



ProCredit
H O L D I N G

CORPORATE GOVERNANCE STATEMENT

2024



Corporate Governance Report

ProCredit Holding AG (also "ProCredit Holding" or "Company") places emphasis on transparent corporate governance and open communication with all stakeholders. This approach and our development-oriented mission are supported by the shareholders. The values upon which we have successfully built the ProCredit group include personal integrity and commitment, social responsibility and tolerance, open communication and transparency, as well as high professional standards.

Management Board and Supervisory Board

In accordance with the Company's Articles of Association, the Supervisory Board consists of eight members. The members Mr Patrick Zeiting and Ms Jovanka Joleska Popovska are delegated on the basis of delegation rights of the shareholders Zeiting Invest GmbH and ProCredit Staff Invest GmbH & Co. KG, as established by the Articles of Association of ProCredit Holding AG. The remaining six members were elected by the Company's Annual General Meeting.

The Management Board of the Company ("Management Board") and its Supervisory Board work closely together for the benefit of the Company.

In 2024, the Company's Supervisory Board held a total of nine meetings, some of which were held as hybrid meetings. Four meetings were held in person with the option to participate via video, and two meetings were held via video with the option to attend the meeting physically. In addition, two meetings were held exclusively by video and one meeting exclusively in person. Three written votes were held in the 2024 financial year.

The Supervisory Board has determined a comprehensive set of reports to be provided by the Management Board in due time before each meeting. The Management Board reports on the business and risk strategies of the group at least once per year and routinely reports on the status of implementation of the strategies.

The Supervisory Board reviews and approves the Annual Financial Statements for ProCredit Holding AG and the Consolidated Annual Financial Statements for the ProCredit group. ProCredit Holding AG complies with the German Corporate Governance Code, unless otherwise specified.

Management Board of ProCredit Holding AG

The Management Board comprised the following individuals in the 2024 financial year:

Member of the Management Board	First appointed	Appointed until	Responsibilities (as of year-end)
Hubert Spechtenhauser (Chair since 9 November 2022)	2022	28 February 2026	Corporate Office Legal Group Communications
Dr Gian Marco Felice	2020	31 May 2027	Group and PCH IT Group Sustainability
Christian Dagrosa	2023	31 December 2025	Accounting and Taxes Supervisory Reporting and Capital Planning Investor Relations Controlling Reporting and Data Management Data Systems Projects Group Asset & Liability Management Function Group Funding
Eriola Bibolli	2023	31 May 2026	Group SME Group Retail Economic Analysis
Christoph Beeck	1 April 2024	31 March 2027	Group and PCH Human Resources Fraud Prevention and Compliance and Group and PCH AML Group and PCH Internal Audit Administration and Translation
Georgios Chatzis	1 April 2024	31 March 2027	Group Financial Risk Management Group Operational Risk Management Group Credit Risk Management Group and PCH Risk Control

The Management Board was expanded with effect from 1 April 2024 to include Mr Christoph Beeck and Mr Georgios Chatzis.

The basis for succession planning is the continuous and systematic development of the Company through the early identification of suitable candidates of different disciplines and nationalities as well as different genders and ages. Another crucial aspect was and is the development of managers through the assumption of tasks with increasing responsibility and with a good understanding of and interest in the group's core business and its objectives with regard to sustainable and responsible banking. When appointing management board members, sufficient diversity is ensured in terms of professional training and experience, cultural background, internationality and gender. Independent of individual criteria, a holistic appreciation of the individual personality was and is decisive.

In line with the recommendation of the GCGC, the Supervisory Board has set an age limit for members of the Management Board. This limit is 70 years of age.

Cooperation

The members of the Management Board are responsible for the management of ProCredit Holding AG. Its Internal Rules of Procedure govern the work of the Management Board. The Supervisory Board decides on the appointment and dismissal of members of the Management Board including long-term succession planning for the Management Board. The Supervisory Board also set the remuneration of the individual members of the Management Board. The Supervisory Board is informed of the Management Board's decisions and gives its approval where necessary.

