Planning Update Strategy 2027

26 September 2024

Updated Strategy 2027 delivers higher returns

Regular planning update

Accelerated profit increase with RoTE of more than 12% in 2027

Higher revenues drive CIR to 54% in 2027

Significantly higher pay-out potential driven by lower RWA

Robust case with low execution risk

Improved financials of Strategy 2027

Revenues
(€bn)

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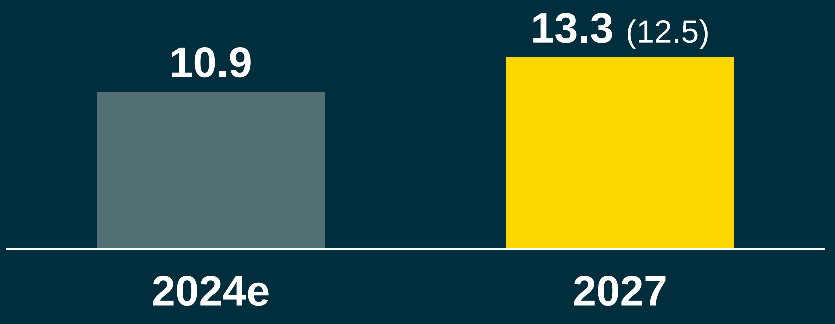


Net RoTE
(%)

CIR
(%)

Higher revenues despite challenging GDP and rates outlook, due to additional measures and better starting point 2024

Accelerated increase of Net RoTE towards earning cost of capital

Improved CIR based on higher revenues and strict cost management including further cost reduction measures

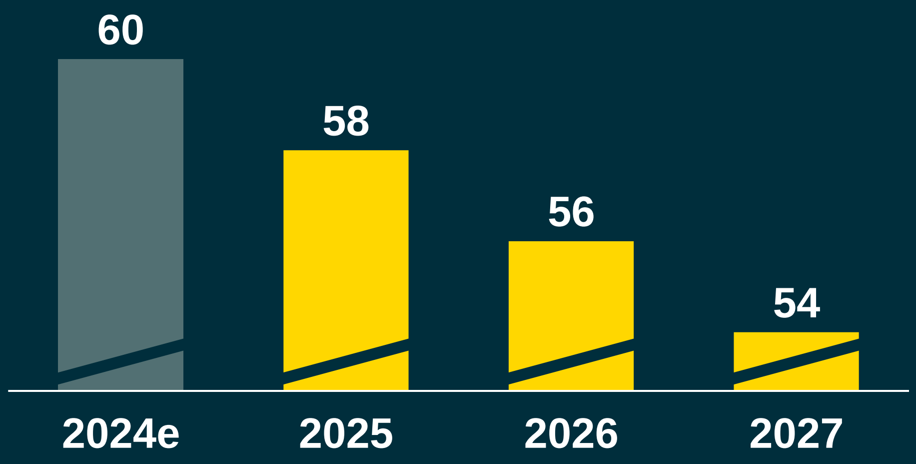
Assumptions in planning update

Interest Rate Level	ECB rate expected between 2% and 3%
GDP Outlook	Unchanged with only moderate growth of ~1% p.a.
Risk Result	Normalized cost of risk of 25bp
Potential Burdens	Burdens from FX loans in Poland and Russian subsidiary expected to be fully booked latest by 2025

CIR improvement driven by increasing revenues

Cost-Income-Ratio (CIR)

(%)



- Active cost management in accordance with revenue development will ensure delivery on CIR targets
- Additional cost levers initiated: (1) further sourcing from low cost locations (2) further investment in AI and digitalisation cases (3) optimization of procurement
- 58% in 2025 does not include potential burdens for FX loans in Poland and from Russian subsidiary

2027 NII confirmed at €8.4bn

Net Interest Income
(€m)

