

The mBank logo consists of four vertical bars in red, orange, red, and green, followed by the text "mBank" in white. The background of the entire slide is a cityscape at sunset, with a prominent glass skyscraper on the right that has "mBank" written on its upper facade.

mBank

2023

Introduction to mBank Group

The most successful organic growth story in Poland

mBank Group in a snapshot

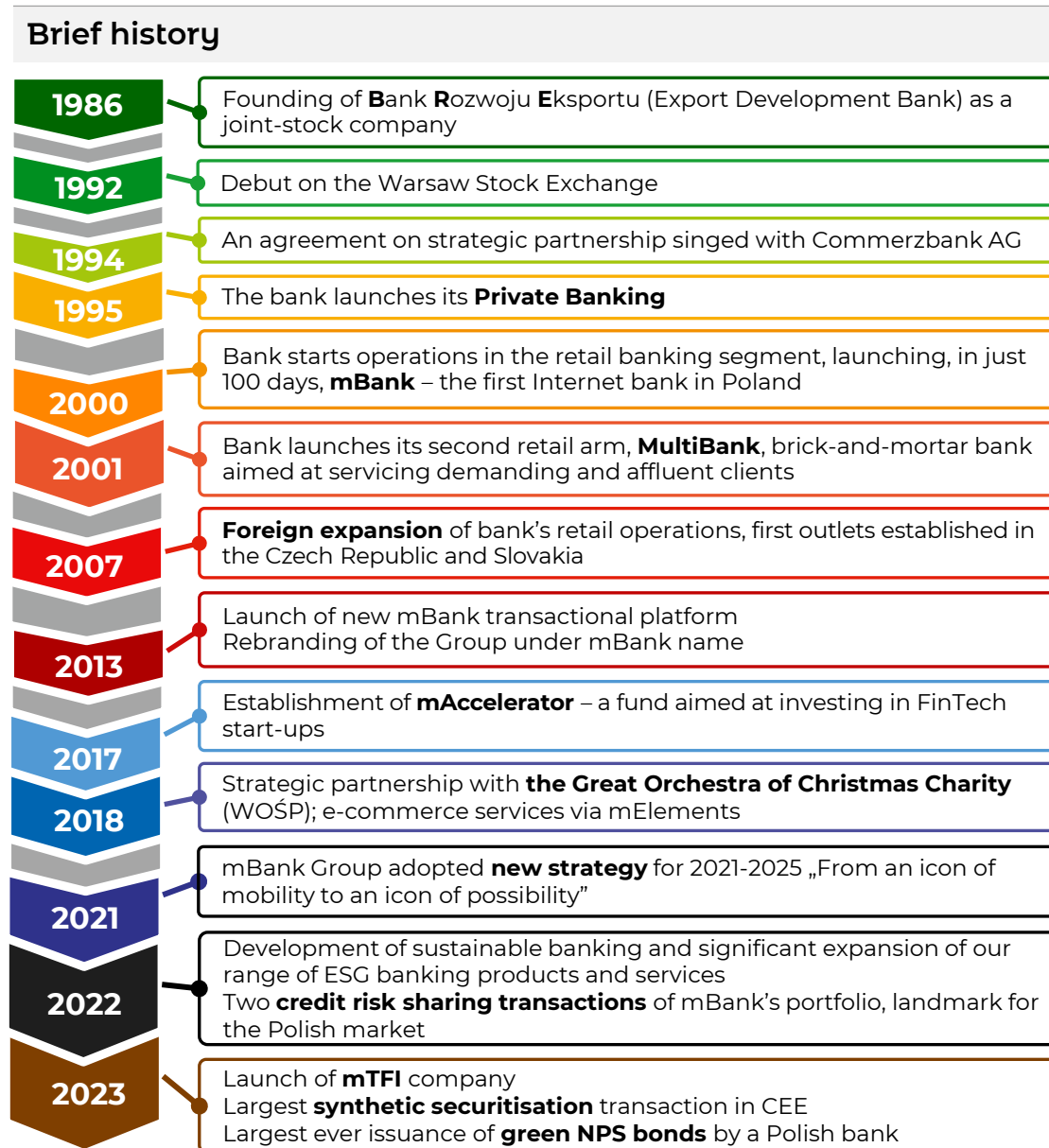
General description

- ✓ **mBank** is Poland's fifth largest **universal banking group** in terms of total assets and it keeps the same position by net loans and deposits (as of 31.12.2023).
- ✓ The offer includes **retail, SME, corporate and investment banking as well as other financial products and services** such as leasing, factoring, brokerage, wealth management, investment funds, insurance, payment gateway and corporate finance.
- ✓ Servicing around **5.7 million retail clients** in Poland, Czech Republic and Slovakia and **35 thousand corporate clients**.
- ✓ Profitable and **efficient business model**, operating with low C/I ratio of 28.6% (normalized) in 2023.
- ✓ Adequately-capitalised bank with a strong funding profile and **balanced business mix** between retail and corporate segments.
- ✓ Rated 'BBB' by S&P Global Ratings and 'BBB-' by Fitch.
- ✓ **Listed on the Warsaw Stock Exchange** since 1992 with a market value of ~EUR 5.2 billion, a member of WIG-20 index.
- ✓ A strategic shareholder, Germany's **Commerzbank, owns 69.1% of mBank's shares**.

Key financial data (PLN M)

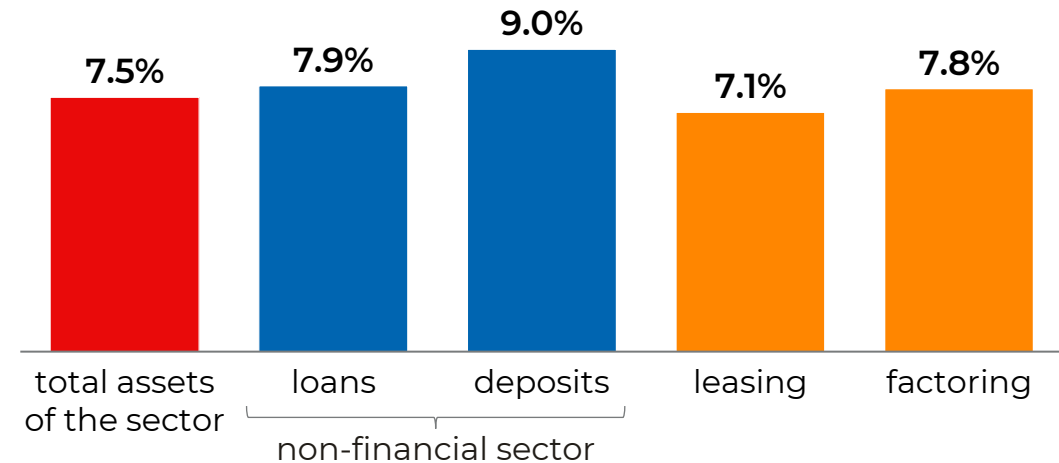
	2019	2020	2021	2022	2023
Total assets	158,353	178,861	198,373	209,892	226,981
Net loans	104,980	108,271	117,677	120,183	113,521
Deposits	113,184	133,672	157,072	174,131	185,467
Equity	16,153	16,675	13,718	12,715	13,737
Net interest income	4,003	4,009	4,126	5,924	8,873
Net fees and commissions	1,271	1,508	1,868	2,120	1,916
Total income	5,524	5,867	6,111	7,857	10,802
Total costs	-2,329	-2,411	-2,457	-3,319	-3,074
Loan loss provisions	-794	-1,293	-879	-849	-1,106
Net profit / loss	1,010	104	-1,179	-703	24
Net interest margin	2.7%	2.3%	2.2%	3.7%	4.2%
Cost/Income ratio	42.2%	41.1%	40.2%	42.2%	28.5%
Cost of risk	0.79%	1.20%	0.76%	0.69%	0.93%
Return on Equity	6.4%	0.6%	-7.2%	-5.3%	0.2%
Tier 1 capital ratio	16.5%	17.0%	14.2%	13.8%	14.7%
Total Capital Ratio	19.5%	19.9%	16.6%	16.4%	17.0%
NPL ratio	4.5%	4.8%	3.9%	4.0%	4.2%
Coverage ratio	60.7%	58.3%	53.1%	52.2%	54.7%
Retail clients (thou.)	5,601	5,660	5,514	5,642	5,716
Corporate clients	26,476	29,083	31,315	33,025	34,546
Mobile app users (thou.)	2,128	2,577	2,960	3,338	3,646
Employment (FTEs)	6,771	6,688	6,738	7,014	7,319

From a specialized corporate bank to a large universal bank

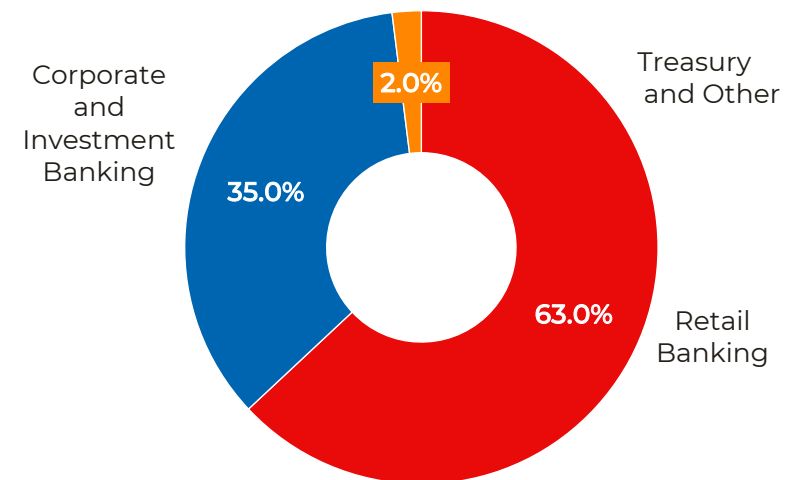


Introduction to mBank Group

mBank Group's market shares in Poland as of 31.12.2023



Composition of total income of mBank Group in 2023

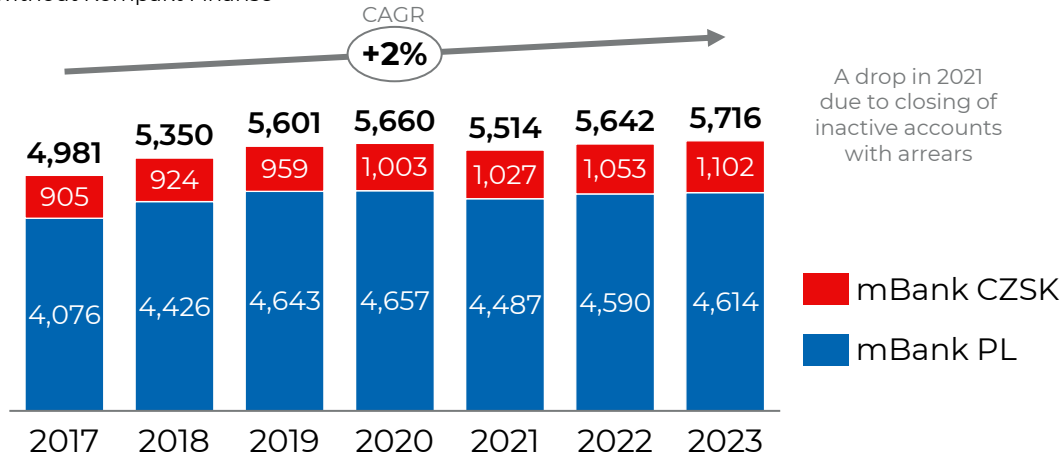


Total income: PLN 10,802.3 M in 2023

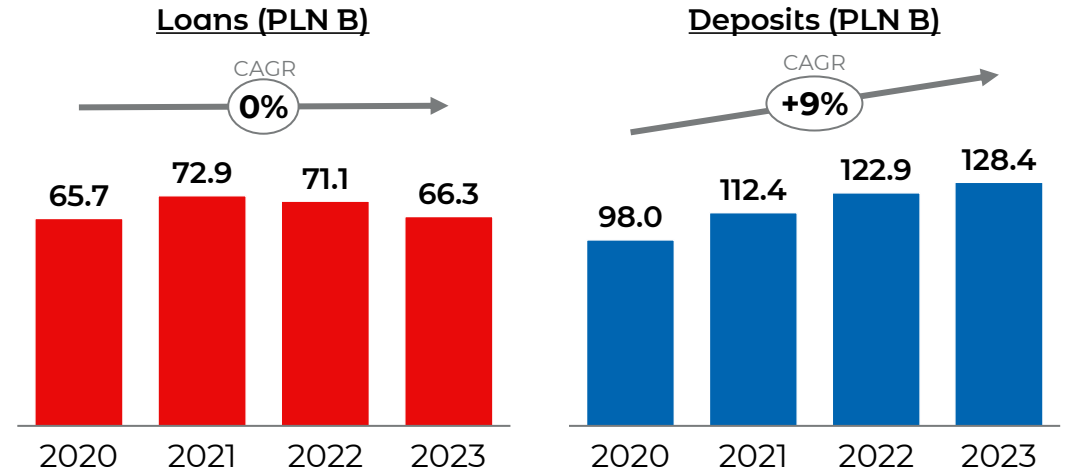
Poland's largest organically developed retail banking franchise

Number of mBank's retail clients (thou.)

