



mBank

# Report on Remuneration

of the Management Board Members  
and Supervisory Board Members  
of mBank S.A.  
for 2024



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# I. **Definitions**

<b>Bank or Company</b>	mBank S.A. with its registered office in Warsaw, ul. Prosta 18 (00-850 Warszawa), entered in the register of enterprises of the National Court Register kept by the District Court for the Capital City of Warsaw, 13th Commercial Division, under number 0000025237, holder of tax identification number NIP 526-021-50-88 and statistical number REGON 001254524;
<b>mBank Group</b>	capital group consisting of mBank as the parent company and all of its subsidiaries in accordance with the International Financial Reporting Standards ("IFRS"). For detailed information, see note 1 of the Consolidated Financial Statements mBank Group SA for 2023;
<b>Remuneration and Nomination Committee</b>	the committee of the Supervisory Board which provides consultancy and advisory to the Supervisory Board and performs other tasks arising from its rules, applicable laws, and regulatory recommendations and guidelines;
<b>Remuneration Policy ("Policy")</b>	Remuneration Policy for Management Board Members and Supervisory Board Members of mBank S.A., adopted by Resolution No. 29 of the 37rd Annual General Meeting of the Company dated March 27, 2024;
<b>RT Remuneration Policy</b>	Remuneration Policy for Employees Having a Material Impact on the Risk Profile of mBank S.A., (RT) adopted by Resolution No. 63/12 of the Supervisory Board dated July 25, 2012 as amended by Resolution No. 349/23 of the Supervisory Board dated December 14, 2023;
<b>mBank Management Board Benefit Plan</b>	mBank Management Board Benefit Plan adopted by Resolution No. 86/18 of the Supervisory Board dated April 12, 2018, as amended by Resolution No. 180/22 of the Supervisory Board dated March 3, 2022;
<b>2018 incentive programme for the Management Board Members and key staff of mBank Group</b>	programme adopted by Resolution No. 96/18 of the Supervisory Board dated June 7, 2018, as amended by Resolution No. 321/23 of the Supervisory Board dated June 13, 2023;
<b>Immediate family</b>	for the purposes of this Report, immediate family is defined as the spouse or partner and children until they finish school/ university;
<b>Banking Law</b>	Banking Law Act of August 29, 1997;
<b>Supervisory Board</b>	Supervisory Board of the Bank;
<b>Act on Public Offering</b>	Act on Public Offering and Conditions for Introducing Financial Instruments to Organised Trading and on Public Companies of July 29, 2005;
<b>General Meeting</b>	Annual or Extraordinary General Meeting of the Bank;
<b>Management Board</b>	Management Board of the Bank.



## **II. Report on remuneration of the management board members and supervisory board members for previous years**



**On March 27, 2024,**  
the General Meeting adopted by resolution  
no. 28, with no remarks, the Report  
on Remuneration of the Management Board  
Members and Supervisory Board Members  
for 2023.



## **III. Introduction**

**The Report presents a review of remuneration and all benefits received by and due to individual Management Board Members and Supervisory Board Members of mBank S.A. in 2024.**

**This report has been prepared under the Act on Public Offering, which introduced the obligation to prepare an annual report on remuneration of the Management Board and the Supervisory Board and have this report audited by a statutory auditor.**



On March 27, 2024, the Supervisory Board of the Bank appointed new Members of the Management Board of mBank for a five term of office commencing on March 28, 2024. The members of the Management Board perform their functions on basis of their management contracts. The Contract shall terminate (during the term of office) on the day on which the Manager ceases to perform his/her function on the Management Board of the Bank (as a result of being dismissed by the Supervisory Board or submitting his/her resignation). The Contract shall terminate upon the Manger's death. Members of the Supervisory Board hold office by nomination.

Changes in the composition of the Management Board and the Supervisory Board in 2024 affecting the remuneration reported herein.



### **Changes in the composition of the Management Board of mBank S.A.**

- Changes in the composition of the Management Board of mBank S.A. On July 4, 2024, Cezary Stypułkowski, President of the Management Board, handed in his resignation with immediate effect.
- On June 5, 2024, the Supervisory Board of the Bank conditionally appointed Cezary Kocik as President of the Management Board.
- On July 25, 2024, the Supervisory Board of the Bank appointed Krzysztof Bratos as Vice-President of the Management Board, Head of Retail Banking, effective as of July 26, 2024, who replaced Cezary Kocik.
- On October 11, 2024, the Polish Financial Supervision Authority granted its consent to the appointment of Cezary Kocik as President of the Management Board of mBank S.A. This means that Cezary Kocik has officially assumed the function of President of the Management Board.



### **Changes in the composition of the Supervisory Board**

- On January 1, 2024, Bernhard Spalt began his term as Member of the Supervisory Board of mBank. He stepped in for Marcus Chromik, who submitted his resignation as Member of the Supervisory Board on October 20, 2023, effective as of December 31, 2023.
- Following the resignation of Bettina Orlopp as Member of the Supervisory Board of the Bank, the Supervisory Board appointed Bernhard Spalt as Deputy Chairman of the Supervisory Board of mBank as of December 13, 2024.





## Remuneration of the Management Board and the Supervisory Board Members

The principles of remunerating the Management Board and the Supervisory Board Members are governed by:

- Remuneration Policy;
- RT Remuneration Policy;
- Management contracts signed with the Management Board Members;
- mBank Management Board Benefit Plan;
- Secondment agreement.



### The Remuneration Policy was developed on the basis of:

1. Article 90d of the Act on Public Offering;
2. Law of the Minister of Finance, Funds and Regional Policy of June 8, 2021 on the risk management system and system of internal control and remuneration policy in banks.

The policy supports the implementation of the Strategy of mBank Group, which sets the directions of business activity, long-term interests and aspects relating to the stability of the Bank and the Group.