Supervisory Board of ProCredit Holding AG

The Company's Articles of Association provide for the Supervisory Board of ProCredit Holding AG to consist of eight members. The current members Mr Patrick Zeitingner and Ms Jovanka Joleska Popovska are delegated through delegation rights of the shareholders Zeitingner Invest GmbH and ProCredit Staff Invest GmbH & Co. KG.

The Supervisory Board comprised the following individuals in the 2024 financial year:

Member of the Supervisory Board	First appointed	Appointed until
Rainer Ottenstein (Chair since 7 March 2022)	2016	2026
Dr H.P.M. (Ben) Knapen (Deputy Chair since 3 June 2022)	2020	2026
Helen Alexander	2022	Resigned on 18 April 2024
Patrick Zeitinger	Delegated since 19 April 2024	2029
Jovanka Joleska Popovska	2021	2028
Dr Jan Marcus Schroeder-Hohenwarth	5 June 2023	2027
Nicholas Tesseyman	5 June 2023	2027
Karin Katerbau	9 November 2023	2028
Berna Ülman	9 November 2023	2028

Work of the Supervisory Board

The Supervisory Board oversees the Management Board and is involved in decisions of fundamental importance to the group. The Management Board regularly informs the Supervisory Board of the group business strategy and other fundamental matters relating to the assets, liabilities, financial and profit situation of the group as well as its risk situation, risk management and risk controlling. Key decisions of the group are approved by the Supervisory Board.

Objectives for the composition of the Supervisory Board and status of implementation

The Supervisory Board has determined that its members shall include persons who, in addition to a sound knowledge of banking, also have the following attributes:

- a good understanding of and interest in the group's core business
- time and interest to travel to the region to understand and assess the operations of ProCredit subsidiaries, and ideally serve on at least one supervisory board of a subsidiary
- a good understanding of and interest in development finance and sustainability aspects
- at least one member should have professional experience in South Eastern and Eastern Europe

All members should have sufficient knowledge of financial analysis and risk aspects of banking. Furthermore, since the Company's shares are listed on the Frankfurt Stock Exchange, a general understanding of capital markets is valuable.

The Supervisory Board has ensured that its members are independent at all times, apart from Ms Jovanka Joleska Popovska, due to her position at ProCredit Reporting DOOEL, North Macedonia.

Two members of the Supervisory Board are delegated by Zeitinger Invest GmbH and ProCredit Staff Invest GmbH & Co. KG. However, in our opinion, this does not affect the independence of the Supervisory Board members involved, as they have been carefully instructed to comply with all applicable laws, in particular with those obliging them to maintain their independence. Furthermore, the Management Board is not aware of any circumstances that could impair the independence of a member of the Supervisory Board, apart from the employment of Ms Jovanka Joleska Popovska at ProCredit Reporting DOOEL, North Macedonia.

The Supervisory Board requires prospective candidates to evaluate and disclose any potential conflicts of interest at their own initiative and satisfies itself that the respective candidates can devote the amount of time required to fulfil their mandate. The candidates are nominated for election at the General Meeting of ProCredit Holding AG.

In line with the recommendation of the GCGC, the Supervisory Board has set an age limit for members of the Supervisory Board. This limit is 75 years of age.

The Supervisory Board respects diversity when proposing members for appointment to the Supervisory Board. Three members of the eight-member Supervisory Board and one member of the six-member Management Board are women (as of 31 December 2024).

The Supervisory Board has set the target that at least one woman should serve on the Management Board. In addition, at least one woman should serve on Supervisory Board if there is only one woman or no women on the Management Board. Furthermore, the Management Board has established a 25% minimum level of gender representation for the first two levels of management. This target was achieved in the 2024 financial year.

The Supervisory Board believes that it complies with the specified concrete objectives regarding its composition.

In accordance with the recommendation of the GCGC, the Supervisory Board should regularly conduct a self-assessment to review the effectiveness and efficiency of the work of the Supervisory Board and its committees. At its last meeting before the end of the year, the Supervisory Board carried out such a self-assessment as part of the annual evaluation pursuant to section 25d (11) nos. 3 and 4 of the German Banking Act (KWG). This self-assessment is based on surveys, experience and regular contact and meetings with members of the Management and with all managers and colleagues in the group. On the basis of the results, the Supervisory Board has defined measures to further strengthen the effectiveness and efficiency of its activities.

