

Results of mBank Group Q2 2023

Continued excellent operating performance
and stronger protection against legal risk



Presentation for Investors and Analysts, 02.08.2023

Agenda



Key highlights of Q2 2023

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- Business development
- Summary of financial results

Analysis of the performance after Q2 2023

12

- Loans and deposits
- Total income and its main components
- Total costs and efficiency
- Loan loss provisions and portfolio quality
- Capital and liquidity position







Macroeconomic update and outlook

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Key highlights of Q2 2023 in mBank Group

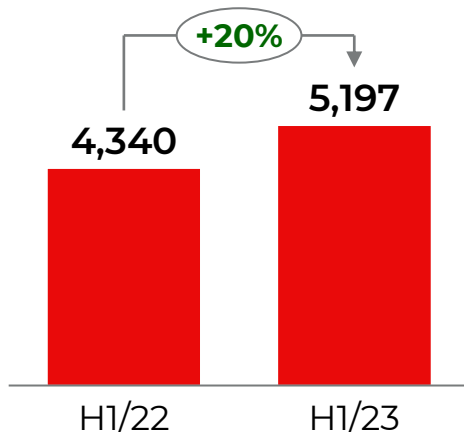
<p> Further improvement of net interest income thanks to active deposit management, slightly weaker net fee income</p>	<p>Net interest income +8.2% QoQ</p>	<p>Net fee income -2.7% QoQ</p>
<p> Efficiency maintained at excellent level despite continued wage pressure and investments in future growth</p>	<p>Total costs w/o BFG +5.0% QoQ</p>	<p>Cost/Income ratio¹ 27.8%</p>
<p> Slightly higher cost of risk; protection against legal risk of CHF mortgage portfolio strengthened considerably</p>	<p>Cost of risk 64 bps</p>	<p>CHF legal costs PLN 1.54 billion</p>
<p> Strong performance of core business; increased capital ratios and surplus over regulatory requirements</p>	<p>Core gross profit² PLN 1,642 million</p>	<p>Total capital ratio 16.8%</p>
<p> Small decrease of loans in both business segments, minor reduction of deposits driven by pricing optimization</p>	<p>Loans -2.5% QoQ</p>	<p>Deposits -2.4% QoQ</p>
<p> Safe and convenient mobile solutions attract increasing number of retail and corporate clients</p>	<p>Mobile application 3.5 million users</p>	<p>mCompanyMobile +24.3% YoY users</p>

¹ Normalized indicator with linear BFG contribution and excluding "credit holiday"; ² Profit before income tax generated by Core Business defined as mBank Group excluding FX Mortgage Loans segment

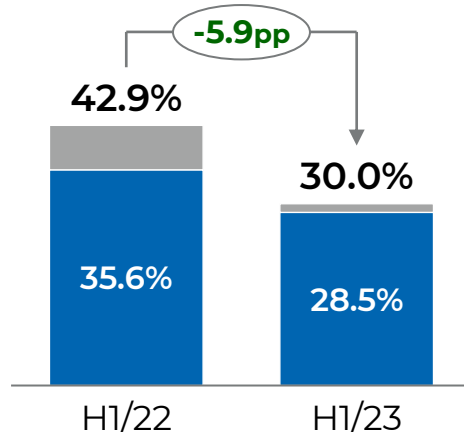
Summary of key financial metrics for mBank Group

Total income

PLN M

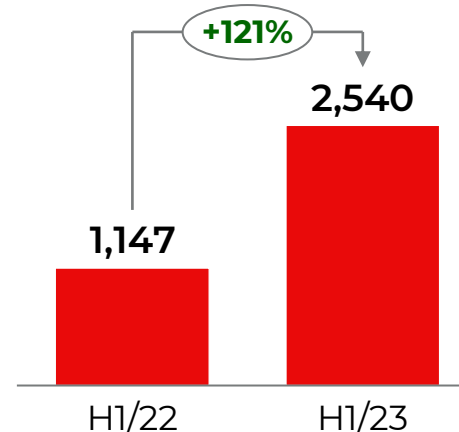


Cost/Income ratio¹

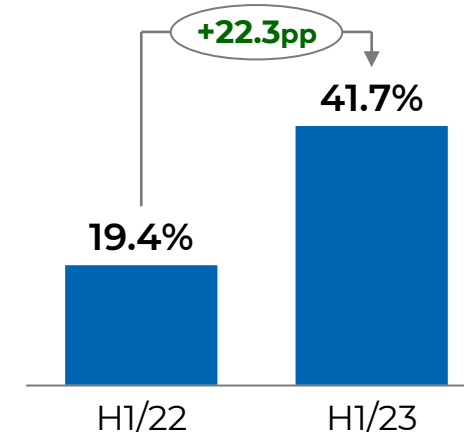


Net profit of Core Business²

PLN M

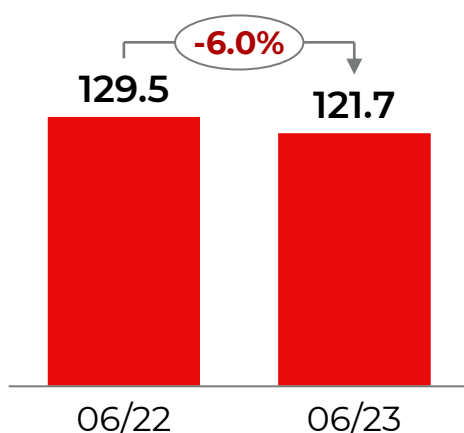


ROE of Core Business²

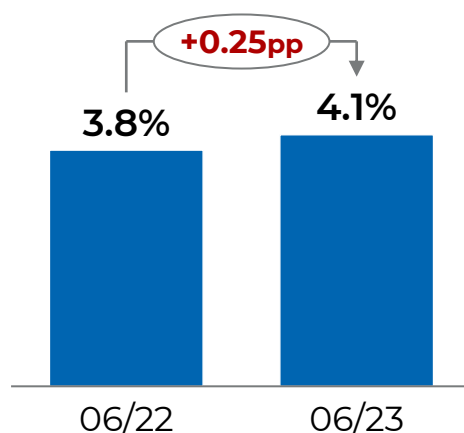


Gross loans to customers

PLN B

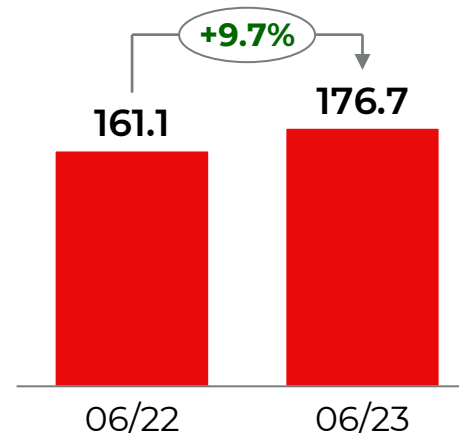


NPL ratio

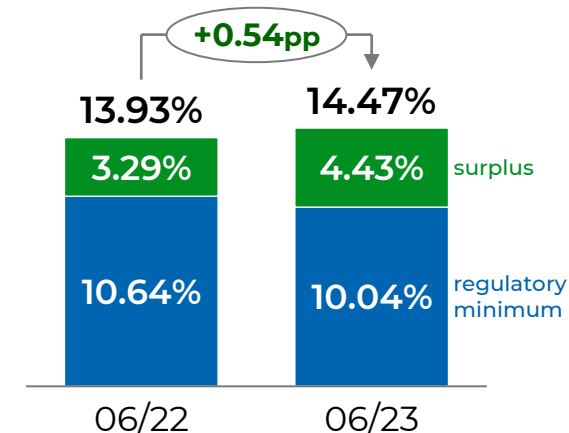


Customer deposits

PLN B



Tier 1 capital ratio



¹ Reported and normalized indicator, including ½ of contribution to the BFG and IPS (in H1/22) booked in the first half of the year, and excluding the impact of "credit holidays" (reversal of estimated cost at PLN 53.5 million) in H1/23

² Defined as mBank Group excluding FX Mortgage Loans segment

Development of mBank's offer and new solutions in Q2 2023

mBank's campaign "Happy with age" motivates clients to financially plan their future

- New campaign is a part of mBank's activities aimed at making investments more popular. The spot shows how ideas about retirement differ from reality, when the visions of younger (20-30 y.o.) and older (60+) people are contrasted. The statement "It's worth planning for the future. Where you don't have to do anything, and you can." expresses the message.
- mBank has designed dedicated solutions to prepare for retirement, in particular life-cycle funds, which automatically adjust with time.



Eco-loan for corporate clients with co-financing from Polish Development Bank (BGK)



- The offer is for small and medium-sized companies (with up to 3,000 employees), which plan to modernize their existing infrastructure in order to increase the energy efficiency of processes: buildings, technological lines, machines and equipment.
- The scope of the investment has to result from the audit document. The condition for obtaining co-financing is the reduction of primary energy consumption by at least 30%. The subsidy from EU funds can cover up to 70% of the incurred costs.

Cooperation with KUKE to finance domestic investments of Polish exporters

- mBank signed an agreement with Poland's Export Credit Agency (KUKE), enabling companies to use attractive investment loans secured with payment guarantees for the development of export potential. The insurance can cover up to 80% of financing granted by the bank for the investment carried out in Poland.
- The offer is for enterprises, which generated not less than 20% of their revenues from export sales in selected three of the last five years. Guarantees materially lower the risk.

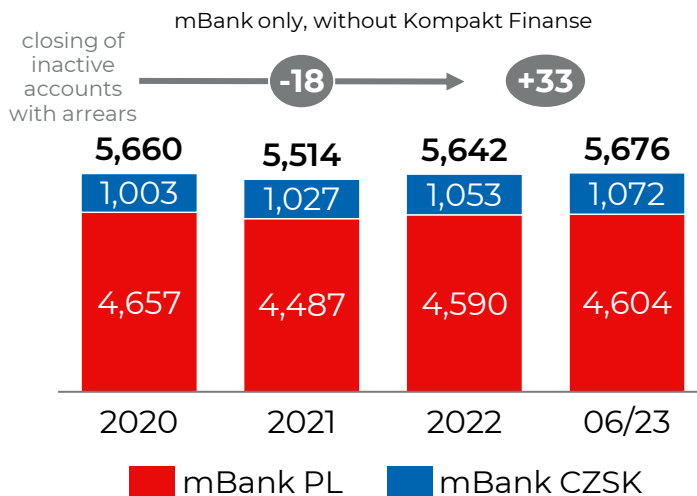


Client base and market position of retail and corporate banking

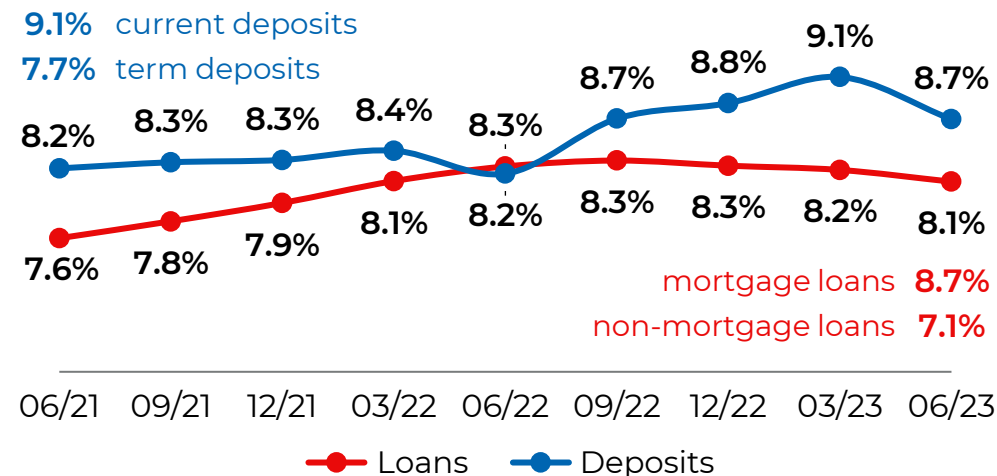


RETAIL BANKING

Number of retail clients (thou.)

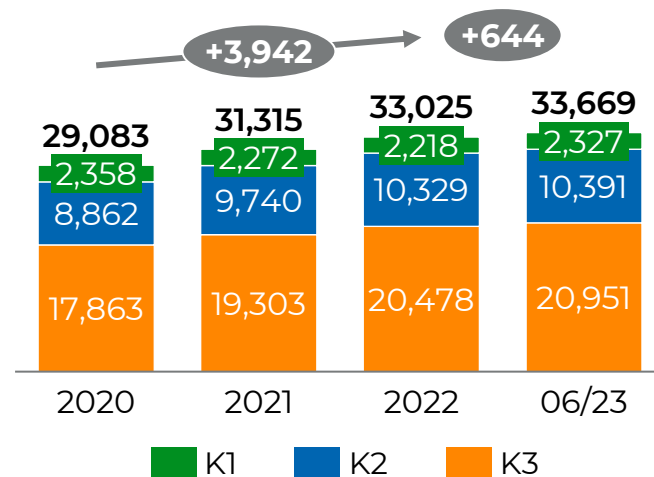


Market shares - Households

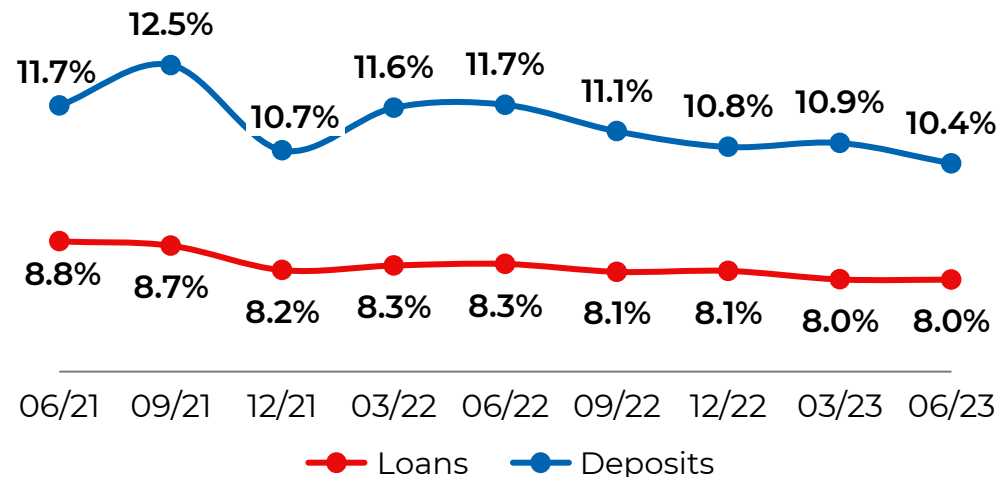


CORPORATE BANKING

Number of corporate clients



Market shares - Enterprises



Note: Corporate clients split: K1 – annual sales over PLN 1 B and non-banking financial institutions; K2 – annual sales of PLN 50 M to PLN 1 B; K3 – annual sales below 50 M and full accounting.

mBank remains a front-runner in mobile banking adoption

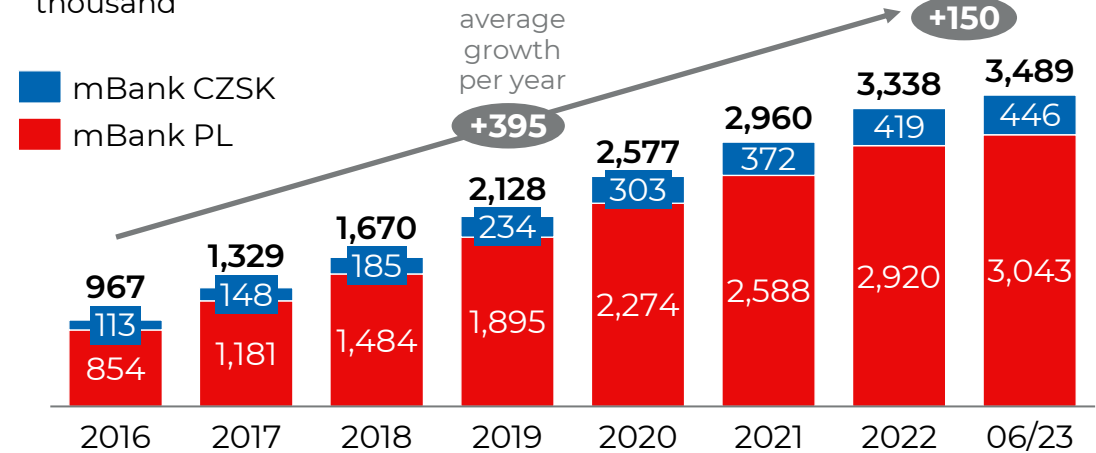


#1 by the share of mobile users in total active customer base

#2 by the number of mobile app users among Polish banks

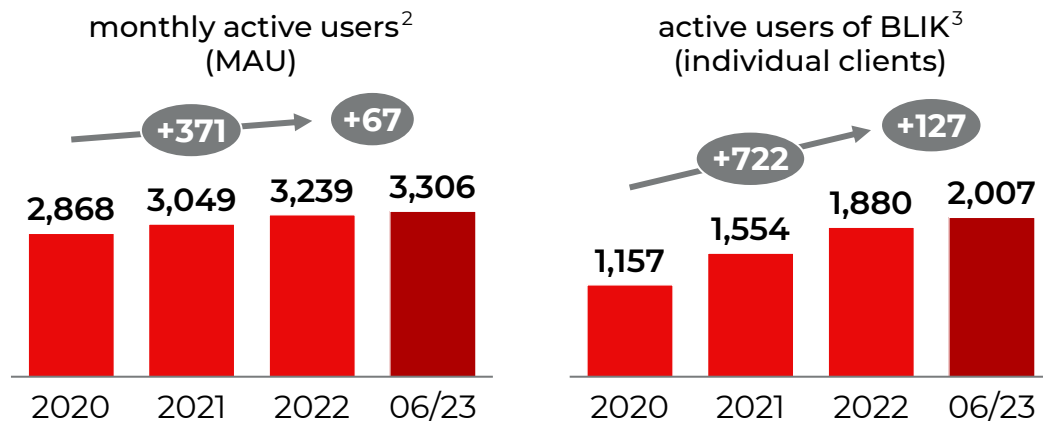
Number of active users of mBank's mobile application¹

thousand



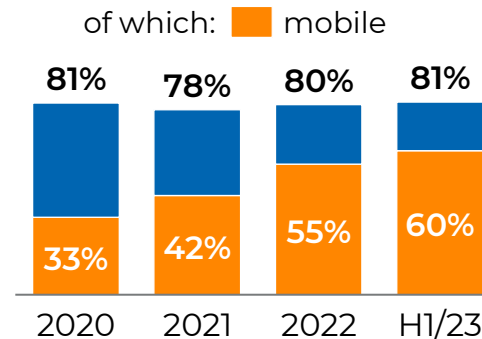
Number of active users of mBank's services in Poland

thousand

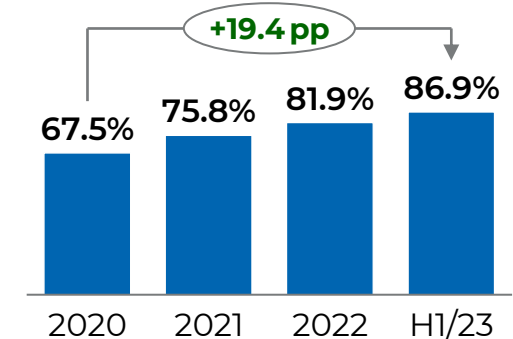


Growing importance of digital channel in daily banking

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

Summary of financial results: Profit and Loss Account

PLN million	Q2 2022	Q1 2023	Q2 2023	Δ QoQ	Δ YoY
Net interest income	1,702.8	2,033.1	2,200.6	+8.2%	+29.2%
Net fee and commission income	547.8	501.1	487.6	-2.7%	-11.0%
Total income	2,161.7	2,501.7	2,695.4	+7.7%	+24.7%
Total costs (excl. obligatory contributions)	-628.9	-672.0	-705.5	+5.0%	+12.2%
Contributions to the BFG and IPS ¹	-390.5	-182.9	1.0	-/+	-/+
Loan loss provisions and fair value change ²	-201.8	-178.9	-192.2	+7.5%	-4.8%
Costs of legal risk related to FX loans	-175.1	-808.5	-1,540.2	+90.5%	+779.6%
Operating profit	765.4	659.5	258.6	-60.8%	-66.2%
Taxes on the Group balance sheet items	-167.1	-190.0	-182.7	-3.8%	+9.3%
Profit or loss before income tax	598.3	469.5	75.8	-83.8%	-87.3%
Net profit or loss	229.7	142.8	-15.5	+/-	+/-
Net interest margin (w/o "credit holidays")	3.57%	3.84%	4.33%	+0.49pp	+0.76pp
Cost/Income ratio	47.2%	34.2%	26.1%	-8.1pp	-21.1pp
Cost of risk	0.65%	0.59%	0.64%	+0.05pp	-0.01pp
Return on equity (ROE)	6.8%	4.3%	-0.4%	-4.7pp	-7.2pp
Return on assets (ROA)	0.46%	0.27%	-0.03%	-0.30pp	-0.49pp

¹ Including payment to the Institutional Protection Scheme (IPS) of PLN 390.8 million in Q2/22 and contribution to the Resolution Fund of PLN 182.9 million in Q1/23

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

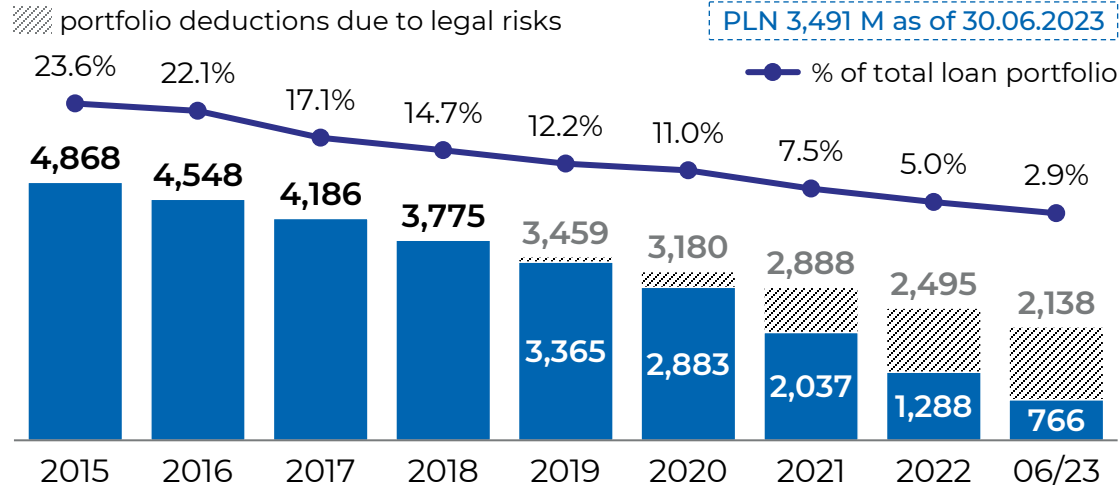
Summary of financial results: Balance Sheet

PLN million	Q2 2022	Q1 2023	Q2 2023	Δ QoQ	Δ YoY
Total assets	202,170	217,529	212,928	-2.1% ↓	+5.3% ↑
Gross loans to customers	129,483	124,800	121,727	-2.5% ↓	-6.0% ↓
Individual client loans	75,388	70,224	68,155	-2.9% ↓	-9.6% ↓
Corporate client loans	53,957	54,476	53,429	-1.9% ↓	-1.0% ↓
Customer deposits	161,096	180,917	176,662	-2.4% ↓	+9.7% ↑
Individual client deposits	109,914	129,043	125,925	-2.4% ↓	+14.6% ↑
Corporate client deposits ¹	49,023	51,085	50,215	-1.7% ↓	+2.4% ↑
Total equity	13,378	13,265	13,470	+1.5% ↑	+0.7% ↑
Loan-to-deposit ratio	78.3%	67.2%	67.0%	-0.2pp	-11.3pp
NPL ratio	3.8%	4.0%	4.1%	+0.1pp	+0.3pp
Coverage ratio	54.6%	52.3%	53.3%	+1.0pp	-1.3pp
Tier 1 Capital Ratio	13.9%	13.7%	14.5%	+0.8pp	+0.6pp
Total Capital Ratio	16.4%	16.1%	16.8%	+0.7pp	+0.4pp

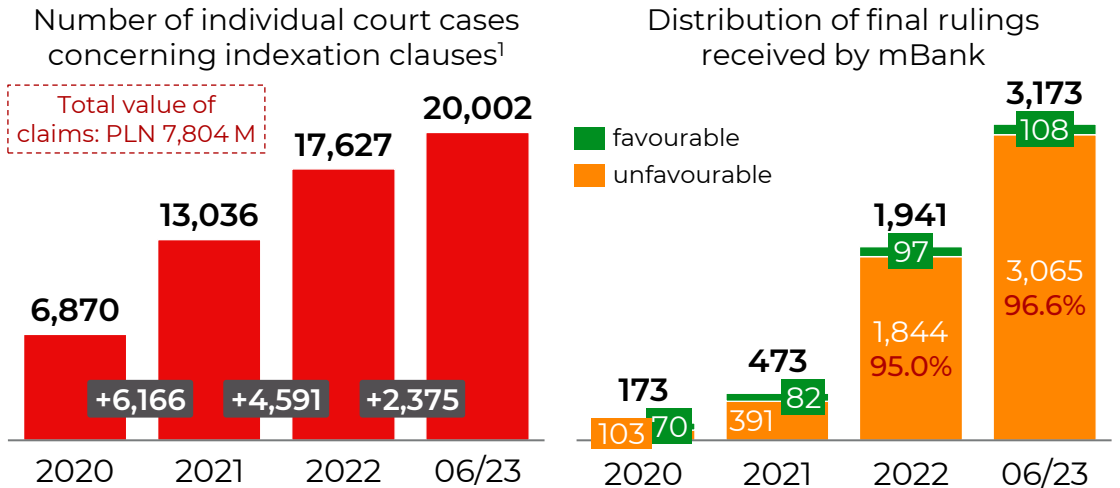
¹ Excluding repo / sell-buy-back transactions

