

# Results of mBank Group

## Q3 2020

**Underlying business in good shape. Financial performance impacted by difficult market conditions.**

Management Board of mBank S.A.

Investor Presentation

October 29, 2020



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# Agenda



## Summary of Main Trends in Q3 2020

Business Development of Retail and Corporate Segment

Key Financials



## Analysis of the Results after Q3 2020

Loans and Deposits

Total Income and its Main Components

Total Costs and Efficiency

Loan Loss Provisions and Portfolio Quality

Capital and Liquidity Ratios



## Macroeconomic Update and Outlook



## Appendix

Selected Financial Data

Detailed Results of Business Lines



# Key highlights of Q3 2020



## **Solid core income of PLN 1,333.5 M, despite unfavourable market conditions**

- Net interest income at PLN 960.3 M (-9.8% YoY), strongly affected by rate cuts and declining loan yields
- Net fee and commission income at PLN 373.2 M (+12.7% YoY), supported by selective adjustments of tariffs

## **Efficient management evidenced by Cost/Income ratio of 40.2% (normalized 43.1%<sup>1</sup>)**

- Total revenues under temporary pressure (-5.8% YoY), strict cost discipline adopted (+1.0% YoY, excl. BFG)

## **Net profit of PLN 100.6 M impacted by elevated legal provisions related to CHF loans**



## **Lower volume dynamics reflecting current market trends and customer behaviour**

- Gross loans at PLN 113.4 B (+0.7% QoQ, +3.9% YoY, excl. FX effect), growing retail credit portfolio
- Customer deposits at PLN 141.1 B (+1.1% QoQ, +21.7% YoY), decelerated inflows, shift to current accounts

## **Visible rebound of new lending, but has not returned to pre-COVID-19 level yet**

- Lower sales of housing loans at PLN 2.12 B (-7% YoY); constant reduction of CHF portfolio (-7.7% YoY)
- New production of non-mortgage loans curbed to PLN 1.82 B (-24% YoY) with tightened criteria



## **Capital ratios well above regulatory requirements and outstanding liquidity level**

- Consolidated Tier 1 Capital Ratio at 16.74% and Total Capital Ratio at 19.53%<sup>2</sup>
- Loan-to-Deposit ratio at 77.7% and LCR at 222% confirming safety; the most diversified funding structure

## **Conservative risk management approach reflected in evolution of relevant metrics**

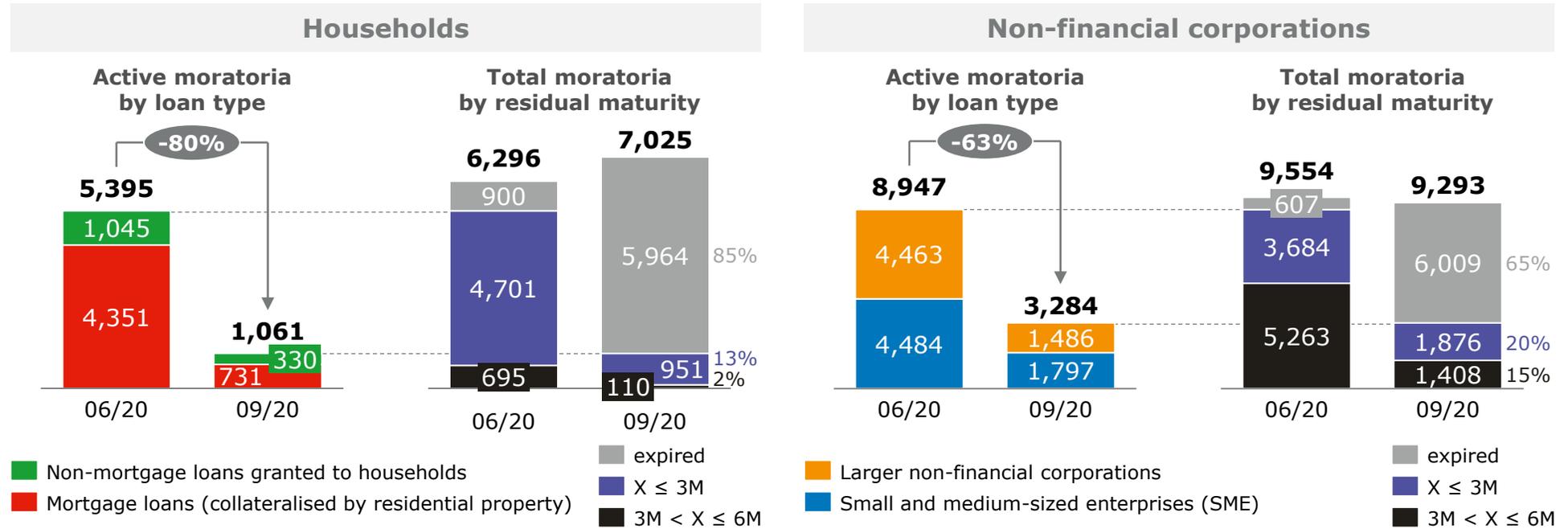
- Cost of risk at 98 bps, driven by cautiously increased provisioning amid the COVID-19 pandemic
- Good quality of loan portfolio evidenced by NPL ratio at 4.8% and coverage ratio at 60.7%

<sup>1</sup> Including ¼ of contribution to the Resolution Fund booked in Q1/20; <sup>2</sup> Stand-alone capital ratios were Tier 1 Capital Ratio of 19.26% and Total Capital Ratio of 22.56%

# Our support for clients amid COVID-19 pandemic

Solutions and offer for retail clients, microfirms and corporations

Information on loans and advances subject to moratoria, by client segment and residual maturity  
(PLN M)



Legislative moratoria amounted to PLN 78 million, equivalent of 1.1% of gross volume of total loan moratoria provided by the Group to households.

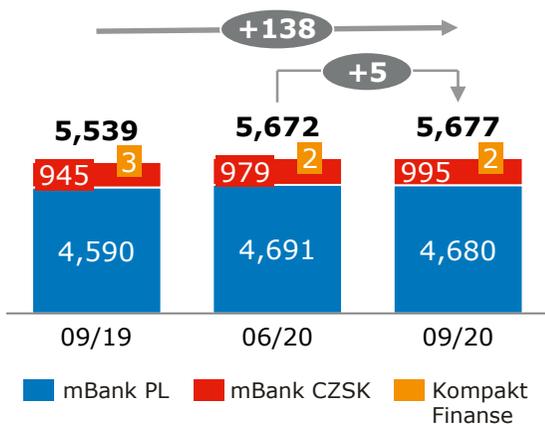
- ✓ From 29.04.2020 to 31.07.2020, Polish enterprises employing from 1 to 249 people could submit applications for funds from the PFR Financial Shield assistance program through mBank's transactional systems.
- ✓ In total, 43,936 of mBank's clients received PLN 6.12 billion of subsidies from the Polish Development Fund, out of PLN 60.53 billion transferred in total to microfirms and SMEs.

# Summary of Q3 2020 in mBank Group

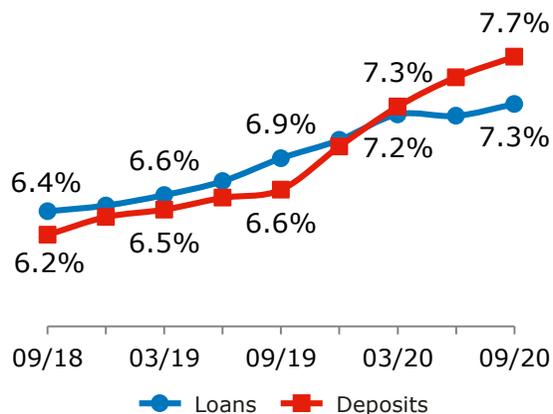
## Business Development of Retail Banking and Corporate Banking

Retail Banking

Number of Retail Clients (thou.)



Market shares - Households

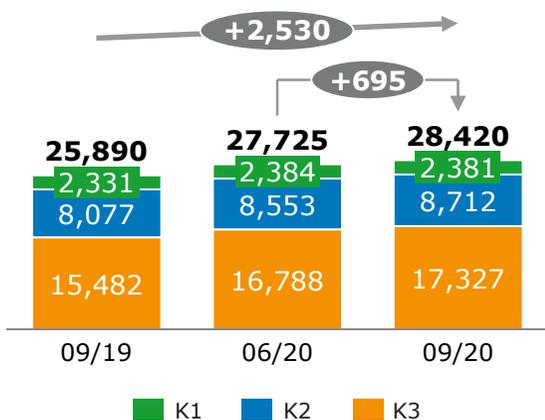


### Innovations and new products

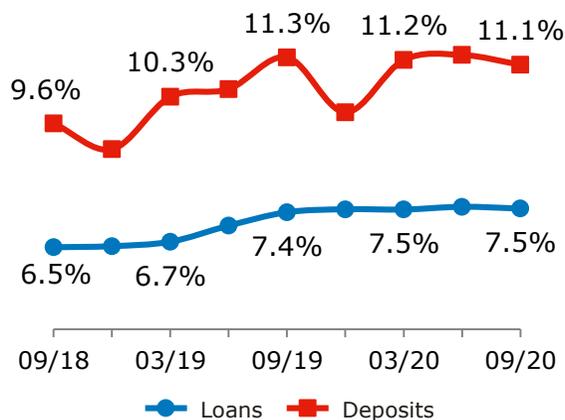
- ✓ Thanks to open banking solutions, clients with an account at mBank, who hold their basic account in a different bank, can be granted with a cash loan in a simplified process, without documenting the salary on paper, but using Account Information Services (AIS) under the PSD2.
- ✓ mBank together with cooperating local accountants help to start a company. An innovative solution for accounting firms across the country allows to quickly register a company, open a bank account and connect it with an accounting service integrated with the transactional system. An experienced accountant navigates through the process and supports with advice.
- ✓ mFactoring launched a service of recourse factoring with the BGK guarantee, which protects up to 80% of the financing limit. The facility is offered to companies of all sizes.

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.