### The RT Remuneration Policy applicable in 2024 was developed on the basis of:

1. Banking Law as defined above.
2. Regulation of the Minister of Finance, Development Funds and Regional Policy of June 8, 2021 on the Risk Management System, Internal Control System and Remuneration Policy at Banks.
3. Directive (EU) 2019/878 of the European Parliament and of the Council of 20 May 2019 amending Directive 2013/36/EU as regards exempted entities, financial holding companies, mixed financial holding companies, remuneration, supervisory measures and powers and capital conservation measures (CRD V).
4. EBA (European Banking Authority) Guidelines on sound remuneration policies (EBA/GL/2021/04 of July 2, 2021).
5. Recommendation Z of the Polish Financial Supervision Authority on the Principles of Internal Governance at Banks.



### The RT Remuneration Policy:

1. supports sound and effective risk management and does not encourage employees to take excessive risk beyond the acceptable general risk level approved by the Supervisory Board;
2. fosters the implementation of the bank management strategy and the risk management strategy, which covers also environmental, social and corporate governance risk (ESG risk);
3. supports responsible and prudent capital management. In particular, prior to making a decision to pay variable components of remuneration, the following are taken into consideration: the current and forecast capital position and the provisions of the Act on Macroprudential Supervision over the Financial System and Crisis Management in the Financial System pertaining to the calculation of the maximum distributable amount (MDA);

4. sets out the remuneration rules for Risk Takers by determining fixed and variable components of remuneration;
5. ensures transparent rules of determining and paying the Bonus, being a component of variable remuneration;
6. is gender neutral.

The Management Board is responsible for the development, implementation and observance of the RT Remuneration Policy. The Supervisory Board approves the RT Remuneration Policy. The RT Remuneration Policy is reviewed annually by the Management Board of the bank and reviewed independently by the Internal Audit Department.

The Remuneration and Nomination Committee operating at the Bank supports the Supervisory Board in fulfilling its statutory obligations and performing tasks resulting from the law. The Committee's tasks include, among others: verifying, on an annual basis, the RT Remuneration Policy and the Remuneration Policy, issuing and presenting to the Supervisory Board its opinions on the policies and proposing changes, if needed.



**The RT Remuneration Policy applicable in 2024 was approved by Resolution of the Supervisory Board No. 349/23 of December 14, 2023.**

### **Benefit Plan for the Management Board of mBank**

The Benefit Plan defines the benefits to which a Management Board Member is eligible under the concluded management contract.

### **Secondment agreement**

A secondment agreement governs the terms of secondment and the benefits to which a foreign Management Board Member is eligible in the period when he/she performs tasks in Poland, e.g. allowance for flights or rent allowance. It governs issues connected with the costs of relocation, rent and childcare and costs fees for schools/preschools attended by children of the seconded employees.





#### **IV. Report on remuneration with respect to each management board and supervisory board member**

# 1. The amount of total remuneration broken down into the components referred to in Article 90d (3) (1) on the Act on Public Offering and the ratio between these remuneration components



## Key information concerning the determination of remuneration applicable in 2024.

The total remuneration of the Management Board Members was divided into:

1. fixed part:
  - a) basic remuneration,
  - b) other benefits to which a Management Board Member is entitled,
2. variable part – discretionary bonus granted to a Management Board Member for a given calendar year (bonus) and the related equivalent based on the RT Remuneration Policy.

### Fixed part – basic remuneration

The basic remuneration is determined by the Supervisory Board, taking into account the following information:

1. resolution of the Management Board on the division of powers between Members of the Management Board of the Bank (with a particular focus on changes in powers);
2. long-term results achieved by a Management Board Member as at the assessment date;
3. available internal market data (e.g. internal comparison inside mBank Group);
4. available external market data (e.g. information on remuneration of management board members of other WSE-listed companies, additional market benchmarks).

### Variable remuneration

In 2024, the variable remuneration was awarded and paid based on the company's RT Remuneration Policy and the incentive programme for the Management Board Members and key staff of mBank Group. As part of variable remuneration the Management Board Members can:

1. receive a cash part (bonus);
2. acquire warrants free of charge, and, by way of exercising the rights arising from the warrants, to acquire shares (bonus);
3. receive an additional cash equivalent.

The bonus consists of a non-deferred part (40% of the bonus) and a deferred part (60% of the bonus).

Both the deferred part and the non-deferred part are divided into equal portions: 50% paid in cash and 50% paid in subscription warrants. The value of one warrant equals the average market price minus PLN 4. The average market price is the arithmetic mean of the market price of one share of the Bank determined on the basis of the closing prices of the Bank's shares on the Warsaw Stock Exchange (WSE) on each day of the reference period on which WSE trading sessions took place. The reference period is determined in accordance with the RT Remuneration Policy.

The non-deferred part in cash is paid in the year when the bonus was awarded. The other half of the non-deferred part (50%) is paid in the form of subscription warrants not earlier than after 12 months from the date of the General Meeting during which the consolidated financial statements of mBank Group for the year for which the bonus was awarded were approved.

The deferred parts in cash and in subscription warrants are paid in the subsequent calendar years, starting from the year following the year in which the financial statements for the year for which the bonus was awarded were approved, in five equal annual tranches. In each tranche, the cash portion is paid after the consolidated financial statements of mBank Group for the previous calendar year are approved, while the portion in subscription warrants is paid not earlier than after 12 months from the date of approval of consolidated financial statements.

Starting from the bonus for 2020, in particularly justified cases when a need arises to mitigate the risk connected with maintaining a sound capital base of the Bank enabling it to effectively respond to the economic situation in Poland arising from, the Supervisory Board may adopt a resolution to pay the cash tranches in whole or in part (both the non-deferred and deferred tranche) in the form of subscription warrants.

Due to the deferral of the part of the bonus paid in subscription warrants, a Management Board Member who was awarded a bonus is entitled, regardless of the bonus, to receive a cash equivalent for the non-deferred part and/or each tranche of the deferred part if the General Meeting decides to pay out a dividend for a given year. The Equivalent is paid by the Bank within 60 days from the day on which the Management Board Member effectively submitted a statement on the acquisition of shares in exchange for subscription warrants.

The Equivalent will be calculated according to the following formula:

$$E = WS \times \frac{Z}{LA}$$

Were:

**E** means the amount of the Equivalent in PLN;

**WS** means the number of subscription warrants granted to a Management Board Member pursuant to the RT Remuneration Policy forming the non-deferred part or a given tranche of the deferred part, exchanged for the Bank's shares under the Incentive Programme Rules;

**Z** means the amount of the Bank's profit for the Reference Year earmarked by the General Meeting for distribution among the shareholders subject to the increase and decrease referred to in Article 348 (1) of the Code of Commercial Companies and Partnerships;

**LA** means the total number of fully paid shares held by the shareholders entitled to the dividend for a given Reference Year.

