

# 2022



**Disclosures regarding capital adequacy  
of mBank S.A. Group  
as at 30 June 2022**

Warsaw, 11 August 2022

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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 as of the reporting date, i.e. 30 June 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/2020/07 of 2 June 2020 on reporting and disclosure of exposures subject to measures applied in response to the COVID-19 crisis,
- 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 the 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 consolidated prudentially financial data of mBank Group for the first half of 2022 prepared in accordance with the CRR Regulation (the Prudentially consolidated financial data for the first half of 2022) is presented in the Explanatory Note 31 Condensed Consolidated Financial Statements of mBank Group S.A. for the first half of 2022 (the Consolidated Financial Statements for the first half of 2022).

The accounting policies applied for the preparation of the prudentially consolidated financial data for the first half of 2022 are the same as those, which have been applied to the Consolidated Financial Statements for the first half of 2022.

Entities included in prudential consolidation according to the rules of the CRR Regulation were taken into account in the process of calculation of consolidated own funds and consolidated own funds requirements as at 30 June 2022. The scope of entities included in prudential consolidation is the same as the scope of entities included in accounting consolidation based on International Financial Reporting Standards (IFRS).

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 2022 include the following entities:

1. mBank S.A.
2. mBank Hipoteczny S.A.
3. mFaktoring S.A.
4. mFinanse S.A.
5. mFinance CZ s.r.o.
6. mFinance 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.

Detailed information on consolidated entities included in accounting consolidation is presented in Explanatory Note 1 of the Consolidated Financial Statements for the first half of 2022.

### 3. Capital adequacy

One of the Bank's main tasks is to ensure an adequate level of capital. As part of the capital management policy of mBank Group, the Bank creates a framework and guidelines for the most effective planning and use of capital basis 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 policy in mBank Group is based on two basic pillars, i.e.:

- maintenance of an optimal level and structure of own funds, assuring capital adequacy above the established minimum requirement (including 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 on equity.

Effective use of capital is an integral part of the capital management policy oriented at reaching an optimal rate of return on capital and as a result forming a stable fundament of reinforcement of the capital basis in future periods. This enables to maintain the Common Equity Tier 1 capital ratio (calculated as a relation of Common Equity Tier 1 capital to the total risk exposure amount), Tier 1 capital ratio (calculated as a relation of Tier 1 capital to the total risk exposure amount), total capital ratio (calculated as a relation of own funds to the total risk exposure amount) as well as leverage ratio (calculated as a relation of Tier 1 capital to the total exposure measure) at the level higher than required by the supervision authority.

The strategic targets of mBank Group are aimed at maintaining the total capital ratio, Tier 1 capital ratio, Common Equity Tier 1 capital ratio as well as the leverage ratio above the level required by the supervision authority. This 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 2022 is presented below on the basis of the templates EU CC1, EU CC2 set out in Annex VII to Regulation 2021/637.

##### Template EU CC1 - Composition of regulatory own funds (amounts in thousands zlotys):

		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	3 600 297	Template EU CC2: Shareholders' Equity, row 1 and 2, column b)
2	Retained earnings	1 366 203	Template EU CC2: Shareholders' Equity, row 3, column b)
3	Accumulated other comprehensive income (and other reserves)	6 513 154	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	512 324	
6	<b>Common Equity Tier 1 (CET1) capital before regulatory adjustments</b>	<b>13 145 731</b>	-
<b>Common Equity Tier 1 (CET1) capital: regulatory adjustments</b>			
7	Additional value adjustments (negative amount)	(41 202)	-
8	Intangible assets (net of related tax liability) (negative amount)	(804 939)	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	1 142 520	Template EU CC2: Shareholders' Equity, row 5, column b)
12	Negative amounts resulting from the calculation of expected loss amounts	(177 195)	-
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)	(389 147)	Template EU CC2: Assets, row 12, column b) and Liabilities, row 7, column b)
EU-25a	Losses for the current financial year (negative amount)	-	Template EU CC2: Shareholders' Equity, row 4, column b)
26	Fair value gains and losses arising from the institution's own credit risk related to derivative liabilities	(20 910)	-
27a	Other regulatory adjustments	205 011	Template EU CC2: Shareholders' Equity, row 5, column b)
28	<b>Total regulatory adjustments to Common Equity Tier 1 (CET1)</b>	<b>(85 862)</b>	-
29	<b>Common Equity Tier 1 (CET1) capital</b>	<b>13 059 869</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>			
43	<b>Total regulatory adjustments to Additional Tier 1 (AT1) capital</b>	-	-
44	<b>Additional Tier 1 (AT1) capital</b>	-	-
45	<b>Tier 1 capital (T1 = CET1 + AT1)</b>	<b>13 059 869</b>	-
<b>Tier 2 (T2) capital: instruments</b>			
46	Capital instruments and the related share premium accounts	-	Template EU CC2: Liabilities, row 2, column b)
51	<b>Tier 2 (T2) capital before regulatory adjustments</b>	<b>2 305 770</b>	-
<b>Tier 2 (T2) capital: regulatory adjustments</b>			
57	<b>Total regulatory adjustments to Tier 2 (T2) capital</b>	-	-
58	<b>Tier 2 (T2) capital</b>	<b>2 305 770</b>	Template EU CC2: Liabilities, row 2 column b)
59	<b>Total capital (TC = T1 + T2)</b>	<b>15 365 639</b>	-
60	<b>Total Risk exposure amount</b>	<b>93 777 897</b>	-

Template EU CC1 - Composition of regulatory own funds (amounts in thousands zlotys):

		a)	b)
		Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
<b>Capital ratios and requirements including buffers</b>			
61	Common Equity Tier 1 capital	13.93%	-
62	Tier 1 capital	13.93%	-
63	Total capital	16.39%	-
64	Institution CET1 overall capital requirements	8.74%	-
65	of which: capital conservation buffer requirement	2.50%	-
66	of which: countercyclical capital buffer requirement	0.05%	-
67	of which: systemic risk buffer requirement	0.00%	-
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	1.19%	-
68	<b>Common Equity Tier 1 capital (as a percentage of risk exposure amount) available after meeting the minimum capital requirements</b>	6.27%	-
<b>Amounts below the thresholds for deduction (before risk weighting)</b>			
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)	66 354	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)	1 302 439	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 2022.

Capital instruments and the related share premium accounts	
Registered share capital	169 475
Share premium	3 430 822
<b>Total</b>	<b>3 600 297</b>

Detailed information on registered share capital is described in point 23 of selected explanatory data to the Consolidated Financial Statements for the first half of the year 2022.

### Retained earnings

In Retained earnings item the profit from the previous years of mBank Group prudentially consolidated as at 30 June 2022 in the amount of PLN 1 366 203 thousand was included.

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

Accumulated other comprehensive income as at 30 June 2022 amounted to PLN -2 294 482 thousand. The structure of accumulated other comprehensive income of mBank as at 30 June 2022 is presented below.

Accumulated other comprehensive income	
Exchange differences on translation of foreign operations	3 196
Cash flow hedges	(1 142 520)
Valuation of financial assets at fair value through other comprehensive income	(1 156 083)
Actuarial gains and losses related to post-employment benefits	(10 511)
Other comprehensive income	11 436
<b>Total</b>	<b>(2 294 482)</b>

Other reserves of mBank Group prudentially consolidated as at 30 June 2022 amounted to PLN 8 807 636 thousand. The structure of accumulated other comprehensive income of mBank Group prudentially consolidated as at 30 June 2022 is presented below.

Other reserve capital	
Other supplementary capital	8 701 558
Other reserve capital	106 078
<b>Total</b>	<b>8 807 636</b>

Accumulated other comprehensive income and other reserves of mBank Group prudentially consolidated as at 30 June 2022 amounted to PLN 6 513 154 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 2022 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 for the first quarter of the year 2022, was included in calculation of consolidated Common Equity Tier 1 capital as at 30 June 2022 in the amount of PLN 512 324 thousand.

## REGULATORY ADJUSTMENTS / DEDUCTIONS FROM THE COMMON EQUITY TIER 1 CAPITAL

### 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 2022 in the amount of PLN -41 202 thousand.

### Intangible assets

In accordance with Article 36 and 37 of the CRR Regulation and in accordance with Commission Delegated Regulation (EU) 2020/2176 of 12 November 2020 amending Delegated Regulation (EU) No 241/2014 with regard to the deduction of software assets from Common Equity Tier 1 items, intangible

assets, with the exception of prudently valued software assets the value of which is not negatively affected by resolution, insolvency or liquidation of the institution, reduced by the amount of associated deferred tax liabilities are included in Common Equity Tier 1 capital. The value included in Common Equity Tier 1 capital of mBank Group prudentially consolidated as at 30 June 2022 amounted to PLN -804 939 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 1 142 520 thousand regarding cash flow hedging as at 30 June 2022 constituting the reserves reflecting the fair value associated with gains or losses on cash flow hedging instruments, adjust the item Accumulated other comprehensive income, mentioned above.

Negative amount resulting from the calculation of expected loss amounts

mBank Group, in calculating risk-weighted exposure amounts with the application of the AIRB approach, is obliged to include in calculation of own funds the negative amounts resulting from the calculation of expected loss amounts. According to Article 36 (1d), the negative amounts resulting from the calculation specified in Articles 158 and 159 of the CRR Regulation were included in consolidated Common Equity Tier 1 capital of mBank Group prudentially consolidated as at 30 June 2022 in the amount of PLN -177 195 thousand.

Fair value gains and losses arising from the institution's own credit risk related to derivative liabilities

In accordance with Article 33(2) of the CRR Regulation, the fair value gains and losses arising from the mBank Group's own credit risk related to derivative liabilities are not offset with similar profit and losses arising from its counterparty credit risk. As at 30 June 2022 the fair value gains and losses measured at fair value was included in Common Equity Tier 1 capital of mBank Group in the amount of PLN -20 910 thousand.

Other regulatory adjustments

In Other regulatory adjustments item as at 30 June 2022 the impairment on financial assets not measured at fair value through profit or loss for the first half of the year 2022 was included in the amount of PLN -201 841 thousand. Applied approach is compliant with the provisions of the Commission delegated Regulation (EU) No 183/2014 of 20 December 2013 supplementing the CRR Regulation with regard to regulatory technical standards for specifying the calculation of specific and general credit risk adjustments.

Additionally, the adjustment in the amount of PLN 424 624 thousand, resulting from the application of 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, contained in Regulation (EU) 2020/873 of the European Parliament and of the Council of 24 June 2020 amending Regulations (EU) No 575/2013 and (EU) 2019/876 as regards certain adjustments in response to the COVID-19 pandemic, corrects the accumulated other comprehensive income item.

Other adjustments presented in this position amounted in total to PLN -17 772 thousand and the total impact of other regulatory adjustments on the calculation of Tier I capital amounted to PLN 205 011 thousand.

**ADDITIONAL TIER 1 CAPITAL**

In mBank Group, items that could be treated as Additional Tier 1 capital are not identified.

**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 of 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. In connection with Art. 64 of the CRR Regulation, which requires that instruments qualifying as Tier 2 capital in the last five years of their maturity are amortized, as at 30 June 2022, the amount of PLN 383 170 thousand was included in Tier 2 capital for the above-mentioned subordinated liability.

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 October 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 October 10 October 2030, as instruments in Tier 2 capital.

As at 30 June 2022 the amount of PLN 2 305 770 thousand was included in consolidated Tier 2 capital from the virtue of the above mentioned tranches of capital instruments.

#### **TOTAL CAPITAL**

The amount of consolidated own funds of mBank Group prudentially consolidated as at 30 June 2022 was presented in Total capital item being the sum of consolidated Common Equity Tier 1 capital and consolidated Tier 2 capital.

The consolidated own funds of mBank Group prudentially consolidated as at 30 June 2022 amounted to PLN 15 365 639 thousand.

