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Independent Auditor's Report

To the General Shareholders' Meeting and Supervisory Board of mBank S.A.

Report on the Audit of the Annual Separate Financial Statements

Opinion

We have audited the accompanying annual separate financial statements of mBank S.A. (the "Bank"), which comprise:

- the statement of financial position as at 31 December 2022;
- and, for the period from 1 January to 31 December 2022:

- the statement of profit or loss;
- the statement of comprehensive income;
- the statement of changes in equity;
- the statement of cash flows;

and

- explanatory notes to the financial statements comprising a summary of significant accounting policies and other explanatory information;

(the "separate financial statements").

In our opinion, the accompanying separate financial statements of the Bank:

- give a true and fair view of the unconsolidated financial position of the Bank as at 31 December 2022 and of its unconsolidated financial performance and its unconsolidated cash flows for the financial year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union ("IFRS EU") and the adopted accounting policy;
- comply, in all material respects, with regard to form and content, with applicable laws and the provisions of the Bank's articles of association;
- have been prepared, in all material respects, on the basis of properly maintained accounting records in accordance with chapter 2 of the accounting act dated 29 September 1994 (the "Accounting Act").

Our audit opinion on the separate financial statements is consistent with our report to the Audit Committee dated 28 February 2023.

Basis for Opinion

We conducted our audit in accordance with:

- International Standards on Auditing as adopted by the National Council of Statutory Auditors as National Standards on Auditing (the “NSA”); and
- the act on statutory auditors, audit firms and public oversight dated 11 May 2017 (the “Act on statutory auditors”); and
- regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC (the “EU Regulation”); and
- other applicable laws.

Our responsibilities under those standards and regulations are further described in the Auditor’s Responsibility for the Audit of the Separate Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Ethics

We are independent of the Bank in accordance with International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (“IESBA Code”) as adopted by the resolution of the National Council of Statutory Auditors, together with the ethical requirements that are relevant to our audit of the separate financial statements in Poland and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. During our audit the key statutory auditor and the audit firm remained independent of the Bank in accordance with requirements of the Act on statutory auditors and the EU Regulation.

Emphasis of Matter

We draw attention to Note 47 of the separate financial statements which describes the pending proceeding of the Court of Justice of the European Union with reference to legal claims related to clauses included in mortgage loans agreements indexed to CHF, uncertainties related to further development of jurisprudence and their impact on court verdicts in case of present and future legal claims in this respect, the inflow of new lawsuits and the ongoing program of settlements with customers. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the separate financial statements of the current period. They are the most significant assessed risks of material misstatements, including those due to fraud. Key audit matters were addressed in the context of our audit of the separate financial statements as a whole, and in forming our opinion thereon we have summarised our response to those risks. We do not provide a separate opinion on these matters. We have determined the following key audit matters:

Legal risk related to mortgage and housing loans granted to individual customers in CHF

The carrying amount of mortgage and housing loans granted to individual customers in CHF as at 31 December 2022 amounted to PLN 6.1 billion (as at 31 December 2021: PLN 9.1 billion). The total impact of legal risk related to court verdicts on indexation clauses included in mortgage and housing loans in Swiss francs (including decrease of gross carrying amount of loans and advances to customers and provisions for legal claims) as at 31 December 2022 amounted to PLN 6,461.9 million (as at 31 December 2021: PLN 4,133.6 million). The costs of legal risk related to foreign currency loans recognised in the income statement in 2022 amounted to PLN 3,112.3 million (in 2021: PLN 2,758.1 million).

Reference to the separate financial statements: note 34 "Legal risk related to mortgage and housing loans granted to individual customers in CHF".

