 20000 for Service Management of the Processing Centre. Additional certification in accordance with ISO 9001 is planned.

The Quipu software was once again updated in numerous banks and expanded with new product developments by the Software Development and Support division so as to keep pace with market trends and legal requirements in the areas of tax, reporting or data protection. The implementation of the newly developed software for the support of banking activities primarily in the branches (CustomWare.NET) was completed at four additional ProCredit Banks: Germany, Kosovo, Moldova and Bolivia, and the process was begun in Ghana and Bosnia and Herzegovina. In El Salvador, implementation is expected to take place by the end of the first quarter of 2013 as part of the ongoing migration project. Following the introduction of the software in 2012, 16 of the 22 ProCredit banks supported by Quipu now use this software. The software modules provided by Quipu for the areas Reporting (InfoWare) and Treasury (DealWare) were successfully implemented in numerous banks during the financial year and underwent further development in accordance with the requirements established by ProCredit Holding. In this respect one area of focus was the further development of the Core Banking System (CustomWare, BankWare) in order to comply with the regulatory requirements concerning Reporting in line with the introduction of Basel III and the standardisation of reporting within the EU. In addition, a further focus of the software development activities is on the continued development of new software in the area of CRM (Customer

[1] **P**ayment **C**ard **I**ndustry **D**ata **S**ecurity **S**tandard

Relationship Management) and the continued development of Internet and mobile banking for the ProCredit group.

The company's most important office remains the training and development centre in *Frankfurt/Main, Germany*. In addition, Quipu maintains regional offices in *Accra, Ghana* for support of the projects and banks in Africa, in *Moscow, Russia* and in *Kiev, Ukraine* for the Russian-speaking market and in *Skopje, Macedonia* for the Eastern European countries. Quipu subsidiaries in *San Salvador, El Salvador* and *Bogota, Colombia* support the banks in Latin America. In addition, a subsidiary in *Prishtina, Kosovo* offers personalisation services for the bank cards and credit cards issued by the banks.

2. Operating Result

While sales revenues increased strongly in 2012, costs increased all the more so, due to the fact that a sizeable number of new staff were hired to perform the tasks at hand, and this led to reduced profits. Overall, the increases in sales revenues and costs were in line with the projections of the Business Plan. Thus, the year 2012 fully met the expectations of the Management.

For the coming year, a further increase in personnel expenses can be expected in order to continue to meet the increasingly demanding challenges in the future. However, the percentage increase is likely to be smaller.

In all three areas of business, activities were expanded and the goals set by the company were met. As is shown by the following table, the operating result achieved in the financial year 2012 represents a continuation of the company's positive economic development in terms of revenues:

Year	Sales revenue in EUR	Annual net income after taxes, in EUR
2010	9,887,804.00	337,548.00
2011	10,882,942.00	404,223.00
2012	12,888,843.00	335,211.00

Sales revenues increased significantly in 2012, by 18.4% or EUR 2,006k (2011: 10.1%) because the implementation costs for the installation of new software in the ProCredit group were invoiced even more consistently than in the previous year.

General administrative expenses increased in comparison to the previous year by 19.7%, or EUR 1,911k. The largest increase, in the amount of EUR 1,092k, was recorded in the area of personnel expenses. This amount includes employer's contributions to the BVV pension insurance scheme, introduced in 2011, amounting to EUR 58k (2011: 34). The BVV (pension) contributions were higher than the previous year due to the fact that the offer for employees was only introduced in mid-2011. Other expense positions increased in proportion to the increase in staff numbers.

The profit for the year amounting to EUR 335,211 (2011: EUR 404,223 translates into a return on equity of 15.3% (previous year: 18.5%) and is transferred in accordance with the profit and loss transfer agreement. The equity ratio remains at a very high level, at 67.5% (previous year: 65.6%).

Necessary investments in the Processing Centre for an extension to the DRC (Disaster Recovery Centre) led to a significant increase in fixed assets of EUR 1,336,502 (2011: EUR 1,166,532) and thus to an increase in asset tangibility to 41.2% (2011: 34.9%). Trade accounts receivable were reduced to EUR 465,251 (2011: EUR 654,996). In 2012 there were neither unfinished nor finished goods, so there were no inventories (2011: EUR 10 0,976) to be recorded. Cash in hand remained nearly unchanged at EUR 1,210,233 (2011: EUR 1,228,007).

