Disclosures regarding capital adequacy of mBank S.A. Group as at 31 December 2024

Warsaw, 26 February 2025

Contents

1. Introduction

This document is issued under the disclosure requirements resulting from Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and amending Regulation (EU) No 648/2012 (the CRR Regulation), which formed the legal basis of the reporting date i.e. 31 December 2024.

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

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

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

2. Scope of prudential consolidation

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

The mBank Group's prudentially consolidated financial data for the year 2024 prepared in accordance with the CRR Regulation (Prudentially Consolidated Financial Data 2024) are presented in Note 47 to the mBank S.A. Group Consolidated IFRS Financial Statements 2024 (Consolidated Financial Statements for the year 2024), approved on 26th February 2025.

The accounting policies applied for the preparation of the Prudentially Consolidated Financial Data 2024 are the same as those, which have been applied to prepare the mBank S.A. Group Consolidated Financial Statement for the year 2024, with exceptions of consolidation rules described below.

Entities included in prudential consolidation were taken into account in the process of calculation of consolidated own funds and consolidated own funds requirements as at 31 December 2024 in accordance with the CRR Regulation.

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

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

The prudentially consolidated financial data for the year 2024 include the following entities:

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

Detailed information on consolidated entities included in consolidation is presented in mBank S.A. Group Consolidated Financial Statements for the year 2024, in the Note 1 Information regarding the Group of mBank S.A.

The scope of entities included in prudential consolidation for the year 2024 was the same as the scope of entities included in accounting consolidation based on International Financial Reporting Standards (IFRS).

3. Capital adequacy

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

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

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

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

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

Disclosures regarding capital adequacy as at 31 December 2024 (PLN thousand)

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 31 December 2024 is presented below on the basis of the templates EU CC1, EU CC2 and EU CCA set out in Annex VII to Regulation 2021/637.

Template EU CC1 - Composition of regulatory own funds

		a)	b)
		Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
Common Equity Tier 1 (CET1) capital: instruments and reserves			
1	Capital instruments and the related share premium accounts	3 625 801	Template EU CC2: Shareholders' Equity, row 1 and 2, column b)
2	Retained earnings	542 516	Template EU CC2: Shareholders' Equity, row 3, column b)
3	Accumulated other comprehensive income (and other reserves)	8 701 679	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	1 257 243	Template EU CC2: Shareholders' Equity, row 4, column b)
6	**Common Equity Tier 1 (CET1) capital before regulatory adjustments**	**15 280 992**	**-**
Common Equity Tier 1 (CET1) capital: regulatory adjustments			
7	Additional value adjustments (negative amount)	(40 150)	-
8	Intangible assets (net of related tax liability) (negative amount)	(1 294 385)	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	122 478	Template EU CC2: Shareholders' Equity, row 5, column b)
12	Negative amounts resulting from the calculation of expected loss amounts	(370 809)	-
EU-20a	Exposure amount of the following items which qualify for a RW of 1 250%, where the institution opts for the deduction alternative	(39 697)	-
EU-20c	of which: securitisation positions (negative amount)	(39 697)	-
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)	(85 826)	Template EU CC2: Assets, row 11, column b)
27a	Other regulatory adjustments	(229 517)	Template EU CC2: Liabilities, row 1, column b)
28	**Total regulatory adjustments to Common Equity Tier 1 (CET1)**	**(1 937 906)**	-
29	**Common Equity Tier 1 (CET1) capital**	**13 343 086**	-
Additional Tier 1 (AT1) capital: instruments			
30	Capital instruments and the related share premium accounts	1 500 000	Template EU CC2: Shareholders' Equity, row 6, column b)
31	of which: classified as equity under applicable accounting standards	1 500 000	-
36	**Additional Tier 1 (AT1) capital before regulatory adjustments**	1 500 000	-
Additional Tier 1 (AT1) capital: regulatory adjustments			
43	**Total regulatory adjustments to Additional Tier 1 (AT1) capital**	-	-
44	**Additional Tier 1 (AT1) capital**	1 500 000	-
45	**Tier 1 capital (T1 = CET1 + AT1)**	**14 843 086**	-
Tier 2 (T2) capital: instruments			
46	Capital instruments and the related share premium accounts	1 358 147	Template EU CC2: Liabilities, row 2e, column b)
51	**Tier 2 (T2) capital before regulatory adjustments**	**1 358 147**	**-**
Tier 2 (T2) capital: regulatory adjustments			
57	**Total regulatory adjustments to Tier 2 (T2) capital**	-	-
58	**Tier 2 (T2) capital**	**1 358 147**	
59	**Total capital (TC = T1 + T2)**	**16 201 233**	-
60	**Total Risk exposure amount**	**102 215 740**	**-**
Capital ratios and requirements including buffers			
61	Common Equity Tier 1 capital	13,05%	-
62	Tier 1 capital	14,52%	-
63	Total capital	15,85%	-
64	Institution CET1 overall capital requirements	7,59%	-
65	of which: capital conservation buffer requirement	2,50%	-
66	of which: countercyclical capital buffer requirement	0,09%	-
67	of which: systemic risk buffer requirement	-	-
EU-67a	of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer requirement	0,50%	-
EU-67b	of which: additional own funds requirements to address the risks other than the risk of excessive leverage	-	-
68	**Common Equity Tier 1 capital (as a percentage of risk exposure amount) available after meeting the minimum capital requirements**	**7,85%**	-
Amounts below the thresholds for deduction (before risk weighting)			
72	Direct and indirect holdings of own funds and eligible liabilities of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	69 830	Template EU CC2: Assets, row 3a, column 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)	189 143	Template EU CC2: Assets, row 3a, 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)	1 342 891	Template EU CC2: Assets, row 11, column b)

Disclosures regarding capital adequacy as at 31 December 2024 (PLN thousand)

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 31 December 2024.

Capital instruments and the related share premium accounts	
Registered share capital	169 988
Share premium	3 455 813
Total	**3 625 801**

Detailed information on share and supplementary capital from sales of shares over the nominal value is described in Explanatory Notes 37 and 38 of the Consolidated Financial Statements for the year 2024.

Retained earnings

Retained earnings item, amounting to PLN 542 516 thousand include the undistributed retained earnings of the prudentially consolidated mBank Group as of 31 December 2024.

Accumulated other comprehensive income (and other reserves)

Accumulated other comprehensive income as at 31 December 2024 amounted to PLN -256 286 thousand. The structure of accumulated other comprehensive income of mBank is presented below.

Accumulated other comprehensive income	
Exchange differences on translation of foreign operations	(33 787)
Cash flow hedges	(121 857)
Cost of hedging	(621)
Valuation of debt instruments at fair value through other comprehensive income	(89 504)
Actuarial gains and losses related to post-employment benefits	(21 953)
Reclassification to investment properties	11 436
Total	**(256 286)**

Other reserves of mBank Group prudentially consolidated as at 31 December 2024 amounted to PLN 8 957 965 thousand. The structure of other reserves of mBank Group prudentially consolidated as at 31 December 2024 is presented below.

Other reserves	
Other supplementary capital	8 846 613
Other reserve capital	111 352
Total	**8 957 965**

Accumulated other comprehensive income and other reserves of mBank Group prudentially consolidated as at 31 December 2024 amounted to PLN 8 701 679 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 31 December 2024 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

Independently reviewed interim profits net of any foreseeable charge or dividend, amounting to PLN 1 257 243 thousand, includes the recognized net profit of the mBank Group consolidated prudently for the first three quarters of 2024.

Disclosures regarding capital adequacy as at 31 December 2024 (PLN thousand)

THE COMMON EQUITY TIER 1 CAPITAL: REGULATORY ADJUSTMENTS

Additional value adjustments

In accordance with Article 34 of the CRR Regulation, additional value adjustments have been calculated to all assets measured at fair value in accordance with the requirements of Article 105 of the CRR Regulation and included in Common Equity Tier 1 capital of mBank Group prudentially consolidated as at 31 December 2024 in the amount of PLN -40 150 thousand.

Intangible assets

Adjustments relating to intangible assets were calculated in accordance with Articles 36 and 37 of the CRR Regulation and in accordance with Article 13a of the Commission Delegated Regulation (EU) No 241/2014 of 7 January 2014 supplementing the CRR Regulation, as amended, and included in the amount of PLN -1 294 385 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 122 478 regarding accumulated other comprehensive income, constituting the fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value, correct the accumulated other comprehensive income item, mentioned above.

Negative amounts resulting from the calculation of expected loss amounts

IRB shortfall of credit risk adjustments to expected losses in the amount of PLN –370 809 thousand was included in the calculation of Common Equity Tier 1 capital as at 31 December 2024, in accordance with point d) of Article 36(1) CRR Regulation.

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

Included in the calculation of Common Equity Tier 1 capital as at 31 December 2024 is the amount of the adjustment for synthetic securitisation transactions executed on the corporate and retail loan portfolios, for a total amount of PLN -39 697 thousand.

Deferred tax assets arising from temporary differences

Amount from deferred tax assets arising from temporary differences in the amount of PLN -85 826 thousand, net of related tax liability, constituting amount above 10% threshold of CET capital, was included in the calculation of the prudentially consolidated Common Equity Tier 1 capital as at 31 December 2024.

Other regulatory adjustments

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

Other regulatory adjustments	
CET1 capital elements or deductions - other (current specific credit risk adjustments)	(175 017)
Insufficient coverage for non-performing exposures	(50 981)
Fair value gains and losses arising from the institution's own credit risk related to derivative liabilities	(3 519)
Total	**(229 517)**

ADDITIONAL TIER 1 CAPITAL

The AT1 Bonds issued on 6 December 2024, were included in Additional Tier 1 Capital in amount of PLN 1.5 billion. On 31 December 2024, the Bank received a decision of the Polish Financial Supervision Authority on the consent to qualify the bonds to own funds as additional instruments in Tier I capital.

TIER 2 CAPITAL

Capital instruments and the related share premium accounts

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

Pursuant to the PFSA decision of 29 March 2018, mBank obtained a permission to classify cash in the amount of CHF 250 000 thousand as instruments in Tier 2 capital, in accordance with the terms of the loan agreement concluded between mBank S.A. and Commerzbank AG. This instrument qualifies as an item in Tier 2 capital to the extent compliant with the depreciation principles referred to in Article 64 of the CRR Regulation.

Pursuant to the PFSA decision of 28 November 2018, mBank obtained a permission to classify subordinated bonds with a nominal value of PLN 550 000 thousand, issued by the Bank on 9 October 2018 with the redemption date on 10 October 2028, as instruments in Tier 2 capital. This instrument qualifies as an item in Tier 2 capital to the extent compliant with the depreciation principles referred to in Article 64 of the CRR Regulation.

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

As at 31 December 2024 in the consolidated Tier 2 capital in the item Equity instruments and related share premium accounts the amount of PLN 1 358 147 thousand was included from the above-mentioned tranches of capital instruments.

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

		a	b	c	d	e	f
		Qualitative or quantitative information	Qualitative or quantitative information	Qualitative or quantitative information	Qualitative or quantitative information	Qualitative or quantitative information	Qualitative or quantitative information
1	Issuer	mBank S.A.	mBank S.A.	mBank S.A.	mBank S.A.	mBank S.A.	mBank S.A.
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	PLBRE000012	ISIN: PLBRE0005227 Series: MBK01 GPW Ticker: MBK01PERP-K	Not applicable	ISIN: PLBRE0005185 Issue: MBKO170125	ISIN: PLBRE0005193 Issue: MBKO101028	ISIN: PLBRE0005201 Issue: MBKO101030
2a	Public or private placement	Public	Public	Private placement	Private placement	Private placement	Private placement
3	Governing law(s) of the instrument	Polish	Polish	German and Polish in relations to subordination	Polish	Polish	Polish
3a	Contractual recognition of write down and conversion powers of resolution authorities	Not applicable	No	Not applicable	Not applicable	Not applicable	Not applicable
	Regulatory treatment						
4	Current treatment taking into account, where applicable, transitional CRR rules	CET1 capital	Additional Tier 1 capital	Tier II capital	Tier II capital	Tier II capital	Tier II capital
5	Post-transitional CRR rules	CET1 capital	Additional Tier 1 capital	Tier II capital	Tier II capital	Tier II capital	Tier II capital
6	Eligible at solo/(sub-)consolidated/ solo&(sub-)consolidated	Eligible at solo and (sub-) consolidated	Eligible at solo and (sub-) consolidated	Eligible at solo and (sub-) consolidated	Eligible at solo and (sub-) consolidated	Eligible at solo and (sub-) consolidated	Eligible at solo and (sub-) consolidated
7	Instrument type (types to be specified by each jurisdiction)	Common shares - meeting the conditions set out in Art. 28 of the CRR Regulation	Capital bonds within the meaning of Article 27a (1) (a) of the Bond Act that meets the conditions set forth in Article 52 of the CRR.	Loan 'subordinated loans' - Polish Banking Act Art.127.2.2 - meeting the conditions set out in Art. 63 and 64 of the CRR Regulation	Bond 'Capital instruments' - Polish Banking Act Art.127.2.2 - meeting the conditions set out in Art. 63 and 64 of the CRR Regulation	Bond 'Capital instruments' - Polish Banking Act Art.127.2.2 - meeting the conditions set out in Art. 63 and 64 of the CRR Regulation	Bond 'Capital instruments' - Polish Banking Act Art.127.2.2 - meeting the conditions set out in Art. 63 of the CRR Regulation
8	Amount recognised in regulatory capital or eligible liabilities (Currency in million, as of most recent reporting date)	m PLN 170	m PLN 1 500	m PLN 731	m PLN 7	m PLN 417	m PLN 203
9	Nominal amount of instrument	m PLN 170	m PLN 1 500	m CHF 250 (m PLN 1 134)	m PLN 750	m PLN 550	m PLN 200
EU-9a	Issue price	PLN 4	100%	Not applicable	100%	100%	100%
EU-9b	Redemption price	PLN 4	100%	Not applicable	100%	100%	100%
10	Accounting classification	Equity capital	Equity capital	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11	Original date of issuance	1986: 10 000 000 shares 1994: 2 500 000 shares 1995: 2 000 000 shares 1997: 4 500 000 shares 1998: 3 800 000 shares 2000: 170 500 shares 2004: 5 742 625 shares 2005: 270 847 shares 2006: 532 063 shares 2007: 144 633 shares 2008: 30 214 shares 2010: 12 395 792 shares 2011: 16 072 shares 2012: 36 230 shares 2013: 35 037 shares 2014: 36 044 shares 2015: 28 867 shares 2016: 41 203 shares 2017: 31 995 shares 2018: 24 860 shares 2019: 13 385 shares 2020: 16 673 shares 2021: 17 844 shares 2022: 48 611 shares 2023: 31 672 shares 2024: 31 806 shares	06.12.2024	21.03.2018	17.12.2014	09.10.2018	09.10.2018

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		a	b	c	d	e	f
		Qualitative or quantitative information	Qualitative or quantitative information	Qualitative or quantitative information	Qualitative or quantitative information	Qualitative or quantitative information	Qualitative or quantitative information
12	Perpetual or dated	Perpetual	Perpetual	Dated	Dated	Dated	Dated
13	Original maturity date	No maturity date	Bonds without a fixed maturity / are perpetual	21.03.2028	17.01.2025	10.10.2028	10.10.2030
14	Issuer call subject to prior supervisory approval	Not applicable	Yes	Yes	Yes	Yes	Yes
15	Optional call date, contingent call dates and redemption amount	Not applicable	1) 06.12.2029; in full, subject to: (i) prior approval of the KNF and (ii) that the current nominal value of the bonds on the redemption date equals the nominal value of the bonds on the issue date. 2) Redemption for regulatory reasons; in full (prior approval of the KNF & notification to investors required) 3) Redemption for tax reasons; in full (prior approval of the KNF & notification to investors required)	1) 21.03.2023; integral multiples of m CHF 10; notification of the lender, PFSA consent required; 2) Redemption due to a tax or regulatory event (PFSA consent required); at the end of Interest Period; notification of the lender	1) 17.01.2020 No minimum amount; at price 100%; 2) Redemption due to a regulatory event (PFSA consent required, notification of investors) at a price of 100%, at any Interest Payment Date	1) 10.10.2023 No minimum amount; at price 100%; 2) Redemption due to a regulatory event (PFSA consent required, notification of investors) at a price of 100%, at any Interest Payment Date	1) 10.10.2025 No minimum amount; at price 100%; 2) Redemption due to a regulatory event (PFSA consent required, notification of investors) at a price of 100%, at any Interest Payment Date
16	Subsequent call dates, if applicable	Not applicable	Redemption of the bonds as an option of the Issuer: the Issuer may redeem the bonds then outstanding in full on any interest payment date falling not earlier than on the fifth anniversary of the issue date (prior approval of the KNF & notification to investors required)	1) integral multiples of m CHF 10; notification of the lender, PFSA consent required; at the end of any Interest Period falling not earlier than the 5[th] anniversary of the Drawdown Date 2) Redemption due to a tax or regulatory event (PFSA consent required); at the end of Interest Period; notification of the lender	Redemption due to a regulatory event (PFSA consent required, notification of investors) at a price of 100%, at any Interest Payment Date	Redemption due to a regulatory event (PFSA consent required, notification of investors) at a price of 100%, at any Interest Payment Date	Redemption due to a regulatory event (PFSA consent required, notification of investors) at a price of 100%, at any Interest Payment Date
	Coupons / dividends						
17	Fixed or floating dividend/coupon	Floating dividend	Fixed coupon for five years, then reset and set for subsequent five-year periods based on the formula	Floating dividend	Floating dividend	Floating dividend	Floating dividend
18	Coupon rate and any related index	Not applicable	Coupon set for five-year periods as PLN Swap 5Y rate + 6.00%	Compounded SARON 3M + 2.75%	WIBOR 6M + 2.10%	WIBOR 6M + 1.80%	WIBOR 6M + 1.95%
19	Existence of a dividend stopper	No	No	No	No	No	No
EU-20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Fully discretionary	Fully discretionary	Not applicable	Not applicable	Not applicable	Not applicable
EU-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Fully discretionary	Fully discretionary	Not applicable	Not applicable	Not applicable	Not applicable
21	Existence of step up or other incentive to redeem	No	No	No	No	No	No
22	Noncumulative or cumulative	Not applicable	Noncumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
25	If convertible, fully or partially	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
26	If convertible, conversion rate	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
27	If convertible, mandatory or optional conversion	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
28	If convertible, specify instrument type convertible into	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
29	If convertible, specify issuer of instrument it converts into	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
30	Write-down features	No	Yes	No	No	No	No

Disclosures regarding capital adequacy as at 31 December 2024 (PLN thousand)

		a	b	c	d	e	f
		Qualitative or quantitative information	Qualitative or quantitative information	Qualitative or quantitative information	Qualitative or quantitative information	Qualitative or quantitative information	Qualitative or quantitative information
31	If write-down, write-down trigger(s)	Not applicable	Fall in the Common Equity Tier I Capital Ratio to (i) below 5.125%, calculated at the individual level or (ii) below 5.125%, calculated at the consolidated level	Not applicable	Not applicable	Not applicable	Not applicable
32	If write-down, full or partial	Not applicable	Full (but not less than PLN 0.01 nominal value) or partial	Not applicable	Not applicable	Not applicable	Not applicable
33	If write-down, permanent or temporary	Not applicable	Temporary	Not applicable	Not applicable	Not applicable	Not applicable
34	If temporary write-down, description of write-up mechanism	Not applicable	The reduction in the current nominal value of the bonds will be equal to the amount needed to restore the Common Equity Tier I Capital Ratio to the level of 5.125% calculated both on a standalone and consolidated basis.	Not applicable	Not applicable	Not applicable	Not applicable
34a	Type of subordination (only for eligible liabilities)	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
EU-34b	Ranking of the instrument in normal insolvency proceedings	Rank 10	Rank 9	Rank 8	Rank 8	Rank 8	Rank 8
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Not applicable	Receivables from liabilities included in the bank's own funds referred to in Article 62 of CRR Regulation, including interest and enforcement costs;	Receivables from subordinated liabilities not included in the Bank's own funds, including interest and costs of enforcement	Receivables from subordinated liabilities not included in the Bank's own funds, including interest and costs of enforcement	Receivables from subordinated liabilities not included in the Bank's own funds, including interest and costs of enforcement	Receivables from subordinated liabilities not included in the Bank's own funds, including interest and costs of enforcement
36	Non-compliant transitioned features	No	No	No	No	No	No
37	If yes, specify non-compliant features	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
37a	Link to the full term and conditions of the instrument (signposting)	Not applicable	Link 1	Not applicable	Link 2	Link 3	Link 4

Link 1: https://www.mbank.pl/pdf/msp-korporacje/relacje-inwestorskie/ratingi-instrumenty-dluzne/weo-mbank-at1-seria-mbk01-15-11-2024.pdf
Link 2: https://www.mbank.pl/pdf/msp-korporacje/relacje-inwestorskie/ratingi-instrumenty-dluzne/20141217-mbank-weo-skan.pdf
Link 3: https://www.mbank.pl/pdf/msp-korporacje/relacje-inwestorskie/ratingi-instrumenty-dluzne/mbank_tier_ii_10nc5_weo-signed.pdf
Link 4: https://www.mbank.pl/pdf/msp-korporacje/relacje-inwestorskie/ratingi-instrumenty-dluzne/mbank_tier_ii_12nc7_weo-signed.pdf

Disclosures regarding capital adequacy as at 31 December 2024 (PLN thousand)

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

		a	b	c
		Balance sheet as in published financial statements	Under regulatory scope of consolidation	Reference
		31.12.2024	31.12.2024	
	Assets - Breakdown by asset clases according to the balance sheet in the published financial statements			
1	Cash and cash equivalents	36 680 926	36 680 926	-
2	Financial assets held for trading and hedging derivatives	1 840 714	1 840 714	-
3	Non-trading financial assets mandatorily at fair value through profit or loss, including:	925 786	925 786	-
3a	*Equity securities*	*407 732*	*407 732*	Template EU CC1: row 72 and 73, col. a)
3b	*Debt securities*	*31 204*	*31 204*	-
3c	*Loans and advances to customers*	*486 850*	*486 850*	-
4	Financial assets at fair value through other comprehensive income – Debt securities	34 588 843	34 588 843	-
5	Financial assets at amortised cost	164 592 877	164 592 877	-
6	Fair value changes of the hedged items in portfolio hedge of interest rate risk	16 891	16 891	-
7	Non-current assets and disposal groups classified as held for sale	102 810	102 810	-
8	Intangible assets	1 956 693	1 956 693	Template EU CC1: row 8, col. a)
9	Tangible assets	1 461 811	1 461 811	-
10	Current income tax assets	59 655	59 655	-
11	Deferred income tax assets	1 364 017	1 364 017	Template EU CC1: row 21 and 75, col. a)
12	Other assets	2 366 340	2 366 340	-
13	**Total assets**	**245 957 363**	**245 957 363**	**-**
	Liabilities - Breakdown by liability clases according to the balance sheet in the published financial statements			
1	Financial liabilities held for trading and hedging derivatives	1 094 037	1 094 037	Template EU CC1: row 27a, col. a)
2	Financial liabilities measured at amortized cost, including:	219 411 062	219 411 062	-
2a	*Amounts owed to banks*	*3 059 431*	*3 059 431*	-
2b	*Amounts due to clients*	*200 808 978*	*200 808 978*	-
2c	*Lease liabilities*	*736 780*	*736 780*	-
2d	*Liabilities due to debt securities issued*	*12 130 336*	*12 130 336*	-
2e	*Subordinated liabilities*	*2 675 537*	*2 675 537*	Template EU CC1: row 46, col. a)
3	Fair value changes of the hedged items in portfolio hedge of interest rate risk	(393 568)	(393 568)	-
4	Liabilities classified as held for sale	30 940	30 940	-
5	Provisions	3 277 171	3 277 171	-
6	Current income tax liabilities	238 277	238 277	-
7	Other liabilities	4 532 450	4 532 450	-
8	**Total liabilities**	**228 190 369**	**228 190 369**	-
	Shareholders' Equity			
1	Registered share capital	169 988	169 988	Template EU CC1: row 1, col. a)
2	Share premium	3 455 813	3 455 813	Template EU CC1: row 1, col. a)
3	Profit from the previous years	10 654 234	10 654 234	Template EU CC1: row 2, 3, EU-3a, col. a)
4	Profit for the current year	2 243 245	2 243 245	Template EU CC1: row EU-5a, col. a)
5	Other components of equity	(256 286)	(256 286)	Template EU CC1: row 3, 11, col. a)
6	Additional equity components	1 500 000	1 500 000	Template EU CC1: row 30, col. a)
7	**Total shareholders' equity**	**17 766 994**	**17 766 994**	**-**

OWN FUNDS AND ELIGIBLE LIABILITIES

The information below fulfils the requirements arising from Article 99a(6) of the Act of June 10, 2016 on the Bank Guarantee Fund, Deposit Guarantee Scheme and Resolution ("BFG Act").

The scope of information is in line with the provisions of Commission Implementing Regulation (EU) 2021/763 of 23 April 2021 laying down implementing technical standards for the application of Regulation (EU) No 575/2013 of the European Parliament and of the Council and Directive 2014/59/EU of the European

Parliament and of the Council with regard to the supervisory reporting and public disclosure of the minimum requirement for own funds and eligible liabilities.

mBank S.A. is a resolution entity within the resolution group consisting of the Bank and its subsidiaries.

The Bank is subject to the requirements for own funds and eligible liabilities ("MREL") referred to in Article 98(1) of the BFG Act, transposing the provisions of Article 45 of the Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms in this respect.

mBank S.A. is not a global systemically important institution, nor is it the part of a group identified as a global systemically important institution. Therefore, the Bank is not subject to the requirements specified in Article 92a of the CRR Regulation concerning the minimum level of own funds and liabilities subject to write-down or conversion.

mBank S.A. is neither an entity referred to in Art. 97h section 1 of the BFG Act nor an entity against which the BFG made a decision referred to in Art. 97h section 3 of the BFG Act.

Based on the decision of the resolution college of 9 April 2024, the MREL requirement for the Bank on consolidated level, excluding mBank Hipoteczny from consolidation in accordance with Article 97(4a) of the BFG Act, is 15.36% in relation to the total risk exposure amount (“TREA”), including 13.69% for own funds and eligible subordinated liabilities. In relation to total exposure measure (“TEM”) the requirement is 5.91%, including 5.26% for own funds and eligible subordinated liabilities. The Bank shall fulfil these requirements from the day of decision reception.

Simultaneously, in accordance with Article 19(2)(3), Article 21(3)(3), Article 42(3) and Article 48(3) of the Act on macro-prudential supervision, which transposes Article 128 of the CRD, Common Equity Tier 1 instruments maintained by the entity in accordance with the combined buffer requirement are not eligible for the MREL requirement expressed as a percentage of the total risk exposure. This rule does not apply to the MREL requirement expressed as a percentage of the total exposure measure.

As a result, the Bank has to maintain the MREL at 18.49% in relation to TREA, including subordination requirement at 16.82%.

As at 31 December 2024, the Bank met the applicable minimum requirements. The MREL ratio as at 31 December 2024 in relation to TREA was 23.51% while the MREL ratio including own funds and eligible subordinated liabilities was 21.91%. The MREL ratio in relation to TEM as at 31 December 2024 was 9.10%, while the MREL ratio including own funds and eligible subordinated liabilities was 8.48%.

Disclosures regarding capital adequacy as at 31 December 2024 (PLN thousand)

EU KM2: Key metrics - MREL

		a	b	c	d	e	f
		Minimum requirement for own funds and eligible liabilities (MREL)	G-SII Requirement for own funds and eligible liabilities (TLAC)				
		31.12.2024	31.12.2024	30.09.2024	30.06.2024	31.03.2024	31.12.2023
Own funds and eligible liabilities, ratios and components							
1	Own funds and eligible liabilities	23 691 559	-	-	-	-	-
EU-1a	Of which own funds and subordinated liabilities	22 079 061					
2	Total risk exposure amount of the resolution group (TREA)	100 765 433	-	-	-	-	-
3	Own funds and eligible liabilities as a percentage of TREA (row1/row2)	23.51%	-	-	-	-	-
EU-3a	Of which own funds and subordinated liabilities	21.91%					
4	Total exposure measure of the resolution group	260 299 031	-	-	-	-	-
5	Own funds and eligible liabilities as percentage of the total exposure measure	9.10%	-	-	-	-	-
EU-5a	Of which own funds or subordinated liabilities	8.48%					
6a	Does the subordination exemption in Article 72b(4) of the CRR apply? (5% exemption)		-	-	-	-	-
6b	Pro-memo item - Aggregate amount of permitted non-subordinated eligible liabilities instruments If the subordination discretion as per Article 72b(3) CRR is applied (max 3.5% exemption)		-	-	-	-	-
6c	Pro-memo item: If a capped subordination exemption applies under Article 72b (3) CRR, the amount of funding issued that ranks pari passu with excluded liabilities and that is recognised under row 1, divided by funding issued that ranks pari passu with excluded Liabilities and that would be recognised under row 1 if no cap was applied (%)		-	-	-	-	-
Minimum requirement for own funds and eligible liabilities (MREL)*							
EU-7	MREL requirement expressed as percentage of the total risk exposure amount	15.36%					
EU-8	Of which to be met with own funds or subordinated liabilities	13.69%					
EU-9	MREL requirement expressed as percentage of the total exposure measure	5.91%					
EU-10	Of which to be met with own funds or subordinated liabilities	5.26%					

* Without taking into account the combined buffer requirement

Disclosures regarding capital adequacy as at 31 December 2024 (PLN thousand)

EU TLAC1 - Composition - MREL

		a	b	c
		Minimum requirement for own funds and eligible liabilities (MREL)	G-SII requirement for own funds and eligible liabilities (TLAC)	Memo item: Amounts eligible for the purposes of MREL, but not TLAC
Own funds and eligible liabilities and adjustments				
1	Common Equity Tier 1 capital (CET1)	13 343 086	-	-
2	Additional Tier 1 capital (AT1)	1 500 000	-	-
3	Empty set in the EU			
4	Empty set in the EU			
5	Empty set in the EU			
6	Tier 2 capital (T2)	1 358 147	-	-
7	Empty set in the EU			
8	Empty set in the EU			
11	Own funds for the purpose of Articles 92a CRR and 45 BRRD	16 201 233	-	-
Own funds and eligible liabilities: Non-regulatory capital elements				
12	Eligible liabilities instruments issued directly by the resolution entity that are subordinated to excluded liabilities (not grandfathered)	5 341 250	-	-
EU-12a	Eligible liabilities instruments issued by other entities within the resolution group that are subordinated to excluded liabilities (not grandfathered)	-	-	-
EU-12b	Eligible liabilities instruments that are subordinated to excluded liabilities, issued prior to 27 June 2019 (subordinated grandfathered)	-	-	-
EU-12c	Tier 2 instruments with a residual maturity of at least one year to the extent they do not qualify as Tier 2 items	536 578	-	-
13	Eligible liabilities that are not subordinated to excluded liabilities (not grandfathered pre cap)	1 612 499	-	-
EU-13a	Eligible liabilities that are not subordinated to excluded liabilities issued prior to 27 June 2019 (pre-cap)	-	-	-
14	Amount of non subordinated instruments eligible, where applicable after application of Article 72b (3) CRR	1 612 499	-	-
15	Empty set in the EU			
16	Empty set in the EU			
17	Eligible liabilities items before adjustments	7 490 326	-	-
EU-17a	Of which subordinated	5 877 828	-	-
Own funds and eligible liabilities: Adjustments to non-regulatory capital elements				
18	Own funds and eligible liabilities items before adjustments	23 691 559	-	-
19	(Deduction of exposures between MPE resolution groups)		-	
20	(Deduction of investments in other eligible liabilities instruments)		-	
21	Empty set in the EU			
22	Own funds and eligible liabilities after adjustments	23 691 559	-	-
EU-22a	Of which own funds and subordinated	22 079 061		
Risk-weighted exposure amount and leverage exposure measure of the resolution group				
23	Total risk exposure amount	100 765 433	-	-
24	Total exposure measure	260 299 031	-	-
Ratio of own funds and eligible liabilities				
25	Own funds and eligible liabilities (as a percentage of total risk exposure amount)	23.51%	-	-
EU-25a	Of which own funds and subordinated	21.91%		
26	Own funds and eligible liabilities (as a percentage of total exposure measure)	9,10%	-	-
EU-26a	Of which own funds and subordinated	8,48%		
27	CET1 (as a percentage of TREA) available after meeting the resolution group's requirements	7.96%	-	
28	Institution-specific combined buffer requirement		-	
29	of which: capital conservation buffer requirement		-	
30	of which: countercyclical buffer requirement		-	
31	of which: systemic risk buffer requirement		-	
EU-31a	of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer		-	
Memorandum items				
EU-32	Total amount of excluded liabilities referred to in Article 72a(2) CRR		-	

Disclosures regarding capital adequacy as at 31 December 2024 (PLN thousand)

EU TLAC3b: creditor ranking - resolution entity

		Insolvency ranking						
		1	2	3	4	5	9	Sum of 1 to n
		(most junior)					(most senior)	
1	Description of insolvency rank (free text)	Share capital	Equity instruments that qualify as Additional Tier 1 capital	Subordinated instruments that qualify as Tier 2 capital	Subordinated instruments not included in Tier 2 capital	Senior non-preferred liabilities	Other liabilities	
2	Empty set in the EU							
3	Empty set in the EU							
4	Empty set in the EU							
5	Own funds and liabilities potentially eligible for meeting MREL	13 583 901	1 500 000	1 894 724	-	5 341 250	1 612 499	23 932 374
6	of which residual maturity ≥ 1 year < 2 years	-	-	-	-	-		-
7	of which residual maturity ≥ 2 year < 5 years	-	-	1 684 275	-	5 341 250	-	7 025 525
8	of which residual maturity ≥ 5 years < 10 years	-	-	200 000	-	-	1 612 499	1 812 499
9	of which residual maturity ≥ 10 years, but excluding perpetual securities	-	-	-	-	-	-	-
10	of which perpetual securities	13 583 901	1 500 000	-	-	-	-	15 083 901

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 (mBH) to the calculation of the capital requirement for credit risk.

