

The image shows a large, modern glass skyscraper at dusk. The sky is a mix of dark blue and orange, with the sun setting behind the building. The mBank logo is prominently displayed on the facade in large, white, three-dimensional letters. The building's glass reflects the sky and the city lights.

# mBank

## **REPORT of the Supervisory Board of mBank S.A. on its activities in 2023**

prepared for the Ordinary General Meeting  
held on 27 March 2024



[mBank.pl](https://mBank.pl)

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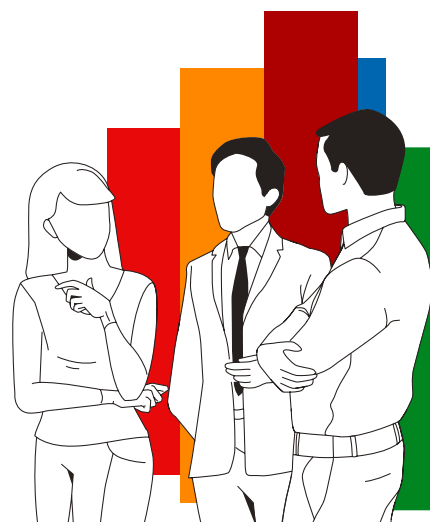
## The Supervisory Board presents this report

in accordance with Article 382 § 3 and § 3[1] of the Code of Commercial Companies, § 70 (1) (14) and § 71 (1) (12) of the Regulation of the Minister of Finance of 29 March 2018 on Current and Periodic Information Published by Issuers of Securities and the provisions of the By-Laws of mBank S.A. (**“the Bank’s By-Laws”**), the Rules of the Supervisory Board of mBank (**“the Supervisory Board Rules”**), the Best Practice for GPW Listed Companies, the Principles of Corporate Governance for Supervised Institutions (**“the Corporate Governance Principles”**) adopted by Resolution No. 218/2014 of the Polish Financial Supervision Authority of 22 July 2014, and Recommendation Z of the Polish Financial Supervision Authority concerning the principles of internal governance in banks (**“Recommendation Z”**).



# **I. Activities of the Supervisory Board of mBank S.A. in 2023**

# 1. Composition of the Supervisory Board and performance of its duties



As at 31 December 2023, the Supervisory Board of mBank S.A. worked in the following composition:

## Function on the Supervisory Board of mBank S.A.

|                          |          |   |
|--------------------------|----------|---|
| <b>Chairwoman</b>        | <b>1</b> | <b>Prof. Agnieszka Słomka-Gołębiowska</b> |
| <b>Deputy Chairwoman</b> | 2        | Dr Bettina Orlopp                         |
|                          | 3        | Dr Hans-Georg Beyer                       |
|                          | 4        | Tomasz Bieske                             |
| <b>Members:</b>          | 5        | Dr Marcus Chromik                         |
|                          | 6        | Mirosław Godlewski                        |
|                          | 7        | Aleksandra Gren                           |
|                          | 8        | Dr Thomas Schaufler                       |

| Supervisory Board of mBank S.A. by gender | Number of persons | %     |
|---|-------------------|-------|
| <b>Women</b>                              | 3                 | 37,5% |
| <b>Men</b>                                | 5                 | 62,5% |
| <b>Total</b>                              | 8                 | 100%  |

| Supervisory Board of mBank S.A. by age             | under 30 years | 30-50 years | over 50 years |
|--|----------------|-------------|---------------|
| <b>Number of persons on the Supervisory Board:</b> | —              | 2           | 6             |

**In 2023, the composition of the Supervisory Board changed.** On 14 October 2022 Arno Walter resigned as a member of the Supervisory Board effective as of 30 March 2023. Following the notification, the Bank's General Meeting elected Mr Thomas Schaufler as a member of the Supervisory Board effective as of 31 March 2023.

On 20 October 2023, Dr Marcus Chromik resigned from his position as a member of the Bank's Supervisory Board, the Remuneration and Nomination Committee, the IT Committee, Executive Committee and as Chairman of the Risk Committee (effective as of 31 December 2023).

In connection with the resignation, on 14 December 2023, the Bank's Supervisory Board by Resolution No. 344/23 appointed Bernhard Spalt as a member of the Supervisory Board, a member of the Remuneration and Nomination Committee, and Chairman of the Risk Committee, and Thomas Schaufler as a member of the IT Committee.

### **Competency profiles of the Supervisory Board Members:**

#### **Prof. Agnieszka Słomka-Gołębiowska**

Chairwoman of the Supervisory Board, independent Supervisory Board Member, Chairwoman of the Remuneration and Nomination Committee, Member of the Executive Committee, Member of the Risk Committee and Audit Committee

Agnieszka Słomka-Gołębiowska is a purpose-driven Non-Executive Director and Board Advisor helping companies in navigating sustainability journey to net zero economy. Ms. Słomka-Gołębiowska has nearly 20 years of extensive experience on boards of large publicly listed and private companies, as well as international organizations such as UN WFP, UNAIDS. Currently, she is a Chairwoman of mBank, where she also serves as Chair of the Remuneration and Nomination Committee, and a member of Risk and Audit Committee. She has been appointed also as Board Member and Chair of Audit Committee in Grupa Pracuj, a European leading HR technology platform as well as Ghelamco Invest, a finance arm of a top-tier commercial real estate company. Her past board experiences include companies from SaaS businesses, aerospace and defense (A&D) industries as well as infrastructure and construction. She holds seat at the EU Platform on Sustainable Finance, assisting the European Commission on Sustainable Finance Framework, as well as Advisory Board of Sustainable Investment Forum Poland (POLSIF). Agnieszka Słomka-Gołębiowska is a Professor at the Warsaw School of Economics with research focus on governance and sustainability. She holds PhD in Economics and MSc. in Finance and Banking from the Warsaw School of Economics (with distinction), completing Master Program in International Business at the Copenhagen Business School. She received prestigious awards including the Alexander von Humboldt Fellowship at Muenster University and the Polish-American Fulbright Fellowship at the University of California, Berkeley (Haas), where she cooperated with prof. Oliver Williamson - Nobel Prize winner in economics. She is an author of numerous articles in JCR journals, books as well as a speaker at business and academic conferences. In 2019, she received the Corporate Governance Personality Award. She is a mentor at the Hertie School of Governance, Berlin and global ambassador of the Bank of America and Vital Voices Partnership Program on women entrepreneurship and empowerment.

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### **Dr Bettina Orlopp**

Deputy Chairwoman of the Supervisory Board, Chairwoman of the Executive Committee, Member of the Audit Committee and Remuneration and Nomination Committee

Bettina Orlopp holds a degree in business administration awarded by the University of Regensburg, where she also received a PhD degree. She began her professional career as a Management Consultant at McKinsey & Company in 1995, where she was elected Partner in 2002. In 2014, she started her career at Commerzbank as Divisional Board Member of group development and strategy. Bettina Orlopp has been CFO since March 2020 and Deputy CEO since July 2021 at Commerzbank AG. She leads the departments Finance, Tax, Investor Relations, and Treasury and has been member of the Board of Managing Directors since 2017. Before working as CFO, she was responsible in the Board for Legal, Compliance, and Human Resources. She is a Member of the following committees of Commerzbank AG: Asset and Liability Committee (ALCO), Group Sustainability Board, Executive Pension Committee and Group Market Risk Committee.

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### **Dr Hans-Georg Beyer**

Member of the Supervisory Board and Member of the Audit Committee

Dr. Hans-Georg Beyer studied at the Witten/Herdecke University (Business Economics & General Management) and SKEMA Business School (International Finance). In 2020, he received a PhD at the University of St. Gallen (HSG) based on a doctoral thesis on risk governance at board level of European banks. He has many years of experience in Commerzbank Group, among others in positions related to managing the compliance area and the internal audit area. He holds the function of Chief Compliance Officer and Divisional Board Member Group Compliance at Commerzbank AG. He is responsible for all compliance units of Commerzbank Group, including the compliance units in its foreign branches and subsidiaries.

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### **Tomasz Bieske**

Independent Supervisory Board Member, Chairman of the Audit Committee, Member of the Remuneration and Nomination Committee

Tomasz Bieske holds a master's degree in Economics from the University of Cologne, Germany. For six years after graduation he worked in the head office of Dresdner Bank AG in Frankfurt, where his main responsibilities included lending to international corporate clients and trading in sovereign debt on the secondary market. From 1988, he worked for Arthur Andersen in Frankfurt as Manager in charge of business consulting for financial institutions. Two years later he moved back to Warsaw to co-found Arthur Andersen in Poland, where he served as Partner and Head of Financial Markets Group. He was responsible for working with clients from the financial sector, which included auditing the financial statements of leading banks in Poland, sale of banks' non-performing loan portfolios and valuation of private banks' shares. He participated in a number of due diligence processes commissioned by foreign investors and in consulting projects in the financial markets sector. Following the merger of Arthur Andersen and Ernst & Young in 2002, Tomasz Bieske continued as Partner and Head of Financial Markets Group.

He led the majority of key projects in the financial services sector, including the preparation of public offerings of PKO BP S.A. and Kredyt Bank S.A. and auditing of the financial statements of the National Bank of Poland, PKO BP S.A., Pekao S.A., Getin Holding and a number of other banks, and the Social Insurance Institution (ZUS). He also led a number of advisory projects in the banking sector (including the development of the concept of the GPW privatisation, preparation of the operational change plan for the Ministry of Finance and the merger of four state-owned banks into Pekao S.A. prior to its privatisation). In 2011, he participated in the work of the committee for regulatory and business changes in the cooperative banking sector. Tomasz Bieske works closely with the Polish Bank Association and the National Association of Cooperative Banks. He holds a licence of a Polish statutory auditor. In 2011, he was awarded the gold medal of the Polish Bank Association for his contribution to the development of banking in Poland in 1991–2011. Since June 2013, he has been a member of the supervisory boards of several GPW-listed companies (including Masterlease S.A., Kruk S.A. and mBank S.A.). He completed the three-month Oxford Fintech Programme in 2019 and the three-month Venture Capital Programme at the University of Oxford in 2020. Since 2019, he has been a member of the Association of Independent Non-Executive Directors. In the academic year 2023/2024, he serves as a coach for students taking the post-graduate course “Professional Supervisory Board” at Kozminski Academy in Warsaw.