Overview of the qualifications of the Supervisory Board of ProCredit Holding AG

	<i>Rainer Ottenstein</i>	<i>Dr H.P.M. (Ben) Knapen</i>	<i>Helen Alexander (until 18 April 2024)</i>	<i>Patrick Zeitinger (as of 19 April 2024)</i>	<i>Jovanka Joleska Popovska</i>	<i>Dr Jan Marcus Schroeder-Hohenwarth</i>	<i>Nicholas Tesseyman</i>	<i>Karin Katerbau</i>	<i>Berna Ülman</i>
Member since	2016	2020	2024	2024	2021	2023	2023	2023	2023
Independence ¹	✓	✓	✓	✓	-	✓	✓	✓	✓
Diversity									
Gender	m	m	f	m	f	m	m	f	f
Nationality	German	Dutch	British, German	German	North Macedonian	German	British	German	Turkish, USA
Year of birth	1958	1951	1962	1991	1972	1967	1968	1963	1965
Areas of expertise									
Banking activities	P	P	P	P	P	P	P	P	P
Development finance	P	P	P	P	P	P	P	P	P
Sustainability	P	P	P	P	P	P	P	P	P
Financial analysis	P	P	P	P	P	P	P	P	P
Risk management	P	P	P	P	P	P	P	P	P
Capital markets	P	P	P	P	P	P	P	P	P
Governance	P	P	P	P	P	P	P	P	P
Compliance	P	P	P	P	P	P	P	P	P
Audit	P	P	P	P	P	P	P	P	P
South Eastern and Eastern Europe	P	P	P	P	P	P	P	P	P

¹ in accordance with the German Corporate Governance Code

P Criterion fulfilled. The assessment of the fields of competence is based on an annual self-assessment by the Supervisory Board. A check mark indicates "good knowledge" at a minimum

Supervisory Board committees

In line with the recommendation of the GCGC, the Supervisory Board has formed professionally qualified committees: a Risk Committee, an Audit Committee, a Nomination Committee and a Remuneration Control Committee.

The Chair of the Nomination Committee is Mr Rainer Peter Ottenstein. Dr H.P.M. (Ben) Knapen, Ms Jovanka Joleska Popovska, Mr Nicholas Tesseyman and Mr Patrick Zeitinger are also members of the Nomination Committee.

The Chair of the Remuneration Control Committee is Mr Rainer Peter Ottenstein. Dr H.P.M. (Ben) Knapen and Ms Berna Ülman are also members of the Remuneration Control Committee.

The Chair of the Risk Committee is Dr Jan Marcus Schroeder-Hohenwarth. Ms Karin Katerbau, Mr Nicholas Tesseyman and Ms Berna Ülman are also members of the Risk Committee.

The Audit Committee is chaired by Ms Karin Katerbau. Dr Jan Marcus Schroeder-Hohenwarth, Mr Patrick Zeitinger and Ms Jovanka Joleska Popovska are also members of the Audit Committee.

In accordance with the requirements of Section 25d KWG and the recommendations of the GCGC, the Audit Committee is composed of members who have expertise in the fields of accounting and auditing. Ms Katerbau was, during the period from 2004 to 2021, a member of the Management Board and CFO of no fewer than three listed banks, two of which were based in Germany and one in Poland. During this time, as Chief Financial Officer, she was responsible for the accounting and auditing processes, as well as the corresponding internal control systems and auditing processes of these banks. Dr Schroeder-Hohenwarth has a doctorate in economics and extensive knowledge of Eastern Europe, Asia and Africa, as well as extensive expertise in recovery and restructuring. Dr Schroeder-Hohenwarth also has experience as a member of supervisory bodies in various sectors and regions. Mr Zeitingner has extensive knowledge in the area of credit risk with a focus on SME banking, ESG risks, renewable energy project finance and sustainable development. He has experience as managing director of Zeitingner Invest GmbH as well as mandates on supervisory boards and committees of ProCredit group companies. Ms Joleska Popovska has technical experience in the field of auditing, having worked for a large international auditing firm for six years. She was also Head of Internal Audit at ProCredit Bank North Macedonia for two years.

