

**Joint Stock Company
“ProCredit Bank”**

Management report 2024

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This Management Report of ProCredit Bank JSC (Management Report) hereinafter referred to as “the Report” has been prepared in accordance with Articles 126, 127 of the Law of Ukraine “On capital markets and organized commodity markets”, the Law of Ukraine “On Financial Services and Financial Companies”, the Law of Ukraine “On Accounting and financial reporting in Ukraine”, Resolution for Preparing and Publishing Financial Statements by Ukrainian Banks approved by Resolution of the NBU Board No. 373 dated 24.10.2011.

The purpose of the Report is to provide users of the financial statements with comprehensive information so that the operating results of the bank in 2024 and actions of the bank’s senior executives in accordance with the strategic plans can be assessed. The Report supplements the Financial Statements of ProCredit Bank JSC (hereinafter also the “Bank”) for 2024 with the information describing the financial situation, operating results and prospects of the bank’s development, main risks and uncertainties, and contains analysis of the economic, environmental and social aspects of the Bank’s activity.

1. Description of the Bank’s Activity

ProCredit Bank started operations in Ukraine in February 2001 as a bank that specializes in providing financing to micro, small and medium-sized Ukrainian enterprises. Until autumn 2003, the bank operated under the name “Microfinance Bank”. The name change was made based on the decision of the founders to unite the banks they established worldwide, all of which focus on lending to small businesses, under a single name. In 2004 ProCredit Bank decided to broaden its range of services for both entrepreneurs and private households.

The aim of the Bank’s activity is to provide a full range of commercial banking and corporate financial services with the focus on financial services provided to small and medium economic operators to gain profit and promote social and economic development of Ukraine.

The following principles guide the operations of the ProCredit Bank:

- **Transparency and culture of open communication with our clients**, public and with our employees;
- **Social responsibility and tolerance** - We do not promote consumer lending, we seek to mitigate our environmental impact, and provide services based on understanding of each customer’s situation and deep financial analysis;
- **High professional standards and personal integrity and commitment** – Our employees take personal responsibility for the quality of their work and always strive to grow as professionals. Regular refresher training sessions help to ensure that employees remain committed to our high ethical standards and allow existing staff to analyse recent case studies and discuss any topics used in their daily work.

As at 31 December 2024 the Bank is neither a controlling party, nor a member of non-banking financial group and does not have subsidiaries.

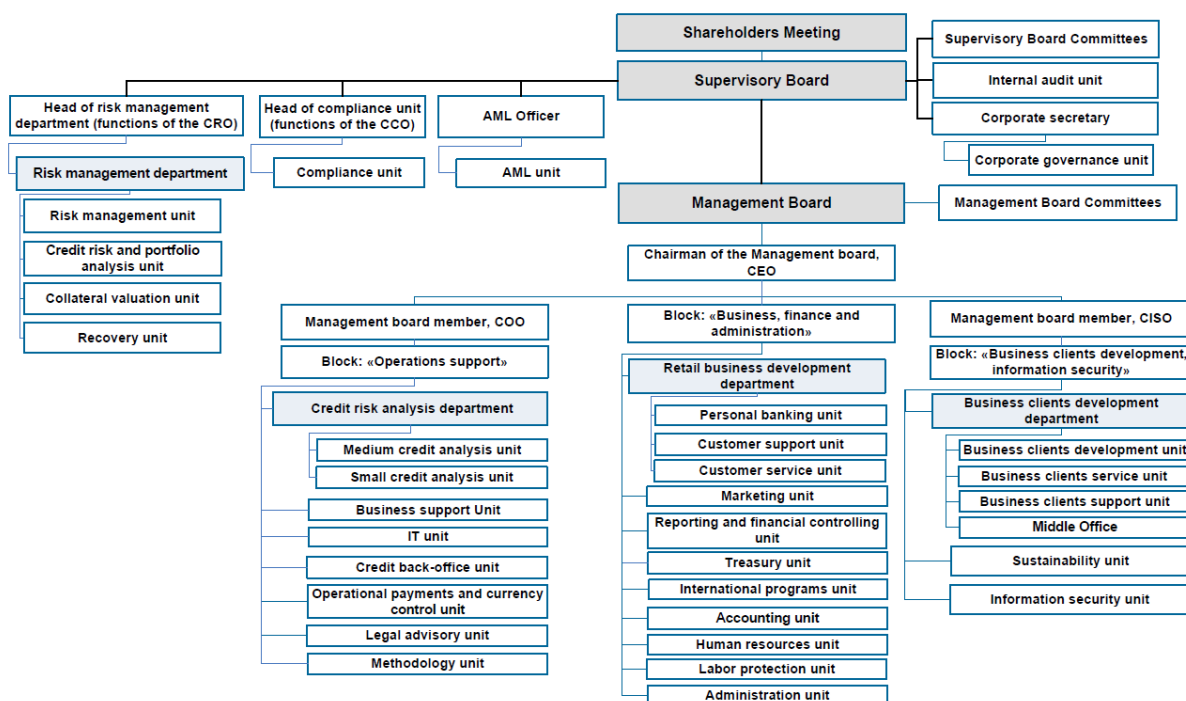
The Bank has been recorded as a legal entity entitled to conduct banking activity in the State Register of Banks, which is confirmed by the extract from the State Register of Banks issued by the National Bank of Ukraine (the “NBU”) on 16 August 2021 № ДРБ-000046. The Bank is also a member of the Deposit Guarantee Fund (certificate № 131 issued on 8 November 2012). The Bank is a public interest entity in accordance with the Law of Ukraine “On accounting and financial statements in Ukraine”.

Section 13.1 of the Bank’s articles of association stipulates that the Bank’s activities are subject to audits conducted by external auditors - an independent audit organization authorized by the legislation of Ukraine to conduct such audits.

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Organizational structure of the Bank

A schematic representation of the Bank's organizational structure is shown below.



The organizational structure is presented as of date this report is authorized for issue.

The composition of the Supervisory Board and the Management Board of the Bank is disclosed in the Corporate Governance section of this Report.

Branch network

The Bank's registered address and the location of the Head office is 107-A, Beresteyskiy Avenue, Kyiv, 03115, Ukraine.

As of 31 December 2024, the branch network consisted of 8 locations in 4 cities of Ukraine (Kyiv, Odesa, Lviv, Dnipro), including 4 full-service branches and 4 self-service areas operating 24/7. All 4 full-service branches are operating as branches of the joint Power banking network of Ukrainian banks.

The bank will continue to optimise its infrastructure to account for further digitalisation of operations with private clients and the optimisation of processes at the head office level. The management is constantly monitoring the performance of the network and is responsible for decisions regarding its size.

2. Operating environment

The Russian invasion of Ukraine in February 2022 has led to severe challenges for ProCredit Bank, creating a high-stress environment throughout 2023 and 2024. Despite these obstacles, the Bank has successfully maintained regular operations at a high level of performance, demonstrating resilience in the face of adversity. As of the latest reporting period, the Bank's network, including its stand-alone 24/7 zones, remained fully operational. By leveraging a digital approach to everyday banking activities, the Bank has been able to quickly implement fully remote office models, ensuring the safety of both customers and employees. In alignment with NBU regulations on business continuity, the Bank also established duty branches in early 2023 - branches capable of operating without relying on the electricity grid.

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The war has been a severe economic shock, continuing to affect Ukraine's economy in 2024, despite a slight recovery. The Ukrainian economy has shown resilience, supported by significant international assistance and the ability of businesses and households to adapt to wartime conditions. According to the NBU's estimates, Ukraine's real GDP grew by 3.4% in 2024, although the pace of growth slowed compared to 2023. This deceleration can be attributed to smaller harvests, weaker-than-expected external demand, intensifying hostilities, Russia's increased airstrikes, and the resulting electricity shortages. The ongoing high security risks have also limited the return of migrants and exacerbated labor shortages.

Ukraine depends significantly on international support both in economic and military terms. International support remains crucial for financing the budget deficit and stabilizing the foreign exchange market.

Given the banking sector's excess liquidity and the ongoing budget deficit, the Ukrainian Parliament imposed another hike in the corporate income tax for financial institutions to 50% for 2024, which had retrospective tax application.

Despite external challenges, the Bank's business strategy remains focused on risk management and navigating the complexities of the ongoing war.

As at the date that this report is authorized for issue the Bank continues its operations taking into account restrictions introduced at the state level. As of the date this report is authorized for issue, it is difficult to predict the time period and extent of military activities in Ukraine. Continuation of military activities and martial law may lead to the introduction of additional regulatory and administrative restrictions. Further, prolongation of military activities or massive missile attacks against Ukrainian infrastructure may result in resources shortages necessary to conduct the daily operating activities of the Bank. These conditions indicate the existence of significant uncertainty, which may cast significant doubt on the Bank's ability to continue as a going concern as usual.

As of the report date the Bank has sufficient liquidity and equity position and the Bank's management and shareholder does not intend to suspend or liquidate the Bank's activities in Ukraine. The Bank's management has made assessment of the Bank's ability to continue its operational activity under the material uncertainty associated with the ongoing war in Ukraine, which has caused and continues to cause significant negative consequences for the economy as a whole and for the Bank clients' activity in particular.

To evaluate the impact of the war on the Bank's operations and its capacity to remain a going concern, management has analysed its assets by risk areas and updated financial forecasts and capital plans. These updates consider baseline and stress scenarios, with underlying assumptions through the date this report was authorized for issue. Based on the result of the analysis the management believes that the Bank has ability to continue its business for the foreseeable future, which is 12 months from the date of this Report.

The Management believes the importance of our presence in the country has grown under current circumstances. Our competitive strength is built upon the high service quality we can provide our clients, given skills and attitude of our staff shaped by our ethical approach to banking and by a comprehensive approach to staff development. In addition, we believe that thanks to thorough management of the institution, focus on efficiency, professionalism of our staff, and quality of service we provide, along with support from our shareholders and the group, we will overcome the turbulence caused by the current circumstances and continue our business in the foreseeable future.

3. Bank's Business Model and Probable Prospects of Subsequent Strategic Development

ProCredit Bank is a development-oriented commercial bank. In our activity with business customers, we are focused on small and medium enterprises as we are sure that these enterprises create jobs and make a vital contribution into the Ukrainian economy. By offering simple and accessible savings instruments and other bank services, we seek to promote the culture of savings and financial responsibility. As a part of the international ProCredit Group, the Bank adheres to the Group's strategy and applies the principles and standards introduced at the Group level, which are in line with EU standards.

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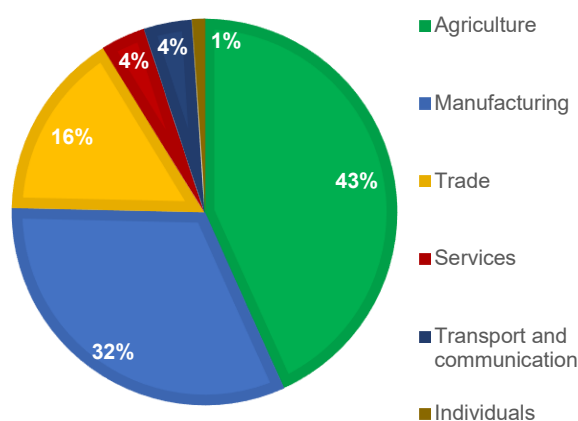
Business clients

To finance our clients-SME businesses, we seek to improve banking for private clients by offering all transactions and savings services through direct banking. This entails a modern e-Banking platform and mobile application, complete flexibility for saving, the latest security standards and an overall coherent and state-of-the-art service.

Our long-term goal is to establish and maintain a strong position for the Bank in the market and to contribute to the development of Ukraine's SME sector.

As part of its strategic focus, the bank sees a need to increase its exposure to the production and processing sectors in Ukraine with special focus on the companies engaged in export. We expect that in the nearest future the bank will finance predominantly working capital needs of business customers, but as the country achieves a higher stability, the demand for investment needs will pick up and will positively contribute to building up a more sustainable business loan portfolio of the bank.

The structure of the loan portfolio by economic activities in 2024



Manufacturing and agricultural sectors constitute a significant share of our total gross loan portfolio. The desired development was achieved mostly by acquiring new customers from the targeted sectors. We are sure that the agricultural sector plays an extremely important role in our business strategy and in general in Ukraine, given Ukraine's good soil and large territory, as well as the fact that this industry has a large potential for future technological upgrade and significant investments are still necessary.

We particularly support local manufacturing and agriculture focusing especially on green finance and investments in energy efficiency and renewable energies.

Apart from the negative impacts caused by such an extraordinary event as the full-scale military aggression against the country, the agricultural sector is one of the few stable economic spheres in Ukraine and is less vulnerable to common economic shocks in the region. We expect agriculture to remain the major sector of our loan portfolio in coming years with a share of around 45-50%.

Our business clients are characterised by their formal or increasingly formalised structures, a sustainable business model and their need for banking services beyond merely loans.

To achieve business objectives, clients need a bank that understands the specific issues SMEs are facing in their daily operations. The "Hausbank" concept means that we want to engage in long-term business relationships by providing our clients with a full range of modern financial services according to their needs and with proper advice given by our well-trained staff, whose task is to understand client needs and capacity and to offer solutions that suit them best. By the same token, we expect our clients to treat us as their "Hausbank", meaning that they should conduct all their transactions through ProCredit and deposit their liquidity with us. Our aim is to build long-term business relationships characterised by trust between bank and client. Regarding the business lending the bank continues to consolidate efforts in maintaining of loan portfolio quality on acceptable level and achieve further improvement in 2025. In following 5-year horizon we aim to achieve moderate rates of growth and focus on business clients with sustainable business models. Our aim to cooperate and finance those clients who managed not only to survive, but also to adapt their management and operations to create a more resilient and efficient business.

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Environmental management

Environmental and social responsibility has been central to the ProCredit group's identity and business philosophy ever since its foundation. The ProCredit group established a comprehensive three-pillar Environmental Management System (EMS) aimed at minimising our ecological footprint. Our EMS received ISO 14001 certification in 2016.

The Bank aims to promote sustainable development in all its activities. Minimising our negative impact on the environment and proactively promoting a sustainable way of doing business is an integral part of our business strategy – not only in connection with our lending operations or the provision of financial services to our clients, but also in our own day-to-day operations as an institution. Sustainability is an important element of our corporate strategy. ProCredit Bank has in place a comprehensive environmental management system, which includes the analysis of the environmental impact of our activities as well as those of our customers. We also encourage investments in energy efficiency, renewable energy (mainly for self-consumption), and environmental protection. We do not finance business activities that are socially, morally or environmentally questionable or that are not in line with current health and safety practices. The group-wide Code of Conduct is binding for all employees and emphasises the obligation of staff to demonstrate mutual respect and act responsibly in everyday dealings.

The Bank aims to provide its green finance products to business clients to increase environmental awareness and understanding. Our Green loan portfolio includes financing for investments in energy efficiency, renewable energy or other environmentally friendly technologies. In 2022-2024 the Bank limited financing of green technologies due to full-scale Russian invasion of Ukraine and high risk of damages and destruction. In the current environment, growing of Green loan portfolio is a considerable challenge, and we are cautious in setting an ambitious growth plans, which otherwise would be the case. Nevertheless, the bank will continue to develop its internal competence and capacity and will seek opportunities to grow its exposure to green projects in 2025.

