

**Disclosures regarding capital adequacy of  
mBank S.A. Group**  
as at 30 June 2023



Warsaw, 8th August 2023

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## **1. Introduction**

This document is issued under the disclosure requirements resulting from Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and amending Regulation (EU) No 648/2012 (the CRR Regulation), which formed the legal basis of the reporting date i.e. 31 December 2022.

This document contains information on the prudential consolidated basis of the mBank SA Capital Group (mBank Group) in accordance with the requirements set out in Article 13 of the CRR Regulation. The information shall be published in accordance with the following provisions:

- Commission Implementing Regulation (EU) 2021/637 of 15 March 2021 laying down implementing technical standards with regard to public disclosures by institutions of the information referred to in Titles II and III of Part Eight of Regulation (EU) No 575/2013 of the European Parliament and of the Council and repealing Commission Implementing Regulation (EU) No 1423/2013, Commission Delegated Regulation (EU) 2015/1555, Commission Implementing Regulation (EU) 2016/200 and Commission Delegated Regulation (EU) 2017/2295 (Regulation 2021/637),
- Guidelines EBA/GL/2014/14 of 23 December 2014 on materiality, proprietary and confidentiality and on disclosure frequency under Articles 432(1), 432(2) and 433 of Regulation (EU) No 575/2013,
- Guidelines EBA/GL/2020/12 of 11 August 2020 amending disclosure guidelines EBA/GL/2018/01 on uniform disclosures under Article 473a of Regulation (EU) No 575/2013 as regards transitional arrangements for mitigating the impact of the introduction of IFRS 9 on own funds to ensure compliance with the CRR 'quick fix' in response to the COVID-19 pandemic,
- Disclosure Policy of mBank S.A. on capital adequacy available on website [www.mbank.pl](http://www.mbank.pl).

If not stated specifically further in the document, all amounts are presented in PLN thousand.

## 2. Scope of prudential consolidation

According to the CRR Regulation, mBank S.A. (mBank) as a large subsidiary of an EU parent institution discloses information about the capital adequacy on a sub-consolidated basis at the highest local level of prudential consolidation i.e. based on the data of mBank Group.

The mBank Group's prudentially consolidated financial data for first half of 2023 prepared in accordance with the CRR Regulation (Prudentially Consolidated Financial Data for first half of 2023) are presented in Note 31 to the Condensed Consolidated Financial Statements of mBank Group S.A. for the first half of 2023 (Consolidated Financial Statements for the first half of 2023), published on 2<sup>nd</sup> August 2023.

The accounting policies applied for the preparation of the prudentially consolidated financial data for first quarter 2023 are the same as those, which have been applied to prepare the mBank S.A. Group Consolidated Financial Report for the first quarter of 2023, which included Condensed Consolidated Financial Statements of mBank S.A. Group for the first quarter of 2023, with exceptions of consolidation rules described below.

Entities included in prudential consolidation were taken into account in the process of calculation of consolidated own funds and consolidated own funds requirements as at 30 June 2023 in accordance with the CRR Regulation.

Entities included in prudential consolidation are defined in the CRR Regulation as institutions, financial institutions or ancillary services undertakings, which are subsidiaries or undertakings in which a participation is held, except for entities in which the total amount of assets and off-balance sheet items of the undertaking concerned is less than the smaller of the following two amounts:

- EUR 10 million;
- 1% of the total amount of assets and off-balance sheet items of the parent undertaking or the undertaking that holds the participation.

The Prudentially consolidated financial data for the first half of 2023 include the following entities:

1. mBank S.A.
2. mBank Hipoteczny S.A.
3. mFaktoring S.A.
4. mFinanse S.A.
5. mFinanse CZ s.r.o.
6. mFinanse SK s.r.o.
7. mLeasing Sp. z o.o.
8. Future Tech Fundusz Inwestycyjny Zamknięty
9. mElements S.A.
10. Asekum Sp. z o.o.
11. LeaseLink Sp. z o.o.
12. mTowarzystwo Funduszy Inwestycyjnych S.A.

Detailed information on consolidated entities included in consolidation is presented in mBank S.A. Group Consolidated Financial Report for the first half of 2023, in the Note 1 Information regarding the Group of mBank S.A.

The scope of entities included in prudential consolidation for the first half of 2023 was the same as the scope of entities included in accounting consolidation based on International Financial Reporting Standards (IFRS).

### **3. Capital adequacy**

One of the Bank's main tasks is to ensure an adequate level of capital. As part of the capital management strategy of mBank Group, the Bank creates a framework and guidelines for the effective planning and use of capital base which:

- are compliant with external and internal regulations in force,
- guarantee a continuity of financial targets achievement, which render an appropriate rate of return for shareholders,
- ensure the maintenance of a strong capital basis being a fundamental support for business development.

The capital management strategy in mBank Group is based on two pillars:

- aiming at optimal level and structure of own funds, assuring capital adequacy above the capital strategic targets (established above minimum requirement taking into account the risk appetite at approved level) as well as ensuring coverage against all material risks identified in mBank Group's activity,
- effective use of the capital base, guaranteeing achievement of expected returns, including return on regulatory capital and IFRS equity and thus creating stable basis for strengthening capital in future periods.

Above pillars of the capital management allows to maintain business development while meeting the supervisory requirements in the long perspective.

#### 4. Own funds

The consolidated own funds consist of Common Equity Tier 1 capital, Additional Tier 1 capital and Tier 2 capital. Detailed information on particular elements of consolidated own funds of mBank Group as at 30 June 2023 is presented below on the basis of the templates EU CC1, EU CC2 and EU CCA set out in Annex VII to Regulation 2021/637.

#### Template EU CC1 - Composition of regulatory own funds

		a)	b)
		Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
<b>Common Equity Tier 1 (CET1) capital: instruments and reserves</b>			
1	Capital instruments and the related share premium accounts	3 615 709	Template EU CC2: Shareholders' Equity, row 1 and 2, column b)
2	Retained earnings	580 017	Template EU CC2: Shareholders' Equity, row 3, column b)
3	Accumulated other comprehensive income (and other reserves)	7 990 479	Template EU CC2: Shareholders' Equity, row 3 and 5, column b)
EU-3a	Funds for general banking risk	1 153 753	Template EU CC2: Shareholders' Equity, row 3, column b)
EU-5a	Independently reviewed interim profits net of any foreseeable charge or dividend	142 734	
<b>6</b>	<b>Common Equity Tier 1 (CET1) capital before regulatory adjustments</b>	<b>13 482 692</b>	-
<b>Common Equity Tier 1 (CET1) capital: regulatory adjustments</b>			
7	Additional value adjustments (negative amount)	(45 161)	-
8	Intangible assets (net of related tax liability) (negative amount)	(966 507)	Template EU CC2: Assets, row 8, column b)
11	Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value	501 931	Template EU CC2: Shareholders' Equity, row 5, column b)
12	Negative amounts resulting from the calculation of expected loss amounts	(48 031)	-
EU-20a	Exposure amount of the following items which qualify for a RW of 1 250%, where the institution opts for the deduction alternative	(27 903)	
EU-20c	of which: securitisation positions (negative amount)	(27 903)	
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met) (negative amount)	(123 215)	Template EU CC2: Assets, row 12, column b) and Liabilities, row 7, column b)
EU-25a	Losses for the current financial year (negative amount)	(15 397)	Template EU CC2: Shareholders' Equity, row 4, column b)
27a	Other regulatory adjustments	(38 614)	Template EU CC2: Shareholders' Equity, row 5, column b)
<b>28</b>	<b>Total regulatory adjustments to Common Equity Tier 1 (CET1)</b>	<b>(762 897)</b>	-
<b>29</b>	<b>Common Equity Tier 1 (CET1) capital</b>	<b>12 719 795</b>	-
<b>Additional Tier 1 (AT1) capital: instruments</b>			
30	Capital instruments and the related share premium accounts	-	-
<b>Additional Tier 1 (AT1) capital: regulatory adjustments</b>			
<b>43</b>	<b>Total regulatory adjustments to Additional Tier 1 (AT1) capital</b>	-	-
<b>44</b>	<b>Additional Tier 1 (AT1) capital</b>	-	-
<b>45</b>	<b>Tier 1 capital (T1 = CET1 + AT1)</b>	<b>12 719 795</b>	-
<b>Tier 2 (T2) capital: instruments</b>			
46	Capital instruments and the related share premium accounts	2 060 291	Template EU CC2: Liabilities, row 2, column b)
<b>51</b>	<b>Tier 2 (T2) capital before regulatory adjustments</b>	<b>2 060 291</b>	-
<b>Tier 2 (T2) capital: regulatory adjustments</b>			
<b>57</b>	<b>Total regulatory adjustments to Tier 2 (T2) capital</b>	-	-
<b>58</b>	<b>Tier 2 (T2) capital</b>	<b>2 060 291</b>	-
<b>59</b>	<b>Total capital (TC = T1 + T2)</b>	<b>14 780 086</b>	-
<b>60</b>	<b>Total Risk exposure amount</b>	<b>87 933 345</b>	-
<b>Capital ratios and requirements including buffers</b>			
61	Common Equity Tier 1 capital	14.47%	-
62	Tier 1 capital	14.47%	-
63	Total capital	16.81%	-
64	Institution CET1 overall capital requirements	8.31%	-
65	of which: capital conservation buffer requirement	2.50%	-
66	of which: countercyclical capital buffer requirement	0.15%	-
67	of which: systemic risk buffer requirement	-	-
EU-67a	of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer requirement	0.50%	-
EU-67b	of which: additional own funds requirements to address the risks other than the risk of excessive leverage	0.66%	-
<b>68</b>	<b>Common Equity Tier 1 capital (as a percentage of risk exposure amount) available after meeting the minimum capital requirements</b>	<b>7.58%</b>	-
<b>Amounts below the thresholds for deduction (before risk weighting)</b>			
72	Direct and indirect holdings of own funds and eligible liabilities of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	43 830	
73	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 17.65% thresholds and net of eligible short positions)	118 424	Template EU CC2: Assets, row 3, column b)
75	Deferred tax assets arising from temporary differences (amount below 17,65% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met)	1 284 301	Template EU CC2: Assets, row 12, column b) and Liabilities, row 7, column b)

## **COMMON EQUITY TIER 1 CAPITAL**

### Capital instruments and the related share premium accounts

In the item Capital instruments and the related share premium accounts, the share capital and share premium capital from sales of shares over the nominal value of mBank Group prudentially consolidated were included as at 30 June 2023.

<b>Capital instruments and the related share premium accounts</b>	
Registered share capital	169 475
Share premium	3 446 234
<b>Total</b>	<b>3 615 709</b>

Detailed information on share and supplementary capital from sales of shares over the nominal value is described in Explanatory Notes 23 of the Consolidated Financial Statements for first half 2023.

### Retained earnings

Retained earnings item, amounting to PLN 580 017 thousand include the undistributed retained earnings of the prudentially consolidated mBank Group as of June 30, 2023.

### Accumulated other comprehensive income (and other reserves)

Accumulated other comprehensive income as at 30 June 2023 amounted to PLN -894 567 thousand. The structure of accumulated other comprehensive income of mBank is presented below.

<b>Accumulated other comprehensive income</b>	
Exchange differences on translation of foreign operations	(3 444)
Cash flow hedges	(515 183)
Cost of hedging	13 252
Valuation of debt instruments at fair value through other comprehensive income	(393 588)
Actuarial gains and losses related to post-employment benefits	(7 040)
Reclassification to investment properties	11 436
<b>Total</b>	<b>(894 567)</b>

Other reserves of mBank Group prudentially consolidated as at 30 June 2023 amounted to PLN 8 885 046 thousand. The structure of other reserves of mBank Group prudentially consolidated as at 30 June 2023 is presented below.

<b>Other reserves</b>	
Other supplementary capital	8 785 058
Other reserve capital	99 988
<b>Total</b>	<b>8 885 046</b>

Accumulated other comprehensive income and other reserves of mBank Group prudentially consolidated as at 30 June 2023 amounted to PLN 7 990 479 thousand.

### Funds for general banking risk

mBank Group transfers some of its net profit to the funds for general banking risk to cover unexpected risk and future losses. The funds for general banking risk can be distributed only on consent of shareholders at the General Meeting. As at 30 June 2023 the funds for general banking risk of mBank Group prudentially consolidated amounted to PLN 1 153 753 thousand.

### Independently reviewed interim profits net of any foreseeable charge or dividend

The net profit of mBank Group prudentially consolidated, net of any foreseeable charge or dividend, for the first quarter of the year 2023, amounting to PLN 142 734 thousand, was included in calculation of consolidated Common Equity Tier 1 capital as at 30 June 2023.

**THE COMMON EQUITY TIER 1 CAPITAL: REGULATORY ADJUSTMENTS**Additional value adjustments

In accordance with Article 34 of the CRR Regulation, additional value adjustments have been calculated to all assets measured at fair value in accordance with the requirements of Article 105 of the CRR Regulation and included in Common Equity Tier 1 capital of mBank Group prudentially consolidated as at 30 June 2023 in the amount of PLN -45 161 thousand.

Intangible assets

Adjustments relating to intangible assets were calculated in accordance with Articles 36 and 37 of the CRR Regulation and in accordance with Article 13a of the Commission Delegated Regulation (EU) No 241/2014 of 7 January 2014 supplementing the CRR Regulation, as amended, and included in the amount of PLN -966 507 thousand.

Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value

In accordance with Article 33 of the CRR Regulation, regulatory adjustments in the amount of PLN 501 931 regarding accumulated other comprehensive income as at 30 June 2023 constituting the fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value, correct the accumulated other comprehensive income item, mentioned above.

Negative amounts resulting from the calculation of expected loss amounts

When calculating risk-weighted exposure amounts using the AIRB method, mBank Group is obliged to include in the calculation of own funds negative amounts resulting from the calculation of the expected loss amounts. Pursuant to Art. 36 sec. 1 point d), negative amounts due to the calculations referred to in Articles 158 and 159 of the CRR Regulation were included in the prudentially consolidated Common Equity Tier 1 capital of mBank Group as at 30 June 2023 in the amount of PLN -48 031 thousand.

Exposure amount of the following items qualifying for a risk weight of 1 250 % if the institution opts for the deduction option - of which: securitisation items (negative amount)

Included in the calculation of Common Equity Tier 1 capital as at 30 June 2023 is the amount of the adjustment for two synthetic securitisation transactions executed on the corporate loan portfolio, which were entered into on 24th March 2022 and 23rd December 2022, for a total amount of PLN -27 903 thousand.

Deferred tax assets arising from temporary differences

Amount from deferred tax assets arising from temporary differences in the amount of PLN -123 215 thousand, net of related tax liability, constituting amount above 10% threshold of CET capital, was included in the calculation of the prudentially consolidated Common Equity Tier 1 capital as at 30 June 2023.

Losses for the current financial year

The calculation of the consolidated Common Equity Tier 1 capital as at 30 June 2023 includes the prudentially consolidated loss of mBank Group for the period 1 April to 30 June 2023 in the amount of PLN -15 397 thousand.

Other regulatory adjustments

Other regulatory adjustments include insufficient coverage for non-performing exposures and fair value gains and losses arising from the institution's own credit risk related to derivative liabilities calculated in accordance with Article 33(2) of the CRR Regulation.

Other regulatory adjustments	
Insufficient coverage for non-performing exposures	(29 880)
Fair value gains and losses arising from the institution's own credit risk related to derivative liabilities	(8 734)
<b>Total</b>	<b>(38 614)</b>

**ADDITIONAL TIER 1 CAPITAL**

Items that could be treated as Additional Tier 1 capital are not identified in mBank Group as at 30 June 2023.



## **TIER 2 CAPITAL**

### Capital instruments and the related share premium accounts

Pursuant to the PFSA decision dated 8 January 2015, mBank obtained a written permission to include in Tier 2 capital the amount of PLN 750 000 thousand constituting subordinated liabilities from the bonds issue dated 17 December 2014 on total nominal value of PLN 750 000 thousand with the redemption date on 17 January 2025. The issue meets all the requirements of the CRR Regulation. This instrument qualifies as an item in Tier 2 capital to the extent compliant with the depreciation principles referred to in Article 64 of the CRR Regulation.

Pursuant to the PFSA decision of 29 March 2018, mBank obtained a permission to classify cash in the amount of CHF 250 000 thousand as instruments in Tier 2 capital, in accordance with the terms of the loan agreement concluded between mBank S.A. and Commerzbank AG.

Pursuant to the PFSA decision of 28 November 2018, mBank obtained a permission to classify subordinated bonds with a nominal value of PLN 550 000 thousand, issued by the Bank on 9 October 2018 with the redemption date on 10 October 2028, as instruments in Tier 2 capital.

Pursuant to the PFSA decision of 28 November 2018, mBank obtained a permission to classify subordinated bonds with a nominal value of PLN 200 000 thousand, issued by the Bank on 9 October 2018 with the redemption date on 10 October 2030, as instruments in Tier 2 capital.

As at 30 June 2023 in the consolidated Tier 2 capital in the item Equity instruments and related share premium accounts the amount of PLN 2 060 291 thousand was included from the above-mentioned tranches of capital instruments.