Remuneration and share ownership of the Management and Supervisory Board members

For information on the remuneration of the members of the Management Board and Supervisory Board, please refer to our Remuneration Report, which is published on our website: <https://www.procredit-holding.com/investor-relations/corporate-governance/remuneration-report/>.

Of the members of the Supervisory Board, Ms Jovanka Joleska Popovska and Mr Patrick Zeitingner hold shares in the Company.

All members of the Management Board hold shares in the Company. Part of the remuneration for the members of the Management Board was granted in shares. The members of the Management Board transfer their voting rights to ProCredit Staff Invest GmbH & Co. KG.

The combined volume of shares held directly and indirectly by all Management Board members amounts to less than 1% of the shares of ProCredit Holding AG.

The members of the Management Board and of the Supervisory Board as well as persons closely associated to them were or are required pursuant to Art. 19 Regulation (EU) No. 596/2014 (Market Abuse Regulation – “MAR”) to disclose transactions relating to the shares of the Company as well as other financial instruments linked thereto, if the total amount of such transactions reaches EUR 20,000 within a calendar year. Information on such transactions will be made public and can be seen on the Company's website at: <https://www.procredit-holding.com/investor-relations/news/managers-transactions/>.

Other Key Aspects of our Approach to Corporate Governance

Working relationship between ProCredit Holding and its subsidiaries

Central to the effective governance of the ProCredit group is the relationship between the Company as the holding entity and its subsidiaries. One of the ProCredit group's strengths is its ability to implement its business and risk strategy with a very high degree of efficiency and uniformity in the countries where it operates. All ProCredit banks are independent, licensed and regulated banks. The Company holds a controlling stake (typically 100%) of its subsidiaries and is in a position to appoint the majority of supervisory board members of its subsidiaries. The management board at each ProCredit bank bears responsibility for the operations of the respective institution. They operate within the tight business and risk management framework set by ProCredit Holding.

Transparency

ProCredit Holding is committed to transparency and open communication with its shareholders. Relevant information is to be made available to the public promptly to ensure the equal treatment of shareholders. ProCredit Holding ensures an effective reporting process at group level. It provides financial information on its website, including quarterly and annual financial statements. ProCredit Holding's Investor Relations team provides additional clarity via investor and analyst presentations, roadshows and press communication, including ad hoc notifications, as necessary. Important non-financial information, including an annual non-financial Group Impact Report in accordance with section 315b (3) no. 1 and no. 2b HGB, as well as our Group Code of Conduct, is also available on the ProCredit Holding website. The Group Impact Report is available at: <https://www.procredit-holding.com/investor-relations/reports-and-publications/non-financial-reports/>

Risk management

Risk management, controlling and promulgating an appropriate risk culture are central aspects of management in the ProCredit group and are carried out by ProCredit Holding. The ProCredit group applies a standardised and comprehensive framework of rules and policies for risk management, internal control and the prevention of money laundering and other criminal offences. All ProCredit banks are still required to follow centrally set standards. The implementation of this framework is monitored regularly by ProCredit Holding. Group risk management and anti-money laundering policies are, as before, in line with German and European banking regulations and are updated annually to reflect new developments. ProCredit is firmly committed to transparency and takes a conservative approach to risk management. The Management Board is supported by the Group Risk Management Committee and receives a monthly report on the risk profile and capitalisation (economic and normative perspective) of the group. The Supervisory Board continues to receive a comprehensive report on the risk profile and capitalisation of the group at least quarterly.

Compliance Management System

At a fundamental level, the group compliance management system is rooted in our development mission and our unique approach to staff recruitment and development. Our methodical and responsible approach to all operations is underpinned by our Code of Conduct. Compliance with the Code of Conduct remains compulsory for all staff members, and regular training is provided. The compliance officers of the group bear responsibility for the implementation of a group-wide system to ensure fulfilment of all applicable regulatory requirements. There is a Compliance Committee at ProCredit Holding and corresponding committees at the bank level to enable efficient coordination on all compliance-relevant issues. Compliance risks are regularly assessed and controlled. Each ProCredit bank has a Compliance Officer who bears responsibility for managing adherence to national banking regulations and for reporting regularly and ad hoc to the Management of the bank and to the Group Compliance Officer. The Supervisory Board receives an Annual Group Compliance Risk Management Report.

