

APPROVED
Supervisory Board of “PRAVEX BANK” JSC

Minutes No.5_26 dated 20.02.2026, agenda item 19



Bank of INTESA  SANPAOLO

REPORT OF THE MANAGEMENT BOARD OF “PRAVEX BANK” JSC FOR 2025

Contents

INTRODUCTION	3
THE MANAGEMENT BOARD AND COMMITTEES COMPOSITION AND STRUCTURE ASSESSMENT	3
THE MANAGEMENT BOARD AND COMMITTEES ACTIVITY AND EFFECTIVENESS ASSESSMENT	7
THE MANAGEMENT BOARD CHAIRMAN AND MEMBERS COMPETENCE AND EFFECTIVENESS ASSESSMENT	12
INFORMATION ON THE EFFECTIVENESS OF THE MANAGEMENT BOARD IN ACHIEVING STRATEGIC OBJECTIVES AND ITS IMPACT ON THE BANK'S FINANCIAL AND OPERATIONAL RESULTS.....	14
ANNEX – Matrix of the Collective Suitability of the Management Board	16

INTRODUCTION

Regulatory Overview

This Report of the Management Board of "PRAVEX BANK" JSC (the MB and the Bank) for 2025 has been elaborated taking into account the requirements of the legislation of Ukraine, namely: the Laws of Ukraine "**On Joint-Stock Companies**", "**On Banks and Banking**", as well as the **Methodological Recommendations on Organization of Corporate Governance in Banks of Ukraine**, approved by the Board of the National Bank of Ukraine (the NBU) Decision No. 814-rsh on 03.12.2018 (with amendments). The Report is subject to Supervisory Board approval.

Banking Sector Overview – 2025

In 2025, the Ukrainian banking sector remained stable and resilient despite the ongoing wartime environment, ensuring uninterrupted provision of services to households and businesses. According to assessments of the National Bank of Ukraine, banks maintained adequate levels of liquidity, capital and operational resilience, with no systemic risks identified. Lending activity continued to recover gradually across key segments, supported by sufficient liquidity buffers and a prudent risk-oriented approach. At the same time, banks operated under heightened regulatory and supervisory intensity, with increased focus on capital adequacy, risk management, AML/CFT and ICT resilience, while continuing investments in digital transformation to strengthen efficiency and customer experience.

THE MANAGEMENT BOARD AND COMMITTEES COMPOSITION AND STRUCTURE ASSESSMENT

The Management Board Composition

The composition of the Management Board (the "MB") was fully aligned with the requirements of the **legislation of Ukraine** and the **Bank's Articles of Association**, including compliance with the minimum total number of MB Members (not less than three) and the presence of an **AML Officer** among the Members of the Management Board.

During the reporting period of 2025, the Management Board operated in the following composition:

1. Mr. Gianluca Corrias, Chairman of the Management Board (until 31.12.2025)
2. Mr. Andrea De Michelis, First Deputy Chairman of the Management Board (until 31.01.2025, his last working day)
3. Mr. Semen Babaiev, Head of CBO Division, Deputy Chairman of the Management Board (until 31.12.2025)
4. Ms. Svitlana Kramarova, Head of CFO Division
5. Mr. Ruslan Leshchenko, Head of CLO Division
6. Mr. Oleh Yefremov, CCO-Head of Compliance and AML Department, AML Officer
7. Ms. Liliia Ostakhova, Head of COO Division.

Changes in the Composition of the Management Board in 2025

During 2025, the following changes occurred in the composition of the Management Board:

1. **Resignation of Andrea De Michelis**, First Deputy Chairman of the Management Board, effective as of 31 January 2025 (last working day), pursuant to the decision of the Supervisory Board dated 31 January 2025 (Minutes No. 2_25, agenda item 2).
2. **Resignation of Gianluca Corrias**, Chairman of the Management Board, effective as of 31 December 2025 (last working day), pursuant to the decision of the Supervisory Board dated 10 November 2025 (Minutes No. 18_25, agenda item 2).
3. **Appointment of Semen Babaiev** to the position of **Chairman of the Management Board** effective from 1 January 2026, with the simultaneous termination of his powers as Deputy Chairman of the Management Board and Head of the CBO Division¹, pursuant to the decision of the Supervisory Board dated 10 November 2025 (Minutes No. 18_25, agenda item 2).

The Management Board Committees Composition

¹ It should be noted that, in line with the Group rules, during the period when the lower position is vacant, the respective powers are exercised by the higher-level manager.

As of 31.12.2025, the Bank has established the Committees of the Management Board in accordance with the requirements of the legislation of Ukraine and the Bank's internal governance documents, including the committees mandatory by law, namely the **Credit Committee** and the **Assets and Liabilities Management Committee**.

The Management Board has **established the Committees and delegated part of its competences to them** in order to ensure **efficient, timely and well-grounded decision-making** within the scope of the Management Board's authority, while retaining overall responsibility for the decisions adopted.

In addition to the mandatory committees, other Management Board Committees were formed to support effective management, risk control and operational decision-making across key areas of the Bank's activities. The composition of the Committees ensures adequate coverage of credit decision-making, risk management, liquidity and capital management, operational risks, information security, crisis governance, procurement and ESG-related matters.

The membership of the Committees is determined based on the functional responsibilities, professional competence and experience of the Management Board Members and other key managers, ensuring collective consideration of matters, appropriate segregation of duties and continuity of decision-making in line with the Bank's business model and risk profile.

The detailed composition of the Management Board Committees as of 31.12.2025 is presented below.