3. Institutional Development

The growth of the company’s business activities is reflected in the development of staffing levels as well. At the point at which it was founded, Quipu took over 27 employees from IPC. By the end of 2012, the number of employees had increased to 146 (previous year: 134). In addition, numerous retainer contracts were concluded

with freelancers working in the regional offices. Thus, by the end of 2012, Quipu had a combined total staff of 161 (previous year: 143) including both staff members and freelancers

4. Significant Events after the Balance Sheet Date

There were no significant events after the balance sheet date to be reported.

5. Risk management

The material risks facing QUIPU GmbH are:

- Foreign currency risk
- Default risk
- Liquidity risk
- Price risk
- Operational risk

Foreign currency risks result from regular purchases of US dollars, at a total volume of about USD 2.8 million per year, which are used to cover the ongoing monthly operating costs of the Quipu offices in Latin America and Africa. Up to now, no active risk management for open currency positions in the form of hedging has been considered necessary. In order to mitigate foreign currency risks, in the future we plan to offer the ProCredit banks in Latin America and Africa the option of receiving our price schedule and invoices Quipu’s ongoing maintenance services in US dollars. This means that Quipu will have to purchase fewer US dollars for its own use. At the same time, it reduces the foreign currency risk incurred by the ProCredit banks, as they will have to buy lower volumes of euros in order to settle their Quipu invoices.

Default risks in connection with the invoices issued for services rendered are very transparent and can be ruled out almost entirely, since the bulk of the company’s clients come from within the ProCredit group.

Liquidity risk is managed by timing the conclusion of contracts for the performance of project-related work to ensure that sufficient liquidity will be available in the form of the payment instalments received as items of work are completed or invoices come due. In addition, services performed under the maintenance service agreements are invoiced in advance on a quarterly basis, while the Processing Centre charges on a monthly basis for services rendered in the previous month. This allows for reliable planning and makes it possible to ensure a regular flow of liquidity.

Price risk is minimised by means of flexible contracts. The company can adjust the existing maintenance service agreements annually to reflect any possible cost increases. Moreover, from 2011 the company will also introduce separate billing for implementation costs in order to eliminate price risk for the licensing and implementation of new software. Invoicing for implementation costs was expanded from 2012, and the exact method of calculation of these costs was worked out in detail.

The ***operational risk*** incurred by the Processing Centre was reduced by ongoing ISO and PCI DSS certifications. The other business areas are continuing with the process of documenting their procedures and standardising processes.

6. Outlook

The Management assesses the outlook for the further development of the company’s business as positive. The takeover of the company by ProCredit Holding creates a reliable planning framework for Quipu, and thus a high degree of certainty, and this will continue in the years to come.

Due to the company’s stronger connection to the ProCredit group, its business risks are more strongly linked to the development of the group.

The group-wide standardisation of IT infrastructure on the basis of software products developed by Quipu, and the increasing number of ProCredit banks, offer significant scope for the generation of additional revenue.

For the 2013 and 2014 financial years, the Management expects further growth in revenue and stable annual net income. Given the sustainably favourable development of the ProCredit group, demand for Quipu’s services can be expected to remain constant.

The company expects the ongoing implementation of the new front office application Customware.net, the treasury application DealWare, and the CRM application to generate increased revenue from the licensing of new software within the ProCredit group. In addition, as the software infrastructure is consolidated across the ProCredit group, further affiliated companies will be adopting the company’s software products as from 2013. The expansion of the implementation fee system creates additional revenue-earning potential for the company and at the same time allows reliable planning. In 2012 the Processing Centre introduced new services for the banks in 2012, such as enhanced security for online purchases via the Internet (3DSecure). In addition, the company expects increased use of the Processing Centre’s services both by ProCredit banks and by banks outside the ProCredit group. Specifically, the company plans to win a new customer from Latin America in the first half of 2013.