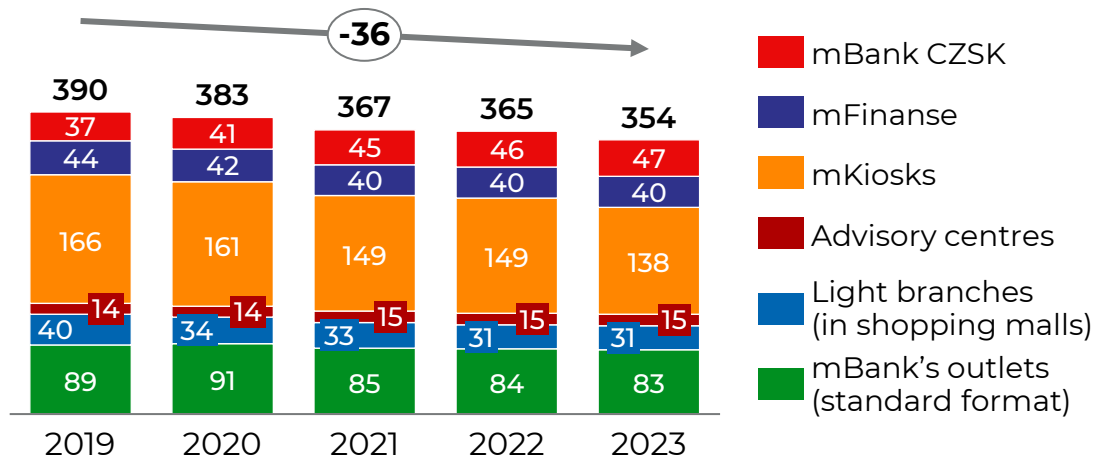
without Kompakt Finanse



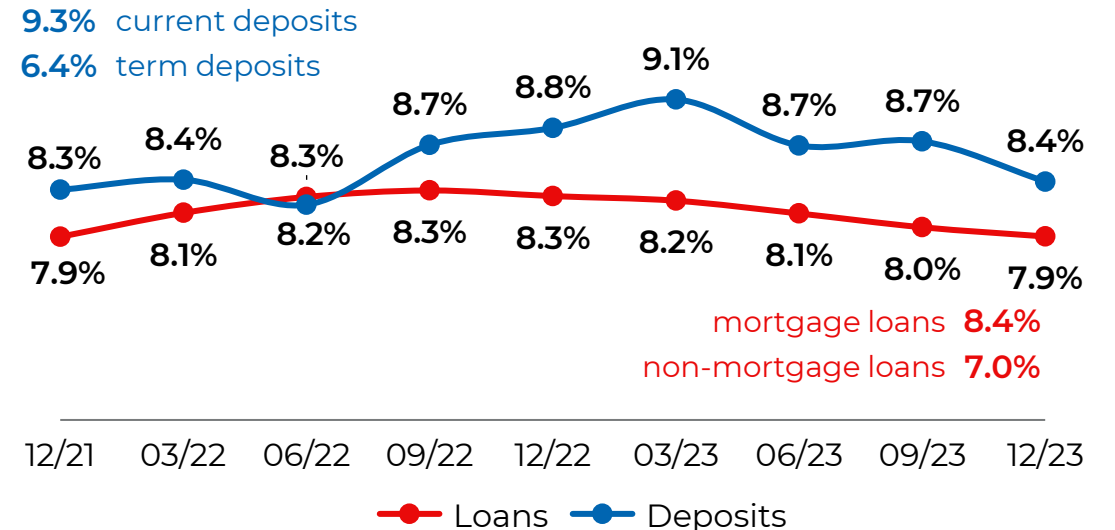
Business volumes of Retail Banking segment



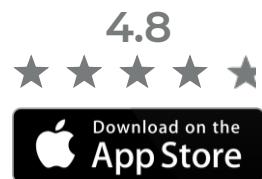
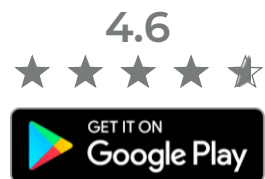
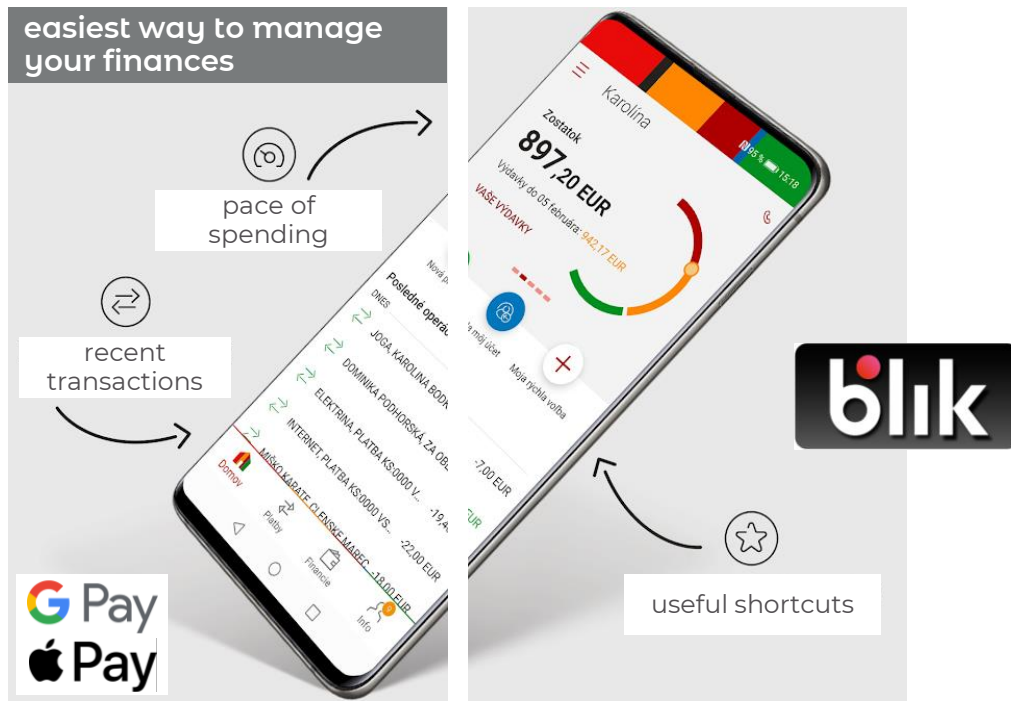
Number of retail service locations



mBank Group's market shares in Poland - Households



A leading mobile banking offer for individual clients



Mobile application to Junior Account

designed for children below 13 years old and suited to their needs



On average, **82%** of new mBank's clients activate mobile application in the first week from opening the account (in Q4/23)

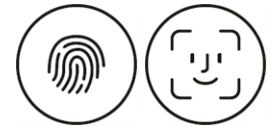
Well-designed functionalities for client convenience



fully remote account opening with e-ID or a selfie and agreement approved via a text message



logging in and confirmation of transactions with a PIN code, fingerprint or Face ID



contactless payments with Google Pay and Apple Pay, express transfers using telephone numbers and BLIK



functionalities of personal financial management (PFM) and value added services



reminders from Payment Assistant and scanning of data to the transfer form from the invoices



benefits (mDiscounts) for retail buyers and seamless shopping experience with one-click financing options (quick cash loan up to pre-approved limit)

mBank remains a front-runner in mobile banking adoption



#1

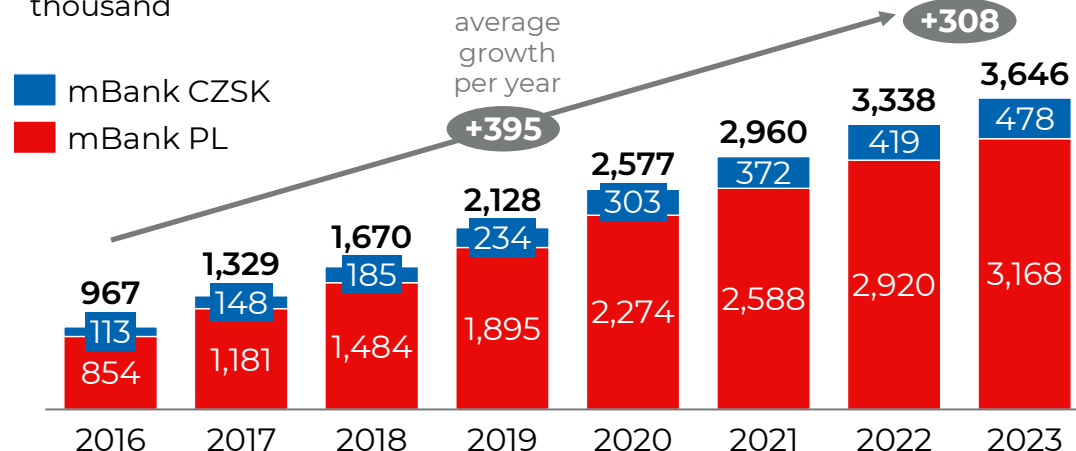
by the share of mobile users in total active customer base