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

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

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

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

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

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

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

On 23 December 2022, the Bank concluded a synthetic securitization transaction referencing a portfolio of corporate as well as small and medium enterprises loans with a total value of EUR 801 million of which 55.3% were credit exposures secured on commercial real estate (CRE). As part of the transaction, the Bank transferred a significant part of the credit risk of a selected securitised portfolio to an investor. The risk transfer of the securitised portfolio is performed through a recognised credit protection instrument, in the form of a credit linked notes. The transaction meets the requirements for significant risk transfer specified in the CRR Regulation. Retained securitization positions are subject to the calculation of capital requirements in accordance with the securitization approach based on internal ratings (SEC-IRBA).

On 27 September 2023, the Bank concluded a synthetic securitization transaction referencing a portfolio of retail non-mortgages loans with a total value of PLN 9 962.8 million. As part of the transaction, the Bank transferred a significant part of the credit risk of a selected securitized portfolio to an investor. The risk transfer of the securitized portfolio is performed through a recognized credit protection instrument, in the form of a credit linked notes. The transaction meets the requirements for significant risk transfer specified in the CRR Regulation and has been structured as meeting the STS criteria (simple, transparent and standard) in accordance with Regulation 2021/557. Retained securitization positions are subject to the calculation of capital requirements in accordance with the securitization approach based on internal ratings (SEC-IRBA).

On 6 November 2024 mBank concluded a a synthetic securitization transaction executed on a portfolio of corporate non-mortgage loans with a total value of PLN 5 237 million as at 30 August 2024. As part of the transaction, the Bank transferred a significant part of the credit risk of a selected securitized portfolio to an investor. The risk transfer of the securitized portfolio is performed through a recognized credit protection instrument, in the form of a credit linked notes. The transaction meets the requirements for significant risk transfer specified in the CRR Regulation and has been structured as meeting the STS criteria (simple, transparent and standard) in accordance with Regulation 2021/557. Retained securitization positions are subject to the calculation of capital requirements in accordance with the securitization approach based on internal ratings (SEC-IRBA).

On 30 September 2024 mBank obtained approval from PFSA for the use of the new generation of PD, LGD and CCF models for the retail portfolio and the corporate portfolio and the new generation of PD and LGD models for the subsidiary mLeasing.

In the calculation of the total capital ratio of mBank Group as of 31 December 2024, 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 process

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

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

Capital adequacy is monitored:

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

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

In 2024 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. Starting from June 2024, mBank included environmental, social and governance risks (ESG risks) in its internal capital calculation, whereby environmental risk is treated as a horizontal risk that can materialize within the risk categories identified so far. The bank designated capital for other, including hard-to-measure risks. In calculating total internal capital, the Bank did not take into account the effect of diversification between different types of risk.

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

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

In order to assess the capital adequacy under economic perspective mBank calculates risk coverage potential (RCP), i.e. economic own funds, in addition to regulatory own funds. Having estimated internal capital as well as RCP both under normal and under stressed conditions Bank determines risk bearing 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 are well above the value of the internal capital.

The Bank's Management Board is responsible for the ICAAP process in mBank Group. The main principles of the internal capital adequacy assessment process (ICAAP) are approved by the Supervisory Board of mBank. The whole internal capital adequacy assessment process is reviewed annually. The results of the annual review are reported in a dedicated report which is approved by the Supervisory Board of mBank.

5.3 Additional information regarding AIRB

Description of the internal rating process, provided separately for each class of exposures, addressing disclosure requirements of art. 452 (c) of CRR

Corporates and Commercial Banks

The process of rating corporate banking clients is an integral part of the lending process. Without a rating it is impossible to make a credit decision.

There are two types of rating used to assess corporate clients and exposures:

1. PD-rating - (PD - Probability of Default) assessment of the client's risk of default construed as the probability of default (client's default on obligations) over a 12-month period,
2. EL-rating - (EL - Expected Loss) assessment of the probability of a loss, taking into account the client's risk of default, structure and nature of credit products, and type and size of accepted collateral.

In order to ensure unbiased assessment and management of credit risk, mBank applies uniform rules based, in particular, on the separation of credit risk assessment function from the sales function at all levels. The sales units make the initial assessment of a client and propose a PD-rating which is then subject to independent assessment and approval of Risk Line representatives. By approving the credit risk level, the Risk Line representatives take full responsibility for its correct assessment.

Correct assessment of credit risk requires complete, valid and reliable information on the client. At a further stage of the analysis, the information affects not only PD-rating, but also other risk parameters (Exposure at Default (EAD), Loss Given Default (LGD), and consequently EL-rating). mBank indicated a list of documents which the clients are obliged to submit for the purpose of assessing their risk level and required collateral. Furthermore, in the credit agreements mBank specifies a list of documents the clients undertake to submit to mBank for the purpose of verifying/updating their assessment and updating the valuation of collateral, and obliges the clients to notify mBank of any events affecting their creditworthiness. When submitted, the documents are verified in terms of compliance with mBank's requirements and formal correctness.

Acting in line with the Banking Law and Basel recommendations, when assessing credit risk mBank takes into account the mutual relations and links between entities, as they may lead to a situation when financial problems faced by one entity translate into financial problems of another. The relations referred to above are verified by way of analysing the entity's affiliation to a group of related entities (GPP), and then are taken into account in credit risk assessment, mainly through:

- calculating PD-rating based on consolidated data, provided that the entity draws up Consolidated Financial Statements,
- including the PD-rating of the dominant entity in the assessment of its subsidiary, proportionally to the degree of the group's integration.

When assessing foreign entities (non-residents), mBank takes into account the risk of the country of their origin.

The assessment and PD-rating calculation for corporate clients take place in one of the following systems:

1. RC-POL,
2. Central Commerzbank PD model for Commercial Banks,
3. System for Property Insurance Institutions,
4. System for Life Insurance Institutions,
5. System for Investment Funds,
6. System for Pension Funds,
7. System for Local Governments (JST),
8. System for Specialized Lending Entities (SPL),
9. Brokerage operations – expert system for selected clients (who meet specific criteria) who conduct brokerage operations connected with the securities and commodities market,
10. Model PD for Sovereigns (central Commerzbank model for governments and central banks)
11. Expert System – dedicated to the remaining corporate banking clients.

The RC-POL system covers 2 segments (SME and Corporations) used depending on the amount of the client's average, annual net revenues from the sales of products, commodities and materials:

a. RC-POL SME revenues ≤ PLN 50 million,
b. RC-POL Corporations revenues > PLN 50 million.

The detailed principles for assigning corporate banking clients to a given rating system are set out in Bank's internal regulations.

The process of assigning PD-rating is supported by Credit System (SK) or CRM 2.0, an IT application based on a workflow platform. The process takes place individually for each entity applying to mBank for a credit risk product. The calculation of PD-rating takes the following into account: analysis of financial data comprised in the annual financial statements, analysis of mid-year financial data, quality analysis and analysis of other factors.

The complete course of the PD-rating calculation process is registered in Bank’s Credit System or CRM 2.0, including all the data which forms a basis for the assessment, and decisions of authorities approving the assessment.

Upon completing the analysis, the system automatically proposes the final PD-rating, which in exceptional and justified cases may be corrected on an expert basis (the so-called overriding). The maximum liberal correction is limited to one notch on a 25-point rating scale, there is no limit for the conservative correction. The Bank allows a wider scope of overriding:

- full-scale overriding is possible in the case of non-residents and selected client classes,
- extended overriding (by a maximum of 5 notches) in a limited scope (defined in Bank’s internal regulations) is allowed for entities for which during the financial year an unitary business event occurred, which due to the accounting method could not be included in the rating model.

mBank systematically analyses all the events of overriding, which is aimed at preventing its excessive use. On the basis of results of the client's risk assessment and his financial needs, the amount and structure of the General Limit (LG) are determined. LG is the maximum permissible financial exposure of Bank to the client. The LG structure defines the permissible structure of credit products, amounts and terms, required minimum level and type of collateral, and other conditions specific to particular types of funding.

EL-rating, which determines the maximum risk acceptable by mBank in the case of a given client or GPP under the conditions established in the decision, constitutes a comprehensive assessment of the risk posed by the entire exposure to the client or GPP. Exposures to clients and GPP must go through a multi-level system of credit decisions. The key criteria qualifying exposures to particular decision-making levels include total exposure and EL-rating/PD-rating. When taking a decision on total exposure to a given client, mBank takes into account also the client's exposure to mBank Group subsidiaries (i.e. mLeasing and mFaktoring). Clients generating high capital requirements must undergo a special decision-making procedure. In such a case, the decisions are made by Bank’s Management Board.

PD-rating of each credit client is updated at least once a year based on the latest audited annual financial statements and the most recent information on the client. According to the monitoring matrix Bank reviews all its credit clients in order to check whether the PD-rating determined during the annual review is adequate to their current situation assessed on the basis of the latest mid-year data. Each mid-year monitoring may end with the reassignment of rating. Moreover, each time mBank obtains new and relevant information on its obligors or exposures in the time between the mid-year assessments, another analysis of their situation may be carried out and on the basis of its results mBank may decide to take new actions. Once a year, the client's assessment is combined with a review of his exposures; consequently, a credit decision is made on further cooperation with the client.

For the assessment of exposures classified as specialized lending, the Bank uses two independent rating models:

- a model built internally by the Bank, dedicated to the assessment of specialized lending exposure, classified as financing of goods, facilities, projects, leveraged acquisition (SPL TOP),
- a model, dedicated to the assessment of specialized lending exposures, classified as the financing of commercial real estate (SPL FN).

Both models are based on a list of questions covering supervisory requirements and results in the EL parameter in accordance with the values predefined by the Supervisor.

Bank applies individualized rating sheets within a given rating model. The individualization of rating sheets under the specialized lending consists in the fact that:

- for SPL FN depending on the type of real estate (under construction, completed)
- for SPL TOP, depending on the type of financing (goods, facilities, projects, leveraged acquisition) an appropriate, separate format of the rating sheet is used.

The rating for SPL TOP and SPL FN is supported by Bank’s systems through dedicated calculation processes for this parameter.

The Bank performs transactions generating credit risk in relation to banks, credit institutions and international financial institutions within the limits of credit exposure designated for these entities. The element used in determining these limits is PD rating of the entity, obtained from Commerzbank AG and setting on the basis of a central rating model dedicated to the appropriate institution type.

The process of setting exposure limits for these entities is carried out using the methodology contained in the "Criteria for assessment and setting limits of banks and international financial institutions credit exposure ".

The criteria include:

a. the rating of the financial strength of the counterparty / issuer based on:
   - assessment of the probability of incurring losses by the bank / international financial institution (analysis of credit risk of assets and liabilities, analysis of liquidity risk, assessment of other relevant information indicating the possibility of bank losses),
   - assessment of the bank's ability to withstand critical situations in relation to the risks incurred (analysis of financial results, assessment of capital adequacy, assessment of other relevant information indicating the ability to withstand critical situations),

b. rating including the assessment of counterparty / issuer integration in the group,

c. the financial rating of the counterparty / issuer - rating including a credit risk assessment of the country of origin and country of risk of the counterparty / issuer (in accordance with the "Criteria for credit risk assessment of the country and setting the county credit exposure limit"),

An integral part of the criteria is the Business Model Risk Assessment Block consisting of:

a. identification of the structure of used intangible assets,
b. analysis of the features of the broadly understood business model (analysis of the intangible assets model),
c. assessing the sensitivity of the broadly understood business model.

In addition, the criteria include:

a. the method of setting the maximum limit of credit exposure,
b. rules for updating temporary tenors for which limits on transactions are set,
c. the method of setting the financial rating of the counterparty / issuer according to the shortened credit risk assessment formula,
d. an early warning model.

Retail

The assessment of a retail banking customer, applying for a loan or change of loan terms, is focused, in accordance with the provisions of the Banking Law and PFSA recommendations, on two areas:

- assessment of the customer's credit capacity, which consists in determining the loan amount available to the customer,
- assessment of the customer's creditworthiness, that is assessment of default risk during the service of the loan, expressed in the form of PD Rating.

These areas are assessed independently from each other, that is the lack of credit capacity may not be compensated for with a very good PD Rating; and high credit capacity may not offset unacceptable PD Rating. In order to ensure the high accuracy of the determined PD Rating, data from all available sources are used, i.e.:

- data from the loan application (application scoring, specific for different product segments of the portfolio),
- data on customers behaviour in relations with mBank (internal behavioural scoring),
- data on customers behaviour in relations with other banks (external behavioural scoring based on BIK - Credit Bureau information).

Depending on the availability of data from individual areas and the context of making the assessment (customer's credit application or offer provided to the customer by mBank), the above data sources are used in various combinations. Each application for a credit product for individuals / small enterprises is registered in a loan application processing IT system. After registering the application, the information from internal and external data sources are downloaded. The verification results are again registered in the application processing system, and then the set of data required for calculating risk parameters is handed over to the decision-making engine, integrated with application processing system.

On the basis of the information obtained, PD score is calculated in the decision-making engine and the customer is assigned to the appropriate rating class (consistently within the Commerzbank Group). Moreover, risk parameters LGD and EL are calculated on the basis of data related to the assessed transaction. At the subsequent stage of the process, decision rules based on threshold values of risk parameters (PD Rating, LGD, EL) are applied, in accordance with the rules of the decision-making policy accepted at mBank. The result of the assessment is then returned to the application system. The process of PD Rating assignment and the calculation of the remaining risk parameters is strictly structured and automated thanks to the use of IT applications.

Customer’s rating and the values of other risk parameters are made available to persons taking credit decisions. The level of authority required for taking an individual credit decision is dependent, i.a. on the value of risk parameters (PD Rating / LGD / EL). In the case of retail customers, Bank does not allow for arbitrary rating amendments, hence the persons taking credit decisions are not allowed to modify the registered values.

Taking a positive decision in spite of a negative assessment in the system (PD Rating or another risk parameter that is beyond the accepted range) is treated as a non-standard decision and requires approval by a superior decision-making level. mBank monitors the quality of loans granted on the basis of non-standard decisions that is independent from the quality monitoring of the entire credit portfolio.

In retail banking, risk parameter values (including PD Rating) are updated:

- periodically – on the basis of a monthly recalculation of behavioural scoring and updating the delinquency data,
- ad hoc – in the process of customer's applying for new loans.

The rating process is under constant supervision in terms of quality of data that are used. Data quality assessment is conducted by a dedicated unit.

The below information addressees the requirements of Art. 452 CRR.

The competent authority's permission of the approach or approved transition.

Within the rating system for the **retail exposures portfolio**, 3 crucial risk models are used: the PD12M model, the LGD model and the CCF model. All the above-mentioned models are statistical models with expert's knowledge influence, which have been built locally, using internal institution data. The rating system is used for the following exposure classes:

- the retail exposures to individual customers secured by mortgage,
- the retail exposures to individual customers other,
- the retail exposures to small and medium-sized enterprises secured by mortgage,
- the retail exposures to small and medium-sized other.

Within the rating system of the **corporation exposures portfolio**, 3 crucial risk models are used: the PD12M model, the LGD model and the CCF model. All the above-mentioned models are statistical models with expert's knowledge influence, which have been built locally, using internal institution data. In addition, the PD12M model is a group model also used in mLeasing Sp. z o.o. The rating system is used for the following exposure classes:

- the corporate exposure to enterprises.

Within the rating system for the **corporation exposure portfolio to financial institutions**, 3 crucial risk models are used: the PD12M model, the LGD model, and the CCF model. All these models are statistical models built using expert's knowledge with Commerzbank AG as the source of origin but they are used in Bank locally. The rating system is used for the following exposure classes:

- the corporate exposure to financial institution (commercial banks).

Within the rating system for the **corporation exposure portfolio – special lending of commercial real estate** one risk model of slotting approach type is used. The above-mentioned model is expert's model and is used in the following exposure classes:

- the corporation exposure, special lending: income-producing property.

Within the rating system for the **mLeasing retail exposure portfolio**, 2 crucial risk models are used: the PD12M model and the LGD model (which is general for the detail exposure and for mLeasing portfolio). These models are statistical models with expert's knowledge influence, which have been built locally, using internal institution data. The rating system is used for the following exposure classes:

- the retail exposures to mLeasing customers.

The *control mechanisms for rating systems at the different stages of model development, controls and changes*

The control mechanisms are used for all models covered by the ARIB's method:

- annual monitoring is performed by Modelling Team based on internal data. The scope and manner of the analyses are regulated by defined methodologies for monitoring of credit risk models.
- annual validation is performed by an independent (of Modelling Team) Validation Team. The scope and manner of the analyses are regulated by defined methodologies for validation of credit risk models.

The independence of Validation and Modelling Team function is provided by setting them into different units of Bank's organizations (departments). It is associated with reporting to independent senior Bank's management.

The role of the functions involved in the development, approval and subsequent changes of the credit risk models

The processing and implementation changes into models covered by the ARIB’s method are run by dedicated Bank’s modelling units who are owners of risk parameters models. The Bank's independent validation unit is responsible for carrying out model reviews to verify their quality and consistency with regulatory guidelines. The process of approving models and models’ changes is a subject of decision by a dedicated committee (the Model Risk Committee) chaired by the Bank's Chief Risk Officer.

The scope and main content of the reporting related to credit risk models

The management reporting process for models covered by the ARIB’s method is regulated by a dedicated procedure of the Bank's work and is performed with at least annual frequency. The management report is presented at the Models Risk Committee, which is attended by, among others, the Bank's Chief Risk Officer and representatives of the Bank's senior management representing the units that are business users of the respective models. In accordance with the supervisory requirements of Article 189 CRR, the report shall include at least a comparison of modelled and realised values at the level of individual risk parameters as well as migration between risk categories.

The last management report was reported in June 2024. On the level of analyzed models, the report did not identify anomalies in terms of model value realisation and migration between risk categories.

A description of the internal ratings process by exposure class, including the number of key models used with respect to each portfolio and a brief discussion of the main differences between the models within the same portfolio

In the case of all models: PD12M, LGD, CCF, the definitions are compliant with external (CRR) and internal Bank’s regulations including definition of ‘bad’ observation.

Within the rating system for the retail exposure portfolio, 3 crucial risk models are used: the PD12M model, the LGD model, and the CCF model.

The PD12M model

- the methods used during the construction: including logistic regression, WoE, kernel estimation,
- the methods used during the backtesting of the model: including GINI, ETLA test, binominal test,
- during the construction, internal data (application and behavioural data about customers) and external data (Poland's Credit Information Bureau) are used with a time horizon of at least five years, involving all observations eligible for the rating system,
- within the rating system immaterial share of regulatory limit PDs (0.03%) was met but these affect <0.1% of the population.

The LGD model

- the methods used during the construction: including arithmetic mean, regression trees, fractional regression,
- the methods used during the backtesting of model: including ROC, GINI, error analysis (MAE, RMSE), CLAR, calibration of the model values to empirical values,
- during the construction, internal data are used with a time horizon of at least five years, involving all observations eligible for the rating system,
- the conservatism of approach: conservative adjustments and haircuts, including calibration of the LGD to the economic downturn based on internal data from a historical time series of losses,
- the average duration of a default is 19 months for non-mortgage-secured exposures and 31 months for mortgage-secured exposures.

The CCF model

- the methods used during the construction: including arithmetic mean, regression trees,
- the methods used during the backtesting of model: including ROC, GINI, error analysis (MAE, RMSE),
- during the construction, internal data are used with a time horizon of at least five years, involving all observations eligible for the rating system.
- Within the rating system for the corporation exposure portfolio to enterprises, 3 crucial risk models are used: the PD12M model, the LGD model, and the CCF model.

The PD12M model

- the methods used during the construction: including logistic regression, WoE, ln(odds), kernel estimation
- the methods used during the backtesting of the model: including GINI, ETLA test, binominal test,
- during the development internal Bank's and Bank's Group data were used with a time horizon of at least five years, involving all observations eligible for the rating system,
- within the rating system immaterial share of regulatory limit PDs (0.03%) was met but these affect <1% of the population,
- factor favouring differences in PD estimates and realised default rate are: a) scheme of the data presentation defined in the EU-CR9 form where average PD value with number of obligors were given as at the end of the previous period (portfolio snapshot on 31 December 2023) with number of obligors for which loss event was realized in the horizon from the end of previous period (31 December 2023) to the end of current period (31 December 2024), such a scheme is adequate for models in which PD is calculated on a monthly basis but in the case of models where PD is calculated annually (as in the RC-POL model where PD is calculated at least annually, where the trigger of recalculation is obtaining of new financial statement or negative qualitative information requiring rating renewal) this creates a situation where realization of PD parameter is verified in a time horizon longer than 12 months from the moment of PD calculation – max. 23 months. It generates the occurrence of default cases in low rating classes as well as the occurrence of a DR>PD relationship in selected rating classes, additionally it should be noted that the reported portfolio is characterized by a relatively low number of defaults (about several dozen cases per year) which in the case of disaggregation of the data into 24 rating classes leads to a situation where the DR>PD relationship is determined by the occurrence of 1 more case of default.

The LGD model

- the methods used during the construction: including arithmetic mean, linear regression,
- the methods used during the backtesting of model: including ROC, GINI, CLAR, calibration of the model values to empirical values,
- during the construction, internal data are used with a time horizon of at least five years, involving all observations eligible for the rating system,
- the conservatism of approach: conservative adjustments and haircuts, including calibration of the LGD to the economic downturn based on internal data from a historical time series of losses,
- the average duration of a default is 38 months.

The CCF model

- the methods that were used during the construction: including arithmetic mean, regression trees,
- the methods that were used during the backtesting of the model: including ROC, GINI, error analysis (MAE, RMSE),
- during the construction, internal data is used with a time horizon of at least five years, involving all observations eligible for the rating system.

Within the rating system for the corporation exposure portfolio to financial institutions, 3 crucial, central risk models are used (source CommerzBank): the PD12M model, the LGD model, and the CCF model.

The PD12M model

- the definitions that were in order of external (CRR) and internal Commerzbank's regulations, including definition of 'bad' observation,
- the methods that were used during the construction: including logistic regression, LN(odds), kernel estimation,
- the methods that were used during the backtesting of the model: including AUC, GINI,
- during the construction, internal Commerzbank's data and external data (Bankscope base, Fitch agency) were used with a time horizon of at least five years, involving all observations eligible for the rating system,
- the possible differences between PD and default rate arise from specific of the low default portfolio in mBank.

The LGD model

- the methods that were used during the construction: including arithmetic mean,
- the methods that were used during the backtesting of the model: including ROC, GINI, calibration of the model values to empirical values,

- during the construction, internal Commerzbank's data is used with a time horizon of at least five years, involving all observations eligible for the rating system,
- the average duration of a default is 29 months.

The CCF model

- the methods that were used during the construction: including arithmetic mean,
- the methods that were used during the backtesting of the model: including ROC, GINI,
- during construction, internal Commerzbank's data are used with a time horizon of at least five years, involving all observations eligible for the rating system.

A slotting approach type rating model is used within the rating system for the corporation exposure portfolio – specialise lending of commercial real estate

- the methods that were used during the construction: including slotting approach, linear regression,
- the methods that were used during the backtesting of the model: including GINI,
- during the construction, internal data which come from Bank and the group's company, is used with a time horizon of at least five years, involving all observations eligible for the rating system,
- the result of model's operation is not the risk parameters (PD, LGD, CCF) but the supervisor risk category (slotting approach).

Within the rating system for the mLeasing detail exposure portfolio, two crucial risk models are used: the PD12M model and LGD model (which is shared for the detail exposure and for the corporation mLeasing portfolio).

The PD12M model

- the methods used during the construction: including logistic regression, WoE, kernel estimation,
- the methods that were used during the backtesting of the model: including GINI, ETLA test, binominal test,
- during the development internal group data with a time horizon of at least five years, involving all observations eligible for the rating system was used,
- the lower supervisory limits of the PD parameter were not observed.

The LGD model

- the methods that were used during the construction: including arithmetic mean, non-linear regression,
- the methods that were used during the backtesting of the model: including ROC, GINI, CLAR, calibration of the model values to empirical values,
- during the construction, internal data are used with a time horizon of at least five years, involving all observations eligible for the rating system,
- the conservatism of approach: conservative adjustments and haircuts, including calibration of the LGD to the economic downturn based on internal data from a historical time series of losses,
- the average duration of a default is 40 months.

Rating systems' validation

Validation is an internal, complex process of independent and objective assessment of model operation, which is consistent with Recommendation W requirements and, in the case of the AIRB method, meets the supervisory guidelines set out in the CRR. The validation rules are set out in general in the "Model Management Policy" and described in details in other mBank's internal regulations. The validation covers models directly and indirectly used in the assessment of capital adequacy under the AIRB approach and other models indicated in the Model Register maintained in mBank.

There is assured an independence of validation unit in the organizational structures of the Bank or the mBank Group's subsidiary in relation to the units involved in the model's construction/maintenance, i.e. the model owner and users. The Validation Unit (Division in Integrated Risk Management Department) is responsible for the validation in mBank.

The scope of validation performed by the Validation Unit covers the assessment of:

- models,
- model implementation,
- their application process.

Disclosures regarding capital adequacy as at 31 December 2024 (PLN thousand)

Depending on the materiality and complexity of the model, as well as the type of validation task to be performed, the validation may be advanced (covers both quantitative and qualitative elements) or basic (mainly focused on the quantitative analyses and selected qualitative elements). The validation results are documented in the validation report containing, in particular, an assessment used for the purpose of approving the model, and recommendations, if any, in form of precautionary and remedial actions, about the irregularities found.

Validation tasks are performed in accordance with the annual validation plan. Both validation plan and the results of performed validation tasks are approved by the Model Risk Committee.

In the table below (with a breakdown to exposure classes) we present PD values, the number of obligors as well the default rate calculated in line with the rules described in EU CR9 form.

EU CR9 – IRB approach – Backtesting of PD per exposure class, addressing disclosure requirements of Art. 452 letter h) of CRR Regulation.

Exposure class	PD range	Number of obligors at the end of previous year		Observed average default rate (%)	Exposures weighted average PD (%)	Average PD (%)	Average historical annual default rate (%)
			Of which number of obligors which defaulted in the year				
a	b	c	d	e	f	g	h
09. Institutions	0.00 to <0.15	53	-	-	0.06%	0.06%	0.32%
	0.00 to <0.10	46	-	-	0.05%	0.06%	0.38%
	0.10 to <0.15	7	-	-	0.12%	0.12%	-
	0.15 to <0.25	11	-	-	0.21%	0.19%	-
	0.25 to <0.50	9	-	-	0.29%	0.34%	-
	0.50 to <0.75	7	-	-	0.65%	0.58%	-
	0.75 to <2.50	13	-	-	1.68%	1.60%	-
	0.75 to <1.75	8	-	-	0.82%	1.27%	-
	1.75 to <2.5	5	-	-	2.18%	2.12%	-
	2.50 to <10.00	1	-	-	3.21%	4.50%	-
	2.5 to <5	1	-	-	3.04%	4.50%	-
	5 to <10	-	-	n/a	5.81%	n/a	-
	10.00 to <100.00	4	-	-	13.47%	28.19%	-
	10 to <20	1	-	-	11.61%	18.85%	-
	20 to <30	2	-	-	27.67%	23.27%	-
	30.00 to <100.00	1	-	-	n/a	47.34%	-
	100.00 (default)	-	-	n/a	n/a	n/a	n/a

Disclosures regarding capital adequacy as at 31 December 2024 (PLN thousand)

EU CR9 – IRB approach – Backtesting of PD per exposure class (contd):

Exposure class	PD range	Number of obligors at the end of previous year		Observed average default rate (%)	Exposures weighted average PD (%)	Average PD (%)	Average historical annual default rate (%)
			Of which number of obligors which defaulted in the year				
a	b	c	d	e	f	g	h
10. Corporates: thereof SMEs	0.00 to <0.15	368	-	-	0.08%	0.08%	0.34%
	0.00 to <0.10	238	-	-	0.06%	0.05%	0.43%
	0.10 to <0.15	130	-	-	0.12%	0.12%	0.18%
	0.15 to <0.25	232	4	1.72%	0.20%	0.20%	0.43%
	0.25 to <0.50	524	6	1.15%	0.38%	0.37%	0.45%
	0.50 to <0.75	483	5	1.04%	0.61%	0.61%	0.85%
	0.75 to <2.50	2 302	53	2.30%	1.56%	1.45%	1.72%
	0.75 to <1.75	1 668	37	2.22%	1.23%	1.21%	1.54%
	1.75 to <2.5	634	16	2.52%	2.15%	2.09%	2.24%
	2.50 to <10.00	1 184	83	7.01%	4.70%	4.14%	4.68%
	2.5 to <5	931	57	6.12%	3.62%	3.39%	3.86%
	5 to <10	253	26	10.28%	6.80%	6.91%	7.36%
	10.00 to <100.00	211	35	16.59%	15.50%	18.18%	8.28%
	10 to <20	157	31	19.75%	13.61%	13.29%	9.53%
	20 to <30	27	2	7.41%	24.89%	23.01%	6.18%
	30.00 to <100.00	27	2	7.41%	36.77%	41.76%	4.60%
	100.00 (default)	179	1	0.56%	100.00%	100.00%	n/a

EU CR9 – IRB approach – Backtesting of PD per exposure class (contd):

Exposure class	PD range	Number of obligors at the end of previous year		Observed average default rate (%)	Exposures weighted average PD (%)	Average PD (%)	Average historical annual default rate (%)
			Of which number of obligors which defaulted in the year				
a	b	c	d	e	f	g	h
12. Corporates: thereof other:	0.00 to <0.15	269	-	-	0.09%	0.08%	0.25%
	0.00 to <0.10	166	-	-	0.05%	0.06%	0.14%
	0.10 to <0.15	103	-	-	0.12%	0.13%	0.49%
	0.15 to <0.25	187	-	-	0.21%	0.20%	0.10%
	0.25 to <0.50	318	-	-	0.38%	0.39%	0.07%
	0.50 to <0.75	244	2	0.82%	0.59%	0.61%	0.63%
	0.75 to <2.50	852	10	1.17%	1.44%	1.44%	0.75%
	0.75 to <1.75	625	7	1.12%	1.19%	1.21%	0.63%
	1.75 to <2.5	227	3	1.32%	2.07%	2.08%	1.10%
	2.50 to <10.00	510	17	3.33%	4.49%	4.28%	3.77%
	2.5 to <5	383	9	2.35%	3.61%	3.44%	3.08%
	5 to <10	127	8	6.30%	6.22%	6.82%	5.30%
	10.00 to <100.00	519	4	0.77%	16.14%	39.05%	2.84%
	10 to <20	79	3	3.80%	12.66%	13.54%	4.50%
	20 to <30	45	1	2.22%	24.59%	23.88%	5.52%
	30.00 to <100.00	395	-	-	45.87%	45.88%	1.72%
	100.00 (default)	286	5	1.75%	100.00%	100.00%	n/a

Disclosures regarding capital adequacy as at 31 December 2024 (PLN thousand)

EU CR9 – IRB approach – Backtesting of PD per exposure class (contd):

