

mBank S.A.

DISCLOSURES POLICY OF MBANK S.A.
ON CAPITAL ADEQUACY

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1. General provisions

Article 1

1. The Disclosures Policy of mBank S.A. on capital adequacy (“Policy”) specifies the scope, frequency, place and form of publication, as well as the manner of approval and verification of information subject to publication, as specified in:
 - 1/ Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and amending Regulation (EU) No 648/2012, as amended (“CRR Regulation”),
 - 2/ Regulation (EU) 2021/637 of 15 March 2021 laying down implementing technical standards with regard to public disclosures by institutions of the information referred to in titles II and III of part eight of the CRR Regulation, and repealing Commission Implementing Regulation (EU) No 1423/2013, Commission Delegated Regulation (EU) 2015/1555, Commission Implementing Regulation (EU) 2016/200 and Commission Delegated Regulation (EU) 2017/2295, as amended (“Regulation 2021/637”),
 - 3/ the EBA/GL/2014/14 Guidelines from December 23, 2014 on the materiality, proprietary nature and confidentiality of the disclosed information as well as disclosure frequency in line with the articles 432(1), 432(2) and 433 of the CRR Regulation (“the EBA/GL/2014/14 Guidelines”),
 - 4/ other implementing acts to the CRR Regulation and the guidelines of the European Banking Authority (“EBA Guidelines”),
 - 5/ Recommendation M of the Polish Financial Supervision Authority concerning operational risk management in banks (“Recommendation M”),
 - 6/ Recommendation P of the Polish Financial Supervision Authority concerning financial liquidity risk management in banks (“Recommendation P”),
 - 7/ Recommendation Z of the Polish Financial Supervision Authority concerning principles of internal governance at banks (“Recommendation Z”).
2. The Policy is implemented by the Management Board of mBank S.A. (“Bank”) with support of the organizational units responsible for the preparation and publication of information.

3. The owner of the Policy is Financial Reporting Department, who together with other organizational units of the Bank, responsible for publishing specific information, participates in the development and updating of the Policy.

Article 2

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

2. Scope of disclosures

Article 3

1. The Bank discloses quantitative and qualitative information referred to in part eight of the CRR Regulation, in a format compliant with the requirements of the Regulation 2021/637 and taking into account the EBA Guidelines.
2. In particular, the Bank publishes information on:
 - 1/ scope of prudential consolidation - pursuant to Article 431 of the CRR Regulation,
 - 2/ capital adequacy - pursuant to Article 431 of the CRR Regulation,
 - 3/ own funds, key capital ratios of the Bank and capital buffers - pursuant to Articles 437, 436 and 447 of the CRR Regulation,
 - 4/ compliance with capital requirements - pursuant to Articles 438-449a of the CRR Regulation,
 - 5/ leverage ratio and management of the risk of excessive leverage - pursuant to Article 451 of the CRR Regulation,
 - 6/ the credit risk mitigation techniques used by the Bank - pursuant to Article 453 of the CRR Regulation,
 - 7/ the credit risk adjustments applied - pursuant to Article 454 of the CRR Regulation,
 - 8/ operational risk - pursuant to recommendation 17 of Recommendation M,
 - 9/ liquidity risk - pursuant to recommendation 18 of Recommendation P,
 - 10/ the impact of International Financial Reporting Standard 9 (“IFRS 9”) on capital adequacy - pursuant to Article 431 of the CRR Regulation,

- 11/ remuneration policy for employees having a material impact on the risk profile - pursuant to Article 450 of the CRR Regulation, including the maximum ratio of the average total gross remuneration of members of the Management Board of the Bank on an annual basis to the average total gross remuneration of other Bank employees on an annual basis - pursuant to recommendation 30.1 of Recommendation Z,
- 12/ impact of the Covid-19 pandemic on the operations of mBank Group - pursuant to Article 431 of the CRR Regulation.

Article 4

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

3. Limitations of disclosures

Article 5

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

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

2. The Bank does not disclose protected information, ie. personal data, information subject to Bank or company secrecy.

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

Article 6

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

4. Principles for verifying and approving disclosures

Article 7

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

Article 8

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

5. Frequency, deadlines and place of publication of information

Article 9

1. As the parent entity, the Bank publishes information based on consolidated data.
2. The Bank publishes the full scope of information, mentioned in Article 3, on an annual basis as at 31 December of each year.

3. The Bank publishes information on the scope of prudential consolidation, own funds and key capital ratios, capital requirements, financial leverage, credit risk adjustments, liquidity risk, the IFRS9 transitional arrangements and impact of the Covid-19 pandemic on the operations of mBank Group on a semi-annual basis.
4. The Bank publishes information on the scope of prudential consolidation, own funds and key capital ratios, capital requirements, liquidity risk and the IFRS9 transitional arrangements on a quarterly basis.
5. The frequency and scope of published information is in line with the requirements of the CCR Regulation and the EBA guidelines.

Article 10

The Bank provides the information referred to in Article 3 in the document “Disclosures regarding capital adequacy of mBank S.A. Group”, which should be published on the same date as the financial statements, respectively: annual, semi-annual and quarterly, and each delay must be justified.

Article 11

The document "Disclosures regarding the capital adequacy of mBank S.A. Group" referred to in Article 10 is published in Polish and in English on the Bank's website <https://www.mbank.pl/o-nas/adekwatnosc-kapitalowa/>.

6. Principles for verifying and approving disclosure policy

Article 12

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