Key audit matter	Our response
<p>Historically, the Bank granted mortgage loans indexed and denominated in Swiss franc ("CHF loans").</p> <p>As at 31 December 2022 there is a significant risk resulting from the effects of the judgment of the Court of Justice of the European Union ("CJEU") of 3 October 2019 in case C-260/18 (see Note 34).</p> <p>As a result of the above judgment, the number of lawsuits brought against the Bank by borrowers who has taken CHF-indexed housing and mortgage loans in the past years increased significantly. The Bank assessed that this increase may continue for some time in the future, which, given the emerging jurisprudence in this regard, may result in lower expected cash flows from CHF loans than those resulting from the loan agreements. In order to determine the estimate of new expected cash flows from the CHF loan portfolio, the Bank assessed the probability of various scenarios in terms of possible future events, taking into account both litigation and the possibility of concluding settlements with customers and making significant judgements regarding the expected number of lawsuits, the probability of losing, the likelihood of possible verdicts by the courts, as well as the estimated scale of possible settlements with clients. The uncertainty in this respect is also affected by the expected judgment of the CJEU in case C-520/21 regarding the possibility for banks to claim remuneration for the use of the loan capital.</p> <p>Estimates of the costs of legal risk are subject to significant uncertainty and a relatively small change in key assumptions may have a significant impact on the level of losses of the Bank.</p>	<p>Our audit procedures included, among others:</p> <ul style="list-style-type: none"> • assessment of the Bank's methodology for estimating the financial effects of the CJEU judgment and disputes, as well as the accounting policy in this area; • evaluating the design and implementation of key internal controls in the field of identification, monitoring and assessing the risk arising from disputes with clients; • analysis of the correctness of significant input data used to prepare estimates of the amount of legal risk by reconciling them with relevant data from the Bank's IT systems and source documentation; • obtaining confirmations from external legal counsels of legal claims regarding CHF loans in order to confirm their completeness; • assessment of the correctness of significant assumptions adopted by the Bank in the estimation of the impact of legal risk related to CHF loans, such as the probability of adopted scenarios, including those regarding future settlements with customers, the number of expected lawsuits from customers, the probability of losing or the probability of possible courts verdicts based on the jurisprudence observed so far in the Bank in this regard. This procedure included, among others: <ul style="list-style-type: none"> – assessment of the validity of assumptions regarding the number of legal claims expected in the future by independent reperformance of the forecast model based on historical observations; – analysis of historical court verdicts on legal claims regarding CHF loans in the

<p>For the above reasons, we considered the assessment of the Bank's estimate of the amount of legal risk and related disclosures in the separate financial statements to be a key audit matter.</p>	<p>context of the assumed probabilities of specific scenarios;</p> <ul style="list-style-type: none"> – analysis of external legal opinions including an assessment of the effects of the CJEU judgment of 3 October 2019 and the opinion of the Advocate General of the CJEU of 16 February 2023 on the expected judgment of the CJEU for the Bank and jurisprudence in this respect, including method of recognition and accounting for final court verdicts obtained by the Bank; – recalculation on a selected sample of the estimated financial effects of applying specific loss scenarios – resolution of a court case and signing settlement agreement with the client; – sensitivity analysis of the estimated impact of legal risk related to CHF loans on changes in significant assumptions and assessment whether the adopted level of these assumptions indicates bias of the Management Board of the Bank; <ul style="list-style-type: none"> • independent recalculation of the estimated impact of legal risk related to CHF loans on the entire population of mortgage loan agreements; • analysis of the completeness and accuracy of the recognition of final court verdicts regarding CHF loans; • assessment of the completeness and accuracy of the disclosures required by the relevant financial reporting standards regarding the estimate of the impact of legal risk related to CHF loans.
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Allowances for expected credit losses for loans and advances to customers and provisions for loan commitments and guarantees issued

The carrying amount of loans and advances to customers measured at amortised cost and at fair value through other comprehensive income as at 31 December 2022 amounted to PLN 107,227.5 million (as at 31 December 2021: PLN 104,313.0 million). Net result on impairment or reversal of impairment on loans and advances to customers not measured at fair value through profit and loss and loan commitments and guarantees issued in 2022 amounted to PLN -660.3 million (in 2021: PLN -777.8 million).

Reference to separate financial statements: note 14 "Impairment or reversal of impairment on financial assets not measured at fair value through profit or loss", note 21 "Financial assets at fair value through other comprehensive income" and note 22 "Financial assets at amortised cost".