**mBank S.A. Group**

Disclosures regarding capital adequacy as at 30 June 2023

**Template EU CCA: Main features of regulatory own funds instruments and eligible liabilities instruments**

		a	b	c	d	e
		Qualitative or quantitative information	Qualitative or quantitative information	Qualitative or quantitative information	Qualitative or quantitative information	Qualitative or quantitative information
1	Issuer	mBank S.A.	mBank S.A.	mBank S.A.	mBank S.A.	mBank S.A.
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	PLBRE000012	Not applicable	ISIN: PLBRE0005185 Issue: MBKO170125	ISIN: PLBRE0005193 Issue: MBKO101028	ISIN: PLBRE0005201 Issue: MBKO101030
2a	Public or private placement	Public	Private placement	Private placement	Private placement	Private placement
3	Governing law(s) of the instrument	Polish	German and Polish in relations to subordination	Polish	Polish	Polish
3a	Contractual recognition of write down and conversion powers of resolution authorities	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
<b>Regulatory treatment</b>						
4	Current treatment taking into account, where applicable, transitional CRR rules	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
5	Post-transitional CRR rules	CET1 capital	Tier II capital	Tier II capital	Tier II capital	Tier II capital
6	Eligible at solo/(sub-)consolidated/ solo&(sub-)consolidated	Eligible at solo and (sub-) consolidated	Eligible at solo and (sub-) consolidated	Eligible at solo and (sub-) consolidated	Eligible at solo and (sub-) consolidated	Eligible at solo and (sub-) consolidated
7	Instrument type (types to be specified by each jurisdiction)	Common shares - meeting the conditions set out in Art. 28 of the CRR Regulation	Loan - Polish Banking Act Art.127.2.2 - meeting the conditions set out in Art. 63 of the CRR Regulation	Loan - Polish Banking Act Art.127.2.2 - meeting the conditions set out in Art. 63 of the CRR Regulation	Loan - Polish Banking Act Art.127.2.2 - meeting the conditions set out in Art. 63 of the CRR Regulation	Loan - Polish Banking Act Art.127.2.2 - meeting the conditions set out in Art. 63 of the CRR Regulation
8	Amount recognised in regulatory capital or eligible liabilities (Currency in million, as of most recent reporting date)	m PLN 169	m PLN 1 077	m PLN 233	m PLN 550	m PLN 200
9	Nominal amount of instrument	169 mln PLN	m CHF 250 (m PLN 1 139)	m PLN 750	m PLN 550	m PLN 200
EU-9a	Issue price	PLN 4	Not applicable	100%	100%	100%
EU-9b	Redemption price	PLN 4	Not applicable	100%	100%	100%
10	Accounting classification	Equity capital	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11	Original date of issuance	1986: 10 000 000 shares 1994: 2 500 000 shares 1995: 2 000 000 shares 1997: 4 500 000 shares 1998: 3 800 000 shares 2000: 170 500 shares 2004: 5 742 625 shares 2005: 270 847 shares 2006: 532 063 shares 2007: 144 633 shares 2008: 30 214 shares 2010: 12 395 792 shares 2011: 16 072 shares 2012: 36 230 shares 2013: 35 037 shares 2014: 36 044 shares 2015: 28 867 shares 2016: 41 203 shares 2017: 31 995 shares 2018: 24 860 shares 2019: 13 385 shares 2020: 16 673 shares 2021: 1 656 shares	21.03.2018	17.12.2014	09.10.2018	09.10.2018
12	Perpetual or dated	Perpetual	Dated	Dated	Dated	Dated
13	Original maturity date	No maturity date	21.03.2028	17.01.2025	10.10.2028	10.10.2030
14	Issuer call subject to prior supervisory approval	Not applicable	Yes	Yes	Yes	Yes

a	b	c	d	e
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**mBank S.A. Group**
**Disclosures regarding capital adequacy as at 30 June 2023**

		Qualitative or quantitative information	Qualitative or quantitative information	Qualitative or quantitative information	Qualitative or quantitative information	Qualitative or quantitative information
15	Optional call date, contingent call dates and redemption amount	Not applicable	1) 21.03.2023; integral multiples of CHF 10 mn; notification of the lender, PFSA consent required; 2) Redemption due to a tax or regulatory event (PFSA consent required); at the end of Interest Period; notification of the lender	1) 17.01.2020 No minimum amount; at price 100%; 2) Redemption due to a regulatory event (PFSA consent required, notification of investors) at a price of 100%, at any Interest Payment Date	1) 10.10.2023 No minimum amount; at price 100%; 2) Redemption due to a regulatory event (PFSA consent required, notification of investors) at a price of 100%, at any Interest Payment Date	1) 10.10.2025 No minimum amount; at price 100%; 2) Redemption due to a regulatory event (PFSA consent required, notification of investors) at a price of 100%, at any Interest Payment Date
16	Subsequent call dates, if applicable	Not applicable	1) integral multiples of CHF 10 mn; notification of the lender, PFSA consent required; at the end of any Interest Period falling not earlier than the 5 <sup>th</sup> anniversary of the Drawdown Date 2) Redemption due to a tax or regulatory event (PFSA consent required); at the end of Interest Period; notification of the lender	Redemption due to a regulatory event (PFSA consent required, notification of investors) at a price of 100%, at any Interest Payment Date	Redemption due to a regulatory event (PFSA consent required, notification of investors) at a price of 100%, at any Interest Payment Date	Redemption due to a regulatory event (PFSA consent required, notification of investors) at a price of 100%, at any Interest Payment Date
<b>Coupons / dividends</b>						
17	Fixed or floating dividend/coupon	Floating dividend	Floating dividend	Floating dividend	Floating dividend	Floating dividend
18	Coupon rate and any related index	Not applicable	Compounded SARON 3M + 2.75%	WIBOR 6M + 2.10%	WIBOR 6M + 1.80%	WIBOR 6M + 1.95%
19	Existence of a dividend stopper	No	No	No	No	No
EU-20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Fully discretionary	Not applicable	Not applicable	Not applicable	Not applicable
EU-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Fully discretionary	Not applicable	Not applicable	Not applicable	Not applicable
21	Existence of step up or other incentive to redeem	No	No	No	No	No
22	Noncumulative or cumulative	Not applicable	Noncumulative	Noncumulative	Noncumulative	Noncumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
25	If convertible, fully or partially	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
26	If convertible, conversion rate	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
27	If convertible, mandatory or optional conversion	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
28	If convertible, specify instrument type convertible into	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
29	If convertible, specify issuer of instrument it converts into	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
30	Write-down features	No	No	No	No	No
31	If write-down, write-down trigger(s)	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
32	If write-down, full or partial	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
33	If write-down, permanent or temporary	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
34	If temporary write-down, description of write-up mechanism	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
34a	Type of subordination (only for eligible liabilities)	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
EU-34b	Ranking of the instrument in normal insolvency proceedings	Rank 10	Rank 8	Rank 8	Rank 8	Rank 8
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Not applicable	Receivables from subordinated liabilities not included in the Bank's own funds, including interest and costs of enforcement	Receivables from subordinated liabilities not included in the Bank's own funds, including interest and costs of enforcement	Receivables from subordinated liabilities not included in the Bank's own funds, including interest and costs of enforcement	Receivables from subordinated liabilities not included in the Bank's own funds, including interest and costs of enforcement
36	Non-compliant transitioned features	No	No	No	No	No
37	If yes, specify non-compliant features	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
37a	Link to the full term and conditions of the instrument (signposting)	Not applicable	Not applicable	<a href="#">Link 1</a>	<a href="#">Link 2</a>	<a href="#">Link 3</a>

Link\_1: <https://www.mbank.pl/pdf/msp-korporacje/relacje-inwestorskie/ratingi-instrumenty-dluzne/20141217-mbank-weo-skan.pdf>

Link\_2: [https://www.mbank.pl/pdf/msp-korporacje/relacje-inwestorskie/ratingi-instrumenty-dluzne/mbank\\_tier\\_ii\\_10nc5\\_weo-signed.pdf](https://www.mbank.pl/pdf/msp-korporacje/relacje-inwestorskie/ratingi-instrumenty-dluzne/mbank_tier_ii_10nc5_weo-signed.pdf)

Link\_3: [https://www.mbank.pl/pdf/msp-korporacje/relacje-inwestorskie/ratingi-instrumenty-dluzne/mbank\\_tier\\_ii\\_12nc7\\_weo-signed.pdf](https://www.mbank.pl/pdf/msp-korporacje/relacje-inwestorskie/ratingi-instrumenty-dluzne/mbank_tier_ii_12nc7_weo-signed.pdf)

**Template EU CC2 - reconciliation of regulatory own funds to balance sheet in the audited financial statements**

		a	b	c
		Balance sheet as in published financial statements	Under regulatory scope of consolidation	Reference
		30.06.2023	30.06.2023	
<b>Assets - Breakdown by asset classes according to the balance sheet in the published financial statements</b>				
1	Cash and balances with the Central Bank	15 962 102	15 962 102	-
2	Financial assets held for trading and hedging derivatives	2 867 397	2 867 397	-
3	Non-trading financial assets mandatorily at fair value through profit or loss	941 080	941 080	
3a	<i>Equity securities</i>	194 892	194 892	Template EU CC1: row 73, col. a)
3b	<i>Debt securities</i>	47 787	47 787	
3c	<i>Loans and advances to customers</i>	698 401	698 401	
4	Financial assets at fair value through other comprehensive income	35 985 288	35 985 288	-
5	Financial assets at amortised cost	149 958 163	149 958 163	-
6	Fair value changes of the hedged items in portfolio hedge of interest rate risk	14 228	14 228	-
7	Intangible assets	1 579 977	1 579 977	Template EU CC1: row 8, col. a)
8	Tangible assets	1 454 981	1 454 981	-
9	Investment properties	136 909	136 909	-
10	Current income tax assets	80 422	80 422	-
11	Deferred income tax assets	1 460 492	1 460 492	Template EU CC1: row 21 and 75, col. a)
12	Other assets	2 486 818	2 486 818	-
<b>13</b>	<b>Total assets</b>	<b>212 927 857</b>	<b>212 927 857</b>	-
<b>Liabilities - Breakdown by liability classes according to the balance sheet in the published financial statements</b>				
1	Financial liabilities held for trading and hedging derivatives	1 918 138	1 918 138	-
2	Financial liabilities measured at amortized cost	191 642 072	191 642 072	Template EU CC1: row 46, col. a)
2a	<i>Amounts owed to banks</i>	3 204 420	3 204 420	
2b	<i>Amounts due to clients</i>	176 662 495	176 662 495	
2c	<i>Lease liabilities</i>	932 670	932 670	
2d	<i>Liabilities due to debt securities issued</i>	8 157 055	8 157 055	
2e	<i>Subordinated liabilities</i>	2 685 432	2 685 432	
3	Fair value changes of the hedged items in portfolio hedge of interest rate risk	(1 006 997)	(1 006 997)	
4	Provisions	1 508 645	1 508 645	-
5	Current income tax liabilities	36 996	36 996	-
7	Other liabilities	5 359 333	5 359 333	
<b>8</b>	<b>Total liabilities</b>	<b>199 458 187</b>	<b>199 458 187</b>	-
<b>Shareholders' Equity</b>				
1	Registered share capital	169 860	169 860	Template EU CC1: row 1, col. a)
2	Share premium	3 446 234	3 446 234	Template EU CC1: row 1, col. a)
3	Profit from the previous years	10 618 816	10 618 816	Template EU CC1: row 2, 3, EU-3a, col. a)
4	Profit (loss) for the current year	127 337	127 337	Template EU CC1: row 2 and EU-25a, col. a)
5	Other components of equity	(894 567)	(894 567)	Template EU CC1: row 3, 11, 27a, col. a)
6	Non-controlling interests	1 990	1 990	-
<b>7</b>	<b>Total shareholders' equity</b>	<b>13 469 670</b>	<b>13 469 670</b>	-

## 5. Capital requirement

### Assessment of adequacy of internal capital – description of the approach

On 4 July 2012 PFSA and Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin) granted consent to the application of the advanced internal rating based approach (AIRB approach) by mBank to the calculation of the capital requirement for credit risk for the corporate portfolio and the retail mortgage loan portfolio.

Additionally, on 27 August 2012 BaFin in cooperation with PFSA granted consent to the application of internal rating based approach concerning the risk weighting for specialized lending exposures (IRB slotting approach) by mBank Hipoteczny SA (mBH) to the calculation of the capital requirement for credit risk.

On 6 May 2015 mBank SA received conditional consent of PFSA to use AIRB approach for retail mortgage loan portfolio (micro companies) and for the portfolio of commercial banks.

On 25 July 2016 mLeasing S.A. (mLeasing) obtained approval from ECB and PFSA to the application of the AIRB approach to the calculation of capital requirement for credit risk.

On 22 September 2016 mBank SA obtained approval from ECB and PFSA to the application of AIRB approach to the calculation of the capital requirement for credit risk for the specialized lending exposures - income producing real estate.

On 31 January 2018 mBank SA obtained approval from European Central Bank and PSFA to the application of material change in PD model for subsidiary mLeasing.

On 31 March 2021 mBank obtained approval from PFSA for the use of a new LGD model for retail portfolio.

Starting from the process of the calculation of consolidated total capital ratio as at 30 June 2021 mBank Group implemented PFSA requirements (multipliers) related to the recommendations after the implementation of a new default definition.

On March 24, 2022, mBank settled a synthetic securitization transaction carried out on a portfolio of corporate loans with a total value of PLN 8 922 million. As part of this transaction, mBank transferred a significant part to the investor credit risk from the selected securitization portfolio. A selected portfolio of the securitized loans remain on the Bank's balance sheet. The risk of a securitized portfolio is transferred through a recognized credit protection instrument in the form of a credit linked note. The transaction meets the requirements set out in the CRR Regulation regarding the transfer of a significant part of the risk. It has been structured as STS-compliant (simple, transparent and standardized securitization) in line with Regulation 2021/557. The capital requirements for the retained securitization positions are calculated under the Securitization Internal Ratings Based Approach (SEC-IRBA).

On 23 December 2022, the Bank concluded a synthetic securitization transaction referencing a portfolio of corporate as well as small and medium enterprises loans with a total value of EUR 801 million of which 55.3% were credit exposures secured on commercial real estate (CRE). As part of the transaction, the Bank transferred a significant part of the credit risk of a selected securitised portfolio to an investor. The risk transfer of the securitised portfolio is performed through a recognised credit protection instrument, in the form of a credit linked notes. The transaction meets the requirements for significant risk transfer specified in the Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending regulation (EU) No 648/2012 ("CRR Regulation"). Retained securitization positions are subject to the calculation of capital requirements in accordance with the securitization approach based on internal ratings (SEC-IRBA).

In the calculation of the total capital ratio of mBank Group as of 30 June 2023, when calculating the total capital charge, the mBank Group applies the AIRB approach pursuant to the provisions of the CRR Regulation to calculate a capital charge for credit and counterparty credit risk and pursuant to obtained AIRB approvals.

### Results of the internal capital adequacy assessment

The below information addresses the scope of disclosure from table EU OVC – ICAAP Information set out in Annex I to Regulation 2021/637.

mBank Group adjusts the own funds (both in regulatory and in economic terms) to the level and type of risk, mBank Group is exposed to and to the nature, the scale and the complexity of its operations. For that purpose Internal Capital Adequacy Assessment Process (ICAAP) is realized in mBank Group. The aim of this process is to maintain regulatory own funds (under Pillar I) and own funds under economic perspective (under Pliiar II) at the level adequate to the profile and the level of risk in mBank Group's operations.

Capital adequacy is monitored:

- in regulatory terms, with reference to capital ratios, including the leverage ratio (which is described in more detail later in this document); and
- on an economic basis (internal), in relation to calculated internal capital.

Internal capital is the amount of capital estimated by mBank and required to cover all material risks identified in mBank Group's operations. Internal capital is the total sum of the economic capital to cover risks included in economic capital calculation and capital necessary to cover other risks (including hard to quantify risks).

In 2023 mBank calculated the economic capital at the 99.91% confidence level over a one-year time horizon for credit, market and business risk. The economic capital for operational risk was calculated using an algorithm based on the Standardised Measurement Approach (SMA) described in the updated Basel III standard: Finalising post-crisis reforms. The Bank also determined capital to cover other risks (including hard to quantify risks). In calculating total internal capital, the Bank did not take into account the effect of diversification between different types of risk.

The internal capital adequacy assessment process runs continuously in mBank Group and includes the following stages implemented by organizational units of mBank and mBank Group subsidiaries:

- risk inventory in mBank Group,
- calculation of internal capital under Pillar II and Pillar I capital requirements to provide for sufficient risk coverage,
- capital aggregation,
- stress tests,
- setting limits on the utilization of capital resources,
- planning and allocation of capital,
- monitoring consisting in a permanent identification of risk involved in the business of mBank Group and the analysis of the level of capital for risk coverage,
- annual process review and assessment.

In order to assess the capital adequacy under economic perspective mBank calculates risk coverage potential (RCP), i.e. economic own funds, in addition to regulatory own funds. Having estimated internal capital as well as RCP both under normal and under stressed conditions Bank determines risk absorbance capacity. On this basis and taking into account the forecast values limits for economic capital for particular risks are determined.