Committee	Position	Name / Surname
Credit Committee (CC)	1. Chairman of the Management Board (Chairman of the Committee)	1. Mr. Gianluca Corrias;
	2. Head of CLO Division	2. Mr. Ruslan Leshchenko;
	3. Head of Credit Department of CLO Division	3. Ms. Oksana Yakymovska;
	4. Head of CBO Division	4. Mr. Semen Babayev;
Credit Risk Governance Committee (CRGC)	1. Chairman of the Management Board (Chairman of the Committee)	1. Mr. Gianluca Corrias;
	2. First Deputy Chairman of the Management Board	2. Position is vacant
	3. Head of CLO Division;	3. Mr. Ruslan Leshchenko;
	4. Head of CBO Division;	4. Mr. Semen Babayev;
	5. CRO-Head of Risk Management Department (with a special veto power);	5. Mr. Serhii Nastin
	6. CCO-Head of Compliance and AML Department (with a special veto and voting right only on issues related to product management).	6. Mr. Oleh Yefremov
Non-Performing Assets Committee (NPAC)	1. CRO-Head of Risk Management Department (special veto power) (Chairman of the Committee)	1. Mr. Serhii Nastin
	2. Chairman of the Management Board	2. Mr. Gianluca Corrias
	3. Head of CLO Division	3. Mr. Ruslan Leshchenko
	4. Head of Credit Management Department of CLO Division	4. Ms. Nataliia Yemelianova
Assets and Liabilities Management Committee (ALCO)	1. Chairman of the Management Board (Chairman of the Committee)	1. Mr. Gianluca Corrias
	2. First Deputy Chairman of the Management Board	2. Position is vacant
	3. Head of CLO Division	3. Mr. Ruslan Leshchenko
	4. Head of CBO Division	4. Mr. Semen Babayev
	5. Head of Treasury and Markets Department of CFO Division	5. Ms. Svitlana Kramarova
	6. Head of Treasury and Markets Department of CFO Division	6. Mr. Artem Krasovskyi
	7. CCO- Head of Compliance and AML Department (with a special veto and voting right only on issues related to product management).	7. Mr. Oleh Yefremov
Operational Risk Committee (ORC)	1. CRO - Head of Risk Management Department (special veto right) (Chairman of the Committee)	1. Mr. Serhii Nastin
	2. First Deputy Chairman of the Management Board	2. Position is vacant
	3. Chairman of the Management Board	3. Mr. Gianluca Corrias
	4. Head of COO Division	4. Ms. Liliia Ostakhova
	5. CCO-Head of Compliance and AML Department (special veto right)	5. Mr. Oleh Yefremov
	6. Head of CFO Division	6. Ms. Svitlana Kramarova;
Change Management Committee (CMC)	1. Chairman of the Management Board (Chairman of the Committee)	1. Mr. Gianluca Corrias
	2. First Deputy Chairman of the Management Board	2. Position is vacant
	3. Head of CBO Division	3. Mr. Semen Babayev
	4. Head of CFO Division	4. Ms. Svitlana Kramarova
	5. Head of CLO Division	5. Mr. Ruslan Leshchenko

Information Security Management Committee (ISMC)	6. Head of COO Division	6. Ms. Liliia Ostakhova
	7. Head of Organization and Project Management Office of HR and Organization Department	7. Ms. Hanna Nesterenko (ad interim)
	1. Chairman of the Management Board (Chairman of the Committee)	1. Mr. Gianluca Corrias
	2. First Deputy Chairman of the Management Board	2. Position is vacant
	3. Head of CLO Division	3. Mr. Ruslan Leshchenko
	4. CCO-Head of Compliance and AML Department (special veto right)	4. Mr. Oleh Yefremov
	5. Head of CFO Division	5. Ms. Svitlana Kramarova
	6. CRO - Head of Risk Management Department (special veto right)	6. Mr. Serhii Nastin
	7. Head of CBO Division	7. Mr. Semen Babayev
Crisis Governance Committee (CRC)	8. Head of COO Division	8. Ms. Liliia Ostakhova
	9. Head of Cybersecurity and Business Continuity Management Department	9. Mr. Oleksii Sirakov.
	1. Chairman of the Bank's Supervisory Board (Chief Crisis Manager) (Chairman of the Committee)	1. Mr. Silvio Pedrazzi
	2. Chairman of the Management Board	2. Mr. Gianluca Corrias;
	3. First Deputy Chairman of the Management Board	3. Position is vacant
	4. Head of CLO Division	4. Mr. Ruslan Leshchenko;
	5. Head of CFO Division	5. Ms. Svitlana Kramarova
	6. Head of COO Division	6. Ms. Liliia Ostakhova;
	7. Head of CBO Division	7. Mr. Semen Babayev
Environmental, Social and Governance Committee (ESGC)	8. CCO-Head of Compliance and AML Department (special veto right)	8. Mr. Oleh Yefremov;
	9. CRO - Head of Risk Management Department (special veto right) -	9. Mr. Serhii Nastin
	10. Head of Cybersecurity and Business Continuity Management Department	10. Mr. Oleksii Sirakov
	1. ESG Manager (Chairman of the Committee)	1. Position is vacant
	2. Head of CFO Division	2. Ms. Svitlana Kramarova
	3. Head of CLO Division	3. Mr. Ruslan Leshchenko
	4. Head of CBO Division	4. Mr. Semen Babayev
	5. CRO - Head of Risk Management Department (special veto right)	5. Mr. Serhii Nastin
	6. CCO-Head of Compliance and AML Department (special veto right)	6. Mr. Oleh Yefremov
Tender Committee (TC)	7. Head of HR and Organization Department	7. Ms. Hanna Nesterenko;
	1. Head of CFO Division (Chairperson of the Committee)	1. Ms. Svitlana Kramarova
	2. Chairman of the Management Board	2. Mr. Gianluca Corrias
	3. First Deputy Chairman of the Management Board	3. Position is vacant;
	4. Head of the Planning and Control Department of CFO Division	4. Position is vacant
	5. Chief Accountant-Head of the Accounting Department of CFO Division	5. Ms. Hanna Baranovska;
	6. Head of COO Division	6. Ms. Liliia Ostakhova

Changes in the Composition of the Management Board Committees in 2025

During 2025 the following changes in the personal composition of the MB Committees were made:

1. Credit Committee and Non-Performing Assets Committee

Following the resignation of Mr. Andrea De Michelis, First Deputy Chairman of the Management Board, and in order to ensure the validity and effectiveness of quorum and decision-making procedures, the position of First Deputy Chairman was excluded from the list of Voting Members of the Credit Committee and the Non-Performing Assets Committee effective from 1 April 2025. For the remaining Management Board Committees, this position remained vacant until 31 January 2025.