Strong protection against legal risks and ongoing settlement program

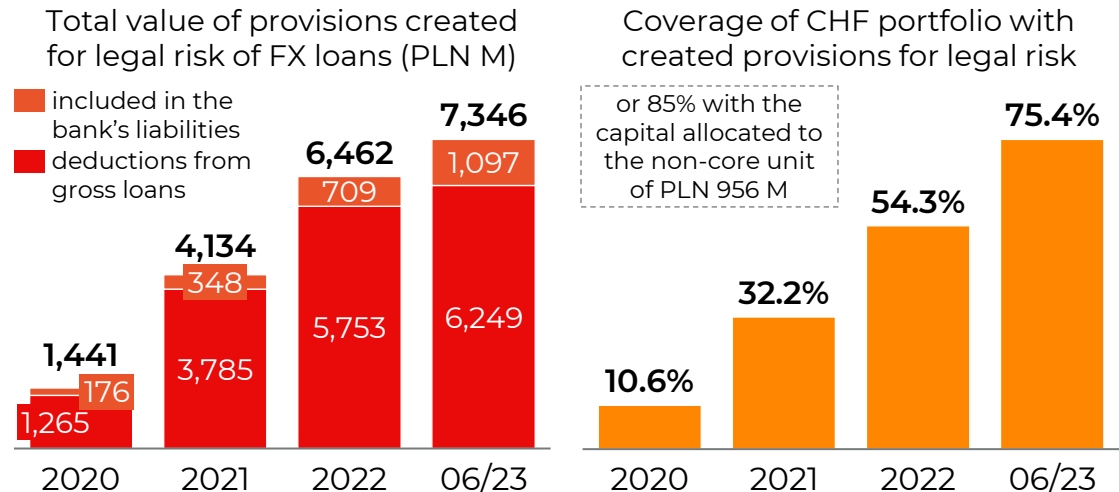
CHF mortgage loans to individual customers (CHF M, net)



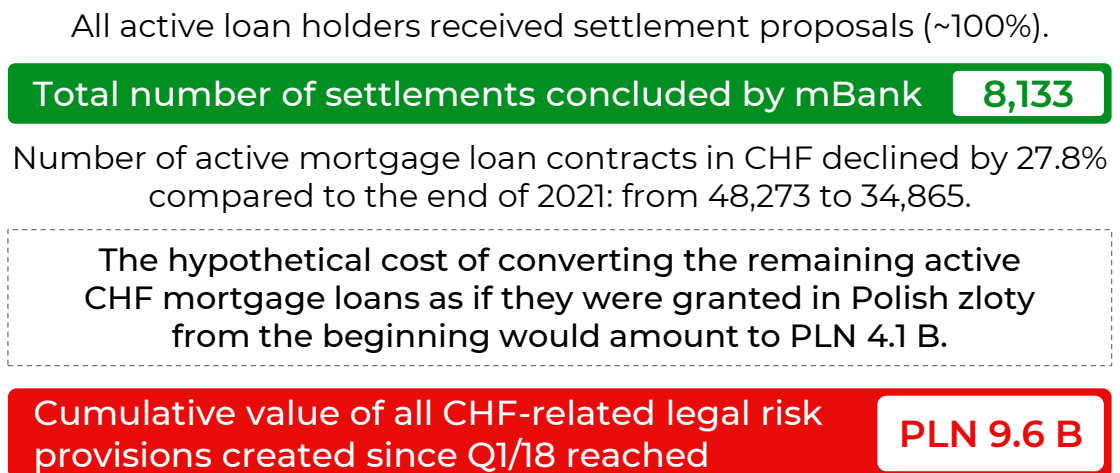
Summary of pending court cases and severity of verdicts



Provisions for legal risk and coverage for CHF portfolio



Statistics of mBank's settlement program – as of 26.07.2023



¹ the currently outstanding number of court cases, i.e. new lawsuits minus final verdicts and settlements

Excellent performance of the core business demonstrated in H1 2023

Summary of financial results for mBank's core activity and run-off portfolio in H1/23

PLN million	Core Business	Non-core ¹	mBank Group
Net interest income	4,225.1	8.7	4,233.7
Net fee, trading and other income	1,004.0	-40.6	963.4
Total income	5,229.0	-31.9	5,197.1
Total costs	-1,530.0	-29.3	-1,559.3
Loan loss provisions and fair value change ²	-383.6	12.5	-371.1
Costs of legal risk related to FX loans	0.0	-2,348.7	-2,348.7
Operating profit	3,315.4	-2,397.4	918.0
Taxes on the Group balance sheet items	-357.9	-14.8	-372.7
Profit or loss before income tax	2,957.6	-2,412.3	545.3
Net profit or loss	2,539.6	-2,412.3	127.3
Total assets	207,393	5,534	212,928
Net interest margin	4.22%		4.08%
Cost/Income ratio	29.3%		30.0%
Cost of risk	0.68%		0.62%
Return on equity (ROE)	41.7%		1.9%
Return on assets (ROA)	2.45%		0.12%

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 956 M as of 30.06.2023.

It is calculated primarily based on:

- risk weight of the portfolio under AIRB method;
- individual FX ML add-on imposed on mBank Group (actual or expected level);

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.

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- Total income and its main components
- Total costs and efficiency
- Loan loss provisions and portfolio quality
- Capital and liquidity position

Macroeconomic update and outlook

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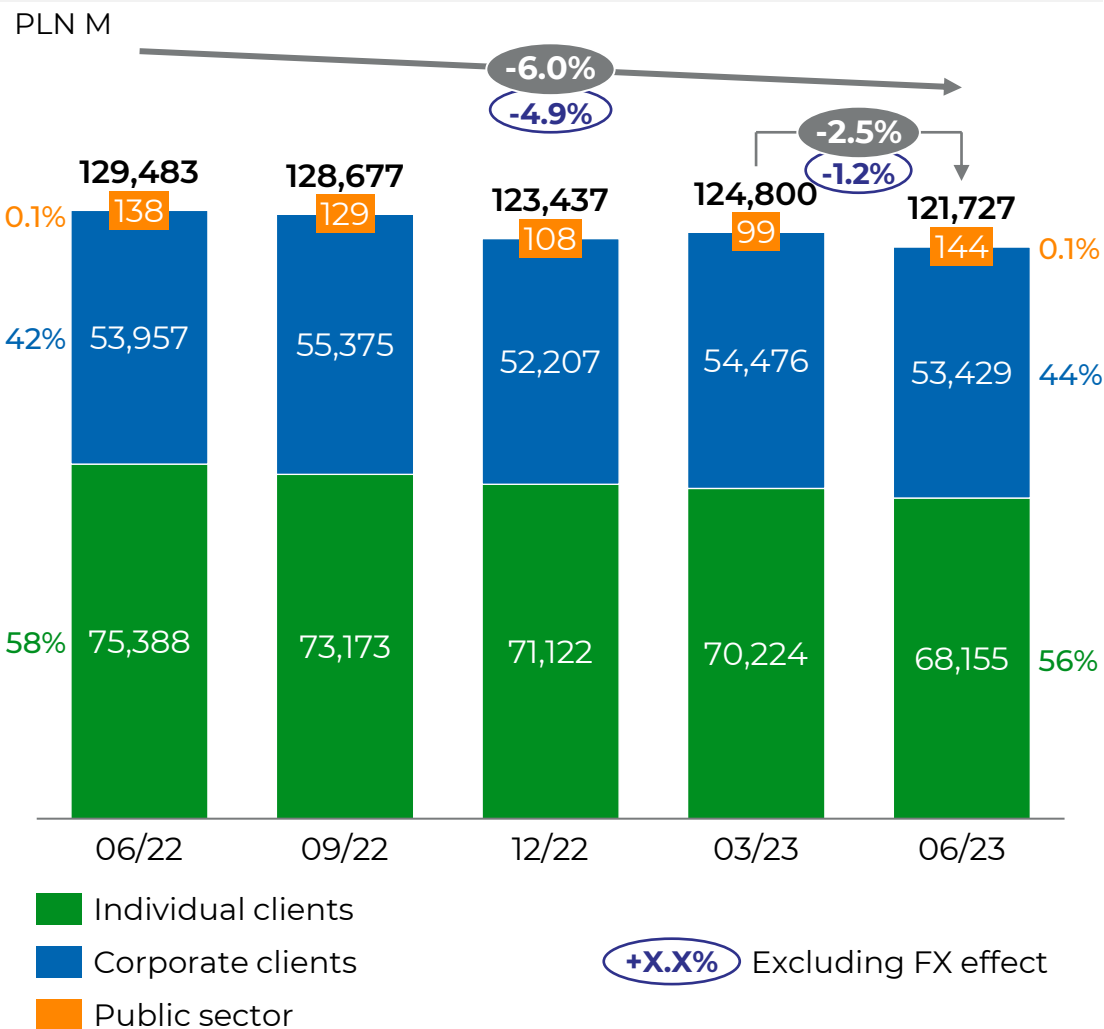
Appendix

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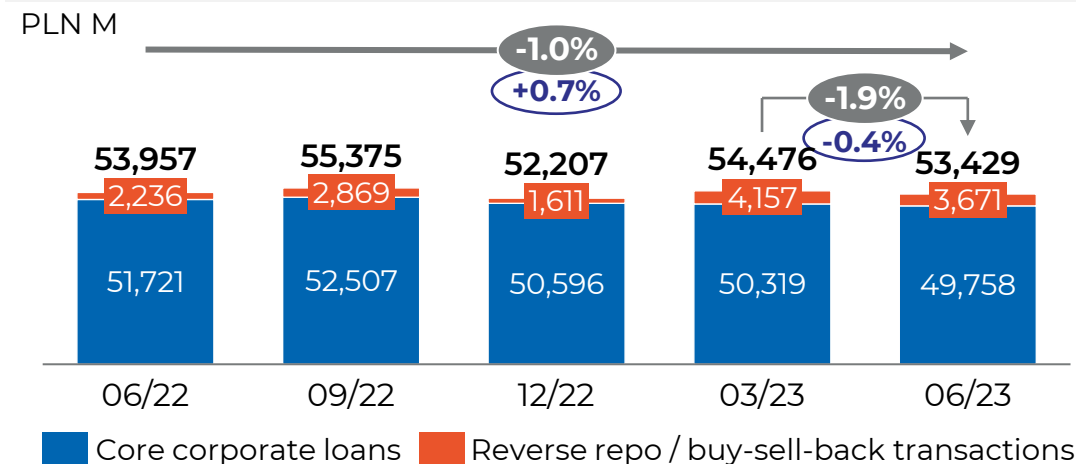
Results of mBank Group: Loans to customers

Decline of loan portfolio due to adjustments related to CHF provisions and focus on margin

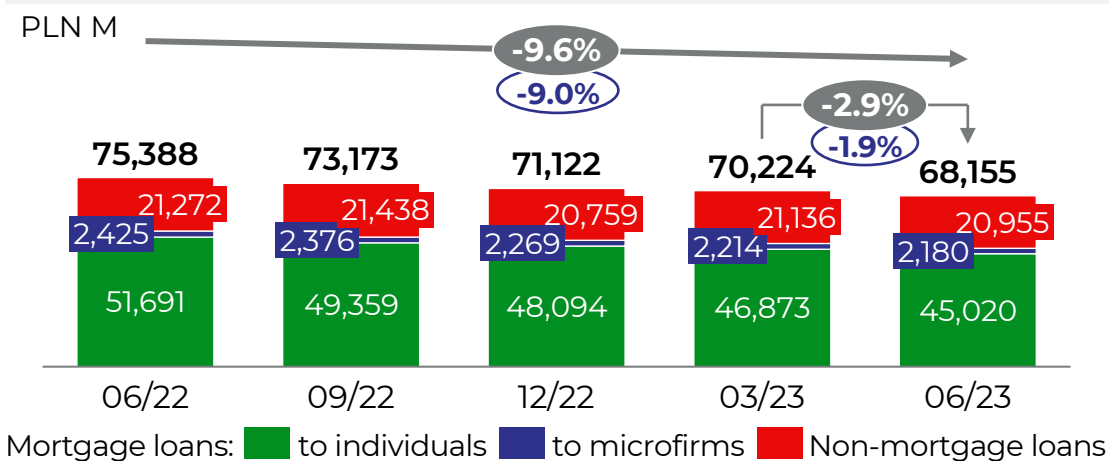
Development of gross loans and advances to customers



Gross loans to corporate customers



Gross loans to retail customers



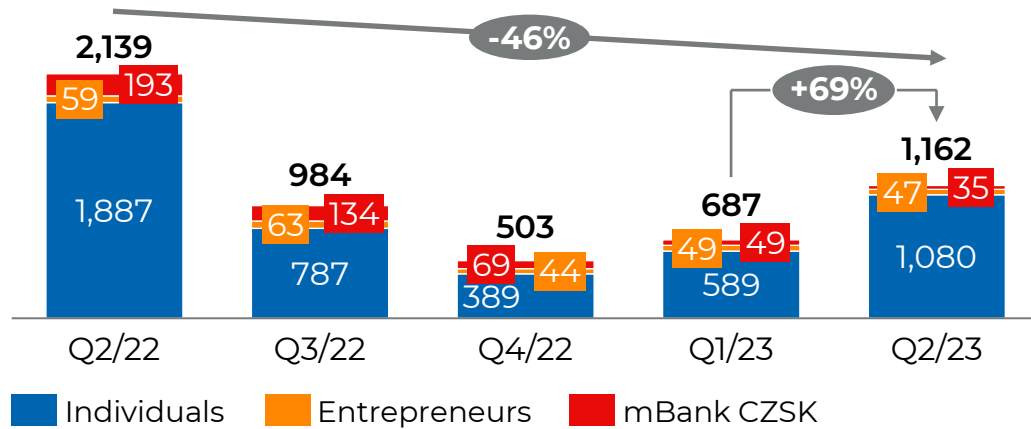
Note: Data for the previous quarters restated due to a change in classification of receivables for the settlement of cash deposit machines and sorting plants.

Results of mBank Group: New lending business

Visible growth of new mortgage lending, accompanied by stable sales of consumer credit

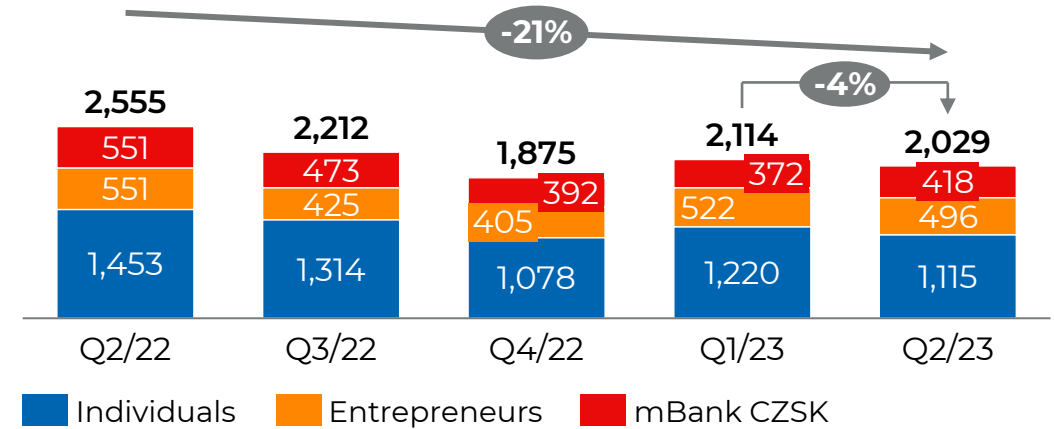
Sales of mortgage loans

PLN M, by quarter



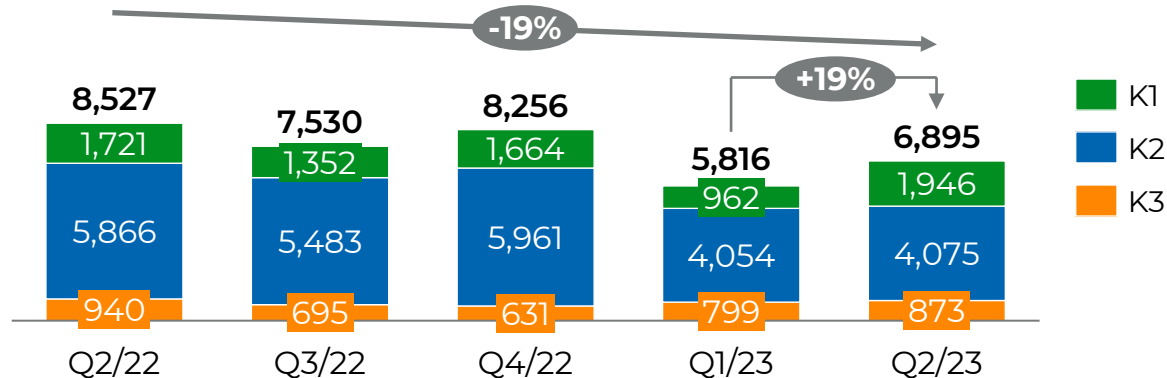
Sales of non-mortgage loans

PLN M, by quarter



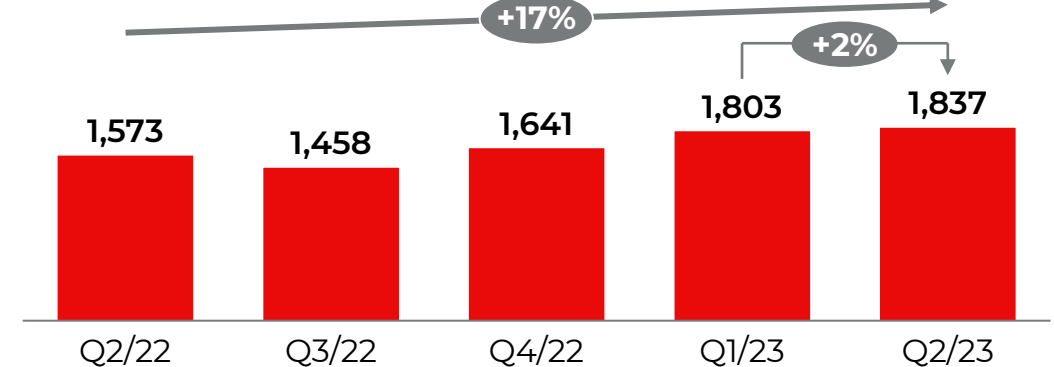
Sales of corporate loans¹

PLN M, by quarter



New leasing contracts

PLN M, by quarter



¹ Sales of corporate loans include: (i) new loans and (ii) increases in volume and renewal of existing loans

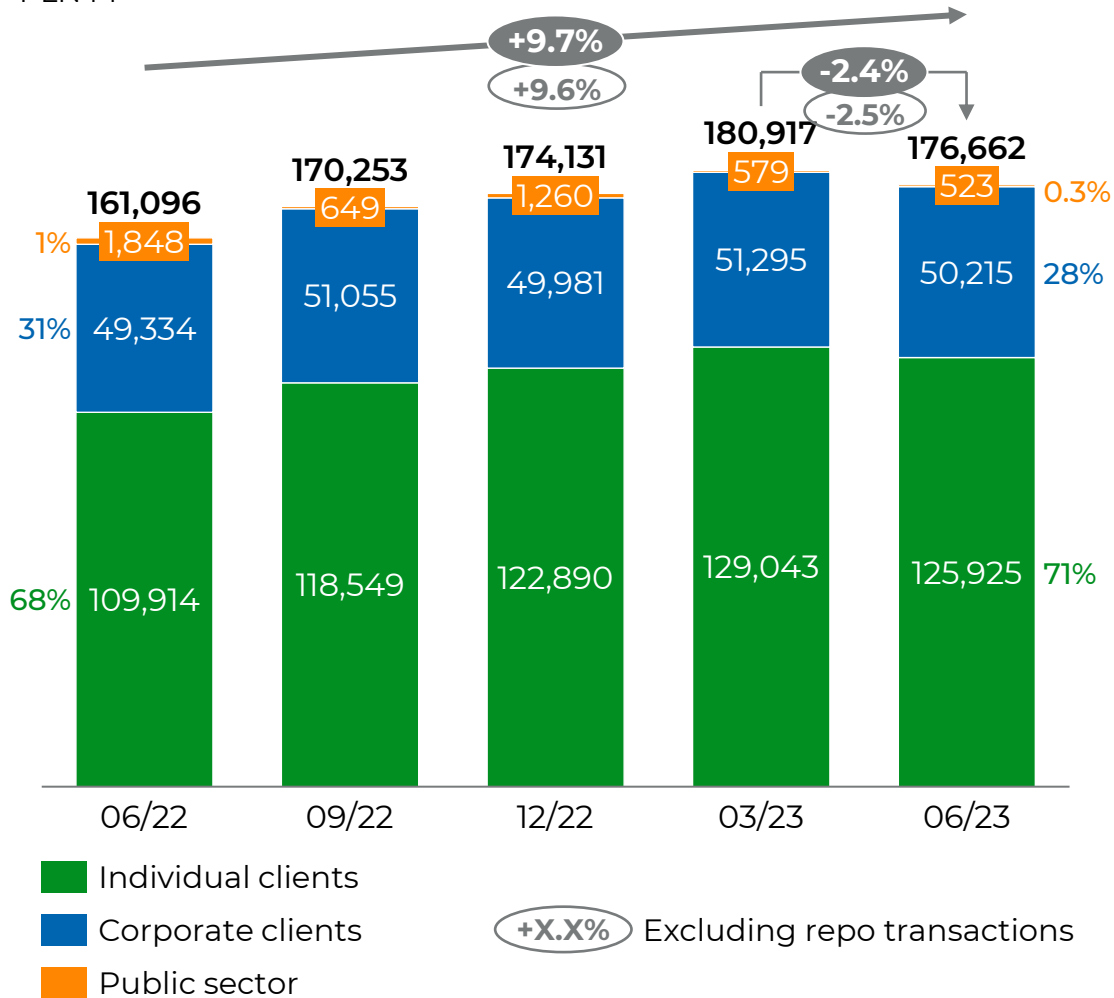
Note: Corporate clients split: K1 – annual sales over PLN 1 B and non-banking financial institutions; K2 – annual sales of PLN 50 M to PLN 1 B; K3 – annual sales below 50 M and full accounting.