Private clients

In our active acquisition activities and service package we primarily target private individuals associated with our business clients and other middle-income and upper middle-income citizens of Ukraine who value modern, convenient, and transparent digital banking services. We believe such an approach allows us to build a solid and loyal clientele base positively contributing to the stability of the bank's income and deposits. As we concentrate more on digital model of service provision and increase automation of processes, we aim to set more ambitious goals in terms of acquisition of new private clients in the coming years and expand the profile of potential clients. We also see marketing as a key instrument to promote our banking services and acquire new customers and less reliance on individual acquisition approach. At the same time, we aim to establish long-term relationships with private clients and are generally not interested in one-off transactions and temporary service – our service range, fee structure, marketing communication are aligned with this vision.

The Bank relies on a combination of convenience, transparency, profitability and security to attract new private customers. All four factors benefit from the bank's strategic focus on digitalization of services. Our private clients value a reliable, transparent bank that offers straightforward and economically attractive deposit and account services accessible at any time through all relevant electronic channels. In recent years, the bank has embraced a concept of expanding services via digital platforms rather than physical branches, with virtually all day-to-day banking transactions already possible online and work progressing on a new service that will allow clients to open an account online without visiting a branch.

For the sake of growing both in deposit portfolio and number of private clients we see the need of offering service packages with different pricing. Different client groups can find the package that suits them best. Nevertheless, the key concept of our service package and pricing remains unchanged: we offer simple and transparent services, which our clients can access digitally.

Our objective is to offer our clients a comprehensive service, i.e. meet their need for all services typically expected from a commercial bank, including loans. For the foreseeable future, we will actively offer an overdraft facility, FlexFund, and will work on further improvements and automation of this product. It is our strategy to offer other types of loans such as investment loans, loans that help to reduce negative impact on the environment. We will carefully monitor the external environment for broadening loan products line for private clients.

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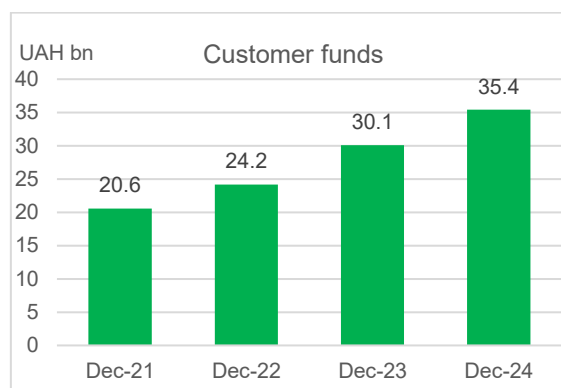
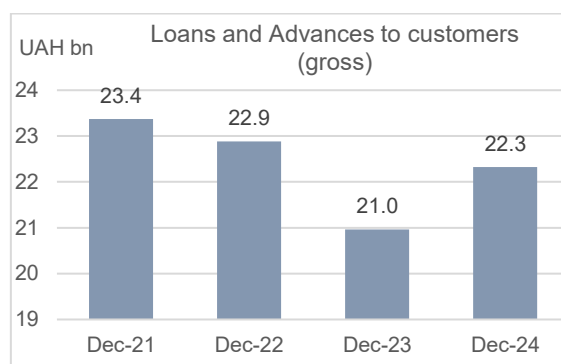
Despite the Martial law, we plan to continue investing into professional development of our staff, in particular Client Advisors, and work further on the improvement of our services and processes. Particular attention will be given to expand the capacity and strengthen our Contact Center and upgrade the technological infrastructure of it. Also, our business approach based on digital banking requires further development and upgrade of digital banking instruments such as mobile application and e-banking portal. We are strengthening our cooperation with out IT-service providers to accelerate developments and upgrade in our systems so that ProCredit Bank can offer digital instruments that meet growing and changing demand and allow the bank to build reputation of an innovative and dynamic bank.

4. Operating Results of the Bank

Our overall business performance in 2024 indicated sustainability of our business model and ability to face serious negative events. As of 31 December 2024, ProCredit Bank ranked number 15 by total assets among 61 banks. After the turbulent year 2022, when our business and financial indicators naturally showed deterioration, we managed to improve key operational and financial indicators in 2023 and continued to maintain them on the sufficient level in 2024.

Our loan portfolio increased by 6% in 2024 and stood at UAH 22.3 billion. At the same time, the loan portfolio of the banking sector increased by 11%, reflecting the overall beginning of recovery of demand for new investments. While in 2023 the Bank focused on loan portfolio quality and maintenance of our relationship and support of existing clients, in 2024 we put efforts to increase our business loan portfolio. As of 31 December 2024, ProCredit Bank ranked number 12 by gross loan portfolio among 61 banks. If the situation in the country improves and reliable indicators for future stabilization appear, we must be prepared for active lending and aim for higher growth in our loan portfolio.

As a result of our efforts to acquire customers and funds and strengthen the bank's liquidity, the deposit-to-loan ratio continued to grow in 2024 and reached the level of 160% by the end of 2024, a historically highest level. The volume of customer funds increased by 18% in 2024 and reached UAH 35.4 billion. Business clients deposits grew by 20% and reached 22.5 billion UAH, while private individuals customer funds grew by 15% and stood at 12.7 billion UAH as at 31 December 2024.



Our interest rate policy is designed to ensure sufficient deposit inflows from customers and to be within the market range to complement the expected increase in non-interest-bearing sight deposits.

The bank participates in financing programs for SMEs supported by international financial institutions and the Ukrainian government, including energy efficiency programs, aiming to support the economic development of the country.

Our objective is to remain structurally profitable and increase annual net profit in absolute terms in the coming years. We aim to achieve a high level of operational and financial performance, to improve efficiency and gain considerable competitive advantage for the bank in the market. We believe that we have necessary experience and high professionalism to recover, to support our customers and to maintain sustainable key business ratios in the coming years.

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The Supervisory Board and the Management Board of the Bank establish strategic goals together in the course of the annual planning process. The Management regularly reviews the established goals through plan vs. actual analyses. An important component of our management system is set of indicators to monitor and manage the implementation and further development of the Bank's business and risk strategy. The Bank applies the following major key indicators:

- The growth of the loan portfolio is a key indicator of the success of new business and also provides reference points for our future earning capacity.
- The cost-income ratio is a relative indicator that provides insight into our efficient use of resources.
- Return on equity (RoE) is the most important indicator in terms of profitability. We place a strong emphasis on maintaining a sustainable RoE in conjunction with an appropriate risk profile.
- Capital ratios as key indicators for compliance with regulatory capital requirements. In 2024 banking system of Ukraine have switched to a new three-tier regulatory capital structure, which was in line with Basel standards. With the transition the Bank continues to maintain sufficient capital adequacy, which enables business growth in coming years.
- The net interest margin is an important indicator of our profitability that measures the average interest earnings.

The table below presents the key figures of the Bank for 2024 and 2023.

Key figures of the Bank

UAH million

Statement of Financial Position	31.12.2024	31.12.2023	Change
Total assets	43,103	37,994	5,109
Gross Loan Portfolio	22,325	20,965	1,360
Customer Deposits	35,401	30,073	5,328
Total Equity	4,861	3,087	1,774

Statement of Profit or Loss	2024	2023	Change
Net interest income	2,490	2,256	234
Net fee and commission income	176	198	(22)
Personnel and administrative expenses	1,150	851	299
Loss allowances	(258)	76	(334)
Net profit / (Net loss) of the period	896	849	47

Key indicators	2024	2023	Change
Change in loan portfolio	6.5%	-8.4%	14.9 p.p.
Cost-income ratio	40.3%	32.4%	7.9 p.p.
Return on Equity	22.6%	31.9%	-9.3 p.p.
Net interest margin	6.1%	6.4%	-0.3 p.p.
Capital ratio	20.3%	23.7%	-
Tier 1 ratio	15.7%	12.5%	-
CET1 ratio	15.7%	n.a.	-

The key indicators are calculated based on the management accounting rules.

In 2024, the NBU introduced a new three-tier capital structure. Due to changes in the methodology of capital ratios calculation implemented in 2024 the capital ratios for 2024 and 2023 are not comparable.

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Building on loan portfolio growth, deposit volume and excellent transaction services from our clients is an important part of building customer loyalty. Combined with an efficient infrastructure and growing synergies in our processes, we aim at further strengthening the financial stability of the Bank.

The Bank carries out transactions with derivatives (currency swaps) only in order to manage its own liquidity. The scope of such transactions and their impact on the Bank's financial indicators, evaluation of assets, liabilities, financial standing and income or expenses of the Bank were insignificant in 2024.

During the reporting year, the Bank neither alienated, nor sold and purchased assets in the scope exceeding the one established by the Bank's Charter.

5. Staff development

Our top priority is staff training and continuous increase of the qualifications of both existing staff and newcomers. In addition, retention of personnel, in the context of war and the risk of male colleagues being mobilized, is becoming more important. Therefore, it is necessary to focus on this area. During 2025, we remain committed to preserving ProCredit's unique identity and culture, ensuring that our core values and distinguishing characteristics remain intact. At the same time, we continue to evolve in line with market realities to support the successful execution of our business strategy. Therefore, our approach takes a holistic view, addressing several key categories that contribute to our long-term development and sustainability. We continue to align our human resources planning with the overarching business strategy of ProCredit Group, ensuring sustainable growth and strengthening our reputation. Our focus remains on creating a positive social impact on employees and the communities in which we operate. To achieve this, we emphasize several key areas:

- Recruitment and Selection: We implement a structured and multifaceted talent acquisition process that goes beyond filling vacancies, aiming to attract and retain professionals who contribute to our long-term success and competitiveness.
- Employee Development: Bank provides continuous learning and career development opportunities at all levels, including leadership programs to support internal mobility and succession planning.
- Performance Management: We foster a culture of open feedback, collaboration, and innovation, ensuring employees receive regular recognition and support for their contributions.
- Inclusive Corporate Culture: Bank promotes diversity, equity, and inclusion, creating a respectful and supportive work environment that values different perspectives and backgrounds.
- Working Environment: We implement policies and initiatives that support work-life balance, employee well-being, and adaptability to industry changes.
- Remuneration and Benefits: We continuously review and adjust our remuneration framework to remain competitive in the market while fostering employee engagement and long-term commitment.
- Technology and Digitalization: We enhance HR processes through advanced technologies, optimizing recruitment tools, training platforms, and overall system efficiency.

The bank adapts to the external environment and respective priorities. We will keep this approach of building our training programs in line with the external challenges along with the standardized staff training implemented groupwide. We aim to achieve a high level of operational and financial performance, to maintain high staff efficiency, which is a considerable competitive advantage for the bank in the market. The existing network and staff number will reflect the bank's business development and the business needs of our clients. The management will monitor the performance of the network and is responsible for decisions regarding its size.

6. Bank's Capital Structure

As at 31 December 2024 and 31 December 2023 the registered share capital consisted of 3,297,003 with nominal value of UAH 476.79 per share and total nominal value of UAH 1,571,978 thousand.

As at 31 December 2024 and 31 December 2023 all of the Bank's outstanding registered shares were issued and fully paid up as disclosed in the Bank's Financial Statements for 2024 (*Note 40: Equity*).

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	Ordinary shares		Preference shares	
	2024	2023	2024	2023
In issue at 31 December – fully paid and registered	3,147,392	3,147,392	149,611	149,611

Unregistered capital

Following the decision of the sole shareholder of the Bank (ProCredit Holding) dated September 23, 2024, to convert subordinated debt of EUR 20 million into the authorized capital (Note 39) the Bank had issued 732,584 ordinary shares with nominal value of UAH 476.79 per share and total value of UAH 876,896 thousand, including share premium. As of December 31, 2024, the procedure for registration of the increase in the Bank's authorized capital was ongoing. On April 14, 2025, an updated version of the Bank's Charter was registered with a new amount of the authorized capital (UAH 1,921,267 thousand), the amount of the authorized capital increase amounted to UAH 349,289 thousand, and the relevant changes were made to the Unified State Register of Legal Entities and Individual Entrepreneurs. The difference between nominal value and market value of new shares is accounted as share premium. As at the date of authorization of the Bank's Financial Statements for 2024 for issue, the process of registering the report on the results of the share issue with the National Securities and Stock Market Commission was in progress.

7. Financial Mechanisms, Liquidity and Cash Flows

The major part of the Bank's assets is the gross loan portfolio, which comprised 51.8% of total assets as at 31 December 2024. The Bank's lending activity is mostly financed by raising deposits of private individuals and legal entities. The loan portfolio primarily consists of short-term and medium-term loans for small and medium-sized businesses. The majority of the loans granted are fixed-term annuities. It results in diversified and reliable cash inflows. After deterioration of loan portfolio quality because of Russian invasion of Ukraine in 2022, which affected cash inflow from loans, the successful recovery measures taken by the Bank resulted in the improvement of loan portfolio quality in 2024 and consequent stabilization of cash inflow from loan clients. Loan portfolio is split into three categories (red, yellow and green) depending on the level of risk imposed by military activities. The main effects on the quality of loan portfolio come from the clients whose business activity is confined to the occupied regions and the regions under military activities (red zone). The main part of red zone clients was recognized as default at the end of 2022 and partially written off in 2023 and 2024. Our credit risk policy and responsible approach towards our clients provided stabilization of loan portfolio quality. Along with implementation of guarantee programs provided by our partners IFIs and the state guarantee programs it resulted in respective stabilization of cash inflows from lending in 2024.

Throughout 2024 the Bank had liquidity surplus, which was managed by placement into deposit certificates issued by the National Bank of Ukraine and government bonds (Ukraine, Germany, France and the U.S.). Total investments into NBU deposit certificates and government bonds increased from 16.2% of total assets as at 31 December 2023 to 18.8% as at 31 December 2024. Our counterparty exposure nominated in hryvna remains exclusively towards the National Bank of Ukraine (NBU) in the form of mandatory reserves, on-demand balances, overnight and 3-months deposit certificates and the other portion of investments is in benchmark government bond securities which were purchased to partially cover mandatory reserves. In addition, the Bank started investing into short-term G7 government bonds to meet the local LCR requirements imposed by the NBU.

When it comes to raising deposits, focus is made on the target group of small and medium enterprises and private customers within the defined target group, with which long-term relations are developed in order to maintain their loyalty to the Bank even during the economic downturn. In addition, to improve the Bank's position as a bank for small and medium business and private customers, the Bank will continue to use electronic banking as an advantage, and the quantity of current accounts of legal entities and individuals will grow. Current accounts are generally a source of steady income for the Bank as customers have to maintain a certain level of funds at their accounts in connection with the operating needs, and also pay service fees. In 2024 the Bank did not attract additional funds from the international financial organizations. The Bank made regular repayments of borrowed funds according to the repayment schedules without any delays. All these factors aim to restrict possible concentration of the liquidity risk and guarantee relative simplicity and clearness of the liquidity management

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system. Information on the volume of the structure of the funds raised as of 31 December 2024 can be found in the Bank's financial statements for 2024.