2. Tender Committee

Following the resignation of Ms. Iryna Barkar, the Head of the Planning and Control Department of the CFO Division effective from 14 October 2025, the respective position within the Tender Committee became vacant.

In order to ensure effective oversight of the implementation of functions, goals and tasks by the Bank's structural units, a **personal distribution of functions and authorities among the Members of the Management Board** was established in the Bank in accordance with the requirements of the legislation of Ukraine, applicable NBU regulations and the **decisions of the Supervisory Board**.

As of **31.12.2025**, the personal distribution of functions and authorities of the Management Board Members was as follows:

- **Mr. Gianluca Corrias**, Chairman of the Management Board – overall coordination and supervision of the Bank's activities, including **CBO, CFO, COO and CLO Divisions**, as well as **Risk Management, Compliance and AML, Cybersecurity and Business Continuity, HR and Organization, Legal and General Secretariat, PR and Marketing**, and other supporting functions, with responsibility for achievement of the Bank's strategic objectives.
- **Mr. Semen Babaiev**, Deputy Chairman of the Management Board – **CBO Division**, including retail, SME and corporate business development, distribution network and client servicing channels.
- **Ms. Liliia Ostakhova** – **COO Division**, including operational processes, back-office functions, payments, logistics and administrative services.
- **Ms. Svitlana Kramarova** – **CFO Division**, including finance, planning and control, capital and liquidity management, treasury, budgeting, procurement, data governance and capital markets activities.
- **Mr. Ruslan Leshchenko** – **CLO Division**, including credit processes, management of deteriorated assets, and NPLs.
- **Mr. Oleh Yefremov**, CCO – **Compliance and AML Department**, including including overall responsibility for the compliance framework of the Bank, AML/CFT framework, sanctions compliance.

Within the scope of the assigned functions and authorities, each Member of the Management Board is responsible for coordination and supervision of the respective structural units, control over achievement of goals and tasks, ensuring continuity of operations, and compliance with internal regulations, Group requirements and applicable regulatory acts of Ukraine.

In the absence of the Chairman of the Management Board, his functions and authorities are exercised by the **Deputy Chairman of the Management Board**, in accordance with the approved internal procedures. In the event of absence of a Management Board Member, the respective functions and authorities are exercised on a *pro tempore* basis in accordance with an internal order duly issued for this purpose.

Changes in the Personal Distribution of Functions in 2025

During 2025, changes in the personal distribution of functions occurred due to changes in the composition of the Management Board. In particular, by the **decision of the Supervisory Board dated 31.03.2025**, the **resignation of the First Deputy Chairman of the Management Board** was taken into account, and the **updated Personal Distribution of Functions and Authorities of the Management Board Members** was approved, effective from **31.03.2025**. These changes ensured continuity of management, clarity of responsibilities and compliance with NBU requirements regarding the organisation of the internal control system.

Role and Effectiveness of the Chairman of the Management Board

During the reporting period, the **Chairman of the Management Board** played a key role in ensuring the effective functioning of the Management Board and the overall executive management system of the Bank.

In particular, the Chairman:

- ensured the **strategic leadership** of the Bank and coordinated the implementation of the approved Strategy, Capitalisation / Restructuring Program and key turnaround measures;
- organised and chaired the meetings of the Management Board, ensuring **timely consideration of matters** submitted for decision-making and the proper execution of adopted resolutions;
- coordinated the activities of Management Board members, fostering **effective interaction between business units and control functions**;
- represented the Bank in communications with the **Supervisory Board, committees thereof, the National Bank of Ukraine and the Shareholder**, within the scope of his authority;
- ensured the maintenance of an **adequate internal control and risk management framework**, in close cooperation with the relevant control functions.

In cases of temporary absence of the Chairman of the Management Board due to vacations, business trips or other valid reasons, his functions and powers were exercised by the **Deputy Chairman of the Management Board**, in accordance with the approved internal procedures. Such temporary substitutions did not affect the continuity of management, the quality of decision-making or the effectiveness of the Management Board's activities.

Based on the results of the annual assessment of the Management Board's activity and taking into account the Bank's operating results, supervisory interactions and implementation of strategic and regulatory initiatives, the activity of the Chairman of the Management Board during the reporting period is assessed as **effective**.

The Chairman demonstrated an appropriate level of **professional competence, leadership, organisational capacity and responsibility**, ensuring stable governance, compliance with regulatory requirements and the achievement of the Management Board's objectives.

Conclusion on the Management Board and Committees Composition and Structure Assessment

The composition of the Management Board in 2025 complied with the requirements of Ukrainian legislation, the Bank's Articles of Association and applicable regulations of the National Bank of Ukraine, including the minimum number of members and the mandatory presence of an AML Officer. Changes in the Management Board composition were duly approved by the Supervisory Board, timely implemented and did not affect the continuity or effectiveness of management.

The system of Management Board Committees operated in accordance with regulatory and internal governance requirements, ensuring adequate coverage of key areas of the Bank's activities, including credit decision-making, risk management, capital and liquidity, operational resilience, information security, crisis governance, procurement and ESG-related matters. Temporary vacancies were adequately mitigated and did not compromise quorum or the validity of decisions.

The composition of the Committees, personal distribution of functions and substitution arrangements ensured clear accountability, effective involvement of control functions and continuity of operations. Overall, the Management Board's composition, committee structure and allocation of responsibilities in 2025 were **assessed as adequate**, proportionate to the Bank's business model and risk profile, and compliant with supervisory expectations.