Results of mBank Group: Customer deposits

Deposit volume driven by active pricing management amid very high liquidity

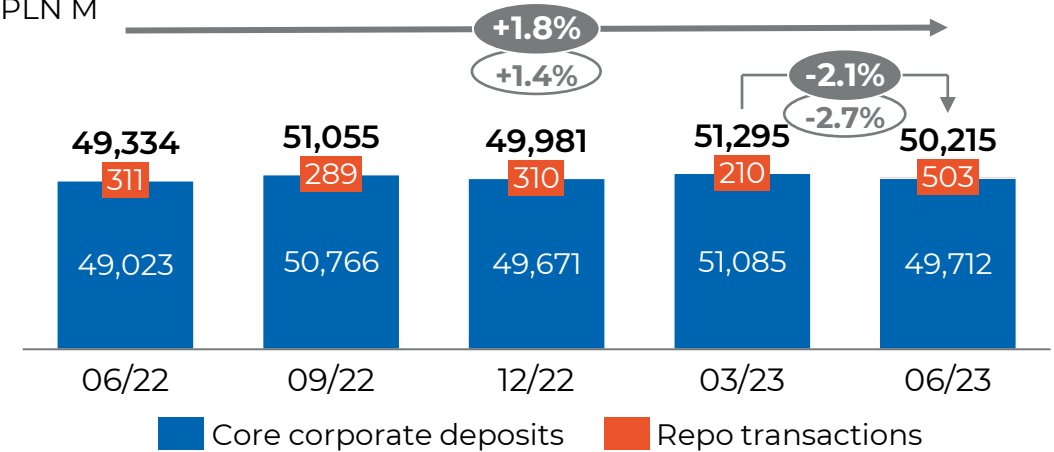
Development of customer deposits

PLN M



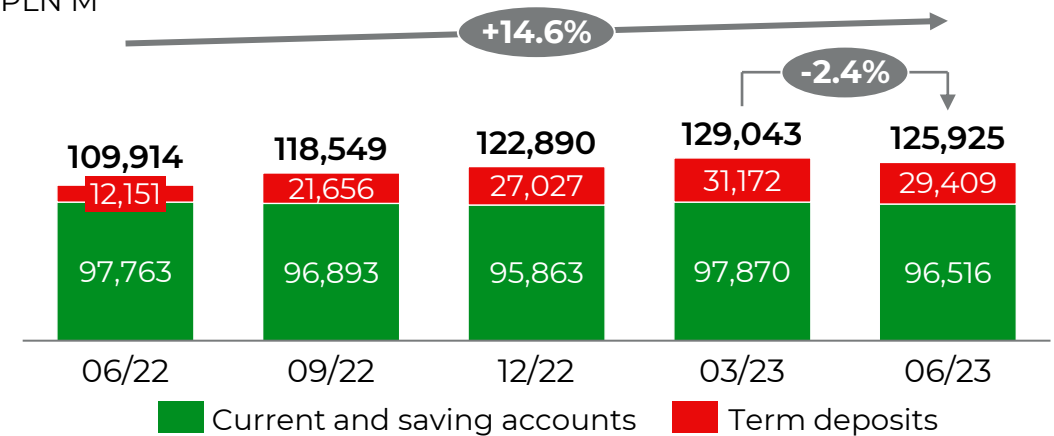
Deposits from corporate customers

PLN M



Deposits from retail customers

PLN M



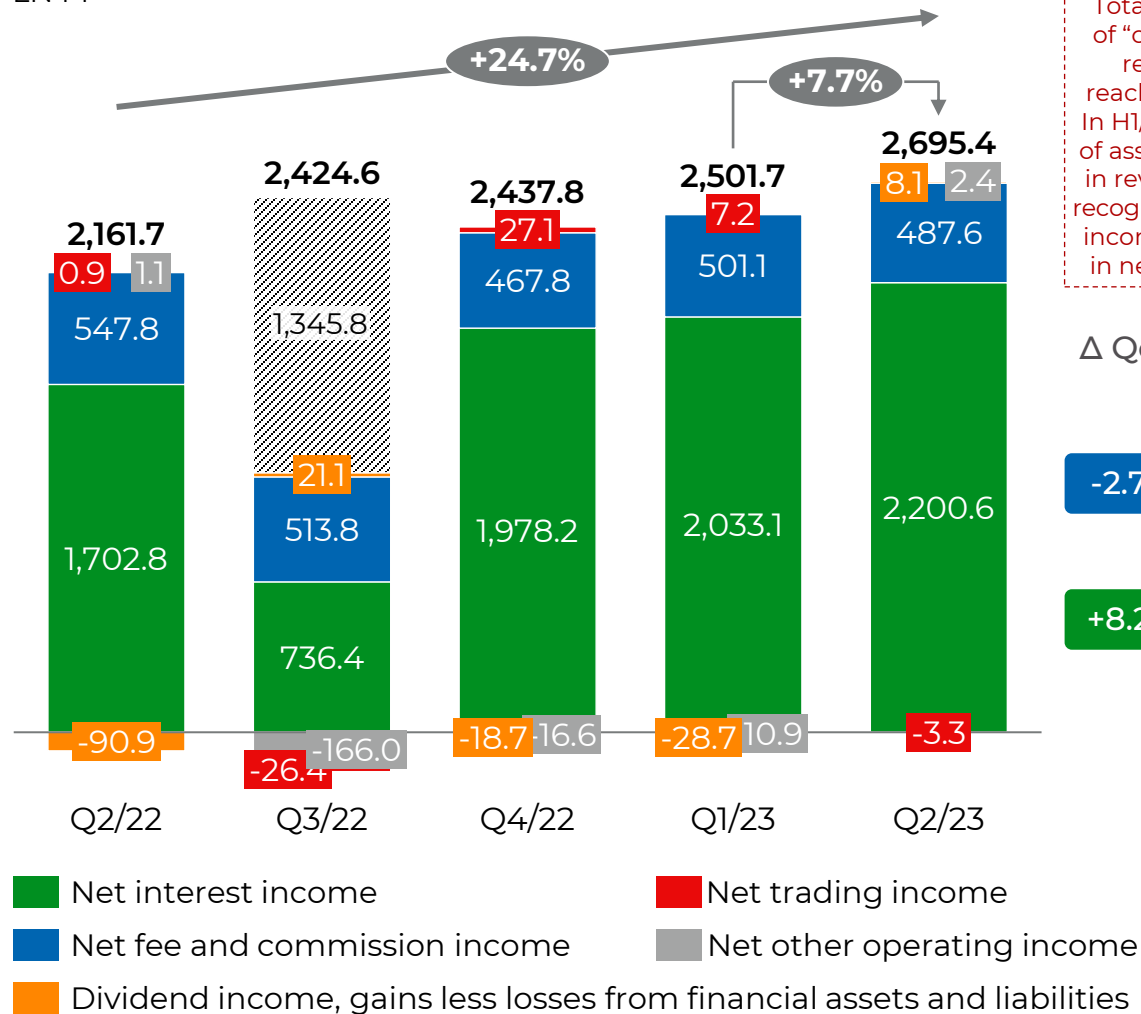
Note: Data for the previous quarters restated due to a change in classification of 'loans and advances received' as well as 'leasing liabilities', which were excluded from 'amount due to customers'.

Results of mBank Group: Total income

Total revenues at the record level thanks to further increase of net interest income

Development of mBank Group's total income

PLN M



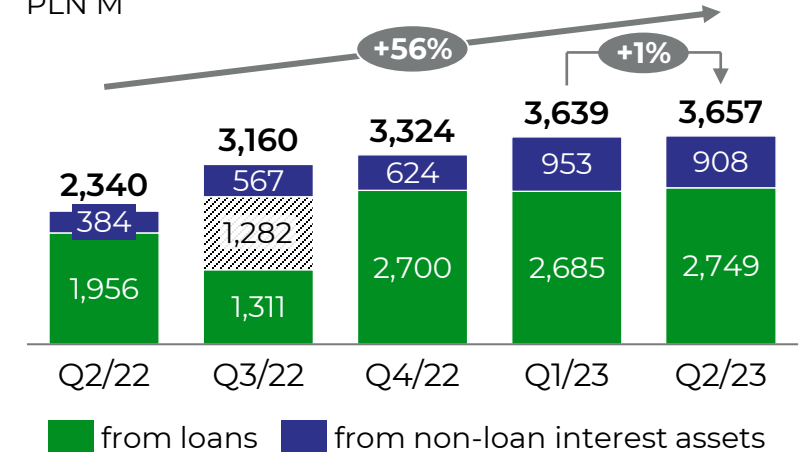
Δ QoQ Δ YoY

-2.7% -11.0%

+8.2% +29.2%

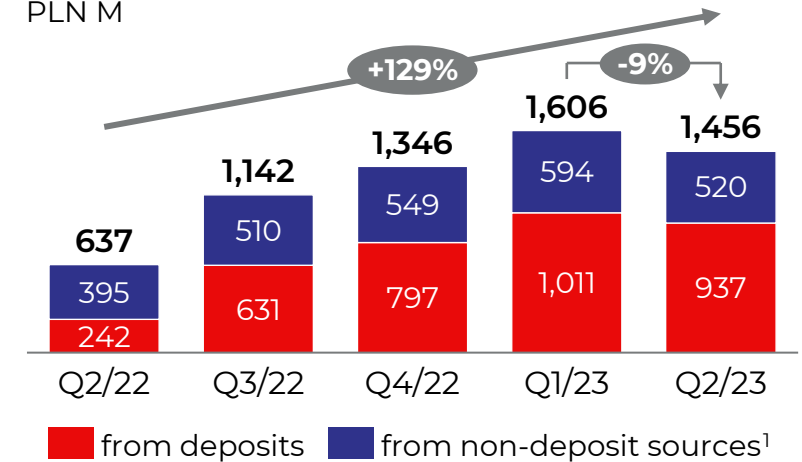
Development of interest income

PLN M



Development of interest expense

PLN M



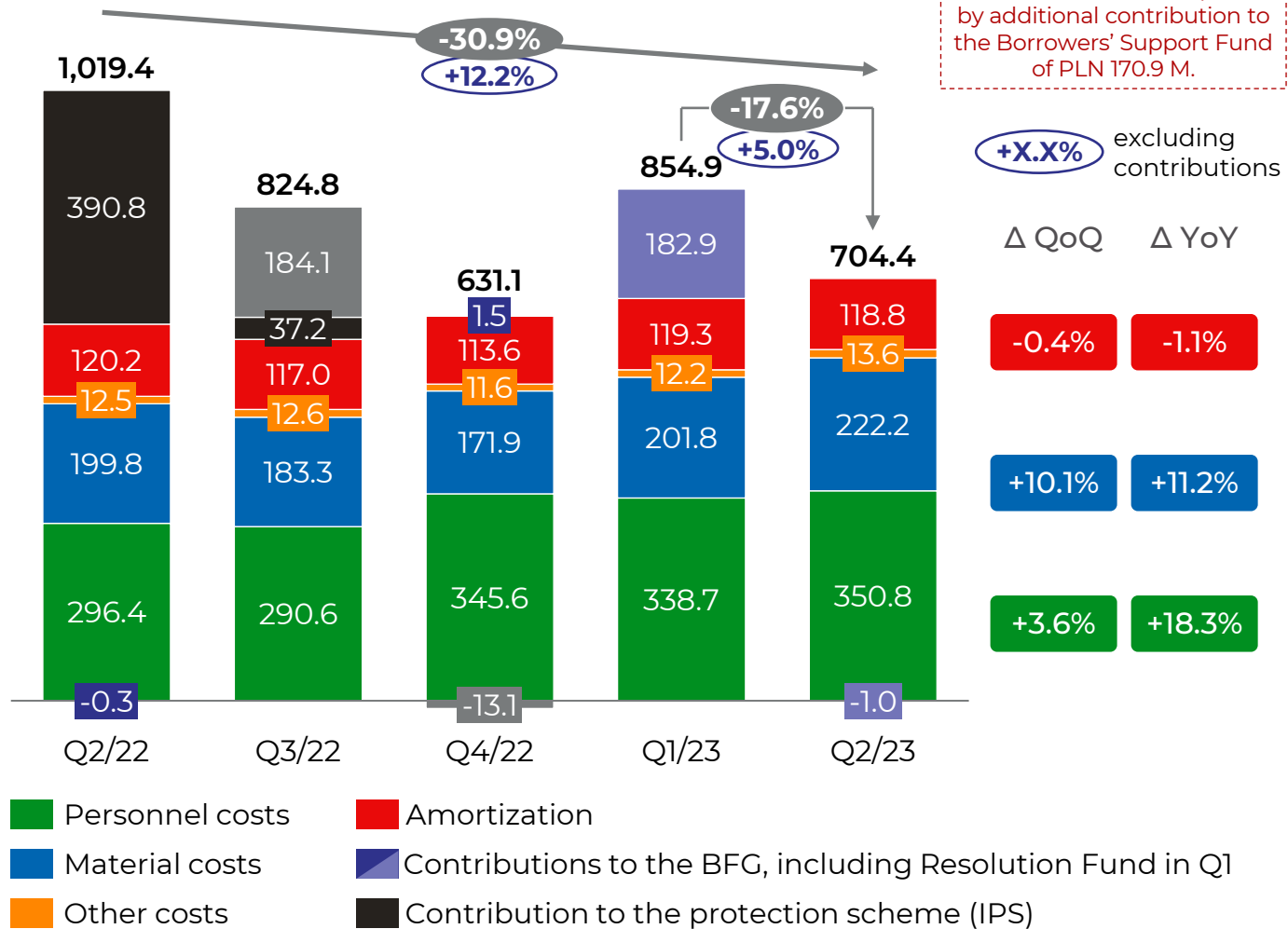
¹ non-deposit interest expense is primarily composed of hedging activities and wholesale funding costs, including subordinated liabilities

Results of mBank Group: Total costs and efficiency

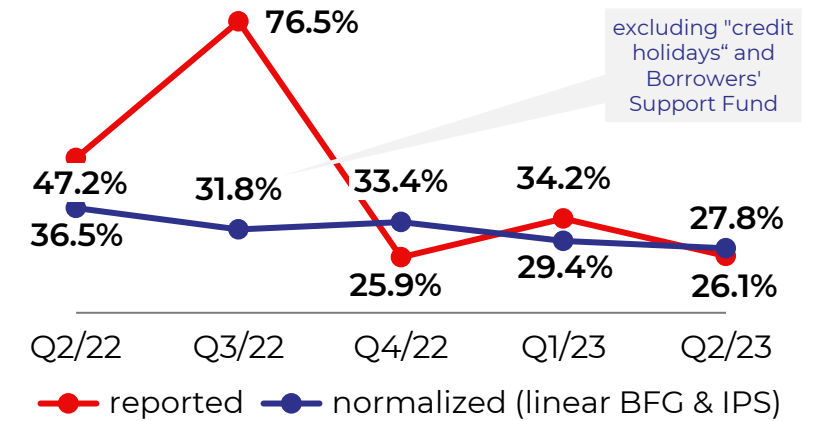
Underlying operating costs driven by inflation, excellent efficiency continued

Development of mBank Group's operating costs

PLN M



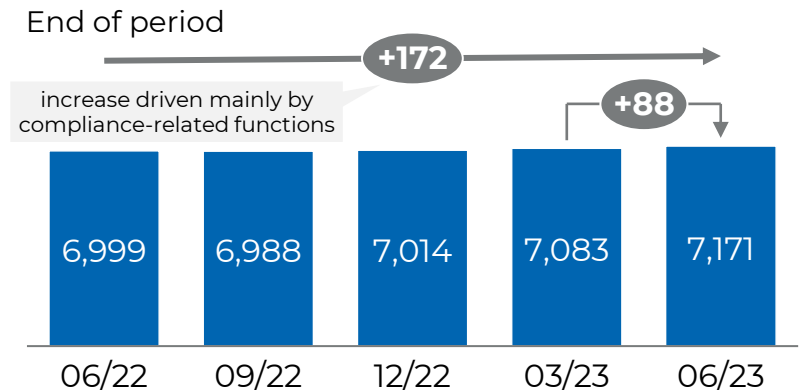
Cost/Income ratio of mBank Group – quarterly



Normalized C/I ratio for H1 2023 **28.5%**

with linear BFG contribution and excluding impact of "credit holidays"

Employment of mBank Group (in FTEs)

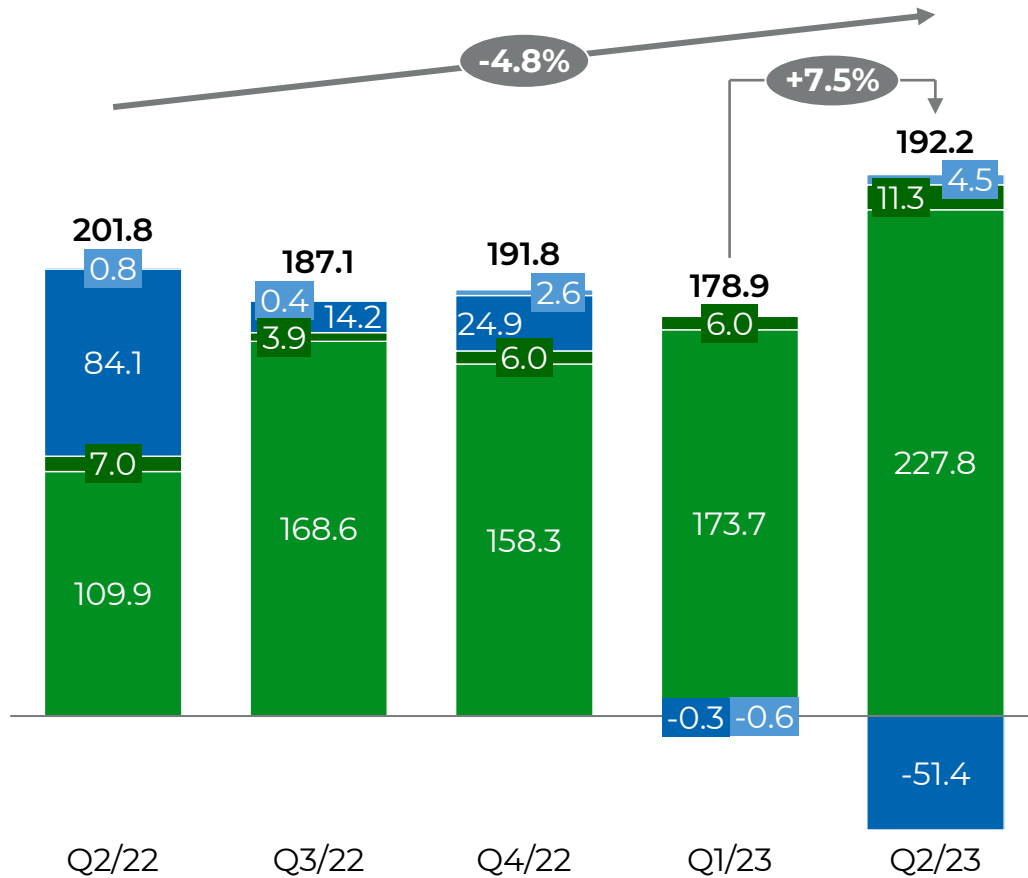


Results of mBank Group: Loan loss provisions and cost of risk

Provisioning level impacted by recalibration of macroeconomic and portfolio parameters

Net impairment losses and fair value change on loans

PLN M

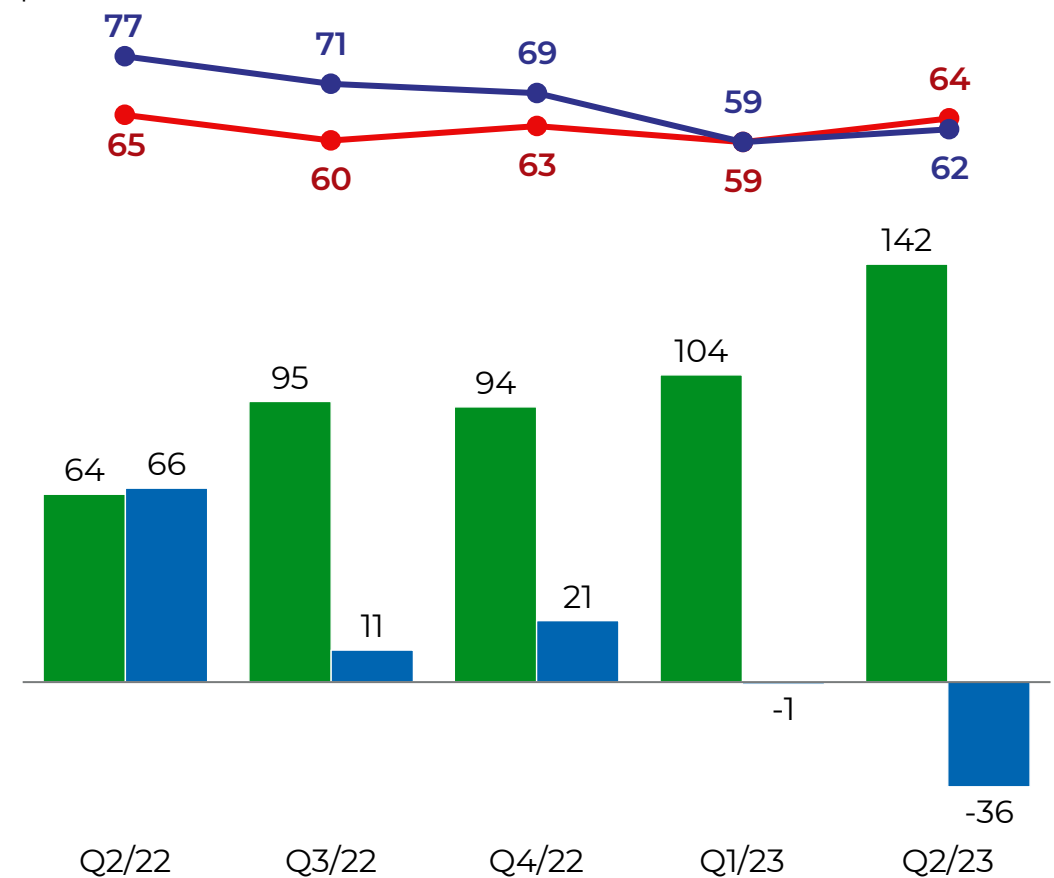


Retail Banking: ■ at amortized cost ■ at fair value
 Corporate & Investment Banking: ■ at amortized cost ■ at fair value

Note: Data for Q2/22-Q1/23 restated due to a shift of 'Liabilities from the issue of credit linked notes (CLN)' from 'Impairment on financial assets' to 'Interest expenses'.

mBank Group's cost of risk, by segment

bps

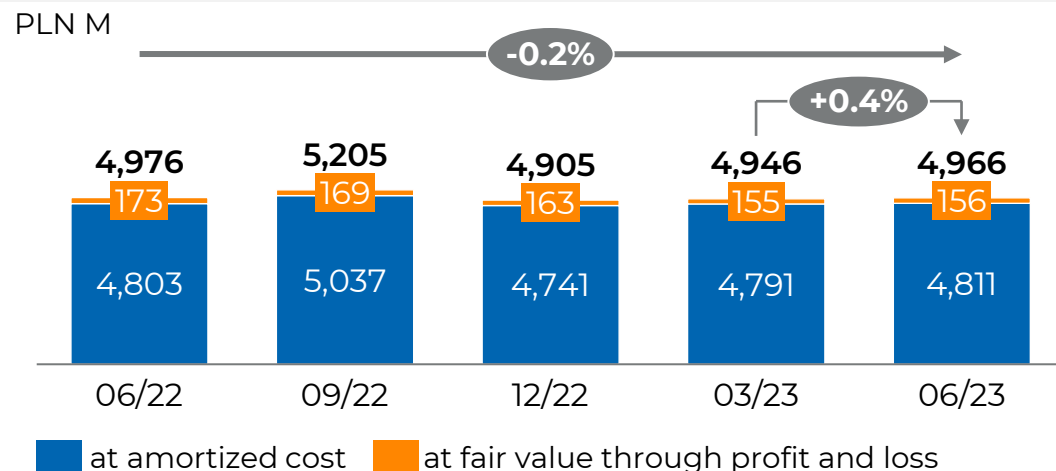


mBank Group's cost of risk: ● quarterly ● YTD
■ Retail loan portfolio ■ Corporate loan portfolio

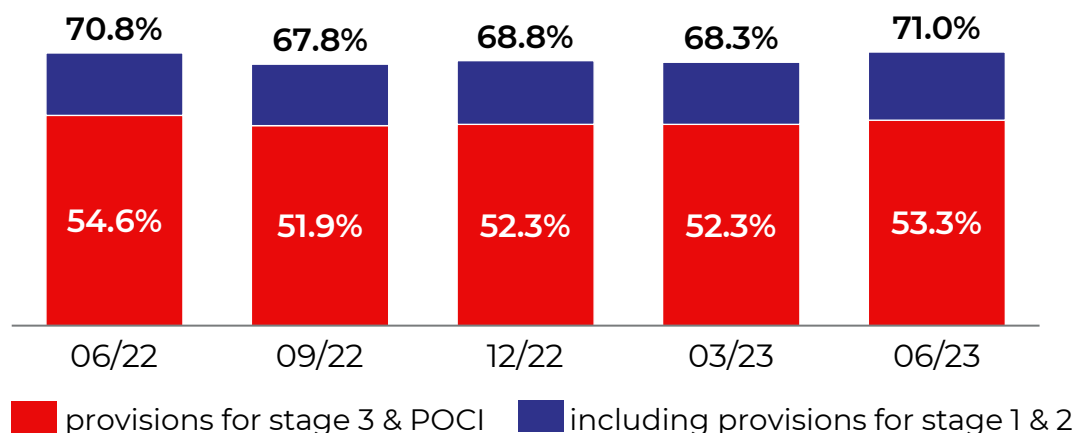
Results of mBank Group: Loan portfolio quality

Good asset quality with stable impaired loans, NPL ratios affected by declining portfolio

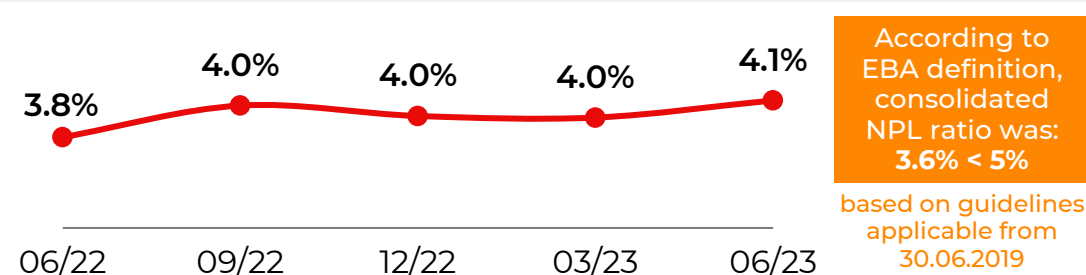
mBank Group's impaired loans portfolio



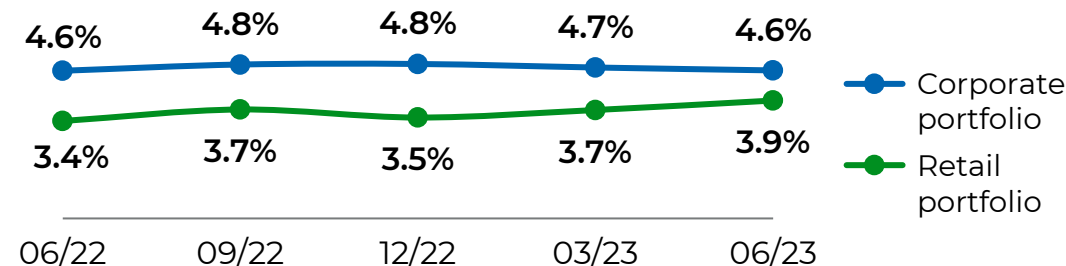
mBank Group's coverage ratio



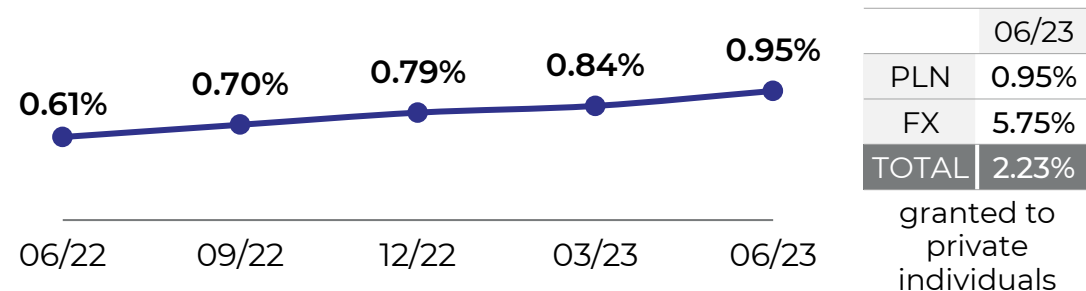
mBank Group's NPL ratio



mBank Group's NPL ratio, by segment



NPL ratio of mortgage loan portfolio in PLN

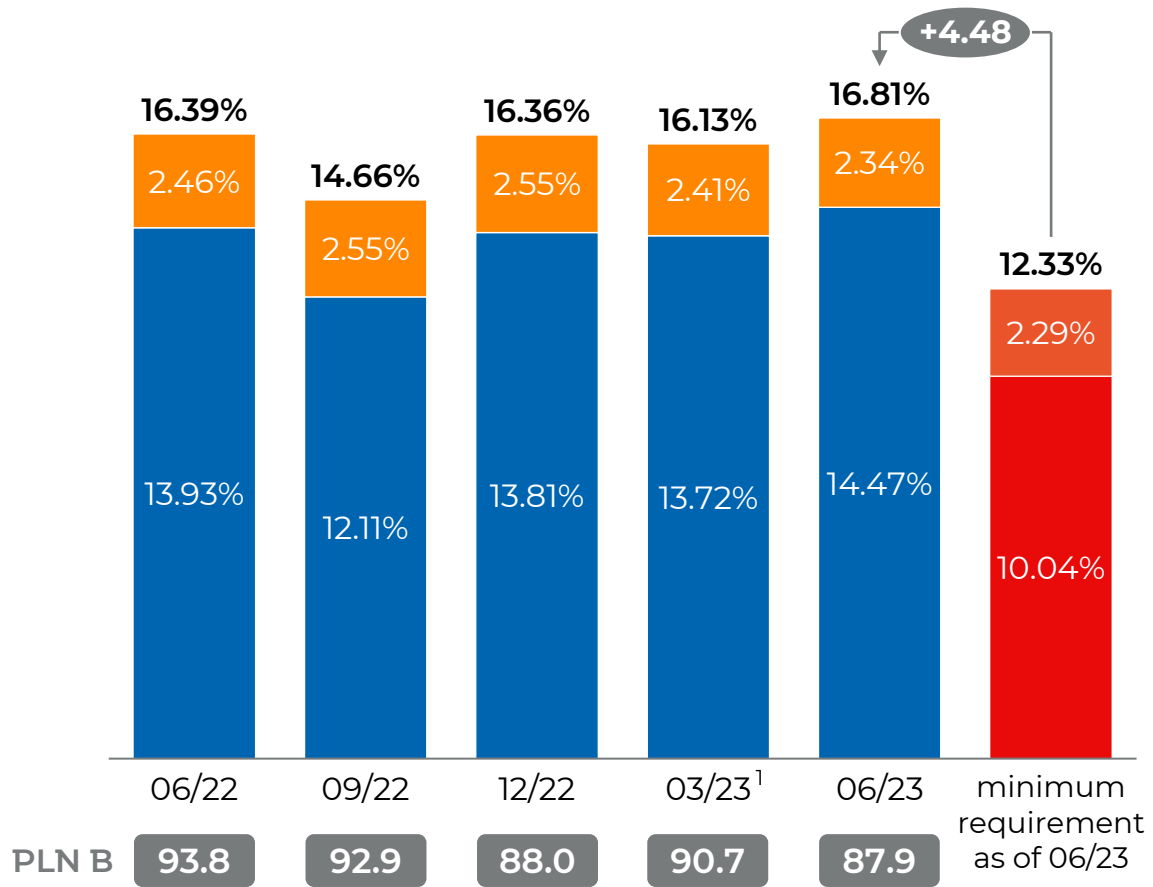


Note: Risk indicators presented for credit portfolio measured both at amortized cost and at fair value through profit or loss. The bank applies a client-oriented approach in its methodology of NPL recognition.