The biggest challenges in the area of software development lie in the parallel implementation of the newly developed branch customer service software in five banks (Ghana, Serbia, Ecuador, Bosnia and Herzegovina and El Salvador) and in the implementation of the enhanced treasury software. In addition to the ongoing enhancement of the existing software products, the focus will be on the development of a new business client module (Customer Relationship Management on the basis of Microsoft Dynamics), the expansion of the e-banking application, and the provision of continued support to ProCredit Holding with regard to the implementation of uniform *Group IT Infrastructure Standards* at all of the ProCredit banks.

Frankfurt am Main, 21 March 2013
Quipu GmbH
The Management

Dr Gian Marco Felice   pp. Robert Zastera

BALANCE SHEET

in EUR	(Note)	31 Dec. 2012	31 Dec. 2011
A. Fixed Assets			
I. Intangible assets	(2)		
1. Licences, commercial and intellectual property rights and similar rights		352.343	259.894
II. Property, plant and equipment	(3)		
1. Other equipment, furniture and fixtures		887.764	810.243
III. Financial assets			
1. Shares in subsidiaries	(4)	96.395	96.395
B. Current assets			
I. Inventories			
1. Unfinished goods, work in progress		0	12.000
2. Finished goods		0	88.976
II. Receivables and other assets			
1. Trade accounts receivable	(5)	160.743	259.023
(of which, with a remaining term of more than one year: 0)			
2. Receivables from affiliated companies	(6)	40.594	51.009
(of which, with a remaining term of more than one year: 0)			
3. Receivables from proprietors	(7)	231.453	506
(of which, with a remaining term of more than one year: 0)			
4. Other assets	(8)	32.462	344.459
(of which, with a remaining term of more than one year: 18,614)			
		465.251	654.996
III. Cash in hand, balances at German central bank, balances at banks and cheques	(9)	1.210.233	1.228.007
C. Prepaid expenses and deferred charges	(10)	233.858	187.422
Total assets		**3.245.845**	**3.337.933**
A. Equity			
I. Subscribed capital	(11)	1.000.000	1.000.000
II. Revenue reserves			
1. Other revenue reserves		1.190.763	1.190.763
III. Net income for the year	(12)	0	0
		2.190.763	2.190.763
B. Accruals			
1. Accruals for taxes		10.000	26.125
2. Other accruals	(13)	255.315	308.772
		265.315	334.897
C. Liabilities			
1. Advance payments received for orders		14.646	13.557
(of which, with a remaining term of up to one year: 14,646)			
2. Trade accounts payable	(14)	107.086	205.309
(of which, with a remaining term of up to one year: EUR 107,086)			
3. Liabilities to affiliated companies	(15)	133.213	80.453
(of which, with a remaining term of up to one year: 133,213)			
4. Liabilities to proprietors	(16)	335.211	406.759
(of which, with a remaining term of up to one year: 335,211)			
5. Other liabilities	(17)	63.833	61.696
of which, for taxes		*55.800*	*53.184*
of which, for social security		*6.026*	*3.239*
		653.989	767.773
D. Deferred income	(18)	135.779	44.500
Total equity and liabilities		**3.245.845**	**3.337.933**
Contingent liabilities	(19)	70.595	69.246

INCOME STATEMENT

in EUR	(Anhang)	1 Jan. - 31 Dec. 2012	1 Jan. - 31 Dec. 2011
1. Sales revenue	(20)	12.888.843	10.882.942
2. Other operating income	(21)	149.920	89.175
3. Material expenses	(22, 23)	1.382.364	840.541
a) Cost of raw materials, production inputs and goods		*760.238*	*231.732*
b) Cost of purchased services		*622.126*	*608.809*
4. Personnel expenses:	(24)	7.129.728	6.037.455
a) Wages and salaries		*5.897.414*	*5.028.806*
b) Social insurance contributions and expenses for retirement pensions		*1.232.314*	*1.008.649*
(of which, for retirement pensions: 57,780)			
5. Depreciation on intangible and tangible fixed assets	(25)	553.803	533.317
6. Other operating expenses	(26)	3.911.609	3.116.981
7. Other interest and similar income		22.540	13.531
8. Income from equity holdings	(27)	258.918	0
(of which, from affiliated companies: EUR 258,918)			
9. Other interest and similar expenses		9.527	0
10. Profit (loss) on ordinary business operations		**333.191**	**457.355**
11. Extraordinary income	(28)	8.780	57.650
12. Net extraordinary income		**8.780**	**57.650**
13. Taxes on income and profit	(29)	6.463	110.668
14. Other taxes		297	112
15. Net income for the year before transfer of profit		**335.211**	**404.223**
16. Profit transferred on the basis of a profit transfer agreement		335.211	404.223
17. Profit for the year		**0**	**0**