Both the value of the regulatory own funds as well as the value of the risk coverage potential in mBank Group is well above the value of the internal capital.

The main principles of the internal capital adequacy assessment process (ICAAP) are accepted by the Supervisory Board of mBank. The whole internal capital adequacy assessment process is reviewed annually. The Bank's Management Board is responsible for the review of the ICAAP process in mBank Group.

### **Supervisory requirements regarding capital ratios**

According to provisions of the CRR Regulation the Bank and the mBank Group are required to meet minimum regulatory level of capital ratios, i.e. to maintain a minimum total capital ratio above 8%, Tier 1 capital ratio above 6% and common equity Tier 1 capital ratio above 4.5%.

Provisions of CRD IV, in particular provisions regarding capital buffers, were transposed into a national legislation, which took place in 2015 with the endorsement of the Act on Macro-prudential Supervision over the Financial System and Crisis Management in the Financial System (Act) and with an update of the Banking Law. The act stipulates capital buffers banks in Poland should meet once buffers are implemented by competent authorities indicated in the Act.

As of 30 June 2023 mBank Group was obliged to ensure adequate own funds to meet conservation capital buffer of 2.5% of total risk exposure amount, as defined in the Act.

As of 30 June 2023 the countercyclical capital buffer rate set for relevant exposures in Poland according with the article 83 of the Act amounted to 0%. The ratio shall be effective until it is changed by way of an ordinance of the Minister of Finance.

Countercyclical capital buffer in accordance with the provisions of the Act as the weighted average of the countercyclical buffer rates that apply in the countries where the relevant credit exposures of the mBank Group are located. As at the end of June 2023 this ratio amounted to 0.15%.

Exposures of foreign branches in Czech Republic and in Slovakia, where countercyclical buffer rates as of 30 June 2023 amounted to 2.5%, and 1.0% respectively, had an impact on the mBank Group specific countercyclical capital buffer.

**EU CCyB2 - Amount of institution-specific countercyclical capital buffer**

		30.06.2023
1	Total risk exposure amount	87 933 345
2	Institution specific countercyclical capital buffer rate	0.1466%
3	Institution specific countercyclical capital buffer requirement	128 910

**Template EU CCyB1 - Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer**

		a	b	c	d	e	f	g	h	i	j	k	l	m
		General credit exposures				Securitisatio n exposures Exposure value for non-trading book	Total exposure value	Own fund requirements				Risk- weighted exposure amounts	Own fund requirement s weights (%)	Countercycli cal buffer rate (%)
		General credit exposures	Exposure value under the IRB approach	Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for internal models			Relevant credit risk exposures - Credit risk	Relevant credit exposures - Market risk	Relevant credit exposures - Securitisatio n positions in the non- trading book	Total			
10	Breakdown by country:													
20	Poland	21 829 404	98 603 843	2 664 967	-	11 483 064	134 581 278	5 023 103	36 250	112 810	5 172 163	64 652 038	91.5715%	-
30	Czech Republic	6 902 790	7 881	-			6 910 671	257 781	-	-	257 781	3 222 263	4.5639%	0,1141%
40	Slovakia	2 948 700	2 916	-			2 951 616	114 647	-	-	114 647	1 433 088	2.0298%	0,0203%
50	Netherlands	146 212	152 653	-			298 865	23 921	-	-	23 921	299 013	0.4235%	0,0042%
60	Luxemburg	98 098	464 166	-			562 264	54 493	-	-	54 493	681 163	0.9648%	0,0048%
70	Denmark	62 507	961	-			63 468	4 636	-	-	4 636	57 950	0.0821%	0,0021%
80	Russian Federation	44 528	20	-			44 548	3 562	-	-	3 562	44 525	0.0631%	-
90	United States Of America	48 659	27 191	-			75 850	4 809	-	-	4 809	60 113	0.0851%	-
100	Germany	46 963	114 822	-			161 785	7 720	-	-	7 720	96 500	0.1367%	0,0010%
110	Ireland	-	13 567	-			13 567	362	-	-	362	4 525	0.0064%	-
120	Belgium	3 012	1 229	-			4 241	307	-	-	307	3 838	0.0054%	-
130	Cyprus	350	4 593	-			4 943	115	-	-	115	1 438	0.0020%	-
140	Great Britain	464	8 189	-			8 653	429	-	-	429	5 363	0.0076%	0,0001%
150	Sweden	660	1 574	-			2 234	123	-	-	123	1 538	0.0022%	-
160	Norway	215	1 152	-			1 367	56	-	-	56	700	0.0010%	-
170	Spain	227	1 427	-			1 654	61	-	-	61	763	0.0011%	-
180	Malta	88	6 896	-			6 984	151	-	-	151	1 888	0.0027%	-
190	Switzerland	786	4 510	-			5 296	189	-	-	189	2 363	0.0033%	-
200	Israel	81	-	-			81	6	-	-	6	75	0.0001%	-
210	Austria	4 992	12 343	-			17 335	1 245	-	-	1 245	15 563	0.0220%	-



**EU CCyB1 - Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer (c.d.):**

	a	b	c	d	e	f	g	h	i	j	k	l	m	
	General credit exposures		Securitisation exposures Exposure value for non-trading book		Securitisation exposures Exposure value for non-trading book	Total exposure value	Own fund requirements				Own fund requirements	Own fund requirements	Countercyclical buffer rate (%)	
	General credit exposures	Exposure value under the IRB approach	Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for internal models			Relevant credit exposures – Credit risk	Relevant credit exposures – Market risk	Relevant credit exposures – Securitisation positions in the non-trading book	Total				
220	Brit. Virgin Islands	58	-	-	-	58	5	-	-	5	63	0.0001%	-	
230	Latvia	52	-	-	-	52	4	-	-	4	50	0.0001%	-	
240	China	50	-	-	-	50	4	-	-	4	50	0.0001%	-	
250	Hungary	2	336	-	-	338	2	-	-	2	25	-	-	
260	Italy	21	209	-	-	230	9	-	-	9	113	0.0002%	-	
270	Lithuania	21	157	-	-	178	14	-	-	14	175	0.0003%	-	
280	Portugal	261	2 767	-	-	3 028	66	-	-	66	825	0.0012%	-	
290	Estonia	17	14	-	-	31	2	-	-	2	25	-	-	
300	South Africa	407	4	-	-	411	33	-	-	33	413	0.0006%	-	
310	Serbia	10	-	-	-	10	1	-	-	1	13	-	-	
320	Belarus	-	1 074	-	-	1 074	298	-	-	298	3 725	0.0053%	-	
330	Japan	2	21	-	-	23	-	-	-	-	-	-	-	
340	Montenegro	1	-	-	-	1	-	-	-	-	-	-	-	
350	Macedonia	6	-	-	-	6	1	-	-	1	13	-	-	
360	Australia	1	340	-	-	341	8	-	-	8	100	0.0001%	-	
370	France	4	1 947	-	-	1 951	40	-	-	40	500	0.0007%	-	
380	Turkey	3	34	-	-	37	1	-	-	1	13	-	-	
390	Ukraine	3	89	-	-	92	1	-	-	1	13	-	-	
400	Other	7	8 184	-	-	8 191	955	-	-	955	11 938	0.0170%	-	
<b>410</b>	<b>Total</b>	<b>32 139 662</b>	<b>99 445 109</b>	<b>2 664 967</b>	<b>-</b>	<b>11 483 064</b>	<b>145 732 802</b>	<b>5 499 160</b>	<b>36 250</b>	<b>112 810</b>	<b>5 648 220</b>	<b>70 602 750</b>	<b>100.0000%</b>	<b>0.1466%</b>

In 2016 Bank received an administrative decision of the PFSA (KNF), in which mBank has been identified as other systemically important institution (O-SII). mBank was subject to a capital buffer which on the basis of KNF administrative decision of October 29th, 2020 amounted to 0.50% of the total risk exposure amount, calculated in accordance with article 92(3) of CRR Regulation. The amount of the buffer is verified by the KNF on an annual basis and did not change in 2022 and 2023. Buffer should be maintained on individual and consolidated levels. This buffer was in force as at 30 June 2023.

Starting from 1st January 2018 the Regulation of the Minister of Development and Finance with regard to systemic risk buffer entered into force. The Regulation introduced systemic risk buffer of 3% of the total risk exposure amount applied to all exposures located in Poland. Due to the exceptional socio-economic situation that arose after the outbreak of the global COVID-19 pandemic, this requirement was lifted by repealing the Regulation of the Minister of Finance, which was in force since 19 March 2020 and was applied as at 30 June 2023.

Consequently, the combined buffer requirement set for the mBank Group as of the end of the first half 2023 amounted to 3.15% of the total risk exposure amount.

Additionally, as a result of the risk assessment carried out by the PFSA in 2023, based on data as of the end of September 2022, within the supervisory review and evaluation process (SREP), in particular with regard to the evaluation of risk related to the portfolio of foreign exchange retail mortgage loans, mBank Group received an individual recommendation to maintain own funds on the consolidated level to cover additional capital requirement of 1.18% in order to mitigate the risk and 0.89% for Tier 1 capital (on individual basis: 1.38% and 1.03% respectively). Additional capital requirement in Pillar II encompasses also additional risk factors related to the FX mortgage loan portfolio such as operational risk, market risk or risk of collective default of borrowers.

The level of additional capital requirement in Pillar II resulted from the fact that the PFSA applied one methodology to all banks in Poland. This did not take into account the results of internal models applied by mBank to the calculation of capital requirements for credit risk. According to PFSA's methodology, the calculation of the additional capital requirement for each and every bank uses the risk weight under the standardised approach as a starting point.

The Bank's implementation of a settlement programme that meets the requirements of the PFSA's methodology, as well as the revision of cash flow estimates associated with the foreign currency mortgage portfolio and the resulting reduction in the gross carrying value of these loans, resulted in a significant decrease in foreign currency housing loan exposures and thus a decrease in the additional capital requirement.

More than half of the additional capital requirement calculated by the PFSA for mBank Group comes from "aligning" the capital requirement to the requirement calculated under the standardised approach. The second important component with effect on an additional capital requirement within Pillar II was related to the SREP score quantifying the risk of foreign exchange retail mortgage loans portfolio, taking into account the specific nature of the Bank portfolio, the following factors were taken into account:

- the share of loans with LTV >100% in total FX lending portfolio,
- the level of margin realized in the Bank on FX lending portfolio,
- sensitivity of total capital ratio to exchange rate and interest rate changes,
- Bank's readiness to absorb losses of a potential portfolio currency conversion,
- internal capital adequacy assessment for this portfolio.

Capital ratios both on consolidated and individual basis in the first half of 2023 were above the required values.

With a surplus of own funds mBank Group comfortably meets the additional own funds requirement related to Pillar II and the combined buffer requirement.

mBank Group	30.06.2023		31.03.2023		
	Required level	Reported level	Required level	Reported level	Reported level after retrospective adjustment*
<b>Total capital ratio (TCR)</b>	12.33%	16.81%	12.88%	15.75%	16.13%
Of which: FX ADD ON	1.18%		1.76%		
Of which: combined buffer requirement	3.15%		3.12%		
<b>Tier 1 ratio</b>	10.04%	14.47%	10.44%	13.34%	13.72%

**mBank S.A. Group****Disclosures regarding capital adequacy as at 30 June 2023**

Of which: FX ADD ON	0.89%		1.32%	
Of which: combined buffer requirement	3.15%		3.12%	

\*adjusted to include profit for the first quarter 2023 (as approved by PFSA), in accordance with EBA statement presented in Q&A 2018\_3822 and Q&A 2018\_4085.

**Quantitative data regarding capital adequacy**

Capital ratios are calculated on the basis of total risk exposure amount that corresponds to the sum of risk exposure amounts for particular risk types that are calculated according to provisions of the CRR Regulation.

Total risk exposure amount of mBank Group consists of:

- risk weighted exposure amount for credit risk, counterparty credit risk, securitization transactions, dilution risk and free deliveries calculated under AIRB approach as regards the large part of the credit exposures portfolio,
- risk exposure amount for market risk, including position risk, foreign exchange risk and commodities risk calculated under standardised approaches,
- risk exposure amounts for operational risk calculated under standardised approach,
- risk exposure amount for credit valuation adjustments, calculated under standardised approach,
- other risk exposure.

**EU KM1 – Key metrics template**, addressing disclosure requirements of Article 447 (a) to (g) and Article 438 (b)

		a	b	c	d	e
		30.06.2023	31.03.2023	31.12.2022	30.09.2022	30.06.2022
<b>Available own funds (amounts)</b>						
1	Common Equity Tier 1 (CET1) capital	12 719 795	12 091 332	12 153 665	11 247 118	13 059 869
2	Tier 1 capital	12 719 795	12 091 332	12 153 665	11 247 118	13 059 869
3	Total capital	14 780 086	14 278 034	14 403 163	13 610 314	15 365 639
<b>Risk-weighted exposure amounts</b>						
4	Total risk exposure amount	87 933 345	90 642 854	88 034 372	92 860 518	93 777 897
<b>Capital ratios (as a percentage of risk-weighted exposure amount)</b>						
5	Common Equity Tier 1 ratio (%)	14.47%	13.34%	13.81%	12.11%	13.93%
6	Tier 1 ratio (%)	14.47%	13.34%	13.81%	12.11%	13.93%
7	Total capital ratio (%)	16.81%	15.75%	16.36%	14.66%	16.38%
<b>Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)</b>						
EU-7a	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	1.18%	1.76%	1.76%	2.12%	2.12%
EU-7b	of which: to be made up of CET1 capital (percentage points)	0.66%	0.99%	0.99%	1.19%	1.19%
EU-7c	of which: to be made up of Tier 1 capital (percentage points)	0.89%	1.32%	1.32%	1.59%	1.59%
EU-7d	Total SREP own funds requirements (%)	9.18%	9.76%	9.76%	10.12%	10.12%
<b>Combined buffer and overall capital requirement (as a percentage of risk-weighted exposure amount)</b>						
8	Capital conservation buffer (%)	2.50%	2.50%	2.50%	2.50%	2.50%
EU-8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	-	-	-	-	-
9	Institution specific countercyclical capital buffer (%)	0.15%	0.12%	0.10%	0.07%	0.05%
EU-9a	Systemic risk buffer (%)	-	-	-	-	-
10	Global Systemically Important Institution buffer (%)	-	-	-	-	-
EU-10a	Other Systemically Important Institution buffer (%)	0.50%	0.50%	0.50%	0.50%	0.50%
11	Combined buffer requirement (%)	3.15%	3.12%	3.10%	3.07%	3.05%
EU-11a	Overall capital requirements (%)	12.33%	12.88%	12.86%	13.19%	13.17%
12	CET1 available after meeting the total SREP own funds requirements (%)	7.58%	5.99%	6.49%	4.52%	6.27%
<b>Leverage ratio</b>						
13	Total exposure measure	226 158 478	233 679 716	223 249 811	219 358 906	216 071 495
14	Leverage ratio (%)	5.62%	5.17%	5.44%	5.13%	6.04%
<b>Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)</b>						
EU-14a	Additional own funds requirements to address the risk of excessive leverage (%)	-	-	-	-	-
EU-14b	of which: to be made up of CET1 capital (percentage points)	-	-	-	-	-
EU-14c	Total SREP leverage ratio requirements (%)	3.00%	3.00%	3.00%	3.00%	3.00%
<b>Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)</b>						
EU-14d	Leverage ratio buffer requirement (%)	-	-	-	-	-
EU-14e	Overall leverage ratio requirement (%)	3.00%	3.00%	3.00%	3.00%	3.00%
<b>Liquidity Coverage Ratio</b>						
15	Total high-quality liquid assets (HQLA) (Weighted value - average)	62 950	57 049	53 516	55 205	58 861
EU-16a	Cash outflows - Total weighted value	35 132	34 011	32 778	32 386	31 979
EU-16b	Cash inflows - Total weighted value	4 712	5 103	5 105	4 723	4 583
16	Total net cash outflows (adjusted value)	30 420	28 908	27 673	27 663	27 396
17	Liquidity coverage ratio (%)	207%	197%	193%	200%	215%
<b>Net Stable Funding Ratio</b>						
18	Total available stable funding	170 344	174 723	170 672	166 508	158 412
19	Total required stable funding	109 768	111 666	113 559	115 293	114 492
20	NSFR ratio (%)	155%	156%	150%	144%	138%