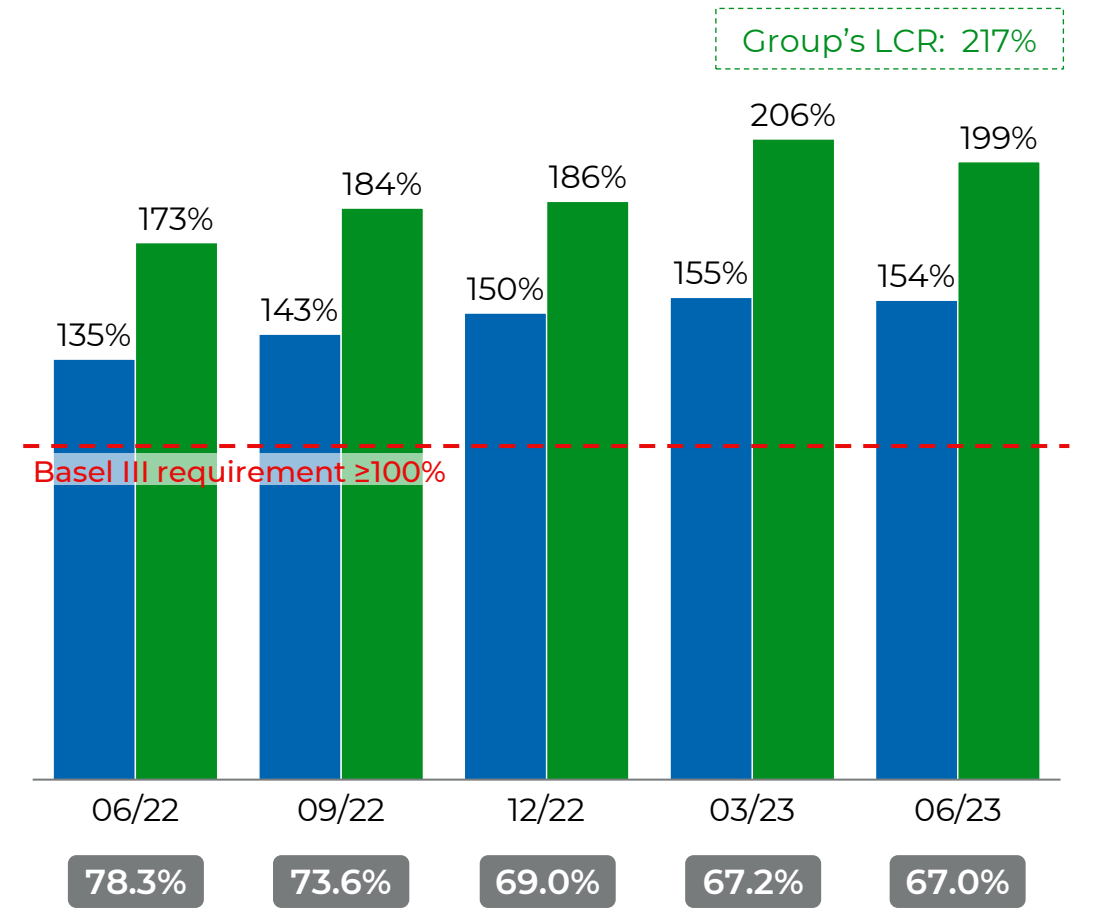
Results of mBank Group: Capital ratio and liquidity position

Improved capital position with higher surplus over regulatory requirements

mBank Group's Total Capital Ratio



mBank's NSFR and LCR



xx.x Total risk exposure amount (TREA)

xx.x% Loan-to-deposit ratio of mBank Group

Tier 1 capital ratio Tier 2

Net Stable Funding Ratio (NSFR) Liquidity Coverage Ratio (LCR)

¹ Capital ratios recalculated taking into account the retrospective inclusion of net profit for Q1/23 in own funds (after PFSA approval)

Agenda



Key highlights of Q2 2023

2

- Business development
- Summary of financial results

Analysis of the performance after Q2 2023

12

- Loans and deposits
- Total income and its main components
- Total costs and efficiency
- Loan loss provisions and portfolio quality
- Capital and liquidity position

Macroeconomic update and outlook

21

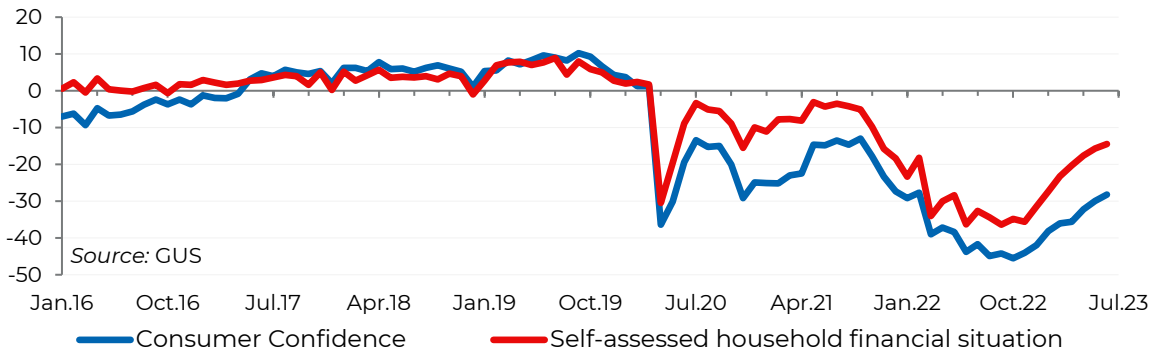
Appendix

26

Macroeconomic situation and outlook

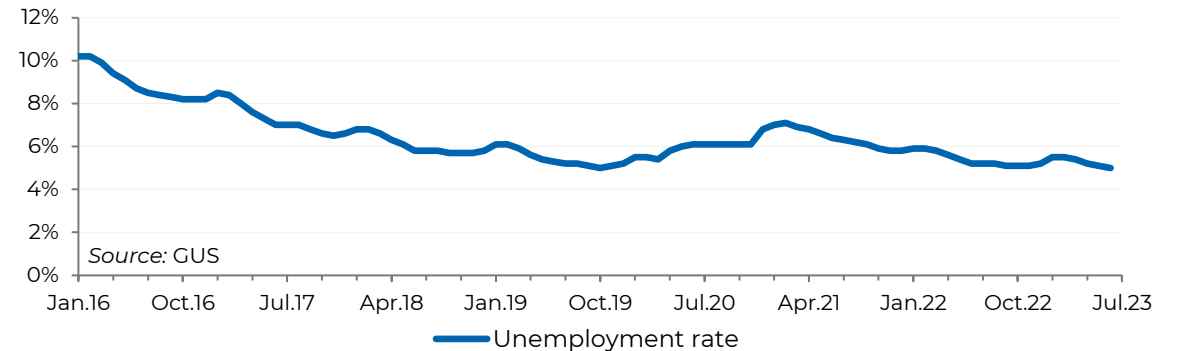
Falling inflation encourages NBP to hike rates before long.

Consumption prospects already out of the woods



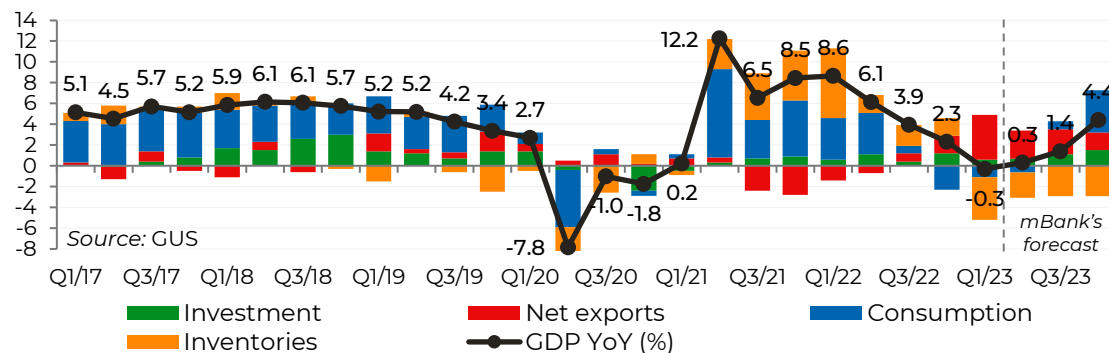
Soft indicators suggest that consumption in Poland is on the rise. Continued decline in inflation is also translating into the recovery of the real wage bill. It will support consumption starting in H2 2023.

Unemployment rate (still) very low



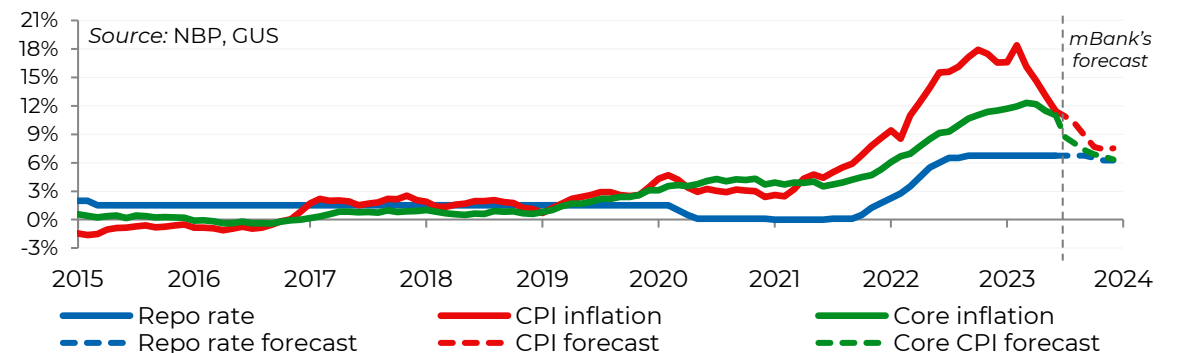
The labour market has proven to be resilient despite slowing GDP growth momentum. Given structural factors, the unemployment rate will remain low in the coming quarters buoyed by the expected economic recovery.

GDP path and forecast for Poland (% YoY)



GDP growth probably reached a trough in Q1 2023. Starting in Q2 2023, a gradual recovery supported by the expected rate cuts is forecasted. Inventories should be the major factor restraining growth through the rest of the year.

NBP will cut rates this year on the back of declining inflation

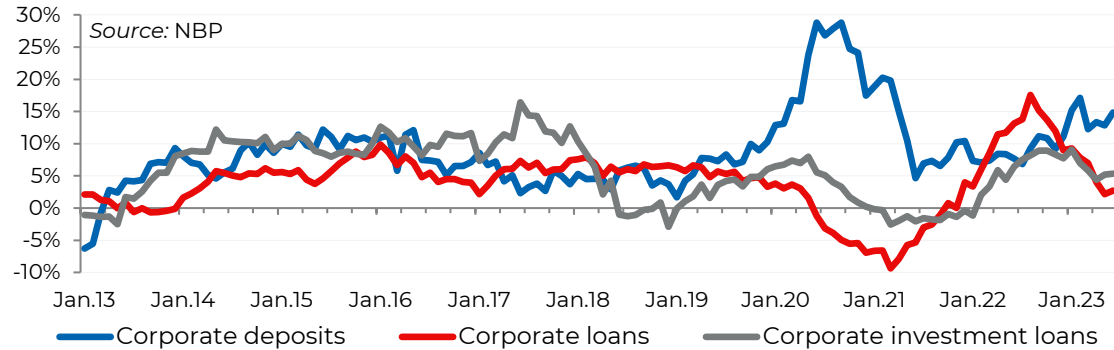


Inflation passed the peak. The recent slowdown has been caused mainly due to statistical base effects and goods prices. However, core prices are also starting to lose momentum. NBP is expected to cut interest rates this Autumn.

Macroeconomic situation and outlook

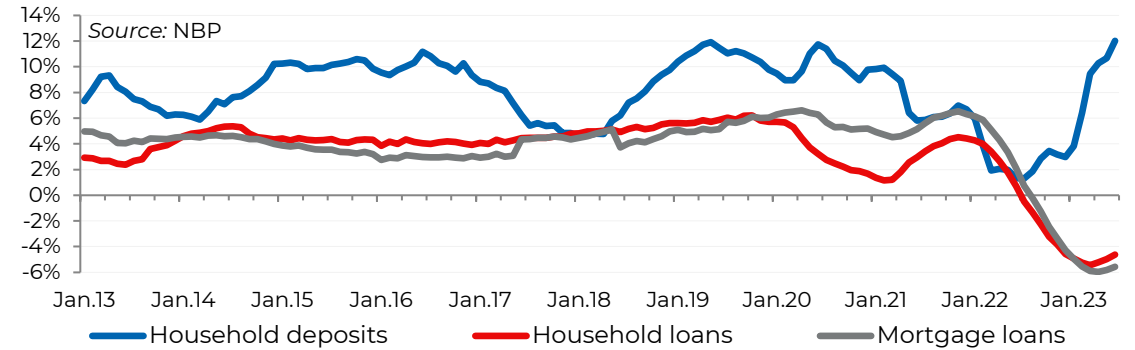
No recovery in credit growth yet. Bonds and zloty flex their muscles.

Corporate loans and deposits (YoY, FX-adjusted)



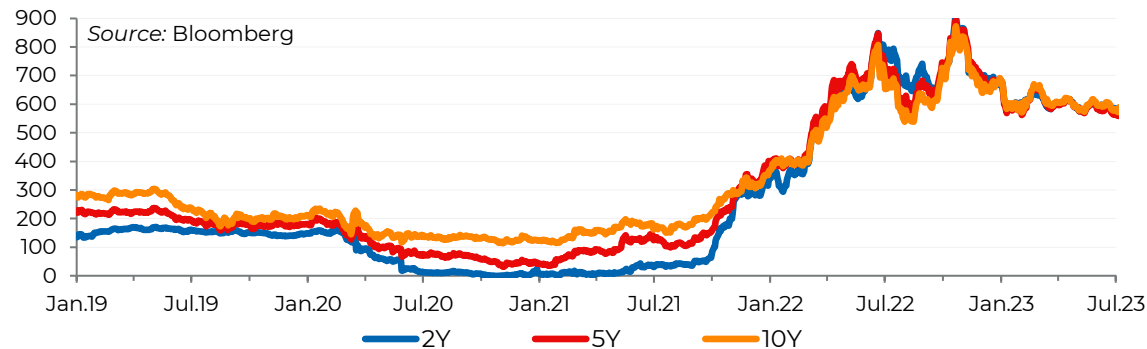
High inflation environment is supporting solid deposit growth. At the same time, credit development is slowing more and more as a result of strong monetary tightening.

Household loans and deposits (YoY, FX-adjusted)



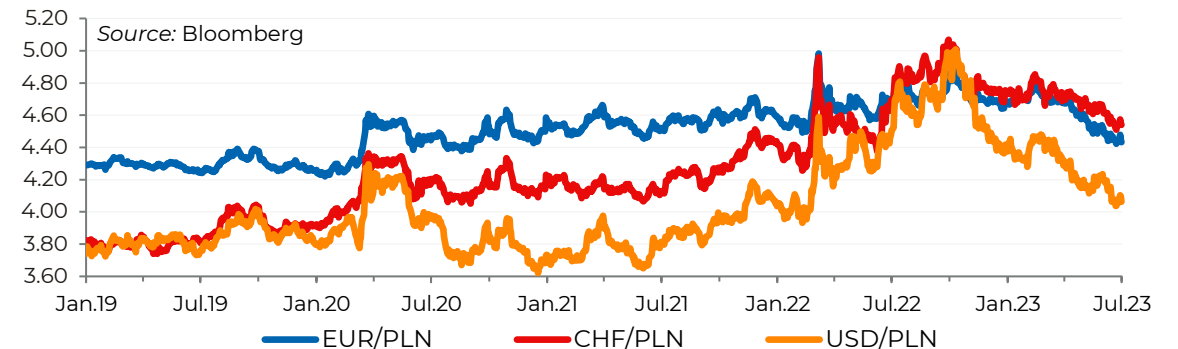
The strong labour market and expansionary fiscal policy are supporting deposit growth. Loan volumes have probably reached a tipping point. Lower rates coupled with the „safe 2% credit program” will work towards increases.

Government bond yields the lowest since Russian invasion (bps)



Bond yields on domestic debt have been falling regardless of what happens in the core markets. Increased expectations of interest rate cuts have also made Polish debt look more enticing.

PLN getting stronger, room for further appreciation limited

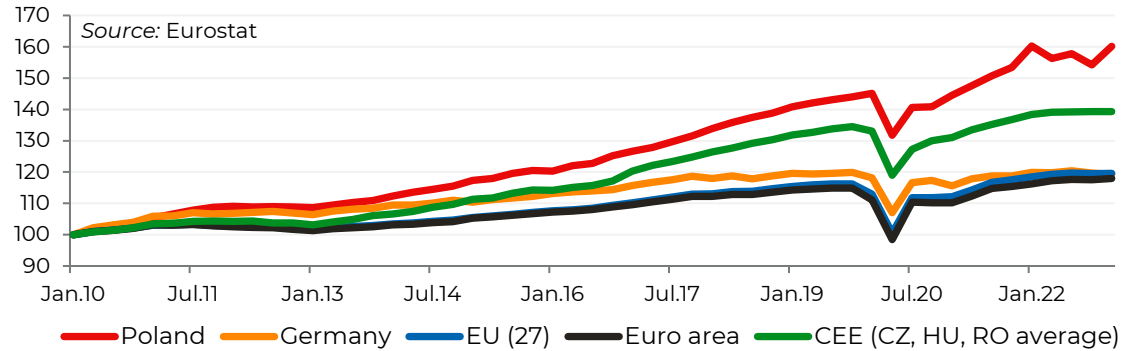


An improvement in the current account balance and a larger scale of foreign currency conversion have supported the Polish zloty of late. A weaker dollar has also helped to boost sentiment toward EM currencies.

Poland: economic fundamentals

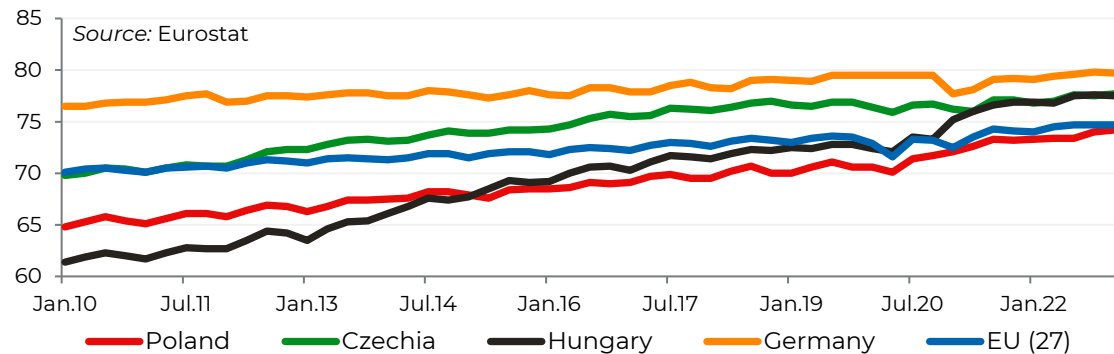
Growth story. High competitiveness compared to peers.

Real GDP (Q1 2010 = 100)



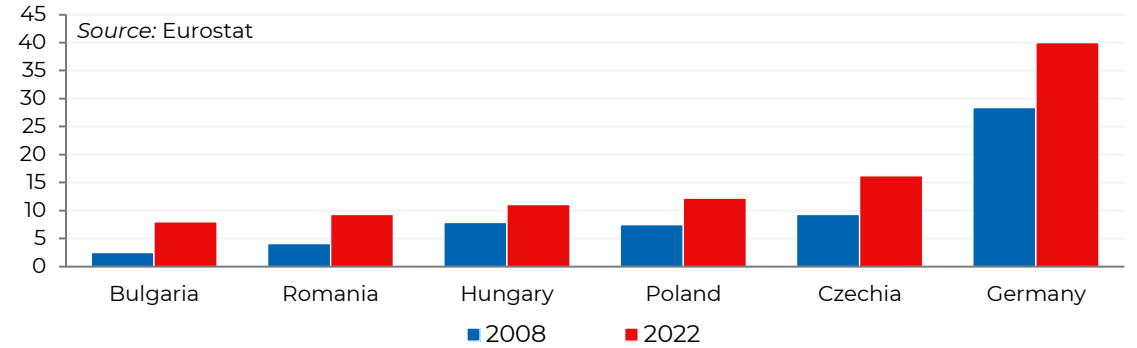
Over the past few years, Polish economy has recorded a consistently high economic growth rate. Moreover, the post-pandemic recovery has proved much faster compared to other economies in the region.

Labour activity rate (aged 15-64)



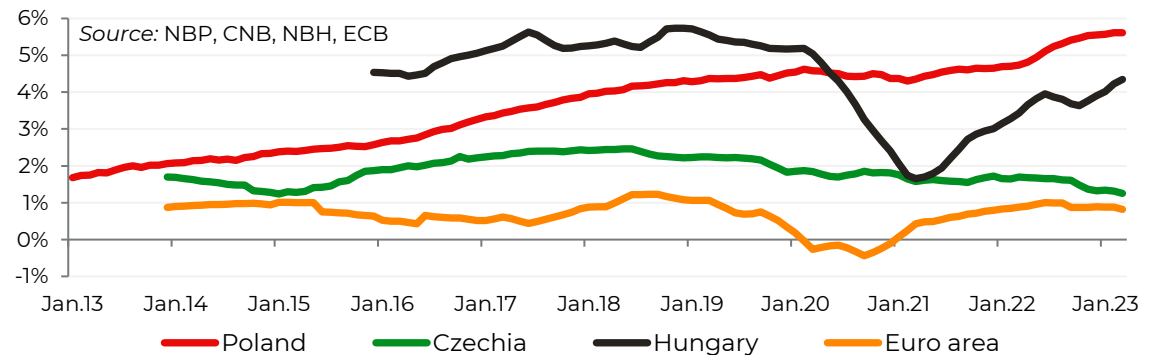
Labour force participation in Poland remains at a relatively low level compared to its peers in the region. This means that despite non-favourable demography, there is still some space to catch up and improve employment.

Hourly labour costs (in EUR)



Labour costs in Poland rose over the course of the past years, however they still remain at a competitive level compared to the CEE block. These costs are more than three times lower in relation to the German economy.

Services balance, international trade (% of GDP)



The competitiveness of the Polish economy is best portrayed in the services sector, where a steadily growing surplus in international trade has been recorded. Nearshoring may further reinforce this trend.