8. Organization of Internal Controls System and Risk management

Organization of Internal Controls System

The Bank has implemented a comprehensive system of internal controls which components include internal control environment, management of the risks inherent in the operation of the Bank, including compliance risk, control activities, control over information flows and communications of the Bank and monitoring the efficiency of the internal control system of the Bank. The internal controls system is implemented at all organizational levels of the Bank to ensure achievement of operational, information and compliance objectives of the Bank set forth in its strategy and business plan, based on the Bank's procedures related to organization and monitoring of internal controls and meeting the requirements of the National Bank of Ukraine set in its Regulation No. 88 "On organization of the system of internal control in banks of Ukraine".

The main areas of internal control in the Bank generally include: 1) control over achievement of the Bank's goals, including those defined in the strategy and business plan / annual budget; 2) control over ensuring efficiency of financial and economic activities of the Bank in terms of banking and other operations; 3) control over effectiveness of assets and liabilities management; 4) control over preservation of the Bank's assets; 5) control over effectiveness of the risk management system; 6) control over compliance with the requirements of the legal and regulatory requirements, internal documents of the Bank; 7) control over accuracy, completeness, objectivity and timeliness of accounting, preparation and publication of financial and other reports for external and internal users; 8) management of information flows, including receipt and transmission of information, ensuring functioning of the information security management system.

Organizationally, control procedures are implemented by allocation of internal control authority, duties and responsibilities between the units, executives, and employees within the organizational structure of the Bank, regular assessment of risks and current control measures. Methodological implementation of the procedures involves describing the system of internal control in the internal documents of the Bank, including frequency and timing of control measures, and identification of responsible employees assigned to control functions. Technological implementation is achieved through the automation of control procedures in the Bank's information systems, which take into account the Bank's evaluation of the economic viability and relevance of control automation.

Management and Supervisory Boards of the Bank regularly obtain results of monitoring activities on quarterly meetings, reported by the units of the 2nd line of defense to evaluate internal control deficiencies and monitor implementation of the corrective measures. Additionally, the internal audit of the Bank performs regular assessment of the effectiveness of internal control system in terms of its availability, comprehensiveness, efficiency and adequacy, its conformity with the types and amounts of transactions of the Bank or changes in the business model of the Bank.

Bank's General Risk Management. Capital Management

The guiding principle for capital management at ProCredit Bank is to ensure that, at any given time, the Bank does not undertake risks exceeding its capacity to bear them. To ensure appropriate capitalisation, the Bank applies both the normative and the economic perspective. Supervisory Board has defined a clear risk appetite for both perspectives. We have fulfilled all respective regulatory requirements throughout 2024 and expect to continue to do so in 2025. The Bank monitors the level of risks by using the system of different indicators with each having pre-set target and limit values.

The Bank's capital management has the following purposes:

- Ensuring the Bank consistently holds sufficient and high-quality capital to absorb potential losses from various risks, even under extreme conditions.
- Achieving full compliance with the capital requirements set by the National Bank of Ukraine.
- Meeting the Bank's internally defined minimum capital adequacy requirements.

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- Defining and maintaining maximum permissible risk levels (limits).
- Effectively managing and planning the risk profile in relation to available capital.
- Supporting the Bank's growth and strategic business objectives while maintaining financial stability.

The Bank's capital management is governed by the Capital Management Policy and the Internal Capital Adequacy Assessment Process.

The regulatory minimum capital requirements are established and controlled by the National Bank of Ukraine. The Bank actively monitors regulatory capital ratios and its risk-bearing capacity at least on a quarterly basis. This monitoring is carried out through various committees, including the Assets and Liabilities Committee (ALCO), the General Risk Management Committee, the Supervisory Board Risk Management Committee, and the ProCredit Group Risk Management Committee.

Such reports include both actual data and forecast changes, which ensure compliance with the current requirements and allow that on a continuous basis.

Starting from August 5, 2024, the NBU introduced a new three-tier capital structure with the following requirements for the banking system to meet:

- Common Equity Tier 1 (CET1) ratio: 5.625%
- Tier 1 ratio: 7.5%
- Regulatory capital (Total capital) adequacy ratio: 10%

Regulatory capital ratio of the bank as of 31 December 2024 was 20.3% Tier 1 and CET1 ratio were 15.7%. The Management regularly assesses the impact of the external environment, particularly the Russian military invasion of Ukraine, on the Bank's capital adequacy ratios. Given the material uncertainty associated with the ongoing war in Ukraine the Management does not expect a substantial deterioration in the Bank's capital ratios under current circumstances. Furthermore, during martial law, the National Bank of Ukraine permits banks to exceed capital adequacy ratios without facing negative consequences. It is also important to note that, in accordance with NBU requirements, the ICAAP was successfully implemented in 2024 and integrated into the Bank's corporate governance and risk management systems.

In summary, based on the expected performance of the Bank in terms of business development, profitability and capital measures planned, a solid level of capital is anticipated for 2025.

Individual Risk Management

The Bank's risk management system is an aggregate of the risk management policies, guidelines and procedures that determine the procedure to be followed when carrying out a systematic process of detection, measurement, monitoring, control, reporting and mitigation of all the types of risks attributable to the Bank's activity, at all Bank's organizational levels. The close monitoring is continued with regards to the staff, operational continuity and IT security, liquidity, deposits and lending activities. We continue to focus on enhancing operational resilience, maintaining liquidity, and ensuring business continuity despite the ongoing uncertainty.

Based on the risk inventory, which is conducted at least annually, the material risks of the ProCredit Bank are identified. The risk management system covers at least the following types of risks:

- 1) Credit risk;
- 2) Liquidity risk;
- 3) Interest rate risk;
- 4) Market risk;
- 5) Operational risk;
- 6) Compliance risk.

The Bank is a non-trade organization and does not have a trade book, does not carry out investment activity, namely by purchasing corporate securities, does not carry out transactions with commodities, including precious metals. Therefore, the main risk attributable to the Bank's activity amongst the markets risks is the foreign exchange risk.

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Credit Risk

Credit risk refers to the potential for financial loss if a party to a transaction is unable to fulfill its contractual obligations, either partially, in full, or on time. The Bank classifies credit risk into customer credit risk, counterparty risk (including issuer risk), and country risk. To enhance risk management, it is further divided into credit default risk and credit portfolio risk. Credit risk represents the largest risk faced by the Bank, with customer credit exposures comprising the majority of this risk.

The primary objectives of credit risk management are to maintain a high-quality loan portfolio, minimize risk concentrations within the portfolio, and ensure adequate coverage of credit risks through loan loss provisions.

The detailed information on the Bank's credit risk management as of 31 December 2024 can be found in the Bank's financial statements for 2024 (*Note 43. Customer Credit Risk*).

Liquidity Risk

Liquidity risk is a risk where the Bank is unable to fully or timely fulfil its current or future payment obligations.

The Bank applies its own system of liquidity management established in accordance with the regulatory requirements. Highly liquid assets and development of customers' funds base are monitored on a daily basis. The Bank has developed a clear response to potential outflows including both price-based measures (managing interest rates and terms of deposits), plans to minimize the outflow by reducing (suspending) lending and raising funds from the parent company in case of emergency.

The largest single component of the asset side of the Bank is the loan portfolio. The loan portfolio is mainly comprised of loans to Small and Medium sized businesses. Most of these loans are disbursed as annuity term loans. This leads to relatively low but regular monthly cash inflows. The funding base of the ProCredit Bank has proven to be stable and well diversified. The Bank's strategic goal is to fund it primarily through locally mobilised deposits, complemented with other reliable funding sources. In order to maintain the resilience of the banking sector the NBU continues to offer a refinancing in local currency against collateral of a pull of bank's assets. In addition, the fully committed stand-by line with the parent company ProCredit Holding creates a liquidity reserve in case of emergency.

The key tools for measuring liquidity risks are forward-looking liquidity gap analysis, which shows the contractual maturity structure of the assets and liabilities and estimates future funding needs based on certain assumptions. To analyse the Bank's liquidity situation in times of stress we apply tightened liquidity assumptions for the estimation of future liquidity in a normal financial environment.

As of 31 December 2024, the Bank complied with all liquidity standards set by the National Bank of Ukraine, including the LCR and NSFR indicators.

Despite the significant uncertainty surrounding market liquidity and notable deposit outflows at the onset of the Russian military invasion of Ukraine, the Bank's liquidity position has improved substantially. Since the beginning of the war, the Bank has closely monitored and actively managed its liquidity. Throughout 2023, the Bank's total liquidity saw considerable improvement compared to pre-war levels, primarily driven by strong deposit growth and the accumulation of liquidity from loan portfolio repayments.

In 2024, a major factor affecting liquidity in the banking system was the increase in mandatory reserve requirements, which had a notably negative impact on UAH liquidity. Nevertheless, the Bank maintained a sufficient and diversified funding base, primarily supported by a robust volume of customer deposits. This reflects the continued trust and confidence that customers have in the Bank, even amid the ongoing war.

The Bank considers its funding sources to be both adequate and diversified, as the core of its funds continues to be composed of a large share of customer deposits. Additionally, customers continue to place their trust in the stability of the banking sector. Subsequent to the reporting date, the total liquidity is sufficient for the Bank.

Detailed Information on the Bank's liquidity risk management as of 31 December 2024 can be found in the Bank's financial statements for 2024 (*Note 44. Financial Risks*).

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Foreign Exchange Risk

Foreign currency risk refers to the potential risk to the Bank's earnings and capital due to adverse fluctuations in exchange rates. The key risk indicator that reflects the balance sheet discrepancy for each currency is the open currency position (OCP).

The Bank aims to maintain balanced currency positions and ensures that its open currency positions always remain within prudent limits. As a matter of policy, the Bank does not take speculative positions in foreign exchange markets. It is not involved in trading activities and enters foreign exchange (FX) transactions, including derivatives, solely for the purposes of managing liquidity and hedging risks.

Given the currency volatility in recent years, foreign currency risk continues to pose a significant threat to the capital of banks in Ukraine. Forecasting currency risk shocks remains complex, especially considering the flexibility introduced by the NBU in Q4 2023, which eased some currency restrictions after the strict administrative measures imposed in 2022.

The Bank's primary hedging strategy for managing currency risk is to maintain closed currency positions. However, in 2022, the NBU temporarily adjusted the method for calculating banks' open FX position limits to prevent potential overstatements of FX loan loss allowances and to increase FX purchases. As a result, any new provisions in hard currency were excluded from the local OCP calculation. To stay within the local OCP limit of 5%, the Bank was required to open a short OCP under IFRS when booking additional provisions in hard currency.

The Bank continues to focus on monitoring exchange rate developments and ensuring that its open currency positions remain within acceptable limits. To mitigate FX risk, the Bank plans to maintain a long OCP in accordance with local standards as much as possible, ensuring that any short OCP reported under group reporting is solely a result of additional provisions.

Interest Risk

Interest risk arises out of structural differences between repayment deadlines for assets and liabilities sensitive to changes of the interest rate (for instance, if a loan with the three-year maturity and fixed interest rate is financed at the expense of the deposit with the three-month maturity, the Bank is exposed to the risk of reduction of the Bank's interest margin if the market interest rates grow, since the deposit will be replaced by another, more expensive deposit in a quarter whereas the lending rate will remain unchanged).

The Bank's approach to assess and manage interest risk is based on the Bank's Interest Risk Management and regulations of the National Bank of Ukraine.

In order to limit the interest rate risk, the Bank aims to align the maturities of those balance sheet items which generate interest earnings and interest expenses. The Bank ensures that its balance sheet structure with regard to the re-pricing of interest rate sensitive items is adequately balanced across all maturities. The goal is to match repricing maturity profiles between assets and liabilities as far as possible. Additionally, the risk management function analyses each large transaction with regard to its contribution to interest rate risk before it enters the balance sheet of the Bank. This allows the Bank to be protected from changes in interest rates on the market in any area.

Detailed information on the Bank's interest risk management as of 31 December 2024 can be found in the Bank's financial statements for 2024 (*Note 44. Financial Risks*).

In 2024, to maintain a sufficient margin and interest income, the Bank actively managed interest rate movements on both assets (customer loans) and liabilities (customer deposits). Throughout the year, the Key Policy Rate (KPR) continued its downward trend from 15%. However, due to a spike in inflationary pressures, it reversed course toward the end of the year, settling at 13.5%. The Bank anticipates that future interest rate movements will be favourable for the Bank considering its asset-liability structure and rapid repricing frequencies of the contracts.

While growth in key rates in the EU and US is unlikely, the Bank continues to invest in short-term fixed G7 bonds, which offer higher interest rates while being fixed, thus helping to mitigate the potential decline in interest income due to fluctuations in interest rates. This expectation of stable key rates further reduces the Bank's net interest

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income. However, given the current asset-liability structure and the Bank's experience operating in a downward interest rate environment, we assess our readiness for this development as high. Additionally, if we observe an increasing exposure to interest rate risk, we will continue to analyze our balance sheet structure and implement corrective measures as necessary.

Operational Risk

Operational risk is a risk of losses resulting from ineffective or failed internal processes, human factor, faults in operation of IT systems and/or external events. In its activity, the Bank is guided by the Operational Risk Management Policy. The principles set out therein have been developed for the purpose of efficient management of the operational risk and meet the requirements of not only the National Bank of Ukraine, but also the EU laws, the laws of Germany on the Banking System (*Kreditwesengesetz*) and Minimum Requirements to Risk Management (*MaRisk*).

Operational risk management is a balanced system with the following key components: corporate culture, management structure, risk assessment policies and procedures, novelty risk analysis and approval, the system of key risk indicators, and maintenance of the database on occurrence of operational risks.

Against the background of Russian invasion of Ukraine, the Bank focused on staff organization and operational risk. The objective of these activities is to ensure the continuity of business operations and adequate staffing. The Bank's digital approach to all routine banking operations has enabled it to quickly implement remote-office models to protect the health and safety of customers and employees. The Bank was able to maintain business continuity and guarantee the availability of IT systems without material loss of performance. For avoidance of banking data destruction during the martial law, the processing and storage of customer personal data, processing of information regarding the banking operations are carried out in a cloud service deployed within the ProCredit banking group, provided by datacenters located in Germany. To improve the business continuity of the network the Bank has equipped all locations with diesel generators and reserve communication channels.

Compliance Risk

Compliance risk is the likelihood of financial loss/sanctions, additional loss or loss of planned earnings or damage to the Bank's reputation arising from violation or failure to comply with the requirements of laws, regulations, market standards, rules of fair competition, rules of corporate ethics, occurrence of conflict of interest, as well as non-compliance with intra-bank or intra-group documents of the Bank.

Dedication to establishing a strong compliance culture to ensure responsible and compliant business conduct in the sense of ethically guided ProCredit business model remains always a priority for the Bank, notwithstanding the challenges of operating under war circumstances in Ukraine following Russian military invasion of the Ukrainian territory in February 2022 and declaration of martial law all over the state. The Bank understands the commitment and responsibilities that are associated with being a part of the development-oriented commercial group of banks and recognises and promotes the preservation of high ethical standards and the importance of acting responsibly concerning its business conduct. To this end, the Bank is dedicated to implementing and safeguard compliance through responsible conduct.