**EU KM1 – Key metrics template recalculated taking into account the retrospective including of profit for the first quarter of 2022 (after PFSA approval), in line with the EBA’s position expressed in Q&A 2018\_3822 and Q&A 2018\_4085.**

		a	b	c	d	e
		30.06.2023	31.03.2023	31.12.2022	30.09.2022	30.06.2022
<b>Available own funds (amounts)</b>						
1	Common Equity Tier 1 (CET1) capital	12 719 795	12 445 099	12 153 665	11 247 118	13 059 869
2	Tier 1 capital	12 719 795	12 445 099	12 153 665	11 247 118	13 059 869
3	Total capital	14 780 086	14 631 800	14 403 163	13 610 314	15 365 639
<b>Risk-weighted exposure amounts</b>						
4	Total risk exposure amount	87 933 345	90 723 256	88 034 372	92 860 518	93 777 897
<b>Capital ratios (as a percentage of risk-weighted exposure amount)</b>						
5	Common Equity Tier 1 ratio (%)	14.47%	13.72%	13.81%	12.11%	13.93%
6	Tier 1 ratio (%)	14.47%	13.72%	13.81%	12.11%	13.93%
7	Total capital ratio (%)	16.81%	16.13%	16.36%	14.66%	16.38%
<b>Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)</b>						
EU-7a	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	1.18%	1.76%	1.76%	2.12%	2.12%
EU-7b	of which: to be made up of CET1 capital (percentage points)	0.66%	0.99%	0.99%	1.19%	1.19%
EU-7c	of which: to be made up of Tier 1 capital (percentage points)	0.89%	1.32%	1.32%	1.59%	1.59%
EU-7d	Total SREP own funds requirements (%)	9.18%	9.76%	9.76%	10.12%	10.12%
<b>Combined buffer and overall capital requirement (as a percentage of risk-weighted exposure amount)</b>						
8	Capital conservation buffer (%)	2.50%	2.50%	2.50%	2.50%	2.50%
EU-8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	-	-	-	-	-
9	Institution specific countercyclical capital buffer (%)	0.15%	0.12%	0.10%	0.07%	0.05%
EU-9a	Systemic risk buffer (%)	-	-	-	-	-
10	Global Systemically Important Institution buffer (%)	-	-	-	-	-
EU-10a	Other Systemically Important Institution buffer (%)	0.50%	0.50%	0.50%	0.50%	0.50%
11	Combined buffer requirement (%)	3.15%	3.12%	3.10%	3.07%	3.05%
EU-11a	Overall capital requirements (%)	12.33%	12.88%	12.86%	13.19%	13.17%
12	CET1 available after meeting the total SREP own funds requirements (%)	7.58%	6.37%	6.49%	4.52%	6.27%
<b>Leverage ratio</b>						
13	Total exposure measure	226 158 478	233 744 037	223 249 811	219 358 906	216 071 495
14	Leverage ratio (%)	5.62%	5.32%	5.44%	5.13%	6.04%
<b>Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)</b>						
EU-14a	Additional own funds requirements to address the risk of excessive leverage (%)	-	-	-	-	-
EU-14b	of which: to be made up of CET1 capital (percentage points)	-	-	-	-	-
EU-14c	Total SREP leverage ratio requirements (%)	3.00%	3.00%	3.00%	3.00%	3.00%
<b>Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)</b>						
EU-14d	Leverage ratio buffer requirement (%)	-	-	-	-	-
EU-14e	Overall leverage ratio requirement (%)	3.00%	3.00%	3.00%	3.00%	3.00%

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The template presents all components of the total risk exposure amount of mBank Group, a denominator for capital ratios calculated according with art. 92 of CRR Regulation regard to template EU OV1 in Annex I to Regulation 2021/637 addressing disclosure requirements of Article 438 (d) of the CRR Regulation

**EU OV1 -Overview of RWAs**

		Total risk exposure amounts (TREA)		Total own funds requirements
		a	b	c
		30.06.2023	31.03.2023	30.06.2023
<b>1</b>	<b>Credit risk (excluding CCR)</b>	<b>72 127 158</b>	<b>73 741 846</b>	<b>5 770 173</b>
2	Of which the standardised approach	23 460 589	23 957 352	1 876 847
3	Of which the Foundation IRB (F-IRB) approach	-	-	-
4	Of which slotting approach	4 051 393	4 439 215	324 111
EU 4a	Of which equities under the simple riskweighted approach	-	-	-
5	Of which the Advanced IRB (A-IRB) approach	44 615 176	45 345 279	3 569 215
<b>6</b>	<b>Counterparty credit risk - CCR</b>	<b>1 653 675</b>	<b>1 995 546</b>	<b>132 294</b>
7	Of which the standardised approach	1 062 919	1 221 767	85 034
8	Of which internal model method (IMM)	-	-	-
EU 8a	Of which exposures to a CCP	6 316	4 275	505
EU 8b	Of which credit valuation adjustment - CVA	201 053	276 988	16 084
9	Of which other CCR	383 387	492 516	30 671
<b>15</b>	<b>Settlement risk</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>16</b>	<b>Securitisation exposures in the non-trading book (after the cap)</b>	<b>1 410 126</b>	<b>1 452 373</b>	<b>112 810</b>
17	Of which SEC-IRBA approach	1 410 126	1 452 373	112 810
18	Of which SEC-ERBA (including IAA)	-	-	-
19	Of which SEC-SA approach	-	-	-
EU 19a	Of which 1250% / deduction	-	-	-
<b>20</b>	<b>Position, foreign exchange and commodities risks (Market risk)</b>	<b>890 213</b>	<b>1 600 916</b>	<b>71 217</b>
21	Of which the standardised approach	890 213	1 600 916	71 217
22	Of which IMA	-	-	-
<b>EU 22a</b>	<b>Large exposures</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>23</b>	<b>Operational risk</b>	<b>11 852 173</b>	<b>11 852 173</b>	<b>948 174</b>
EU 23a	Of which basic indicator approach	-	-	-
EU 23b	Of which standardised approach	11 852 173	11 852 173	948 174
EU 23c	Of which advanced measurement approach	-	-	-
24	Amounts below the thresholds for deduction (subject to 250% risk weight)	3 481 102	3 345 024	278 488
<b>29</b>	<b>Total</b>	<b>87 933 345</b>	<b>90 642 854</b>	<b>7 034 668</b>

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**EU CR10 – Specialized lending and equities**, addressing disclosure requirements of Art. 438 and art. 452 letters d) and e) of CRR Regulation.

mBank Group does not apply AIRB approach to calculate risk weighted assets for equity exposures.

**EU CR10.2**

Specialised lending : Income-producing real estate and high volatility commercial real estate (Slotting approach)							
Regulatory categories	Remaining maturity	On-balancesheet exposure	Off-balancesheet exposure	Risk weight	Exposure value	Risk weighted exposure amount	Expected loss amount
		a	b	c	d	e	f
Category 1	Less than 2.5 years	51 853	-	50%	51 853	25 342	-
	Equal to or more than 2.5 years	87 317	-	70%	87 317	51 963	349
Category 2	Less than 2.5 years	1 863 447	882 540	70%	2 141 637	1 306 337	8 567
	Equal to or more than 2.5 years	2 452 342	56 999	90%	2 468 044	1 905 941	19 744
Category 3	Less than 2.5 years	309 532	97 634	115%	336 952	347 504	9 435
	Equal to or more than 2.5 years	393 744	25	115%	393 764	402 405	11 025
Category 4	Less than 2.5 years	-	-	250%	-	-	-
	Equal to or more than 2.5 years	4 760	-	250%	4 760	11 901	381
Category 5	Less than 2.5 years	655 253	-	-	655 252	-	327 625
	Equal to or more than 2.5 years	152 470	50	-	152 520	-	76 261
<b>Total</b>	<b>Less than 2.5 years</b>	<b>2 880 085</b>	<b>980 174</b>		<b>3 185 694</b>	<b>1 679 183</b>	<b>345 627</b>
	<b>Equal to or more than 2.5 years</b>	<b>3 090 633</b>	<b>57 074</b>		<b>3 106 405</b>	<b>2 372 210</b>	<b>107 760</b>

Templates: EU CR10.1, EU CR 10.3, EU CR10.4, EU CR10.5 are not disclosed due to the lack of relevant exposures in mBank Group portfolio of A-IRB models.

**EU CR8 – RWA flow statements of credit risk exposures, including IRB approach**, addressing disclosure requirements of Art. 438 letter h) of CRR Regulation.

		Risk weighted exposure amount
		30.06.2023
<b>1</b>	<b>Risk weighted exposure amount as at the end of the previous reporting period</b>	<b>46 850 722</b>
2	Asset size (+/-)	(1 013 634)
3	Asset quality (+/-)	(54 729)
4	Model updates (+/-)	-
5	Methodology and policy (+/-)	-
6	Acquisitions and disposals (+/-)	-
7	Foreign exchange movements (+/-)	(315 492)
8	Other - launch of the transaction of syntethic securitisation (+/-)	-
<b>9</b>	<b>Risk weighted exposure amount as at the end of the reporting period</b>	<b>45 466 867</b>

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**Information about the structure of risk-weighted assets**

Templates below provide more information on risk weighted assets, applied approaches to calculate RWA and the scope of credit risk and counterparty credit risk mitigation techniques in place.

**EU CR3 – Credit risk mitigation techniques – overview**, addressing disclosure requirements of art. 453 letter g) of CRR Regulation, presenting the carrying amount of exposures net of allowances /impairments divided into unsecured and secured exposures, including collateral categories:

		Unsecured carrying amount	Secured carrying amount	Of which		
				Of which secured by collateral	Of which secured by financial guarantees	Of which secured by credit derivatives
		a	b	c	d	e
1	Loans and advances	80 769 432	65 920 058	61 348 942	4 571 116	
2	Debt securities	56 522 366	-	-	-	
<b>3</b>	<b>Total</b>	<b>137 291 798</b>	<b>65 920 058</b>	<b>61 348 942</b>	<b>4 571 116</b>	<b>-</b>
4	<i>Of which non-performing exposures</i>	807 969	1 438 551	1 341 027	97 524	
5	<i>Of which defaulted</i>	551 436	1 436 485			

The template above presents all the credit risk mitigation techniques used in compliance with the accounting standards, whether or not they are recognized on the basis of CRR, including all the types of collateral and financial guarantees regarding all the collateralized exposures, whether for the calculation of risk weighted assets standardized approach or AIRB are used.

In the first half of 2023 there was no significant change in the use of credit risk mitigation techniques.

**EU CR4 – Standardised approach – Credit risk exposure and counterparty credit risk with CRM effects**, addressing disclosure requirements of art. 453 letters g) to i) and art. 444 letter e) of CRR Regulation.

Exposure classes	Exposures before CCF and before CRM		Exposures post CCF and post CRM		RWAs and RWAs density	
	On-balance-sheet exposures	Off-balance-sheet exposures	On-balance-sheet exposures	Off-balance-sheet exposures	RWAs	RWAs density (%)
	a	b	c	d	e	f
Central governments or central banks	73 524 072	40	73 530 117	3 375	3 250 685	4%
Regional government or local authorities	69 512	40 025	69 512	19 995	17 901	20%
Public sector entities	1 038	2 905	886	1 306	1 778	81%
Multilateral development banks	3 799 171	-	3 799 171	-	-	0%
International organisations	-	-	-	-	-	0%
Institutions	453 318	48 944	486 338	15 828	137 907	27%
Corporates	8 598 754	7 378 332	8 455 354	2 101 170	9 777 942	93%
Retail	4 163 459	703 977	4 163 459	142 378	3 227 129	75%
Secured by mortgages on immovable property	16 125 681	43 478	16 125 681	21 739	6 141 997	38%
Exposures in default	379 009	7 750	376 963	6 591	435 561	114%
Exposures associated with particularly high risk	76 086	-	76 086	-	114 129	150%
Covered bonds	-	-	-	-	-	0%
Institutions and corporates with a short-term credit assessment	-	-	-	-	-	0%
Collective investment undertakings	-	-	-	-	-	0%
Equity	168 085	-	168 085	-	330 295	197%
Other items	25 206	61	25 206	61	25 267	100%
<b>TOTAL</b>	<b>107 383 391</b>	<b>8 225 512</b>	<b>107 276 858</b>	<b>2 312 443</b>	<b>23 460 591</b>	<b>21%</b>



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**EU CR5 - Standardised approach**, addressing disclosure requirements of art. 444 letter e) of CRR Regulation and presents regulatory exposure values post conversion factor and post risk mitigation techniques for a part of credit and credit counterparty portfolio where mBank Group applies standardized approach, broken town by assets classes and risk weights.

	Exposure classes	Risk weight							
		0%	2%	4%	10%	20%	35%	50%	70%
		a	b	c	d	e	f	g	h
1	Central governments or central banks	71 250 906	-	998 285	-	-	-	-	-
2	Regional government or local authorities	-	-	-	-	89 507	-	-	-
3	Public sector entities	-	-	-	-	-	-	828	-
4	Multilateral development banks	3 799 171	-	-	-	-	-	-	-
5	International organisations	-	-	-	-	-	-	-	-
6	Institutions	68 864	123 580	-	-	64 756	-	244 963	-
7	Corporates	-	-	-	-	-	-	325	-
8	Retail exposures	-	-	-	-	-	-	-	-
9	Exposures secured by mortgages on immovable property	-	-	-	-	-	15 264 207	170 484	-
10	Exposures in default	-	-	-	-	-	-	-	-
11	Exposures associated with particularly high risk	-	-	-	-	-	-	-	-
12	Covered bonds	-	-	-	-	-	-	-	-
13	Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-
14	Units or shares in collective investment undertakings	-	-	-	-	-	-	-	-
15	Equity exposures	-	-	-	-	-	-	-	-
16	Other items	-	-	-	-	-	-	-	-
<b>17</b>	<b>TOTAL</b>	<b>75 118 941</b>	<b>123 580</b>	<b>998 285</b>	<b>-</b>	<b>154 263</b>	<b>15 264 207</b>	<b>416 600</b>	<b>-</b>

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**EU CR5 - Standardised approach (contd):**

	Exposure classes	Risk weight						Total	Of which unrated	
		75%	100%	150%	250%	370%	1250%			Inne
		i	j	k	l	m	n			o
1	Central governments or central banks	-	1	-	1 284 301	-	-	-	73 533 492	1 323 383
2	Regional government or local authorities	-	-	-	-	-	-	-	89 507	13 230
3	Public sector entities	-	1 364	-	-	-	-	-	2 192	1 364
4	Multilateral development banks	-	-	-	-	-	-	-	3 799 171	-
5	International organisations	-	-	-	-	-	-	-	-	-
6	Institutions	-	2	-	-	-	-	-	502 166	281 474
7	Corporates	-	10 556 198	-	-	-	-	-	10 556 524	10 556 198
8	Retail exposures	4 305 837	-	-	-	-	-	-	4 305 837	4 305 837
9	Exposures secured by mortgages on immovable property	-	706 612	6 117	-	-	-	-	16 147 420	16 147 420
10	Exposures in default	-	279 542	104 012	-	-	-	-	383 554	383 554
11	Exposures associated with particularly high risk	-	-	76 086	-	-	-	-	76 086	76 086
12	Covered bonds	-	-	-	-	-	-	-	-	-
13	Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-
14	Units or shares in collective investment undertakings	-	-	-	-	-	-	-	-	-
15	Equity exposures	-	59 945	-	108 140	-	-	-	168 085	168 085
16	Other items	-	25 267	-	-	-	-	-	25 267	25 267
<b>17</b>	<b>TOTAL</b>	<b>4 305 837</b>	<b>11 628 931</b>	<b>186 215</b>	<b>1 392 441</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>109 589 301</b>	<b>33 281 898</b>

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**EU CR6 – IRB approach – Credit risk and counterparty credit exposures by exposure class and PD range**, addressing disclosure requirements of art. 452 letter g) and i) to v) of CRR Regulation.

The table below presents exposure values, the amount of undrawn commitments, the average CCF, PD and LGD in percentage, risk-weighted exposure values for particular exposure classes for a part of credit and counterparty credit portfolio where mBank Group applies AIRB approach.