# Summary of Q3 2020 in mBank Group

## Key Financials: Profit and Loss Account

| PLN million   | Q3/19          | Q2/20          | Q3/20          | change QoQ      | change YoY      |
|---|----------------|----------------|----------------|-----------------|-----------------|
| Net interest income                                     | 1,064.2        | 1,006.6        | 960.3          | -4.6% ↓         | -9.8% ↓         |
| Net fee and commission income                           | 331.2          | 362.9          | 373.2          | +2.8% ↑         | +12.7% ↑        |
| <b>Total income</b>                                     | <b>1,496.8</b> | <b>1,469.5</b> | <b>1,410.7</b> | <b>-4.0% ↓</b>  | <b>-5.8% ↓</b>  |
| <b>Total costs</b> (excluding BFG)                      | <b>-527.8</b>  | <b>-538.7</b>  | <b>-533.0</b>  | <b>-1.1% ↓</b>  | <b>+1.0% ↑</b>  |
| Contributions to the BFG                                | -14.7          | -32.8          | -33.7          | +2.8% ↑         | +129.0% ↑       |
| Loan loss provisions and fair value change <sup>1</sup> | -249.4         | -352.2         | -268.8         | -23.7% ↓        | +7.8% ↑         |
| Provisions for legal risk related to FX loans           | -66.6          | -189.0         | -186.9         | -1.1% ↓         | +180.7% ↑       |
| <b>Operating profit</b>                                 | <b>638.4</b>   | <b>356.8</b>   | <b>388.3</b>   | <b>+8.8% ↑</b>  | <b>-39.2% ↓</b> |
| Taxes on the Group balance sheet items                  | -118.4         | -138.4         | -133.4         | -3.6% ↓         | +12.6% ↑        |
| <b>Profit before income tax</b>                         | <b>520.0</b>   | <b>218.4</b>   | <b>255.0</b>   | <b>+16.7% ↑</b> | <b>-51.0% ↓</b> |
| <b>Net profit</b>                                       | <b>358.5</b>   | <b>87.0</b>    | <b>100.6</b>   | <b>+15.7% ↑</b> | <b>-71.9% ↓</b> |
| Net Interest Margin                                     | 2.81%          | 2.34%          | 2.15%          | -0.19 p.p.      | -0.66 p.p.      |
| Cost/Income ratio                                       | 36.2%          | 38.9%          | 40.2%          | +1.3 p.p.       | +4.0 p.p.       |
| Cost of Risk  | 0.97%          | 1.28%          | 0.98%          | -0.30 p.p.      | +0.01 p.p.      |
| Return on Equity (ROE)                                  | 9.3%           | 2.1%           | 2.4%           | +0.3 p.p.       | -6.9 p.p.       |
| Return on Assets (ROA)                                  | 0.91%          | 0.20%          | 0.22%          | +0.02 p.p.      | -0.69 p.p.      |

<sup>1</sup> 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 Q3 2020 in mBank Group

## Key Financials: Balance Sheet

| PLN million                            | Q3/19          | Q2/20          | Q3/20          | change QoQ | change YoY |
|--|----------------|----------------|----------------|------------|------------|
| <b>Total assets</b>                    | <b>158,774</b> | <b>182,943</b> | <b>182,147</b> | -0.4% ↓    | +14.7% ↑   |
| <b>Gross loans to customers</b>        | <b>108,124</b> | <b>112,365</b> | <b>113,395</b> | +0.9% ↑    | +4.9% ↑    |
| Retail client loans                    | 58,983         | 63,277         | 65,115         | +2.9% ↑    | +10.4% ↑   |
| Corporate client loans                 | 48,647         | 48,734         | 47,970         | -1.6% ↓    | -1.4% ↓    |
| <b>Customer deposits</b>               | <b>115,966</b> | <b>139,623</b> | <b>141,119</b> | +1.1% ↑    | +21.7% ↑   |
| Retail client deposits                 | 72,127         | 89,777         | 92,303         | +2.8% ↑    | +28.0% ↑   |
| Corporate client deposits <sup>1</sup> | 41,812         | 48,362         | 47,882         | -1.0% ↓    | +14.5% ↑   |
| <b>Total equity</b>                    | <b>16,090</b>  | <b>16,913</b>  | <b>16,970</b>  | +0.3% ↑    | +5.5% ↑    |
| Loan to Deposit ratio                  | 90.3%          | 77.9%          | 77.7%          | -0.2 p.p.  | -12.6 p.p. |
| NPL ratio                              | 4.7%           | 4.9%           | 4.8%           | -0.1 p.p.  | +0.1 p.p.  |
| Coverage ratio                         | 62.5%          | 58.8%          | 60.7%          | +1.9 p.p.  | -1.8 p.p.  |
| Tier 1 Capital Ratio                   | 16.8%          | 16.4%          | 16.7%          | +0.3 p.p.  | -0.1 p.p.  |
| Total Capital Ratio                    | 19.8%          | 19.3%          | 19.5%          | +0.2 p.p.  | -0.3 p.p.  |

<sup>1</sup> Excluding repo / sell-buy-back transactions

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Total Income and its Main Components

Total Costs and Efficiency

Loan Loss Provisions and Portfolio Quality

Capital and Liquidity Ratios



## Macroeconomic Update and Outlook



## Appendix

Selected Financial Data

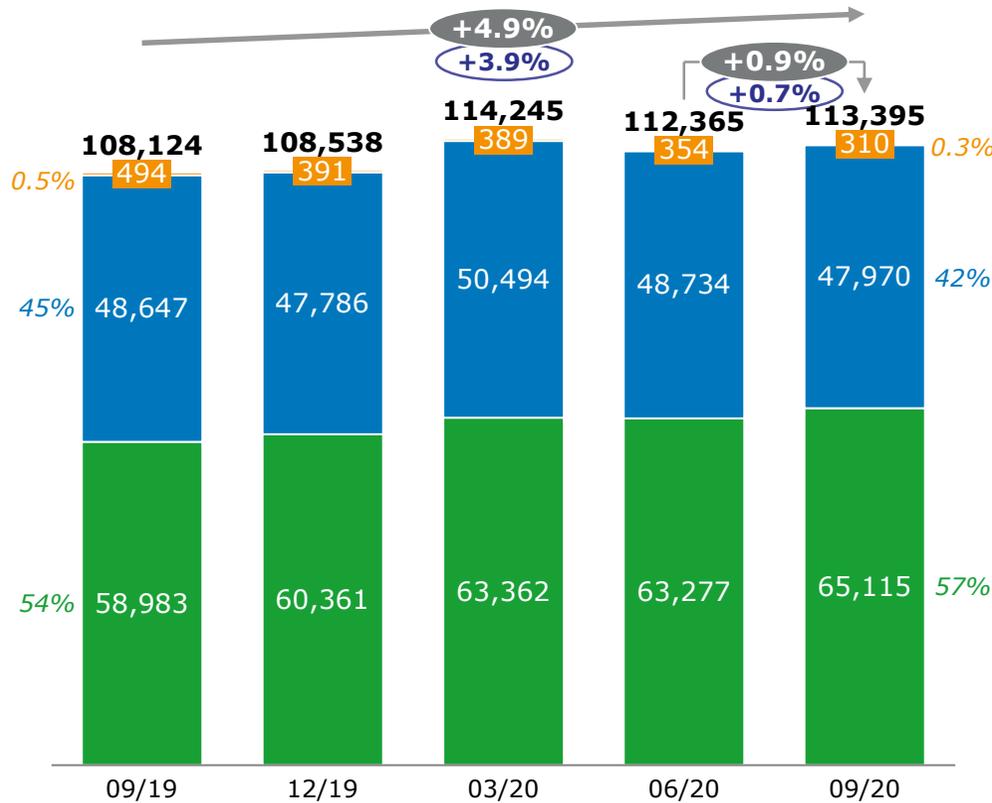
Detailed Results of Business Lines



# Results of mBank Group: Loans to customers

A small growth of loan portfolio driven by higher retail volumes, subdued corporate credits

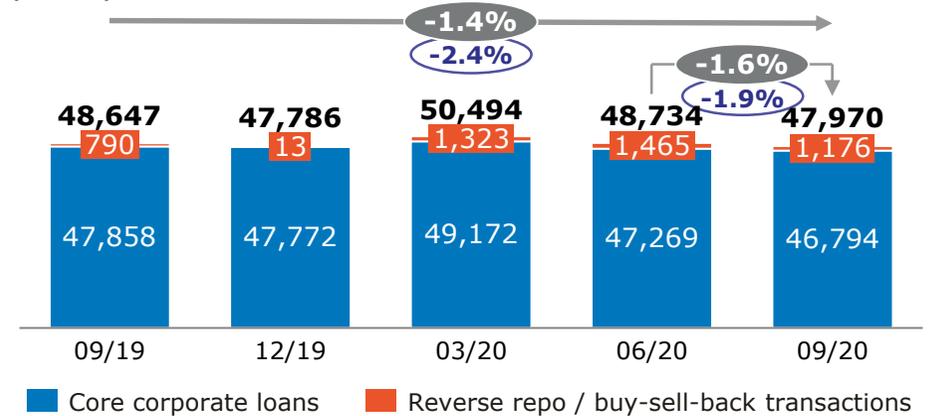
Development of Gross Loans and Advances to Customers (PLN M)



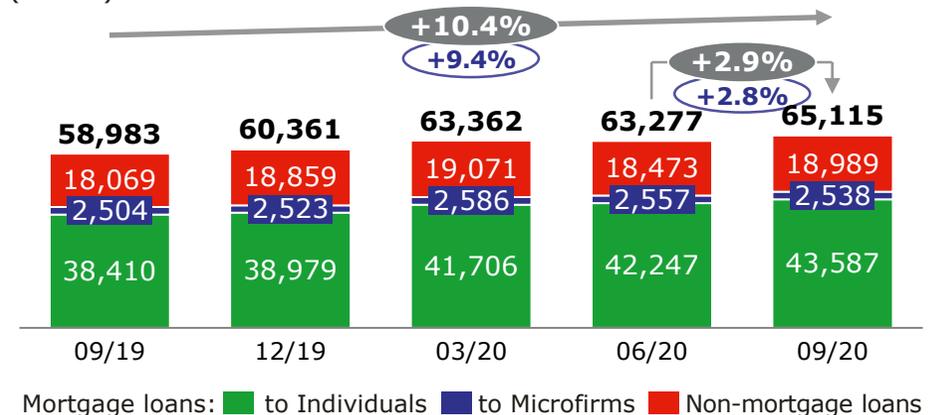
- Individual clients
- Corporate clients
- Public sector

+X.X% Excluding FX effect

Gross Loans to Corporate Entities (PLN M)



Gross Loans to Retail Customers (PLN M)