Key audit matter	Our response
<p>The process of estimation of expected credit losses on loans and advances to customers measured at amortised cost or at fair value through other comprehensive income comprises two major phases – measurement of expected credit losses and identification of impairment triggers or significant increase in credit risk.</p> <p>The impairment triggers and triggers indicating significant increase in credit risk are identified mainly on the basis of payment delinquencies, economic and financial standing of the debtor and current probability of default level as compared to the date of initial recognition of a given exposure, while allowances for expected credit losses are estimated individually for specific loans and advances to customers and collectively for homogenous loan portfolios using statistical methods on the basis of risk parameters. Risk parameters such as probability of default (PD), loss given default (LGD) or exposure at default (EAD), as well as thresholds for allocation to stages are determined for homogenous groups of loan exposures based on historical data taking into account forward looking information on expected macroeconomic conditions.</p> <p>Allowances for expected credit losses are the best estimate of expected credit losses on loans and advances as at the balance sheet date to be incurred within the next 12 month period or within the lifetime of the exposure. In accordance with the requirements of the relevant accounting standard, the measurement of expected credit losses takes into account projections of future economic conditions. The adoption of assumptions regarding the expected macroeconomic scenarios and the probability of their occurrence requires the Bank's Management Board to apply a significant amount of judgement.</p>	<p>Our audit procedures conducted with the support of our internal financial risk management and IT specialists included i.a.:</p> <ul style="list-style-type: none"> • assessment of the Bank's methodology used for estimating expected credit losses in terms of its compliance with the requirements of applicable financial reporting standards; • assessment of the design and implementation and testing of relevant internal controls, including general IT system controls, applied in the process of identification of impairment triggers or significant increase in credit risk and estimation of expected credit losses; • analytical procedures on the structure and dynamics of the loan portfolio and loan quality and impairment allowances parameters (i.e. share of overdue loans, coverage ratio) in order to identify groups of loans with underestimated allowances on expected credit losses; • analysis of appropriateness of the Bank's identification of impairment triggers and significant increase in credit risk and allocation to stages, taking into account qualitative and quantitative criteria; • critical assessment of assumptions and input data used for key credit risk parameters, such as PD, LGD and EAD; • independent recalculation of selected risk parameters and expected credit losses for a selected sample of exposures; • assessment of adequacy of allowances for expected credit losses through comparison with losses incurred historically on a given homogenous portfolio;

<p>The main risk area comprises the failure to identify existing impairment triggers and significant increase in credit risk as well as the application of inappropriate data to calculate the parameters of statistical model, including forward looking information, which may not adequately reflect the expected credit losses existing as at a given balance sheet date. For loans that are assessed on an individual basis there is a risk of applying inappropriate assumptions regarding recovery scenarios, valuation of collateral or assumed timing of expected cash flows. Moreover, there is a risk of errors occurring during the impairment allowances calculation process. A relatively small change in these assumptions and other relevant model parameters could have a significant impact on the Bank's estimate of allowances for expected credit losses.</p> <p>We considered this area to be a key audit matter since estimation of allowances for expected credit losses involves significant inherent risk of error and uncertainty and requires the Management Board to apply significant judgement, as well as, considering the size of the loan portfolio, has a material impact on the separate financial statements.</p>	<ul style="list-style-type: none"> • for loans and advances to customers assessed individually on the basis of a selected sample – assessment of the appropriateness of identification of significant increase in credit risk and impairment triggers and for impaired assets – critical assessment of relevant assumptions adopted by the Bank and independent recalculation of impairment allowances; • assessment of completeness and appropriateness of disclosures in the separate financial statements regarding significant judgments and estimates of expected credit losses, including uncertainty related to expected macroeconomic scenarios, as well as sensitivity analysis of the level of expected credit losses relative to key assumptions applied in the model.
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Other Matter relating to comparative information

The separate financial statements of the Bank as at and for the years ended 31 December 2021 and 31 December 2020 (from which the statement of financial position as at 1 January 2021 has been derived), excluding the retrospective adjustments described in Note 2.30 to the separate financial statements were audited by another auditor who expressed unmodified opinions on those financial statements on 1 March 2022 and on 24 February 2021.

As part of our audit of the separate financial statements as at and for the year ended 31 December 2022, we also audited the retrospective adjustments described in Note 2.30 that were applied to restate the comparative information presented as at and for the year ended 31 December 2021 and the statement of financial position as at 1 January 2021.