Exposure class	PD range	Number of obligors at the end of previous year		Observed average default rate (%)	Exposures weighted average PD (%)	Average PD (%)	Average historical annual default rate (%)
			Of which number of obligors which defaulted in the year				
a	b	c	d	e	f	g	h
13. Retail: thereof secured by mortgages / SMEs	0.00 to <0.15	13	-	-	n/a	0.14%	0.05%
	0.00 to <0.10	-	-	n/a	n/a	n/a	-
	0.10 to <0.15	13	-	-	n/a	0.14%	0.07%
	0.15 to <0.25	429	1	0.23%	n/a	0.21%	0.33%
	0.25 to <0.50	1 329	7	0.53%	0.41%	0.38%	0.68%
	0.50 to <0.75	1 179	8	0.68%	0.60%	0.62%	0.96%
	0.75 to <2.50	1 528	36	2.36%	1.22%	1.24%	2.80%
	0.75 to <1.75	1 305	29	2.22%	1.08%	1.10%	2.46%
	1.75 to <2.5	223	7	3.14%	2.08%	2.06%	4.50%
	2.50 to <10.00	352	29	8.24%	4.92%	4.64%	7.84%
	2.5 to <5	242	13	5.37%	3.48%	3.38%	6.15%
	5 to <10	110	16	14.55%	7.36%	7.39%	11.91%
	10.00 to <100.00	135	49	36.30%	31.09%	19.45%	34.83%
	10 to <20	86	26	30.23%	14.87%	13.66%	24.50%
	20 to <30	28	15	53.57%	25.32%	23.84%	43.33%
	30.00 to <100.00	21	8	38.10%	55.78%	37.35%	46.84%
	100.00 (default)	350	350	100.00%	100.00%	100.00%	n/a

EU CR9 – IRB approach – Backtesting of PD per exposure class (contd):

Exposure class	PD range	Number of obligors at the end of previous year		Observed average default rate (%)	Exposures weighted average PD (%)	Average PD (%)	Average historical annual default rate (%)
			Of which number of obligors which defaulted in the year				
a	b	c	d	e	f	g	h
14. Retail: thereof secured by mortgages / non-SMEs	0.00 to <0.15	93 280	95	0.10%	0.12%	0.08%	0.11%
	0.00 to <0.10	61 095	48	0.08%	0.09%	0.06%	0.09%
	0.10 to <0.15	32 185	47	0.15%	0.12%	0.12%	0.14%
	0.15 to <0.25	29 406	94	0.32%	0.19%	0.19%	0.28%
	0.25 to <0.50	17 575	105	0.60%	0.35%	0.35%	0.54%
	0.50 to <0.75	6 918	71	1.03%	0.60%	0.60%	0.90%
	0.75 to <2.50	5 336	143	2.68%	1.25%	1.23%	2.58%
	0.75 to <1.75	4 446	112	2.52%	1.09%	1.06%	2.37%
	1.75 to <2.5	890	31	3.48%	2.08%	2.08%	3.65%
	2.50 to <10.00	2 990	184	6.15%	4.72%	5.29%	7.06%
	2.5 to <5	1 643	71	4.32%	3.44%	3.53%	4.55%
	5 to <10	1 347	113	8.39%	7.11%	7.45%	10.08%
	10.00 to <100.00	1 837	433	23.57%	32.27%	19.32%	23.51%
	10 to <20	1 143	203	17.76%	14.10%	13.99%	17.87%
	20 to <30	468	121	25.85%	24.89%	24.30%	30.00%
	30.00 to <100.00	226	109	48.23%	50.77%	35.95%	45.80%
	100.00 (default)	3 043	3 043	100.00%	100.00%	100.00%	n/a

Disclosures regarding capital adequacy as at 31 December 2024 (PLN thousand)

EU CR9 – IRB approach – Backtesting of PD per exposure class (contd):

Exposure class	PD range	Number of obligors at the end of previous year		Observed average default rate (%)	Exposures weighted average PD (%)	Average PD (%)	Average historical annual default rate (%)
			Of which number of obligors which defaulted in the year				
a	b	c	d	e	f	g	h
15. Retail: thereof qualifying revolving	0.00 to <0.15	46 549	60	0.13%	0.12%	0.10%	0.13%
	0.00 to <0.10	22 786	20	0.09%	0.09%	0.07%	0.11%
	0.10 to <0.15	23 763	40	0.17%	0.13%	0.13%	0.15%
	0.15 to <0.25	95 749	155	0.16%	0.20%	0.20%	0.17%
	0.25 to <0.50	122 639	299	0.24%	0.37%	0.35%	0.23%
	0.50 to <0.75	43 144	285	0.66%	0.61%	0.61%	0.54%
	0.75 to <2.50	103 536	1 280	1.24%	1.45%	1.47%	1.23%
	0.75 to <1.75	71 530	734	1.03%	1.18%	1.18%	1.00%
	1.75 to <2.5	32 006	546	1.71%	2.10%	2.11%	1.79%
	2.50 to <10.00	62 611	2 968	4.74%	4.36%	4.53%	4.63%
	2.5 to <5	42 868	1 432	3.34%	3.46%	3.51%	3.37%
	5 to <10	19 743	1 536	7.78%	6.78%	6.75%	7.28%
	10.00 to <100.00	14 277	3 205	22.45%	26.00%	18.91%	23.84%
	10 to <20	9 652	1 342	13.90%	14.23%	13.22%	14.93%
	20 to <30	2 747	1 019	37.10%	24.29%	24.33%	37.08%
	30.00 to <100.00	1 878	844	44.94%	47.31%	40.19%	50.86%
	100.00 (default)	10 763	10 763	100.00%	100.00%	100.00%	n/a

EU CR9 – IRB approach – Backtesting of PD per exposure class (contd):

Exposure class	PD range	Number of obligors at the end of previous year		Observed average default rate (%)	Exposures weighted average PD (%)	Average PD (%)	Average historical annual default rate (%)
			Of which number of obligors which defaulted in the year				
a	b	c	d	e	f	g	h
16. Retail: thereof other / SMEs	0.00 to <0.15	593	1	0.17%	0.15%	0.12%	0.43%
	0.00 to <0.10	154	-	-	0.06%	0.08%	0.31%
	0.10 to <0.15	439	1	0.23%	0.15%	0.13%	0.48%
	0.15 to <0.25	7 066	32	0.45%	0.21%	0.21%	0.63%
	0.25 to <0.50	26 555	105	0.40%	0.40%	0.36%	0.50%
	0.50 to <0.75	17 814	112	0.63%	0.64%	0.61%	0.73%
	0.75 to <2.50	33 699	674	2.00%	1.46%	1.39%	1.92%
	0.75 to <1.75	25 412	388	1.53%	1.20%	1.15%	1.56%
	1.75 to <2.5	8 287	286	3.45%	2.08%	2.11%	3.02%
	2.50 to <10.00	28 038	1 717	6.12%	4.59%	5.05%	6.17%
	2.5 to <5	16 333	778	4.76%	3.47%	3.57%	5.00%
	5 to <10	11 705	939	8.02%	6.85%	7.13%	7.90%
	10.00 to <100.00	13 140	2 907	22.12%	26.67%	21.48%	23.45%
	10 to <20	7 301	977	13.38%	14.52%	13.94%	15.04%
	20 to <30	3 538	898	25.38%	24.26%	23.43%	26.65%
	30.00 to <100.00	2 301	1 032	44.85%	50.26%	42.39%	44.55%
	100.00 (default)	11 542	6 759	58.56%	100.00%	100.00%	n/a

Disclosures regarding capital adequacy as at 31 December 2024 (PLN thousand)

EU CR9 – IRB approach – Backtesting of PD per exposure class (contd):

Exposure class	PD range	Number of obligors at the end of previous year	Of which number of obligors which defaulted in the year	Observed average default rate (%)	Exposures weighted average PD (%)	Average PD (%)	Average historical annual default rate (%)
a	b	c	d	e	f	g	h
17. Retail: thereof other / non-SMEs	0.00 to <0.15	5 820	15	0.26%	0.13%	0.10%	0.21%
	0.00 to <0.10	3 026	4	0.13%	0.09%	0.07%	0.14%
	0.10 to <0.15	2 794	11	0.39%	0.13%	0.13%	0.27%
	0.15 to <0.25	8 088	25	0.31%	0.18%	0.20%	0.27%
	0.25 to <0.50	18 772	97	0.52%	0.40%	0.37%	0.39%
	0.50 to <0.75	15 377	122	0.79%	0.65%	0.62%	0.56%
	0.75 to <2.50	69 102	1 069	1.55%	1.56%	1.51%	1.25%
	0.75 to <1.75	46 015	577	1.25%	1.26%	1.19%	0.93%
	1.75 to <2.5	23 087	492	2.13%	2.09%	2.15%	2.05%
	2.50 to <10.00	52 054	2 572	4.94%	4.05%	4.72%	3.69%
	2.5 to <5	33 696	1 200	3.56%	3.32%	3.61%	2.65%
	5 to <10	18 358	1 372	7.47%	6.84%	6.76%	6.42%
	10.00 to <100.00	13 732	3 535	25.74%	25.72%	19.77%	26.50%
	10 to <20	9 017	1 422	15.77%	14.25%	13.51%	16.07%
	20 to <30	2 886	1 201	41.61%	24.48%	24.35%	39.97%
	30.00 to <100.00	1 829	912	49.86%	48.17%	43.41%	49.08%
	100.00 (default)	13 463	13 463	100.00%	100.00%	100.00%	n/a

The following table presents the average model LGD values as of 31 December 2024 for retail mortgage, retail non-mortgage, corporate and commercial banks and mLeasing portfolio based on long-term historical series for non-defaulted exposures.

Indicators	Retail mortgages exposures	Retail non-mortgages exposures	Corporate exposures	Commercial banks exposures	mLeasing exposures
Mean model LGD (31.12.2024)	34.71%	73.10%	60.53%	46.71%	25.29%
Mean model LGD weighted by EAD (31.12.2024)	32.01%	61.01%	45.97%	44.84%	18.46%

5.4 Supervisory requirements regarding capital ratios

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

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

As of 31 December 2024 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 31 December 2024 the countercyclical capital buffer rate set for relevant exposures in Poland according with the article 83 of the Act amounted to 0%. The ratio shall be effective until it is changed by way of an ordinance of the Minister of Finance.

Countercyclical capital buffer in accordance with the provisions of the Act as the weighted average of the countercyclical buffer rates that apply in the countries where the relevant credit exposures of the mBank Group are located. As at the end of December 2024 this ratio amounted to 0.09%.

Disclosures regarding capital adequacy as at 31 December 2024 (PLN thousand)

Exposures of foreign branches in Czech Republic and in Slovakia, where countercyclical buffer rates as of 31 December 2024 amounted to 1.25%, and 1.5% respectively, had an impact on the mBank Group specific countercyclical capital buffer.

EU CCyB2 - Amount of institution-specific countercyclical capital buffer

		31.12.2024
1	Total risk exposure amount	102 215 740
2	Institution specific countercyclical capital buffer rate	0.0886%
3	Institution specific countercyclical capital buffer requirement	90 563

Disclosures regarding capital adequacy as at 31 December 2024 (PLN thousand)

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 (%)
		Exposures value under the standardized approach	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	Breakdown by country:													
20	Poland	25 001 198	99 352 241	2 303 197	-	18 952 414	145 609 050	5 770 997	45 256	401 861	6 218 115	77 726 437	93.1060%	-
30	Czech Republic	6 078 736	7 838	-	-	-	6 086 574	245 709	-	-	245 709	3 071 362	3.6791%	0.0460%
40	Slovakia	3 015 573	3 377	-	-	-	3 018 950	125 127	-	-	125 127	1 564 087	1.8736%	0.0281%
50	Netherlands	151 823	186 224	-	-	-	338 047	32 975	-	-	32 975	412 187	0.4937%	0.0099%
60	Luxemburg	135 747	427 686	-	-	-	563 433	28 668	-	-	28 668	358 350	0.4292%	0.0021%
70	United States Of America	72 743	18 519	-	-	-	91 262	8 314	-	-	8 314	103 925	0.1245%	-
80	Denmark	44 638	726	-	-	-	45 364	3 215	-	-	3 215	40 187	0.0481%	0.0012%
90	Russian Federation	42 740	20	-	-	-	42 760	5 129	-	-	5 129	64 112	0.0768%	-
100	Germany	32 401	92 371	-	-	-	124 772	6 885	-	-	6 885	86 062	0.1031%	0.0008%
110	Belgium	3 457	807	-	-	-	4 264	333	-	-	333	4 162	0.0050%	0.0001%
120	Switzerland	1 777	5 853	-	-	-	7 630	301	-	-	301	3 763	0.0045%	-
130	Malta	865	9 486	-	-	-	10 351	356	-	-	356	4 450	0.0053%	-
140	Great Britain	772	13 831	-	-	-	14 603	704	-	-	704	8 800	0.0105%	0.0002%
150	France	692	1 410	-	-	-	2 102	113	-	-	113	1 413	0.0017%	-
160	Sweden	607	2 328	-	-	-	2 935	145	-	-	145	1 813	0.0022%	-
170	New Zealand	371	229	-	-	-	600	48	-	-	48	600	0.0007%	-
180	Cyprus	342	2 632	-	-	-	2 974	160	-	-	160	2 000	0.0024%	-
190	Israel	330	9	-	-	-	339	20	-	-	20	250	0.0003%	-
200	Norway	323	1 590	-	-	-	1 913	105	-	-	105	1 313	0.0016%	-
210	Spain	191	3 033	-	-	-	3 224	130	-	-	130	1 625	0.0019%	-

Disclosures regarding capital adequacy as at 31 December 2024 (PLN thousand)

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

		a	b	c	d	e	f	g	h	i	j	k	l	m
		General credit exposures		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 (%)
		Exposures value under the standardized approach	Exposure value under the IRB approach	Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for internal models			Relevant credit exposures – Credit risk	Relevant credit exposures – Market risk	Relevant credit exposures – Securitisation positions in the non-trading book	Total			
220	Ireland	88	15 361	-	-	-	15 449	675	-	-	675	8 438	0.0101%	0.0002%
230	Serbia	76	-	-	-	-	76	6	-	-	6	75	0.0001%	-
240	Brit. Virgin Islands	60	-	-	-	-	60	5	-	-	5	63	0.0001%	-
250	Latvia	53	3	-	-	-	56	4	-	-	4	50	0.0001%	-
260	China	50	12	-	-	-	62	4	-	-	4	50	0.0001%	-
270	Argentina	50	-	-	-	-	50	6	-	-	6	75	0.0001%	-
280	Saudi Arabia	32	517	-	-	-	549	8	-	-	8	100	0.0001%	-
290	Italy	30	297	-	-	-	327	18	-	-	18	225	0.0003%	-
300	Portugal	27	760	-	-	-	787	10	-	-	10	125	0.0001%	-
310	Bulgaria	23	1	-	-	-	24	2	-	-	2	25	-	-
320	UAE	22	3 122	-	-	-	3 144	201	-	-	201	2 513	0.0030%	-
330	Latvia	20	111	-	-	-	131	10	-	-	10	125	0.0001%	-
340	Austria	17	10 503	-	-	-	10 520	962	-	-	962	12 025	0.0144%	-
350	Ukraine	5	39	-	-	-	44	2	-	-	2	25	-	-
360	Romania	4	-	-	-	-	4	1	-	-	1	13	-	-
370	Japan	2	22	-	-	-	24	-	-	-	-	-	-	-
380	Other	2	3 131	-	-	-	3 133	69	-	-	69	863	-	-
390	**Total**	**34 585 887**	**100 164 089**	**2 303 197**	**-**	**18 952 414**	**156 005 587**	**6 231 417**	**45 256**	**401 861**	**6 678 535**	**83 481 688**	**-**	**0.0886%**

Disclosures regarding capital adequacy as at 31 December 2024 (PLN thousand)

In 2016 Bank received an administrative decision of the PFSA (KNF), in which mBank has been identified as other systemically important institution (O-SII). mBank was subject to a capital buffer which on the basis of KNF administrative decision of October 29th, 2020 amounted to 0.50% of the total risk exposure amount, calculated in accordance with article 92(3) of CRR Regulation. The amount of the buffer is verified by the KNF on an annual basis. Buffer should be maintained on individual and consolidated levels. The buffer value specified in this decision was in force as at 31 December 2024.

Starting from 1st January 2018 the Regulation of the Minister of Development and Finance with regard to systemic risk buffer entered into force. The Regulation introduced systemic risk buffer of 3% of the total risk exposure amount applied to all exposures located in Poland. Due to the exceptional socio-economic situation that arose after the outbreak of the global COVID-19 pandemic, this requirement was lifted by repealing the Regulation of the Minister of Finance, which was in force since 19 March 2020 and was applied as at 31 December 2024.

Consequently, the combined buffer requirement set for the mBank Group as of the 31 December 2024 amounted to 3.09% of the total risk exposure amount.

Capital ratios both on consolidated and individual basis as at the end of December 2024 were above the required values.

With a surplus mBank Group meets the combined buffer requirement.

mBank Group	31.12.2024		31.12.2023	
Capital ratio	**Required level**	**Reported level**	**Required level**	**Reported level**
Total capital ratio (TCR)	11.09%	15.85%	11.13%	17.04%
of which: combined buffer requirement	3.09%		3.13%	
Tier 1 ratio	9.09%	14.52%	9.13%	14.71%
of which: combined buffer requirement	3.09%		3.13%	
CET 1 ratio	7.59%	13.05%	7.63%	14.71%
of which: combined buffer requirement	3.09%		3.13%	

5.5 Quantitative data regarding capital adequacy

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

Total risk exposure amount of mBank Group consists of:

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

Disclosures regarding capital adequacy as at 31 December 2024 (PLN thousand)

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

		a	b	c	d	e
		31.12.2024	30.09.2024	30.06.2024	31.03.2024	31.12.2023
	Available own funds (amounts)					
1	Common Equity Tier 1 (CET1) capital	13 343 086	13 429 261	12 845 667	12 830 675	12 719 997
2	Tier 1 capital	14 843 086	13 429 261	12 845 667	12 830 675	12 719 997
3	Total capital	16 201 233	14 929 042	14 485 985	14 620 305	14 730 102
	Risk-weighted exposure amounts					
4	Total risk exposure amount	102 215 740	96 941 573	93 678 207	91 266 025	86 460 843
	Capital ratios (as a percentage of risk-weighted exposure amount)					
5	Common Equity Tier 1 ratio (%)	13.05%	13.85%	13.71%	14.06%	14.71%
6	Tier 1 ratio (%)	14.52%	13.85%	13.71%	14.06%	14.71%
7	Total capital ratio (%)	15.85%	15.40%	15.46%	16.02%	17.04%
	Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)					
EU-7a	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	-	-	-	-	-
EU-7b	of which: to be made up of CET1 capital (percentage points)	-	-	-	-	-
EU-7c	of which: to be made up of Tier 1 capital (percentage points)	-	-	-	-	-
EU-7d	Total SREP own funds requirements (%)	8.00%	8.00%	8.00%	8.00%	8.00%
	Combined buffer and overall capital requirement (as a percentage of risk-weighted exposure amount)					
8	Capital conservation buffer (%)	2.50%	2.50%	2.50%	2.50%	2.50%
EU-8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	-	-	-	-	-
9	Institution specific countercyclical capital buffer (%)	0.09%	0.09%	0.11%	0.12%	0.13%
EU-9a	Systemic risk buffer (%)	-	-	-	-	-
10	Global Systemically Important Institution buffer (%)	-	-	-	-	-
EU-10a	Other Systemically Important Institution buffer (%)	0.50%	0.50%	0.50%	0.50%	0.50%
11	Combined buffer requirement (%)	3.09%	3.09%	3.11%	3.12%	3.13%
EU-11a	Overall capital requirements (%)	11.09%	11.09%	11.11%	11.12%	11.13%
12	CET1 available after meeting the total SREP own funds requirements (%)	7.85%	7.40%	7.46%	8.02%	8.71%
	Leverage ratio					
13	Total exposure measure	262 882 185	254 430 697	245 081 185	237 705 647	241 368 998
14	Leverage ratio (%)	5.65%	5.28%	5.24%	5.40%	5.27%
	Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)					
EU-14a	Additional own funds requirements to address the risk of excessive leverage (%)	-	-	-	-	-
EU-14b	of which: to be made up of CET1 capital (percentage points)	-	-	-	-	-
EU-14c	Total SREP leverage ratio requirements (%)	3.00%	3.00%	3.00%	3.00%	3.00%
	Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)					
EU-14d	Leverage ratio buffer requirement (%)	-	-	-	-	-
EU-14e	Overall leverage ratio requirement (%)	3.00%	3.00%	3.00%	3.00%	3.00%
	Liquidity Coverage Ratio					
15	Total high-quality liquid assets (HQLA) (Weighted value -average)	86 562	84 444	82 050	78 934	76 155
EU-16a	Cash outflows - Total weighted value	41 403	40 639	39 457	38 304	37 278
EU-16b	Cash inflows - Total weighted value	2 397	2 559	2 776	2 948	3 233
16	Total net cash outflows (adjusted value)	39 006	38 080	36 681	35 357	34 045
17	Liquidity coverage ratio (%)	222%	222%	224%	223%	224%
	Wskaźnik stabilnego finansowania netto					
18	Total available stable funding	187 775	181 022	174 854	171 958	175 098
19	Total required stable funding	114 388	113 766	111 201	110 265	108 168
20	NSFR ratio (%)*	164%	159%	157%	156%	162%

** The figures in comparative period have changed due to adjustments to improve quality of the data for determination of net accounting value for loans and their residual maturities.*

Disclosures regarding capital adequacy as at 31 December 2024 (PLN thousand)

EU KM1 – Key metrics template recalculated taking into account the retrospective including of profit for the first three quarters of 2024 (after PFSA approval), in line with the EBA's position expressed in Q&A 2018_3822 and Q&A 2018_4085.

		a	b	c	d	e
		31.12.2024	30.09.2024	30.06.2024	31.03.2024	31.12.2023
	Available own funds (amounts)					
1	Common Equity Tier 1 (CET1) capital	13 343 086	14 193 250	13 570 117	13 009 970	12 719 997
2	Tier 1 capital	14 843 086	14 193 250	13 570 117	13 009 970	12 719 997
3	Total capital	16 201 233	15 693 031	15 210 435	14 799 600	14 730 102
	Risk-weighted exposure amounts					
4	Total risk exposure amount	102 215 740	96 941 573	93 678 207	91 266 025	86 460 843
	Capital ratios (as a percentage of risk-weighted exposure amount)					
5	Common Equity Tier 1 ratio (%)	13.05%	14.64%	14.49%	14.26%	14.71%
6	Tier 1 ratio (%)	14.52%	14.64%	14.49%	14.26%	14.71%
7	Total capital ratio (%)	15.85%	16.19%	16.24%	16.22%	17.04%
	Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)					
EU-7a	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	-	-	-	-	-
EU-7b	of which: to be made up of CET1 capital (percentage points)	-	-	-	-	-
EU-7c	of which: to be made up of Tier 1 capital (percentage points)	-	-	-	-	-
EU-7d	Total SREP own funds requirements (%)	8.00%	8.00%	8.00%	8.00%	8.00%
	Combined buffer and overall capital requirement (as a percentage of risk-weighted exposure amount)					
8	Capital conservation buffer (%)	2.50%	2.50%	2.50%	2.50%	2.50%
EU-8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	-	-	-	-	-
9	Institution specific countercyclical capital buffer (%)	0.09%	0.09%	0.11%	0.12%	0.13%
EU-9a	Systemic risk buffer (%)	-	-	-	-	-
10	Global Systemically Important Institution buffer (%)	-	-	-	-	-
EU-10a	Other Systemically Important Institution buffer (%)	0.50%	0.50%	0.50%	0.50%	0.50%
11	Combined buffer requirement (%)	3.09%	3.09%	3.11%	3.12%	3.13%
EU-11a	Overall capital requirements (%)	11.09%	11.09%	11.11%	11.12%	11.13%
12	CET1 available after meeting the total SREP own funds requirements (%)	7.85%	8.19%	8.24%	8.22%	8.71%
	Leverage ratio					
13	Total exposure measure	262 882 185	254 430 697	245 081 185	237 705 647	241 368 998
14	Leverage ratio (%)	5.65%	5.58%	5.54%	5.47%	5.27%
	Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)					
EU-14a	Additional own funds requirements to address the risk of excessive leverage (%)	-	-	-	-	-
EU-14b	of which: to be made up of CET1 capital (percentage points)	-	-	-	-	-
EU-14c	Total SREP leverage ratio requirements (%)	3.00%	3.00%	3.00%	3.00%	3.00%
EU-14d	Leverage ratio buffer requirement (%)	-	-	-	-	-
EU-14e	Overall leverage ratio requirement (%)	3.00%	3.00%	3.00%	3.00%	3.00%

Disclosures regarding capital adequacy as at 31 December 2024 (PLN thousand)

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

EU OV1 -Overview of RWAs

		Total risk exposure amounts (TREA)		Total own funds requirements
		a	b	c
		31.12.2024	30.09.2024	31.12.2024
1	**Credit risk (excluding CCR)**	**80 831 368**	**77 076 772**	**6 466 509**
2	Of which the standardised approach	26 281 111	25 219 965	2 102 489
3	Of which the Foundation IRB (F-IRB) approach	-	-	-
4	Of which slotting approach	5 587 489	5 164 866	446 999
EU 4a	Of which equities under the simple riskweighted approach	-	-	-
5	Of which the Advanced IRB (A-IRB) approach	48 962 768	46 691 941	3 917 021
6	**Counterparty credit risk - CCR**	**1 674 038**	**2 177 593**	**133 923**
7	Of which the standardised approach	1 393 857	1 460 857	111 509
8	Of which internal model method (IMM)	-	-	-
EU 8a	Of which exposures to a CCP	8 919	7 118	714
EU 8b	Of which credit valuation adjustment - CVA	166 538	148 605	13 323
9	Of which other CCR	104 724	561 013	8 378
15	**Settlement risk**	**-**	-	**-**
16	**Securitisation exposures in the non-trading book (after the cap)**	**5 023 261**	**2 969 756**	**401 861**
17	Of which SEC-IRBA approach	5 023 261	2 969 756	401 861
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)**	**1 138 790**	**1 169 169**	**91 103**
21	Of which the standardised approach	1 138 790	1 169 169	91 103
22	Of which IMA	-	-	-
EU 22a	**Large exposures**	**-**	-	**-**
23	**Operational risk**	**13 548 283**	**13 548 283**	**1 083 863**
EU 23a	Of which basic indicator approach	-	-	-
EU 23b	Of which standardised approach	13 548 283	13 548 283	1 083 863
EU 23c	Of which advanced measurement approach	-	-	-
24	Amounts below the thresholds for deduction (subject to 250% risk weight)	3 830 086	3 259 195	306 407
29	**Total**	**102 215 740**	**96 941 573**	**8 177 259**

Disclosures regarding capital adequacy as at 31 December 2024 (PLN thousand)

EU CR10 – Specialized 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-balancesheet exposure	Off-balancesheet exposure	Risk weight	Exposure value	Risk weighted exposure amount	Expected loss amount
		a	b	c	d	e	f
Category 1	Less than 2.5 years	34 612	3 009	50%	37 056	15 598	-
	Equal to or more than 2.5 years	393 253	-	70%	393 253	229 249	1 573
Category 2	Less than 2.5 years	2 068 716	1 444 866	70%	3 034 040	1 893 940	12 136
	Equal to or more than 2.5 years	3 041 342	46 919	90%	3 060 722	2 397 916	24 486
Category 3	Less than 2.5 years	475 941	139 630	115%	554 689	556 459	15 531
	Equal to or more than 2.5 years	487 001	10 497	115%	494 501	494 327	13 846
Category 4	Less than 2.5 years	-	-	250%	-	-	-
	Equal to or more than 2.5 years	-	-	250%	-	-	-
Category 5	Less than 2.5 years	168 192	-	-	168 192	-	84 096
	Equal to or more than 2.5 years	305 029	50	-	305 079	-	152 539
Total	**Less than 2.5 years**	**2 747 461**	**1 587 505**		**3 793 977**	**2 465 997**	**111 763**
	Equal to or more than 2.5 years	**4 226 625**	**57 466**		**4 253 555**	**3 121 492**	**192 444**

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 AIRB 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
		31.12.2024
1	**Risk weighted exposure amount as at the end of the previous reporting period**	**47 692 464**
2	Asset size (+/-)	(4 432 492)
3	Asset quality (+/-)	1 573 358
4	Model updates (+/-)	-
5	Methodology and policy (+/-)	-
6	Acquisitions and disposals (+/-)	-
7	Foreign exchange movements (+/-)	46 542
8	Other (+/-)	5 606 253
9	**Risk weighted exposure amount as at the end of the reporting period**	**50 486 125**

Disclosures regarding capital adequacy as at 31 December 2024 (PLN thousand)

The percentage coverage of the mBank Group's loan portfolios by the AIRB approach is presented below, addressing disclosure requirements of art. 452 letter b) of CRR Regulation.