Template EU CC2 - reconciliation of regulatory own funds to balance sheet in the audited financial statements  
(amounts in thousands zlotys):

		a	b	c
		Balance sheet as in published financial statements	Under regulatory scope of consolidation	Reference
		30.06.2022	30.06.2022	
<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	12 522 901	12 522 901	-
2	Financial assets held for trading and hedging derivatives	3 203 560	3 203 560	-
3	Non-trading financial assets mandatorily at fair value through profit or loss	1 190 178	1 190 178	Template EU CC1: row 73, column a)
4	Financial assets at fair value through other comprehensive income	26 627 303	26 627 303	-
5	Financial assets at amortised cost	152 430 428	152 430 428	-
6	Fair value changes of the hedged items in portfolio hedge of interest rate risk	2 075 964	2 075 964	-
7	Non-current assets and disposal groups classified as held for sale	31 247	31 247	
8	Intangible assets	1 299 544	1 299 544	Template EU CC1: row 8, column a)
9	Tangible assets	1 494 499	1 494 499	-
10	Investment properties	127 510	127 510	-
11	Current income tax assets	13 135	13 135	-
12	Deferred income tax assets	1 751 478	1 751 478	Template EU CC1: row 75, column a)
13	Other assets	1 629 401	1 629 401	-
14	<b>Total assets</b>	<b>204 397 148</b>	<b>204 397 148</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	2 839 548	2 839 548	-
2	Financial liabilities measured at amortised cost	181 571 464	181 571 464	-
3	Fair value changes of the hedged items in portfolio hedge of interest rate risk	150 761	150 761	-
4	Liabilities included in disposal groups classified as held for sale	7 304	7 304	
5	Provisions	924 324	924 324	-
6	Current income tax liabilities	498 366	498 366	-
7	Deferred income tax liabilities	179	179	Template EU CC1: row 75, column a)
8	Other liabilities	5 027 609	5 027 609	Template EU CC1: row 46, column a)
9	<b>Total liabilities</b>	<b>191 019 555</b>	<b>191 019 555</b>	-

Template EU CC2 - reconciliation of regulatory own funds to balance sheet in the audited financial statements  
(amounts in thousands zlotys):

		a	b	c
		Balance sheet as in published financial statements	Under regulatory scope of consolidation	• Reference
		30.06.2022	30.06.2022	
<b>Shareholders' Equity</b>				
1	Registered share capital	169 656	169 656	Template EU CC1: row 1, column a)
2	Share premium	3 430 822	3 430 822	Template EU CC1: row 1, column a)
3	Profit from the previous years	11 327 597	11 327 597	Template EU CC1: row 2, 3, EU-3a, column a)
4	Profit for the current year	742 037	742 037	-
5	Other components of equity	(2 294 482)	(2 294 482)	Template EU CC1: row 3, column a)
6	Non-controlling interests	1 963	1 963	-
7	<b>Total shareholders' equity</b>	<b>13 377 593</b>	<b>13 377 593</b>	-

## 5. Capital requirement

### 5.1. 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 (hereinafter referred to as the 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 Sp. z o.o. (hereinafter referred to as the 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.

In the process of calculating the consolidated total capital ratio, since 30 June 2021, mBank Group has been applying the supervisory restrictions of the PFSA

and the ECB (multipliers) related to the recommendation following the implementation of the New Default Definition and the new LGD model for the retail loan portfolio. The supervisory restrictions, in the form of a floor per LGD, for the exposures to banks portfolio have been implemented since 30 September 2021.

The supervisory restrictions will be applied until the Bank complies with the recommendations received.

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 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 May 4, 2022, mBank obtained approvals for the separation of the sub-portfolio of retail loans as qualifying retail revolving exposures (QRRE - Qualifying Retail Revolving Exposures). The new approach will apply from the end of June 2022.

In the calculation of the total capital ratio of mBank Group as of 30 June 2022, 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.

## 5.2. 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 Pillar 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 the first half of 2022 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 is continuous 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 ICAAP process in mBank Group.

### 5.3. Supervisory requirements regarding capital ratios

According to provisions of the CRR Regulation the Bank and the 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 2022 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 the end of June 2022 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 is calculated as the weighted average of the countercyclical buffer rates that apply in the countries where the relevant credit exposures of the Group are located. As at the end of June 2022 this ratio amounted to 0.05%.

Exposures of foreign branches in Czech Republic and in Slovakia, where countercyclical buffer rates as of 30 June 2022 amounted to 0.5%, and 1.0% in each, had an impact on the mBank Group specific countercyclical capital buffer

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

		30.06.2022
1	Total risk exposure amount	93 777 897
2	Institution specific countercyclical capital buffer rate	0.048%
3	Institution specific countercyclical capital buffer requirement	45 013

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		Relevant credit exposures – Market risk		Securitisation exposures Exposure value for non-trading book	Total exposure value	Own fund requirements			Risk-weighted exposure amounts	Own fund requirements weights (%)	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 risk exposures - Credit risk	Relevant credit exposures – Market risk	Relevant credit exposures – Securitisation positions in the non-trading book				Total
10	<b>Breakdown by country:</b>													
20	Poland	23 257 818	108 858 332	2 260 311	-	-	134 376 461	5 589 674	33 028	-	5 622 702	70 283 775	91.2690%	0.0000%
30	Czech Republic	7 250 273	7 646	-	-	-	7 257 919	265 759	-	-	265 759	3 321 987	4.3139%	0.5000%
40	Slovakia	3 075 829	3 019	-	-	-	3 078 848	125 419	-	-	125 419	1 567 737	2.0358%	1.0000%
50	Luxembourg	42 576	549 992	-	-	-	592 568	74 418	-	-	74 418	930 225	1.2080%	0.5000%
60	Netherlands	174 299	218 814	-	-	-	393 113	34 749	-	-	34 749	434 362	0.5641%	0.0000%
70	Germany	53 709	190 458	-	-	-	244 167	15 168	-	-	15 168	189 600	0.2462%	0.0000%
80	USA	81 513	14 061	-	-	-	95 574	6 894	-	-	6 894	86 175	0.1119%	0.0000%
90	Denmark	77 697	1091	-	-	-	78 788	5 817	-	-	5 817	72 712	0.0944%	0.0000%
100	Russian Federation	46 832	534	-	-	-	47 366	3 747	-	-	3 747	46 837	0.0608%	0.0000%
110	Ireland	6000	17 495	-	-	-	23 495	1 532	-	-	1 532	19 150	0.0249%	0.0000%
120	Austria	-	20 484	-	-	-	20 484	1026	-	-	1026	12 825	0.0166%	0.0000%
130	Belarus	4	3 342	-	-	-	3 346	929	-	-	929	11 612	0.0151%	0.0000%
140	Cyprus	478	30 472	-	-	-	30 950	832	-	-	832	10 400	0.0135%	0.0000%
150	Great Britain	622	12 592	-	-	-	13 214	578	-	-	578	7 225	0.0094%	0.0000%

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		Relevant credit exposures – Market risk		Value of trading book exposures for internal models	Securitisation exposures Exposure value for non-trading book	Total exposure value	Own fund requirements				Risk-weighted exposure amounts	Own fund requirements weights (%)	Countercyclical buffer rate (%)		
		General credit exposures	Exposure value under the IRB approach	Sum of long and short positions of trading book exposures for SA	Relevant credit risk exposures - Credit risk				Relevant credit exposures – Market risk	Relevant credit exposures – Securitisation positions in the non-trading book	Total						
160	Belgium	2 131	697	-	-	-	2 828	196	-	-	-	196	2 450	0.0032%	0.0000%		
170	Hungary	1	2 484	-	-	-	2 485	134	-	-	-	134	1 675	0.0022%	0.0000%		
180	Malta	58	7 429	-	-	-	7 487	126	-	-	-	126	1 575	0.0021%	0.0000%		
190	France	62	2 537	-	-	-	2 599	107	-	-	-	107	1 337	0.0017%	0.0000%		
200	Spain	189	1 179	-	-	-	1 368	68	-	-	-	68	850	0.0011%	0.0000%		
210	Portugal	80	4 112	-	-	-	4 192	62	-	-	-	62	775	0.0010%	0.0000%		
220	Switzerland	70	3 657	-	-	-	3 727	59	-	-	-	59	737	0.0010%	0.0000%		
230	Sweden	347	479	-	-	-	826	50	-	-	-	50	625	0.0008%	0.0000%		
240	Georgia	-	2 219	-	-	-	2 219	49	-	-	-	49	613	0.0008%	0.0000%		
250	United Arab Emirates	403	1 494	-	-	-	1 897	47	-	-	-	47	587	0.0008%	0.0000%		
260	Lithuania	20	169	-	-	-	189	21	-	-	-	21	263	0.0003%	0.0000%		
270	Norway	6	540	-	-	-	546	12	-	-	-	12	150	0.0002%	1.5000%		
280	Italy	21	371	-	-	-	392	11	-	-	-	11	138	0.0002%	0.0000%		
290	Ukraine	54	40	-	-	-	94	8	-	-	-	8	100	0.0001%	0.0000%		
300	Serbia	58	-	-	-	-	58	7	-	-	-	7	88	0.0001%	0.0000%		

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		Relevant credit exposures – Market risk		Securitisation exposures Exposure value for non-trading book	Total exposure value	Own fund requirements			Risk-weighted exposure amounts	Own fund requirements weights (%)	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 risk exposures – Credit risk	Relevant credit exposures – Market risk	Relevant credit exposures – Securitisation positions in the non-trading book				Total
310	Israel	82	-	-	-	-	82	7	-	-	7	88	0.0001%	0.0000%
320	British Virgin Island	73	-	-	-	-	73	6	-	-	6	75	0.0001%	0.0000%
330	China	50	13	-	-	-	63	4	-	-	4	50	0.0001%	0.0000%
340	Latvia	50	-	-	-	-	50	4	-	-	4	50	0.0001%	0.0000%
350	Malaysia	50	-	-	-	-	50	4	-	-	4	50	0.0001%	0.0000%
360	Iceland	-	39	-	-	-	39	4	-	-	4	50	0.0001%	0.0000%
370	Canada	-	270	-	-	-	270	3	-	-	3	38	0.0001%	0.0000%
380	Estonia	40	-	-	-	-	40	3	-	-	3	38	0.0001%	0.0000%
390	Australia	-	304	-	-	-	304	3	-	-	3	38	0.0000%	0.0000%
400	Other	31	547	-	-	-	578	9	-	-	9	113	0.0000%	0.0000%
410	<b>Total</b>	<b>34 071 526</b>	<b>109 956 912</b>	<b>2 260 311</b>	<b>-</b>	<b>-</b>	<b>146 288 749</b>	<b>6 127 546</b>	<b>33 028</b>	<b>-</b>	<b>6 160 574</b>	<b>77 007 175</b>	<b>100.0000%</b>	<b>0.0000%</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, to be maintained on individual and consolidated levels. This buffer was in force as at 30 June 2022.

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.

Consequently, the combined buffer requirement set for the mBank Group as of the end of June 2022 amounted to 3.05% of the total risk exposure amount.

Additionally, as a result of the annual risk assessment carried out in 2021 by the PFSA 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 2.12% in order to mitigate the risk and 1.59% for Tier 1 capital (on individual basis: 2.45% and 1.83% 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 high 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. The approach assumes a common starting point for determining the additional capital requirement for all banks, which is to apply the risk weight from the standardized approach applicable in Poland for calculating credit risk capital requirements for mortgage-secured foreign currency exposures (risk weight of 150%), used by banks using the standardized approach.

Consequently, 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 realised 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.

Capital ratios both on consolidated and individual basis in the first half of 2022 were above the required values.

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

In a letter of 10 February 2022, the Bank received a recommendation from the KNF to maintain CET 1 own funds to cover an additional capital surcharge imposed to absorb potential losses resulting from stress events (P2G). The Bank's Management Board has declared that its intention is to maintain capital ratios at a level sufficient to comply with P2G recommendation. The Group does not recognize the P2G recommendation as a component of the minimum regulatory requirement, but takes the recommendation into account in the Group's internal capital adequacy targets. The current level of capital ratios allows the Group to meet both the minimum regulatory requirements and the P2G recommendation.

mBank Group	30 June 2022		31 March 2022	
Capital ratio	Required level	Reported level	Required level	Reported level
<b>Total capital ratio (TCR)</b>	<b>13.17%</b>	<b>16.38%</b>	<b>13.17%</b>	<b>15.92%</b>
Of which: FX ADD ON	2.12%		2.12%	
Of which: combined buffer requirement	3.05%		3.05%	
<b>Tier 1 ratio*</b>	<b>10.64%</b>	<b>13.93%</b>	<b>10.63%</b>	<b>13.47%</b>
Of which: FX ADD ON	1.59%		1.59%	
Of which: combined buffer requirement	3.05%		3.05%	

\*Tier 1 ratio reported in mBank Group is equal to CET 1 ratio

#### 5.4. 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, 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,

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

		a	b	c	d	e
		30.06.2022	31.03.2022	31.12.2021	30.09.2021	30.06.2021
<b>Available own funds (amounts)</b>						
1	Common Equity Tier 1 (CET1) capital	13 059 869	12 666 742	13 552 027	15 171 840	14 826 241
2	Tier 1 capital	13 059 869	12 666 742	13 552 027	15 171 840	14 826 241
3	Total capital	15 365 639	14 967 499	15 871 711	17 484 628	17 138 971
<b>Risk-weighted exposure amounts</b>						
4	Total risk exposure amount	93 777 897	94 027 961	95 738 983	99 584 821	97 643 477
<b>Capital ratios (as a percentage of risk-weighted exposure amount)</b>						
5	Common Equity Tier 1 ratio (%)	13.93%	13.47%	14.16%	15.19%	15.18%
6	Tier 1 ratio (%)	13.93%	13.47%	14.16%	15.19%	15.18%
7	Total capital ratio (%)	16.38%	15.92%	16.58%	17.51%	17.55%
<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 (%)	2.12%	2.12%	2.12%	2.82%	2.82%
EU-7b	of which: to be made up of CET1 capital (percentage points)	1.19%	1.19%	1.19%	1.58%	1.58%
EU-7c	of which: to be made up of Tier 1 capital (percentage points)	1.59%	1.59%	1.59%	2.11%	2.11%
EU-7d	Total SREP own funds requirements (%)	10.12%	10.12%	10.12%	10.82%	10.82%
<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 (%)	0.00%	0.00%	0.00%	0.00%	0.00%
9	Institution specific countercyclical capital buffer (%)	0.05%	0.05%	0.05%	0.05%	0.04%
EU-9a	Systemic risk buffer (%)	0.00%	0.00%	0.00%	0.00%	0.00%
10	Global Systemically Important Institution buffer (%)	0.00%	0.00%	0.00%	0.00%	0.00%
EU-10a	Other Systemically Important Institution buffer (%)	0.50%	0.50%	0.50%	0.50%	0.50%
11	Combined buffer requirement (%)	3.05%	3.05%	3.05%	3.05%	3.04%
EU-11a	Overall capital requirements (%)	13.17%	13.17%	13.17%	13.87%	13.86%
12	CET1 available after meeting the total SREP own funds requirements (%)	5 875 316	5 451 870	6 182 926	6 680 336	6 573 947
<b>Leverage ratio</b>						
13	Leverage ratio buffer requirement (%)	216 071 495	216 563 991	214 379 061	221 768 642	212 172 501
14	Overall leverage ratio requirement (%)	6.04%	5.85%	6.32%	6.84%	6.99%

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

		a	b	c	d	e
		30.06.2022	31.03.2022	31.12.2021	30.09.2021	30.06.2021
<b>Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)</b>						
EU-14a	of which: to be made up of CET1 capital (percentage points)	-	-	-	-	-
EU-14b	Total SREP leverage ratio requirements (%)	-	-	-	-	-
EU-14c	of which: to be made up of CET1 capital (percentage points)	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)	58 861	62 863	63 711	61 428	58 906
EU-16a	Cash outflows - Total weighted value	31 979	31 655	31 192	29 897	28 994
EU-16b	Cash inflows - Total weighted value	4 583	4 717	4 566	4 190	3 654
16	Total net cash outflows (adjusted value)	27 396	26 939	26 625	25 707	25 340
17	Liquidity coverage ratio (%)	215%	233%	239%	239%	232%
<b>Net Stable Funding Ratio</b>						
18	Total available stable funding	158 412	158 883	160 241	160 425	153 879
19	Total required stable funding	114 492	113 777	107 315	104 925	102 877
20	NSFR ratio (%)	138%	140%	149%	153%	150%

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.

