

**mBank S.A.**

**DISCLOSURES POLICY OF MBANK S.A.**  
**ON CAPITAL ADEQUACY**

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**Warsaw, 19 November 2024**

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## **1. General provisions**

### **Article 1**

1. The Disclosures Policy of mBank S.A. on capital adequacy (“Policy”) specifies the scope, frequency, place and form of publication, as well as the manner of approval and verification of information subject to publication, as specified in:
  - 1/ 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, as amended (“CRR Regulation”),
  - 2/ 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 the CRR Regulation, 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, as amended (“Regulation 2021/637”),
  - 3/ the EBA/GL/2014/14 Guidelines from December 23, 2014 on the materiality, proprietary nature and confidentiality of the disclosed information as well as disclosure frequency in line with the articles 432(1), 432(2) and 433 of the CRR Regulation (“the EBA/GL/2014/14 Guidelines”),
  - 4/ the EBA/GL/2020/12 Guidelines amending Guidelines EBA/GL/2018/01 on uniform disclosures under Article 473a of Regulation (EU) No 575/2013 (CRR) on the transitional period 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 (“the EBA/GL/2020/12”),
  - 5/ Recommendation M of the Polish Financial Supervision Authority concerning operational risk management in banks (“Recommendation M”),
  - 6/ Recommendation P of the Polish Financial Supervision Authority concerning financial liquidity risk management in banks (“Recommendation P”),
  - 7/ Recommendation Z of the Polish Financial Supervision Authority concerning principles of internal governance at banks (“Recommendation Z”),

- 8/ Recommendation R of the Polish Financial Supervision Authority concerning the rules for classification of credit exposures, estimation and recognition of expected credit losses and credit risk management (“Recommendation R”),
  - 9/ The Act on the Bank Guarantee Fund, Deposit Guarantee Scheme and Resolution (“BGF Act”),
  - 10/ Commission Implementing Regulation (EU) 2021/763 of 23 April 2021 laying down implementing technical standards for the application of Regulation (EU) No 575/2013 of the European Parliament and of the Council and Directive 2014/59/EU of the European Parliament and of the Council with regard to the supervisory reporting and public disclosure of the minimum requirement for own funds and eligible liabilities (“Regulation 2021/763”).
2. The Policy is implemented by the Management Board of mBank S.A. (“Bank”) with support of the organizational units responsible for the preparation and publication of information.
  3. The owner of the Policy is Financial Reporting Department, who together with other organizational units of the Bank, responsible for publishing specific information, participates in the development and updating of the Policy.

## **Article 2**

Bank makes every effort to ensure that the information it publishes is valid, reliable, useful, consistent over time and comparable between individual banks, and presented in a comprehensive and transparent way.

## **2. Scope of disclosures**

### **Article 3**

1. The Bank discloses quantitative and qualitative information referred to in part eight of the CRR Regulation, taking into account the provisions of Article 13 (1) of the CRR Regulation, in a format compliant with the requirements of the Regulation 2021/637 and taking into account the EBA/GL/2020/12 Guidelines, EBA/GL/2014/14 Guidelines, Recommendation M, Recommendation P, Recommendation Z and Recommendation R.

2. In particular, the Bank, as a large subsidiary of an EU parent company, shall disclose the information specified in Articles 431, 437, 438, 440, 442, 444, 450, 451, 451a, 452, 453 and from the reference date of 30 June 2025 specified in Articles 449a and 449b of the CRR Regulation taking into account Recommendation M, Recommendation P, Recommendation Z, Recommendation R, the EBA/GL/2020/12 Guidelines and specified in Article 99a of the BGF Act concerning:
  - 1/ scope of prudential consolidation pursuant to Article 431 of the CRR Regulation,
  - 2/ own funds pursuant to Article 437 of the CRR Regulation,
  - 3/ own funds requirements and risk-weighted exposures amounts pursuant to Article 438 of the CRR Regulation,
  - 4/ countercyclical capital buffers pursuant to Article 440 of the CRR Regulation,
  - 5/ exposures to credit risk and dilution risk pursuant to Article 442 of the CRR Regulation,
  - 6/ disclosure of the use of the Standardised Approach pursuant to Article 444 of the CRR Regulation,
  - 7/ remuneration policy pursuant to Article 450 of the CRR Regulation, including the maximum ratio of the average total gross remuneration of members of the Management Board of the Bank on an annual basis to the average total gross remuneration of other Bank employees on an annual basis pursuant to recommendation 30.1 of Recommendation Z,
  - 8/ leverage ratio pursuant to Article 451 of the CRR Regulation,
  - 9/ liquidity risk pursuant Article 451a of the CRR Regulation and pursuant to recommendation 18 of Recommendation P,
  - 10/ disclosure of the use of the IRB Approach to credit risk pursuant to Article 452 of the CRR Regulation,
  - 11/ the credit risk mitigation techniques used by the Bank pursuant to Article 453 of the CRR Regulation,
  - 12/ disclosure of environmental, social and governance risks (ESG risks) pursuant to Article 449a of the CRR Regulation (from the reference date of 30 June 2025),
  - 13/ disclosure of aggregate exposure to shadow banking entities pursuant to Article 449b of the CRR Regulation (from the reference date of 30 June 2025),
  - 14/ operational risk pursuant to recommendation 17 of Recommendation M and Article 438 (d) of the CRR Regulation,

- 15/ transitional arrangements for mitigating the effects of the introduction of International Financial Reporting Standard 9 (“IFRS 9”) on capital adequacy pursuant to the EBA/GL/2020/12 Guidelines,
  - 16/ credit risk exposures in accordance with the requirements described in the recommendations contained in Recommendation R,
  - 17/ own funds and eligible liabilities pursuant to Article 99a of the BGF Act.
3. All quantitative disclosures shall be accompanied by a qualitative narrative and any other supplementary information that may be necessary in order for the users of that information to understand the quantitative disclosures, noting in particular any significant change in any given disclosure compared to the information contained in the previous disclosures, in accordance with the Article 431 (4) of the CRR Regulation.

