

# **Selected non-audited consolidated financial information of mBank S.A. Group for the fourth quarter of 2024**



These Selected Non-Audited Consolidated Financial Information of mBank S.A. Group for the Fourth Quarter of 2024 does not meet the definition of an interim report included in the International Accounting Standard 34 Interim Financial Reporting or the Regulation of the Minister of Finance of 29 March 2018 on current and financial reports published by the issuers of securities and the rules of equal treatment of the information required by the laws of a non-member state.

**Legal basis:** article 17 (1) of Regulation (EU) No 596/2014 of the European Parliament and the Council of 16 April 2014 on market abuse (MAR).

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**mBank Group S.A.**Selected non-audited consolidated financial information  
for the fourth quarter of 2024

(PLN thousand)

**CONDENSED CONSOLIDATED INCOME STATEMENT**

	Period from 01.10.2024 to 31.12.2024	Period from 01.01.2024 to 31.12.2024	Period from 01.10.2023 to 31.12.2023	Period from 01.01.2023 to 31.12.2023
Interest income, including:	3 771 020	14 523 266	3 694 076	14 826 765
<i>Interest income accounted for using the effective interest method</i>	3 684 523	14 257 452	3 607 564	14 522 983
<i>Income similar to interest on financial assets at fair value through profit or loss</i>	86 497	265 814	86 512	303 782
Interest expenses	(1 258 090)	(4 934 243)	(1 339 037)	(5 953 294)
<b>Net interest income</b>	<b>2 512 930</b>	<b>9 589 023</b>	<b>2 355 039</b>	<b>8 873 471</b>
Fee and commission income	830 908	3 207 707	769 533	3 015 912
Fee and commission expenses	(333 622)	(1 235 823)	(325 033)	(1 100 004)
<b>Net fee and commission income</b>	<b>497 286</b>	<b>1 971 884</b>	<b>444 500</b>	<b>1 915 908</b>
Dividend income	146	14 279	4 683	9 486
Net trading income	45 396	176 678	76 553	73 343
Gains or losses on non-trading financial assets mandatorily at fair value through profit or loss	22 224	64 449	37 285	34 100
Gains or losses on derecognition of financial assets and liabilities not measured at fair value through profit or loss	(6 060)	598	(1 535)	(50 941)
Other operating income	81 504	477 551	86 736	317 712
Impairment or reversal of impairment on financial assets not measured at fair value through profit or loss	(176 599)	(585 958)	(475 233)	(1 076 778)
Costs of legal risk related to foreign currency loans	(932 212)	(4 306 964)	(1 475 988)	(4 908 205)
Overhead costs	(736 386)	(2 801 710)	(656 297)	(2 570 433)
Depreciation	(168 828)	(586 630)	(139 648)	(504 016)
Other operating expenses	(107 347)	(287 094)	(106 993)	(399 507)
<b>Operating profit</b>	<b>1 032 054</b>	<b>3 726 106</b>	<b>149 102</b>	<b>1 714 140</b>
Taxes on the Group balance sheet items	(194 328)	(752 381)	(186 154)	(743 552)
<b>Profit/(losses) before income tax</b>	<b>837 726</b>	<b>2 973 725</b>	<b>(37 052)</b>	<b>970 588</b>
Income tax expense	148 281	(730 357)	16 815	(946 530)
<b>Net profit/(losses)</b>	<b>986 007</b>	<b>2 243 368</b>	<b>(20 237)</b>	<b>24 058</b>
<b>Net profit/(losses) attributable to:</b>				
- Owners of mBank S.A.	986 002	2 243 245	(20 267)	24 054
- Non-controlling interests	5	123	30	4
<b>Earnings/(losses) per share (in PLN)</b>	<b>23.20</b>	<b>52.80</b>	<b>(0.47)</b>	<b>0.57</b>
<b>Diluted earnings/(losses) per share (in PLN)</b>	<b>23.17</b>	<b>52.73</b>	<b>(0.47)</b>	<b>0.57</b>

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(PLN thousand)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	Period from 01.10.2024 to 31.12.2024	Period from 01.01.2024 to 31.12.2024	Period from 01.10.2023 to 31.12.2023	Period from 01.01.2023 to 31.12.2023
<b>Net profit</b>	<b>986 007</b>	<b>2 243 368</b>	<b>(20 237)</b>	<b>24 058</b>
<b>Other comprehensive income net of tax, including:</b>	<b>(49 435)</b>	<b>274 242</b>	<b>63 963</b>	<b>987 085</b>
<b>Items that may be reclassified subsequently to the income statement</b>	<b>(41 059)</b>	<b>282 618</b>	<b>70 500</b>	<b>993 622</b>
Exchange differences on translation of foreign operations (net)	(1 991)	(5 820)	(36 278)	(36 667)
Cash flows hedges (net)	42 235	192 606	58 640	482 405
Cost of hedge (net)	(834)	(7 012)	(17 503)	(20 714)
Debt instruments at fair value through other comprehensive income (net)	(80 469)	102 844	65 641	568 598
<b>Items that will not be reclassified to the income statement</b>	<b>(8 376)</b>	<b>(8 376)</b>	<b>(6 537)</b>	<b>(6 537)</b>
Actuarial gains and losses relating to post-employment benefits (net)	(8 376)	(8 376)	(6 537)	(6 537)
<b>Total comprehensive income (net)</b>	<b>936 572</b>	<b>2 517 610</b>	<b>43 726</b>	<b>1 011 143</b>
<b>Total comprehensive income (net), attributable to:</b>				
- Owners of mBank S.A.	936 567	2 517 487	43 696	1 011 139
- Non-controlling interests	5	123	30	4

**mBank Group S.A.**Selected non-audited consolidated financial information  
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(PLN thousand)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

<b>ASSETS</b>	<b>31.12.2024</b>	<b>30.09.2024</b>	<b>31.12.2023</b>
Cash and cash equivalents	36 680 926	25 893 176	36 702 427
Financial assets held for trading and derivatives held for hedges	1 840 714	1 608 192	1 760 033
Non-trading financial assets mandatorily at fair value through profit or loss, including:	925 786	896 423	898 798
<i>Equity instruments</i>	407 732	356 150	244 941
<i>Debt securities</i>	31 204	25 324	50 144
<i>Loans and advances to customers</i>	486 850	514 949	603 713
Financial assets at fair value through other comprehensive income	34 588 843	31 025 034	36 965 077
Financial assets at amortised cost, including:	164 592 877	172 141 681	143 319 329
<i>Debt securities</i>	33 965 644	31 363 788	23 323 690
<i>Loans and advances to banks</i>	9 738 457	17 503 613	7 119 059
<i>Loans and advances to customers</i>	120 888 776	123 274 280	112 876 580
Fair value changes of the hedged items in portfolio hedge of interest rate risk	16 891	19 430	20 204
Fixed assets and disposal groups classified as held for sale	102 810	-	-
Intangible assets	1 956 693	1 817 337	1 701 939
Tangible assets	1 461 811	1 412 282	1 481 401
Investment properties	-	100 486	111 964
Current income tax assets	59 655	43 190	41 035
Deferred income tax assets	1 364 017	1 077 864	1 379 540
Other assets	2 366 340	2 539 251	2 598 769
<b>TOTAL ASSETS</b>	<b>245 957 363</b>	<b>238 574 346</b>	<b>226 980 516</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
Financial liabilities held for trading and derivatives held for hedges	1 094 037	1 568 728	1 495 754
Financial liabilities measured at amortised cost, including:	219 411 062	213 078 561	203 458 575
<i>Amounts due to banks</i>	3 059 431	3 808 611	3 315 302
<i>Amounts due to customers</i>	200 808 978	193 499 927	185 467 455
<i>Lease liabilities</i>	736 780	786 414	855 725
<i>Debt securities issued</i>	12 130 336	12 310 939	11 105 165
<i>Subordinated liabilities</i>	2 675 537	2 672 670	2 714 928
Fair value changes of the hedged items in portfolio hedge of interest rate risk	(393 568)	(207 016)	(565 985)
Liabilities held for sale	30 940	-	-
Provisions	3 277 171	3 577 665	2 345 584
Current income tax liabilities	238 277	299 119	201 184
Other liabilities	4 532 450	4 928 332	6 308 178
<b>TOTAL LIABILITIES</b>	<b>228 190 369</b>	<b>223 245 389</b>	<b>213 243 290</b>
<b>EQUITY</b>			
<b>Equity attributable to Owners of mBank S.A.</b>	<b>16 266 994</b>	<b>15 326 798</b>	<b>13 735 187</b>
<b>Share capital:</b>	<b>3 625 801</b>	<b>3 625 801</b>	<b>3 616 185</b>
Registered share capital	169 988	169 988	169 861
Share premium	3 455 813	3 455 813	3 446 324
<b>Retained earnings, including:</b>	<b>12 897 479</b>	<b>11 907 848</b>	<b>10 649 530</b>
- Profit from the previous years	10 654 234	10 650 605	10 625 476
- Profit for the current year	2 243 245	1 257 243	24 054
<b>Other components of equity</b>	<b>(256 286)</b>	<b>(206 851)</b>	<b>(530 528)</b>
<b>Additional equity components</b>	<b>1 500 000</b>	-	-
<b>Non-controlling interests</b>	-	<b>2 159</b>	<b>2 039</b>
<b>TOTAL EQUITY</b>	<b>17 766 994</b>	<b>15 328 957</b>	<b>13 737 226</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>245 957 363</b>	<b>238 574 346</b>	<b>226 980 516</b>

**mBank Group S.A.**Selected non-audited consolidated financial information  
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(PLN thousand)

**CONDENSED SEPARATE INCOME STATEMENT**

	Period from 01.10.2024 to 31.12.2024	Period from 01.01.2024 to 31.12.2024	Period from 01.10.2023 to 31.12.2023	Period from 01.01.2023 to 31.12.2023
Interest income, including:	3 584 372	13 812 412	3 497 800	13 996 535
<i>Interest income accounted for using the effective interest method</i>	<i>3 485 343</i>	<i>13 503 082</i>	<i>3 396 940</i>	<i>13 638 349</i>
<i>Income similar to interest on financial assets at fair value through profit or loss</i>	<i>99 029</i>	<i>309 330</i>	<i>100 860</i>	<i>358 186</i>
Interest expenses	(1 219 548)	(4 764 226)	(1 292 172)	(5 708 501)
<b>Net interest income</b>	<b>2 364 824</b>	<b>9 048 186</b>	<b>2 205 628</b>	<b>8 288 034</b>
Fee and commission income	760 686	2 931 826	700 829	2 789 043
Fee and commission expenses	(291 086)	(1 072 962)	(281 221)	(975 482)
<b>Net fee and commission income</b>	<b>469 600</b>	<b>1 858 864</b>	<b>419 608</b>	<b>1 813 561</b>
Dividend income	146	6 652	127	4 930
Net trading income	44 646	168 007	81 335	75 796
Gains or losses on non-trading financial assets mandatorily at fair value through profit or loss	20 066	62 291	37 285	33 026
Gains or losses on derecognition of financial assets and liabilities not measured at fair value through profit or loss	(8 528)	(5 755)	(1 034)	(48 428)
Other operating income	26 055	260 535	10 918	78 068
Impairment or reversal of impairment on financial assets not measured at fair value through profit or loss	(172 304)	(510 912)	(432 423)	(946 281)
Costs of legal risk related to foreign currency loans	(932 212)	(4 306 964)	(1 475 988)	(4 908 205)
Overhead costs	(655 696)	(2 514 475)	(588 884)	(2 310 934)
Depreciation	(148 208)	(509 746)	(121 893)	(434 273)
Other operating expenses	(65 171)	(170 868)	(57 378)	(264 042)
<b>Operating profit</b>	<b>943 218</b>	<b>3 385 815</b>	<b>77 301</b>	<b>1 381 252</b>
Taxes on the Bank balance sheet items	(188 628)	(730 875)	(181 225)	(719 651)
Share in profits (losses) of entities under the equity method	60 166	250 442	51 141	236 041
<b>Profit/(losses) before income tax</b>	<b>814 756</b>	<b>2 905 382</b>	<b>(52 783)</b>	<b>897 642</b>
Income tax expense	168 194	(669 707)	25 749	(868 320)
<b>Net profit/(losses)</b>	<b>982 950</b>	<b>2 235 675</b>	<b>(27 034)</b>	<b>29 322</b>
<b>Earnings/(losses) per share (in PLN)</b>	<b>23.13</b>	<b>52.62</b>	<b>(0.64)</b>	<b>0.69</b>
<b>Diluted earnings/(losses) per share (in PLN)</b>	<b>23.10</b>	<b>52.55</b>	<b>(0.64)</b>	<b>0.69</b>