**EU OV1** – Overview of RWAs, addressing disclosure requirements of art. 438 letter d) of CRR Regulation.:

		Total risk exposure amounts (TREA)		Total own funds requirements
		a	b	c
		30.06.2022	31.03.2022	30.06.2022
1	Credit risk (excluding CCR)	79 506 069	79 302 777	6 360 485
2	Of which the standardised approach	25 262 456	24 602 148	2 020 996
3	Of which the Foundation IRB (F-IRB) approach	-	-	-
4	Of which slotting approach	6 316 227	6 100 524	505 298
EU 4a	Of which equities under the simple riskweighted approach	-	-	-
5	Of which the Advanced IRB (A-IRB) approach	47 927 386	48 600 105	3 834 191
6	Counterparty credit risk - CCR	2 396 510	2 709 878	191 721
7	Of which the standardised approach	1 958 400	2 100 787	156 672
8	Of which internal model method (IMM)	-	-	-
EU 8a	Of which exposures to a CCP	2 977	3 424	238
EU 8b	Of which credit valuation adjustment - CVA	319 198	426 764	25 536
9	Of which other CCR	115 935	178 903	9 275
15	Settlement risk	-	-	-
16	Securitisation exposures in the non-trading book (after the cap)	824 201	824 202	65 936
17	Of which SEC-IRBA approach	824 201	824 202	65 936
18	Of which SEC-ERBA (including IAA)	-	-	-
19	Of which SEC-SA approach	-	-	-
EU 19a	Of which 1250% / deduction	-	-	-
20	Position, foreign exchange and commodities risks (Market risk)	900 163	1 040 150	72 013
21	Of which the standardised approach	900 163	1 040 150	72 013
22	Of which IMA	-	-	-
EU 22a	Large exposures	-	-	-
23	Operational risk	10 150 954	10 150 954	812 076
EU 23a	Of which basic indicator approach	-	-	-
EU 23b	Of which standardised approach	10 150 954	10 150 954	812 076
EU 23c	Of which advanced measurement approach	-	-	-
24	Amounts below the thresholds for deduction (subject to 250% risk weight)	3 566 893	3 399 881	285 351
29	<b>Total</b>	<b>93 777 897</b>	<b>94 027 961</b>	<b>7 502 231</b>

**EU CR10** – IRB, specialised lending and equities, addressing disclosure requirements of Art. 438 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-balan-cesheet expo-sure	Off-balan-cesheet expo-sure	Risk weight	Exposure value	Risk weighted exposure amo-unt	Expected loss amount
		a	b	c	d	e	f
Category 1	Less than 2.5 years	20 951	99 289	50%	55 634	26 544	-
	Equal to or more than 2.5 years	382 037	20	70%	384 758	224 892	1 539
Category 2	Less than 2.5 years	1 540 975	1 155 832	70%	1 973 992	1 259 911	7 896
	Equal to or more than 2.5 years	4 399 193	64 360	90%	4 424 444	3 611 799	35 396
Category 3	Less than 2.5 years	605 731	203 198	115%	666 573	706 243	18 664
	Equal to or more than 2.5 years	389 945	1 000	115%	390 985	399 297	10 948
Category 4	Less than 2.5 years	-	-	250%	1 090	2724	87
	Equal to or more than 2.5 years	33 822	-	250%	339 27	84 817	2 714
Total	Less than 2.5 years	313 886	-	-	313 885	-	156 943
	Equal to or more than 2.5 years	353 739	-	-	354 105	-	177 053
Total	Less than 2.5 years	2 481 543	1 458 319	-	3 011 174	1 995 422	183 590
	Equal to or more than 2.5 years	5 558 736	65 380	-	5 588 219	4 320 805	227 650

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
		30.06.2022
1	<b>Risk weighted exposure amount as at the end of the previous reporting period</b>	<b>52 108 219</b>
2	Asset size (+/-)	1 520 337
3	Asset quality (+/-)	(245 682)
4	Model updates (+/-)	-
5	Methodology and policy (+/-)	(1 990 542)
6	Acquisitions and disposals (+/-)	-
7	Foreign exchange movements (+/-)	150 229
8	Other (+/-)	-
9	<b>Risk weighted exposure amount as at the end of the reporting period</b>	<b>51 542 561</b>

### 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 f) 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 secured by collateral	Of which secured by financial guarantees	Of which secured by credit derivatives
		a	b	c	d	e
1	Loans and advances	81 739 266	68 224 187	63 693 187	4 531 000	-
2	Debt securities	45 068 084	-	-	-	-
<b>3</b>	<b>Total</b>	<b>126 807 350</b>	<b>68 224 187</b>	<b>63 693 187</b>	<b>4 531 000</b>	<b>-</b>
4	<i>Of which non-performing exposures</i>	3 602 845	1 338 313	1 276 323	61 990	-
5	<i>Of which defaulted</i>	3 599 589	1 338 313	1 276 323	61 990	-

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 2022 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)-i) and of 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	57 269 642	40	57 273 898	621	3 256 099	6,00%
Regional government or local authorities	133 459	40 040	133 459	20 002	30 692	20,00%
Public sector entities	27 516	33 858	27 276	10 538	27 048	72,00%
Multilateral development banks	2 971 677	-	2 971 677	-	-	-
International organisations	-	-	-	-	-	-
Institutions	836 731	36 135	919 288	14 039	238 329	26,00%
Corporates	9 558 624	6 646 110	9 368 511	1 973 227	10 736 099	95,00%
Retail	4 687 878	739 651	4 687 878	158 783	3 632 865	74,96%
Secured by mortgages on immovable property	16 156 270	85 761	16 156 270	42 880	6 173 584	38,00%
Exposures in default	519 079	783	512 324	529	618 871	121,00%
Exposures associated with particularly high risk	84 848	50	84 848	50	127 347	150,00%
Covered bonds	-	-	-	-	-	0,00%
Institutions and corporates with a short-term credit assessment	-	-	-	-	-	0,00%
Collective investment undertakings	-	-	-	-	-	0,00%
Equity	219 123	-	219 123	-	405 600	185,00%
Other items	15 861	61	15 861	61	15 922	100,00%
<b>TOTAL</b>	<b>92 480 708</b>	<b>7 582 489</b>	<b>92 370 413</b>	<b>2 220 730</b>	<b>25 262 456</b>	<b>27,00%</b>

**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 Group applies standardized approach, broken down 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	55 972 079	-	-	-	-	-	-	-
2	Regional government or local authorities	-	-	-	-	153 461	-	-	-
3	Public sector entities	-	-	-	-	-	-	21 532	-
4	Multilateral development banks	2 971 677	-	-	-	-	-	0	-
5	International organisations	-	-	-	-	-	-	0	-
6	Institutions	92234	347 663	-	-	51 243	-	442 121	-
7	Corporates	-	-	-	-	-	-	329	-
8	Retail exposures	-	-	-	-	-	-	0	-
9	Exposures secured by mortgages on immovable property	-	-	-	-	-	15 302 658	155 783	-
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	-	-	-	-	-	-	-	-
17	<b>TOTAL</b>	<b>59 035 990</b>	<b>347 663</b>	<b>-</b>	<b>-</b>	<b>204 704</b>	<b>15 302 658</b>	<b>619 765</b>	<b>-</b>

**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 Group applies standardized approach, broken down by assets classes and risk weights.

	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	-	1 302 439	-	-	-	57 274 519	1 333 366
2	Regional government or local authorities	-	-	-	-	-	-	-	153 461	19 420
3	Public sector entities	-	16 282	-	-	-	-	-	37 814	16 282
4	Multilateral development banks	-	-	-	-	-	-	-	2 971 677	-
5	International organisations	-	-	-	-	-	-	-	-	-
6	Institutions	-	66	-	-	-	-	-	933 327	721 733
7	Corporates	-	11 341 409	-	-	-	-	-	11 341 738	11 341 409
8	Retail exposures	4 846 661	0	-	-	-	-	-	4 846 661	4 846 682
9	Exposures secured by mortgages on immovable property	-	738 430	2 279	-	-	-	-	16 199 150	16 199 150
10	Exposures in default	-	292 761	220 092	-	-	-	-	512 853	512 854
11	Exposures associated with particularly high risk	-	-	84 898	-	-	-	-	84 898	84 898
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	-	94 805	-	124 318	-	-	-	219 123	219 123
16	Other items	-	15 922	-	-	-	-	-	15 922	15 922
17	<b>TOTAL</b>	4 846 661	12 499 676	307 269	1 426 757	-	-	-	95 172 011	35 310 839



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 letters 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 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	4 913	4 744	1.537156	12 206	0.001242	20	0.371367	-	1 031	8.00%	5	3
	0.00 to <0.10	1 506	7	461.55	4 827	0.000933	4	0.488125	-	451	9.00%	2	1
	0.10 to <0.15	3 407	4 737	0.838506	7 379	0.001445	16	0.294994	-	580	8.00%	3	2
	0.15 to <0.25	133 758	20 072	0.856406	150 948	0.0021	495	0.256424	-	13 711	9.00%	82	69
	0.25 to <0.50	593 866	58 757	0.839983	643 220	0.003693	1566	0.305978	-	104 396	16.00%	726	393
	0.50 to <0.75	576 219	59 441	0.993393	635 267	0.006182	1543	0.296871	-	144 665	23.00%	1170	514
	0.75 to <2.50	666 038	77 082	1.490613	780 936	0.012515	1878	0.328162	-	310 311	40.00%	3 214	1 319
	0.75 to <1.75	566 842	68 027	1.320531	656 673	0.010928	1563	0.326467	-	239 018	36.00%	2 336	1 106
	1.75 to <2.5	99 196	9 055	2.768342	124 263	0.020903	315	0.337117	-	71 293	57.00%	878	213
	2.50 to <10.00	152 509	5 176	4.425487	175 414	0.041812	365	0.347173	-	147 964	84.00%	2 479	964
	2.5 to <5	117 258	3 796	5.700094	138 895	0.033287	279	0.355485	-	109 547	79.00%	1 633	568
	5 to <10	35 251	1 380	0.918767	36 519	0.074235	86	0.31556	-	38 417	105.00%	846	396
	10.00 to <100.00	54 199	86	18.463045	55 795	0.227654	142	0.330102	-	85 421	153.00%	4 255	3 172
	10 to <20	29 244	4	110.526071	29 704	0.154544	78	0.320715	-	42 371	143.00%	1 469	1540
	20 to <30	10 384	2	461.55	11 386	0.245155	28	0.342212	-	19 084	168.00%	955	708
	30.00 to <100.00	14 571	80	1.666926	14 705	0.36179	36	0.339688	-	23 966	163.00%	1 831	924
	100.00 (Default)	167 472	64	-	167 474	1	317	0.674855	-	593 062	354.00%	68 839	68 845
	<b>Subtotal</b>	<b>2 348 974</b>	<b>225 422</b>	<b>1</b>	<b>2 621 260</b>	<b>-</b>	<b>6 326</b>	<b>-</b>	<b>-</b>	<b>1 400 561</b>	<b>54.00%</b>	<b>80 770</b>	<b>75 279</b>



EU CR6 – IRB approach – Credit risk and counterparty credit exposures by exposure class and PD range - continued