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### **Dr Marcus Chromik**

Member of the Supervisory Board, Chairman of the Risk Committee, Member of the Remuneration and Nomination Committee, IT Committee and Executive Committee – till 31 December 2023

Marcus Chromik studied physics in Göttingen, Kiel and Munich. He also engaged in scientific research at Michigan State University in the United States. Marcus Chromik holds a PhD in nuclear physics. He started his professional career with McKinsey & Company in 2001. In 2004, he joined Postbank Group, where he held various executive positions, being responsible for, among others, new share issues and syndication, liquidity management and credit treasury. Later he served as the Chief Market Risk Officer in Commerzbank’s markets and corporates segment for more than three years, where he was responsible for market and liquidity risk management. In 2012, Marcus Chromik became a Divisional Board Member (Chief Credit Risk Officer) at Commerzbank. On 1 January 2016, he was appointed Member of the Board of Managing Directors at Commerzbank AG (Chief Risk Officer). On 20 October 2023, Dr Marcus Chromik handed over to the Chairwoman of mBank’s Supervisory Board, resignation from his function as a member of the Supervisory Board as of 31 December 2023.

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### **Mirosław Godlewski**

Independent Supervisory Board Member, Member of the Risk Committee, Member of the Remuneration and Nomination Committee and IT Committee

Mirosław Godlewski has a Master diploma from Industry Management Faculty, Warsaw University of Technology and he has MBA from Ashridge Management College and AMP from Harvard Business School. Currently Mr. Godlewski is Senior Advisor with BCG, Board Member at Eubioco Sp z o.o., Supervisory Board Member of ONDE S.A. and a Partner in the Hadgehog Fund. Mirosław Godlewski was Supervisory Board Member at Netia S.A., Celon Pharma S.A., Absolvent.pl, ABC Data S.A. and also a Member of Remuneration and Nomination Committee. In the period of 2007 – 2014 he was the President and CEO at Netia SA. Mr. Godlewski held managerial positions at Opoczno S.A., DEC Sp. z o.o., Pepsi-Cola Polska and MEMRB Polska.



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### **Aleksandra Gren**

Independent Supervisory Board Member, Chairwoman of the IT Committee,  
Member of the Risk Committee and Audit Committee

Aleksandra Gren graduated from Harvard Business School (Negotiations), London School of Economics (European Policy and Politics) and University of British Columbia (International Relations). FinServ technology executive with 25+ years of professional experience in banking technology and banking. Started her career at the Royal Bank of Canada in Vancouver. After a year-long break for master's studies at the London School of Economics, she started working for ING Bank in Italy, where she participated in the preparations for entering the ING Bank Direct market. She continued her career with American fintech companies operating in EMEA, as an analyst, advisor and for many years as a manager and board member. Proven track record of high-value, successful partnerships and transformational initiatives in the banking sector. Recognized by London-based Banking Technology Awards and PayTech Leadership Awards in Top 10 women in tech in 2016 and 2018. Named Global Ambassador and Mentor by Bank of America GAP Global Leadership Development and Mentoring Program for emerging entrepreneurs in the US in March 2019.

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### **Thomas Schaufler**

Member of the Supervisory Board, Member of the Risk Committee and IT Committee

Thomas Schaufler graduated in 2002 from the University of Applied Sciences (FHW-Fachhochschule) in Vienna with a master's degree in management and entrepreneurship. Thomas Schaufler finished professional courses and has professional certificates (e.g. Certificated European Financial Analyst CEFA). He has more than twenty years of professional experience in the banking sector, including fourteen years in managerial positions in the banking sector. Currently he is the Member of the Board of Managing Directors of Commerzbank AG responsible for business segment of private and small-business customers. Previously, he sat on the Board of Managing Directors of Erste Group Bank AG, acting as Head of the Group Retail Board. Thomas Schaufler has managerial experience in retail banking sales, Treasury sales, product management in European countries and asset management.

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### **Bernhard Spalt**

Member of the Supervisory Board, Chairman of the Risk Committee,  
Member of the Remuneration and Nomination Committee

Bernhard Spalt graduated from the University of Vienna with a master's degree in law with a specialization in European law. Bernhard Spalt has more than thirty years of professional experience in the financial sector, and he has held management and board positions since 1999. He has many years of experience in all areas of risk management, working for international financial institutions, including in Austria, Romania, Slovakia, Hungary and the Czech Republic. In recent years, he served as Chairman of the Management Board at Erste Group Bank AG, having previously served as a Member of the Management Board responsible for risk management at Erste Bank der Oesterreichischen Sparkassen AG, Banca Commerciale Romana SA, Slovenska Sporitelna SA and Erste Bank Hungary ZRT. He has been a member of the Supervisory Board of mBank S.A. since 1 January 2024.

**Current competency profiles of Supervisory Board members are also available on mBank S.A.'s website.**



**Members of the Bank's Supervisory Board and Management Board are selected in accordance with the Bank's Policy on the Assessment of Qualifications (Suitability), Appointment and Dismissal of Members of the Bank's Body in mBank S.A. ("the Suitability Policy") which ensures that such persons have the expertise, aptitude, professional experience and reputation appropriate to perform the functions entrusted to them.**

The latest amendments to the Suitability Policy were introduced by Resolution No. 340/23 of the Supervisory Board dated 14 December 2023 and will be approved by the General Meeting. These amendments were designed to align the Policy with the updated content of the KNF Methodology for assessing the suitability of members of the bodies of banks, units managing protection schemes of insurance companies, reinsurance companies, pension companies.

They concerned in particular:

- the implementation of additional requirements for the management board member overseeing the management of risks material to the bank's business, and
- the addition of a suitability assessment procedure for the Remuneration and Nomination Committee and the Risk Committee.



## **1.1. Independence of the members of the Supervisory Board and lack of relations with a shareholder holding at least 5% of the total number of votes**

In 2023, the composition of mBank's Supervisory Board ensured adequate supervision over the nature and scale of the Bank's activities. In accordance with applicable regulations, half of the members of the Supervisory Board, including its Chairwoman, hold Polish citizenship, speak Polish and have experience in the Polish market. The composition of the Supervisory Board, the versatility and the rich and varied professional experience, knowledge and skills of its members reflect the Bank's diligence in ensuring supervisory functions in all areas of mBank's business.

**The following members of the Supervisory Board met in 2023 the independence criteria set out in EBA Guidelines EBA/GL/2021/06 on the assessment of the suitability of members of the management body and key function holders:**

- Professor Agnieszka Słomka-Gołębiowska
- Aleksandra Gren
- Tomasz Bieske
- Mirosław Godlewski

These persons do not have any actual significant relationship with a shareholder holding at least 5% of the total vote in the company.



## 1.2. Competences, role and responsibilities of the Supervisory Board in supervising the activities of mBank S.A., including with regard to sustainable development

The competences of the members of the Supervisory Board, their experience and knowledge complement each other in order to exercise an adequate level of collegial supervision of the Bank's activities. The By-Laws of mBank S.A., the Rules of the Supervisory Board, the Rules of all Committees of the Supervisory Board and other internal regulations ensure that the Supervisory Board fully and adequately performs its supervisory functions. These regulations describe in detail the scope of activities of both the Supervisory Board and its Committees. The responsibilities set out in the By-Laws and the Rules reflect the requirements of the Banking Law, the KNF Recommendations, the Corporate Governance Principles for Supervised Institutions, the Best Practice for GPW Listed Companies, EU regulations and generally applicable law. In order to streamline the supervisory functions, the Committees of the Supervisory Board supervise in detail the various areas of the Bank's activities.

The Supervisory Board's ongoing supervision, in addition to its standard monitoring duties, is expanding into new areas, including the company's sustainability activities. In view of the initiatives of NGOs and legislators, issues on the ESG agenda are becoming increasingly important for many companies' strategies.



**The Supervisory Board continuously monitors the status of implementation of the Bank's 2021-2025 Strategy "From an icon of mobility to an icon of possibility" also as part of the ESG agenda and deepens its knowledge by participating in specialized workshops and training courses.**



## 2. Data on the activities of the Supervisory Board in 2023



In the past reporting period, the Supervisory Board held 6 meetings and 3 videoconferences and adopted 94 resolutions.

The resolutions concerned many areas of the Bank's activity and were in line with the scope of supervisory functions defined by the requirements of generally applicable law (including the Banking Law), recommendations of the Polish Financial Supervision Authority, corporate governance rules, as well as the requirements described in the Bank's By-Laws and the Supervisory Board Rules. Meetings of the Supervisory Board were held in a hybrid format, including by means of direct remote communication.

In addition to regular meetings, the Supervisory Board remained in close contact with the Management Board and monitored the situation of the Bank on an on-going basis.

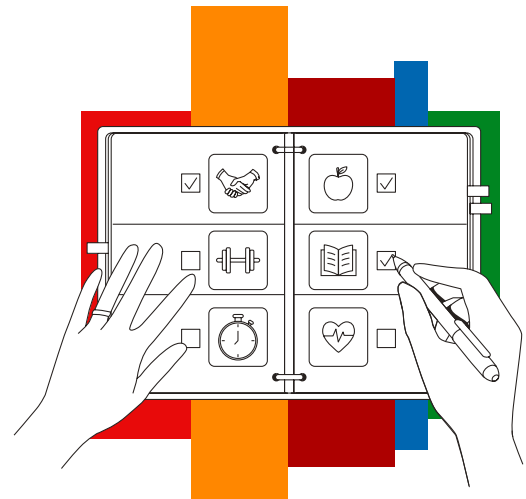


**In 2023, the members of the Supervisory Board devoted an adequate amount of time to the performance of their duties. The attendance rate of Supervisory Board members at meetings was 97,9%.**

**94**  
RESOLUTIONS

**97,9%**  
ATTENDANCE

### 3. Main directions of the Supervisory Board's activities in 2023



**In 2023, the Supervisory Board at its meetings systematically discussed and evaluated periodic reports of the Management Board on the performance of the mBank Group and individual business lines in relation to the financial plan.**

In line with regulatory requirements, the Supervisory Board regularly discussed detailed reports on risk management and on the Bank's activities, in particular in the following areas: IT and IT security, bancassurance, performance of outsourcing tasks, reports on compliance activities in the Brokerage Bureau of mBank S.A. and on the provision of brokerage services on the OTC (over-the-counter) derivatives market. The Supervisory Board discussed on an on-going basis the situation regarding the CHF mortgage loan portfolio, taking into account the implementation of the settlements programme, and reports on improvements in the AML/SAN/CFT area, and approved an update of the Recovery Plan. The Supervisory Board accepted communications addressed to it by the Polish Financial Supervision Authority, including in particular the discussion of the changing regulatory requirements and possible scenarios of development of the current situation.