AIRB stage	Asset class	% share in risk-weighted assets (% of RWA STA)
AIRB first stage portfolios	**mBank Group exposures, including:**	**69%**
	Corporate exposures	23%
	Specialised lending exposures – income producing real estate	6%
	Retail exposures – mortgage loans	7%
	Retail exposures – non-mortgage loans	8%
	Retail exposures of microenterprises – mortgage loans	1%
	Retail exposures of microenterprises – non-mortgage loans	5%
	Bank exposures	1%
	Exposures of mLeasing	7%
	Non-credit assets	5%
	Securitisation	6%
	AIRB first stage	**69%**
	mBH - Retail exposures – mortgage loans	5%
	Roll-out	**5%**
Permanent partial use		**26%**
Total		**100%**

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

Exposure classes	Exposures before CCF and before CRM		Exposures post CCF and post CRM		RWAs and RWAs density	
	On-balance-sheet exposures	Off-balance-sheet exposures	On-balance-sheet exposures	Off-balance-sheet exposures	RWAs	RWAs density (%)
	a	b	c	d	e	f
Central governments or central banks	106 573 064	39	106 604 844	11 209	3 424 497	3%
Regional government or local authorities	25 146	20 031	25 146	10 003	7 030	20%
Public sector entities	2 713	9 227	2 713	3 045	3 514	61%
Multilateral development banks	5 389 553	-	5 389 553	-	-	-
International organisations	-	-	-	-	-	-
Institutions	320 882	48 846	400 176	9 664	89 973	22%
Corporates	11 035 726	7 043 738	10 626 780	2 092 114	11 573 619	91%
Retail	5 215 198	682 667	5 215 198	137 960	4 011 750	75%
Secured by mortgages on immovable property	14 623 908	5 430	14 623 908	2 715	5 535 663	38%
Exposures in default	414 118	5 708	414 118	4 275	453 530	108%
Exposures associated with particularly high risk	127 457	50	127 457	50	191 261	150%
Covered bonds	-	-	-	-	-	-
Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-
Collective investment undertakings	11 402	-	11 402	-	142 525	1250%
Equity	311 488	-	311 488	-	595 202	191%
Other items	244 347	8 200	244 347	8 200	252 547	100%
TOTAL	**144 295 002**	**7 823 936**	**143 997 130**	**2 279 235**	**26 281 111**	**18%**

Disclosures regarding capital adequacy as at 31 December 2024 (PLN thousand)

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

	Exposure classes	Risk weight							
		0%	2%	4%	10%	20%	35%	50%	70%
		a	b	c	d	e	f	g	h
1	Central governments or central banks	104 898 058	-	-	77 521	297 583	-	-	-
2	Regional government or local authorities	-	-	-	-	35 149	-	-	-
3	Public sector entities	-	-	-	-	-	-	4 488	-
4	Multilateral development banks	5 389 553	-	-	-	-	-	-	-
5	International organisations	-	-	-	-	-	-	-	-
6	Institutions	27 180	141 309	-	-	111 763	-	129 588	-
7	Corporates	-	-	-	-	-	-	318	-
8	Retail exposures	-	-	-	-	-	-	-	-
9	Exposures secured by mortgages on immovable property	-	-	-	-	-	13 880 825	147 219	-
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	**TOTAL**	**110 314 791**	**141 309**	**-**	**77 521**	**444 495**	**13 880 825**	**281 613**	**-**

Disclosures regarding capital adequacy as at 31 December 2024 (PLN thousand)

EU CR5 - Standardised approach (contd):

	Exposure classes	Risk weight							Total	Of which unrated
		75%	100%	150%	250%	370%	1250%	Inne		
		i	j	k	l	m	n	o	p	q
1	Central governments or central banks	-	-	-	1 342 891	-	-	-	106 616 053	1 422 860
2	Regional government or local authorities	-	-	-	-	-	-	-	35 149	1 042
3	Public sector entities	-	1 270	-	-	-	-	-	5 758	1 270
4	Multilateral development banks	-	-	-	-	-	-	-	5 389 553	-
5	International organisations	-	-	-	-	-	-	-	-	-
6	Institutions	-	-	-	-	-	-	-	409 840	333 296
7	Corporates	-	12 718 575	-	-	-	-	-	12 718 893	12 700 103
8	Retail exposures	5 353 159	-	-	-	-	-	-	5 353 159	5 353 171
9	Exposures secured by mortgages on immovable property	-	587 131	11 449	-	-	-	-	14 626 624	14 626 622
10	Exposures in default	-	348 119	70 274	-	-	-	-	418 393	418 393
11	Exposures associated with particularly high risk	-	-	127 507	-	-	-	-	127 507	127 507
12	Covered bonds	-	-	-	-	-	-	-	-	-
13	Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-
14	Units or shares in collective investment undertakings	-	-	-	-	-	11 402	-	11 402	11 402
15	Equity exposures	-	122 344	-	189 143	-	-	-	311 487	311 488
16	Other items	-	252 547	-	-	-	-	-	252 547	252 547
17	**TOTAL**	**5 353 159**	**14 029 986**	**209 230**	**1 532 034**	**-**	**11 402**	**-**	**146 276 365**	**35 559 701**

Disclosures regarding capital adequacy as at 31 December 2024 (PLN thousand)

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

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

A-IRB	PD range	On-balance sheet exposures	Off-balance-sheet exposures pre-CCF	Exposure weighted average CCF	Exposure post CCF and post CRM	Exposure weighted average PD (%)	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	Risk weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjust-ments and provisions
	a	b	c	d	e	f	g	h	i	j	k	l	m
Retail mortgage portfolio (microfirms)													
	0.00 to <0.15	-	-	-	-	-	-	-	-	-	-	-	-
	0.00 to <0.10	-	-	-	-	-	-	-	-	-	-	-	-
	0.10 to <0.15	-	-	-	-	-	-	-	-	-	-	-	-
	0.15 to <0.25	-	-	-	-	-	-	-	-	-	-	-	-
	0.25 to <0.50	578 769	126 439	38%	626 247	0.41%	1 926	33.20%	-	120 239	19%	863	(1 039)
	0.50 to <0.75	533 802	41 228	41%	550 534	0.60%	1 483	33.67%	-	139 488	25%	1 118	(1 464)
	0.75 to <2.50	380 211	23 169	40%	389 419	1.22%	1 144	33.80%	-	156 534	40%	1 599	(5 046)
	0.75 to <1.75	328 683	22 243	39%	337 453	1.08%	992	34.14%	-	128 906	38%	1 261	(3 680)
	1.75 to <2.5	51 528	926	47%	51 966	2.08%	152	31.54%	-	27 628	53%	338	(1 366)
	2.50 to <10.00	89 280	1 958	21%	89 695	4.92%	224	33.63%	-	80 431	90%	1 470	(4 526)
	2.5 to <5	56 048	1 955	21%	56 459	3.48%	153	33.73%	-	43 494	77%	665	(2 547)
	5 to <10	33 232	3	141%	33 236	7.36%	71	33.46%	-	36 937	111%	805	(1 979)
	10.00 to <100.00	34 782	417	40%	34 949	31.09%	95	29.02%	-	44 193	126%	2 985	(3 116)
	10 to <20	15 014	4	57%	15 016	14.87%	47	27.95%	-	18 354	122%	627	(1 117)
	20 to <30	8 150	13	110%	8 165	25.32%	17	40.87%	-	16 375	201%	853	(884)
	30.00 to <100.00	11 618	400	37%	11 768	55.78%	31	22.17%	-	9 464	80%	1 505	(1 115)
	100.00 (Default)	170 999	502	105%	171 526	100.00%	342	50.20%	-	68 401	40%	81 291	(59 974)
Subtotal		**1 787 843**	**193 713**	**38%**	**1 862 370**	**10.60%**	**5 214**	**34.97%**	**-**	**609 286**	**-**	**89 326**	**(75 165)**

Disclosures regarding capital adequacy as at 31 December 2024 (PLN thousand)

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

A-IRB	PD range	On-balance sheet exposures	Off-balance-sheet exposures pre-CCF	Exposure weighted average CCF	Exposure post CCF and post CRM	Exposure weighted average PD (%)	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	Risk weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjust-ments and provisions
	a	b	c	d	e	f	g	h	i	j	k	l	m
Retail mortgage portfolio (natural persons)													
	0.00 to <0.15	15 289 585	692 588	57%	15 686 455	0.12%	97 508	37.05%	-	1 713 496	11%	6 717	(3 852)
	0.00 to <0.10	3 369 150	134 691	57%	3 446 173	0.09%	24 779	35.57%	-	294 738	9%	1 075	(476)
	0.10 to <0.15	11 920 435	557 897	57%	12 240 282	0.12%	72 729	37.47%	-	1 418 758	12%	5 642	(3 376)
	0.15 to <0.25	6 229 134	324 594	57%	6 413 344	0.19%	39 943	36.31%	-	997 343	16%	4 420	(4 247)
	0.25 to <0.50	5 396 374	214 262	56%	5 516 684	0.35%	32 151	36.40%	-	1 354 030	25%	7 094	(7 808)
	0.50 to <0.75	1 443 908	37 035	53%	1 463 513	0.60%	8 934	33.52%	-	483 093	33%	2 947	(4 065)
	0.75 to <2.50	1 289 527	23 736	56%	1 302 752	1.25%	8 210	33.27%	-	684 827	53%	5 377	(10 395)
	0.75 to <1.75	1 084 235	21 898	55%	1 096 347	1.09%	6 827	33.49%	-	537 816	49%	4 004	(8 022)
	1.75 to <2.5	205 292	1 838	61%	206 405	2.08%	1 383	32.10%	-	147 011	71%	1 373	(2 373)
	2.50 to <10.00	391 720	2 745	52%	393 153	4.72%	2 617	31.19%	-	419 832	107%	5 717	(8 601)
	2.5 to <5	255 038	2 191	58%	256 310	3.44%	1 666	31.78%	-	241 915	94%	2 796	(4 464)
	5 to <10	136 682	554	29%	136 843	7.11%	951	30.07%	-	177 917	130%	2 921	(4 137)
	10.00 to <100.00	277 237	2 732	41%	278 366	32.27%	1 982	26.40%	-	426 456	153%	21 205	(17 919)
	10 to <20	101 325	839	43%	101 689	14.10%	724	29.81%	-	172 185	169%	4 306	(4 544)
	20 to <30	55 337	805	58%	55 807	24.89%	390	29.12%	-	104 551	187%	4 052	(3 213)
	30.00 to <100.00	120 575	1 088	27%	120 870	50.77%	868	22.28%	-	149 720	124%	12 847	(10 162)
	100.00 (Default)	556 044	1 484	100%	557 528	100.00%	2 944	58.76%	-	194 767	35%	315 685	(258 762)
Subtotal		**30 873 529**	**1 299 176**	**57%**	**31 611 795**	**2.35%**	**194 289**	**36.68%**	**-**	**6 273 844**	**20%**	**369 162**	**(315 649)**

Disclosures regarding capital adequacy as at 31 December 2024 (PLN thousand)

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

A-IRB	PD range	On-balance sheet exposures	Off-balance-sheet exposures pre-CCF	Exposure weighted average CCF	Exposure post CCF and post CRM	Exposure weighted average PD (%)	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	Risk weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjust-ments and provisions
	a	b	c	d	e	f	g	h	i	j	k	l	m
Retail non-mortgage portfolio (microfirms)													
	0.00 to <0.15	257 862	103	50%	257 913	0.15%	3 656	23.74%	-	8 818	3%	33	(27)
	0.00 to <0.10	19 817	-	-	19 817	0.06%	228	3.87%	-	148	1%	-	-
	0.10 to <0.15	238 045	103	50%	238 096	0.15%	3 428	23.74%	-	8 670	4%	33	(27)
	0.15 to <0.25	380 258	71 380	50%	415 596	0.21%	7 109	31.06%	-	25 623	6%	116	(126)
	0.25 to <0.50	1 008 476	399 090	64%	1 262 551	0.40%	35 318	35.11%	-	159 547	13%	990	(1 087)
	0.50 to <0.75	1 417 364	397 959	76%	1 721 641	0.64%	60 154	55.21%	-	378 402	22%	2 964	(3 095)
	0.75 to <2.50	3 836 577	760 520	83%	4 466 983	1.46%	173 369	79.15%	-	2 107 093	47%	29 622	(40 478)
	0.75 to <1.75	2 673 002	607 893	82%	3 169 415	1.20%	131 383	77.32%	-	1 363 577	43%	16 586	(20 269)
	1.75 to <2.5	1 163 575	152 627	88%	1 297 568	2.08%	41 986	83.29%	-	743 516	57%	13 036	(20 209)
	2.50 to <10.00	2 325 851	152 189	96%	2 472 551	4.59%	66 531	88.11%	-	1 611 931	65%	54 073	(91 583)
	2.5 to <5	1 536 617	123 889	95%	1 654 228	3.47%	48 341	87.88%	-	1 088 874	66%	29 314	(51 267)
	5 to <10	789 234	28 300	103%	818 323	6.85%	18 190	88.68%	-	523 057	64%	24 759	(40 316)
	10.00 to <100.00	873 906	16 572	108%	891 869	26.67%	15 202	87.94%	-	825 913	93%	101 550	(105 117)
	10 to <20	502 636	9 441	111%	513 153	14.52%	9 373	89.33%	-	408 813	80%	32 799	(42 158)
	20 to <30	220 148	2 229	120%	222 824	24.26%	3 209	90.56%	-	216 748	97%	23 011	(24 799)
	30.00 to <100.00	151 122	4 902	97%	155 892	50.26%	2 620	83.63%	-	200 352	129%	45 740	(38 160)
	100.00 (Default)	951 447	13 683	108%	966 292	100.00%	18 609	86.83%	-	1 660 198	172%	674 042	(590 698)
Subtotal		**11 051 741**	**1 811 496**	**77%**	**12 455 396**	**17.00%**	**379 948**	**77.51%**	**-**	**6 777 525**	**54%**	**863 390**	**(832 211)**

Disclosures regarding capital adequacy as at 31 December 2024 (PLN thousand)

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

A-IRB	PD range	On-balance sheet exposures	Off-balance-sheet exposures pre-CCF	Exposure weighted average CCF	Exposure post CCF and post CRM	Exposure weighted average PD (%)	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	Risk weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjust-ments and provisions
	a	b	c	d	e	f	g	h	i	j	k	l	m
Retail non-mortgage portfolio (natural persons)													
	0.00 to <0.15	50 419	430	44%	50 607	0.13%	17 710	67.03%	-	11 191	22%	43	(40)
	0.00 to <0.10	3 357	2	98%	3 359	0.09%	1 581	56.48%	-	481	14%	2	(2)
	0.10 to <0.15	47 062	428	43%	47 248	0.13%	16 129	67.78%	-	10 710	23%	41	(38)
	0.15 to <0.25	44 833	1 340	44%	45 417	0.18%	15 249	68.53%	-	13 043	29%	56	(58)
	0.25 to <0.50	65 444	5 009	44%	67 624	0.40%	25 952	59.03%	-	28 013	41%	161	(153)
	0.50 to <0.75	227 204	1 220	44%	227 735	0.65%	99 370	65.16%	-	137 028	60%	971	(875)
	0.75 to <2.50	2 106 252	2 792	46%	2 107 541	1.56%	528 353	74.17%	-	2 049 000	97%	24 689	(20 661)
	0.75 to <1.75	1 342 044	2 701	44%	1 343 231	1.26%	343 490	72.93%	-	1 205 172	90%	12 499	(10 448)
	1.75 to <2.5	764 208	91	112%	764 310	2.09%	184 863	76.35%	-	843 828	110%	12 190	(10 213)
	2.50 to <10.00	943 224	492	44%	943 439	4.05%	303 173	75.13%	-	1 130 597	120%	28 385	(29 248)
	2.5 to <5	747 795	492	44%	748 010	3.32%	210 600	75.96%	-	890 011	119%	18 825	(17 694)
	5 to <10	195 429	-	-	195 429	6.84%	92 573	71.92%	-	240 586	123%	9 560	(11 554)
	10.00 to <100.00	227 056	2	100%	227 058	25.72%	60 365	69.40%	-	379 063	167%	40 298	(36 734)
	10 to <20	118 359	-	-	118 359	14.25%	32 649	69.90%	-	176 958	150%	11 799	(13 602)
	20 to <30	45 726	2	100%	45 728	24.48%	12 700	69.54%	-	84 783	185%	7 784	(7 595)
	30.00 to <100.00	62 971	-	-	62 971	48.17%	15 016	68.38%	-	117 322	186%	20 715	(15 537)
	100.00 (Default)	443 399	-	-	443 399	100.00%	39 854	66.48%	-	513 294	116%	255 642	(237 162)
Subtotal		**4 107 831**	**11 285**	**44%**	**4 112 820**	**13.98%**	**1 090 026**	**72.40%**	**-**	**4 261 229**	**104%**	**350 245**	**(324 931)**

Disclosures regarding capital adequacy as at 31 December 2024 (PLN thousand)

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

A-IRB	PD range	On-balance sheet exposures	Off-balance-sheet exposures pre-CCF	Exposure weighted average CCF	Exposure post CCF and post CRM	Exposure weighted average PD (%)	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	Risk weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjust-ments and provisions
	a	b	c	d	e	f	g	h	i	j	k	l	m
Corporations - medium and small enterprises													
	0.00 to <0.15	302 142	564 382	48%	574 916	0.08%	265	55.84%	2	83 833	15%	193	(122)
	0.00 to <0.10	193 011	395 405	50%	390 742	0.06%	180	53.41%	2	40 558	10%	86	(39)
	0.10 to <0.15	109 131	168 977	44%	184 174	0.12%	85	60.13%	2	43 275	23%	107	(83)
	0.15 to <0.25	151 736	199 438	56%	266 505	0.20%	163	52.94%	2	69 729	26%	227	(57)
	0.25 to <0.50	326 095	425 960	58%	574 230	0.38%	341	50.70%	2	222 610	39%	852	(304)
	0.50 to <0.75	423 180	550 231	48%	692 333	0.61%	418	49.13%	2	322 651	47%	1 673	(801)
	0.75 to <2.50	2 466 804	1 744 838	59%	3 504 623	1.56%	1 994	43.47%	2	2 077 200	59%	19 220	(8 142)
	0.75 to <1.75	1 483 528	1 262 929	56%	2 200 777	1.23%	1 331	45.18%	2	1 268 071	58%	9 814	(4 466)
	1.75 to <2.5	983 276	481 909	66%	1 303 846	2.15%	663	40.58%	2	809 129	62%	9 406	(3 676)
	2.50 to <10.00	2 256 008	902 660	77%	2 957 783	4.70%	1 474	40.38%	2	2 417 527	82%	47 927	(18 929)
	2.5 to <5	1 555 770	635 253	76%	2 046 203	3.62%	1 082	41.55%	2	1 565 202	76%	26 143	(10 282)
	5 to <10	700 238	267 407	78%	911 580	6.80%	392	38.16%	2	852 325	93%	21 784	(8 647)
	10.00 to <100.00	453 249	96 391	84%	534 516	15.50%	306	34.06%	2	566 667	106%	24 882	(10 196)
	10 to <20	396 322	85 179	74%	459 955	13.61%	179	32.88%	2	479 089	104%	18 388	(7 493)
	20 to <30	44 640	5 368	213%	56 085	24.89%	55	39.62%	2	56 526	101%	3 557	(1 153)
	30.00 to <100.00	12 287	5 844	103%	18 476	36.77%	72	47.02%	1	31 052	168%	2 937	(1 550)
	100.00 (Default)	502 398	25 969	68%	519 953	100.00%	228	59.69%	-	275 486	53%	275 782	(293 277)
Subtotal		**6 881 612**	**4 509 869**	**60%**	**9 624 859**	**9.41%**	**5 189**	**44.93%**	**2**	**6 035 703**	**63%**	**370 756**	**(331 828)**

Disclosures regarding capital adequacy as at 31 December 2024 (PLN thousand)

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

A-IRB	PD range	On-balance sheet exposures	Off-balance-sheet exposures pre-CCF	Exposure weighted average CCF	Exposure post CCF and post CRM	Exposure weighted average PD (%)	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	Risk weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjust-ments and provisions
	a	b	c	d	e	f	g	h	i	j	k	l	m
Corporations - other													
	0.00 to <0.15	487 778	2 094 920	52%	1 612 781	0.09%	242	47.90%	2	372 577	23%	656	(610)
	0.00 to <0.10	151 436	912 426	57%	708 981	0.05%	145	51.22%	2	128 834	18%	187	(81)
	0.10 to <0.15	336 342	1 182 494	47%	903 800	0.12%	97	45.35%	2	243 743	27%	469	(529)
	0.15 to <0.25	802 867	1 364 366	46%	1 444 012	0.21%	157	50.86%	2	642 253	44%	1 509	(491)
	0.25 to <0.50	1 166 503	2 908 616	41%	2 552 332	0.38%	624	52.99%	2	1 585 541	62%	4 887	(1 838)
	0.50 to <0.75	1 158 942	2 325 699	48%	2 294 725	0.59%	761	46.86%	2	1 654 506	72%	6 089	(3 435)
	0.75 to <2.50	5 757 446	4 362 709	51%	8 157 632	1.44%	2 297	48.27%	2	8 379 151	103%	53 523	(21 014)
	0.75 to <1.75	4 000 584	3 396 383	49%	5 792 968	1.19%	1 673	48.55%	2	5 660 746	98%	31 188	(13 577)
	1.75 to <2.5	1 756 862	966 326	57%	2 364 664	2.07%	624	47.55%	2	2 718 405	115%	22 335	(7 437)
	2.50 to <10.00	2 542 264	2 161 589	54%	3 757 578	4.49%	1 250	42.89%	2	4 595 792	122%	65 399	(25 350)
	2.5 to <5	1 638 003	1 650 683	52%	2 546 575	3.61%	905	45.66%	2	3 067 789	120%	37 838	(14 637)
	5 to <10	904 261	510 906	59%	1 211 003	6.22%	345	37.61%	2	1 528 003	126%	27 561	(10 713)
	10.00 to <100.00	297 112	57 662	74%	354 060	16.14%	577	47.35%	2	640 344	181%	21 905	(9 247)
	10 to <20	260 989	23 778	84%	294 471	12.66%	187	47.38%	1	538 038	183%	14 312	(5 803)
	20 to <30	19 403	11 236	76%	27 952	24.59%	47	42.03%	3	32 564	116%	1 442	(488)
	30.00 to <100.00	16 720	22 648	64%	31 637	45.87%	343	49.27%	3	69 742	220%	6 151	(2 956)
	100.00 (Default)	530 629	122 297	39%	578 053	100.00%	364	66.73%	-	306 235	53%	362 196	(414 098)
Subtotal		**12 743 541**	**15 397 858**	**49%**	**20 751 173**	**4.56%**	**6 272**	**48.38%**	**2**	**18 176 399**	**88%**	**516 164**	**(476 083)**

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 adjust-ments and provisions
	a	b	c	d	e	f	g	h	i	j	k	l	m
Corporations - specialized lending exposures													
Subtotal		**6 854 751**	**1 644 971**	**65%**	**8 047 532**	**-**	**546**	**30.95%**	**-**	**5 587 489**	**69%**	**304 207**	**(225 501)**

Disclosures regarding capital adequacy as at 31 December 2024 (PLN thousand)

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

A-IRB	PD range	On-balance sheet exposures	Off-balance-sheet exposures pre-CCF	Exposure weighted average CCF	Exposure post CCF and post CRM	Exposure weighted average PD (%)	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	Risk weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjust-ments and provisions
	a	b	c	d	e	f	g	h	i	j	k	l	m
Institutions													
	0.00 to <0.15	422 079	3 979 711	27%	2 301 341	0.06%	91	51.40%	2	705 023	31%	660	(296)
	0.00 to <0.10	381 756	3 961 743	27%	2 135 076	0.05%	87	51.22%	2	634 262	30%	551	(273)
	0.10 to <0.15	40 323	17 968	44%	166 265	0.12%	4	53.66%	2	70 761	43%	109	(23)
	0.15 to <0.25	711	127 388	40%	59 048	0.21%	7	44.11%	1	19 472	33%	55	(39)
	0.25 to <0.50	216 951	52 589	58%	645 636	0.29%	11	21.78%	1	168 505	26%	430	(275)
	0.50 to <0.75	8 838	3 835	27%	9 855	0.65%	5	56.66%	1	8 176	83%	36	(26)
	0.75 to <2.50	29 822	10 139	50%	34 855	1.68%	7	32.80%	4	28 758	83%	169	(39)
	0.75 to <1.75	7 629	10 139	50%	12 661	0.82%	4	46.43%	1	9 223	73%	48	(39)
	1.75 to <2.5	22 193	-	-	22 194	2.18%	3	25.02%	5	19 535	88%	121	-
	2.50 to <10.00	1 103	-	-	5 670	3.21%	2	42.68%	4	8 523	150%	78	(11)
	2.5 to <5	746	-	-	5 313	3.04%	1	42.50%	4	7 887	148%	69	-
	5 to <10	357	-	-	357	5.81%	1	45.38%	1	636	178%	9	(11)
	10.00 to <100.00	2	-	-	2	13.47%	2	45.38%	5	6	300%	-	-
	10 to <20	2	-	-	2	11.61%	1	45.38%	5	5	250%	-	-
	20 to <30	-	-	-	-	27.67%	1	45.38%	5	1	-	-	-
	30.00 to <100.00	-	-	-	-	-	-	-	-	-	-	-	-
	100.00 (Default)	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal		**679 506**	**4 173 662**	**28%**	**3 056 407**	**0.14%**	**125**	**44.79%**	**2**	**938 463**	**31%**	**1 428**	**(686)**

Disclosures regarding capital adequacy as at 31 December 2024 (PLN thousand)

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

A-IRB	PD range	On-balance sheet exposures	Off-balance-sheet exposures pre-CCF	Exposure weighted average CCF	Exposure post CCF and post CRM	Exposure weighted average PD (%)	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	Risk weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjust-ments and provisions
	a	b	c	d	e	f	g	h	i	j	k	l	m
Retail revolving loans portfolio													
	0.00 to <0.15	110 476	542 308	54%	403 302	0.12%	79 092	40.67%	-	12 552	3%	192	(162)
	0.00 to <0.10	27 443	143 397	53%	103 557	0.09%	21 373	39.86%	-	2 493	2%	36	(32)
	0.10 to <0.15	83 033	398 911	54%	299 745	0.13%	57 719	40.95%	-	10 059	3%	156	(130)
	0.15 to <0.25	165 191	863 595	53%	624 378	0.20%	102 625	41.13%	-	29 898	5%	501	(433)
	0.25 to <0.50	343 356	1 529 465	62%	1 297 158	0.37%	204 933	40.59%	-	103 555	8%	1 971	(1 711)
	0.50 to <0.75	290 753	740 252	66%	778 843	0.61%	116 134	48.10%	-	109 368	14%	2 303	(1 974)
	0.75 to <2.50	1 082 649	984 254	72%	1 793 417	1.45%	247 275	61.04%	-	619 465	35%	16 234	(22 712)
	0.75 to <1.75	705 748	803 019	71%	1 274 912	1.18%	178 347	58.78%	-	363 629	29%	8 974	(11 198)
	1.75 to <2.5	376 901	181 235	78%	518 505	2.10%	68 928	66.61%	-	255 836	49%	7 260	(11 514)
	2.50 to <10.00	875 739	154 375	94%	1 021 001	4.36%	122 726	71.89%	-	889 887	87%	32 152	(55 989)
	2.5 to <5	627 497	128 154	91%	744 631	3.46%	91 027	71.39%	-	559 247	75%	18 437	(32 674)
	5 to <10	248 242	26 221	107%	276 370	6.78%	31 699	73.24%	-	330 640	120%	13 715	(23 315)
	10.00 to <100.00	265 753	17 491	107%	284 445	26.00%	27 409	72.45%	-	577 449	203%	53 166	(46 592)
	10 to <20	131 691	11 191	107%	143 702	14.23%	15 310	73.09%	-	260 430	181%	14 938	(18 011)
	20 to <30	53 540	3 040	108%	56 848	24.29%	5 432	72.56%	-	128 526	226%	10 021	(9 539)
	30.00 to <100.00	80 522	3 260	103%	83 895	47.31%	6 667	71.27%	-	188 493	225%	28 207	(19 042)
	100.00 (Default)	206 410	15 424	110%	223 447	100.00%	14 025	82.82%	-	418 949	187%	153 135	(113 871)
Subtotal		**3 340 327**	**4 847 164**	**64%**	**6 425 991**	**5.90%**	**914 219**	**55.12%**	**-**	**2 761 123**	**43%**	**259 654**	**(243 444)**
Total		**78 320 681**	**33 889 194**		**97 948 343**		**2 595 828**			**51 421 061**		**3 124 332**	**(2 825 498)**

Disclosures regarding capital adequacy as at 31 December 2024 (PLN thousand)

EU CR6-A – The scope of application of the IRB method and the standardized method

		Exposure value as defined in Article 166 CRR for exposures subject to IRB approach	Total exposure value for exposures subject to the Standardised approach and to the IRB approach	Percentage of total exposure value subject to the permanent partial use of the SA (%)	Percentage of total exposure value subject to IRB Approach (%)	Percentage of total exposure value subject to a roll-out plan (%)
		a	b	c	d	e
1	Central governments or central banks	111 165 452	111 165 452	100.00%	-	-
1.1	Of which Regional governments or local authorities		-	-	-	-
1.2	Of which Public sector entities		-	-	-	-
2	Institutions	7 054 490	7 055 176	14.11%	-	85.89%
3	Corporates	79 309 322	80 371 727	27.17%	-	72.83%
3.1	Of which Corporates - Specialised lending, excluding slotting approach		208 954	100.00%	-	-
3.2	Of which Corporates - Specialised lending under slotting approach		17 208 802	42.34%	-	57.66%
4	Retail	86 524 239	88 513 960	11.24%	10.82%	77.94%
4.1	of which Retail – Secured by real estate SMEs		1 981 557	-	-	100.00%
4.2	of which Retail – Secured by real estate non-SMEs		45 913 777	12.01%	16.95%	71.04%
4.3	of which Retail – Qualifying revolving		8 187 491	-	-	100.00%
4.4	of which Retail – Other SMEs		12 893 011	0.18%	-	99.82%
4.5	of which Retail – Other non-SMEs		19 538 124	12.93%	4.50%	82.57%
5	Equity	451 322	451 322	100.00%	-	-
6	Other non-credit obligation assets	8 589 728	8 589 728	9.28%	-	90.72%
7	**Total**	**293 094 553**	**296 147 365**	**49.03%**	**3.23%**	**47.74%**

Disclosures regarding capital adequacy as at 31 December 2024 (PLN thousand)

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

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

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

A-IRB		Total exposures	Credit risk Mitigation techniques				
			Funded credit Protection (FCP)				
			Part of exposures covered by Financial Collaterals (%)	Part of exposures covered by Other eligible collaterals (%)	Part of exposures covered by Immovable property Collaterals (%)	Part of exposures covered by Receivables (%)	Part of exposures covered by Other physical collateral (%)
		a	b	c	d	e	f
1	Central governments and central banks	-	-	-	-	-	-
2	Institutions	1 850 169	-	-	-	-	-
3	Corporates	37 748 516	4.60%	744.13%	708.25%	6.20%	29.68%
3.1	*Of which Corporates – SMEs*	9 596 922	1.35%	103.54%	87.80%	8.92%	6.82%
3.2	*Of which Corporates – Specialised lending*	7 928 196	0.01%	144.81%	143.56%	0.34%	0.91%
3.3	*Of which Corporates – Other*	20 223 398	7.94%	1283.07%	1224.06%	7.22%	51.80%
4	Retail	56 339 177	-	117.37%	117.37%	-	-
4.1	*Of which Retail – Immovable property SMEs*	1 862 370	-	311.51%	311.51%	-	-
4.2	*Of which Retail – Immovable property non-SMEs*	31 482 601	-	191.43%	191.43%	-	-
4.3	*Of which Retail – Qualifying revolving*	6 425 991	-	-	-	-	-
4.4	*Of which Retail – Other SMEs*	12 455 395	0.02%	0.46%	0.46%	-	-
4.5	*Of which Retail – Other non-SMEs*	4 112 820	-	0.03%	0.03%	-	-
5	**Total**	**95 937 862**	**1.81%**	**361.72%**	**347.60%**	**2.44%**	**11.68%**

Disclosures regarding capital adequacy as at 31 December 2024 (PLN thousand)

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

A-IRB		Credit risk Mitigation techniques						Credit risk Mitigation methods in the calculation of RWEAs	
		Funded credit Protection (FCP)				Unfunded credit Protection (UFCP)		RWEA without substitution effects (reduction effects only)	RWEA with substitution effects (both reduction and sustitution effects)
		Part of exposures covered by Other funded credit protection (%)	Part of exposures covered by Cash on deposit (%)	Part of exposures covered by Life insurance policies (%)	Part of exposures covered by Instruments held by a third party (%)	Part of exposures covered by Guarantees (%)	Part of exposures covered by Credit Derivatives (%)		
		g	h	i	j	k	l	m	n
1	Central governments and central banks	-	-	-	-	-	-	-	-
2	Institutions	-	-	-	-	-	-	-	598 038
3	Corporates	-	-	-	-	10.60%	-	-	29 210 854
3.1	*Of which Corporates – SMEs*	-	-	-	-	23.93%	-	-	6 013 544
3.2	*Of which Corporates – Specialised lending*	-	-	-	-	-	-	-	5 501 321
3.3	*Of which Corporates – Other*	-	-	-	-	8.42%	-	-	17 695 989
4	Retail	-	-	-	-	-	-	-	20 649 001
4.1	*Of which Retail – Immovable property SMEs*	-	-	-	-	-	-	-	609 286
4.2	*Of which Retail – Immovable property non-SMEs*	-	-	-	-	-	-	-	6 239 838
4.3	*Of which Retail – Qualifying revolving*	-	-	-	-	-	-	-	2 761 123
4.4	*Of which Retail – Other SMEs*	-	-	-	-	-	-	-	6 777 525
4.5	*Of which Retail – Other non-SMEs*	-	-	-	-	-	-	-	4 261 229
5	**Total**	**-**	**-**	**-**	**-**	**4.17%**	**-**	**-**	**50 457 893**

Disclosures regarding capital adequacy as at 31 December 2024 (PLN thousand)

6. Leverage ratio

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

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

		a
		Applicable amount
1	Total assets as per published financial statements	245 957 363
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	2 911 208
9	Adjustment for securities financing transactions (SFTs)	153 891
10	Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	15 401 475
11	(Adjustment for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital)	-
EU-11a	(Adjustment for exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) CRR)	-
EU-11b	(Adjustment for exposures excluded from the total exposure measure in accordance with point (j) of Article 429a(1) CRR)	-
12	Other adjustments	(1 541 752)
13	**Total exposure measure**	**262 882 185**

Disclosures regarding capital adequacy as at 31 December 2024 (PLN thousand)

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
		31.12.2024	30.06.2024
On-balance sheet exposures (excluding derivatives and SFTs)			
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	235 678 645	213 586 008
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)	(1 508 826)	(1 252 143)
7	**Total on-balance sheet exposures (excluding derivatives and SFTs)**	**234 169 819**	**212 333 865**
Derivative exposures			
8	Replacement cost associated with SA-CCR derivatives transactions (ie net of eligible cash variation margin)	1 586 458	1 173 720
EU-8a	Derogation for derivatives: replacement costs contribution under the simplified standardised approach	-	-
9	Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions	1 934 743	1 725 350
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	**Total derivatives exposures**	**3 521 201**	**2 899 070**
Securities financing transaction (SFT) exposures			
14	Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	9 635 798	15 333 675
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-	-
16	Counterparty credit risk exposure for SFT assets	153 891	81 310
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	**Total securities financing transaction exposures**	**9 789 689**	**15 414 985**
Other off-balance sheet exposures			
19	Off-balance sheet exposures at gross notional amount	45 944 280	43 557 748
20	(Adjustments for conversion to credit equivalent amounts)	(30 345 866)	(28 961 539)
21	(General provisions deducted in determining Tier 1 capital and specific provisions associated associated with off-balance sheet exposures)	(196 939)	(162 944)
22	**Off-balance sheet exposures**	**15 401 475**	**14 433 265**
Excluded exposures			
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)**	-	-

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EU LR2 - LRCom: Leverage ratio common disclosure (contd)

		CRR leverage ratio exposures	
		a	b
		31.12.2024	30.06.2024
Capital and total exposure measure			
23	**Tier 1 capital**	**14 843 086**	**12 845 667**
24	**Total exposure measure**	**262 882 185**	**245 081 185**
Leverage ratio			
25	Leverage ratio (%)	5.65%	5.24%
EU-25	Leverage ratio (excluding the impact of the exemption of public sector investments and promotional loans) (%)	5.65%	5.24%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) (%)	5.65%	5.24%
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%
Choice on transitional arrangements and relevant exposures			
EU-27b	Choice on transitional arrangements for the definition of the capital measure	Fully phased in	Fully phased in
Disclosure of mean values			
28	Mean of daily values of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivable	39 540 112	20 675 326
29	Quarter-end value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	9 635 798	15 333 675
30	Total exposure measure (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	292 786 499	250 422 836
30a	Total exposure measure (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	292 786 499	250 422 836
31	Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	5.07%	5.13%
31a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	5.07%	5.13%

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

		31.12.2024
		CRR leverage ratio exposures
EU-1	**Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:**	**235 514 042**
EU-2	Trading book exposures	2 235 490
EU-3	Banking book exposures, of which:	233 278 552
EU-4	Covered bonds	-
EU-5	Exposures treated as sovereigns	103 567 289
EU-6	Exposures to regional governments, MDB, international organisations and PSE, not treated as sovereigns	27 858
EU-7	Institutions	1 216 806
EU-8	Secured by mortgages of immovable properties	46 357 545
EU-9	Retail exposures	21 689 912
EU-10	Corporates	35 689 347
EU-11	Exposures in default	2 191 907
EU-12	Other exposures (eg equity, securitisations, and other non-credit obligation assets)	22 537 888

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

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

		31.12.2024	30.09.2024
Total Leverage Ratio exposure measure		262 882 185	254 430 697
Capital and regulatory adjustments			
	Tier 1 capital	14 843 086	14 193 250
	Include Regulatory adjustments - Tier 1	(1 937 906)	(1 133 294)
Leverage ratio			
	Leverage Ratio on mBank Group	5.65%	5.58%

The leverage ratio of mBank Group in the fourth quarter of 2024 was influenced by increase in total leverage ratio exposure measure and by increase in Group Own Funds (AT1 capital issuance).

