

**To the Sole shareholder
of Joint Stock Company «ProCredit Bank»**

REPORT ON THE ACTIVITIES OF THE SUPERVISORY BOARD FOR 2024

The report below is provided to comply with the requirements of the Laws of Ukraine “On Joint Stock Companies” dated 27.07.2022 № 2465-IX, “On Banks and Banking” dated 07.12.2000 № 2121-III, the “Regulation on Disclosure of Information by Issuers of Securities and Persons Providing Collateral for Such Securities” approved by the Decision of the National Securities and Stock Market Commission dated 06.06.2023 No. 608, as well as taking into account the principles of the Methodological Recommendations on Corporate Governance Organization in the Banks of Ukraine, approved by the resolution of the National bank of Ukraine on 03.12.2018 No. 814. The report aims to provide full information on the activities and decisions taken by the Supervisory Board of JSC "ProCredit Bank" in the financial year 2024.

Throughout the reporting year the Supervisory Board (hereinafter also – “the Board”) continued to act as a collegial body responsible for ensuring the strategic management of the Bank, controlling and regulating the activities of the Management Board and protecting the rights of the Bank’s shareholders, depositors and other creditors, held consultations and joint meetings with the Management Board of the Bank with regular discussions on the implementation of business strategies and activities. During the year, the Board, within its competence, also analyzed reports on risk management in the Bank’s activities and reviewed numerous internal regulations to update them.

Evaluation of the composition, structure and activities of the Board as a collegial body (collective suitability of the Board)

Composition and structure of the Supervisory Board

as of December 31, 2024

Supervisory Board member	Term of appointment	Positions held outside the Bank	Compliance with independence criteria
Dr. Gian Marco Felice, Chairman of the Board (representative of the Sole Shareholder)	Member of the Board since 2019; since April 14, 2022, he has been the Chairman of the Board. The authority is valid as of the reporting date. The last date of re-election is 10.04.2025.	Member of the Supervisory Board of ProCredit Banks in Germany, Georgia; Chairman of the Supervisory Board of Procredit Banks in Serbia, Bulgaria, Romania; Chairman of the Advisory Board of the ProCredit Academy (Germany), Quipu GmbH (Germany);	n/a

		Member of the Management Board of ProCredit Holding AG, Germany	
Mr. Rainer Peter Ottenstein, independent member of the Supervisory Board	Member of the Board since 2015. The authority is valid as of the reporting date.	Member (independent) of the Supervisory Board of ProCredit Banks in Germany, Kosovo, Georgia and Romania; Chairman of the Supervisory Board of ProCredit Holding AG, Germany	Complied
Ms. Eriola Bibolli, member of the Supervisory Board (representative of the Sole Shareholder)	Member of the Board since February 23, 2024. The authority is valid as of the reporting date.	Member of the Supervisory Boards of ProCredit Banks in Moldova, Romania, North Macedonia, and Germany; Chairman of the Supervisory Boards of ProCredit Banks in Kosovo, Bosnia and Herzegovina, and Albania	n/a
Dr. Gerhold Antje Marielle, independent member of the Supervisory Board	Member of the Board from April 05, 2024. The authority is valid as of the reporting date.	CEO of Acht & Zwanzig GmbH (Germany), Member (independent) of the Supervisory Boards of ProCredit Banks in Bosnia and Herzegovina and Romania	Complied
Dr. Schroeder-Hohenwarth Jan Marcus, independent member of the Supervisory Board	Member of the Board from April 05, 2024. The authority is valid as of the reporting date.	Founder/owner of SHW Consulting UG, Member (independent) of the Supervisory Boards of ProCredit Holding AG (Germany); ADVANS SA	Complied

During 2024, there were changes in the composition of the Supervisory Board, 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.

Article 39 of the Law of Ukraine "On Banks and Banking Activities" provides that the number of members of the bank's board is determined by the bank's charter, but may not be less than five. At the same time, the bank's board must consist of at least one third of independent directors, and the number of independent directors may not be less than three. As of 31.12.2024, the number of members of the Supervisory Board was 5, and the number of independent directors included in the Supervisory Board was 3.