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	18 304 511	1 099 205	0,623201	18 989 537	0,000849	143 788	0,331367	-	1 384 039	0,07	5 062	1 993
	0.00 to <0.10	11 632 132	900 106	0,624812	12 194 529	0,000638	99 034	0,364838	-	816 231	0,07	2 807	1 225
	0.10 to <0.15	6 672 379	199 099	0,615921	6 795 008	0,001226	44 754	0,271299	-	567 808	0,08	2 255	768
	0.15 to <0.25	6 531 969	162 693	0,632692	6 634 904	0,001910	42 185	0,276631	-	792 673	0,12	3 520	1 276
	0.25 to <0.50	4 818 061	135 424	0,657504	4 907 103	0,003494	29 601	0,285826	-	938 231	0,19	4 903	2 236
	0.50 to <0.75	1 554 171	43 062	0,701206	1 584 366	0,005999	9 450	0,298773	-	466 276	0,29	2 845	1 241
	0.75 to <2.50	1 292 028	24 597	0,788299	1 311 419	0,012577	7 521	0,308370	-	645 017	0,49	5 119	2 394
	0.75 to <1.75	1 063 854	22 022	0,779266	1 081 015	0,010737	6 354	0,306932	-	480 202	0,44	3 556	1 855
	1.75 to <2.5	228 174	2 575	0,865564	230 404	0,021206	1 167	0,315115	-	164 815	0,72	1 563	539
	2.50 to <10.00	525 344	5 015	0,753920	529 126	0,051322	2 845	0,292303	-	555 167	1,05	7 951	3 216
	2.5 to <5	295 440	2 399	0,743241	297 224	0,034759	1 627	0,292521	-	259 740	0,87	3 021	1 438
	5 to <10	229 904	2 616	0,763718	231 902	0,072549	1 218	0,292024	-	295 427	1,27	4 930	1 778
	10.00 to <100.00	488 165	1 746	0,689169	489 369	0,253072	2 200	0,293410	-	841 768	1,72	36 162	16 193
	10 to <20	248 027	784	0,601694	248 499	0,140390	1 217	0,289631	-	408 006	1,64	10 152	4 561
	20 to <30	101 765	181	0,430000	101 843	0,242519	422	0,306172	-	200 001	1,96	7 574	3 013
	30.00 to <100.00	138 373	781	0,836954	139 027	0,462210	561	0,290817	-	233 761	1,68	18 436	8 619
	100.00 (Default)	757 058	1 262	0,000000	757 059	1,000000	2 262	0,664464	-	1 020 472	1,35	439 358	439 844
<b>Subtotal</b>		<b>34 271 307</b>	<b>1 473 004</b>	<b>0,632431</b>	<b>35 202 883</b>	<b>0,027838</b>	<b>239 852</b>	<b>0,318427</b>	<b>-</b>	<b>6 643 643</b>	<b>0,19</b>	<b>504 920</b>	<b>468 393</b>



EU CR6 – IRB approach – Credit risk and counterparty credit exposures by exposure class and PD range – continued

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>Portfolio of eligible revolving retail loans</b>													
	0.00 to <0.15	126 160	651 293	0,729422	601 227	0,001042	90472	0,48674	-	20 529	3,00%	310	310
	0.00 to <0.10	54 603	265 148	0,696801	239 358	0,000702	38661	0,444724	-	5 308	2,00%	74	83
	0.10 to <0.15	71 557	386 145	0,75182	361 869	0,001267	51811	0,514532	-	15 221	4,00%	236	227
	0.15 to <0.25	228 854	1 369 452	0,692368	1 177 018	0,002018	172306	0,562041	-	79 342	7,00%	1340	1113
	0.25 to <0.50	480 572	1 654 484	0,66909	1 587 571	0,003502	234006	0,602136	-	178 384	11,00%	3 354	3 335
	0.50 to <0.75	332 295	436 521	0,74869	659 114	0,006126	90755	0,636323	-	122 255	19,00%	2 574	2 981
	0.75 to <2.50	1 170 025	628 420	0,774704	1 656 864	0,014594	235470	0,679028	-	631 073	38,00%	16 494	17 550
	0.75 to <1.75	782 613	482 279	0,780605	1 159 082	0,011846	164474	0,674684	-	377 202	33,00%	9 292	10 067
	1.75 to <2.5	387 412	146 141	0,755231	497 782	0,020992	70996	0,689144	-	253 871	51,00%	7 202	7 483
	2.50 to <10.00	999 327	173 241	0,826998	1 142 596	0,046915	147261	0,703052	-	1 019 941	89,00%	37 786	42 342
	2.5 to <5	640 337	136 744	0,807202	750 716	0,035412	99279	0,700458	-	561 488	75,00%	18 634	19 786
	5 to <10	358 990	36 497	0,901171	391 880	0,068951	47982	0,708021	-	458 453	117,00%	19 152	22 556
	10.00 to <100.00	262 413	23 269	0,848069	282 148	0,204721	30035	0,692657	-	528 322	187,00%	39 942	40 664
	10 to <20	163 072	18 933	0,844767	179 067	0,1344	20894	0,6954	-	299 916	167,00%	16 731	17 829
	20 to <30	51 695	2 409	0,825581	53 684	0,248334	5190	0,684555	-	115 317	215,00%	9 137	10 063
	30.00 to <100.00	47 646	1 927	0,908635	49 397	0,412245	3951	0,691514	-	113 089	229,00%	14 074	12 772
	100.00 (Default)	-	-	-	-	-	-	-	-	-	0,00%	-	-
	<b>Subtotal</b>	<b>3 599 646</b>	<b>4 936 680</b>	<b>0,710375</b>	<b>7 106 538</b>	<b>0,020846</b>	<b>1 000 305</b>	<b>0,62665</b>	<b>-</b>	<b>2 579 846</b>	<b>36,00%</b>	<b>101 800</b>	<b>108 295</b>



EU CR6 – IRB approach – Credit risk and counterparty credit exposures by exposure class and PD range – continued

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	25 879	19 613	0.851078	42 571	0.001194	687	0.620532	-	4 592	11.00%	22	94
	0.00 to <0.10	8 844	3 478	0.878643	11 900	0.000823	159	0.624493	-	843	7.00%	4	18
	0.10 to <0.15	17 035	16 135	0.845136	30 671	0.001304	528	0.619361	-	3 749	12.00%	18	76
	0.15 to <0.25	123 564	505 723	0.822625	539 585	0.0021	15082	0.654778	-	123 664	23.00%	733	1212
	0.25 to <0.50	1 238 632	1 037 717	0.760894	2 028 224	0.003763	50561	0.679322	-	525 941	26.00%	3 690	5 517
	0.50 to <0.75	1 551 723	507 948	0.838579	1 977 676	0.006185	41480	0.689637	-	620 339	31.00%	5 242	6 786
	0.75 to <2.50	4 161 337	769 436	0.91117	4 862 424	0.014111	106469	0.72183	-	2 432 711	50.00%	34 017	38 897
	0.75 to <1.75	3 119 449	623 721	0.900084	3 680 851	0.011631	80130	0.718002	-	1 707 799	46.00%	20 800	24 658
	1.75 to <2.5	1 041 888	145 715	0.95862	1 181 573	0.021016	26339	0.732485	-	724 912	61.00%	13 217	14 239
	2.50 to <10.00	3 086 957	243 100	1.031206	3 337 643	0.048736	71059	0.73742	-	2 194 601	66.00%	79 814	72 773
	2.5 to <5	1 869 369	185 439	1.004285	2 055 602	0.035409	45983	0.736553	-	1 343 144	65.00%	37 438	35 038
	5 to <10	1 217 588	57 661	1.117785	1 282 041	0.070104	25076	0.739062	-	851 457	66.00%	42 376	37 735
	10.00 to <100.00	1 248 383	27 016	1.133854	1 279 015	0.227099	23298	0.736071	-	1 043 395	82.00%	115 367	101 490
	10 to <20	661 788	22 047	1.119069	686 459	0.141217	13074	0.73705	-	535 375	78.00%	42 130	39 024
	20 to <30	391 936	2 374	1.27339	394 960	0.246111	6584	0.735702	-	287 415	73.00%	28 654	26 188
	30.00 to <100.00	194 659	2 595	1.131783	197 596	0.477274	3640	0.733516	-	220 605	112.00%	44 583	36 278
	100.00 (Default)	735 049	7 853	-	735 049	1	17702	0.739312	-	539 365	73.00%	531 602	534 492
	<b>Subtotal</b>	<b>12 171 524</b>	<b>3 118 406</b>	<b>0.843593</b>	<b>14 802 187</b>	<b>0.085114</b>	<b>326 338</b>	<b>0.712286</b>	<b>-</b>	<b>7 484 608</b>	<b>51.00%</b>	<b>770 487</b>	<b>761 261</b>



EU CR6 – IRB approach – Credit risk and counterparty credit exposures by exposure class and PD range - continued

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	314 796	503	0.450433	315 023	0.000998	17597	0.619144	-	53 484	17.00%	196	591
	0.00 to <0.10	169 763	1	0.93	169 764	0.000768	9044	0.606359	-	23 379	14.00%	79	210
	0.10 to <0.15	145 033	502	0.449956	145 259	0.001267	8553	0.634085	-	30 105	21.00%	117	381
	0.15 to <0.25	390 054	470	0.44	390 261	0.002027	26059	0.643005	-	113 865	29.00%	509	1 671
	0.25 to <0.50	931 216	2 450	0.440252	932 295	0.003696	65000	0.668804	-	415 469	45.00%	2 309	5 767
	0.50 to <0.75	852 771	1 466	0.440554	853 417	0.006212	64426	0.675351	-	517 634	61.00%	3 578	6 646
	0.75 to <2.50	3 564 826	1 513	0.459508	3 565 522	0.014479	316386	0.681572	-	3 089 131	87.00%	35 248	44 931
	0.75 to <1.75	2 567 350	1 020	0.451952	2 567 812	0.012008	225893	0.679674	-	2 099 419	82.00%	20 977	28 057
	1.75 to <2.5	997 476	493	0.475141	997 710	0.020839	90493	0.686456	-	989 712	99.00%	14 271	16 874
	2.50 to <10.00	2 429 143	483	0.441505	2 429 356	0.043511	200730	0.658926	-	2 581 288	106.00%	69 808	71 643
	2.5 to <5	1 816 133	483	0.441505	1 816 346	0.036201	145773	0.653186	-	1 876 799	103.00%	42 721	42 282
	5 to <10	613 010	-	-	613 010	0.065171	54957	0.675931	-	704 489	115.00%	27 087	29 361
	10.00 to <100.00	359 880	-	-	359 880	0.1985	40430	0.678348	-	576 522	160.00%	48 719	54 313
	10 to <20	218 284	-	-	218 284	0.137109	25588	0.673688	-	309 305	142.00%	20 152	22 645
	20 to <30	91 190	-	-	91 190	0.246503	9292	0.679583	-	165 701	182.00%	15 300	18 032
	30.00 to <100.00	50 406	-	-	50 406	0.377508	5550	0.696298	-	101 516	201.00%	13 267	13 636
	100.00 (Default)	803 050	12 593	-	803 048	1	58015	0.724003	-	799 421	100.00%	558 656	562 942
	<b>Subtotal</b>	<b>9 645 736</b>	<b>19 478</b>	<b>0.157444</b>	<b>9 648 802</b>	<b>0.107958</b>	<b>788 643</b>	<b>0.673899</b>	<b>-</b>	<b>8 146 814</b>	<b>84.00%</b>	<b>719 023</b>	<b>748 504</b>



EU CR6 – IRB approach – Credit risk and counterparty credit exposures by exposure class and PD range - continued

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	423 546	610 533	0.504887	754 450	0.000823	386	0.479227	2	103 094	14.00%	242	142
	0.00 to <0.10	271 580	422 800	0.500054	496 668	0.000626	253	0.478971	2	58 359	12.00%	119	75
	0.10 to <0.15	151 966	187 733	0.515773	257 782	0.001227	133	0.479752	2	44 735	17.00%	123	67
	0.15 to <0.25	357 335	295 313	0.487288	524 225	0.001977	266	0.391185	2	107 574	21.00%	321	141
	0.25 to <0.50	687 511	598 798	0.430983	973 566	0.003729	594	0.350442	2	270 843	28.00%	1 050	524
	0.50 to <0.75	376 373	301 764	0.422231	508 306	0.006133	461	0.357531	2	171 896	34.00%	899	486
	0.75 to <2.50	2 514 760	1 464 612	0.455712	3 233 214	0.01452	2341	0.334016	2	1 554 151	48.00%	13 340	7 655
	0.75 to <1.75	1 717 751	1 105 893	0.464089	2 271 670	0.011799	1756	0.329189	2	1 014 633	45.00%	7 468	4 079
	1.75 to <2.5	797 009	358 719	0.429888	961 544	0.020949	585	0.345543	2	539 518	56.00%	5 872	3 576
	2.50 to <10.00	2 100 430	692 252	0.395251	2 419 500	0.041315	1090	0.265421	2	1 393 002	58.00%	23 743	12 649
	2.5 to <5	1 641 578	631 136	0.375483	1 919 947	0.034712	850	0.275233	2	1 086 916	57.00%	16 225	8 563
	5 to <10	458 852	61 116	0.599393	499 553	0.068018	240	0.228474	2	306 086	61.00%	7 518	4 086
	10.00 to <100.00	162 497	46 810	0.674148	194 915	0.174679	150	0.34727	2	191 774	98.00%	9 289	5 386
	10 to <20	125 350	18 929	0.505982	135 320	0.123881	93	0.317335	2	117 275	87.00%	4 333	3 224
	20 to <30	21 978	21 272	0.868421	40 705	0.231548	28	0.476397	1	54 895	135.00%	3 240	990
	30.00 to <100.00	15 169	6 609	0.530487	18 890	0.42592	29	0.205604	2	19 604	104.00%	1 716	1 172
	100.00 (Default)	168 667	17 968	0.358432	175 142	1	103	0.62468	-	295 862	169.00%	104 123	104 121
	<b>Subtotal</b>	<b>6 791 119</b>	<b>4 028 050</b>	<b>0.45101</b>	<b>8 783 318</b>	<b>0.050045</b>	<b>5 391</b>	<b>0.344812</b>	<b>2</b>	<b>4 088 196</b>	<b>47.00%</b>	<b>153 007</b>	<b>131 104</b>