<u>Description of the processes used to manage the risk of excessive leverage.</u>

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

Bank counteracts risk of excessive leverage taking into account potential increase in mentioned risk caused by own funds drop associated with expected or incurred losses. Additionally, annual planning process includes forecast of year end leverage ratio as well as plan of the ratio in a four-year time horizon. The projection is updated depending on the macroeconomic environment. Moreover, mBank also examines capital adequacy in adverse macroeconomic scenarios (ICAAP stress tests), including risk scenarios chosen by the Bank’s Management Board. The Bank maintains an internal capital buffer for the leverage ratio, above the level required by banking supervision, to address the potential impact of the materialisation of adverse scenarios.

7. Credit risk mitigation techniques

The information presented in this chapter fulfill the presentation requirements of EU CRC Qualitative disclosure requirements related to CRM techniques.

7.1 Collateral valuation and management

The policies and processes for on- and off-balance sheet netting

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

The main types of guarantor and credit derivative counterparty and their creditworthiness

As at 31 December 2024 mBank Group did not hold credit derivatives.

Retail

mBank mitigates the credit risk of the retail portfolio by requesting legal collaterals for granted loans. In the case of property-secured transactions, major components of the collateral policy include maximum admissible levels of LtV (Loan to Value – the ratio of loan amount to value of property used as collateral) and the rules of accepting collaterals.

Retail properties

When drafting the LtV policy for mortgage loans, mBank adheres to Recommendation S, which is a set of good practices in the field of mortgage-secured retail credit exposure risk management. In the case of commercial real properties, due to lower liquidity of the collateral, mBank takes on a more prudent approach in terms of admissible LtV values than the one that is required by the regulator.

Bank carries out a careful selection of real properties which may serve as collateral. Within the analysis of a credit application, a liquidity assessment of a local real property market and of the nature of a real property (typical, non-typical) is conducted – that is aimed at ensuring the assumed effectiveness of recovery from the collateral accepted.

Prior to taking a credit decision, mBank in each case determines the value of the real property accepted as collateral. When the value verification in the retail sales process is based on an appraisal report, which is verified in terms of its assumptions and parameters by analysts., the determined value is confirmed by the analysis of similar real estate transaction prices from the internal real estate database and the AMRON interbank database, rental rates or information from available publications regarding the real estate market. For standard types of residential real estate, the Bank has introduced the possibility of verifying the value of real estate valuation for typical residential properties located on developed markets, based on the analysis of transaction prices of similar real estate originating from the mentioned above real estate database and the note from the inspection of real estate.

The value of residential properties is updated regularly by analysts - at least once every 3 years in the case for exposures where the current LtV ratio is smaller than 80% and not less frequently than once a year in the case. The value of commercial properties is updated annually. The value of the selected pool of contracts is updated individually by a Bank analyst. The value of other residential real estate portfolio is updated using the price change index.

Corporates

The credit risk taken by mBank when granting credit products to clients may be mitigated by collateral. The types of collateral accepted by mBank, rules for establishing collateral, principles of evaluating and verifying value of collaterals and concerning management of collaterals are set out in detailed internal instructions of mBank. mBank has a dedicated collateral policy in the area of corporate banking. The most important elements of this policy are:

- indication of collateral preferred and not recommended,
- recommendations regarding the requirements of collateral in specific situations,
- principles for verifying the value of and monitoring collateral,
- Bank’s approach to collateral with MRV parameter equal to zero.

mBank's policy is based on the assumption that mBank's decision to grant a credit product entails an effort to obtain collateral of the highest quality and value adequate to the scale of risk taken. The collateral value should be correlated not only with the borrower's creditworthiness, but also with the amount of the product posing credit risk and the risk level arising from the specific qualities of the credit product. In the case of mortgage-secured loans, mBank uses level of LtV ratio in line with regulatory requirements. Under justified circumstances, mBank may refrain from asking for collateral. Moreover, in the case of personal collateral (e.g. surety, guarantee) the standing and reliability of the collateral provider is evaluated using the standards applicable to the assessment of borrowers. The value of fixed assets accepted as collateral is determined on the basis of an appraisal report compiled by a licensed expert. The report is submitted to mBank and verified by a team of specialists located in the risk area who analyse it in terms of correctness of the assumed market value and assess the liquidity of the collateral from mBank's viewpoint.

On a regular basis, mBank monitors the quality of collateral. The monitoring covers in particular the effectiveness of the legal establishment of collateral, validity of insurance policies, completeness of collateral documentation, update of collateral value and adequacy of collateral value and present amount of exposure. The process of valuing and monitoring collateral is supported by an IT application called CRM 2.0. The system gathers information on:

- necessary data on collateral and its providers/owners,
- original valuation and its updates,
- participants and course of the process of collateral registration, valuation and monitoring.

In addition, mBank systematically supervises the control of credit risk monitoring in the scope of accepted collateral.

7.2 Main types of collateral

Retail

Mortgage on real property
Mortgage on a financed (or other) real property is a basic collateral for mortgage loans. mBank accepts only a first lien mortgage.

The „de minimis” guarantee
The guarantee provided by Polish state bank Bank Gospodarstwa Krajowego (BGK) within the governmental aid program addressed to entrepreneurs, covering the working capital loans and investment loans. The guarantee might secure up to the 60 % of the loan amount and not more than PLN 5 million.

Corporates

When making a decision on granting funding to a client, mBank aims at obtaining collateral adequate to the risk taken. mBank prefers highly liquid property collateral or personal collateral provided by entities characterised by high PD-rating and having assets and financial strength acceptable by mBank.

The accepted collateral acts as credit risk mitigant, provided that it carries a specified real value at the time of potential enforcement and meets the qualitative requirements making it possible to recover the debt by way of enforcement. The quality of property collateral is evaluated in terms of liquidity and market value, while the quality of personal collateral is assessed in terms of the financial standing of the collateral provider.

The most frequently used collateral types include:

- property collateral, i.e. mortgage, , registered pledge, transfer of ownership rights,
- financial collateral, i.e. assignment of rights to the creditor, financial pledge, security deposit or blockade of funds on bank account,
- personal collateral, i.e. guarantee (e.g. BGK guarantees de minimis), surety, aval.

The assessment of collateral includes the evaluation of the possibility to establish the collateral and assessment of legal state of the subject of collateral, in particular analysis of any encumbrances in favour of other creditors (verification of land and mortgage registers, entries in the pledge register, etc.). It is essential that the validity period of collateral is longer than the maturity period of the product backed by it, so that mBank has enough time to perform all the legal acts necessary to satisfy its claims.

Moreover, in Bank’s internal regulations, mBank indicates a separate group of properties which are not recommended as collateral due to their specific qualities making it impossible for mBank to satisfy its claims due to quick loss of value by the property or difficulties with its disposal.

EU CR3 – CRM techniques overview: Disclosure of the use of credit risk mitigation techniques, 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:

Disclosures regarding capital adequacy as at 31 December 2024 (PLN thousand)

		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	94 830 709	71 980 468	68 405 180	3 575 288	-
2	Debt securities	68 605 935	-	-	-	-
3	**Total**	**163 436 644**	**71 980 468**	**68 405 180**	**3 575 288**	**-**
4	*Of which non-performing exposures*	930 466	1 489 739	1 326 780	162 959	-
5	*Of which defaulted*	930 391	1 487 997			

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 2024 there was no significant change in the use of credit risk mitigation techniques.

7.3 Market or credit risk concentration

Taking into account the reduction of the concentration risk arising from the exposure to a single currency (or indexed to a single currency), mBank monitors - on a monthly basis the currency structure of the portfolio.

mBank reduces exposures to a single entity/group of affiliated entities by setting a General Limit (approved by the appropriate decision-making body) for exposures to a customer/group of affiliated customers.

On a daily basis, mBank monitors exposures in terms of identification of large exposures and exceeding of concentration limit of exposures defined in line with CRR Regulation.

mBank maintains a list of entities for which there is a risk a default (Watch List) and analyses (on a quarterly basis) concentration risk of exposures exposed to the default risk.

In order to control and reduce concentration risk arising from exposures to entities representing the same sector, mBank sets the limits for sectors in which mBank's exposure exceeds 5% of the total amount of exposures.

mBank controls risk arising from concentration of exposures to entities representing the same geographical region as well as individual countries by setting and monitoring country or regional limits.

mBank monitors the exposure level of credit exposures secured with the same type of collateral.

On a quarterly basis, mBank analyses the mBank Group's credit portfolio in terms of concentration, taking into account the largest exposures to customers/groups of affiliated customers.

As at 31 December 2024 there was no substantial level of geographical concentration in the credit portfolio of mBank Group. In terms of exposure relating to countries other than Poland there was no substantial share of exposure with value loss.

8. Exposures to credit risk

8.1 Overdue and impaired exposures – definitions used

The following qualitative description addresses the requirements of the EU CRB table – Additional disclosed information related to the credit quality of assets.

mBank applies a uniform default definition in all areas of the credit risk management, i.e. for the purpose of calculating expected credit losses and capital requirement. The default definition is based on the definition included in CRR Regulation.

The customer is reclassified to the default category in the case of loss event occurrence. Reclassification of at least one customer credit liability to the default category reclassifies all credit and non-credit liabilities of the customer to the default category.

Corporate portfolio - Impairment triggers

The list of definite loss events in corporate portfolio:

1. The number of days past due of the principal, interest or fees is over 90 days (in the case of exposures to Banks over 14 days). Number of days past due is calculated at the debtor level and commences when both absolute and relative materiality thresholds have been exceeded, where:
   - absolute threshold refers to the sum of all overdue amounts related to the debtor's liabilities towards the Bank and amounts to PLN 2,000 for corporate and investment banking debtors and PLN 400 for Private Banking debtors registered in corporate systems,
   - relative threshold refers to the ratio of all overdue amounts related to the debtor's liabilities towards the Bank to the sum of balance sheet exposures related to given debtor and amounts to 1%.

   The adopted definition of overdue credit obligations and materiality thresholds are in line with the Regulation of the Minister of Finance, Investment and Development of October 3, 2019 on the materiality level of an overdue credit commitment.
2. mBank's sale of the credit obligation with material economic loss related to change in creditworthiness of the debtor.
3. mBank performed distressed restructuring (the materiality threshold from which the Bank considers a diminished financial obligation to be defaulted is 1%).
4. Information about enforcement proceedings instigated against a debtor in the amount which in the Bank's opinion is likely to result in a loss of creditworthiness.
5. Information about a petition for bankruptcy, liquidation of a debtor, dissolution or annulment of a company, or about appointment of a guardian.
6. Declaration of bankruptcy of a debtor or acquiring by him a similar legal protection resulting in his evasion of or delay in repayment of credit obligations towards mBank, the parent or subsidiary entity of mBank.
7. Information about dismissal of a petition for bankruptcy of a debtor on grounds that the assets of the debtor are insufficient or are only sufficient to cover the costs of bankruptcy proceedings.
8. Debtor's failure to repay the amount of surety provided by the Government.
9. Termination of part or whole credit agreement by mBank or the beginning of restructuring or collection procedures.
10. Fraud (embezzlement) of the debtor .
11. Bank expecting suffering a loss on the client.
12. Occurrence of cross default default.
13. Information on filing a restructuring petition or instigating a restructuring proceedings with regard to a debtor within the meaning of the Restructuring Law Act.
14. Information on major financial problems suffered by a debtor.

In addition, mBank identifies loss-events specific to individual categories of entities, and so-called 'soft' loss events, introduced in order to indicate situations, which may result in the loss of the debtor's ability to repay the loan to mBank. In such a case, an additional analysis is carried out taking into account the entity's branch specificity, and as a result, an individual decision is made regarding stage classification.

Retail portfolio - Impairment triggers

The list of definite loss events in retail portfolio:

1. the number of days past due of the principal, interest or fees is over 90 days. Number of days past due is calculated at the debtor level and commences when both absolute and relative materiality thresholds have been exceeded, where:
   - absolute threshold refers to the sum of all overdue amounts related to the debtor's liabilities towards the Bank and amounts to PLN 400 for Polish branch, CZK 2,500 for the foreign branch of the Bank in Czech Republic and EUR 100 for the foreign branch of the Bank in Slovakia,
   - relative threshold refers to the ratio of all overdue amounts related to the debtor's liabilities towards the Bank to the sum of balance sheet exposures related to given debtor and amounts to 1%.

   The adopted definition of overdue credit obligations and materiality thresholds are in line with the Regulation of the Minister of Finance, Investment and Development of October 3, 2019 on the materiality level of an overdue credit commitment.
2. mBank performed distressed restructuring (the materiality threshold from which the Bank considers a diminished financial obligation to be defaulted is 1%).
3. Termination of the agreement by the Bank in the event of breach of the loan agreement by the debtor.
4. Obtaining information on the submission of a petition for consumer bankruptcy by the debtor, conducting court proceedings in this matter or a judgment by the court of consumer bankruptcy.
5. Obtaining information about the submission of an application by the debtor to initiate or to conduct bankruptcy / restructuring proceedings against the debtor, which, in the Bank's opinion, may result in delay or failure to repay the liability.
6. Recognition of the contract as fraudulent.
7. mBank's sale of the credit obligation with material economic loss related to change in creditworthiness of the debtor.
8. Uncollectable status of debt.
9. Payout of low down payment insurance
10. Occurrence of cross default.

Forborne definition

The definition of a restructured exposure used for the implementation of point (d) of Article 178(3) CRR specified by the EBA Guidelines on default in accordance with Article 178 CRR is consistent with the definition of forborne exposure defined in Annex V to Commission Implementing Regulation (EU) 2021/451.

8.2 Quantitative information

The following subscriptions address the requirements of the EU CRB table – Additional disclosed information related to the credit quality of assets.

How exposures are classified to stages

In accordance with IFRS mBank classifies credit exposures to following stages:

- Stage 1 – exposures for which the risk did not increase significantly since the initial recognition in the loan portfolio,
- Stage 2 – exposures for which, as at the reporting date, a significant deterioration in credit quality was identified compared to the date of their initial recognition,
- Stage 3 – exposures for which credit-impairment was found during its lifetime in portfolio,
- POCI (purchased or originated credit-impaired asset) – assets identified as credit-impaired at initial recognition.

In mBank the assignment of exposure to Stage 2 takes place according to the Transfer Logic algorithm, which defines the qualitative and quantitative criteria indicating a significant increase of credit risk, while the classification exposure to the Stage 3 is determined by loss-events mentioned earlier.

Once the quantitative or qualitative criteria that were used to classify the exposure in Stage 2 at the reporting date are no longer met (the client and the exposure assigned to him or her no longer meet any of the Transfer Logic qualitative criteria or quantitative criteria), the exposure will be moved from Stage 2 to Stage 1. In the case of exposures classified as forbearance, the additional condition for reclassification to Stage 2 is the 24 month probation period during which the loan has a performing status.

The exposure may also be transferred from Stage 3 to Stage 2 or to Stage 1 if for each loss-events assigned to debtor, probation period has elapsed and debtor's assessment, carried out after probation period, has not shown that the debtor is unlikely to fully repay its obligations without recourse to realizing security.

Probation period refers to the period in which debtor properly fulfills its obligations, calculated from the moment event leading to loss-event ceases.

Probation period is calculated separately for each loss-event. Probation period is also maintained when the exposure due to which loss-event has occurred has been repaid, written off or sold. Probation period equals:

- for distressed restructuring – 12 months,
- for other loss-events – 3 months.

During probation period, the Bank assesses debtor's credit behavior, and the exit from probation period depends on proper service.

Significant deterioration of credit quality (classification to stage 2)

A significant deterioration in credit quality is recognised for the asset concerned on the basis of quantitative and qualitative criteria, with the asset being transferred to Stage 2 once at least one of such qualitative or quantitative criteria is met.

Qualitative criteria are:

- the number of days of delay in paying the amount due is greater than or equal to 31 days, taking into account materiality thresholds:
  - the absolute threshold refers to the past due exposure amount and amounts to PLN 400 for retail exposures in Polish branch and exposures of Private Banking debtors, registered in corporate systems, CZK 2,500 for retail exposures in the foreign branch of the Bank in Czech Republic, EUR 100 for retail exposures in the foreign branch of the Bank in Slovakia and PLN 2,000 for exposures in the area of corporate and investment banking,
  - the relative threshold refers to the ratio of the past due exposure amount to the total balance sheet exposure amount and amounts to 1%.
- the number of days of delay in paying the amount due of exposure is greater than or equal to 91 days (without materiality thresholds).
- occurrence of the Forborne performing flag (the client status shows that he or she is experiencing difficulties in repaying the loan commitment, as defined by mBank).
- threefold PD backstop indicator - at least threefold increase of current PD level in relation to PD at initial recognition date.Occurrence of the Watch List flag (the Bank's internal process designed to identify corporate clients who are subject to increased monitoring in terms of changes in credit quality, in accordance with the Watch List classification rules adopted by mBank).
- Deterioration of the risk profile of the entire exposure portfolio, due to the type of product, industry or distribution channel. (for retail customers).

The Bank quantifies the level of credit risk in relation to all exposures or clients for which credit exposures exists. In the absence of available information to assess the credit risk of an exposure at initial recognition, the Bank classifies such an exposure to stage 2 without the possibility to reclassify it to stage 1.

The quantitative criterion of the Transfer Logic is based on a significant deterioration in credit quality, which is assessed on the basis of relative and absolute long-term change in Probability of Default (PD), specified for the exposure at the reporting date, relative to the long-term PD specified on initial recognition.

Low credit risk criteria

For exposures whose characteristics are indicative of low credit risks (LCR), expected credit losses are always determined on a 12-month basis. Exposures designated as LCR may not be transferred from Stage 1 to Stage 2, although they can be moved from Stage 1 to Stage 3 upon being recognized as credit-impaired. The Bank applies the LCR criterion to clients from the government and central bank segment with investment grade ratings and to clients from Local Government Units segment. The LCR criteria is not used in the retail banking segment.

Calculation of expected credit losses

Valuation expected credit losses (ECL) are measured at the level of a single contract or exposure (agreement). In the portfolio approach, expected credit losses are the multiplication of individual for each exposure estimated value 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 (exposure is in the stage 2), the Bank calculates expected credit losses in the life-time horizon (Lt ECL).

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

The individual approach concerns all balance sheet and off-balance sheet credit exposures with an impairment in the corporate loan portfolio and Private Banking loan portfolio, which is registered in corporate systems. 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 in scenarios and depends on the Bank'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 debt collection strategy, the scenarios are developed for each recovery source (collateral) separately. The Bank identifies scenarios per exposure/recovery source, minimum two scenarios are considered obligatory, with additional condition that one of them reflects a partial loss on exposure/recovery source. Weight of particular scenario results from an expert assessment of the likelihood of scenarios based on the relevant facts 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.

Use of macroeconomics scenarios in ECL estimation

mBank is required to set an expected credit loss in a way which meets the expectations for various forward-looking macroeconomic scenarios. In the case of portfolio estimation of ECL, the non-linearity factor (NLF) is set in order to adjust the value of an expected credit loss (calculated every month). The values of NLF are used as scaling factors for individual ECLs. The NLF factor is determined separately for retail and corporate segments at least once a year. NLFs are used as scaling factors for individual ECLs that are determined at the level of individual exposures in each segment. NLFs are calculated based on results from three simulation calculations at the same reporting date, which result from relevant macroeconomic scenarios. In particular, NLF for a given segment is calculated as:

- the probability-weighted average of the expected loss from three macroeconomic scenarios ('average estimation') comprising: baseline scenario, optimistic scenario and pessimistic scenario. The weights of scenarios are consistent with probabilities of realization for each scenario – 60% for base, 20% for optimistic and 20% for pessimistic,
- divided by the expected loss determined under baseline scenario (reference estimate).

Simulation calculations, whose results are used to calculate NLF, are carried out on the basis of the same input data on exposure characteristics, but involve different risk parameter vectors, if the macroeconomic expectations defined in the scenarios are such as to affect the value of these parameters.

Additionally, the inclusion of forward-looking information takes place in the models of all three credit risk parameters estimated in the lifetime horizon (LtPD, LtEAD, LtLGD). In the estimates the Bank uses, among others, generally available macroeconomic and financial indicators (GDP, employment in the enterprise sector, unemployment rate, level of export and import, salaries, monetary financial institutions receivables from households), expectations regarding interest rates and exchange rates, as well as changes in property prices, separately for residential and commercial properties.

In the case of individual ECL estimation, each time, based on an expert assessment, the Bank estimates the impact of macroeconomic factors and other general factors (e.g. the Bank's previous cooperation with the borrower, the nature of the product) on the probability of the adopted scenarios in the calculation of the estimated loss and on the assumed amounts and dates of inflow from operating cash flows and from collateral. This is done through a comprehensive expert assessment of above factors. Macroeconomic factors used in individual ECL estimation are based on assumptions for budget forecasts and financial plans used for management and reporting at mBank. In addition, in terms of macroeconomic factors, conclusions from industry analyzes prepared at the Bank are taken into account, in particular conclusions from expert assessments of industries prepared for the purpose of determining the Bank's industry limits, as well as from the assessment of industry prospects and the assessment of the attractiveness of a specific sector. Future economic conditions may not be taken into account in the process of estimating ECL if Bank does not identify connection between macroeconomic factors and the level of expected loss.

Fair Value for credit assets

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 Fair Value through Profit & Loss or at Fair Value through Other Comprehensive Income.

Disclosures regarding capital adequacy as at 31 December 2024 (PLN thousand)

Fair value valuation of non-impaired credit assets

The valuation for non-impaired exposure is based on its discounted estimated future cash flows. Future cash flows are determined taking into account:

- repayment schedule, and in the absence of a schedule (revolving products) - based on a statistical estimation of the annual credit limit utilization in expected behavioral exposure period,
- time value of money, based on risk-free interest rates set in the process of forecasting interest flows,
- cash flows amount and their schedule fluctuations stemming from the option of prepayment (early partial or full repayment of the principal) included in the loan agreement by application of prepayment factors,
- uncertainty of cash flows resulting from credit risk throughout the forecasted lifetime of the exposure by modification of contract flows using multi-year credit risk parameters Lt PD and Lt LGD,
- other factors that would be taken into consideration by the potential exposure buyer (overhead costs and the profit margin expected by market participants) during the process of calibration of the discount rate used in the valuation process.

Due to requirements of IFRS 13 for the exposures for which there are no quotes on an active market, the Bank calibrates the discount rate based on fair value at the date of the initial recognition (i.e. the cost price of exposure). Calibration margin reflects market valuation of costs related to maintaining exposures in the portfolio and market expectations about profit margin realized on similar exposures.

Fair value valuation of impaired financial assets

Impaired Financial assets are valuated based on expected recoveries. In case of retail financial assets the valuation reflected by LGD parameters, and in the case of corporate exposures it refers to individual recovery scenarios.

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

		a	b	c	d	e	f
		Net exposure value					
		On demand	<= 1 year	> 1 year <= 5 years	> 5 years	No stated maturity	Total
1	Loans and advances	37 649 409	34 064 410	42 436 396	63 264 089	-	177 414 304
2	Debt securities	-	30 255 125	34 502 057	4 993 894	31 204	69 782 280
3	**Total**	**37 649 409**	**64 319 535**	**76 938 453**	**68 257 983**	**31 204**	247 196 584

Non-performing and forborne exposures

In accordance with the EBA/GL/2018/06 guidelines, banks are obliged to monitor and manage the NPL portfolio. Banks should strive to maintain the value of the NPL portfolio below the threshold set by the regulator at 5%. The NPL ratio for mBank Group calculated in accordance with the Guidelines EBA/GL/2018/06 remains at level below the threshold and as of December 31, 2024 was equal to 3.71%. In comparison to December 31, 2023, the ratio is lower by 0.20 p.p. The decrease of the indicator is related to both business lines and results from efficient management of debt collection.

Disclosures regarding capital adequacy as at 31 December 2024 (PLN thousand)

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**	**35 400 898**	**35 400 520**	**378**	**-**	**-**	**-**
010	**Loans and advances**	**130 020 166**	**114 467 593**	**15 040 306**	**5 011 719**	**1 807**	**4 620 999**
020	*Central banks*	8 416 454	8 416 454	-	-	-	-
030	*General governments*	27 199	23 553	3 512	-	-	-
040	*Credit institutions*	1 354 883	1 354 644	239	-	-	-
050	*Other financial corporations*	3 760 961	3 583 572	169 049	39 421	-	22 262
060	*Non-financial corporations*	50 365 802	43 965 328	6 320 989	2 517 765	23	2 413 973
070	*Of which: SMEs*	34 897 134	30 857 876	3 959 804	1 809 686	23	1 719 142
080	*Households*	66 094 867	57 124 042	8 546 517	2 454 533	1 784	2 184 764
090	**Debt Securities**	**68 620 117**	**68 457 766**	**110 901**	**-**	**-**	**-**
100	*Central banks*	14 831 236	14 831 236	-	-	-	-
110	*General governments*	42 610 184	42 610 184	-	-	-	-
120	*Credit institutions*	9 161 351	9 161 351	-	-	-	-
130	*Other financial corporations*	1 277 478	1 214 845	31 428	-	-	-
140	*Non-financial corporations*	739 868	640 150	79 473	-	-	-
150	**Off-balance sheet exposures**	**45 810 403**	**42 543 720**	**3 263 318**	**189 570**	**-**	**187 425**
160	*Central banks*	-	-	-	-	-	-
170	*General governments*	24 465	23 943	523	-	-	-
180	*Credit institutions*	4 225 484	4 198 074	27 410	-	-	-
190	*Other financial corporations*	2 237 916	2 222 963	14 953	546	-	546
200	*Non-financial corporations*	29 444 754	26 838 099	2 603 913	156 505	-	154 524
210	*Households*	9 877 784	9 260 641	616 519	32 519	-	32 355
220	**Total**	**279 851 584**	**260 869 599**	**18 414 903**	**5 201 289**	**1 807**	**4 808 424**

Disclosures regarding capital adequacy as at 31 December 2024 (PLN thousand)

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

		g	h	i	j	k	l	m	n	o
		Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Accumulated partial write-off	Collaterals and financial guarantees received	
		Performing exposures - Accumulated impairment and provisions			Non-performing exposures - Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions				On performing exposures	On non-performing exposures
			of which: stage 1	of which: stage 2		of which: stage 2	of which: stage 3			
005	**Cash balances at central banks and other demand deposits**	**(4 050)**	**(4 040)**	**(11)**	**-**	**-**	**-**	**-**	**-**	**-**
010	**Loans and advances**	**(1 026 040)**	**(436 615)**	**(579 841)**	**(2 591 515)**	**(118)**	**(2 534 556)**	**-**	**70 490 729**	**1 489 738**
020	*Central banks*	-	-	-	-	-	-	-	-	-
030	*General governments*	(58)	(48)	(11)	-	-	-	-	5 021	-
040	*Credit institutions*	(569)	(569)	-	-	-	-	-	875	-
050	*Other financial corporations*	(21 461)	(8 045)	(13 441)	(30 548)	-	(15 565)	-	179 875	3 173
060	*Non-financial corporations*	(361 374)	(226 352)	(133 421)	(1 386 291)	(1)	(1 435 219)	-	29 000 572	856 649
070	*Of which: SMEs*	(308 878)	(193 791)	(113 485)	(960 796)	(1)	(995 846)	-	20 425 768	645 950
080	*Households*	(642 578)	(201 601)	(432 968)	(1 174 676)	(117)	(1 083 772)	-	41 304 386	629 916
090	**Debt Securities**	**(14 183)**	**(13 001)**	**(1 182)**	**-**	**-**	**-**	**-**	**-**	**-**
100	*Central banks*	(2 275)	(2 275)	-	-	-	-	-	-	-
110	*General governments*	(6 372)	(6 372)	-	-	-	-	-	-	-
120	*Credit institutions*	(1 519)	(1 519)	-	-	-	-	-	-	-
130	*Other financial corporations*	(1 167)	(682)	(485)	-	-	-	-	-	-
140	*Non-financial corporations*	(2 850)	(2 153)	(697)	-	-	-	-	-	-
150	**Off-balance sheet exposures**	**(97 703)**	**(54 456)**	**(42 682)**	**(89 664)**	**(6)**	**(90 861)**	**-**	**7 548 377**	**25 242**
160	*Central banks*	-	-	-	-	-	-	-	-	-
170	*General governments*	(69)	(13)	(56)	-	-	-	-	500	-
180	*Credit institutions*	(351)	(294)	(57)	-	-	-	-	52 842	-
190	*Other financial corporations*	(2 700)	(1 518)	(1 181)	(61)	-	(61)	-	78 491	228
200	*Non-financial corporations*	(55 061)	(37 265)	(18 008)	(81 873)	-	(83 692)	-	7 126 363	24 241
210	*Households*	(39 522)	(15 366)	(23 380)	(7 730)	(6)	(7 108)	-	290 181	773
220	**Total**	**(1 141 976)**	**(508 112)**	**(623 716)**	**(2 681 179)**	**(124)**	**(2 625 417)**	**-**	**78 039 106**	**1 514 980**

Disclosures regarding capital adequacy as at 31 December 2024 (PLN thousand)

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				Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
			of which: non-performing		of which: loans and advances subject to		
				of which: defaulted			
010	Agriculture, forestry and fishing	353 251	7 553	7 553	352 978	(6 772)	(131)
020	Mining and quarrying	175 835	5 484	5 484	175 759	(5 609)	-
030	Manufacturing	10 607 030	716 470	716 470	10 601 032	(477 800)	(381)
040	Electricity, gas, steam and air conditioning supply	2 810 299	33 935	33 935	2 810 299	(44 587)	-
050	Water supply	551 625	7 023	7 023	550 873	(8 550)	(30)
060	Construction	5 291 432	341 895	341 895	5 284 111	(145 143)	(1 467)
070	Wholesale and retail trade	11 287 045	486 335	486 335	11 274 087	(352 893)	(2 320)
080	Transport and storage	3 110 838	195 721	195 721	3 106 589	(124 004)	(432)
090	Accommodation and food service activities	901 759	35 744	35 744	899 370	(24 825)	(225)
100	Information and communication	2 136 724	56 317	56 317	2 134 503	(59 197)	(128)
110	Real estate activities	6 634 161	432 075	432 075	6 595 895	(249 660)	(4 933)
120	Financial and insurance actvities	61 300	336	336	60 792	(781)	-
130	Professional, scientific and technical activities	4 041 772	90 950	90 950	4 036 732	(82 190)	(211)
140	Administrative and support service activities	1 837 228	62 160	62 160	1 834 033	(48 116)	(439)
150	Public administration and defense, compulsory social security	4 050	4	4	4 050	(73)	-
160	Education	233 281	5 474	5 474	232 302	(4 155)	-
170	Human health services and social work activities	1 740 700	19 355	19 355	1 739 381	(23 338)	(143)
180	Arts, entertainment and recreation	495 390	5 052	5 052	494 983	(8 373)	(69)
190	Other services	609 846	15 884	15 884	609 434	(70 635)	(55)
200	**Total**	**52 883 566**	**2 517 767**	**2 517 767**	**52 797 203**	**(1 736 701)**	**(10 964)**

Disclosures regarding capital adequacy as at 31 December 2024 (PLN thousand)

