**SUPPLEMENT NO. 1 DATED 30 AUGUST 2023 TO THE BASE PROSPECTUS DATED 28 NOVEMBER 2022**

**mBank S.A.**

(*incorporated as a joint stock company in the Republic of Poland*)

**€3,000,000,000**

**Euro Medium Term Note Programme**

This supplement no. 1 (the "**Supplement**") is supplemental to, forms part of and should be read in conjunction with the base prospectus dated 28 November 2022 (the "**Base Prospectus**") prepared by mBank S.A. (the "**Bank**" or the "**Issuer**") with respect to its €3,000,000,000 Euro Medium Term Note Programme (the "**Programme**"). In this Supplement, "**Prospectus Regulation**" means Regulation (EU) 2017/1129 of 14 June 2017 (as amended). The Base Prospectus received approval on 28 November 2022 from the *Commission de Surveillance du Secteur Financier* (the "**CSSF**").

This Supplement constitutes a supplement for the purposes of Article 23(1) of the Prospectus Regulation and has been approved by the CSSF, as competent authority under the Prospectus Regulation in the Grand Duchy of Luxembourg. Such an approval should not be considered as an endorsement of the Issuer or the quality of the Notes that are the subject of the Base Prospectus. Each potential investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and an independent assessment as to the suitability of investing in any issuance of Notes.

Unless the context otherwise requires, terms defined in the Base Prospectus shall have the same meanings when used in this Supplement. To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Base Prospectus by this Supplement and (b) any other statement in or incorporated by reference in the Base Prospectus, the statements in (a) above will prevail.

The purpose of this Supplement is to:

(a) amend the reference to the financial statements in the section under the heading "Presentation of Financial and Other Information - Presentation of Financial Information" of the Base Prospectus to refer to the audited consolidated financial statements of the Group for the financial year ended 31 December 2022 and the unaudited consolidated financial statements of the Group for the first half of 2023 ended 30 June 2023;

(b) amend the section under the heading "Risk Factors" of the Base Prospectus;

(c) incorporate by reference the audited consolidated financial statements of the Group for the year ended 31 December 2022 prepared in accordance with IFRS as adopted by the European Union (the "**2022 Consolidated Financial Statements**") and the separate independent registered auditor's report on the audit of the 2022 Consolidated Financial Statements;

(d) incorporate by reference the unaudited consolidated financial statements of the Group for the first half of 2023 ended 30 June 2023 prepared in accordance with IAS 34 "Interim financial reporting" as adopted by the European Union (the "**H1 2023 Consolidated Financial Statements**") and the separate independent registered auditor's report on review of condensed interim consolidated financial statements for the first half of 2023 ended 30 June 2023;

(e) update the section under the heading "Selected Financial Information of the Issuer and Overview of the Group's Financial Condition" in order to present consolidated financial data of the Group as of and for the year ended 31 December 2022 and consolidated financial data of the Group as of and for the first half of 2023 ended 30 June 2023;

(f) update selected information in the section under the heading "Description of the Group" of the Base Prospectus, including:

- the sub-section under the heading "Operations" in order to present the financial results of the Group's segments for the year ended 31 December 2022 and for the first half of 2023 ended 30 June 2023;
- the share of Commerzbank AG in the Bank's share capital and in the number of votes at the Bank's General Shareholders' Meeting;
- the information on the number of customers of the Group and the Group's employees in the sub-sections under the headings "Retail Banking in Poland", "Retail Banking in the Czech Republic and Slovakia (mBank CZ/SK)", "Corporate and Investment Banking" and "Employees – Employment Structure";
- the market shares of the Group for the year ended 31 December 2022 and for the first half of 2023 ended 30 June 2023;
- the sub-section under the heading "Ratings" in order to reflect the current ratings assigned to the Issuer;
- the sub-section under the heading "Funding sources" to reflect the funding structure of the Group as of 31 December 2022 and as of 30 June 2023; and
- information on individual court proceedings concerning indexation clauses to CHF and a class action against the Issuer under the section under the heading "Description of the Group" of the Base Prospectus;

(g) update selected information in the section under the heading "Market and Legal Environment" of the Base Prospectus, including:

- the sub-section under the heading "The Polish Economy"; and
- the sub-section under the heading "Financial Situation of the Polish Banking Sector";

(h) update information concerning the Bank's material subsidiaries under the section under the heading "General Information on the Bank" of the Base Prospectus;

(i) update information concerning the Management Board and the Supervisory Board of the Issuer under the heading entitled "Management and Supervisory Corporate Authorities" of the Base Prospectus;

(j) add an additional selling restriction in the "Subscription and Sale" section of the Base Prospectus; and

(k) update certain information set out in the section under the heading "General Information" of the Base Prospectus.

Save as disclosed in this Supplement, there has been no other significant new factor, material mistake or material inaccuracy relating to information included in the Base Prospectus since the publication of the Base Prospectus.

The Issuer accepts responsibility for the information contained in this Supplement. To the best of the knowledge of the Issuer (who has taken all reasonable care to ensure that such is the case), the information contained herein is, subject as provided in the preceding sentence, in accordance with the facts and does not omit anything likely to affect the import of such information.

Copies of this Supplement will be available on the website of the Issuer (https://www.mbank.pl/en/investor-relations/ratings-debt-instruments/issue-programs-content.html) and on the website of the Luxembourg Stock Exchange (www.luxse.com).

If documents which are incorporated by reference into this Supplement themselves incorporate any information or other documents therein, either expressly or implicitly, such information or other documents will not form part of this Supplement for the purposes of the Prospectus Regulation except where such information or other documents are specifically incorporated by reference into this Supplement.

Any such document or information that is not incorporated by reference into this Supplement in line with the preceding sentence is either not relevant for investors or covered elsewhere in the Base Prospectus.

30 August 2023

**mBank S.A.**

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## AMENDMENTS TO THE BASE PROSPECTUS

With effect from the date of this Supplement, the information appearing in the Base Prospectus is amended and/or supplemented in the manner described below.

### Presentation of Financial Information

- The first paragraph of the section under the heading "Presentation of Financial and Other Information - Presentation of Financial Information" on page 9 of the Base Prospectus is deleted and replaced by the following:

  "Unless otherwise indicated, the financial information in this Base Prospectus relating to the Group has been derived from (i) the audited consolidated financial statements of the Group for the financial years ended 31 December 2021 and 31 December 2022 and (ii) the condensed interim consolidated financial statements of the Group for the first half of 2023 ended 30 June 2023."

### Amendments to the Risk Factors Section

- The "Risk Factors" section on pages 15 to 55 of the Base Prospectus is amended as follows:

  (a) The risk factor under the heading "The Group is exposed to the legal risks related to loans denominated in or indexed to CHF." on pages 15 to 16 under the heading "1. Risks related to the business and industry of the Issuer and its Group" is deleted and replaced with the following:

  "***The Group is exposed to the legal risks related to loans denominated in or indexed to CHF.***

The legal risk associated with the Bank's portfolio of foreign currency-denominated or foreign currency indexed loans ("**FX loans**"), predominantly retail mortgage loans indexed to CHF ("**FX mortgage loans**") has increased over the past few years. In most proceedings, the mortgage servicing provisions were deemed to be "abusive" clauses and therefore such findings have resulted in these provisions not being binding on or enforceable against the borrowers. Since the judgment of the Court of Justice of the European Union (the "**CJEU**") on 3 October 2019 confirming that a court's declaration of the invalidity of a loan agreement following the exclusion of any "abusive" conversion provisions in such loan agreement would be binding on the parties thereto, the number of court actions brought by borrowers against Polish banks has increased significantly. Due to the lack of a decisive opinion of the full panel of the Civil Chamber of the Supreme Court on the fundamental issues concerning FX loans, the common courts issue judgments against the background of the jurisprudence contained in previous rulings of the CJEU and the Supreme Court.

Amid persisting uncertainty as to the trend of final court decisions in FX loan cases, in December 2020, the Chairman of the Polish Financial Supervision Authority (*Komisja Nadzoru Finansowego*, the "**KNF**") called on banks to conclude settlements with borrowers aimed at eliminating the risk of an increasing number of legal disputes under loan agreements denominated in and indexed to CHF. The proposal of the Chairman of the KNF assumed that under a settlement agreement, a loan indexed to or denominated in CHF would be converted as if it was, from the beginning, a PLN loan with a floating interest rate based on three-month WIBOR increased by a margin used historically for such loans. The proposal of the Chairman of the KNF also assumed that only the active portfolio will be converted.

The Bank estimated that the potential negative impact of implementation of this proposed conversion plan on the Bank, calculated as of 30 June 2023, would amount to PLN 4.1 billion if only the active portfolio of FX mortgage loans was converted (unaudited data).

On 29 April 2021, the CJEU issued a judgment in case C-19/20. According to this judgment, 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 and until the court allows the consumer to express a free and informed consent to the challenged contractual provision and to the continuation of the contract.

In August 2021, a question was addressed to the CJEU (case C-520/21), the subject of which was to determine whether in the event of cancellation of the loan agreement, the parties, in addition to the reimbursement of money paid in the performance of this agreement and statutory interest for delay from the moment of the call for payment, may also claim any other benefits, in particular remuneration, unjust enrichment, compensation, reimbursement or valorisation of the benefit.

The hearing before the CJEU took place on 12 October 2022. The CJEU verdict in case C-520/21 was issued on 15 June 2023 ("**CJEU June 2023 Judgment**").

Regarding the consumer's claims, the CJEU pointed out that the provisions of Directive 93/13/EEC on unfair terms in consumer contracts (the "**Directive 93/13**") do not preclude the judicial interpretation of national law, according to which the 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. The principle of proportionality requires that national provisions do not go beyond what is necessary to achieve the objectives of Directive 93/13. Consequently, the referring court should assess, whether and to what extent the acceptance of the consumer's claims, other than the claims for reimbursement of instalments and fees, goes beyond what is necessary to achieve the objectives cited in the judgment, i.e. to restore the situation as if the credit agreement did not exist and to realize the deterrent objective of Directive 93/13.

Regarding the bank's claims against the consumer, the CJEU pointed out that the provisions of Directive 93/13 preclude the judicial interpretation of national law, according to which a credit institution is entitled to demand compensation from the consumer beyond the return of the principal paid in respect of 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. An interpretation of national law according to which a credit institution has the right to demand compensation from the consumer for the consumer's use of the capital would contribute to eliminating the deterrent effect on credit institutions by declaring the agreement void.

That reasoning cannot be challenged by the argument that, in the absence of the possibility for sellers or suppliers to seek compensation going beyond repayment of the capital paid in respect of the performance of that contract and, as the case may be, the payment of default interest, consumers would obtain a loan "free of charge". Nor can it be challenged by the arguments of the Chairman of the KNF that the stability of the financial markets would be threatened if banks were not allowed to seek such compensation from consumers.

The CJEU June 2023 Judgment in practice ruled out the possibility for banks to claim the remuneration for the use of capital. However, in the Bank's view, it did not completely exclude the possibility of banks pursuing claims involving the return of disbursed capital based on its real and present value. The judgment established certain principles that Polish courts should follow when resolving disputes of a nature similar to the dispute which was the basis for the CJEU June 2023 Judgment. The Bank will monitor the development of the jurisprudence of national courts in this regard.

The CJEU June 2023 Judgment is likely to impact the jurisprudence concerning FX mortgage loans. The verdict may also result in negative trends affecting the level of estimated risk, arising from an increased propensity of customers to file lawsuits against banks. Moreover, in another case (case C-287/22), the CJEU stated that in the light of Directive 93/13, the national court should be able to grant consumers interim measures by suspending, for the duration of the proceedings, the obligation to pay monthly instalments including the principal and the interest due under the loan agreement, if that is necessary to ensure the full effectiveness of the forthcoming decision on the unfairness of contractual terms.

A number of legal questions is still pending at the CJEU, including further cases regarding remuneration for capital.

The Bank discontinued offering mortgage loans in CHF in August 2011. As of 30 June 2023, the carrying amount of mortgage and housing loans in CHF granted by the Bank to individual customers amounted to PLN 3.5 billion (i.e. CHF 0.8 billion) compared with PLN 6.1 billion (CHF 1.3 billion) as of 31 December 2022. Additionally, the volume of the portfolio of loans granted in CHF to individuals that were already fully repaid as of 30 June 2023, taking into account the exchange rate on the date of disbursement of individual loan tranches, amounted to PLN 8.5 billion (31 December 2022: PLN 7.5 billion).

As of 30 June 2023, 20,168 individual lawsuits were initiated against the Bank by its customers in connection with CHF loan agreements, with the total value of claims amounting to PLN 7,430.1 million. As of 30 June 2023, the Bank received 3,173 rulings in individual lawsuits, out of which 108 rulings were favourable to the Bank and 3,065 rulings were unfavourable. For more details on the number of individual lawsuits and judgments see "Description of the Group - Legal, Administrative and Arbitration Proceedings - Individual court proceedings concerning indexation clauses to CHF".

On 26 September 2022, the Bank decided to launch a settlement programme for borrowers who have active CHF indexed loans, including borrowers currently in court dispute with the Bank. The Bank proposed the conversion of the loan as well as a reduction of the outstanding loan balance, individually negotiated with each client. After conversion, the customer can choose a temporarily fixed or a variable interest rate. The Bank offered a preferential interest rate on the loan after conversion for the clients who sign the settlements. By deciding to sign a settlement with the Bank, the client can benefit from a reduction of the outstanding loan balance. The settlements eliminate the currency risk and, due to the preferential interest rate and the possibility to choose a temporarily fixed interest rate, minimize the interest rate risk. In addition, the settlement offers provide for reimbursement of low contribution insurance premiums by redeeming capital equal to the sum of premiums collected from the customer.

As of 30 June 2023, the Bank concluded 7,156 settlements (as of 31 December 2022: 1,886 settlements). As of 31 July 2023, the number of concluded settlements reached 8,293 and by 22 August 2023 increased by further 483 settlements. As a result of signed settlements, final court verdicts and other natural drivers, the number of active mortgage loan contracts decreased from 48,273 as of 31 December 2021(in December 2021 the Bank began a pilot settlement programme) to 34,628 as of 31 July 2023.

Total costs of legal risk related to foreign currency loans recognised in the Group's income statement for the year ended 31 December 2022 amounted to PLN 3,112.3 million (in 2021: PLN 2,758.1 million). The most significant contributing factor to these costs in 2022 was the increase in the legal risk related to current and expected individual court cases, which mainly resulted from the change in the distribution of expected court rulings scenarios due to the adoption of historical observations in the model, an increase in the forecasted population of borrowers who will file a lawsuit against the Bank and an increase in the cost of the settlement programme.

Total costs of legal risk related to foreign currency loans recognised in the income statement for the first half of 2023 ended 30 June 2023 was PLN 2,348.7 million (in the first half of 2022 ended 30 June 2022: PLN 367.8 million). These costs result mainly from the inclusion of the anticipated effects of the CJEU June 2023 Judgment on the costs of booking final court judgments and the costs of settlements.

As of 30 June 2023, the cumulative impact of legal risk associated with both individual lawsuits and class actions related to indexation clauses in CHF mortgage loans and the settlement programme amounted to PLN 7,346.4 million (as of 31 December 2022: PLN 6,461.9 million).

The above-mentioned cumulative impact of PLN 7,346.4 million as of 30 June 2023 was composed of:

- impact of legal risk concerning active loans and the Bank's settlement programme related to active loans recognised as a reduction of gross carrying amount of loans: PLN 6,249.4 million, and
- 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: PLN 1,097.0 million.

As of 30 June 2023, the coverage ratio of CHF mortgage loan portfolio for individual customers by provisions for legal risk was 75.4 per cent. (as of 31 December 2022: 54.3 per cent.). This ratio is calculated as the ratio of the cumulative impact of legal risk associated with litigation related to indexation clauses mortgages and housing loans in CHF, to the net value of mortgage and housing loans in CHF granted to natural persons increased by the impact of legal risk concerning lawsuits and settlement programme related to active loans recognised as a reduction of gross carrying amount of loans.

The methodology for calculation of the provision for losses of individual lawsuits applied by the Bank depends on numerous assumptions that take into account historical data adjusted in accordance with the Bank's expectations of the future and as such involve a substantial degree of judgment by the Bank. The most important assumptions include: the expected population of borrowers who will file a lawsuit against the Bank, the distribution of expected verdicts judged by the courts and the level of settlement acceptance. The details of the methodology are described in the note 30 "Legal risk related to mortgage and housing loans granted to individual customers in CHF" to the H1 2023 Consolidated Financial Statements, which are incorporated by reference.

It is possible that the expected impact of such legal risk will have to be adjusted in the future, which may result in an increase in total costs of legal risk for the Bank. Moreover, aggressive advertising campaigns of law firms specializing in CHF legal cases, observed in the public domain, may increase the number of court disputes.

Further negative developments regarding the legal risk of FX mortgage loans could require the Bank to increase the level of provisions for such risk. In the Bank's view, these events, if materialized, would adversely affect the results of the Group, and would reduce the organic generation of capital.

(b) In the risk factor under the heading "The Group is exposed to the risk associated with the Swiss National Bank's policies in connection with the Group granting, financing and securing loans denominated in or indexed to CHF." on page 17 under the heading "1. Risks related to the business and industry of the Issuer and its Group" the following sentence is added at the end of the first paragraph: "Since then, the SNB has raised its benchmark interest rate three times: on 15 December 2022 by 50 basis points, on 23 March 2023 by 50 basis points and on 22 June 2023 by 25 basis points to 1.75 per cent. The SNB does not rule out further interest rate increases by the end of 2023."

(c) In the risk factor under the heading "The Bank and the Group may be unable to satisfy its or their required minimum capital adequacy and other ratios." on pages 27 to 30 of the Base Prospectus under the heading "2. Risks relating to macroeconomic and regulatory conditions":

- the paragraphs about the required minimum capital ratios for the Bank and for the Group as of 30 September 2022 and the reported capital ratios for the Bank and for the Group as of 30 September 2022 on page 28 are deleted and replaced by the following:

  "As of 31 December 2022, the required minimum capital ratios at the consolidated level stood at 12.86 per cent. for TCR and 10.42 per cent. for Tier 1 capital ratio, while the required minimum capital ratios for the Bank at the individual level were 13.15 per cent. for TCR and 10.64 per cent. for Tier 1 capital ratio.

  As of 31 December 2022, the Group reported TCR and Tier 1 capital ratio at 16.36 per cent. and 13.81 per cent., respectively, while stand-alone TCR and Tier 1 capital ratio for the Bank stood at 19.37 per cent. and 16.42 per cent., respectively.

  As of 30 June 2023, the required minimum TCR and Tier 1 capital ratio at the consolidated level stood at 12.33 per cent. and 10.04 per cent., respectively, while the required minimum capital ratios for the Bank at the individual level were 12.55 per cent. for TCR and 10.20 per cent. for Tier 1 capital ratio.

  As of 30 June 2023, the Group reported TCR and Tier 1 capital ratio at 16.8 per cent. and 14.5 per cent., respectively, while stand-alone TCR and Tier 1 capital ratio for the Bank stood at 19.4 per cent. and 16.7 per cent., respectively.