Macroeconomic forecasts and outlook for mBank Group

Operating environment for banks has continued being unfavourable and hardly predictable

Key economic indicators for Poland				
	2021	2022	2023F	2024F
GDP growth (YoY)	6.9%	5.1%	1.5%	3.0%
Domestic demand (YoY)	8.5%	5.1%	-2.6%	2.3%
Private consumption (YoY)	6.2%	3.3%	-0.1%	4.7%
Investment (YoY)	1.2%	5.0%	5.3%	1.8%
Inflation (eop)	8.6%	16.6%	8.5%	7.0%
MPC rate (eop)	1.75%	6.75%	6.25%	6.00%
CHF/PLN (eop)	4.42	4.73	4.58	4.69
EUR/PLN (eop)	4.59	4.69	4.55	4.70

Polish banking sector – monetary aggregates YoY				
	2021	2022	2023F	2024F
Corporate loans	3.9%	9.6%	3.7%	2.3%
Household loans	4.9%	-3.8%	-1.0%	4.4%
Mortgage loans	7.1%	-3.2%	-1.6%	6.5%
Mortgage loans in PLN	12.0%	-1.8%	2.3%	10.3%
Non-mortgage loans	1.1%	-5.1%	0.2%	0.5%
Corporate deposits	10.4%	11.6%	6.9%	6.1%
Household deposits	6.7%	3.3%	7.0%	8.9%

Source: mBank's estimates as of 31.07.2023.

Investor Presentation | Q2 2023

Short-term prospects for mBank (compared to Q2/23)

Net interest income & NIM **slightly negative** ↓

- With rates having reached the peak and anticipation of first cuts in Autumn, potential for further margin improvement exhausted
- Subdued loan volumes may impact dynamics of interest income

Net fee and commission income **neutral** ↔

- Uptrend in customer base and transactionality may be offset by weaker demand for banking products and lower volatility
- Relevant adjustments to tariff of fees already implemented

Total costs **slightly negative** ↓

- Visible wage and inflationary pressure weights on operating costs
- Rising amortisation driven by investments in future growth
- Reduced contributions to the Deposit Guarantee Scheme

Loan loss provisions & FV change **slightly negative** ↓

- Financial standing of borrowers may be affected by the complex macroeconomic environment and geopolitical developments
- The overall asset quality should not deteriorate materially thanks to prudent approach in loan origination unless more negative market scenarios materialise

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Appendix: Selected Financial Data

Consolidated Profit and Loss Account – quarterly

Quarterly results (PLN thou.)	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023
Net interest income	1,702,831	736,358	1,978,213	2,033,110	2,200,635
Net fee and commission income	547,772	513,818	467,750	501,063	487,641
Dividend income	3,991	287	123	122	4,506
Net trading income	858	-26,398	27,111	7,192	-3,338
Gains less losses from financial assets ¹	-94,861	20,792	-18,848	-28,857	3,623
Net other operating income	1,126	-166,048	-16,598	-10,930	2,351
Total income	2,161,717	1,078,809	2,437,751	2,501,700	2,695,418
Total operating costs	-1,019,427	-824,772	-631,096	-854,887	-704,442
<i>Overhead costs</i>	-899,263	-707,779	-517,479	-735,603	-585,595
<i>Amortisation</i>	-120,164	-116,993	-113,617	-119,284	-118,847
Loan loss provisions and fair value change ²	-201,841	-187,097	-191,806	-178,872	-192,216
Costs of legal risk related to FX loans	-175,094	-2,314,320	-430,097	-808,488	-1,540,192
Operating result	765,355	-2,247,380	1,184,752	659,453	258,568
Taxes on the Group balance sheet items	-167,105	-176,904	-180,327	-189,998	-182,722
Profit or loss before income tax	598,250	-2,424,284	1,004,425	469,455	75,846
Net result attributable to owners of mBank	229,708	-2,279,244	834,516	142,815	-15,478

¹ Including a part of 'Gains or losses on non-trading financial assets mandatorily at fair value through profit or loss' related to equity instruments and debt securities (without related to loans and advances)

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

Appendix: Selected Financial Data

Consolidated Statement of Financial Position – quarterly

Assets (PLN thou.)	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023
Cash and balances with Central Bank	12,522,901	20,488,126	16,014,318	16,477,981	15,962,102
Loans and advances to banks	8,547,677	9,654,087	9,806,262	13,438,881	11,927,815
Trading securities	1,121,144	1,063,428	984,237	1,386,600	1,707,945
Derivative financial instruments	2,044,790	2,309,677	1,500,695	1,182,442	1,120,005
Loans and advances to customers	126,121,456	125,289,458	120,183,142	121,533,452	118,319,042
Investment securities	45,162,202	39,999,559	54,350,774	56,414,504	56,677,121
Intangible assets	1,299,544	1,323,417	1,391,707	1,431,547	1,579,977
Tangible fixed assets	1,494,499	1,464,949	1,484,933	1,516,678	1,454,981
Other assets	3,856,210	4,083,549	4,176,045	4,147,087	4,178,869
Total assets	202,170,423	205,676,250	209,892,113	217,529,172	212,927,857
Liabilities (PLN thou.)	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023
Amounts due to banks	4,564,953	3,716,459	3,270,223	3,683,656	3,204,420
Derivative financial instruments	2,839,548	3,006,258	2,086,111	2,193,333	1,918,138
Amounts due to customers	161,095,983	170,252,682	174,130,914	180,916,989	176,662,495
Debt securities in issue	12,203,802	9,511,485	9,465,479	8,387,166	8,157,055
Subordinated liabilities	2,702,305	2,807,751	2,740,721	2,719,069	2,685,432
Other liabilities	5,386,239	4,902,681	5,483,634	6,364,250	6,830,647
Total liabilities	188,792,830	194,197,316	197,177,082	204,264,463	199,458,187
Total equity	13,377,593	11,478,934	12,715,031	13,264,709	13,469,670
Total liabilities and equity	202,170,423	205,676,250	209,892,113	217,529,172	212,927,857

Appendix: Selected Financial Data

mBank Group's Ratios – quarterly and cumulatively

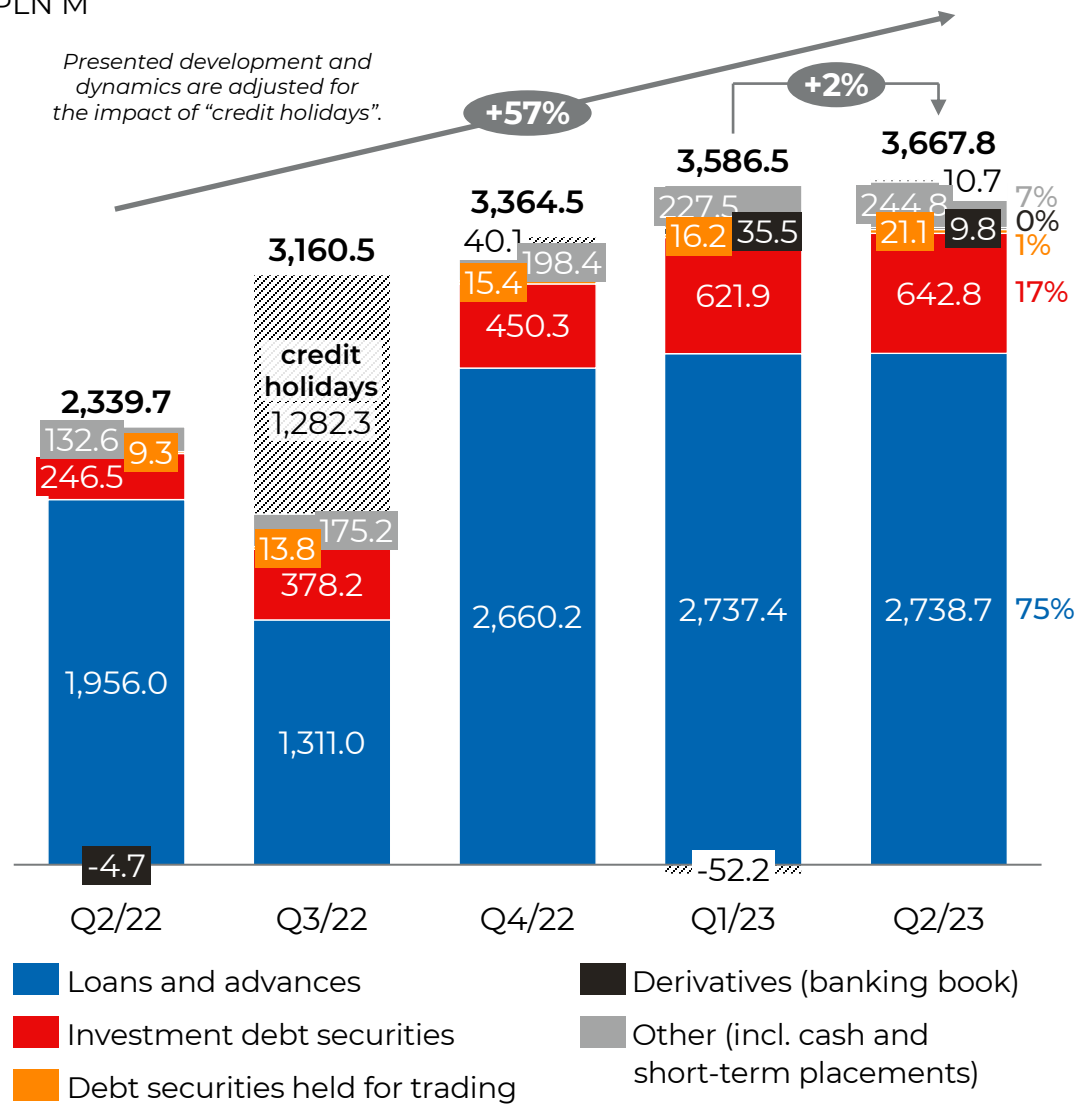
Financial Ratios	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023
Net Interest Margin, quarterly	3.57%	4.03%	4.04%	3.84%	4.33%
Net Interest Margin, YtD	3.37%	3.60%	3.71%	3.84%	4.08%
Net Interest Margin, excl. CHF portfolio, YtD	3.52%	3.76%	3.87%	3.97%	4.22%
Cost/Income Ratio, quarterly	47.2%	76.5%	25.9%	34.2%	26.1%
Cost/Income Ratio, YtD	42.9%	49.6%	42.2%	34.2%	30.0%
Cost of Risk, quarterly	0.65%	0.60%	0.63%	0.59%	0.64%
Cost of Risk, YtD	0.77%	0.71%	0.69%	0.59%	0.62%
Return on Equity, ROE net, quarterly	6.8%	-70.4%	26.9%	4.3%	-0.4%
Return on Equity, ROE net, YtD	10.9%	-15.3%	-5.3%	4.3%	1.9%
Return on Assets, ROA net, quarterly	0.46%	-4.32%	1.59%	0.27%	-0.03%
Return on Assets, ROA net, YtD	0.74%	-1.00%	-0.34%	0.27%	0.12%
Loan-to-Deposit Ratio	78.3%	73.6%	69.0%	67.2%	67.0%
Total Capital Ratio	16.39%	14.66%	16.36%	16.13%	16.81%
Tier 1 Capital Ratio	13.93%	12.11%	13.81%	13.72%	14.47%
Leverage ratio	6.0%	5.1%	5.4%	5.3%	5.6%
Equity / Assets	6.6%	5.6%	6.1%	6.1%	6.3%
TREA / Assets	46.4%	45.1%	41.9%	41.7%	41.3%
NPL ratio	3.8%	4.0%	4.0%	4.0%	4.1%
NPL coverage ratio	54.6%	51.9%	52.3%	52.3%	53.3%
NPL coverage ratio incl. stage 1&2 provisions	70.8%	67.8%	68.8%	68.3%	71.0%

Appendix: Selected Financial Data – Net interest income

Structure of mBank Group's interest income

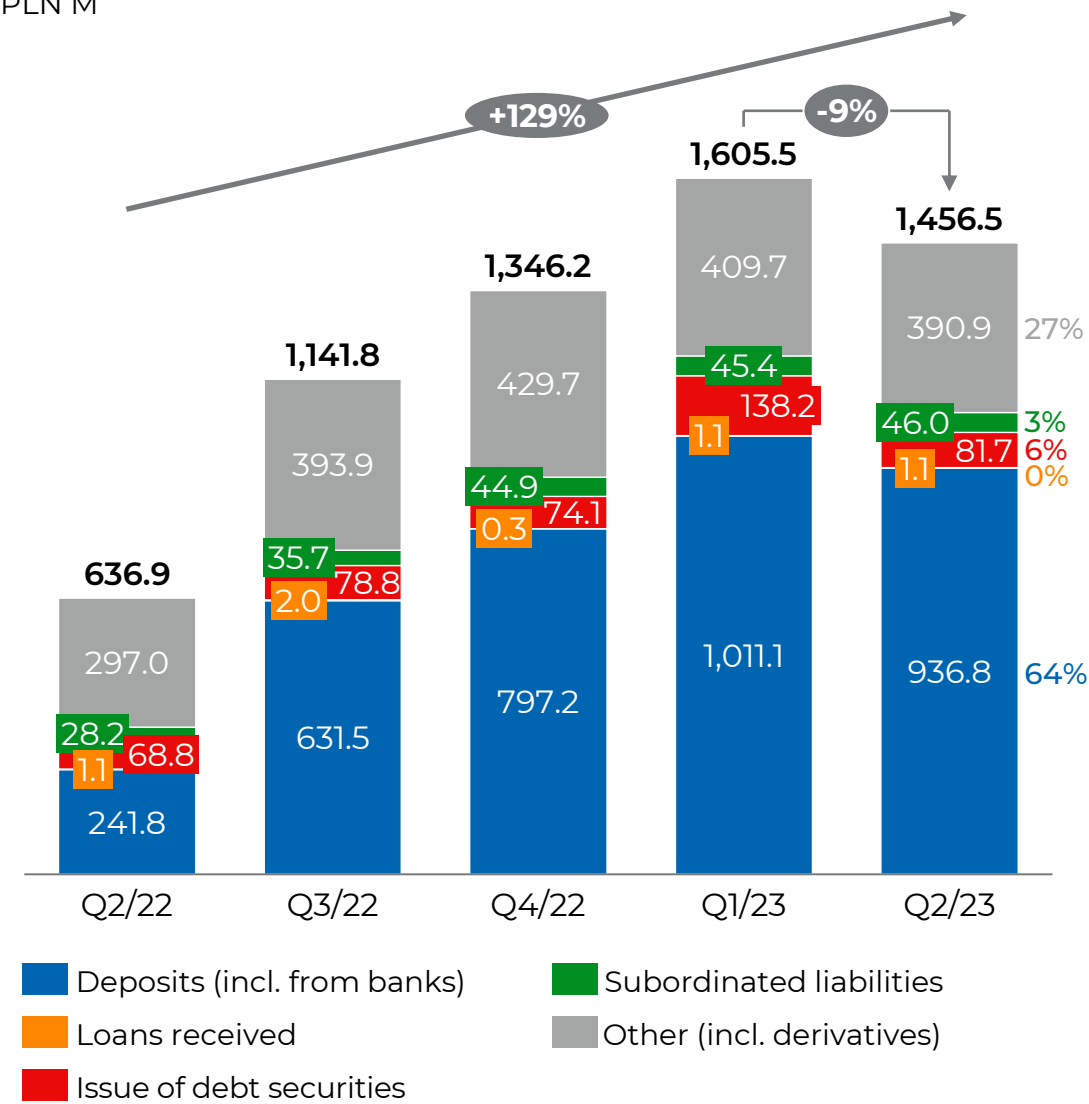
PLN M

Presented development and dynamics are adjusted for the impact of "credit holidays".



Structure of mBank Group's interest expense

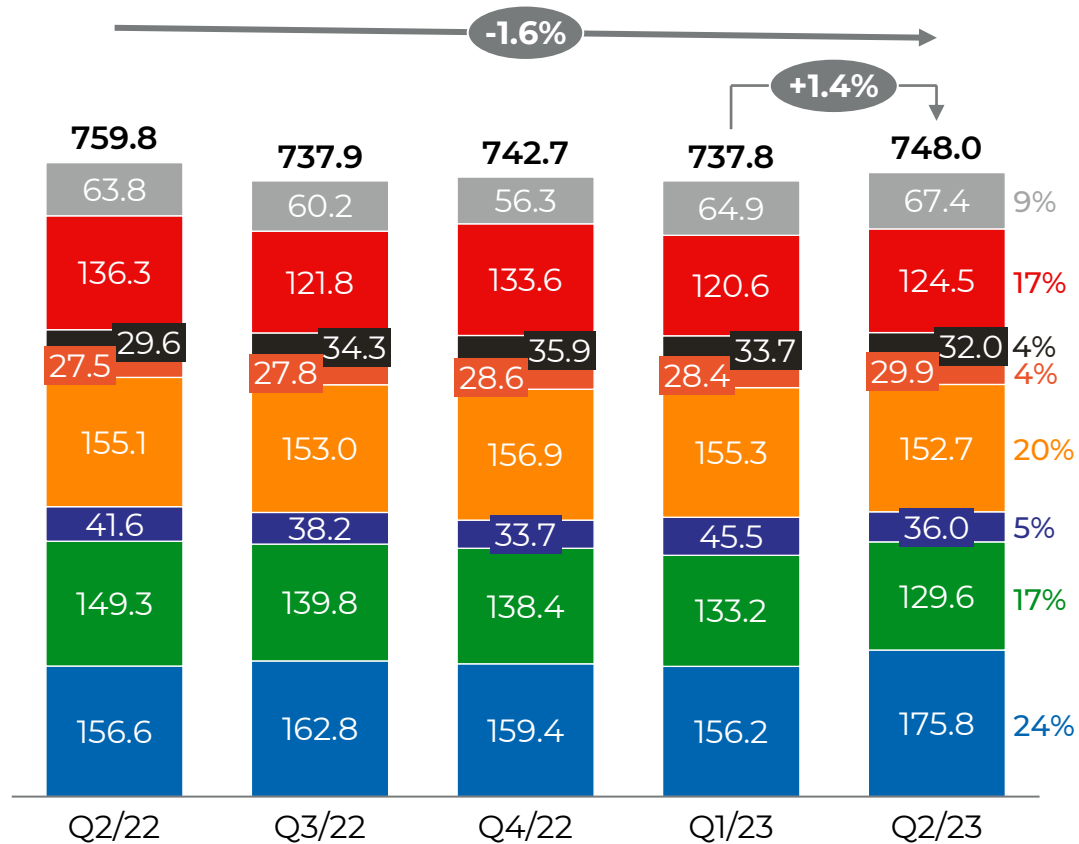
PLN M



Appendix: Selected Financial Data – Net fees and commissions

Structure of mBank Group's fee and commission income

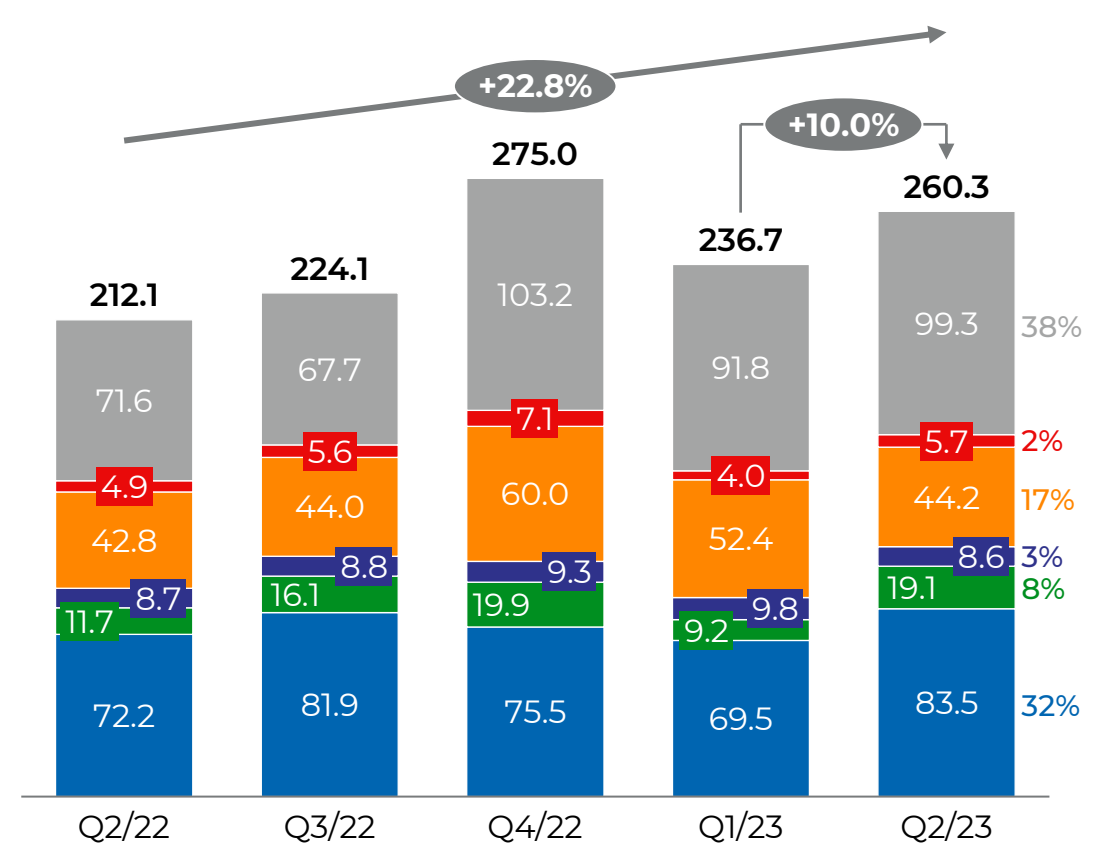
PLN M



- Payment card fees
- Accounts & money transfers
- Brokerage activity & securities issue
- Credit related fees
- Guarantees & trade finance
- Insurance activity
- Foreign currencies exchange
- Other (incl. custody)

Structure of mBank Group's fee and commission expense

PLN M

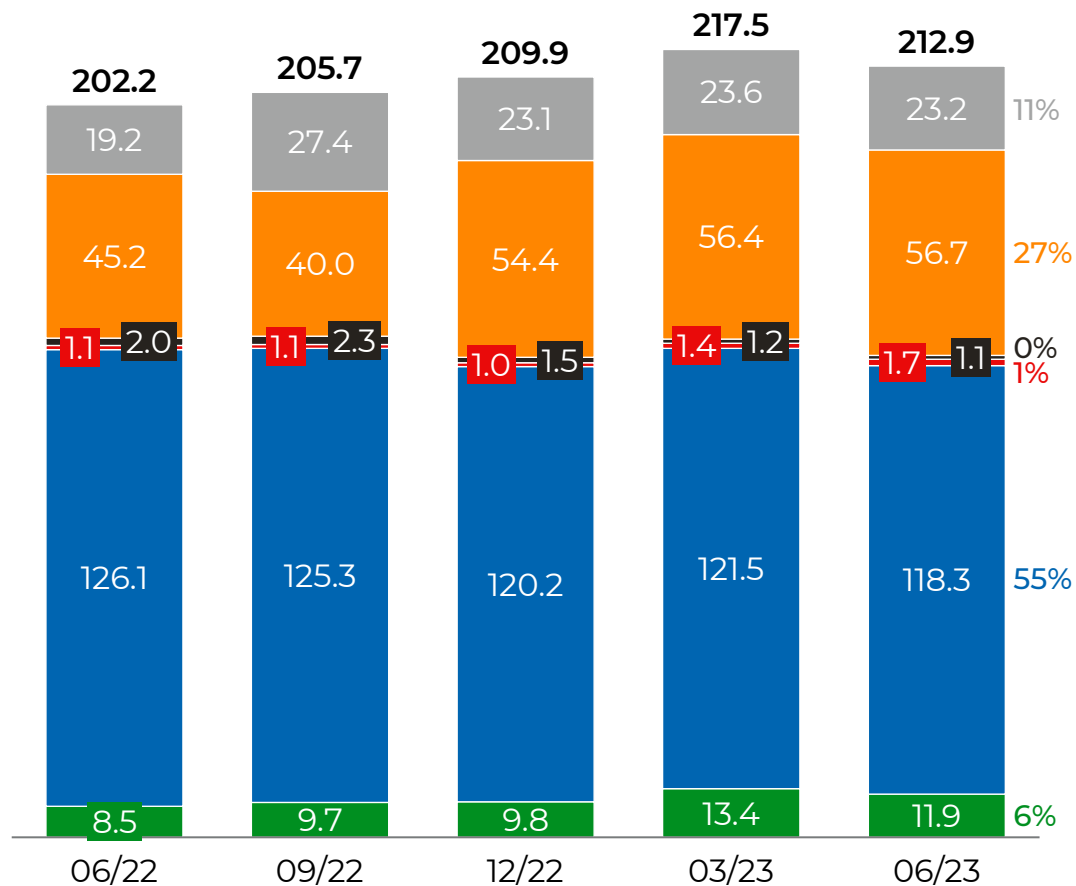


- Payment card fees
- Cash handling fees
- Discharged brokerage fees
- Commissions paid to external entities
- Fees paid to NBP and KIR
- Other (incl. insurance activity)