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				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: subject to impairment			
				of which: defaulted				
010	**On balance sheet exposures**	**203 652 004**	**5 011 719**	**5 009 427**	**203 083 389**	**(3 581 170)**		**(50 568)**
020	Poland	177 658 181	4 764 271	4 761 979	177 121 735	(3 438 774)		(50 502)
030	Czechia	14 542 068	125 265	125 265	14 542 063	(98 338)		-
040	Luxembourg	5 897 891	4	4	5 897 872	(1 594)		-
050	Slovakia	3 054 873	106 073	106 073	3 054 873	(72 296)		-
060	France	711 018	98	98	710 994	(211)		-
070	United States	529 806	569	569	498 543	(244)		-
080	Germany	464 065	10 926	10 926	463 972	(530)		(2)
090	Netherlands	321 795	26	26	321 781	(9 186)		-
100	Spain	88 163	255	255	88 117	(56)		-
110	Austria	86 402	26	26	86 396	(31)		-
120	Belgium	72 553	-	-	72 553	(23)		-
130	Cyprus	47 045	-	-	47 018	(24)		-
140	Denmark	45 826	120	120	45 807	(481)		-
150	United Kingdom	35 429	824	824	35 286	(279)		(11)
160	Switzerland	26 302	570	570	26 245	(194)		-
170	Ireland	22 872	21	21	22 813	(24)		-
180	Turkey	17 114	-	-	17 114	(41)		-
190	Malta	9 788	78	78	9 634	(135)		-
200	United Arab Emirates	4 729	1 978	1 978	4 621	(1 003)		(46)
210	Jordan	3 339	-	-	3 339	(11)		-
220	Sweden	3 333	215	215	3 326	(114)		-
230	Norway	3 103	260	260	3 096	(156)		-
240	Gibraltar	876	-	-	876	-		-
250	Canada	869	-	-	852	(15)		-
260	Portugal	713	-	-	707	(2)		-
270	Malaysia	593	-	-	593	-		-
280	New Zealand	549	-	-	549	(2)		-
290	Saudi Arabia	548	-	-	548	-		-
300	Australia	425	-	-	425	(45)		-
310	Italy	375	39	39	375	(70)		-
320	Israel	330	-	-	330	-		-
330	Finland	234	-	-	208	(3)		-
340	Iceland	183	16	16	183	(23)		-
350	Thailand	103	-	-	103	-		-
360	Lithuania	99	33	33	99	(1)		-
370	Tanzania, United Republic of	78	-	-	78	-		-
380	Serbia	76	-	-	76	-		-
390	Singapore	76	50	50	10	-		(7)
400	Greece	31	-	-	31	(1)		-
410	Ukraine	29	1	1	29	(1)		-
420	Dominican Republic	25	-	-	25	-		-
430	Virgin Islands, British	23	-	-	23	-		-
440	Andorra	19	-	-	18	(1)		-
450	Cayman Islands	13	-	-	13	-		-
460	Estonia	10	-	-	10	-		-
470	Hungary	6	-	-	6	-		-
480	Bulgaria	5	-	-	5	-		-
490	Japan	5	-	-	3	-		-
500	Monaco	4	-	-	4	-		-
510	Romania	4	-	-	4	-		-
520	Croatia	3	-	-	3	-		-
530	Latvia	3	-	-	3	-		-
540	China	1	-	-	1	-		-
550	Mexico	1	1	1	1	(1)		-
560	Russian Federation	-	-	-	-	42 740		-

Disclosures regarding capital adequacy as at 31 December 2024 (PLN thousand)

EU CQ4: Quality of non-performing exposures by geography (contd):

		a	b	c	d	e	f	g
		Gross carrying/Nominal amount				Accumulated impairment	Provisions on off-balance sheet commitments and financial guarantee given	Accumulated negative changes in fair value due to credit risk on non-performing exposures
			of which: non-performing		of which: subject to impairment			
				of which: defaulted				
570	**Off balance sheet exposures**	**45 999 976**	**189 571**	**189 301**	**-**	**-**	**187 361**	**-**
580	Poland	39 646 330	189 130	188 860			184 160	
590	Germany	2 658 597	85	85			285	
600	United Kingdom	1 102 281	2	2			63	
610	Czechia	506 645	255	255			1 653	
620	Cyprus	501 878	-	-			184	
630	France	391 643	-	-			7	
640	Slovakia	207 732	49	49			457	
650	Luxembourg	201 352	-	-			117	
660	Austria	186 429	-	-			236	
670	Spain	128 818	-	-			18	
680	United States	120 656	2	2			19	
690	Ireland	102 995	-	-			12	
700	Denmark	88 411	3	3			6	
710	Netherlands	56 579	-	-			8	
720	Japan	32 242	-	-			2	
730	Switzerland	12 765	35	35			17	
740	Algeria	11 954	-	-			9	
750	Canada	9 707	-	-			3	
760	Israel	6 630	-	-			11	
770	Jordan	4 445	-	-			6	
780	India	3 760	-	-			4	
790	Italy	3 476	-	-			-	
800	Korea, Republic of	2 200	-	-			-	
810	Egypt	1 513	-	-			11	
820	Singapore	1 367	2	2			-	
830	Malta	1 205	-	-			22	
840	South Africa	1 064	-	-			1	
850	Portugal	963	-	-			1	
860	Sweden	893	6	6			7	
870	Hungary	830	-	-			-	
880	Croatia	680	-	-			-	
890	Norway	598	2	2			3	
900	Belgium	497	-	-			1	
910	United Arab Emirates	479	-	-			2	
920	Australia	288	-	-			-	
930	Lithuania	248	-	-			23	
940	Hong Kong	200	-	-			-	
950	Virgin Islands, British	190	-	-			3	
960	Andorra	150	-	-			-	
970	Finland	149	-	-			1	
980	New Zealand	101	-	-			-	
990	Curaçao	100	-	-			-	
1000	Gibraltar	90	-	-			-	
1010	Morocco	82	-	-			8	
1020	China	75	-	-			-	
1030	Greece	69	-	-			-	
1040	Iceland	65	-	-			-	
1050	Latvia	55	-	-			-	
1060	Thailand	53	-	-			-	
1070	Argentina	50	-	-			-	
1080	Bahamas (the)	50	-	-			-	
1090	Slovenia	50	-	-			1	
1100	Russian Federation	45	-	-			-	
1110	Tanzania, United Republic of	30	-	-			-	
1120	Bulgaria	25	-	-			-	
1130	Mexico	25	-	-			-	
1140	Cayman Islands	22	-	-			-	
1150	Malaysia	22	-	-			-	
1160	Philippines	20	-	-			-	
1170	Barbados	18	-	-			-	
1180	Chile	18	-	-			-	
1190	Guernsey	18	-	-			-	
1200	Ukraine	17	-	-			-	
1210	Dominican Republic	16	-	-			-	
1220	Monaco	16	-	-			-	
1230	Estonia	5	-	-			-	
1240	**Total**	**249 651 980**	**5 201 290**	**5 198 728**	**203 083 389**	**(3 581 170)**	**187 361**	**(50 568)**

Disclosures regarding capital adequacy as at 31 December 2024 (PLN thousand)

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

		a	b	c	d	e	f	g	h
		Gross carrying amount/ Nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collaterals received and financial guarantees received on forborne exposures	
		Performing forborne	Non-performing forborne			On performing forborne exposures	On non-performing forborne exposures		Of which: Collateral and financial guarantees received on non-performing exposures with forbearance measures
				Of which defaulted	Of which impaired				
005	Cash balances at central banks and other demand deposits	-	-	-	-	-	-	-	-
010	Loans and advances	1 248 271	1 431 746	1 431 746	1 431 330	(23 450)	(532 775)	1 593 421	610 889
020	Central banks	-	-	-	-	-	-	-	-
030	General governments	-	-	-	-	-	-	-	-
040	Credit institutions	-	-	-	-	-	-	-	-
050	Other financial corporations	1 568	8 473	8 473	8 473	(62)	(4 382)	2 338	1 912
060	Non-financial corporations	631 396	814 174	814 174	814 170	(11 665)	(339 455)	845 495	353 295
070	Households	615 307	609 099	609 099	608 687	(11 723)	(188 938)	745 588	255 682
080	Debt Securities	-	-	-	-	-	-	-	-
090	Loan commitments given	102 089	18 455	18 455	18 072	(809)	(13 185)	67 149	8 154
100	Total	1 350 360	1 450 201	1 450 201	1 449 402	(24 259)	(545 960)	1 660 570	619 043

Disclosures regarding capital adequacy as at 31 December 2024 (PLN thousand)

Template EU CQ3: Credit quality of performing and non-performing exposures by past due days

		a	b	c	d	e	f	g	h	i	j	k	l
		Gross carrying amount/nominal amount											
		Performing exposures			Non-performing exposures								
			Not past due or past due ≤ 30 days	Past due > 30 days ≤ 90 days		Unlikely to pay that are not past due or are past due ≤ 90 days	Past due > 90 days ≤ 180 days	Past due > 180 days ≤ 1 year	Past due > 1 year ≤ 2 years	Past due > 2 years ≤ 5 years	Past due > 5 years ≤ 7 years	Past due > 7 years	Of which defaulted
005	**Cash balances at central banks and other demand deposits**	**35 400 898**	**35 400 898**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
010	**Loans and advances**	**130 020 166**	**129 259 265**	**760 901**	**5 011 719**	**2 303 417**	**372 100**	**719 773**	**775 190**	**483 129**	**163 241**	**194 868**	**5 009 427**
020	Central banks	8 416 454	8 416 454	-	-	-	-	-	-	-	-	-	-
030	General governments	27 199	27 199	-	-	-	-	-	-	-	-	-	-
040	Credit institutions	1 354 883	1 354 883	-	-	-	-	-	-	-	-	-	-
050	Other financial corporations	3 760 961	3 759 050	1 911	39 421	23 341	1 828	2 108	3 480	3 163	5 494	6	39 421
060	Non-financial corporations	50 365 802	49 931 607	434 195	2 517 765	1 285 000	154 750	364 311	389 816	228 105	57 304	38 478	2 517 765
070	Of which SMEs	34 897 134	34 512 984	384 149	1 809 686	916 828	125 218	192 212	355 170	142 033	47 558	30 666	1 809 686
080	Households	66 094 867	65 770 072	324 795	2 454 533	995 076	215 522	353 354	381 894	251 861	100 443	156 384	2 452 241
090	**Debt securities**	**68 620 117**	**68 620 117**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
100	Central banks	14 831 236	14 831 236	-	-	-	-	-	-	-	-	-	-
110	General governments	42 610 184	42 610 184	-	-	-	-	-	-	-	-	-	-
120	Credit institutions	9 161 351	9 161 351	-	-	-	-	-	-	-	-	-	-
130	Other financial corporations	1 277 478	1 277 478	-	-	-	-	-	-	-	-	-	-
140	Non-financial corporations	739 868	739 868	-	-	-	-	-	-	-	-	-	-
150	**Off-balance-sheet exposures**	**45 810 403**			**189 570**								**189 300**
160	Central banks	-			-								-
170	General governments	24 465			-								-
180	Credit institutions	4 225 484			-								-
190	Other financial corporations	2 237 916			546								546
200	Non-financial corporations	29 444 754			156 505								156 235
210	Households	9 877 784			32 519								32 519
220	**Total**	**279 851 584**	**233 280 280**	**760 901**	**5 201 289**	**2 303 417**	**372 100**	**719 773**	**775 190**	**483 129**	**163 241**	**194 868**	**5 198 727**

Disclosures regarding capital adequacy as at 31 December 2024 (PLN thousand)

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**	**4 899 526**
020	Inflows to non-performing portfolios	3 136 209
030	Outflows from non-performing portfolios	(3 024 015)
040	Outflows due to write-offs	(1 057 079)
050	Outflow due to other situations	(1 966 936)
060	**Final stock of non-performing loans and advances**	**5 011 720**

The ratio changes of non-performing loans and advances were described on page 65 under the table EU CR1-A: Maturity of exposures.

Information on collateral obtained by taking possession and execution processes

Information on collateral obtained by taking possession and execution processes as at 31 December 2024 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
010	**Property Plant and Equipment (PP&E)**	**-**	**-**
020	**Other than Property Plant and Equipment**	**141 870**	**(46 826)**
030	Residential immovable property	-	-
040	Commercial immovable property	54 796	(24 994)
050	Movable property (auto, shipping, etc.)	87 074	(21 832)
060	Equity and debt instruments	-	-
070	Other	-	-
080	**Total**	**141 870**	**(46 826)**

Disclosures regarding capital adequacy as at 31 December 2024 (PLN thousand)

Quantitative information in accordance with Attachment 1 to Recommendation R

Data is presented for the portfolio measured at amortized cost and fair value through other comprehensive income. The presented PD scale reflects the assessment at the time of initial recognition. Exposures that do not have a rating from the moment of initial recognition have been classified in the range 0,00 to <0.15%. Due to the use of the individual method for the impaired corporate portfolio, the average LGD parameter for portfolios in Stage 3 and POCI has been presented with a limitation to portfolios for which the individual method is not applicable. Average maturity is presented in the same way as in EU CR6.

	PD scale	On-balance sheet exposures	Off-balance-sheet exposures	EAD (basis of ECL calculation)	EAD weighted average PD (%)	Number of exposures	EAD weighted average LGD (%)	EAD weighted average maturity (years)	Expected credit loss (ECL)
		a	b	c	d	e	f	g	h
Institutions									
Stage 1	0.00 to <0.15%	432 967	3 660 041	1 764 605	0.06	581	38.35	4.10	302
	0.15% to <0.25%	90 455	269 610	197 911	0.13	54	38.00	3.75	18
	0.25% to <0.50%	39 093	161 527	102 878	0.19	53	38.11	1.10	73
	0.50% to <0.75%	674 096	14 931	727 505	0.46	19	43.33	3.03	921
	0.75% to <2.50%	84 475	100 428	121 614	0.47	42	42.66	3.19	202
	2.50% to <10.00%	583	4 547	2 574	0.88	10	35.79	4.36	6
	10.00% to <45.00%	-	-	-	0.04	5	52.00	5.00	-
	45.00% to <100.00%	500	-	500	29.16	13	36.80	2.86	30
Stage 2	0.00 to <0.15%	3 272	23 059	13 234	0.51	784	29.51	6.96	276
	0.15% to <0.25%	-	3 679	1 607	1.18	3	43.72	0.18	10
	0.25% to <0.50%	-	100	23	0.33	1	38.00	0.41	0
	0.50% to <0.75%	-	175	89	46.92	1	51.21	3.00	21
	0.75% to <2.50%	-	33	33	0.02	35	-	1.48	-
	2.50% to <10.00%	527	546	981	30.56	11	38.61	1.93	126
	10.00% to <45.00%	-	-	-	-	-	-	-	-
	45.00% to <100.00%	55	1	56	47.34	8	52.59	4.94	14
POCI non-default		-	-	-	-	-	-	-	-

	Time in default	EAD (basis of ECL calculation)	Number of exposures	EAD weighted average LGD (%)	Expected credit loss (ECL)
		a	b	c	d
Institutions					
Stage 3	to 12 months	-	-	-	-
	from 13 to 24 months	-	-	-	-
	from 25 to 36 months	-	-	-	-
	from 37 to 48 months	-	-	-	-
	from 49 to 60 months	-	-	-	-
	from 61 to 84 months	-	-	-	-
	above 84 months	-	-	-	-
POCI	to 12 months	-	-	-	-
	from 13 to 24 months	-	-	-	-
	from 25 to 36 months	-	-	-	-
	from 37 to 48 months	-	-	-	-
	from 49 to 60 months	-	-	-	-
	from 61 to 84 months	-	-	-	-
	above 84 months	-	-	-	-

Disclosures regarding capital adequacy as at 31 December 2024 (PLN thousand)

	PD scale	On-balance sheet exposures	Off-balance-sheet exposures	EAD (basis of ECL calculation)	EAD weighted average PD (%)	Number of exposures	EAD weighted average LGD (%)	EAD weighted average maturity (years)	Expected credit loss (ECL)
		a	b	c	d	e	f	g	h
Exposures to governments and central banks portfolio									
Stage 1	0.00 to <0.15%	84 109 005	-	84 210 210	0.09	123	16.47	2.29	2 266
	0.15% to <0.25%	84 400	-	84 362	0.12	1	15.00	0.41	-
	0.25% to <0.50%	-	-	-	-	-	-	-	-
	0.50% to <0.75%	-	-	-	-	-	-	-	-
	0.75% to <2.50%	-	-	-	-	-	-	-	-
	2.50% to <10.00%	-	-	-	-	-	-	-	-
	10.00% to <45.00%	-	-	-	-	-	-	-	-
	45.00% to <100.00%	-	-	-	-	-	-	-	-
Stage 2	0.00 to <0.15%	1	40	39	2.39	2	52.00	3.03	1
	0.15% to <0.25%	-	-	-	-	-	-	-	-
	0.25% to <0.50%	-	-	-	-	-	-	-	-
	0.50% to <0.75%	-	-	-	-	-	-	-	-
	0.75% to <2.50%	-	-	-	-	-	-	-	-
	2.50% to <10.00%	-	-	-	-	-	-	-	-
	10.00% to <45.00%	-	-	-	-	-	-	-	-
	45.00% to <100.00%	-	-	-	-	-	-	-	-
POCI non-default		-	-	-	-	-	-	-	-

	Time in default	EAD (basis of ECL calculation)	Number of exposures	EAD weighted average LGD (%)	Expected credit loss (ECL)
		a	b	c	d
Exposures to governments and central banks portfolio					
Stage 3	to 12 months	-	-	-	-
	from 13 to 24 months	-	-	-	-
	from 25 to 36 months	-	-	-	-
	from 37 to 48 months	-	-	-	-
	from 49 to 60 months	-	-	-	-
	from 61 to 84 months	-	-	-	-
	above 84 months	-	-	-	-
POCI	to 12 months	-	-	-	-
	from 13 to 24 months	-	-	-	-
	from 25 to 36 months	-	-	-	-
	from 37 to 48 months	-	-	-	-
	from 49 to 60 months	-	-	-	-
	from 61 to 84 months	-	-	-	-
	above 84 months	-	-	-	-

Disclosures regarding capital adequacy as at 31 December 2024 (PLN thousand)

	PD scale	On-balance sheet exposures	Off-balance-sheet exposures	EAD (basis of ECL calculation)	EAD weighted average PD (%)	Number of exposures	EAD weighted average LGD (%)	EAD weighted average maturity (years)	Expected credit loss (ECL)
		a	b	c	d	e	f	g	h
Retail non-mortgage portfolio (microfirms)									
Stage 1	0.00 to <0.15%	103 110	106 790	142 603	0.56	3 572	20.54	-	865
	0.15% to <0.25%	138 877	211 355	219 659	0.96	5 881	32.51	-	982
	0.25% to <0.50%	681 681	455 391	871 889	0.96	17 236	27.07	-	3 460
	0.50% to <0.75%	997 079	397 776	1 182 138	1.03	17 897	25.67	-	4 880
	0.75% to <2.50%	3 925 272	1 767 425	4 780 086	1.72	77 514	36.23	-	39 629
	2.50% to <10.00%	3 400 793	348 361	3 607 756	2.90	48 257	26.11	-	37 437
	10.00% to <45.00%	656 038	14 031	668 040	5.82	5 025	11.80	-	5 049
	45.00% to <100.00%	2 651	381	2 928	6.85	74	27.80	-	60
Stage 2	0.00 to <0.15%	39 764	14 776	47 655	2.81	1 058	30.16	-	2 543
	0.15% to <0.25%	53 995	16 581	63 470	4.73	1 416	41.63	-	4 876
	0.25% to <0.50%	158 897	41 148	183 632	6.31	4 415	43.70	-	16 605
	0.50% to <0.75%	182 610	36 726	205 673	6.52	5 035	43.47	-	18 120
	0.75% to <2.50%	712 446	107 974	788 346	10.13	18 509	44.68	-	91 779
	2.50% to <10.00%	451 727	46 751	491 556	16.35	14 044	35.62	-	57 883
	10.00% to <45.00%	80 754	10 424	90 945	20.70	1 538	13.62	-	3 842
	45.00% to <100.00%	4 305	594	4 636	8.50	239	50.27	-	500
POCI non-default		6 878	223	7 297	12,59	75	61.07	-	1 356

Disclosures regarding capital adequacy as at 31 December 2024 (PLN thousand)

	Time in default	EAD (basis of ECL calculation)	Number of exposures	EAD weighted average LGD (%)	Expected credit loss (ECL)
		a	b	c	d
Retail non-mortgage portfolio (microfirms)					
Stage 3	to 12 months	501 400	7 382	56.96	258 600
	from 13 to 24 months	196 357	3 167	70.95	142 595
	from 25 to 36 months	71 010	1 341	79.34	60 468
	from 37 to 48 months	28 401	836	82.52	25 832
	from 49 to 60 months	31 453	912	90.70	30 551
	from 61 to 84 months	43 028	2 994	91.23	42 387
	above 84 months	762	44	88.28	668
POCI	to 12 months	74 623	462	31.11	21 964
	from 13 to 24 months	13 422	88	39.42	5 462
	from 25 to 36 months	1 810	17	35.59	706
	from 37 to 48 months	419	10	32.71	90
	from 49 to 60 months	172	4	37.63	4
	from 61 to 84 months	-	-	-	-
	above 84 months	62	1	16.37	-

Disclosures regarding capital adequacy as at 31 December 2024 (PLN thousand)

	PD scale	On-balance sheet exposures	Off-balance-sheet exposures	EAD (basis of ECL calculation)	EAD weighted average PD (%)	Number of exposures	EAD weighted average LGD (%)	EAD weighted average maturity (years)	Expected credit loss (ECL)
		a	b	c	d	e	f	g	h
Retail non-mortgage portfolio (natural persons)									
Stage 1	0.00 to <0.15%	655 520	278 566	824 745	0.27	46 799	39.04	-	864
	0.15% to <0.25%	693 609	116 438	770 902	0.36	38 631	43.06	-	1 263
	0.25% to <0.50%	841 061	111 449	915 097	0.58	53 704	40.22	-	2 221
	0.50% to <0.75%	751 928	44 316	781 179	0.83	50 916	46.15	-	3 011
	0.75% to <2.50%	5 928 934	68 056	5 967 805	1.70	346 617	54.15	-	53 769
	2.50% to <10.00%	2 289 822	7 656	2 292 620	3.42	167 574	55.40	-	42 548
	10.00% to <45.00%	53 077	345	53 319	9.18	5 181	53.50	-	2 608
	45.00% to <100.00%	907	1	908	23.69	36	54.01	-	108
Stage 2	0.00 to <0.15%	95 898	12 618	104 445	3.81	6 681	41.78	-	3 581
	0.15% to <0.25%	161 505	10 061	168 683	4.33	8 635	43.85	-	6 788
	0.25% to <0.50%	343 641	15 386	355 194	4.90	19 209	42.82	-	15 288
	0.50% to <0.75%	240 091	6 393	244 466	5.93	14 328	44.39	-	12 811
	0.75% to <2.50%	607 949	5 339	611 692	9.72	48 486	48.60	-	55 230
	2.50% to <10.00%	291 900	172	291 464	17.03	62 416	53.41	-	44 155
	10.00% to <45.00%	8 418	11	8 376	24.93	3 237	52.25	-	1 584
	45.00% to <100.00%	18 867	15	18 876	8.61	1 251	54.73	-	1 760
POCI non-default		14 567	10	20 587	8,53	629	58.60	-	547

Disclosures regarding capital adequacy as at 31 December 2024 (PLN thousand)

	Time in default	EAD (basis of ECL calculation	Number of exposures	EAD weighted average LGD (%)	Expected credit loss (ECL)
		a	b	c	d
Retail non-mortgage portfolio (natural persons)					
Stage 3	to 12 months	365 022	25 523	53.87	197 750
	from 13 to 24 months	136 679	7 652	61.49	84 278
	from 25 to 36 months	47 911	2 091	59.46	28 671
	from 37 to 48 months	15 427	680	61.98	9 684
	from 49 to 60 months	5 684	262	73.63	4 257
	from 61 to 84 months	12 901	489	96.49	12 476
	above 84 months	12 766	614	99.49	12 709
POCI	to 12 months	95 096	1 374	32.04	27 949
	from 13 to 24 months	12 934	203	33.51	3 996
	from 25 to 36 months	2 716	118	36.35	570
	from 37 to 48 months	3 333	68	36.11	372
	from 49 to 60 months	566	14	36.94	40
	from 61 to 84 months	30	2	23.26	-
	above 84 months	-	-	-	-

Disclosures regarding capital adequacy as at 31 December 2024 (PLN thousand)

	PD scale	On-balance sheet exposures	Off-balance-sheet exposures	EAD (basis of ECL calculation)	EAD weighted average PD (%)	Number of exposures	EAD weighted average LGD (%)	EAD weighted average maturity (years)	Expected credit loss (ECL)
		a	b	c	d	e	f	g	h
Retail revolving loans portfolio									
Stage 1	0.00 to <0.15%	155 342	780 839	444 493	0.36	65 945	34.94	-	677
	0.15% to <0.25%	161 614	696 345	430 069	0.43	52 649	36.59	-	750
	0.25% to <0.50%	301 701	1 142 559	793 884	0.54	86 967	38.33	-	1 788
	0.50% to <0.75%	212 478	614 427	513 992	0.70	51 267	39.49	-	1 625
	0.75% to <2.50%	716 603	988 981	1 232 553	1.42	127 822	39.34	-	8 437
	2.50% to <10.00%	368 946	236 002	489 047	3.21	54 460	39.09	-	7 186
	10.00% to <45.00%	18 832	11 344	24 051	5.03	3 857	39.18	-	504
	45.00% to <100.00%	199	133	250	5.50	37	37.90	-	5
Stage 2	0.00 to <0.15%	63 517	65 129	95 568	3.46	8 113	40.08	-	4 838
	0.15% to <0.25%	82 891	59 382	113 860	4.31	7 794	42.06	-	7 240
	0.25% to <0.50%	176 432	89 890	225 291	5.25	14 518	42.96	-	16 881
	0.50% to <0.75%	150 488	58 127	184 379	5.75	11 779	42.92	-	14 644
	0.75% to <2.50%	385 503	70 221	430 658	8.73	29 956	42.00	-	44 950
	2.50% to <10.00%	154 129	14 469	163 656	13.90	12 998	41.56	-	22 293
	10.00% to <45.00%	6 829	795	7 225	17.61	879	39.60	-	1 072
	45.00% to <100.00%	1 987	1 504	2 668	4.62	323	40.33	-	154
POCI non-default		1 656	403	1 452	7,35	123	42.03	-	761

Disclosures regarding capital adequacy as at 31 December 2024 (PLN thousand)

	Time in default	EAD (basis of ECL calculation)	Number of exposures	EAD weighted average LGD (%)	Expected credit loss (ECL)
		a	b	c	d
Retail revolving loans portfolio					
Stage 3	to 12 months	143 201	8 010	47.57	69 380
	from 13 to 24 months	51 377	2 546	56.95	29 793
	from 25 to 36 months	16 711	705	53.79	9 218
	from 37 to 48 months	5 109	240	52.31	2 775
	from 49 to 60 months	1 680	82	33.73	593
	from 61 to 84 months	1 374	65	31.44	451
	above 84 months	731	42	40.69	331
POCI	to 12 months	45	6	30.81	12
	from 13 to 24 months	-	-	-	-
	from 25 to 36 months	273	4	61.84	134
	from 37 to 48 months	-	-	-	-
	from 49 to 60 months	86	4	12.72	1
	from 61 to 84 months	36	1	100.00	37
	above 84 months	90	1	14.91	13

Disclosures regarding capital adequacy as at 31 December 2024 (PLN thousand)

	PD scale	On-balance sheet exposures	Off-balance-sheet exposures	EAD (basis of ECL calculation)	EAD weighted average PD (%)	Number of exposures	EAD weighted average LGD (%)	EAD weighted average maturity (years)	Expected credit loss (ECL)
		a	b	c	d	e	f	g	h
Retail mortgage portfolio (microfirms)									
Stage 1	0.00 to <0.15%	34 662	6 022	37 273	0.94	92	17.98	-	131
	0.15% to <0.25%	135 183	20 012	144 451	1.04	369	17.09	-	479
	0.25% to <0.50%	314 319	42 737	334 597	1.10	926	17.43	-	1 048
	0.50% to <0.75%	213 411	28 108	226 267	1.13	572	18.06	-	796
	0.75% to <2.50%	555 610	73 721	589 652	1.23	1 277	22.88	-	2 536
	2.50% to <10.00%	125 166	11 022	130 173	2.31	323	24.25	-	827
	10.00% to <45.00%	7 827	356	7 992	2.58	20	16.08	-	38
	45.00% to <100.00%	272	11	275	1.25	1	30.36	-	1
Stage 2	0.00 to <0.15%	2 665	149	2 736	6.02	9	17.42	-	127
	0.15% to <0.25%	13 697	173	13 748	4.02	32	19.63	-	547
	0.25% to <0.50%	48 209	2 983	49 593	9.82	115	18.28	-	2 462
	0.50% to <0.75%	51 749	2 832	53 043	6.51	106	19.76	-	2 667
	0.75% to <2.50%	88 053	4 488	89 590	6.78	227	20.49	-	5 225
	2.50% to <10.00%	18 587	46	18 599	11.37	52	18.29	-	971
	10.00% to <45.00%	827	-	827	18.25	4	13.61	-	39
	45.00% to <100.00%	1 545	513	1 786	1.14	5	20.98	-	14
POCI non-default		2 555	38	3 439	2,00	7	33.95	-	-

Disclosures regarding capital adequacy as at 31 December 2024 (PLN thousand)

	Time in default	EAD (basis of ECL calculation)	Number of exposures	EAD weighted average LGD (%)	Expected credit loss (ECL)
		a	b	c	d
Retail mortgage portfolio (microfirms)					
Stage 3	to 12 months	58 630	109	21.94	12 922
	from 13 to 24 months	32 786	67	26.30	8 641
	from 25 to 36 months	26 153	54	31.06	8 145
	from 37 to 48 months	17 165	34	38.36	6 598
	from 49 to 60 months	7 404	13	46.35	3 453
	from 61 to 84 months	8 371	15	60.41	5 060
	above 84 months	11 898	21	96.39	11 470
POCI	to 12 months	1 069	3	12.70	122
	from 13 to 24 months	6 368	2	19.25	310
	from 25 to 36 months	317	2	22.85	43
	from 37 to 48 months	3 715	3	33.07	2
	from 49 to 60 months	1 761	2	80.40	846
	from 61 to 84 months	344	1	15.74	-
	above 84 months	4 973	10	79.11	2 798

Disclosures regarding capital adequacy as at 31 December 2024 (PLN thousand)

	PD scale	On-balance sheet exposures	Off-balance-sheet exposures	EAD (basis of ECL calculation)	EAD weighted average PD (%)	Number of exposures	EAD weighted average LGD (%)	EAD weighted average maturity (years)	Expected credit loss (ECL)
		a	b	c	d	e	f	g	h
Retail mortgage portfolio (natural persons)									
Stage 1	0.00 to <0.15%	24 489 648	785 015	24 853 365	0.13	87 731	15.78	-	5 757
	0.15% to <0.25%	7 813 934	275 703	7 951 713	0.19	26 086	16.03	-	2 761
	0.25% to <0.50%	5 655 846	185 167	5 749 702	0.30	19 696	15.26	-	3 263
	0.50% to <0.75%	1 533 723	26 074	1 545 529	0.40	5 707	15.01	-	1 172
	0.75% to <2.50%	1 132 155	18 686	1 141 088	0.41	5 211	15.42	-	1 077
	2.50% to <10.00%	124 520	961	124 916	0.76	802	15.64	-	243
	10.00% to <45.00%	24 575	330	24 590	1.27	224	16.47	-	50
	45.00% to <100.00%	1 505	-	1 503	19.02	9	10.58	-	24
Stage 2	0.00 to <0.15%	3 414 694	9 355	3 356 680	1.60	9 252	16.40	-	31 015
	0.15% to <0.25%	466 216	2 008	461 947	5.04	1 305	16.14	-	9 632
	0.25% to <0.50%	361 547	973	359 327	8.60	1 146	14.98	-	9 409
	0.50% to <0.75%	154 946	889	154 328	8.89	476	15.33	-	4 630
	0.75% to <2.50%	251 893	1 696	251 297	7.12	804	16.18	-	6 817
	2.50% to <10.00%	31 632	-	31 508	9.94	137	16.77	-	1 129
	10.00% to <45.00%	5 120	-	5 127	13.30	32	14.70	-	162
	45.00% to <100.00%	17 823	127	17 887	4.24	149	19.32	-	410
POCI non-default		25 455	-	32 118	6,83	146	19.30	-	606

Disclosures regarding capital adequacy as at 31 December 2024 (PLN thousand)