Notes to the Annual Financial Statements 2012

I. BASIS OF FINANCIAL ACCOUNTING

1) Disclosures on recognition, measurement and presentation principles

The annual financial statements of Quipu GmbH, Frankfurt am Main, for the financial year 2012 were prepared in accordance with the requirements of the German Commercial Code (Handelsgesetzbuch – HGB) and the German Law on Limited Liability Companies. Specifically, the following principles and methods are applied:

Intangible fixed assets and tangible fixed assets are valued at acquisition cost or production cost and, to the extent that they are depreciable, their value is reduced by regular depreciation amounts. The scheduled depreciation amounts are based on the expected service life of the respective asset items and are calculated using the straight line method. The scheduled depreciation period for individual software is 5 years.

Financial assets are valued at historical cost. If impairment of a financial asset is expected to be permanent as of the balance sheet date, non-scheduled depreciation is reported on the impaired assets.

Receivables and other assets are generally reported at the lower of acquisition cost or market price.

Other accruals include all legal or constructive obligations to third parties discernible as of the balance sheet date and their amount is uncertain according to commercial judgement.

The amount reported for liabilities is the amount which is to be repaid. All liabilities have a term of less than five years.

All amounts are presented in euros (EUR). Foreign currency positions in the balance sheet of Quipu GmbH are recognised at the exchange rate valid at the end of the reporting period. The exchange rate as of 31 December 2012 was EUR 1/USD 1.3194. Foreign currency positions are maintained to a minor extent in the form of cash on hand in a narrow range of currencies, as well as current accounts with banks maintained in USD. Gains and losses from the currency translation of the positions were recognised in the income statement. Expenditures in foreign currency are converted on a monthly basis at the rate of exchange valid at the time of the transaction.

Quipu GmbH exercises the size-dependent right to exemption pursuant to section 293 HGB and does not prepare consolidated financial statements.

II. NOTES TO THE BALANCE SHEET

A. FIXED ASSETS

2) Intangible assets

The intangible assets consist of software licences acquired and licence fees paid for commercial and intellectual property rights to software. The acquisition cost is depreciated according to the straight-line method. A detailed overview of the development of the intangible assets is provided by the Statement of Fixed Assets (Annex 1 to the Notes to the Financial Statements).

3) Property, plant and equipment

Property, plant and equipment comprise technical equipment, in particular servers, office furniture and fixtures, company cars and leasehold improvements, all of which are depreciated according to the straight-line method. For a breakdown of the development of the tangible assets, we refer to the Statement of Fixed Assets (Annex 1 to these Notes).

4) Shares in subsidiaries

Quipu GmbH holds shares in the following subsidiaries:

Name of subsidiary	Address	Subscribed capital incl. capital reserve (EUR) 31.12.2012	Revenue reserves and other reserves (EUR) 31.12.2012	Profit (Loss) for the year (EUR) 2012	Shares in %
Quipu Shpk, Prishtina, **Kosovo**	Rexhep Mala 16 Prishtina, Kosovo	5.000	604.143	27.183	100,0%
Quipu S.A., San Salvador, **El Salvador**	1ra Calle Poniente 3531-B San Salvador, El Salvador	11.370	18.218	25.330	95,0%
Quipu Ltda., Bogotá, **Colombia**	Calle 39 A 20 - 48 Bogotá, Colombia	81.827	1.951	12.212	98,5%

Quipu Shpk. Prishtina, Kosovo, is active in the field of bank card personalisation for the Eastern European, Latin American and African markets. The two Latin American companies provide services to the ProCredit banks in Central and South America, respectively.