EU CR6 – IRB approach – Credit risk and counterparty credit exposures by exposure class and PD range - continued

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	1 288 376	1 659 799	0.510127	2 372 465	0.000827	263	0.488593	2	532 245	22.00%	889	922
	0.00 to <0.10	827 185	1 097 933	0.540836	1 615 649	0.000656	161	0.482834	2	314 287	19.00%	466	641
	0.10 to <0.15	461 191	561 866	0.45012	756 816	0.001209	102	0.50212	2	217 958	29.00%	423	281
	0.15 to <0.25	1 144 155	1 565 926	0.372895	1 791 332	0.00201	199	0.53129	1	719 700	40.00%	1 834	1 328
	0.25 to <0.50	1 785 761	2 995 538	0.32107	3 100 355	0.004096	304	0.498595	2	1 903 467	61.00%	5 855	3 283
	0.50 to <0.75	804 288	1 078 951	0.358048	1 221 454	0.006184	222	0.476259	2	907 535	74.00%	3 375	2 224
	0.75 to <2.50	4 747 691	3 223 135	0.478341	6 617 009	0.013576	874	0.466768	2	6 333 129	96.00%	38 762	24 971
	0.75 to <1.75	3 618 945	2 536 516	0.481152	5 028 830	0.01125	647	0.473281	2	4 535 716	90.00%	24 795	15 633
	1.75 to <2.5	1 128 746	686 619	0.467956	1 588 179	0.020943	227	0.446411	2	1 797 413	113.00%	13 967	9 338
	2.50 to <10.00	1 400 059	877 895	0.440512	1 832 119	0.042175	445	0.395215	2	2 036 421	111.00%	27 516	19 700
	2.5 to <5	1 103 569	765 764	0.436317	1 482 412	0.036322	320	0.399071	2	1 594 178	108.00%	19 484	13 229
	5 to <10	296 490	112 131	0.469159	349 707	0.066985	125	0.378028	2	442 243	126.00%	8 032	6 471
	10.00 to <100.00	78 005	24 281	0.415548	91 257	0.410627	535	0.466743	2	173 540	190.00%	11 766	3 303
	10 to <20	32 478	12 238	0.260443	38 200	0.159441	147	0.333817	2	51 001	134.00%	1 451	858
	20 to <30	6 717	294	0.5117	6 867	0.245425	70	0.349004	2	10 131	148.00%	455	407
	30.00 to <100.00	38 810	11 749	0.574709	46 190	0.464154	318	0.495702	1	112 408	243.00%	9 860	2 038
	100.00 (Default)	711 841	158 621	0.387102	773 242	1	261	0.624832	-	873 706	113.00%	582 858	582 847
	<b>Subtotal</b>	<b>11 960 176</b>	<b>11 584 146</b>	<b>0.412521</b>	<b>17 799 233</b>	<b>0.055855</b>	<b>3 103</b>	<b>0.482486</b>	<b>2</b>	<b>13 479 743</b>	<b>76.00%</b>	<b>672 855</b>	<b>638 578</b>

EU CR6 – IRB approach – Credit risk and counterparty credit exposures by exposure class and PD range - continued

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
Corporations - specialized lending exposures													
Subtotal		8 040 279	1 523 699	0.342425	8 599 393	-	430	-	-	6 316 227	73.00%	411 240	304 337



EU CR6 – IRB approach – Credit risk and counterparty credit exposures by exposure class and PD range - continued

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	2 351 278	3 061 051	0.309714	3 931 940	0.000664	88	0.47986	1	866 051	22.00%	1240	1154
	0.00 to <0.10	2 141 890	2 834 644	0.297124	3 552 055	0.000604	75	0.482113	1	769 072	22.00%	1026	1087
	0.10 to <0.15	209 388	226 407	0.467334	379 885	0.001228	13	0.458787	1	96 979	26.00%	214	67
	0.15 to <0.25	418 401	61 390	0.430686	934 976	0.001706	17	0.265534	1	148 447	16.00%	429	51
	0.25 to <0.50	521 609	28 963	0.235502	533 398	0.003598	8	0.452645	-	258 031	48.00%	868	107
	0.50 to <0.75	76 063	12 537	0.410214	81 227	0.00611	7	0.434144	1	61 785	76.00%	215	240
	0.75 to <2.50	27 253	53 174	0.484402	53 018	0.016947	12	0.469767	1	53 959	102.00%	426	627
	0.75 to <1.75	5 329	40 295	0.440698	23 095	0.013416	5	0.454377	1	21 383	93.00%	139	267
	1.75 to <2.5	21 924	12 879	0.621136	29 923	0.019672	7	0.481645	1	32 576	109.00%	287	360
	2.50 to <10.00	472	312	0.2	1 779	0.053703	3	0.425439	4	3 045	171.00%	41	-
	2.5 to <5	15	-	-	50	0.03262	1	0.425	3	71	142.00%	1	-
	5 to <10	457	312	0.2	1 729	0.05431	2	0.425451	4	2 974	172.00%	40	-
	10.00 to <100.00	3 342	-	-	3 342	0.4734	1	0.68125	1	11 605	347.00%	1 078	1 899
	10 to <20	-	-	-	-	-	-	-	-	-	0.00%	-	-
	20 to <30	-	-	-	-	-	-	-	-	-	0.00%	-	-
	30.00 to <100.00	3 342	-	-	3 342	0.4734	1	0.68125	1	11 605	347.00%	1 078	1 899
	100.00 (Default)	-	-	-	-	-	-	-	-	-	0.00%	-	-
	<b>Subtotal</b>	<b>3 398 418</b>	<b>3 217 427</b>	<b>0.314622</b>	<b>5 539 680</b>	<b>0.00166</b>	<b>136</b>	<b>0.440403</b>	<b>1</b>	<b>1 402 923</b>	<b>25.00%</b>	<b>4 297</b>	<b>4 078</b>
	<b>Total</b>	<b>92 227 179</b>	<b>30 126 312</b>	<b>0.513634</b>	<b>110 103 294</b>	<b>0.045424</b>	<b>2 370 524</b>	<b>0.418162</b>	<b>1</b>	<b>51 542 561</b>	<b>47.00%</b>	<b>3 418 399</b>	<b>3 239 829</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.

**Template 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										
		Funded credit Protection (FCP)										
		Total exposures	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 (%)	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 (%)	
												a
1	Central governments and central banks	-	-	-	-	-	-	-	-	-	-	-
2	Institutions	4 410 691	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
3	Corporates	33 908 718	2,5%	0,0%	0,0%	0,0%	0,0%	166,2%	4,2%	125,5%	36,5%	
3.1	<i>Of which Corporates – SMEs</i>	8 607 810	3,9%	0,0%	0,0%	0,0%	0,0%	143,2%	1,4%	117,4%	24,4%	
3.2	<i>Of which Corporates – Specialised lending</i>	8 562 032	0,0%	0,0%	0,0%	0,0%	0,0%	35,2%	0,1%	35,1%	0,0%	
3.3	<i>Of which Corporates – Other</i>	16 738 876	3,1%	0,0%	0,0%	0,0%	0,0%	245,1%	7,9%	175,8%	61,4%	
4	Retail	69 381 670	0,0%	0,0%	0,0%	0,0%	0,0%	36,8%	0,0%	36,8%	0,0%	
4.1	<i>Of which Retail – Immovable property SMEs</i>	2 621 260	0,0%	0,0%	0,0%	0,0%	0,0%	91,1%	0,0%	91,1%	0,0%	
4.2	<i>Of which Retail – Immovable property non-SMEs</i>	35 202 883	0,0%	0,0%	0,0%	0,0%	0,0%	65,5%	0,0%	65,5%	0,0%	
4.3	<i>Of which Retail – Qualifying revolving</i>	7106538	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	
4.4	<i>Of which Retail – Other SMEs</i>	14 802 187	0,0%	0,0%	0,0%	0,0%	0,0%	0,6%	0,0%	0,6%	0,0%	
4.5	<i>Of which Retail – Other non-SMEs</i>	9 648 802	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	
5	<b>Total</b>	<b>107 701 079</b>	<b>0,8%</b>	<b>0,0%</b>	<b>0,0%</b>	<b>0,0%</b>	<b>0,0%</b>	<b>76,0%</b>	<b>1,3%</b>	<b>63,2%</b>	<b>11,5%</b>	

Template EU CR7-A – IRB approach – Disclosure of the extent of the use of CRM techniques - continued

A-IRB		Credit risk Mitigation techniques		Credit risk Mitigation methods in the calculation of RWEAs	
		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 Guarantees (%)	Part of exposures covered by Credit Derivatives (%)		
		k	l	m	n
1	Central governments and central banks	-	-	-	-
2	Institutions	0,0%	0,0%	-	1 191 621
3	Corporates	18,0%	0,0%	-	22 864 612
3.1	<i>Of which Corporates – SMEs</i>	41,8%	0,0%	-	3 945 571
3.2	<i>Of which Corporates – Specialised lending</i>	0,0%	0,0%	-	6 286 758
3.3	<i>Of which Corporates – Other</i>	15,0%	0,0%	-	12 632 283
4	Retail	0,0%	0,0%	-	26 255 472
4.1	<i>Of which Retail – Immovable property SMEs</i>	0,0%	0,0%	-	1 400 561
4.2	<i>Of which Retail – Immovable property non-SMEs</i>	0,0%	0,0%	-	6 643 643
4.3	<i>Of which Retail – Qualifying revolving</i>	0,0%	0,0%	-	2 579 846
4.4	<i>Of which Retail – Other SMEs</i>	0,0%	0,0%	-	7 484 608
4.5	<i>Of which Retail – Other non-SMEs</i>	0,0%	0,0%	-	8 146 814
5	Total	5,7%	0,0%	-	50 311 705

## 6. Leverage ratio

Since 2014 mBank Group calculates leverage ratio according to the CRR Regulation provisions. The purpose of the introduction of the supplementary measure depicting relation between Tier I capital and exposure measure for balance and off balance sheet exposures by the regulators was to reduce excessive and unsustainable debt of credit institutions that may be inadequate to capital base in place.

Information regarding leverage ratio presented below are compliant with regulatory reporting provided by mBank to NBP. Calculations are made according to the rules of CRR Regulation taking into account Commission

Delegated Regulation 2015/62 as of 10 October 2014 amending CRR Regulation with regard to the leverage ratio. Disclosures regarding leverage ratio follow the rules defined in Commission Implementing Regulation 2016/200 of 15 February 2016 laying down implementing technical standards with regard to disclosure of the leverage ratio for institutions, according to CRR Regulation.

The table below presents a short information on the total exposure measure.

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

		a
		Applicable amount
1	Total assets as per published financial statements	204 397 148
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	2 186 120
9	Adjustment for securities financing transactions (SFTs)	43 871
10	Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	12 966 240
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	(3 521 884)
13	<b>Total exposure measure</b>	<b>216 071 495</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
		30.06.2022	31.12.2021
<b>On-balance sheet exposures (excluding derivatives and SFTs)</b>			
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	193 456 124	196 204 573
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)	(1 244 241)	(1 350 270)
7	<b>Total on-balance sheet exposures (excluding derivatives and SFTs)</b>	<b>192 211 883</b>	<b>194 854 303</b>
<b>Derivative exposures</b>			
8	Replacement cost associated with SA-CCR derivatives transactions (ie net of eligible cash variation margin)	2 061 194	3 870 657
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	2 169 716	1 956 997
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)	-	-
13	<b>Total derivatives exposures</b>	<b>4 230 910</b>	<b>5 827 654</b>
<b>Securities financing transaction (SFT) exposures</b>			
14	Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	6 555 502	872 205
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-	-
16	Counterparty credit risk exposure for SFT assets	43 871	383
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)	-	-
18	<b>Total securities financing transaction exposures</b>	<b>6 599 373</b>	<b>872 588</b>
<b>Other off-balance sheet exposures</b>			
19	Off-balance sheet exposures at gross notional amount	39 003 639	38 029 381
20	(Adjustments for conversion to credit equivalent amounts)	(26 037 399)	(25 204 865)
21	(General provisions deducted in determining Tier 1 capital and specific provisions associated associated with off-balance sheet exposures)	-	-
22	<b>Off-balance sheet exposures</b>	<b>12 966 240</b>	<b>12 824 516</b>

EU LR2 - LRCom: Leverage ratio common disclosure - continued

		CRR leverage ratio exposures	
		a	b
		30.06.2022	31.12.2021
<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)	-	-
EU-22k	(Total exempted exposures)	-	-
<b>Capital and total exposure measure</b>			
23	<b>Tier 1 capital</b>	13 059 869	13 552 027
24	<b>Total exposure measure</b>	<b>216 071 495</b>	<b>214 379 061</b>
<b>Leverage ratio</b>			
25	Leverage ratio (%)	6.04%	6.32%
EU-25	Leverage ratio (excluding the impact of the exemption of public sector investments and promotional loans) (%)	6.04%	6.32%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) (%)	6.04%	6.32%
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	temporary	temporary

mBank as a significant subsidiary of a EU parent institutions which is of material significance for its local market, discloses information indicated in article 13(1) of CRR Regulation on a sub-consolidated basis.