	Time in default	EAD (basis of ECL calculation)	Number of exposures	EAD weighted average LGD (%)	Expected credit loss (ECL)
		a	b	c	d
Retail mortgage portfolio (natural persons)					
Stage 3	to 12 months	206 670	799	19.15	39 758
	from 13 to 24 months	102 830	412	26.01	26 790
	from 25 to 36 months	130 014	463	28.30	36 869
	from 37 to 48 months	44 096	224	43.63	19 276
	from 49 to 60 months	46 116	158	59.37	27 625
	from 61 to 84 months	49 640	159	83.24	41 353
	above 84 months	92 822	212	95.98	89 147
POCI	to 12 months	6 915	32	16.34	815
	from 13 to 24 months	8 093	24	26.75	1 642
	from 25 to 36 months	7 335	20	39.07	1 643
	from 37 to 48 months	10 248	11	57.19	4 339
	from 49 to 60 months	1 340	7	23.81	120
	from 61 to 84 months	588	2	31.37	187
	above 84 months	14 898	34	87.36	8 580

Disclosures regarding capital adequacy as at 31 December 2024 (PLN thousand)

	PD scale	On-balance sheet exposures	Off-balance-sheet exposures	EAD (basis of ECL calculation)	EAD weighted average PD (%)	Number of exposures	EAD weighted average LGD (%)	EAD weighted average maturity (years)	Expected credit loss (ECL)
		a	b	c	d	e	f	g	h
Corporations - specialized lending exposures									
Stage 1	0.00 to <0.15%	10 723 093	2 299 783	11 567 687	1.65	893	39.65	5.96	71 345
	0.15% to <0.25%	4 117	490	4 638	2.08	5	29.61	2.71	24
	0.25% to <0.50%	182 298	22 463	196 607	2.02	16	38.60	4.20	1 519
	0.50% to <0.75%	-	148	12	0.81	1	114.95	1.12	-
	0.75% to <2.50%	1 211 243	593 061	1 396 657	2.62	266	38.26	3.56	14 083
	2.50% to <10.00%	550 917	13 533	555 662	3.24	58	19.63	4.23	1 730
	10.00% to <45.00%	132 973	5 850	133 209	4.82	9	25.60	3.64	524
	45.00% to <100.00%	16 858	49	16 906	9.34	9	27.13	1.37	137
Stage 2	0.00 to <0.15%	876 401	36 215	887 571	5.81	70	41.41	3.11	32 256
	0.15% to <0.25%	-	-	-	-	-	-	-	-
	0.25% to <0.50%	2	-	2	1.76	3	38.89	5.00	-
	0.50% to <0.75%	-	-	-	-	-	-	-	-
	0.75% to <2.50%	126 227	28 761	132 041	7.08	6	48.38	3.02	9 646
	2.50% to <10.00%	87 584	155	87 739	8.14	5	20.89	1.73	926
	10.00% to <45.00%	-	-	-	-	-	-	-	-
	45.00% to <100.00%	5 577	-	5 577	13.42	2	40.10	1.41	165
POCI non-default		16 283	-	18 149	1,00	1	30.98	2.20	-

Disclosures regarding capital adequacy as at 31 December 2024 (PLN thousand)

	Time in default	EAD (basis of ECL calculation)	Number of exposures	EAD weighted average LGD (%)	Expected credit loss (ECL)
		a	b	c	d
Corporations - specialized lending exposures					
Stage 3	to 12 months	322 601	15	-	141 163
	from 13 to 24 months	346 074	16	-	188 882
	from 25 to 36 months	147 708	2	-	112 068
	from 37 to 48 months	28	4	-	16
	from 49 to 60 months	120	1	-	120
	from 61 to 84 months	7 365	2	-	2 732
	above 84 months	-	-	-	-
POCI	to 12 months	38 601	7	-	25 907
	from 13 to 24 months	52 076	4	-	23 563
	from 25 to 36 months	-	-	-	-
	from 37 to 48 months	-	-	-	-
	from 49 to 60 months	-	-	-	-
	from 61 to 84 months	-	-	-	-
	above 84 months	42 740	1	-	-

Disclosures regarding capital adequacy as at 31 December 2024 (PLN thousand)

	PD scale	On-balance sheet exposures	Off-balance-sheet exposures	EAD (basis of ECL calculation)	EAD weighted average PD (%)	Number of exposures	EAD weighted average LGD (%)	EAD weighted average maturity (years)	Expected credit loss (ECL)
		a	b	c	d	e	f	g	h
Corporations - medium and small enterprises									
Stage 1	0.00 to <0.15%	321 934	882 649	780 920	0.20	1 335	35.78	1.81	643
	0.15% to <0.25%	300 205	619 966	628 646	0.25	851	39.57	1.64	764
	0.25% to <0.50%	577 662	1 357 996	1 200 304	0.33	1 622	36.56	2.73	1 481
	0.50% to <0.75%	699 685	874 947	1 129 508	0.59	1 163	26.75	2.61	2 102
	0.75% to <2.50%	3 988 947	3 454 777	5 618 883	1.13	5 116	24.32	2.38	17 192
	2.50% to <10.00%	2 054 462	1 140 150	2 564 481	2.30	2 151	25.34	1.80	15 932
	10.00% to <45.00%	39 966	81 258	92 551	10.22	186	33.51	1.88	1 089
	45.00% to <100.00%	25 707	6 336	29 122	3.50	196	39.38	5.00	274
Stage 2	0.00 to <0.15%	166 418	178 686	256 482	2.33	893	35.10	2.06	3 376
	0.15% to <0.25%	54 197	77 087	102 314	1.96	92	39.89	1.95	1 335
	0.25% to <0.50%	134 548	93 985	181 864	4.71	184	25.27	2.20	2 167
	0.50% to <0.75%	99 554	83 258	139 304	2.70	125	27.80	2.26	1 208
	0.75% to <2.50%	718 852	301 362	842 150	4.62	703	21.45	1.94	10 353
	2.50% to <10.00%	535 758	183 902	594 846	5.25	485	24.64	1.70	8 544
	10.00% to <45.00%	94 934	21 904	111 319	11.03	143	14.16	3.04	2 298
	45.00% to <100.00%	266	11 193	8 741	18.43	71	43.59	1.39	590
POCI non-default		365	-	591	2,10	1	2.65	2.08	-

Disclosures regarding capital adequacy as at 31 December 2024 (PLN thousand)

	Time in default	EAD (basis of ECL calculation)	Number of exposures	EAD weighted average LGD (%)	Expected credit loss (ECL)
		a	b	c	d
Corporations - medium and small enterprises					
Stage 3	to 12 months	315 420	421	-	168 006
	from 13 to 24 months	115 400	163	-	77 242
	from 25 to 36 months	46 441	44	-	26 339
	from 37 to 48 months	14 638	16	-	8 149
	from 49 to 60 months	18 944	58	-	15 868
	from 61 to 84 months	-	-	-	-
	above 84 months	-	-	-	-
POCI	to 12 months	27 165	12	-	20 477
	from 13 to 24 months	22 131	17	-	9 158
	from 25 to 36 months	5 388	7	-	2 151
	from 37 to 48 months	1 887	4	-	317
	from 49 to 60 months	1 570	2	-	759
	from 61 to 84 months	-	-	-	-
	above 84 months	-	-	-	-

Disclosures regarding capital adequacy as at 31 December 2024 (PLN thousand)

	PD scale	On-balance sheet exposures	Off-balance-sheet exposures	EAD (basis of ECL calculation)	EAD weighted average PD (%)	Number of exposures	EAD weighted average LGD (%)	EAD weighted average maturity (years)	Expected credit loss (ECL)
		a	b	c	d	e	f	g	h
Corporations - other									
Stage 1	0.00 to <0.15%	891 636	1 247 804	1 528 499	0.24	3 552	29.15	2.65	6 984
	0.15% to <0.25%	1 276 805	2 233 513	2 096 042	0.31	1 650	38.68	1.43	2 522
	0.25% to <0.50%	4 033 816	3 112 814	5 104 409	0.51	4 228	29.79	2.15	16 596
	0.50% to <0.75%	1 466 058	1 169 933	1 930 882	0.68	3 278	29.82	1.68	3 878
	0.75% to <2.50%	6 380 256	5 254 779	8 566 955	1.15	13 059	28.43	2.25	42 960
	2.50% to <10.00%	3 079 695	1 382 575	3 655 838	2.23	6 886	22.38	2.62	16 348
	10.00% to <45.00%	279 382	51 921	299 459	6.16	797	20.33	3.40	1 589
	45.00% to <100.00%	36 037	50 589	57 931	3.76	450	46.15	2.03	876
Stage 2	0.00 to <0.15%	200 754	149 178	279 350	2.43	3 211	32.98	2.70	3 092
	0.15% to <0.25%	137 928	60 956	167 727	1.88	693	24.56	1.90	744
	0.25% to <0.50%	633 552	264 897	711 924	2.58	1 497	22.66	2.18	4 146
	0.50% to <0.75%	428 012	395 868	585 950	1.78	1 204	33.75	4.05	3 492
	0.75% to <2.50%	691 116	322 239	832 336	5.41	3 100	22.89	2.13	11 268
	2.50% to <10.00%	468 922	283 744	585 604	6.30	1 857	16.11	2.08	7 999
	10.00% to <45.00%	54 825	26 952	75 738	14.19	344	10.29	1.42	1 270
	45.00% to <100.00%	34 575	6 959	39 577	8.32	297	41.05	0.59	1 493
POCI non-default		-	2 694	212	0,05	1	2.65	0.29	-

Disclosures regarding capital adequacy as at 31 December 2024 (PLN thousand)

	Time in default	EAD (basis of ECL calculation)	Number of exposures	EAD weighted average LGD (%)	Expected credit loss (ECL)
		a	b	c	d
Corporations - other					
Stage 3	to 12 months	305 471	1 319	-	175 363
	from 13 to 24 months	90 945	490	-	58 545
	from 25 to 36 months	46 139	153	-	36 930
	from 37 to 48 months	100 414	90	-	81 057
	from 49 to 60 months	50 788	206	-	35 689
	from 61 to 84 months	56 031	215	-	54 625
	above 84 months	25 759	14	-	19 383
POCI	to 12 months	-	-	-	-
	from 13 to 24 months	33 401	4	-	19 176
	from 25 to 36 months	417	2	-	239
	from 37 to 48 months	1 918	1	-	-
	from 49 to 60 months	10 685	1	-	8 150
	from 61 to 84 months	25 006	2	-	4 418
	above 84 months	-	-	-	-

9. Operational risk

Operational risk is understood as the possibility of a loss resulting from inadequate or failed internal processes, people and systems or from external events, including also legal risk. It is comprehensive in nature, and can be caused by both factors in the Bank's environment and the Bank itself. External and internal factors affecting operational risk, due to their dynamic nature, are subject to constant analysis and evaluation.

Operational risk management is performed in mBank and, at the consolidated level, in mBank Group. While organising the operational risk management process, the Bank takes into account regulatory requirements, which are the starting point for preparation of framework for the operational risk control and management system in the Bank and the mBank Group.

The aim of operational risk management in the Bank is to reduce the causes of operational events, the probability of their occurrence and the severity of potential consequences. mBank focuses its activities on an effective management process in each line of defense. An important factor for mBank Group is to deepen the awareness of operational risk and build an organizational culture that allows to develop appropriate risk mitigating mechanisms.

Due to the dynamics of changes in the factors influencing operational risk, the key elements of the risk management process are: identification, control and monitoring , counteracting the materialization of operational risks and reporting risks.

In order to effectively manage operational risk, the bank uses methods and quantitative and qualitative tools that aim at cause-oriented management of this risk. The bank carries them out in conjunction with the control function, which is part of the internal control system.

The basic tools for operational risk management are: Operational Loss Register, Self-Assessment of Operational Risk, Operational Risk Scenarios, Key Risk Indicators.

mBank Group conducts activities to protect mBank and its subsidiaries against the effects of operational risk materialization. To do this:

- a proactive operational risk control and management system for all significant business areas and at every level of the organizational hierarchy has been established,
- methods and tools for managing and controlling operational risk in organizational units of mBank and mBank Group subsidiaries are actively used,
- methods and tools for controlling and managing operational risk are coordinated across mBank Group.

The organization of the operational risk control and management system is designed to enable effective control and management of this risk at all levels of the Bank's organizational structure. The structure of operational risk control and management includes, in particular, the role of the Supervisory Board and its Committees, the Management Board of the Bank, the Risk Committees, the Vice President of Risk Management, the Non-Financial Risk Management Department, and the tasks of operational risk managers in individual organizational units and business areas of the bank within all lines of defense.

The central operational risk control function focuses on preparing and coordinating the bank's operational risk control and management process, developing tools, raising awareness in the bank about operational risk and the control function, and reporting the operational risk profile. Operational risk management, on the other hand, is carried out in each of the bank's organizational units and Group subsidiaries. It involves identifying, assessing and monitoring operational risk and taking measures to avoid, reduce or transfer it.

Operating in a number of significant business areas, throughout the country as well as outside of Poland through foreign branches, as part of a broad and diversified product offering aimed at a very broad spectrum of customers, naturally makes mBank vulnerable to operational risks that can come from a wide variety of sources.

In the classification of operating losses by business line segregated in accordance with the CRR Regulation, the vast majority of the mBank Group's operating losses are in the following lines: retail banking and commercial banking. In the classification of losses by risk category, the Group's largest losses are in the operational risk category: customers, products and business practices. This level in 2024 was primarily due to incurred costs of legal risk related to loans in CHF.

The level of operational risk losses is monitored on an ongoing basis and reported regularly to the Bank's Management Board, the Bank's Supervisory Board and the Business and Risk Forum Committees. When operational loss thresholds are exceeded, there are monitoring and escalation mechanisms in the mBank Group. They ensure that operational events are analysed appropriately and trigger corrective actions.

Disclosures regarding capital adequacy as at 31 December 2024 (PLN thousand)

EU OR1 - Operational risk own funds requirements and risk-weighted exposure amounts, addressing disclosure requirements of art. 446, 445 and 438 letter d) of CRR Regulation.

		a	b	c	d	e
	Banking activities	Relevant indicator			Own funds requirements	Risk exposure amount
		2021	2022	2023		
1	Banking activities subject to basic indicator approach (BIA)	-	-	-	-	-
2	Banking activities subject to standardised (TSA) / alternative standardised (ASA) approaches*	6 211 652	8 308 609	11 149 376	1 083 863	13 548 283
3	Subject to TSA:	6 211 652	8 308 609	11 149 376		
4	Subject to ASA:	-	-	-		
5	Banking activities subject to advanced measurement approaches AMA	-	-	-	-	-

*As a result of the review of assumptions and implementation of changes in the methodology for estimating regulatory capital for operational risk, mBank Group updated the values of indicators for 2021 and 2022. The changes included review and update of the assumptions used in the existing methodology, taking into account changing operational and business conditions.

10. Liquidity risk

The below information addressees the scope of disclosure from table EU LIQA.

Liquidity risk is understood as the risk of losing the ability to fund assets and timely execute payments arising from mBank Group's balance sheet and off-balance sheet items on terms and conditions convenient for mBank Group and at a market price.

The purpose of liquidity risk management is to ensure and maintain mBank Group's ability to meet both current and future obligations. mBank Group accomplishes this goal by diversifying stable sources of funding in relation to customer groups (from which it obtains deposits), products and currencies, maintaining the liquidity buffer, while optimizing the balance sheet in terms of profitability. mBank Group's long-term activities in this area are implemented taking into account the conditions as to the possibility of obtaining funding and profitability of the business. To this end, mBank Group is preparing a funding strategy, which is an element of long-term liquidity management. It is to provide, among others effective diversification of sources and funding period. The strategy is based on business plans, describes the main sources of funding and factors affecting mBank Group's ability to obtain appropriate funding.

In 2024, the European Central Bank began a series of interest rate cuts, justifying its decisions with falling inflation in the eurozone. At the same time, the NBP, after a long break in tightening monetary policy, kept interest rates unchanged. In conditions of large excess liquidity that persisted in the Polish banking sector, banks kept deposit interest rates stable.

In 2024, the Bank operated in an uncertain geopolitical and market environment. Despite unpredictable market conditions, the Bank demonstrated high resilience to liquidity risk. The increase in the deposit base and the low growth rate of credit activity directly contributed to strengthening the liquidity position.

The Bank maintained high liquidity due to the high share of retail deposits in the Bank's balance sheet, a large portfolio of liquid assets, and low concentration of liabilities. The high level of guaranteed deposits also was important. Additionally, in 2024, an increase in the value of the Treasury bond portfolio was noted, which contributed to an increase in the level of the liquid asset buffer.

In December 2024, the Bank successfully issued AT1 capital bonds in PLN, which were included in additional instruments in Tier 1 capital and the own green bonds in the format of senior preferred bonds (PS) in EUR under the EMTN program, which also had a positive effect on the Bank's liquidity level.

As part of the conclusions from the analysis of market events, in 2024 Bank increased the frequency of monitoring early warning indicators in the area of liquidity and raised the minimum management buffer for the LCR measure to meet supervisory expectations and ensure an even more resilient liquidity risk profile.

Despite such volatile market conditions, mBank's liquidity measures throughout the reporting period were well above minimum regulatory levels and internal levels that determine risk appetite.

Risk management organization

The organization of liquidity risk management in mBank Group has a hierarchical structure. mBank's Supervisory Board approves and supervises the implementation of the Liquidity Risk Management Strategy adopted by the Bank's Management Board.

mBank Group established the liquidity adequacy assessment process (ILAAP), the purpose of which is to define the framework of the liquidity risk management process ensuring the maintenance of a sufficient level of liquidity in relation to the established risk appetite, allowing for the survival of defined stress conditions in a defined time horizon.

Strategic liquidity risk management is the responsibility of the Bank's Management Board, which delegates part of its responsibilities to appropriate committees, i.e. the Capital, Asset and Liability Committee and the Financial Market Risk Committee.

The roles and tasks in the area of liquidity risk management were organized according to the three defense lines model. The following units participate in this process.

- **Treasury Department** - first line of defense, provides funds for settlements on the bank's accounts, maintains certain values of risk parameters and measures within the granted liquidity limits, maintains a portfolio of securities as a buffer in the event of a stress situation materializing, ensures long-term funding in the form of issuance of debt securities and provides funding for companies from the mBank Group.
- **Financial Resources Management Department** - first line of defense is responsible for operational management of long term liquidity.

- **Financial Markets Settlement and Services Department** – first line of defense, is responsible for the operational supervision of the correctness of cash flows on the bank's accounts and performs functions in the settlement of securities transactions.
- **Balance Risk Management Department** - second line of defense, is responsible for control and ongoing monitoring of the Bank's liquidity risk level. Monitors the level of financial liquidity on a daily basis.
- **Internal Audit Department** – third line of defense, makes independent assessments of first and second line of defense.
- **Validation Unit –** in the scope of models validation for liquidity risk use.

Centralization level of liquidity risk management

mBank is the parent company in mBank Group. Therefore, as part of consolidated supervision and liquidity risk management at the mBank Group level, the Bank's Management Board sets the rules for intra-group funding and sets liquidity limits for individual entities of the mBank Group. Nevertheless, the management boards of individual subsidiaries are responsible for managing liquidity risk in their companies. They are responsible for complying with intra-group limits accepted by them and commit to adhering to the principles of placing liquidity surpluses as established within the mBank Group.

Measuring, limiting and reporting liquidity risk

mBank has a process of cyclical reporting of liquidity risk. It includes both the delivery of a standard daily management information package for entities dealing with liquidity risk management and persons controlling the liquidity risk management process at the operational level and for the purposes of making strategic decisions regarding liquidity risk.

The following measures are reported daily:

- regulatory measures LCR and NSFR,
- level of liquidity gap for mBank, mBank Group and subsidiaries significant from the point of view of liquidity risk along with the use of limits imposed on them in:
  - base scenario within one year and above one year time horizons,
  - stress scenarios,
- SLRR (Stress Liquidity Reserve Requirement), i.e. the requirement of a stress reserve calculated as the difference between the base scenario and the minimum of the stress scenarios and SLRP (Stress Liquidity Reserve Portfolio) - a portfolio of liquid assets with funding positions that serve as a buffer for the survival of defined crisis conditions. The value of the SLRP should exceed the SLRR over a survival horizon of 1 month,
- intraday liquidity,
- other internal measures of liquidity risk.

The following measures are reported weekly:

- early warning indicators (EWI), consisting of indicators monitoring the level of use of regulatory and internal limits, indicators monitoring significant changes in market factors, changes in the balance sheet structure, as well as market perception of the Bank (selected EWI indicators are monitored on a daily basis),
- recovery indicators.

The following measures are reported monthly:

- regulatory and internal liquidity measures for members of the Bank's Management Board,
- regulatory and internal liquidity measures for the Financial Markets Risk Committee (KRF),
- regulatory measures, internal liquidity measures and forecasts of liquidity measures including business development forecasts for the Capital, Assets and Liabilities Management Committee (CALCO).

Regulatory measures and internal liquidity measures are reported on a quarterly basis to the Bank's Supervisory Board.

The basic measure reflecting mBank Group's liquidity position is the mismatch gap resulting from the future cash flows, taking into account behavioral modeling for selected items. It includes all assets, liabilities and off-balance sheet items of mBank Group for all currencies within set time horizons.

For the purposes of ongoing liquidity monitoring, mBank Group calculates the values of the actual, cumulative cash flow mismatch gap. The adjusted gap is calculated on the basis of contractual flows.

Primarily, the subject to adjustment are the cash flows resulting from the portfolio of deposits of non-banking customers, the portfolio of overdraft facilities and cash flows of the portfolio of term loans. When calculating liquidity measures, mBank Group takes into account the potential possibilities of obtaining funds from liquidation or pledging of securities comprising the Liquidity Reserves.

Stress tests

mBank Group regularly conducts liquidity risk stress tests. Tests are carried out on each reporting day. The results are included in the daily report sent to persons involved in the liquidity risk management process, as well as to bodies and committees operating in mBank Group.

Stress test results inform the Bank's Management Board and management about the impact of adverse and unexpected conditions associated with various types of risk on mBank Group's liquidity position, and also indicate the balancing capacity necessary to limit the adverse effects of market shocks.

In order to determine mBank Group's resistance to adverse, significant events that may lead to loss of liquidity, scenario analyses are carried out covering extreme assumptions regarding the functioning of financial markets and / or behavioral phenomena concerning clients.

For this purpose, stress test scenarios are regularly calculated in the short and long term, in the bank stress, market stress and combined scenarios.

Stress tests are used in mBank Group to manage liquidity risk on an ongoing basis. The following stress tests are conducted annually:

- an integrated stress test, taking into account the impact of materialization of other types of risk on the liquidity position,
- an in-depth long-term liquidity analysis, covering the scenario of credit risk materialization,
- scenario analyses in the assumption of internal, mixed, and systemic crises are included in the mBank Group Recovery Plan,
- analysis of liquidity needs in two scenarios - an internal crisis and a market-wide crisis, for the purposes of the resolution process.

In addition to the set of liquidity stress tests, reverse scenario is carried out annually to identify the most significant risk factors and to determine the liquidity risk appetite and the degree of severity of liquidity risk stress scenarios. In addition, a stress scenario for intraday liquidity risk is calculated on a monthly basis.

At least once a year, an LCR sensitivity analysis and a cumulative gap sensitivity analysis over a 1-month horizon are also conducted. Sensitivity analyses are a key tool for assessing the sensitivity of liquidity measures to changes in selected risk factors and help in designing and verifying the credibility of stress test scenarios.

The mBank Group uses stress test assumptions, including:

- for defining liquidity risk appetite,
- for establishing the structure and size of limits that determine liquidity risk tolerance,
- for determining the set and size of possible funding sources in extreme liquidity conditions for the Contingency Plan in case of a threat of loss of financial liquidity by the mBank Group and the mBank Group Recovery Plan,
- for establishing the required structure and level of liquidity reserves in the event of stress conditions.

As part of the annual process, the materiality of individual liquidity risk factors is assessed at the Group level based on a quantitative criterion. Currently, the material risk factors for mBank Group's are:

- volatility of deposit base, taking into account the division into major business,
- increase in potential drawing of unused off-balance sheet commitments,
- sensitivity to changes in the valuation of the liquid securities portfolio,
- increased demand for intraday liquidity,
- sensitivity to changes in the valuation of derivative transactions resulting in the need to top up collateral,

- increased liquidity needs of the Banks' subsidiaries,
- early repayment of loans,
- increased mandatory reserve requirement,
- losses from materialization of other risk types,
- risk of non-renewal of wholesale financing.

Depending on the obtained materiality assessment, the mBank Group considers a given liquidity risk factor within the appropriate process (measurement, stress tests, risk appetite setting, sensitivity analysis, financial planning).

Additionally, once a year, the mBank Group assesses the significance of environmental, social, and governance (ESG) risk factors from a liquidity risk perspective. The mBank Group indirectly considers ESG risk factors through their connections with other types of risk: credit, market, operational, reputation, as well as in selected liquidity risk management processes. In particular, the mBank Group ensures stable financing and a resilient business model, as well as effective management of structural liquidity risk by maintaining the ability to issue green bonds on European financial markets. Additionally, the Long-Term Funding Ratio (LTFR), introduced in 2024 through the PFSA Recommendation, promotes the issuance of so-called green bonds and green mortgage loans. The mBank Group monitors the level of the ratio and reports to the PFSA on a monthly basis.

On a monthly basis, mBank Group performs stress scenarios based on forecast liquidity risk measures. The first scenario assumes the inability to execute the planned issuances of debt securities, while the second scenario additionally assumes extreme conditions in the foreign exchange and interest rate markets, resulting in outflows to cover collateral deposits for derivative transactions, a decrease in the valuation of the securities portfolio, and outflows of deposits held by large depositors.

Contingency plan

mBank Group has a Liquidity Contingency Plan, which defines the strategy and procedure to be followed in the case of liquidity shortages in the event of a liquidity threat by mBank Group.

The provisions of the Contingency Plan specify the division of tasks between mBank's organizational units, in the scope of:

- ongoing assessment of mBank and mBank Group liquidity,
- analysis and identification of the risk of an emergency situation related to the threat of liquidity loss,
- the procedure to be followed in a situation when this risk materializes.

Description of the emergency procedure includes:

- general rules of conduct in case various emergency scenarios materialize, including:
  - scope of duties and responsibilities,
  - authorization to make a decision regarding the initiation and termination of emergency procedure,
  - determining the time needed to start actions,
  - decision-making paths,
- outline - when and how to act in the event of an emergency,
- defined sources of funding in the event of deterioration of liquidity,
- identifying a set of alternative funding sources potentially available in an emergency,
- clarifying the rules for the internal exchange of information on mBank Group's current liquidity situation during emergency proceedings,
- developing communication rules with external entities and internal stakeholders to limit reputational risk.

In addition, tests are conducted of the Contingency Plan for mBank Group and based on their results changes are made to the provisions of the Plan. The results of the Contingency Plan test are reported and analyzed at the level of the KRF Committee and the Bank's Management Board. In 2024, as part of the Contingency Plan, a new scenario of dynamic outflow of funds was tested, in which the mBank Group considered the assumption of a cyber incident.

Other information and quantitative data

Execution of the strategy of ensuring liquidity of the Bank consists in active management of balance sheet structure of future cash flows and keeping liquidity reserves adequate to the liquidity needs, resulting from the activity and structure of the balance sheet of mBank Group, obligations to subsidiaries and the current market situation as well as the demand for liquid assets, resulting from the conducted stress tests.

The mBank Group operates in Poland, the Czech Republic, and Slovakia. In all three locations, it has access to local clearing systems and agreements that allow cooperation with all local central banks. This gives the mBank Group access to emergency refinancing sources through open market operations and ensures the ability to place liquidity surpluses in the safest form. mBank keeps a surplus of liquid and unencumbered assets constituting the Liquidity Reserves, for which there is a possibility of pledging, transaction on repo market or selling at any time without significant loss in value. Liquidity reserves were composed mainly of the Polish government debt securities in PLN and EUR, bills issued by National Bank of Poland in PLN, government debt securities in CZK and USD and other debt securities meeting the criteria of collateral for a refinancing loan with National Bank of Poland and the eligibility criteria for secured financing transactions in the form of lombard loans with the central banks of the Czech Republic and Slovakia.

The amount of mBank's liquidity reserve in the years 2024 and 2023 is presented in the table below:

mBank's value of Liquidity Reserves (in PLN million)	
31.12.2024	31.12.2023
68 247	58 876

In addition, mBank also maintains cash surpluses placed on accounts with central banks in Poland, the Czech Republic and Slovakia. As of December 31, 2024 the Bank accumulated a total PLN 35.4 billion on nostro accounts and interbank deposits.

In mBank Group the Liquidity Reserves are held also by mBank Hipoteczny (mBH). Liquidity Reserves of mBH were composed of the Polish Government debt securities in PLN and bills issued by the National Bank of Poland in PLN. The value of the reserves in the years 2024 and 2023 amounted to:

mBH's value of Liquidity Reserves (in PLN million)	
31.12.2024	31.12.2023
1 280	845

In order to support the process of liquidity risk management, a system of early warnings indicators and recovery indicators was developed in the Bank. It is composed of indicators monitoring the level of regulatory and internal limits and additionally, indicators monitoring significant changes of market factors, as well as changes in mBank's balance sheet structure and changes in the perception of the Bank's brand by customers and other market participants. Exceedance of thresholds by defined indicators may be a trigger for the launch of the Contingency Plan or the Recovery Plan.

Due to the lack of necessity of financing in foreign currencies through currency swaps and CIRS instruments, these instruments are used to invest surplus liquidity in foreign currencies. However, the Bank has an internal total limit for internal limits on the use of these instruments. Moreover, in order to limit the maturity concentration in FX swaps, the amounts obtained in such transactions are monitored in monthly time bands up to 1 year. Other measures of liquidity risk are calculated and reported in mBank as follows:

- concentration of sources and maturity dates of financing,
- stability of deposit base,
- early withdrawals of deposits,
- ratio of long-term funding for the real estate market,
- long-term funding ratio (introduced by PFSA),
- liquidity risk concentration within off-balance sheet positions related to related to financial and guarantee liabilities.

In the LAB methodology, the LAB Base Case measure is the primary management measure and it is also used for limiting the liquidity gap in particular foreign currencies.

Value of realistic cumulative gap of cash flows misfit (in PLN million) on mBank Group level				
Time bucket	LAB Base Case - 31.12.2024		LAB Base Case - 31.12.2023	
	bucket	cumulative	bucket	cumulative
up to 1 working day	61 407	61 407	59 098	59 098
up to 3 working days	1 765	63 172	54	59 152
up to 7 calendar days	-	63 172	1 617	60 769
up to 15 calendar days	(2 822)	60 350	(3 074)	57 695
up to 1 month	(6 068)	54 282	(4 979)	52 716
up to 2 months	1 739	56 021	(376)	52 340
up to 3 months	(2 975)	53 046	(2 461)	49 879
up to 4 months	(1 956)	51 090	(1 239)	48 640
up to 5 months	(162)	50 928	(1 858)	46 782
up to 6 months	(1 522)	49 406	(1 184)	45 598
up to 7 months	(1 416)	47 990	(1 531)	44 067
up to 8 months	(1 627)	46 363	(1 463)	42 604
up to 9 months	(2 752)	43 611	(1 215)	41 389
up to 10 months	(977)	42 634	(982)	40 407
up to 11 months	(1 285)	41 349	(1 577)	38 830
up to 12 months	(1 436)	39 913	(1 479)	37 351

The above values should be interpreted as liquidity surpluses/shortages in the aforementioned time buckets. In 2024, an increase of deposit base and the moderate dynamics of lending had a direct impact on strengthening the liquidity position.

LAB cash flows gaps mismatch in terms up to 1 month and up to 1 year and values of regulatory measures LCR and NSFR at the end of 2024 and 2023 are presented in the following table:

	31.12.2024	31.12.2023
LAB Base Case 1M	54 282	52 716
LAB Base Case 1Y	39 913	37 351
LCR	232%	225%
NSFR	164%	162%*

LAB measures are shown in PLN million, LCR and NSFR are relative measures presented as a decimal.
** The figures in comparative period have changed due to adjustments to improve quality of the data for determination of net accounting value for loans and their residual maturities.*

The LCR and NSFR measures remained on safe level, significantly exceeding 100%.