Taking into account the requirements of the law, the Supervisory Board established the Audit, Risk Management and Remuneration and Nomination Committees of the Supervisory Board by its decision dated April 26, 2024 and approved their personal composition:

- Audit Committee - Chairman: Dr. Gerhold Antje Marielle - independent member of the Supervisory Board; Members: Mr. Rainer Ottenstein - independent member of the Supervisory Board, Dr. Schroeder-Hohenwarth Jan Marcus - independent member of the Supervisory Board.
- Risk Management Committee - Chairman: Dr. Schroeder-Hohenwarth Jan Marcus - independent member of the Supervisory Board; Members: Dr. Gerhold Antje Marielle - independent member of the Supervisory Board, Dr. Gian Marco Felice - Chairman of the Supervisory Board, shareholder representative.
- Remuneration and Nomination Committee - Chairman: Mr. Rainer Ottenstein, independent member of the Supervisory Board; Members: Dr. Schroeder-Hohenwarth Jan Marcus - independent member of the Supervisory Board, Dr. Gerhold Antje Marielle - independent member of the Supervisory Board, Dr. Gian Marco Felice - Chairman of the Supervisory Board.

In addition, in the reporting period, the personal distribution of powers and responsibilities among the members of the Bank's Supervisory Board was approved, which determined the following:

- Dr. Gian Marco Felice, Chairman of the Supervisory Board (shareholder representative), responsible for retail business, information technology, information security and sustainability.
- Ms. Eriola Bibolli, Member of the Supervisory Board (Shareholder Representative), responsible for Corporate Business and Marketing.
- Dr. Gerhold Antje Marielle, independent member of the Supervisory Board, responsible for audit, finance and treasury.
- Mr. Rainer Peter Ottenstein, independent member of the Supervisory Board, responsible for corporate governance, legal, and human resources.
- Dr. Schroeder-Hohenwarth Jan Marcus, independent member of the Supervisory Board, responsible for risk management, compliance, financial monitoring, and work with distressed assets.

The structure and composition of the Supervisory Board are organized in such a way as to ensure an appropriate balance between independent and non-independent members, as well as a comprehensive approach to management decision-making. The presence of specialized committees provides in-depth analysis of relevant issues, contributes to the improvement of corporate governance, enhances transparency and helps to effectively oversee various aspects of the Bank's activities. The assessment of the collective suitability of the Supervisory Board shows that the Board members work effectively together, interact, discuss and make decisions. It is also important to maintain independence of opinion in the decision-making process, without undue influence of individuals or groups.

Supervisory Board activities during 2024

In performing its functions, the Supervisory Board of the Bank acted within the competence defined by the legislation of Ukraine and Article 10 of the Bank's Charter, as well as following the Regulation on the Supervisory Board and the Bank's Corporate Governance Code.

During the reporting period, the forms of activity (decision-making) of the Supervisory Board complied with the Bank's Charter, namely, holding regular meetings and making decisions by absentee voting ("polling"). In total, four scheduled in-person meetings were held during the reporting period, one for each calendar quarter, and ten individual decisions were approved by absentee voting procedure, based on prior assessment by the Board members. Two regular meetings of the Supervisory Board's Audit Committee were held and two decisions were made by absentee voting; two regular meetings of the Supervisory Board's Risk Management Committee were held and four decisions were made by absentee voting; one decision was made by the Remuneration and Nomination Committee by absentee voting. All regular meetings of the Supervisory Board were attended by members of the Management Board of the Bank, as the quarterly report of the Management Board is included in the agenda of each meeting of the Board on a mandatory basis and is provided directly by the members of the Management Board, taking into account the competence of each member. Also, the Chief Risk Officer, Chief Compliance Officer and Head of the Internal Audit Unit participated in all regular meetings of the Supervisory Board, as their quarterly report is included in the agenda of each meeting of the Board on a mandatory basis and is submitted directly by the Chief Risk Officer, Chief Compliance Officer and Head of the Internal Audit Unit. Each meeting of both the Supervisory Board Committees and the Supervisory Board itself was accompanied by an open and intensive exchange of information, opinions and comments, and the regular reports provided contained appropriate and comprehensive information on all matters important to the Bank's operations.

All decisions proposed for absent voting were delivered to all Board members without exception and adopted with the required quorum in each case.