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

		30.06.2022
		CRR leverage ratio exposures
EU-1	<b>Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:</b>	<b>193 456 124</b>
EU-2	<b>Trading book exposures</b>	1 736 797
EU-3	Banking book exposures, of which:	191 719 327
EU-4	Covered bonds	-
EU-5	Exposures treated as sovereigns	59 545 470
EU-6	Exposures to regional governments, MDB, international organisations and PSE, not treated as sovereigns	160 975
EU-7	Institutions	4 359 002
EU-8	Secured by mortgages of immovable properties	51 817 225
EU-9	Retail exposures	28 070 509
EU-10	Corporates	34 638 085
EU-11	Exposures in default	2 108 660
EU-12	Other exposures (eg equity, securitisations, and other non-credit obligation assets)	11 019 401

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

The leverage ratio of the Group in the first half of 2022 was driven by the following factors:

- The continuing decrease of the other comprehensive income due to the continuation of the negative valuation of debt instruments measured at fair value through other comprehensive income,
- Including the current profit for the first quarter of 2022 in the calculation of own funds,
- Taking into account the impairment of financial assets not measured at fair value through profit or loss for second quarter of 2022 in the calculation of own funds,
- Exceeding the threshold mentioned in Article 49 of CRR Regulation,
- The amortization of one of the tranches of subordinated liabilities.

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

The body that plays a fundamental role in the mBank Group's leverage ratio management process is the Committee for Asset, Liability and Capital Management (CALCO). The management of this risk comprises two main perspectives: the calculation and monitoring of the leverage ratio and the analysis of the mismatch between assets and liabilities, taking into account the calculation of, among others, NSFR (Net Stable Funding Ratio). The calculation of the leverage ratio in accordance with the principles of the CRR Regulation is performed by the Integrated Risk Management Department and the analysis of the mismatch between assets and liabilities is performed by the Balance Sheet Risk Management Department. The leverage ratio is regularly monitored and compared to the peer group. In order to meet future regulatory requirements, the mBank

Group aspires to maintain a leverage ratio of 5.5%. This level is monitored and reviewed at least annually.

mBank counteracts risk of excessive leverage taking into account potential increase in mentioned risk caused by own funds decrease associated with expected or incurred losses. 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, in the light of rapidly changing market environment, mBank also examines capital adequacy in adverse macroeconomic scenarios, understood as risk scenario accepted by the Management Board.

## 7. Credit risk adjustments

The valuation of expected credit losses (ECL) is carried out at the level of a single contract or exposure (agreement). In the portfolio approach, expected credit losses are the product of the multiplication of individually estimated for each exposure, values of PD, LGD and EAD and the final value of expected credit losses is the sum of expected credit losses in particular periods, discounted with the effective interest rate. If on the reporting date the exposure credit risk did not increase significantly since the initial recognition, expected credit losses are calculated in the minimum horizon of 12-month horizon and horizon to maturity. If the exposure credit risk increased significantly since the initial recognition, mBank calculates credit loss provisions in the amount equal to the expected credit losses in the lifetime horizon (Lt ECL).

In the case of non-financial guarantees, mBank Group applied an approach assuming that the expected credit losses are always included in lifetime horizon (Lt ECL).

The individual approach concerns all on-balance sheet and off-balance sheet credit exposures with impairment in the corporate loan portfolio and Private Banking loan portfolio, which are registered in corporate systems, as well as selected credit exposures with impairment in the retail microfirms loan portfolio (used in the case of exposures with mortgage collateral with a debt balance over PLN 300 thousand and arrears over 1 year.

The expected credit losses are calculated as a difference between the value of exposure and the present value of the estimated future cash flows discounted with the effective interest rate. The method of calculating the expected recoveries takes place under scenarios and depends on mBank's chosen strategy for the client.

In the case of restructuring strategy, considered scenarios are developed for exposures and assume a significant share of recoveries from the customer's own payments.

In the case of vindication strategy, the scenarios are developed for each recovery source (collateral) separately. mBank identifies scenarios per exposure/ recovery source. Minimum two scenarios are considered obligatory, provided one of them reflects a partial loss on exposure/recovery source. The weight of scenario results from an expert assessment of the likelihood of scenarios based on the relevant characteristics of the case, in particular, on existing security and their type, client's financial situation, client's willingness to cooperate, the risks that may occur in the case and micro and macroeconomic factors.

If the conditions for the measurement of a credit asset at amortized cost (IFRS 9, point 4.1.2) are not met, then it is measured at FVtPL (Fair Value through Profit & Loss) or at FVOCI (Fair Value through Other Comprehensive Income).



*Maturity of exposures*

**EU CR1-A: Maturity of exposures**

		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	4 435 195	29 869 561	30 712 011	71 286 035	-	136 302 802
2	Debt securities	81 319	13 876 365	27 762 324	4 450 472	-	46 170 480
3	<b>Total</b>	<b>4 516 514</b>	<b>43 745 926</b>	<b>58 474 335</b>	<b>75 736 507</b>	-	<b>182 473 282</b>

*Impaired and past-due exposures*

**Non-performing and forborne exposures**

In accordance with the EBA/GL/2018/06 guidelines on management of non-performing and forborne exposures, which came into force from 30th June 2019, 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 calculated in accordance with the above mentioned EBA guidelines on management of non-performing and forborne exposures was at 3.53% as at June 30, 2022 and decreased insignificantly by 0.08 pp compared to the December 31, 2021. The change of the indicator is caused by realization of debt collection processes.



## 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
005	Cash balances at central banks and other demand deposits	13 656 285	13 656 022	263	-	-	-
010	Loans and advances	134 858 615	126 758 533	7 177 241	4 941 159	2 261	4 604 353
020	Central banks	4 035 932	4 035 932	-	-	-	-
030	General governments	115 057	115 016	-	1 070	-	1 070
040	Credit institutions	2 360 172	2 333 953	26 220	-	-	-
050	Other financial corporations	6 782 891	6 732 998	49 893	3 228	-	3 228
060	Non-financial corporations	49 479 779	44 693 266	4 614 364	2 489 397	95	2 347 572
070	Of which: SMEs	21 812 909	20 222 616	1 418 408	1 296 454	95	1 236 140
080	Households	72 084 784	68 847 368	2 486 764	2 447 464	2 166	2 252 483
090	Debt Securities	45 068 084	44 965 059	-	-	-	-
100	Central banks	4 000 068	4 000 068	-	-	-	-
110	General governments	33 704 459	33 704 459	-	-	-	-
120	Credit institutions	5 455 483	5 455 483	-	-	-	-
130	Other financial corporations	1 258 640	1 177 320	-	-	-	-
140	Non-financial corporations	649 434	627 729	-	-	-	-
150	Off-balance sheet exposures	38 987 708	38 073 756	913 221	339 864	-	333 453
160	Central banks	0	0	0	-	-	-
170	General governments	61 209	61 038	171	-	-	-
180	Credit institutions	3 259 407	3 258 198	1 208	-	-	-
190	Other financial corporations	96 319	74 644	21 676	-	-	-
200	Non-financial corporations	24 964 669	24 251 230	713 412	316 566	-	310 386
210	Households	10 606 104	10 428 646	176 754	23 298	-	23 067
220	Total	232 570 692	223 453 370	8 090 725	5 281 023	2 261	4 937 806

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

		g	h	i	j	k	l
		Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions					
		Performing exposures - Accumulated impairment and provisions			Non-performing exposures - Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		
			of which: stage 1	of which: stage 2		of which: stage 2	of which: stage 3
005	Cash balances at central banks and other demand deposits	(1 836)	(1 836)	-	-	-	-
010	Loans and advances	(757 289)	(423 658)	(353 032)	(2 733 481)	(246)	(2 662 955)
020	Central banks	-	-	-	-	-	-
030	General governments	(44)	(44)	-	(547)	-	(547)
040	Credit institutions	(2 599)	(700)	(1 899)	-	-	-
050	Other financial corporations	(1 877)	(1 084)	(794)	(3 180)	-	(3 180)
060	Non-financial corporations	(334 928)	(206 751)	(122 511)	(1 216 504)	(15)	(1 245 736)
070	Of which: SMEs	(134 332)	(89 910)	(46 123)	(668 762)	(15)	(708 927)
080	Households	(417 841)	(215 079)	(227 828)	(1 513 250)	(231)	(1 413 492)
090	Debt Securities	(12 689)	(12 689)	-	-	-	-
100	Central banks	(748)	(748)	-	-	-	-
110	General governments	(6 540)	(6 540)	-	-	-	-
120	Credit institutions	(1 261)	(1 261)	-	-	-	-
130	Other financial corporations	(903)	(903)	-	-	-	-
140	Non-financial corporations	(3 237)	(3 237)	-	-	-	-
150	Off-balance sheet exposures	(66 988)	(50 690)	(16 294)	(245 102)	(4)	(248 368)
160	Central banks	-	-	-	-	-	-
170	General governments	(66)	(23)	(43)	-	-	-
180	Credit institutions	(824)	(809)	(15)	-	-	-
190	Other financial corporations	(622)	(183)	(440)	-	-	-
200	Non-financial corporations	(40 295)	(32 684)	(7 611)	(237 099)	-	(240 400)
210	Households	(25 181)	(16 991)	(8 185)	(8 003)	(4)	(7 968)
220	Total	(838 802)	(488 873)	(369 326)	(2 978 583)	(250)	(2 911 323)

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

		m	n	o
		Accumulated partial write-off	Collaterals and financial guarantees received	
			On performing exposures	On non-performing exposures
005	Cash balances at central banks and other demand deposits	-	-	-
010	Loans and advances	-	66 885 874	1 338 314
020	Central banks	-	-	-
030	General governments	-	-	-
040	Credit institutions	-	1 443	-
050	Other financial corporations	-	47 101	48
060	Non-financial corporations	-	16 740 754	754 628
070	Of which: SMEs	-	8 359 720	496 526
080	Households	-	50 096 576	583 638
090	Debt Securities	-	-	-
100	Central banks	-	-	-
110	General governments	-	-	-
120	Credit institutions	-	-	-
130	Other financial corporations	-	-	-
140	Non-financial corporations	-	-	-
150	Off-balance sheet exposures	-	7 126 381	29 576
160	Central banks	-	-	-
170	General governments	-	-	-
180	Credit institutions	-	105 014	-
190	Other financial corporations	-	371	-
200	Non-financial corporations	-	6 535 903	29 251
210	Households	-	485 093	325
220	Total	-	74 012 255	1 367 890



**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 impairment	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	233 205	3 350	3 350	232 591	(3 227)	(59)
020	Mining and quarrying	174 141	4 822	4 822	174 141	(3 031)	-
030	Manufacturing	11 688 253	520 094	520 094	11 677 492	(310 482)	(1 059)
040	Electricity, gas, steam and air conditioning supply	1 730 414	36 511	36 511	1 730 319	(46 448)	-
050	Water supply	557 866	5 012	5 012	557 369	(5 879)	-
060	Construction	5 640 155	348 763	348 763	5 629 933	(227 788)	(970)
070	Wholesale and retail trade	11 390 757	340 923	340 923	11 364 533	(289 828)	(3 557)
080	Transport and storage	3 010 000	108 318	108 318	3 006 635	(104 752)	(239)
090	Accommodation and food service activities	860 968	280 774	280 774	856 619	(77 058)	(463)
100	Information and communication	1 737 876	43 052	43 052	1 733 996	(51 121)	(77)
110	Real estate activities	1 221 377	43 120	43 120	1 206 431	(30 804)	(12 620)
120	Financial and insurance activities	7 032 939	612 295	612 295	6 905 128	(204 710)	(16 654)
130	Professional, scientific and technical activities	3 665 308	86 637	86 637	3 657 667	(109 727)	(808)
140	Administrative and support service activities	799 756	12 812	12 812	794 764	(9 966)	(782)
150	Public administration and defense, compulsory social security	2 607	168	168	2 506	(83)	(10)
160	Education	103 182	4 304	4 304	102 539	(3 891)	(32)
170	Human health services and social work activities	974 457	13 157	13 157	972 009	(15 476)	(195)
180	Arts, entertainment and recreation	511 766	9 428	9 428	511 172	(6 457)	(90)
190	Other services	634 149	15 857	15 857	633 093	(13 039)	(46)
<b>200</b>	<b>Total</b>	<b>51 969 176</b>	<b>2 489 397</b>	<b>2 489 397</b>	<b>51 748 937</b>	<b>(1 513 767)</b>	<b>(37 661)</b>