A-IRB	PD range	On-balance sheet exposures	Off-balance-sheet exposures pre-CCF	Exposure weighted average CCF	Exposure post CCF and post CRM	Exposure weighted average PD (%)	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	Risk weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjustments and provisions
	a	b	c	d	e	f	g	h	i	j	k	l	m
<b>Retail mortgage portfolio (microfirms)</b>													
	0.00 to <0.15	2 836	1 765	79%	4 238	0.14%	15	29.36%	-	332	8%	2	(9)
	0.00 to <0.10	-	-	-	-	-	-	-	-	-	-	-	-
	0.10 to <0.15	2 836	1 765	79%	4 238	0.14%	15	29.36%	-	332	8%	2	(9)
	0.15 to <0.25	113 430	14 227	82%	125 117	0.21%	464	23.51%	-	10 271	8%	61	(279)
	0.25 to <0.50	520 702	46 135	83%	559 090	0.37%	1 422	28.99%	-	86 730	16%	606	(2 024)
	0.50 to <0.75	479 896	59 059	93%	534 929	0.62%	1 390	29.00%	-	118 663	22%	958	(2 804)
	0.75 to <2.50	588 056	79 596	139%	698 329	1.22%	1 753	30.62%	-	255 912	37%	2 627	(7 302)
	0.75 to <1.75	509 010	68 631	140%	605 399	1.09%	1 463	30.50%	-	206 709	34%	2 024	(5 693)
	1.75 to <2.5	79 046	10 965	127%	92 930	2.05%	290	31.39%	-	49 203	53%	602	(1 609)
	2.50 to <10.00	143 152	5 743	569%	175 827	4.57%	365	33.96%	-	154 839	88%	2 738	(4 834)
	2.5 to <5	98 459	3 675	270%	108 398	3.34%	270	32.70%	-	79 307	73%	1 192	(2 578)
	5 to <10	44 692	2 068	1099%	67 429	6.54%	95	35.98%	-	75 531	112%	1 546	(2 256)
	10.00 to <100.00	72 118	2 044	116%	74 483	21.64%	169	30.37%	-	101 841	137%	4 982	(5 900)
	10 to <20	37 553	1 311	129%	39 242	13.09%	95	28.72%	-	47 561	121%	1 478	(2 335)
	20 to <30	20 152	133	85%	20 265	24.90%	39	33.07%	-	32 887	162%	1 674	(2 112)
	30.00 to <100.00	14 413	600	94%	14 976	39.66%	35	31.03%	-	21 393	143%	1 830	(1 454)
	100.00 (Default)	165 478	231	-	165 478	100.00%	321	54.81%	-	436 396	264%	57 924	(57 959)
	<b>Subtotal</b>	<b>2 085 668</b>	<b>208 800</b>	<b>121%</b>	<b>2 337 491</b>	<b>8.72%</b>	<b>5 899</b>	<b>31.43%</b>	<b>-</b>	<b>1 164 984</b>	<b>-</b>	<b>69 898</b>	<b>(81 111)</b>

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**EU CR6 – IRB approach – Credit risk and counterparty credit exposures by exposure class and PD range (contd.):**

A-IRB	PD range	On-balance sheet exposures	Off-balance-sheet exposures pre-CCF	Exposure weighted average CCF	Exposure post CCF and post CRM	Exposure weighted average PD (%)	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	Risk weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjustments and provisions
	a	b	c	d	e	f	g	h	i	j	k	l	m
<b>Retail mortgage portfolio (natural persons)</b>													
	0.00 to <0.15	15 741 225	450 566	63%	16 024 258	0.08%	125 829	30.48%	-	1 053 989	7%	3 821	(7 000)
	0.00 to <0.10	11 263 037	363 317	63%	11 491 742	0.06%	88 939	32.20%	-	688 628	6%	2 369	(4 689)
	0.10 to <0.15	4 478 188	87 250	62%	4 532 516	0.12%	36 890	26.10%	-	365 361	8%	1 452	(2 311)
	0.15 to <0.25	5 186 108	92 778	63%	5 244 654	0.19%	39 974	27.78%	-	632 540	12%	2 814	(5 505)
	0.25 to <0.50	4 232 328	73 948	65%	4 280 266	0.35%	29 442	28.47%	-	810 528	19%	4 225	(9 644)
	0.50 to <0.75	1 394 834	24 368	75%	1 413 137	0.60%	9 162	29.08%	-	406 255	29%	2 483	(5 194)
	0.75 to <2.50	1 100 751	18 308	84%	1 116 210	1.24%	7 188	30.31%	-	534 805	48%	4 205	(7 581)
	0.75 to <1.75	924 137	16 923	80%	937 599	1.08%	6 123	29.86%	-	406 767	43%	3 018	(5 905)
	1.75 to <2.5	176 614	1 385	144%	178 612	2.06%	1 065	32.66%	-	128 038	72%	1 187	(1 676)
	2.50 to <10.00	479 509	2 888	72%	481 594	5.26%	3 342	28.76%	-	503 871	105%	7 313	(6 416)
	2.5 to <5	264 092	1 049	73%	264 860	3.49%	1 855	28.74%	-	228 357	86%	2 661	(2 601)
	5 to <10	215 417	1 839	72%	216 734	7.42%	1 487	28.79%	-	275 514	127%	4 652	(3 815)
	10.00 to <100.00	376 954	2 369	73%	378 678	24.82%	2 479	29.11%	-	641 842	169%	26 713	(17 230)
	10 to <20	206 066	1 107	59%	206 719	14.04%	1 385	29.41%	-	344 395	167%	8 554	(7 703)
	20 to <30	70 641	330	65%	70 857	24.19%	470	30.43%	-	138 366	195%	5 237	(3 726)
	30.00 to <100.00	100 246	931	92%	101 102	47.11%	624	27.56%	-	159 080	157%	12 922	(5 801)
	100.00 (Default)	698 275	1 951	-	698 275	100.00%	2 750	63.52%	-	968 416	139%	374 383	(375 012)
	<b>Subtotal</b>	<b>29 209 984</b>	<b>667 176</b>	<b>64%</b>	<b>29 637 072</b>	<b>2.98%</b>	<b>220 166</b>	<b>30.37%</b>	<b>-</b>	<b>5 552 246</b>	<b>19%</b>	<b>425 957</b>	<b>(433 582)</b>

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**EU CR6 – IRB approach – Credit risk and counterparty credit exposures by exposure class and PD range (contd):**

A-IRB	PD range	On-balance sheet exposures	Off-balance-sheet exposures pre-CCF	Exposure weighted average CCF	Exposure post CCF and post CRM	Exposure weighted average PD (%)	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	Risk weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjustments and provisions
	a	b	c	d	e	f	g	h	i	j	k	l	m
<b>Retail non-mortgage portfolio (microfirms)</b>													
	0.00 to <0.15	28 782	20 563	84%	46 121	0.13%	766	61.03%	-	4 185	9%	20	(90)
	0.00 to <0.10	9 865	2 734	85%	12 192	0.09%	172	65.50%	-	692	6%	3	(16)
	0.10 to <0.15	18 916	17 829	84%	33 930	0.13%	594	60.16%	-	3 493	10%	17	(73)
	0.15 to <0.25	115 258	498 898	83%	527 515	0.21%	14 361	65.69%	-	119 049	23%	704	(1 687)
	0.25 to <0.50	1 331 676	1 069 364	77%	2 150 864	0.38%	51 213	67.90%	-	538 780	25%	3 748	(7 939)
	0.50 to <0.75	1 615 266	502 142	84%	2 036 286	0.62%	41 344	69.21%	-	624 030	31%	5 228	(10 209)
	0.75 to <2.50	3 915 832	759 188	90%	4 602 671	1.41%	99 402	71.92%	-	2 298 496	50%	31 921	(53 936)
	0.75 to <1.75	2 970 197	615 776	89%	3 520 617	1.16%	75 213	71.61%	-	1 627 053	46%	19 713	(35 087)
	1.75 to <2.5	945 635	143 412	95%	1 082 054	2.10%	24 189	72.79%	-	671 443	62%	12 207	(18 849)
	2.50 to <10.00	2 931 736	234 875	103%	3 174 087	4.94%	65 910	73.58%	-	2 121 139	67%	78 095	(103 707)
	2.5 to <5	1 728 968	172 769	101%	1 903 838	3.55%	41 536	73.49%	-	1 267 868	67%	35 530	(50 548)
	5 to <10	1 202 768	62 106	109%	1 270 250	7.05%	24 374	73.74%	-	853 271	67%	42 565	(53 158)
	10.00 to <100.00	1 352 387	37 955	104%	1 392 041	21.61%	23 070	73.39%	-	1 125 253	81%	118 740	(108 942)
	10 to <20	744 690	27 360	105%	773 405	14.05%	13 410	73.54%	-	593 043	77%	46 170	(47 118)
	20 to <30	397 187	4 534	104%	401 896	24.51%	6 209	73.48%	-	299 513	75%	29 956	(27 971)
	30.00 to <100.00	210 511	6 060	103%	216 740	44.99%	3 451	72.83%	-	232 697	107%	42 614	(33 853)
	100.00 (Default)	893 273	12 692	-	893 273	100.00%	18 493	73.21%	-	910 716	102%	621 378	(626 133)
	<b>Subtotal</b>	<b>12 184 210</b>	<b>3 135 677</b>	<b>84%</b>	<b>14 822 858</b>	<b>10.15%</b>	<b>314 559</b>	<b>71.13%</b>	<b>-</b>	<b>7 741 648</b>	<b>52%</b>	<b>859 834</b>	<b>(912 643)</b>

**EU CR6 – IRB approach – Credit risk and counterparty credit exposures by exposure class and PD range (contd):**

A-IRB	PD range	On-balance sheet exposures	Off-balance-sheet exposures pre-CCF	Exposure weighted average CCF	Exposure post CCF and post CRM	Exposure weighted average PD (%)	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	Risk weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjustments and provisions
	a	b	c	d	e	f	g	h	i	j	k	l	m
<b>Retail non-mortgage portfolio (natural persons)</b>													
	0.00 to <0.15	262 140	400	44%	262 317	0.10%	14 222	61.77%	-	43 732	17%	159	(447)
	0.00 to <0.10	148 168	400	44%	148 344	0.08%	7 814	60.26%	-	20 049	14%	68	(184)
	0.10 to <0.15	113 972	-	665%	113 972	0.13%	6 408	63.72%	-	23 682	21%	92	(264)
	0.15 to <0.25	306 549	3 807	44%	308 229	0.20%	21 246	63.28%	-	88 547	29%	396	(1 163)
	0.25 to <0.50	831 281	2 341	45%	832 335	0.37%	59 046	66.19%	-	367 695	44%	2 045	(5 121)
	0.50 to <0.75	790 264	1 250	44%	790 814	0.63%	61 156	66.90%	-	476 729	60%	3 305	(5 709)
	0.75 to <2.50	3 492 766	3 126	44%	3 494 154	1.45%	303 947	67.84%	-	3 011 275	86%	34 329	(42 431)
	0.75 to <1.75	2 513 920	1 622	44%	2 514 634	1.20%	218 920	67.73%	-	2 047 111	81%	20 429	(26 231)
	1.75 to <2.5	978 846	1 504	45%	979 519	2.08%	85 027	68.12%	-	964 164	98%	13 900	(16 200)
	2.50 to <10.00	2 230 039	622	44%	2 230 312	4.32%	174 724	67.10%	-	2 410 847	108%	64 753	(65 983)
	2.5 to <5	1 671 639	622	44%	1 671 913	3.57%	122 003	66.72%	-	1 762 449	105%	39 744	(38 808)
	5 to <10	558 400	-	-	558 400	6.55%	52 721	68.25%	-	648 398	116%	25 008	(27 175)
	10.00 to <100.00	374 492	-	172%	374 492	19.60%	40 995	68.14%	-	599 780	160%	50 271	(51 280)
	10 to <20	230 309	-	-	230 309	13.67%	26 981	67.75%	-	327 818	142%	21 327	(22 563)
	20 to <30	95 381	-	172%	95 381	24.45%	9 575	67.98%	-	172 805	181%	15 859	(17 333)
	30.00 to <100.00	48 802	-	-	48 802	38.07%	4 439	70.31%	-	99 158	203%	13 085	(11 384)
	100.00 (Default)	474 105	-	-	474 105	100.00%	35 169	71.08%	-	712 473	150%	287 718	(287 718)
	<b>Subtotal</b>	<b>8 761 636</b>	<b>11 546</b>	<b>44%</b>	<b>8 766 758</b>	<b>8.02%</b>	<b>710 505</b>	<b>67.25%</b>	<b>-</b>	<b>7 711 078</b>	<b>88%</b>	<b>442 976</b>	<b>(459 852)</b>

**EU CR6 – IRB approach – Credit risk and counterparty credit exposures by exposure class and PD range (contd):**

A-IRB	PD range	On-balance sheet exposures	Off-balance-sheet exposures pre-CCF	Exposure weighted average CCF	Exposure post CCF and post CRM	Exposure weighted average PD (%)	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	Risk weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjustments and provisions
	a	b	c	d	e	f	g	h	i	j	k	l	m
<b>Corporations - medium and small enterprises</b>													
	0.00 to <0.15	439 668	602 566	56%	779 428	0.09%	399	47.20%	2	97 783	13%	241	(110)
	0.00 to <0.10	293 918	366 235	58%	508 504	0.06%	243	51.31%	2	58 365	11%	125	(51)
	0.10 to <0.15	145 750	236 331	53%	270 924	0.12%	156	40.50%	1	39 418	15%	116	(59)
	0.15 to <0.25	246 762	232 780	48%	363 203	0.20%	263	37.59%	2	66 349	18%	212	(92)
	0.25 to <0.50	575 875	589 108	48%	862 793	0.40%	539	32.32%	2	225 907	26%	911	(392)
	0.50 to <0.75	438 477	468 458	44%	652 116	0.61%	459	28.21%	2	197 764	30%	985	(421)
	0.75 to <2.50	2 504 591	1 630 560	46%	3 267 354	1.47%	2 310	26.25%	2	1 346 128	41%	11 416	(5 547)
	0.75 to <1.75	1 727 062	1 258 206	45%	2 300 937	1.20%	1 685	27.95%	2	921 337	40%	6 841	(3 382)
	1.75 to <2.5	777 529	372 354	50%	966 417	2.13%	625	22.33%	2	424 790	44%	4 575	(2 166)
	2.50 to <10.00	1 857 563	652 623	47%	2 172 545	4.18%	1 084	26.41%	2	1 231 323	57%	21 648	(10 866)
	2.5 to <5	1 459 233	567 228	47%	1 726 267	3.42%	856	26.30%	2	933 757	54%	14 115	(7 434)
	5 to <10	398 330	85 395	48%	446 277	6.85%	228	26.77%	2	297 565	67%	7 533	(3 432)
	10.00 to <100.00	191 185	48 907	47%	214 602	16.03%	174	26.76%	2	187 934	88%	8 055	(4 959)
	10 to <20	166 156	41 593	47%	185 924	13.11%	125	26.28%	2	155 001	83%	5 768	(3 107)
	20 to <30	7 198	4 306	58%	9 683	23.46%	18	39.85%	2	11 882	123%	629	(413)
	30.00 to <100.00	17 831	3 008	39%	18 995	41.92%	31	27.78%	3	21 052	111%	1 657	(1 439)
	100.00 (Default)	206 800	17 983	33%	212 751	100.00%	134	60.56%	-	382 127	180%	115 971	(116 059)
	<b>Subtotal</b>	<b>6 460 921</b>	<b>4 242 985</b>	<b>48%</b>	<b>8 524 792</b>	<b>5.85%</b>	<b>5 362</b>	<b>31.23%</b>	<b>2</b>	<b>3 735 315</b>	<b>44%</b>	<b>159 439</b>	<b>(138 446)</b>

**mBank S.A. Group**

Disclosures regarding capital adequacy as at 30 June 2023

**EU CR6 – IRB approach – Credit risk and counterparty credit exposures by exposure class and PD range (contd):**

A-IRB	PD range	On-balance sheet exposures	Off-balance-sheet exposures pre-CCF	Exposure weighted average CCF	Exposure post CCF and post CRM	Exposure weighted average PD (%)	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	Risk weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjustments and provisions
	a	b	c	d	e	f	g	h	i	j	k	l	m
<b>Corporations - other</b>													
	0.00 to <0.15	1 001 635	2 508 259	48%	2 231 947	0.10%	328	48.21%	2	584 197	26%	1 052	(1 060)
	0.00 to <0.10	417 052	1 307 196	40%	949 459	0.07%	199	49.19%	2	189 724	20%	296	(141)
	0.10 to <0.15	584 583	1 201 063	57%	1 282 488	0.13%	129	47.53%	2	394 473	31%	756	(919)
	0.15 to <0.25	579 802	1 146 547	42%	1 113 534	0.19%	215	49.78%	1	370 486	33%	951	(302)
	0.25 to <0.50	2 086 488	3 004 917	35%	3 305 024	0.41%	398	44.04%	2	1 823 350	55%	5 527	(2 354)
	0.50 to <0.75	1 123 775	1 465 646	36%	1 654 361	0.60%	226	45.20%	2	1 123 249	68%	4 235	(2 598)
	0.75 to <2.50	4 482 774	3 412 043	45%	6 202 320	1.49%	924	42.44%	2	5 360 718	86%	34 748	(17 495)
	0.75 to <1.75	3 132 770	2 338 475	46%	4 396 990	1.21%	670	45.54%	2	3 817 508	87%	21 810	(10 945)
	1.75 to <2.5	1 350 004	1 073 568	41%	1 805 330	2.17%	254	35.21%	2	1 543 209	85%	12 938	(6 550)
	2.50 to <10.00	1 258 609	713 919	46%	1 628 909	4.46%	465	30.72%	2	1 458 801	90%	21 888	(8 877)
	2.5 to <5	901 511	554 902	44%	1 174 288	3.36%	350	29.20%	2	907 412	77%	11 243	(4 726)
	5 to <10	357 099	159 017	52%	454 622	7.19%	115	34.40%	2	551 389	121%	10 646	(4 151)
	10.00 to <100.00	86 717	58 032	41%	122 436	20.52%	633	36.95%	2	171 731	140%	7 155	(4 338)
	10 to <20	64 020	38 244	33%	86 970	13.20%	131	39.86%	2	126 577	146%	3 361	(1 640)
	20 to <30	7 657	756	28%	7 869	25.47%	69	33.13%	2	9 958	127%	406	(300)
	30.00 to <100.00	15 041	19 032	58%	27 597	42.20%	433	28.31%	-	35 196	128%	3 389	(2 398)
	100.00 (Default)	535 367	126 894	37%	582 427	100.00%	318	59.58%	-	413 283	71%	445 433	(445 538)
	<b>Subtotal</b>	<b>11 155 167</b>	<b>12 436 257</b>	<b>42%</b>	<b>16 840 958</b>	<b>4.75%</b>	<b>3 507</b>	<b>43.75%</b>	<b>2</b>	<b>11 305 815</b>	<b>67%</b>	<b>520 989</b>	<b>(482 562)</b>