#### **Article 4**

1. Information disclosed in accordance with the adopted Policy is announced in “Disclosures regarding capital adequacy of mBank S.A. Group”.
2. As the Bank is a subsidiary of Commerzbank AG, information of the Bank’s capital adequacy is also disclosed in Commerzbank AG’s disclosure document.

### **3. Limitations of disclosures**

#### **Article 5**

1. The Bank does not disclose information whose disclosure may be omitted under the CRR Regulation (Article 432), i.e.:
  - 1/ proprietary information, whose disclosure could have a negative impact on the Bank’s competitive position,
  - 2/ confidential information, if there are obligations to customers or other counterparty relationships binding the Bank to confidentiality,
  - 3/ non-material information, i.e. information which could not change or influence the assessment or economic decisions of the recipients.

Assessing the materiality, the proprietary nature and the confidentiality of the disclosed information, the Bank bases on EBA/GL/2014/14 Guidelines.

2. The Bank does not disclose protected information, ie. personal data, information subject to Bank or company secrecy.
3. The Bank does not disclose information whose disclosure may have a negative impact on the Bank's position in the relevant market within the meaning of the competition and consumer protection act.
4. The Bank does not disclose information on operational events which could threaten ongoing security of the Bank's operational processes or which could have a negative impact on the Bank's market position, which in consequence may result, in particular, in higher reputational risk.

### **Article 6**

Whether the information whose disclosure is required under the regulations, mentioned in Article 1, is proprietary or confidential, the Bank provides the reasons for not publishing the information and publishes more general information, unless it is also proprietary or confidential.

## **4. Principles for verifying and approving disclosures**

### **Article 7**

Information on capital adequacy of mBank S.A. Group, disclosed on annual and semiannual basis, is verified by an independent entity authorized to perform audits of financial statements.

### **Article 8**

The document "Disclosures regarding capital adequacy of mBank S.A. Group" referred to in Article 4 (1), before it is made public, is approved by the Management Board of the Bank and the Supervisory Board in the case of information disclosed on an annual basis, and in the case of information disclosed on a semi-annual and quarterly basis by the Management Board of the Bank and by the Audit Committee of the Supervisory Board.

## **5. Frequency, deadlines and place of publication of information**

### **Article 9**

1. As the parent entity, the Bank publishes information based on consolidated data, in a manner consistent with the requirements of Article 434 of the CRR Regulation.
2. In accordance with the requirements of Articles 433 and 433a of the CRR Regulation, the Bank publishes the document “Disclosures regarding capital adequacy of mBank S.A. Group”:
  - annually – as at 31 December of each year, containing the full scope of information, mentioned in Article 3,
  - semi-annually – as at 30 June of each year, containing the scope of information required in the semi-annual cycle,
  - quarterly – as at 31 March and 30 September of each year, containing the scope of information required in the quarterly cycle.
3. The information required under part eight of the CRR Regulation shall be disclosed in the form of tables/templates specified in Regulation 2021/637 with the frequency specified in Article 433a of the CRR Regulation.
4. Information on the impact of IFRS 9 on the mBank Group’s capital adequacy shall be disclosed on a quarterly basis in accordance with the EBA/GL/2020/12 Guidelines.
5. Information on operational risk resulting from Recommendation M and Article 438 (d) of the CRR Regulation shall be disclosed at an annual frequency.
6. Information on credit risk exposures arising from Recommendation R shall be disclosed on an annual basis in the form of the table set forth in the Appendix to Recommendation R.
7. Information specified in Article 99a of the BGF Act, concerning own funds and eligible liabilities, shall be disclosed in accordance with the requirements of Regulation 2021/763.

### **Article 10**

Disclosures regarding capital adequacy of mBank S.A. Group are published on the same day as the financial statements are published or as soon as possible thereafter. The difference in the publication date may be justified by the calendar of availability of information required for disclosure and the course of the disclosure approval process.



## **Article 11**

Disclosures regarding the capital adequacy of mBank S.A. Group are published in Polish and in English on the Bank's website <https://www.mbank.pl/o-nas/adekwatnosc-kapitalowa/>.

## **6. Principles for verifying and approving disclosure policy**

### **Article 12**

1. The Policy is adopted by the Management Board of the Bank and approved by the Supervisory Board upon the issue of a recommendation by the Audit Committee.
2. The Policy is reviewed at least once a year. Amendments to the Policy require the same procedure as its implementation, subject to paragraph 3.
3. If significant amendments are made to the legal provisions affecting the scope of the information disclosed by the Bank during a calendar year, the Management Board of the Bank may decide to amend the Policy during the calendar year. The Supervisory Board approves the amendments made by the Management Board of the Bank at the end of a given calendar year as part of the annual review.