#2

by the number of mobile app users among Polish banks

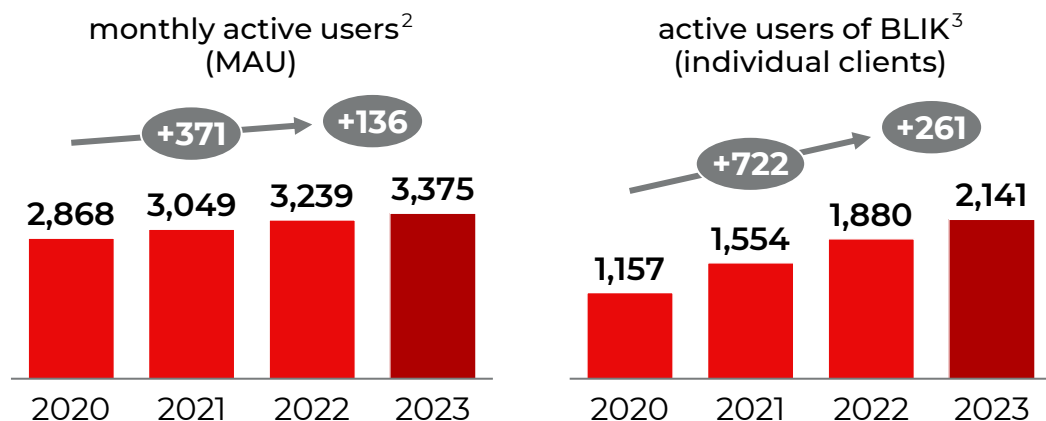
Number of active users of mBank's mobile application¹

thousand



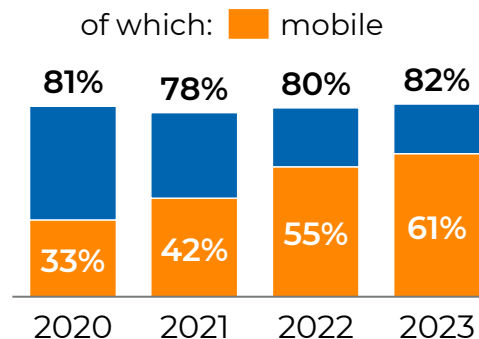
Number of active users of mBank's services in Poland

thousand

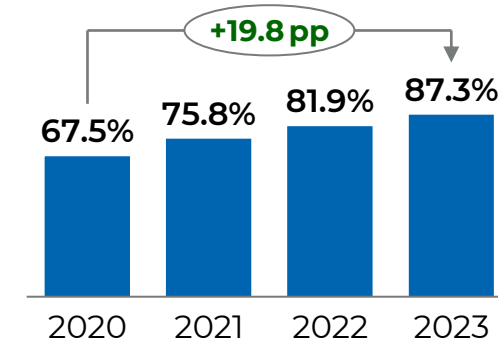


Growing importance of digital channel in daily banking

share of digital channel in the sale of non-mortgage loans (by number of pieces)



share of processes in retail banking area initiated by the clients in digital channels



¹ An "active user of mBank's mobile application" is a client who in a given month logged in at least once into the mobile application

² An "active user of mBank's services in Poland" is a client who in a given month performed at least one of the following actions: (i) logged into the mobile application, internet banking or trusted profile (ePUAP), (ii) initiated a transfer or card transaction

³ An "active user of BLIK" is a client who in a given month performed at least one of the following actions: (i) paid with BLIK in e-commerce or POS, (ii) withdrew money with BLIK, or (iii) made or received a transfer using BLIK

Premier transactional bank with digital DNA



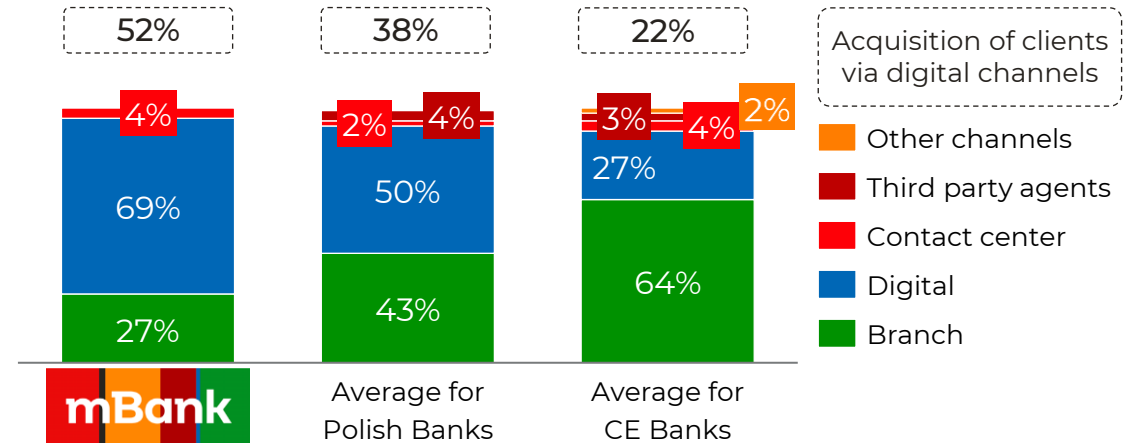
mBank's market share in the number of non-cash card transactions as of 9M 2023

12.3%

mBank's market share in the value of non-cash card transactions as of 9M 2023

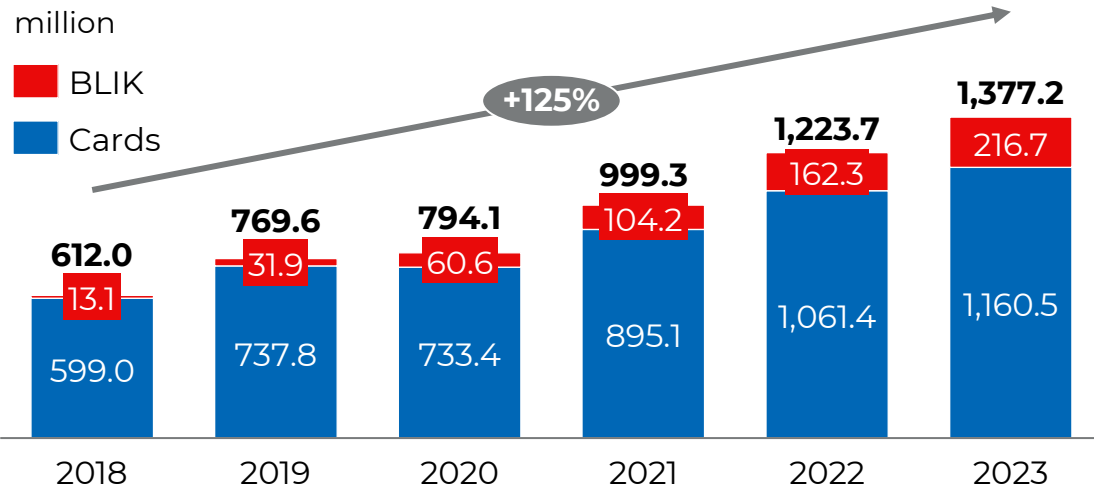
12.6%

Significant role of digital channels in mBank's product sales

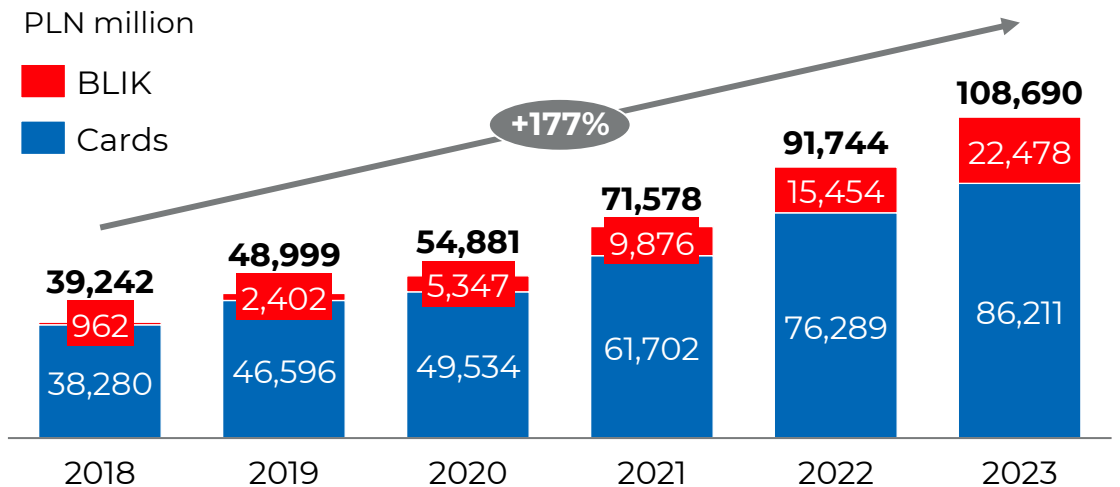


Note: Acquisition of clients understood as the number of opened current accounts.
Source: mBank's internal data and comparison based on external benchmarking study, 2021.