The Supervisory Board received regular reports on the capital position, MREL and RWA development. In addition, information was submitted to the Supervisory Board on countermeasures to strengthen the capital base - both those currently implemented and those potentially analysed, taking into account the current and projected capital position, potential risks and stress scenarios.

In addition, the Supervisory Board closely monitored the Bank's current and projected capital position in view of the high cost of provisions for the legal risk of the CHF portfolio, the accumulation of negative macroeconomic factors, as well as the cost of the government's "credit holiday" programme.

In 2023, the Supervisory Board performed its duties with regard to the appointment of Management Board members. In view of Andreas Boeger's resignation from the position of Vice-President of the Management Board, Chief Financial Officer effective as of 30 April 2023, the Supervisory Board by Resolution No. 306/23 of 30 March 2023 appointed Pascal Ruhland to the position of Vice-President of the Management Board, Chief Financial Officer, effective as of 1 May 2023.

In addition, the Supervisory Board considered that the composition of the Management Board should be expanded, taking into account the challenges for the sector and the Bank as an organisation. Consequently, by Resolution No. 307/23 of 30 March 2023, the Supervisory Board appointed Julia Nusser as Vice-President of the mBank S.A. Management Board for Compliance, Legal and HR as of 1 May 2023.

In 2023, the Supervisory Board reviewed the annual status of the implementation of the mBank Group Strategy 2021-2025, including the revised metrics and selected objectives and approved the updated IT & Security Strategy 2021-2025.



**An integral part of the Bank's strategy is the ESG agenda, focusing on environmental, social and governance factors. The Supervisory Board monitored the implementation of the Bank's strategy in this regard on an ongoing basis.**



### **3.1. Information on the fulfilment of disclosure obligations to the Supervisory Board and the remuneration payable to the Supervisory Board's advisor in 2023**

The Supervisory Board is of the opinion that the Management Board has correctly fulfilled its obligations to provide the Supervisory Board with information under the provision of Article 380<sup>1</sup> of the Code of Commercial Companies. In particular, the Management Board provided information on the Management Board's resolutions and their subject matter and the company's situation, including with regard to the company's assets, as well as important circumstances in the conduct of the company's affairs, in particular in the area of operations, investments and personnel, and the progress in implementing the company's designated business development directions in an appropriate form, adequate scope and with the right frequency.

The Supervisory Board received all information, documents, reports and explanations concerning the Bank necessary for the supervision of the Bank in the course of its ongoing cooperation with the Management Board and the Bank's employees. In view of the above, the Supervisory Board did not exercise its authority to request the preparation or transmission of information, documents, reports or explanations concerning the Bank pursuant to Article 382 § 4 of the Code of Commercial Companies.

In 2023, the total remuneration due from the Bank for all examinations commissioned by the Supervisory Board in accordance with the procedure set out in Article 382<sup>1</sup> of the Code of Commercial Companies was 315 000.00 EUR + VAT.

## 4. Activities of the Committees of the Supervisory Board



**In accordance with the Corporate Governance Principles adopted by the Bank, the Best Practice for GPW Listed Companies, the requirements of the Act on Auditors and their Self-government, Entities Authorised to Audit Financial Statements and Public Supervision, and pursuant to § 22 of the Bank's By-Laws, the following standing committees operate within the Supervisory Board:**

- the Executive Committee,
- the Remuneration and Nomination Committee,
- the Audit Committee,
- the Risk Committee, and
- the IT Committee.

The Committees of the Supervisory Board carry out their functions in accordance with their rules approved by the Supervisory Board. The work of the aforementioned Commissions improves the functioning of the Supervisory Board and increases the efficiency of its operations. Many resolutions of the Supervisory Board are adopted in accordance with the recommendations of the individual Committees, which discuss and thoroughly analyse specific topics from all areas of the Bank's business in advance.

Pursuant to § 22 (5) of the Bank's By-Laws, all standing committees within the Supervisory Board make available to the shareholders detailed reports on their activities for the past reporting year. Such reports are presented in the set of materials for the Ordinary General Meeting.

In performance of the above obligation, the Supervisory Board presents reports on the activities of the Supervisory Board Committees in 2023.



## 4.1. Executive Committee

The Executive Committee consisted of:

### Function on the Executive Committee

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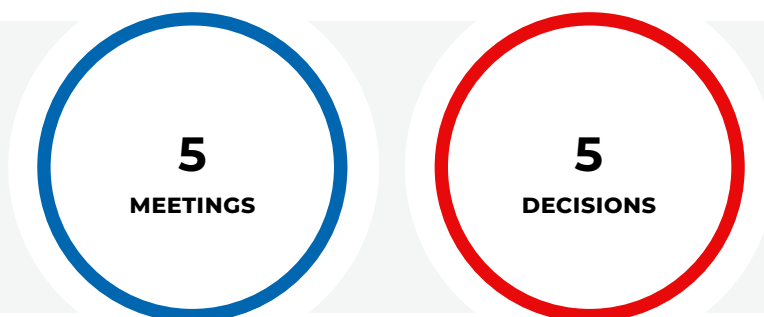
|                    |                                      |
|--------------------|--------------------------------------|
| <b>Chairwoman:</b> | <b>1 Dr Bettina Orlopp</b>           |
| <b>Members:</b>    | 2 Dr Marcus Chromik                  |
|                    | 3 Prof. Agnieszka Słomka-Gołębiowska |

In 2023, there was a change in the composition of the Executive Committee. On 20 October 2023, Dr Marcus Chromik resigned as a member of the Executive Committee, effective as of 31 December 2023.



**The Executive Committee held 5 meetings and issued 5 decisions in 2023. The Committee, among others, recommended that the Supervisory Board approve the collective and individual assessment of the suitability of the members of the Supervisory Board and the members of the Management Board of the Bank, confirming that they have the expertise, aptitude, professional experience and reputation appropriate to perform the functions entrusted to them, and that the composition of the Management Board and the Supervisory Board is appropriate to the scope of the Bank's activities.**

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By Resolution No. 314/23 of 30 March 2023, the Supervisory Board decided that the competences of the Executive Committee with regard to, inter alia, selecting candidates for positions on the Management Board and the Supervisory Board of the Bank and defining their responsibilities, assessing the suitability of the members of the Management Board and the Supervisory Board of the Bank, periodically reviewing the Suitability Policy, should be transferred to the newly established Remuneration and Nomination Committee.





## 4.2. Remuneration and Nomination Committee

The Remuneration and Nomination Committee consisted of:

### Function on the Remuneration and Nomination Committee

**Chairwoman:** **1 Prof. Agnieszka Słomka-Gołębiowska**

2 Tomasz Bieske

3 Dr Marcus Chromik

**Members:**

4 Mirosław Godlewski

5 Dr Bettina Orlopp

On 20 October 2023, Dr Marcus Chromik resigned as a member of the Committee effective as of 31 December 2023. Following to the resignation, on 14 December 2023, the Bank's Supervisory Board by Resolution No. 344/23 appointed Bernhard Spalt as a member of the Remuneration and Nomination Committee as of 1 January 2024.

The Remuneration and Nomination Committee was established by the Supervisory Board by Resolution No. 314/23 of 30 March 2023. As of 15 April 2023, the majority of the responsibilities of the previously existing Executive and Nomination Committee and all the responsibilities of the Remuneration Committee were transferred to and integrated within the responsibilities of the newly established Remuneration and Nomination Committee.

Prior to the establishment of the Remuneration and Nomination Committee, the existing Remuneration Committee held 1 meeting and issued 9 decisions.



**As of 15 April 2023, the Remuneration and Nomination Committee held 5 meetings and issued 11 decisions in 2023. The Committee considered matters relating to, among other things, the remuneration principles for Management Board members, persons with material impact on the bank's risk profile and mBank employees, the setting and accounting for the achievement of MbO objectives, and the determination of bonuses for Management Board members and the bonus pool for the Bank's employees.**

**5**

**MEETINGS**

**11**

**DECISIONS**

The Committee analysed initiatives aiming to close the gender pay gap and measures designed to improve the gender balance in employment and remuneration, and frequently discussed issues of diversity and inclusivity. The Committee reviewed market benchmarking of remuneration of mBank's employees. The Remuneration and Nomination Committee periodically reviewed the Policy on the Assessment of Suitability of Members of the Bank's Bodies, Minimum Requirements for Members of the Supervisory Board and the Management Board.

The Committee approved an updated package of policies including the Policy on Identification of Key Functions at mBank S.A., the Policies on Identification and Remuneration of Employees Having a Material Impact on the Bank's Risk Profile, and the Remuneration Policy for the Bank's Employees.



### 4.3. Audit Committee

**The Audit Committee consisted of:**

#### Function within the Audit Committee

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**Chairman:**

**1 Tomasz Bieske**

2 Dr Hans-Georg Beyer

3 Aleksandra Gren

**Members:**

4 Dr Bettina Orlopp (from 31.03.2023)

5 Prof. Agnieszka Słomka-Gołębiowska (from 31.03.2023)

In 2023 the Audit Committee of Supervisory Board has been extended to include two new members: Dr Bettina Orlopp i Prof. Agnieszka Słomka-Gołębiowska (resolution of the Supervisory Board no. 313/23 as of 30th March 2023).

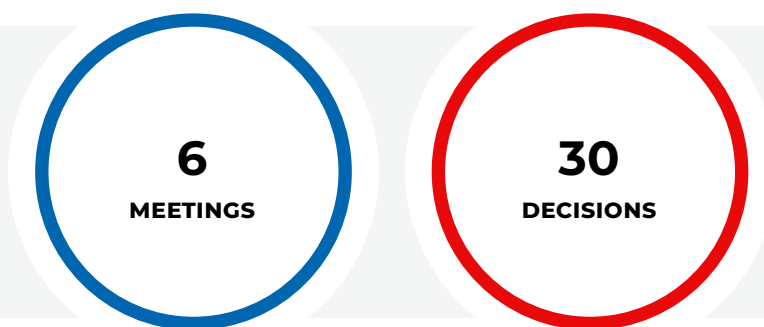
Majority of Audit Committee members, including its Chairman fulfil the independence criteria set out in the Act on Statutory Auditors, Audit Firms and Public Oversight. All Members of the Audit Committee have, individually and collectively, knowledge, skills and experience necessary to properly perform their duties, as specified in the minimum requirements for the Audit Committee adopted by the Supervisory Board, including the knowledge and skills in the areas of accounting, financial statements audit and banking industry.



**The Audit Committee held 6 meetings and issued 30 decisions in 2023 (also in circular mode outside the Committee meetings).**

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During the meetings, the Audit Committee played an active role by raising a number of issues related to the presented materials in the areas of financial reporting and internal control system, as well as requesting additional analysis/information from the Management Board to be discussed at its subsequent meetings.