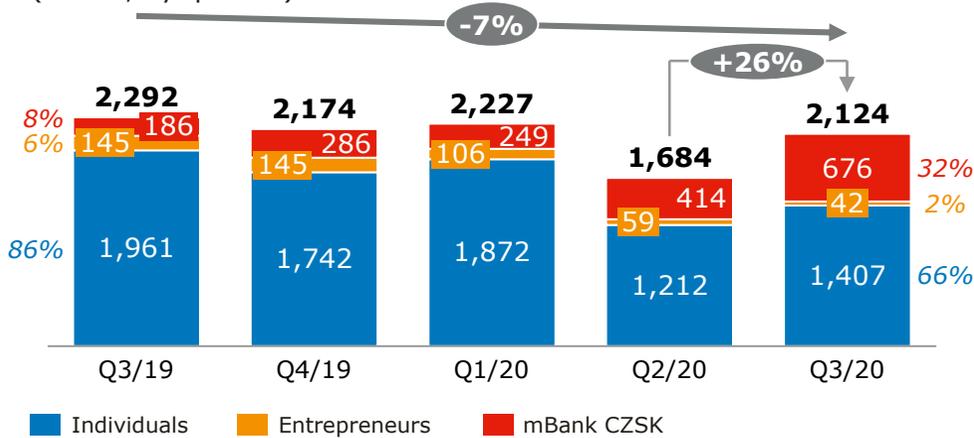


Mortgage loans: to Individuals to Microfirms Non-mortgage loans

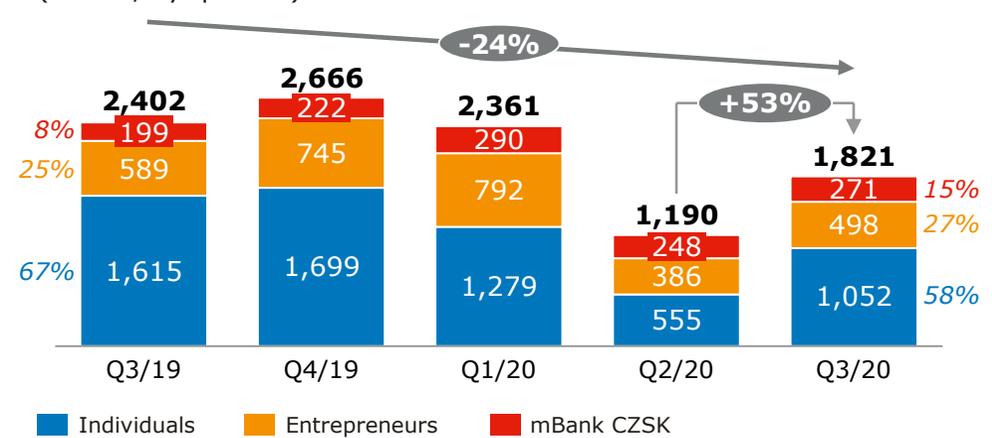
# Results of mBank Group: New lending business

Loan origination and new leasing have started rebounding after significant drop

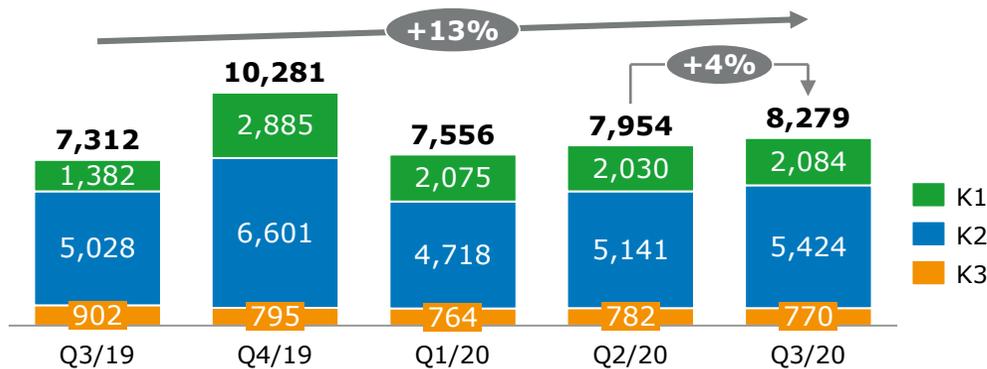
Sales of Mortgage Loans  
(PLN M, by quarter)



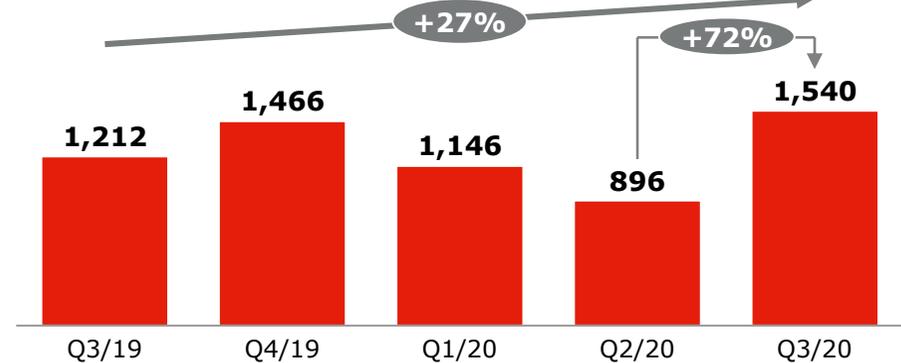
Sales of Non-mortgage Loans  
(PLN M, by quarter)



Sales of Corporate Loans<sup>1</sup>  
(PLN M, by quarter)



New Leasing Contracts  
(PLN M, by quarter)



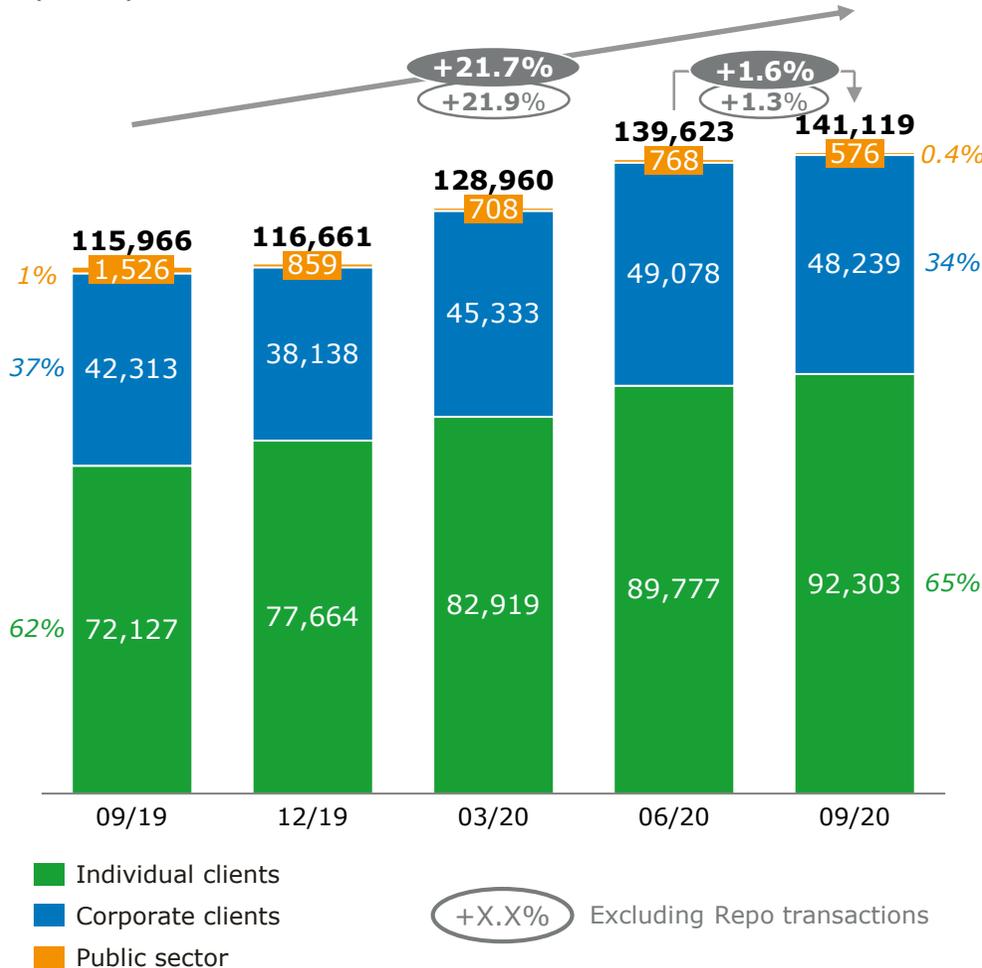
<sup>1</sup> Including new sale, rising and renewal

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.

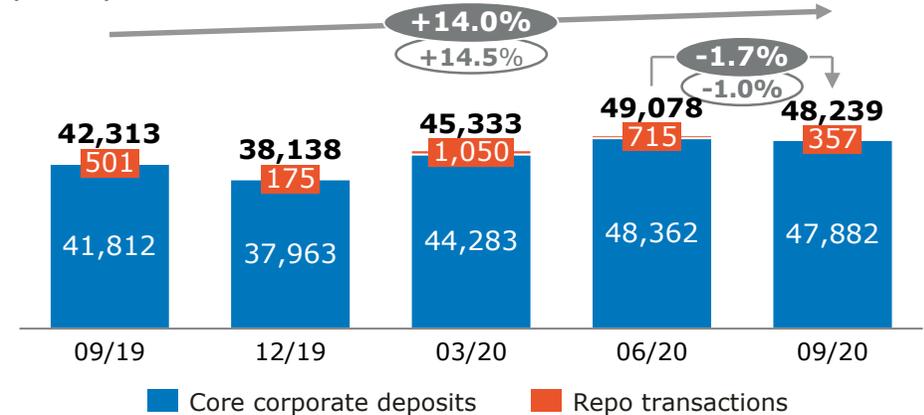
# Results of mBank Group: Customer deposits

Deposit inflows decelerated, a large-scale shift to current accounts in both segments