Number of non-cash payments with cards and BLIK

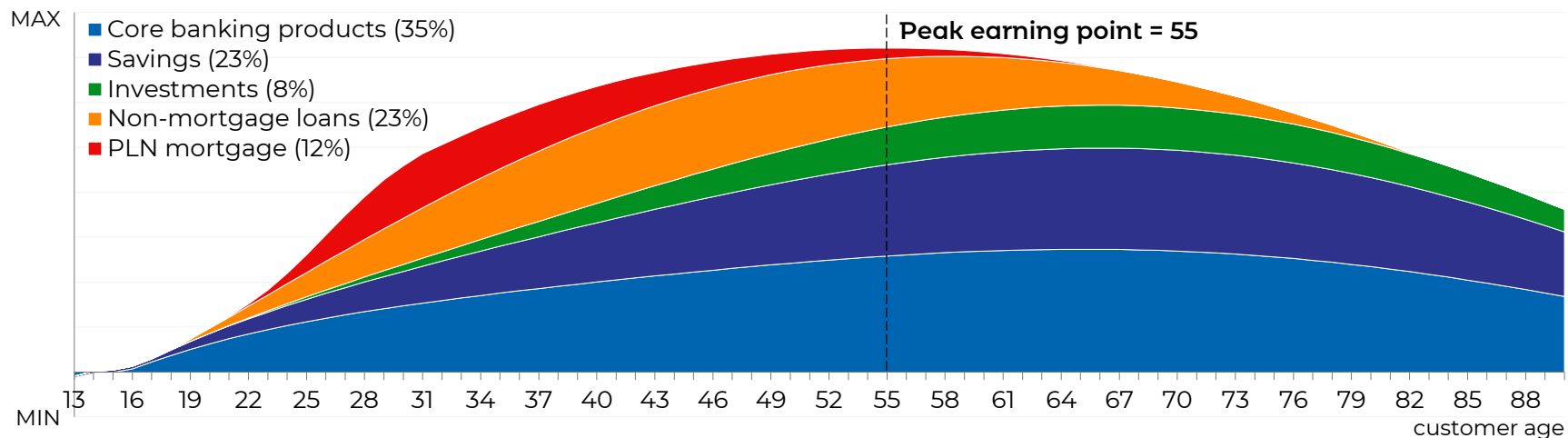


Value of non-cash payments with cards and BLIK

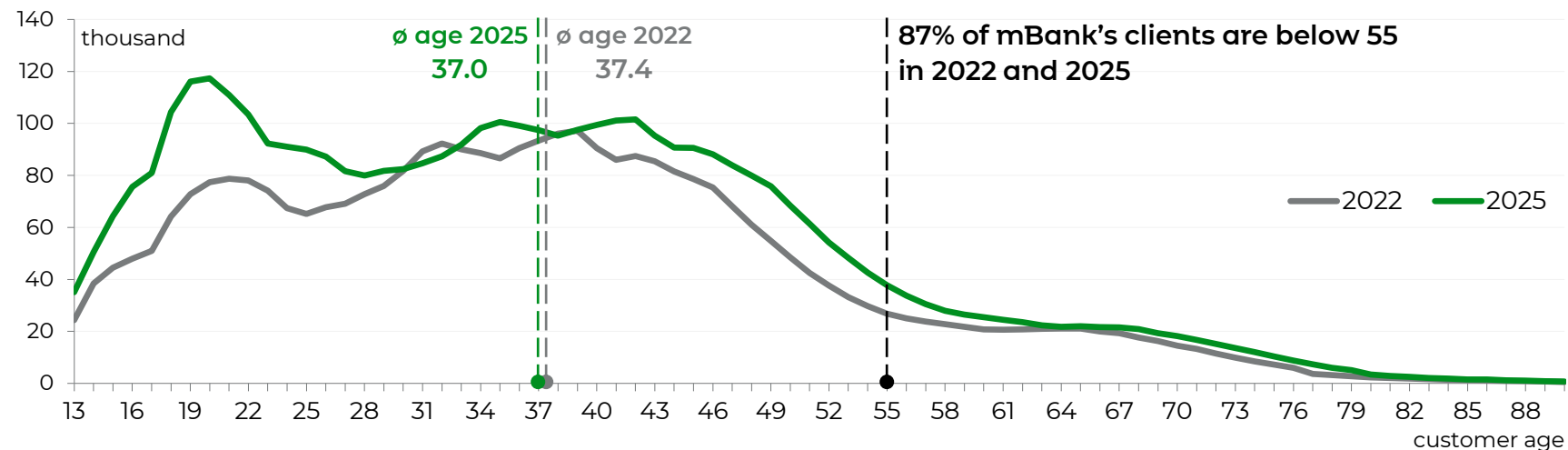


Supportive demographic profile of mBank's retail client base

Net revenue per active customer – individual clients at mBank in Poland, 2022



Age distribution 2025 vs 2022 – active individual customers at mBank in Poland

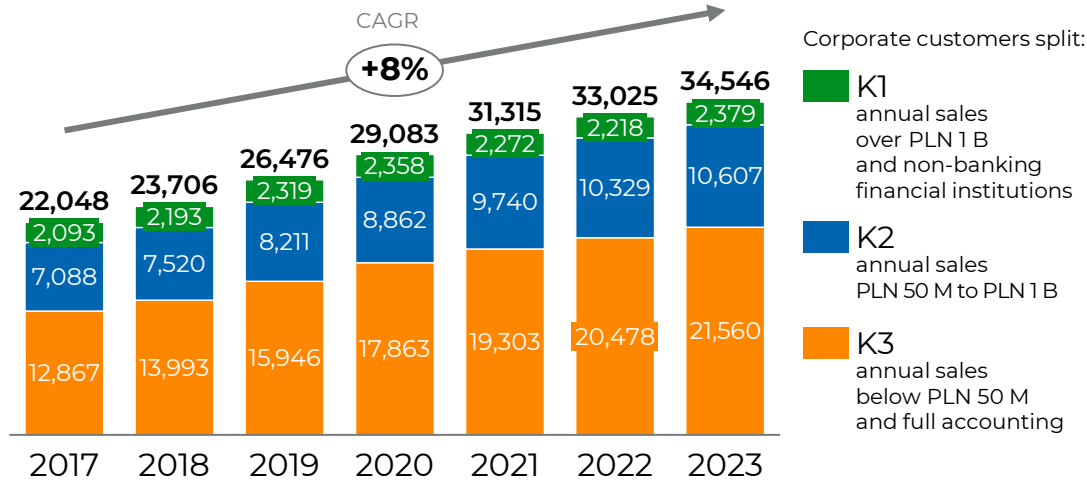


- mBank's current customer demographic profile is a consequence of our digital operating model, value proposition, and brand positioning since the start of retail operations.
- The age structure is a strong ally in driving up our business volumes and, as a result, the revenues.
- mBank will experience significant growth of average profitability per customer. The average age of our clients is currently 37. This is well below the age at which the bank's revenue per client reaches its maximum level (age of 55). This demographic effect will naturally contribute to multiplication of mBank's value in the coming years.

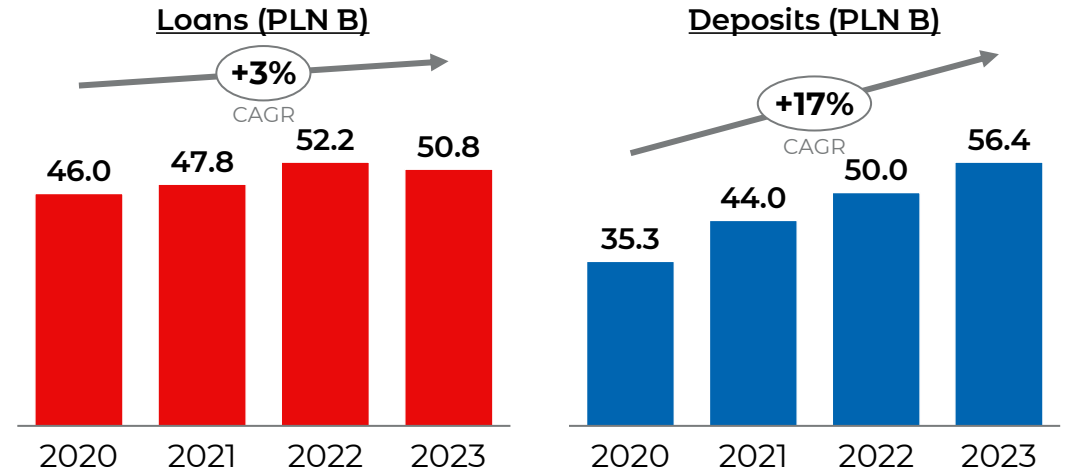
Source: mBank's internal data.

Strong presence and leading expertise in corporate banking

Number of mBank's corporate clients



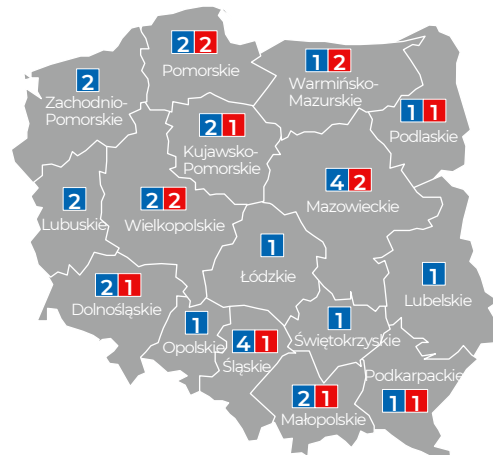
Business volumes of Corporate & Investment Banking segment



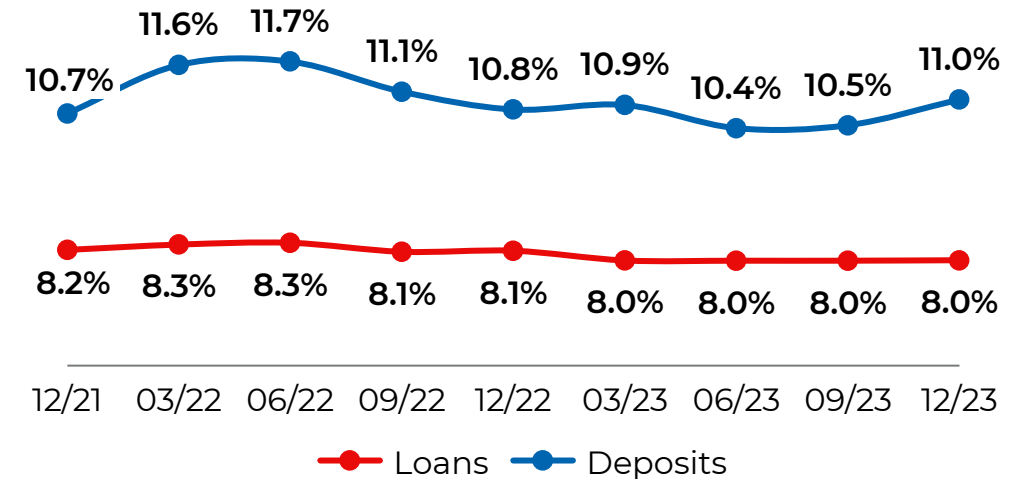
Number of corporate service locations as of 31.12.2023

29 mBank's branches, incl. 13 advisory centres

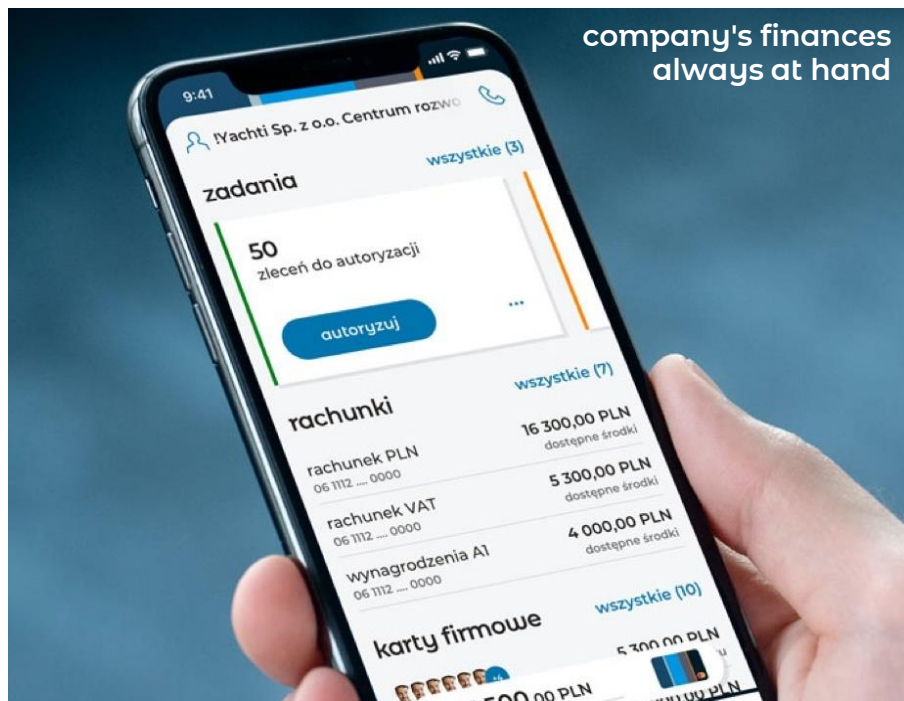
14 mBank's offices



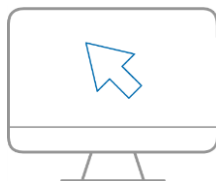
mBank Group's market shares in Poland - Enterprises



Best digital banking services for corporate clients



CompanyMobile
CompanyNet



95.7% of corporate customers have at least one user logging in to mBank's mobile application every month (in Q4/23)

First-class digital banking offer for companies



entirely digital onboarding process, with no in-person contact and printouts required



advanced mBank CompanyNet transactional system, allowing for high level of personalization



remote access and constant control via enhanced mBank CompanyMobile application



Administrator Centre for self-managing user permissions and authorisation schemes



electronic sending of documents, signing of agreements



mAuto.pl online platform with an offer of new and used cars, financed by leasing or long-term rental



Complete solutions for e-commerce segment

mBank's unique payment gateway

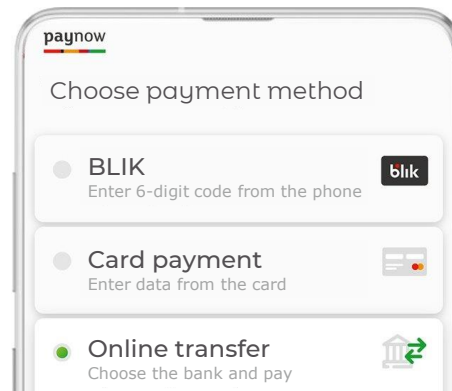
paynow

Online payment processing solution (BLIK, pay-by-link, card) and a core of mBank's offering for e-commerce merchants (SME and corporate clients)



developed to provide a delightful digital shopping experience for the customer and the merchant

- quick and easy integration with merchant's online shop
- high processing capacity, especially for peaks in payment volumes (up to 200 transactions per second)
- convenient management through mBank's transactional service or panel adapted to mobile devices
- extended for new services, e.g. Mass Collect for corporates, payment links



Processed payments volume has been constantly growing: PLN 664 M in Q4/23, +85% YoY



Comprehensive value proposition for e-merchants



3 editions of special campaign and contest "Digital Revolutions" to support microfirms and SMEs in e-commerce expansion

- tools for opening and running an e-shop in cooperation with Sky-Shop (incl. an option to set up an online store for a 14-day free trial period)
- free-of-charge accounting helpline for e-commerce
- dedicated webinars, articles and blog for firms starting sales and already operating in Internet
- mOrganizer to handle invoices



At the end of Q4/23, mBank serviced 558.8 thousand microfirms in Poland, +2.1 thousand YoY.