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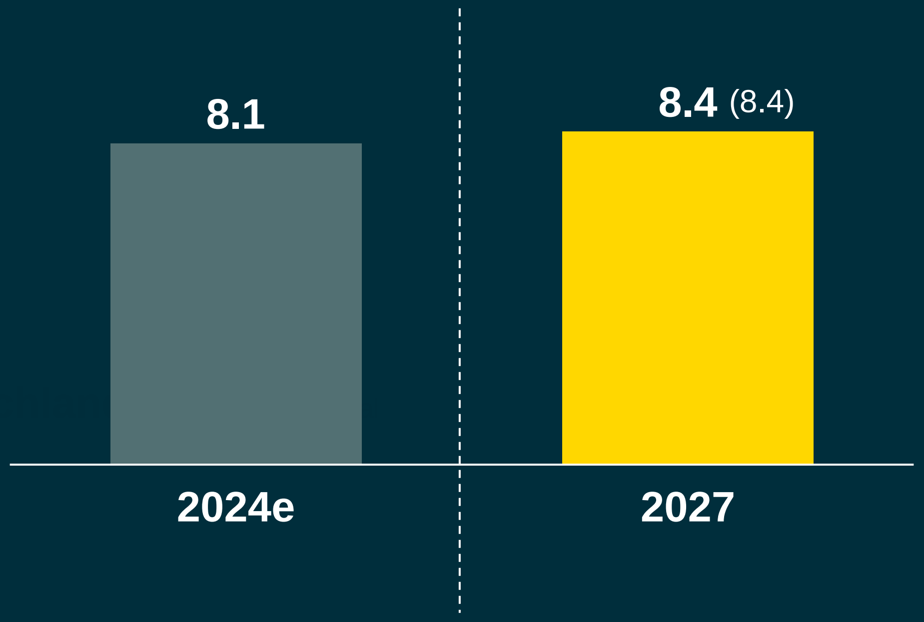

- NII of €8.4bn achievable with ECB rates of 2% - 3%
- Replication portfolio consistently adding to NII every year
- Increasing contribution from loan growth at lower rates

NCI CAGR improved to 5.6%

Net Commission Income

(€m)