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(PLN thousand)

**CONDENSED SEPARATE STATEMENT OF COMPREHENSIVE INCOME**

	Period from 01.10.2024 to 31.12.2024	Period from 01.01.2024 to 31.12.2024	Period from 01.10.2023 to 31.12.2023	Period from 01.01.2023 to 31.12.2023
<b>Net profit</b>	<b>982 950</b>	<b>2 235 675</b>	<b>(27 034)</b>	<b>29 322</b>
<b>Other comprehensive income net of tax, including:</b>	<b>(9 767)</b>	<b>350 810</b>	<b>(123 874)</b>	<b>1 125 373</b>
<b>Items that may be reclassified subsequently to the income statement</b>	<b>(1 556)</b>	<b>359 021</b>	<b>(117 442)</b>	<b>1 131 805</b>
Exchange differences on translation of foreign operations (net)	(1 978)	(5 556)	(35 715)	(35 990)
Cash flows hedges (net)	32 317	156 532	28 630	436 634
Share of other comprehensive income of entities under the equity method (net)	6 392	36 641	12 845	42 048
Debt instruments at fair value through other comprehensive income (net)	(38 287)	171 404	(123 202)	689 113
<b>Items that will not be reclassified to the income statement</b>	<b>(8 211)</b>	<b>(8 211)</b>	<b>(6 432)</b>	<b>(6 432)</b>
Actuarial gains and losses relating to post-employment benefits (net)	(8 211)	(8 211)	(6 432)	(6 432)
<b>Total comprehensive income (net)</b>	<b>973 183</b>	<b>2 586 485</b>	<b>(150 908)</b>	<b>1 154 695</b>

**mBank Group S.A.**Selected non-audited consolidated financial information  
for the fourth quarter of 2024

(PLN thousand)

**CONDENSED SEPARATE STATEMENT OF FINANCIAL POSITION**

<b>ASSETS</b>	<b>31.12.2024</b>	<b>30.09.2024</b>	<b>31.12.2023</b>
Cash and cash equivalents	36 601 484	25 802 656	36 641 448
Financial assets held for trading and derivatives held for hedges	1 850 456	1 614 903	1 767 707
Non-trading financial assets mandatorily at fair value through profit or loss, including:	781 069	781 887	828 268
<i>Equity instruments</i>	263 015	241 614	174 411
<i>Debt securities</i>	31 204	25 324	50 144
<i>Loans and advances to customers</i>	486 850	514 949	603 713
Financial assets at fair value through other comprehensive income, including:	49 313 947	46 632 626	54 464 505
<i>Debt securities</i>	33 405 946	29 879 192	36 225 947
<i>Loans and advances to customers</i>	15 908 001	16 753 434	18 238 558
Financial assets at amortised cost, including:	145 661 493	152 144 849	121 056 962
<i>Debt securities</i>	37 373 491	34 770 945	25 527 804
<i>Loans and advances to banks</i>	13 248 554	20 512 080	10 476 203
<i>Loans and advances to customers</i>	95 039 448	96 861 824	85 052 955
Investments in subsidiaries	2 559 341	2 460 712	2 196 262
Fixed assets and disposal groups classified as held for sale	102 810	-	-
Intangible assets	1 734 762	1 614 510	1 513 882
Tangible assets	1 112 091	1 069 461	1 165 892
Investment properties	-	100 486	111 964
Current income tax assets	58 909	42 663	40 646
Deferred income tax assets	776 659	493 630	761 543
Other assets	1 715 364	1 866 797	1 869 397
<b>TOTAL ASSETS</b>	<b>242 268 385</b>	<b>234 625 180</b>	<b>222 418 476</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
Financial liabilities held for trading and derivatives held for hedges	1 070 747	1 535 761	1 458 852
Financial liabilities measured at amortised cost, including:	216 362 457	209 764 547	199 677 996
<i>Amounts due to banks</i>	3 085 267	3 828 698	3 346 208
<i>Amounts due to customers</i>	200 775 756	193 184 962	185 117 139
<i>Lease liabilities</i>	763 400	816 775	874 242
<i>Debt securities issued</i>	9 062 497	9 261 442	7 625 479
<i>Subordinated liabilities</i>	2 675 537	2 672 670	2 714 928
Fair value changes of the hedged items in portfolio hedge of interest rate risk	(393 568)	(207 016)	(565 985)
Liabilities held for sale	30 940	-	-
Provisions	3 202 145	3 507 035	2 239 144
Current income tax liabilities	235 251	296 235	198 373
Other liabilities	3 996 670	4 441 687	5 747 158
<b>TOTAL LIABILITIES</b>	<b>224 504 642</b>	<b>219 338 249</b>	<b>208 755 538</b>
<b>EQUITY</b>			
<b>Share capital:</b>	<b>3 625 801</b>	<b>3 625 801</b>	<b>3 616 185</b>
Registered share capital	169 988	169 988	169 861
Share premium	3 455 813	3 455 813	3 446 324
<b>Retained earnings:</b>	<b>12 823 553</b>	<b>11 836 974</b>	<b>10 583 174</b>
- Profit from the previous years	10 587 878	10 584 249	10 553 852
- Profit for the current year	2 235 675	1 252 725	29 322
<b>Other components of equity</b>	<b>(185 611)</b>	<b>(175 844)</b>	<b>(536 421)</b>
<b>Additional equity components</b>	<b>1 500 000</b>	<b>-</b>	<b>-</b>
<b>TOTAL EQUITY</b>	<b>17 763 743</b>	<b>15 286 931</b>	<b>13 662 938</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>242 268 385</b>	<b>234 625 180</b>	<b>222 418 476</b>



## Summary of mBank Group results in Q4 2024

Net profit attributable to the shareholders of mBank Group in Q4 2024 amounted to PLN 986.0 million compared with net profit of PLN 572.9 million in Q3 2024.

At the same time profit before tax of the Core Business (defined as mBank Group excluding FX Mortgage Loans segment) amounted to PLN 1 347.5 million compared to PLN 1 532.3 reported in Q3 2024.

Total income posted by mBank Group decreased by 3.3% on the previous quarter to PLN 3 044.5 million. Net interest income amounted to PLN 2 512.9 million in Q4 2024, down by 2.3% quarter on quarter. After adjusting Q3 and Q4 net interest income for the impact of the "credit holidays" (a positive impact of PLN 110.1 million in Q3 and PLN 8.2 million in Q4), it increased by 1.8%. Excluding the impact of "credit holidays", interest income was stable on a quarterly basis (+0.7%). At the same time, there was a slight decrease in interest expense (-1.2%)

Net interest margin in mBank Group slightly decreased on a quarterly basis and in Q4 2024 reached the level of 4.27%.

Net fee and commission income was stable on a quarterly basis (-0.4%) and amounted to PLN 497.3 million. In Q4 there was a slight increase in fee and commission income (+1.3%), as well as an increase in fee and commission expense (+3.8%).

Net trading income slightly increased in Q4 2024 and amounted to PLN 45.4 million.

In Q4 2024 total overhead costs and depreciation in mBank Group increased by 11.3% to PLN 905.2 million compared with the previous quarter. Staff-related expenses increased by 13.9% in Q4 2024, driven mainly by growing cost of wages and salaries. Simultaneously, material costs increased by 2.3%, mainly as a result of higher costs of consulting and marketing. Depreciation was higher by 18.5% on a quarterly basis.

The above mentioned trends resulted in the cost-to-income ratio at the level of 29.7%.

Net impairment losses and fair value change on loans and advances of mBank Group (sum of two position: impairment or reversal of impairment on financial assets not measured at fair value through profit or loss and gains or losses from non-trading loans and advances mandatorily measured at fair value through profit or loss) decreased by 8.4% on a quarterly basis and amounted to PLN 175.0 million in Q4 2024 (cost of risk was at the level of 57 bps compared to 62 bps in the previous quarter). The decrease occurred in the corporate and segment investment banking area, while the retail banking area recorded a slight increase.

Significant negative impact on the operating income of mBank Group had costs of legal risk related to foreign currency mortgage loans, which amounted to PLN 932.2 million. These costs resulted mainly from updated forecasts of the number of court cases, inclusion of additional costs related to legal proceedings, negative court verdicts and updates to other parameters in the model. More information about the calculation of these costs can be found further on in this report.

## Legal risk related to mortgage and housing loans granted to individual customers indexed to CHF and other foreign currencies

### Introduction

In recent years, a significant number of individual customers who took out mortgage and housing loans in CHF and other foreign currencies, challenged in court some of the provisions or entire agreements on the basis of which the Bank granted these loans. In the case law, there were divergences in the evaluation of contractual provisions introducing an indexation mechanism and the consequences of determining their abusiveness (ineffectiveness), and the rulings are almost exclusively unfavourable to the Bank.

The carrying amount of mortgage and housing loans granted to natural persons in CHF as of 31 December 2024 amounted to PLN 665.6 million (i.e. 146.7 CHF million) compared to PLN 1 852.7 million (i.e. CHF 395.6 million) as of 31 December 2023.

The carrying amount of mortgage and housing loans granted to natural persons in other foreign currencies by mBank in Poland as of 31 December 2024 amounted to PLN 1 170.0 million, compared to PLN 1 507.9 million in 31 December 2023.

The volume of the portfolio of loans indexed to CHF granted to natural persons in Poland (i.e., the sum of loan tranches disbursed to customers), taking into account the exchange rate on the date of disbursement of individual loan tranches, amounted to PLN 19.5 billion (85.5 thousand loan agreements). The volume of the portfolio of loans indexed to other foreign currencies granted to natural persons in Poland, taking into account the exchange rate on the date of disbursement of individual loan tranches, amounted to PLN 4.1 billion (13.4 thousand loan agreements).