ESG well embedded in mBank Group's strategy (1/2)

Environmental pillar

Reducing greenhouse gases (GHG) emissions of our loan portfolio, steered by SBTi as the most prominent driver to become net-zero

- ▶ transform our loan portfolio to reach net-zero by 2050

Partnering with our clients by offering products and services to stimulate their sustainable and green activities

- ▶ provide **PLN 10 billion** of green financing (for renewable energy sources, decarbonization, circular economy, e-mobility, etc.) by the end of 2025, including PLN 5 billion from mBank and PLN 5 billion from other sources such as consortia and green bonds issues arranged for clients
- ▶ increase the yearly sale of mortgage loans for real estates compliant with the NZEB-10% (Nearly Zero Energy Building) standard to **14%** in 2024 and **18%** in 2025 of total mBank's mortgage loan production (by volume)
- ▶ offer **at least 50%** of investment solutions managed within mBank Group promoting environmental or social characteristics ("light green" in line with Art. 8 of SFDR) by 2025
- ▶ issue green bonds in the amount of **PLN 5 billion** until the end of 2025

Limiting own GHG emissions by decarbonizing our operations

- ▶ become net zero in own operations by 2040

SBTi commitment

mBank joined the **Science Based Targets initiative** (SBTi) in 2022. In line with our obligation, we plan to submit our decarbonization targets for validation till 30.09.2024.

ESG ratings¹



Bloomberg GEI
Gender-Equality Index

WIG-ESG index
on WSE in Poland

¹ please see [the webpage](#) for disclaimer statements

ESG well embedded in mBank Group's strategy (2/2)

Social pillar

Providing an attractive work environment that ensures diversity, equity and inclusion

- ▶ ensure **gender balance** in the succession program (at **minimum 45%** of a given gender) and reduce the **pay gap** (keeping it below 5%)



Ensuring balanced gender representation at mBank Group

- ▶ increase the level of **gender representation** in managerial bodies of mBank's main subsidiaries (including mLeasing, mFaktoring, mBank Hipoteczny, mTFI, mFinanse) **to 40%** by the end of 2026



Making social impact through fostering financial health and education of our clients

- ▶ continue **financial education** and promote **responsible management of personal finance** among clients by growing the number of users of dedicated functionalities in mBank's mobile and internet services

Governance pillar

Enhancing our corporate governance by ESG aspects

- ▶ have all TOP 100 managers (at mBank and main subsidiaries) with **goals related to ESG** at a **10% weight** in their Objective and Key Results



Integrating environmental, social and governance risks with mBank's risk management

- ▶ incorporate ESG into **credit** and **Internal Capital Adequacy Assessment Process** documentation, and perform **materiality assessment** of ESG risk each year



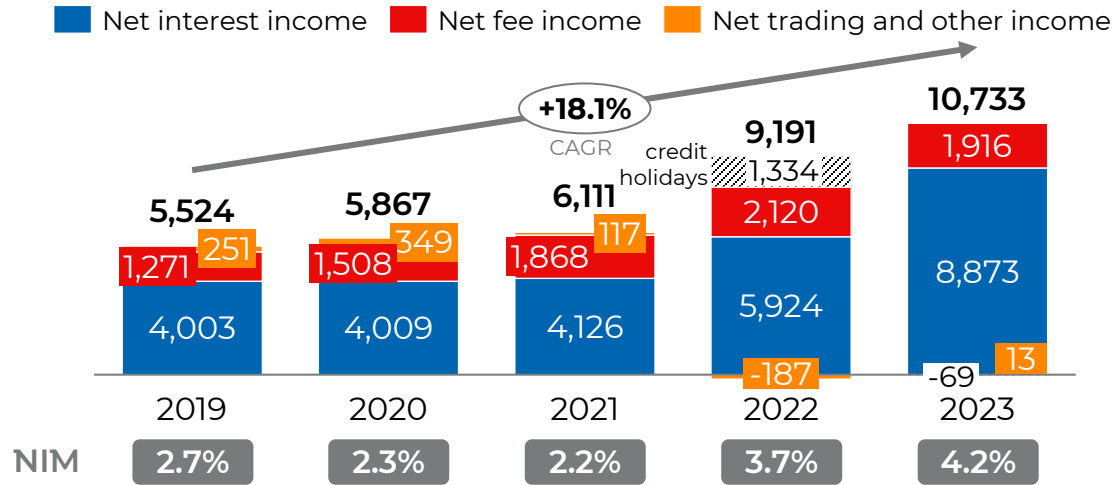
Promoting transparency and ESG standards among our business partners

- ▶ have **70%** of eligible **partners and suppliers** (under central purchasing process) to be **compliant with the 10 Principles of the UN Global Compact** by 2025

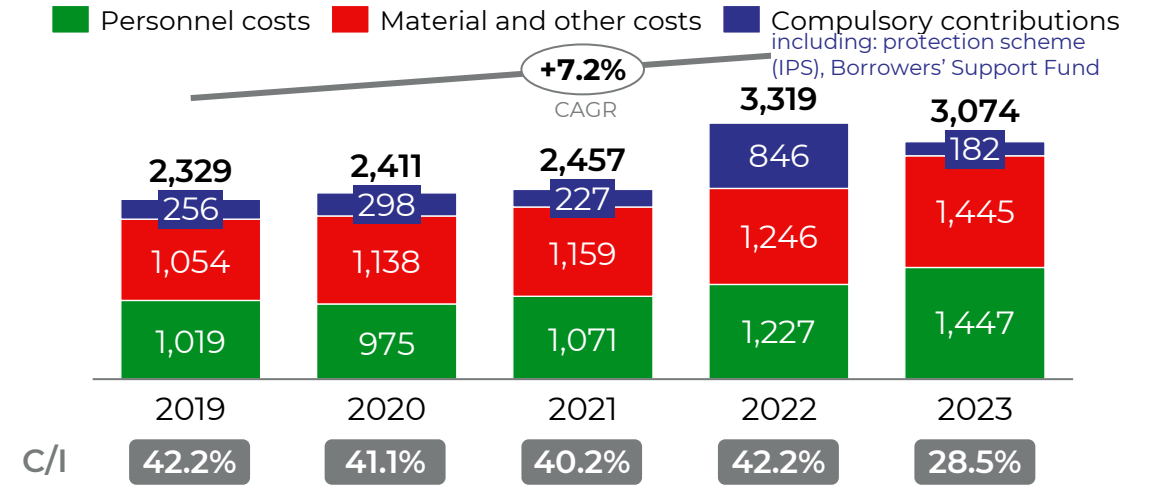


Highly efficient platform underpinning solid financial results

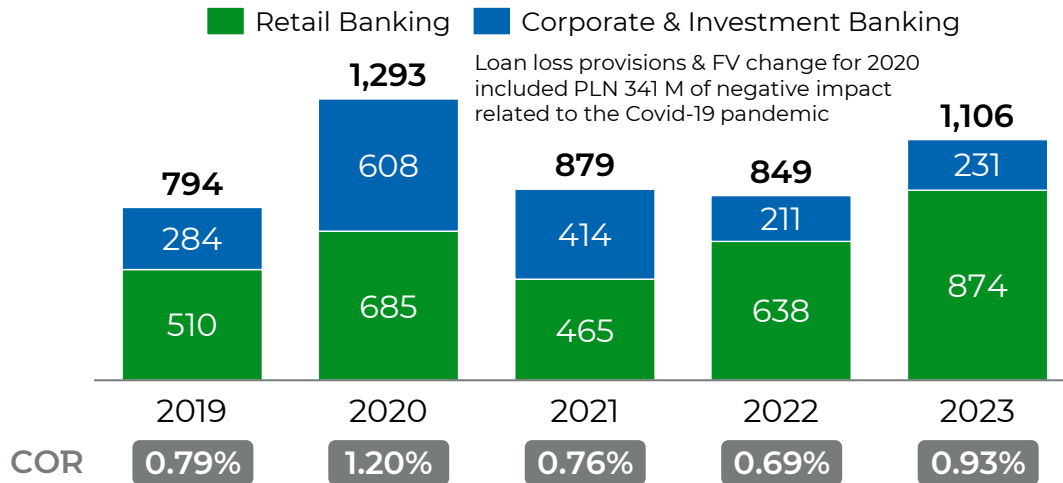
Total income (PLN M) & net interest margin (NIM)



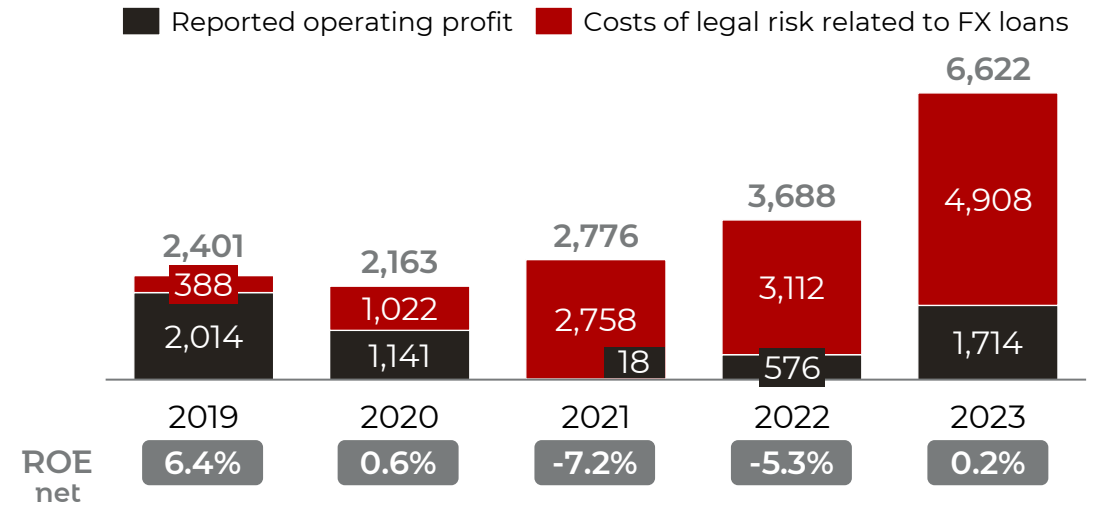
Total operating expenses (PLN M) & Cost/Income ratio (C/I)



Loan loss provisions (PLN M) & cost of risk (COR)