In 2023 Audit Committee issued a statement on the selection of the audit firm to carry out the audit of standalone and consolidated annual financial statements of mBank S.A. and mBank S.A. Group in accordance to the current binding law. In addition, the Committee approved actions aiming at extending the cooperation contract with the current external auditor to carry out the audit of annual financial statements of mBank S.A. and mBank S.A. Group for the years 2024 and 2025 (the current binding contract, concluded in March 2022 for the audit of solo and consolidated financial statements is valid for the years 2022 and 2023).



**The Committee regularly supervises the financial reporting process. The Management Board regularly informs the Audit Committee about the bank's performance and financial position, which were discussed in detail during the Committee's meetings, also with the participation of the representatives of the external auditor.**

The Chairman of the Audit Committee regularly met with the representatives of external auditor to discuss the issues identified during the review of financial statements and review of the group report for individual reporting periods. In addition, the Committee recommended on a quarterly basis to the Supervisory Board the approval of the Capital Adequacy Disclosures of mBank Group.

One of the key topics to which the Commission devoted a significant amount of time in 2023 was the analysis of issues related to the CHF mortgage portfolio, including the regular reporting of the client settlement programme and the status of the progress in automatization of post-verdict settlement process with the clients.

During the regular meetings, the impact of key changes in the regulatory and market environment on the bank financial result has been discussed, among others the reform of the market reference indexes WIBOR/WIRON (including the process of implementation of this reform at the bank).

The Audit Committee has been regularly informed about the status of bank preparation for regulatory requirement of sustainability reporting in the ESG area. The committee agreed for provision of attestation service by the external auditor related to the ESG disclosures – non-financial information within the Financial Statement for 2023 and in the Annual 2023 ESG Report.

The Audit Committee has been regularly informed about the changes in the accounting policy and significant changes in IFRS9 models.

The Committee regularly issues recommendations regarding cooperation with the external auditor firm with regard to permitted services, not related with the audit of financial statements. The committee is also regularly being informed about the costs of consulting services provided by other advisory firms.

The Committee regularly supervises the functioning of the internal control system, including the execution of the control function, the compliance risk management function, and the internal audit function. In 2023, Audit Committee assessed the effectiveness of control function in mBank Group including results of vertical testing for the year 2022. The Committee carried out a collective assessment of the Internal Control System and the Risk Management System for 2022, including actions aiming to strengthen these systems.

**The Audit Committee issued the recommendations to the Supervisory Board to approve:**

- annual action plan of the Compliance Department for 2024;
- annual internal audits plan for 2024 and long-term strategy of the Internal Audit Department for the years 2022 – 2025;
- anti-money laundering and counter-terrorist financing strategy of mBank Group for the years 2023 – 2026.

The Committee oversees the risk assessment of processes and areas within the Bank presented by the Integrated Risk Management Department, Compliance Department, Anti-Financial Fraud Department and the Internal Audit Department.

**In 2023, the Committee received and reviewed on an on-going basis reports covering:**

- the effectiveness of the control function and the status of recovery plans,
- reports on compliance risk management including following areas: sanctions, AML, CFT, antibribery and corruption, whistleblowing, outsourcing, GDPR, covering also information regarding foreign branches in Czech and Slovakia, Brokerage Bureau and subsidiaries of mBank capital Group;
- reports presenting the results of internal audits and the status of the implementation of recommendations issued.

In addition, the members of the Audit Committee received reports on all audits conducted by the Internal Audit Department at the Bank and subsidiaries.

The Chairman of the Audit Committee attended all meetings summarising the results of KNF inspections. The Internal Audit Department regularly informs the Committee on the status of implementation of KNF post-inspections recommendations.

In 2023, the Committee reviewed the ongoing investigations of the UOKiK (consumer rights protection area). The Audit Committee reviews the correspondence with KNF and other supervisory authorities on an ongoing basis.

The Audit Committee regularly receives the status of the realisation of external auditor recommendations from the annual Auditor's letter to the Management Board.

After reviewing the information from the Management Board, the Committee recommended to the Supervisory Board to consider material transaction concluded in 2022 between mBank and related parties as being at arm's length in the ordinary course of the bank's business.



## 4.4. Risk Committee

The Risk Committee consisted of:

### Function on the Risk Committee

|                  |                                       |
|------------------|---------------------------------------|
| <b>Chairman:</b> | <b>1 Dr Marcus Chromik</b>            |
|                  | 2 Mirosław Godlewski                  |
|                  | 3 Aleksandra Gren (from 31.03.2023)   |
| <b>Members:</b>  | 4 Dr Bettina Orlopp (till 30.03.2023) |
|                  | 5 Thomas Schaufler (from 31.03.2023)  |
|                  | 6 Prof. Agnieszka Słomka-Gołębiowska  |

In 2023, there were changes in the composition of the Risk Committee. Based on Supervisory Board Resolution No. 313/23 dated 30 March 2023, Dr Bettina Orlopp ceased to be a member of the Risk Committee as of 30 March 2023, and Aleksandra Gren and Thomas Schaufler were appointed as members of the Risk Committee as of 31 March 2023. On 20 October 2023, Dr Marcus Chromik submitted his resignation from his position as chairman of the Risk Committee (effective as of 31 December 2023). In connection with the resignation received, on 14 December 2023, the Supervisory Board, through Resolution No. 344/23, appointed Mr. Bernhard Spalt as chairman of the Risk Committee, effective as of 1 January 2024.



**The Risk Committee of the Supervisory Board (RCSB) held 4 meetings in 2023, made 24 decisions and issued 11 credit recommendations to the Group Credit Committee. The RCSB minutes were distributed to all Supervisory Board members.**



In accordance with the tasks specified in the RCSB Rules the Committee conducted during 2023 regular supervision of credit, market, liquidity and non-financial risk, including operational risk, based on the quarterly Risk & Capital Monitor report of mBank's Vice-President for Risk Management (CRO) and other materials submitted to the RCSB.

## The standing items in the meetings of the Risk Committee in 2023 were:

- the CRO introduction to the Risk Committee meeting,
- the Chief Economist's review of the economic situation in Poland and worldwide and the discussion of its impact on the Bank,
- the Risk & Capital Monitor report, providing detailed information on capital & liquidity position and the main risks in the mBank Group's activities,
- the Finance area monthly report on the capital position, MREL and RWA development,
- information on the legal risk of the CHF mortgage portfolio,
- information on the ongoing and planned activities to manage ESG risks related to environmental factors,
- report on IT risk focused on patch management and pentests.

In 2023 the Risk Committee reviewed the internal capital and liquidity adequacy assessment process (ICAAP/ILAAP) in mBank Group, the strategies of managing particular risks (credit risk in retail and corporate areas, liquidity risk, market risk, operational risk, reputational risk, concentration risk) as well as the Capital Management Strategy and Capital Contingency Plan. Moreover RCSB recommended to the Supervisory Board the adoption of two new documents (required by the supervisory authorities), i.e. the Investment Strategy and the Securitisation Risk Management Strategy.

The Committee issued 24 decisions (mostly recommendations to the Supervisory Board) on the adoption of risk management documents, including abovementioned strategies and risk limits.

In 2023, the Risk Committee focus remained on the legal risk related to the CHF mortgage portfolio. The Committee monitored the progress of the settlement programme and the statistics of the legal cases in the context of strengthening unfavourable case law following successive CJEU rulings. The regular information from the Finance and Risk Management areas presenting the Group's capital position and Management Board's actions to minimise the impact of legal risk costs on capital ratios was discussed at the Committee meetings.

**In the area of credit risk**, the Committee's attention focused on the threats to the retail portfolio and certain segments of the corporate portfolio arising from inflation, high interest rates and the economic slowdown. At its Q1 and Q2 meetings, the Committee examined the annual reviews of the corporate and retail loan portfolios. Concentrations of credit risk in the corporate loan portfolio were monitored using a so-called Steering Matrix and analyses of selected client segments. Additionally, in 2023 the Risk Committee issued 11 recommendations for mBank Group Credit Committee with regard to exposures to a single entity in line with the parameters defined by the Supervisory Board.

**On the liquidity risk management area**, the Committee analysed the risks related to the sudden outflow of deposits (electronic bank-run), which was the reason for the failures of SVB and Credit Suisse banks. The Committee highlighted mBank's high level of digitalisation and customer activity on social media as factors increasing such risk and requested its incorporation in the test scenarios and in the liquidity risk strategy.

**On market risk**, the members of the Committee were updated on the Bank's efforts to reduce the sensitivity of the banking book (mostly Treasury bonds) valuation and to stabilise its profitability with the end of the interest rate upward cycle. Other important threads of discussion were the risks associated with the benchmark reform, the prepayment risk for semi-fixed rate mortgages and the risk of supervisory intervention in the contractual terms of these loans. In Q3, the Committee had an annual review of liquidity risk and market risk. In both areas, the risk of the behavioural models used was highlighted.

**The sustainable development (ESG) topic was high on the agenda of all Committee meetings in 2023.** On the Committee's initiative, given the increasing formal and legal requirements, the responsibilities of the Management Board members on ESG were clarified and the role of Chief Environmental Risk Officer was established. The Committee's dialogue with the Management Board focused on environmental risks and their impact on other risks as well as on the identification and mitigation of greenwashing risk. The Committee monitored the progress of the Bank's work on carbon footprint measurement and decarbonization of loan portfolios under the Science Based Targets initiative (SBTi), reviewed the Bank's approach to climate transition risk assessment in the corporate portfolio and analysed the transition risk materiality by sector. Education of the Bank's staff and clients, determining the quality of the data collected for reporting and analytical purposes, was another important challenge discussed at the Commission meetings.

In the second half of 2023, the Committee discussed the impact of the parliamentary election result on the banking sector and also analysed the materiality of the threats to the Bank's loan portfolio posed by the Gaza conflict.

In addition, Risk Committee members discussed the periodic reports on IT risk, internal and external frauds, reputational risk and the status of legal disputes, reviewed the results of the annual assessment of the operational risk profile and the annual model risk report.