- the sentence "At the date of this Base Prospectus, the capital adequacy ratios reported by the Bank were above the minimum levels required by the KNF on both the individual and consolidated basis" on page 29 is amended as follows: "At the date of the Base Prospectus as supplemented by supplement no. 1 to the Base Prospectus dated 30 August 2023, the capital adequacy ratios reported by the Bank were above the minimum levels required by the KNF on both the individual and consolidated basis."

  After the sentence "Moreover, capital requirements were reduced in light of the COVID-19 pandemic (e.g., systemic risk buffer was reduced by 300 basis points) and might be increased in the future" on page 29 the following information is added: "In 2023, an increase of risk-weighted assets is expected, due to regulatory factors. They result from implementation of material changes in models of all parameters: PD, CCF and LGD, in the portfolios subject to the AIRB method. The Bank expects an increase in risk-weighted assets of approximately PLN 4.5 billion. The final impact shall depend on the conditions for implementation of models indicated in the decision of banking authorities."

- the sentence "As of 31 December 2021 and 30 September 2022, the LR, LCR and the NSFR with respect to the Bank are maintained at a safe level above the minimum requirements." on pages 29 and 30 is amended as follows: "As of 31 December 2021, 31 December 2022 and 30 June 2023, the LR, LCR and the NSFR with respect to the Bank were maintained at a safe level above the minimum requirements."

(d) In the risk factor under the heading "The Bank and the Group may be unable to satisfy their minimum MREL requirement." on page 31 of the Base Prospectus under the heading "2. Risks relating to macroeconomic and regulatory conditions" the following information is added after the seventh paragraph:

"On 12 April 2023, the Bank received a letter from the BGF concerning the joint decision of the resolution authorities, i.e. the Single Resolution Board and the BGF regarding the minimum MREL requirement. The BGF, in agreement with the Single Resolution Board, determined the target MREL requirement in relation to TREA at the level of 18.57 per cent., which should be met by own funds and subordinated eligible liabilities at the level of 18.03 per cent. until 31 December 2023. The target MREL requirement in relation to TEM was determined at 5.91 per cent. and it should be fully met by own funds and subordinated eligible liabilities until 31 December 2023.

For interim goals, the BGF in agreement with the Single Resolution Board, set the requirement in relation to TREA binding at the moment of receiving the decision at 14.16 per cent., including for own funds and subordinated eligible liabilities at 13.89 per cent. The interim MREL requirement in relation to TEM was set at 4.46 per cent., to be fully met by own funds and subordinated eligible liabilities.

However, the MREL requirements for the Bank were determined based on capital requirements as of 31 December 2022. On 14 June 2023, the Bank was informed that the KNF reduced the additional capital requirement related to risk of foreign currency mortgage loans for households on the consolidated basis from 1.76 per cent. to 1.18 per cent. This reduction is not reflected in the aforementioned MREL requirements.

On 28 August 2023, the Bank received a letter from the BGF with the estimated revised MREL requirements in relation to TREA calculated based on the reduced additional capital requirement related to risk of foreign currency mortgage loans for households, which will become binding after the joint decision of the BGF and Single Resolution Board is delivered to the Bank. According to BGF's letter the joint decision is unlikely to be taken until the end of 2023. The new revised requirements in relation to TREA are lower than those included in the joint decision dated 12 April 2023. The interim MREL for 2023 was set at 13.35 per cent., including for own funds and subordinated eligible liabilities at 12.59 per cent. and revised fully-fledged MREL binding from 31 December 2023 was set at 17.52 per cent., including for own funds and subordinated eligible liabilities at 16.00 per cent.

In its letter dated 28 August 2023, the BGF stated that until the decision with revised MREL requirements is delivered to the Bank, a potential breach of the combined buffer requirement applied on the top of interim and fully-fledged MREL in relation to TREA communicated in the decision delivered on 12 April 2023, will not result in negative consequences for the Bank, such as the Maximum Distributable Amount (M-MDA)."

(e) In the risk factor under the heading "The Group faces risks resulting from the temporary suspension of mortgage repayments." on pages 32 to 33 of the Base Prospectus under the heading "2. Risks relating to macroeconomic and regulatory conditions" the second to last paragraph on page 32 is deleted and replaced by the following:

"In 2022, the Group recognised the impact of credit holidays in the total amount of PLN -1,334.4 million, out of which PLN -1,322.4 million was recognised in the interest income of the Group and PLN -12.0 million was recognised in the net trading income of the Group due to the negative effect on hedge accounting. In the first half of 2023, due to an updated calculation of the impact of credit holidays, the Group recognized PLN 41.5 million gain on non-substantial modification, which increased net interest income, and PLN 12.0 million impact on hedge accounting, which increased net trading income. To calculate the impact of credit holidays, the Group estimated that customers owning 82.5 per cent. of the value of the assumed eligible mortgage loan portfolio applied or will apply for credit holidays and they will request on average 7.6 months of credit holidays. By 30 June 2023, customers owning 79.5 per cent. of the value of the assumed eligible mortgage loan portfolio submitted applications applying for an average of 7.3 months of credit holidays. As of 30 June 2023, the gross carrying amount of loans covered by credit holidays amounted to PLN 24,282.0 million."

**Documents Incorporated by Reference**

- In the section under the heading "Documents Incorporated by Reference" on page 57 of the Base Prospectus, the following is added after the sentence: "The information set out in the table below shall be deemed to be incorporated in, and to form part of, this Base Prospectus":

1. the condensed interim consolidated financial statements of the Group for the first half of 2023 ended 30 June 2023 prepared in accordance with IAS 34 "Interim financial reporting" as adopted by the European Union (the "**H1 2023 Consolidated Financial Statements**"), which constitute a free translation from the Polish version into the English language and can be viewed online at: https://www.mbank.pl/pdf/msp-korporacje/relacje-inwestorskie/wyniki-finansowe/2023/consolidated-financial-report-of-mbank-sa-group-for-h1-2023.pdf;

   (a) condensed consolidated income statement (page 7);

   (b) condensed consolidated statement of comprehensive income (page 8);

   (c) condensed consolidated statement of financial position (page 9);

   (d) condensed consolidated statement of changes in equity (page 10);

   (e) condensed consolidated statement of cash flows (page 11);

   (f) explanatory notes to the consolidated financial statements (pages 12 to 68 inclusive); and

   (g) selected explanatory information (pages 69 to 78)

2. the separate independent auditor's report on the review of the H1 2023 Consolidated Financial Statements, which constitutes a free translation from the Polish version into the English language and can be viewed online at: https://www.mbank.pl/pdf/msp-korporacje/relacje-inwestorskie/wyniki-finansowe/2023/auditors-report-mbank-sa-group-h1-2023.pdf;

3. the audited consolidated financial statements of the Group for the year ended 31 December 2022 prepared in accordance with IFRS as adopted by the European Union (the "**2022 Consolidated Financial Statements**"), included in the consolidated annual report of the Group for the year ended 31 December 2022, which constitute a free translation from the Polish version into the English language and can be viewed online at: https://www.mbank.pl/pdf/relacje-inwestorskie/raport-roczny/2022/mbank-group-consolidated-ifrs-financial-statements.pdf;

   (a) consolidated income statement (page 5);

   (b) consolidated statement of comprehensive income (page 6);

   (c) consolidated statement of financial position (page 7);

   (d) consolidated statement of changes in equity (page 8);

   (e) consolidated statement of cash flows (page 9); and

   (f) explanatory notes to the consolidated financial statements (pages 10 to 173 inclusive)

4. the separate independent auditor's report on the audit of the 2022 Consolidated Financial Statements, which constitutes a free translation from the Polish version into the English language and can be viewed online at: https://www.mbank.pl/pdf/relacje-inwestorskie/raport-roczny/2022/mbank-independent-auditor-report-consolidated.pdf.

The numbering of the documents included in the Base Prospectus on pages 57 to 59 is amended accordingly. The documents incorporated by reference shall be numbered from 1 to 18.

**Selected Financial Information of the Issuer and Overview of the Group's Financial Condition**

- The section under the heading "Selected Financial Information of the Issuer and Overview of the Group's Financial Condition" on pages 156 to 169 of the Base Prospectus is updated in the following manner.

The sub-sections under the headings "Financial results of the Group in 2021" on pages 156 to 159 of the Base Prospectus and "Financial results of the Group in the nine-month period ended 30 September 2022" on pages 159 to 162 of the Base Prospectus are deleted and replaced by the following:

"**Financial results of the Group in 2022**

In the year ended 31 December 2022, the Group's net financial result was heavily affected by the substantial provisions for legal risk related to CHF mortgage loans (see *Risk Factors – "The Group is exposed to the legal risks related to loans denominated in or indexed to CHF."*) and by public burdens and one-off regulatory charges. However, the Group's underlying profitability (excluding the effects of one-offs and legal risk provisions) was strong and improved in comparison to 2021. Despite the net loss generated in 2022, the Group's capital and liquidity ratios remained materially above regulatory requirements.

Income of the Group

For the year ended 31 December 2022, the Group generated total income in the amount of PLN 7,856.9 million compared with PLN 6,111.1 million for the year ended 31 December 2021, which represents an increase of PLN 1,745.8 million or 28.6 per cent. Total income is calculated as the sum of net interest income, net fee and commission income, dividend income, net trading income, other income, other operating income and other operating expenses. Other income comprises gains or losses on derecognition of financial assets and liabilities not measured at fair value through profit or loss and gains or losses on non-trading financial assets mandatorily at fair value through profit or loss related to equity instruments and debt securities (without loans and advances).

In the year ended 31 December 2022, an increase of revenues was driven predominantly by net interest income and net fee and commission income.

Net interest income of the Group in the year ended 31 December 2022 accounted for 75.4 per cent. of total income. It amounted to PLN 5,924.0 million compared with PLN 4,126.3 million in 2021 representing an increase by PLN 1,797.7 million or 43.6 per cent. The increase in net interest income was mainly a result of a series of interest rate hikes and the Group's greater focus on pursuing the most profitable business lines. Between October 2021 and September 2022, the reference rate was raised by 665 bps in aggregate to 6.75 per cent. The positive impact of interest rates hikes was partially consumed by the negative impact of credit holidays for borrowers who have mortgage loans in PLN.

In the year ended 31 December 2022, interest income increased by PLN 4,811.8 million or 108.0 per cent. year-on-year and amounted to PLN 9,265.8 million. Income on loans and advances to clients, constituting the main source of interest income, in 2022, increased by PLN 5,175.6 million or 146.8 per cent. year-on-year. Interest income from loans and advances includes interest income from loans and advances on the following items: financial assets measured at amortised cost, non-trading financial assets measured mandatorily at fair value through profit or loss and assets held for trading. The impact of credit holidays recognised in the interest income in the year ended 31 December 2022 was PLN -1,322.4 million.

In the year ended 31 December 2022, interest income from investment securities was higher than in 2021 by PLN 809.3 million or 168.5 per cent. Interest income from investment securities includes interest income on debt securities in the following items: non-trading financial assets measured mandatorily at fair value through profit or loss, financial assets measured at fair value through other comprehensive income and financial assets measured at amortised cost. Interest income from debt securities held for trading increased by PLN 25.9 million or 151.4 per cent. compared with 2021.

Interest expenses increased by PLN 3,014.1 million or by 919.8 per cent. in the year ended 31 December 2022 and were PLN -3,341.8 million. As a result of increased interest rates on customer deposits and higher volumes of corporate, retail and public sector deposits, in 2022, cost of deposits surged by PLN 1,677.0 million or 26.4 times year-on-year. Interest expenses arising from the issue of the Group's debt securities increased by PLN 115.9 million or 74.7 per cent. compared with 2021. In the year ended 31 December 2022, interest expense on derivatives classified into banking book, concluded under the fair value hedge and concluded under the cash flow hedge totalled PLN -1,122.5 million, while in the year ended 31 December 2021 derivatives classified into banking book, concluded under the fair value hedge and concluded under the cash flow hedge generated interest income in the amount of PLN 412.2 million.

Net fee and commission income amounted to PLN 2,120.1 million in the year ended 31 December 2022, up by PLN 252.3 million or 13.5 per cent. year-on-year. Fee and commission income increased by PLN 333.5 million or 12.4 per cent. year-on-year. The highest increase was recorded in payment cards-related fees, which grew by PLN 144.1 million or 29.7 per cent. year-on-year, reflecting higher number and value of non-cash transactions. Commissions from currency transactions rose by PLN 108.4 million or 26.6 per cent. in the year ended 31 December 2022. The increase was driven by higher activity of both corporate and retail clients amid high volatility of exchange rates. Credit-related fees and commissions increased by PLN 72.8 million or 13.5 per cent. year-on-year mainly as a result of changes in the banking tariff and higher sales of corporate loans. Commissions from money transfers increased by PLN 32.4 million or 16.9 per cent. year-on-year and commissions from bank accounts grew by PLN 21.9 million or 6.1 per cent. year-on-year. Commissions for agency service regarding sale of insurance products of external financial entities in the year ended 31 December 2022 were higher than a year ago by PLN 20.8 million or 19.1 per cent. A decline in the activity of investors on the Warsaw Stock Exchange in 2022 resulted in a decrease in fees from brokerage activity and debt securities issue by PLN 67.7 million, i.e. 28.2 per cent. year-on-year. Commissions for agency services regarding sale of other products of external financial entities in 2022 declined by PLN 28.7 million or 27.9 per cent. year-on-year reflecting decreased income from the sale of investment fund units and lower commissions from the sale of external products by mFinanse.

In the year ended 31 December 2022, fee and commission expense increased by PLN 81.1 million or 9.8 per cent. year-on-year. This increase was driven mainly by payment cards-related fees, commissions paid to external entities for sale of the Group's products, commissions related to cash services and fees related to regulatory requirements.

Dividend income amounted to PLN 5.2 million in the year ended 31 December 2022 compared with PLN 5.0 million in the year ended 31 December 2021.

Net trading income amounted to PLN 97.2 million in the year ended 31 December 2022 compared with PLN 96.9 million in 2021. The foreign exchange result in 2022 amounted to PLN -98.5 million, while in 2021 it was PLN 191.7 million. The main reason for this decrease was the increased difference between PLN interest rates versus the rates in EUR and USD, which affected the results on FX swaps. In the year ended 31 December 2022, gains or losses on financial assets and liabilities held for trading increased by PLN 286.1 million year-on-year, mostly on interest-bearing derivative instruments. The negative impact of credit holidays on gains or losses on hedge accounting amounted to PLN -12.0 million.

Other income, including gains or losses on derecognition of financial assets and liabilities not measured at fair value through profit or loss and gains or losses from non-trading equity instruments and debt securities mandatorily measured at fair value through profit or loss, was PLN -111.2 million in the year ended 31 December 2022 compared with PLN 103.6 million in the year ended 31 December 2021. The negative result in 2022 was driven mainly by the recognition of losses from the sale of Treasury bonds and the revaluation of shares in companies, in which the Bank holds minority stakes.

In the year ended 31 December 2022, net other operating income (other operating income net of other operating expenses) was PLN -178.5 million, compared with PLN -88.5 million in 2021. Other operating income increased by PLN 32.8 million or 14.1 per cent. year-on-year, while other operating expenses grew by PLN 122.7 million or 38.2 per cent. year-on-year mainly due to higher provisions for future commitments. In 2022, the provisions for future commitments included among others provisions for settlements with the Social Insurance Institution (*Zakład Ubezpieczeń Społecznych*) in mFinanse S.A. and provisions for reimbursement of bridge insurance costs charged to customers who were granted mortgage loans for the period before the mortgage was registered in the land register.

Costs of the Group

In the year ended 31 December 2022, total overhead costs and depreciation amounted to PLN -3,319.2 million. They were higher than in 2021 by PLN 862.3 million or 35.1 per cent. Staff-related expenses increased by PLN 156.0 million (or 14.6 per cent.) year-on-year due to higher employment (+276 full-time-equivalent) and increased salaries, as a result of high inflation. Material costs increased by PLN 52.8 million (or 7.8 per cent.) and depreciation rose by PLN 31.1 million or 7.1 per cent. year-on-year due to earlier investment outlays on fixed and intangible assets, in particular IT systems and licensing costs related to an IT system used by the Bank.

The Group's contribution and transfers to the BGF amounted to PLN -247.4 million in the year ended 31 December 2022 compared with PLN -227.4 million in 2021. In the year ended 31 December 2022, the Group booked the contribution to the IPS in the amount of PLN -428.1 million and the contribution to the Borrowers' Support Fund in the amount of PLN -170.9 million.

As a result of changes in the income and costs of the Group, in 2022, the Group's cost-to-income ratio was 42.2 per cent. compared with 40.2 per cent. in 2021. The cost-to-income ratio is calculated by dividing overhead costs and depreciation by total income comprising net interest income, net fee and commission income, dividend income, net trading income, other income, other operating income and other operating expenses. Other income comprises gains or losses on derecognition of financial assets and liabilities not measured at fair value through profit or loss and gains or losses on non-trading financial assets mandatorily at fair value through profit or loss related to equity instruments and debt securities (without loans and advances).

Net impairment losses and fair value change on loans and advances

In the year ended 31 December 2022, net impairment losses and fair value change on loans and advances of the Group (calculated as the sum of two items: 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) amounted to PLN -849.3 million compared with PLN -878.6 million in 2021 (a decrease by 3.3 per cent. or PLN 29.3 million year-on-year). In 2022, impairment or reversal of impairment on financial assets not measured at fair value through profit or loss was PLN -818.0 million, while gains or losses from non-trading loans and advances mandatorily measured at fair value through profit or loss amounted to PLN -31.3 million. The cost of risk in the year ended 31 December 2022 was 69 basis points, compared with 76 basis points in the year ended 31 December 2021.

Costs of legal risk related to foreign currency loans

The cost of legal risk related to foreign currency loans was PLN -3,112.3 million in the year ended 31 December 2022 compared with PLN -2,758.1 million in the year ended 31 December 2021. The result on provisions for legal risk related to foreign currency loans was driven by the changes of the Bank's assumptions regarding the distribution of expected court rulings scenarios due to the adoption of historical observations in the model, an increase in the forecasted population of borrowers who will file a lawsuit against the Bank and an increase in the cost of the settlement programme as a result of the Bank's decision to launch the settlement programme in September 2022.

Profit generated by the Group

Taxes on the Bank's balance sheet items for the year ended 31 December 2022, were PLN -684.2 million compared with PLN -608.6 million for the year ended 31 December 2021.

In the year ended 31 December 2022, the Group generated a loss before income tax in the amount of PLN -108.0 million, while in 2021, the Group's loss before income tax was PLN -591.0 million. The Group's net loss attributable to the owners of the Bank for the year ended 31 December 2022 was PLN -702.7 million compared with PLN -1,178.8 million in 2021. The Group's net return on equity was -5.3 per cent. in 2022 compared with -7.2 per cent. in 2021.