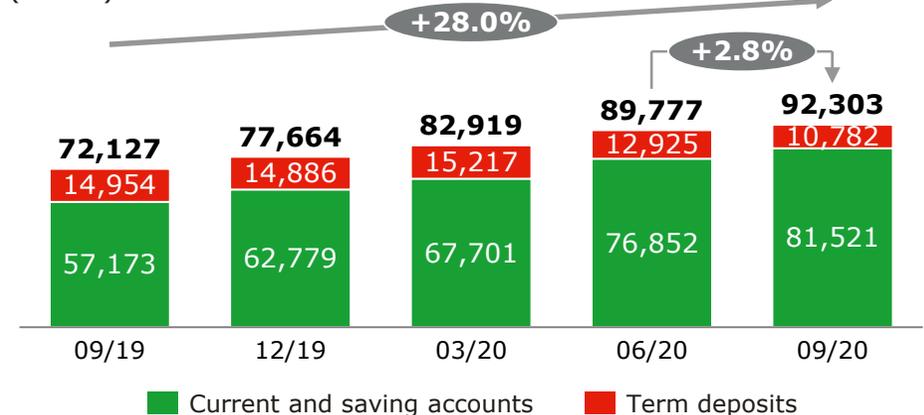
Development of Customer Deposits (PLN M)



Deposits from Corporate Entities (PLN M)



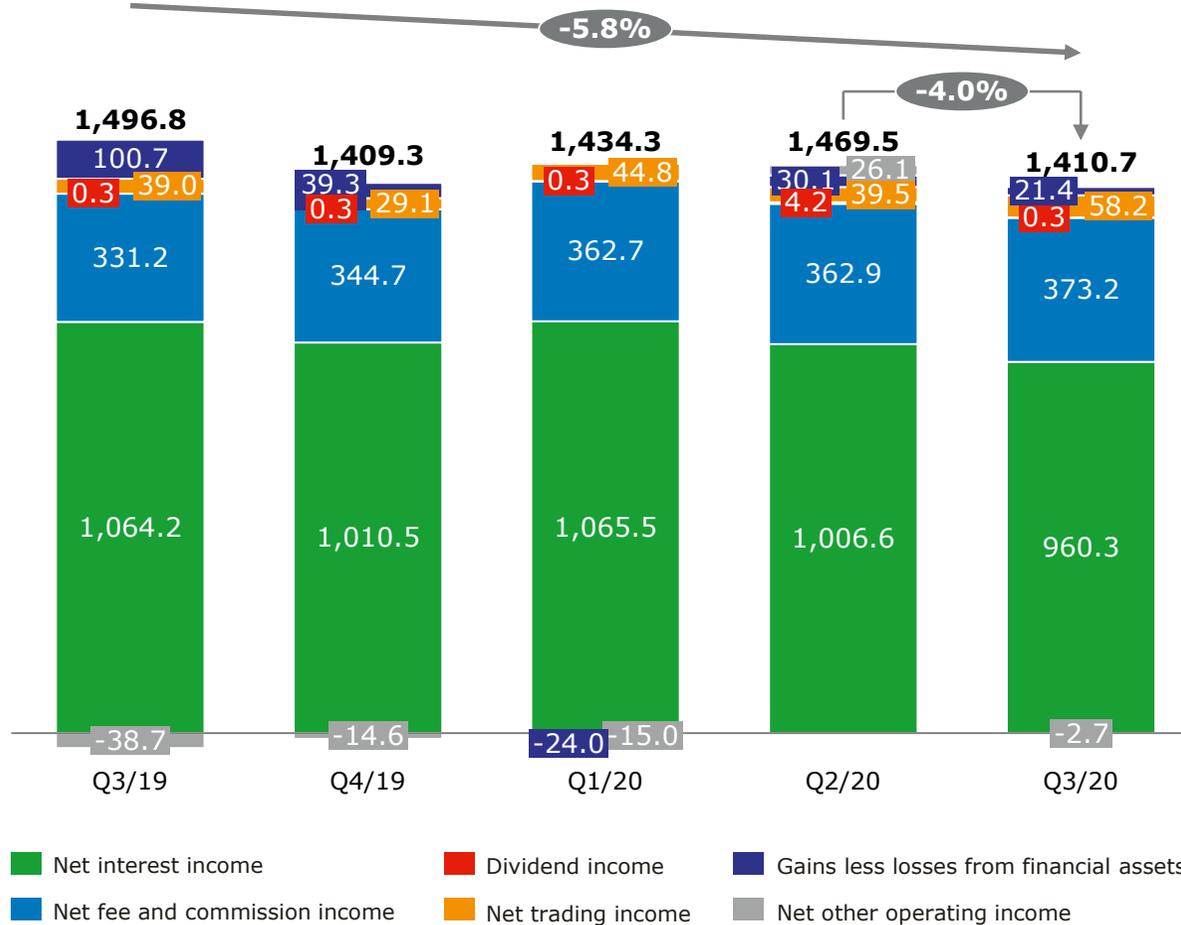
Deposits from Retail Customers (PLN M)



# Results of mBank Group: Total income

Net interest income negatively influenced by lower rates, but net fees kept uptrending

Development of mBank Group's Total Income (PLN M)



Q3/19 was positively impacted by:

- valuation adjustment of PSP (operator of BLIK) due to transaction with Mastercard Inc. of PLN 45.1 M;
- revaluation of Visa Inc. series C preferred shares due to periodical assessment of related risks of PLN 48.4 M;

QoQ

YoY

+47.1%

+49.1%

+2.8%

+12.7%

-4.6%

-9.8%

The negative impact of the CJEU verdict regarding the consumer's right to reduce the cost of loan in the event of early repayment amounted to PLN 93.3 million in H2/19, of which:

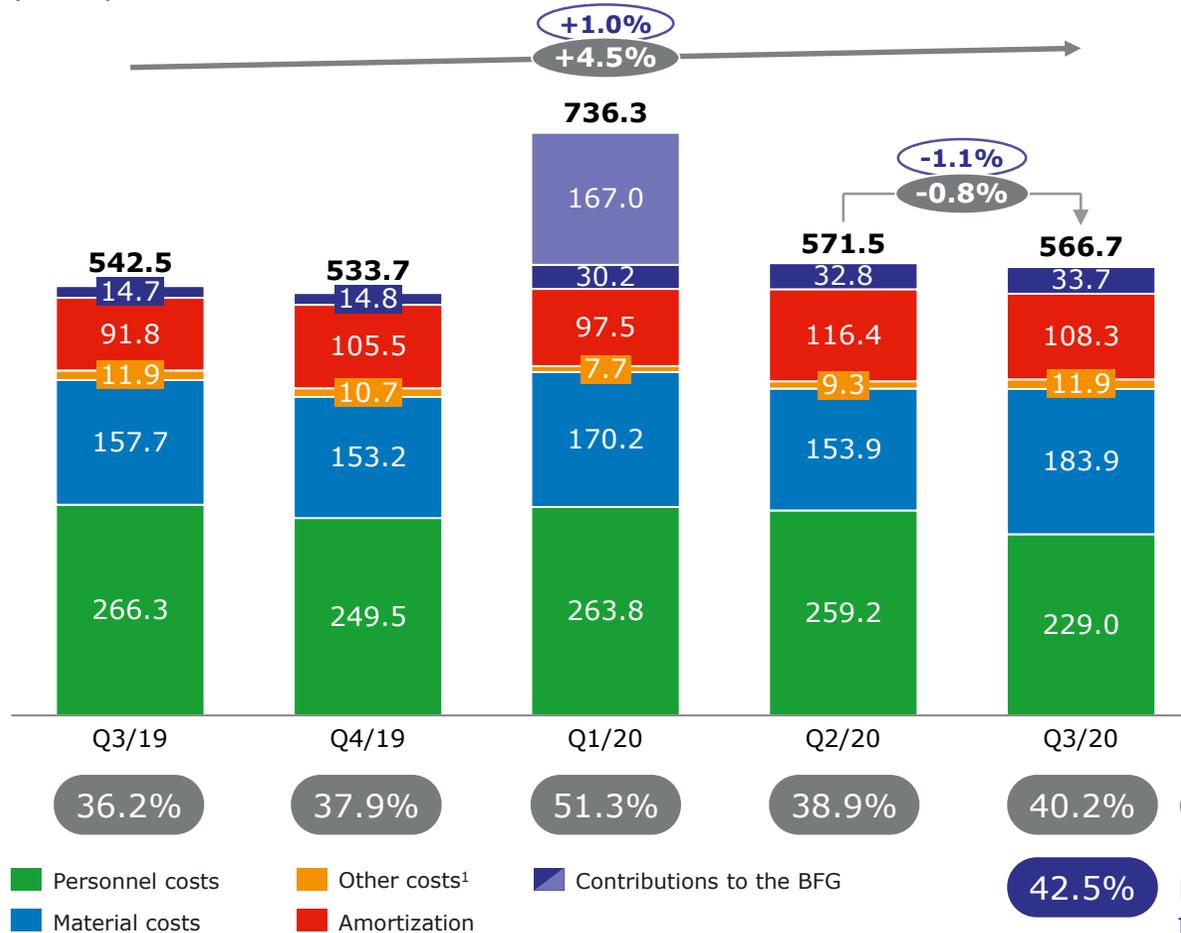
- PLN 68.5 M reduced *net interest income* in Q4/19;
- PLN 24.8 M increased *other operating expenses*, including: PLN 15.2 M in Q3/19 and PLN 9.6 M in Q4/19;

<sup>1</sup> 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)

# Results of mBank Group: Total costs

Best-in-class efficiency despite difficult operating conditions, costs under scrutiny

Development of mBank Group's Costs (PLN M)



Annual contribution to the Resolution Fund:

- PLN 97.1 million in Q1/18
- PLN 197.3 million in Q1/19
- PLN 167.0 million in Q1/20

+X.X% Excluding contributions to the BFG

QoQ

YoY

-7.0%

+17.9%

+19.5%

+16.6%

-11.6%

-14.0%

42.5%

**Normalized C/I ratio of mBank Group for 9M/20**

Including  $\frac{3}{4}$  of the contribution to the Resolution Fund and without the provisions for legal risk related to the FX mortgage loans