## 4.5. IT Committee

**The IT Committee consisted of:**

### Function in the IT Committee

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#### Chairwoman

**1 Aleksandra Gren**

#### Members

2 Dr Marcus Chromik

3 Mirosław Godlewski

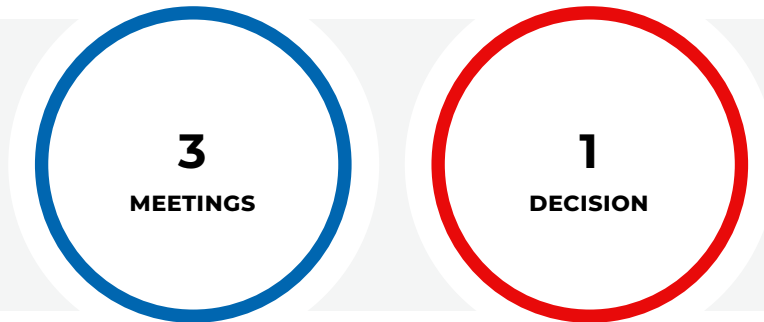
Due to the resignation of Dr Marcus Chromik as a member of the IT Committee (effective as of 31 December 2023), on 14 December 2023, the Bank's Supervisory Board, through Resolution No. 344/23, appointed Mr. Thomas Schaufler as a member of the IT Committee, effective as of 1 January 2024.



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**The IT Committee held 3 meetings and issued 1 decision in 2023. The IT Committee supports the Supervisory Board in controlling the area of information technology and IT security at the Bank. At its meetings, the IT Committee discussed in detail periodic reports of the Management Board on IT and IT security.**

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**The reports provide management information necessary for the IT Committee and the Supervisory Board to exercise appropriate oversight over the areas of:**

- IT environment security and business continuity management,
- IT&Sec Strategy,
- management of electronic access channels,
- cooperation with IT and IT security service providers,
- organisation of the IT&Sec area and its human resources,
- IT&Sec risk management.

At its March meeting, the IT Committee reviewed a proposal to update the IT&Sec Strategy and decided to recommend to Supervisory Board approval of the change.

The subject of the IT Committee's work also included additional analysis of materials relating to the current situation, as well as topics of interest to the IT Committee.

**The Committee paid special attention to reviewing:**

- the practical effects of the Quality First project,
- the current status of the mAlta/Atom project,
- management of technical accounts.

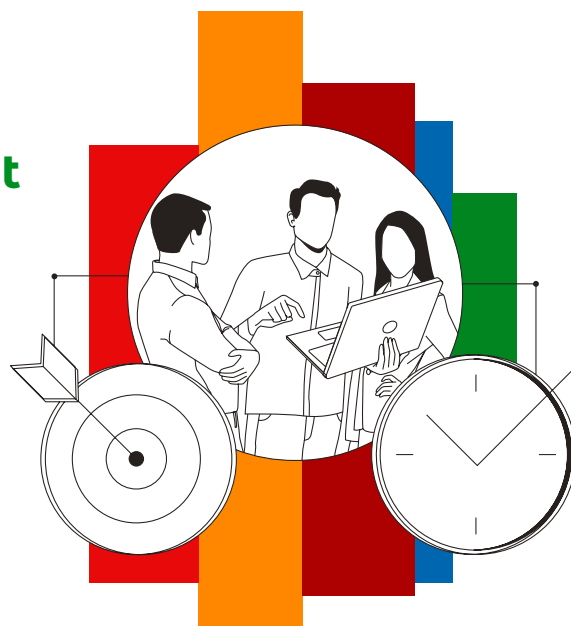
The IT Committee took note of the activities carried out in cooperation with HR in the area of IT and IT security, which aim to ensure stable employment levels in view of the very demanding labour market in this area.





**II. Report  
on the assessment  
of the financial  
statements for 2023,  
the Management Board's  
Report on the Bank's  
activities in 2023 and  
the Management Board's  
proposal on the allocation  
of the 2023 results  
and undivided profits  
from previous years**

# 1. Assessment of the financial statements for 2023, the Management Board's report on the Bank's activities in 2023 and the Management Board's proposals on the allocation of the 2023 results and undivided profits from previous years



**Pursuant to Article 382 § 3 of the Code of Commercial Companies and § 22 (1) of the Bank's By-Laws, the Supervisory Board carried out an assessment of the Financial Statements of mBank S.A. for 2023, the Consolidated Financial Statements of the Bank's Group for 2023, and the Management Board's Report on the Activities of the mBank Group in 2023 as regards their consistency with the books, documents and facts, and the Management Board's proposals on the distribution of profit and coverage of loss. The above documents will be tabled by the Bank's Management Board at the Bank's Ordinary General Meeting.**

The General Meeting entrusted the audit of the Financial Statements for 2023 to KPMG Audyt Polska spółka z ograniczoną odpowiedzialnością spółka komandytowa ("the auditor") in accordance with the recommendation of the Audit Committee and the Supervisory Board by Resolution No. 30 of the XXXV Ordinary General Meeting of mBank of 31 March 2022.

Having analysed the Management Board's Report on the Activities of the mBank Group, the Financial Statements of mBank S.A. and of the mBank Group, the reports and opinions of the Supervisory Board and its Committees, and having familiarised itself with the auditor's opinion and the audit report, the Supervisory Board confirms that the financial statements and reports in question are reliable and meet the formal and legal requirements. The Supervisory Board further concluded that the presented separate and consolidated Financial Statements of mBank S.A. and the Group give a clear picture of the financial position of the Bank and of its development and achievements, including the financial results.

In the assessment of the Supervisory Board, the financial statements and reports were prepared in accordance with the applicable provisions of the Accounting Act of 29 September 1994 and the Regulation of the Minister of Finance of 29 March 2018 on Current and Periodic Information Published by Issuers of Securities.

In making the above assessments, In making the above assessments, the Supervisory Board also took into account the recommendation of the Audit Committee, presented at its meeting on 28 February 2024.

By Resolution No. 392/24 dated 29 February 2024, the Supervisory Board issued a positive assessment with regard to the functioning of the Audit Committee and the audit firm conducting the annual audit of the financial statements and confirmed that the financial statements are in line with the Bank's books of accounts and the facts.

The Supervisory Board also assessed the Management Board's proposal on the allocation of the 2023 results and undivided profits from previous years.



**As a result, the Supervisory Board approved in the form of resolutions: the Report of the Management Board on the Activities of the mBank Group (including mBank S.A.) in 2023, the Financial Statements of mBank S.A. for 2023, and the Consolidated Financial Statements of the mBank Group for 2023.**

**The Supervisory Board approved, in the form of a separate resolution,** the recommendation of the Management Board on the allocation of the result for 2023 and undivided profits from previous years, assuming the allocation of net profit of mBank S.A. in 2023 in the amount of PLN 29 322 135.24 to the supplementary capital of mBank S.A., and not performing the division of undivided profits from previous years in the amount of PLN 1 401 756 971.49.





**III. Assessment  
of the Supervisory Board  
of mBank S.A. on the situation  
of the company  
on a consolidated basis,  
including the adequacy  
and effectiveness  
of the company's systems  
of internal control, risk  
management, compliance  
with standards or applicable  
practices and internal audit**

# 1. Activities of the mBank Group in 2023



**The Supervisory Board analysed mBank Group's financial results and key indicators, taking into consideration external and internal conditions.**

**The year 2023 brought a distinct slowdown in economic growth.** According to preliminary estimates of the Central Statistical Office, GDP dynamics in 2023 decreased to 0.2% from 5.3% in 2022. The inflation rate peaked at the beginning of 2023, and from February it gradually slowed down due to diminishing cost pressures caused by the global supply shock. The average annual inflation in 2023 reached 11.4%. High interest rates contributed to a decline in lending and a significant increase in deposits, mainly as a result of the inflow of household deposits, supported by good situation in the labour market. In September and October 2023, the Monetary Policy Council reduced the NBP reference rate by a total of 1 percentage point.

**In 2023, the Supervisory Board of mBank analysed, on a cyclical basis,** reports provided by the Management Board and organisational units of mBank, including information prepared at the request of the Supervisory Board on matters deemed significant from the point of view of the assessment of the bank's situation.



**In 2023, total income posted by mBank Group reached its all-time high of PLN 10.8 billion.**

The main driver of mBank Group's income growth in 2023 was net interest income, which increased by 21.7% year-on-year excluding the impact of loan holidays. The Supervisory Board is pleased to note that the achievement of this net interest income was possible thanks to effective deposit and loan margin management amid high interest rates environment. As a result, net interest margin went up from 3.7% in 2022 to 4.2% in 2023.

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**Net fee and commission income dropped by 9.6% in 2023** compared with 2022, mainly due to higher commission costs and waiving some of the account maintenance fees charged to corporate clients.

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**mBank Group remained highly cost effective.** The C/I ratio for 2023 stood at 28.5%.

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**The cost of risk reached 93 bps in 2023 compared with 69 bps in 2022, mostly due to the economic downturn in Poland, higher loan servicing costs and one-off factors.**

Non-performing loans (NPL) accounted for 4.2% as at December 31, 2023, a result only slightly higher than last year's.

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**Similarly as in the last two years, the costs of legal risk posed by the portfolio of FX mortgage loans were a major drag on the bank's financial performance.** In 2023, court rulings were generally favourable to clients suing banks, which was coupled with a high influx of new lawsuits. The costs of legal risk connected with FX loans recognised in the group's 2023 profit and loss account amounted to PLN 4.9 billion. These costs were mostly generated by the update of assumptions for the population of clients who sued the bank, the anticipated distribution of court rulings, costs of the settlement programme and changes in other model parameters, in particular as a result of the CJEU ruling in case C-520/21 concerning remuneration for the use of capital when a loan was declared invalid. The Supervisory Board regularly monitored progress in the implementation of the borrower settlement programme which served as an alternative to lengthy and costly lawsuits. **As at December 31, 2023, mBank signed more than 13,300 settlements with clients.**

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**In the opinion of the Supervisory Board,** the legal risk provision coverage of the CHF credit portfolio, which stood at 99.5% as at the end of 2023, and the bank's capital allocated to the FX mortgage business show that the bank is well prepared for the materialisation of legal risk resulting from FX loans.

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**mBank Group closed 2023 with a pre-tax profit of PLN 970.6 million.** The net profit attributable to the owners of mBank reached PLN 24.1 million vs a net loss of PLN -702.7 million posted in 2022.

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**The actual achievements of mBank Group in 2023 are reflected in the financial performance of its core business, i.e. excluding the FX mortgage business.** In 2023, the Group's core business generated a net profit of PLN 5,041.9 million, twice as much as in 2022. Return on equity (ROE) stood at 40.0%. This demonstrates the effective use of the unique features of the bank's business model and indicates good prospects of continuing organic growth and creating shareholder value.