We were not engaged to audit, review, or apply any procedures to the separate financial statements for the years ended 31 December 2021 or 31 December 2020 (not presented herein) or to the separate statement of financial position as at 1 January 2021, other than with respect to the adjustments described in Note 2.30 to the separate financial statements. Accordingly, we do not express an opinion or any other form of assurance on those respective financial statements taken as a whole. However, in our opinion, the adjustments described in Note 2.30 are appropriate and have been properly applied.

Responsibility of the Management Board and Supervisory Board of the Bank for the Separate Financial Statements

The Management Board of the Bank is responsible for the preparation, on the basis of properly maintained accounting records, of separate financial statements that give a true and fair view in accordance with IFRS EU, the adopted accounting policy, the applicable laws and the provisions of the Bank's articles of association and for such internal control as the Management Board of the Bank

determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate financial statements, the Management Board of the Bank is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management Board of the Bank either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

According to the Accounting Act, the Management Board and members of the Supervisory Board of the Bank are required to ensure that the separate financial statements are in compliance with the requirements set forth in the Accounting Act. Members of the Supervisory Board of the Bank are responsible for overseeing the Bank's financial reporting process.

Auditor's Responsibility for the Audit of the Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with NSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate financial statements.

The scope of audit does not include assurance on the future viability of the Bank or on the efficiency or effectiveness with which the Management Board of the Bank has conducted or will conduct the affairs of the Bank.

As part of an audit in accordance with NSAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management Board of the Bank;
- conclude on the appropriateness of the Management Board of the Bank's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report on the audit of the separate financial statements to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report on the audit of the separate financial statements. However, future events or conditions may cause the Bank to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Audit Committee of the Bank regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We provide the Audit Committee of the Bank with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee of the Bank, we determine those matters that were of most significance in the audit of the separate financial statements of the current reporting period and are therefore the key audit matters. We describe these matters in our auditors' report on the audit of the separate financial statements unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Information

The other information comprises:

- the Letter of the President of the Management Board of mBank S.A. to the Shareholders;
- the Letter from the Chairwoman of the Supervisory Board of mBank S.A. to the Shareholders;
- the Management Board Report on Performance of mBank S.A. Group in 2022 (including Management Board Report on Performance of mBank S.A.) ("report on activities") including the corporate governance statement and the statement on non-financial information referred to in art. 55 paragraph 2b of the Accounting Act, which are separate parts of the report on activities and the statement of the Management Board regarding the preparation of the consolidated financial statements, the separate financial statements and report on activities;
- the Management Board's information on the selection of an audit firm to carry out the audit of stand-alone and consolidated annual financial statements in line with the applicable provisions, including the provisions on the audit firm selection and on the audit firm selection procedure;
- the Statement of the Supervisory Board with respect to the Audit Committee;
- the Supervisory Board's assessment, together with justification, of the management report and financial statements in terms of their compliance with books, documents and facts; and
- the Assessment of the Supervisory Board of mBank S.A. on the situation of the company on a consolidated basis, including the adequacy and effectiveness of the company's systems of internal control, risk management, compliance with standards or applicable practices and internal audit,

(together the "other information").

Responsibility of the Management Board and Supervisory Board

The Management Board of the Bank is responsible for the other information in accordance with applicable laws.

The Management Board and members of the Supervisory Board of the Bank are required to ensure that the report on activities, including each of its separate parts, is in compliance with the requirements set forth in the Accounting Act.

Auditor's Responsibility

Our opinion on the separate financial statements does not cover the other information.

In connection with our audit of the separate financial statements, our responsibility was to read the other information and, in doing so, consider whether the other information is materially inconsistent with the separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement in the other information, we are required to report that fact.

In accordance with the Act on statutory auditors our responsibility was to report if the report on activities was prepared in accordance with applicable laws and the information given in the report on activities is consistent with the separate financial statements.

Moreover, in accordance with the requirements of the Act on statutory auditors our responsibility was to report whether the Bank included in the statement on corporate governance the information required by the applicable laws and regulations, and in relation to specific information indicated in those laws or regulations, to determine whether it complies with the applicable laws and is consistent with the separate financial statements and to inform whether the Bank prepared a statement on non-financial information.