Since no resolutions to pay out dividends were passed in 2024, the Management Board Members were not entitled to the above equivalent.

The maximum amount of variable remuneration components cannot exceed 100% of the amount of basic remuneration paid for a given calendar year with the proviso that each case of exceeding the threshold of 100% (but not more than 200%) of the annual basic remuneration will have to be approved by the General Meeting.

The maximum ratio of the average total gross remuneration of the Management Board Members on an annual basis to the average total gross remuneration of other bank employees on an annual basis was set as the amount not higher than 50 times the average total remuneration of an employee of the Bank.

The said proportions were not exceeded in 2024.



**In 2024, the bank paid the deferred tranches (both in cash and in the form of subscription warrants) as part of the bonus awarded for 2018, 2019, 2020, 2021 and 2022 and the non-deferred cash tranche as part of the bonus awarded for 2023.**

### **Rules for paying other remuneration components (severance pay) to the Management Board Members**

The Management Board Members are obliged not to engage in any competing activities within six months from the day of termination or expiry of their management contracts. Moreover, the Remuneration and Nomination Committee may decide to extend the obligation not to engage in any competing activities by a maximum of another six months or decide to exempt a manager from this obligation at the manager's request. During the period in which a manager cannot engage in any competing activities, he/she is entitled to compensation in an amount proportional to this period, calculated as the product of the manager's monthly remuneration and the number of months of the period in which the manager cannot engage in any competing activities.

If a Management Board Member violates his/her obligation not to engage in competing activities, he/she is obliged to return the compensation paid to him/her within 30 days of receipt of the Bank's request for payment.

### **Other benefits – additional benefits to which a Management Board Member is entitled**

The Bank pays the costs of medical insurance of the Management Board Members and their immediate family, the costs of unit-linked life insurance, and the costs of D&O insurance.

Since 2022, the Bank has been paying an annual allowance in the amount of ten thousand zlotys to cover the costs of advisory services concerning the settlement of income tax by a Management Board Member. In addition, if a Management Board Member is a foreigner, the Bank pays e.g. the costs of a Polish language course, the costs of a Polish school/ kindergarten for his/her children, a rent allowance or allowance for flights and trips home.

In addition, a Management Board Member is entitled to a company car for business and private use in accordance with the Fleet Policy and a decision of the Remuneration and Nomination Committee, a driver for business purposes, and reimbursement for documented entertainment expenses as per the business trips policy and internal regulations.

### Benefits in the form of:

1. payment for the costs of medical insurance, costs of life insurance, or policy costs were valued on the basis of the value of the policy paid to the insurer;
2. life insurance with an investment fund: the annual premium accounting for 20% of basic remuneration;
3. rent allowance were valued on the basis of prices of the entity providing this benefit to the Bank;
4. Polish language course allowance and the school/kindergarten allowance were valued on the basis of prices of the entity providing this benefit to the Bank;
5. entitlement to use a company car for private purposes were valued in accordance with the applicable internal regulations of the Bank.

Benefits for the immediate family, if requested by a Management Board Member, are awarded in accordance with the applicable Benefit Plan and the secondment agreement. The personal data of his/her immediate family are provided by a Management Board Member in a statement.

### Information on the amount of remuneration paid to the Management Board Members and the Supervisory Board Members in 2024

**Table 1:** Total remuneration of the Management Board Members for 2024.

Surname of the Management Board Member, position	Seniority in the Management Board	Reporting period	1		2		3	4	5
			Fixed remuneration		Variable remuneration				
			basic	other benefits*	one-year	multi-year			
<b>Remuneration paid to MB Members active as at the end of 2024</b>									
<b>Cezary Kocik</b> President of the Management Board	<b>from 01.04.2012 until now</b>	01.01.2024-31.12.2024	2 651 935	730 874	266 000	760 400	—	4 409 209	30%
<b>Krzysztof Bratos</b> Vice-President of the Management Board, Head of Retail Banking	<b>From 26.07.2024 until now</b>	01.01.2024-31.12.2024	779 032	74 463	—	—	—	853 496	0%
<b>Krzysztof Dąbrowski</b> Vice-President of the Management Board, Head of Operations and IT	<b>from 01.04.2012 until now</b>	01.01.2024-31.12.2024	1 771 290	453 570	266 000	724 400	—	3 215 260	45%
<b>Marek Lusztyn</b> Vice-President of the Management Board, Chief Risk Officer	<b>From 22.10.2020 until now</b>	01.01.2024-31.12.2024	1 771 290	481 266	266 000	392 800	—	2 911 357	29%
<b>Julia Nusser</b> Vice-President of the Management Board Chief People & Regulatory Officer	<b>From 01.05.2023 until now</b>	01.01.2024-31.12.2024	1 771 290	790 353	177 333	—	—	2 738 976	7%

Surname of the Management Board Member, position	Seniority in the Management Board	Reporting period	1		2		3	4	5
			Fixed remuneration		Variable remuneration		Compensation-non-compete obligation	Total remuneration (1+2+3)	Variable to fix remuneration (2/1)
			basic	other benefits*	one-year	multi-year			
<b>Adam Pers</b> Vice-President of the Management Board, Head of Corporate and Investment Banking	<b>From 26.10.2017 until now</b>	01.01.2024-31.12.2024	1 771 290	421 369	266 000	736 400	—	3 195 060	46%
<b>Pascal Ruhland</b> Vice-President of the Management Board, Chief Financial Officer	<b>From 01.05.2023 until now</b>	01.01.2024-31.12.2024	1 771 290	758 044	177 333	—	—	2 706 668	7%