In the year ended 31 December 2022, the Group's core business (i.e. the Group without FX mortgage loans segment) generated the profit before income tax in the amount of PLN 3,113.3 million (compared with PLN 2,207.0 million in 2021) and the net profit attributable to the owners of the Bank in the amount of PLN 2,518.7 million (compared with PLN 1,619.2 million in 2021). This is already after the credit holidays effects and one-off regulatory costs. The net return on equity on the Group's core business for the year ended 31 December 2022 was 22.1 per cent.

As of 31 December 2022, the Group's gross carrying amount of loans and advances to customers was PLN 123.4 billion, out of which PLN 71.1 billion was to individuals, PLN 52.2 billion was to corporate entities and PLN 0.1 billion was to the public sector. It compares with PLN 120.9 billion as of 31 December 2021 (including PLN 72.9 billion to individuals, PLN 47.8 billion to corporate entities and PLN 0.2 billion to the public sector).

Amounts due to customers amounted to PLN 174.1 billion as of 31 December 2022 (including PLN 122.9 billion related to individual clients, PLN 50.0 billion related to corporate clients and PLN 1.3 billion related to the public sector) compared with PLN 157.1 billion as of 31 December 2021 (including PLN 112.4 billion related to individual clients, PLN 44.0 billion to corporate clients and PLN 0.6 billion of public sector deposits).

As of 31 December 2022, the Total Capital Ratio of the Group was 16.36 per cent. compared with 16.58 per cent. as of 31 December 2021. The Common Equity Tier 1 capital ratio was 13.81 per cent. as of 31 December 2022, compared with 14.16 per cent. as of 31 December 2021.

The following factors had the most significant influence on the Group's capital ratios in 2022:

- a loss recorded in 2022 taken into account in the calculation of own funds;
- a change from 0.7 to 0.4 in the ratio included in the calculation of the impact of applying the transitional provisions regarding the temporary treatment of unrealized gains and losses measured at fair value through other comprehensive income in connection with the COVID-19 pandemic, in accordance with Regulation (EU) 2020/873 of the European Parliament and of the Council of 24 June 2020 led to a decrease of own funds;
- an increase of deferred tax assets based on future profitability in the excess of the threshold, as referred to in Article 48 of the CRR Regulation;
- partial amortization of subordinated liabilities included in the calculation of own funds; and
- a decrease in the value of TREA, which was driven mainly by the synthetic securitization transactions carried out in March and December 2022, as part of which the Bank transferred to investors a significant part of the credit risk from the securitized corporate loan portfolio and by the separation of a sub-portfolio of Qualifying Revolving Retail Exposures.

On 28 September 2022, the Supervisory Board of the Bank approved the capital management policy of the Group, which assumes no dividend payout from the profit earned in 2023.

As of 31 December 2022, the consolidated leverage ratio calculated in accordance with the provisions of the CRR Regulation and the Commission Delegated Regulation (EU) 2015/62 of 10 October 2014, amending Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to the leverage ratio, amounted to 5.44 per cent.

**Financial results of the Group in the first half of 2023**

Income of the Group

For the first half of 2023 ended 30 June 2023, the Group's total income was PLN 5,197.1 million, compared with PLN 4,340.3 million for the first half of 2022 ended 30 June 2022, which represents an increase of 19.7 per cent. Total income is calculated as the sum of net interest income, net fee and commission income, dividend income, net trading income, other income, other operating income and other operating expenses. Other income comprises gains or losses on derecognition of financial assets and liabilities not measured at fair value through profit or loss and gains or losses on non-trading financial assets mandatorily at fair value through profit or loss related to equity instruments and debt securities (without loans and advances).

Net interest income remained the Group's largest income source in the first half of 2023 ended 30 June 2023 (81.5 per cent. of total income). In the first half of 2023, net interest income amounted to PLN 4,233.7 million, compared with PLN 3,209.4 million in the first half of 2022 (an increase of 31.9 per cent.).

In the first half of 2023, interest income increased by 79.6 per cent. to PLN 7,295.8 million (compared with PLN 4,063.2 million in the first half of 2022). Interest income from loans and advances increased by PLN 2,026.8 million or 59.5 per cent. to PLN 5,434.6 million. Interest income from loans and advances includes interest income from loans and advances on the following items: financial assets measured at amortised cost, assets held for trading and non-trading financial assets measured mandatorily at fair value through profit or loss. An increase of interest income from loans and advances was a result of interest rate hikes in 2022. In the first half of 2023, interest income from investment securities increased by PLN 803.7 million or 174.3 per cent. and reached PLN 1,264.7 million. Interest income from investment securities includes interest income on the following debt securities: financial assets measured at amortised cost, financial assets measured at fair value through other comprehensive income and non-trading financial assets measured mandatorily at fair value through profit or loss. At the same time, interest income on debt securities held for trading increased by 169.7 per cent. to PLN 37.3 million from PLN 13.8 million for the first half of 2022. Moreover, in the first half of 2023, interest income from cash and short-term placements increased by 218.5 per cent. (PLN 268.4 million) to PLN 391.2 million and the Group recognised interest income on derivatives classified into banking book in the amount of PLN 45.4 million.

In the first half of 2023, interest expense increased by PLN 2,208.2 million or 258.6 per cent. year-on-year and was PLN -3,062.0 million. The increase was driven mainly by higher costs of deposits, which increased by PLN 1,633.6 million year-on-year. Other items in interest expenses also increased in comparison with the first half of 2022, in particular interest expense on derivatives concluded under the fair value hedge and on derivatives concluded under the cash flow hedge, as well as interest expense related to debt securities issued and interest expense from subordinated liabilities. The Group's net interest margin for the first half of 2023 ended 30 June 2023 was 4.1 per cent. compared with 3.4 per cent. for the first half of 2022 ended 30 June 2022. Net interest margin is calculated by dividing net interest income by average interest-earning assets. Net interest income excludes gains or losses on modification.

The Group's net fee and commission income amounted to PLN 988.7 million in the first half of 2023 compared with PLN 1,138.5 million in the first half of 2022. Fee and commission income declined by 3.9 per cent. or PLN 59.8 million year-on-year to PLN 1,485.7 million. A decrease of fee and commission income was driven mainly by commissions from bank accounts, which in the first half of 2023 fell by PLN 75.7 million or 34.2 per cent. year-on-year as a result of changes in the tariff for the corporate clients. In the first half of 2023, fees from brokerage activity and debt securities issue declined by PLN 19.0 million or 18.9 per cent., commissions from currency transactions decreased by PLN 16.0 million or 6.1 per cent. and commissions for agency service regarding sale of other products of external financial entities declined by PLN 14.5 million or 31.7 per cent. compared with the first half of 2022. The largest item of fee and commission income, payment cards-related fees, increased by PLN 24.3 million or 7.9 per cent. year-on-year. In the first half of 2023, commissions from money transfers increased by PLN 8.9 million or 8.2 per cent. year-on-year as a result of an increased number of transactions. Fees from cash services in the first half of 2023 were higher than in the first half of 2022 by PLN 6.6 million or 24.6 per cent. Commissions for agency service regarding sale of insurance products of external financial entities increased by PLN 6.0 million or 10.1 per cent. and credit-related fees and commissions grew by PLN 5.8 million or 1.9 per cent. year-on-year.

Fee and commission expense rose by PLN 90.1 million or 22.1 per cent. year-on-year in the first half of 2023 and amounted to PLN -497.0 million. This increase was driven mainly by payment cards-related fees, commissions paid to external entities for sale of the Group's products, expenses related to cash services and by other discharged fees.

In the first half of 2023, net trading income amounted to PLN 3.9 million and was lower by PLN 92.6 million or 96.0 per cent. than in the first half of 2022. A decrease in net trading income was driven by foreign exchange result, which amounted to PLN -48.6 million in the first half of 2023 compared with PLN 81.2 million in the first half of 2022. In the first half of 2023, gains or losses on financial assets and liabilities held for trading increased by PLN 43.2 million year-on-year to PLN 56.5 million predominantly due to gains recognised on interest rate derivatives.

Dividend income amounted to PLN 4.6 million in the first half of 2023, decreasing by 4.1 per cent. in comparison with the first half of 2022.

Other income, including gains or losses on derecognition of financial assets and liabilities not measured at fair value through profit or loss and gains or losses from non-trading equity instruments and debt securities mandatorily measured at fair value through profit or loss, in the first half of 2023 amounted to PLN -25.2 million compared with PLN -113.1 million in the first half of 2022, when gains or losses on financial assets mandatorily at fair value through at fair value through profit or loss were adversely impacted by revaluation of shares in companies, in which the Bank holds minority stakes.

In the first half of 2023, net other operating income (other operating income net of other operating expenses) amounted to PLN -8.6 million, compared with PLN 4.2 million for the first half of 2022. Other operating income decreased by PLN 7.3 million or 4.9 per cent. year-on-year, while other operating expenses increased by PLN 5.4 million or 3.7 per cent. year-on-year, mainly due to higher provisions for future commitments.

<u>Costs of the Group</u>

Total overhead costs and depreciation stood at PLN -1,559.3 million in the first half of 2023. They were lower than the corresponding period of 2022 by PLN 304.0 million or 16.3 per cent. A year-on-year decrease of overhead costs in the first half of 2023 resulted mainly from the fact that, in the first half of 2022, the Group booked a contribution to the Institutional Protection Scheme in the amount of PLN -390.8 million.

In the first half of 2023, staff-related expenses amounted to PLN -689.5 million and were higher than in the first half of 2022 by PLN 98.8 million or 16.7 per cent. An increase in staff-related expenses was driven by higher employment and increased salaries as a result of high inflation. In the first half of 2023, material costs amounted to PLN -423.9 million (an increase of 13.4 per cent. year-on-year), while depreciation stood at PLN -238.1 million compared with PLN -236.7 million in the first half of 2022. In the first half of 2023, the Group's contributions and transfers to the BGF decreased by PLN 64.1 million (-26.1 per cent.) year-on-year. They amounted to PLN -181.8 million in the first half of 2023 compared with PLN -245.9 million in the first half of 2022.

As a result of changes in income and expenses, the cost-to-income ratio for the first half of 2023 was 30.0 per cent. (compared with 42.9 per cent. for the first half of 2022). The cost-to-income ratio is calculated by dividing overhead costs and depreciation by total income comprising net interest income, net fee and commission income, dividend income, net trading income, other income, other operating income and other operating expenses. Other income comprises gains or losses on derecognition of financial assets and liabilities not measured at fair value through profit or loss and gains or losses on non-trading financial assets mandatorily at fair value through profit or loss related to equity instruments and debt securities (without loans and advances).

<u>Net impairment losses and fair value change on loans and advances</u>

In the first half of 2023, net impairment losses and fair value change on loans and advances of mBank Group (calculated as the sum of two items: impairment or reversal of impairment on financial assets not measured at fair value through profit or loss and gains or losses on non-trading loans and advances mandatorily measured at fair value through profit or loss) stood at PLN -371.1 million compared with PLN -470.4 million in the first half of 2022. In the first half of 2023, impairment or reversal of impairment on financial assets not measured at fair value through profit or loss amounted to PLN -349.9 million, while gains or losses on non-trading loans and advances mandatorily measured at fair value through profit or loss amounted to PLN -21.2 million.

<u>Costs of legal risk related to foreign currency loans</u>

Cost of legal risk related to foreign currency loans was PLN -2,348.7 million in the first half of 2023, while in the first half of 2022 it amounted to PLN -367.8 million. This cost resulted mainly from the inclusion of the anticipated effects of the CJEU June 2023 Judgment on the costs of booking final court judgments and the costs of settlements.

<u>Profit generated by the Group</u>

Taxes on the Group's balance sheet items for the first half of 2023 were PLN -372.7 million, compared with PLN -326.9 million for the first half of 2022.

Consequently, in the first half of 2023, the Group's profit before income tax was PLN 545.3 million, compared with PLN 1,311.8 million for the first half of 2022, which represents a decrease by 58.4 per cent. The Group's net profit attributable to the owners of the Bank for the first half of 2023 was PLN 127.3 million, compared with the net profit of PLN 742.0 million generated in the in the first half of 2022. The Group's net return on equity for the first half of 2023 stood at 1.9 per cent., compared with 10.9 per cent. for the first half of 2022.

In the first half of 2023, the Group's core business (i.e. the Group without FX mortgage loans segment) generated profit before income tax in the amount of PLN 2,957.6 million and net profit attributable to the Owners of mBank S.A in the amount of PLN 2,539.6 million. The net return on equity on the Group's core business (i.e. the Group without FX mortgage loans segment) for the first half of 2023 was 41.7 per cent. compared with 19.4 per cent. for the first half of 2022.

As of 30 June 2023, the Group's gross carrying amount of loans and advances to customers stood at PLN 121.7 billion, out of which PLN 68.2 billion was to individuals, PLN 53.4 billion was to corporate entities and PLN 0.1

billion was to the public sector. It compares with PLN 123.4 billion as of 31 December 2022 (including PLN 71.1 billion to individuals, PLN 52.2 billion to corporate entities and PLN 0.1 billion to the public sector).

Amounts due to customers amounted to PLN 176.7 billion as of 30 June 2023 (including PLN 125.9 billion related to individual clients, PLN 50.2 billion related to corporate clients and PLN 0.5 billion related to public sector) compared with PLN 174.1 billion as of 31 December 2022.

As of 30 June 2023, the Total Capital Ratio of the Group stood at 16.8 per cent. and Common Equity Tier 1 capital ratio was 14.5 per cent. The following factors had the most significant influence on the Group's capital ratios in the first half of 2023:

- costs of legal risk related to CHF mortgage loans;
- partial amortization of subordinated liabilities included in the calculation of own funds;
- an increase in the valuation of debt instruments measured at fair value through other comprehensive income, which was, however, offset by the discontinuation of the transitional provisions regarding the temporary treatment of unrealized gains and losses measured at fair value through other comprehensive income in connection with the COVID-19 pandemic, in accordance with the regulation of the European Parliament and of the Council (EU) 2020/873 of 24 June 2020;
- taking into account the net result for the first quarter of 2023 in the calculation of own funds, after obtaining the consent of the KNF; and
- a reduction of exceeding the threshold on deferred income tax assets based on future profitability, referred to in Art. 48 of the CRR Regulation.

As of 30 June 2023, the consolidated leverage ratio calculated in accordance with the provisions of the CRR Regulation and the Commission Delegated Regulation (EU) 2015/62 of 10 October 2014, amending Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to the leverage ratio, was 5.6 per cent."

- The definition of the Net interest margin ("**NIM**") on page 163 of the Base Prospectus in the sub-section "Presentation of the Group Financial and Other Information under the heading "Alternative Performance Measures" is deleted and replaced by the following definition:

| | |
|---|---|
| "Net interest margin ("**NIM**") | Calculated by dividing net interest income by average interest-earning assets. Net interest income excludes gains or losses on modification. Interest-earning assets are a sum of cash and balances with the Central Bank, loans and advances to banks, debt securities (in all valuation methods) and loans and advances to customers (net; in all valuation methods). The average interest-earning assets are calculated on the basis of the balances as at the end of each month. Net interest income is annualised based on the number of days in the analysed period (the annualisation ratio is calculated as the quotient of the number of days in a year and the number of days in the analysed period)." |

After the APM "NPL ratio of mortgage loan portfolio to private individuals in Poland" on page 163 of the Base Prospectus in the sub-section "Presentation of the Group Financial and Other Information" under the heading "Alternative Performance Measures" the following APM is added:

| | |
|---|---|
| "NPL ratio of mortgage loan portfolio in PLN to private individuals in Poland | Calculated by dividing the gross carrying value of mortgage loans in PLN to private individuals in Poland with recognised impairment by the total (gross) mortgage loans in PLN to private individuals in Poland. The mortgage loan portfolio is measured at amortised cost." |

- The title of the section "GROUP FINANCIAL INFORMATION FOR THE YEARS ENDED 31 DECEMBER 2021 AND 31 DECEMBER 2020 AND FOR THE FIRST THREE QUARTERS ENDED 30 SEPTEMBER 2022 AND 30 SEPTEMBER 2021" on page 165 of the Base Prospectus is amended as follows: "GROUP FINANCIAL INFORMATION FOR THE YEARS ENDED 31 DECEMBER 2022 AND 31 DECEMBER 2021 AND FOR THE FIRST HALF OF THE YEARS ENDED 30 JUNE 2023 AND 30 JUNE 2022".

- The sub-section under the heading "Comparative Data" on page 165 of the Base Prospectus is deleted and replaced by the following:

"**Comparative Data**

Reclassification of a portion of revenue from the sale of insurance linked to credit products (adjustment 1)

Beginning with the 2022 Consolidated Financial Statements, the Group has changed the recognition of revenue from the sale of mortgage-related insurance. Previously, the Group recognised the remuneration received monthly for insurance sales entirely as commission income. Currently the Group recognises the portion of the remuneration corresponding to the intermediary service as commission income. The remaining part of the remuneration the Group recognises now as interest income.

Separation of the item Lease liabilities (adjustment 2)

Beginning with the 2022 Consolidated Financial Statements, in the consolidated statement of financial position, within the item Financial liabilities measured at amortised cost, the Group has separated a new item - Lease liabilities. Previously, lease liabilities were presented within the item Liabilities to customers.

Reclassification of loans and advances received from the European Investment Bank (adjustment 3)

Beginning with the 2022 Consolidated Financial Statements, the Group has changed the presentation of liabilities from loans and advances received from the European Investment Bank and now presents them under Financial liabilities at amortised cost - Amounts due to banks. Previously, the Group presented these liabilities within Financial liabilities at amortised cost - Due to customers.

Reclassification of provisions for post-employment benefits (adjustment 4)

Beginning with the 2022 Consolidated Financial Statements, the Group has changed the presentation of provisions for post-employment benefits and now presents them within Provisions. Previously, the Group presented these liabilities under Other Liabilities.

Reclassification of receivables from the settlement of cash deposit machines and cash sorting companies (adjustment 5)

Beginning with the 2022 Consolidated Financial Statements, the Group has changed the presentation of receivables from the settlement of deposit machines and sorting plants and now presents them within Other assets. Previously, the Group presented these settlements under Financial assets measured at amortised cost – Loans and advances to customers.

Presentation of the change in fair value of hedged items in portfolio hedging against interest rate risk (adjustment 6)

Beginning with the 2022 Consolidated Financial Statements, the Group has changed the presentation of gains and losses on the hedged item for the fair value hedge of the interest rate exposure of a portion of portfolio of financial assets or financial liabilities. Currently the Group presents them in a single separate line item within assets, for those repricing time periods for which the hedged item is an asset or in a single separate line item within liabilities, for those repricing time periods for which the hedged item is a liability. Previously, changes in the fair value of hedged items in the interest rate hedge portfolio were presented in a separate line item on the asset or liability side depending on the sign of the balance, i.e. gains related to hedging the portfolio of assets or losses related to hedging the portfolio of liabilities were reported as a separate line item of assets, while losses related to hedging the portfolio of assets or gains related to hedging the portfolio of liabilities were reported as a separate line item of liabilities.