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**mBank Group's capital ratios as at December 31, 2023 were higher than a year before.**

Tier Capital 1 ratio stood at 14.7% and the Total Capital Ratio (TCR) at 17.0%. At the same time, the buffer above the minimum KNF requirements for the Tier 1 capital ratio and TCR, went up from 3.4–3.5 pp at the end of 2022 to 5.6–5.9 pp. The capital ratios improved following a securitisation transaction on the portfolio of retail non-mortgage loans in the amount of approx. PLN 10 billion whereby a significant part of credit risk from the securitised portfolio was transferred to investors.

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**The issue of green non-preferred senior bonds** under the EMTN Programme, with a nominal value of EUR 750 million, enabled the bank to meet the MREL by a significant margin.

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**mBank Group's liquidity position is comfortable**, as demonstrated by high LCR and NSFR and a net loans-to-deposits ratio of 61.2% as at December 31, 2023.

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**In 2023, mBank Group continued to pursue its strategy for 2021–2025 “From the Icon of Mobility to the Icon of Possibilities”.** Considering the major change in the external environment and the developments on the financial market observed since the adoption of the Strategy in October 2021 that affected the Group's operation, the bank conducted a fundamental review of the growth directions and strategic goals set in the Strategy. The Supervisory Board acknowledged the mBank Group Strategy implementation status report and approved modifications to financial goals as well as to selected business goals and measures, while keeping the main growth directions for the Group unchanged.

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**The ESG strategy is an integral part of the mBank Group Strategy.** The Supervisory Board believes that the revised aspirations and main directions set in the ESG strategy prove how determined the Group is to integrate social, ethical and environmental aspects in every area of its operation.

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**In 2023, the Group continued to digitalise, optimise and modernise processes**, expanded the range of services available in remote channels, **among others by launching new features in the mobile app** for retail clients and in the mBank Company Mobile app for corporate clients, and **by further developing the personal finance management tools**. The bank increased the share of non-mortgage loans sold and banking processes initiated in digital channels and continued to develop e-commerce solutions. All this contributed to an uptick in the number of mBank clients, both retail and corporate, in particular mobile app users. At the same time, 2023 has seen a rise in client satisfaction and loyalty measured by the Net Promoter Score (NPS).

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**The Supervisory Board is pleased with the bank's progress towards sustainability.** In 2023, mBank promoted and expanded the offer of products that support customers in sustainable transformation. The bank supported clients, among others by increasing the share of mortgage loans for the purchase or construction of energy-efficient real estate in total mortgage sales, offering ecological loans for small and medium-sized enterprises co-financed by Bank Gospodarstwa Krajowego, and boosting the bank's share in RES projects financing.



**In 2023, mBank continued efforts to reduce and report the carbon footprint. The ultimate goal is to reach net-zero emissions from own operations (scope 1 and 2) by 2040 and to transform credit exposures (scope 3) so that they become net zero by 2050.**

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The bank is one of the financial institutions that joined the Science Based Targets initiative (SBTi), a global initiative that helps companies set ambitious science-based decarbonisation targets. In 2022, the bank also joined the Partnership for Carbon Accounting Financials (PCAF) in order to assess the carbon footprint of its credit portfolio in line with top standards.

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**The bank is well perceived on the market,** mostly thanks to high quality and broad range of services, innovative nature of products and services, advanced digitalisation, qualified personnel and ESG efforts. The new positioning of mBank's brand, as expressed in the tagline "mBank. Technology at your service", highlights that all products and services of the bank are designed with clients' comfort in mind and that the bank is always there to support them.

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**The Supervisory Board appreciates the bank's involvement in cultural, educational and social campaigns,** including its cooperation with the **Great Orchestra of Christmas Charity (WOŚP)**, promotion of **mathematical education** among kids and youth and the educational campaign promoting **online security**.



**In conclusion, in the opinion of the Supervisory Board, the general economic and financial situation of mBank is stable. The bank meets all the requirements for safe operations, capital adequacy and liquidity, and guarantees that the clients' money is safe. The Supervisory Board positively assesses the results generated by the bank and mBank Group in 2023.**

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## 2. Assessment of the adequacy and effectiveness of the company's system of internal control, risk management, compliance with standards or applicable practices and internal audit



**The Bank's risk management system and internal control system are organised on three independent levels – lines of defence.**

The internal control system supports the management of the Bank by contributing to ensuring the effectiveness and efficiency of the Bank's operations, the reliability of financial reporting, compliance with risk management principles, and the Bank's compliance with laws and internal regulations.

**The internal control system includes:**

- 1 The control function which aims to ensure compliance with control mechanisms relating in particular to risk management in the Bank, which includes positions, groups of people or organisational units responsible for the performance of tasks assigned to this function.

**The function is carried out in a systematic manner by employees at all organisational levels by means of:**

- continuous monitoring, consisting of the examination of selected operations or activities performed at the Bank,
  - periodic verification, consisting of an examination of selected operations or activities already completed in order to check the adequacy and effectiveness of the continuous monitoring.
- 2 The compliance function which is responsible for identifying, assessing, controlling and monitoring the risk of non-compliance of the Bank's operations with the law, internal regulations and market standards, as well as for presenting reports in this respect. The tasks of the compliance function are performed by the Compliance Department.
  - 3 An independent internal audit function which aims to examine and assess, in an independent and objective manner, the adequacy and effectiveness of the risk management system and the internal control system. The tasks of the independent internal audit function are performed by the Internal Audit Department.

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**The Audit Committee provides the Supervisory Board with its opinion on the assessment of the internal control system** based on information from the Bank's Management Board on the functioning of the internal control system, reports on the effectiveness of the control function, significant and critical irregularities and the status of recovery plans, reports on compliance risk management, the assessment from an internal audit perspective, as well as the results of audits. The Committee takes into account in its opinion information from the parent company, subsidiaries, the auditor, supervisory institutions (e.g., the Polish Financial Supervision Authority), as well as from other third parties. The Committee assesses the performance of the Compliance Department and the Internal Audit Department on the basis of annual activity reports presented directly by the Directors of the Compliance and Internal Audit Departments.

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The Internal Audit Department included sustainability issues in its audit testing and assessment of the internal control system.

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The Directors of the Compliance Department and the Internal Audit Department took measures on an on-going basis to ensure that adequate human resources and the necessary financial resources were available to systematically improve the qualifications, experience and skills of the staff of those units.

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**Based on the information received in 2023, the Supervisory Board assesses the adequacy and effectiveness of the internal control system** (including the control function, the compliance function, and the internal audit function) in relation to the complexity of the Bank's activities, organisational structure, and risk management system as fair. As part of the assessment of the internal control system, on the basis of an opinion of the Audit Committee, the Supervisory Board identified the strengths of the system and areas for further improvement. The Supervisory Board assessed that the units responsible for the control function, compliance risk management, and internal audit carried out their tasks in accordance with the internal regulations on a continuous basis, and that the Bank's Management Board and Audit Committee, as well as the Supervisory Board, received adequate reports and information on the effects of such activities. The independence of the Compliance Department and the Internal Audit Department was ensured as defined in the Rules of the Compliance Department and the Audit Charter, respectively. In performing their duties, employees of those units performed their activities with independence and objectivity, did not execute processes which were subject to their controls, and did not engage in activities which could give rise to a conflict of interest with their duties.

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**The mBank Group's risk management system** is based on the concept of three lines of defence.

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**The Bank has in place risk committees for each business line: the Retail Banking Risk Committee, the Corporate and Investment Banking Risk Committee, and the Financial Markets Risk Committee,** which define the risk management principles and determine the risk appetite of the business line. Risks are also an important focus of the work of other committees in the Bank chaired by members of the Management Board.

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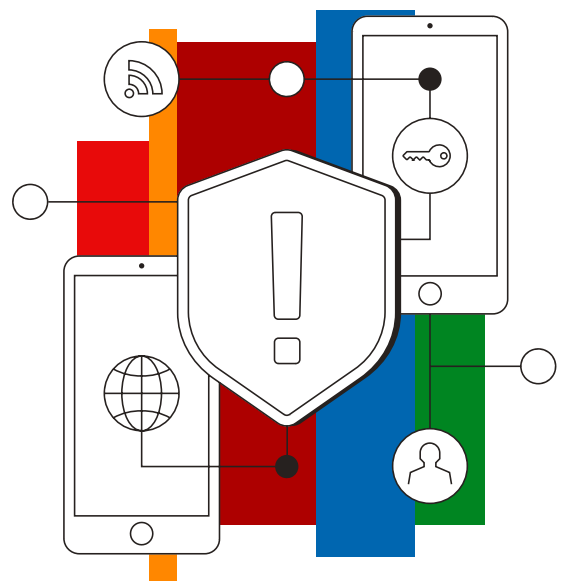
**The Bank has in place methodologies and processes where risks are identified and assessed to determine their potential impact on current and future operations.**

The comprehensive risk management structure is complemented by a consistent system for monitoring and reporting risk levels and breaches of limits set. The reporting system covers the key management levels.

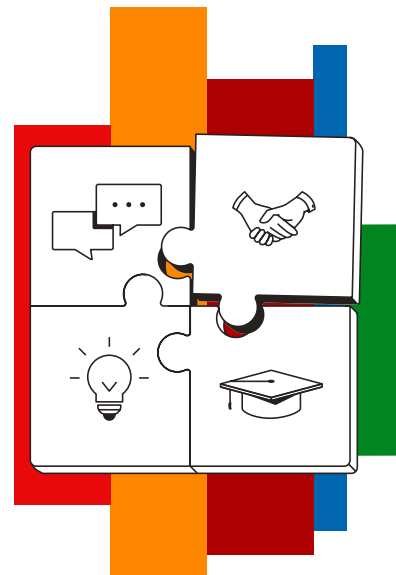
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**The Supervisory Board receives periodic reports presenting an assessment of the level of risk identified and the effectiveness of the actions taken by the Management Board.**

In matters of risk, the Supervisory Board acts through the Risk Committee, which exercises on-going oversight of individual risks, in particular credit risk (including concentration risk), market risk, operational risk, liquidity risk, reputation risk, and business risk. The Committee makes recommendations on significant exposures with single business entity risk.



### 3. Assessment of the reasonableness of expenditure in support of culture, sport, charities, media, community organisations, trade unions, etc.



In accordance with the Best Practice for GPW Listed Companies, the Supervisory Board issues a positive assessment of the Bank’s sponsorship policy.