THE MANAGEMENT BOARD AND COMMITTEES ACTIVITY AND EFFECTIVENESS ASSESSMENT

The Management Board and the Management Board Committees meetings in 2025

In 2025, the meetings of the Management Board and the Management Board Committees were convened in compliance with the requirements stipulated by the Regulation on the Management Board, the Regulation on the Management Committees and the Regulation on the Tender Committee, in particular with regard to the mandatory frequency of meetings.

The ordinary meetings of the Management Board and the Management Board Committees **were predominantly held** in accordance with the **Corporate Bodies Meeting Calendar** approved by the Management Board at the beginning of the reporting year. This approach ensured the timely and efficient consideration of matters falling within the competence of the respective corporate bodies.

Where required by business needs, operational considerations or regulatory requirements, **extraordinary meetings were convened**. Depending on the urgency and nature of the matters under consideration, such meetings were held by means of remote participation via videoconference.

The polling procedure was applied exclusively for technical or procedural matters that did not require discussion, deliberation or consideration of critical issues. Matters of strategic importance, regulatory significance or requiring substantive discussion were considered and resolved at meetings held in a meeting format, including remote participation via videoconference.

Decisions adopted through meetings and, where applicable, through polling also covered other matters falling within the competence of the Management Board and its Committees, in accordance with applicable internal regulations.

The applied meeting formats ensured the continuity of governance, proper deliberation of material issues and the effective functioning of the Management Board and its Committees throughout the reporting period.

Corporate Body	Total number of held meetings	Number of the meetings set by Regulations	Ordinary meetings held – remote participation videoconference vs number of meetings set by the Regulations		Extraordinary meetings held		Ordinary/ extraordinary ratio
					Polling	Remote participation (videoconference)	
MB	33	24 (twice a month)	24	FULFILLED	4	5	73% / 27%
CC	51	24 (twice a month) ¹	42	FULFILLED	9	0	82% / 18%
NPAC	29	12 (once a month) ¹	27	FULFILLED	2	0	93% / 7%
CRGC	14	12 (once a month)	12	FULFILLED	2	0	86% / 14%
ALCO	20	12 (once a month)	12	FULFILLED	8	0	60% / 40%
ORC	4	4 (once a quarter)	4	FULFILLED	0	0	100%/0%
CMC	12	12 (once a month)	12	FULFILLED	0	0	100%/0%
ISMC	5	4 (once a quarter)	4	FULFILLED	0	1	80% / 20%
TC	9	4 (once a quarter) ³	5	FULFILLED	4	0	56% / 44%
			10 out of 10 - FULFILLED		Average ratio		81% / 19%

Environmental, Social and Governance Committee (ESGC):

Due to the temporary absence of the ESG Manager, meetings of the Environmental, Social and Governance Committee were not convened during the reporting period. At the same time, ESG-related matters falling within the competence of the Management Board were duly considered and resolved at the Management Board level, in accordance with the applicable internal regulations and without the delegation of decision-making authority to the Committee.

In order to ensure procedural continuity and the possibility to convene the Committee, the procedure for convening and chairing ESGC meetings was updated. In accordance with the General Provisions of the ESGC Regulation, in particular the clause governing the appointment of an Acting Chairperson, the Chairperson of an ESGC meeting may be elected by the Members of the Committee from among themselves.

The absence of ESGC meetings during the reporting period was due to the lack of necessity to convene the Committee and did not adversely affect the effectiveness of the Bank's governance arrangements in the area of environmental, social and governance matters.

Crisis Governance Committee (CGC):

Meetings of the Crisis Governance Committee were not convened during the reporting period, as no circumstances requiring the activation of crisis governance procedures arose. In line with the applicable internal regulations, the CGC is convened on an ad hoc basis in the event of a crisis situation; therefore, the absence of meetings during the reporting period did not have a material impact on the effectiveness of the Bank's governance and control framework.

Attendance of the Management Board Members at Meetings of the Management Board and its Committees in 2025

The attendance statistics presented below demonstrate a **consistently high level of participation** of the Management Board Members in the meetings of the Management Board and its Committees during the reporting period.

The **average attendance rate per Management Board Member** remained high, reflecting strong engagement in the Bank's governance and decision-making processes. Attendance levels were particularly high for meetings of the **majority of bodies**, where the average presence rate per corporate body exceeded or was close to **90%**.

Variations in individual attendance rates were primarily attributable to the **scope of committee membership**, the **number of meetings held**, and **objective reasons for absence**, such as vacations or business trips. Lower attendance percentages in certain Committees reflect the **limited number of meetings** and the **specific functional involvement** of individual Management Board Members, rather than reduced engagement.

Overall, the attendance figures evidence the **active involvement of Management Board Members** in the work of the Management Board and its Committees and support the conclusion that the governance bodies functioned effectively throughout the reporting period.

During the reporting period, instances of absence from meetings were primarily attributable to **vacations or business trips** and did not adversely affect the effectiveness of the Management Board or its committees.

In order to ensure **business continuity and uninterrupted decision-making**, in cases of temporary absence of Management Board Members, **orders on the temporary performance of duties (pro tempore) were issued**, or the **right to participate in meetings was delegated to duly authorised proxies or competent employees**, in accordance with applicable internal regulations. Such arrangements ensured the continuity of management, proper representation of the respective functions and effective interaction with subordinate units.