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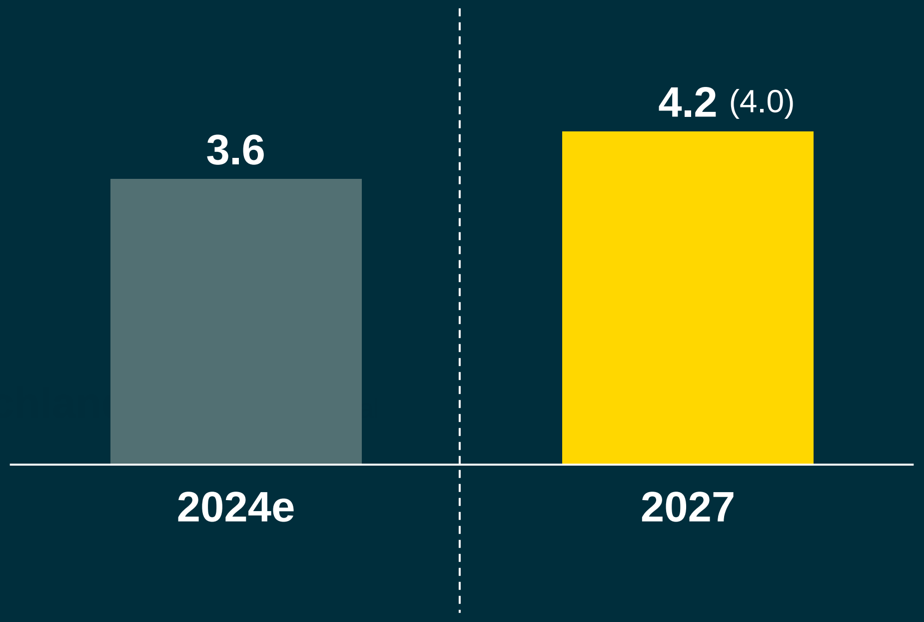
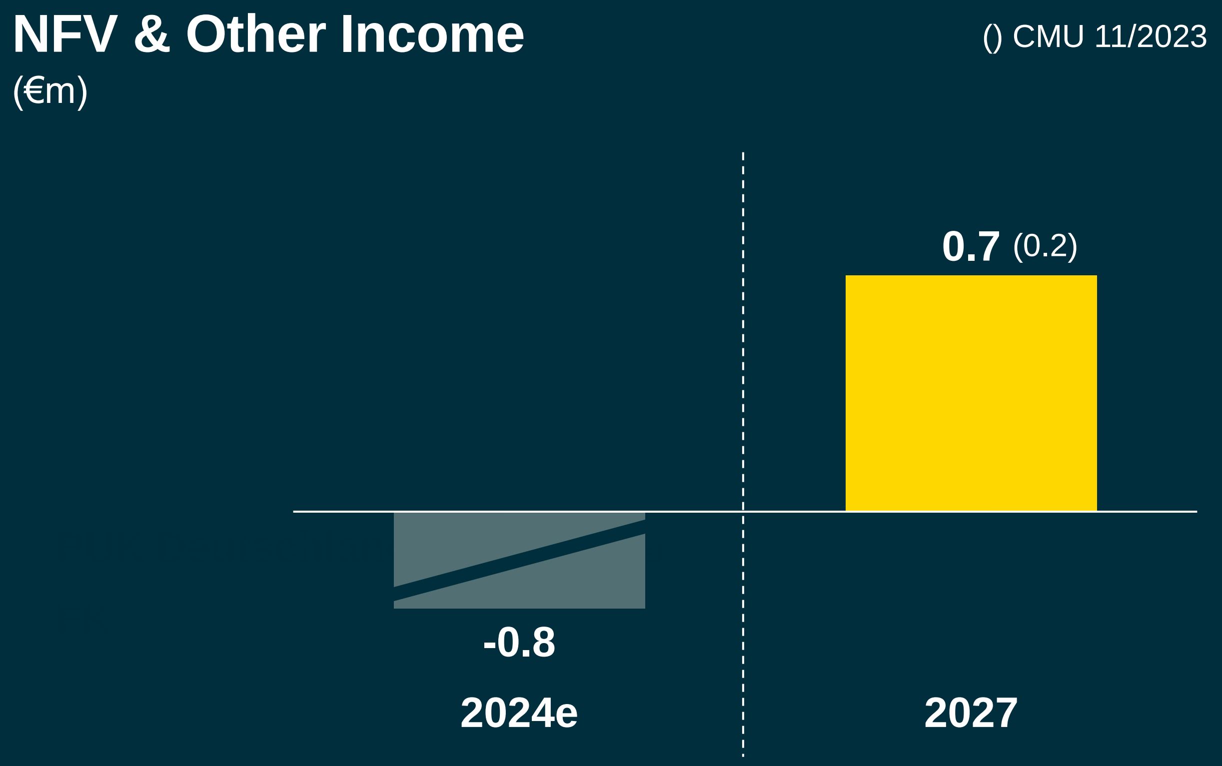


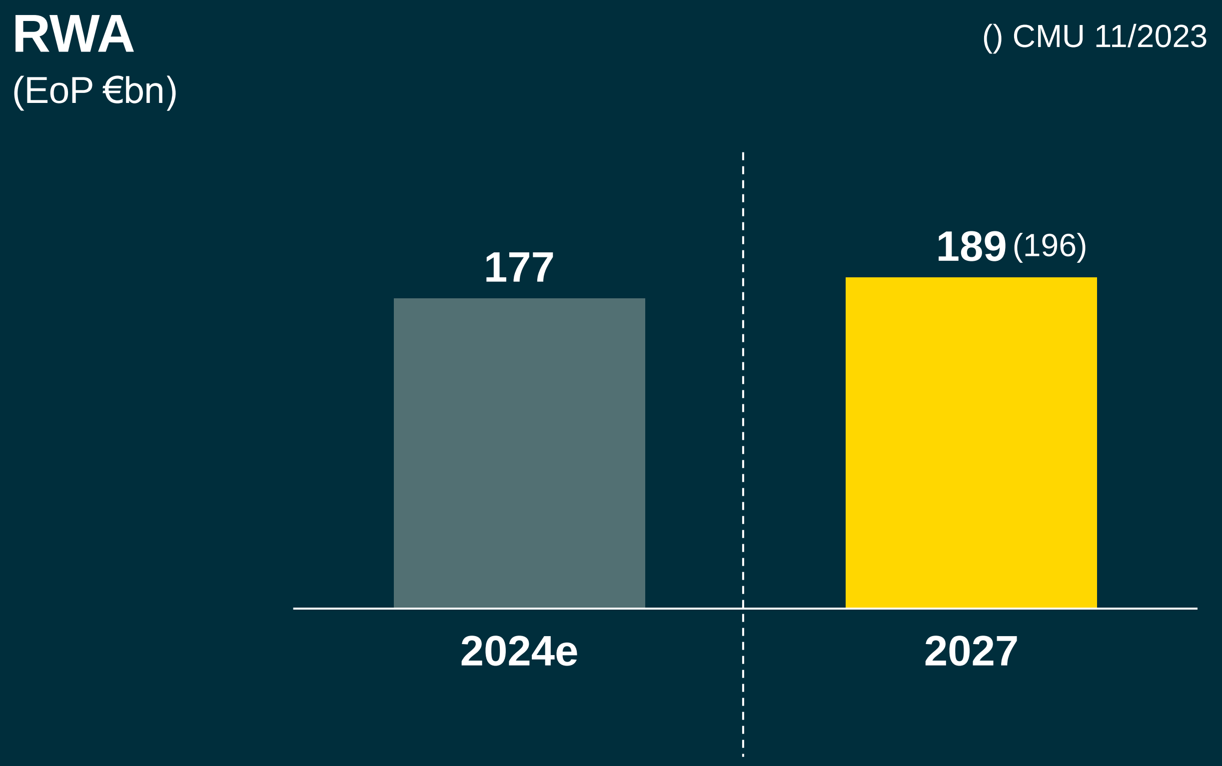
- Increased growth in asset management (including from acquisitions)
- Capitalizing on opportunities from digitalization, international growth and leveraging of ESG capabilities in CC
- Higher fee income in line with market share gains at mBank