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(PLN thousand)

	31.12.2024		31.12.2023	
	PLN billion	Number of loan contracts (thousand)	PLN billion	Number of loan contracts (thousand)
The volume of the portfolio of loans indexed to CHF granted to natural persons in Poland that were active taking into account the exchange rate on the date of disbursement of individual loan tranches	4.8	16.4	8.3	28.6
The volume of the portfolio of loans indexed to other foreign currencies granted to natural persons in Poland that were active taking into account the exchange rate on the date of disbursement of individual loan tranches	2.2	6.7	2.4	7.4
<b>The volume of the portfolio of loans indexed to CHF granted to natural persons in Poland that were inactive taking into account the exchange rate on the date of disbursement of individual loan tranches, of which:</b>				
The volume of the portfolio of loans indexed to CHF granted to natural persons in Poland that were inactive taking into account the exchange rate on the date of disbursement of individual loan tranches, of which:	14.7	69.1	11.2	56.9
- Fully repaid loans	6.6	37.4	7.1	39.2
- Settled loans	5.5	22.9	2.8	13.3
- Loans after final verdict	2.6	8.8	1.3	4.4

Due to the significance of the legal issues related to the foreign currencies loan portfolio for the financial position of mBank Group as at 31 December 2024, detailed information is presented below regarding these lawsuits, significant judgments, which, in the Bank's opinion, may affect the future ruling on loans indexed to foreign currencies, proposed potential settlements with customers, accounting principles for the recognition of legal risk related to these court cases and the settlement program, as well as information on the impact of legal risk related to these court cases on the balance sheet and profit or loss account of mBank Group and the methodology used to determine this impact.

**Individual court cases against the Bank concerning loans indexed to CHF and other foreign currencies**

As of 31 December 2024, the Bank observed currently pending individual lawsuits and class actions regarding 15 996 loan agreements indexed to CHF including of which 12 547 active loan agreements and 3 449 repaid loan agreements (as of 31 December 2023: 21 411 of which 17 852 active and 3 559 repaid loans). Additionally, as of 31 December 2024, the Bank observed individual lawsuits regarding 683 loan agreements indexed to other foreign currencies including of which 578 active loan agreements and 105 repaid loan agreements (as of 31 December 2023: 370 of which 297 active and 73 repaid loans).

As of 31 December 2024, mBank received and executed final rulings in individual lawsuits concerning 8 916 loan agreements indexed to CHF (31 December 2023: 4 487 loans), out of which 118 rulings were favourable to the Bank and 8 798 rulings were unfavourable (31 December 2023: 99 rulings favourable and 4 388 unfavourable). Additionally, as of 31 December 2024, mBank received final rulings in individual lawsuits concerning 102 loan agreements indexed to other foreign currencies (31 December 2023: 41 loans), out of which 5 rulings were favourable to the Bank and 97 rulings were unfavourable (31 December 2023: 5 rulings favourable and 36 unfavourable).

Approximately 95% of unfavourable verdicts led to the invalidation of the loan agreement, others led to the conversion of the agreement into PLN + LIBOR/WIBOR and substitution of FX clause by the fixing rate of the NBP.

**Class action against mBank S.A. concerning indexation clauses**

On 4 April 2016 the Bank was also sued by the Municipal Consumer Ombudsman representing a group of 1 731 individuals – retail banking customers who entered into mortgage loan agreements indexed to CHF.

The lawsuit contains alternative claims for declaring the loan agreements partially invalid, i.e. with respect to the indexation provisions or for declaring the agreements invalid in their entirety or for declaring the indexation provisions of the agreements invalid due to the fact that they allow the loan to be valorised above 20% and below 20% of the CHF exchange rate from mBank S.A. table of exchange rates in effect on the date each of the loan agreements was concluded.

On 19 October 2018, the District Court issued judgment dismissing all of Plaintiff's claims. In its reasoning, the Court argued that the Claimant failed to prove that it has a legal interest in bringing the claim in question and also addressed the issue of the validity of the CHF valorised loan agreements, emphasizing that both the agreements themselves and the indexation clause are in compliance with both applicable laws and the principles of social interaction.

On 9 March 2020, as a result of the plaintiff's appeal, a judgment was rendered in the case, in which the Court of Appeal returned the case to the District Court for reconsideration. On 9 June 2020, the Court of Appeal, on the motion of the Plaintiff, issued a decision by which it granted security to the Plaintiff's claims

by suspending the obligation to pay principal and interest instalments and prohibiting the Bank from making statements calling for payment and terminating the loan agreement.

On 9 February 2022 the District Court issued a verdict dismissing the claim in its entirety. The court held that the valorised loan agreements were valid and that there were no grounds to declare them invalid due to the fact that the foreign currency valorisation mechanism was introduced into them. In the court's view, the agreements can continue to apply even after the clauses concerning the method of repayment of the loan have been eliminated from them.

On 25 April 2023, as a result of the plaintiff's appeal, the Court of Appeal issued an order to suspend the proceedings pending final resolution of the legal issue presented to the Supreme Court in case file III CZP 157/22 concerning the composition of the Court with jurisdiction to hear the case in group proceedings during the special regulations related to COVID-19.

By order of 15 November 2023, the Court of Appeal suspended the proceedings due to the adoption of the above resolution by the Supreme Court.

On 29 January 2024 the Court of Appeal in Łódź announced a verdict and set aside the previous judgment and sent the case to the Court of the 1st instance for re-examination due to the invalidity of the previous proceedings in the Court of First Instance.

On 10 September 2024, the Court of First Instance discontinued the proceedings with regard to one of the claims asserted by the plaintiff due to its partial withdrawal, i.e. with regard to the declaration of invalidity of certain enumerated provisions contained in the loan agreements of the members of the Group.

On 6 November 2024, the Court of First Instance handed down a judgment in which it discontinued the proceedings with respect to the class members who had reached settlements and those who had obtained judgments in individual cases, and to the remaining extent declared the agreements invalid. The judgment of the Court of First Instance, insofar as the court declared the loan agreements of the class members invalid, is not final.

The details of the methodology and calculation are described further in this note.

### **Information on the most important court proceedings regarding loans indexed to foreign currency**

#### **Rulings of the Court of Justice of the European Union regarding the most important issues relating to mortgages indexed to foreign currency**

##### Applicability of a general custom where there is no provision in domestic law that could replace an abusive exchange rate clause

On 3 October 2019, the CJEU issued the ruling in case C-260/18 that:

- the question of abusiveness will be decided by domestic courts,
- the possibility of a credit agreement being performed further in PLN and with interest calculated according to LIBOR was found doubtful,
- if an exchange rate clause is found abusive, a domestic court must decide whether the agreement in question can be performed further or should be declared invalid, taking into account the client's will and the consequences of invalidity for the client,
- possible is the application of a disposable norm if the invalidity of the agreement was unfavourable for the client,
- impossible is the application of general provisions referring to a custom or equity principles.

##### Applicability of the dispositive provision of national law in place of abusive clause and the limitation period for the consumer's claims

On 8 September 2022, the CJEU issued a ruling in case C-81/21 upholding its previous jurisprudence:

- confirmed that the limitation period for the consumer's claims for reimbursement of amounts unduly paid on the basis of an unfair contract term begins to run from the moment when the consumer knows or should have known about the unfairness of the contract term,
- concluded that automatic application of dispositive provision of national law (irrespective of the consumer's consent) could only apply to a provision that was introduced by the national legislator in order to eliminate abusiveness if such provision restored the balance of the parties.
- The Court of Justice has again emphasised that the purpose of Directive 93/13 is not to annul all contracts containing unfair terms.

Obligation to inform the consumer of the consequences of invalidity

On 29 April 2021, the CJEU issued a judgment in case C-19/20, according to which:

- if the unfair (abusive) nature of the contractual provision leads to annulment of the contract, the Court should not annul the contract until the Court informs the consumer in an objective and comprehensive manner about the legal consequences the annulment of such a contract may cause (whether or not the consumer is represented by a legal advisor) and until the Court allows the consumer to express a free and informed consent to the questioned provision and to the continuation of the contract.

Remuneration for using principal/valorisation

On 15 June 2023, the CJEU issued judgment in case C-520/21 according to which:

- consumer is entitled to demand compensation from the credit institution beyond the reimbursement of monthly instalments and costs paid for the execution of this contract and beyond the payment of statutory default interest from the date of the demand for payment, provided that the objectives of Directive 93/13 and the principle of proportionality are respected
- bank is not entitled to demand compensation from the consumer beyond the return of the principal paid for the performance of that agreement and beyond the payment of statutory default interest from the date of the demand for payment. According to the CJEU, the claims may be allowed only if they do not jeopardize the objective of restoring the situation as if the credit agreement did not exist and the deterrent objective of Directive 93/13.

On 11 December 2023, CJEU issued an order in case C-756/22 and pointed out that:

- it had already answered the question about what claims the bank is entitled to in the event of invalidity of the contract in case C-520/21,
- indicated that the bank is not entitled to any amount going beyond reimbursement of the capital paid in respect of the performance of that agreement together with the payment of default interest at the statutory rate from the date on which notice is served.

On 15 January 2024, CJEU issued an order in case C-488/23 according to which:

- valorisation is a form of recompense, thus banks are not entitled to claim it.

The judgment and the orders in the aforementioned case in practice ruled out the possibility for banks to claim based on remuneration for the use of capital and valorisation of the capital.

Period of limitation

On 7 December 2023 the CJEU issued judgment in case C-140/22 that:

- in the event of invalidity of the contract, the exercise of the consumer's rights arising from this invalidity cannot depend on a declaration made by a consumer during the court proceedings that the consumer does not consent to the unfair term being maintained, is aware of the consequences of the invalidity of the contract and consents to the invalidity of the contract. Such a declaration may be made outside of the court and does not have to be so precise. It should indicate that the consumer is requesting an invalidity.

On 14 December 2023 the CJEU issued judgment in case C-28/22 that:

- not permissible is situation in which the limitation period for the business entity's claims begins to run only from the date on which the contract becomes permanently ineffective, while the limitation period for the consumer's claims begins to run at the moment when he/she learned or should have learned about the unfair nature of the contract provision giving rise to invalidity.

These judgments have opened up a debate for national courts as to what moment should be considered as the beginning of the limitation period for a Bank's claim. Issues relating to the plea that a claim is time-barred are currently the subject of numerous preliminary questions posed by the Polish court to the CJEU in cases C-699/24, C-767/24 and C-752/24. The Bank is monitoring the development of the jurisprudence in this regard.

**Supreme Court resolutions on loans indexed foreign currency**

The resolution of the Supreme Court of 16 February 2021 in case III CZP 11/20:

- endorsed the theory of two conditionalities if a credit agreement is declared to be invalid.

The resolution of the 7 Supreme Court's judges of 7 May 2021 in case III CZP 6/21:

- the prohibited contractual provision (Civil Code Art.385(1) §1) is from the very beginning, by virtue of law ineffective for the benefit of the consumer, who may subsequently grant informed and free consent to this provision and thus restore its effectiveness retroactively,
- if the loan agreement cannot be binding after removal of an ineffective provision, the consumer and the bank are entitled to separate claims for the reimbursement of cash benefits provided in the performance of this agreement (Article 410 § 1 in conjunction with Article 405 of the Civil Code). The bank may request the return of the benefit from the moment the loan agreement becomes permanently ineffective.