A-IRB	PD range	On-balance sheet exposures	Off-balance-sheet exposures pre-CCF	Exposure weighted average CCF	Exposure post CCF and post CRM	Exposure weighted average PD (%)	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	Risk weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjustments and provisions
	a	b	c	d	e	f	g	h	i	j	k	l	m
<b>Corporations - specialized lending exposures</b>													
	<b>Subtotal</b>	<b>5 953 558</b>	<b>1 037 248</b>	<b>31%</b>	<b>6 292 099</b>	<b>-</b>	<b>501</b>	<b>45,14%</b>	<b>-</b>	<b>4 051 393</b>	<b>64%</b>	<b>453 387</b>	<b>(384 260)</b>



**mBank S.A. Group**

Disclosures regarding capital adequacy as at 30 June 2023

**CR6 – IRB approach – Credit risk and counterparty credit exposures by exposure class and PD range (contd):**

A-IRB	PD range	On-balance sheet exposures	Off-balance-sheet exposures pre-CCF	Exposure weighted average CCF	Exposure post CCF and post CRM	Exposure weighted average PD (%)	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	Risk weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjustments and provisions
	a	b	c	d	e	f	g	h	i	j	k	l	m
<b>Institutions</b>													
	0.00 to <0.15	618 571	3 467 754	28%	5 867 012	0.06%	77	26.97%	1	801 536	14%	942	(268)
	0.00 to <0.10	568 439	3 449 682	28%	5 733 318	0.05%	68	26.63%	1	759 083	13%	881	(245)
	0.10 to <0.15	50 132	18 073	41%	133 694	0.11%	9	41.71%	2	42 453	32%	62	(23)
	0.15 to <0.25	49 980	102 355	25%	572 074	0.21%	12	21.81%	1	159 893	28%	263	(22)
	0.25 to <0.50	98 746	141 253	42%	174 540	0.37%	13	44.40%	2	116 937	67%	284	(190)
	0.50 to <0.75	4 463	21 984	31%	11 385	0.60%	6	54.09%	1	8 511	75%	37	(62)
	0.75 to <2.50	159 391	36 964	50%	179 575	1.93%	14	45.48%	4	312 964	174%	1 578	(308)
	0.75 to <1.75	17 225	36 964	50%	37 409	1.39%	11	45.86%	1	34 361	92%	242	(308)
	1.75 to <2.5	142 166	-	-	142 166	2.07%	3	45.37%	5	278 602	196%	1 336	-
	2.50 to <10.00	1 725	-	-	4 729	3.62%	2	42.50%	2	6 219	132%	73	-
	2.5 to <5	1 725	-	-	4 729	3.62%	2	42.50%	2	6 219	132%	73	-
	5 to <10	-	-	-	-	-	-	-	-	-	-	-	-
	10.00 to <100.00	1 295	5 378	47%	3 808	31.09%	4	53.39%	1	11 697	307%	665	(419)
	10 to <20	-	-	-	-	-	-	-	-	-	-	-	-
	20 to <30	-	5 378	47%	2 513	22.72%	1	48.04%	1	7 397	294%	274	(1)
	30.00 to <100.00	1 295	-	-	1 295	47.34%	3	63.76%	2	4 300	332%	391	(418)
	100.00 (Default)	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Subtotal</b>	<b>934 171</b>	<b>3 775 688</b>	<b>29%</b>	<b>6 813 123</b>	<b>0.15%</b>	<b>128</b>	<b>27.54%</b>	<b>1</b>	<b>1 417 757</b>	<b>21%</b>	<b>3 842</b>	<b>(1 269)</b>

**EU CR6 – IRB approach – Credit risk and counterparty credit exposures by exposure class and PD range (contd):**

A-IRB	PD range	On-balance sheet exposures	Off-balance-sheet exposures pre-CCF	Exposure weighted average CCF	Exposure post CCF and post CRM	Exposure weighted average PD (%)	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	Risk weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjustments and provisions
	a	b	c	d	e	f	g	h	i	j	k	l	m
<b>Retail revolving loans portfolio</b>													
	0.00 to <0.15	123 011	615 460	73%	570 664	0.10%	85 148	49.05%	-	19 501	3%	295	(333)
	0.00 to <0.10	57 326	260 251	69%	236 792	0.07%	37 469	44.46%	-	5 158	2%	71	(102)
	0.10 to <0.15	65 685	355 209	76%	333 872	0.13%	47 679	52.31%	-	14 343	4%	223	(231)
	0.15 to <0.25	222 517	1 373 157	69%	1 166 663	0.20%	170 709	56.66%	-	79 224	7%	1 339	(1 108)
	0.25 to <0.50	476 173	1 668 558	66%	1 576 714	0.35%	231 366	60.45%	-	177 691	11%	3 340	(3 062)
	0.50 to <0.75	313 423	412 356	74%	617 298	0.61%	86 724	63.70%	-	114 645	19%	2 414	(2 524)
	0.75 to <2.50	1 065 614	589 368	76%	1 513 306	1.46%	217 640	67.66%	-	574 131	38%	15 006	(14 116)
	0.75 to <1.75	705 439	450 203	76%	1 049 429	1.18%	150 448	67.21%	-	338 892	32%	8 338	(8 173)
	1.75 to <2.5	360 175	139 165	75%	463 877	2.09%	67 192	68.67%	-	235 239	51%	6 668	(5 943)
	2.50 to <10.00	930 941	172 467	80%	1 069 348	4.68%	137 626	70.05%	-	950 167	89%	35 166	(34 439)
	2.5 to <5	598 894	134 425	78%	704 409	3.55%	92 865	69.84%	-	526 367	75%	17 482	(16 541)
	5 to <10	332 047	38 042	86%	364 940	6.87%	44 761	70.45%	-	423 800	116%	17 684	(17 898)
	10.00 to <100.00	253 773	38 516	79%	284 034	20.79%	30 106	69.00%	-	531 604	187%	40 703	(33 174)
	10 to <20	156 509	25 234	77%	176 061	13.45%	20 448	69.30%	-	293 887	167%	16 388	(14 992)
	20 to <30	50 749	7 179	76%	56 210	24.54%	5 481	68.06%	-	119 587	213%	9 393	(8 091)
	30.00 to <100.00	46 516	6 103	86%	51 762	41.71%	4 177	69.00%	-	118 131	228%	14 922	(10 092)
	100.00 (Default)	267 934	15 366	-	267 934	100.00%	17 069	64.42%	-	384 712	144%	150 080	(152 764)
	<b>Subtotal</b>	<b>3 653 386</b>	<b>4 885 248</b>	<b>70%</b>	<b>7 065 961</b>	<b>5.82%</b>	<b>976 388</b>	<b>62.68%</b>	<b>-</b>	<b>2 831 675</b>	<b>40%</b>	<b>248 343</b>	<b>(241 520)</b>
	<b>Total</b>	<b>80 398 701</b>	<b>30 400 625</b>	<b>50%</b>	<b>101 101 112</b>	<b>4.78%</b>	<b>2 236 888</b>	<b>43.53%</b>	<b>1</b>	<b>45 511 911</b>	<b>45%</b>	<b>3 184 665</b>	<b>(3 135 245)</b>

**EU CR7 – IRB approach – Effect on the RWAs of credit derivatives used as CRM techniques, addressing disclosure requirements of art. 453 letter j) of CRR Regulation.**

mBank Group does not disclose this information as credit derivatives are not used as CRM techniques with an impact on RWA.

**EU CR7-A – IRB approach – Disclosure of the extent of the use of CRM techniques, addressing disclosure requirements of art. 453 letter g) of CRR Regulation.**

A-IRB		Total exposures	Credit risk Mitigation techniques				
			Funded credit Protection (FCP)				
			Part of exposures covered by Financial Collaterals (%)	Part of exposures covered by Other eligible collaterals (%)	Part of exposures covered by Immovable property Collaterals (%)	Part of exposures covered by Receivables (%)	Part of exposures covered by Other physical collateral (%)
		a	b	c	d	e	f
1	Central governments and central banks	-	-	-	-	-	-
2	Institutions	2 019 352	0.0%	0.0%	0.0%	0.0%	0.0%
3	Corporates	31 099 048	2.6%	161.4%	127.8%	3.3%	30.3%
3.1	<i>Of which Corporates – SMEs</i>	8 484 978	1.3%	101.7%	70.2%	3.9%	27.6%
3.2	<i>Of which Corporates – Specialised lending</i>	6 274 939	0.0%	89.0%	89.0%	0.1%	0.0%
3.3	<i>Of which Corporates – Other</i>	16 339 131	4.3%	220.2%	172.7%	4.2%	43.3%
4	Retail	62 408 374	0.0%	114.8%	114.8%	0.0%	0.0%
4.1	<i>Of which Retail – Immovable property SMEs</i>	2 337 492	0.0%	276.4%	276.4%	0.0%	0.0%
4.2	<i>Of which Retail – Immovable property non-SMEs</i>	29 415 304	0.0%	221.3%	221.3%	0.0%	0.0%
4.3	<i>Of which Retail – Qualifying revolving</i>	7 065 961	0.0%	0.0%	0.0%	0.0%	0.0%
4.4	<i>Of which Retail – Other SMEs</i>	14 822 859	0.0%	0.7%	0.7%	0.0%	0.0%
4.5	<i>Of which Retail – Other non-SMEs</i>	8 766 758	0.0%	0.0%	0.0%	0.0%	0.0%
5	<b>Total</b>	<b>95 526 774</b>	<b>0.9%</b>	<b>127.6%</b>	<b>116.6%</b>	<b>1.1%</b>	<b>9.9%</b>

**EU CR7-A – IRB approach – Disclosure of the extent of the use of CRM techniques, addressing disclosure requirements of art. 453 letter g) of CRR Regulation.**

A-IRB		Credit risk Mitigation techniques						Credit risk Mitigation methods in the calculation of RWEAs	
		Funded credit Protection (FCP)				Unfunded credit Protection (UFCP)		RWEA without substitution effects (reduction effects only)	RWEA with substitution effects (both reduction and substitution effects)
		Part of exposures covered by Other funded credit protection (%)	Part of exposures covered by Cash on deposit (%)	Part of exposures covered by Life insurance policies (%)	Part of exposures covered by Instruments held by a third party (%)	Part of exposures covered by Guarantees (%)	Part of exposures covered by Credit Derivatives (%)		
								g	h
1	Central governments and central banks	-	-	-	-	-	-	-	-
2	Institutions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-	924 226
3	Corporates	0.0%	0.0%	0.0%	0.0%	14.1%	0.0%	-	18 597 696
3.1	<i>Of which Corporates – SMEs</i>	0.0%	0.0%	0.0%	0.0%	30.2%	0.0%	-	3 698 916
3.2	<i>Of which Corporates – Specialised lending</i>	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-	4 036 036
3.3	<i>Of which Corporates – Other</i>	0.0%	0.0%	0.0%	0.0%	11.2%	0.0%	-	10 862 744
4	Retail	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-	24 956 589
4.1	<i>Of which Retail – Immovable property SMEs</i>	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-	1 164 984
4.2	<i>Of which Retail – Immovable property non-SMEs</i>	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-	5 507 203
4.3	<i>Of which Retail – Qualifying revolving</i>	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-	2 831 674
4.4	<i>Of which Retail – Other SMEs</i>	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-	7 741 649
4.5	<i>Of which Retail – Other non-SMEs</i>	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-	7 711 079
5	<b>Total</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>4.6%</b>	<b>0.0%</b>	-	<b>44 478 511</b>

## 6. Leverage ratio

The table below provides synthetic information on the measure of total exposure that makes up the Tier 1 capital ratio and the leverage ratio.

### EU LR1 - LRSum: Summary reconciliation of accounting assets and leverage ratio exposures

		a
		Applicable amount
1	Total assets as per published financial statements	212 927 857
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of prudential consolidation	-
3	(Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference)	-
4	(Adjustment for temporary exemption of exposures to central banks (if applicable))	-
5	(Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the total exposure measure in accordance with point (i) of Article 429a(1) CRR)	-
6	Adjustment for regular-way purchases and sales of financial assets subject to trade date accounting	-
7	Adjustment for eligible cash pooling transactions	-
8	Adjustment for derivative financial instruments	1 914 058
9	Adjustment for securities financing transactions (SFTs)	(389 472)
10	Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	13 279 407
11	(Adjustment for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital)	-
EU-11a	(Adjustment for exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) CRR)	-
EU-11b	(Adjustment for exposures excluded from the total exposure measure in accordance with point (j) of Article 429a(1) CRR)	-
12	Other adjustments	(1 573 372)
<b>13</b>	<b>Total exposure measure</b>	<b>226 158 478</b>

The table below presents a breakdown of the total exposure measure applied to calculation of the leverage ratio, information on Tier 1 capital, leverage ratio and how the institution applies Article 499(2) of the CRR Regulation.

**EU LR2 - LRCOM: Leverage ratio common disclosure**

		CRR leverage ratio exposures	
		a	b
		30.06.2023	31.12.2022
<b>On-balance sheet exposures (excluding derivatives and SFTs)</b>			
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	196 875 502	197 430 809
2	Gross-up for derivatives collateral provided, where deducted from the balance sheet assets pursuant to the applicable accounting framework	-	-
3	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	-	-
4	(Adjustment for securities received under securities financing transactions that are recognised as an asset)	-	-
5	(General credit risk adjustments to on-balance sheet items)	-	-
6	(Asset amounts deducted in determining Tier 1 capital)	(1 188 628)	(1 414 001)
<b>7</b>	<b>Total on-balance sheet exposures (excluding derivatives and SFTs)</b>	<b>195 686 874</b>	<b>196 016 808</b>
<b>Derivative exposures</b>			
8	Replacement cost associated with SA-CCR derivatives transactions (ie net of eligible cash variation margin)	1 500 226	2 077 868
EU-8a	Derogation for derivatives: replacement costs contribution under the simplified standardised approach	-	-
9	Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions	1 533 837	1 907 243
EU-9a	Derogation for derivatives: Potential future exposure contribution under the simplified standardised approach	-	-
EU-9b	Exposure determined under Original Exposure Method	-	-
10	(Exempted CCP leg of client-cleared trade exposures) (SA-CCR)	-	-
EU-10a	(Exempted CCP leg of client-cleared trade exposures) (simplified standardised approach)	-	-
EU-10b	(Exempted CCP leg of client-cleared trade exposures) (Original Exposure Method)	-	-
11	Adjusted effective notional amount of written credit derivatives	-	-
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-	-
<b>13</b>	<b>Total derivatives exposures</b>	<b>3 034 063</b>	<b>3 985 111</b>
<b>Securities financing transaction (SFT) exposures</b>			
14	Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	14 547 606	9 775 817
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	(428 496)	-
16	Counterparty credit risk exposure for SFT assets	39 023	14 033
EU-16a	Derogation for SFTs: Counterparty credit risk exposure in accordance with Articles 429e(5) and 222 CRR	-	-
17	Agent transaction exposures	-	-
EU-17a	(Exempted CCP leg of client-cleared SFT exposure)	-	-
<b>18</b>	<b>Total securities financing transaction exposures</b>	<b>14 158 133</b>	<b>9 789 850</b>
<b>Other off-balance sheet exposures</b>			
19	Off-balance sheet exposures at gross notional amount	41 002 094	41 221 871
20	(Adjustments for conversion to credit equivalent amounts)	(27 569 645)	(27 463 830)
21	(General provisions deducted in determining Tier 1 capital and specific provisions associated with off-balance sheet exposures)	(153 042)	( 299 999)
<b>22</b>	<b>Off-balance sheet exposures</b>	<b>13 279 407</b>	<b>13 458 042</b>
<b>Excluded exposures</b>			
EU-22a	(Exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) CRR)	-	-
EU-22b	(Exposures exempted in accordance with point (j) of Article 429a(1) CRR (on and off balance sheet))	-	-
EU-22c	(Excluded exposures of public development banks (or units) - Public sector investments)	-	-
EU-22d	(Excluded exposures of public development banks (or units) - Promotional loans)	-	-
EU-22e	(Excluded passing-through promotional loan exposures by non-public development banks (or units))	-	-
EU-22f	(Excluded guaranteed parts of exposures arising from export credits)	-	-
EU-22g	(Excluded excess collateral deposited at triparty agents)	-	-
EU-22h	(Excluded CSD related services of CSD/institutions in accordance with point (o) of Article 429a(1) CRR)	-	-
EU-22i	(Excluded CSD related services of designated institutions in accordance with point (p) of Article 429a(1) CRR)	-	-
EU-22j	(Reduction of the exposure value of pre-financing or intermediate loans)	-	-
<b>EU-22k</b>	<b>(Total exempted exposures)</b>	<b>-</b>	<b>-</b>

**EU LR2 - LRCOM: Leverage ratio common disclosure (contd.)**

		CRR leverage ratio exposures	
		a	b
		30.06.2023	31.12.2022
<b>Capital and total exposure measure</b>			
23	Tier 1 capital	12 719 795	12 153 665
24	Total exposure measure	226 158 478	223 249 811
<b>Leverage ratio</b>			
25	Leverage ratio (%)	5.62%	5.44%
EU-25	Leverage ratio (excluding the impact of the exemption of public sector investments and promotional loans) (%)	5.62%	5.44%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) (%)	5.62%	5.44%
26	Regulatory minimum leverage ratio requirement (%)	3.00%	3.00%
EU-26a	Additional own funds requirements to address the risk of excessive leverage (%)	-	-
EU-26b	of which: to be made up of CET1 capital	-	-
27	Leverage ratio buffer requirement (%)	-	-
EU-27a	Overall leverage ratio requirement (%)	3.00%	3.00%
<b>Choice on transitional arrangements and relevant exposures</b>			
EU-27b	Choice on transitional arrangements for the definition of the capital measure	Fully phased in	Transitional

**EU LR3 - LRSpl: Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures)**

		30.06.2023
		CRR leverage ratio exposures
EU-1	<b>Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:</b>	<b>196 486 030</b>
EU-2	Trading book exposures	2 585 078
EU-3	Banking book exposures, of which:	193 900 952
EU-4	Covered bonds	-
EU-5	Exposures treated as sovereigns	71 073 640
EU-6	Exposures to regional governments, MDB, international organisations and PSE, not treated as sovereigns	70 550
EU-7	Institutions	1 588 054
EU-8	Secured by mortgages of immovable properties	46 254 891
EU-9	Retail exposures	26 608 399
EU-10	Corporates	30 327 781
EU-11	Exposures in default	2 152 628
EU-12	Other exposures (eg equity, securitisations, and other non-credit obligation assets)	15 825 009

**Description of the factors that had an impact on the leverage ratio during the period to which the disclosed leverage ratio refers.**

The below information addresses the scope of disclosure from table EU LRA.