Compliance risk is managed by a separate compliance unit in the Bank independent of the business units, support units and other risk management units; it is subordinated and accountable directly to the Supervisory Board of the Bank. Compliance risk management system in the Bank includes a set of measures and safeguards that ensure compliance levels with applicable laws and regulations, control of the level of reputational risk, as well as a system in place to assess internal controls effectiveness.

9. Protection of Financial Service Consumer Rights by the Bank

The Bank has an established internal system of complaint management that provides for mechanisms of handling complaints and requests in order to protect the rights of financial service consumers. The process is regulated by the Bank's internal procedures which establish systematic standards for handling requests, including standards of the ProCredit Group's policy, and apply to all applications received by the Bank from individuals and legal entities that are qualified as complaints, statements, comments, petitions, suggestions, and thanks. The Bank's complaint handling is organized centrally and provides for proper control over all stages of the complaint process, and is

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based on the principles of accessibility, feedback, comprehensive approach and objectivity. The Bank's Management Board is responsible for the proper organization of the process of consideration of appeals to the Bank. In accordance with the Bank's internal regulations, the complaint handling function is performed by the Private Client and Business Client departments under the responsibility of the head of the respective department. Brief description of the procedure to submit complaint is disclosed on the Bank's official web page at www.procreditbank.com.ua in "Contacts" section. In addition, concern can be raised through the "Whistleblowing" section of the Bank's website, which is open to the public.

In 2024, out of all customers' appeals the Bank received in total 6 complaints from the customers as consumers of the financial services that were categorized as complaints falling under the applicable definition. Complaints received were classified as related to determining the level of client's AML/CFT risk classification. Others were concerned about various issues, like additional services suggestions etc. All received complaints from the consumers of the financial services were answered and reasonable explanations provided. There were no lawsuits in court in 2024 from the consumers regarding provisions of the financial services by the Bank.

10. Report on corporate governance

10.1. Reference to own Corporate Governance Code

The Bank is guided by its own Corporate Governance Code with its latest version approved by the Decision №1 of a sole shareholder on 19 January 2023 and revised by the Decision №3 of a sole shareholder dated April 30, 2024, approving the Corporate Governance Code with no changes in its current version. The effective Corporate Governance Code is published on the Bank's website and is available to the public at <https://procreditbank.com.ua/en/corporate-governance> (section "Internal Policies"). Other corporate governance codes, including those of stock exchanges or associations of legal entities, are not applied by the Bank. In its activity, the Bank observes Corporate Governance Code since its introduction.

10.2. Deviations from / non-application of the provisions of the Corporate Governance Code

The Bank does not deviate from the provisions of its own Corporate Governance Code in its activities and fully complies with them.

10.3. Information about General Meetings of the Bank's Shareholders and General Description of Decisions Taken on These Meetings

Under the provisions of the Article 60 of the Law of Ukraine «On joint stock companies» throughout the year 2024 ProCredit Holding AG, as a sole shareholder of the Bank, acted individually to exercise the authorities of the general shareholders meeting envisaged by the Article 39 of the Law of Ukraine «On joint stock companies» and internal regulations of the Bank.

During the reported period the Sole Shareholder of the Bank, which as of the date of the decisions owned 100% of the share capital and respectively 100% of votes in the Bank, took several decisions. In particular:

Decision № 1

Date of the meeting	February 23, 2024
The way of conducting	Resolution of the Sole Shareholder on issues within the competence of the General Meeting shall be made in writing (in the form of a decision), signed by the Sole Shareholder (his/her/its authorised representative), and, if necessary, bound and numbered. Such resolution of the Sole Shareholder shall have the status of minutes of the General Meeting.
Convening body	Under the provisions of the Article 60 of the Law of Ukraine «On joint stock companies» throughout the year 2024 ProCredit Holding AG, as a sole shareholder of the Bank, acted individually to exercise the authorities of the general shareholders meeting envisaged by the Article 39 of the Law of Ukraine «On joint stock companies» and

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	internal regulations of the Bank.
Agenda items and decisions taken:	
Item 1: Appointment of the member of the Bank's Supervisory Board, approval of the terms and conditions of the civil agreement to be entered into with her.	Decision taken: To appoint Ms Eriola Bibolli, a citizen of Albania, passport <i>[information is omitted]</i> , whose candidacy was approved for the position of a member of the Supervisory Board (shareholder representative) by the Resolution of the National Bank of Ukraine <i>[information is omitted]</i> , for the position of a member of the Bank's Supervisory Board (representative of the Sole Shareholder) with the maximum term of office provided by the law of Ukraine. To determine the date of appointment to the position of Ms Eriola Bibolli the date of this decision. To approve the terms of civil agreement (contract) (including the terms of remuneration) that will be concluded with Ms Eriola Bibolli (as attached), and to authorize the Chairman of the Bank's Management Board to sign such agreement on behalf of the Bank.
URL of the minutes of the General Meeting:	https://procreditbank.com.ua/en/information-for-shareholders-and-stakeholders (Section «Other information»)

Decision № 2

Date of the meeting	April 05, 2024
The way of conducting	Resolution of the Sole Shareholder on issues within the competence of the General Meeting shall be made in writing (in the form of a decision), signed by the Sole Shareholder (his/her/its authorised representative), and, if necessary, bound and numbered. Such resolution of the Sole Shareholder shall have the status of minutes of the General Meeting.
Convening body	Under the provisions of the Article 60 of the Law of Ukraine «On joint stock companies» throughout the year 2024 ProCredit Holding AG, as a sole shareholder of the Bank, acted individually to exercise the authorities of the general shareholders meeting envisaged by the Article 39 of the Law of Ukraine «On joint stock companies» and internal regulations of the Bank.
Agenda items and decisions taken:	
Item 1: Appointment of the independent members of the Bank's Supervisory Board.	Decisions taken: To appoint Dr. Gerhold Antje Marielle, a citizen of Germany, passport <i>[information is omitted]</i> , whose candidacy was approved for the position of a member of the Supervisory Board (independent director) by the Resolution of the National Bank of Ukraine <i>[information is omitted]</i> , for the position of an independent member of the Bank's Supervisory Board with the maximum term of office provided by the law of Ukraine. To appoint Dr. Schroeder-Hohenwarth Jan Marcus, a citizen of Germany, passport <i>[information is omitted]</i> , whose candidacy was approved for the position of a member of the Supervisory Board (independent director) by the Resolution of the National Bank of Ukraine <i>[information is omitted]</i> , for the position of an independent member of the Bank's Supervisory Board with the maximum term of office provided by the law of Ukraine. To determine as the date of entry into office of Dr. Gerhold Antje Marielle and Dr. Schroeder-Hohenwarth Jan Marcus as independent members of the Bank's Supervisory Board the date of this decision.
Item 2:	Decisions taken:

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<p>Determination of the amount of remuneration of the independent members of the Bank's Supervisory Board and approval of the terms of the civil law agreements (contracts) to be entered with them.</p>	<p>To establish that the independent members of the Supervisory Board, starting from January 1, 2024, subject to the conclusion of a relevant civil law agreement with them, shall receive:</p> <ol style="list-style-type: none"> 1) a fixed annual remuneration, which, after deduction and payment of all taxes provided for by the legislation of Ukraine, shall be: <ul style="list-style-type: none"> • EUR <i>[information is omitted]</i> for the performance of their duties as a member of the Supervisory Board; • EUR <i>[information is omitted]</i> for work in the committee/committees of the Supervisory Board; • EUR <i>[information is omitted]</i> for acting as the Chairman of the Audit Committee, Risk Management Committee. 2) Reimbursement of expenses related to and directly arising from the performance of their duties and in connection with business trips. <p>To approve the standard terms and conditions, including the terms of remuneration payment, of the civil law agreement (contract) attached hereto to be concluded with the independent members of the Bank's Supervisory Board.</p> <p>To elect the Chairman of the Management Board of the Bank as an authorized person to sign civil law agreements (contracts) with independent members of the Supervisory Board on behalf of the Bank, as well as to terminate previously concluded civil law agreements (contracts) with independent members of the Supervisory Board of the Bank, if any.</p>
<p>URL of the minutes of the General Meeting:</p>	<p>https://procreditbank.com.ua/en/information-for-shareholders-and-stakeholders (Section «Other information»)</p>

Decision № 3

<p>Date of the meeting</p>	<p>April 30, 2024</p>
<p>The way of conducting</p>	<p>Resolution of the Sole Shareholder on issues within the competence of the General Meeting shall be made in writing (in the form of a decision), signed by the Sole Shareholder (his/her/its authorised representative), and, if necessary, bound and numbered. Such resolution of the Sole Shareholder shall have the status of minutes of the General Meeting.</p>
<p>Convening body</p>	<p>Under the provisions of the Article 60 of the Law of Ukraine «On joint stock companies» throughout the year 2024 ProCredit Holding AG, as a sole shareholder of the Bank, acted individually to exercise the authorities of the general shareholders meeting envisaged by the Article 39 of the Law of Ukraine «On joint stock companies» and internal regulations of the Bank.</p>
<p>Agenda items and decisions taken:</p>	
<p>Item 1: Review of the report on the activities of the Supervisory Board for the year 2023, decision-making and approval of measures based on the results of its review.</p>	<p>Decision taken: To approve the report on the activities of the Supervisory Board for the year 2023 without remarks and additional measures based on the results of its review.</p>
<p>Item 2: Review of the external auditor's opinion on the results of audit of the Bank's annual financial statements for the year 2023 and approval of measures based on the results of the review of such a report.</p>	<p>Decisions taken: To approve the opinion of the Bank's external auditor BDO Limited Liability Company following the audit results of the annual financial statements of the Bank for the year 2023. To acknowledge absence of the required measures to take based on the findings of the external auditor of the Bank.</p>
<p>Item 3:</p>	<p>Decision taken:</p>

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Approval of the annual financial statement of the Bank under IFRS for the year 2023.	To approve the annual financial statement of the Bank drawn in accordance with the requirements of the International Financial Reporting Standards (IFRS) for 2023, audited and certified by the external auditor.
Item 4: Approval of distribution of profit and compensation of losses of the Bank for the year 2023.	Decisions taken: To approve the annual performance results of the Bank for the financial year 2023 as net profit in the amount of UAH 848 565 490,14 in accordance with the audited and certified annual financial statements of the Bank for the year ended on December 31, 2023, drawn in accordance with the International Financial Reporting Standards. To transfer part of the profit received as a result of the Bank's performance in 2023 in the amount of UAH 149,62 for the payment of dividends on the Bank's preference shares to the shareholder eligible to receive dividends on the preference shares. To transfer the remaining profit for 2023 in the amount of UAH 848 565 340,52 to the reserve fund of the Bank.
Item 5: Review and approval of the report on the remuneration of the Bank's Supervisory Board Members for the year 2023.	Decision taken: To approve the report on the remuneration of the Supervisory Board Members of JSC «ProCredit Bank», for the year 2023 with no remarks based on the results of its review.
Item 6: Annual review of the Code on corporate governance of joint stock company "ProCredit Bank", regarding the necessity of making changes to such.	Decision taken: Based on the results of the review of the Code on corporate governance of JSC «ProCredit Bank», not to make any changes to it and to leave the Code on corporate governance of JSC «ProCredit Bank» in its current version.
Item 7: Approval of amendments to the Regulations on the Supervisory Board Members Remuneration ProCredit Bank JSC by restating its edition.	Decision taken: Aiming to update and to bring the provisions of the internal normative act of the Bank in compliance with the currently effective Ukrainian laws that defines the basic principles of the introduced remuneration system for members of the Supervisory Board, the form of remuneration, the criteria and procedure for calculating the remuneration payable, the procedure for preparing, approving and publishing the remuneration report, to approve amendments to the Regulations on the Supervisory Board Members Remuneration ProCredit Bank JSC by restating it in the new edition as the Remuneration Policy for the Supervisory Board members of ProCredit Bank JSC.
URL of the minutes of the General Meeting:	https://procreditbank.com.ua/en/information-for-shareholders-and-stakeholders (Section «Other information»)

Decision № 4

Date of the meeting	August 02, 2024
The way of conducting	Resolution of the Sole Shareholder on issues within the competence of the General Meeting shall be made in writing (in the form of a decision), signed by the Sole Shareholder (his/her/its authorised representative), and, if necessary, bound and numbered. Such resolution of the Sole Shareholder shall have the status of minutes of the General Meeting.
Convening body	Under the provisions of the Article 60 of the Law of Ukraine «On joint stock companies» throughout the year 2024 ProCredit Holding AG, as a sole shareholder of the Bank, acted individually to exercise the authorities of the general shareholders meeting envisaged by the Article 39 of the Law of Ukraine «On joint stock companies» and internal regulations of the Bank.