The ProCredit banks, which themselves are subject to national regulations on the prevention of money laundering and terrorist financing, implement the regulations pursuant to section 9 of the German Money Laundering Act (*Geldwäschegesetz – GwG*) as a minimum standard, in accordance with the Group Anti-Money Laundering Policy. In addition to the legal requirements, this also includes the recommended best practices from EU-wide and international standards, such as the European Banking Authority (EBA) guidelines on risk factors for money laundering and terrorist financing and the EBA guidelines on policies and procedures relating to compliance management and the role and responsibilities of the anti-money laundering officer in accordance with Article 8 and Chapter VI of Directive (EU) 2015/849. In addition, all ProCredit banks implement

all national regulations related to the prevention of money laundering and terrorist financing in the countries where they operate. All ProCredit banks implement, without exception, the financial sanctions of the United Nations (UN), the European Union (EU), Germany, France, the United Kingdom (UK) and the United States of America (USA). Comprehensive Group Operational Risk Management and Fraud Prevention Policies set stringent standards with regard to whistleblowing, New Risk Approval, Key Risk Indicators and the group Risk Event Database. All ProCredit institutions apply a diligent approach to data protection. Violations of applicable law or of the internal policies of the ProCredit group can be reported to the relevant ProCredit bank or ProCredit Holding via a whistleblowing system. All notifications are treated equally; anonymous reports can also be submitted to ProCredit banks and ProCredit Holding.

**Statement on the recommendations of the
"Government Commission on the German Corporate Governance Code"
pursuant to section 161 of the German Stock Corporation Act (AktG)**

Pursuant to section 161 AktG, the Management Board and Supervisory Board of ProCredit Holding AG ("Company") declare:

The Company has been in compliance with the recommendations of the "Government Commission on the German Corporate Governance Code", as amended on 28 April 2022 ("Code") and published by the Federal Ministry of Justice in the official part of the German Federal Gazette on 27 June 2022, since its last statement of compliance on 19 March 2024 and it will continue to be in compliance in the future, with the following exceptions:

Recommendation G.1 second, third and fourth bullet points

The Code recommends that the remuneration system should, in particular, define: the relative shares in the target total remuneration for fixed remuneration on the one hand and short-term variable and long-term variable remuneration components on the other; which financial and non-financial performance criteria are relevant for granting variable remuneration components; and the relationship between the achievement of the previously agreed performance criteria and the variable remuneration.

Recommendation G.6

The Code recommends that the share of long-term variable remuneration should exceed the share of short-term variable remuneration.

Recommendation G.7

The Code recommends that the Supervisory Board should determine the performance criteria for each member of the Management Board for the upcoming financial year for all variable remuneration components: these criteria should be based primarily on strategic objectives, in addition to operating targets. The Supervisory Board should determine the extent to which individual targets for individual Management Board members or targets for all Management Board members together are decisive.

Recommendation G.8

The Code recommends that subsequent changes to the targets or comparison parameters should be excluded.

Recommendation G.10

The Code recommends that the long-term variable remuneration granted to a Management Board member should be predominantly invested in company shares by the respective Board member or should be granted as share-based remuneration. The long-term variable remuneration amounts should only be available to the Management Board member after a period of four years.

Recommendation G.11 sentence 2

The Code recommends that, if justified, it should be permitted to retain or reclaim variable remuneration.

Recommendation G.12

The Code recommends that in the event of the termination of a management board contract, the payment of outstanding variable compensation components that are attributable to the period up to the termination of the contract should be made in accordance with the originally agreed targets and comparison parameters and in accordance with the due dates or holding periods stipulated in the contract.

The Company does not follow the above recommendations G.1 second, third and fourth bullet points, G.6, G.7, G.8, G.10, G.11 sentence 2 and G.12 because, although the remuneration system for the Management Board provides for variable remuneration components in the form of special remuneration, these have not yet been granted in practice and are not currently planned.

Frankfurt am Main, 26 March 2025

Management Board of
ProCredit Holding AG

Supervisory Board of
ProCredit Holding AG



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