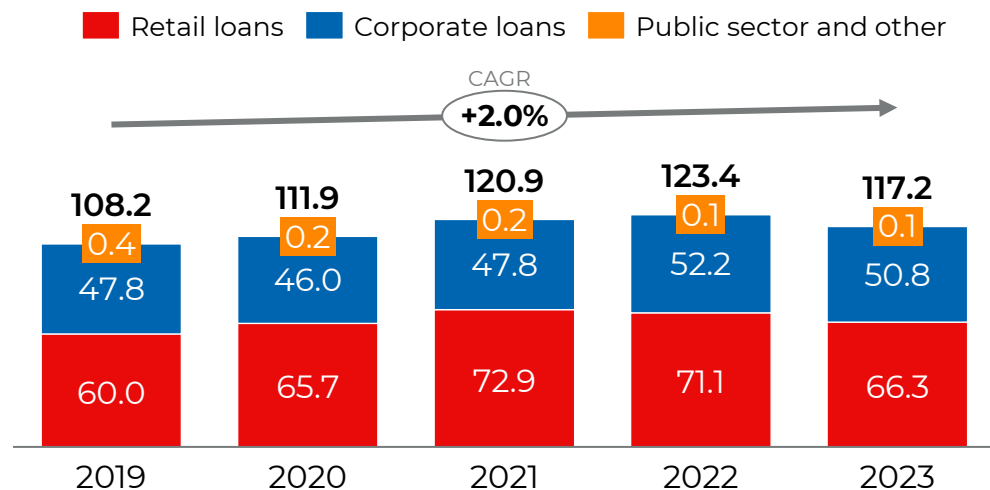


Operating profit (PLN M) & return on equity (ROE)

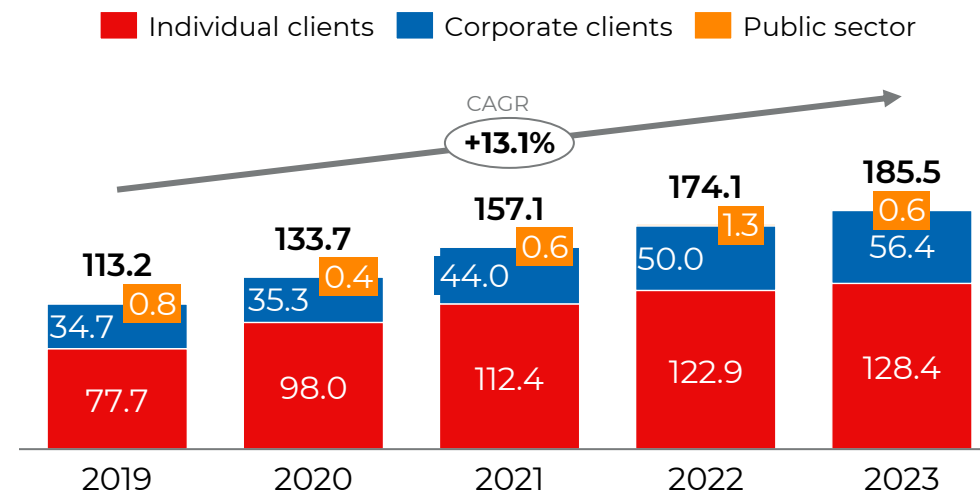


Well-balanced growth of business volumes, strong capital position

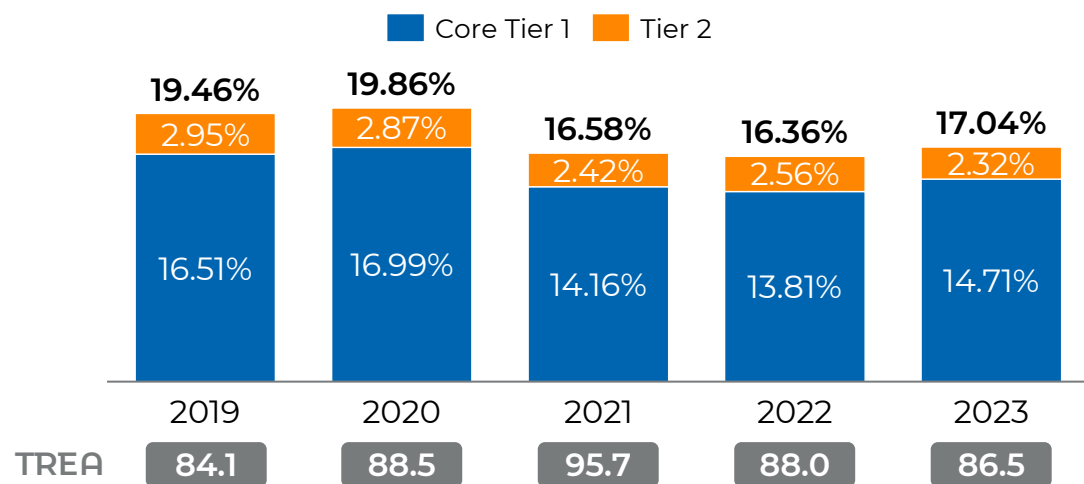
Total gross loans (PLN B)



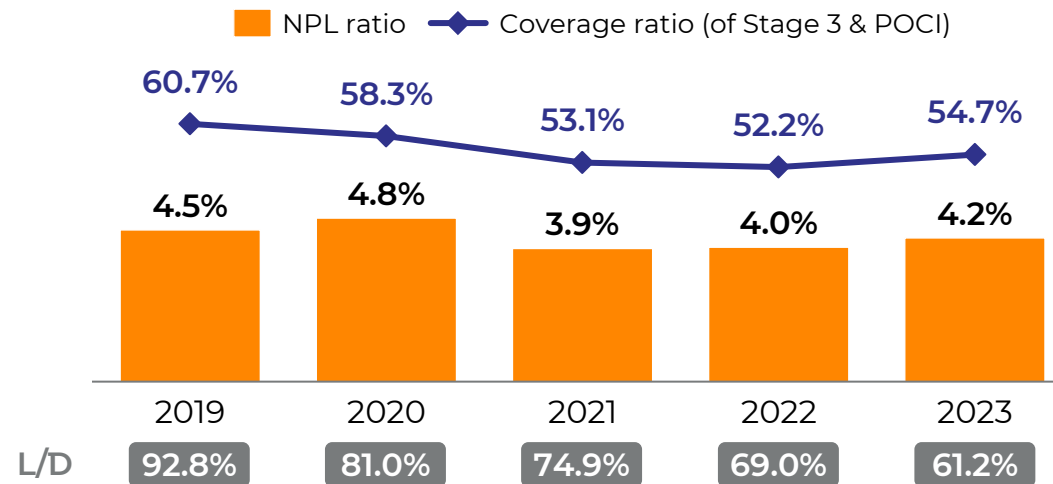
Total customer deposits (PLN B)



Total capital ratio & Total risk exposure amount (PLN B)



Asset quality metrics & loan-to-deposit ratio (L/D)



Excellent performance of the core business demonstrated in 2023

Summary of financial results for mBank's core activity and run-off portfolio in 2023

PLN million	Core Business	Non-core ¹	mBank Group
Net interest income	8,855.0	18.5	8,873.5
Net fee, trading and other income	2,014.3	-85.5	1,928.9
Total income	10,869.3	-67.0	10,802.3
Total costs	-3,038.9	-35.6	-3,074.4
Loan loss provisions and fair value change ²	-1,123.4	17.9	-1,105.5
Costs of legal risk related to FX loans	0.0	-4,908.2	-4,908.2
Operating profit	6,707.0	-4,992.9	1,714.1
Taxes on the Group balance sheet items	-718.6	-25.0	-743.6
Profit or loss before income tax	5,988.4	-5,017.9	970.6
Net profit or loss	5,041.9	-5,017.9	24.1
Total assets	223,231	3,750	226,981
Net interest margin	4.30%		4.18%
Cost/Income ratio	28.0%		28.5%
Cost of risk	1.00%		0.93%
Return on equity (ROE)	40.0%		0.2%

¹ Equivalent of "FX Mortgage Loans segment" in the financial statement

² Sum of 'Impairment on financial assets not measured at fair value through profit or loss' and 'Gains or losses on non-trading financial assets mandatorily at fair value through profit or loss' related to loans

Separation of FX mortgage loan portfolio

- In order to present the genuine and undistorted performance of mBank Group, the non-core part, comprising of foreign currency mortgage loans, is shown separately from the total business.
- Non-core assets** are defined as all residential mortgage loans granted to individual customers in Poland that at any point in time were in another currency than PLN. In addition to the FX mortgage loan portfolio, associated provisions for legal risk arising from these contracts are also allocated to the segment.

The capital allocated to the non-core unit amounted to PLN 653 M as of 31.12.2023.

It is calculated primarily based on:

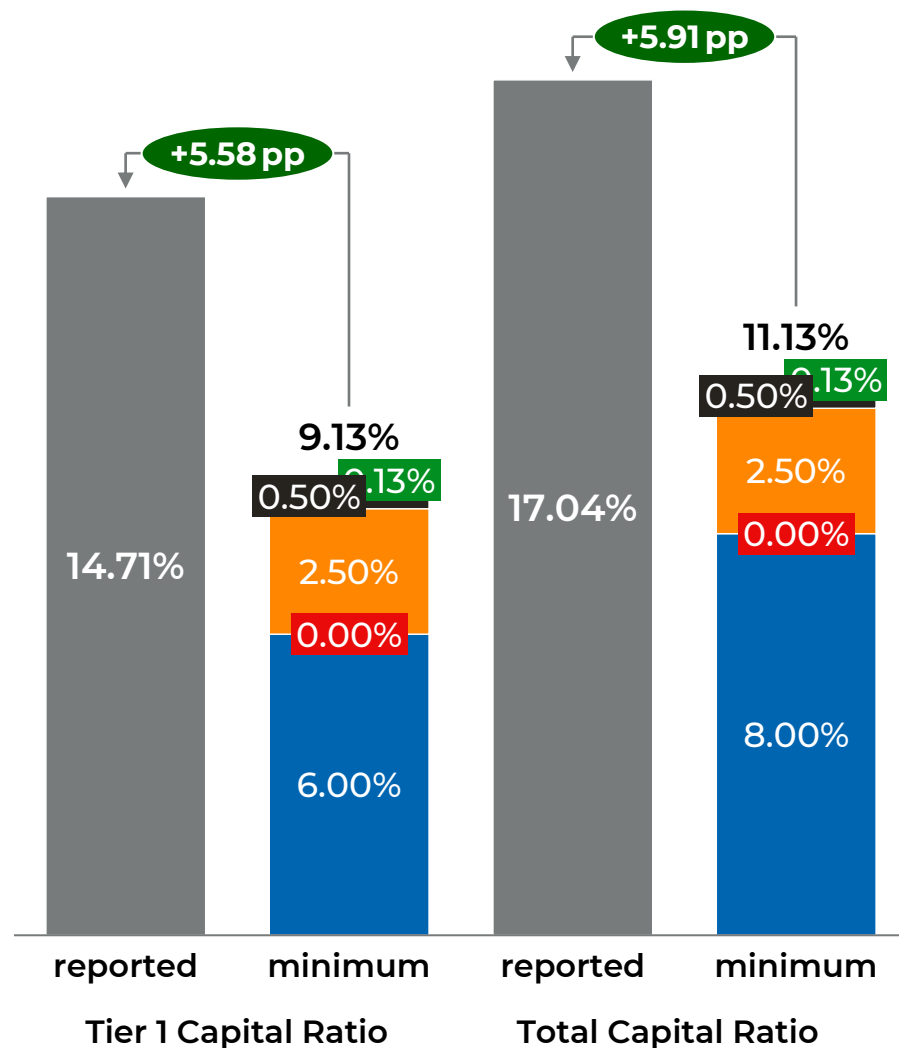
- total risk exposure amount of the segment and minimum Tier 1 capital ratio required by PFSA
- economic capital for operational risk

From the managerial perspective, growth of mBank's core business is effectively based on lower capital due to its portion being set aside for FX Mortgage Loans segment.