#### Remuneration for former Management Board Members paid in 2024

<b>Cezary Stypułkowski</b> President of the Management Board	<b>01.10.2010 – 14.07.2024</b>	01.01.2024-31.12.2024	1 708 953	460 700	533 536	1 415 200	828 695	4 947 084	46%
<b>Andreas Böger</b> Vice-President of the Management Board, Chief Financial Officer	<b>01.07.2017 – 30.04.2023</b>	01.01.2024-31.12.2024	—	—	88 667	724 400	—	813 067	—
<b>Frank Bock</b> Vice-President of the Management Board, Head of Financial Markets	<b>01.05.2017-31.12.2020</b>	01.01.2024-31.12.2024	—	—	—	265 200	—	265 200	—
<b>Lidia Jabłonowska-Luba</b> Vice-President of the Management Board, Chief Risk Officer	<b>12.04.2013-22.10.2020</b>	01.01.2024-31.12.2024	—	1 710	—	264 000	—	265 710	—

**Variable remuneration** – remuneration awarded for previous years paid in a given year. As at the date of this Report, the decision on awarding variable remuneration for 2024 has not been taken yet

**One-year variable remuneration:** the non-deferred cash part of the bonus awarded and paid in a given year (non-deferred cash part of the bonus for 2023).

**Multi-year variable remuneration:** the deferred (cash and non-cash) parts of the bonus granted in previous years paid in accordance with the tranche maturity dates in a given year. The value of non-cash tranches was calculated as the product of the number of offered warrants and their price on the day of awarding the bonus.



**Other benefits include cash and non-cash benefits awarded to the immediate family of the Management Board Members (medical care, medical insurance) as per the table below:**

in PLN	in 2024
Cezary Kocik	87 168
Krzysztof Bratos	19 549
Krzysztof Dąbrowski	5 593
Marek Lusztyn	34 869
Adam Pers	5 593
Cezary Stypułkowski	2 621

**In 2024, the Management Board Members:**

- did not receive remuneration from members of mBank Group;
- did not receive payments under old age and disability pension programmes.

**Table 2::** Deferred variable cash remuneration to which rights will be acquired in the following years in PLN

First name and surname / Function	Bonus for	Payment year				
		2025	2026	2027	2028	2029
<b>Cezary Kocik</b> President of the Management Board	2019	72 000	—	—	—	—
	2022	67 200	67 200	67 200	67 200	—
	2023	79 800	79 800	79 800	79 800	79 800
<b>Krzysztof Dąbrowski</b> Vice-President of the Management Board, Head of Operations and IT	2019	66 000	—	—	—	—
	2022	67 200	67 200	67 200	67 200	—
	2023	79 800	79 800	79 800	79 800	79 800
<b>Marek Lusztyn</b> Vice-President of the Management Board, Chief Risk Officer	2022	58 800	58 800	58 800	58 800	—
	2023	79 800	79 800	79 800	79 800	79 800
<b>Julia Nusser</b> Vice-President of the Management Board Chief People & Regulatory Officer	2023	53 201	53 200	53 200	53 200	53 199
<b>Adam Pers</b> Vice-President of the Management Board, Head of Corporate and Investment Banking	2019	72 000	—	—	—	—
	2022	67 200	67 200	67 200	67 200	—
	2023	79 800	79 800	79 800	79 800	79 800
<b>Pascal Ruhland</b> Vice-President of the Management Board, Chief Financial Officer	2023	53 201	53 200	53 200	53 200	53 199
<b>Cezary Stypułkowski</b> President of the Management Board	2019	132 000	—	—	—	—
	2022	127 200	127 200	127 200	127 200	—
	2023	160 061	160 061	160 061	160 061	160 060
<b>Andreas Böger</b> Vice-President of the Management Board, Chief Financial Officer	2019	66 000	—	—	—	—
	2022	67 200	67 200	67 200	67 200	—
	2023	26 600	26 600	26 600	26 600	26 600
<b>Frank Bock</b> Vice-President of the Management Board, Head of Financial Markets	2019	60 000	—	—	—	—
<b>Lidia Jabłonowska-Luba</b> Vice-President of the Management Board, Chief Risk Officer	2019	60 000	—	—	—	—

## Remuneration of Supervisory Board Members in 2024

Members of the Supervisory Board perform their functions on the basis of appointment and are entitled to remuneration only on this account. The amounts of remuneration of Supervisory Board Members are determined by resolution of the General Meeting. The remuneration of the Supervisory Board Members is composed of monthly remuneration for participation in the Supervisory Board and remuneration for participation in the Standing Committees appointed by the Supervisory Board.

The remuneration for participation in the standing committees is set as a percentage of the monthly remuneration and equal to:

1. 50% of the monthly remuneration for participation in the first Standing Committee,
2. 25% of the monthly remuneration for participation in the second Standing Committee.

No additional remuneration is paid to a Supervisory Board Member who sits on three or more Standing Committees of the Supervisory Board.

However, a Supervisory Board Member performing the function of the Chairperson of the Audit Committee of the Supervisory Board of the Bank is entitled to additional remuneration equal to 60% of the sum of the monthly remuneration and the remuneration for participation in the first Standing Committee paid to this Supervisory Board Member.

Moreover, the Bank pays the cost of a healthcare package for the Supervisory Board Member who wishes to be covered by the healthcare scheme provided by the Bank. The Chairperson of the Supervisory Board is authorised to receive a company car for business and private use.

The remuneration of a Supervisory Board Member is not linked to the Bank's performance.

The remuneration of a Supervisory Board Member is not awarded in financial instruments.

No.	First name and surname	Remuneration paid in 2024 (in PLN)
1.	Agnieszka Słomka-Gołębiowska	531 671
2.	Bettina Orlopp	
3.	Tomasz Bieske	435 500
4.	Mirosław Godlewski	280 114
5.	Aleksandra Gren	280 114
6.	Hans Georg Beyer	236 250
7.	Bernhard Spalt	
8.	Thomas Schaufler	
<b>Total</b>		<b>1 763 649</b>

The Supervisory Board Members who sit on the Board of Managing Directors of Commerzbank AG, the parent entity of mBank, do not receive remuneration for performing the function of Members of the Supervisory Board of mBank.

## 2 Clarification of how total remuneration complies with the adopted remuneration policy and how it contributes to the achievement of the company's long-term goals



**The Company pays remuneration to the Management Board Members and Supervisory Board Members solely based on the Remuneration Policy.**

The remuneration paid to the Management Board Members encourages full commitment to their respective functions, motivates them to achieve the Company's business goals, while its amount is adequate to the position.