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

		a	b	c	d	e	f	g	h
		Total unweighted value (average)				Total weighted value (average)			
EU 1a	Quarter ending on	31.12.2024	30.09.2024	30.06.2024	31.03.2024	31.12.2024	30.09.2024	30.06.2024	31.03.2024
EU 1b	Number of data points used in the calculation of averages	12	12	12	12	12	12	12	12
HIGH-QUALITY LIQUID ASSETS									
1	Total high-quality liquid assets (HQLA)					86 562	84 444	82 050	78 934
CASH - OUTFLOWS									
2	Retail deposits and deposits from small business customers, of which:	130 968	129 599	130 211	130 771	9 948	9 901	10 078	10 238
3	*Stable deposits*	*92 850*	*91 413*	*90 713*	*90 195*	*4 701*	*4 571*	*4 536*	*4 510*
4	*Less stable deposits*	*38 118*	*38 186*	*39 498*	*40 576*	*5 247*	*5 330*	*5 543*	*5 728*
5	Unsecured wholesale funding	55 886	54 854	52 552	50 265	24 416	23 647	22 578	21 338
6	*Operational deposits (all counterparties) and deposits in networks of cooperative banks*	*8 013*	*8 265*	*8 378*	*8 463*	*1 904*	*1 985*	*2 010*	*2 025*
7	*Non-operational deposits (all counterparties)*	*47 728*	*46 507*	*43 987*	*41 625*	*22 366*	*21 580*	*20 382*	*19 136*
8	*Unsecured debt*	*146*	*82*	*186*	*177*	*146*	*82*	*186*	*177*
9	*Secured wholesale funding*					-	-	-	-
10	Additional requirements	23 712	23 362	22 958	22 716	4 362	4 540	4 693	4 873
11	*Outflows related to derivative exposures and other collateral requirements*	*2 067*	*2 306*	*2 479*	*2 689*	*2 067*	*2 306*	*2 479*	*2 689*
12	*Outflows related to loss of funding on debt products*	-	-	-	-	-	-	-	-
13	*Credit and liquidity facilities*	*21 645*	*21 056*	*20 479*	*20 026*	*2 295*	*2 234*	*2 214*	*2 184*
14	Other contractual funding obligations	2 007	1 932	1 534	1 310	1 692	1 639	1 278	1 084
15	Other contingent funding obligations	19 632	18 879	17 706	17 020	985	912	831	771
16	TOTAL CASH OUTFLOWS					41 403	40 639	39 457	38 304
CASH - INFLOWS									
17	Secured lending (e.g. reverse repos)	14 432	13 978	13 615	13 100	-	-	-	-
18	Inflows from fully performing exposures	2 645	2 845	3 096	3 310	1 643	1 797	2 037	2 210
19	Other cash inflows	754	762	740	737	754	762	739	737
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	17 831	17 585	17 451	17 147	2 397	2 559	2 776	2 947
EU-20a	*Fully exempt inflows*	-	-	-	-	-	-	-	-
EU-20b	*Inflows subject to 90% cap*	-	-	-	-	-	-	-	-
EU-20c	*Inflows subject to 75% cap*	17 831	17 585	17 451	17 147	2 397	2 559	2 776	2 947
TOTAL ADJUSTED VALUE									
EU-21	LIQUIDITY BUFFER					86 562	84 444	82 050	78 934
22	TOTAL NET CASH OUTFLOWS					39 006	38 080	36 681	35 357
23	LIQUIDITY COVERAGE RATIO					222%	222%	224%	223%

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

As of December 31, 2024, the LCR ratio of mBank Group reached 232% and the LCR measure remained on a safe level, significantly exceeding 100%.

In 2024, an increase in the liquidity coverage ratio was mainly driven by:

- increase in the deposit base included in the calculation of the LCR indicator by ca. PLN 13.6 billion compared to the end of 2023 (increase by ca. PLN 14.2 billion excluding the effect of changes in foreign exchange rates),
- higher lending activity by ca. PLN 8.0 billion compared to the end of second quarter of 2024 (increase by ca. PLN 8.5 billion excluding the effect of changes in foreign exchange rates).

Additionally, it is worth noting two issuances that mBank conducted in 2024, which contributed to the increase in the mBank Group's liquidity level:

- green senior preferred bonds with a total nominal value of EUR 500 million (approximately PLN 2.1 billion) issued under the EMTN Program in September 2024,
- AT1 capital bonds with a nominal value of PLN 1.5 billion issued in December 2024.

Simultaneously, mBank repaid maturing financing in the form of senior preferred bonds (EMTN) with a nominal value of CHF 125 million (approximately PLN 580 million) in October 2024. In December 2024, the LCR outflows included the repayment of Tier 2 subordinated bonds with a value of PLN 750 million, which become due in January 2025.

As a result of these changes, the level of the liquidity buffer remains high in relation to the expected net outflows over a 30-day horizon as at 31 December 2024.

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

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

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

The main source of financing are deposits, which as of December 31, 2024 accounted for 92.63% of all external sources of financing. The deposit base is diversified, and the deposits of the 10 largest customers as of December 31, 2024 accounted for 2.0% of the deposit base. The other sources of financing are:

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

The mBank Group identifies three significant currencies in accordance with Art. 4(5) of the EU Commission Delegated Regulation 2015/61 and with Art. 415(2) of the CRR Regulation: PLN, CZK and EUR, 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 December 31, 2024, the impact of the adverse market scenario on derivatives accounted for 0.35% of the total unweighted outflow value included in the LCR.

Information regarding NSFR

The table below presents quantitative NSFR data as of 31 December 2024 (data in PLN million).

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

		a	b	c	d	e
		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
Available stable funding (ASF) Items						
1	Capital items and instruments	**16 781**	**-**	**-**	**2 676**	**19 457**
2	Own funds	*16 781*	-	-	*1 358*	*18 139*
3	Other capital instruments		-	-	*1 318*	*1 318*
4	Retail deposits		**122 701**	**-**	**15 335**	**130 238**
5	Stable deposits		*89 453*	-	*11 082*	*96 062*
6	Less stable deposits		*33 248*	-	*4 253*	*34 176*
7	Wholesale funding:		**63 265**	**2 786**	**9 844**	**37 976**
8	Operational deposits		*8 792*	-	-	*4 396*
9	Other wholesale funding		*54 473*	*2 786*	*9 844*	*33 580*
10	Interdependent liabilities		**-**	**-**	**-**	**-**
11	Other liabilities:	**169**	**17 225**	**17**	**96**	**104**
12	NSFR derivative liabilities	*169*				
13	All other liabilities and capital instruments not included in the above categories		*17 225*	*17*	*96*	*104*
14	**Total available stable funding (ASF)**					**187 775**
Required stable funding (RSF) Items						
15	Total high-quality liquid assets (HQLA)					**7 398**
EU-15a	Assets encumbered for a residual maturity of one year or more in a cover pool		**1**	**-**	**8 179**	**6 953**
16	Deposits held at other financial institutions for operational purposes		**145**	**-**	**-**	**73**
17	Performing loans and securities:		**11 983**	**7 058**	**79 825**	**72 572**
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		*393*	*419*	*1 436*	*1 685*
20	Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:		*10 019*	*5 139*	*37 710*	*39 629*
21	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		*137*	*141*	*20*	*152*
22	Performing residential mortgages, of which:		*1 540*	*1 237*	*39 146*	*29 751*
23	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		*392*	*400*	*24 558*	*16 359*
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		*31*	*263*	*1 533*	*1 507*
25	**Interdependent assets**		**-**	**-**	**-**	**-**
26	**Other assets:**		**48 295**	**1 258**	**16 291**	**24 742**
27	Physical traded commodities				-	-
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		-	-	*1 356*	*1 153*
29	NSFR derivative assets		-	-	-	-
30	NSFR derivative liabilities before deduction of variation margin posted		-	-	-	-
31	All other assets not included in the above categories		*48 295*	*1 258*	*14 935*	*23 589*
32	**Off-balance sheet items**		**6 714**	**9 209**	**25 689**	**2 654**
33	**Total RSF**					**114 388**
34	**Net Stable Funding Ratio (%)**					**164%**

As of December 31, 2024, the Net Stable Funding Ratio (NSFR) of mBank Group reached the level of 164% and in 2024 the NSFR measure remained at a safe level, significantly exceeding 100%.

11. Transitional arrangements regarding IFRS 9

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

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

12. Remuneration Policy for employees having material impact on the risk profile

Under the CRR and the Banking Law Act, mBank is obliged to publicly disclose qualitative and quantitative information regarding its remuneration policy. The information provided below complies with the scope of disclosures in table EU REMA.

Information on the process of determining the policy of variable components of remuneration

mBank has in place the Remuneration Policy for Employees Having a Material Impact on the Risk Profile of mBank S.A. (hereinafter referred to as the "Remuneration Policy"), which was adopted for the first time by the Supervisory Board in December 2011. Since then, the Remuneration Policy has been subject to annual verification. The Remuneration Policy applicable in 2024 was approved by Resolution of the Supervisory Board No. 349/23 of December 14, 2023.

The adopted Remuneration Policy is compliant with:

1. Polish Banking Law Act of 29 August 1997 implementing Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC (as amended – Directive (EU) 2019/878 of the European Parliament and of the Council of 20 May 2019),
2. Regulation of the Minister of Finance, Development Funds and Regional Policy of June 8, 2021 on the Risk Management System, Internal Control System and Remuneration Policy at Banks,
3. Guidelines on sound remuneration policies under Directive 2013/36/EU (EBA/GL/2021/04 of 2 July 2021),
4. Recommendation Z of the Polish Financial Supervision Authority on the Principles of Internal Governance at Banks.

The adopted Remuneration Policy:

1. supports sound and effective risk management and does not encourage employees to take excessive risk exceeding the general acceptable risk level approved by the Supervisory Board of the Bank,
2. supports the implementation of the Bank management strategy and risk management strategy, including environmental, social and governance (ESG) risk, its corporate culture and values, risk culture, including with regard to long-term interests of the Bank, and limits conflicts of interest,
3. supports responsible and prudent capital management. In particular, prior to making a decision on the payment of variable components of remuneration, the following is taken into consideration: the current and forecast capital position and the provisions of the Act on Macroprudential Supervision over the Financial System and Crisis Management in the Financial System pertaining to the calculation of the maximum distributable amount (MDA),
4. sets out the remuneration rules for employees identified as having a material impact on the risk profile of the Bank („Risk Takers") by determining fixed and variable components of remuneration,
5. ensures transparent rules of determining and paying the bonus, being a component of variable remuneration,
6. is gender neutral.

The Risk Takers Identification Policy (hereinafter referred to as the "Identification Policy"), approved by the Bank's Management Board, the Remuneration and Nomination Committee and the Supervisory Board of the Bank, sets out criteria and the process for identifying persons whose professional activities have a material impact on mBank's risk profile (Risk Takers); the document meets the requirements arising from:

1. Commission Delegated Regulation (EU) 2021/923 of 25 March 2021 supplementing Directive 2013/36/EU of the European Parliament and of the Council with regard to regulatory technical standards setting out the criteria to define managerial responsibility, control functions, material business units and a significant impact on a material business unit's risk profile, and setting out criteria for identifying staff members or categories of staff whose professional activities have an impact on the institution's risk profile that is comparably as material as that of staff members or categories of staff referred to in Article 92 (3) of that Directive,
2. Regulation of the Minister of Finance, Development Funds and Regional Policy of June 8, 2021 on the Risk Management System, Internal Control System and Remuneration Policy at Banks,

The Identification Policy, similarly to the Remuneration Policy, is subject to annual verification.

Moreover, in line with Article 90d (1) of the Act of July 29, 2005 on Public Offering and Conditions for Introducing Financial Instruments to Organised Trading and on Public Companies, on March 27, 2024, the General Meeting of mBank S.A. adopted the Remuneration Policy for Members of the Management Board and Members of the Supervisory Board of mBank S.A. With regard to Management Board Members, the Remuneration Policy for Members of the Management Board and Members of the Supervisory Board of mBank S.A. is applied only to the extent not governed by the Remuneration Policy. With regard to

Supervisory Board Members, the Remuneration Policy for Members of the Management Board and Members of the Supervisory Board of mBank S.A. indicates that the remuneration of Supervisory Board Members is determined by way of a resolution of the General Meeting.

Remuneration and Nomination Committee of the Supervisory Board of mBank

The Remuneration and Nomination Committee operates as part of the Supervisory Board. The Committee provides consultancy and advisory to the Supervisory Board and performs other tasks arising from its rules, applicable laws, and regulatory recommendations and guidelines. As at December 31, 2024, the Committee was composed as follows:

- Prof. Agnieszka Słomka-Gołębiowska – Committee Chairwoman,
- Tomasz Bieske,
- Dr. Bettina Orlopp,
- Mirosław Godlewski,
- Bernhard Spalt.

Pursuant to the applicable Rules of the Remuneration Committee, its main tasks include:

1. issuing opinions, at least once a year, on the remuneration policies adopted at the Bank, submitting proposals for changes and providing opinions to the Supervisory Board in this respect,
2. monitoring the remuneration policies applicable at the Bank and supporting the Bank's governing bodies in the scope of the supervision, development and implementation of these policies,
3. verifying the Risk Takers Identification Policy on an annual basis, including reviewing the criteria and the process for taking decisions, submitting proposals for changes and providing opinions to the Supervisory Board in this respect,
4. assessing the functioning of the remuneration policies on an annual basis and assessing, at least once every four years, the Remuneration Policy for Members of the Management Board and Members of the Supervisory Board of mBank S.A., taking into account the applicable regulatory requirements, as well as providing the assessment results to the Supervisory Board,
5. verifying indicators (KPIs) for a given calendar year adopted to calculate the bonus pool and verifying the final bonus pool of mBank Group,
6. monitoring the level and structure of remuneration, in particular remuneration for the Risk Takers, and issuing recommendations on general guidelines for the Management Board regarding the level and structure of remuneration for Risk Takers, with particular emphasis on persons holding managerial positions in the independent control function, including risk management, compliance and internal audit functions as well as the security function,
7. With respect to the Bank's Management Board Members, the tasks of the Committee include:
   a) considering matters related to the remuneration rules applicable to Management Board Members and the level of their remuneration, including approving templates of management contracts and recommending to the Supervisory Board the amount of base remuneration, benefits and the amount of severance pay,
   b) setting and evaluating objectives and results for Management Board Members, including their scorecards,
   c) recommending to the Supervisory Board the definitions of key performance indicators (KPIs) that underlie the calculation of the bonus pool for a given calendar year, the number of KPIs, and the percentage share of each KPI in the bonus pool; verifying the bonus pool for Management Board Members and recommending to the Supervisory Board the distribution of this pool among individual Management Board Members,
   d) determining, on an annual basis, the situation of mBank Group in connection with Article 142 (2) of the Banking Law Act (i.e. solvency / liquidity status of mBank Group) for the purposes of determining the amount of bonuses for Management Board Members; recommending to the Supervisory Board a suspension in whole or a decrease in the amount of the aforementioned bonus,
   e) issuing opinions for the Supervisory Board on reducing, suspending or returning the payment in whole or on decreasing the amount of the non-deferred and deferred bonus of Management Board Members in accordance with the provisions of the Remuneration Policy,
   f) issuing opinions for the Supervisory Board on suspending the payment in whole or in part or decreasing the amount of severance pay for Management Board Members in line with the provisions of management contracts,
   g) presenting opinions on granting permission to Management Board Members to engage in competitive activity or to sit on management or supervisory boards of companies outside mBank Group,

h) making other decisions or carrying out other activities defined in or arising from the Remuneration Policy or the contracts concluded with Management Board Members.

In 2024, the Remuneration and Nomination Committee and the Supervisory Board, which supervises the remuneration area at the Bank, held eleven meetings each.

Process of determining the policy of variable remuneration components

The annual process of verifying and introducing appropriate amendments to the Remuneration Policy and the Identification Policy is coordinated by the Director of the Employee Relations and Organisation Culture Department (organisational unit reporting directly to the Vice-President of the Management Board, Chief People and Regulatory Officer), who is supported by a team of employees responsible for risk management, legal issues and compliance (among others, with regard to issues related to the selection of criteria for indicating the positions having a material impact on the risk profile and compliance of applicable policies with regulatory requirements and market practices in this scope).

The Remuneration Policy and the Identification Policy are assessed and modified by the Supervisory Board based on the recommendation of the Bank's Management Board and taking into account the opinion of the Remuneration and Nomination Committee.

Key information concerning the determination of remuneration in 2024

The total remuneration of Management Board Members and other employees having a material impact on the risk profile of the Bank has been divided into a fixed part (annual base remuneration and fixed benefits) and a variable part. The bonus, which is awarded and paid in accordance with the rules laid down in the Remuneration Policy, is a part of the variable remuneration.

The variable remuneration is determined in a clear and verifiable manner that ensures effective implementation of the Remuneration Policy. The maximum level of variable remuneration components of persons subject to the Remuneration Policy cannot exceed 100% of the base remuneration (in the case of Management Board Members) or the fixed remuneration (in the case of other employees) for a given calendar year.

The variable remuneration is partially paid in the form of subscription warrants issued and exercisable on the terms and within the time limits set forth in the Incentive Programme and in the Incentive Programme Rules.

The maximum ratio of the average total gross remuneration of the Management Board Members on an annual basis to the average total gross remuneration of other Bank employees on an annual basis was set as the amount not higher than 50 times the average total remuneration of an employee of the Bank.

<u>Members of the Bank's Management Board (Risk Takers I):</u>

The Supervisory Board determines the bonus amount for a given calendar year for each Management Board Member individually and in accordance with the criteria laid down in the Remuneration Policy, based on the assessment of the achievement of MbO objectives and score cards covering a period of at least three years, taking into account the business cycle of the Bank, the risk inherent in the Bank's business activity, and the Bank's capital and liquidity situation in the long-term perspective. The bonus amount depends on the amount of the bonus pool.

Starting from 2023, the bonus pool for a given calendar year is determined based on the total of amounts calculated using key performance indicators (KPIs). The Supervisory Board approves:

- definition of KPIs,
- number of KPIs in a given year,
- percentage share of every KPI in the bonus pool,
- result corresponding to 100% implementation of a given KPI and the actual result for a given KPI.

A 100% achievement of each KPI corresponds to a bonus pool of eight times the base monthly remuneration of all Management Board Members. If a KPI result is above or below the level of 100% for a given KPI, the KPI is proportionally increased or decreased. The percentage result for a given KPI is calculated as a weighted average of the results from the calendar year for which the bonus is granted and the previous two years, in accordance with the principles set out in the Remuneration Policy. The Supervisory Board may decide to increase or decrease the bonus pool calculated based on KPIs if one-off events occur, such as a one-off transaction affecting costs or P&L or other events resulting from measures taken by public administration bodies or regulatory bodies, that are generally outside the control of a Management Board Member or that can be controlled by a Management Board Member to a limited extent only.

The objectives for Management Board Members for a given calendar year are subject to the Supervisory Board's approval based on the recommendation of the Remuneration and Nomination Committee.

In principle:

- financial objectives account for 45–65% of all objectives of a Management Board Member (their weights depend on the impact of an individual Management Board Member on these objectives),
- qualitative objectives accounting for 35–55% of all objectives of a Management Board Member, depending on the responsibility of an individual Management Board Member,
- sustainability (ESG) objectives account for 15–20% of objectives of a Management Board Member.

The objectives are determined by:

- strategic aspirations of mBank Group, including the ESG strategy,
- long-term objectives set out in the multi-year financial plan,
- annual financial plan.

The bonus consists of the non-deferred part (40% of the bonus) and the deferred part (60% of the bonus).

Both the deferred part and the non-deferred part are divided into equal portions: 50% paid in cash and 50% paid in subscription warrants. The non-deferred part in cash is paid in the year in which the bonus is awarded. The other half of the non-deferred part (50%) is paid in the form of subscription warrants, not earlier than after 12 months from the date on which the consolidated financial statements for a given calendar year are approved.

The deferred part, both the cash portion and the subscription warrant portion, is paid in the subsequent calendar years, starting from the year following the year for which the bonus is awarded, in five equal annual tranches. In each tranche, the cash portion is paid after the consolidated financial statements of mBank Group for the previous calendar year are approved, while the subscription warrant portion is paid not earlier than after 12 months from the date of approval of the consolidated financial statements.

In particularly justified cases when there is a need to mitigate the risk connected with maintaining a sound capital base of the Bank, enabling it to effectively respond to the economic situation in Poland and external circumstances beyond the Bank's control, the Supervisory Board may adopt a resolution to pay the cash tranche in whole or in part (both the non-deferred and deferred tranche) in the form of subscription warrants, in accordance with the rules set out above.

<u>Employees who are not Management Board Members and who have a material impact on the Bank's risk profile (Risk Takers II):</u>

The Bank's Management Board assesses the performance of an employee on an annual basis and in longer periods; where the employee is found to have accomplished the objectives, the Bank's Management Board can decide to set a bonus amount, taking into account the total remuneration of the employee. The decision on the bonus amount is made at the sole discretion of the Bank's Management Board, which in accordance with its independent assessment and decision confirms the accomplishment of the employee's objectives, taking into account the situation in financial markets in the last financial period / previous financial periods. The bonus amount cannot be higher than the employee's annual fixed remuneration (total of the base remuneration paid to the employee every month in the year for which the bonus and fixed benefits are awarded).

Risk Takers II have set objectives in accordance with the OKR (Objectives and Key Results) approach. In accordance with the OKR approach, objectives are transparent, monitored quarterly and can be set for several areas jointly (cross area objectives).

The objectives for Risk Takers II to be achieved in the next calendar year are set in cooperation with the Bank's Management Board Members by December 31 of the previous year, and then communicated to managers and teams. As a general rule, objectives are either financial or qualitative. The proportions between them depend on the priorities of a given area.

The variable remuneration paid to the heads of the internal audit unit, the compliance unit, the legal unit and the units responsible for second-level risk management and HR issues depends on achieving goals resulting from their functions and does not depend on the financial performance of the Bank's areas supervised by them.

If the amount of the variable remuneration determined by the Bank's Management Board does not exceed:

1. one-third of the total annual remuneration (base remuneration plus bonus) or
2. the PLN equivalent of EUR 50,000 (specified in the decision granting the bonus),

the Bank's Management Board may decide not to defer the variable remuneration and pay the variable remuneration in whole in the form of non-deferred cash instead. This rule does not apply to Risk Taker II, whose position is identified as a senior management position at the Bank (Managing Directors of the Bank) or as a Member of an mBank Group subsidiary's Management Board.

If the amount of the variable remuneration exceeds the assumed limits, the bonus consists of the non-deferred part (60% of the bonus) and the deferred part (40% of the bonus).

Both the deferred part and the non-deferred part are divided into equal portions: 50% paid in cash and 50% paid in subscription warrants. The non-deferred part in cash is paid in the year in which the bonus is awarded. The other half of the non-deferred part (50%) is paid in the form of subscription warrants, not earlier than after 12 months from the date on which the consolidated financial statements for a given calendar year are approved.

The deferred part, both the cash portion and the subscription warrant portion, is paid in the subsequent calendar years, starting from the year following the year for which the bonus is awarded:

1. in five equal tranches to Risk Takers II – Managing Directors of the Bank, and Risk Takers II – Members of the Management Board of an mBank Group subsidiary,
2. in four equal tranches to the remaining Risk Takers II – the Bank's employees,

In each tranche, the cash portion is paid after the consolidated financial statements of mBank Group for the previous calendar year are approved, while subscription warrant portion is paid not earlier than after 12 months from the date of approval of the consolidated financial statements.

In particularly justified cases when there is a need to mitigate the risk connected with maintaining a sound capital base of the Bank, enabling it to effectively respond to the economic situation in Poland and external circumstances beyond the Bank's control, the Bank's Management Board may adopt a resolution to pay the cash tranche in whole or in part (both the non-deferred and deferred tranche) in the form of subscription warrants, in accordance with the rules set out above.

The costs resulting from the deferred tranches in the form of subscription warrants are settled in accordance with the IFRS.

Information on the performance assessment criteria which form the basis for the entitlement to remuneration components

The Supervisory Board, based on a recommendation of the Remuneration and Nomination Committee in the case of Management Board Members (Risk Takers I), and the Bank's Management Board in the case of employees who are not the Bank's Management Board Members (Risk Takers II) may accordingly decide to withhold in whole or to reduce the amount of the deferred cash and non-cash tranche if at least one condition laid down in the scorecards is not met, i.e. if at least one of the questions is answered with "YES", in particular when it concludes that in a longer time horizon (i.e. a period of at least three years) a Risk Taker:

a) had direct and negative impact on the financial result or the market position of the Bank or mBank Group in the period under assessment, or directly contributed to significant financial losses, or
b) materially violated the generally applicable laws or internal regulations, or
c) violated the rules and standards adopted at mBank Group, among others, the rules and standards pertaining to mobbing, harassment, sexual harassment, other forms of discrimination and illegal or unethical behaviour that violates the rules of social coexistence, or
d) has directly contributed to significant financial losses being the consequence of their deliberate adverse actions to the detriment of mBank Group or has contributed to financial sanctions being imposed on the Bank by supervisory bodies,

or if any of the premises stipulated in Article 142 of the Banking Law Act, in particular in Article 142 (2), has occurred.

Suspending the bonus or any deferred tranche in whole or decreasing its amount may also apply to the bonus or the deferred tranche paid out upon expiry or termination of the contract / contract of employment.

Moreover, a Risk Taker may be obliged, under the rules and within the time limit determined under a decision of, accordingly, the Bank's Supervisory Board or Management Board, to return the bonus awarded and paid for a given calendar year (i.e. the non-deferred part and all deferred parts), if the Risk Taker materially violated the generally applicable laws or internal regulations, violated the rules and standards adopted in mBank Group, or directly contributed to significant financial losses being the consequence of their deliberate adverse actions to the detriment of mBank Group, or contributed to financial sanctions being imposed on the Bank by supervisory bodies under a final and non-appealable decision.

The decision determining whether the said events occurred may be taken by the end of the calendar year in which the last tranche of the deferred part of the bonus awarded for the year in which the event occurred is paid.

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Aggregated quantitative data regarding the remuneration paid to holders of managerial positions in the Bank

Template EU REM1 – Remuneration awarded for the financial year

			a	b	c	d
			MB Supervisory function	MB Management function	Other senior management	Other identified staff
1	Fixed remuneration	Number of identified staff	8	7	13	63
2		Total fixed remuneration	1 764	18 167	9 058	35 475
3		Of which: cash-based	1 720	13 996	8 741	34 255
4		(Not applicable in the EU)				
EU-4a		Of which: shares or equivalent ownership interests	-	-	-	-
5		Of which: share-linked instruments or equivalent non-cash instruments	-	-	-	-
EU-5x		Of which: other instruments	-	-	-	-
6		(Not applicable in the EU)				
7		Of which: other forms	44	4 171	317	1 220
8		(Not applicable in the EU)				
9	Variable remuneration	Number of identified staff	-	1	-	-
10		Total variable remuneration	-	829	-	-
11		Of which: cash-based	-	829	-	-
12		Of which: deferred	-	-	-	-
EU-13a		Of which: shares or equivalent ownership interests	-	-	-	-
EU-14a		Of which: deferred	-	-	-	-
EU-13b		Of which: share-linked instruments or equivalent non-cash instruments	-	-	-	-
EU-14b		Of which: deferred	-	-	-	-
EU-14x		Of which: other instruments	-	-	-	-
EU-14y		Of which: deferred	-	-	-	-
15		Of which: other forms	-	-	-	-
16		Of which: deferred	-	-	-	-
17	**Total remuneration (2 + 10)**		**1 764**	**18 996**	**9 058**	**35 475**

As at the date of publishing this report, the variable remuneration for 2024 for the employees indicated in the table above has not yet been approved by competent authorities of the Bank. This document will be modified by including in it information on the variable remuneration for 2024 awarded in 2025, after the Annual General Meeting approves the financial statements for 2024.

Template EU REM 2 Special payments to employees whose professional activity has a material impact on the Bank's risk profile.

		a	b	c	d
		MB Supervisory function	MB Management function	Other senior management	Other identified staff
	Guaranteed variable remuneration awards				
1	Guaranteed variable remuneration awards - Number of identified staff	-	-	-	-
2	Guaranteed variable remuneration awards -Total amount	-	-	-	-
3	Of which guaranteed variable remuneration awards paid during the financial year, that are not taken into account in the bonus cap	-	-	-	-
	Severance payments awarded in previous periods, that have been paid out during the financial year				
4	Severance payments awarded in previous periods, that have been paid out during the financial year - Number of identified staff	-	-	-	-
5	Severance payments awarded in previous periods, that have been paid out during the financial year - Total amount	-	-	-	-
	Severance payments awarded during the financial year				
6	Severance payments awarded during the financial year - Number of identified staff	-	1	-	-
7	Severance payments awarded during the financial year - Total amount	-	829	-	-
8	Of which paid during the financial year	-	829	-	-
9	Of which deferred	-	-	-	-
10	Of which severance payments paid during the financial year, that are not taken into account in the bonus cap	-	829	-	-
11	Of which highest payment that has been awarded to a single person		829	-	-

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Template EU REM3 Deferred remuneration

		a	b	c	d	e	f	EU - g	EU - h
	Deferred and retained remuneration	Total amount of deferred remuneration awarded for previous performance periods	Of which due to vest in the financial year	Of which vesting in subsequent financial years	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in the financial year	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in future performance years	Total amount of adjustment during the financial year due to ex post implicit adjustments (i.e.changes of value of deferred remuneration due to the changes of prices of instruments)	Total amount of deferred remuneration awarded before the financial year actually paid out in the financial year	Total of amount of deferred remuneration awarded for previous performance period that has vested but is subject to retention periods
1	**MB Supervisory function**	-	-	-	-	-	-	-	-
2	Cash-based	-	-	-	-	-	-	-	-
3	Shares or equivalent ownership interests	-	-	-	-	-	-	-	-
4	Share-linked instruments or equivalent non-cash instruments	-	-	-	-	-	-	-	-
5	Other instruments	-	-	-	-	-	-	-	-
6	Other forms	-	-	-	-	-	-	-	-
7	**MB Management function**	**22 462**	**7 934**	**14 528**	-	-	-	**5 982**	**1 952**
8	Cash-based	7 815	2 994	4 821	-	-	-	2 994	-
9	Shares or equivalent ownership interests	14 647	4 940	9 707	-	-	-	2 988	1 952
10	Share-linked instruments or equivalent non-cash instruments	-	-	-	-	-	-	-	-
11	Other instruments	-	-	-	-	-	-	-	-
12	Other forms	-	-	-	-	-	-	-	-
13	**Other senior management**	**11 380**	**5 979**	**5 401**	-	-	-	**4 229**	**1 751**
14	Cash-based	4 422	2 083	2 339	-	-	-	2 083	-
15	Shares or equivalent ownership interests	6 958	3 896	3 062	-	-	-	2 146	1 751
16	Share-linked instruments or equivalent non-cash instruments	-	-	-	-	-	-	-	-
17	Other instruments	-	-	-	-	-	-	-	-
18	Other forms	-	-	-	-	-	-	-	-
19	**Other identified staff**	**19 788**	**13 551**	**6 237**	-	-	-	**11 610**	**1 941**
20	Cash-based	12 026	9 546	2 480	-	-	-	9 546	0
21	Shares or equivalent ownership interests	7 762	4 005	3 757	-	-	-	2 064	1 941
22	Share-linked instruments or equivalent non-cash instruments	-	-	-	-	-	-	-	-
23	Other instruments	-	-	-	-	-	-	-	-
24	Other forms	-	-	-	-	-	-	-	-
25	**Total amount**	**53 630**	**27 464**	**26 166**	**-**	**-**	**-**	**21 821**	**5 644**

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Template EU REM4 - Remuneration of 1 million EUR or more per year

		a
	EUR	Identified staff that are high earners as set out in Article 450(i) CRR
1	1 000 000 to below 1 500 000	2
2	1 500 000 to below 2 000 000	-
3	2 000 000 to below 2 500 000	-
4	2 500 000 to below 3 000 000	-
5	3 000 000 to below 3 500 000	-
6	3 500 000 to below 4 000 000	-
7	4 000 000 to below 4 500 000	-
8	4 500 000 to below 5 000 000	-
9	5 000 000 to below 6 000 000	-
10	6 000 000 to below 7 000 000	-
11	7 000 000 to below 8 000 000	-

Template EU REM5 - Information on remuneration of staff whose professional activities have a material impact on institutions' risk profile (identified staff)

		a	b	c	d	e	f	g	h	i	j
		Management body remuneration			Business areas						
		MB Supervisory function	MB Management function	Total MB	Investment banking	Retail banking	Asset management	Corporate functions	Independent internal control functions	All other	Total
1	Total number of identified staff										91
2	Of which: members of the MB	8	7	15							
3	Of which: other senior management				1	6	1	5	-	-	
4	Of which: other identified staff				8	37	1	10	4	3	
5	Total remuneration of identified staff	1 764	18 996	20 760	4 977	24 342	1 520	9 878	2 199	1 617	
6	Of which: variable remuneration	-	829	829	-	-	-	-	-	-	
7	Of which: fixed remuneration	1 764	18 167	19 931	4 977	24 342	1 520	9 878	2 199	1 617	

As at the date of publishing this report, the variable remuneration for 2024 for the employees indicated in the table above has not yet been approved by competent authorities of the Bank. This document will be modified by including in it information on the variable remuneration for 2024 awarded in 2025, after the Annual General Meeting approves the financial statements for 2024.

Representation of the Management Board of mBank S.A.

The Management Board of m 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 31 December 2024" 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 31 December 2024".

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