## 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>010</b>	<b>On balance sheet exposures</b>	<b>139 799 777</b>	<b>4 941 155</b>	<b>4 937 899</b>	<b>138 742 388</b>	<b>(3 363 985)</b>	<b>(126 785)</b>
<b>020</b>	Andorra	26	-	-	-	-	-
<b>030</b>	United Arab Emirates	1 818	-	-	1 818	(1)	-
<b>040</b>	Argentina	-	-	-	-	-	-
<b>050</b>	Austria	12 469	1	1	12 469	(14)	-
<b>060</b>	Australia	271	-	-	265	-	-
<b>070</b>	Azerbaijan	-	-	-	-	-	-
<b>080</b>	Bosnia and Herzegovina	3	-	-	3	-	-
<b>090</b>	Belgium	42 803	108	108	42 803	(106)	-
<b>100</b>	Bulgaria	-	-	-	-	-	-
<b>110</b>	Belarus	3 346	-	-	3 346	(1 899)	-
<b>120</b>	Canada	345	-	-	345	-	-
<b>130</b>	Switzerland	212 494	2	2	212 454	(46)	-
<b>140</b>	China	6	-	-	6	-	-
<b>150</b>	Costa Rica	36	-	-	36	-	-
<b>160</b>	Curaçao	2 240	-	-	2 172	-	-
<b>170</b>	Cyprus	29 747	4	4	29 736	(15)	-
<b>180</b>	Czechia	11 257 244	98 450	98 450	11 257 242	(82 052)	-
<b>190</b>	Germany	634 150	169	169	634 089	(1 227)	-
<b>200</b>	Denmark	83 439	78	78	83 424	(1 791)	-
<b>210</b>	Dominican Republic	-	-	-	-	-	-
<b>220</b>	Estonia	23	-	-	23	-	-
<b>230</b>	Spain	1 945	416	416	1 875	(294)	-

## 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				
240	Finland	3 193	-	-	3 193	0		-
250	France	663 556	-	-	663 540	(40)		-
260	United Kingdom	274 814	898	898	274 800	(705)		(3)
270	Georgia	2 612	-	-	2 612	(1)		-
280	Gibraltar	14	-	-	14	-		-
290	Greece	2	-	-	2	-		-
300	Croatia	3	-	-	3	-		-
310	Hungary	2 498	39	39	2 489	(2)		-
320	Ireland	32 126	-	-	32 123	(29)		-
330	Israel	2	-	-	2	-		-
340	Iceland	27	-	-	27	(6)		-
350	Italy	366	130	130	365	(100)		-
360	Jordan	7 895	-	-	7 895	(93)		-
370	Japan	3	-	-	3	-		-
380	Sri Lanka	-	-	-	-	-		-
390	Lithuania	134	83	83	134	(35)		-
400	Luxembourg	585 884	-	-	585 884	(5 587)		-
410	Latvia	-	-	-	-	-		-
420	Monaco	8	-	-	8	-		-
430	North Macedonia	7	-	-	7	-		-
440	Malta	7 127	162	162	7 074	(145)		-
450	Mexico	4	-	-	4	-		-

## 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				
460	Nigeria	-	-	-	-	-	-	-
470	Netherlands	352 710	-	-	352 708	(5 620)	-	-
480	Norway	458	-	-	449	(5)	-	-
490	New Zealand	10	-	-	10	-	-	-
500	Panama	15	-	-	15	-	-	-
510	Poland	122 422 478	4 729 455	4 726 199	121 366 004	(3 165 543)	-	(126 782)
520	Portugal	3 585	-	-	3 551	(1)	-	-
530	Qatar	1	-	-	1	-	-	-
540	Romania	4	3	3	4	(1)	-	-
550	Serbia	58	0	0	58	-	-	-
560	Russian Federation	665	663	663	665	(513)	-	-
570	Sweden	47 682	47 216	47 216	47 664	(47 157)	-	-
580	Slovenia	-	-	-	-	-	-	-
590	Slovakia	3 087 781	62 638	62 638	3 087 781	(50 760)	-	-
600	Thailand	141	141	141	141	(2)	-	-
610	Turkey	18 351	-	-	18 351	(156)	-	-
620	Taiwan, Province of China	36	-	-	36	-	-	-
630	Tanzania, United Republic of	65	-	-	65	-	-	-
640	Ukraine	37	-	-	36	(1)	-	-
650	United States	2 983	499	499	2 528	(37)	-	-
660	Venezuela, Bolivarian Republic of	-	-	-	-	-	-	-
670	Virgin Islands, British	36	-	-	36	(1)	-	-
680	South Africa	1	-	-	-	-	-	-



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>690</b>	<b>Off balance sheet exposures</b>	<b>37 150 756</b>	<b>339 862</b>	<b>339 862</b>	<b>0</b>	<b>0</b>	<b>312 089</b>	<b>0</b>
<b>700</b>	Andorra	125	-	-			-	
<b>710</b>	United Arab Emirates	343	-	-			-	
<b>720</b>	Austria	175 845	-	-			91	
<b>730</b>	Australia	188	-	-			-	
<b>740</b>	Belgium	423	-	-			-	
<b>750</b>	Canada	92	-	-			-	
<b>760</b>	Switzerland	12 020	-	-			69	
<b>770</b>	China	101	-	-			-	
<b>780</b>	Costa Rica	10	-	-			-	
<b>790</b>	Curaçao	32	-	-			-	
<b>800</b>	Cyprus	501 720	-	-			61	
<b>810</b>	Czechia	622 559	190	190			416	
<b>820</b>	Germany	2 071 709	-	-			779	
<b>830</b>	Denmark	88 296	-	-			7	
<b>840</b>	Estonia	85	-	-			1	
<b>850</b>	Spain	3 313	-	-			1	
<b>860</b>	Finland	16	-	-			-	
<b>870</b>	France	20 467	-	-			3	
<b>880</b>	United Kingdom	969 799	-	-			83	
<b>890</b>	Georgia	100	-	-			-	
<b>900</b>	Gibraltar	76	-	-			-	



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				
910	Greece	24	-	-			-	
920	Hong Kong	280	-	-			1	
930	Hungary	41	-	-			-	
940	Ireland	36 155	-	-			16	
950	Israel	12 227	-	-			-	
960	Iceland	20	-	-			-	
970	Italy	13 329	-	-			1	
980	Japan	32 209	-	-			1	
990	Korea, Republic of	2 200	-	-			-	
1000	Lithuania	40	-	-			-	
1010	Luxembourg	40 995	-	-			107	
1020	Latvia	50	-	-			-	
1030	Monaco	12	-	-			-	
1040	Malta	849	-	-			21	
1050	Mexico	11	-	-			-	
1060	Malaysia	50	-	-			-	
1070	Netherlands	41 565	-	-			114	
1080	Norway	415	-	-			-	
1090	New Zealand	37	-	-			-	
1100	Panama	65	-	-			-	
1110	Poland	32 197 317	339 599	339 599			310 006	
1120	Portugal	967	-	-			1	



## 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				
1130	Qatar	9	-	-			-	
1140	Romania	-	-	-			-	
1150	Russian Federation	43	-	-			-	
1160	Sweden	374	-	-			4	
1170	Singapore	1 270	-	-			-	
1180	Slovakia	216 103	71	71			139	
1190	Thailand	50	-	-			-	
1200	Taiwan, Province of China	2	-	-			-	
1210	Tanzania, United Republic of	35	-	-			-	
1220	Ukraine	60	-	-			-	
1230	United States	65 062	2	2			9	
1240	Virgin Islands, British	190	-	-			2	
1250	South Africa	1 006	-	-			3	
1260	India	6 282	-	-			-	
1270	Jordan	12 879	-	-			131	
1280	Turkey	735	-	-			8	
1290	Viet Nam	479	-	-			14	
1300	<b>Total</b>	<b>176 950 533</b>	<b>5 281 017</b>	<b>5 277 761</b>	<b>138 742 388</b>	<b>(3 363 985)</b>	<b>312 089</b>	<b>(126 785)</b>



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

		a	b	c	d
		Gross carrying amount/ Nominal amount of exposures with forbearance measures			
		Performing forborne	Non-performing forborne		
				Of which defaulted	Of which impaired
<b>005</b>	Cash balances at central banks and other demand deposits	-	-	-	-
<b>010</b>	Loans and advances	880 634 215	1 109 087 628	1 108 275 931	1 104 625 848
020	Central banks	-	-	-	-
030	General governments	-	-	-	-
040	Credit institutions	-	-	-	-
050	Other financial corporations	-	-	-	-
060	Non-financial corporations	199 245 330	684 099 500	684 099 500	684 011 805
070	Households	681 388 885	424 988 128	424 176 431	420 614 043
<b>080</b>	Debt Securities	-	-	-	-
<b>090</b>	Loan commitments given	7 401 872	13 508 067	13 508 067	13 489 992
<b>100</b>	<b>Total</b>	<b>888 036 087</b>	<b>1 122 595 695</b>	<b>1 121 783 998</b>	<b>1 118 115 840</b>

EU CQ1: Credit quality of forborne exposures

		e	f	g	h
		Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collaterals received and financial guarantees received on forborne exposures	
		On performing forborne exposures	On non-performing forborne exposures		Of which: Collateral and financial guarantees received on non-performing exposures with forbearance measures
005	Cash balances at central banks and other demand deposits	-	-	-	-
010	Loans and advances	(21 849 868)	(428 217 795)	525 111 959	597 055 578
020	Central banks	-	-	-	-
030	General governments	-	-	-	-
040	Credit institutions	-	-	-	-
050	Other financial corporations	-	-	-	-
060	Non-financial corporations	(19 514 957)	(253 237 464)	525 111 959	402 101 624
070	Households	(2 334 911)	(174 980 331)	0	194 953 954
080	Debt Securities	-	-	-	-
090	Loan commitments given	(66 458)	(5 548 234)	10 228 761	5 104 653
100	Total	(21 916 326)	(433 766 029)	535 340 720	602 160 231

*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
010	Initial stock of non-performing loans and advances	4 690 942
020	Inflows to non-performing portfolios	1 136 069
030	Outflows from non-performing portfolios	(885 853)
040	Outflows due to write-offs	-
050	Outflow due to other situations	(885 853)
060	Final stock of non-performing loans and advances	4 941 158

The changes in the stock of non-performing loans and advances were described on page 47.

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

Information on collateral obtained by taking possession and execution processes as at 30 June 2022 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>136 176</b>	<b>(113 777)</b>
030	<i>Residential immovable property</i>	-	-
040	<i>Commercial Immovable property</i>	-	-
050	<i>Movable property (auto, shipping, etc.)</i>	-	-
060	<i>Equity and debt instruments</i>	136 176	(113 777)
070	<i>Other</i>	-	-
<b>080</b>	<b>Total</b>	<b>136 176</b>	<b>(113 777)</b>

## 8. Liquidity risk

As of June 30, 2022, the LCR ratio of mBank Group reached 184% and remained on a safe level, significantly exceeding 100%. In the second quarter of 2022, the decrease of the liquidity coverage ratio was driven by the dynamics of the development of term deposits and current accounts included in the calculation of the LCR (decrease by PLN 2.9 billion) together with the dynamics of the development of lending activities (increase by PLN 4.2 billion). The decrease in the value of the LCR in the second quarter of 2022 was also influenced by the need to maintain a higher required reserve requirement, as well as the negative change in the valuation of liquid assets and the balance of collateral posted and received due to market factors (depreciation of PLN and interest rate increases). Regardless of these changes there is consistently high level of the liquidity buffer in relation to the expected net outflows in the horizon of 30 days as at June 30, 2022. 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 mainly:

- Polish treasury bonds in PLN and EUR,
- bills issued by the National Bank of Poland,
- Czech treasury bonds in CZK,
- bills issued by the Czech National Bank in CZK,
- bonds issued by the European Investment Bank in PLN and EUR,
- excess of the required reserve in the National Bank of Poland.

Also mBank Hipoteczny maintains liquidity bufer within the Group. The liquidity bufer of mBank Hipoteczny consisted of Polish treasury bonds in PLN, bills issued by the National Bank of Poland 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, 2022 accounted for 91.34% of all external sources of financing. The deposit base is diversified, and the deposits of the 10 largest customers as of June 30, 2022 accounted for 3.6% of the deposit base. The other sources of financing are:

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

The 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 Regulation (EU) No 575/2013: PLN, CZK and EUR, for which the LCR ratio 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, 2022, the impact of the adverse market scenario on derivatives accounted for 0.65% of the total unweighted outflows value included in the LCR.

In the below table quantitative data regarding LCR is presented (in PLN million).