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Agenda items and decisions taken:	
Item 1: On the payment of dividends on the Bank's shares for 2024.	Decision taken: Do not pay dividends on ordinary shares from the Bank's net profit to the Bank's shareholder who is entitled to receive such dividends for each interim reporting period of 2024 and for the entire year 2024.
URL of the minutes of the General Meeting:	https://procreditbank.com.ua/en/information-for-shareholders-and-stakeholders (Section «Other information»)

Decision № 5

Date of the meeting	September 23, 2024
The way of conducting	Resolution of the Sole Shareholder on issues within the competence of the General Meeting shall be made in writing (in the form of a decision), signed by the Sole Shareholder (his/her/its authorised representative), and, if necessary, bound and numbered. Such resolution of the Sole Shareholder shall have the status of minutes of the General Meeting.
Convening body	Under the provisions of the Article 60 of the Law of Ukraine «On joint stock companies» throughout the year 2024 ProCredit Holding AG, as a sole shareholder of the Bank, acted individually to exercise the authorities of the general shareholders meeting envisaged by the Article 39 of the Law of Ukraine «On joint stock companies» and internal regulations of the Bank.
Agenda items and decisions taken:	
Item 1: Increase of the authorized capital of the Bank by placement of additional shares at existing par value through additional contributions.	Decision taken: To increase the authorized capital of the Bank by UAH 969,999,694.02 (nine hundred and sixty-nine million nine hundred and ninety-nine thousand six hundred and ninety-four hryvnias and 02 kopecks) from UAH 1,571,978,060.37 (one billion five hundred seventy-one million nine hundred seventy-eight thousand sixty Ukrainian Hryvnias and 37 kopecks) to UAH 2,541,977,754.39 (two billion five hundred forty-one million nine hundred seventy-seven thousand seven hundred fifty-four Ukrainian Hryvnias and 37 kopecks) by placing 2,034,438 (two million thirty-four thousand four hundred and thirty-eight) additional registered ordinary shares with the existing par value of UAH 476.79 each through additional contributions without a public offering.
Item 2: On the issue of shares (indicating the participants of the placement).	Decision taken: To perform the issue of shares in the amount of 2,034,438 (two million thirty-four thousand four hundred and thirty-eight) additional ordinary registered shares of the Bank with the existing par value of UAH 476.79 each through additional contributions without a public offering, to approve the decision on the issue of shares (attached). To approve the list of participants of the share placement (attached).
Item 3: Determination of the Bank's body authorized to approve the price for shares placed within the placement procedure.	Decision taken: To appoint the Bank's Supervisory Board as the authorized body of the Bank to determine (approve) the price of the placement of shares within the process of issue.
Item 4: Determination of the authorized body and authorized persons of the Bank to make decisions and take the necessary actions envisaged by the applicable law for the	Decisions taken: To appoint the Management Board of the Bank as the authorized body of the Bank to exercise the following authorities: - approval of the results of the shares issue; - approval of the report on the results of the shares issue;

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<p>purpose of ensuring the additional issue of shares.</p>	<ul style="list-style-type: none"> - making a decision to deny the shares issue; - to payback the contributions made as payment for shares in case the issue has been deemed invalid or in case of failure to approve the results of the shares issue by the issuer's body authorized to make such a decision within the time limits established by law, or in case of failure to introduce/perform state registration of amendments to the charter regarding the increase of the authorized capital within the time limits established by law, or in case of a decision on denial of the shares issue; - amending the decision on the issue of shares in terms of non-significant parameters of the shares issue. <p>To authorize Mr. Oleksandr Povshednyi, Acting Chairman of the Management Board, or a person to be appointed to the position of the Chairman of the Management Board (Acting Chairman of the Management Board) after this decision is adopted, to take actions to ensure the placement of the Bank's shares.</p>
<p>URL of the minutes of the General Meeting:</p>	<p>https://procreditbank.com.ua/en/information-for-shareholders-and-stakeholders (Section «Other information»)</p>

Decision № 6

<p>Date of the meeting</p>	<p>December 16, 2024</p>
<p>The way of conducting</p>	<p>Resolution of the Sole Shareholder on issues within the competence of the General Meeting shall be made in writing (in the form of a decision), signed by the Sole Shareholder (his/her/its authorised representative), and, if necessary, bound and numbered. Such resolution of the Sole Shareholder shall have the status of minutes of the General Meeting.</p>
<p>Convening body</p>	<p>Under the provisions of the Article 60 of the Law of Ukraine «On joint stock companies» throughout the year 2024 ProCredit Holding AG, as a sole shareholder of the Bank, acted individually to exercise the authorities of the general shareholders meeting envisaged by the Article 39 of the Law of Ukraine «On joint stock companies» and internal regulations of the Bank.</p>
<p>Agenda items and decisions taken:</p>	
<p>Item 1: Determination of the amount of remuneration of the independent members of the Bank's Supervisory Board and approval of the terms of the civil law agreements (contracts) to be entered with them.</p>	<p>Decision taken: To establish that the independent members of the Supervisory Board, starting from January 1, 2024, or from the date of the beginning of the term of office of the independent members of the Supervisory Board, if this date was later than January 1, 2024, subject to the conclusion of a relevant civil law agreement with them, shall receive:</p> <ol style="list-style-type: none"> 1) a fixed annual remuneration, which, before deduction and payment of all taxes provided for by the legislation of Ukraine, shall be: <ul style="list-style-type: none"> • EUR [information is omitted] for the performance of their duties as a member of the Supervisory Board; • EUR [information is omitted] for work in the committee/committees of the Supervisory Board (the condition is effective from January 01, 2024 until December 31, 2024); • EUR [information is omitted] each for work in the Audit Committee, the Risk Management Committee of the

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	<p>Supervisory Board (the condition is effective from January 1, 2025);</p> <ul style="list-style-type: none"> • EUR [information is omitted] for acting as the Chairman of the Audit Committee, the Risk Management Committee. <p>2) Reimbursement of expenses related to and directly arising from the performance of their duties and in connection with business trips.</p> <p>To approve a new version of the standard terms and conditions of the civil law agreement (contract), including the terms of remuneration payment to be concluded with the independent members of the Bank's Supervisory Board (attached hereto).</p> <p>To elect the Chairman of the Management Board of the Bank as an authorized person to sign civil law agreements (contracts) with independent members of the Supervisory Board on behalf of the Bank, as well as to terminate previously concluded civil law agreements (contracts) with independent members of the Supervisory Board of the Bank, if any.</p>
<p>Item 2: Approval of the terms and conditions of the civil law agreement (including remuneration terms) concluded with the members of the Bank's Supervisory Board (shareholder representatives).</p>	<p>Decisions taken: To approve the new version of the standard terms of the civil law agreement (contract) to be concluded with the members of the Bank's Supervisory Board (shareholder representatives), including the terms of remuneration payment, which provide for reimbursement of expenses related to and directly arising from the performance of duties by the members of the Supervisory Board and in connection with business trips (attached to this decision).</p> <p>To elect the Chairman of the Management Board of the Bank as an authorized person to sign new civil law agreements (contracts) with members of the Supervisory Board (shareholder representatives) on behalf of the Bank.</p>
<p>URL of the minutes of the General Meeting:</p>	<p>https://procreditbank.com.ua/en/information-for-shareholders-and-stakeholders (Section «Other information»)</p>

The Bank's shareholder expects sustainable return of investment in the long-term instead of the focus on the maximum short-term profit. It actively invests into training and development of the staff in order to create the open and efficient working atmosphere and to ensure friendly and competence service for Bank's customers. The shareholder's support, affiliation with ProCredit group as well as control by the Federal Financial Supervisory Authority of Germany, BaFin, guarantee stability and credibility of ProCredit Bank.

10.4. Information on the Bank's Supervisory Board and the Management Board, their committees

The personal composition of the Supervisory Board

As at 31 December 2024 the Supervisory Board of the Bank was composed of the following members:

Name of the Supervisory Board member, term of office in the reporting period	Position (Chairperson/ Deputy Chairperson, Member of the Supervisory Board)	Status of the Supervisory Board's member	Chairman / member of the board committee		
			Audit Committee	Risk Management Committee	Remuneration and Nomination Committee
Dr. Gian Marco Felice (start of the office - 30.08.2019, latest re-election date - 10.04.2025)	Chairman of the Supervisory Board (during the reporting period)	Shareholder's representative	-	¹ V	V

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Mr. Rainer Peter Ottenstein (start of the office - 30.11.2015, latest re-election date - 30.08.2022)	Member of the Supervisory Board (during the reporting period)	Independent Director	V	-	X
Ms. Eriola Bibolli (start of the office - 23.02.2024)	Member of the Supervisory Board (during the reporting period)	Shareholder's representative	-	-	V
Dr. Gerhold Antje Marielle (start of the office - 05.04.2024)	Member of the Supervisory Board (during the reporting period)	Independent Director	X	V	V
Dr. Schroeder-Hohenwarth Jan Marcus (start of the office - 05.04.2024)	Member of the Supervisory Board (during the reporting period)	Independent Director	V	X	V

¹X - to indicate the Chairperson of the Committee; V - to indicate a Member of the Committee.

During the reporting period changes to the composition of the Supervisory Board have occurred, namely:

- Ms Eriola Bibolli was approved for the position of a member of the Supervisory Board (shareholder representative) by the Resolution of the National Bank of Ukraine and appointed for the position of a member of the Bank's Supervisory Board (representative of the Sole Shareholder) by the Decision of the Sole Shareholder No. 1, dated 23.02.2024. The term of office commenced on 23.02.2024.
- Dr. Gerhold Antje Marielle was approved for the position of a member of the Supervisory Board (independent director) by the Resolution of the National Bank of Ukraine and appointed for the position of an independent member of the Bank's Supervisory Board by the Decision of the Sole Shareholder No. 2, dated 05.04.2024. The term of office commenced on 05.04.2024.
- Dr. Schroeder-Hohenwarth Jan Marcus was approved for the position of a member of the Supervisory Board (independent director) by the Resolution of the National Bank of Ukraine and appointed for the position of an independent member of the Bank's Supervisory Board by the Decision of the Sole Shareholder No. 2, dated 05.04.2024. The term of office commenced on 05.04.2024.
- In accordance with Article 80 of the Law of Ukraine «On Joint Stock Companies» No. 2465-IX of 27.07.2022 Dr. Klaus Ekkehard Glaubitt submitted a notice (application) to the Bank on the voluntary resignation from the position as independent member of the Supervisory Board. Based on this notice (application), the powers of Dr. Klaus Ekkehard Glaubitt, an independent member of the Supervisory Board, were terminated 15.04.2024 (the last day of his term of office).

After the reporting date, the following changes in the composition of the Supervisory Board took place, namely:

- Dr. Gian Marco Felice was elected (re-elected) as a Member of the Bank's Supervisory Board (representative of the Sole Shareholder) and Chairman of the Bank's Supervisory Board (representative of the Sole Shareholder) for a term of 3 (three) years starting from April 11, 2025 (inclusive), in accordance with the Decision of the Sole Shareholder No. 2, dated 10.04.2025.

Information on the meetings of the Supervisory Board and a general description of the decisions taken

Number of meetings of the Board in the reporting period:	14 meetings in total. During the year 2024 organization of the Supervisory Board's activities corresponded to the forms envisaged by the charter of the Bank, namely, included regular meetings and adopting decisions by absentee voting (polling).
in-person:	4 in-person meetings (one for each calendar quarter)
absentee meetings:	10 decisions by absentee voting (were approved by absentee voting)

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	procedure, based on prior assessment by the Supervisory Board members)
Description of the key decisions of the Supervisory Board:	<p>During the reporting period, the Supervisory Board reviewed and decided on numerous issues, among which are the following:</p> <ol style="list-style-type: none"> 1. Review of the quarterly Management reports on the macroeconomic situation of the country, situation in the banking sector, financial and economic activity of the Bank, changes to the Bank's organizational structure. 2. Approval and review of quarterly reports of the Bank's divisions on their activities during the year (risk management reports, compliance risk management reports, audit reports). 3. Approval of the results of the annual risk assessment in the financial monitoring area. 4. Review and approval Report of the corporate secretary for 2023. 5. Approval of the Business Plan for 2024-2028 and individual budgets of the structural units directly subordinated to the Supervisory Board as the 2nd and 3rd line of defense units. 6. Approval of the Business Strategy for the year 2024, the Risk Strategy for the year 2024. 7. Review and approval of NPL strategy and operational plan for 2024-2027. 8. Approval of the Audit Plan for ProCredit Bank JSC for the year 2024 and approval of changes to this Plan. 9. Approval of the updated version of the Bank's internal regulation «Recovery Plan». 10. Approval of the internal policies governing the Bank's activities within the competence of the Bank's Supervisory Board in accordance with the requirements of the current legislation of Ukraine and Article 10 of the Bank's charter. 11. Annual decision of the sole shareholder. 12. Personal distribution of powers and responsibilities between members of the Supervisory Board and establishing committees of the Bank's Supervisory Board. 13. Dismissal/appointment of the (temporary acting) responsible anti-money laundering officer of the Bank. 14. Dismissal/appointment of the Bank's Management Board members, Chairperson of the Management Board, determination of the amount of their remuneration, approval of the terms of civil law agreements (contracts) to be concluded with them. 15. Appointment of the candidate for the position of the Bank's Chief Risk Officer. 16. Dismissal/appointment of the Head of Compliance unit of the Bank. 17. Appointment to the position of the Head of the Risk Management Department. 18. Appointment of the Bank's Chief Information Security Officer (CISO). 19. Review and approval of new organizational structure of the Bank. 20. Approval of the qualification assessment of the Bank's managers and key function holders. 21. Assessment of efficiency and qualification appropriateness of risk management function and chief risk officer, the compliance function and CCO in 2023. 22. Assessment of efficiency and qualification appropriateness of Management Board in 2023. 23. Assessment of the efficiency and qualification appropriateness of the Supervisory Board in 2023. 24. Approval of the results of corporate secretary assessment and Qualification Commission Report. 25. Review of the audited stand-alone financial statements of the Bank for the year 2023 and the Report to Supervisory Board on Audit Findings. 26. Approval of the Bank's annual information as an issuer of

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	<p>securities and the Report on the activities of the Management Board for the year 2023.</p> <p>27. Review and approval of the Report on the activities of the Management Board and the Report on the remuneration of the Management Board and key function holders for the year 2023.</p> <p>28. Approval of the Report on the activities of the Supervisory Board and review of the Report on the remuneration of the Supervisory Board for the year 2023.</p> <p>29. Approval of the terms of significant transactions with the National Bank of Ukraine.</p> <p>30. Prolongation of the cooperation with the audit company for the mandatory external audit of the Bank's financial statements drawn in accordance with the IFRS for the year 2024, and other mandatory audits, as well as approval of the terms of the agreement with such audit company.</p> <p>31. Determination of the audit company as the Bank's independent auditor for additional engagement on review and audit of the Bank's financial statements, including review of the reporting package in accordance with the accounting standards of the ProCredit group.</p> <p>32. Review and approval of the results of the Supervisory Review and Evaluation Process (SREP) AML/CFT risk assessment performed by the National Bank of Ukraine as of January 1, 2023.</p> <p>33. Report on the implementation of the recommendations provided by the National Bank of Ukraine based on the results of the Supervisory Review and Evaluation Process (SREP) assessment.</p> <p>34. Determination of the date of drawing up the list of shareholders eligible to receive dividends, determination of the procedure, process and terms of payment, notification procedure of shareholders.</p> <p>35. Report on the performance of the Risk Management Committee functions</p> <p>36. Electing of the independent appraiser to determine the market value of the Bank's ordinary registered shares and approval of the terms of the contract to be concluded with it.</p> <p>37. Approval of the market value of the Bank's ordinary registered shares.</p> <p>38. Determination (approval) of the price of the placement of shares during the placement of shares within the process of issue.</p> <p>All approved decisions were duly recorded in the minutes of the respective meetings of the Supervisory Board or formalized as decisions taken by absentee voting (minutes of absent voting). In performing their duties, the members of the Supervisory Board complied with the current legislation of Ukraine and international standards of supervision.</p> <p>The activities of the Bank's Supervisory Board resulted in changes in the financial and economic activities of the company within the framework and as a result of decisions taken by the Supervisory Board in terms of the competence and powers of the Bank's Supervisory Board.</p>
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Information on the meetings of the Supervisory Board Committees and a general description of the decisions taken

	Audit Committee	Risk Management Committee	Remuneration and Nomination Committee
Number of meetings of the Supervisory Board Committee in the reporting period	4 meetings in total.	6 meetings in total.	1 meeting in total.
In-person:	2	2	-
Absentee meetings:	2	4	1