Member of the Management Board	MB	CC	NPAC	CRGC	ALCO	ORC	CMC	ISM	TC	Average presence rate per Member
Mr. Gianluca Corrias	28/33 (85%)	44/51 (86%)	26/29 (90%)	10/14 (71%)	17/20 (85%)	4/4 (100%)	11/12 (92%)	5/5 (100%)	6/8 (75%)	87%
Mr. Andrea De Michelis	4/4 (100%)	3/4 (75%)	1/2 (50%)	1/2 (50%)	1/1 (100%)	0/1 (0%)	1/1 (100%)	-	1/1 (100%)	75%
Mr. Semen Babaiev	30/33 (91%)	47/51 (92%)	-	13/14 (93%)	19/20 (95%)	-	10/12 (83%)	4/5 (80%)	-	91%
Ms. Svitlana Kramarova	29/33 (88%)	-	-	-	18/20 (90%)	-	10/12 (83%)	5/5 (100%)	8/8 (100%)	92%
Ms. Liliia Ostakhova	28/33 (85%)	-	-	-	-	2/4 (50%)	12/12 (100%)	4/5 (80%)	7/8 (88%)	86%
Mr. Oleh Yefremov*	30/33 (91%)	-	-	4/4 (100%)	2/2 (100%)	4/4 (100%)	-	5/5 (100%)	-	94%
Mr. Ruslan Leshchenko	26/33 (81%)	45/51 (88%)	26/29 (90%)	13/14 (93%)	18/20 (90%)	-	11/12 (92%)	5/5 (100%)	-	91%
Average presence rate per Corporate Body	89%	85%	89%	82%	93%	83%	92%	93%	91%	

*as a Voting Member of ALCO and CRGC only for the items related to the POG.

The Management Board Members also actively participated in the work of the Management Board Committees, including as **permanent invitees**, which further supported informed decision-making and effective oversight across key areas of the Bank's operations.

- Mr. Semen Babaiev - Non-Performing Assets Committee;
- Ms. Svitlana Kramarova - Non-Performing Assets Committee, Credit Risk Governance Committee;
- Mr. Oleh Yefremov - Credit Committee, Non-Performing Assets Committee, Change Management Committee, Tender Committee;

Fulfilment of the Management Board and Management Board Committees Activity Plans and Key Decisions Taken in 2025

During 2025, the Management Board and the Management Board Committees carried out their activities in accordance with the **approved Activity Plans and Meetings Calendar**, ensuring continuity of governance, effective decision-making and compliance with regulatory and Group requirements.

The Management Board **substantially fulfilled the approved Activity Plan for 2025**. Ordinary meetings were held on a regular basis, and agenda items planned for the reporting period were duly considered. Matters requiring ad hoc consideration were addressed promptly within the scope of the Management Board's competence.

The Management Board Committees also operated in line with their respective **approved Activity Plans**, with meetings convened according to the established frequency (monthly, quarterly, semi-annual or upon necessity). The Committees operated strictly within the scope of authority delegated to them by the Management Board. The Committees ensured preliminary review, in-depth analysis and professional assessment of matters falling within their respective mandates.

Any changes to planned meeting dates or agenda sequencing were driven by operational or regulatory needs and **did not affect the overall fulfilment of the Activity Plans** or the effectiveness of the decision-making process.

The Management Board — Key Decisions in 2025

Governing Body	Key Decision Areas	Key Decisions Taken
Management Board	Financial performance & planning	Review and acknowledgment of monthly, quarterly and annual financial results; approval and monitoring of the annual budget, OPEX deviations and financial forecasts; approval and acknowledgment of the Business Plan and Funding Strategy.
	Capitalisation	Regular review and acknowledgment of Capitalisation Program updates; consideration and approval of ICAAP and ILAAP packages.

Risk management	Monthly review of RAF and RAS limits, Recovery and ICAAP/ILAAP indicators; acknowledgment of Risks Tableau de Bord reports; consideration of financial and non-financial risk metrics.
Compliance & AML/CFT	Regular review and acknowledgment of monthly AML reports, quarterly and annual Compliance reports, Compliance & AML risk profile assessment and supervisory follow-up actions.
Internal control & audit	Review and acknowledgment of semi-annual, quarterly and annual Internal Audit reports; review of the annual report on the internal control system over financial reporting; monitoring of remediation actions.
Credit activity & limits	Approval of financing to retail and corporate clients; approval of limits to financial institutions; approval of pledged collateral valuation and review of real estate appraisal results.
Assets & property	Approval of the annual real estate sale plan; acknowledgment of real estate appraisal results and annual assets inventory results.
External audit	Review and acknowledgment of audited annual financial statements and Independent Auditor's Report; review of agreements with external auditors.
Governance & reporting	Acknowledgment of the annual Management Board report, remuneration report, and approval of MB & MB Committees activity plans; consideration and approval of internal and Group documents within MB competence.

The Management Board Committees — Key Decisions by Committee

Committee	Key Focus	Decision	Key Decisions Taken
Credit Governance Committee (CRGC)	Risk	Credit framework & products	Review and acknowledgment of credit risk reports; approval of launch and modification of credit products; consideration and approval of internal and Group credit-related documents; monitoring of post-sale performance.
Assets and Liabilities Management Committee (ALCO)		Liquidity, funding & pricing	Review and acknowledgment of liquidity forecasts, funding costs and financial risk reports; approval of securities portfolio plans; approval and review of interest rates, tariffs and reference rates; monitoring of authorities delegated by ALCO.
Credit Committee (CC)	Committee	Lending decisions	Approval of financing to retail and corporate clients; approval of limits to financial institutions; approval of insurance companies' accreditation; consideration of other credit-related matters.
Non-Performing Assets Committee (NPAC)		Problem assets	Approval of IFRS 9 portfolio classification and provisions; approval of write-offs of problem assets; review and approval of restructuring strategies and action plans; monitoring of Problem Assets Management Strategy implementation.
Operational Risk Committee (ORC)	Risk	Operational risk	Review and acknowledgment of operational risk reports; consideration and approval of internal and Group documents related to operational risk.
Change Management Committee (CMC)		Projects & investments	Review of project portfolio and CAPEX budget; acknowledgment and approval of IT development requests; approval of project launches and major change initiatives.
Information Security Management Committee (ISMC)	Security	Cybersecurity & BCM	Review and acknowledgment of cybersecurity and business continuity reports; approval and acknowledgment of information security-related internal and Group documents.
Tender Committee (TC)	Committee	Procurement	Approval of suppliers and framework agreements; approval of caps under framework contracts; consideration of procurement-related matters.