Reclassification of the valuation of liabilities due to issue of credit linked notes (adjustment 7)

Beginning with the H1 2023 Consolidated Financial Statements, the Group has changed the presentation in the income statement of the valuation of liabilities due to issue of credit linked notes related to the synthetic securitisation transaction resulting from the change in the expected cash flows from the embedded financial guarantee. Previously, the Group presented this valuation within Impairment or reversal of impairment on financial assets not measured at fair value through profit or loss. Now the Group presents the valuation within Interest expenses due to issue of debt securities.

The above changes were due to the adjustment of the presentation of selected assets and liabilities to the prevailing market practice. The changes did not affect equity levels and the Group's income statements in the comparative periods presented in these financial statements. Comparative figures as of 1 January 2022 and 30 June 2022 and for the period from 1 January to 30 June 2022 have been restated accordingly.

The impact of the introduced adjustments on the comparative data is presented in the following tables:

Restatements in consolidated income statement flows for the period from 1 January to 31 December 2021

| | No | Period from 01.01.2021 to 31.12.2021 before restatement | Restatement | Period from 01.01.2021 o 31.12.2021 after restatement |
|---|---|---|---|---|
| | | (PLN thousands) | | |
| | | *audited* | *unaudited* | |
| Interest income, including | | 4,431,737 | 22,270 | 4,454,007 |
| Interest income accounted for using the effective interest method | 1 | 3,947,950 | 22,270 | 3,970,220 |
| Income similar to interest on financial assets at fair value through profit or loss | | 483,787 | - | 483,787 |
| Interest expenses | | (327,694) | - | (327,694) |
| **Net interest income** | | **4,104,043** | **22,270** | **4,126,313** |
| Fee and commission income | 1 | 2,714,896 | (22,270) | 2,692,626 |
| Fee and commission expenses | | (824,875) | - | (824,875) |
| **Net fee and commission income** | | **1,890,021** | **(22,270)** | **1,867,751** |
| Dividend income | | 5,046 | - | 5,046 |
| Net trading income | | 96,890 | - | 96,890 |
| Gains or losses on non-trading financial assets mandatorily at fair value through profit or loss | | 4,608 | - | 4,608 |
| Gains or losses on derecognition of financial assets and liabilities not measured at fair value through profit or loss | | 93,690 | - | 93,690 |
| Other operating income | | 232,384 | - | 232,384 |
| Impairment or reversal of impairment on financial assets not measured at fair value through profit or loss | | (873,226) | - | (873,226) |
| Costs of legal risk related to foreign currency loans | | (2,758,079) | - | (2,758,079) |
| Overhead costs | | (2,020,629) | - | (2,020,629) |
| Depreciation | | (436,254) | - | (436,254) |
| Other operating expenses | | (320,898) | - | (320,898) |
| **Operating profit** | | **17,596** | **-** | **17,596** |
| Taxes on the Group balance sheet items | | (608,627) | - | (608,627) |
| **Profit / (loss) before income tax** | | **(591,031)** | **-** | **(591,031)** |
| Income tax expense | | (587,782) | - | (587,782) |
| **Net profit / (loss)** | | **(1,178,813)** | **-** | **(1,178,813)** |
| **Net profit / (loss) attributable to:** | | | | |
| **Owners of mBank S.A.** | | **(1,178,753)** | **-** | **(1,178,753)** |
| Non-controlling interests | | (60) | - | (60) |

Restatements in consolidated statement of financial position at 1 January 2021

| | No | As of 01.01.2021 before restatement | Restatement | As of 01.01.2021 after restatement |
|---|---|---|---|---|
| | | (PLN thousands) | | |
| | | *audited* | *unaudited* | |
| **ASSETS** | | | | |
| Financial assets at amortised cost, including: | | 130,179,902 | (296,381) | 129,883,521 |
| Debt securities | | 15,952,501 | - | 15,952,501 |
| Loans and advances to banks | | 7,354,268 | - | 7,354,268 |
| Loans and advances to customers | 5 | 106,873,133 | (296,381) | 106,576,752 |
| Fair value changes of the hedged items in portfolio hedge of interest rate risk | 6 | - | (10,986) | (10,986) |
| Other assets | 5 | 1,282,439 | 296,381 | 1,578,820 |
| Other items | | 47,409,276 | - | 47,409,276 |
| **Total assets** | | **178,871,617** | **(10,986)** | **178,860,631** |
| **LIABILITIES & EQUITY** | | | | |
| Financial liabilities measured at amortised cost, including: | | 156,673,052 | - | 156,673,052 |
| Amounts due to banks | 3 | 2,399,740 | 3,254,591 | 5,654,331 |
| Amounts due to customers | 2,3 | 137,698,668 | (4,026,526) | 133,672,142 |
| Lease liabilities | 2 | - | 771,935 | 771,935 |
| Debt securities issued | | 13,996,317 | - | 13,996,317 |
| Subordinated liabilities | | 2,578,327 | - | 2,578,327 |
| Fair value changes of the hedged items in portfolio hedge of interest rate risk | 6 | 59,624 | (10,986) | 48,638 |
| Provisions | 4 | 501,691 | 33,488 | 535,179 |
| Other liabilities | 4 | 3,397,133 | (33,488) | 3,363,645 |
| Other items | | 1,565,050 | - | 1,565,050 |

| | No | As of 01.01.2021 before restatement | Restatement | As of 01.01.2021 after restatement |
|---|---|---|---|---|
| **Total liabilities** | | **162,196,550** | **(10,986)** | **162,185,564** |
| **Total equity** | | **16,675,067** | **-** | **16,675,067** |
| **Total liabilities and equity** | | **178,871,617** | **(10,986)** | **178,860,631** |

*R – restated*

Restatements in consolidated statement of financial position at 31 December 2021

| | No | As of 31.12.2021 before restatement | Restatement | As of 31.12.2021 after restatement |
|---|---|---|---|---|
| | | | *(PLN thousands)* | |
| | | *audited* | *unaudited* | |
| **ASSETS** | | | | |
| Financial assets at amortised cost, including: | | 140,296,538 | (377,379) | 139,919,159 |
| Debt securities | | 16,164,103 | - | 16,164,103 |
| Loans and advances to banks | | 7,229,681 | - | 7,229,681 |
| Loans and advances to customers | 5 | 116,902,754 | (377,379) | 116,525,375 |
| Fair value changes of the hedged items in portfolio hedge of interest rate risk | 6 | 1,055,478 | (1,165,511) | (110,033) |
| Other assets | 5 | 1,366,820 | 377,379 | 1,744,199 |
| Other items | | 56,820,049 | - | 56,820,049 |
| **Total assets** | | **199,538,885** | **(1,165,511)** | **198,373,374** |
| **LIABILITIES & EQUITY** | | | | |
| Financial liabilities measured at amortised cost, including: | | 179,348 925 | - | 179,348,925 |
| Amounts due to banks | 3 | 3,359,558 | 1,906,621 | 5,266,179 |
| Amounts due to customers | 2,3 | 159,935,129 | (2,863,459) | 157,071,670 |
| Lease liabilities | 2 | - | 956,838 | 956,838 |
| Debt securities issued | | 13,429,782 | - | 13,429,782 |
| Subordinated liabilities | | 2,624,456 | - | 2,624,456 |
| Fair value changes of the hedged items in portfolio hedge of interest rate risk | 6 | 110,033 | (1,165,511) | (1,055,478) |
| Provisions | 4 | 811,455 | 25,445 | 836,900 |
| Other liabilities | 4 | 3,469,950 | (25,445) | 3,444,505 |
| Other items | | 2,080,606 | - | 2,080,606 |
| **Total liabilities** | | **185,820,969** | **(1,165,511)** | **184,655,458** |
| **Total equity** | | **13,717,916** | **-** | **13,717,916** |
| **Total liabilities and equity** | | **199,538,885** | **(1,165,511)** | **198,373,374** |

Restatements in consolidated statement of cash flows for the period from 1 January to 31 December 2021

| | No | Period from 01.01.2021 to 31.12.2021 before restatement | Restatement | Period from 01.01.2021 to 31.12.2021 after restatement |
|---|---|---|---|---|
| | | | *(PLN thousands)* | |
| | | *audited* | *unaudited* | |
| **Profit / (loss) before income tax** | | **(591,031)** | **-** | **(591,031)** |
| ***Adjustments, including:*** | | ***11,394,965*** | ***-*** | ***11,394,965*** |
| Income tax paid | | (837,687) | - | (837,687) |
| Depreciation, including depreciation of fixed assets provided under operating lease | | 468,584 | - | 468,584 |
| Foreign exchange (gains) losses related to financing activities | | 205,130 | - | 205,130 |
| (Gains) losses on investing activities | | 14,965 | - | 14,965 |
| Dividends received | | (5,046) | - | (5,046) |
| Interest income (income statement) | 1 | (4,431,737) | (22,270) | (4,454,007) |
| Interest expense (income statement) | 1 | 327,694 | - | 327,694 |
| Interest received | | 4,676,029 | 22,270 | 4,698,299 |
| Interest paid | | (234,411) | - | (234,411) |
| Changes in loans and advances to banks | | 96,423 | - | 96,423 |
| Changes in financial assets and liabilities held for trading and hedging derivatives | | (1,452,131) | - | (1,452,131) |
| Changes in loans and advances to customers | 5 | (9,529,116) | 80 998 | (9,448,118) |
| Changes in financial assets at fair value through other comprehensive income | | (2,054,013) | - | (2,054,013) |
| Changes in securities at amortised cost | | (284,047) | - | (284,047) |
| Changes of non-trading securities mandatorily at fair value through profit or loss | | (17,617) | - | (17,617) |
| Changes in other assets | 5 | (61,058) | (80,998) | (142,056) |

| | No | Period from 01.01.2021 to 31.12.2021 before restatement | Restatement | Period from 01.01.2021 to 31.12.2021 after restatement |
|---|---|---|---|---|
| Changes in amounts due to banks | 3 | 991,300 | (41,356) | 949,944 |
| Changes in amounts due to customers | 2,3 | 23,322,323 | 83,582 | 23,405,905 |
| Changes in lease liabilities | 2 | - | (42,226) | (42,226) |
| Changes in issued debt securities | | (246,519) | - | (246,519) |
| Changes in provisions. | 4 | 309,764 | (8,043) | 301,721 |
| Changes in other liabilities | 4 | 136,135 | 8,043 | 144,178 |
| **A. Cash flows from operating activities** | | **10,803,934** | **-** | **10,803,934** |
| **B. Cash flows from investing activities** | | **(508,006)** | **-** | **(508,006)** |
| Issue of debt securities | | 3,497,354 | - | 3,497,354 |
| Issue of ordinary shares | | 72 | - | 72 |
| Repayments of loans and advances from banks | 3 | - | (1,358,250) | (1,358,250) |
| Repayments of other loans and advances | 3 | (1,358,250) | 1,358,250 | - |
| Redemption of debt securities | | (3,980,595) | - | (3,980,595) |
| Payments of lease liabilities | | (93,616) | - | (93,616) |
| Interest paid from loans and advances received from banks and from subordinated liabilities | | (59,691) | - | (59,691) |
| **C. Cash flows from financing activities** | | **(1,994,726)** | **-** | **(1,994,726)** |
| **Net increase / decrease in cash and cash equivalents (A+B+C)** | | **8,301,202** | **-** | **8,301,202** |
| Effects of exchange rate changes on cash and cash equivalents | | (9,649) | - | (9,649) |
| Cash and cash equivalents at the beginning of the reporting period | | 4,249,046 | - | 4,249,046 |
| **Cash and cash equivalents at the end of the reporting period** | | **12,540,599** | **-** | **12,540,599** |

Restatements in income statement for the period from 1 January to 30 June 2022

| | No | Period from 01.01.2022 to 30.06.2022 before restatement | Restatement | Period from 01.01.2022 to 30.06.2022 after restatement |
|---|---|---|---|---|
| | | *(PLN thousands, unaudited)* | | |
| Interest income, including | | 4,048,398 | 14,831 | 4,063,229 |
| Interest income accounted for using the effective interest method | 1 | 3,976,262 | 14,831 | 3,991,093 |
| Income similar to interest on financial assets at fair value through profit or los | | 72,136 | - | 72,136 |
| Interest expenses | 7 | (860,691) | 6,885 | (853,806) |
| **Net interest income** | | **3,187,707** | **21,716** | **3,209,423** |
| Fee and commission income | 1 | 1,560,328 | (14,831) | 1,545,497 |
| Fee and commission expenses | | (406,988) | - | (406,988) |
| **Net fee and commission income** | | **1,153,340** | **(14,831)** | **1,138,509** |
| Dividend income | | 4,826 | - | 4,826 |
| Net trading income | | 96,485 | - | 96,485 |
| Gains or losses on non-trading financial assets mandatorily at fair value through profit or loss | | (81,082) | - | (81,082) |
| Gains or losses on derecognition of financial assets and liabilities not measured at fair value through profit or loss | | (50,498) | - | (50,498) |
| Other operating income | | 149,957 | - | 149,957 |
| Impairment or reversal of impairment on financial assets not measured at fair value through profit or loss | 7 | (445,020) | (6,885) | (451,905) |
| Costs of legal risk related to foreign currency loans | | (367,848) | - | (367,848) |
| Overhead costs | | (1,626,623) | - | (1,626,623) |
| Depreciation | | (236,698) | - | (236,698) |
| Other operating expenses | | (145,762) | - | (145,762) |
| **Operating profit** | | **1,638,784** | **-** | **1,638,784** |
| Taxes on the Group balance sheet items | | (326,944) | - | (326,944) |
| **Profit / (loss) before income tax** | | **1,311,840** | **-** | **1,311,840** |
| Income tax expense | | (569,688) | - | (569,688) |
| **Net profit / (loss)** | | **742,152** | **-** | **742,152** |
| **Net profit / (loss) attributable to:** | | | | |
| **Owners of mBank S.A.** | | **742,037** | **-** | **742,037** |
| Non-controlling interests | | 115 | - | 115 |

Restatements in consolidated income statement for the period from 1 January 2022 to 31 December 2022

| | No | Period from 01.01.2022 to 31.12.2022 before restatement | Restatement | Period from 01.01.2022 to 31.12.2022 after restatement |
|---|---|---|---|---|
| | | | *(PLN thousands)* | |
| | | *audited* | *unaudited* | |
| Interest income, including | | 9,265,806 | - | 9,265,806 |
| Interest income accounted for using the effective interest method | | 9,093,789 | | 9,093,789 |
| Income similar to interest on financial assets at fair value through profit or loss | | 172,017 | - | 172,017 |
| Interest expenses | 7 | (3,356,567) | 14,755 | (3,341,812) |
| **Net interest income** | | **5,909,239** | **14,755** | **5,923,994** |
| Fee and commission income | | 3,026,096 | | 3,026,096 |
| Fee and commission expenses | | (906,019) | - | (906,019) |
| **Net fee and commission income** | | **2,120,077** | **-** | **2,120,077** |
| Dividend income | | 5,236 | - | 5,236 |
| Net trading income | | 97,198 | - | 97,198 |
| Gains or losses on non-trading financial assets mandatorily at fair value through profit or loss | | (50,924) | - | (50,924) |
| Gains or losses on derecognition of financial assets and liabilities not measured at fair value through profit or loss | | (91,548) | - | (91,548) |
| Other operating income | | 265,162 | - | 265,162 |
| Impairment or reversal of impairment on financial assets not measured at fair value through profit or loss | 7 | (803,217) | (14,755) | (817,972) |
| Costs of legal risk related to foreign currency loans | | (3,112,265) | - | (3,112,265) |
| Overhead costs | | (2,851,881) | - | (2,851,881) |
| Depreciation | | (467,308) | - | (467,308) |
| Other operating expenses | | (443,613) | - | (443,613) |
| **Operating profit** | | **576,156** | **-** | **576,156** |
| Taxes on the Group balance sheet items | | (684,175) | - | (684,175) |
| **Profit / (loss) before income tax** | | **(108,019)** | **-** | **(108,019)** |
| Income tax expense | | (594,508) | - | (594,508) |
| **Net profit / (loss)** | | **(702,527)** | **-** | **(702,527)** |
| **Net profit / (loss) attributable to:** | | | | |
| **Owners of mBank S.A.** | | **(702,691)** | **-** | **(702,691)** |
| Non-controlling interests | | 164 | - | 164 |

Restatements in consolidated statement of financial position at 1 January 2022

| | No | As of 01.01.2022 before restatement | Restatement | As of 01.01.2022 after restatement |
|---|---|---|---|---|
| | | | *(PLN thousands)* | |
| **ASSETS** | | *audited* | *unaudited* | |
| Financial assets at amortised cost, including: | | 140,296,538 | (377,379) | 139,919,159 |
| Debt securities | | 16,164,103 | - | 16,164,103 |
| Loans and advances to banks | | 7,229,681 | - | 7,229,681 |
| Loans and advances to customers | 5 | 116,902,754 | (377,379) | 116,525,375 |
| Fair value changes of the hedged items in portfolio hedge of interest rate risk | 6 | 1,055,478 | (1,165,511) | (110,033) |
| Other assets | 5 | 1,366,820 | 377,379 | 1,744,199 |
| Other items | | 56,820,049 | - | 56,820,049 |
| **Total assets** | | **199,538,885** | **(1,165,511)** | **198,373,374** |
| **LIABILITIES & EQUITY** | | | | |
| Financial liabilities measured at amortised cost, including: | | 179,348 925 | - | 179,348,925 |
| Amounts due to banks | 3 | 3,359,558 | 1,906,621 | 5,266,179 |
| Amounts due to customers | 2,3 | 159,935,129 | (2,863,459) | 157,071,670 |
| Lease liabilities | 2 | - | 956,838 | 956,838 |
| Debt securities issued | | 13,429,782 | - | 13,429,782 |
| Subordinated liabilities | | 2,624,456 | - | 2,624,456 |
| Fair value changes of the hedged items in portfolio hedge of interest rate risk | 6 | 110,033 | (1,165,511) | (1,055,478) |
| Provisions | 4 | 811,455 | 25,445 | 836,900 |
| Other liabilities | 4 | 3,469,950 | (25,445) | 3,444,505 |
| Other items | | 2,080,606 | - | 2,080,606 |
| **Total liabilities** | | **185,820,969** | **(1,165,511)** | **184,655,458** |
| **Total equity** | | **13,717,916** | **-** | **13,717,916** |
| **Total liabilities and equity** | | **199,538,885** | **(1,165,511)** | **198,373,374** |