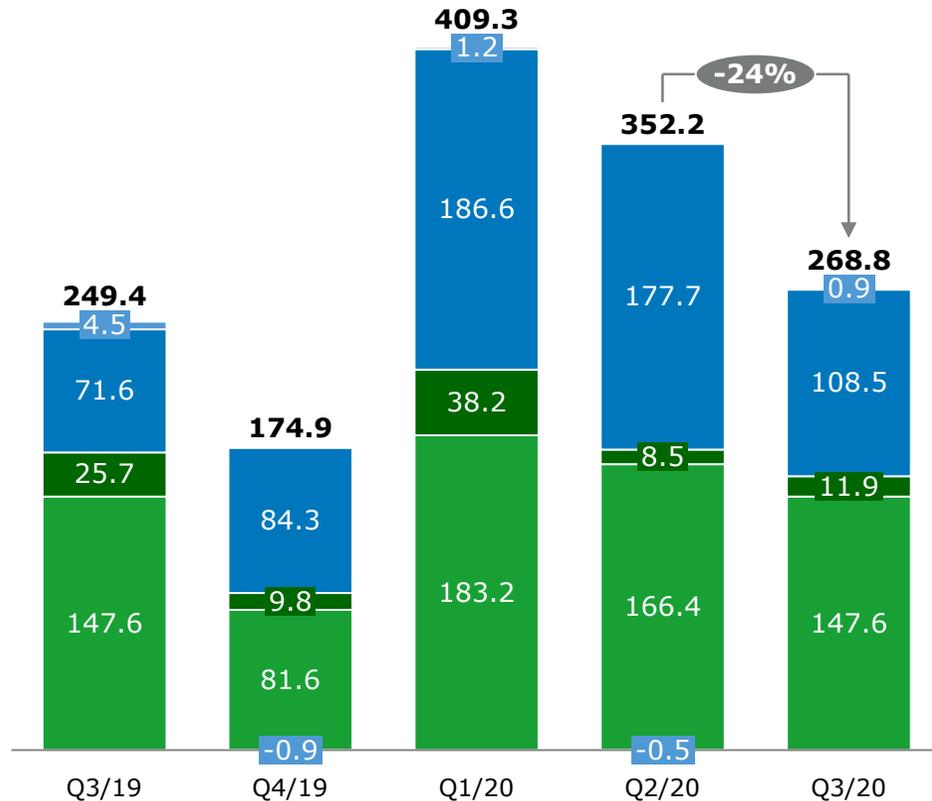
<sup>1</sup> Including taxes and fees, contributions to the Social Benefits Fund

Note: Including the provisions for legal risk related to the FX mortgage loans, C/I ratio of mBank Group in 9M/20 would amount to 47.8%.

# Results of mBank Group: Cost of risk

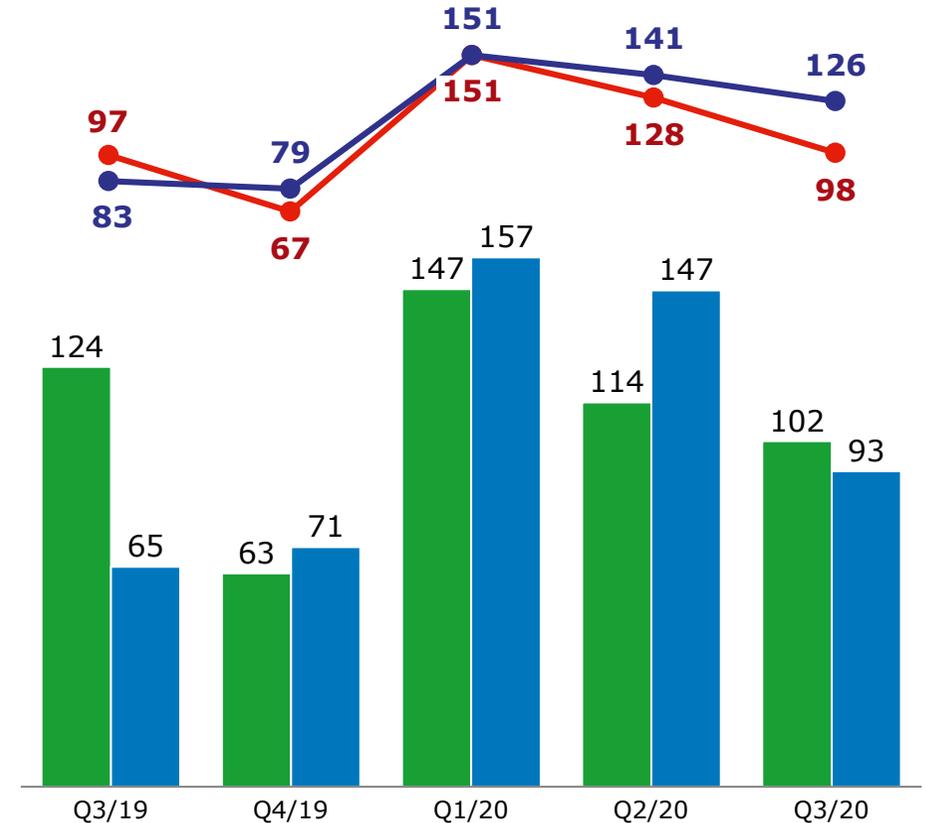
Cautious approach reflected in still increased provisioning amid the COVID-19 pandemic

Net Impairment Losses and Fair Value Change on Loans<sup>1</sup>  
(PLN M)



Retail Banking: ■ at amortized cost ■ at fair value  
 Corporates and Financial Markets: ■ at amortized cost ■ at fair value

mBank Group's Cost of Risk by Segment  
(bps)



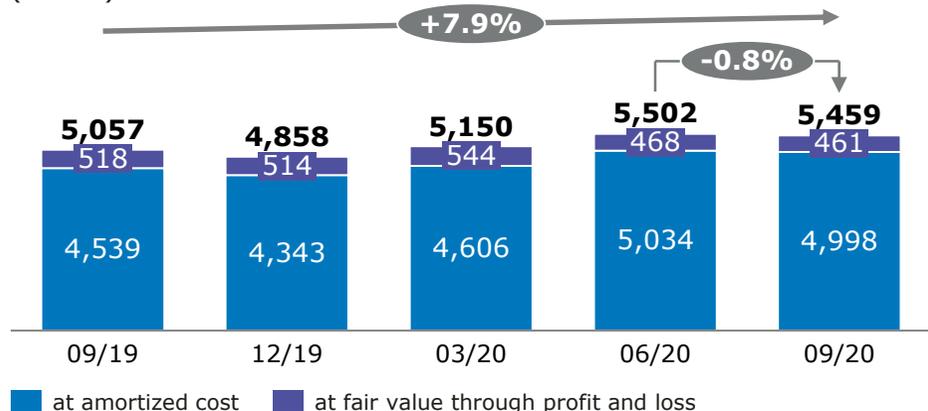
mBank Group's Cost of Risk: ● quarterly ● YtD  
■ Retail Portfolio ■ Corporate Portfolio

<sup>1</sup> 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)

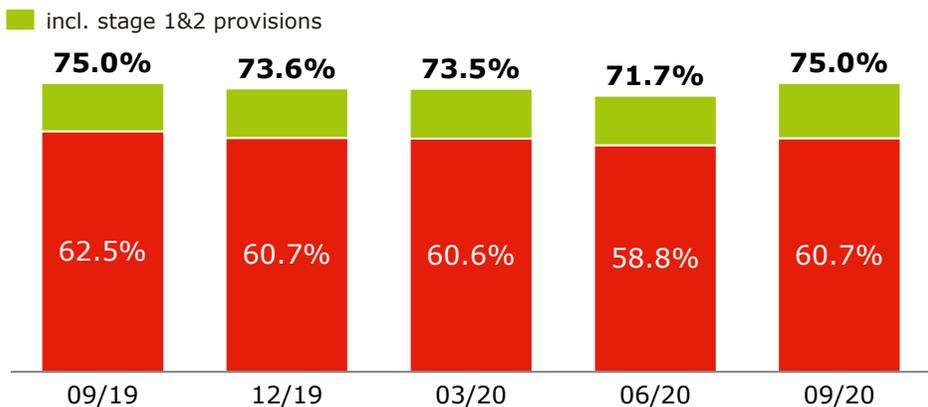
# Results of mBank Group: Loan portfolio quality

Robust asset quality confirmed by no material deterioration of risk indicators

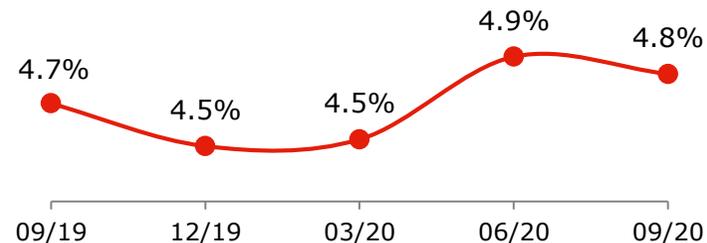
mBank Group's Impaired Loans Portfolio (PLN M)



mBank Group's Coverage Ratio

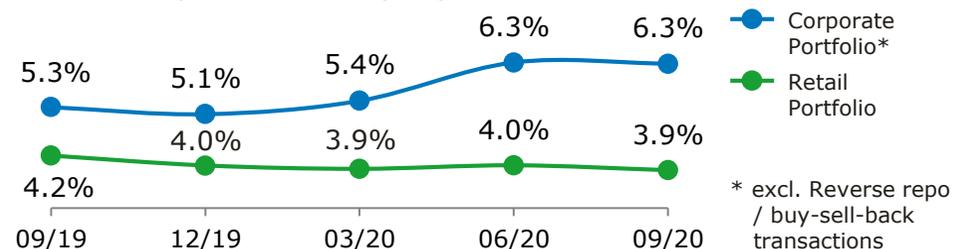


mBank Group's NPL Ratio

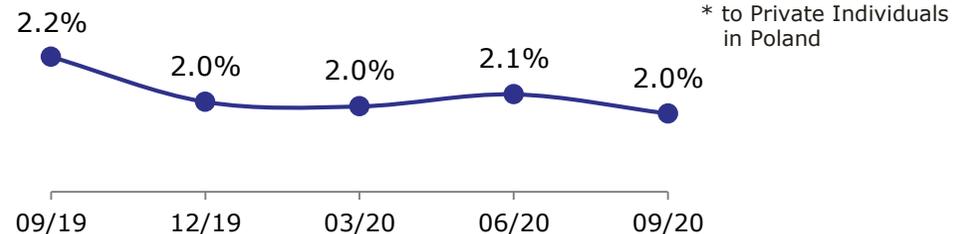


According to EBA definition, consolidated NPL ratio was: **4.5% < 5%** based on guidelines applicable from 30.06.2019