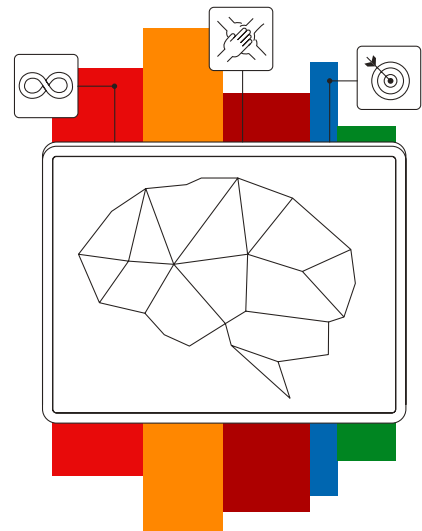


**The Bank supports social initiatives, e.g., with the Great Orchestra of Christmas Charity Foundation which raises funds to purchase life-saving and medical equipment for children.**

Last year, the Bank participated, among others, in programmes of organisations working to raise the level of mathematics education, supporting equal opportunities in education, and promoting exceptionally gifted young people. Some of activities listed below implement the ESG strategy and are in line with the Bank’s internal regulation: “Procedures for membership in associating organisations, giving donations, and granting and accounting for sponsorship funds”.

|                                     | Project  | Amount (PLN) |
|-------------------------------------|--|--------------|
| support for culture, sport, science | <b>m jak malarstwo</b> – supporting artists by buying their work/promoting art                                   | 721 184,00   |
|                                     | <b>CASE</b> – Centre for Social and Economic Research - economic education - organisation of mBank-CASE seminars | 122 899,64   |
| support for social organisations    | <b>Great Orchestra of Christmas Charity Foundation</b> – donation for statutory purposes                         | 2 263 176,00 |
|                                     | <b>mFoundation</b> – donation for statutory purposes   | 3 000 000,00 |

#### 4. Assessment of mBank S.A.'s compliance with the principles of corporate governance and the manner of compliance with the disclosure obligations concerning compliance with the principles of corporate governance defined in the Warsaw Stock Exchange Rules and regulations on current and periodic reports published by issuers of securities



**In order to perform the assessment, the Supervisory Board familiarised itself with:**

- Information on the Status of mBank S.A.'s Compliance with the Principles Included in the Best Practice for GPW Listed Companies 2021 published by mBank S.A.,
- Statement on Compliance with the Principles of Corporate Governance included in the Management Board Report on the Performance of mBank S.A. Group in 2023,
- scope of information on corporate governance published on mBank S.A.'s website, and assessed whether the information on compliance with the principles of corporate governance is true, complete, relevant and coherent.

**The Information on the Status of mBank S.A.'s Compliance with the Principles Included in the Best Practice for GPW Listed Companies 2021 ("DPSN 2021") can be found on the bank's website at <https://www.mbank.pl/en/about-us/corporate-governance-and-best-practices/> in the section "Other documents".** According to this document, updated on March 31, 2023, the bank complies with all the principles set out in DPSN 2021. The 2023 update covered only the bank's comments; the extent of the bank's compliance with the principles set out in DPSN 2021 remained unchanged.

Having reviewed the principles set out in individual sections of DPSN 2021, the **Supervisory Board** did not identify any departures from DPSN 2021.

**Moreover, the bank published the Statement on Compliance with the Principles of Corporate Governance** included in section 13 of the Management Board Report on the Performance of mBank S.A. Group in 2023. It was prepared in line with Article 70 (6) (5) of the Regulation of the Minister of Finance of March 29, 2018 on Current and Periodic Information Published by Issuers of Securities and on Conditions for Recognising as Equivalent Information Required by the Laws of a Non-Member State.

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**In accordance with the Commission Recommendation of April 9, 2014 on the quality of corporate governance reporting (2014/208/EU),** the Statement on Compliance with the Principles of Corporate Governance in 2023 contains comments on the compliance with the principles of corporate governance to issues vital to shareholders. The Statement on Compliance with the Principles of Corporate Governance contains all elements required under the Regulation of the Minister of Finance. In the opinion of the Supervisory Board, it describes corporate governance issues in a correct and comprehensive way.

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**In light of the above, the Supervisory Board of the Bank positively assesses both the extent of the bank's compliance with the principles of corporate governance** and the manner in which the bank complies with the disclosure obligations specified in the Warsaw Stock Exchange Rules and in regulations on current and periodic reports published by issuers of securities in 2023. The explanations and comments about the principles of corporate governance published by the bank present the extent of the bank's compliance with the principles of corporate governance in a reliable and comprehensive way.



**The Supervisory Board highly appreciates the corporate culture at mBank. It includes not only the norms specified in the sets of corporate and internal governance principles, but also of accepted canon of employee behaviour based on mutual respect within the organization and towards external stakeholders.**

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The regulations and policies in force at the Bank contribute to strengthening the corporate culture. These include, among others: mBank's ethical program, diversity and inclusion policy, remuneration policy, anti-abuse policy and supplementary rules on whistleblowing protection, anti-corruption policy, compliance policy, policy on counteracting mobbing, discrimination and other unacceptable behaviour, conflict of interest management policy, regulations regarding anti-money laundering and terrorist financing and sustainable development code for suppliers and partners. A number of issues in this area were discussed at the meetings of the Supervisory Board. A number of issues in this area were discussed at the meetings of the Supervisory Board.



**The Supervisory Board is pleased to underline that the bank attaches great importance to due compliance with the disclosure obligations and the quality of the information provided to the shareholders.**

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In recognition of this attitude, in October 2023 the bank once again received "The Best of the Best" special award for the best annual report and a distinction for the best statement on compliance with the principles of corporate governance in the Best Annual Report contest organised by the Institute of Accountancy and Taxes (IRiP).

## 5. Assessment of internal governance



**Fulfilling the requirements of Recommendation Z of the of the Polish Financial Supervision Authority, the Supervisory Board assessed internal governance for 2023.**

Based on the Management Board's assessment of the functioning of internal governance at mBank S.A. in 2023, the Management Board's statement on the application of corporate governance principles, as well as on the assessment of the adequacy and effectiveness of the internal control system and the risk management system, the Supervisory Board concludes that internal governance at the Bank is organized in an adequate and effective way.



**The Supervisory Board confirms that the Bank has aligned relevant internal regulations with relevant external requirements, and has carried out the improvement activities planned for 2023.**

The relevant units carried out the necessary actions to implement Compliance and Internal Audit Department recommendations regarding internal governance in a timely manner.

## 6. Information on the degree of implementation of the diversity policy



**The Bank has established a diversity policy for members of the Management Board and the Supervisory Board. The policy is part of the Policy on the Assessment of Qualifications (Suitability), Appointment and Dismissal of Members of the Bank's Body in mBank S.A. and is implemented at the Bank taking into account the principle of diversity of the Bank's bodies.**

The principle of diversity aims to ensure that the members of the Bank's bodies are appropriately selected to provide a broad set of qualities and competencies in order to attract a variety of viewpoints and experience, knowledge and skills appropriate to the position, ensuring that the members of the Bank's bodies (individually and as a body) give independent opinions and make sound decisions on the whole range of the Bank's activities. In 2023, as a result of the appointment of Julia Nusser as Vice-President of the Management Board for Compliance, Legal and HR, the proportion of women on the Management Board was 14%.

Taking into account the outcome of the suitability assessment, when selecting members of the Supervisory Board and the Management Board, the General Meeting and the Supervisory Board will strive to achieve a balance in gender representation on the Supervisory Board and the Management Board and, at the very least, to reach a minimum share of the minority gender at 33% on both the Management Board and the Supervisory Board by 2026 or as required by law.



**In addition, the Bank has established a Diversity and Inclusiveness Policy, which sets out principles and practices on how a diverse workplace is created and maintained.** Furthermore, the Policy sets out the responsibility of managers and each individual, regardless of their form of employment, for building inclusivity.



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**The Diversity and Inclusiveness Policy focuses on four areas: building and strengthening employee awareness, countering discrimination, increasing the employment of people with disabilities, and gender neutrality in the Bank's processes.** The Bank reports on an ongoing basis on the percentage ratio of women and men in the recruitment, promotion, and succession process. The list of successors for managerial positions was defined according to the principle of gender balance. In 2023, the target of equal representation of both genders in hiring and promotion processes was achieved, with 51% of recruited and promoted managers being women. At all levels of management, women represent 43% of the Bank's managerial staff. In addition, the Bank introduced its first pay increases closing the pay gap in 2023.

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**mBank promotes partnership parenting and supports employees returning after parental leave** by shattering stereotypes about fathers' involvement and women's careers after motherhood ("Hello Mum, Hello Dad" programme). The Bank provides education on the use of empathetic and inclusive language. Feminine forms have been introduced in recruitment advertisements. The content of the advertisements is written according to the principles of inclusive and gender-neutral language.

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**A module on team diversity has been added to the training programme for new managers.** Meetings introducing this topic are organised in departments and teams in various areas of the Bank. Mandatory training for employees on diversity and inclusiveness was introduced from September 2022 - by December 2023, 6961 people received the training. The Bank introduced computer-based training on unconscious bias and teaching how to behave when dealing with people with disabilities. Both courses are provided in addition to the four mandatory training courses on social responsibility: diversity and inclusiveness, anti-mobbing, ESG and ethics.

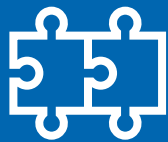


**The Bank also recruits senior people and organises development programmes through internships and apprenticeships for students or young graduates.**

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**96.5% of the Bank's employees in the 2023 Pulse Check survey positively assessed mBank's attitude towards diversity and inclusiveness.** mBank was once again recognised by the Responsible Business Forum as one of the best employers managing diversity and building an inclusive culture, and is one of the best-rated employers according to the Kincentric Poland survey.



#### **IV. Assessment of the compliance with the Principles of Corporate Governance for Supervised Institutions**

**The Principles of Corporate Governance for Supervised Institutions were approved for application at the Bank by Supervisory Board Resolution No. 31/14 of 11 December 2014. The Supervisory Board regularly reviews compliance with the Principles at mBank S.A.**

The Supervisory Board of the Bank confirms that the Bank complied with the Corporate Governance Principles issued by the Polish Financial Supervision Authority appropriately and adequately to the nature and scale of its activities in 2023. The Principles regulate the bank's internal and external relations, its organisation, its cooperation with shareholders and clients, the operation and cooperation of statutory bodies, as well as the functions of internal supervision and key internal systems and functions.

**The Supervisory Board issues a positive opinion on compliance with the Corporate Governance Principles at the Bank in 2023 and confirms in particular that:**

**1 The organisation and organisational structure of the Bank is adequate to the scale and activity of the Bank.** The Supervisory Board regularly approves changes to the organisational structure and the division of competences between the members of the Management Board and the Managing Directors. In 2023, the current changes in this respect were approved by Supervisory Board Resolutions No. 266/23 of 13 January 2023, No. 315/23 of 30 March 2023 and No. 325/23 of 13 June 2023.