Attendance of the regular meetings of the Supervisory Board in 2024:

Date of the meeting	Attendees	Absent members
08.02.2024	Dr Gian Marco Felice, Dr Klaus Glaubitt, Mr. Rainer Ottenstein (total - 3) Ms. Eriola Bibolli, Dr. Gerhold Antje Marielle and Dr. Schroeder-Hohenwarth Jan Marcus were invited to the meeting without the right to vote as members of the Supervisory Board, who were undergoing the procedure of approval by the National Bank of Ukraine for	-

	the positions of a member and independent members of the Bank's Supervisory Board, respectively, before the election/appointment of these persons to the positions (they started to perform their duties after receiving the approval of the National Bank of Ukraine and the Sole Shareholder's decision on their election).	
26.04.2024	Dr. Gian Marco Felice, Ms. Eriola Bibolli, Mr. Rainer Peter Ottenstein, Dr. Gerhold Antje Marielle, Dr. Schroeder-Hohenwarth Jan Marcus (total - 5)	-
26.07.2024	Dr. Gian Marco Felice, Ms. Eriola Bibolli, Mr. Rainer Peter Ottenstein, Dr. Gerhold Antje Marielle, Dr. Schroeder-Hohenwarth Jan Marcus (total - 5)	-
28.10.2024	Dr. Gian Marco Felice, Mr. Rainer Peter Ottenstein, Dr. Gerhold Antje Marielle, Dr. Schroeder-Hohenwarth Jan Marcus (total - 4)	Ms. Eriola Bibolli

During the reporting period, the Supervisory Board reviewed and decided on numerous issues, among which are the following:

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 the Bank's Compliance Unit (acting as the Bank's Chief Compliance Officer).
17. Appointment of the Head of the Risk Management Department (acting as the Bank's Chief Risk Officer).
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 securities and the Report on the activities of the Management Board for the year 2023.
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.
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.
29. Regarding significant transactions with the National Bank of Ukraine.
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.
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.
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.
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.

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.

35. Report on the performance of the Risk Management Committee functions.

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.

37. Approval of the market value of the Bank's ordinary registered shares.

38. Determination (approval) of the price of the placement of shares during the placement of shares within the process of issue.

Attendance at regular meetings of the Supervisory Board committees in 2024:

Committee/date of meeting	Present members of the Board Committee	Absent
Audit Committee		
10.07.2024	Dr. Gerhold Antje Marielle, Mr. Rainer Peter Ottenstein, Dr. Schroeder-Hohenwarth Jan Marcus (total - 3)	-
14.10.2024	Dr. Gerhold Antje Marielle, Mr. Rainer Peter Ottenstein, Dr. Schroeder-Hohenwarth Jan Marcus (total - 3)	-
Risk Management Committee		
25.07.2024	Dr. Schroeder-Hohenwarth Jan Marcus, Dr. Gian Marco Felice, Dr. Gerhold Antje Marielle (total - 3)	-
24.10.2024	Dr. Schroeder-Hohenwarth Jan Marcus, Dr. Gian Marco Felice, Dr. Gerhold Antje Marielle (total - 3)	-

During the reporting year, the Audit Committee of the Supervisory Board reviewed and made decisions on items within their competence, in particular:

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.

The Risk Management Committee of the Supervisory Board reviewed and made decisions on items within their competence, in particular:

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. On approval of the updated version of the Recovery Plan (2024).
5. 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.

The Remuneration and Nomination Committee of the Supervisory Board reviewed and made decisions on items within their competence, in particular:

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.

All decisions taken by the Supervisory Board and its committees were duly reflected in the minutes of the meetings of the Supervisory Board/its committees or formalized by decisions taken by absentee voting (minutes of absentee voting). In the performance of their duties, the members of the Supervisory Board complied with the current legislation of Ukraine and international standards of supervision.

The performance of the Bank's risk management and internal control systems during the financial year 2024 is assessed as good.

Assessment of competence and efficiency of each member of the Supervisory Board

The competence and effectiveness of each member of the Bank's Supervisory Board are appropriate. During the reporting year, each member of the Supervisory Board fulfilled his/her duties to the Bank personally and properly - actively participated in the Board meetings, carefully reviewed documents and information provided to the Board in the main meeting materials, analysed them and made a comprehensive assessment, participated in open and critical discussion of matters at the Board meeting in order to make balanced decisions.

A formalised distribution of personal responsibilities and duties among the members of the Supervisory Board was made after the full formation of the Supervisory Board and taking into account the competencies of each member of the newly appointed Supervisory Board. Due to the personal distribution of powers and responsibilities, the Supervisory Board can effectively interact, exchange ideas and experience in their areas of competence, which contributes to the formation of even stronger collective expertise and strategically grounded decision-making.