EU LIQ1 - Quantitative information of LCR, addressing disclosure requirements of art. 451a(2) of CRR Regulation.

		a	b	c	d	e	f	g	h
		Total unweighted value (average)				Total weighted value (average)			
EU 1a	Quarter ending on	30.06.2022	31.03.2022	31.12.2021	30.09.2021	30.06.2022	31.03.2022	31.12.2021	30.09.2021
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)					58 861	62 863	63 711	61 428
<b>CASH - OUTFLOWS</b>									
2	Retail deposits and deposits from small business customers, of which:	115 306	113 963	112 020	108 177	8 700	8 502	8 235	7 938
3	<i>Stable deposits</i>	87 691	87 798	86 372	83 175	4 385	4 390	4 319	4 164
4	<i>Less stable deposits</i>	27 615	26 165	25 648	25 002	4 315	4 112	3 916	3 774
5	Unsecured wholesale funding	43 257	43 390	42 666	40 085	18 136	18 251	18 109	17 181
6	<i>Operational deposits (all counterparties) and deposits in networks of cooperative banks</i>	10 026	9 988	9 665	9 059	2 387	2 378	2 298	2 195
7	<i>Non-operational deposits (all counterparties)</i>	33 012	33 221	32 823	30 848	15 529	15 692	15 633	14 807
8	<i>Unsecured debt</i>	220	181	178	178	220	181	178	178
9	<i>Secured wholesale funding</i>					-	-	-	-
10	Additional requirements	21 793	21 637	21 775	21 946	4 119	4 014	3 827	3 726
11	<i>Outflows related to derivative exposures and other collateral requirements</i>	2 027	1 612	1 577	1 464	2 027	1 899	1 659	1 482
12	<i>Outflows related to loss of funding on debt products</i>	-	-	-	-	-	-	-	-
13	<i>Credit and liquidity facilities</i>	19 765	20 025	20 198	20 482	2 091	2 115	2 168	2 244
14	Other contractual funding obligations	559	419	533	578	386	249	376	406
15	Other contingent funding obligations	15 998	16 054	15 658	15 016	639	639	644	646
16	TOTAL CASH OUTFLOWS					31 979	31 655	31 191	29 897
<b>CASH - INFLOWS</b>									
17	Secured lending (e.g. reverse repos)	-	-	-	-	-	-	-	-
18	Inflows from fully performing exposures	5 468	5 611	5 501	5 390	4 318	4 526	4 479	4 135
19	Other cash inflows	265	197	93	51	265	191	87	55
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	5 733	5 808	5 594	5 440	4 583	4 717	4 566	4 190
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>	5 733	5 808	5 594	5 440	4 583	4 717	4 566	4 190
<b>TOTAL ADJUSTED VALUE</b>									
EU-21	LIQUIDITY BUFFER					58 861	62 863	63 711	61 428
22	TOTAL NET CASH OUTFLOWS					27 396	26 939	26 625	25 707
23	LIQUIDITY COVERAGE RATIO					215%	233%	239%	239%

As of June 30, 2022, the Net Stable Funding Ratio (NSFR) of mBank Group reached the level of 138% and in the second quarter of 2022 the NSFR measure remained at a safe level, significantly exceeding 100%.

The table below presents quantitative NSFR data as of June 30, 2022 (data in millions of zlotys).

**EU LIQ2: Net Stable Funding Ratio**, addressing disclosure requirements of art. 451a(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	-	-	-	15 819	15 819
2	Own funds	-	-	-	15 452	15 452
3	Other capital instruments	-	-	-	367	367
4	Retail deposits	-	111 018	0	5 973	109 899
5	Stable deposits	-	80 187	0	4 925	81 102
6	Less stable deposits	-	30 831	0	1 048	28 796
7	Wholesale funding:	-	5 773	503	6 341	6 673
8	Operational deposits	-	160	-	-	80
9	Other wholesale funding	-	5 612	503	6 341	6 593
10	Interdependent liabilities	-	0	0	0	0
11	Other liabilities:	-	61 963	1 011	5 910	26 021
12	NSFR derivative liabilities	-	-	-	-	-
13	All other liabilities and capital instruments not included in the above categories	-	61 963	1 011	5 910	26 021
14	<b>Total available stable funding (ASF)</b>					<b>158 412</b>
<b>Required stable funding (RSF) Items</b>						
15	Total high-quality liquid assets (HQLA)					5 967
EU-15a	Assets encumbered for a residual maturity of one year or more in a cover pool		-	-	-	-
16	Deposits held at other financial institutions for operational purposes		253	-	-	127
17	Performing loans and securities:		20 922	15 724	93 600	92 613
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		-	-	-	-
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:		20 687	15 603	92 113	91 111
21	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		0	0	0	0
22	Performing residential mortgages, of which:		1 096	1 814	47 771	37 961
23	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		192	392	20 493	13 613
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		234	122	1 487	1 502

## EU LIQ2: Net Stable Funding Ratio, addressing disclosure requirements of art. 451a(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	
25	Interdependent assets	-	-	-	-					
26	Other assets:	-	21 042	455	9 142	14 147				
27	<i>Physical traded commodities</i>	-	-	-	-					
28	<i>Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs</i>	-	-	5 026	4 272					
29	<i>NSFR derivative assets</i>	-	8	-	-					
30	<i>NSFR derivative liabilities before deduction of variation margin posted</i>	-	-	-	-					
31	<i>All other assets not included in the above categories</i>	-	21 035	455	4 117	9 874				
32	Off-balance sheet items	-	33 127	2 177	-	1 765				
33	Total RSF	-	-	-	-	114 492				
34	Net Stable Funding Ratio (%)	-	-	-	-	138%				



## 9. Transitional arrangements regarding IFRS 9

mBank decided, for the purpose of capital adequacy calculation, including calculation of own funds, based on the Regulation (EU) 2017/2395 of the European Parliament and of the Council of 12 December 2017 (Regulation) amending Regulation (EU) No 575/2013 in light of Article 1 paragraph 9 of the Regulation, not to apply the transitional arrangements that would mitigate the impact on capital resulting from the introduction of IFRS9. Information on own Tier I capital, capital ratios and leverage ratio, presented in the document already reflect the full impact of IFRS 9.

### 10. Transitional arrangements in response to the COVID-19 pandemic

As of 31 December 2021 mBank included 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, contained in the regulation of the European Parliament and of the Council (EU) 2020/873 of 24 June 2020 amending Regulations (EU) No 575/2013 and (EU) 2019/876 as regards certain adjustments in response to the COVID-19 pandemic in the calculation of own funds, capital ratios and leverage ratio for the first time.

The application of the transitional provisions is intended to mitigate the negative impact of unrealized losses on government and local government debt instruments during the COVID-19 pandemic and the decision to apply them means that the Bank will be able to limit the impact of significant part of the volatility of the market valuation of the government and local government bonds portfolio.

The measures reported as of 30 June 2022 calculated taking into account the transitional provisions as well as measures as of 30 June 2022 calculated without taking into account the transitional provisions are presented below.

	Measures reported		Measures calculated without taking into account transitional provisions	
	30.06.2022	31.03.2022	30.06.2022	31.03.2022
<b>mBank Group</b>				
Common Equity Tier 1 capital (PLN thousand)	13 059 869	12 666 742	12 535 642	12 252 865
Tier 1 capital (PLN thousand)	13 059 869	12 666 742	12 535 642	12 252 865
Own funds (PLN thousand)	15 365 639	14 967 499	14 841 412	14 553 622
Common Equity Tier 1 ratio (%)	13.93	13.47	13.37	13.07
Tier 1 capital ratio (%)	13.93	13.47	13.37	13.07
Total capital ratio (%)	16.39	15.92	15.83	15.53
Leverage ratio (%)	6.04	5.85	5.80	5.67



#### 11. Impact of the Covid-19 pandemic on the operation of mBank S.A. Group

In the years 2020-2021, the mBank Group offered to its clients a number of assistance tools to mitigate the effects of the COVID-19 pandemic. A detailed description of these assistance tools offered in the years 2020-2021 can be found in the mBank Group Financial Statements for prior periods.

In the first half of 2022, most of the assistance programs has already expired, with the exception of the moratoria introduced by Crisis Shield 4.0 and the FGP liquidity guarantees. The scale of assistance granted under these programs in the first half of 2022 was minor.

In accordance with EBA and NBP reporting requirements, the mBank Group monitors all exposures ever covered by COVID-19 pandemic-related support, as presented in the tables below.

### 11.1. Quantitative information – response to the COVID-19 crisis.

#### Template 1: Information on loans and advances subject to legislative and non-legislative moratoria

		a	b	c	d	e	f	g
		Gross carrying amount						
		Performing			Non performing			
				Of which: exposures with forbearance measures	Of which: Instruments with significant increase in credit risk since initial recognition but not credit-impaired (Stage 2)		Of which: exposures with for-bearance measures	Of which: Unlikely to pay that are not past-due or past-due <= 90 days
1	Loans and advances subject to moratorium	10 875 670	10 043 671	174 234	1 584 798	831 999	47 984	8 990
2	of which: Households	5 575 679	5 310 258	114 460	339 987	265 421	19 484	8 927
3	<i>of which: Collateralised by residential immovable property</i>	4 735 476	4 611 146	98 453	213 350	124 330	13 442	7 145
4	of which: Non-financial corporations	5 299 991	4 733 413	59 774	1 244 811	566 578	28 500	63
5	<i>of which: Small and Medium-sized Enterprises</i>	2 507 702	2 380 906	46 749	268 440	126 796	28 500	63
6	<i>of which: Collateralised by commercial immovable property</i>	2 395 276	2 351 262	53 681	379 705	44 014	23 881	63

Template 1: Information on loans and advances subject to legislative and non-legislative moratoria - continued.

		h	i	j	k		m	n	
		Accumulated impairment, accumulated negative changes in fair value due to credit risk							Gross carrying amount
		Performing			Non performing				Inflows to non-performing exposures
			Of which: exposures with forbearance measures	Of which: Instruments with significant increase in credit risk since initial recognition but not credit-impaired (Stage 2)		Of which: exposures with forbearance measures	Of which: Unlikely to pay that are not past-due or past-due <= 90 days		
1	<b>Loans and advances subject to moratorium</b>	<b>(374 912)</b>	<b>(99 646)</b>	<b>(4 638)</b>	<b>(75 078)</b>	<b>(275 266)</b>	<b>(2 157)</b>	<b>20 126</b>	<b>65 861</b>
2	of which: Households	(150 056)	(31 607)	(1 259)	(22 387)	(118 449)	(5 475)	(1 550)	38 113
3	of which: <i>Collateralised by residential immovable property</i>	(35 831)	(7 311)	(547)	(4 801)	(28 520)	(2 430)	(884)	22 110
4	of which: Non-financial corporations	(224 856)	(68 039)	(3 379)	(52 691)	(156 817)	3 318	21 676	27 748
5	of which: <i>Small and Medium-sized Enterprises</i>	(63 387)	(17 717)	(3 076)	(6 447)	(45 670)	3 318	21 676	27 748
6	of which: <i>Collateralised by commercial immovable property</i>	(23 302)	(22 038)	(3 242)	(12 641)	(1 264)	5 917	21 681	22 638

Template 2: Breakdown of loans and advances subject to legislative and non-legislative moratoria by residual maturity of moratoria.

		a	b	c	d	e	f	g	h	i
		Liczba dłużników	Gross carrying amount							
			Of which: legislative moratoria	Of which: expired	Rezydualny termin moratoriów					
					<= 3 months	> 3 months <= 6 months	> 6 months <= 9 months	> 9 months <= 12 months	> 1 year	
1	Loans and advances for which moratorium was offered	67 254	10 958 905							
2	Loans and advances subject to moratorium (granted)	67 039	10 875 670	397 865	10 810 940	2 453	62 277	-	-	-
3	of which: Households		5 575 679	397 865	5 573 226	2 453	-	-	-	-
4	<i>of which: Collateralised by residential immovable property</i>		4 735 476	311 776	4 733 144	2 332	-	-	-	-
5	of which: Non-financial corporations		5 299 991	-	5 237 714	-	62 277	-	-	-
6	<i>of which: Small and Medium-sized Enterprises</i>		2 507 702	-	2 506 150	-	1 552	-	-	-
7	<i>of which: Collateralised by commercial immovable property</i>		2 395 276	-	2 395 276	-	-	-	-	-

Template 3: Information on newly originated loans and advances provided under newly applicable public guarantee schemes introduced in response to COVID-19 crisis

		a	b	c	d
		Gross carrying amount	of which: forborne	Maximum amount of the guarantee that can be considered	Gross carrying amount
				Public guarantees received	Inflows to non-performing exposures
1	<b>Newly originated loans and advances subject to public guarantee schemes</b>	<b>813 392</b>	<b>5 377</b>	<b>642 590</b>	-
2	of which: Households	-	-	-	-
3	of which: Collateralised by residential immovable property	-	-	-	-
4	of which: Non-financial corporations	813 392	5 377	642 590	-
5	of which: Small and Medium-sized Enterprises	173 960	-	-	-
6	of which: Collateralised by commercial immovable property	63 826	-	-	-

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

The Management Board of mBank Polska 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 2022” 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 2022”.

First and last name	Position	Signature
Cezary Stypułkowski	President of the Management Board, Chief Executive Officer	(signed electronically)
Andreas Böger	Vice-President of the Management Board, Chief Financial Officer	(signed electronically)
Krzysztof Dąbrowski	Vice-President of the Management Board, Head of Operations and IT	(signed electronically)
Cezary Kocik	Vice-President of the Management Board, Head of Retail Banking	(signed electronically)
Marek Lusztyn	Vice-President of the Management Board, Chief Risk Officer	(signed electronically)
Adam Pers	Vice President of the Management Board, Head of Corporate & Investment Banking	(signed electronically)