mBank Group's NPL Ratio by segment



NPL Ratio of Mortgage Loan Portfolio\*

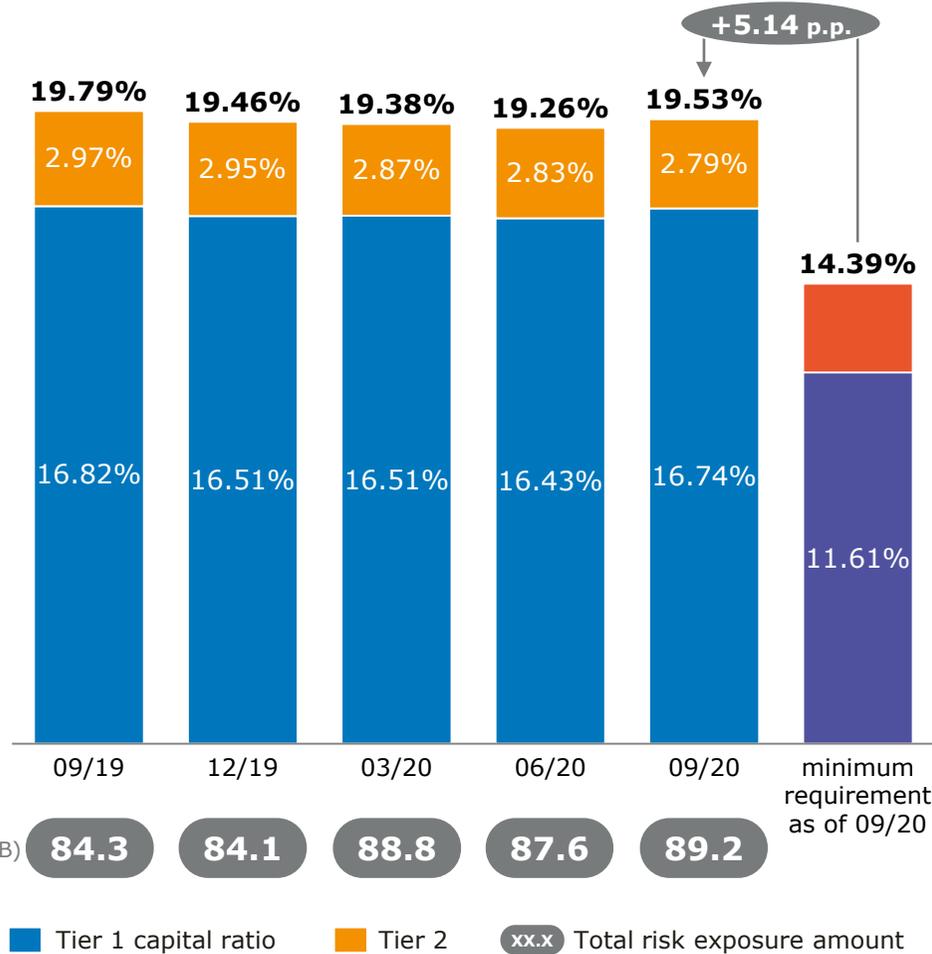


Note: Risk indicators presented for credit portfolio measured both at amortized cost and at fair value through profit or loss. The bank applies a client-oriented approach in its methodology of NPL recognition.

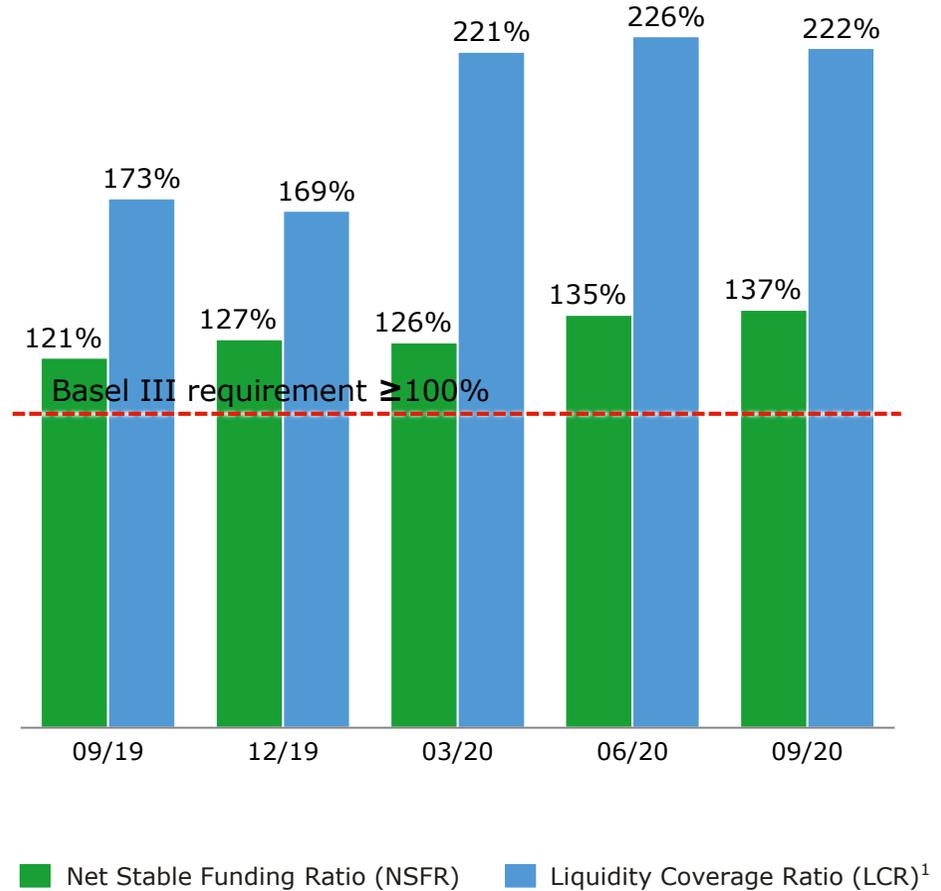
# Results of mBank Group: Key regulatory ratios

Strong capital position and outstanding liquidity securing safety and operational stability

mBank Group's Total Capital Ratio



mBank's NSFR and LCR



<sup>1</sup> LCR for mBank Group was at 236% as of 30.09.2020

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## Macroeconomic Update and Outlook



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Selected Financial Data

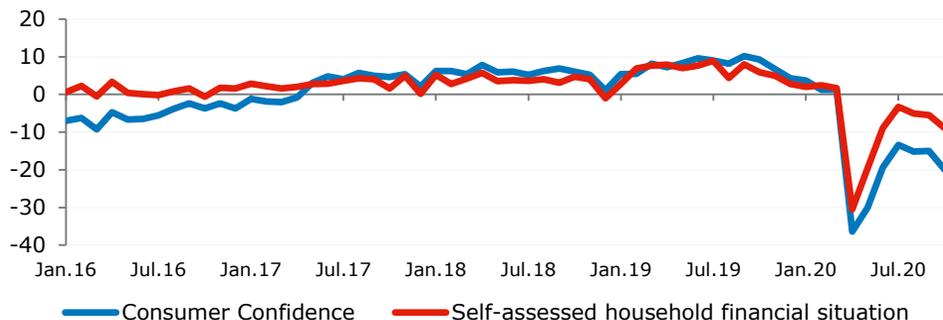
Detailed Results of Business Lines



# Macroeconomic Update (1/2)

## Abrupt return of epidemics generates downside risks

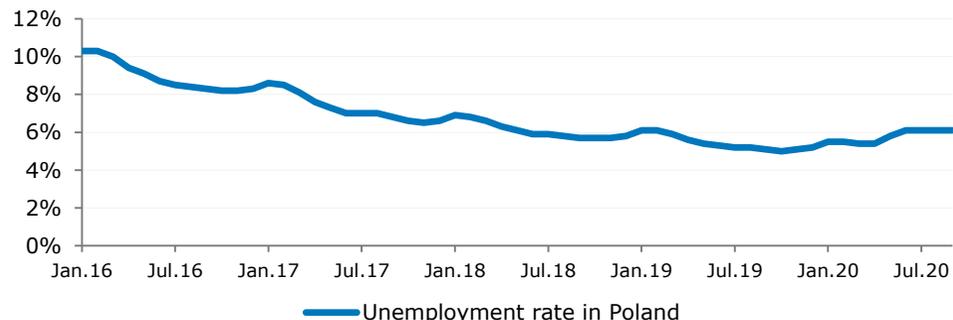
Thick clouds ahead of consumers. Again.



- After the V-shaped recovery, consumers are again under siege. New epidemic restrictions and uncertainty speak in favour of another dip in consumption at the turn of 2020/2021.

Source: GUS

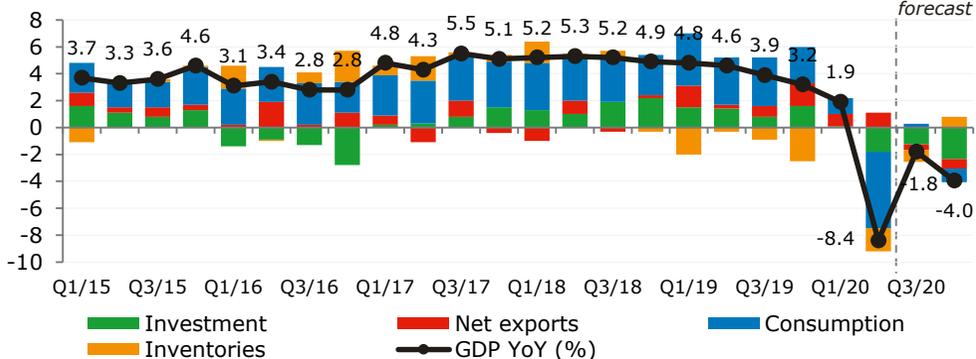
Severe recession and unemployment rate is barely moving



- Joint fiscal and monetary response did great job. Labour market survived the first wave of infections with only flesh wounds. Risks ahead, although various government shields encourage to hoard employment.

Source: GUS

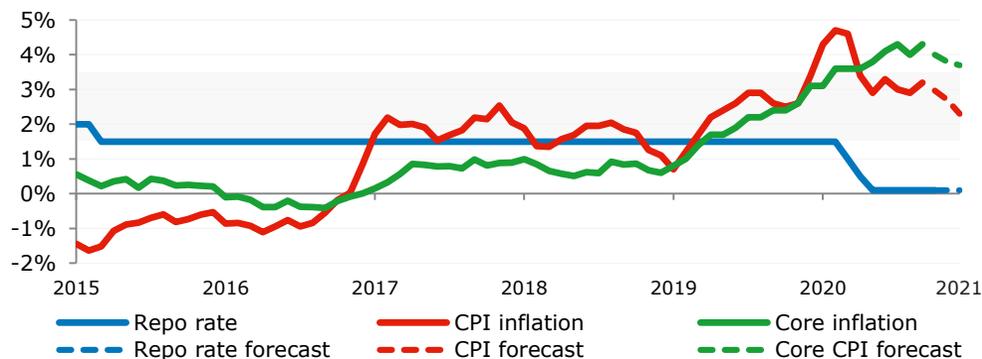
GDP forecast (% YoY)



- Strong Q3/20 enables to keep relatively good prospects for 2020 GDP growth intact (-3.1%). Forecasts for 2021 subject to downside risks as epidemic restrictions may linger and generate second round effects.