No changes in the shareholdings took place during the reporting period, as the following table shows:

Statement of shares in subsidiaries

in EUR				Net book value			
Subsidiary	Equity exposure as of **01.01.2012**	Acquisitions in **2012**	Disposals in **2012**	as of **31.12.2012**	Share in %	as of **31.12.2011**	Share in %
Quipu Shpk, Prishtina, **Kosovo**	5.000	0	0	5.000	100,0%	5.000	100,0%
Quipu S.A., San Salvador, **El Salvador**	10.801	0	0	10.801	95,0%	10.801	95,0%
Quipu Ltda., Bogotá, **Colombia**	80.594	0	0	80.594	98,5%	80.594	98,5%
Total	**96.395**	**0**	**0**	**96.395**		**96.395**	

No depreciation in the value of subsidiaries was recorded.

B. CURRENT ASSETS

5) Trade accounts receivable

in EUR	31 Dec. 2012	31 Dec. 2011
Trade accounts receivable	160.743	259.023

All trade accounts receivable were within the period allowed for payment, and had been received in full as of the date of preparation of the balance sheet.
The position includes trade accounts receivable from ProCredit group companies amounting to EUR 139,354 (previous year: EUR 247,644).

6) Receivables from affiliated companies

in EUR	31 Dec. 2012	31 Dec. 2011
Receivables from affiliated companies	40.594	51.009

This position consists of advance payments for services provided to the subsidiary in El Salvador amounting to EUR40,594.

7) Receivables from proprietors

in EUR	31 Dec. 2012	31 Dec. 2011
Receivables from proprietors	231.453	506

The trade account receivable is due from ProCredit Holding AG & Co. KGaA. The receivable consists exclusively of VAT due as a consequence of the integrated inter-company relationship for tax purposes.

8) Other assets

in EUR	31 Dec. 2012	31 Dec. 2011
Tax refunds due	8.975	324.156
Other	23.487	20.303
Total	**32.462**	**344.459**

Starting from 2012, claims exist for VAT refunds due from the proprietor ProCredit Holding AG & Co. KGaA.

Tax refunds due in 2012 consist of claims relating to the payment of investment income tax on interest income from domestic banks.

9) Cash in hand, balances at German central bank, balances at banks and cheques

in EUR	31 Dec. 2012	31 Dec. 2011
Frankfurter Sparkasse AG, Frankfurt	727.451	356.079
Deutsche Skatbank - branch of VR-Bank Altenburger Land eG, Altenburg	5.233	451.785
BMW Bank GmbH, Munich	157.579	351.509
Foreign banks	53.634	54.417
ProCredit Bank AG	250.111	0
Cash in hand	16.226	14.216
Total	**1.210.233**	**1.228.007**

C. PREPAID EXPENSES AND DEFERRED CHARGES

10) Prepaid expenses and deferred charges

in EUR	31 Dec. 2012	31 Dec. 2011
Prepaid expenses and deferred charges	233.858	187.422

This position consists mainly of prepaid maintenance costs and deferred insurance premiums. The deferred amounts will be amortised over the respective terms of the contracts.

A. EQUITY

11) Subscribed capital

The subscribed capital as of 31 December 2012 was held by ProCredit Holding AG & Co. KGaA, Frankfurt am Main (100%).

12) Profit for the year

Pursuant to a profit and loss transfer agreement concluded on 21 July 2011, the profit for the year amounting to EUR 335,211 is transferred to ProCredit Holding AG & Co. KGaA.

B. ACCRUALS

13) Other accruals

in EUR	31 Dec. 2012	31 Dec. 2011
Annual financial statements	30.000	55.000
Leave not taken	81.125	100.877
Other	144.190	152.894
Total	**255.315**	**308.772**

The position "Other" comprises outstanding project bonus payments (EUR 60,000), outstanding invoices for freelancers (EUR 15,000) and suppliers (EUR 22,300), contributions to the employers' liability insurance association and the charge for not employing people with disabilities (EUR 27,890), and contributions to the health and accident insurance scheme for employees abroad (EUR 19,000).

C. LIABILITIES

14) Trade accounts payable

in EUR	31 Dec. 2012	31 Dec. 2011
Trade accounts payable	107.086	205.309

The position includes trade accounts payable to ProCredit group companies amounting to EUR 8,788.

In the previous year a liability towards Quipu Shpk. was reported under this position (EUR 12,720). This was reassigned to liabilities to affiliated companies in 2012 (EUR 37,513).