Restatements in consolidated statement of financial position at 30 June 2022

| | No | As of 30.06.2022 before restatement | Restatement | As of 30.06.2022 after restatement |
|---|---|---|---|---|
| | | (PLN thousands) unaudited | | |
| **ASSETS** | | | | |
| Financial assets at amortised cost, including: | | 152,430,428 | (454,200) | 151,976,228 |
| Debt securities | | 18,297,028 | - | 18,297,028 |
| Loans and advances to banks | | 8,547,677 | - | 8,547,677 |
| Loans and advances to customers | 5 | 125,585,723 | (454,200) | 125,131,523 |
| Fair value changes of the hedged items in portfolio hedge of interest rate risk | 6 | 2,075,964 | (2,226,725) | (150,761) |
| Other assets | 5 | 1,629,401 | 454,200 | 2,083,601 |
| Other items | | 48,261,355 | - | 48,261,355 |
| **Total assets** | | **204,397,148** | **(2,226,725)** | **202,170,423** |
| **LIABILITIES & EQUITY** | | | | |
| Financial liabilities measured at amortised cost, including: | | 181,571,464 | - | 181,571,464 |
| Amounts due to banks | 3 | 2,651,752 | 1,913,201 | 4,564,953 |
| Amounts due to customers | 2,3 | 164,013,605 | (2,917,622) | 161,095,983 |
| Lease liabilities | 2 | - | 1,004,421 | 1,004,421 |
| Debt securities issued | | 12,203,802 | - | 12,203,802 |
| Subordinated liabilities | | 2,702,305 | - | 2,702,305 |
| Fair value changes of the hedged items in portfolio hedge of interest rate risk | 6 | 150,761 | (2,226,725) | (2,075,964) |
| Provisions | 4 | 924,324 | 25,005 | 949,329 |
| Other liabilities | 4 | 5,027,609 | (25,005) | 5,002,604 |
| Other items | | 3,345,397 | - | 3,345,397 |
| **Total liabilities** | | **191,019,555** | **(2,226,725)** | **188,792,830** |
| **Total equity** | | **13,377,593** | **-** | **13,377,593** |
| **Total liabilities and equity** | | **204,397,148** | **(2,226,725)** | **202,170,423** |

Restatements in consolidated statement of cash flows for the period from 1 January to 30 June 2022

| | No | Period from 01.01.2022 to 30.06.2022 before restatement | Restatement | Period from 01.01.2022 to 30.06.2022 after restatement |
|---|---|---|---|---|
| | | (PLN thousands) unaudited | | |
| **Profit / (loss) before income tax** | | **1,311,840** | **-** | **1,311,840** |
| ***Adjustments, including:*** | | ***1,946,518*** | ***-*** | ***1,946,518*** |
| Income tax paid | | (222,543) | - | (222,543) |
| Depreciation, including depreciation of fixed assets provided under operating lease | | 250,307 | - | 250,307 |
| Foreign exchange (gains) losses related to financing activities | | 304,134 | - | 304,134 |
| (Gains) losses on investing activities | | 12,023 | - | 12,023 |
| Dividends received | | (4,826) | - | (4,826) |
| Interest income (income statement) | 1 | (4,048,398) | (14,831) | (4,063,229) |
| Interest expense (income statement) | 7 | 860,691 | (6,885) | 853,806 |
| Interest received | 1 | 3,727,360 | 14,831 | 3,742,191 |
| Interest paid | 7 | (627,025) | 6,885 | (620,140) |
| Changes in loans and advances to banks | | 918,868 | - | 918,868 |
| Changes in financial assets and liabilities held for trading and hedging derivatives | | (1,570,819) | - | (1,570,819) |
| Changes in loans and advances to customers | 5 | (8,150,584) | 76,821 | (8,073,763) |
| Changes in financial assets at fair value through other comprehensive income | | 9,109,341 | - | 9,109,341 |
| Changes in securities at amortised cost | | (2,111,922) | - | (2,111,922) |
| Changes of non-trading securities mandatorily at fair value through profit or loss | | 50,994 | - | 50,994 |
| Changes in other assets | 5 | (275,370) | (76,821) | (352,191) |
| Changes in amounts due to banks | 3 | (652,949) | (96,768) | (749,717) |
| Changes in amounts due to customers | 2,3 | 3,852,153 | 62,781 | 3,914,934 |
| Changes in lease liabilities | 2 | - | 33,987 | 33,987 |
| Changes in issued debt securities | | (1,283,293) | - | (1,283,293) |
| Changes in provisions. | 4 | 112,869 | (440) | 112,429 |
| Changes in other liabilities | 4 | 1,695,507 | 440 | 1,695,947 |
| **A. Cash flows from operating activities** | | **3,258,358** | **-** | **3,258,358** |
| **B. Cash flows from investing activities** | | **(263,203)** | **-** | **(263,203)** |
| **C. Cash flows from financing activities** | | **(334,431)** | **-** | **(334,431)** |
| **Net increase / decrease in cash and cash equivalents (A+B+C)** | | **2,660,724** | **-** | **2,660,724** |
| Effects of exchange rate changes on cash and cash equivalents | | 71,979 | - | 71,979 |
| Cash and cash equivalents at the beginning of the reporting period | | 12,540,599 | - | 12,540,599 |
| **Cash and cash equivalents at the end of the reporting period** | | **15,273,302** | **-** | **15,273,302** |

- The paragraph "The following tables present consolidated financial data of the Group as of and for the years ended 31 December 2021 and 31 December 2020 and as of and for the nine-month periods ended 30 September 2022 and 30 September 2021. They were derived from the 2021 Consolidated Financial Statements and the Q3 2022 Consolidated Financial Statements" on page 165 of the Base Prospectus is deleted and replaced by the following: "The following tables present consolidated financial data of the Group as of and for the years ended 31 December 2022 and 31 December 2021 and as of and for the six months periods ended 30 June 2023 and 30 June 2022. They were derived from the 2022 Consolidated Financial Statements and the H1 2023 Consolidated Financial Statements."

- The tables on pages 165 to 169 of the Base Prospectus are deleted and replaced by the following tables:

"**Consolidated Income Statements**

| | The first half of the year ended 30 June | | Year ended 31 December | |
|---|---|---|---|---|
| | **2023** | **2022 R** | **2022 R** | **2021 R** |
| | *(PLN thousands) unaudited* | | *(PLN thousands) unaudited* | |
| Interest income | 7,295,761 | 4,063,229 | 9,265,806 | 4,454,007 |
| Interest expenses | (3,062,016) | (853,806) | (3,341,812) | (327,694) |
| **Net interest income** | **4,233,745** | **3,209,423** | **5,923,994** | **4,126,313** |
| Fee and commission income | 1,485,747 | 1,545,497 | 3,026,096 | 2,692,626 |
| Fee and commission expenses | (497,043) | (406,988) | (906,019) | (824,875) |
| **Net fee and commission income** | **988,704** | **1,138,509** | **2,120,077** | **1,867,751** |
| Dividend income | 4,628 | 4,826 | 5,236 | 5,046 |
| Net trading income | 3,854 | 96,485 | 97,198 | 96,890 |
| Gains or losses on non-trading financial assets mandatorily at fair value through profit or loss | 4,880 | (81,082) | (50,924) | 4,608 |
| Gains or losses on derecognition of financial assets and liabilities not measured at fair value through profit or loss | (51,352) | (50,498) | (91,548) | 93,690 |
| Other operating income | 142,622 | 149,957 | 265,162 | 232,384 |
| Impairment or reversal of impairment on financial assets not measured at fair value through profit or loss | (349,850) | (451,905) | (817,972) | (873,226) |
| Costs of legal risk related to foreign currency loans | (2,348,680) | (367,848) | (3,112,265) | (2,758,079) |
| Overhead costs | (1,321,198) | (1,626,623) | (2,851,881) | (2,020,629) |
| Depreciation | (238,131) | (236,698) | (467,308) | (436,254) |
| Other operating expenses | (151,201) | (145,762) | (443,613) | (320,898) |
| **Operating profit** | **918,021** | **1,638,784** | **576,156** | **17,596** |
| Taxes on the Group balance sheet items | (372,720) | (326,944) | (684,175) | (608,627) |
| **Profit / (loss) before income tax** | **545,301** | **1,311,840** | **(108,019)** | **(591,031)** |
| Income tax expense | (418,008) | (569,688) | (594,508) | (587,782) |
| **Net profit / (loss)** | **127,293** | **742,152** | **(702,527)** | **(1,178,813)** |
| **Net profit / (loss) attributable to:** | | | | |
| **Owners of mBank S.A.** | **127,337** | **742,037** | **(702,691)** | **(1,178,753)** |
| Non-controlling interests | (44) | 115 | 164 | (60) |

*R – restated; restated data for 2021and 2022 have not been audited*

**Consolidated Statements of Comprehensive Income**

| | The first half of the year ended 30 June | | Year ended 31 December | |
|---|---|---|---|---|
| | **2023** | **2022** | **2022** | **2021** |
| | *(PLN thousands) unaudited* | | *(PLN thousands) audited* | |
| **Net profit / (loss)** | **127,293** | **742,152** | **(702,527)** | **(1,178,813)** |
| **Other comprehensive income net of tax, including:** | **623,046** | **(1,090,094)** | **(313,225)** | **(1,788,889)** |
| ***Items that may be reclassified subsequently to the income statement*** | ***623,046*** | ***(1,090,094)*** | ***(316,696)*** | ***(1,807,384)*** |
| Exchange differences on translation of foreign operations (net) | (12,144) | 690 | 6,194 | 4,898 |
| Cash flow hedges (net) | 281,685 | (642,318) | (296,666) | (919,332) |
| Cost of hedge (net) | (13,853) | - | 27,105 | - |
| Change in valuation of debt instruments at fair value through other comprehensive income (net) | 367,358 | (448,466) | (53,329) | (892,950) |
| ***Items that will not be reclassified to the income statement*** | - | - | ***3,471*** | ***18,495*** |
| Actuarial gains and losses relating to post-employment benefits (net) | - | - | 3,471 | 7,059 |
| Reclassification to investment properties (net) | - | - | - | 11,436 |
| **Total comprehensive income (net)** | **750,339** | **(347,942)** | **(1,015,752)** | **(2,967,702)** |
| ***Total comprehensive income (net), attributable to:*** | | | | |
| Owners of mBank S.A. | 750,383 | (348,057) | (1,015,916) | (2,967,642) |
| Non-controlling interests | (44) | 115 | 164 | (60) |

### Consolidated Statements of Financial Position

| | As of 30 June 2023 | As of 31 December 2022 | As of 31 December 2021 R |
|---|---|---|---|
| | *(PLN thousands)* *unaudited* | *(PLN thousands)* *audited* | *(PLN thousands)* *unaudited* |
| **ASSETS** | | | |
| Cash and balances with the Central Bank | 15,962,102 | 16,014,318 | 12,202,266 |
| Financial assets held for trading and hedging derivatives | 2,867,397 | 2,524,652 | 2,589,076 |
| Non-trading financial assets mandatorily at fair value through profit or loss, including: | 941,080 | 1,044,189 | 1,417,191 |
| Equity instruments | 194,892 | 185,788 | 224,389 |
| Debt securities | 47,787 | 45,009 | 81,128 |
| Loans and advances to customers | 698,401 | 813,392 | 1,111,674 |
| Financial assets at fair value through other comprehensive income | 35,985,288 | 35,117,450 | 36,206,059 |
| Financial assets at amortised cost, including: | 149,958,163 | 148,138,819 | 139,919,159 |
| Debt securities | 20,449,154 | 19,002,527 | 16,164,103 |
| Loans and advances to banks | 11,927,815 | 9,806,262 | 7,229,681 |
| Loans and advances to customers | 117,581,194 | 119,330,030 | 116,525,375 |
| Fair value changes of the hedged items in portfolio hedge of interest rate risk | 14,228 | 3,064 | (110,033) |
| Non-current assets and disposal groups classified as held for sale | - | 26,747 | 31,247 |
| Intangible assets | 1,579,977 | 1,391,707 | 1,283,953 |
| Tangible assets | 1,454,981 | 1,484,933 | 1,542,250 |
| Investment properties | 136,909 | 136,909 | 127,510 |
| Current income tax assets | 80,422 | 28,302 | 28,147 |
| Deferred income tax assets | 1,460,492 | 1,875,728 | 1,392,350 |
| Other assets | 2,486,818 | 2,105,295 | 1,744,199 |
| **Total assets** | **212,927,857** | **209,892,113** | **198,373,374** |
| **LIABILITIES & EQUITY** | | | |
| Financial liabilities held for trading and hedging derivatives | 1,918,138 | 2,086,111 | 2,011,182 |
| Financial liabilities measured at amortised cost, including: | 191,642,072 | 190,567,661 | 179,348,925 |
| Amounts due to banks | 3,204,420 | 3,270,223 | 5,266,179 |
| Amounts due to customers | 176,662,495 | 174,130,914 | 157,071,670 |
| Lease liabilities | 932,670 | 960,324 | 956,838 |
| Debt securities issued | 8,157,055 | 9,465,479 | 13,429,782 |
| Subordinated liabilities | 2,685,432 | 2,740,721 | 2,624,456 |
| Fair value changes of the hedged items in portfolio hedge of interest rate risk | (1,006,997) | (1,528,582) | (1,055,478) |
| Liabilities included in disposal groups classified as held for sale | - | 7,375 | 7,425 |
| Provisions | 1,508,645 | 1,362,259 | 836,900 |
| Current income tax liabilities | 36,996 | 571,456 | 61,910 |
| Deferred income tax liabilities | - | - | 89 |
| Other liabilities | 5,359,333 | 4,110,802 | 3,444,505 |
| **Total liabilities** | **199,458,187** | **197,177,082** | **184,655,458** |
| **Total equity** | **13,469,670** | **12,715,031** | **13,717,916** |
| **Total liabilities and equity** | **212,927,857** | **209,892,113** | **198,373,374** |

*R – restated; restated data as of 31 December 2021 have not been audited*

### Items from Consolidated Cash Flow Statements

| | The first half of the year ended 30 June | | Year ended 31 December | |
|---|---|---|---|---|
| | **2023** | **2022 R** | **2022** | **2021 R** |
| | *(PLN thousands)* | | *(PLN thousands)* | |
| | *unaudited* | | *audited* | *unaudited* |
| Cash and cash equivalents at the beginning of the reporting period | 16,292,024 | 12,540,599 | 12,540,599 | 4,249,046 |
| Cash flows from operating activities | 1,717,515 | 3,258,358 | 8,027,061 | 10,803,934 |
| Cash flows from investing activities | (286,556) | (263,203) | (495,740) | (508,006) |
| Cash flows from financing activities | (1,335,354) | (334,431) | (3,783,916) | (1,994,726) |
| Effects of exchange rate changes on cash and cash equivalents | (6,144) | 71,979 | 4,020 | (9,649) |
| Cash and cash equivalents at the end of the reporting period | 16,381,485 | 15,273,302 | 16,292,024 | 12,540,599 |
| Net increase/decrease in cash and cash equivalents | 95,605 | 2,660,724 | 3,747,405 | 8,301,202 |

*R – restated; restated data for 2021 have not been audited*

### Capital Adequacy

The table below presents selected data concerning capital ratios of the Group as at the dates indicated below.

| | 30 June | | 31 December | |
|---|---|---|---|---|
| | 2023 | 2022 | 2022 | 2021 |
| | *(per cent.)* | | | |
| Total capital ratio | 16.8 | 16.4 | 16.4 | 16.6 |
| Common Equity Tier 1 capital ratio/Tier 1 capital ratio | 14.5 | 13.9 | 13.8 | 14.2 |

## Key Financial Ratios

The table below presents selected financial ratios for the Group (except LCR and NSFR, which are presented for the Bank) as at the dates and for the periods indicated below.

| | As of and for the first half of the year ended 30 June | | As of and for the year ended 31 December | |
|---|---|---|---|---|
| | 2023 | 2022 R | 2022 | 2021 R |
| | *(per cent.)* | | | |
| ROE gross | 8.1 | 19.3 | -0.8 | -3.6 |
| ROE net | 1.9 | 10.9 | -5.3 | -7.2 |
| ROA net | 0.1 | 0.7 | -0.3 | -0.6 |
| Cost to income ratio (C/I) | 30.0 | 42.9 | 42.2 | 40.2 |
| Net interest margin (NIM) | 4.1 | 3.4 | 3.7 | 2.2 |
| Non-performing loans ratio (NPL ratio) | 4.1 | 3.8 | 4.0 | 3.9 |
| NPL ratio – corporate portfolio | 4.6 | 4.6 | 4.8 | 4.7 |
| NPL ratio – retail portfolio | 3.9 | 3.4 | 3.5 | 3.4 |
| NPL ratio of mortgage loan portfolio to private individuals (Poland) | 2.2 | 1.9 | 2.1 | 1.7 |
| NPL ratio of mortgage loan portfolio in PLN to private individuals (Poland) | 0.95 | 0.61 | 0.79 | 0.47 |
| NPL Coverage ratio | 53.3 | 54.5 | 52.2 | 53.1 |
| Cost of risk | 0.62 | 0.77 | 0.69 | 0.76 |
| Loan-to-deposit ratio | 67.0 | 78.3 | 69.0 | 74.9 |
| Equity to assets | 6.3 | 6.6 | 6.1 | 6.9 |
| Liquidity Coverage Ratio (LCR)[1] | 199 | 173 | 186 | 203 |
| Net Stable Funding Ratio (NSFR)[2] | 154 | 135 | 150 | 152 |

*R – restated*

*Source: The Bank.*

1 *Liquidity Coverage Ratio (LCR) – a relation of liquid assets of the liquidity buffer to the expected net outflows within 30 calendar days.*

2 *Net Stable Funding Ratio (NSFR) – a relation of own funds and stable liabilities ensuring stable financing to illiquid assets and receivables requiring stable financing."*

## <u>Description of the Group</u>

- The second paragraph in the sub-section under the heading "Overview" under the section under the heading "Description of the Group" of the Base Prospectus on page 170 is deleted and replaced by the following:

"Despite strong competition in the Polish financial sector, the Bank's client base has grown almost entirely organically, reaching 5,642,412 retail clients (including 1,052,718 in the Czech Republic and Slovakia) and 33,025 corporate customers as of 31 December 2022. In the first half of 2023, the number of retail customers increased to 5,675,569 (including 1,071,544 in the Czech Republic and Slovakia). The number of corporate customers at the end of June 2023 reached 33,669.

The last sentence in the third paragraph of the sub-section "History" under the section under the heading "Description of the Group" on page 171 of the Base Prospectus is removed and replaced by the following: As of 30 June 2023, Commerzbank held shares representing 69.1 per cent. of the Bank's share capital and of the total number of votes at the Bank's General Shareholders' Meeting".

- The last paragraph on page 170 of the Base Prospectus concerning the Bank's distribution network in Poland as of 31 September 2022 under the section under the heading "Description of the Group" is deleted and replaced by the following:

"As of 30 June 2023, the Bank's distribution network in Poland included: (i) its own organically grown countrywide retail network of 129 locations of mBank branded outlets and 184 outlets comprising mKiosk outlets, mFinanse Financial Centres and agency service points; as well as (ii) 29 corporate branches and 14 corporate offices."

Similarly, the second paragraph under the heading "Physical distribution network" describing the Bank's distribution network in Poland as of 30 September 2022 on page 187 of the Base Prospectus in the sub-section under the heading "Retail Banking in Poland" is deleted and replaced by the following:

"As of 31 December 2022, the Bank's distribution network included 130 locations of mBank-branded outlets and 189 of mKiosk outlets, mFinanse Financial Centres and agency service points. As of 30 June 2023, the Bank's distribution network consisted of 129 locations of mBank-branded outlets and 184 outlets comprising mKiosk outlets, mFinanse Financial Centres and agency service points".