The leverage ratio of mBank Group in H1 2023 was mainly influenced by:

- partial amortization of subordinated liabilities included in the calculation of own funds,
- 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 June 24, 2020,
- inclusion in the calculation of own funds, after obtaining the consent of the Polish Financial Supervision Authority, the net result for the first quarter of 2023.

Description of the processes used to manage the risk of excessive leverage.

The leverage ratio is regularly monitored, forecast and compared to peer group. mBank Group has aspiration to keep leverage ratio at a level highly exceeding minimal requirements amounting to 3%, which are in force since 28 June 2021. The fixed strategic target is monitored and verified at least on a yearly basis. Capital Management Committee performs the essential role in management of risk of excessive

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leverage in mBank Group.

Bank counteracts risk of excessive leverage taking into account potential increase in mentioned risk caused by own funds drop associated with expected or incurred losses. Additionally, annual planning process includes forecast of year end leverage ratio as well as plan of the ratio in a four-year time horizon. The projection is updated depending on the macroeconomic environment. Moreover, mBank also examines capital adequacy in adverse macroeconomic scenarios, understood as risk scenario accepted by the Bank's Management Board.



## 7. Exposures to credit risk

### EU CR1-A: Maturity of exposures, addressing disclosure requirements of art. 442 letter g) of CRR Regulation.

		a	b	c	d	e	f
		Net exposure value					
		On demand	<= 1 year	> 1 year <= 5 years	> 5 years	No stated maturity	Total
1	Loans and advances	23 004 303	50 073 510	37 265 143	61 912 250	-	172 255 206
1.1	Include balance	17 852 069	28 208 145	26 806 064	58 769 842	-	131 636 120
1.2	Off-Balance	5 152 234	21 865 365	10 459 079	3 142 408	-	40 619 086
2	Debt securities	-	35 222 422	18 421 896	4 523 648	47 787	58 215 753
<b>3</b>	<b>Total</b>	<b>23 004 303</b>	<b>85 295 932</b>	<b>55 687 039</b>	<b>66 435 898</b>	<b>47 787</b>	<b>230 470 959</b>

### Non-performing and forborne exposures

In accordance with the EBA/GL/2018/06 guidelines, banks are obliged to monitor and manage the NPL portfolio. Banks should strive to maintain the value of the NPL portfolio below the threshold set by the regulator at 5%. The NPL ratio for mBank Group calculated in accordance with the Guidelines EBA/GL/2018/06 remains at a stable level and as of June 30, 2023 was equal to 3.62%. In comparison to December 31, 2022, the ratio increased by 0.08 p.p.

**EU CR1: Performing and non-performing exposures and related provisions, addressing disclosure requirements of art. 442 letter c) and e) of CRR\_Regulation.**

	a	b	c	d	e	f
	Gross carrying amount/nominal amount					
	Performing exposures			Non-Performing exposures		
		of which stage 1	of which stage 2		of which stage 2	of which stage 3
<b>005</b>	<b>Cash balances at central banks and other demand deposits</b>	<b>15 055 505</b>	<b>15 053 354</b>	<b>2 151</b>	-	-
<b>010</b>	<b>Loans and advances</b>	<b>130 253 140</b>	<b>119 170 314</b>	<b>10 382 778</b>	<b>4 885 879</b>	<b>2 206</b>
020	Central banks	6 249 603	6 249 604	-	-	-
030	General governments	56 982	56 884	50	-	-
040	Credit institutions	5 631 955	5 610 545	21 410	-	-
050	Other financial corporations	6 138 145	6 126 739	11 406	10 447	10 447
060	Non-financial corporations	47 330 915	42 305 109	4 913 305	2 396 310	34
070	Of which: SMEs	30 851 277	27 738 279	3 000 626	1 791 460	34
080	Households	64 845 540	58 821 433	5 436 607	2 479 122	2 172
<b>090</b>	<b>Debt Securities</b>	<b>56 535 542</b>	<b>56 419 910</b>	<b>47 729</b>	-	-
100	Central banks	22 032 909	22 032 909	-	-	-
110	General governments	25 286 751	25 286 751	-	-	-
120	Credit institutions	7 225 637	7 225 637	-	-	-
130	Other financial corporations	1 257 434	1 161 918	47 729	-	-
140	Non-financial corporations	732 811	712 695	-	-	-
<b>150</b>	<b>Off-balance sheet exposures</b>	<b>40 593 007</b>	<b>39 045 646</b>	<b>1 546 546</b>	<b>180 901</b>	<b>50</b>
160	Central banks	-	-	-	-	-
170	General governments	42 077	41 562	515	-	-
180	Credit institutions	3 829 654	3 779 161	50 493	-	-
190	Other financial corporations	134 964	128 844	6 121	-	-
200	Non-financial corporations	27 040 686	25 784 709	1 255 868	148 741	50
210	Households	9 545 626	9 311 370	233 549	32 160	31 979
<b>220</b>	<b>Total</b>	<b>242 437 194</b>	<b>229 689 224</b>	<b>11 979 204</b>	<b>5 066 780</b>	<b>2 256</b>

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**EU CR1: Performing and non-performing exposures and related provisions (cont):**

	g	h	i	j	k	l	m	n	o	
	Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Accumulated partial write-off	Collaterals and financial guarantees received		
	Performing exposures - Accumulated impairment and provisions			Non-performing exposures - Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions				On performing exposures	On non-performing exposures	
		of which: stage 1	of which: stage 2		of which: stage 2	of which: stage 3				
<b>005</b>	<b>Cash balances at central banks and other demand deposits</b>	(2 136)	(2 124)	(12)	-	-	-	-	-	
<b>010</b>	<b>Loans and advances</b>	<b>(863 539)</b>	<b>(414 545)</b>	<b>(440 450)</b>	<b>(2 639 359)</b>	<b>(168)</b>	<b>(2 626 110)</b>	<b>-</b>	<b>64 481 506</b>	<b>1 438 552</b>
020	Central banks	-	-	-	-	-	-	-	-	
030	General governments	(93)	(88)	(6)	-	-	-	-	-	
040	Credit institutions	(767)	(305)	(462)	-	-	-	656	-	
050	Other financial corporations	(1 758)	(1 400)	(358)	(8 747)	-	(8 747)	17 457	55	
060	Non-financial corporations	(340 786)	(199 858)	(133 644)	(1 249 558)	(1)	(1 318 040)	15 157 271	726 189	
070	Of which: SMEs	(270 078)	(158 131)	(104 663)	(942 035)	(1)	(995 902)	11 565 714	641 031	
080	Households	(520 135)	(212 894)	(305 980)	(1 381 054)	(167)	(1 299 323)	49 306 122	712 308	
<b>090</b>	<b>Debt Securities</b>	<b>(13 176)</b>	<b>(12 437)</b>	<b>(739)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
100	Central banks	(3 830)	(3 830)	-	-	-	-	-	-	
110	General governments	(4 383)	(4 382)	-	-	-	-	-	-	
120	Credit institutions	(1 493)	(1 493)	-	-	-	-	-	-	
130	Other financial corporations	(1 312)	(574)	(739)	-	-	-	-	-	
140	Non-financial corporations	(2 158)	(2 158)	-	-	-	-	-	-	
<b>150</b>	<b>Off-balance sheet exposures</b>	<b>(65 040)</b>	<b>(45 689)</b>	<b>(18 619)</b>	<b>(89 783)</b>	<b>(3)</b>	<b>(92 270)</b>	<b>-</b>	<b>7 306 850</b>	<b>22 856</b>
160	Central banks	-	-	-	-	-	-	-	-	
170	General governments	(81)	(48)	(33)	-	-	-	-	-	
180	Credit institutions	(500)	(498)	(2)	-	-	-	98 148	-	
190	Other financial corporations	(368)	(66)	(302)	-	-	-	496	-	
200	Non-financial corporations	(35 379)	(27 357)	(8 022)	(83 518)	-	(86 018)	6 803 981	21 502	
210	Households	(28 712)	(17 720)	(10 260)	(6 265)	(3)	(6 252)	404 225	1 354	
<b>220</b>	<b>Total</b>	<b>(943 891)</b>	<b>(474 795)</b>	<b>(459 820)</b>	<b>(2 729 142)</b>	<b>(171)</b>	<b>(2 718 380)</b>	<b>-</b>	<b>71 788 356</b>	<b>1 461 408</b>

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**EU CQ5: Credit quality of loans and advances to non-financial corporations by industry**, addressing disclosure requirements of art. 442 letter c) and e) of CRR Regulation.

		a	b	c	d	e	f
			Gross carrying amount		of which: loans and advances subject to	Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
			of which: non-performing				
				of which: defaulted			
010	Agriculture, forestry and fishing	225 460	5 022	5 022	225 105	(4 683)	(138)
020	Mining and quarrying	136 531	2 938	2 938	136 531	(2 922)	-
030	Manufacturing	11 014 430	459 755	459 755	11 007 457	(301 792)	(946)
040	Electricity, gas, steam and air conditioning supply	2 062 821	34 391	34 391	2 062 752	(45 705)	-
050	Water supply	511 497	8 296	8 296	511 117	(6 862)	-
060	Construction	5 166 249	292 626	292 626	5 158 954	(224 796)	(895)
070	Wholesale and retail trade	10 568 606	290 403	290 403	10 551 693	(244 941)	(2 500)
080	Transport and storage	2 973 832	96 010	96 010	2 970 575	(83 911)	(499)
090	Accommodation and food service activities	792 645	200 843	200 843	790 493	(85 710)	(149)
100	Information and communication	1 904 757	51 815	51 815	1 901 824	(43 299)	(272)
110	Real estate activities	6 150 059	607 797	607 797	6 054 823	(290 542)	(21 573)
120	Financial and insurance activities	1 209 259	32 318	32 318	1 194 270	(22 996)	(13 836)
130	Professional, scientific and technical activities	3 454 128	79 128	79 128	3 449 086	(92 618)	(518)
140	Administrative and support service activities	1 754 336	195 244	195 244	1 751 474	(58 433)	(626)
150	Public administration and defense, compulsory social security	16 528	108	108	16 421	(23)	(43)
160	Education	128 522	6 512	6 512	128 079	(4 804)	(70)
170	Human health services and social work activities	994 043	12 091	12 091	992 671	(16 580)	(68)
180	Arts, entertainment and recreation	466 170	8 887	8 887	465 825	(8 267)	-
190	Other services	197 352	12 126	12 126	196 799	(9 285)	(42)
<b>200</b>	<b>Total</b>	<b>49 727 225</b>	<b>2 396 310</b>	<b>2 396 310</b>	<b>49 565 949</b>	<b>(1 548 169)</b>	<b>(42 175)</b>

**EU CQ4: Quality of non-performing exposures by geography**, addressing disclosure requirements of art. 442 letter c) and e) of CRR Regulation.

010	On balance sheet exposures	a	b	c	d	e	f	g
		Gross carrying/Nominal amount				Accumulated impairment	Provisions on off-balance sheet commitments and financial guarantee given	Accumulated negative changes in fair value due to credit risk on non-performing exposures
		191 674 560	of which: non-performing		of which: subject to impairment			
				of which: defaulted				
020	Andorra	19	-	-	18	-		-
030	United Arab Emirates	8 706	6 129	6 129	8 542	(541)		(17)
050	Austria	108 431	1	1	108 431	(37)		-
060	Australia	364	-	-	336	(1)		-
070	Bosnia and Herzegovina	1	-	-	1	-		-
080	Belgium	28 853	-	-	28 853	(8)		-
090	Bulgaria	2	-	-	2	-		-
110	Belarus	1 075	-	-	1 075	(418)		-
120	Canada	479	-	-	479	(3)		-
130	Switzerland	25 768	177	177	25 691	(131)		-
140	Costa Rica	19	-	-	19	-		-
150	Curaçao	1 851	-	-	1 847	(1)		-
160	Cyprus	21 645	111	111	21 595	(132)		-
170	Czechia	12 983 237	86 368	86 368	12 983 236	(65 764)		-
180	Germany	2 565 148	480	480	2 565 110	(680)		-
190	Denmark	65 901	126	126	65 884	(1 213)		-
200	Dominican Republic	54	-	-	54	-		-
210	Estonia	11	-	-	11	-		-
220	Spain	85 216	-	-	85 150	(85)		-
230	Finland	520	-	-	491	(1)		-
240	France	2 992 127	-	-	2 992 111	(42)		-
250	United Kingdom	241 848	813	813	241 784	(447)		(1)
260	Georgia	2 416	-	-	2 416	(3)		-
270	Gibraltar	850	-	-	850	-		-
280	Greece	10	-	-	10	-		-
290	Croatia	5 004	-	-	5 004	-		-
300	Hungary	458	-	-	458	-		-
310	Ireland	18 282	81	81	18 280	(64)		-
320	Israel	1	-	-	1	-		-
330	Iceland	183	77	77	183	(60)		-
340	Italy	290	61	61	290	(41)		-
350	Jordan	6 724	-	-	6 724	(45)		-
360	Japan	19	-	-	19	-		-
380	Lithuania	148	76	76	148	(28)		-
390	Luxembourg	4 338 346	9	9	4 338 330	(2 540)		-
400	Latvia	2	-	-	2	-		-
410	Monaco	12	-	-	12	-		-
420	Montenegro	1	-	-	1	-		-
430	North Macedonia	6	-	-	6	-		-
440	Malta	6 401	-	-	6 376	(20)		-
450	Mauritius	275	-	-	275	-		-
460	Mexico	105	105	105	105	(67)		-
470	Netherlands	333 662	87	87	333 652	(8 637)		-
480	Norway	1 545	53	53	1 534	(45)		-
490	New Zealand	441	-	-	441	-		-
500	Panama	92	92	92	92	(73)		-
520	Poland	164 495 398	4 695 749	3 996 735	163 704 335	(3 261 514)		(93 765)
530	Portugal	2 487	-	-	2 446	(1)		-
560	Serbia	10	-	-	10	-		-
570	Russian Federation	150	150	150	150	-		-
580	Sweden	27 404	25 038	25 038	27 396	(25 038)		-
590	Singapore	81	71	71	32	(11)		(9)
600	Slovenia	1	-	-	1	-		-
610	Slovakia	2 969 847	69 423	69 423	2 969 830	(54 251)		-
630	Turkey	13 418	-	-	13 409	(74)		-
640	Tanzania, United Republic of	9	-	-	9	-		-
650	Ukraine	70	52	52	70	(38)		-
660	United States	318 711	550	550	270 537	(228)		-
680	Virgin Islands, British	21	-	-	21	-		-
690	South Africa	405	-	-	405	-		-

**EU CQ4: Quality of non-performing exposures by geography**, addressing disclosure requirements of art. 442 letter c) and e) of CRR Regulation.