The Management Board Members receive fixed remuneration as well as variable remuneration; the latter is determined by KPIs directly connected with the Company's economic standing, the Score Card, the achievement of MbO objectives, and qualitative assessment. In addition, the variable part of remuneration ensures that the Management Board remains focused, among others, on dynamic growth of the Bank's business and the range of products and services offered to clients, the Bank's market position, financial performance, as well as its financial and capital position.



**By limiting the amount of variable remuneration to 100% of basic remuneration, the policy ensures that the Management Board looks beyond short-term financial results.**

This remuneration structure motivates Management Board Members, contributes to the implementation of business strategy and fosters stable long-term growth in shareholder value. In addition, it encourages responsible behaviour towards clients, employees, as well as social and environmental responsibility in the long-term perspective.

**The pursuit of business strategy and long-term interests** as well as stable operation of the Company are helped, in particular, by a flexible solution which consists in authorising the Supervisory Board to adopt clear, comprehensive and diversified financial and non-financial performance criteria for awarding variable remuneration, and at the same time, requires a balance between quantitative and qualitative criteria, and by the introduction of principles for verifying compliance with individual criteria determining the payment of variable remuneration. Moreover, the possibility to launch incentive programmes enables the Supervisory Board to link key Management Board Members with the Company, which positively affects the composition of this body and the Company's financial performance.

**The division of cash remuneration for Management Board Members** into fixed part and variable part, with the latter being largely determined by economic effects of the Company, encourages Management Board Members, to a far greater extent than other employees (whose remuneration is mostly fixed), to take well-thought-out actions resulting in continuous improvement in economic effects, and at the same time, ensuring stable operation in longer terms. The form, structure and level of remuneration are in line with the current market standards and aim to retain employees of key importance to the Company who meet the criteria ensuring proper management or supervision of the Company, in a manner taking into account the interests of the Company's shareholders.

In turn, fixed remuneration paid to Supervisory Board Members, by not being linked to the Bank's performance, ensures independent control of the Bank's economic situation. At the same time, proper control guarantees stable and safe development of the Bank, which translates into achievement of the Bank's long-term goals.

**In order to avoid conflicts of interest associated with the Remunerations Policy**, various competences associated with adoption, application, and verification of the Remunerations Policy are dispersed among different governing bodies of the Company. The Eligible Person is obligated to notify the Company of any actual or potential conflict between the respective interests of the Eligible Person and of the Company. The Eligible Person ought to refrain from participating in discussions, and to abstain from voting on resolutions, on matters relating to this Remunerations Policy which would, or may, involve such a conflict of interest. A conflict of interest may arise, in particular, where:

- The Eligible Person may receive gains, or avoid losses, in the context of her/his remuneration as a result of loss on the part of the Company, or
- The financial interests of the Eligible Person in the aspect of her/his remuneration amount or the terms of such remuneration are divergent with the interests of the Company.

The above does not exclude the obligation to apply the regulations binding in the Company concerning conflicts of interest.



**The remuneration policy adopted by the Bank supports sound and effective risk management and does not encourage employees to take excessive risk exceeding the general risk level accepted by the Supervisory Board of the Bank, fosters the implementation of the Bank management strategy and risk management strategy, and reduces the risk of conflicts of interest.**



### 3. Information about the application of performance criteria



#### **Financial and non-financial performance criteria for awarding variable remuneration**

The Supervisory Board determines the bonus amount for every Management Board Member individually and at its own discretion. The bonus amounts are determined based on the achievement of MbO objectives and the Score Card (the template of which is set out in the RT Remuneration Policy) for at least the last three calendar years. The Supervisory Board takes into account the business cycle of the Bank and the risk inherent in its business activity. The objectives for a given year are defined by a Management Board Member and the Remuneration and Nomination Committee in accordance with the principles of defining business and development objectives adopted, among others, by the Remuneration and Nomination Committee for the Management Board of the Bank.

#### **The objectives set for 2024 generally included:**

1. financial objectives accounting for 45–65% of objectives (their weights depend on the impact of an individual Management Board Member on these objectives);
2. qualitative objectives accounting for 35–55% of objectives, depending on the scope of responsibility of an individual Management Board Member;
3. sustainability objectives accounting for 15–20% of objectives of a Management Board Member.

Starting from 2023, the bonus pool for a given calendar year is determined based on the total of amounts calculated using key performance indicators (KPIs).

#### **The Supervisory Board approves:**

- definition of KPIs;
- number of KPIs in a given year;
- percentage share of every KPI in the bonus pool;
- results considered as a 100% achievement of individual KPIs and the actual results for the KPIs.

A 100% achievement of a KPI forms the starting point. If the starting point for every KPI is achieved, the bonus pool amounts to eight times the monthly basic remuneration of all Management Board Members. Where the KPI achievement is higher or lower than the respective starting point, its percentage result is decreased or increased proportionally. The percentage result for every KPI is the weighted average of results from the calendar year for which the bonus is awarded and the two preceding years, calculated as per the following formula:

$$\text{Percentage result of a KPI} = \frac{1}{2} \times N + \frac{1}{3} \times (N-1) + \frac{1}{6} \times (N-2)$$

where:

<b>N</b>	percentage result of the KPI for the calendar year for which the bonus is awarded,
<b>N-1</b>	percentage result of the KPI for the calendar year immediately preceding the calendar year for which the bonus is awarded,
<b>N-2</b>	percentage result of the KPI for the calendar year preceding by two years the calendar year for which the bonus is awarded.

The Supervisory Board may decide to increase or decrease the bonus pool calculated based on KPIs if one-off events occur, such as a one-off transaction affecting costs or P&L or other events resulting from measures taken by public administration bodies or regulatory bodies, that are generally outside the control of a Management Board Member or that can be controlled by a Management Board Member to a limited extent only.