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Description of the key decisions of the Supervisory Board Committee:	
<p>Audit Committee</p>	<ol style="list-style-type: none"> 1. Review of the Bank's financial reporting, in particular: organization of the finance function, review of financial results for the reporting periods, regulatory changes, selection of the auditor and review of the major conditions of the contract with the auditor. 2. Review of matters related to the Bank's internal audit, in particular: quarterly internal audit reports, audit reports, review of internal audit staff development, approval and changes in the Annual audit plan. 3. Regarding the setting of the fixed remuneration for the employees of the Bank's Internal Audit Unit. 4. Other decisions within the competence of the Committee. <p>All decisions made were duly recorded in the minutes of the Committee's meetings.</p> <p>Assessment of the independence of audit entities providing statutory audit services.</p> <p>The Audit committee members reviewed the information provided by the Bank on the Auditor for the mandatory statutory audit, including statement of the Auditor on their independence, statement about absence of conflict of interest and penalties imposed by the governance body on the Auditor during the period of cooperation with the Auditor.</p>
<p>Risk Management Committee</p>	<ol style="list-style-type: none"> 1. Review of the ICAAP results and Capital Planning JSC ProCredit Bank 2024 to 2026. 2. Review of the proposal for approval of the Policy on Internal Liquidity Adequacy Assessment Process, Contingence Funding Plan, Counterparty Risk Management Policy, Credit Risk Standards in Ukraine, Credit Risk Management Policy. 3. Review of the Capital Adequacy statement 2024. 4. Recommendation to the Supervisory Board on approval of the updated version of the Recovery Plan (2024). 5. Recommendations to the Supervisory Board on approval of the candidates for the positions of the Bank's Chief Risk Officer, responsible anti-money laundering officer, the Head of Compliance Unit, the Head of the Risk Management Department. 6. Review of quarterly reports on risk management, compliance risks and internal controls of the Bank. 7. Review of the report on the implementation of the recommendations provided by the National Bank of Ukraine based on the results of the Supervisory Review and Evaluation Process (SREP) assessment 8. Overview of Anti-Money Laundering system. 9. Review of internal policies and regulations. 10. Other decisions within the competence of the Committee. <p>All decisions made were duly recorded in the minutes of the Committee's meetings.</p>
<p>Remuneration and Nomination Committee</p>	<ol style="list-style-type: none"> 1. Recommendations for approval by the Supervisory Board of the candidates for the positions of the Members of the Management Board, the Chairman of the Management Board of the Bank. 2. Proposals for setting the amount of remuneration of the Members of the Management Board of the Bank, the Corporate Secretary of the Bank, proposals for approving the terms of civil law agreements (contracts) to be entered into with the Members of the Management Board. <p>All decisions made were duly recorded in the minutes of the Committee's meetings</p>

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Report of the Supervisory Board

Report of the Supervisory Board can be found: <https://procreditbank.com.ua/reporting> (Section “Annual report”)

Personal composition of the Management Board and its committees

The members of the Bank’s Management Board changed in 2024 and are four persons as of the reporting date:

Name of the Management Board member, term of office in the reporting period	Position (Chairperson/ Deputy Chairperson, Member of the Management Board)	Chairperson / member of the Management Board Committee		
		Assets - Liabilities Committee	Credit Committee	General Risk Management Committee
Mr. Povshednyi Oleksandr (latest re-election date - 27.06.2024, the term of office began on 01.07.2024)	Chairman of the Management Board (elected to the position of the Chairman of the Management Board (acting Chairman of the Management Board) by the decision of the Supervisory Board dated 27.06.2024 (minutes of absentee voting No. 6), took office as Chairman of the Management Board of the Bank on 24.09.2024 after receiving approval of his candidacy for the position by the National Bank of Ukraine, from 01.07.2024 to 23.09.2024 he was acting Chairman of the Management Board, from 01.01.2024 to 30.06.2024 - Deputy Chairman of the Board)	X	V	V
Ms. Savenya Anna (latest re-election date - 27.06.2024, the term of office began on 01.07.2024)	Member of the Management Board (elected to the position of the Member of the Management Board by the decision of the Supervisory Board dated 27.06.2024 (minutes of absentee voting No. 6), the term of office began on 01.07.2024, until 01.07.2024 was the Director of Business Client Development)	V	-	-
Mr. Oganyan Ruben (latest re-election date - 27.06.2024, the term of office began on 01.07.2024)	Member of the Management Board (elected to the position of the Member of the Management Board by the decision of the Supervisory Board dated 27.06.2024 (minutes of absentee voting No. 6), the term of office began on 01.07.2024, until 01.07.2024 was the Chief Risk Officer of the Bank)	V	V	V
Ms. Kolvastr-Kuleshova Olena (latest re-election date - 27.06.2024, the term of office began on 01.07.2024 and terminated on 31.12.2024 (the last day of the term of office))	Member of the Management Board (elected to the position of the Member of the Management Board, Chief Risk Officer, by the decision of the Supervisory Board dated 27.06.2024 (minutes of absentee voting No. 6), from 01.07.2024 to 31.12.2024 she was the Member of the Management Board, acting Chief Risk Officer of the Bank, the powers of Ms. Olena Kolvastr-Kuleshova, Member of the Management Board, Acting Chief Risk Officer, was terminated early with effect from January 1, 2025, in accordance with the decision of the Supervisory Board of JSC “ProCredit Bank” No. 14, dated 30.12.2024))	V	V	X

¹X - to indicate the Chairperson of the Committee; V - to indicate a Member of the Committee.

During the reporting period changes to the composition of the Management Board have occurred, namely: by the decision of the Supervisory Board of the Bank dated 27.06.2024, No. 6, the dismissal of Mr. Viktor Ponomarenko from the position of the Chairman of the Management Board of the Bank at his own request was approved, the powers of the members of the Management Board of the Bank were terminated early and a new composition of

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the Management Board, including the Chairman of the Management Board of the Bank, was appointed. In accordance with the above decision:

- due to the written resignation letter submitted by the Chairman of the Management Board Mr. Victor Ponomarenko, his powers as the Chairman of the Management Board were terminated on June 28, 2024 (the last working day);
- the powers of all current members of the Management Board of the Bank, namely: Mr. Oleksandr Povshednyi, Deputy Chairman of the Management Board, and Mr. Valerii Smolinskyi, Member of the Management Board, were terminated early, effective July 1, 2024;
- effective from July 1, 2024, the following persons were appointed as Members of the Management Board of the Bank: Mr. Oleksandr Povshednyi, Ms. Anna Savenya, Mr. Ruben Oganyan, Ms. Olena Kolvastr-Kuleshova;
- appointed Mr. Oleksandr Povshednyi as the Chairman of the Management Board. It has been determined that Mr. Oleksandr Povshednyi will take office on the next business day after the National Bank of Ukraine approves his candidacy in accordance with the requirements and procedure stipulated by the Law of Ukraine “On Banks and Banking Activities” and Regulation No. 149 (receipt of notification of approval by the Bank from the National Bank of Ukraine). Accordingly, Mr. Povshednyi Oleksandr took office on September 24, 2024. Prior to that, Mr. Povshednyi was acting Chairman of the Management Board;
- in accordance with the decision of the Supervisory Board of JSC “ProCredit Bank” No. 14 dated 30.12.2024, the powers of Ms. Olena Kolvastr-Kuleshova, Member of the Management Board, Acting Chief Risk Officer, was terminated early with effect from January 01, 2025 in order to comply with regulatory requirements.

Information on the meetings of the Management Board and a general description of the decisions taken

Number of meetings of the Management Board in the reporting period:	23 meetings in total. During 2024, the Management Board of the Bank hold regular monthly in-person meetings as well as ad-hoc meetings to resolve all issues related to management of the Bank’s current activities, operational functioning, and approving business solutions.
in-person:	19 in-person meetings
absentee meetings:	4 decisions by absentee voting (decisions were approved by absentee voting procedure, based on prior assessment by the Management Board members)
Description of the key decisions of the Management Board:	During the reporting period, the Management Board reviewed and decided on numerous issues, among which are the following: <ol style="list-style-type: none"> 1. Approval of terms and conditions of services offered to the Bank’s clients and approval of the catalogue of services; 2. Approval of the limits of authority for setting individual terms and conditions for deposit products for clients; 3. Approval of the internal rules and regulations on defined activities of the Bank (including the activities carried out under martial law) for the purpose of compliance with group standards and the local regulatory requirements; 4. Reviewing the results of the internal capital adequacy assessment and monitoring based on the ICAAP process; 5. Approval of the Bank’s internal regulatory documents, including the risk management documents and regulations on Bank’s units; 6. Approval of the results of risk assessment of new products/changes in the Bank’s operations; 7. Approval of advertising campaigns for the bank’s clients; 8. Review of compliance risk assessment reports; 9. Approval of the list of risky states; 10. Consideration of issues that arose during the Bank’s implementation of measures in the field of anti-money laundering; 11. Approval/validation of cooperation terms with international financial institutions; 12. Approval/validation of cooperation terms with providers of independent property valuation services; 13. Review of the results of the checks carried out by the National bank of Ukraine;

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	<p>14. Review of the reports on the work of the Management Board committees; 15. Approval of the limits of authority of credit committees' members; 16. Approval of the terms and conditions of buy and sale of properties; 17. Approval of the remuneration conditions; 18. Approval of the persons list of bank's related parties; 19. Approval of projects to improve technical solutions 20. Regarding amendments to the decision on the issue of shares in terms of minor parameters of the share issue. 21. Status of implementation of decisions of previous meetings of the Management Board. 22. Decision-making on the functioning of the Bank's Management Board Committees.</p> <p>All approved decisions were duly recorded in the minutes of the respective meetings of the Management Board. Acting according to their duties, the Management Board members complied with the effective legislation of Ukraine and international supervision standards.</p>
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Information on meetings of the committees of the Management board and a general description of the decisions taken

In accordance with the decision of the Management Board of the Bank dated 30.12.2024, the Non-performing Asset Management Committee (NPA Committee) of the Management Board was established and its composition approved. The Committee started its work from January 01, 2025.

	Assets-Liabilities Committee	Credit Committee	General Risk Management Committee
Number of meetings of the Management Board Committee in the reporting period	15 meetings in total.	16 meetings in total.	12 meetings in total.
In-person:	13	16	12
Absentee meetings:	2	-	-
Description of the key decisions of the Management Board Committee:			
Assets -Liabilities Committee	<p>1. Decisions on setting the cost (interest rates) for active and passive transactions; 2. Decisions to invest in a benchmark domestic government bond in the national currency; 3. Decisions to invest in government bonds of G7 countries; 4. Decisions on attracting financing; 5. Decisions on setting limits for counterparty banks and management of correspondent accounts; 6. Decisions on liquidity, interest rate, counterparty and currency risk management; 7. Decisions on ensuring the implementation of the Bank's strategic goals, including approval of the business plan and review of its implementation results; 8. Decisions on the introduction of new products, taking into account risk factors; 9. Other decisions within the competence of the Committee.</p> <p>All decisions made were duly recorded in the minutes of the Committee's meetings.</p>		
Credit Committee	<p>1. Reviewing the structure of the loan portfolio in terms of key quality indicators, the level of restructured and overdue portfolios, the level of risk concentration, provisioning, and reviewing the migration of the Bank's loan portfolio; 2. Reviewing the results of credit risk stress testing; 3. Setting restrictions and/or additional requirements in order to</p>		

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	<p>minimize credit risks in case of identification of factors of possible increase in credit risk;</p> <p>4. Review of risk factors (power outages, risks in the agricultural sector) and assessment of their possible impact on the quality of the loan portfolio;</p> <p>5. Monitoring compliance with the established limits and credit risk indicators;</p> <p>6. Determining the required amount of provisions in accordance with IFRS9 and the ProCredit Group requirements and credit risk in accordance with the requirements of the regulations of the National Bank of Ukraine to cover possible losses from lending operations, active operations on the interbank market, and securities;</p> <p>7. Decisions on writing off hopeless loans;</p> <p>8. Reviewing the results of loan reviews and approving necessary actions, if needed;</p> <p>9. Reviewing the results of back-testing of property values and determining whether it is appropriate to set more conservative (lower) collateral liquidity ratios than those specified by the regulations of the National Bank of Ukraine.</p> <p>All decisions made were duly recorded in the minutes of the Committee's meetings.</p>
<p>General Risk Management Committee</p>	<p>1. Decisions on approval of the plan and scenarios for testing the Bank's Business Continuity Plan and IT Infrastructure, Recovery Plan, ICAAP, implementation of measures to support the Bank's continuing operations;</p> <p>2. Decision to approve the training plan for the staff of the Bank on the risk management system for 2024;</p> <p>3. Decisions to establish a procedure for avoiding/mitigating identified significant risks;</p> <p>4. Approval of the results of the annual risk self-assessment and scenario analysis;</p> <p>5. Assessment of the Bank's capital adequacy in view of the Bank's risk profile;</p> <p>6. Decisions on setting limits to minimize risks;</p> <p>7. Monitoring compliance with the established limits and concentrations, monitoring ICAAP;</p> <p>8. Consideration of issues related to the outsourcing of functions, including monitoring the implementation of agreed actions and recommendations based on the results of the risk analysis of outsourcing;</p> <p>9. Decisions on determining approaches to risk and capital management, measures to reduce the level of these risks;</p> <p>10. Assessment of the impact of the military aggression of the Russian Federation against Ukraine on asset quality and operating losses;</p> <p>11. Decision to implement measures to minimize the risks of using software of Russian origin;</p> <p>12. Approval of the risk model validation results;</p> <p>13. Other decisions within the competence of the Committee.</p> <p>All decisions made were duly recorded in the minutes of the Committee's meetings.</p>

Report of the executive body (Management Board)

Report of the executive body (Management Board) can be found: <https://procreditbank.com.ua/reporting> (Section "Annual report").