15) Liabilities to affiliated companies

in EUR	31 Dec. 2012	31 Dec. 2011
Liabilities to affiliated companies	133.213	80.453

This position consists exclusively of liabilities relating to invoices for services provided by Quipu Ltda., Colombia, and Quipu Shpk., Kosovo.

16) Liabilities to proprietors

in EUR	31 Dec. 2012	31 Dec. 2011
Liabilities to proprietors	335.211	406.759

These liabilities consist of expenses arising from the transfer of profit to ProCredit Holding AG & Co. KGaA amounting to EUR 335,211.

17) Other liabilities

in EUR	31 Dec. 2012	31 Dec. 2011
Tax liabilities	55.800	53.184
Liabilities for social security	6.026	3.239
Other	2.006	5.273
Total	**63.833**	**61.696**

Tax liabilities consist exclusively of income tax and church tax liabilities as of 31 December 2012.

The remaining other liabilities are partly attributable to credit card transactions not yet settled.

D. Deferred income

18) Deferred income

in EUR	31 Dec. 2012	31 Dec. 2011
Deferred income	135.779	44.500

This position consists of deferred income from invoices relating to the following year.

19) Contingent liabilities

in EUR	31 Dec. 2012	31 Dec. 2011
Contingent liabilities	70.595	69.246

The contingent liabilities relate to bank guarantees for rented premises amounting to EUR 70,595.

III. NOTES TO THE INCOME STATEMENT

20) Sales revenue

in EUR	1 Jan. - 31 Dec. 2012	1 Jan. - 31 Dec. 2011
Sales revenue	12.888.843	10.882.942

The sales revenues are generated mainly through the provision of services to ProCredit Holding AG & Co. KGaA and to its subsidiaries, and through the provision of banking software to the ProCredit banks and the resale of computer equipment to them.

21) Other operating income

in EUR	1 Jan. - 31 Dec. 2012	1 Jan. - 31 Dec. 2011
Other operating income	149.920	89.175

Other operating income mainly comprises income from the reversal of accruals and rental charges passed on.

22) Cost of raw materials, production inputs and goods

in EUR	1 Jan. - 31 Dec. 2012	1 Jan. - 31 Dec. 2011
Hardware purchased	760.238	231.732

This position consisted of hardware purchased, which was directly resold.

23) Cost of purchased services

in EUR	1 Jan. - 31 Dec. 2012	1 Jan. - 31 Dec. 2011
Freelance services provided	622.126	608.809

The cost of purchased services relates to payments to freelancers for services rendered.

24) Personnel expenses

in EUR	1 Jan. - 31 Dec. 2012	1 Jan. - 31 Dec. 2011
a) Wages and salaries	5.897.414	5.028.806
b) Social insurance contributions and expenses for retirement pensions and maintenance	1.232.314	1.008.649
Total	**7.129.728**	**6.037.455**

During the 2012 financial year, the average number of employees of Quipu GmbH was 141 (2011: 126). As of 31 December 2012 the total number of employees of Quipu GmbH was 146 (2011: 134).

25) Depreciation on intangible and tangible fixed assets

This item includes depreciation on low-value assets in the amount of EUR 29,667 (2011: EUR 35,054).

26) Other operating expenses

in EUR	1 Jan. - 31 Dec. 2012	1 Jan. - 31 Dec. 2011
Services provided by foreign subsidiaries	691.081	537.090
Cost of premises	650.766	529.896
Legal and advisory expenses	547.831	471.484
Travel expenses	645.834	458.582
Maintenance, esp. for software and hardware	419.948	320.278
Communication	140.205	203.392
Other personnel expenses	233.806	166.407
Other expenses	582.139	429.850
Total	**3.911.609**	**3.116.981**

The legal and advisory expenses mainly relate to advice provided by Quipu Shpk. and ProCredit Holding AG & Co. KGaA as well as expenses for the audit of the company's financial statements.

The position "other expenses" comprises services to be charged on in the amount of EUR 282,797 (2011: EUR 177,258) as well as other administrative expenses in the amount of EUR 299,341 (2011: EUR 252,592). The other administrative expenses contain expenses arising from currency translation amounting to EUR 49,571.62 (2011: EUR 28,888.70).