	a	b	c	d	e	f	g	
	Gross carrying/Nominal amount			of which: subject to impairment	Accumulated impairment	Provisions on off-balance sheet commitments and financial guarantee given	Accumulated negative changes in fair value due to credit risk on non-performing exposures	
	of which: non-performing		of which: defaulted					
<b>620</b>	<b>Off balance sheet exposures</b>	<b>40 773 909</b>	<b>180 901</b>	<b>180 901</b>	<b>-</b>	<b>-</b>	<b>(154 823)</b>	<b>-</b>
630	Andorra	150	-	-	-	-	-	-
640	United Arab Emirates	280	2	2	-	-	-	-
650	Austria	179 965	-	-	-	-	(78)	-
660	Australia	170	-	-	-	-	-	-
670	Belgium	464	-	-	-	-	-	-
680	Canada	3 950	-	-	-	-	-	-
690	Switzerland	12 017	5	5	-	-	(42)	-
700	China	50	-	-	-	-	-	-
710	Costa Rica	26	-	-	-	-	-	-
720	Curaçao	97	-	-	-	-	-	-
730	Cyprus	501 894	150	150	-	-	(183)	-
740	Czechia	580 687	1 631	1 631	-	-	(518)	-
750	Germany	2 428 604	-	-	-	-	(443)	-
760	Denmark	112 472	-	-	-	-	(12)	-
770	Dominican Republic	13	-	-	-	-	-	-
780	Algeria	11 464	-	-	-	-	(15)	-
790	Estonia	89	-	-	-	-	-	-
800	Spain	129 384	-	-	-	-	(1)	-
810	Finland	52	-	-	-	-	-	-
820	France	20 491	-	-	-	-	(4)	-
830	United Kingdom	1 090 192	3	3	-	-	(79)	-
840	Georgia	100	-	-	-	-	-	-
850	Gibraltar	97	-	-	-	-	-	-
860	Greece	25	-	-	-	-	-	-
870	Hong Kong	200	-	-	-	-	-	-
880	Hungary	59	-	-	-	-	-	-
890	Ireland	3 329	-	-	-	-	(1)	-
900	Israel	14 371	-	-	-	-	(2)	-
910	India	2 131	-	-	-	-	-	-
920	Iceland	18	-	-	-	-	-	-
930	Italy	15 891	-	-	-	-	-	-
940	Jordan	12 014	-	-	-	-	(62)	-
950	Japan	32 225	-	-	-	-	-	-
960	Korea, Republic of	2 396	-	-	-	-	(4)	-
970	Cayman Islands	35	-	-	-	-	-	-
980	Sri Lanka	284	-	-	-	-	(5)	-
990	Lithuania	21	-	-	-	-	-	-
1000	Luxembourg	125 502	-	-	-	-	(475)	-
1010	Latvia	50	-	-	-	-	-	-
1020	Monaco	8	-	-	-	-	-	-
1030	Malta	1 016	-	-	-	-	(27)	-
1040	Mexico	25	-	-	-	-	-	-
1050	Netherlands	60 158	2	2	-	-	(2)	-
1060	Norway	299	-	-	-	-	(1)	-
1070	New Zealand	21	-	-	-	-	-	-
1080	Philippines	20	-	-	-	-	-	-
1090	Poland	35 146 142	179 014	179 014	-	-	(152 718)	-
1100	Portugal	885	-	-	-	-	-	-
1110	Qatar	10	-	-	-	-	-	-
1120	Russian Federation	45	-	-	-	-	-	-
1130	Sweden	368	-	-	-	-	(3)	-
1140	Singapore	1 272	2	2	-	-	-	-
1150	Slovakia	200 693	90	90	-	-	(120)	-
1160	Thailand	50	-	-	-	-	-	-
1170	Turkey	602	-	-	-	-	(3)	-
1180	Taiwan, Province of China	509	-	-	-	-	-	-
1190	Tanzania, United Republic of	91	-	-	-	-	-	-
1200	Ukraine	25	-	-	-	-	-	-
1210	United States	79 215	2	2	-	-	(21)	-
1220	Virgin Islands, British	190	-	-	-	-	(1)	-
1230	South Africa	1 006	-	-	-	-	(3)	-
<b>1240</b>	<b>Total</b>	<b>232 448 469</b>	<b>5 066 780</b>	<b>4 367 767</b>	<b>190 834 580</b>	<b>(3 422 282)</b>	<b>(154 823)</b>	<b>(93 792)</b>

**EU CQ1: Credit quality of forborne exposures**, addressing disclosure requirements of art. 442 letter c) of CRR Regulation.

		a	b	c	d	e	f	g	h
		Gross carrying amount/ Nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collaterals received and financial guarantees received on forborne exposures	
		Performing forborne	Non-performing forborne		On performing forborne exposures	On non-performing forborne exposures			Of which: Collateral and financial guarantees received on non-performing exposures with forbearance measures
				Of which defaulted					
005	Cash balances at central banks and other demand deposits	-	-	-	-	-	-	-	-
010	Loans and advances	1 582 883	1 099 719	1 099 539	1 098 230	(33 419)	(433 479)	1 532 963	513 287
020	Central banks	-	-	-	-	-	-	-	-
030	General governments	-	-	-	-	-	-	-	-
040	Credit institutions	-	-	-	-	-	-	-	-
050	Other financial corporations	-	-	-	-	-	-	-	-
060	Non-financial corporations	736 236	580 805	580 805	580 760	(18 566)	(252 491)	582 543	233 926
070	Households	846 647	518 914	518 734	517 470	(14 853)	(180 988)	950 420	279 361
080	Debt Securities	-	-	-	-	-	-	-	-
090	Loan commitments given	73 298	18 342	18 342	17 983	(280)	(11 806)	20 342	8 114
100	Total	1 656 181	1 118 061	1 117 881	1 116 213	(33 699)	(445 285)	1 553 305	521 401

### Changes in the stock of non-performing exposures

**EU CR2: Changes in the stock of non-performing loans and advances**, addressing disclosure requirements of art. 442 letter f) of CRR Regulation.

		a
		Gross carrying amount
<b>010</b>	<b>Initial stock of non-performing loans and advances</b>	<b>4 816 005</b>
020	Inflows to non-performing portfolios	2 129 605
030	Outflows from non-performing portfolios	(2 059 731)
040	Outflows due to write-offs	(393 864)
050	Outflow due to other situations	(1 665 867)
<b>060</b>	<b>Final stock of non-performing loans and advances</b>	<b>4 885 879</b>

### Information on collateral obtained by taking possession and execution processes

Information on collateral obtained by taking possession and execution processes as at 30 June 2023 is presented below.

**EU CQ7: Collateral obtained by taking possession and execution processes**, addressing disclosure requirements of art. 442 letter c) of CRR Regulation.

		a	b
		Collateral obtained by taking possession accumulated	
		Value at initial recognition	Accumulated negative changes
<b>010</b>	<b>Property Plant and Equipment (PP&amp;E)</b>	-	-
<b>020</b>	<b>Other than Property Plant and Equipment</b>	<b>113 454</b>	<b>(26 712)</b>
030	Residential immovable property	-	-
040	Commercial immovable property	54 796	(16 274)
050	Movable property (auto, shipping, etc.)	50 987	(7 162)
060	Equity and debt instruments	7 671	(3 276)
070	Other	-	-
<b>080</b>	<b>Total</b>	<b>113 454</b>	<b>(26 712)</b>



## 8. Liquidity risk

The below table addresses the scope of disclosures from EU LIQB table.

As of June 30, 2023, the LCR ratio of mBank Group reached 217% and in the fourth quarter the LCR measure remained on a safe level, significantly exceeding 100%.

In the second quarter of 2023, the decrease in the level of the net liquidity coverage ratio was influenced by decrease of deposit base included in the LCR calculation (decrease of PLN 4.3 billion compared with the previous quarter) and decrease in lending activity (by PLN 3,1 billion compared with the previous quarter). As a result of these changes, the level of the liquidity buffer remains high in relation to the expected net outflows over a 30-day horizon as at 30 June 2023.

The high-quality liquid assets of mBank in the liquidity buffer (HQLA) used to calculate the LCR ratio consist of only Level 1 assets, including:

- Polish treasury bonds in PLN and EUR,
- bills issued by the National Bank of Poland,
- treasury bonds issued by the central governments of the EU Member States in EUR and CZK, and by the US Treasury in USD,
- German bills issued in EUR,
- bonds issued by the European Investment Bank, and bonds of the Polish Development Fund and Bank Gospodarstwa Krajowego in PLN and EUR guaranteed by the State Treasury,
- excess of the required reserve in the National Bank of Poland, the National Bank of Czech and the National Bank of Slovakia,
- funds held at central banks in the form of deposits and reverse repo operations with central banks.

Also mBH maintains liquidity buffer within the mBank Group. The liquidity buffer of mBH consisted of Polish treasury bonds in PLN, NBP bills, and the excess of the required reserve at the National Bank of Poland.

The main source of financing are deposits, which as of June 30, 2023 accounted for 94.69% of all external sources of financing. The deposit base is diversified, and the deposits of the 10 largest customers as of June 30, 2023 accounted for 2.7% of the deposit base. The other sources of financing are:

- own issues,
- subordinated liabilities,
- operations on the interbank market,
- loans.

The mBank Group identifies three significant currencies in accordance with Art. 4(5) of the EU Commission Delegated Regulation 2015/61 and with Art. 415(2) of the CRR Regulation: PLN, CZK and EUR, of which the LCR ratio for PLN and CZK was above 100%. CZK and EUR currencies are related to running two foreign branches in the Czech Republic and Slovakia. The currency mismatch is limited at the level of the real liquidity gap in individual currencies.

As of June 30, 2023, the impact of the adverse market scenario on derivatives accounted for 0.72% of the total unweighted outflow value included in the LCR.

**mBank S.A. Group**

Disclosures regarding capital adequacy as at 30 June 2023

**EU LIQ1 – Quantitative information of LCR**, addressing disclosure requirements of art. 451a point 2) of CRR Regulation (in PLN million).

		a	b	c	d	e	f	g	h
		Total unweighted value (average)				Total weighted value (average)			
EU 1a	Quarter ending on	30.06.2023	31.03.2023	31.12.2022	30.09.2022	30.06.2023	31.03.2023	31.12.2022	30.09.2022
EU 1b	Number of data points used in the calculation of averages	12	12	12	12	12	12	12	12
<b>HIGH-QUALITY LIQUID ASSETS</b>									
1	Total high-quality liquid assets (HQLA)					62 950	57 049	53 516	55 205
<b>CASH - OUTFLOWS</b>									
2	Retail deposits and deposits from small business customers, of which:	128 623	124 742	119 791	117 328	10 349	9 946	9 368	8 998
3	<i>Stable deposits</i>	87 168	86 105	86 328	87 264	4 358	4 305	4 316	4 364
4	<i>Less stable deposits</i>	41 455	38 637	33 463	30 064	5 990	5 641	5 052	4 634
5	Unsecured wholesale funding	44 535	43 537	42 436	42 685	18 462	18 018	17 587	17 861
6	<i>Operational deposits (all counterparties) and deposits in networks of cooperative banks</i>	8 537	8 936	9 491	9 814	2 029	2 125	2 260	2 334
7	<i>Non-operational deposits (all counterparties)</i>	35 848	34 380	32 708	32 634	16 283	15 672	15 090	15 290
8	Unsecured debt	150	221	237	237	150	221	237	237
9	Secured wholesale funding								-
10	Additional requirements	22 211	22 062	22 011	21 968	4 626	4 397	4 330	4 223
11	<i>Outflows related to derivative exposures and other collateral requirements</i>	2 465	2 259	2 223	2 110	2 465	2 259	2 223	2 110
12	<i>Outflows related to loss of funding on debt products</i>	-	-	-	-	0	-	-	-
13	<i>Credit and liquidity facilities</i>	19 746	19 803	19 788	19 858	2 161	2 138	2 107	2 113
14	Other contractual funding obligations	1 146	1 119	992	823	976	948	817	650
15	Other contingent funding obligations	16 111	15 860	15 961	15 985	719	702	676	654
16	TOTAL CASH OUTFLOWS					35 132	34 011	32 778	35 132
<b>CASH - INFLOWS</b>									
17	Secured lending (e.g. reverse repos)	5 382	2 661	-	-	-	-	-	-
18	Inflows from fully performing exposures	5 342	5 843	5 848	5 497	4 171	4 643	4 634	4 321
19	Other cash inflows	540	460	471	402	540	460	471	402
EU-19a	(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)								-
EU-19b	(Excess inflows from a related specialised credit institution)								-
20	TOTAL CASH INFLOWS	11 264	8 964	6 319	5 899	4 712	5 103	5 105	4 723
EU-20a	<i>Fully exempt inflows</i>	-	-	-	-	-	-	-	-
EU-20b	<i>Inflows subject to 90% cap</i>	-	-	-	-	-	-	-	-
EU-20c	<i>Inflows subject to 75% cap</i>	11 264	8 964	6 319	5 899	4 712	5 103	5 105	4 723
<b>TOTAL ADJUSTED VALUE</b>									
EU-21	LIQUIDITY BUFFER					62 950	57 049	53 516	55 205
22	TOTAL NET CASH OUTFLOWS					30 420	28 908	27 673	27 663
23	LIQUIDITY COVERAGE RATIO					207%	197%	193%	200%

**Information regarding NSFR**

The table below presents quantitative NSFR data as of 30 June 2023 (data in PLN million).

**EU LIQ2: Net Stable Funding Ratio**, addressing disclosure requirements of art. 451a point 3) of CRR Regulation.

		a	b	c	d	e
		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
<b>Available stable funding (ASF) Items</b>						
1	Capital items and instruments	13 467	-	-	2 639	16 106
2	Own funds	13 467	-	-	2 060	15 528
3	Other capital instruments		-	-	579	579
4	Retail deposits		113 135	-	18 679	124 219
5	Stable deposits		74 374	-	12 993	83 648
6	Less stable deposits		38 762	-	5 686	40 571
7	Wholesale funding:		44 716	863	9 828	29 775
8	Operational deposits		7 679	-	-	3 840
9	Other wholesale funding		37 037	863	9 828	25 936
10	Interdependent liabilities		-	-	-	-
11	Other liabilities:	77	23 711	300	93	243
12	NSFR derivative liabilities	77				
13	All other liabilities and capital instruments not included in the above categories		23 711	300	93	243
<b>14</b>	<b>Total available stable funding (ASF)</b>					<b>170 344</b>
<b>Required stable funding (RSF) Items</b>						
15	Total high-quality liquid assets (HQLA)					6 189
EU-15a	Assets encumbered for a residual maturity of one year or more in a cover pool		11	-	8 237	7 012
16	Deposits held at other financial institutions for operational purposes		211	-	-	106
17	Performing loans and securities:		19 468	11 259	75 051	74 104
18	Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut		-	-	-	-
19	Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions		886	15	81	178
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:		17 013	9 706	30 930	39 641
21	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		94	114	45	133
22	Performing residential mortgages, of which:		1 424	1 458	42 570	32 890
23	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		291	332	23 677	15 702
24	Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products		144	79	1 470	1 395
25	Interdependent assets		-	-	-	-
26	Other assets:		27 104	1 297	12 232	20 523
27	Physical traded commodities				-	-
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		-	-	2 706	2 300
29	NSFR derivative assets		-	-	-	-
30	NSFR derivative liabilities before deduction of variation margin posted		-	-	-	-
31	All other assets not included in the above categories		27 104	1 297	9 525	18 222
<b>32</b>	<b>Off-balance sheet items</b>		<b>33 715</b>	<b>3 003</b>	<b>-</b>	<b>1 836</b>
<b>33</b>	<b>Total RSF</b>					<b>109 768</b>
<b>34</b>	<b>Net Stable Funding Ratio (%)</b>					<b>155%</b>

As of June 30, 2023, the Net Stable Funding Ratio (NSFR) of mBank Group reached the level of 155% and in the second quarter of 2023 the NSFR measure remained at a safe level, significantly exceeding 100%.

## **9. Transitional arrangements regarding IFRS 9**

The Bank decided, for the purpose of capital adequacy calculation, including calculation of own funds, based on Article 1 paragraph 9 of Regulation (EU) 2017/2395 of the European Parliament and of the Council of 12 December 2017 amending the CRR Regulation, not to apply the transitional arrangements, which allows to mitigate the impact on capital related to the introduction of IFRS 9.

The capital ratios reported in this document, including the leverage ratio and Tier 1 capital, fully reflect the impact of IFRS 9.

**Representation of the Management Board of mBank S.A.**

The Management Board of mBank S.A. declares that, to the best of its knowledge, the information presented in this "Disclosures regarding capital adequacy of mBank S.A. Group as at 30 June 2023" were prepared in accordance with the formal policies and internal processes, as well as, systems and controls agreed upon at the Management Board level, and give a true view of the facts. Furthermore, the risk management arrangements are adequate and give assurance that the risk management systems in use are appropriate in terms of the risk profile and strategy of the mBank Group.

The Management Board of mBank S.A. approves this "Disclosures regarding capital adequacy of mBank S.A. Group as at 30 June 2023".

First and last name	Position	Signature
Cezary Stypułkowski	President of the Management Board, Chief Executive Officer	(signed electronically)
Krzysztof Dąbrowski	Vice-President of Management Board, Head of Operations and IT	(signed electronically)
Cezary Kocik	Vice-President of Management Board, Head of Retail Banking	(signed electronically)
Marek Luszyn	Vice-President of the Management Board, Chief Risk Officer	(signed electronically)
Julia Nusser	Vice-President of the Management Board, Chief People & Regulatory Officer	(signed electronically)
Adam Pers	Vice-President of the Management Board, Head of Corporate & Investment Banking	(signed electronically)
Pascal Ruhland	Vice-President of the Management Board, Chief Financial Officer	(signed electronically)