In the written justification, the Supreme Court confirmed its earlier positions as to the application of the theory of two conditionalities and the issue of calculating the limitation period for the bank's claims in the event that the contract cannot be upheld after the abusive provisions have been eliminated. The Supreme Court explained that due to the possibility granted to the consumer to make a binding decision regarding the sanctioning of the prohibited clause and to accept the consequences of the total invalidity of the contract, it should be recognised that, as a rule, the limitation period for these claims may start running only after the consumer has made a binding decision in this regard. Only then, in the opinion of the Supreme Court, can it be concluded that the lack of a legal basis for the benefit has become definitive (as in the case of *condictio causa finita*), and the parties could effectively demand the return of the undue benefit. This means, in particular, that the consumer cannot assume that the bank's claim has expired within the time limit calculated as if the call to return the loan was possible already on the day it was made available. In justifying the resolution, the Supreme Court also confirmed that in order to avoid risks related to the borrower's insolvency, the bank may use the right of retention provided in Art. 497 in connection with Art. 496 of the Civil Code, thus protecting its claim for the return of used principal, since the obligation to return it is – in relation to the obligation to put the funds at the disposal of the borrower – something more than a consideration obligation.

Resolution of the Full Court of the Civil Chamber of the Supreme Court of 25 April 2024 in the case III CZP 25/22:

- exclusion of the possibility of replacing abusive provisions with civil or common law,
- exclusion of the possibility of maintaining an indexed/denominated loan as a PLN loan with an interest rate specific to a indexed/denominated loan,
- the theory of two conditionalities has been confirmed for the invalidity of the CHF loan,
- the starting point of the limitation period in the case of the bank's claim for reimbursement of amounts paid on account of a loan runs from the day after the borrower challenges the provisions of the contract against the bank,
- remuneration for the use of capital is not due to either contracting parties.

The resolution has the force of law. The published justification of the Resolution confirms the position taken in the operative part of the decision and develops certain legal issues relating to the application of the sanction of the misuse of a contractual provision equivalent to suspended invalidity, as well as discussing the issue of the consumer's declaration to which the commencement of the limitation period for the bank's claims should be linked.

The Supreme Court pointed out that the consumer's declaration should not give rise to any doubts as to the consumer's intentions and lack of intention to be bound by the prohibited provision, and does not require any special form in order to be effective.

Nine judges elected before 2017 refused to attend the hearing. Six judges submitted dissenting opinions, primarily on whether the contract should be upheld after the elimination of the conversion clauses.

Given the propensity of national courts to follow the line of the Supreme Court, mBank has taken into account the ruling in question in the provisioning model, taking into account the various possible outcomes. mBank monitors court rulings on indexed loans in terms of the development of the jurisprudential line following the Supreme Court resolution, as well as a potential legislative initiative that may also affect the provisioning model, as well as the further course of the discussion as to the interpretation of the aforementioned Supreme Court resolution.

On 13 January 2025, the Office of the Prime Minister's website included in the list of legislative and programme work of the Council of Ministers information on planned work on a draft act on special solutions for the recognition of cases concerning credit agreements denominated or indexed to the Swiss franc

concluded with consumers. The content of the project is currently unknown. Work on the project is planned for the second quarter of 2025. mBank will follow the legislative process.

### **Settlement program**

On 26 September 2022, the Bank decided to launch the settlement program for borrowers who have active CHF indexed loan including borrowers currently in court dispute with the Bank. Over time, the program was expanded to cover all loans indexed to foreign currencies.

The presented offer is based on two basic assumptions: (i) elimination of the CHF/PLN FX risk incurred by the client and (ii) limitation of the interest rate risk. The settlement proposal consists in conversion of the CHF indexed loan into a PLN loan with simultaneous write-off of a portion or all of the loan balance. Settlements terms are individually negotiated with customers. The Bank also reimburse low contribution insurance premiums by redeeming capital equal to the sum of premiums collected from the customer.

After conversion, the customer can decide which interest rate he chooses temporarily fixed or variable. The Bank offers a preferential interest rate on the loan after conversion to the clients that will sign the settlement. By deciding to sign a settlement with the Bank, the client will benefit from a reduction in the outstanding loan balance, eliminates the currency risk and, due to the offered preferential interest rate and the possibility to choose a temporarily fixed interest rate, minimises the interest rate risk. Settlements are signed in an out-of-court mode, although, the Bank allows to any customer who wishes to do so to sign a settlement at an arbitration court.

As of 31 December 2024, the Bank concluded 22 902 settlements (as of 31 December 2023: 13 321 settlements).

### **Accounting policies for recognising the effect of legal risk related to court cases concerning mortgage and housing loans to individual customers in foreign currencies and the voluntary settlement program**

The Group recognises the impact of the legal risk related to court cases concerning indexation clauses in mortgage and housing loans in foreign currencies and settlements offered to CHF borrowers as reflected under:

- IFRS 9 "Financial instruments" in relation to active loans, including active loans covered by the class action case and settlements, and
- IAS 37 "Provisions, contingent liabilities and contingent assets" in relation to repaid loans.

Mortgage and housing loans to customers that are subject to court proceedings are within the scope of IFRS 9. Under IFRS 9, these loans are measured at amortised cost using the effective interest rate.

Legal claims filed by borrowers, including invalidity claims, impact the Bank's estimate of the expected life of the loan and the expected cash flows. In particular, the Bank takes into account the risk that the remaining life of the loan may be shorter than the contractual term, or the Bank may not receive some of the contractual cash flows, and in case of invalidity verdict, the Bank will be obliged to settle the mutual benefits of the parties. In addition, settlements offered by the Bank to borrowers (including those who have not previously made legal claims), also affect the amount and timing of expected cash flows from these loans.

Therefore, the Bank believes that the appropriate way to recognise the impact of legal risk with respect to active loans and the expected impact of the settlement program offered to borrowers is to revise the cash flow estimates associated with the loans and reduce the gross carrying amount of the loans in accordance with IFRS 9 paragraph B5.4.6.

In relation to repaid loans and loans, for which the estimated adjustment in cash flows is higher than the carrying amount, the Bank recognises provisions for legal proceedings in accordance with IAS 37 "Provisions, contingent liabilities and contingent assets".

According to IAS 37 the amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the end of reporting period. The best estimate of the expenditure required to settle the present obligation is the amount that the Bank would rationally pay to settle the obligation at the end of the reporting period or to transfer it to a third party at that time. This amount is discounted at the balance sheet date.

For repaid loans, there is no asset that could be adjusted therefore any potential liability arising from the legal risks has to be accounted for under IAS 37. As the provisions being measured in case of repaid loans involves a large population of items, the Bank applies "expected value" method in which the obligation is estimated by weighting all possible outcomes by their associated probabilities.

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The above estimates are determined by the judgement of the Bank, supplemented by experience of similar events and opinions of independent experts. The evidence considered includes any additional evidence provided by events after the end of the reporting period.

The details of the methodology and calculation related to credit loans indexed to CHF and to other foreign currencies and settlement program are described further in this note.

### The impact of the legal risk related to court cases concerning indexation clauses in mortgage and housing loans in foreign currencies and the voluntary settlement program

The methodology used to calculate the impact of the legal risk related to court cases concerning indexation clauses in mortgage and housing loans in foreign currencies and the settlement program is based on historical observations and due to the lack of market data and partially on expert assumption that are highly judgmental and with a high range of possible values. It is possible that the impact of the legal risk will need to be adjusted significantly in the future, particularly that important parameters used in calculations are significantly interdependent.

The cumulative impact of legal risk associated with litigation (individual lawsuits and class actions) related to indexation clauses in foreign currencies mortgages and housing loans and the settlement program included in the Group's statement of financial position is shown in the table below.

	31.12.2024	31.12.2023
Impact of legal risk concerning lawsuits and settlement program related to active loans recognised as a reduction of gross carrying amount of loans, including loans in:	4 115 786	6 446 591
- CHF	3 802 760	6 334 478
- USD	85 603	47 219
- EUR	138 751	64 894
- GBP	196	-
- PLN	88 476	-
Impact of legal risk concerning individual lawsuits and class action case related to repaid loans and low value active loans recorded as provisions for legal proceedings	2 847 739	1 811 522
<b>The cumulative impact of legal risk associated with litigation related to indexation clauses mortgages and housing loans in foreign currencies and settlement program</b>	<b>6 963 525</b>	<b>8 258 113</b>

The impact of legal risk concerning loans in PLN amounting to PLN 88.5 million, presented in the table above, refers to contracts that were historically indexed to foreign currencies and are currently denominated in PLN.

Total costs of legal risk related to foreign currency loans recognised in the income statement for 2024 amounted to PLN 4 307.0 million (in 2023: PLN 4 908.2 million). They are mainly due to updates to the expected costs of the settlement program, updates to the projected number of lawsuits, updates to the statutory interest costs included in the model, and updates to the probabilities of possible court judgments.

### Methodology of calculating the impact of the legal risk related to individual court cases regarding credit loans indexed to CHF

The methodology of calculating the impact of the legal risk related to individual court cases concerning both active and repaid loans applied by the Bank depends on numerous assumptions that take into account historical data adjusted with the Bank's expectations regarding the future. The most important assumptions are an expected population of borrowers who will file a lawsuit against the Bank, the distribution of expected verdicts judged by the courts and the loss to be incurred by the Bank in case of losing the case in court and the expected level of settlement acceptance.

#### Expected population of borrowers who will file a lawsuit

The population of borrowers who will file a lawsuit against the Bank has been projected using statistical methods based on the Bank's litigation history and assumptions about the influx of new cases over the full projection period. The Bank assumes that the vast majority of the projected cases will be filed by the end of 2024, after which the number will decline.

For the purpose of calculating the impact of legal risk mBank assumes that approximately 5.3 thousand CHF borrowers including 1.7 thousand with active loans and 3.6 thousand with repaid loans, will file a lawsuit against the Bank in the future (as of 31 December 2023: 7.9 thousand of which 6.1 thousand active and 1.8 thousand repaid loans). Moreover, the Bank assumed that some portion of CHF borrowers will sign settlements. These assumptions, due to significant legal uncertainties surrounding CHF cases as well as other external factors that may shape clients' preferences to file the lawsuits, is highly judgmental and may be a subject to an adjustment in future. If an additional 1 thousand borrowers with active loans indexed to CHF filed a lawsuit against the Bank and the loan was invalidated in its entirety, the impact of the legal risk

would increase by approximately PLN 318.0 million (while other relevant assumptions remain constant) as compared to 31 December 2024, reducing gross carrying amount of the loans. If an additional 1 thousand borrowers with repaid loans indexed to CHF filed a lawsuit against the Bank and the loan was invalidated in its entirety, the impact of the legal risk would increase by approximately PLN 89.5 million (while other relevant assumptions remain constant) increasing the provisions for legal proceedings.

The Bank estimates that 1.9 thousand borrowers with active CHF indexed loans will not decide to sue the Bank or sign a settlement with the Bank in the future and 30.4 thousand borrowers with repaid CHF indexed loans will not sue the Bank in future. In the Bank's opinion this will be influenced by the following factors: clients' expectations regarding future changes in the CHF/PLN exchange rate, clients' expectations regarding future costs of PLN loans, changes in jurisprudence in CHF loan cases, tax solutions regarding settlements, costs and duration of court proceedings, individual factors (in particular the loan repayment period and the current amount of debt). This is not a direct estimate, but the result of the difference between the estimate of the population of clients already in dispute with the Bank or intending to do so and the estimate of the population of clients who decide to settle and the number of clients with an active CHF credit agreement and borrowers who have already repaid their loans.