Taking into account the objective achievement status and efficiency of the Management Board's actions, in 2024 the Supervisory Board decided to award the Management Board Members variable remuneration for 2023. The Supervisory Board decided on the amount of the bonus pool and variable remuneration for individual Members of the Management Board based on the achievement of the following KPI targets:

<b>KPI</b>	<b>Actual vs plan (weighted average from the last three years)</b>
<b>AROR (adjusted return on risk-weighted assets)</b>	120%
<b>Economic Profit</b>	150%
<b>Cost to income ratio</b>	112%
<b>Revenues</b>	110%
<b>Capital indicators</b>	109%

The average variable remuneration awarded to the Management Board Members for 2023 amounted to 9.5 times the fixed remuneration set in their respective contracts. A person who has served on the Management Board for less than the bonus period is awarded the bonus for the period of service.

The variable remuneration awarded for 2023 will be paid in tranches in accordance with the rules set out in the RT Remuneration Policy.

The table below presents the amounts of variable remuneration:

<b>First name and surname</b>	<b>Variable remuneration (in PLN) for 2023</b>
<b>Cezary Stypułkowski</b>	2 667 679
<b>Cezary Kocik</b>	1 330 000
<b>Krzysztof Dąbrowski</b>	1 330 000
<b>Marek Lusztyn</b>	1 330 000
<b>Adam Pers</b>	1 330 000
<b>Julia Nusser</b>	886 667
<b>Pascal Ruhland</b>	886 667
<b>Andreas Boeger</b>	443 333

The Bonus for 2024 will be awarded in 2025 and paid in the following years pursuant to the rules specified in the RT Remuneration Policy. The determination and payment of every tranche of the cash and non-cash deferred part is subject to assessment. The decision to pay deferred tranches is made every year.

The Supervisory Board, based on a recommendation of the Remuneration and Nomination Committee, may decide to withhold in whole or reduce the amount of the cash or and non-cash deferred tranche if it concludes that in a time horizon longer than one calendar year (i.e. a period of at least three years), a Management Board Member had a direct and negative impact on the financial result or market position of mBank Group in the period under assessment, or directly caused significant financial losses or the imposition of financial sanctions on the Bank by supervisory authorities, or when at least one of the Score Card components (its template can be found in the RT Remuneration Policy) has not been achieved or any of the premises stipulated in Article 142 of the Banking Law Act, in particular Article 142 (2), has occurred:

1. a balance sheet loss has been sustained or there is a threat of such a loss, there is a threat of insolvency or loss of liquidity, liquidity and solvency are deteriorating;
2. financial leverage level is increasing;
3. the number of non-performing loans or advances is increasing;
4. the concentration of exposures is increasing.

Suspending the bonus or any deferred tranche in whole or decreasing its amount may also apply to the bonus or the deferred tranche paid out to an employee upon termination or expiry of his/her employment contract.



**In 2024, the Remuneration and Nomination Committee declared that there were no grounds for suspending in whole or decreasing the amount paid out in deferred tranches (paid out in cash and settled in financial instruments) due to the Management Board Members, and the conditions stipulated in the Score Card (its template can be found in the RT Remuneration Policy) had been met.**

#### 4. Cumulative information on yearly changes in remuneration, results of the Company, and average remuneration of employees of the Company who are not Management Board members or Supervisory Board Members, in the period of at least the last five financial years, provided in a manner that allows comparison



**Table 4:** Comparison of changes in remuneration in the last five reported financial years (in PLN)

Year-on-year change	Seniority in the Management Board	2019	2020	2021	2022	2023	2024
<b>Remuneration of the Management Board Members</b>							
<b>Cezary Kocik</b>	01.04.2012 – 31.12.2024	2 934 929	2 992 420	2 618 045	2 420 295	3 108 348	4 409 209
President of the Management Board							
	year-on-year change		1,96%	-12,51%	-7,55%	28,43%	41,85%
<b>Krzysztof Bratos</b>	26.02.2024 – 31.12.2024	n/a	n/a	n/a	n/a	n/a	853 496
Vice-President of the Management Board, Head of Retail Banking							
	year-on-year change						
<b>Krzysztof Dąbrowski</b>	01.04.2017- 31.12.2024	2 293 683	2 549 697	2 397 438	2 309 668	2 989 682	3 215 260
Vice-President of the Management Board, Head of Operations and IT							
	year-on-year change		11,16%	-5,97%	-3,66%	29,44%	7,55%
<b>Marek Lusztyń</b>	22.10.2020 – 31.12.2024	n/a	321 708	1 886 337	1 938 943	2 694 239	2 911 357
Vice-President of the Management Board, Chief Risk Officer							
	year-on-year change				2,79%	38,95%	8,06%
<b>Julia Nusser</b>	01.05.2023- 31.12.2024	n/a	n/a	n/a	n/a	1 667 615	2 738 976
Vice-President of the Management Board Chief People & Regulatory Officer							
	year-on-year change						
<b>Adam Pers</b>	26.10.2017- 31.12.2024	2 212 630	2 476 493	2 320 565	2 292 811	2 969 614	3 195 060
Vice-President of the Management Board, Head of Corporate and Investment Banking							
	year-on-year change		11,93%	-6,30%	-1,20%	29,52%	7,59%



Year-on-year change	Seniority in the Management Board	2019	2020	2021	2022	2023	2024
<b>Remuneration of the Management Board Members</b>							
<b>Pascal Ruhland</b>							
Vice-President of the Management Board, Head of Corporate and Investment Banking	01.05.2023- 31.12.2024	n/a	n/a	n/a	n/a	1 666 298	2 706 668
year-on-year change							
<b>Cezary Stypułkowski</b>							
President of the Management Board	01.10.2010 – 14.07.2024	5 426 330	5 682 772	5 147 358	4 872 157	6 075 075	4 974 084
year-on-year change							
			4,73%	-9,42%	-5,35%	24,69%	
<b>Andreas Böger</b>							
Vice-President of the Management Board, Head of Corporate and Investment Banking	01.07.2017- 30.04.2023	2 424 969	2 559 785	2 454 824	2 433 099	1 634 848	813 067
year-on-year change							
			5,56%	-4,10%	-0,89%		
<b>Frank Bock</b>							
Vice-President of the Management Board, Head of Financial Markets	01.05.2017- 31.12.2020	2 519 098	2 557 348	1 280 332	408 000	102 000	265 200
year-on-year change							
			1,52%				
<b>Lidia Jabłonowska-Luba</b>							
Vice-President of the Management Board, Chief Risk Officer	12.04.2013- 22.10.2020	2 736 781	2 377 002	1 920 835	349 710	114 000	265 710
year-on-year change							
			-13,15%				

Remuneration paid to the Management Board Members and former Management Board Members in individual years, regardless of when they performed their function. A percentage figure is provided for a given person only when they were employed throughout the whole period in the two years subject to comparison.