Appendix: Selected Financial Data – Balance sheet analysis

Structure of mBank Group's total assets

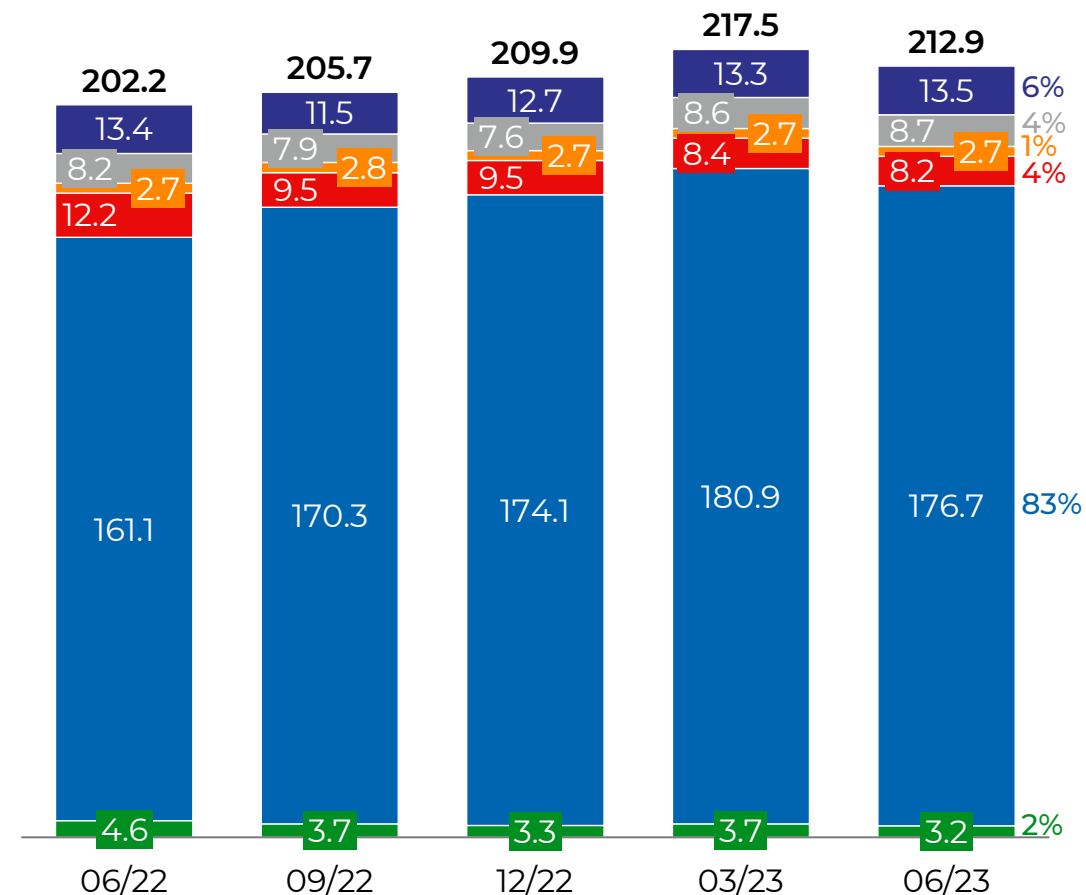
PLN B



- Amounts due from banks
- Loans and advances to customers
- Trading securities
- Derivative financial instruments
- Investment securities
- Other assets

Structure of mBank Group's liabilities and equity

PLN B

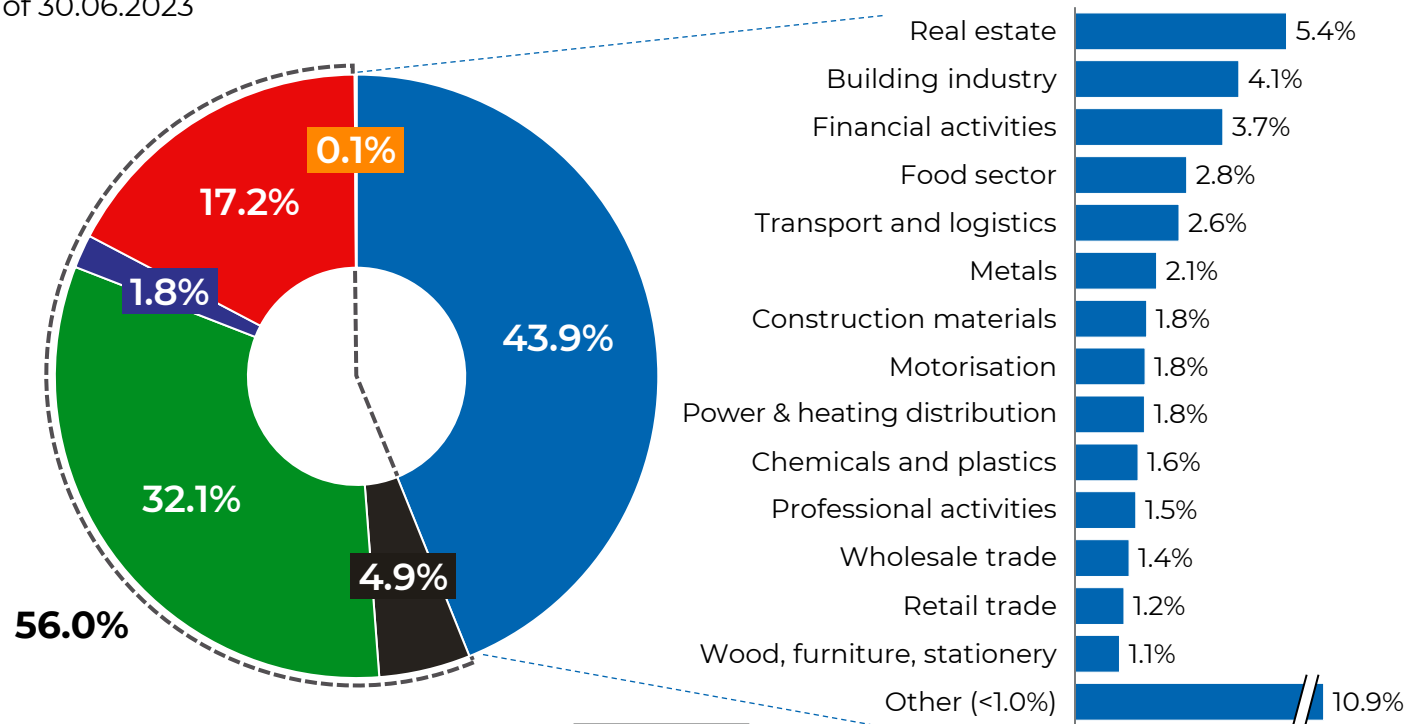


- Amounts due to other banks
- Amounts due to customers
- Debt securities in issue
- Subordinated liabilities
- Other liabilities
- Equity (total)

Appendix: Selected Financial Data – Structure of loans and deposits

Structure of mBank Group's gross loans, by client segment and industry

as of 30.06.2023

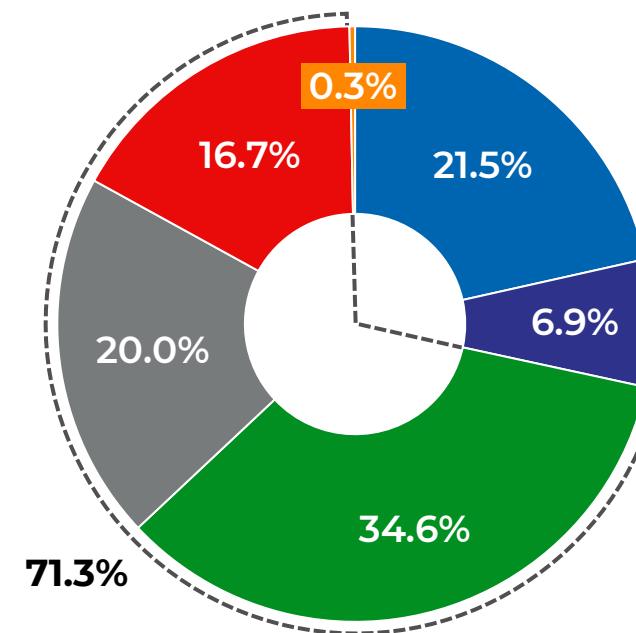


	PLN billion
Corporate loans	53.4
Mortgage loans in FX to individuals	6.0
Mortgage loans in LC to individuals ¹	39.0
Mortgage loans to microfirms	2.2
Non-mortgage retail loans	21.0
Public sector loans	0.1
TOTAL	121.7

A well diversified loan portfolio with granular structure of exposures

Structure of mBank Group's deposits

as of 30.06.2023



	PLN billion
Corporate clients: current accounts ²	38.1
Corporate clients: term deposits	12.1
Individual clients: current accounts	61.2
Individual clients: saving accounts	35.4
Individual clients: term deposits	29.4
Public sector clients	0.5
TOTAL	176.7

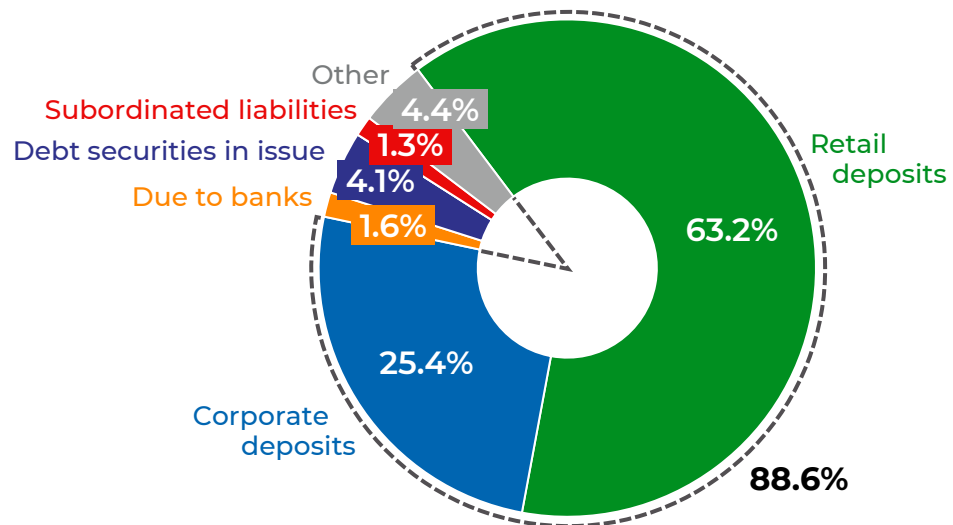
¹ Including local currency mortgage loans granted in Poland, the Czech Republic and Slovakia

² Including repo transactions

Appendix: Selected Financial Data – Funding profile

Structure of mBank Group's funding

as of 30.06.2023



Summary of mBank's long-term funding instruments

as of 30.06.2023

Nominal value	Currency	Issue date	Maturity date	Tenor	Coupon
Issues under Euro Medium Term Note (EMTN) Programme					
200 M	CHF	28.03.2017	28.03.2023	6.0 Y	1.005% redeemed
125 M	CHF	05.04.2019	04.10.2024	5.5 Y	1.0183%
500 M	EUR	20.09.2021	21.09.2027	6.0 Y	0.966%
Subordinated loan and bonds					
250 M	CHF	21.03.2018	21.03.2028	10.0 Y	LIBOR3M +2.75%
750 M	PLN	17.12.2014	17.01.2025	10.1 Y	WIBOR6M +2.10%
550 M	PLN	09.10.2018	10.10.2028	10.0 Y	WIBOR6M +1.80%
200 M	PLN	09.10.2018	10.10.2030	12.0 Y	WIBOR6M +1.95%
Loans and advances received					
113 M	CHF	04.09.2017	04.09.2025	8.0 Y	-
176 M	CHF	30.07.2018	30.07.2025	7.0 Y	-
138 M	CHF	02.08.2019	02.08.2027	8.0 Y	-

Summary of mBank's ratings

as of 01.08.2023

	Fitch Ratings	S&P Global Ratings
Long-term rating	BBB-	BBB
Outlook ¹	<i>stable</i>	<i>stable</i>
Short-term rating	F3	A-2
Viability rating / SACP	bbb-	bbb-

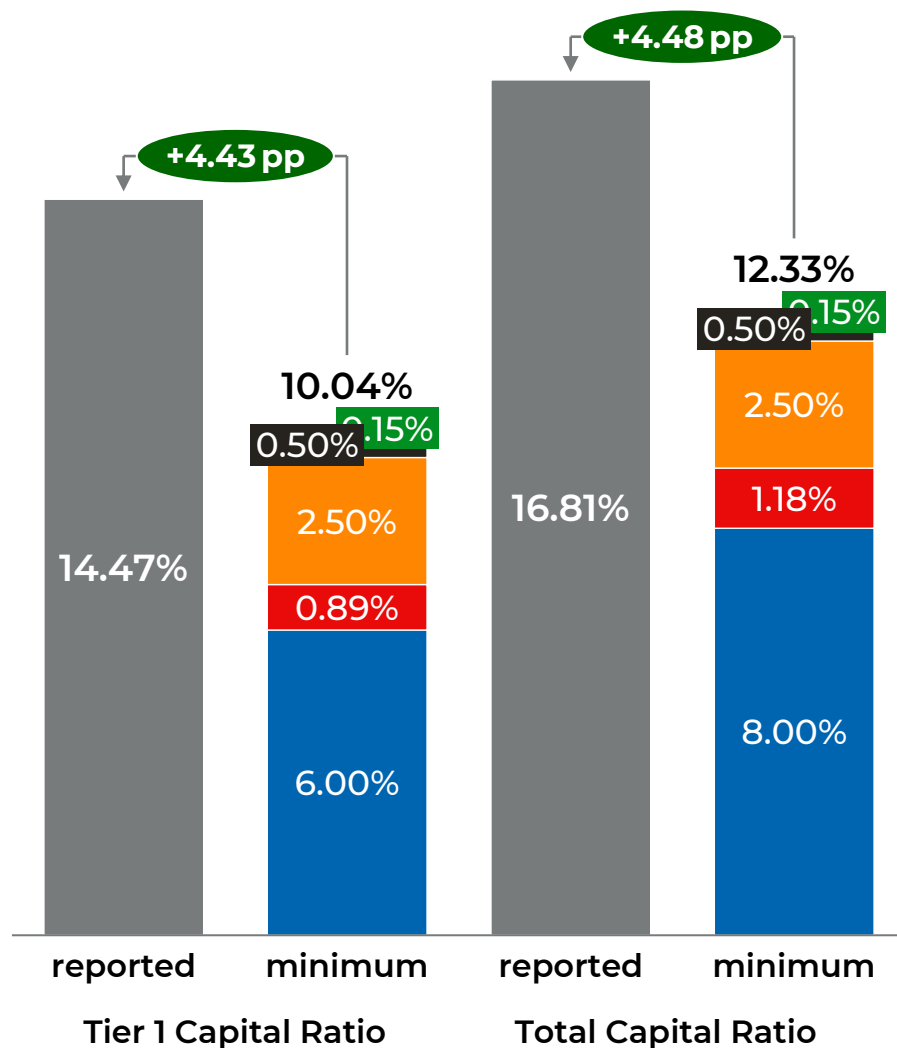
¹ Fitch revised the rating outlook from *negative* on 13.07.2023, while S&P from *developing* on 27.06.2023

Note: The table does not include covered bonds issued by mBank Hipoteczny.

Appendix: Selected Financial Data – Capital requirements

Regulatory capital requirements for mBank Group

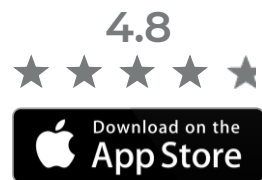
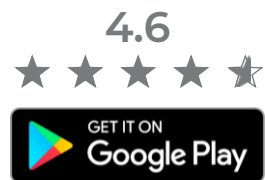
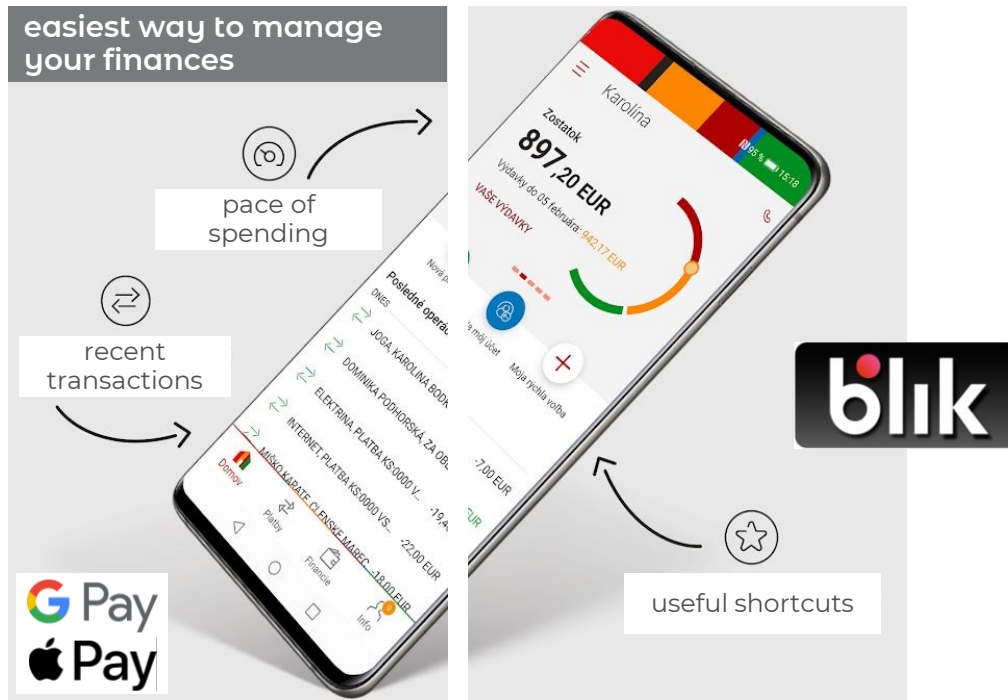
as of 30.06.2023



- Countercyclical Capital Buffer (CCyB)** is calculated as the weighted average of the countercyclical buffer rates that apply in the countries where the relevant credit exposures of the Group are located.
- Systemic Risk Buffer (SRB)**, originally set at 3.0% in Poland, was 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, in which mBank has been identified as other systemically important institution; its level is reviewed annually.
- Conservation Capital Buffer (CCB)** is 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; it was implemented gradually and raised from 1.25% to 2.5% starting from 01.01.2019.
- 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 within the supervisory review and evaluation process ("SREP").
- CRR Regulation minimum level (CRR)** based on Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012.

Based on the MREL decision dated 11.04.2023, the fully-fledged MREL requirement to be set for mBank at the consolidated level, excluding mBank Hipoteczny, amounts to **18.57%** of the total risk exposure amount (TREA) and **5.91%** of the total exposure measure (TEM) and should be reached by 31.12.2023. Interim MREL_{TREA} and MREL_{TEM} limits were set at **14.16%** and **4.64%** from the date of decision's communication. The Bank also needs to keep the Combined Buffer Requirement on top of the MREL requirement.

Appendix: 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, **81%** of new mBank's clients activate mobile application in the first week from opening the account (in Q2/23)

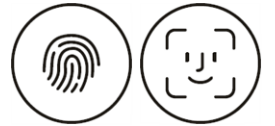
Well-designed functionalities for client convenience



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



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



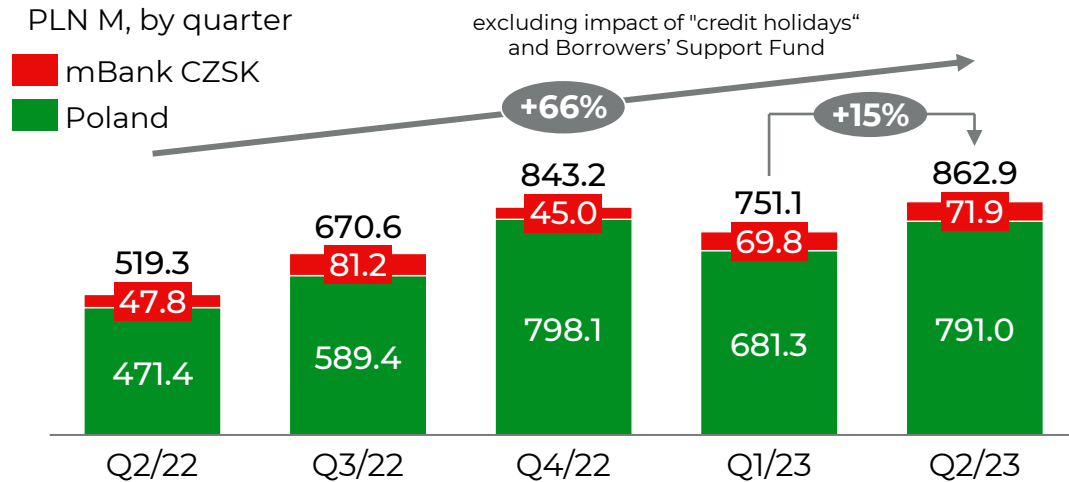
reminders from Payment Assistant and scanning of data to the transfer form from the invoices



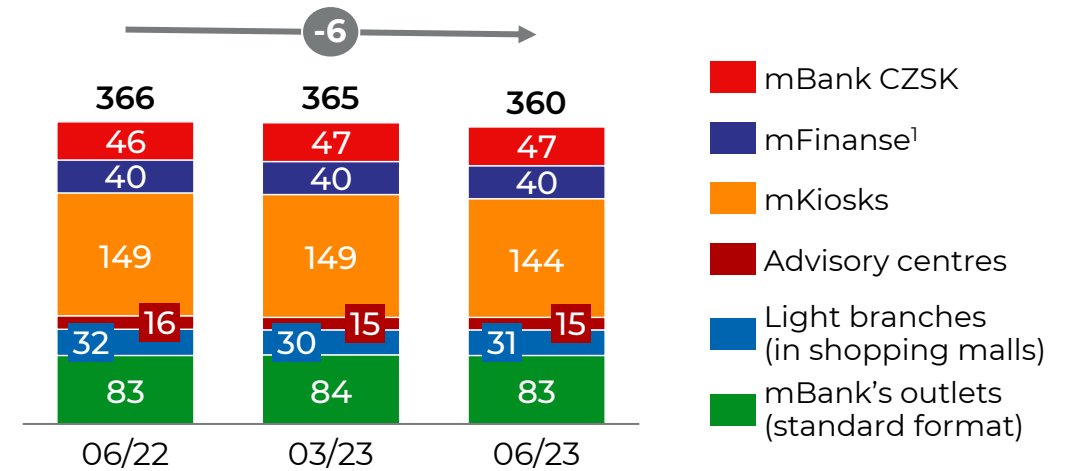
benefits (mDiscounts) for retail buyers and seamless shopping experience with one-click financing options (quick cash loan up to pre-approved limit)