Source: GUS

A peak of inflation in Q1/20 and then come off



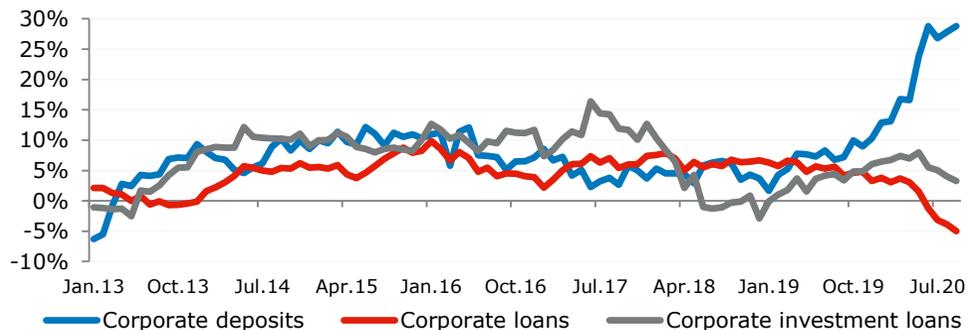
- Inflation peaked in Q1/20. Some cost adjustments were recently passed onto consumers increasing core inflation. However, it is unlikely to last and 2021 inflation will be lower than today.

Source: NBP, GUS

# Macroeconomic Update (2/2)

## Lower demand for credit and flood of liquidity

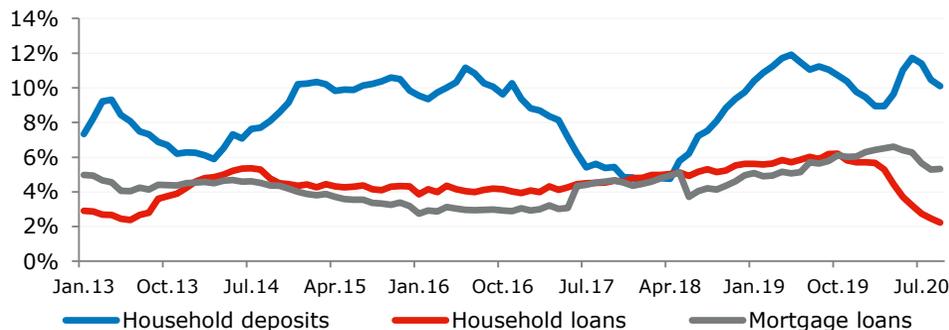
Corporate loans and deposits (% YoY, FX-adjusted)



- Big shift generated by PFR funds. Low demand for credit but substantial liquidity. Firms will be more cautious with investment activity and prefer higher cash holdings.

Source: NBP

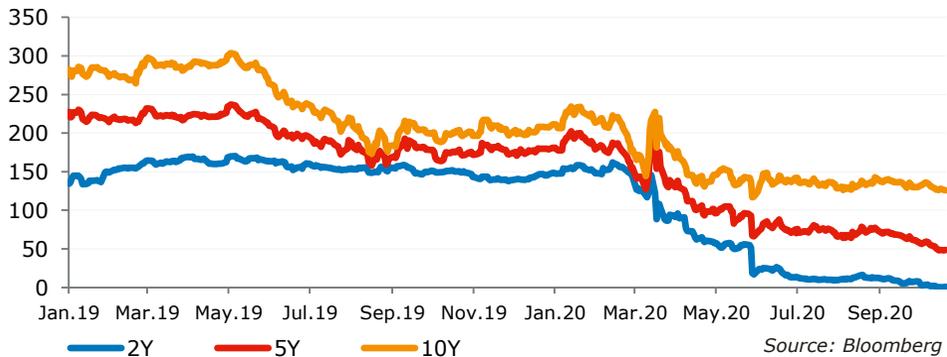
Household loans and deposits (% YoY, FX-adjusted)



- Low consumption pumps deposits but credit activity stays limited. It will take time until consumers will be willing to dip their toes in credit on previous scale. Savings rise on uncertain outlook.

Source: NBP

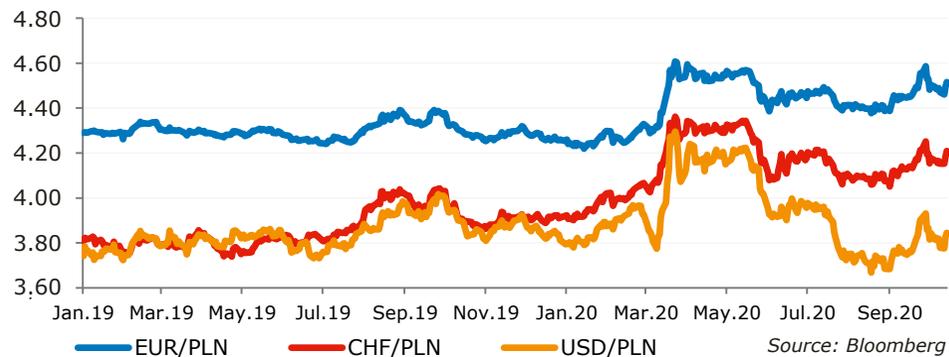
Government bonds yield dropped (basis points)



Source: Bloomberg

- Interest rate cuts along with QE launched by the NBP allowed for a massive drop in government bonds yields. Credit risk settled on lower levels (as expected). Interest rates to stay low for some time.

PLN: the worst is over



Source: Bloomberg

- New wave of infections generates pressure on PLN as it clouds the prospects for GDP growth. Gradual appreciation to resume in 2021 although the path will be bumpy. Huge improvement in current account shields PLN from extreme scenarios.

# Economic forecasts and impact on mBank Group

## Macroeconomic environment and challenges for the banking sector

### Key economic indicators

|                           | 2019  | 2020F | 2021F |
|---------------------------|-------|-------|-------|
| GDP growth (YoY)          | 4.5%  | -3.1% | 3.8%  |
| Domestic demand (YoY)     | 3.5%  | -3.4% | 4.3%  |
| Private consumption (YoY) | 4.0%  | -3.4% | 4.3%  |
| Investment (YoY)          | 7.2%  | -6.5% | 1.6%  |
| Inflation (eop)           | 3.4%  | 2.6%  | 3.1%  |
| MPC rate (eop)            | 1.50% | 0.10% | 0.10% |
| CHF/PLN (eop)             | 3.92  | 4.21  | 3.91  |
| EUR/PLN (eop)             | 4.25  | 4.50  | 4.25  |

### Banking sector – monetary aggregates YoY

|                    | 2019  | 2020F | 2021F |
|--------------------|-------|-------|-------|
| Corporate loans    | 3.0%  | -4.6% | 2.1%  |
| Household loans    | 6.0%  | 2.7%  | 1.7%  |
| Mortgage loans     | 6.6%  | 6.3%  | 1.0%  |
| Non-mortgage loans | 5.1%  | -3.0% | 2.9%  |
| Corporate deposits | 10.0% | 22.4% | -0.4% |
| Household deposits | 9.7%  | 8.5%  | 2.2%  |

Source: mBank's estimates as of 22.10.2020.

### Short-term outlook for mBank

Net interest income & NIM (Negative) 

- Reduction of interest rates by 140 bps in total is translating into lower interest income and strong pressure on margin
- Insufficient space for deposit repricing equivalently to rate cuts

Net Fee & Commission income (Neutral) 

- Lower sales of banking products, curbed new loan production
- Selective adjustment of tariff of fees and commissions

Total costs (Neutral) 

- Strictly-disciplined management of operating expenses
- Rising amortisation due to ongoing investments in IT
- Higher contribution to the Deposit Guarantee Scheme

Loan Loss Provisions (Negative) 

- The financial standing of corporate and retail borrowers can worsen in the coming months due to the expected deterioration of the macroeconomic situation
- The anti-crisis stimulus package may limit the negative impact of the recession on the asset quality

# Agenda



## Summary of Main Trends in Q3 2020

Business Development of Retail and Corporate Segment

Key Financials



## Analysis of the Results after Q3 2020

Loans and Deposits

Total Income and its Main Components

Total Costs and Efficiency

Loan Loss Provisions and Portfolio Quality

Capital and Liquidity Ratios



## Macroeconomic Update and Outlook



## Appendix

Selected Financial Data

Detailed Results of Business Lines



# Appendix

## Selected Financial Data: Consolidated Profit and Loss Account – YtD perspective

|                 |
|-----------------|
| Summary         |
| Profit & Loss   |
| Balance Sheet   |
| Business Lines  |
| Subsidiaries    |
| Historical view |

| PLN million   | 9M/19           | 9M/20           | change YoY      |
|---|-----------------|-----------------|-----------------|
| Net interest income                                     | 2,992.3         | 3,032.4         | +1.3% ↑         |
| Net fee and commission income                           | 925.9           | 1,098.8         | +18.7% ↑        |
| <b>Total income</b>                                     | <b>4,115.1</b>  | <b>4,314.4</b>  | <b>+4.8% ↑</b>  |
| <b>Total costs</b> (excluding BFG)                      | <b>-1,554.6</b> | <b>-1,610.9</b> | <b>+3.6% ↑</b>  |
| Contributions to the BFG <sup>1</sup>                   | -240.9          | -263.7          | +9.5% ↑         |
| Loan loss provisions and fair value change <sup>2</sup> | -618.9          | -1,030.2        | +66.5% ↑        |
| Provisions for legal risk related to FX loans           | -94.3           | -388.7          | +312.1% ↑       |
| <b>Operating profit</b>                                 | <b>1,606.4</b>  | <b>1,020.9</b>  | <b>-36.4% ↓</b> |
| Taxes on the Group balance sheet items                  | -337.3          | -403.6          | +19.7% ↑        |
| <b>Profit before income tax</b>                         | <b>1,269.2</b>  | <b>617.3</b>    | <b>-51.4% ↓</b> |
| <b>Net profit</b>                                       | <b>894.1</b>    | <b>278.5</b>    | <b>-68.8% ↓</b> |
| Net Interest Margin                                     | 2.72%           | 2.37%           | -0.35 p.p.      |
| Cost/Income ratio                                       | 43.6%           | 43.4%           | -0.2 p.p.       |
| Cost of Risk  | 0.83%           | 1.26%           | +0.43 p.p.      |
| Return on Equity (ROE)                                  | 7.9%            | 2.2%            | -5.7 p.p.       |
| Return on Assets (ROA)                                  | 0.78%           | 0.21%           | -0.57 p.p.      |