Implementation Status of Management Board Decisions (2025)

As of the reporting date, the Management Board ensured a **sufficient level of execution of the decisions adopted in 2025**. Out of the total 31 Management Board decisions, 18 decisions were fully implemented, while 13 decisions remain in progress.

Decisions classified as completed primarily relate to matters that required immediate execution, including financial and accounting actions, approval and implementation of operational limits, remuneration and incentive arrangements, IT and cybersecurity expenditures, procurement-related decisions, as well as the implementation of governance and Group-level requirements. These decisions were executed within the established timelines and in accordance with the Management Board resolutions.

Decisions in progress mainly concern audit remediation measures and strategic or developmental initiatives that require phased implementation, coordination across several structural units or, in certain cases, interaction with external counterparties. Such decisions include the implementation of remedial action plans following Internal Audit reports, rollout of new or updated products, pilot business initiatives and participation in international risk-sharing programs. The execution of these decisions is carried out in line with approved action plans and predefined timelines.

The Management Board exercises ongoing oversight over the implementation of decisions in progress, regularly reviewing their status and ensuring that any deviations or delays are appropriately addressed. Overall, the execution status of decisions adopted in 2025 confirms the effectiveness of the Management Board's governance and follow-up mechanisms.

Implementation Status	Number of Decisions
Completed	18
In progress	13
Total	31

Completed Decisions

Decision Area	Completed Actions
Financial & Accounting	Booking of provisions, approval of inventory results, collateral revaluation and accounting reflection
Risk & Capital	ICAAP/ILAAP-related acknowledgements, risk indicators review, capital and recovery-related decisions
Compliance & AML	AML-related decisions, implementation of updated limits and monitoring measures
Credit & Retail Operations	Approval and implementation of cash withdrawal and P2P transfer limits
HR & Remuneration	Approval and implementation of incentive systems
IT & Security	Approval and renewal of key IT, cybersecurity and infrastructure licenses
Governance & Group Alignment	Acknowledgement and implementation of Group governance documents
Procurement & Expenses	Approval and execution of operational and security-related expenditures

All completed decisions were implemented within the established timelines and in accordance with the Management Board resolutions.

In Progress Decisions

Decision Area	Decision / Task	Implementation Status
Internal Audit remediation	Implementation of remedial action plans following Internal Audit reports (problem assets management, IT project management, liquidity risk, cash transactions, remuneration policy, contact center, retail lending, cybersecurity)	Implementation is ongoing in accordance with approved action plans; execution depends on process changes, IT enhancements and coordination across several structural units
Product development	Implementation of the Annual Product Plan for 2025	Phased implementation is ongoing; product launches and enhancements are executed according to approved release schedules

Business development	Pilot testing of partner channel for SME credit acquisition	Pilot phase is ongoing; effectiveness and risk indicators are being monitored prior to final assessment
International programmes	Application for EIF / EIB risk-sharing programme	Application and due diligence processes are ongoing, involving several Bank functions and external counterparties
AML enhancement	Introduction of additional monitoring measures following NBU recommendations	Analytical work and assessment of necessity and scope of additional controls are ongoing within the established timeframe

Conclusion on the Management Board and Management Board Committees Activity and Effectiveness Assessment

Based on the analysis of the **organisation of meetings, attendance levels, fulfilment of Activity Plans, scope and quality of decisions taken**, as well as the **implementation status of such decisions**, it may be concluded that in 2025 the Management Board and the Management Board Committees **operated effectively and in full compliance with the applicable internal regulations, regulatory requirements and Group standards**.

Meetings of the Management Board and its Committees were convened with the required frequency, predominantly in accordance with the approved Meetings Calendar, and, where necessary, on an extraordinary basis. The applied meeting formats, including remote participation via videoconference and, in limited cases, polling for technical matters, ensured continuity of governance and proper consideration of all issues falling within the competence of the respective bodies.

Attendance of Management Board Members at meetings of the Management Board and its Committees remained **consistently high**, demonstrating strong engagement in the Bank's governance and decision-making processes. Temporary absences were attributable to objective reasons and were appropriately mitigated through pro tempore arrangements and delegation mechanisms, ensuring uninterrupted decision-making and functional continuity.

The Management Board and the Management Board Committees **substantially fulfilled their approved Activity Plans for 2025**. The Committees operated strictly within the scope of delegated prerogatives, providing preliminary review, in-depth analysis and professional recommendations, while final decisions on matters reserved to the Management Board's competence were taken by the Management Board.

The decisions adopted during the reporting period covered all key areas of the Bank's operations, including financial performance, capitalisation, risk management, compliance and AML/CFT, internal control, credit activity, operational resilience, IT and cybersecurity, procurement and governance. As of the reporting date, the **majority of Management Board decisions were fully implemented**, while the remaining decisions are **in progress** and relate primarily to audit remediation measures and strategic initiatives requiring phased execution. The Management Board exercises ongoing oversight over their implementation.

Overall, the activity of the Management Board and the Management Board Committees in 2025 demonstrates a **adequate level of effectiveness**, sound governance practices and an appropriate balance between strategic oversight, operational decision-making and regulatory compliance, contributing to the stability and sustainable development of the Bank.

THE MANAGEMENT BOARD CHAIRMAN AND MEMBERS COMPETENCE AND EFFECTIVENESS ASSESSMENT

Results of the individual suitability assessment of the Management Board Chairman and Members

In 2025, the Supervisory Board conducted the **annual competence and suitability assessment** of the Chairman and Members of the Management Board in accordance with Ukrainian legislation, the regulations of the National Bank of Ukraine, the Bank's internal governance documents, Intesa Sanpaolo Group standards and the applicable European guidelines (EBA/ESMA and ECB Fit & Proper).