### **Distribution of expected court rulings**

The expected distribution of court rulings was based on final judgments issued in recent cases against the Bank. As of 31 December 2024, the Bank assumed a loss in 99% of pending or future lawsuits, while for the remaining 1% of cases, the Bank assumed dismissal of the claim (assumption unchanged from 31 December 2023). In the loss scenario Bank took into account only scenario for termination of court proceedings in which the contract is invalid in its entirety, as removing the exchange rate clause would be too far-reaching change (assuming that the clause specifies the main subject of the contract). As compared to 31 December 2023 the Bank excluded scenario in which the contract remains valid, but the indexation mechanism is eliminated, which transforms a loan indexed to CHF into a PLN loan subject to the interest rate for a loan indexed to CHF. If assumed that all lawsuits end unfavourably for the Bank (100% of the loss scenario), the impact of the legal risk would change by PLN 44.7 million, of which PLN 27.6 million would change the gross carrying amount of loans and PLN 17.1 million provisions for legal proceedings.

The Bank estimated the impact of the resolution of the Full Court of the Civil Chamber of the Supreme Court dated 25 April 2024. According to its wording, the starting point of the limitation period begins from the day after the day the bank receives the first letter from a borrower challenging the provision of the contract, which may in some cases result in the Bank's counterclaims for principal to be time-barred. The Bank estimated probabilities individually for these contracts which range from 5% to 50%, assuming that the Bank's claims would be considered time-barred, despite the fact that counterclaims for principal were filed by the Bank before the expiration of 3 years from the date of the borrower's lawsuit. If assumed that individual probabilities will change by +/- 1 percentage point and all other relevant assumptions remained unchanged, the impact of the legal risk would change by PLN 4.4 million, of which PLN 3.4 million would change the gross carrying amount of loans and PLN 1.0 million provisions for legal proceedings.

The Bank estimates that if all Bank's originated loan agreements currently under individual and class action court proceedings were declared invalid the pre-tax cost, without taking into account possible settlements, could reach ca. PLN 6.7 billion (compared to PLN 7.0 billion cumulative impact of legal risk associated with litigation related to indexation clauses mortgages and housing loans in foreign currencies as at 31 December 2024). Overall losses would be higher or lower depending on the final court verdicts.

### **Probability of settlement acceptance**

The Bank assumed the probability of accepting settlements based on the results of an actively conducted settlement program and available market data and based on its own projections. As of 31 December 2024, the Bank assumed that it would conclude 6.5 thousand settlements in the future which accounts for approximately 39% of active portfolio (as of 31 December 2023: 6.2 thousand, approximately 22%), including the borrowers who already filed a lawsuit against the Bank.

### **Methodology of calculating the impact of the legal risk related to the class action case and other foreign currencies loans**

In order to calculate the legal risk costs related to a class action and loans indexed to other currencies, the methodology described above for calculating the impact of the legal risk related to individual cases and loans indexed to CHF was used. The distribution of expected court rulings used is the same as for individual cases in CHF.

As of 31 December 2024, the Bank recognised the impact of legal risk in the class action in the amount of PLN 278.2 million and the impact of legal risk of loans indexed to other foreign currencies in the amount of PLN 370.4 million.



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**Net interest income**

Period	from 01.10.2024 to 31.12.2024	from 01.01.2024 to 31.12.2024	from 01.10.2023 to 31.12.2023	from 01.01.2023 to 31.12.2023
<b>Interest income</b>				
<b>Interest income accounted for using the effective interest method</b>	<b>3 684 523</b>	<b>14 257 452</b>	<b>3 607 564</b>	<b>14 522 983</b>
Interest income of financial assets at amortised cost, including:	3 243 688	12 497 452	3 149 763	12 583 363
- <i>Loans and advances</i>	2 663 962	10 441 072	2 641 269	10 802 020
- <i>Debt securities</i>	323 461	1 085 997	208 044	701 675
- <i>Cash and short-term placements</i>	235 976	1 042 633	258 818	882 910
- <i>Gains or losses on non-substantial modification (net)</i>	4 063	(155 839)	11 844	44 815
- <i>Other</i>	16 226	83 589	29 788	151 943
Interest income on financial assets at fair value through other comprehensive income, including:	440 835	1 760 000	457 801	1 939 620
- <i>Debt securities</i>	440 835	1 760 000	457 801	1 939 620
<b>Income similar to interest on financial assets at fair value through profit or loss</b>	<b>86 497</b>	<b>265 814</b>	<b>86 512</b>	<b>303 782</b>
Financial assets held for trading, including:	20 035	64 536	16 113	75 066
- <i>Loans and advances</i>	1 190	4 911	1 170	5 198
- <i>Debt securities</i>	18 845	59 625	14 943	69 868
Non-trading financial assets mandatorily at fair value through profit or loss, including:	17 901	80 379	22 455	109 231
- <i>Loans and advances</i>	17 901	80 379	22 455	109 231
Interest income on derivatives classified into banking book	48 561	120 899	47 944	119 485
<b>Total interest income</b>	<b>3 771 020</b>	<b>14 523 266</b>	<b>3 694 076</b>	<b>14 826 765</b>

Period	from 01.10.2024 to 31.12.2024	from 01.01.2024 to 31.12.2024	from 01.10.2023 to 31.12.2023	from 01.01.2023 to 31.12.2023
<b>Interest expenses</b>				
Financial liabilities held for trading	(4 349)	(19 617)	(6 232)	(19 428)
Financial liabilities measured at amortised cost, including:	(980 529)	(3 787 662)	(1 006 879)	(4 461 489)
- <i>Deposits</i>	(813 939)	(3 072 090)	(799 031)	(3 771 828)
- <i>Loans received</i>	(1 113)	(4 377)	(1 119)	(4 523)
- <i>Issue of debt securities</i>	(117 554)	(514 905)	(152 090)	(459 330)
- <i>Subordinated liabilities</i>	(40 330)	(164 177)	(44 297)	(182 502)
- <i>Other financial liabilities</i>	(6 371)	(27 867)	(9 755)	(40 849)
- <i>Lease liabilities</i>	(1 222)	(4 246)	(587)	(2 457)
Interest expenses on derivatives concluded under the fair value hedge	(203 374)	(798 612)	(221 858)	(875 719)
Interest expenses on derivatives concluded under the cash flow hedge	(67 872)	(326 205)	(102 683)	(595 143)
Other	(1 966)	(2 147)	(1 385)	(1 515)
<b>Total interest expense</b>	<b>(1 258 090)</b>	<b>(4 934 243)</b>	<b>(1 339 037)</b>	<b>(5 953 294)</b>

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**Net fee and commission income**

Period	from 01.10.2024 to 31.12.2024	from 01.01.2024 to 31.12.2024	from 01.10.2023 to 31.12.2023	from 01.01.2023 to 31.12.2023
<b>Fee and commission income</b>				
Payment cards-related fees	198 496	766 190	170 454	685 528
Credit-related fees and commissions	161 207	623 393	151 942	610 250
Commissions from currency transactions	124 628	484 935	127 757	496 457
Commissions from bank accounts	79 760	311 163	68 727	286 523
Commissions from money transfers	65 517	251 929	62 293	239 056
Fees from brokerage activity and debt securities issue	42 536	165 469	39 859	162 567
Commissions for agency service regarding sale of insurance products of external financial entities	37 805	149 576	34 737	135 495
Commissions for agency service regarding sale of other products of external financial entities	33 413	119 446	33 046	84 697
Commissions due to guarantees granted and trade finance commissions	28 501	114 560	28 080	113 659
Fees from cash services	15 800	65 688	13 793	61 916
Fees from portfolio management services and other management-related fees	11 837	36 439	8 338	27 036
Commissions on trust and fiduciary activities	8 133	31 573	7 513	30 247
Other	23 275	87 346	22 994	82 481
<b>Total fee and commission income</b>	<b>830 908</b>	<b>3 207 707</b>	<b>769 533</b>	<b>3 015 912</b>

Period	from 01.10.2024 to 31.12.2024	from 01.01.2024 to 31.12.2024	from 01.10.2023 to 31.12.2023	from 01.01.2023 to 31.12.2023
<b>Fee and commission expense</b>				
Payment cards-related fees	(103 525)	(375 879)	(90 543)	(332 626)
Commissions paid to external entities for sale of the Group's products	(64 527)	(242 339)	(58 988)	(206 254)
Commissions of insurance products	(4 921)	(17 506)	(4 911)	(14 505)
Commissions paid for sale of external financial entities' products	(14 053)	(61 655)	(19 829)	(48 051)
Discharged brokerage fees	(11 720)	(38 910)	(9 890)	(39 044)
Cash services	(20 002)	(67 097)	(18 397)	(60 638)
Fees to NBP, KIR and GPW Benchmark	(8 908)	(26 012)	(9 816)	(24 611)
Other discharged fees	(105 966)	(406 425)	(112 659)	(374 275)
<b>Total fee and commission expense</b>	<b>(333 622)</b>	<b>(1 235 823)</b>	<b>(325 033)</b>	<b>(1 100 004)</b>

**Gains or losses on non-trading financial assets mandatorily at fair value through profit or loss**

Period	from 01.10.2024 to 31.12.2024	from 01.01.2024 to 31.12.2024	from 01.10.2023 to 31.12.2023	from 01.01.2023 to 31.12.2023
Equity instruments	16 681	58 473	32 607	52 785
Debt securities	3 961	5 526	5 906	10 069
Loans and advances	1 582	450	(1 228)	(28 754)
<b>Total gains or losses on non-trading financial assets mandatorily at fair value through profit or loss</b>	<b>22 224</b>	<b>64 449</b>	<b>37 285</b>	<b>34 100</b>

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(PLN thousand)

**Overhead costs**

Period	from 01.10.2024 to 31.12.2024	from 01.01.2024 to 31.12.2024	from 01.10.2023 to 31.12.2023	from 01.01.2023 to 31.12.2023
Staff-related expenses	(449 175)	(1 618 966)	(391 944)	(1 447 285)
Material costs, including:	(265 814)	(967 360)	(249 346)	(886 765)
- costs of administration and real estate services	(80 132)	(349 622)	(77 183)	(333 680)
- IT costs	(71 124)	(276 625)	(66 699)	(250 664)
- marketing costs	(65 287)	(215 580)	(60 532)	(194 941)
- consulting costs	(42 725)	(105 045)	(38 352)	(87 091)
- other material costs	(6 546)	(20 488)	(6 580)	(20 389)
Taxes and fees	(12 696)	(48 319)	(11 207)	(41 453)
Contributions and transfers to the Bank Guarantee Fund	-	(146 790)	-	(181 837)
Contributions to the Social Benefits Fund	(8 701)	(20 275)	(3 781)	(13 018)
Institutional Protection Scheme	-	-	(19)	(75)
<b>Total overhead costs</b>	<b>(736 386)</b>	<b>(2 801 710)</b>	<b>(656 297)</b>	<b>(2 570 433)</b>

**Staff-related expenses**

Period	from 01.10.2024 to 31.12.2024	from 01.01.2024 to 31.12.2024	from 01.10.2023 to 31.12.2023	from 01.01.2023 to 31.12.2023
Wages and salaries	(351 361)	(1 286 262)	(314 049)	(1 149 725)
Social security expenses	(56 257)	(227 880)	(50 554)	(203 174)
Employee contributions related to post-employment benefits	-	-	(17)	(17)
Remuneration concerning share-based payments, including:	(3 815)	(14 708)	(3 843)	(11 284)
- share-based payments settled in mBank S.A. shares	(3 629)	(14 193)	(3 749)	(10 920)
- cash-settled share-based payments	(186)	(515)	(94)	(364)
Other staff expenses	(37 742)	(90 116)	(23 481)	(83 085)
<b>Staff-related expenses, total</b>	<b>(449 175)</b>	<b>(1 618 966)</b>	<b>(391 944)</b>	<b>(1 447 285)</b>

**Comment to the consolidated statement of financial position of mBank S.A. Group**

The balance sheet total of mBank Group stood at PLN 245 957.4 million at the end of 2024 and increased by 3.1% compared with the end of September 2024.