- The market shares of mBank Group under the section under the section under the heading "Description of the Group" of the Base Prospectus are updated as follows:

1. On page 172 of the Base Prospectus, the sub-section under the heading "Leading Market Position across Key Segments" under the section under the heading "Competitive Strengths" is deleted and replaced by the following:

"***Leading Market Position across Key Segments***

As of 30 June 2023, the Group's market share in total assets of the Polish banking sector was 7.7 per cent. (compared with 7.7 per cent. as of 31 December 2022) according to monthly data published by the KNF. The Group has a leading position in retail, corporate and investment banking in Poland.

As of 30 June 2023, the market share of the Group in total loans to the non-financial sector in Poland was 8.0 per cent. (8.2 per cent. as of 31 December 2022), while the Group's share in total deposits of the non-financial sector in Poland was 9.0 per cent. (compared with 9.2 per cent. as of 31 December 2022), according to monthly data published by the NBP on the assets and liabilities of monetary financial institutions.

As of 30 June 2023, the Group's market share in retail loans in Poland was 8.1 per cent. (8.7 per cent. in mortgage loans and 7.1 per cent. in non-mortgage loans) compared with 8.3 per cent. as of 31 December 2022 (8.8 per cent. in mortgage loans and 7.2 per cent. in non-mortgage loans). The Group's market share in retail deposits in Poland was 8.7 per cent. (compared with 8.8 per cent as of 31 December 2022) according to monthly data published by the NBP on the assets and liabilities of monetary financial institutions.

As of 30 June 2023, the Group's market share in corporate loans and corporate deposits in Poland was 8.0 per cent. and 10.4 per cent., respectively (based on NBP figures). As of 31 December 2022, the Group's market share in corporate loans in Poland was 8.1 per cent and in corporate deposits 10.8 per cent."

2. On page 196 of the Base Prospectus the description of mLeasing under the sub-section under the heading "Services Provided by Bank's Subsidiaries within Corporates and Institutions" is deleted and replaced by the following:

"mLeasing offers different types of leasing products to its corporate clients, including the leasing of personal and commercial vehicles, heavy transport vehicles, car fleet management, the leasing of machinery and equipment and the leasing of real estate. According to data published by the Polish Leasing Association, as of 31 December 2022, mLeasing's market share in Poland amounted to 6.8 per cent. In the first half of 2023, mLeasing's market share in Poland increased to 7.6 per cent.

The value of contracts concluded by mLeasing in the year ended 31 December 2022 was PLN 6.0 billion in 2022 compared with PLN 6.5 billion recorded a year before. The value of leasing contracts concluded in the first half of 2023 amounted to PLN 3.6 billion."

3. On page 197 of the Base Prospectus the description of mFaktoring under the sub-section under the heading "Services Provided by Bank's Subsidiaries within Corporates and Institutions" is deleted and replaced by the following:

"mFaktoring offers factoring services, including domestic and export recourse and non-recourse factoring, maintenance of debtors' settlement accounts, enforcement of receivables and import guarantees. In the year ended 31 December 2022 its turnover (the value of purchased invoices) was PLN 36.1 billion. According to the Polish

Factors' Association the company's market share as of 31 December 2022 was 7.8 per cent. compared with 8.2 per cent. in 2021. In the first half of 2023, the market share of mFaktoring was 7.6 per cent."

- The second paragraph on page 173 of the Base Prospectus in the sub-section under the heading "Mobile banking icon" under the section under the heading "Description of the Group " is deleted and replaced by the following:

"mBank remains the leader in mobile banking in Poland. Nominally, the Bank has the second largest number of active users of mobile applications according to the Puls Biznesu report, but it has the highest share of active users of mobile applications in relation to the personal accounts database. As of 30 June 2023, the number of active users of mBank's mobile application was 3,489,000 including 3,043,000 in Poland (compared with 3,338,000 users, including 2,920,000 users in Poland, as of 31 December 2022.)"

- The sub-section under the heading "Operations" under the section under the heading "Description of the Group" of the Base Prospectus on pages 181 to 184 of the Base Prospectus is updated in the following manner:

The table under the sentence "The table shows the gross profit / (loss) of the Group's segments for the periods indicated in the table below" on page 182 of the Base Prospectus is deleted and replaced by the following:

**Profit / (loss) before income tax**

| | **The first half of the year ended 30 June** | | **Year ended 31 December** | |
|---|---|---|---|---|
| | **2023** | **2022 R** | **2022** | **2021 R** |
| | *(PLN thousands)* | | *(PLN thousands)* | |
| | *unaudited* | | *audited* | *unaudited* |
| Retail Banking | 1,655,535 | 1,022,232 | 1,042,703 | 1,521,597 |
| Corporate and Investment Banking | 1,194,697 | 819,451 | 2,060,607 | 803,121 |
| Treasury and Other | 107,336 | (125,250) | 10,030 | (117,754) |
| FX Mortgage Loans | (2,412,267) | (404,593) | (3,221,359) | (2,797,995) |
| **Total** | **545,301** | **1,311,840** | **(108,019)** | **(591,031)** |

*R- restated; restated data for 2021 have not been audited*

*Source: 2022 Consolidated Financial Statements, H1 2023 Consolidated Financial Statements"*

The last paragraph on page 182 and the tables on pages 183 to 184 of the Base Prospectus are deleted and replaced with the following:

"Business segment reporting on the activities of the Group with the separated FX Mortgage Loans segment, i.e. non-core business segment is presented below. FX Mortgage Loans segment consists primarily of foreign currency mortgage loans with indexation clauses granted to individual customers. These types of loans are no longer offered to customers. The segment's assets include only the portfolio of active mortgage loans originally granted in foreign currencies (mainly in CHF, EUR and USD). The segment's liabilities do not include the financing of the portfolio of such loans, which was included in the liabilities of other segments.

**Business segment reporting: Core Business and Non-core business**

| | **The first half of the year ended 30 June 2023** | | | **The first half of the year ended 30 June 2022 R** | | |
|---|---|---|---|---|---|---|
| **Data regarding consolidated income statement** | Core Business | Non-core business (FX Mortgage Loans) | Total figure for the Group | Core Business | Non-core business (FX Mortgage Loans) | Total figure for the Group |
| | | | *(PLN thousands, unaudited)* | | | |
| Net interest income | 4,225,053 | 8,692 | 4,233,745 | 3,155,773 | 53,650 | 3,209,423 |
| Net fee and commission income | 1,003,326 | (14,622) | 988,704 | 1,146,104 | (7,595) | 1,138,509 |
| Dividend income | 4,628 | - | 4,628 | 4,826 | - | 4,826 |
| Net trading income | 31,028 | (27,174) | 3,854 | 71,232 | 25,253 | 96,485 |
| Gains or losses on non-trading financial assets mandatorily at fair value through profit or loss | 4,830 | 50 | 4,880 | (81,081) | (1) | (81,082) |
| Gains or losses on derecognition of financial assets and liabilities not measured at fair value through profit or loss | (51,352) | - | (51,352) | (50,498) | - | (50,498) |
| Other operating income | 141,012 | 1,610 | 142,622 | 149,844 | 113 | 149,957 |

| Data regarding consolidated income statement | The first half of the year ended 30 June 2023 | | | The first half of the year ended 30 June 2022 R | | |
|---|---|---|---|---|---|---|
| | Core Business | Non-core business (FX Mortgage Loans) | Total figure for the Group | Core Business | Non-core business (FX Mortgage Loans) | Total figure for the Group |
| | *(PLN thousands, unaudited)* | | | | | |
| Impairment or reversal of impairment on financial assets not measured at fair value through profit or loss | (362,321) | 12,471 | (349,850) | (443,161) | (8,744) | (451,905) |
| Costs of legal risk related to foreign currency loans | - | (2,348,680) | (2,348,680) | - | (367,848) | (367,848) |
| Overhead costs | (1,292,271) | (28,927) | (1,321,198) | (1,584,767) | (41,856) | (1,626,623) |
| Depreciation | (237,718) | (413) | (238,131) | (236,332) | (366) | (236,698) |
| Other operating expenses | (150,774) | (427) | (151,201) | (110,792) | (34,970) | (145,762) |
| **Operating profit** | **3,315,441** | **(2,397,420)** | **918,021** | **2,021,148** | **(382,364)** | **1,638,784** |
| Taxes on the Group balance sheet items | (357,873) | (14,847) | (372,720) | (304,715) | (22,229) | (326,944) |
| **Profit before income tax of the segment** | **2,957,568** | **(2,412,267)** | **545,301** | **1,716,433** | **(404,593)** | **1,311,840** |

*R- restated*

| | Data regarding consolidated statement of financial position as of 30 June 2023 | | | Data regarding consolidated statement of financial position as of 31 December 2022 | | |
|---|---|---|---|---|---|---|
| | Core Business | Non-core business (FX Mortgage Loans) | Total figure for the Group | Core Business | Non-core business (FX Mortgage Loans) | Total figure for the Group |
| | *(PLN thousands, unaudited)* | | | *(PLN thousands, audited)* | | |
| Assets of the segment | 207,393,492 | 5,534,365 | 212,927,857 | 201,720,499 | 8,171,614 | 209,892,113 |
| Liabilities of the segment | 198,344,891 | 1,113,296 | 199,458,187 | 196,450,478 | 726,604 | 197,177,082 |

*Core Business includes the following segments: Retail Banking, Corporate and Investment Banking, Treasury and Other.*

Key financial ratios for the Core Business are as follows:

| | As of and for the first half of the year ended 30 June | | As of and for the year ended 31 December | |
|---|---|---|---|---|
| | 2023 | 2022 R | 2022 | 2021 R |
| | *(per cent.)* | | | |
| ROE net[1] | 41.7 | 19.4 | 22.1 | 12.0 |
| ROA net[2] | 2.4 | 1.2 | 1.3 | 0.9 |
| Cost to income ratio (C/I)[3] | 29.3 | 42.3 | 41.8 | 40.0 |
| Net interest margin (NIM)[4] | 4.2 | 3.5 | 3.9 | 2.2 |

*R- restated*

1. *Calculated by dividing net profit of the Core Business attributable to Owners of the Bank by the average equity of the Core Business attributable to Owners of the Bank. The average equity is calculated on the basis of the balances as of the end of each month. Net profit of the Core Business attributable to Owners of the Bank is annualised based on the number of days in the analysed period (the annualisation ratio is calculated as the quotient of the number of days in a year and the number of days in the analysed period).*
2. *Calculated by dividing net profit of the Core Business attributable to Owners of the Bank by the average total assets of the Core Business. The average total assets are calculated on the basis of the balances as of the end of each month. Net profit of the Core Business attributable to Owners of the Bank is annualised based on the number of days in the analysed period (the annualisation ratio is calculated as the quotient of the number of days in a year and the number of days in the analysed period).*
3. *Calculated by dividing overhead costs and depreciation of the Core Business by total income of the Core Business comprising: net interest income, net fee and commission income, dividend income, net trading income, other income, other operating income and other operating expenses. Other income comprises gains or losses on derecognition of financial assets and liabilities not measured at fair value through profit or loss and gains or losses on non-trading financial assets mandatorily at fair value through profit or loss related to equity instruments and debt securities (without loans and advances).*
4. *Calculated by dividing net interest income of the Core Business by average interest-earning assets of the Core Business. Net interest income excludes gains or losses on modification. Interest-earning assets are a sum of cash and balances with the Central Bank, loans and advances to banks, debt securities (in all valuation methods) and loans and advances to customers (net; in all valuation methods). The average interest-earning assets are calculated on the basis of the balances as of the end of each month. Net interest income is annualised based on the number of days in the analysed period (the annualisation ratio is calculated as the quotient of the number of days in a year and the number of days in the analysed period).*

*Source: The Bank"*

- The table on page 184 of the Base Prospectus and the paragraph above this table in the sub-section under the heading "Retail Banking in Poland" are deleted and replaced by the following:

"As of 31 December 2022, the Group serviced 4,589.7 thousand retail customers in Poland compared with 4,487.0 thousand as of 31 December 2021. As of 30 June 2023, the number of retail customers in Poland reached 4,604.0 thousand.

The table below presents the growth of the Bank's customer base (excluding Kompakt Finanse) in Poland

| | December 2018 | December 2019 | December 2020 | December 2021 | December 2022 | June 2023 |
|---|---|---|---|---|---|---|
| Number of clients (in thousands) | 4,425.6 | 4,642.8 | 4,656.6 | 4,487.0 | 4,589.7 | 4,604.0 |

*Source: the Bank*"

- On page 184 of the Base Prospectus, the last three paragraphs in the sub-section under the heading "Retail Banking in Poland" are deleted and replaced by the following:

"As of 30 June 2023, the Group's market share in household loans and household deposits stood at 8.1 per cent. (8.7 per cent. in mortgage loans and 7.1 per cent. in non-mortgage loans) and 8.7 per cent., respectively. It compares with the following market shares as of 31 December 2022: 8.3 per cent. in household loans (8.8 per cent. in mortgage loans and 7.2 per cent. in non-mortgage loans) and 8.8 per cent in household deposits."

- The third paragraph in the sub-section under the heading "Retail Banking in the Czech Republic and Slovakia (mBank CZ/SK)" concerning the Bank's distribution network in the Czech Republic and Slovakia as of 30 September 2022 on page 190 of the Base Prospectus is deleted and replaced by the following:

"As of 31 December 2022, the Bank's retail distribution network in the Czech Republic consisted of 13 financial centres and light branches as well as 18 mKiosks. In Slovakia the network consisted of 6 financial centres and light branches and 9 mKiosks. As of 30 June 2023, the Bank's retail distribution network in the Czech Republic consisted of 14 financial centres and light branches as well as 18 mKiosks, while in Slovakia the Bank had 6 financial centres and light branches as well as 9 mKiosks."

- The table on pages 190 and 191 of the Base Prospectus and the paragraph above this table in the sub-section under the heading "Retail Banking in the Czech Republic and Slovakia (mBank CZ/SK)" are deleted and replaced by the following:

"As of 31 December 2022, mBank in the Czech Republic and Slovakia had 1,052,718 customers (732,328 customers at mBank CZ and 320,390 customers at mBank SK). As of 30 June 2023, mBank in the Czech Republic and Slovakia serviced 1,071,544 customers (748,653 customers at mBank CZ and 322,891 customers at mBank SK).

| | December 2018 | December 2019 | December 2020 | December 2021 | December 2022 | June 2023 |
|---|---|---|---|---|---|---|
| Number of clients (in thousands) | 924.3 | 958.6 | 1,003.4 | 1,026.9 | 1,052.7 | 1,071.5 |

*Source: the Bank"*

- The table on page 193 of the Base Prospectus in the sub-section under the heading "Corporate and Investment Banking" is deleted and replaced by the following table:

"The table below sets out Corporate Banking Customers by segments.

| | December 2018 | December 2019 | December 2020 | December 2021 | December 2022 | June 2023 |
|---|---|---|---|---|---|---|
| K1 | 2,193 | 2,319 | 2,358 | 2,272 | 2,218 | 2,327 |
| K2 | 7,520 | 8,211 | 8,862 | 9,740 | 10,329 | 10,391 |
| K3 | 13,993 | 15,946 | 17,863 | 19,303 | 20,478 | 20,951 |
| **Total number of corporate customers** | **23,706** | **26,476** | **29,083** | **31,315** | **33,025** | **33,669** |

*Source: the Bank"*

- The paragraph on page 197 of the Base Prospectus in the sub-section under the heading "Corporate and Investment Banking" under the heading "mBank Hipoteczny" is hereby deleted and replaced in its entirety as follows:

"On 17 May 2023, the Bank announced the completion of the demerger of mBank Hipoteczny . The demerger of mBank Hipoteczny was made in compliance with Article 529 §1(4) of the act of 15 September 2000 – Commercial Companies Code, i.e.:

- by transfer to the Bank of some of the estate (assets and liabilities) and rights and obligations of mBank Hipoteczny comprising an organised part of the enterprise of mBank Hipoteczny, which is a collection of tangible and intangible assets separate both organisationally and financially within the existing enterprise of mBank Hipoteczny, including obligations, designated for the achievement of objectives that are related with the granting and servicing of loans comprising: (i) loans secured by a mortgage for the financing of commercial real properties; (ii) loans granted to local government units or loans for which local government units issued any surety; and (iii) loans secured by a mortgage granted to natural persons for purposes unrelated to any business activity subject to loan agreements concluded with clients on or before 25 July 2013 and that satisfy the criteria specified in the demerger plan, and
- by leaving with mBank Hipoteczny the remaining part of the estate (assets and liabilities) and rights and obligations of mBank Hipoteczny comprising an organised part of the enterprise of mBank Hipoteczny, which is a collection of tangible and intangible assets separate both organisationally and financially within the existing enterprise of mBank Hipoteczny, including obligations, designated for the achievement of tasks that are related with the operations of mBank Hipoteczny as a mortgage bank.

The carrying amount of mBank Hipoteczny's loans and advances to customers measured at amortised cost acquired by the Bank amounted to PLN 1,667.0 million.

The transaction was driven by the need to reorganize competencies within the Group and to enable corporate customers to access online banking offered by mBank's corporate banking. From the perspective of mBank Hipoteczny, the structure of its balance sheet was simplified and unified. Its loan portfolio after demerger consists solely of retail mortgage loans. mBank Hipoteczny continues its operations as a mortgage bank. It will issue securities, including specifically covered bonds, as well as perform other treasury-related transactions and in particular derivative transactions."

- The table on page 198 of the Base Prospectus in the sub-section under the heading "Employees – Employment Structure" is deleted and replaced by the following table:

| | **30 June 2023** | **31 December 2022** | **31 December 2021** | **31 December 2020** |
|---|---|---|---|---|
| Bank | 6,527 | 6,382 | 6,075 | 6,034 |
| Subsidiaries (consolidated) | 644 | 632 | 663 | 654 |
| **Total** | **7,171** | **7,014** | **6,738** | **6,688** |

*Source: the Bank*

- The table on page 200 of the Base Prospectus in the sub-section under the heading "Ratings" under the section entitled "Description of the Group" is hereby deleted and replaced in its entirety as follows:

"The table below sets forth information regarding the ratings assigned to the Bank as at the date of this Base Prospectus.

| | **S&P Global Ratings** | **Fitch Ratings** |
|---|---|---|
| Long-term Issuer Credit Rating | BBB | BBB- |
| Short-term Issuer Credit Rating | A-2 | F3 |
| Viability rating | - | bbb- |
| SACP (stand-alone credit profile) | bbb- | - |
| Long-Term Financial Institution Resolution Counterparty Rating | BBB+ | - |
| Short -Term Financial Institution Resolution Counterparty Rating | A-2 | - |
| Outlook of long-term Issuer Credit Rating | stable | stable |

*Source: Fitch Ratings and S&P Global Ratings"*

The first paragraph under the footnotes below the table on page 200 of the Base Prospectus is deleted and replaced by the following:

"S&P Global Ratings Europe Limited ("**S&P Global Ratings**" or "**S&P**") has assigned the Long-Term Credit Rating BBB (stable outlook) to the Bank. According to S&P's rating definitions, an obligor rated 'BBB' has adequate capacity to meet its financial commitments. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitments. A positive (+) or negative (-) sign denotes relative standing within the major rating categories. An S&P Global Ratings outlook assesses the potential direction of a long-term credit rating over the intermediate term, which is generally up to two years for investment grade and generally up to one year for speculative grade. A stable outlook indicates that a rating is not likely to change over the next 12-24 months".