Average remuneration per FTE	2019	2020	2021	2022	2023	2024
<b>Employees of the Company</b>	129 337	132 230	131 824	149 568	167 832	183 152
<b>year-on-year change</b>		2,24%	-0,31%	13,46%	12,21%	9,13%

The average remuneration of the Bank's employees is a sum of remuneration (fixed remuneration, bonuses and other awards, commissions, non-cash benefits and all other payments) paid to the employees in a given calendar year (within 12 months) divided by the average number of FTEs in a given year.

Results of the Company	2019	2020	2021	2022	2023	2024
<b>Pre-tax profit/loss of mBank Group</b>	<b>1 555</b>	<b>610</b>	<b>(591)</b>	<b>(108)</b>	<b>971</b>	<b>2 974</b>
change in PLN million		(945)	(1 201)	483	1 079	2 003
change in %		-60,77%	-196,89%	81,73%	999,07%	206,28%
<b>Net profit/loss of mBank Group</b>	<b>1 010</b>	<b>104</b>	<b>(1 179)</b>	<b>(703)</b>	<b>24</b>	<b>2 243</b>
change in PLN million		(906)	(1 283)	476	727	2 219
change in %		-89,70%	-1233,65%	40,37%	103,41%	305,23%
<b>Cost/Income ratio of mBank Group</b>	<b>42,20%</b>	<b>41,10%</b>	<b>40,20%</b>	<b>42,30%</b>	<b>28,46%</b>	<b>28,2%</b>
<b>Common Equity Tier 1 capital ratio of mBank Group</b>	<b>16,51%</b>	<b>16,99%</b>	<b>14,16%</b>	<b>13,81%</b>	<b>14,69%</b>	<b>14,52%</b>

In 2024, mBank Group posted a record-high net profit amid the continued negative impact of further legal risk costs connected with foreign currency mortgage loans. The pre-tax profit in 2024 stood at PLN 2,973.7 million, which represents an increase compared to PLN 970.6 million in 2023. Net profit attributable to the owners of mBank amounted to PLN 2,243.2 million, up from PLN 24.1 million a year before.

Total costs of legal risk related to foreign currency loans recognised in profit or loss in 2024 stood at PLN 4,307.0 million (against PLN 4,908.2 million in 2023).

In 2024, mBank Group successfully continued to implement measures aimed at improving efficiency measured by the Cost/Income ratio.

## **5. The amount of remuneration from members of the same capital group within the meaning of the Accounting Act of September 29, 1994.**

In 2024, the Management Board Members and Supervisory Board did not receive remuneration from members of mBank Group.



## 6. The number of financial instruments granted or offered, and main conditions for exercising the rights arising from these instruments, including the price and date of exercise and change thereof



### Remuneration in the form of financial instruments

50% of the non-deferred part and 50% of the deferred part of variable remuneration is granted in non-cash form, i.e. in the form of subscription warrants.

In 2024, the Management Board Members acquired rights to non-cash tranches in subscription warrants convertible into shares under the rules stipulated in the programme running since 2018. The part granted in warrants amounts to 50% of variable remuneration, and is paid out in tranches.

Warrants being a bonus for a given year are paid out in six tranches. The first tranche is acquired not earlier than 12 months after the date of the General Meeting approving the consolidated financial statements of mBank Group for the year for which the bonus is granted. The following five tranches are paid out not earlier than 12 months after the date of the General Meeting approving the consolidated financial statements of mBank Group for each subsequent year. Under the warrants-based programme, in 2024 the Bank paid out the fifth tranche of the bonus for 2018, the fourth tranche of the bonus for 2019, the third tranche of the bonus for 2020, the second tranche of the bonus for 2021 and the first tranche of the bonus for 2022.

In 2024, the bonus for 2023 was awarded. The first tranche will be paid in warrants in 2025. Warrants are offered to eligible persons on the maturity date of a given tranche. Warrants are acquired by the Management Board Members in a given calendar year exclusively in warrants acquisition periods set by a resolution of the Supervisory Board. Warrants are acquired free of charge. The rights to acquire shares arising from warrants are exercised at the issue price (PLN 4 per share).

**Table 5:** Information on the number of financial instruments to be acquired and already acquired by the Management Board Members in 2024.