Based on the results of the assessment, the Supervisory Board confirmed that the following members of the Management Board **fully comply with the suitability requirements**, including reputation, professional

experience and competence, independence of judgement, absence of conflicts of interest and adequate time commitment:

- **Gianluca Corrias**, Chairman of the Management Board;
- **Semen Babaiev**, Deputy Chairman of the Management Board and Head of the CBO Division;
- **Svitlana Kramarova**, Head of the CFO Division and Member of the Management Board;
- **Liliia Ostakhova**, Head of the COO Division and Member of the Management Board;
- **Ruslan Leshchenko**, Head of the CLO Division and Member of the Management Board;
- **Oleh Yefremov**, CCO – Head of the Compliance & AML Department, AML Officer and Member of the Management Board.

The competence of the Management Board was assessed as **strong and well balanced**, covering all key functional areas relevant to the Bank's business model and risk profile, including banking operations, finance, risk management, compliance and AML/CFT, internal control, IT, cybersecurity and operational resilience.

No material deficiencies were identified. The proposed enhancement measures are **developmental in nature** and relate primarily to further professional development and targeted training in selected technical areas - ICT, cybersecurity, digital transformation and operational resilience. The Supervisory Board acknowledged and supported the proposed enhancement measures, including the incorporation of relevant training modules into the **Training Plan for 2026**, and confirmed that these measures are intended to further strengthen the effectiveness of the Management Board.

Based on the results of the annual assessment, the Supervisory Board concluded that the **Chairman and Members of the Management Board possess the necessary competence, experience and professional integrity** to perform their duties effectively and continue to meet all applicable suitability requirements.

Matrix of Collective Suitability – Management Board

According to the completed Matrix of Collective Suitability (attached as an Annex to the Report), the Members of the Management Board collectively possess the knowledge, skills and professional experience necessary for the Management Board to effectively exercise its powers and responsibilities.

The Management Board, as a collective body, demonstrates **an appropriate and comprehensive understanding of the key areas of the Bank's activities** for which it is collectively responsible, including strategic management, financial performance, risk management, compliance and AML/CFT, internal control, IT and cybersecurity, as well as operational resilience. This collective competence enables the Management Board to ensure sound, prudent and effective governance of the Bank.

The collective composition of the Management Board provides **a balanced mix of competencies and expertise**, allowing for informed decision-making, constructive challenge and effective oversight. The Management Board fully complies with the requirements on collective suitability in terms of available skills and experience, taking into account the size of the Bank, the complexity, volume, types and nature of its transactions, the organisational structure, and the Bank's risk profile.

Overall, the Matrix of Collective Suitability confirms that **the Management Board's collective competence remains adequate, appropriate and aligned with the Bank's business model and strategic objectives**.

In order to further strengthen the collective competence of the Management Board, particular attention is paid to the continuous enhancement of knowledge and skills in the areas of **ICT, cybersecurity, digital transformation and operational resilience**. These areas are considered critical in light of the increasing reliance on digital channels, outsourcing arrangements, cloud-based solutions and the evolving cyber-threat landscape.

The planned enhancement measures are **developmental in nature** and aim at further aligning the collective competence of the Management Board with **best international practices, regulatory expectations and the Bank's risk profile**, thereby strengthening the Bank's overall **digital resilience and operational stability**.

Conclusion on the Competence and Effectiveness Assessment of the Chairman and Members of the Management Board

Based on the results of the **annual competence and suitability assessment conducted in 2025**, the Supervisory Board concludes that the **Chairman and Members of the Management Board fully comply with all applicable**

suitability requirements, including those related to professional experience and competence, reputation and integrity, independence of judgement, absence of conflicts of interest and adequate time commitment.

The individual and collective competence of the Management Board was assessed as **strong, balanced and appropriate** for the Bank's size, organisational structure, business model, complexity of operations and risk profile. The Management Board demonstrates a comprehensive understanding of the key areas of the Bank's activities and ensures **sound, prudent and effective governance**.

The completed **Matrix of Collective Suitability of the Management Board** confirms that the Management Board collectively possesses the knowledge, skills and professional experience necessary to effectively exercise its powers and responsibilities. The balanced composition of the Management Board enables informed decision-making, constructive challenge and effective oversight across all key functional areas, including banking operations, finance, risk management, compliance and AML/CFT, internal control, IT, cybersecurity and operational resilience.

No material deficiencies were identified during the assessment. The enhancement measures identified are **developmental in nature** and focus primarily on the further strengthening of competencies in **ICT, cybersecurity, digital transformation and operational resilience**, reflecting evolving regulatory expectations, technological developments and the Bank's risk profile. The Supervisory Board acknowledged and supported these measures, including their incorporation into the **Training Plan for 2026**.

Overall, the Supervisory Board concludes that the **Chairman and Members of the Management Board possess the necessary competence, experience and professional integrity to perform their duties effectively** and continue to meet all applicable individual and collective suitability requirements, thereby supporting the Bank's stability, resilience and sustainable development.

INFORMATION ON THE EFFECTIVENESS OF THE MANAGEMENT BOARD IN ACHIEVING STRATEGIC OBJECTIVES AND ITS IMPACT ON THE BANK'S FINANCIAL AND OPERATIONAL RESULTS

Assessment of the Achievement of Objectives Assigned to the Management Board

In 2025, the Management Board of PRAVEX BANK JSC performed its functions within the scope of its statutory and delegated competences, in line with the strategic objectives set by the Supervisory Board. The activities of the Management Board were primarily focused on **financial stabilisation, achievement of break-even performance, strict compliance with prudential and regulatory requirements, enhancement of operational efficiency and strengthening of corporate governance**.