The last sentence in the second paragraph on page 201 of the Base Prospectus "The negative outlook means that a rating may be lowered" is deleted and replaced by the following: "A stable outlook indicates that a rating is not likely to change".

After the second paragraph on page 201 of the Base Prospectus the following information is added:

"The Bank's debt is rated by Fitch Ratings and S&P. Fitch Ratings has assigned the BBB long-term rating for Senior Preferred debt and the BBB- long-term rating for Senior Non-Preferred debt. On 13 July 2023, Fitch placed debt ratings on Rating Watch Negative. S&P has assigned the 'BBB' long-term rating for Senior Unsecured debt and the BB+ long-term rating for Senior Subordinated debt."

- The last two sentences in the third paragraph under the sub-section under the heading "Funding sources" on page 201 under the section under the heading "Description of the Group" of the Base Prospectus are deleted and replaced by the following: "As of 30 June 2023, the Group's Loan-to-deposit ratio was 67.0 per cent. compared with 69.0 per cent. as of 31 December 2022."

- The table which appears on page 202 is deleted and replaced by the following:

"The funding structure of the Group as of 30 June 2023, 31 December 2022 and 31 December 2021 is presented below.

| | **30 June 2023** | | **31 December 2022** | | **31 December 2021 R** | |
|---|---|---|---|---|---|---|
| | **PLN million** | **per cent.** | **PLN million** | **per cent.** | **PLN million** | **per cent.** |
| Amounts due to customers | 176,662.5 | 88.6 | 174,130.9 | 88.3 | 157,071.7 | 85.1 |
| - *individual customers* | *125,924.7* | *63.1* | *122,890.0* | *62.3* | *112,446.1* | *60.9* |
| - *corporate customers & public sector* | *50,737.8* | *25.5* | *51,240.9* | *26.0* | *44,625.5* | *24.2* |
| Debt securities issued | 8,157.1 | 4.1 | 9,465.5 | 4.8 | 13,429.8 | 7.3 |
| Amounts due to banks | 3,204.4 | 1.6 | 3,270.2 | 1.7 | 5,266.2 | 2.9 |
| Subordinated liabilities | 2,685.4 | 1.3 | 2,740.7 | 1.4 | 2,624.5 | 1.4 |
| Lease liabilities | 932.7 | 0.5 | 960.3 | 0.5 | 956.8 | 0.5 |
| Other sources | 7,816.1 | 3.9 | 6,609.4 | 3.4 | 5,306.5 | 2.8 |

R - restated

* *Other sources include: Financial liabilities held for trading and hedging derivatives, Fair value changes of the hedged items in portfolio hedge of interest rate risk, Liabilities included in disposal groups classified as held for sale, Provisions, Current income tax liabilities, Deferred income tax liabilities and Other liabilities.*

- The sub-section under the heading "Legal, Administrative and Arbitration Proceedings" on pages 203 to 207 of the Base Prospectus under the section under the heading "Description of the Group" of the Base Prospectus is updated as follows.

In the sub-section under the heading "*Class action against mBank S.A. concerning indexation clauses*" the last sentence of this sub-section on page 204 of the Base Prospectus is deleted and replaced with the following:

"As of 30 June 2023, the Bank recognised the impact of legal risk in the class action in the amount of PLN 334.9 million."

The description in the sub-section under the heading "*Individual court proceedings concerning indexation clauses to CHF*" on pages 204 to 205 of the Base Prospectus is deleted and replaced by the following:

"Apart from the class action proceeding, there are also individual court proceedings initiated against the Bank by its customers in connection with CHF loan agreements. As of 30 June 2023, 20,168 individual court proceedings (31 December 2022: 17,849 proceedings) were initiated against the Bank by its customers in connection with CHF loan agreements, with the total value of claims amounting to PLN 7,430.1 million (31 December 2022: PLN 5,982.1 million).

Out of the individual proceedings, 20,002 proceedings (31 December 2022: 17,627 proceedings) with the total value of claims amounting to PLN 7,426.5 million (31 December 2022: PLN 5,977.8 million) were related to indexation clauses in CHF loan agreements. They include claims for declaring ineffectiveness or invalidity in part (i.e. to the extent that the agreement contains contractual provisions related to indexation) or invalidity in whole of the loan agreements.

As of 30 June 2023, the Bank received 3,173 final rulings in individual lawsuits (31 December 2022: 1,941 final rulings), out of which 108 rulings were favourable to the Bank and 3,065 rulings were unfavourable (31 December 2022: 97 rulings favourable and 1,844 unfavourable). Cumulatively, approximately 88 per cent. of unfavourable verdicts led to the invalidation of the loan agreement, others led to the conversion of the agreement into PLN at an exchange rate announced by the NBP and with an interest rate based on LIBOR or WIBOR."

**Market and Legal Environment**

- The sub-section under the heading "The Polish Economy" in the section entitled "Market and Legal Environment" on pages from 214 to 216 of the Base Prospectus is deleted and replaced by the following;

"Poland is the largest economy in the Central and Eastern European region, with a track record of steady growth despite prolonged turmoil on the international financial markets. Poland, with 38.4 million residents, remains the largest accession member of the EU and the sixth largest EU country by population.

The Polish economy's strength is underpinned by the following factors:

- the private debt of non-financial enterprises and households is relatively low;
- the currency regime in Poland is flexible;
- Poland's exports and economy do not depend on a single sector and the domestic market is broad;
- the Polish banking sector remains well-capitalised, liquid and profitable; and
- the macroeconomic policy is geared towards maintaining long-term, high and sustainable growth.

Since joining the EU in 2004, Poland has benefited significantly from EU structural funds, allowing the government to invest in infrastructural and social development. Adjustments to the EU standards have supported the country's modernisation.

Poland's monetary policy framework is laid out in the Constitution and the Act on the National Bank of Poland. The NBP is responsible for the implementation of the monetary policy, the basic objective of which is to maintain price stability while supporting the government's economic policy. For nearly 20 years, the Monetary Policy Council (the "**MPC**") has been conducting monetary policy with a direct inflation targeting strategy. In 2004, the MPC adopted an inflation target of 2.5 per cent. with a symmetrical tolerance band for deviations of ± 1 per cent. The principles of the monetary policy strategy and the inflation target level remain unchanged.

The Polish economy grew by 5.1 per cent. in 2022. The largest contribution to growth came from inventories. This was the result of their substantial accumulation during the post-pandemic recovery. The slowdown in domestic demand has been largely offset by higher export activity.

In 2022, inflation in Poland accelerated markedly. The effects of the war in Ukraine came on top of previous increases of the Consumer Price Index driven by supply-side and global factors – higher prices of natural gas, coal, oil and food prices as well as disruptions in supply chains due the COVID-19 pandemic. The government responded with discretionary cuts in taxes to lower prices of some goods, like food, fuel, energy, natural gas and heat (the anti-inflation shield). The average annual consumer price index increased strongly in 2022 to 14.4 per cent. from 5.1 per cent. in 2021. Average annual core inflation, which excludes volatile food and energy prices, increased to 9.1 per cent. per cent. in 2022 from 4.1 per cent. in 2021.

In the first three quarters of 2022, the MPC continued the cycle of interest rate increases started in October 2021 in response to the deteriorating inflation outlook. The reference rate increased from 1.75 per cent. at the end of 2021 to 6.75 per cent. in September. From the beginning of the cycle, i.e. from October 2021 to September 2022, the NBP reference rate was increased by a total of 665 basis points. High inflation and persisting uncertainty increased volatility in the government bond market. Bond yields rose significantly, partly due to the outbreak of the war in Ukraine.

The unemployment rate decreased to 5.2 per cent. in December 2022 from 5.4 per cent. in December 2021. The unemployment rate in Poland is well below the EU average. According to Eurostat, which uses a its own methodology, the unemployment rate in Poland in December 2022 reached 2.9 per cent. compared with 6.2 per cent. in the European Union (EU-27) and 6.8 per cent. in the Eurozone.

| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|---|---|---|---|---|---|---|
| GDP growth (YoY) | 3.0 | 5.1 | 5.9 | 4.5 | -2.0 | 6.9 | 5.1 |
| Domestic demand (YoY) | 2.2 | 5.4 | 6.3 | 3.3 | -2.7 | 8.5 | 5.1 |
| Private consumption (YoY) | 3.6 | 6.3 | 4.4 | 3.5 | -3.6 | 6.2 | 3.3 |
| Investment (YoY) | -8.2 | 4.0 | 12.6 | 6.2 | -2.3 | 1.2 | 5.0 |
| Exports growth (GUS, YoY) | 6.7 | 8.2 | 6.1 | 4.4 | 1.0 | 12.8 | 1.8 |
| Imports growth (GUS, YoY) | 6.4 | 10.5 | 7.1 | 3.0 | 0.2 | 15.5 | 3.5 |
| Current account balance / GDP | -0.8 | -0.3 | -1.3 | 0.5 | 2.9 | -0.6 | n/a |
| Inflation (Dec./Dec.) | 0.8 | 2.1 | 1.1 | 3.4 | 2.4 | 8.6 | 16.6 |
| Unemployment rate (eop) | 8.2 | 6.6 | 5.8 | 5.2 | 6.3 | 5.4 | 5.2 |
| MPC rate (eop) | 1.50 | 1.50 | 1.50 | 1.50 | 0.10 | 1.75 | 6.75 |
| WIBOR 3M (eop) | 1.73 | 1.72 | 1.72 | 1.71 | 0.21 | 2.54 | 7.02 |
| EUR/PLN (eop) | 4.4240 | 4.1709 | 4.3000 | 4.2585 | 4.6148 | 4.5994 | 4.6899 |
| CHF/PLN (eop) | 4.1173 | 3.5672 | 3.8166 | 3.9213 | 4.2641 | 4.4484 | 4.7679 |
| USD/PLN (eop) | 4.1793 | 3.4813 | 3.7597 | 3.7977 | 3.7584 | 4.0600 | 4.4018 |

*Source: Central Statistical Office of Poland (Główny Urząd Statystyczny, "**GUS**"), NBP, GPW Benchmark*

In the first quarter of 2023, GDP growth declined by 0.3 per cent. year-on-year. The external environment has proved to be challenging, given the slowdown in key trading partners and slowing global trade. Gross fixed capital formation in Poland increased by 5.5 per cent. year-on-year. At the same time, private consumption was weak, contracting by 2.0 per cent. in annual terms. The largest positive contribution to the first quarter result came from net exports, which added 4.3 percentage points. There was a clear slowdown in domestic demand as imports fell by 4.6 per cent. year-on-year. Foreign demand, on the other hand, grew by 3.2 per cent. year-on-year. In the coming quarters, external demand is expected to deteriorate, which could lead to a lower contribution of net exports to GDP. The Bank expects GDP growth of 1.5 per cent in 2023. Investments and foreign trade are expected to be the main growth drivers. Declining inflation, expected lower borrowing costs, continued strong wage growth and expansionary fiscal policy will support the economic recovery in the second half of 2023. Despite the economic slowdown Poland's registered unemployment remained low. It was 5.0 per cent. in June 2023.

Inflation in Poland peaked at 18.4 per cent. year-on-year in February 2023. Since then, a steady decline was recorded. In June 2023, inflation stood at 11.5 per cent. in annual terms. Statistical base effects in fuel and energy prices have been the main reason for a decline in inflation.

In the first half of 2023, the MPC kept the key interest rate at 6.75 per cent. According to the inflation projection of the National Bank of Poland published in July 2023, inflation will reach a minimum of 3.4 per cent. year-on-year in the last quarter of 2025. However, in July 2023, the NBP Governor announced the end of the monetary policy tightening cycle. The MPC may consider cutting interest rates already in the autumn of 2023."

- The sub-section under the heading "Development of the Polish Banking Sector" on pages from 216 to 218 under the heading "Market and Legal Environment" of the Base Prospectus is updated in the following manner:

- the last two paragraphs on page 216, the table on the top of page 217 and the paragraph below this table are deleted and replaced by the following:

"As of 30 June 2023, there were 30 commercial banks in Poland, 34 branches of credit institutions and 492 relatively small co-operative banks according to the KNF data.

The table below presents the number of banks and branches of foreign credit institutions conducting business activities in Poland:

| | 31 December 2018 | 31 December 2019 | 31 December 2020 | 31 December 2021 | 31 December 2022 | 30 June 2023 |
|---|---|---|---|---|---|---|
| **Total number including**: | **612** | **600** | **596** | **578** | **560** | **556** |
| Domestic commercial banks | 32 | 30 | 30 | 30 | 30 | 30 |
| Branches of foreign credit institutions | 31 | 32 | 36 | 37 | 34 | 34 |
| Co-operative banks | 549 | 538 | 530 | 511 | 496 | 492 |

*Source: KNF*

The level of concentration increased in recent years. As of 31 December 2022, the share of five largest banks in total banking assets was 57.3 per cent. compared with 56.6 per cent. as at the end of December 2021 and 43.4 per cent. in 2010 according to the European Central Bank statistics".

- the sentence concerning the share of banking assets in Poland belonging to foreign-owned banking groups as 30 June 2022, which appears in the fourth paragraph on page 217 of the Base Prospectus is deleted and replaced by the following: "As of 30 June 2023, 41.8 per cent. of the total assets of the Polish banking sector belonged to foreign-owned banking groups (Source: Monthly data of the banking sector as of 30 June 2023 published by the KNF on 10 August 2023)."

- The sub-section under the heading "Financial Situation of the Polish Banking Sector" on pages from 218 to 222 under the section under the heading "Market and Legal Environment" of the Base Prospectus is updated in the following manner. The part of the sub-section beginning with the sentence "According to the KNF data, in the year ended 31 December 2021 the banking sector generated a net profit in the amount of PLN 5,976 million compared with a net loss of PLN 322 million generated in the year ended 31 December 2020" on page 219 until the end of this sub-section on page 221 is deleted in its entirety and replaced with the following:

"According to the KNF data, in the year ended 31 December 2022 the banking sector generated a net profit in the amount of PLN 10,830 million compared with PLN 5,977 million reported in the year ended 31 December 2021. This improvement was driven mainly by higher net interest income and net fee and commission income. The profitability of the sector in 2022 was adversely affected by high costs of credit holidays, provisions for legal risk of FX housing loans as well as, to a lesser extent, contributions to the IPS, payments to the Borrowers' Support Fund and the reimbursement of margins charged during the period of waiting for the mortgage to be entered in the land and mortgage register.

Total net operating income of the banking sector in the year ended 31 December 2022 increased by 38.2 per cent. year-on-year. Higher interest rates lifted the net interest income, which in 2022 increased by 63.2 per cent. year-on-year. Net fees and commission income recorded an increase of 7.6 per cent. year-on-year. In the year ended 31 December 2022, total costs of the banking sector increased by 24.3 per cent. year-on-year due to higher material costs and staff-related expenses. As a result, in 2022 the banking sector's cost-to-income ratio (including the Banking Tax) reached 53.5 per cent., compared with 59.5 per cent. in 2021.

In the year ended 31 December 2022, net ROE of the banking sector was 5.5 per cent., compared with 2.7 per cent. in 2021.

The table below shows the financial results of the Polish banking sector:

| | **For the year ended 31 December (*in PLN million*)** | | | **Change (*per cent.*)** | |
|---|---|---|---|---|---|
| | **2022** | **2021** | **2020** | **2022/2021** | **2021/2020** |
| Total net operating income | 93,109 | 67,376 | 61,964 | 38.2 | 8.7 |
| Total costs (incl. depreciation) | (49,826) | (40,097) | (39,300) | 24.3 | 2.0 |
| Total loan loss provisions | (9,276) | (7,149) | (13,348) | 29.8 | -46.4 |
| Profit before income tax | 19,220 | 12,113 | 3,761 | 58.7 | 222.1 |
| Net profit | 10,830 | 5,977 | (322) | 81.2 | +/- |

*Source: KNF – Monthly data on the banking sector – June 2023*

| | **For the year ended 31 December (*per cent.*)** | | |
|---|---|---|---|
| | **2022** | **2021** | **2020** |
| Cost/income ratio | 53.5 | 59.5 | 58.1 |
| Return on Equity (net ROE) | 5.5 | 2.7 | -0.1 |
| Return on Assets (net ROA) | 0.40 | 0.24 | -0.01 |
| Cost of Risk (CoR) | 0.62 | 0.52 | 0.98 |
| Loan-to-Deposit ratio (L/D) | 75.1 | 76.5 | 79.2 |
| Tier 1 capital ratio | 18.3 | 17.4 | 18.5 |

*Source: mBank calculation based on KNF data (Monthly data on the banking sector – June 2023)*

As of 31 December 2022, total assets of the Polish banking sector amounted to PLN 2,733 billion and increased by 6.2 per cent. year-on-year. In the year ended 31 December 2022, total net loans increased by 3.6 per cent., while deposits of the non-financial sector increased by 5.6 per cent. year-on-year (source: the KNF data).

| | **As of 31 December (*in PLN billion*)** | | | **Change (*per cent.*)** | |
|---|---|---|---|---|---|
| | **2022** | **2021** | **2020** | **2022/2021** | **2021/2020** |
| Polish banks' aggregate assets | 2,733.1 | 2,572.5 | 2,350.0 | 6.2 | 9.5 |
| Total liabilities | 2,530.5 | 2,373.0 | 2,130.4 | 6.6 | 11.4 |
| Total equity | 202.6 | 199.5 | 219.7 | 1.6 | -9.2 |

*Source: KNF – Monthly data on the banking sector – June 2022*

The table below presents dynamics of key banking aggregates of the Polish banking sector.

| | **For the year ended 31 December (*per cent.*)** | | |
|---|---|---|---|
| | **2022** | **2021** | **2020** |
| Corporate loans ........................................ | 9.6 | 3.9 | -4.8 |
| Household loans....................................... | -3.8 | 4.9 | 3.0 |
| Mortgage loans, incl. ............................. | -3.2 | 7.1 | 7.3 |
| Mortgage loans in PLN ...................... | -1.8 | 12.0 | 9.7 |
| Non-mortgage loans .............................. | -5.1 | 1.1 | -3.8 |
| Corporate deposits.................................... | 11.6 | 10.3 | 19.0 |
| Household deposits .................................. | 3.3 | 6.7 | 10.7 |

*Source: mBank own calculations based on NBP data*

According to NBP data, in the year ended 31 December 2022, the nominal volume of household loans decreased by 3.8 per cent. compared with the year ended 31 December 2021 mainly due to increased market interest rates. Mortgage housing loans declined by 3.2 per cent. compared with the year ended 31 December 2021 and non-mortgage loans to retail customers dropped by 5.1 per cent. year-on-year.