The letter of the President of the Management Board of mBank S.A. to the Shareholders and the Management Board Report on Performance of mBank S.A. Group in 2022 (including Management Board Report on Performance of mBank S.A.) were made available for us before the date of this auditor's report and the Letter from the Chairwoman of the Supervisory Board of mBank S.A. to the Shareholders, the Management Board's information on the selection of an audit firm to carry out the audit of stand-alone and consolidated annual financial statements in line with the applicable provisions, including the provisions on the audit firm selection and on the audit firm selection procedure, the Statement of the Supervisory Board with respect to the Audit Committee, the Supervisory Board's assessment, together with justification, of the management report and financial statements in terms of their compliance with books, documents and facts and the Assessment of the Supervisory Board of mBank S.A. on the situation of the company on a consolidated basis, including the adequacy and effectiveness of the company's systems of internal control, risk management, compliance with standards or applicable practices and internal audit are expected to be made available for us after this date. If we conclude that there is a material misstatement therein, we are required to communicate this matter to the Supervisory Board of the Bank.

Opinion on the Report on Activities

Based on the work undertaken in the course of our audit of the separate financial statements, in our opinion, the accompanying report on activities, in all material respects:

- has been prepared in accordance with applicable laws, and
- is consistent with the separate financial statements.

Opinion on the Statement on Corporate Governance

In our opinion, the corporate governance statement, which is a separate part of the report on activities, includes the information required by paragraph 70 subparagraph 6 point 5 of the Decree of the Ministry of Finance dated 29 March 2018 on current and periodic information provided by issuers of securities and the conditions for recognition as equivalent of information required by the laws of a non-member state (the "decree").

Furthermore, in our opinion, the information identified in paragraph 70 subparagraph 6 point 5 letter c-f, h and letter i of the decree, included in the corporate governance statement, in all material respects:

- has been prepared in accordance with applicable laws; and
- is consistent with the separate financial statements.

Information about the Statement on Non-financial Information

In accordance with the requirements of the Act on statutory auditors, we report that the Bank has prepared a statement on non-financial information referred to in art. 49b paragraph 1 of the Accounting Act as a separate part of the report on activities.

We have not performed any assurance procedures in relation to the statement on non-financial information and, accordingly, we do not express any assurance conclusion thereon.

Statement on Other Information

Furthermore, based on our knowledge about the Bank and its environment obtained in the audit of the separate financial statements, we have not identified material misstatements in the report on activities and the other information.

Report on Other Legal and Regulatory Requirements

Information on Compliance with Prudential Regulations

The Management Board of the Bank is responsible for the Bank's compliance with the applicable prudential regulations defined in separate laws, in particular for the appropriate determination of the capital ratios.

Our responsibility was to inform in our auditor's report whether the Bank complies with the applicable prudential regulations defined in separate laws, in particular whether the Bank appropriately determined the capital ratios presented in note 46 "Capital adequacy".

The audit objective was not to express an opinion on the Bank's compliance with the applicable prudential regulations and therefore we do not express such an opinion.

Based on our audit of the separate financial statements of the Bank, we inform that we have not identified any instances of non-compliance, in the period from 1 January to 31 December 2022, of the Bank with the applicable prudential regulations, defined in separate laws, in particular with respect to the determination of the capital ratios as at 31 December 2022, that could have a material impact on the separate financial statements.

Statement on Services Other than Audit of the Financial Statements

To the best of our knowledge and belief, we did not provide prohibited non-audit services referred to in Art. 5 paragraph 1 second subparagraph of the EU Regulation and Art. 136 of the act on statutory auditors.

Services other than audit of the financial statements, which were provided to the Bank in the audited period are listed in point 13.2 of the report on activities.



Appointment of the Audit Firm

We have been appointed for the first time to audit the annual separate financial statements of the Bank by resolution of the General Shareholders' Meeting dated 31 March 2022. Our period of total uninterrupted engagement is 1 year.

On behalf of audit firm

KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k.

Registration No. 3546

Signed on the Polish original

Katarzyna Łacka-Dziekan

Key Statutory Auditor
Registration No. 13131
Proxy

Warsaw, 28 February 2023