Appendix: Retail Banking – profit and network

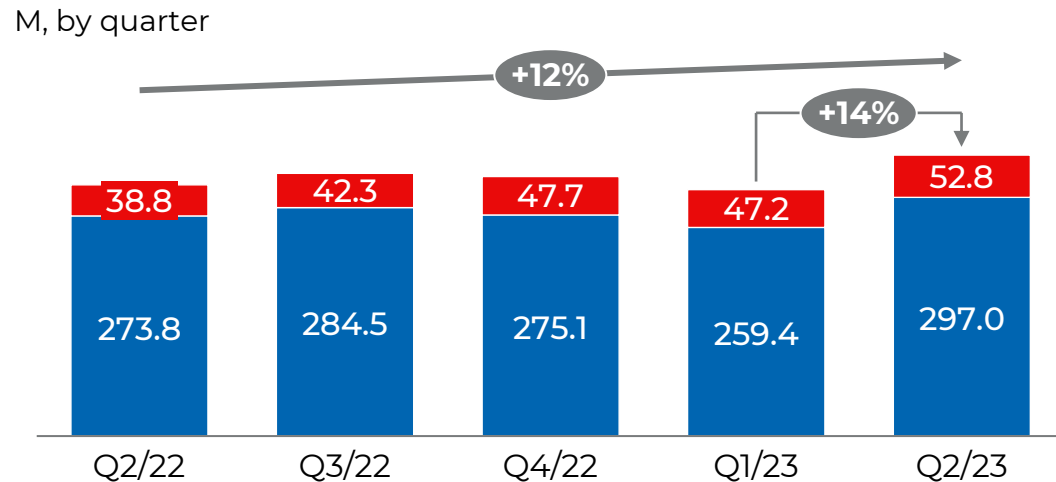
Profit before income tax of the segment



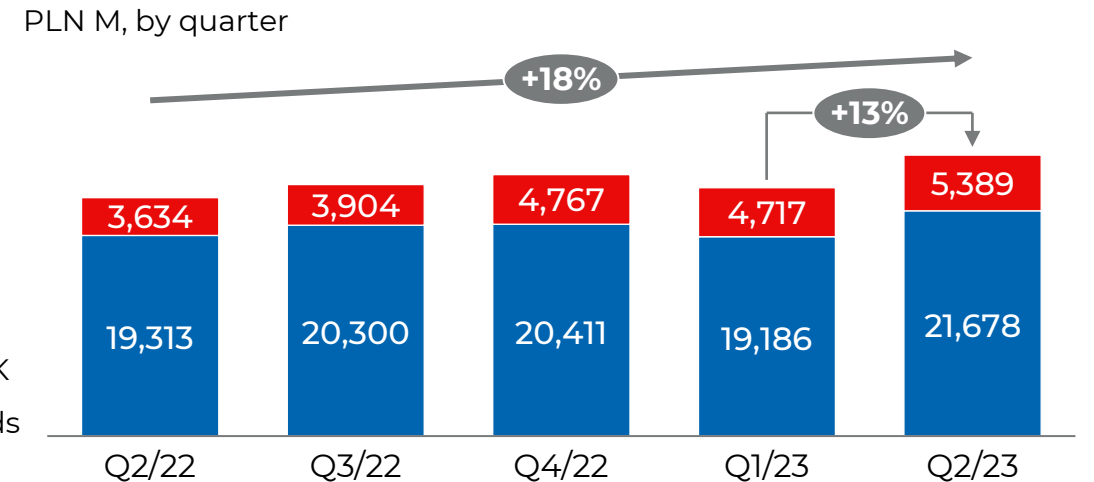
Number of Retail Service Locations



Number of non-cash payments with cards and BLIK



Value of non-cash payments with cards and BLIK

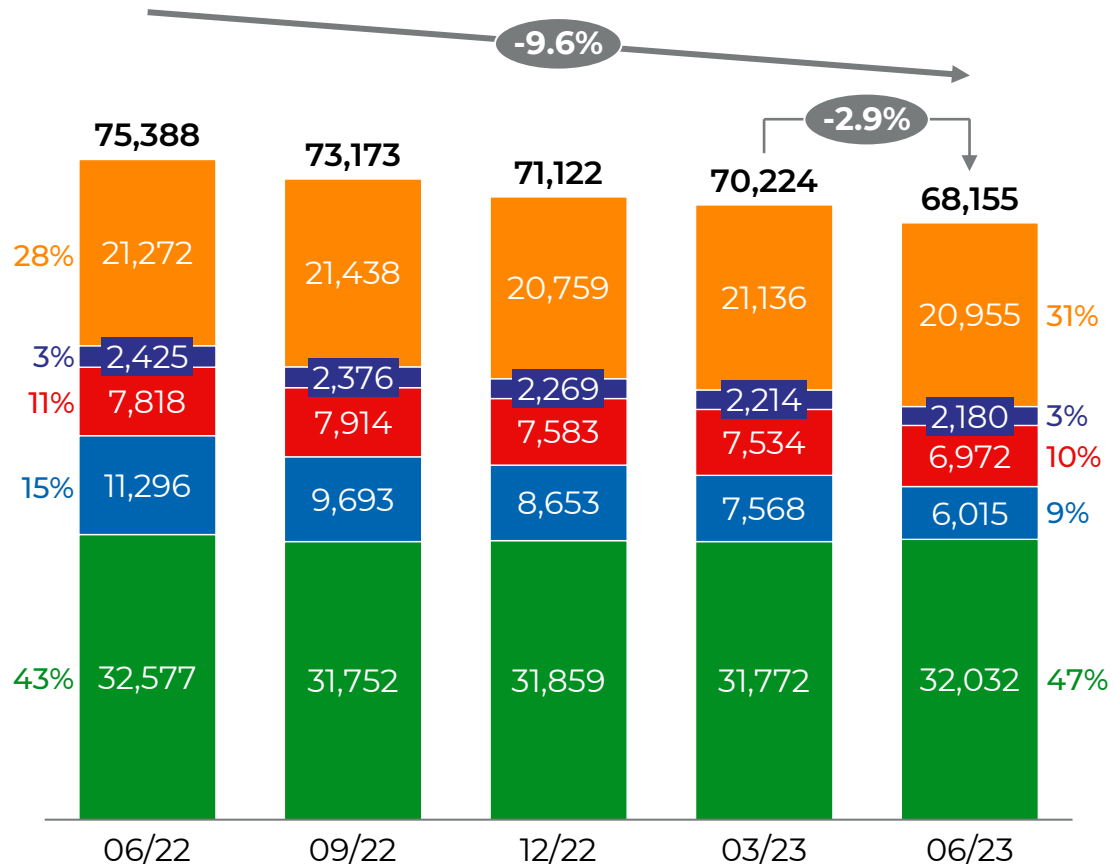


¹ Including financial centres and agency service points

Appendix: Retail Banking – business volumes

Development of gross loans to retail banking clients

PLN M

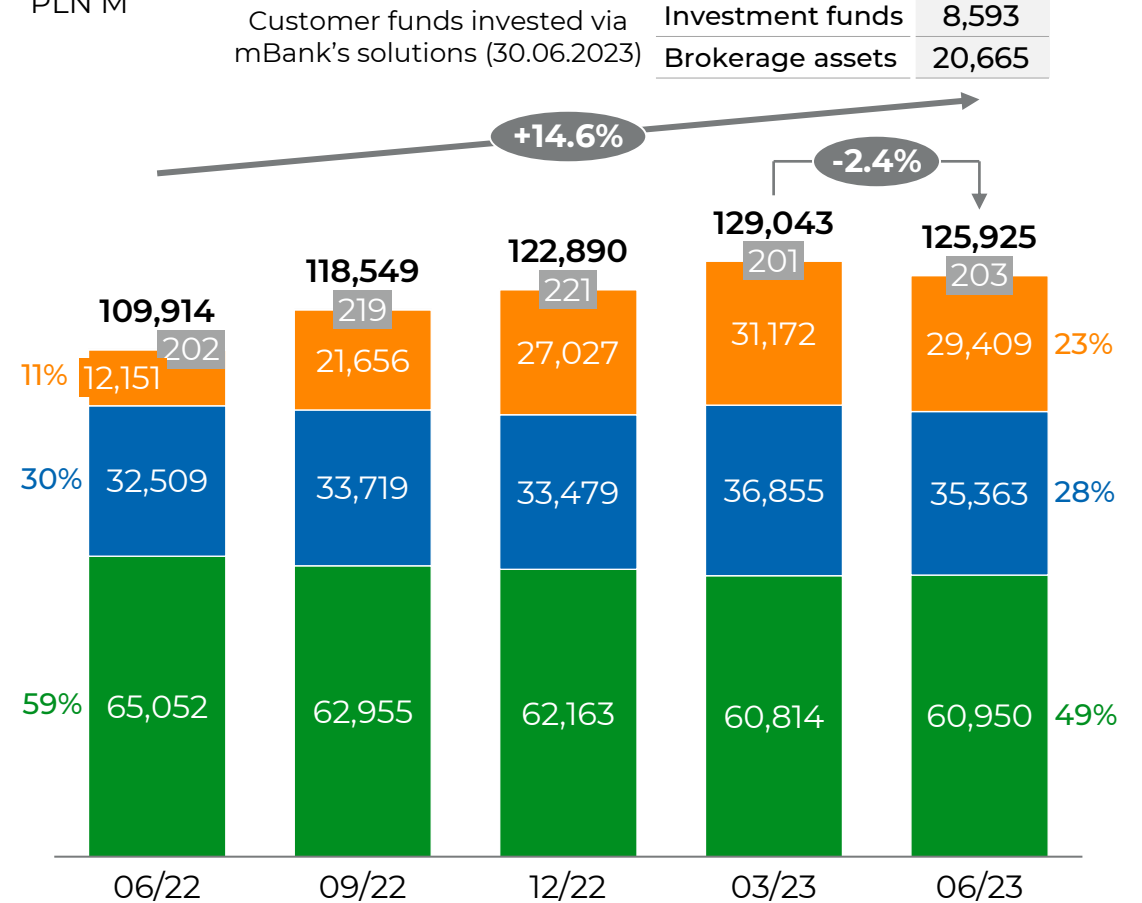


- PLN mortgage loans to individuals
- FX mortgage loans to individuals
- Mortgage loans granted in CZSK
- Mortgage loans to microfirms
- Non-mortgage loans

Note: Currency and geographical breakdown based on management information.

Development of deposits from retail banking clients

PLN M

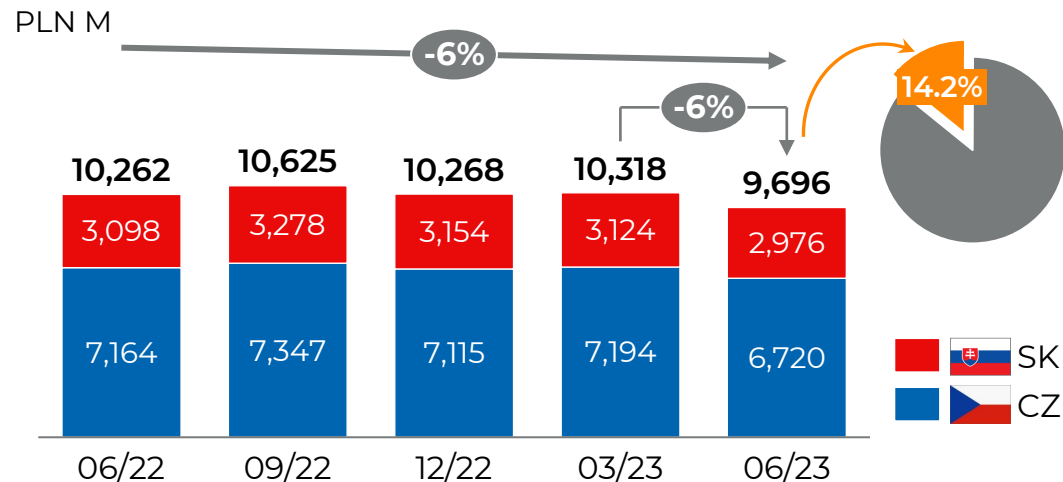


- Current accounts
- Saving accounts
- Term deposits
- Other

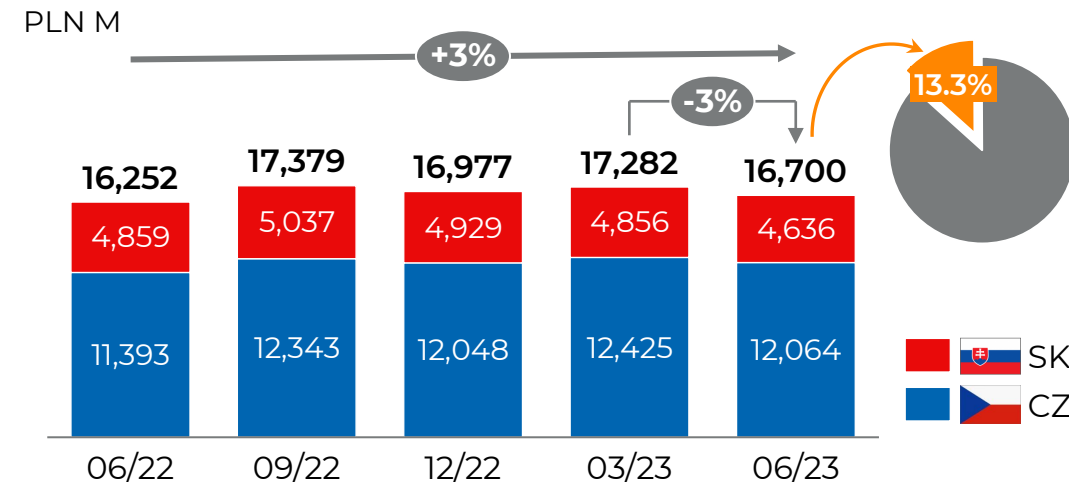
Note: Investment funds include mFunds (managed by mTFI), asset management strategies, mBank's Investment Funds Supermarket (in Poland and Slovakia) and external investment funds for private banking & wealth management.

Appendix: mBank in the Czech Republic and Slovakia

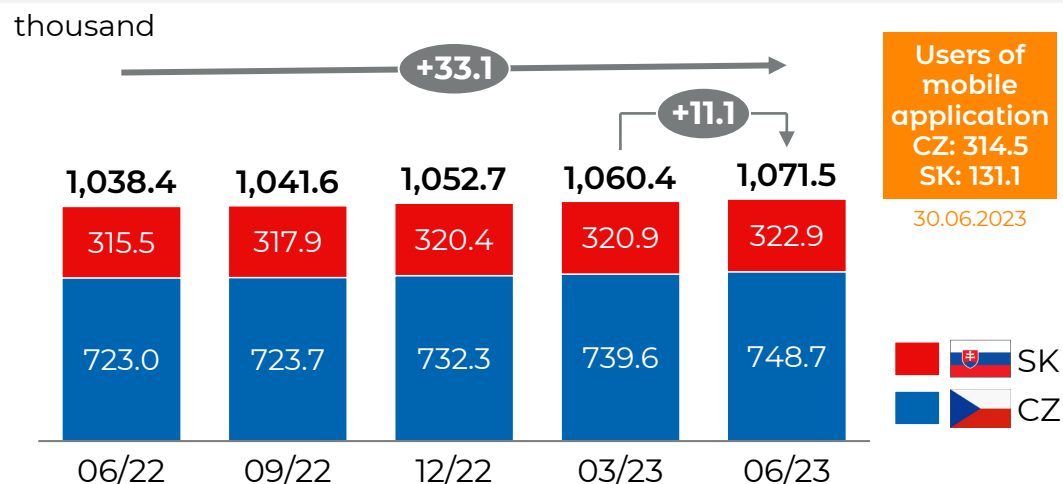
Gross loans and share in total mBank's retail volume



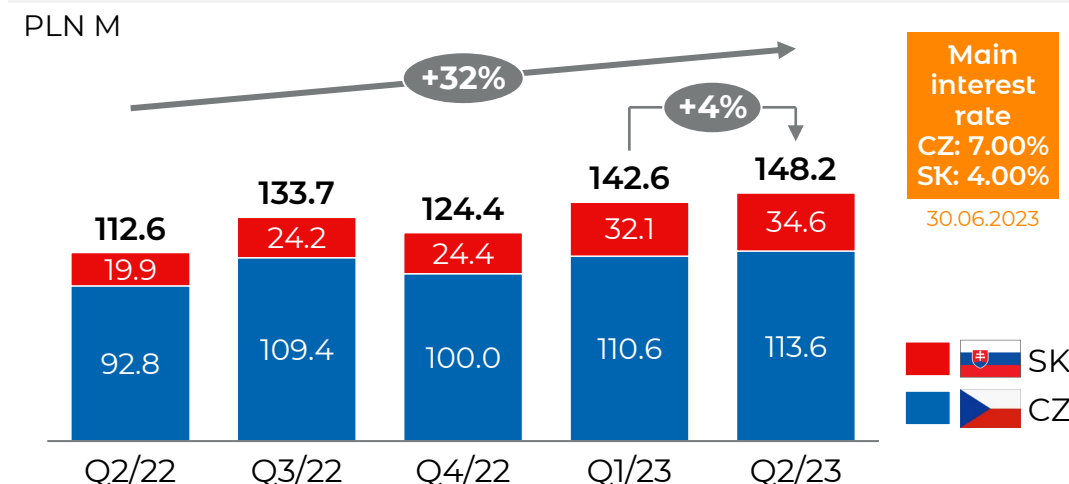
Deposits and share in total mBank's retail volumes



Number of clients



Development of total revenues



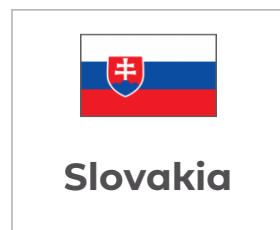
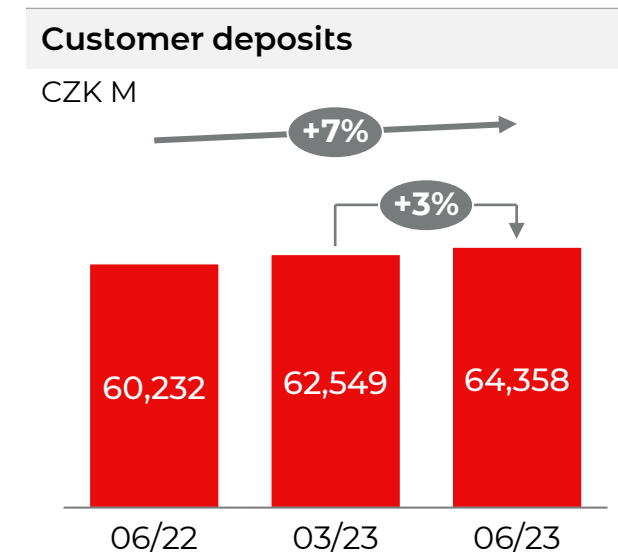
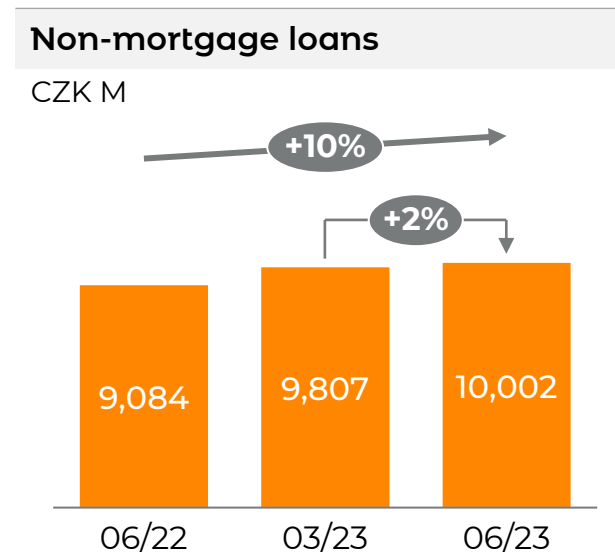
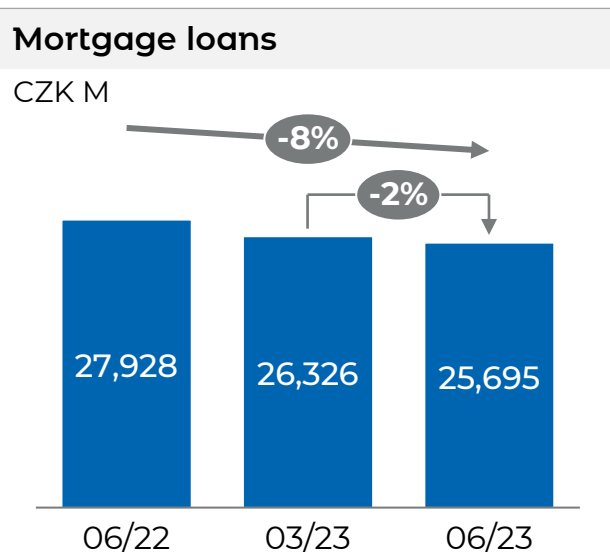
Note: Volumes based on management information.

Appendix: mBank in the Czech Republic and Slovakia



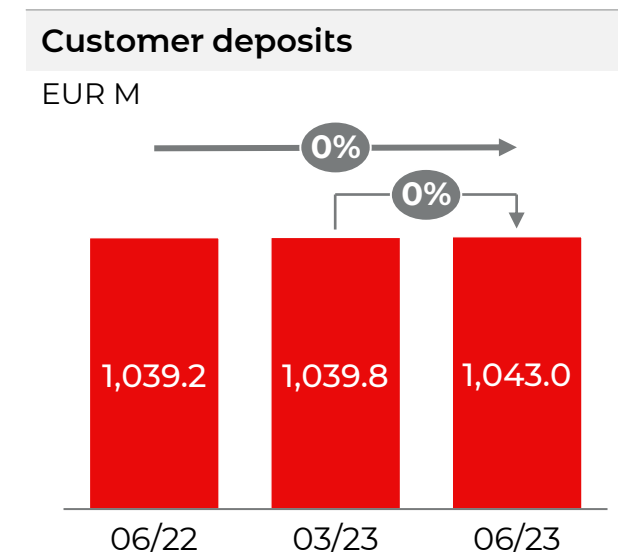
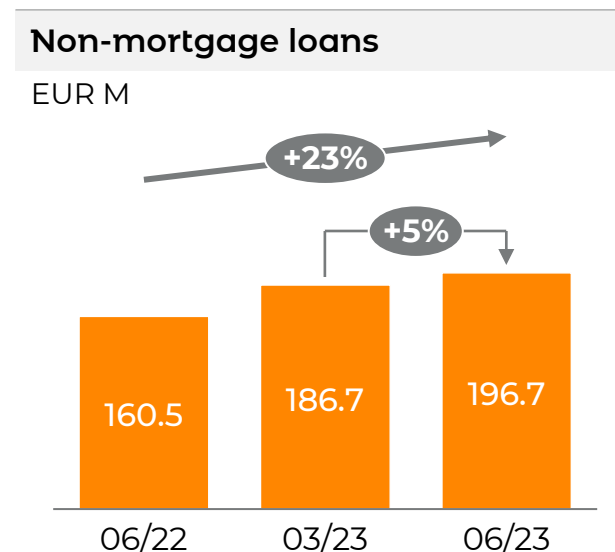
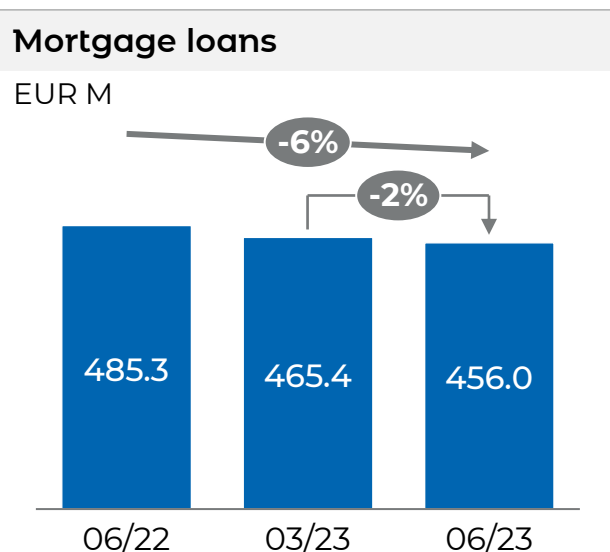
physical network:

7	light branches
7	financial centres
18	mKiosks



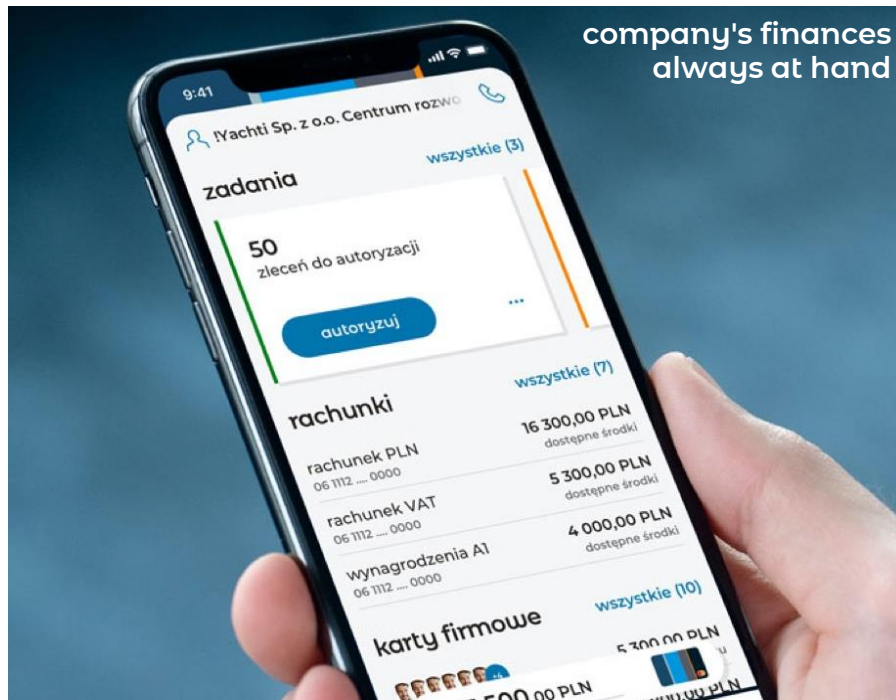
physical network:

2	light branches
4	financial centres
9	mKiosks



Note: Volumes based on management information.