The NPL ratio as of 31 December 2022 was 5.6 per cent.: 5.1 per cent. for households and 6.5 per cent. for corporate clients (source: mBank own calculations based on NBP data). A conservative regulatory environment has a positive impact on the asset quality of Polish banks. Recommendation S of the KNF introduces a limitation on loan-to-value and recommends a repayment period no longer than 25 years for retail customers. Recommendation T of the KNF instructs that assessment of the client's standing should be based on certificates of income and external databases, e.g., the Credit Information Bureau, and that the maximum debt-to-income ratio should be determined by the bank's management board and approved by the supervisory board.

In the year ended 31 December 2022, household deposits increased by 3.3 per cent. compared with 2021. Corporate deposits increased by 11.6 per cent. year-on-year, mirroring good liquidity in the enterprise sector. The growth in interest rates in 2022 has led to an accelerated shift in the term structure of deposits in favour of term deposits.

The sector's capital adequacy was negatively affected by declines in securities valuations and losses incurred in the third quarter associated with the recognition of statutory credit holidays in the income statement. Nevertheless, banking sector's own funds and average capital ratios increased owing to, among others, the retained earnings and the recapitalisation of Velobank S.A., the bridge bank established as a part of the resolution of Getin Noble Bank S.A. The average TCR as of 31 December 2022 was 20.1 per cent. and Tier 1 capital ratio amounted to 18.3 per cent. compared with 19.4 per cent. and 17.4 per cent. as of 31 December 2021, respectively (source: KNF data).

As demonstrated by low loan-to-deposit ratio (75.1 per cent. in December 2022) and high LCR ratio (177 per cent. for commercial banks in December 2022 according to the KNF), the sector is still over-liquid. A part of this liquidity is invested in Treasury bonds and NBP bills.

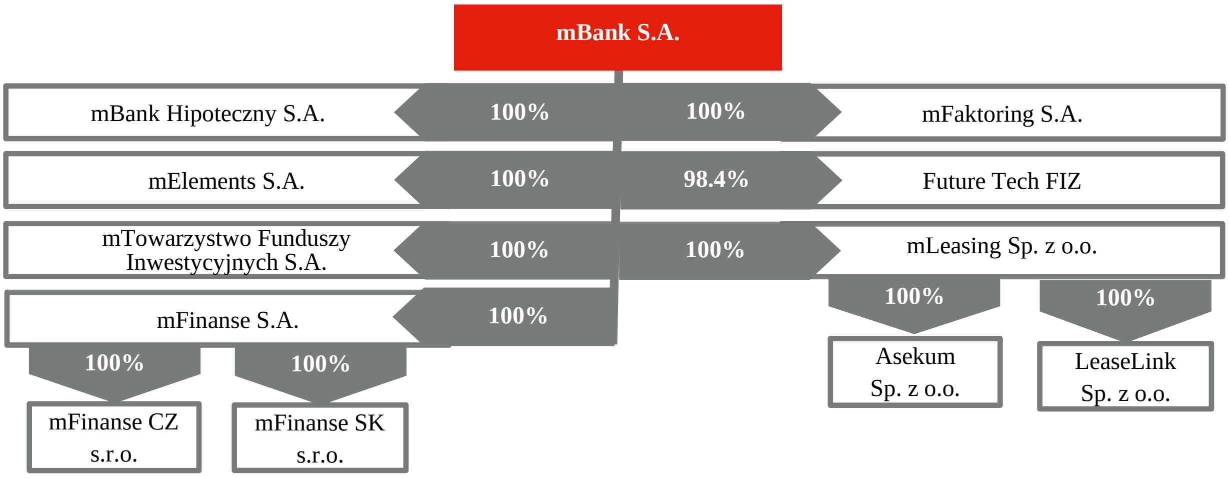
In 2023, the Polish banking sector is expected to generate solid financial results despite rising costs related to FX mortgage loans. The semi-annual financial results reported by Polish banks listed on the WSE confirm high underlying profitability, driven by strong revenues and low cost of risk. Net interest income in the first half of 2023 was positively affected by high interest rates and low competition for deposits. However, potential cuts of interest rates by the end of the year and potential extension of the credit holidays programme, would have a negative impact on the net interest income. Moreover, the annual results of the banking sector will be affected by a further increases in legal risk provisions for FX mortgage loans. The inflow of new lawsuits is likely to continue in the coming quarters and banks will continue to book provisions related to CHF mortgage loans. According to the Financial Stability Report published by the NBP in June 2023, the legal risk of FX housing loans will continue to be one of the most important factors shaping the situation of banks in the coming years.

Lending growth in 2023 remains low due to persisting uncertainty in the economy and a relatively high cost of credit, but there are the first signs of recovery in new lending. In the second half of 2023, demand for new housing loans may be positively impacted by the increased creditworthiness of potential borrowers and the Safe Credit 2 per cent. government programme. Significant funds accumulated by corporate entities and weak investment sentiment have a constraining effect on the demand for new corporate loans.

According to the KNF data published in August 2023, the Polish banking sector generated solid net profit in the first half of 2023 thanks to high net interest income and low risk costs, which absorbed the burden of further legal risk provisions related to CHF mortgage loans. In the first half of 2023, net interest income increased by 26.8 per cent. compared with the first half of 2022, while net fee and commission income declined by 1.3 per cent. Total costs and loan loss provisions in the first half of 2023 were lower than in the corresponding period of 2022 by 3.5 per cent. and 4.8 per cent. respectively. The net profit generated by the sector in the first half of 2023 amounted to PLN 15.8 billion and was higher than in the first half of 2022 by 50.3 per cent. Consequently, net ROE for the first half of 2023 stood at 14.4 per cent. and ROA was 1.1 per cent."

## <u>General Information on the Bank</u>

- The chart presenting the structure of the Group on page 228 of the Base Prospectus under the heading "The Bank's Material Subsidiaries (consolidated)" in the sub-section "The Group" of the section "General Information on the Bank" is deleted and replaced by the following:




- The share capital of mBank Hipoteczny, which appears on page 229 of the Base Prospectus ("Share capital: PLN 336,000,000"), is deleted and replaced by the following: "Share capital: PLN 220,000,000".

- The following information on mTowarzystwo Funduszy Inwestycyjnych S.A. is added on page 231of the Base Prospectus:

"**mTowarzystwo Funduszy Inwestycyjnych**
<u>Principal information</u>

| | |
|---|---|
| Name and legal form: | mTowarzystwo Funduszy Inwestycyjnych S.A (joint-stock company) |
| Registered office and address: | ul. Prosta 18, 00-850 Warsaw, Poland |
| Share capital | PLN 10,000,000 |
| Core activities: | management of investment funds" |

**Management and Supervisory Corporate Authorities**

- In the section under the heading "Management and Supervisory Corporate Authorities", the description under the heading "Members of the Management Board" on pages 234 to 235 is removed and replaced by the following:

"On 17 January 2023, the Bank received a letter of resignation from Andreas Böger, Vice-President of the Management Board, Chief Financial Officer with the effect as of 30 April 2023.

On 30 March 2023, the Supervisory Board of the Bank appointed new members to the Management Board of the Bank as of 1 May 2023 for the for the duration of the present term of office of the Management Board:

- Pascal Ruhland as the Vice-President of the Management Board, Chief Financial Officer, and
- Julia Nusser, as the Vice-President of the Management Board, Head of Compliance, Legal Issues and HR.

Basic information on the members of the Management Board in office as of 30 June 2023 is set out below.

| Full name | Age | Position on the Management Board | Date of coming into office | Date of end of the term of office |
|---|---|---|---|---|
| Cezary Stypułkowski | 67 | President of the Management Board and the Bank's Director General | 1 October 2010 | 31 December 2023, the mandate will expire at the latest on the date of the Bank's annual general meeting (the "**AGM**") in 2024 |
| Krzysztof Dąbrowski | 48 | Vice-President of the Management Board and Head of Operations and Information Technology | 1 April 2017 | 31 December 2023, the mandate will expire at the latest on the date of the AGM in 2024 |
| Cezary Kocik | 52 | Vice-President of the Management Board and Head of Retail Banking | 1 April 2012 | 31 December 2023, the mandate will expire at the latest on the date of the AGM in 2024 |
| Marek Lusztyn | 46 | Vice-President of the Management Board and Chief Risk Officer | 22 October 2020 | 31 December 2023, the mandate will expire at the latest on the date of the AGM in 2024 |
| Julia Nusser | 46 | Vice-President of the Management Board, Head of Compliance, Legal Issues and HR | 1 May 2023 | 31 December 2023, the mandate will expire at the latest on the date of the AGM in 2024 |
| Pascal Ruhland | 35 | Vice-President of the Management Board and Chief Financial Officer | 1 May 2023 | 31 December 2023, the mandate will expire at the latest on the date of the AGM in 2024 |

| Full name | Age | Position on the Management Board | Date of coming into office | Date of end of the term of office |
|---|---|---|---|---|
| Adam Pers | 47 | Vice-President of the Management Board and Head of Corporate and Investment Banking | 26 October 2017 | 31 December 2023, the mandate will expire at the latest on the date of the AGM in 2024 |

In the sub-section under the heading "Management and Supervisory Board Authorities" under the section entitled "General Description of the Bank", under the heading "Qualifications and Professional Experience" on pages 234 to 235 the following descriptions of qualifications and professional experience of Pascal Ruhland (instead of the description related to Andreas Böger, which is deleted) and Julia Nusser are added:

"Pascal Ruhland has more than ten years of professional experience in the banking sector, including more than five years of experience in managerial positions. He held the function of the Divisional CFO Corporate Clients Segment at Commerzbank AG, and prior to that he had held the position of the Head of Divisional Controlling Corporate Clients at Commerzbank AG. Pascal Ruhland completed his master's degree in Accounting and Finance at the University of Applied Sciences in Frankfurt am Main and in 2019 he enrolled in a PhD programme offered by UCAM Catholic University of Murcia in cooperation with FOM University of Applied Sciences. He also completed the Strategic Financial Leadership Programme for CFOs at Stanford University and the Executive Programme for Prospective CFOs at Chicago Booth.

Julia Nusser has more than 25 years of professional experience in the banking sector. She has been managing large and diverse teams for over 20 years. Previously she was the Managing Director at Commerzbank AG. In her role of the Cluster Lead, she was responsible for creating, developing, implementing and ensuring the correct operation of systems and processes of the first line of defence within the KYC (Know Your Customer) area at Commerzbank AG worldwide in all client groups. She previously held the function of the Managing Director and Global Head of Trade Finance Operations at Commerzbank AG. In the past she held various internal audit functions at Dresdner Bank (later merged into Commerzbank). Julia Nusser was also a Member of the Supervisory Board of CERI International in Poland. Julia Nusser received a master's degree in Banking at the Frankfurt School of Finance & Management (Hochschule für Bankwirtschaft) in 2002, preceded by practical training combined with part-time studies in banking services and operations. She completed the Digital Leadership Programme in 2018 and the prestigious ANNA+Cie Executive Development programme for women with high leadership potential."

- In the sub-section under the heading "Management and Supervisory Board Authorities" under the section under the heading "General Description of the Bank" of the Base Prospectus in the paragraph entitled "Standing Committees of the Supervisory Board" the following paragraph is added on page 241 of the Base Prospectus before the heading "Members of the Supervisory Board":

"On 7 December 2022, Dr Armin Barthel handed over to the Chairwoman of the Bank's Supervisory Board a resignation from the function of a member of the Bank's Supervisory Board as of 31 December 2022. On 9 December 2022, the Bank's Supervisory Board appointed Dr Hans-Georg Beyer as the member of the Supervisory Board of the Bank as of 1 January 2023 for the duration of the current term of office of the Supervisory Board. On 30 March 2023, the 36th Ordinary General Meeting of the Bank approved his election for the post of a Member of the Supervisory Board and appointed Thomas Schaufler as a member of the Supervisory Board following the resignation of Arno Walter as Member of the Supervisory Board, effective on 30 March 2023.

As of the date of the Supplement:

- The Executive Committee was composed of Dr Bettina Orlopp (Chairwoman), Prof. Agnieszka Słomka-Gołębiowska and Dr Marcus Chromik;
- The Audit Committee was composed of Tomasz Bieske (Chairman), Aleksandra Gren; Prof. Agnieszka Słomka-Gołębiowska, Dr Bettina Orlopp and Dr Hans-Georg Beyer;
- The Risk Committee was composed of Dr Marcus Chromik (Chairman), Prof. Agnieszka Słomka-Gołębiowska, Aleksandra Gren, Mirosław Godlewski and Thomas Schaufler;
- The Remuneration and Nomination Committee was composed of Prof. Agnieszka Słomka-Gołębiowska (Chairwoman), Dr Bettina Orlopp, Tomasz Bieske, Dr Marcus Chromik and Mirosław Godlewski; and
- The IT Committee was composed of: Aleksandra Gren (Chairwoman), Dr Marcus Chromik and Mirosław Godlewski."

The sub-section "Members of the Supervisory Board" on pages 241 to 242 is removed and replaced by the following:

"The table below sets out information on the members of the Supervisory Board who held their positions as of the date of the Supplement.

| Name | Age | Position | Date on which the current term began | Expiration of the term of office |
|---|---|---|---|---|
| Agnieszka Słomka-Gołębiowska | 47 | Chairwoman of the Supervisory Board (independent member) | 27 March 2020 | 31 December 2023, the mandate will expire at the latest on the date of the AGM in 2024 |
| Bettina Orlopp | 53 | Deputy Chairwoman of the Supervisory Board | 27 March 2020 | 31 December 2023, the mandate will expire at the latest on the date of the AGM in 2024 |
| Hans-Georg Beyer | 41 | Member of the Supervisory Board | 1 January 2023 | 31 December 2023, the mandate will expire at the latest on the date of the AGM in 2024 |
| Tomasz Bieske | 68 | Member of the Supervisory Board (independent member) | 27 March 2020 | 31 December 2023, the mandate will expire at the latest on the date of the AGM in 2024 |
| Marcus Chromik | 51 | Member of the Supervisory Board | 27 March 2020 | 31 December 2023, the mandate will expire at the latest on the date of the AGM in 2024 |
| Mirosław Godlewski | 56 | Member of the Supervisory Board (independent member) | 27 March 2020 | 31 December 2023, the mandate will expire at the latest on the date of the AGM in 2024 |
| Aleksandra Gren | 51 | Member of the Supervisory Board (independent member) | 27 March 2020 | 31 December 2023, the mandate will expire at the latest on the date of the AGM in 2024 |
| Thomas Schaufler | 53 | Member of the Supervisory Board | 31 March 2023 | 31 December 2023, the mandate will expire at the latest on the date of the AGM in 2024" |

In the table under the paragraph under the heading "Qualifications and professional experience" of the sub-section under the heading "Management and Supervisory Board Authorities", descriptions of qualifications and professional experience of Armin Barthel on page 243 and Arno Walter on pages 245 to 246 are deleted and replaced by the following:

"*Hans-Georg Beyer*

Member of the Supervisory Board of the Bank

Dr Hans-Georg Beyer is Divisional Board Member in his function as the Group Chief Compliance Officer of Commerzbank AG responsible for all compliance units of the group, including its foreign branches and subsidiaries. Dr Hans-Georg Beyer has many years of experience at the Commerzbank Group e.g. including positions related to management of compliance area and management of internal audit area. After studying Business Economics at the University of Witten (Herdecke University), Hans Georg-Beyer obtained the degree of doctor in Risk Governance at Board Level of European Banks in 2022.

Business Address:

Commerzbank AG
Kaiserstraße 16
60311 Frankfurt am Main
Germany

*Thomas Schaufler*

Member of the Supervisory Board of the Bank

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

Business Address:

Commerzbank AG
Kaiserstraße 16
60311 Frankfurt am Main
Germany"

## Subscription and Sale

The following paragraph shall be added on page 264 of the Base Prospectus

**"Republic of Italy**

Offerings of the Notes have not been, and will not be, registered pursuant to Italian securities legislation or with the Commissione Nazionale per le Società e la Borsa ("CONSOB") pursuant to Italian securities legislation. Accordingly, no Notes may be offered, sold or delivered, nor may copies of the Base Prospectus or of any other document relating to the Notes be distributed in the Republic of Italy (in accordance with all Italian securities, tax and exchange control and other applicable laws and regulations), except:

(a) to qualified investors (*investitori qualificati*), as defined pursuant to Article 2 of the Prospectus Regulation and any application provision of Legislative Decree No. 58 of 24 February 1998, as amended (the "**Financial Services Act**") and CONSOB; or

(a) in other circumstances which are exempted from the rules on public offerings pursuant to Article 1 of the Prospectus Regulation, Article 34-ter of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time, and the applicable Italian laws.

Any such offer, sale or delivery of the Notes or distribution of copies of this Base Prospectus or any other document relating to the Notes in the Republic of Italy under paragraphs (i) and (ii) above must be:

(i) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with Legislative Decree No. 58 of 24 February 1998, CONSOB Regulation No. 20307 of 15 February 2018 and Legislative Decree No. 385 of 1 September 1993 (the "**Italian Banking Act**") (in each case as amended from time to time) and any other applicable laws and regulations; and

(ii) in compliance with any other applicable laws and regulations (including article 100 bis of the Italian Financial Services Act, where applicable) imposed by the Bank of Italy (including the reporting requirements, where applicable, pursuant to Article 129 of the Italian Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time) or requirements imposed by CONSOB or any other Italian authority.

*Provisions relating to the secondary market in the Republic of Italy*

Investors should also note that, in any subsequent distribution of the Notes in the Republic of Italy, the Prospectus Regulation and Financial Services Act may require compliance with the law relating to public offers of securities. Furthermore, Article 100-bis of Financial Services Act provides that where the Notes are placed solely with "qualified investors" and are then systematically resold on the secondary market at any time in the 12 months following such placing, purchasers of Notes who are acting outside of the course of their business or profession may in certain circumstances be entitled to declare such purchase void and, in addition, to claim damages from any authorised person at whose premises the Notes were purchased, unless an exemption provided for under the Prospectus Regulation or Financial Services Act applies."

**General Information**

- Point (b) under the first paragraph of the sub-section under the heading "Documents Available" on page 265 of the Base Prospectus in the section under the heading "General Information" of the Base Prospectus is deleted and replaced as follows:

(b) "the H1 2023 Consolidated Financial Statements, the 2022 Consolidated Financial Statements, the 2021 Consolidated Financial Statements and the 2020 Consolidated Financial Statements;"

- The sub-section under the heading "Significant/Material Adverse Change" on page 266 of the Base Prospectus in the section under the heading "General Information" of the Base Prospectus is deleted and replaced by the following:

"**Significant/Material Adverse Change**

There has been no material adverse change in the prospects of the Issuer and its subsidiaries, taken as a whole, since 31 December 2022. There has been no significant change in the financial position or financial performance of the Issuer and its subsidiaries, taken as a whole, since 30 June 2023".

- The third paragraph in the sub-section under the heading "Auditors" on page 266 of the Base Prospectus in the section under the heading "General Information" of the Base Prospectus is deleted and replaced by the following:

"The auditor's reports in respect of the consolidated financial statements for the years ended 31 December 2022, 31 December 2021 and 31 December 2020 are incorporated herein in the form and context in which they appear".