**Assets of mBank Group**

The largest asset category at the end of 2024 comprised the loans and advances to customers. As at 31 December 2024, they accounted for 49.4% of the balance sheet total compared with 51.9% at the end of September 2024. As at the end of 2024 net loans and advances stood at PLN 121 418.6 million (down by PLN 2 413.2 million or -1.9% quarter on quarter).

The volume of gross loans to retail clients increased by 1.3% compared with the end of Q3 2024 and amounted to PLN 70 589.1 million. The value was positively impacted by a high volume of sales of retail loans and negatively impacted by the adjustment related to the costs of legal risk related to foreign currency loans. Net of the FX effect, loans and advances to individual clients increased by 1.3% in Q4 2024 quarter on quarter in mBank Group. Excluding FX Mortgage Loans segment and the impact of net of the FX effect, loans to individuals increased by 1.9% quarter on quarter.

Gross loans and advances to corporate clients decreased to PLN 54 251.1 million quarter on quarter, i.e. -5.9% (excluding reverse repo/buy sell back transactions and the FX effect, the value of loans and advances to corporate entities decreased by 0.8%).

Investment securities were the second largest asset category at the end of 2024, amounting to PLN 68 993.4 million, higher by 9.9% quarter on quarter. The growth was achieved, among other things, mostly by allocating the money deposited by clients with mBank in treasury bonds and treasury bills.

Cash and cash equivalents increased quarterly by PLN 10 787.8 million, i.e. 41.7% to PLN 36 680.9 million. The key driver was an increase in cash in current accounts at central banks and an increase in overnight deposits.

Loans and advances to banks dropped by PLN 7 765.2 million, i.e. 44.4% to PLN 9 738.5 million quarter on quarter, mostly due to decrease in reverse repo / buy-sell-back transactions.

**Equity and liabilities of mBank Group**

In Q4 2024, amounts due to clients, which are the principal source of funding of mBank Group, increased by PLN 7 309.1 million, i.e. 3.8% quarter on quarter to PLN 200 809.0 million.

Amounts due to individual clients stood at PLN 142 247.6 million at the end of 2024, up by 3.5% quarter on quarter. The increase in the position was mainly driven by the increase of funds in current accounts by PLN 4 361.1 million, i.e. 3.9%.

Amounts due to corporate clients stood at PLN 57 719.9 million at the end of Q4 2024, which represents a quarter on quarter increase by 4.6%. The amount was affected mainly by the increase of funds in current accounts by PLN 4 139.1 million, i.e. 10.2% with a simultaneous decline of term deposits by PLN 1 145.9 million, i.e. -9.2%.

Total equity increased quarterly by PLN 2 438.0 million, i.e. 15.9% to PLN 17 767.0 million at the end of Q4 2024. The increase was driven by the issuance of AT1 bonds, at a nominal value of PLN 1 500.0 million, which was conducted by the Bank in Q4 2024. Increase in total equity in Q4 of 2024 was also driven by the increase of retained earnings, as a result of the increase in profit for the current year.

Share of equity in total liabilities and equity of mBank Group accounted for 7.2% at the end of 2024.

**Capital Ratios**

The level of capital ratios reported by mBank Group increased in Q4 2024. mBank Group maintains a high level of buffers above the capital requirements of the Polish Financial Supervision Authority: 5.5 p.p. above the requirement for Common Equity Tier 1 capital ratio, 5.4 p.p. above the requirement for Tier I Ratio and 4.8 p.p. above the requirement for total capital ratio.

The stand alone and consolidated capital ratios reported as of 31 December 2024 are presented in the table below.

Capital ratios as of 31 December 2024	mBank S.A.	mBank S.A. Group
Common Equity Tier 1 ratio (in %)	15.0	13.1
Tier I Ratio (in %)	16.7	14.5
Total capital ratio (in %)	18.2	15.9

**Financial assets and liabilities held for trading and derivatives held for hedges**

**Financial assets held for trading and derivatives held for hedges**

	31.12.2024	30.09.2024	31.12.2023
<b>Derivatives, including:</b>	<b>609 993</b>	<b>664 665</b>	<b>1 074 153</b>
Held for trading derivative financial instruments classified into banking book	304 114	339 020	550 507
Held for trading derivative financial instruments classified into trading book	473 880	521 561	706 098
Derivative financial instruments held for fair value hedging	397 537	366 156	241 597
Derivative financial instruments held for cash flow hedging	-	959	3 615
Offsetting effect	(565 538)	(563 031)	(427 664)
<b>Equity instruments</b>	<b>11 402</b>	<b>11 336</b>	<b>10 542</b>
Other financial institutions	11 402	11 336	10 542
<b>Debt securities</b>	<b>1 176 347</b>	<b>889 627</b>	<b>634 840</b>
General governments	920 469	676 395	397 333
Other financial institutions	72 463	26 314	101 660
Non-financial corporations	183 415	186 918	135 847
<b>Loans and advances</b>	<b>42 972</b>	<b>42 564</b>	<b>40 498</b>
Corporate customers	42 972	42 564	40 498
<b>Total financial assets held for trading and hedging derivatives</b>	<b>1 840 714</b>	<b>1 608 192</b>	<b>1 760 033</b>

**Financial liabilities held for trading and derivatives held for hedges**

	31.12.2024	30.09.2024	31.12.2023
Derivatives, including:	748 327	820 681	1 338 147
Held for trading derivative financial instruments classified into banking book	180 905	143 438	207 540
Held for trading derivative financial instruments classified into trading book	648 529	787 167	1 247 605
Derivative financial instruments held for fair value hedging	537 716	563 152	946 888
Derivative financial instruments held for cash flow hedging	105 836	146 994	268 616
Offsetting effect	(724 659)	(820 070)	(1 332 502)
Liabilities from short sale of securities	345 710	748 047	157 607
<b>Total financial liabilities held for trading and derivatives held for hedges</b>	<b>1 094 037</b>	<b>1 568 728</b>	<b>1 495 754</b>

**Non-trading financial assets mandatorily at fair value through profit or loss**

	31.12.2024	30.09.2024	31.12.2023
<b>Equity instruments</b>	<b>407 732</b>	<b>356 150</b>	<b>244 941</b>
Other financial institutions	267 831	246 885	191 395
Non-financial corporations	139 901	109 265	53 546
<b>Debt securities</b>	<b>31 204</b>	<b>25 324</b>	<b>50 144</b>
Other financial institutions	31 204	25 324	50 144
<b>Loans and advances</b>	<b>486 850</b>	<b>514 949</b>	<b>603 713</b>
Individual customers	434 565	460 488	536 920
Corporate customers	52 151	54 414	66 676
Public sector customers	134	47	117
<b>Total non-trading financial assets mandatorily at fair value through profit or loss</b>	<b>925 786</b>	<b>896 423</b>	<b>898 798</b>

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**Financial assets at fair value through other comprehensive income**

31.12.2024	Carrying amount	Gross carrying amount including valuation to fair value				Accumulated impairment			
		Stage 1	Stage 2	Stage 3	POCI	Stage 1	Stage 2	Stage 3	POCI
<b>Debt securities</b>	<b>34 588 843</b>	<b>34 487 450</b>	<b>110 901</b>	-	-	<b>(8 326)</b>	<b>(1 182)</b>	-	-
Central banks	14 828 961	14 831 236	-	-	-	(2 275)	-	-	-
General governments	17 637 073	17 639 750	-	-	-	(2 677)	-	-	-
Credit institutions	344 055	344 696	-	-	-	(641)	-	-	-
Other financial institutions	1 061 981	1 031 618	31 428	-	-	(580)	(485)	-	-
Non-financial corporations	716 773	640 150	79 473	-	-	(2 153)	(697)	-	-
<b>Total financial assets at fair value through other comprehensive income</b>	<b>34 588 843</b>	<b>34 487 450</b>	<b>110 901</b>	-	-	<b>(8 326)</b>	<b>(1 182)</b>	-	-

30.09.2024	Carrying amount	Gross carrying amount including valuation to fair value				Accumulated impairment			
		Stage 1	Stage 2	Stage 3	POCI	Stage 1	Stage 2	Stage 3	POCI
<b>Debt securities</b>	<b>31 025 034</b>	<b>30 867 081</b>	<b>167 800</b>	-	-	<b>(7 696)</b>	<b>(2 151)</b>	-	-
Central banks	9 380 830	9 382 301	-	-	-	(1 471)	-	-	-
General governments	19 418 368	19 421 248	-	-	-	(2 880)	-	-	-
Credit institutions	487 477	488 229	-	-	-	(752)	-	-	-
Other financial institutions	1 061 236	1 006 018	56 844	-	-	(661)	(965)	-	-
Non-financial corporations	677 123	569 285	110 956	-	-	(1 932)	(1 186)	-	-
<b>Total financial assets at fair value through other comprehensive income</b>	<b>31 025 034</b>	<b>30 867 081</b>	<b>167 800</b>	-	-	<b>(7 696)</b>	<b>(2 151)</b>	-	-

31.12.2023	Carrying amount	Gross carrying amount including valuation to fair value				Accumulated impairment			
		Stage 1	Stage 2	Stage 3	POCI	Stage 1	Stage 2	Stage 3	POCI
<b>Debt securities</b>	<b>36 965 077</b>	<b>36 947 018</b>	<b>28 800</b>	-	-	<b>(9 879)</b>	<b>(862)</b>	-	-
Central banks	18 437 136	18 440 343	-	-	-	(3 207)	-	-	-
General governments	15 883 079	15 885 813	-	-	-	(2 734)	-	-	-
Credit institutions	479 769	480 464	-	-	-	(695)	-	-	-
Other financial institutions	1 567 142	1 540 594	28 800	-	-	(1 390)	(862)	-	-
Non-financial corporations	597 951	599 804	-	-	-	(1 853)	-	-	-
<b>Total financial assets at fair value through other comprehensive income</b>	<b>36 965 077</b>	<b>36 947 018</b>	<b>28 800</b>	-	-	<b>(9 879)</b>	<b>(862)</b>	-	-