Appendix: Best digital banking services for corporate clients



CompanyMobile
CompanyNet



89% of corporate customers have at least one user logging in to mBank's mobile application every month (in Q2/23)

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



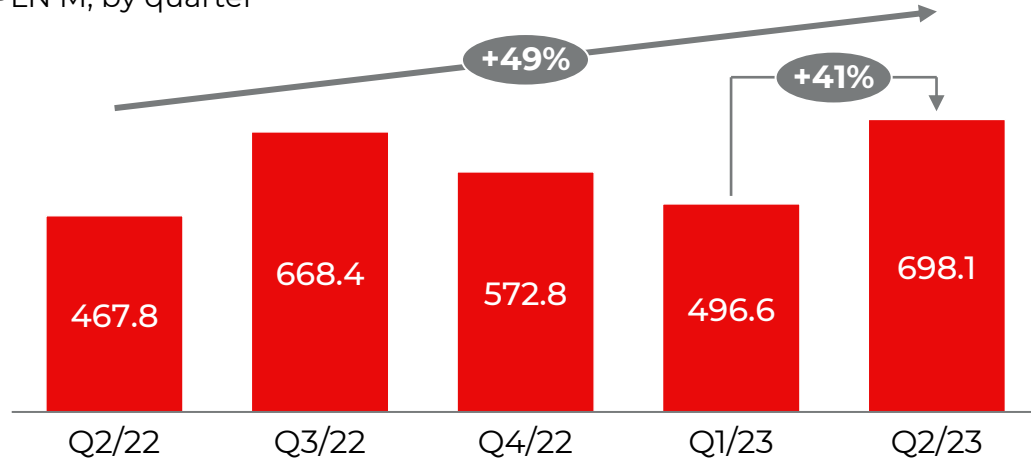
mAuto.pl online platform with an offer of new and used cars, financed by leasing or long-term rental



Appendix: Corporate & Investment Banking – profit and network

Profit before income tax of the segment

PLN M, by quarter

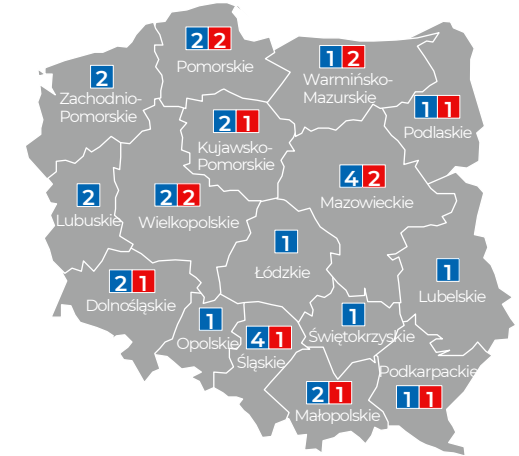


Number of corporate service locations

as of 30.06.2023

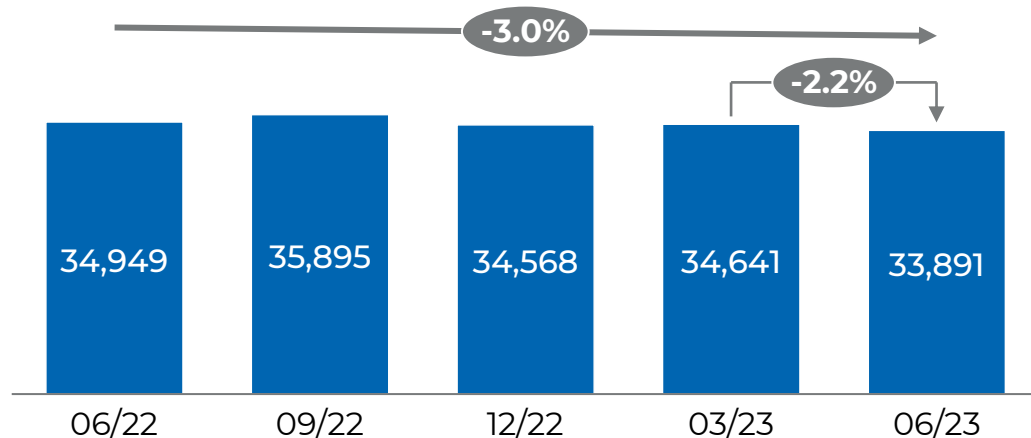
29 mBank's branches,
incl. 13 advisory centres

14 mBank's offices



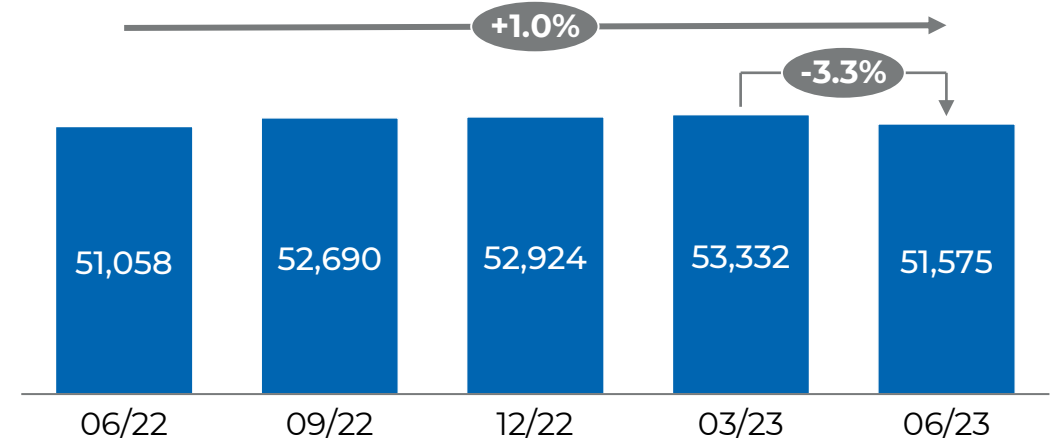
Development of loans to enterprises¹

PLN M



Development of deposits from enterprises¹

PLN M

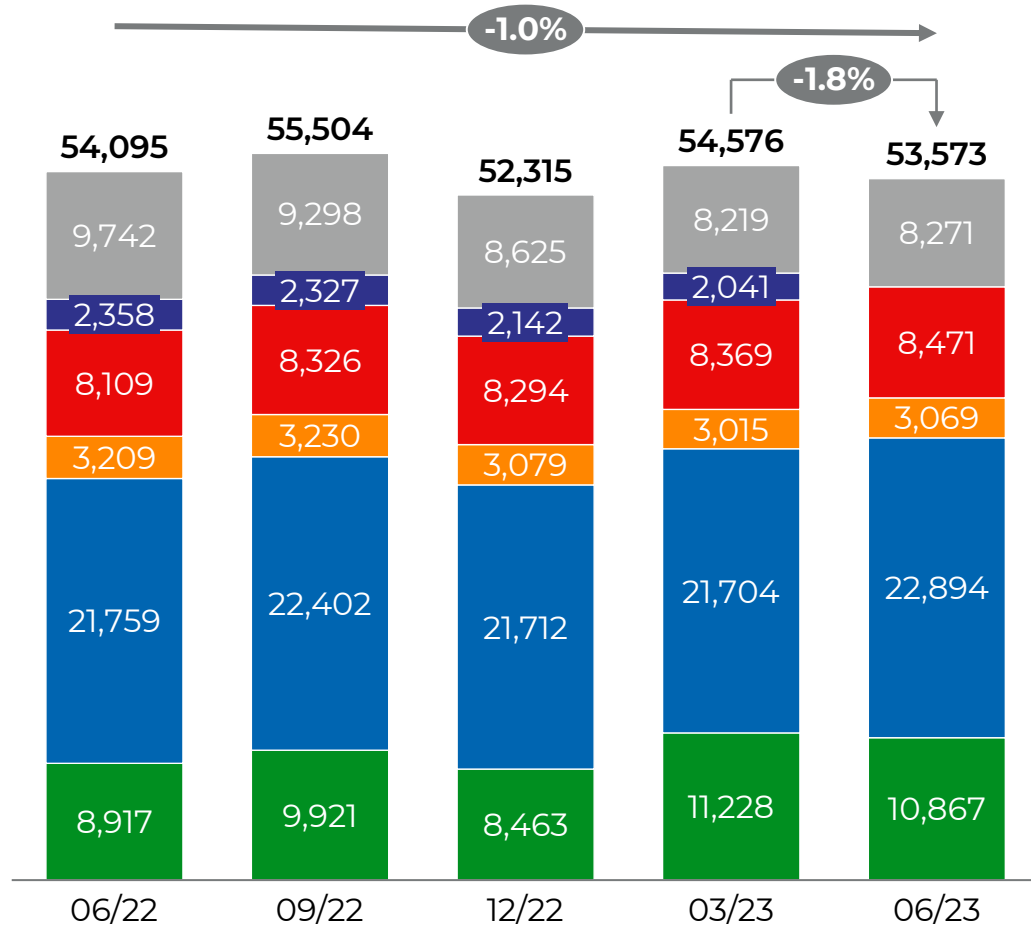


¹ Corporate loan and deposit volumes (for mBank and mBank Hipoteczny) according to NBP rules (monetary reporting system – MONREP)

Appendix: Corporate & Investment Banking – business volumes

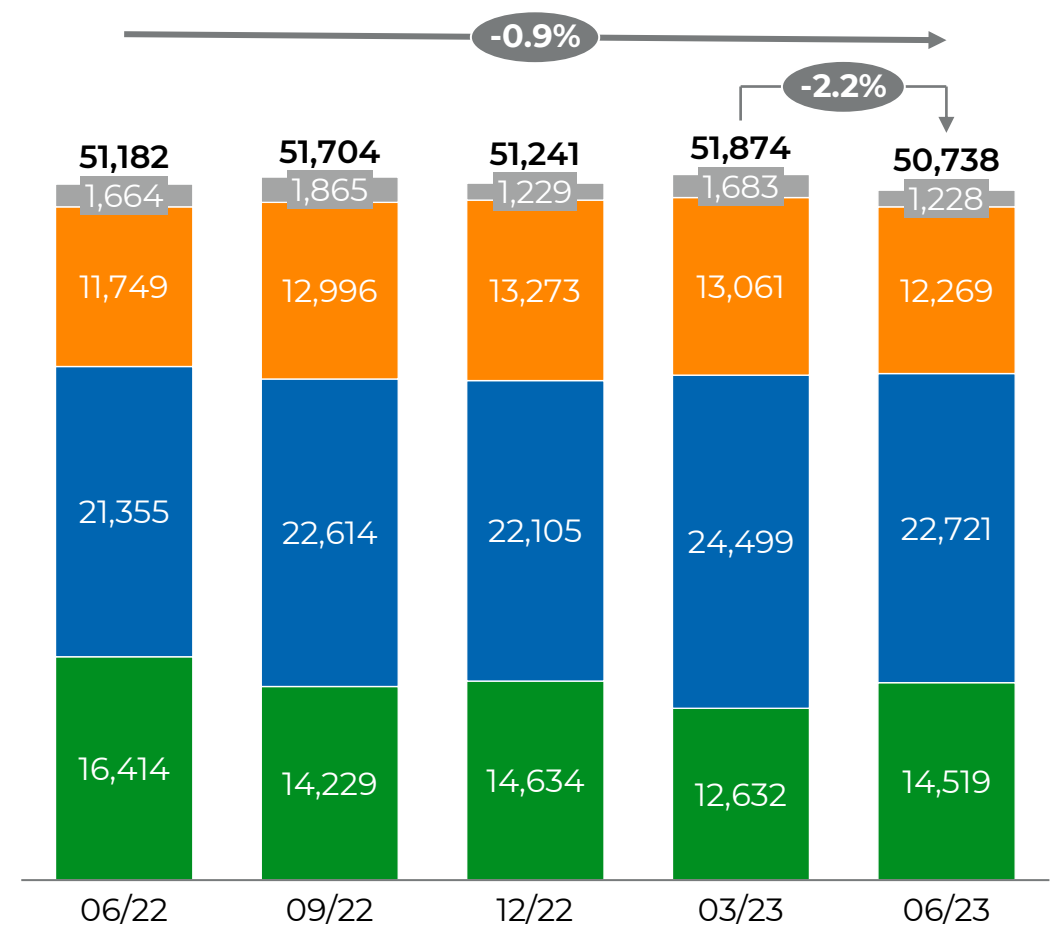
Development of gross loans to corporates and public sector

PLN M



Development of deposits from corporates and public sector

PLN M



■ K1 ■ K2 ■ K3 ■ mLeasing ■ Other
■ mBank Hipoteczny (corporate exposures shifted to mBank in May 2023)

■ K1 ■ K2 ■ K3 ■ Other

Note: Corporate clients split: K1 – annual sales over PLN 1 B and non-banking financial institutions; K2 – annual sales of PLN 50 M to PLN 1 B; K3 – annual sales below 50 M and full accounting.

Appendix: Complete solutions for e-commerce segment

mBank's unique payment gateway

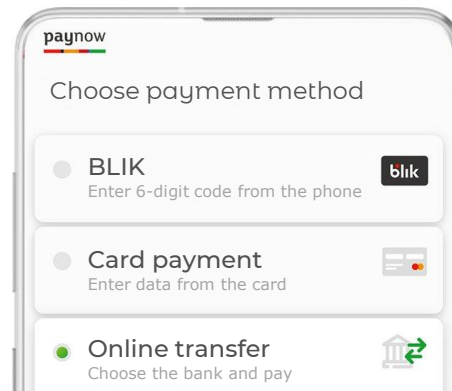
paynow

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. recent Mass Collect for corporate clients



Processed payments volume has been constantly growing: PLN 467 M in Q2/23, +165% 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 Q2/23, mBank serviced 555.9 thousand microfirms in Poland, +8.5 thousand YoY.

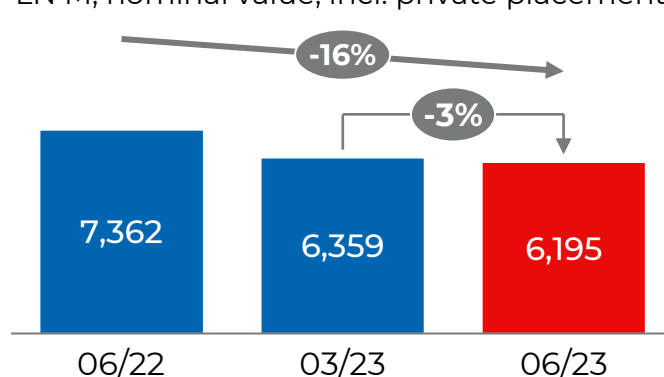


Appendix: Performance of main subsidiaries of mBank

m Bank Hipoteczny
 established in 1999
 specialised mortgage bank and active issuer of covered bonds on both domestic and foreign markets

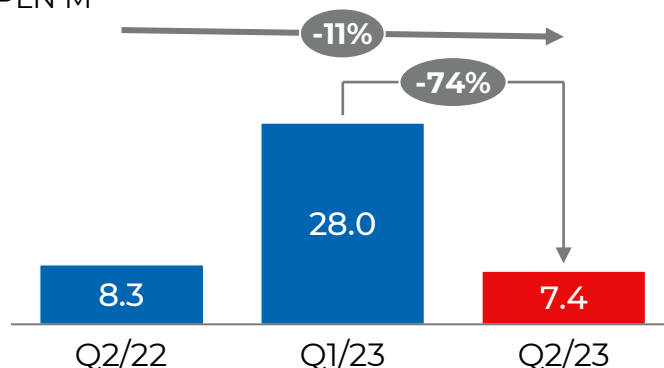
Outstanding amount of covered bonds

PLN M, nominal value, incl. private placement



Company's profit before income tax

PLN M

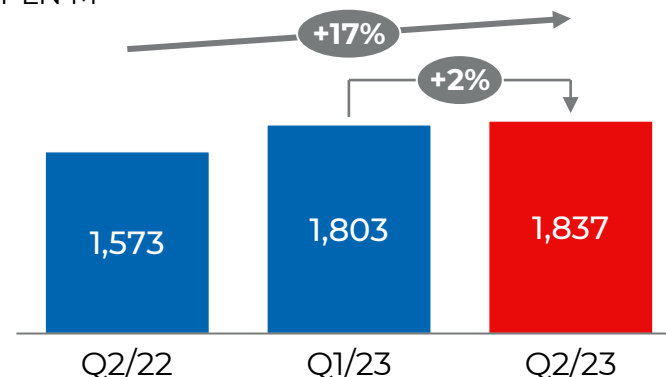


m Leasing
 established in 1991
 offered financing in the form of leasing of cars, trucks, machinery and real estate as well as car fleet management (CFM) services

Leasing contracts

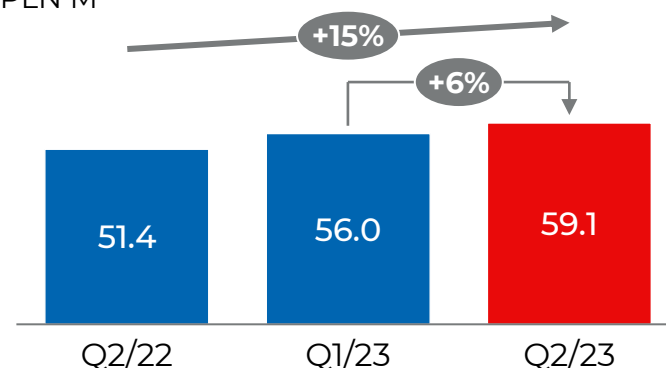
PLN M

Market share in 2022: 6.8%



Company's profit before income tax

PLN M

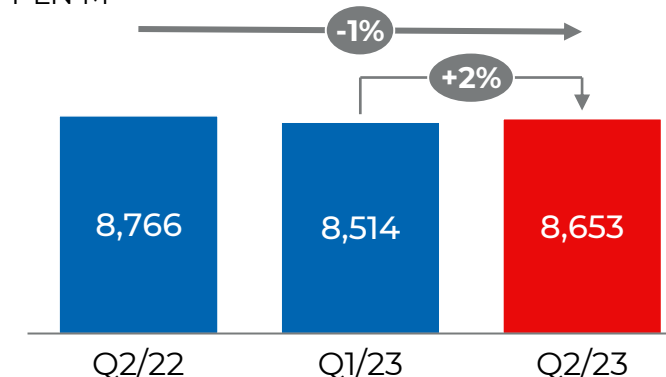


m Faktoring
 established in 1995
 offered services include domestic and export recourse and non-recourse factoring and import guarantees

Factoring contracts

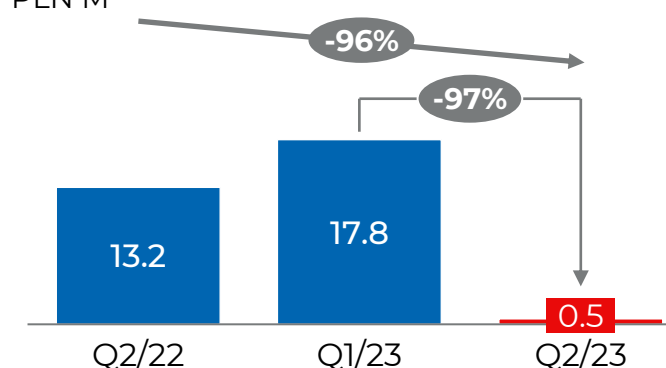
PLN M

Market share in 2022: 7.8%



Company's profit before income tax

PLN M



Source: Calculation based on data published by Polish Leasing Association (PLA) and Polish Factors Association (PFA).

Appendix: ESG is well embedded in mBank Group's strategy

ESG aspects play a crucial role in the way we manage our company

Responsibility for climate



By 2030 we will reach climate neutrality in scope 1 and 2.
By 2050 we will become a fully climate-neutral bank.

Our goal is to **reduce own environmental footprint of mBank Group** and to **be a leading bank supporting energy transition of our clients** by:

- using clean energy, developing data aggregation system for direct emissions, replacing mBank's fleet with low-emission vehicles, eliminating paper
- providing PLN 10 B of funds for RES segment, granting PLN 25 B of eco-mortgage loans in Poland, promoting ESG-compliant investment products

Responsibility for being an organization in line with ESG values



We walk the talk. We first accomplish and then communicate. We build corporate culture based on values and incorporate ESG into our daily life.

Our goal is to **introduce ESG factors into business and employee processes** by:

- setting 10% of top managers' objectives related to ESG
- preserving a gender diversity in the recruitment
- implementing Taxonomy in processes; cooperating with partners and suppliers fulfilling ESG standards

Responsibility for financial health of our clients



We support customers in safe and convenient banking as well as making conscious financial decisions.

Our goal is to **take care of good financial standing and future of our clients** by:

- developing the personal finance management (PFM) functionalities to give clients the control over their budgets and support in preparation for life events
- continuing educational campaigns on cybersecurity
- conducting responsible sale, transparently presenting the risks associated with specific financial products

Responsibility for society



We will contribute to social well-being. We will be a responsible corporate citizen. We will take care of our employees and their families.

Our goal is to **act for the financial and non-financial benefit of the society** by:

- supporting mathematical education in Poland
- cooperating with the Great Orchestra of Christmas Charity (WOŚP) and being its sponsor
- creating a collection of paintings by young artists



As the first Polish bank, we have independently signed the **Principles for Responsible Banking**.

ESG Risk Rating
by Sustainalytics
13.0 (low risk)

as of 16.06.2023

MSCI ESG Rating¹

A

as of November 2022

Bloomberg GEI
Gender-Equality Index

WIG-ESG index
on WSE in Poland

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

Appendix: Historical financial results of mBank Group

PLN million	2018	2019	2020	2021	2022	Δ YoY
Net interest income	3,496.5	4,002.8	4,009.3	4,126.3	5,924.0	+43.6%
Net fee and commission income	1,257.8	1,270.6	1,508.3	1,867.8	2,120.1	+13.5%
Net trading and other income	325.3	251.0	349.2	117.1	-187.2	+/-
Total income	5,079.5	5,524.4	5,866.8	6,111.1	7,856.9	+28.6%
Total costs	-2,163.9	-2,329.2	-2,411.1	-2,456.9	-3,319.2	+35.1%
Loan loss provisions and fair value change	-694.4	-793.8	-1,292.8	-878.6	-849.3	-3.3%
Operating profit before legal provisions and taxes	2,221.2	2,401.5	2,162.8	2,775.7	3,688.4	+32.9%
Costs of legal risk related to FX loans	-20.3	-387.8	-1,021.7	-2,758.1	-3,112.3	+12.8%
Taxes on the Group balance sheet items	-415.4	-458.7	-531.4	-608.6	-684.2	+12.4%
Income tax	-483.9	-544.8	-506.0	-587.8	-594.5	+1.1%
Net profit or loss	1,302.8	1,010.4	103.8	-1,178.8	-702.7	-40.4%
Total assets	145,781	158,353	178,861	198,373	209,892	+5.8%
Gross loans to customers	97,808	108,170	111,912	120,856	123,437	+2.1%
Individual clients	52,925	59,993	65,655	72,871	71,122	-2.4%
Corporate clients	44,233	47,786	46,025	47,832	52,207	+9.1%
Customer deposits	98,552	113,184	133,672	157,072	174,131	+10.9%
Individual clients	65,924	77,664	97,976	112,446	122,890	+9.3%
Corporate clients	31,889	34,702	35,250	44,018	49,981	+13.5%
Total equity	15,171	16,153	16,675	13,718	12,715	-7.3%
Net interest margin	2.6%	2.7%	2.3%	2.2%	3.7%	+1.5pp
Cost/Income ratio	42.6%	42.2%	41.1%	40.2%	42.2%	+2.0pp
Cost of risk	0.78%	0.79%	1.20%	0.76%	0.69%	-0.07pp
Return on equity (ROE)	8.9%	6.4%	0.6%	-7.2%	-5.3%	+1.9pp
Tier 1 capital ratio	17.5%	16.5%	17.0%	14.2%	13.8%	-0.4pp
Total Capital Ratio	20.7%	19.5%	19.9%	16.6%	16.4%	-0.2pp

Appendix: mBank's share price performance

Banking stocks grew strongly in Q2/23 despite CJEU verdict and risks related to election year

mBank's index membership and weights

as of 30.06.2023

WIG20	WIG20	2.121%
WIG30	WIG30	2.129%
WIG	WIG	1.511%
WIG-Banks	WIGbanki	6.089%
WIG-ESG	WIGESG	2.336%
WIG-Poland	WIGPoland	1.570%

- mBank has been listed on the Warsaw Stock Exchange since October 1992
- A strategic shareholder, Germany's Commerzbank, owns 69.12% of shares

ISIN	PLBRE0000012
Bloomberg	MBK PW
Number of shares issued	42 464 892

mBank's share performance v. main indices (rebased to 100) – last 12 months



Source: WSE, Bloomberg (data as of 30.06.2023).

Disclaimer

This presentation has been prepared by mBank S.A. for information purposes only and is based on the Condensed Consolidated Financial Statements for the first half of 2023, prepared under the International Financial Reporting Standards. For more detailed information on mBank S.A. and mBank Group results, please refer to the respective financial statements and data.

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Estimates and projections are inherently subject to substantial and numerous uncertainties and to a wide variety of significant business, economic and competitive risks, and the assumptions underlying the projections may be inaccurate in any material respect. Therefore, the actual results achieved may vary significantly from the projections, and the variations may be material. Statements contained in this document regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. No statement in this presentation is intended to be a profit forecast.

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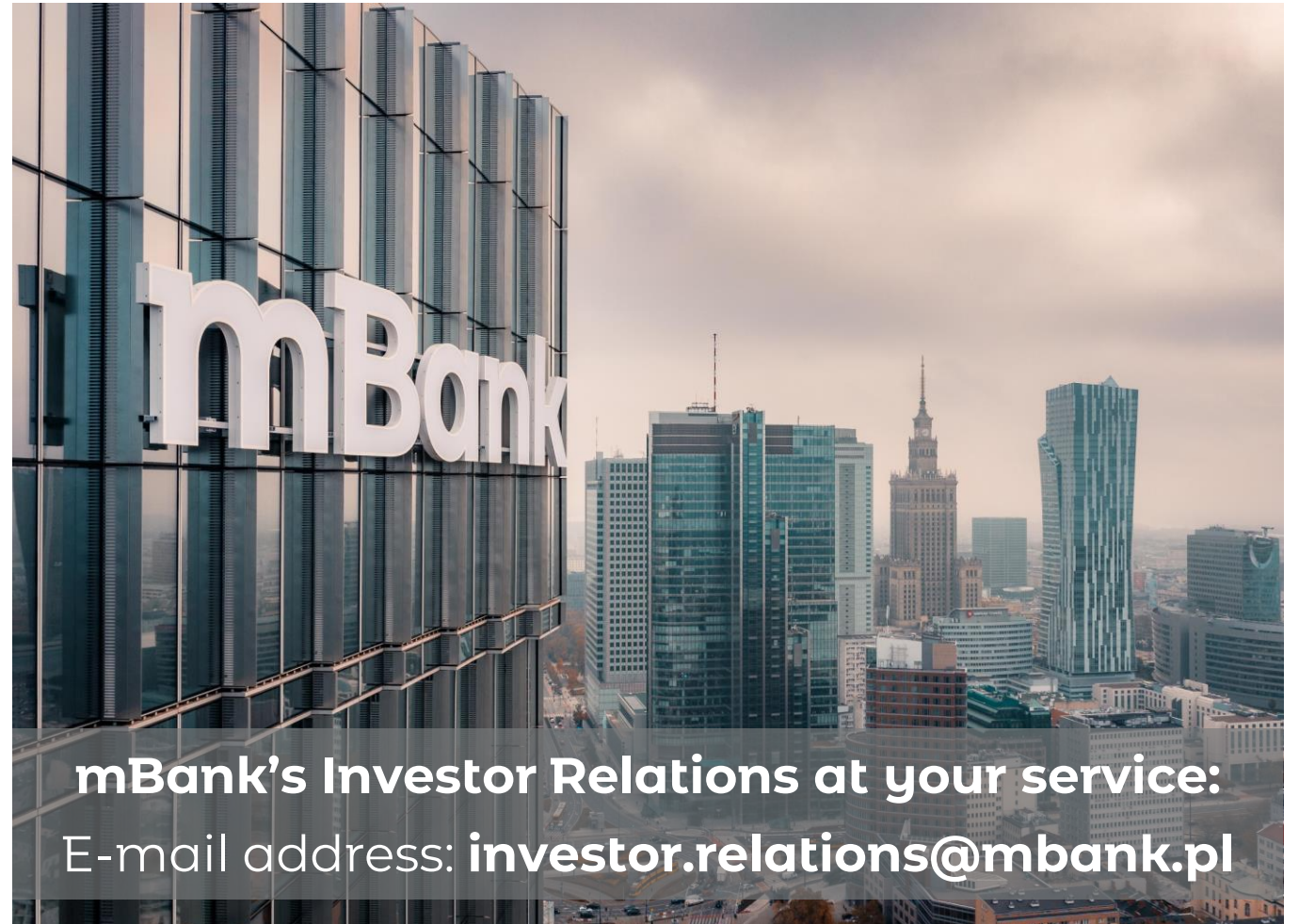
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