At the same time, the formalized distribution of individual functional duties and areas of responsibility among the Supervisory Board members is planned to be carried out in 2024 after the full formation of the Supervisory Board and taking into account the competencies of each member of the new composition of the Bank's Supervisory Board.

Each Member of the Supervisory Board makes a significant contribution to the effective operation of the Board and devotes sufficient time to performing his/her duties on the Bank's Supervisory Board. In the reporting period, the composition and structure of the Bank's Supervisory Board ensured its effective operation as a collegial body. Taking into account the areas of education and professional experience of the Chairman and each of the members of the Supervisory Board, the collective suitability of the Bank's Board was in line with the size of the Bank, complexity, volumes, types, nature of the Bank's operations, organisational structure and risk profile. It is worth noting that the collective suitability of the Bank's Board has increased after the full formation of the Supervisory Board and taking into account the competencies of each member of the newly appointed Supervisory Board.

The Bank considers that other activities of the Supervisory Board members do not create a conflict of interest and do not affect the ability to devote sufficient time to performing the duties of a Supervisory Board member within the Bank.

Assessment of compliance with the qualification requirements of the Supervisory Board members, independence of the Supervisory Board members

In accordance with the requirements of Article 42 of the Law of Ukraine "On Banks and Banking", the Law of Ukraine "On Joint Stock Companies", paragraph 360 of Chapter 43 of Section VI of the Regulation on Bank Licensing, approved by Resolution of the Board of the National Bank of Ukraine No. 149 dated December 22, 2018, as well as in accordance with the internal regulation "Banks Executives and Key Function Holders Compliance Verification", in December 2024, the professional suitability and business reputation of the members of the Bank's Supervisory Board were reviewed.

According to the conclusions contained in the report of the Bank's Qualification Commission on the results of the verification of compliance of managers with the qualification requirements, and of independent directors with the independence requirements, it was found that during the reporting period all members of the Board met the requirements for professional suitability, no signs of compromised business reputation were found among the said members, all independent members of the Supervisory Board met the established criteria of independence in accordance with the provisions of the Law of Ukraine "On Joint Stock Companies" and the Law of Ukraine "On Banks and Banking". There were no facts of inappropriate behaviour during the reporting period.

Evaluation of the Supervisory Board's performance in achieving its goals

In 2024, the Supervisory Board managed the Bank's activities and risks in the context of a full-scale invasion. During this time, the Supervisory Board carried out significant and effective work to control the Bank's corporate governance system, made a number of key decisions aimed at minimising risks, stabilising financial performance and the Bank's operations in general.

The decisions made by the Board were based on the results of careful and regular analysis of the Bank's operations, ongoing discussion of ways to maintain the Bank's stable operations, improve the Bank's efficiency and were aimed at achieving both short-term and long-term goals. The ongoing martial law in Ukraine causes dynamic changes in regulatory requirements for banking activities and requires the Bank to review internal controls, implement non-standard technological solutions, and continuous monitoring by the Board. In addition, the Supervisory Board assessed the dynamics of the Bank's loan portfolio and the level of overdue loans on a quarterly basis, taking into account the Bank's regional categorization of the territory of

Ukraine, including the territories where military operations are ongoing or temporarily occupied by the Russian Federation, and reviewing the results of stress testing of various risk scenarios on a quarterly basis.

Taking into account the available information on the activities of the Supervisory Board during the reporting year, the Board concluded that: no material violations of the laws of Ukraine were identified in the course of the Bank's activities; internal control procedures ensure sufficient internal control in the Bank; the procedures established ensure adequate control over the risks to which the Bank is exposed and the Bank's business continuity.

Based on the above, the Bank's Supervisory Board has achieved its goals.

Information about the internal structure of the Board, procedures used in its decision-making, including an indication of how the Board's activities have led to changes in the company's financial and economic activities

The activities of the Supervisory Board have the following impact on the Bank's financial and economic activities: improving the level of risk management and internal control system by monitoring their effectiveness, which affects the conduct of activities in accordance with regulatory requirements and enhances the financial stability of the Bank; ensuring the regulation of the necessary processes and establishing controls that reduce the risk of the Bank's operations, ensuring the availability of trained and qualified key management, etc.

Based on the foregoing, the activities of the Supervisory Board resulted in stable financial and economic activities of the Bank even in the face of a full-scale invasion.

Frankfurt am Main, Germany, April 30, 2025

Chairman of the Supervisory Board

of JSC ProCredit Bank (Ukraine)

[signature]

Dr. Gian Marco Felice