**Financial assets at amortised cost**

31.12.2024	Carrying amount	Gross carrying amount				Accumulated impairment			
		Stage 1	Stage 2	Stage 3	POCI	Stage 1	Stage 2	Stage 3	POCI
<b>Debt securities</b>	<b>33 965 644</b>	<b>33 970 318</b>	-	-	-	<b>(4 674)</b>	-	-	-
General governments	24 966 741	24 970 435	-	-	-	(3 694)	-	-	-
Credit institutions	3 433 368	3 433 879	-	-	-	(511)	-	-	-
Other financial institutions	5 565 535	5 566 004	-	-	-	(469)	-	-	-
<b>Loans and advances to banks</b>	<b>9 738 457</b>	<b>9 738 787</b>	<b>239</b>	-	-	<b>(569)</b>	-	-	-
<b>Loans and advances to customers</b>	<b>120 888 776</b>	<b>104 409 480</b>	<b>15 041 865</b>	<b>4 617 803</b>	<b>386 046</b>	<b>(436 059)</b>	<b>(579 957)</b>	<b>(2 534 556)</b>	<b>(15 846)</b>
Individual customers	68 183 621	58 600 833	8 856 463	2 392 064	305 125	(219 017)	(480 267)	(1 196 614)	(74 966)
Corporate customers	52 581 735	45 760 203	6 118 332	2 196 541	80 921	(216 954)	(96 191)	(1 320 237)	59 120
Public sector customers	123 420	48 444	67 070	29 198	-	(88)	(3 499)	(17 705)	-
<b>Total financial assets at amortised cost</b>	<b>164 592 877</b>	<b>148 118 585</b>	<b>15 042 104</b>	<b>4 617 803</b>	<b>386 046</b>	<b>(441 302)</b>	<b>(579 957)</b>	<b>(2 534 556)</b>	<b>(15 846)</b>

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30.09.2024	Carrying amount	Gross carrying amount				Accumulated impairment			
		Stage 1	Stage 2	Stage 3	POCI	Stage 1	Stage 2	Stage 3	POCI
<b>Debt securities</b>	<b>31 363 788</b>	<b>31 369 102</b>	-	-	-	<b>(5 314)</b>	-	-	-
General governments	22 848 435	22 852 584	-	-	-	(4 149)	-	-	-
Credit institutions	3 411 597	3 412 117	-	-	-	(520)	-	-	-
Other financial institutions	5 103 756	5 104 401	-	-	-	(645)	-	-	-
<b>Loans and advances to banks</b>	<b>17 503 613</b>	<b>17 500 762</b>	<b>3 418</b>	-	-	<b>(543)</b>	<b>(24)</b>	-	-
<b>Loans and advances to customers</b>	<b>123 274 280</b>	<b>106 032 616</b>	<b>15 820 052</b>	<b>4 738 281</b>	<b>355 171</b>	<b>(346 748)</b>	<b>(587 710)</b>	<b>(2 741 123)</b>	<b>3 741</b>
Individual customers	67 228 477	57 727 662	8 845 454	2 407 608	258 999	(170 172)	(475 945)	(1 306 589)	(58 540)
Corporate customers	55 899 761	48 226 643	6 915 056	2 300 843	96 172	(176 434)	(108 013)	(1 416 787)	62 281
Public sector customers	146 042	78 311	59 542	29 830	-	(142)	(3 752)	(17 747)	-
<b>Total financial assets at amortised cost</b>	<b>172 141 681</b>	<b>154 902 480</b>	<b>15 823 470</b>	<b>4 738 281</b>	<b>355 171</b>	<b>(352 605)</b>	<b>(587 734)</b>	<b>(2 741 123)</b>	<b>3 741</b>

31.12.2023	Carrying amount	Gross carrying amount				Accumulated impairment			
		Stage 1	Stage 2	Stage 3	POCI	Stage 1	Stage 2	Stage 3	POCI
<b>Debt securities</b>	<b>23 323 690</b>	<b>23 327 618</b>	-	-	-	<b>(3 928)</b>	-	-	-
General governments	15 666 682	15 669 481	-	-	-	(2 799)	-	-	-
Credit institutions	3 386 338	3 386 920	-	-	-	(582)	-	-	-
Other financial institutions	4 270 670	4 271 217	-	-	-	(547)	-	-	-
<b>Loans and advances to banks</b>	<b>7 119 059</b>	<b>7 117 631</b>	<b>1 805</b>	-	-	<b>(345)</b>	<b>(32)</b>	-	-
<b>Loans and advances to customers</b>	<b>112 876 580</b>	<b>96 398 711</b>	<b>15 350 369</b>	<b>4 609 500</b>	<b>226 199</b>	<b>(396 152)</b>	<b>(677 083)</b>	<b>(2 687 978)</b>	<b>53 014</b>
Individual customers	63 642 537	54 168 098	8 986 652	2 410 392	158 019	(193 087)	(520 983)	(1 336 639)	(29 915)
Corporate customers	49 109 195	42 163 462	6 298 089	2 199 108	68 180	(202 945)	(148 289)	(1 351 339)	82 929
Public sector customers	124 848	67 151	65 628	-	-	(120)	(7 811)	-	-
<b>Total financial assets at amortised cost</b>	<b>143 319 329</b>	<b>126 843 960</b>	<b>15 352 174</b>	<b>4 609 500</b>	<b>226 199</b>	<b>(400 425)</b>	<b>(677 115)</b>	<b>(2 687 978)</b>	<b>53 014</b>

**Loans and advances to customers**

Loans and advances to customers 31.12.2024	Gross carrying amount	including:		
		Individual customers	Corporate customers	Public sector customers
Current accounts	14 615 758	7 596 751	7 010 043	8 964
Term loans, including:	89 986 897	62 459 240	27 391 909	135 748
- housing and mortgage loans to natural persons	45 978 264	45 978 264		
Reverse repo or buy/sell back	1 029 492	-	1 029 492	-
Finance leases	14 885 011	-	14 885 011	-
Other loans and advances	3 707 809	-	3 707 809	-
Other receivables	230 227	98 494	131 733	-
<b>Total gross carrying amount</b>	<b>124 455 194</b>	<b>70 154 485</b>	<b>54 155 997</b>	<b>144 712</b>

Loans and advances to customers 31.12.2024	Accumulated impairment	including:		
		Individual customers	Corporate customers	Public sector customers
Current accounts	(1 057 230)	(779 824)	(277 351)	(55)
Term loans, including:	(1 947 128)	(1 191 040)	(734 851)	(21 237)
- housing and mortgage loans to natural persons	(395 361)	(395 361)		
Finance leases	(484 453)	-	(484 453)	-
Other loans and advances	(69 168)	-	(69 168)	-
Other receivables	(8 439)	-	(8 439)	-
<b>Total accumulated impairment</b>	<b>(3 566 418)</b>	<b>(1 970 864)</b>	<b>(1 574 262)</b>	<b>(21 292)</b>
<b>Total gross carrying amount</b>	<b>124 455 194</b>	<b>70 154 485</b>	<b>54 155 997</b>	<b>144 712</b>
Total accumulated impairment	(3 566 418)	(1 970 864)	(1 574 262)	(21 292)
<b>Total carrying amount</b>	<b>120 888 776</b>	<b>68 183 621</b>	<b>52 581 735</b>	<b>123 420</b>

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Loans and advances to customers 30.09.2024	Gross carrying amount	including:		
		Individual customers	Corporate customers	Public sector customers
Current accounts	15 301 611	7 833 340	7 458 585	9 686
Term loans, including:	88 170 011	61 031 714	26 980 300	157 997
- housing and mortgage loans to natural persons	45 075 011	45 075 011		
Reverse repo or buy/sell back	4 006 477	-	4 006 477	-
Finance leases	15 134 372	-	15 134 372	-
Other loans and advances	3 829 293	-	3 829 293	-
Other receivables	504 356	374 669	129 687	-
<b>Total gross carrying amount</b>	<b>126 946 120</b>	<b>69 239 723</b>	<b>57 538 714</b>	<b>167 683</b>

Loans and advances to customers 30.09.2024	Accumulated impairment	including:		
		Individual customers	Corporate customers	Public sector customers
Current accounts	(1 069 312)	(807 914)	(261 330)	(68)
Term loans, including:	(1 903 163)	(1 203 332)	(678 258)	(21 573)
- housing and mortgage loans to natural persons	(446 918)	(446 918)		
Finance leases	(627 048)	-	(627 048)	-
Other loans and advances	(64 759)	-	(64 759)	-
Other receivables	(7 558)	-	(7 558)	-
<b>Total accumulated impairment</b>	<b>(3 671 840)</b>	<b>(2 011 246)</b>	<b>(1 638 953)</b>	<b>(21 641)</b>
<b>Total gross carrying amount</b>	<b>126 946 120</b>	<b>69 239 723</b>	<b>57 538 714</b>	<b>167 683</b>
Total accumulated impairment	(3 671 840)	(2 011 246)	(1 638 953)	(21 641)
<b>Total carrying amount</b>	<b>123 274 280</b>	<b>67 228 477</b>	<b>55 899 761</b>	<b>146 042</b>

Loans and advances to customers 31.12.2023	Gross carrying amount	including:		
		Individual customers	Corporate customers	Public sector customers
Current accounts	14 255 338	8 015 731	6 231 569	8 038
Term loans, including:	83 353 746	57 541 623	25 687 382	124 741
- housing and mortgage loans to natural persons	43 121 382	43 121 382		
Reverse repo or buy/sell back	899 340	-	899 340	-
Finance leases	14 234 472	-	14 234 472	-
Other loans and advances	3 561 752	-	3 561 752	-
Other receivables	280 131	165 807	114 324	-
<b>Total gross carrying amount</b>	<b>116 584 779</b>	<b>65 723 161</b>	<b>50 728 839</b>	<b>132 779</b>

Loans and advances to customers 31.12.2023	Accumulated impairment	including:		
		Individual customers	Corporate customers	Public sector customers
Current accounts	(1 041 837)	(832 953)	(208 838)	(46)
Term loans, including:	(2 035 613)	(1 247 671)	(780 057)	(7 885)
- housing and mortgage loans to natural persons	(486 982)	(486 982)		
Finance leases	(569 896)	-	(569 896)	-
Other loans and advances	(54 595)	-	(54 595)	-
Other receivables	(6 258)	-	(6 258)	-
<b>Total accumulated impairment</b>	<b>(3 708 199)</b>	<b>(2 080 624)</b>	<b>(1 619 644)</b>	<b>(7 931)</b>
<b>Total gross carrying amount</b>	<b>116 584 779</b>	<b>65 723 161</b>	<b>50 728 839</b>	<b>132 779</b>
Total accumulated impairment	(3 708 199)	(2 080 624)	(1 619 644)	(7 931)
<b>Total carrying amount</b>	<b>112 876 580</b>	<b>63 642 537</b>	<b>49 109 195</b>	<b>124 848</b>



**mBank Group S.A.**

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**Financial liabilities measured at amortised cost**

31.12.2024	Amount due to banks	Amount due to customers	including:		
			Individual customers	Corporate customers	Public sector customers
<b>Deposits</b>	<b>873 547</b>	<b>199 652 589</b>	<b>141 988 882</b>	<b>56 822 843</b>	<b>840 864</b>
Current accounts	592 100	162 613 821	117 236 227	44 601 511	776 083
Term deposits	103 164	36 108 465	24 752 655	11 291 029	64 781
Repo or buy/sell back transactions	178 283	930 303	-	930 303	-
<b>Loans and advances received</b>	<b>1 929 197</b>	-	-	-	-
<b>Other financial liabilities</b>	<b>256 687</b>	<b>1 156 389</b>	<b>258 715</b>	<b>897 091</b>	<b>583</b>
Liabilities in respect of cash collaterals	125 921	587 753	37 719	549 451	583
Other	130 766	568 636	220 996	347 640	-
<b>Deposits and other financial liabilities measured at amortised cost, total</b>	<b>3 059 431</b>	<b>200 808 978</b>	<b>142 247 597</b>	<b>57 719 934</b>	<b>841 447</b>