Capital ratios above the regulatory requirements

Regulatory capital requirements for mBank Group

as of 31.12.2023



- Countercyclical Capital Buffer (CCyB)**, calculated as the weighted average of the CCyB rates that apply in the countries where the relevant credit exposures are located.
- Systemic Risk Buffer (SRB)**, originally set at 3.0% in Poland, reduced to 0% starting from 19.03.2020; for mBank it applies only to domestic exposures.
- Other Systemically Important Institution (O-SII) Buffer**, imposed by an administrative decision of the PFSA; its level is reviewed annually.
- Conservation Capital Buffer (CCB)**, equal for all banks in Poland as introduced by the Act on Macroprudential Supervision Over the Financial System and Crisis Management in the Financial System.
- Individual additional Pillar 2 capital requirement for risk related to FX retail mortgage loans (FXP2)** imposed as a result of risk assessment carried out by the PFSA.
- CRR Regulation minimum level (CRR)** based on the applicable EU Regulation.

In December 2023, mBank received the decision of the Polish Financial Supervision Authority regarding the expiry of the additional capital requirement related to risk of foreign currency mortgage loans for households on both individual and consolidated basis. Latest level of the buffer imposed on mBank Group based on the decision dated 14.06.2023 amounted to 1.18 p.p. for Total Capital Ratio and by 0.89 p.p. for the Tier 1 capital ratio.

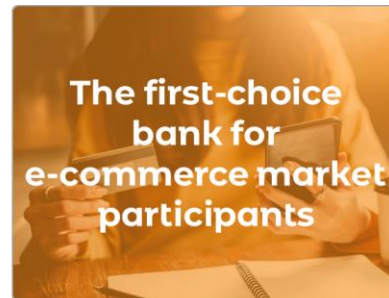
Pillars of new mBank Group's strategy for 2021-2025

Our business activities and initiatives are focused on 5 areas

Retail Banking area will be organized around demographic segments to develop the complete offer and value proposition precisely responding to the needs arising at different phases of the customer life cycle.

Corporate and Investment Banking area will cooperate with companies from prospective industries and the fast growing sectors of the economy (e.g. RES, modern businesses, healthcare, EU funds beneficiaries).

- organic growth through the continuous acquisition of new clients (especially young) and monetization of existing base
 - focus on mortgage loans as an anchor product, comprehensive investment offering (via own TFI), personal financial management (PFM) and ecosystem of non-banking services (e-government, commercial services, bancassurance)
 - strict mobile-first approach; contact channels aligned to a supremacy of remote access and digital sales
 - providing customers with high quality, availability and security of solutions, platforms and services offered by mBank
 - continuous development of a multi-layer cybersecurity defence model for both on-premise and cloud solutions
 - the highest possible protection of our mobile application and the most secure and client-friendly identity confirmation process in all digital channels
- expansion of Paynow as the first Polish payment integrator in the cloud, enabling superior processing capabilities
 - entry into e-commerce sphere, including a launch of marketplace platform integrating mBank's online buyers and sellers
- optimization of exposures and relationships with a focus on profitability and capital-efficient business, which fulfils minimum AROR level
 - improved customer experience thanks to advanced multidimensional digital transformation, including onboarding and other process as well as boosting mobile banking penetration
 - new well-designed credit process for corporates supporting business development at adequate level of risk costs
 - development of best-in-class hybrid work environment with leaders skilled in managing distributed teams and top collaboration technology
 - strengths-based approach to leverage on individual talents and skills of employees
 - amendment of remuneration scheme to make it attractive from the employee perspective and supporting company objectives



Vision for mBank Group and guiding principles for the organisation

We will anchor the future of mBank on seven pillars



understanding of customer needs in their life cycle and calibrating products adequately to support them in most effective way



banking secrecy and firm promise to protect customer information, personal data and financial profile of their activities



mobile access being the core medium/channel for interaction with the client



security of clients' payments and assets placed with mBank



offering a premier experience for our clients in the e-commerce universe



executing ESG agenda focused on our responsibility for climate, society and financial health of our clients



helping clients to keep their finances in order by providing them with advanced financial management capabilities



Financial targets of mBank Group for 2021-2025

The activities of mBank Group are focused on achieving the following strategic financial targets

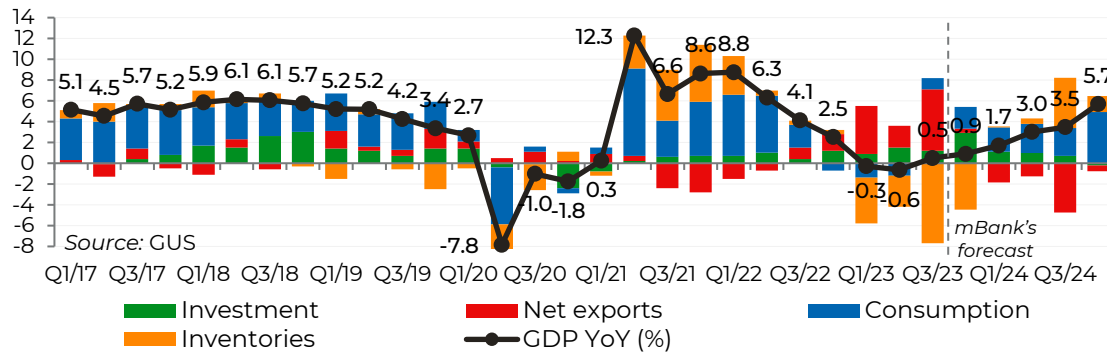
Efficiency	Cost/Income ratio (C/I)	below 40%
Stability	Tier 1 capital ratio	min 2.5 p.p. above the PFSA requirement as at year-end
	Cost of risk (COR)	~0.80%
Growth	Loans	average 2022-2025: ~3%
	Deposits	average 2022-2025: ~6%
	Total revenues	average 2022-2025: 4-5% ¹
Profitability	Net interest margin (NIM)	above 3.0%
	Return on equity (ROE)	~14%

mBank Group's transition from best-in-class efficiency to satisfying profitability

¹ the growth pace calculated against the level of revenues adjusted for the negative impact of "credit holidays" at PLN 9,191 million

Macroeconomic situation and outlook: GDP, inflation, rates, currency

GDP path and forecast for Poland (% YoY)



GDP growth reached a trough and will improve to 3.5% in 2024. The major driver going forward will be private consumption. Private investment activity is also picking up, although the EU-sponsored public expenditures cycle will be a drag.

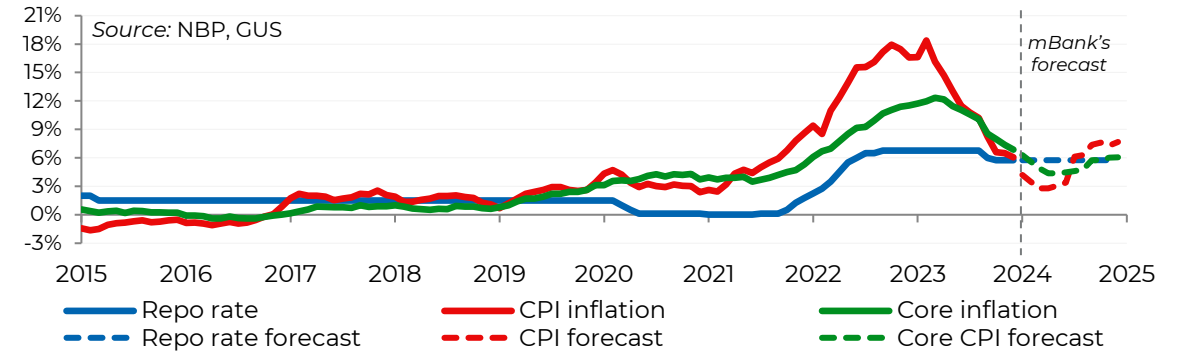
Key economic indicators for Poland

	2022	2023	2024F	2025F
GDP growth (YoY)	5.3%	0.2%	3.5%	4.2%
Domestic demand (YoY)	5.2%	-4.1%	5.5%	4.0%
Private consumption (YoY)	5.2%	-0.9%	4.6%	4.0%
Investment (YoY)	4.9%	7.7%	4.1%	5.4%
Inflation (eop)	16.6%	6.1%	7.9%	4.2%
MPC rate (eop)	6.75%	5.75%	5.75%	4.25%
CHF/PLN (eop)	4,73	4,68	4,47	4,43
EUR/PLN (eop)	4,69	4,34	4,20	4,20

Source: mBank's estimates as of 06.02.2024.

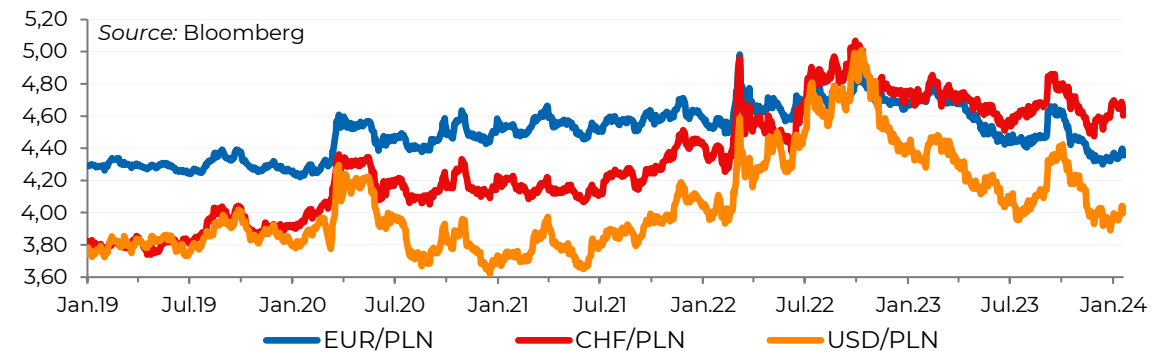
Introduction to mBank Group

Inflation's U-turn, no rate cuts this year



Faster growing economy and inflation's U-turn are going to make Monetary Policy Council cautious in withdrawing monetary policy restraints. Therefore, mBank's analysts expect flat rates in 2024.

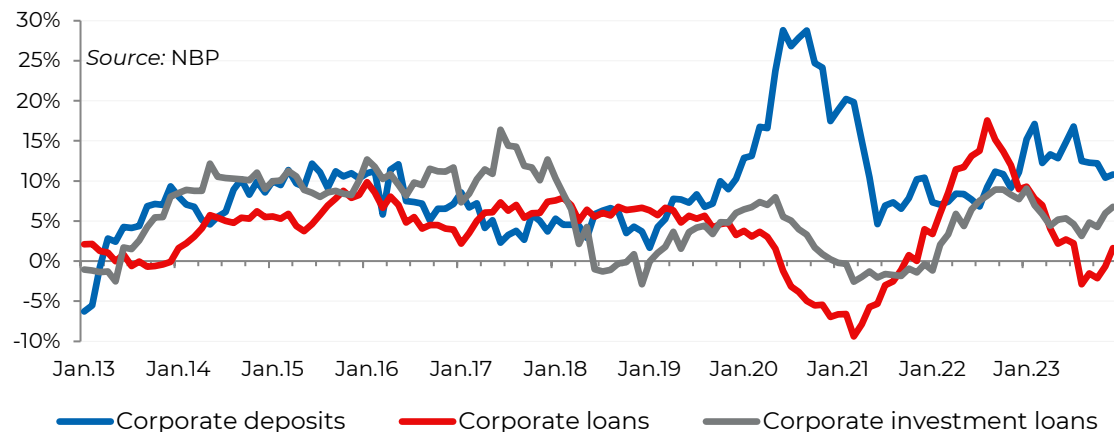
NBP rate cuts and election-induced volatility gone



Polish currency gained after the announcement of the parliamentary election results. More restrictive monetary policy may help the zloty further amidst reviving GDP growth.