2027 NFV reflects unburdened underlying business



- 2024 heavily burdened by FX loans in Poland and Russian subsidiary – no burdens in 2027
- 2027 NFV reflects CC trading business and improved NFV in O&C at lower interest rate level

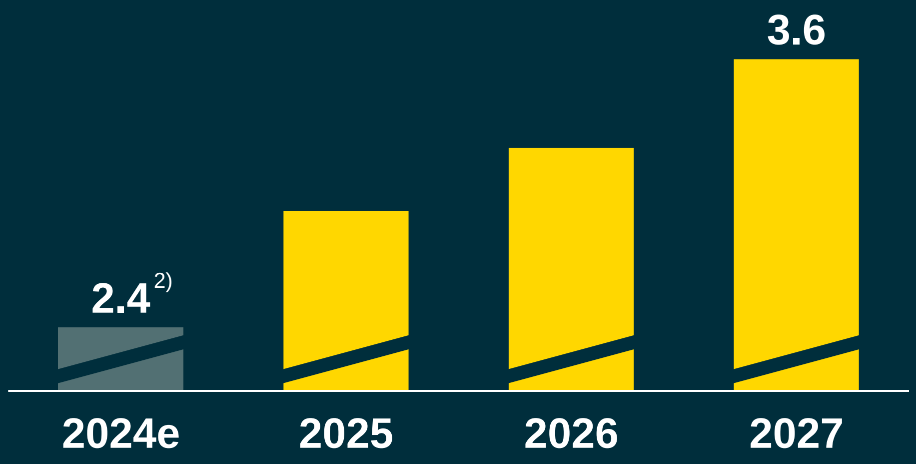
RWA increase driven by growth



- RWA increase completely attributable to growth with Basel 4 already covered by buffers in actual figures
- 7 billion lower RWA in 2027 translate into 50bp CET1 ratio increasing capital return potential
- If planned capital accretive growth does not materialise, capital return potential further increases

Significantly increased capital return potential

Group Result before AT1 coupon
(€bn)



	2024e	2025	2026	2027
Pay-out Ratio	>70%	>90%	>90%	>90%
CET1-Ratio	~14.8%			13.5%

- Increasing net results and prudent RWA management drive capital return potential[1]
- Targeted return of more than 90% of net profit after AT1 coupon for 2025 to 2027
- High capital return consistent with path to 13.5% CET1-Ratio in 2027

[1] Share buybacks subject to regulatory approval; total capital return (dividends and share buybacks) not higher than net result after AT1 coupon payments
[2] 2024 including burdens from FX loans in Poland, without further potential burdens from Russian subsidiary