In accordance with § 6 of the Corporate Governance Principles, the Bank has in place a system for anonymous reporting of violations. By Resolution No. 268/23 of 2 March 2023, the Supervisory Board approved the assessment of the adequacy and effectiveness of the procedure for anonymous reporting of violations by employees of mBank S.A. The Audit Committee of the Supervisory Board receives regular reports on the functioning of the system.

In accordance with § 4 (3) and § 7 of the Corporate Governance Principles, the Bank applies business continuity plans. In 2023, the Supervisory Board adopted Resolution No. 316/23 of 25 April 2023 approving the updated mBank Group Recovery Plan, which ensures continuity of critical business functions in the event of a major crisis, and Resolution No. 330/23 of 21 September 2023 on the approval of the Contingency Plan for the mBank Group's liquidity risk, with an annex containing estimates of alternative sources of financing in pre-defined scenarios of internal and market crisis.

**2 Relations with the Bank's shareholders are maintained in a sound and diligent manner, ensuring that the interests of all shareholders are protected.** The Bank has established Rules of participation in the General Meeting of mBank S.A. by means of electronic communication, ensuring that all shareholders can actively participate in the general meeting by means of electronic communication.

**3 The Management Board of the Bank is composed of 7 members. The division of competences between the members of the Management Board, as approved by the Supervisory Board, ensures that tasks in all areas of the Bank's activity are duly controlled and carried out.** In accordance with the Bank's Suitability Policy, the Supervisory Board carried out an assessment of the Management Board in 2023 and confirmed that all members of the Management Board, individually and as a collegiate body, have the requisite expertise, competence, professional experience and reputation appropriate to their functions. Five members of the seven-member Management Board, including the President, hold Polish citizenship and speak Polish fluently.

The Supervisory Board confirms the Bank's derogation from Principle § 16.1, which provides that it is appropriate for the meetings of the management body to be held in Polish and that, if necessary, the assistance of an interpreter should be provided. The Supervisory Board confirms that the Bank's practice of holding Management Board meetings in English without the assistance of an interpreter is more efficient and allows for discussions and arrangements to take place without the involvement of third parties (interpreters).

**4 The Supervisory Board duly ensures the supervision of all areas of the Bank's activities.** The Supervisory Board confirms the derogation from Principle § 24 (1), which provides that it is appropriate for the meetings of the supervisory body to be held in Polish and that, if necessary, the assistance of an interpreter should be provided. The Supervisory Board confirms that holding meetings in English without the assistance of an interpreter is more efficient and allows for discussions and arrangements to take place without the involvement of third parties (interpreters). **The relevant statement is published on the Bank's website.**

**5 In the assessment of the Supervisory Board, the Bank pursues a transparent remuneration policy for members of the Management Board and persons holding key functions in the Bank.** The remuneration policy for both management and employees of the Bank is discussed in detail at meetings of the Remuneration and Nomination Committee of the Supervisory Board. In the past year, the Supervisory Board adopted Resolution No. 350/23 of 14 December 2023 approving the updated Policy on remuneration principles for employees of mBank S.A. and Resolutions No. 281/23 of 2 March 2023 and No. 349/23 of 14 December 2023 approving the updated Policy on remuneration of employees having a material impact on the risk profile of mBank S.A. (risk-takers). In the assessment of the Supervisory Board, the remuneration policy is consistent with the implementation of mBank's strategy and long-term objectives.

**6 The Supervisory Board confirms that the Bank pursues sound information policy, conducts sound promotional activities, and communicates with clients in a comprehensive and transparent manner.** mBank's information policy for communication with investors, the media and clients is based on the principles of open and transparent communication, taking into account the needs of all stakeholders.

The Bank has a structured process for handling complaints. The Supervisory Board monitors the process on an on-going basis and periodic reports in this respect are discussed in detail at meetings of the Audit Committee of the Supervisory Board.

**7 The Bank's key internal systems and functions, including in particular the internal control and risk management system, are organised in a sound manner, in compliance with legal provisions and internal regulations.** By Resolution No. 373/24 of 29 February 2024, the Supervisory Board approved the Report on the assessment of the effectiveness of the control function in the mBank Group for 2023.



## **V. Assessment of the functioning of the Remuneration Policy at mBank S.A.**

The assessment was carried out in fulfilment of the obligation under § 28 (3) of the Principles of Corporate Governance for Supervised Institutions, attached to Resolution No. 218/2014 of the Polish Financial Supervision Authority dated 22 July 2014, which provides that the supervising body (Supervisory Board) prepares and presents to the decision-making body (General Meeting) an annual report on the assessment of the functioning of the remuneration policy at the supervised institution (the Bank).

The Supervisory Board and the Supervisory Board's Remuneration and Nomination Committee, guided by prudent and stable management of risk, capital and liquidity and taking particular care to protect the interest of the bank in the long term and the interests of the bank's shareholders and investors, positively assess the remuneration policy in force at mBank S.A. as well as its functioning in 2023.

The remuneration principles applicable in 2023 are defined in two regulations adopted by the Bank's Management Board and Supervisory Board (based on the recommendation of the Supervisory Board's Remuneration and Nomination Committee):

- 1 "Remuneration Policy for Employees of mBank S.A." applicable to all employees of the Bank (other than the managing body), adopted by Resolution No. 257/22 of the Supervisory Board of 9 December 2022, designed to provide a formal framework for shaping the remuneration practice for all Bank employees, and
- 2 separate "Remuneration Policy for Employees Having a Material Impact on the Risk Profile of mBank S.A.", hereinafter referred to as the "Remuneration Policy for Risk Takers", adopted by Resolution No. 281/23 of the Supervisory Board of 2 March 2023.

In addition to the above-mentioned Policies, the Bank has other internal acts regulating the remuneration system (the Rules of Remuneration for Employees of mBank S.A. and other regulations in the area of remuneration).

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Moreover, in line with Article 90d (1) of the Act on Public Offering and Conditions for Introducing Financial Instruments to Organised Trading and on Public Companies of 29 July 2005, the General Meeting of mBank S.A. on 27 March 2020 adopted the "Remuneration Policy for Members of the Management Board and Members of the Supervisory Board of mBank S.A.". With regard to Management Board Members, this policy is applied only in the extent which is not governed by the "Remuneration Policy for Risk Takers". With regard to Supervisory Board Members, the policy provides that the amount of remuneration of Supervisory Board Members is determined by resolution of the General Meeting.

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"The remuneration policy at mBank S.A." supports the implementation of the Bank's strategy, risk management strategy, including environmental, social and governance risks (ESG risks), its culture and corporate values, risk culture, including as regards the long-term interests of the Bank and its clients. The policy promotes and supports an effective risk management process to maintain and protect the Bank's safe capital base. The remuneration policy is gender neutral.

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The Remuneration Policy for Employees of mBank S.A. describes the rules of granting remuneration to mBank employees. An employee's remuneration paid annually (total cash) consists of fixed remuneration (base salary and fixed benefits) and variable remuneration (e.g. bonus). Managers play a key role in defining the levels of remuneration. The manager decides about the remuneration of reporting employees taking into account, among others, knowledge about the employee (his or her competences, achieved objectives, displayed attitudes resulting from values and behaviours consistent with the Bank's strategy, potential for further development) or data from the labour market. This process does not assume automatic pay increases, for instance linked to inflation.

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As an important part of the Bank's remuneration management, the separate "Remuneration Policy for Risk Takers" is aimed at supporting the mBank Group's management system and encourages risk takers to take particular care for long-term interests of the Bank and avoid excessive exposure to risk. The Bank aims to ensure that managers' remuneration, particularly of managers having a material impact on the risk profile of the Bank (Risk Takers), is linked to material ESG-related risk factors. The ESG-related targets for the Management Board members and senior managers have a weighting of 10%.

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The "Remuneration Policy for Risk Takers" is verified each year and, if need be, modified by the Management Board of the Bank and the Supervisory Board's Remuneration and Nomination Committee and approved by the Supervisory Board.

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The Bank fulfils its reporting obligations with regard to remuneration policy in compliance with applicable law, transparently and proportionately. Detailed information on the "Remuneration Policy for Risk Takers" and quantitative data on the remuneration paid to this employee group are published annually on the mBank S.A. website.

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In accordance with § 30 of the Regulation of the Minister of Finance, Funds and Regional Policy of 8 June 2021 on the risk management system and the internal control system and the remuneration policy in banks, the Bank's Internal Audit Department conducted an annual independent review in the area of remuneration. The Bank implemented the recommendations issued by the Internal Audit Department and the Compliance Department in the area of remuneration policy.

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Taking into account the above description of functioning of the remuneration policies at mBank S.A., among others, with regard to Supervisory Board Members, Management Board Members and other persons holding positions having a material impact on the risk profile of mBank S.A., the Supervisory Board's Remuneration and Nomination Committee and the Supervisory Board of mBank S.A. assess that the remuneration policies established at the Bank support the development and safeguarding of mBank S.A. In particular, it is consistent with sound and effective risk management and prudent capital management. It is also in line with the Bank's business strategy, objectives, values and long-term interests.



## **VI. Summary**



## The Supervisory Board recommends to the Ordinary General Meeting:

- 1 to approve the Management Board's Report on the Activities of the mBank Group in 2023;
- 2 to approve the Financial Statements of mBank S.A. for 2023;
- 3 to approve the Financial Statements of the mBank Group for 2023;
- 4 to conclude, based on the Report of the Supervisory Board on the assessment of the functioning of the remuneration policy in mBank S.A., that the remuneration policy for the members of the Management Board and persons holding key functions in mBank S.A. is conducive to the development and safety of the Bank's operations;
- 5 to issue a positive opinion on the content of the Report on the remuneration of members of the Supervisory Board and the Management Board for 2023; and
- 6 to adopt resolutions on the allocation of the result for 2023 and undivided profits from previous years, in accordance with the recommendation of the Management Board approved by the Supervisory Board, assuming the allocation of net profit of mBank S.A. in 2023 in the amount of PLN 29 322 135.24 to the supplementary capital of mBank S.A. and not performing the division of undivided profits from previous years in the amount of PLN 1 401 756 971.49.



**Based on its assessment, the Supervisory Board concludes that mBank S.A.'s situation is stable. The Supervisory Board thanks the Management Board and the employees of the entire mBank Group for the tremendous effort undertaken in a difficult and uncertain environment, and for their constructive co-operation.**

**Professor Agnieszka Słomka-Gołębiowska**  
**Chairwoman of the Supervisory Board**