First name and surname / Function	Bonus for	Date of granting	Price per share used to calculate the number of instruments	Number of warrants			Existing at the end of 2024
				Existing at the beginning of 2024	Offered in 2024	Exercised in 2024	
<b>Cezary Kocik</b> President of the Management Board	2018	26.02.2019	436,15	<b>330</b>	165	165	<b>165</b>
	2019	28.02.2020	366,86	<b>588</b>	196	196	<b>392</b>
	2020	23.11.2021	198,12	<b>1 235</b>	309	309	<b>926</b>
	2021	02.03.2022	450,34	<b>1 332</b>	267	267	<b>1 065</b>
	2022	02.03.2023	313,1	<b>1 789</b>	716	716	<b>1 073</b>
	2023	27.03.2024	695,2	<b>957</b>	—	—	<b>957</b>
<b>Krzysztof Dąbrowski</b> Vice-President of the Management Board, Head of Operations and IT	2018	26.02.2019	436,15	<b>274</b>	137	137	<b>137</b>
	2019	28.02.2020	366,86	<b>540</b>	180	180	<b>360</b>
	2020	23.11.2021	198,12	<b>1 235</b>	309	309	<b>926</b>
	2021	02.03.2022	450,34	<b>1 332</b>	267	267	<b>1 065</b>
	2022	02.03.2023	313,1	<b>1 789</b>	716	716	<b>1 073</b>
	2023	27.03.2024	695,2	<b>957</b>	—	—	<b>957</b>
<b>Marek Lusztyń</b> Vice-President of the Management Board, Chief Risk Officer	2020	23.11.2021	198,12	<b>363</b>	91	91	<b>272</b>
	2021	02.03.2022	450,34	<b>1 332</b>	267	267	<b>1 065</b>
	2022	02.03.2023	313,1	<b>1 565</b>	626	626	<b>939</b>
	2023	27.03.2024	695,2	<b>957</b>	—	—	<b>957</b>
<b>Julia Nusser</b> Vice-President of the Management Board Chief People & Regulatory Officer	2023	27.03.2024	695,2	<b>638</b>	—	—	<b>638</b>
<b>Adam Pers</b> Vice-President of the Management Board, Head of Corporate and Investment Banking	2018	26.02.2019	436,15	<b>274</b>	137	137	<b>137</b>
	2019	28.02.2020	366,86	<b>588</b>	196	196	<b>392</b>
	2020	23.11.2021	198,12	<b>1 235</b>	309	309	<b>926</b>
	2021	02.03.2022	450,34	<b>1 332</b>	267	267	<b>1 065</b>
	2022	02.03.2023	313,1	<b>1 789</b>	716	716	<b>1 073</b>
	2023	27.03.2024	695,2	<b>957</b>	—	—	<b>957</b>
<b>Pascal Ruhland</b> Vice-President of the Management Board, Head of Corporate and Investment Banking	2023	27.03.2024	695,2	<b>638</b>	—	—	<b>638</b>
<b>Cezary Stypułkowski</b> President of the Management Board	2018	26.02.2019	436,15	<b>550</b>	275	275	<b>275</b>
	2019	28.02.2020	366,86	<b>1 079</b>	360	360	<b>719</b>
	2020	23.11.2021	198,12	<b>2 423</b>	606	606	<b>1 817</b>
	2021	02.03.2022	450,34	<b>2 665</b>	533	533	<b>2 132</b>
	2022	02.03.2023	313,1	<b>3 386</b>	1 355	1 355	<b>2 031</b>
	2023	27.03.2024	695,2	<b>1 919</b>	—	—	<b>1 919</b>

First name and surname / Function	Bonus for	Date of granting	Price per share used to calcula- te the number of instruments	Number of warrants			
				Existing at the beginning of 2024	Offered in 2024	Exercised in 2024	Existing at the end of 2024
<b>Andreas Böger</b>  Vice-President of the Management Board, Head of Corporate and Investment Banking	2018	26.02.2019	436,15	<b>274</b>	137	137	<b>137</b>
	2019	28.02.2020	366,86	<b>540</b>	180	180	<b>360</b>
	2020	23.11.2021	198,12	<b>1 235</b>	309	309	<b>926</b>
	2021	02.03.2022	450,34	<b>1 332</b>	267	267	<b>1 065</b>
	2022	02.03.2023	313,1	<b>1 789</b>	716	716	<b>1 073</b>
	2023	27.03.2024	695,2	<b>319</b>	—	—	<b>319</b>
<b>Frank Bock</b>  Vice-President of the Management Board, Head of Financial Markets	2018	26.02.2019	436,15	<b>192</b>	96	96	<b>96</b>
	2019	28.02.2020	366,86	<b>489</b>	163	163	<b>326</b>
	2020	23.11.2021	198,12	<b>1 235</b>	309	309	<b>926</b>
<b>Lidia Jabłowska-Luba</b>  Vice-President of the Management Board, Chief Risk Officer	2018	26.02.2019	436,15	<b>247</b>	124	124	<b>123</b>
	2019	28.02.2020	366,86	<b>489</b>	163	163	<b>326</b>
	2020	23.11.2021	198,12	<b>726</b>	182	182	<b>544</b>



## 7. Information on using the option of requesting a Management Board Member to return variable components of remuneration



A Management Board Member may be obliged, under the rules and within the time limit determined by a decision of the Supervisory Board of the Bank, to return the bonus granted and paid for a given calendar year (i.e. the non-deferred part and all deferred parts) if he/she has violated the rules and standards adopted in mBank Group, has materially violated the generally applicable laws or has directly caused significant financial losses being the consequence of his/her deliberate adverse actions to the detriment of mBank Group, or has contributed to financial sanctions being imposed on the Bank by supervisory bodies under a final and non-appealable decision.

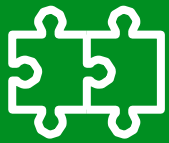
The decision on whether the above-mentioned events occurred may be taken by the end of the calendar year in which the last tranche of the deferred part of the bonus awarded for the year in which the event occurred is paid.



**In 2024, the Bank did not use the option of requesting a Management Board Member to return variable components of remuneration, since no grounds for doing so, referred to above, occurred.**

## 8. Information on departures from the procedure of implementing the Remuneration Policy and departures applied in line with Article 90f of the Act on Public Offering, including the explanation of factors and the manner, and indication of elements subject to departure.

In 2024, there were no departures from the Remuneration Policy or the procedure of implementing the Remuneration Policy.



## V. Conclusions

**The Supervisory Board reviewed the remuneration and all benefits awarded to individual Management Board and Supervisory Board Members in terms of their compliance with applicable policies (the Remuneration Policy and the RT Remuneration Policy).**

- ① Remuneration paid to the Management Board Members both in cash and financial instruments complies with applicable policies and meets all legal requirements.
- ② The applicable Remuneration Policy and the RT Remuneration Policy constitute a remuneration management tool. They foster the development and security of the Bank's operations and effective risk management in mBank Group, and help avoid excessive exposure to risk. Moreover, they support the implementation of the Bank management strategy and bring the long-term well-being of the Bank and its clients into focus.
- ③ The applicable remuneration rules enable a flexible policy concerning variable components of remuneration, providing for, among others, a wide range of qualitative and quantitative factors making it possible to reduce or even withhold variable remuneration (also in respect of deferred parts) in the case the Company faces difficulties related to its financial standing or capital.
- ④ The Supervisory Board, guided by prudent and stable management of risk, capital and liquidity and out of concern for long-term interests of the Bank and interests of the Bank's shareholders and investors, positively assesses the application of the Remuneration Policy and compliance of remuneration paid to the Management Board and Supervisory Board Members with the approach to remuneration adopted at the Bank.