27) Income from equity holdings

in EUR	1 Jan. - 31 Dec. 2012	1 Jan. - 31 Dec. 2011
Income from equity holdings	258.918	0

Income from equity holdings are the result of a dividend payment by Quipu Shpk., Kosovo, for the period 2004-2011.

28) Extraordinary income

in EUR	1 Jan. - 31 Dec. 2012	1 Jan. - 31 Dec. 2011
Extraordinary income	8.780	57.650

The extraordinary income (EUR 8,780) is the result of the retroactive capitalisation of asset items.

29) Taxes on income and profit

in EUR	1 Jan. - 31 Dec. 2012	1 Jan. - 31 Dec. 2011
Corporate income tax	-12.092	50.000
Trade tax	-14.707	0
Other taxes on income	33.261	60.668
Total	**6.463**	**110.668**

The position “other taxes on income” contains foreign taxes due on the profits of the Regional Office in Kiev, Ukraine.

IV. ADDITIONAL NOTES

30) Other financial commitments

Quipu GmbH has incurred obligations arising from rental contracts concluded within the usual market parameters for the total amount of EUR 722,676.

31) Group membership

Quipu GmbH is a subsidiary of ProCredit Holding AG & Co. KGaA and is included in the latter’s consolidated financial statements. ProCredit Holding AG & Co. KGaA is registered with the District Court of Frankfurt under entry no. HRB 91486.

A profit and loss transfer agreement has been concluded with ProCredit Holding AG & Co. KGaA on the basis of which the entire profit or loss for the year is transferred to the latter company. Thus an integrated inter-company relationship exists with ProCredit Holding AG & Co. KGaA for income tax purposes.

32) Costs for audit of financial statements

The cost of auditing the annual financial statements amounts to EUR 25,000.00, as in the previous year. No other services from the auditing company were commissioned.

33) Management

During the reporting period Dr Gian Marco Felice was the managing director of Quipu GmbH. In addition, Mr Robert Zastera holds a general commercial power of attorney.

The total remuneration of the managing director pursuant to section 285 (9a) HGB is not disclosed, as the individual managing director’s remuneration would be revealed (section 286 (4) HGB).

The managing director and the holder of commercial power of attorney are each authorised to represent the company alone.

Frankfurt am Main, 21 March 2013
Quipu GmbH
The Management

Dr Gian Marco Felice pp. Robert Zastera

Annex 1: Statement of Fixed Assets

Quipu GmbH

Statement of fixed assets as at 31 December 2012

in EUR	Acquisition cost					Accumulated depreciation				Net book values	
	As of 01.01.2012	Additions	Disposals/ Write-ups	Re-classifications	As of 31.12.2012	As of 01.01.2012	Additions	Disposals/ Write-ups	As of 31.12.2012	As of 31.12.2012	As of 31.12.2011
I. Intangible assets											
1. Licences, commercial and intellectual property rights and similar rights	179.525				179.525	112.994	48.434		161.428	18.097	66.531
2. Software	145.962		0		145.962	140.810	5.152		145.962	0	5.152
3. Software licences	755.508	226.176			981.684	567.297	80.200	-59	647.438	334.246	188.211
	1.080.995	226.176	0	0	1.307.171	821.101	133.786	-59	954.828	352.343	259.894
II. Property, plant and equipment											
2. Vehicles	63.460				63.460	59.398	1.524		60.922	2.538	4.062,00
3. Other equipment, furniture and fixtures	2.659.060	469.525	2.211		3.126.373,99	1.893.735	359.540	615	2.252.659,99	873.714	765.325,00
4. Low value assets	357.232	29.667	0		386.899,47	316.376	59.011		375.387,47	11.512	40.856,00
	3.079.752	499.193	2.211	0	3.576.733	2.269.509	420.076	615	2.688.969	887.764	810.243
III. Financial assets											
1. Shares in subsidiaries	96.395				96.395	0			0	96.395	96.395
Total fixed assets	**4.257.142**	**725.369**	**2.211**	**0**	**4.980.300**	**3.090.610**	**553.862**	**557**	**3.643.797**	**1.336.502**	**1.166.532**