Macroeconomic situation and outlook: monetary aggregates

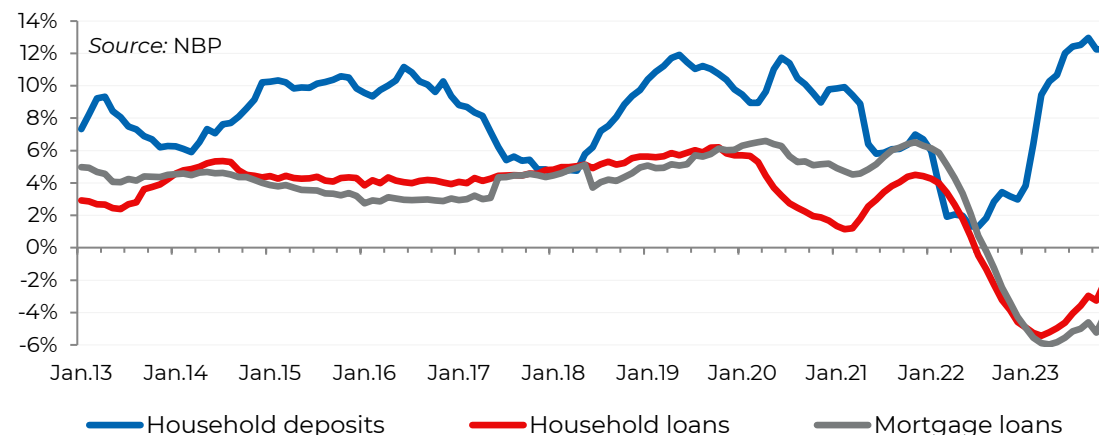
Corporate loans and deposits (YoY, FX-adjusted)



The dynamics of deposits in the corporate sector has stabilized. Credit growth may have already reached its bottom. An expected revival in economic activity (driven by consumption) will boost loan expansion.

Segment volumes YoY	2022	2023	2024F	2025F
Corporate loans	9.6%	-0.7%	3.0%	8.6%
Corporate deposits	11.6%	8.8%	7.3%	6.4%

Household loans and deposits (YoY, FX-adjusted)



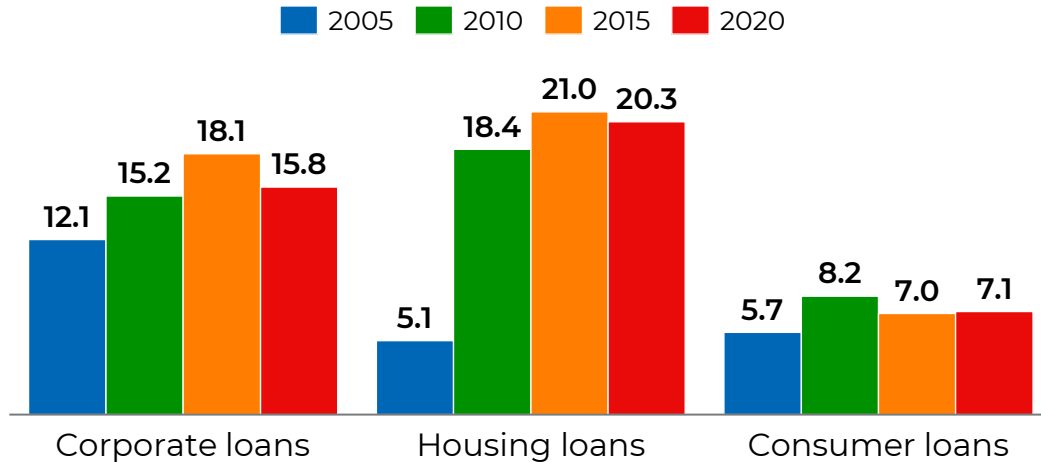
The strong labour market and expansionary fiscal policy support deposit accumulation. Credit growth is beginning to rebound, and it is expected to continue this move amidst improving consumer confidence.

Segment volumes YoY	2022	2023	2024F	2025F
Household loans	-3.8%	-1.3%	2.1%	4.8%
Mortgage loans	-3.2%	-3.6%	-0.4%	4.2%
Mortgage loans in PLN	-1.8%	1.8%	3.0%	7.8%
Non-mortgage loans	-5.1%	3.0%	6.7%	5.8%
Household deposits	3.3%	11.3%	4.6%	8.4%

Source: mBank's estimates as of 06.02.2024.

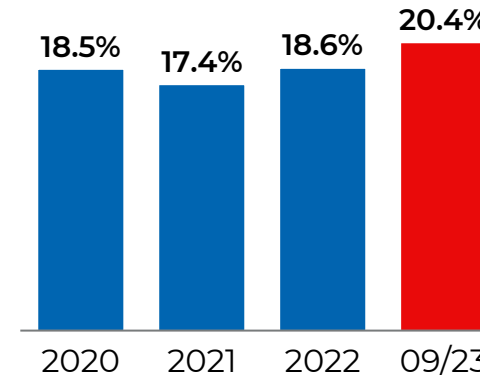
Banking sector in Poland is stable and operationally efficient

Loan penetration in Poland: key credit categories to GDP (%)

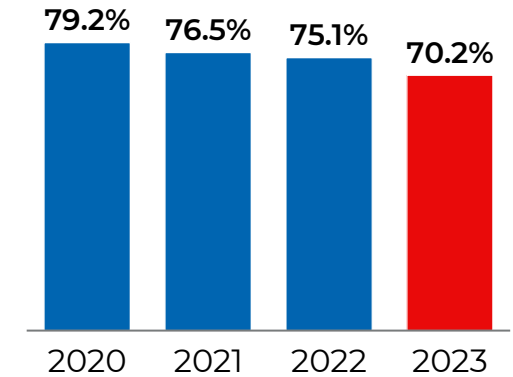


Capital adequacy and funding: capital and L/D ratios

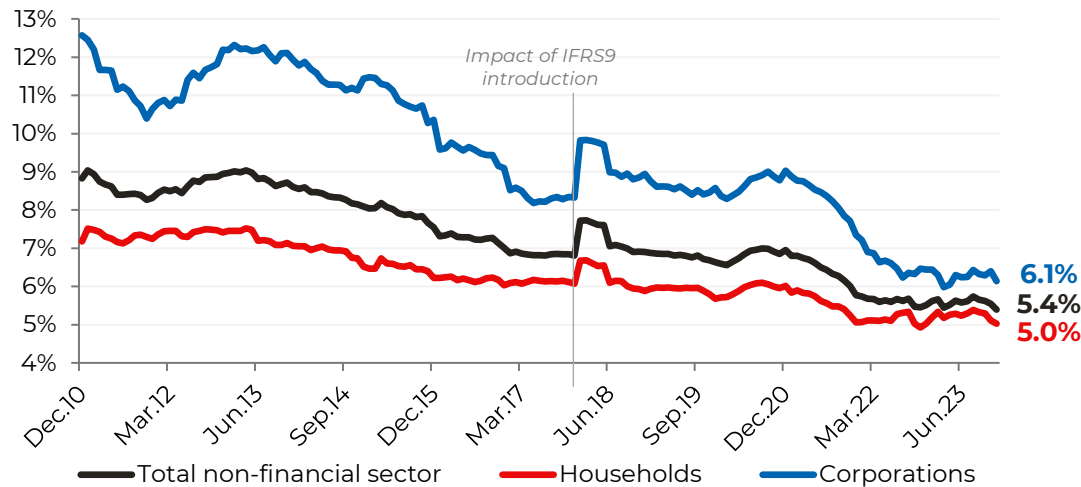
Tier 1 capital ratio



Loan-to-Deposit ratio

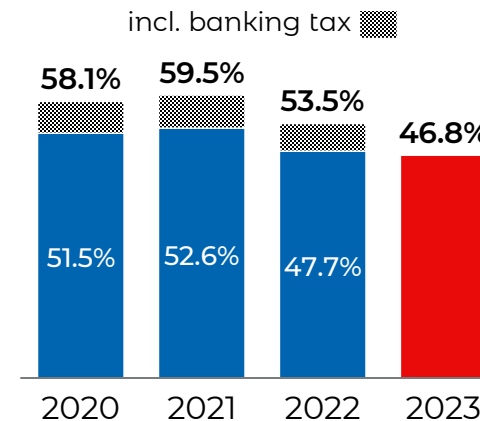


Asset quality: development of NPL ratios by segment

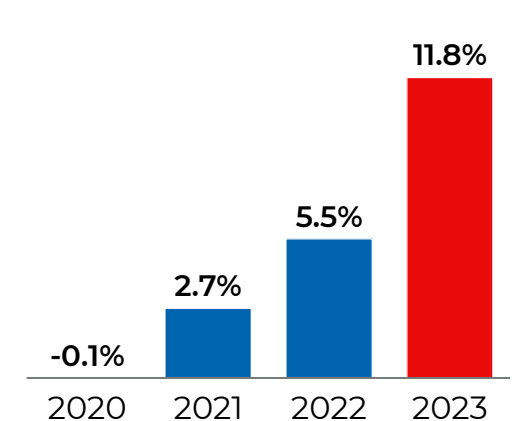


Efficiency and profitability: C/I ratio and ROE

Cost-to-Income ratio



Return on equity



Source: mBank's calculations based on data published by the Polish FSA, National Bank of Poland.

Challenges in operating environment have increased for Polish banks

Key factors affecting operations and profitability of Polish banks

fiscal and tax burdens, sector contributions

- Starting from February 2016, a **special asset-based tax on banks** and certain other financial institutions was imposed. With the tax **rate set at 0.44% annually**, the levy is **one of the highest in Europe**.
- Due to many non-tax deductible costs (legal provisions related to CHF portfolio, banking tax, resolution fund), **effective tax rate (ETR) for banks is much higher** than the statutory one for companies (19%). **In 2022, it reached 41%**.
- **Contribution to the protection scheme (IPS)** to support the Bank Guarantee Fund in conducting the resolution of Getin Noble Bank in 2022. The aid fund formed of the **payments made by 8 largest Polish banks** translated into the cost for the sector of **PLN 3.47 billion**.

regulatory and government interventions

- In July 2022, the act introducing **three pillars of support for borrowers** came into force. They comprised:
 - so-called **“credit holidays”**, entitling for the suspension of the repayment of 8 mortgage loan instalments regardless of the financial situation of the client, **the total impact of which for the largest banks reached ca. PLN 13 billion**. In 2024, the government presented a draft law to extend credit holidays with new eligibility criteria.
 - increasing the **Borrowers' Support Fund** through an **additional contribution of PLN 1.4 billion**
 - benchmark reform aimed at **replacing WIBOR** with new WIRON rate
- **Excessive customer protection** and scrutiny with respect to the price list adjustments, undermining business model of retail banking

unresolved issue of CHF mortgage loans

- The **first judgement by the Court of Justice of European Union (CJEU)** in the case related to Polish FX mortgage loans (*Dziubak case*) was made in October 2019. Since then, **the legal cases against banks have been rising rapidly**.
- **Increasingly negative line of jurisprudence** observed in Polish courts has resulted in **very high CHF-related legal provisions** at banks.
- Although there are divergences in the case law to date, the **verdicts have been predominantly unfavourable to banks**.
- **No systemic solution** of this issue is currently discussed in Poland. Most **banks offer voluntary conversion of FX loans into PLN** based on the proposal of the PFSA Chairman.