Management report 2024**10.5. Information on the presence of a corporate secretary, as well as a report on the results of his/her activities**

Name	Iryna Lytovko
Documents regulating the activities of the corporate secretary	Bank's Charter, Regulations on the Corporate Secretary
The governing body that made the decision to appoint the corporate secretary	Supervisory Board
Date and number of the decision to appoint the corporate secretary	Decision of the Supervisory Board, dated 29.12.2022, No. 11
Date and number of the decision to approve the corporate secretary's report for the reporting period	-
Key points of the report on the performance of the corporate secretary for the reporting period	<p>During the reporting year, the work of the Bank's Corporate Secretary was aimed at effective ongoing interaction between the Bank and the Bank's shareholders (the "Shareholders"), supporting the effective work of the General Meeting of Shareholders (the Sole Shareholder), the Supervisory Board, the Management Board of the Bank and providing the expert consultations on governance and compliance issues necessary for them to effectively fulfil their duties.</p> <p>The Corporate Secretary provided legal, organizational and technical preparation and support during the adoption of all six decisions by the Sole Shareholder of the Bank.</p> <p>The Corporate Secretary ensured legal, organizational and technical preparation and holding of 4 regular meetings and 10 decisions taken by absentee voting (poll) without ensuring joint simultaneous presence of the Bank's Supervisory Board members, and drew up the relevant minutes of such meetings. In addition, taking into account the decision of the Supervisory Board to establish committees of the Supervisory Board, the Corporate Secretary of the Bank ensured legal, organizational and technical preparation and holding of meetings of the committees of the Supervisory Board of the Bank, in particular, the Audit Committee (2 regular meetings and two decisions taken by absentee voting (poll)), the Risk Management Committee (2 regular meetings and 4 decisions taken by absentee voting (poll)) and the Remuneration and Nomination Committee (1 decision taken by absentee voting (poll)). The functions of the secretary of the meetings of the Bank's Supervisory Board Committees were performed by authorized employees of the Bank.</p> <p>The Corporate Secretary ensured legal, organizational and technical preparation and holding of 19 meetings and 4 resolutions adopted by absentee voting (poll) without ensuring joint simultaneous presence of the members of the Management Board of the Bank, and prepared the relevant minutes of such meetings. The Corporate Secretary did not participate in the meetings of the Bank's Management Board Committees; the functions of the secretary of the meetings of the Bank's Management Board Committees were performed by authorized employees of the Bank.</p> <p>The Corporate Secretary ensured disclosure of regulated information on the stock market and the Bank's official website.</p> <p>In 2024, the Corporate Secretary prepared proposals for approval of the Regulations on the Supervisory Board Committees, approved by the Supervisory Board Decision No. 4 of 26.04.2024, amendments to the Corporate Governance Code of JSC "ProCredit Bank" by restating it in a new edition, the new edition of which was approved by the sole shareholder's decision of 30.04.2024, No. 3, the Remuneration Policy for the members of the Supervisory Board of JSC "ProCredit Bank", the new version of which was approved by the decision of the sole shareholder on 30.04.2024, No. 3, the Remuneration Policy for the</p>

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	<p>members of the Management Board and influential persons of JSC “ProCredit Bank” and the Regulations on the Corporate Secretary of the joint-stock company JSC “ProCredit Bank”, the new versions of which were approved by the decision of the Supervisory Board on 26.04.2024, No. 4.</p> <p>During the reporting period, the Corporate Secretary ensured interaction with the National Bank of Ukraine and the National Securities and Stock Market Commission and provided support for the conversion of subordinated debt into the Bank’s authorized capital, as well as the preparation and submission of documents necessary for the implementation of this process. In addition, during the reporting period, the Bank’s corporate secretary ensured interaction with the Bank’s sole shareholder and responsible persons in order to bring the Bank in line with the updated requirements of the Ukrainian legislation on the organization of corporate governance in joint stock companies.</p> <p>The Corporate Secretary is planning to amend the current versions of the Remuneration Policy for members of the Supervisory Board of JSC “ProCredit Bank” and the Remuneration Policy for members of the Management Board and key functions holders of JSC “ProCredit Bank”. These documents are scheduled to be submitted for review and approval by the Bank’s sole shareholder and/or the Supervisory Board in 2025.</p> <p>Four packages of documents were submitted to the National Bank of Ukraine and further communication with the parties involved was ensured to obtain approval of the new members of the Management Board, as well as approval of the Bank’s Chief Risk Officer, Chief Compliance Officer, and the person responsible for financial monitoring at the Bank.</p> <p>The verification of compliance of the Chairman, his deputies and members of the Supervisory Board, the Chairman, his deputies and members of the Management Board, as well as other managers and key function holders of the Bank subject to mandatory verification as required by the laws of Ukraine was organized.</p> <p>The process of efficiency assessment through self-assessment of the Supervisory Board, the Management Board as a whole and each member in particular was organized, questionnaires were prepared, data were processed and summarized, and information on the results of self-assessment was provided to the Supervisory Board.</p> <p>The process of assessing the collective suitability of the Supervisory Board and the Management Board of the Bank to the requirements set forth in the legislation of Ukraine was organized.</p> <p>Preparing and advising the Bank’s sole shareholder on the requirements of Ukrainian legislation regarding the functioning of the Bank’s collegial bodies.</p> <p>All appropriate measures were taken and all necessary external counterparties were informed about changes in the composition of the Bank’s Management Board and Supervisory Board in accordance with the requirements of the Ukrainian legislation. Communication was ensured with the depository institution servicing the securities account of ProCredit Holding AG as the Sole Shareholder of the Bank. No complaints or appeals were received from Shareholders or other persons interested in the Bank’s activities.</p>
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10.6. A description of the main characteristics of the Bank’s internal control and risk management systems:

1	2
The internal control system provides a three line of defense model (Yes/No)	Yes

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<p>Description of the functions of the units of the first line of defense and a list of key units</p>	<p>The first line of defense is at the level of business divisions and support divisions of the bank. These divisions initiate, carry out or reflect operations, accept risks in the course of their activities and are responsible for the current management of these risks, carry out control measures. The divisions of the first line of defense include, in particular, Private clients development department (description of main functions: development and implementation of proposals, initiation and management of projects with the aim of increasing the efficiency of work with private clients and further development of work with private clients within the framework of the bank's approved development strategy based on analysis of market development trends; coordination of the work of employees involved in the process of working with private clients) and Business client development department (description of main functions: development and implementation of proposals, initiation and management of projects with the aim of increasing the efficiency of work with business clients and further development of work with business clients within the framework of the approved development strategy of the bank based on the analysis of market development trends, ensuring the growth and quality of the loan portfolio and analyzing the efficiency of the work of specialists working with business clients).</p>
<p>List of units and description of functions of units of the second line of defense</p>	<p>The second line of defense is at the level of Risk management department, Compliance unit and AML unit. Compliance unit and Risk management department provide assurance to bank managers that the risk control and management measures implemented by the first line of defense have been designed and are functioning properly. The divisions of the second line of protection include: Risk management department (description of the main functions: ensuring the performance of the functions of the second level of control regarding the management of market, operational, credit, counterparty, interest rate risks and liquidity risk in the risk management system); Compliance unit (description of the main functions: ensuring the performance of the functions of the second level of control regarding compliance risk management in the risk management system); AML unit (description of the main functions: conducting monitoring of transactions with the aim of identifying transactions subject to financial monitoring and financial transactions in relation to which there are grounds to suspect that they are connected, relate to or are intended for the financing of terrorism or the financing of the proliferation of weapons of mass destruction, and as well as in other cases provided for by law, control of customer identification).</p>
<p>List of units and description of units of the third line of defense</p>	<p>The third line of defense is at the level of the internal audit unit, which carries out an independent assessment of the effectiveness of the first and second lines of defense and a general assessment of the effectiveness of the internal control system. Internal audit unit (description of main functions: providing an objective and independent assessment of the bank's activities; providing a statement on the existence and evaluation of the effectiveness of the risk management system, internal controls and corporate governance, their compliance with the established requirements and the bank's strategy; conducting regular audits in accordance with the annual plan, which is formed on the basis of risk assessment taking into account the audit cycle, as well as annual inspections and may also be involved in advisory tasks and special investigations).</p>
<p>Availability of an approved document(s) that(s) determine(s) the policy of the internal control system (including regarding the compliance system and internal audit)</p>	<p style="text-align: center;">Yes</p>
<p>List of main internal documents regarding the internal control system (including regarding the compliance and internal audit system)</p>	<p>Organization of internal control system; Compliance risk management policy; Rules of compliance risk management; Internal audit policy.</p>

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Date and number of the decision to approve the report on the internal control system (including compliance risks)	Reports on the internal control system (including compliance risks) are submitted to management on a regular quarterly basis.
Main provisions of the internal control system report (including compliance risks)	The report of the internal control system (including compliance risks) contains, in particular, information on the identified deficiencies of the internal control system, analysis of the causes of their occurrence, probable consequences that these deficiencies may lead to, recommendations/proposals for improving the effectiveness of the internal control system, cases of violations of the requirements of the legislation of Ukraine, as well as the sanctions applied to the bank, cases of violations of the code of conduct by bank employees and cases of conflict of interests were detected.
Approved risk appetite statement (Yes/No)	Yes
Description of the main provisions of the risk appetite statement	The risk appetite statement defines: <ul style="list-style-type: none"> - the aggregate level of risk appetite and the types of risks that the bank intends to accept and maintain in order to achieve business goals; - the maximum level of risk acceptable for the bank; - quantitative and qualitative indicators of risk appetite; - risk appetite level for each type of risk - approaches and a list of assumptions used by the bank when determining risk appetite indicators; - types of risks that the bank should avoid; - internal and external factors and restrictions affecting the bank's acceptance of risks.
The name of the body that made the decision to approve the risk appetite statement	Supervisory Board

10.7. The ownership structure

The information on holders of 10 per cent or more of the Bank's shares as 31 December 2024 is presented below.

Name of the legal entity	Type of significant ownership	Identification code of the legal entity	Address	Description of ownership
ProCredit Holding AG	Direct	HRB 132455.	Rohmerplatz 33-37 60486 Frankfurt am Main, Germany	The shareholder of the Bank who owns 100% of the Bank's shares.
Zeitinger Invest GmbH	Indirect	HRB 22654	Rohmerplatz 33-37, 60486 Frankfurt am Main, Germany	The shareholder of ProCredit Holding AG (18.28%), which owns 100% of the Bank's shares.
KfW	Indirect	-	Palmengarten straÙe 5-9, 60325 Frankfurt am Main, Germany	The shareholder of ProCredit Holding AG (13.20%), which owns 100% of the Bank's shares.
DOEN Participaties BV	Indirect	RSIN 804429182	1077JZ Amsterdam, Beethovenstraat 200, The Netherlands	The shareholder of ProCredit Holding AG (12.50%), which owns 100% of the Bank's shares.
Stichting DOEN	Indirect	RSIN 800674303	Beethovenstraat 200, 1077JZ Amsterdam, The Netherlands	The founder of DOEN Participaties B.V. (100% share), which owns 12.51% of ProCredit Holding AG, which owns 100% of the Bank's shares. The amount of indirect ownership in the Bank is 12.51%.

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Federal Republic of Germany represented by the Federal Government	Indirect	-	Willy-Brandt Street 1, Berlin, Germany, 10557	Through KfW (80%), which is a shareholder of ProCredit Holding AG (13.20%), which owns 100% of the Bank's shares. The amount of indirect ownership is 10.56%.
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During the year 2024 100% of all shares in the Bank were held by the parent company ProCredit Holding AG, which changed its legal form from a limited liability company (KGaA) to a joint stock company (AG) on 27 September 2023, resulting in a change of its name from ProCredit Holding AG & Co. KGaA to ProCredit Holding AG. The ownership structure of the Bank as at 31 December 2024 consisted of the Sole Shareholder: ProCredit Holding AG, Germany, the parent company for the entire group controlling most shares in all the ProCredit institutions all over the world. The direct share in the Bank's registered capital is 100%.

The main functions of ProCredit Holding with regard to its subsidiaries include: provision of the authorized capital and debt financing, carrying out strategic management and control. The holding establishes general guidelines and standards for the key banking areas. ProCredit Holding is responsible for proper operation of organizational structures and processes in all ProCredit institutions and their conformity to the guidelines as well as for application of relevant standards for risk management and anti-money laundering, counteraction against forgery and financing of terrorism. ProCredit Holding is involved in appointment of senior executives and staff training and plays a key role in development of training plans for the ProCredit Academy in Fürth, Germany, and regional academies. It also promotes the fastest dissemination of the best practices and approaches by holding regular seminars and workshops for medium and senior executives of the ProCredit banks.

10.8. Information on any restrictions on the rights of participation and voting of shareholders (members) at the Bank's General Meetings.

Under the provisions of the Article 60 of the Law of Ukraine «On joint stock companies» throughout the year 2024 ProCredit Holding AG, as a sole shareholder of the Bank, acted individually to exercise the authorities of the general shareholders meeting envisaged by the Article 39 of the Law of Ukraine «On joint stock companies» and internal regulations of the Bank.

10.9. Bank Officials Appointment and Dismissal Procedure

The procedure for appointment, dismissal, remuneration or compensation of officials of the Bank's collegial management and control bodies is carried out in compliance with the requirements of the Law of Ukraine "On Joint Stock Companies", the Law of Ukraine "On Banks and Banking Activities", the Bank's Charter and Regulations on the Supervisory Board, the Management Board, the Corporate Secretary, and contracts, if any.

As at 31 December 2024 the Bank's officials include: Chairman and members of the Supervisory Board, Chairman and members of the Management Board, Corporate Secretary, Head of Internal Audit Unit and Head of Reporting and Financial Controlling Unit, whose competence includes budgeting of the joint-stock company. The articles of association do not envisage any other bodies in the Bank's management structure. Procedure for electing members of the Management Board and the Supervisory Board is laid in Articles 10-11 of the Bank's articles of association.

Thus, in particular, members of the Supervisory Board are elected by the general meeting of the Bank's shareholders out of the individuals with full legal capacity, for the period of maximum three years. Members of the Bank's Supervisory Board may be the individuals who are shareholders, or their proxies; also, three independent members of the Board are elected.

Pursuant to section 9.1. of the articles of association of the Bank, if 100 % of all shares in the Bank are held by a single shareholder (hereinafter the "Sole Shareholder"), the powers of the general meeting of the Bank shall be exercised by the Sole Shareholder at his/her/its sole discretion. Given that during the year 2024 100% of all shares in the Bank were held by the parent company ProCredit Holding AG. Procedure of appointment of the chairperson and the members of the Supervisory Board provides for the issuance of a written decision of the Sole Shareholder, as determined by the article 60 of the Law of Ukraine «On joint stock companies». Such resolution of the Sole Shareholder has the status of minutes of the general shareholders meeting of the Bank.

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Decision-making on terminating the powers of the chairperson and members of the Supervisory Board is also within the exclusive competence of the general meeting of shareholders unless otherwise prescribed by the laws of Ukraine, or such powers are exercised by the Sole Shareholder. Resolution of the Sole Shareholder on issues within the competence of the general meeting shall be made in writing (in the form of a resolution). The powers of the Board's members are terminated without the decision of the general meeting of the Bank as prescribed by Article 80 of the Law of Ukraine "On Joint-Stock Companies". The members of the Supervisory Board are not employed by the Bank.

The Chairperson and the members of the Management Board are appointed to and dismissed from the office by the Bank's Supervisory Board. The Management Board is appointed by the Supervisory Board and includes at least three members for the period of three years. The Management Board is composed of the Chairperson, Deputy Chairperson and other members as resolved by the Supervisory Board.

The Corporate Secretary shall be elected by and subordinated to the Supervisory Board in connection with his/her duties and powers in accordance with the Regulation on the Corporate Secretary and shall be subordinated to the Chairperson of the Management Board of the Bank on the matters of the labour laws. The same person may be elected as the Corporate Secretary an unlimited number of times. The employment contract is made with the Corporate Secretary under the terms and conditions approved by the Supervisory Board. The extended procedure for the election of the Corporate Secretary is set out in the Regulation on the Corporate Secretary of the Joint-Stock Company "ProCredit Bank".

The Head of the Internal Audit Unit shall be appointed and dismissed by the decision of the Bank's Supervisory Board in accordance with the Bank's Charter and the Regulations on the Bank's Supervisory Board. The Head of Reporting and Financial Controlling Unit shall be appointed and dismissed by the order of the Chairman of the Management Board of the Bank.

10.10. Description of the Powers of the Bank's Officials

The powers of the officials are defined by the Law of Ukraine "On Joint Stock Companies", the Law of Ukraine "On Banks and Banking Activities", the Bank's Charter, Regulations on the Supervisory Board, the Management Board, the Corporate Secretary, as well as job descriptions.