During the reporting period, the decisions adopted by the Management Board, including decisions on other matters falling within its competence, were aimed at:

- **cost optimisation** while strictly observing prudential ratios and regulatory constraints;
- **achievement of break-even performance** through balanced income and expense management and optimisation of the cost base;
- **attracting and maintaining a stable and diversified liabilities base**, including active work with the existing client base;
- **adjustment of business priorities** in response to prudential constraints, with a shift from aggressive lending growth towards more conservative and sustainable sources of income;
- **development of the small business and SME segments** as priority areas for gradual and controlled growth;
- **implementation of a prudent financial portfolio policy**, with a focus on treasury instruments and low-risk financial investments;
- **prudent and selective approach to corporate lending**, combined with gradual, selective and quality-driven lending to individuals;
- **approval and implementation of the Capitalisation and Restructuring Programme**, with assigned prudential targets supported by cost optimisation measures and improved profitability;
- **management of human resources and organisational structure**, including optimisation of staffing levels, enhancement of competencies and alignment with business needs;
- **timely implementation of regulatory and supervisory requirements**, including those issued by the National Bank of Ukraine;
- **strengthening of AML/CFT controls**, sanctions compliance and related internal procedures;

- **consideration of other operational, organisational and governance matters** within the competence of the Management Board, in accordance with applicable internal regulations.

The above decisions had a direct impact on the achievement of the Bank's strategic objectives and were taken in line with the principles of **prudence, proportionality and controlled risk-taking**, without disclosure of confidential or commercially sensitive information.

Impact on Financial and Economic Performance

The activities of the Management Board in 2025 led to **material qualitative changes in the Bank's financial and economic performance**, reflecting a transition to a more conservative and stabilisation-oriented operating model.

Through the implementation of cost optimisation measures, reprioritisation of business activities, focus on liabilities management and treasury operations, controlled development of lending activity and the handling of other matters within its competence, the Management Board:

- strengthened **financial discipline and cost control**;
- ensured **compliance with prudential ratios and liquidity stability**;
- created conditions conducive to **progress towards break-even performance**;
- reduced overall **risk exposure** by avoiding aggressive corporate lending;
- improved the effectiveness of **risk management, compliance and AML/CFT frameworks**;
- reinforced **operational resilience, internal controls and governance processes**;
- established a sound foundation for the **gradual resumption of lending activity** in segments with acceptable risk profiles.

Overall, the decisions and actions of the Management Board during the reporting period **positively influenced the Bank's financial and economic condition**, supported regulatory compliance and operational stability, and contributed to the sustainable development of PRAVEX BANK JSC.

Key Measures Implemented in 2025

Within the framework of the approved Capitalisation / Restructuring Programme, the Bank implemented a number of targeted measures aimed at **enhancing profitability, strengthening risk management and improving cost efficiency**.

The Bank updated its approach to **financial portfolio and treasury management**, increasing the share of highly liquid and low-risk instruments, which supported income generation, liquidity management and overall profitability, while maintaining a conservative risk profile.

Internal procedures for **credit risk mitigation and borrower assessment** were strengthened, including enhanced approaches to managing borrowers' debt burden and improving the quality of credit decision-making, contributing to better protection of the Bank's interests and alignment with regulatory expectations.

Measures were also taken to **optimise administrative expenses**, with a focus on IT outsourcing and process efficiency, improving cost predictability and operational performance without compromising service quality or resilience.

In addition, during 2025 the Bank continued the **update of product parameters for retail customers and small business clients**, in line with the approved Product Plan, with a focus on improving product attractiveness, risk profile and profitability.

Special attention was paid to the **management of the non-performing loans (NPL) portfolio**, including sale of receivables, write-offs of impaired exposures, restructuring and recovery measures, aimed at stabilising and gradually improving asset quality. The NPL ratio remained influenced by structural factors related to the wartime contraction of the loan portfolio; however, active measures were taken to mitigate these effects.

The Management Board also prioritised **process optimisation and operational efficiency**, implementation of **digital resilience and business continuity measures**, including alignment with the DORA framework, ensuring operational continuity under martial law conditions, strengthening power supply resilience (including backup power and Power Banking initiatives), and enhancing cybersecurity governance.

Further efforts were directed at the **reallocation of human resources in line with updated strategic priorities**, strengthening of corporate governance practices, and **implementation of SREP and supervisory recommendations**, including in the area of Compliance and AML/CFT.

Implementation of the 2025 Management Board Action Plan

Within the framework of the approved **Business Plan and Strategy (Turnaround Plan)**, the Management Board focused on achieving **break-even performance** while ensuring full compliance with prudential requirements and maintaining a conservative risk profile.

During the reporting period, the Management Board **adjusted business priorities** in response to existing prudential ratio constraints. As a result, the focus was temporarily shifted from active lending expansion toward **liabilities management and treasury operations**, allowing the Bank to generate **stable, low-risk and marginal income** without increasing the risk profile or exerting pressure on regulatory capital and liquidity metrics.

In this context, priority was given to:

- maintaining and optimising the **liabilities base** to support funding stability;
- increasing the role of **treasury instruments and financial investments** within approved risk appetite limits;
- executing transactions characterised by **low risk and predictable margins**, contributing positively to the Bank's financial result.

The implemented approach enabled the Bank to **support revenue generation and cost coverage** under constrained lending conditions and had a **positive impact on the financial performance**, contributing to progress towards the **break-even objective** envisaged in the Turnaround Plan.

Follow-up Measures and the 2026 Management Board Activity Plan

The enhancement areas identified as a result of the assessment of the Management Board's activities in 2025 have been **duly reflected in the Management Board Activity Plan for 2026**.

The 2026 Activity Plan includes measures aimed at:

- ensuring **sustainable profitability and financial stability**;
- completing regulatory and supervisory commitments, including those related to the **Capitalisation and Restructuring Programme** and the **NBU Sustainability Assessment**;
- developing a **low-risk and diversified business model**, with emphasis on liabilities management, treasury operations and selective lending growth;
- strengthening **corporate governance, ICT oversight, cybersecurity and operational resilience**.

The Management Board will monitor the implementation of the 2026 Activity Plan on a regular basis and will report to the Supervisory Board on progress and results, ensuring continuity of governance and alignment between assessment outcomes and future actions.

ANNEX – Matrix of the Collective Suitability of the Management Board



MB_Collective
Suitability_Matrix_202