30.09.2024	Amount due to banks	Amount due to customers	including:		
			Individual customers	Corporate customers	Public sector customers
<b>Deposits</b>	<b>1 339 246</b>	<b>191 925 413</b>	<b>137 128 187</b>	<b>53 915 218</b>	<b>882 008</b>
Current accounts	727 139	154 194 200	112 875 168	40 462 424	856 608
Term deposits	125 904	36 715 368	24 253 019	12 436 949	25 400
Repo or buy/sell back transactions	486 203	1 015 845	-	1 015 845	-
<b>Loans and advances received</b>	<b>1 910 626</b>	-	-	-	-
<b>Other financial liabilities</b>	<b>558 739</b>	<b>1 574 514</b>	<b>292 669</b>	<b>1 281 838</b>	<b>7</b>
Liabilities in respect of cash collaterals	280 854	532 931	37 459	495 472	-
Other	277 885	1 041 583	255 210	786 366	7
<b>Deposits and other financial liabilities measured at amortised cost, total</b>	<b>3 808 611</b>	<b>193 499 927</b>	<b>137 420 856</b>	<b>55 197 056</b>	<b>882 015</b>

31.12.2023	Amount due to banks	Amount due to customers	including:		
			Individual customers	Corporate customers	Public sector customers
<b>Deposits</b>	<b>672 902</b>	<b>183 923 224</b>	<b>128 162 427</b>	<b>55 144 648</b>	<b>616 149</b>
Current accounts	353 417	147 695 054	103 034 512	44 066 526	594 016
Term deposits	191 337	36 052 744	25 127 915	10 902 696	22 133
Repo or buy/sell back transactions	128 148	175 426	-	175 426	-
<b>Loans and advances received</b>	<b>1 938 343</b>	-	-	-	-
<b>Other financial liabilities</b>	<b>704 057</b>	<b>1 544 231</b>	<b>249 923</b>	<b>1 294 305</b>	<b>3</b>
Liabilities in respect of cash collaterals	557 017	537 095	37 600	499 495	-
Other	147 040	1 007 136	212 323	794 810	3
<b>Deposits and other financial liabilities measured at amortised cost, total</b>	<b>3 315 302</b>	<b>185 467 455</b>	<b>128 412 350</b>	<b>56 438 953</b>	<b>616 152</b>

**mBank Group S.A.**

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**Business segments**

period from 1 October to 31 December 2024	Retail Banking	Corporate and Investment Banking	Treasury and Other	FX Mortgage Loans	Total figure for the Group
Net interest income	1 650 715	740 416	114 556	7 243	2 512 930
- sales to external clients	1 016 631	703 571	746 468	46 260	2 512 930
- sales to other segments	634 084	36 845	(631 912)	(39 017)	-
Net fee and commission income	261 816	257 801	(13 024)	(9 307)	497 286
Dividend income	-	-	146	-	146
Trading income	35 482	59 095	(44 788)	(4 393)	45 396
Gains or losses on non-trading financial assets mandatorily at fair value through profit or loss	22 579	1 786	(1 966)	(175)	22 224
Gains or losses on derecognition of financial assets and liabilities not measured at fair value through profit or loss	(2 902)	(2 916)	(242)	-	(6 060)
Other operating income	28 555	31 534	20 712	703	81 504
Impairment or reversal of impairment on financial assets not measured at fair value through profit or loss	(154 099)	(66 333)	(909)	44 742	(176 599)
Costs of legal risk related to foreign currency loans	-	-	-	(932 212)	(932 212)
Overhead costs	(474 401)	(244 331)	(13 863)	(3 791)	(736 386)
Amortisation	(117 114)	(48 959)	(2 404)	(351)	(168 828)
Other operating expenses	(49 798)	(19 659)	(36 560)	(1 330)	(107 347)
<b>Operating profit</b>	<b>1 200 833</b>	<b>708 434</b>	<b>21 658</b>	<b>(898 871)</b>	<b>1 032 054</b>
Taxes on Group balance sheet items	(125 035)	(62 823)	(3 810)	(2 660)	(194 328)
<b>Gross profit of the segment</b>	<b>1 075 798</b>	<b>645 611</b>	<b>17 848</b>	<b>(901 531)</b>	<b>837 726</b>
Income tax					148 281
Net profit attributable to Owners of mBank S.A.					986 002
Net profit attributable to non-controlling interests					5

  

period from 1 October to 31 December 2023	Retail Banking	Corporate and Investment Banking	Treasury and Other	FX Mortgage Loans	Total figure for the Group
Net interest income	1 490 685	698 040	163 360	2 954	2 355 039
- sales to external clients	926 845	655 913	689 339	82 942	2 355 039
- sales to other segments	563 840	42 127	(525 979)	(79 988)	-
Net fee and commission income	213 362	255 098	(11 984)	(11 976)	444 500
Dividend income	-	-	4 683	-	4 683
Trading income	29 660	71 870	(11 432)	(13 545)	76 553
Gains or losses on non-trading financial assets mandatorily at fair value through profit or loss	35 523	422	2 061	(721)	37 285
Gains or losses on derecognition of financial assets and liabilities not measured at fair value through profit or loss	(2 138)	(1 295)	1 898	-	(1 535)
Other operating income	39 096	39 077	8 009	554	86 736
Impairment or reversal of impairment on financial assets not measured at fair value through profit or loss	(285 920)	(184 906)	(549)	(3 858)	(475 233)
Costs of legal risk related to foreign currency loans	-	-	-	(1 475 988)	(1 475 988)
Overhead costs	(427 267)	(215 704)	(10 409)	(2 917)	(656 297)
Amortisation	(98 918)	(38 635)	(1 840)	(255)	(139 648)
Other operating expenses	(35 092)	(31 142)	(40 745)	(14)	(106 993)
<b>Operating profit</b>	<b>958 991</b>	<b>592 825</b>	<b>103 052</b>	<b>(1 505 766)</b>	<b>149 102</b>
Taxes on Group balance sheet items	(114 412)	(62 413)	(4 608)	(4 721)	(186 154)
<b>Gross profit of the segment</b>	<b>844 579</b>	<b>530 412</b>	<b>98 444</b>	<b>(1 510 487)</b>	<b>(37 052)</b>
Income tax					16 815
Net profit attributable to Owners of mBank S.A.					(20 267)
Net profit attributable to non-controlling interests					30

**mBank Group S.A.**

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period from 1 January to 31 December 2024	Retail Banking	Corporate and Investment Banking	Treasury and Other	FX Mortgage Loans	Total figure for the Group
Net interest income	6 255 683	2 852 328	454 115	26 897	9 589 023
- sales to external clients	3 733 413	2 755 342	2 857 444	242 824	9 589 023
- sales to other segments	2 522 270	96 986	(2 403 329)	(215 927)	-
Net fee and commission income	1 035 536	1 024 437	(54 029)	(34 060)	1 971 884
Dividend income	-	-	14 279	-	14 279
Trading income	120 756	233 366	(145 435)	(32 009)	176 678
Gains or losses on non-trading financial assets mandatorily at fair value through profit or loss	59 287	2 740	2 715	(293)	64 449
Gains or losses on derecognition of financial assets and liabilities not measured at fair value through profit or loss	(2 436)	1 927	1 107	-	598
Other operating income	121 605	284 265	66 605	5 076	477 551
Impairment or reversal of impairment on financial assets not measured at fair value through profit or loss	(410 763)	(226 625)	(1 983)	53 413	(585 958)
Costs of legal risk related to foreign currency loans	-	-	-	(4 306 964)	(4 306 964)
Overhead costs	(1 773 326)	(957 695)	(46 039)	(24 650)	(2 801 710)
Amortisation	(405 202)	(171 616)	(8 514)	(1 298)	(586 630)
Other operating expenses	(135 407)	(74 718)	(72 489)	(4 480)	(287 094)
<b>Operating profit</b>	<b>4 865 733</b>	<b>2 968 409</b>	<b>210 332</b>	<b>(4 318 368)</b>	<b>3 726 106</b>
Taxes on Group balance sheet items	(475 952)	(247 220)	(16 649)	(12 560)	(752 381)
<b>Gross profit of the segment</b>	<b>4 389 781</b>	<b>2 721 189</b>	<b>193 683</b>	<b>(4 330 928)</b>	<b>2 973 725</b>
Income tax					(730 357)
Net profit attributable to Owners of mBank S.A.					2 243 245
Net profit attributable to non-controlling interests					123

period from 1 January to 31 December 2023	Retail Banking	Corporate and Investment Banking	Treasury and Other	FX Mortgage Loans	Total figure for the Group
Net interest income	5 688 247	2 508 728	658 009	18 487	8 873 471
- sales to external clients	3 632 265	2 536 842	2 381 489	322 875	8 873 471
- sales to other segments	2 055 982	(28 114)	(1 723 480)	(304 388)	-
Net fee and commission income	956 854	1 038 658	(44 177)	(35 427)	1 915 908
Dividend income	-	-	9 486	-	9 486
Trading income	101 889	265 450	(240 828)	(53 168)	73 343
Gains or losses on non-trading financial assets mandatorily at fair value through profit or loss	32 656	(4 275)	6 277	(558)	34 100
Gains or losses on derecognition of financial assets and liabilities not measured at fair value through profit or loss	(4 406)	1 015	(47 650)	100	(50 941)
Other operating income	153 904	134 839	25 543	3 426	317 712
Impairment or reversal of impairment on financial assets not measured at fair value through profit or loss	(868 398)	(224 240)	(2 608)	18 468	(1 076 778)
Costs of legal risk related to foreign currency loans	-	-	-	(4 908 205)	(4 908 205)
Overhead costs	(1 609 774)	(886 844)	(39 133)	(34 682)	(2 570 433)
Amortisation	(350 949)	(147 071)	(5 092)	(904)	(504 016)
Other operating expenses	(143 874)	(169 790)	(85 450)	(393)	(399 507)
<b>Operating profit</b>	<b>3 956 149</b>	<b>2 516 470</b>	<b>234 377</b>	<b>(4 992 856)</b>	<b>1 714 140</b>
Taxes on Group balance sheet items	(453 494)	(245 677)	(19 385)	(24 996)	(743 552)
<b>Gross profit of the segment</b>	<b>3 502 655</b>	<b>2 270 793</b>	<b>214 992</b>	<b>(5 017 852)</b>	<b>970 588</b>
Income tax					(946 530)
Net profit attributable to Owners of mBank S.A.					24 054
Net profit attributable to non-controlling interests					4

31.12.2024	Retail Banking	Corporate and Investment Banking	Treasury and Other	FX Mortgage Loans	Total figure for the Group
Assets of the segment	76 773 280	51 830 306	115 245 815	2 107 962	<b>245 957 363</b>
Liabilities of the segment	143 286 283	60 509 698	21 473 152	2 921 236	<b>228 190 369</b>

31.12.2023	Retail Banking	Corporate and Investment Banking	Treasury and Other	FX Mortgage Loans	Total figure for the Group
Assets of the segment	69 706 463	48 643 170	104 881 163	3 749 720	<b>226 980 516</b>
Liabilities of the segment	129 176 019	59 232 127	22 962 582	1 872 562	<b>213 243 290</b>