Powers of the Chairman and Members of the Bank's Supervisory Board

The extended list of the issues pertaining to the exclusive competence of the Supervisory Board is stated in Article 10 of the Bank's articles of association, including the following main powers of the Supervisory Board:

- Approving and controlling implementation of the Bank's strategy, business plan, recovery plans, crisis financing plan, business continuity plan;
- Ensuring arrangement of efficient corporate governance in accordance with the principles (code) of corporate governance;
- Approving and controlling execution of the budget of the Bank, including the budgets of the Risk Management and Compliance Units, Internal Audit Service;
- Approving and controlling implementation of the Bank's strategy and non-performing asset management operational plan;
- Ensuring operation and controlling efficiency of complex and adequate internal control system of the Bank, including risk management system, internal audit system;
- Approving the Bank's internal risk management documents the list of which is specified by the Legislation of Ukraine, the risk management strategies and policies, the risk appetite declaration, the list of the Bank's risk limits (restrictions), control over compliance therewith;
- Determining the Bank's credit policy-making;
- Approval of the regulations (policies) governing the issues related to the Bank's activity within the competence established by the Laws of Ukraine, these Articles of Association and Bank's by-laws;
- Appointment and dismissal of the Chairman and members of the Management Board; control over activity of the Management Board as prescribed by the Supervisory Board;
- Establishing the procedure and plans for operation of the internal audit service and monitoring its activities;

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- Selecting the audit firm for external audit, including annual audit of financial statements, approving terms of the agreement to be concluded with the audit firm, determining the amount of fee for the services and choosing a person authorized to sign such agreement with the audit firm;
- Approving and controlling compliance with the procedure for conducting transactions with the Bank's related parties, which shall include, in particular, requirements for detection and control of transactions with the Bank's related parties;
- Deciding on effecting a major transaction if the market value of the subject matter of such transaction is equal to or exceeds 10 percent of the value of assets according to the latest annual financial statements of the Bank, by approving the material conditions of such transaction (subject matter, price, term, etc.);
- Deciding on granting consent to related-party transactions in the cases and manner established by the Legislation of Ukraine;
- Decision-making on transactions as to which there are or may be conflicts between the personal interests of the Chairman and Members of the Supervisory Board and their official duties, which may affect good-faith performing of their duties, objectivity and impartiality in decision-making (conflict of interest), or on refusal of such transactions;
- Approval of the procedure for transactions with the Bank's related parties;
- Prevention of and settlement of corporate conflicts, approval and monitoring over implementation of the fundamentals of corporate governance and corporate values, including the code of conduct, in the Bank.

When performing their functions, members of the Supervisory Board may attend the meetings of the Bank's Management Board, receive complete, authentic and timely information about the Bank that is essential to perform their functions; read the Bank's documents and receive copies; demand an extraordinary meeting of the Supervisory Board; submit their written comments on the resolutions of the Management Board; receive fair remuneration and compensation for performing functions of a member of the Supervisory Board, and exercise other rights provided for by the laws of Ukraine and the Bank's by-laws.

The Chairman of the Supervisory Board organizes and administers operation of the Supervisory Board, convenes ordinary and extraordinary meetings of the Supervisory Board and chairs them, approves the agenda of the meetings, ensures the minutes of the Supervisory Board's meetings; ensures regular contact with other bodies (if any) and officials of the Bank; coordinates activity and communication between members of the Supervisory Board and between other bodies and officials of the Bank; prepares reports and communicates them to the general meeting on the Supervisory Board's activity, the general standing of the Bank and actions taken by the Supervisory Board to reach the objectives and purpose of the Bank; and performs other powers under the Bank's by-laws and laws of Ukraine.

Powers of the Chairperson and Members of the Bank's Management Board

The Management Board of the Bank is headed by the Chairperson of the Management Board who organizes and manages the work of the Management Board and may represent the Bank with full authority. The Chairperson of the Management Board convenes meetings of the Management Board and ensures keeping of their minutes. In case the Chairperson of the Management Board is temporarily absent and cannot perform his/her powers, all his/her powers, rights and duties in the full scope envisaged by the Issuer's articles of association and laws of Ukraine shall be performed by the Deputy General Manager or another member of the Management Board appointed by the General Manager as an acting General Manager.

The Bank's Management Board is authorized to take the following actions and be liable for them within the limits set by the articles of association, resolutions of the general meeting, Supervisory Board and Bank's by-laws:

- To organize holding of annual and extraordinary General Meetings;
- To prepare regular reports on the Bank's performance, revealed violations of the law, internal regulations of the Bank, and any deterioration in the financial standing of the Bank or threat of such deterioration, the level of risks arising in the course of the Bank's operation, and to submit such reports to the Supervisory Board for consideration;
- To ensure preparation of the Bank's draft budget, development strategy and business plan to for approval by the Supervisory Board;
- To implement the Bank's development strategy and business plan;

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- To set the format and the procedure for monitoring the Bank's activities;
- To implement the risk management strategy and policy approved by the Supervisory Board, to ensure implementation of procedures for identification, assessment, control and monitoring of risks;
- To prepare special reports requested by the Supervisory Board, to participate in the meetings of the Supervisory Board upon invitation of the Chairman of the Supervisory Board;
- To determine the rules, conditions, procedure for conducting financial and business activities of the Bank, banking operations, lending, cash and other banking services for the Bank's customers, to approve the Bank's internal documents, including accounting policies, procedures, standards, regulations, standard contracts, except for those within the competence of the Supervisory Board;
- To form the organizational structure of the Bank established by the Supervisory Board;
- To develop regulations that govern activities of structural units of the Bank (except for those to be approved exclusively by the Supervisory Board) and branches of the Bank in accordance with the development strategy of the Bank;
- To ensure security of information systems of the Bank and systems used for safekeeping of assets of customers;
- To approve the rules of internal financial monitoring, programs of financial monitoring and other documents on prevention of legalization (laundering) of proceeds from crime;;
- To settle all other issues related to the Bank's activity, save for those pertaining to the exclusive competence of the General Meeting and the Supervisory Board.

The Chairman and members of the Management Board may receive complete, authentic and timely information on the Bank necessary to perform their functions; settle operational management issues of the Bank pertaining to their power and functions independently or as members of the Management Board; submit proposals, participate in discussion and vote for issues on the agenda at the meetings of the Management Board; demand to convene meetings of the Management Board; submit written comments on resolutions of the Management Board; demand extraordinary meetings of the Supervisory Board; receive fair remuneration for performing functions of a member of the Management Board in the amount established by the Bank's Supervisory Board.

Powers of the Corporate Secretary

Some of the powers of the Corporate Secretary include the following:

- To monitor conformity of the Articles of Association and by-laws of the Bank to the laws of Ukraine, and mutual consistency thereof;
- To participate in drafting of the Articles of Association, by-laws on the governing bodies and other by-laws of the Bank, including the policy for conflict of interest and notification of violations and unlawful actions as well as amendments and supplements thereto;
- To monitor adherence of the Bank's governing bodies to the internal corporate procedures under the laws of Ukraine, the Articles of Association, the by-laws of the Bank, other corporate documents and resolutions of the Bank's governing bodies;
- To ensure information exchange between the Bank's governing bodies as well as between the Bank and the Shareholders, other stakeholders and investors in accordance with the information provision procedures established by the Bank;
- To make and update the list of related parties of the Bank;
- To ensure interaction with the professional participants of the depository system of Ukraine in connection with the Bank's securities accounting;
- To coordinate operations of the governing bodies and structural units of the Bank when the Bank pays income for the issued securities, securities issue, redemption (including mandatory redemption) and sale of the Bank's securities, other transactions involving the Bank's securities and corporate events;
- To ensure interaction between the Bank's governing bodies and structural units within his/her competence during inspections of the Bank by the supervisory authorities;
- To draft resolutions of the Supervisory Board on convening the General Meeting of the Bank and agenda thereof, other necessary notices under the laws of Ukraine during the preparation for the General Meeting;
- To coordinate drafting of the resolutions, materials and documents on the matters on the agenda of the General Meeting of the Bank;

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- To ensure interaction between the Bank's officials, the Chairperson of the General Meeting of the Bank, the members of the registration and counting committees with the representatives of the National Securities and Stock Market Commission and the Shareholders in case and when they supervise the Shareholders' registration, the General Meeting of the Bank, voting and finalisation of results;
- To perform functions of the secretary of the General Meeting of the Bank;
- To draw up the minutes of the General Meeting of the Bank;
- To facilitate communication between the Supervisory Board, the Management Board and the Shareholders, including the function of the first contact person on governance issues for investors;
- To ensure that the members of the Supervisory Board, the Management Board obtain the information necessary to perform their official duties, and are consulted on the matters of legislative requirements and good governance practices;
- To ensure timely preparation, provision of documents and holding of meetings of the Supervisory Board, committees of the Supervisory Board (if established), the Management Board, including by absent voting (poll);
- To perform functions of the secretary of the meeting of the Supervisory Board, the Management Board;
- To interact with the National Bank of Ukraine on issues of corporate governance;
- To submit proposals to the Supervisory Board to improve the internal corporate procedures, redistribute functions and powers of the governing and controlling bodies of the Bank;
- To study the existing corporate governance practices; to submit proposals on introduction of the corporate governance practices in the Bank to the Supervisory Board;

The extended powers of the Corporate Secretary are set out in the Regulation on the Corporate Secretary of the Joint-Stock Company "ProCredit Bank".

Powers of the Head of Internal Audit Unit

Some of the powers of the Head of Internal Audit Unit include the following:

- Planning audit activities in accordance with the regulatory requirements, assessment of risks and expectations of the Supervisory Board and the Management Board of the bank, and ensuring the implementation of planned activities;
- Ensuring the continuous operation of the internal audit unit;
- Ensuring compliance, efficiency and rational use of the internal audit unit's resources used to perform audits in accordance with the annual audit plan;
- Establish audit procedures and instructions;
- To prepare regular reports on the results of the unit's activities;
- To submit audit reports to the Management Board of the bank, the units subject to audit and the Supervisory Board of the bank to ensure timely and appropriate independent organizational corrective measures;
- Ensuring continuous professional development and training of internal auditors;
- Reporting to the National Bank of Ukraine in accordance with the requirements established by it.

The extended powers of the Head of Internal Audit Unit are set out in the person's job description.

Powers of the Head of Reporting and Financial Controlling Unit (on the matter of budgeting of a joint-stock company)

Some of the powers of the Head of Reporting and Financial Controlling Unit include the following:

- coordination of the business-planning process in the Bank;
- preparation of the consolidated annual budget of the Bank;
- consolidation of budgets prepared by the Bank's individual units;
- control over compliance with administrative and investment budgets of the Bank's individual units and the Bank's consolidated budget;
- ensuring an effective budgeting process in the Bank for the purpose of rational use of the Bank's resources.

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The extended powers of the Head of Reporting and Financial Controlling Unit are set out in the person's job description and in the Regulations on the Reporting and Financial Controlling Unit.

No facts of violation of the internal by-laws by the members of the Supervisory Board, the Management Board, the Corporate Secretary, the Head of Internal Audit Unit and the Head of Reporting and Financial Controlling Unit that resulted in damage inflicted on the Bank or financial service consumers were detected during the reporting period.

10.11. Information on the remuneration of the members of the Supervisory Board and the Executive Body (Management Board)

Report on the remuneration of the supervisory board members and Report on the remuneration of the management board members and the key function holders can be found: <https://procreditbank.com.ua/en/corporate-governance> (section "Report on the remuneration").

10.12. Information on penalties imposed during the year by public authorities on the Bank, including on members of the Supervisory Board and the Management Board

The members of the Supervisory Board and Management Board were imposed no penalties by the government authorities during the reporting period. During the reporting period, 5 administrative sanctions (in the amount exceeding UAH 1,000) were imposed on the Bank for a total amount of UAH 3,579,546.67.

10.13. Bank's Transactions with Related Parties

The Bank pays considerable attention to the parties related to the Bank, forming the list of them and monitoring conformity of the staff of such entities in order to control risks under transactions with the Bank's related parties, and to control authenticity of reporting on the related parties. The Bank is aware of the fact that provision of unreasonable benefits to the Bank's related parties may result in weakened lending and debt monitoring discipline within such lending commitments and lead to other negative consequences.

The bank shall not grant credit exposures to:

- their own shareholders, except in the case of a nostro account relationship or a short-term money market exposure;
- any member of the Supervisory Board;
- any member of the Management Board, unless approved by the Supervisory Board;
- any enterprise or business owned or managed by the persons mentioned above or any enterprise or business in which the persons mentioned above have an interest.

Detailed information about transactions carried out during the year with the Bank's related parties in terms of income and expenses under transactions with the parent company, other shareholders, economic operators under joint control and key management staff can be found in the Bank's Financial Statements for 2024 (*Note 48*).

11. The Bank's Internal Audit

The Bank's risk management processes are regularly checked by the internal audit unit, which is functioning as the third line of defense being the Bank's independent body subordinated and accountable to the Bank's Supervisory Board. Internal audit unit assesses the effectiveness of the system of internal controls and the Bank's corporate governance, checks adequacy of the internal procedures, within the scope of every audit engagement. Internal audit unit helps the Bank's senior executives and Supervisory Board to perform their attributed control functions by carrying out independent and risk-focused audits. In 2024, sixteen audit engagements were commenced under the annual audit plan approved by the Bank's Supervisory Board. No very high risk audit observations were noted. Agreed actions to eliminate or mitigate the detected risks were approved by the Bank's senior executives and process owners and generally taken as scheduled and in full.

12. Information on the Bank's External Auditor

BDO LLC in Ukraine is a member of BDO, one of the world's largest international audit and consulting network. BDO LLC is an international company providing services on the Ukrainian market since 1997. BDO LLC was

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included into the Register of Audit Firms and Auditors (section 4 "Audit entities entitled to conduct statutory audit of financial statements of public interest entities), registration No. 2868. BDO LLC). BDO LLC has been continuously providing auditing services to the Bank since 2022.

In 2024 the Audit committee of the Bank by their decision as of July 10, 2024, recommended the Supervisory Board of the Bank to prolong cooperation with BDO LLC for the year 2024 and determine them as the auditor of the stand-alone financial statements of the Bank for 2024-2025. On July 26, 2024, the Supervisory Board of the Bank approved prolongation of cooperation with BDO LLC as an external independent auditor for mandatory audit of the Bank's Financial Statements in 2024-2025. Also, BDO LLC carried out the first stage of the Bank's sustainability assessment according to the requirements of the National Bank of Ukraine as of 1 January 2024.

In addition to the audit of the Financial Statements of ProCredit Bank JSC drawn up in accordance with the requirements of the International Financial Reporting Standards ("IFRS") for and as of the year ending on 31 December 2024, the audit company also audited the Bank's reporting package drawn up in accordance with ProCredit Group requirements for the year ended on 31 December 2024.

During the period when BDO LLC provided its services to ProCredit Bank JSC, there was never any conflict of interest and/or concurrent performance of the internal auditor's functions.

BDO LLC has been imposed no penalties by the Audit Public Oversight Body of Ukraine or the authorities responsible for state regulation of the financial services markets for the last three years.

Chairman of the Management Board



Oleksandr Povshednyl

22 April 2025