- Still positive dynamics of net interest income, but margin negatively affected by rate cuts from H1/20
- Strong net fees thanks to higher income from payment cards, brokerage activity, lending and foreign currencies exchange
- Operating expenses were primarily driven by rising depreciation as well as higher material costs
- Conservative approach to provisioning amid the outbreak of COVID-19 pandemic translated into elevated risk costs
- Following developments of courts verdicts in proceedings regarding mortgage loans in CHF, provisions for related legal risk were considerably increased

<sup>1</sup> Including annual contributions to the Resolution Fund of PLN 197.3 million and PLN 167.0 million in Q1/19 and Q1/20, respectively

<sup>2</sup> 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 Profit and Loss Account – quarterly

|                 |
|-----------------|
| Summary         |
| Profit & Loss   |
| Balance Sheet   |
| Business Lines  |
| Subsidiaries    |
| Historical view |

| Quarterly results (PLN thou.)                           | Q3/19            | Q4/19            | Q1/20            | Q2/20            | Q3/20            |
|---|------------------|------------------|------------------|------------------|------------------|
| Net interest income                                     | 1,064,238        | 1,010,501        | 1,065,464        | 1,006,611        | 960,295          |
| Net fee and commission income                           | 331,232          | 344,748          | 362,676          | 362,937          | 373,201          |
| Dividend income   | 298              | 271              | 300              | 4,179            | 310              |
| Net trading income                                      | 38,995           | 29,103           | 44,805           | 39,545           | 58,151           |
| Gains less losses from financial assets <sup>1</sup>    | 100,718          | 39,319           | -24,007          | 30,083           | 21,390           |
| Net other operating income                              | -38,664          | -14,632          | -14,955          | 26,132           | -2,678           |
| <b>Total income</b>                                     | <b>1,496,817</b> | <b>1,409,310</b> | <b>1,434,283</b> | <b>1,469,487</b> | <b>1,410,669</b> |
| <b>Total operating costs</b>                            | <b>-542,527</b>  | <b>-533,726</b>  | <b>-736,323</b>  | <b>-571,509</b>  | <b>-566,717</b>  |
| <i>Overhead costs</i>                                   | <i>-450,694</i>  | <i>-428,239</i>  | <i>-638,813</i>  | <i>-455,147</i>  | <i>-458,452</i>  |
| <i>Amortisation</i>                                     | <i>-91,833</i>   | <i>-105,487</i>  | <i>-97,510</i>   | <i>-116,362</i>  | <i>-108,265</i>  |
| Loan loss provisions and fair value change <sup>2</sup> | -249,357         | -174,863         | -409,279         | -352,159         | -268,777         |
| Provisions for legal risk related to FX loans           | -66,559          | -293,453         | -12,911          | -188,972         | -186,851         |
| <b>Operating profit</b>                                 | <b>638,374</b>   | <b>407,268</b>   | <b>275,770</b>   | <b>356,847</b>   | <b>388,324</b>   |
| Taxes on the Group balance sheet items                  | -118,392         | -121,380         | -131,830         | -138,417         | -133,365         |
| <b>Profit before income tax</b>                         | <b>519,982</b>   | <b>285,888</b>   | <b>143,940</b>   | <b>218,430</b>   | <b>254,959</b>   |
| <b>Net profit attributable to owners of mBank</b>       | <b>358,512</b>   | <b>116,252</b>   | <b>90,917</b>    | <b>86,983</b>    | <b>100,613</b>   |

<sup>1</sup> 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)

<sup>2</sup> 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

|                 |
|-----------------|
| Summary         |
| Profit & Loss   |
| Balance Sheet   |
| Business Lines  |
| Subsidiaries    |
| Historical view |

| Assets (PLN thou.)                     | Q3/19              | Q4/19              | Q1/20              | Q2/20              | Q3/20              |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|
| Cash and balances with Central Bank    | 8,454,457          | 7,897,010          | 10,823,272         | 11,141,250         | 6,683,941          |
| Loans and advances to banks            | 4,792,282          | 4,341,758          | 9,513,378          | 6,921,359          | 8,991,355          |
| Trading securities                     | 789,833            | 1,733,569          | 1,638,764          | 1,884,596          | 678,604            |
| Derivative financial instruments       | 1,180,589          | 959,776            | 1,894,511          | 1,487,670          | 1,488,869          |
| <b>Loans and advances to customers</b> | <b>104,725,600</b> | <b>105,347,475</b> | <b>110,871,784</b> | <b>108,772,763</b> | <b>109,658,296</b> |
| Investment securities                  | 34,756,064         | 34,305,184         | 34,748,278         | 48,418,934         | 50,280,275         |
| Intangible assets                      | 876,595            | 955,440            | 968,233            | 1,063,925          | 1,094,258          |
| Tangible fixed assets                  | 1,268,686          | 1,262,397          | 1,234,334          | 1,162,505          | 1,117,654          |
| Other assets                           | 1,929,939          | 1,917,974          | 2,130,707          | 2,089,799          | 2,153,505          |
| <b>Total assets</b>                    | <b>158,774,045</b> | <b>158,720,583</b> | <b>173,823,261</b> | <b>182,942,801</b> | <b>182,146,757</b> |
| Liabilities (PLN thou.)                | Q3/19              | Q4/19              | Q1/20              | Q2/20              | Q3/20              |
| Amounts due to banks                   | 2,458,291          | 1,166,871          | 1,702,131          | 2,004,200          | 1,774,184          |
| Derivative financial instruments       | 1,051,119          | 948,764            | 1,687,534          | 1,028,543          | 1,087,757          |
| <b>Customer deposits</b>               | <b>115,965,629</b> | <b>116,661,138</b> | <b>128,960,426</b> | <b>139,622,520</b> | <b>141,118,549</b> |
| Debt securities in issue               | 16,716,850         | 17,435,143         | 18,000,321         | 16,408,214         | 13,849,349         |
| Subordinated liabilities               | 2,526,217          | 2,500,217          | 2,594,304          | 2,564,133          | 2,561,855          |
| Other liabilities                      | 3,965,573          | 3,855,145          | 4,293,251          | 4,402,462          | 4,785,420          |
| <b>Total liabilities</b>               | <b>142,683,679</b> | <b>142,567,278</b> | <b>157,237,967</b> | <b>166,030,072</b> | <b>165,177,114</b> |
| <b>Total equity</b>                    | <b>16,090,366</b>  | <b>16,153,305</b>  | <b>16,585,294</b>  | <b>16,912,729</b>  | <b>16,969,643</b>  |
| <b>Total liabilities and equity</b>    | <b>158,774,045</b> | <b>158,720,583</b> | <b>173,823,261</b> | <b>182,942,801</b> | <b>182,146,757</b> |

# Appendix

## Selected Financial Data: mBank Group's Ratios

|                 |
|-----------------|
| Summary         |
| Profit & Loss   |
| Balance Sheet   |
| Business Lines  |
| Subsidiaries    |
| Historical view |

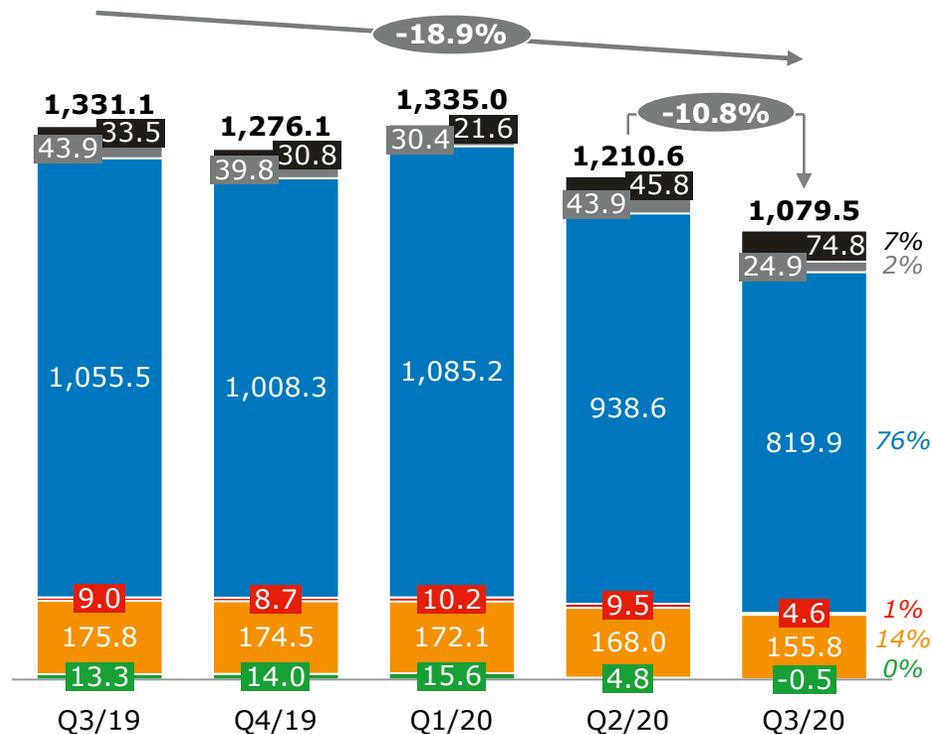
| Financial Ratios                              | Q3/19  | Q4/19  | Q1/20  | Q2/20  | Q3/20  |
|---|--------|--------|--------|--------|--------|
| Net Interest Margin ( <i>quarterly</i> )      | 2.81%  | 2.60%  | 2.63%  | 2.34%  | 2.15%  |
| Net Interest Margin YtD                       | 2.72%  | 2.69%  | 2.63%  | 2.48%  | 2.37%  |
| Net Interest Margin YtD (excl. CHF portfolio) | 2.98%  | 2.94%  | 2.85%  | 2.69%  | 2.56%  |
| Cost/Income Ratio ( <i>quarterly</i> )        | 36.2%  | 37.9%  | 51.3%  | 38.9%  | 40.2%  |
| Cost/Income Ratio YtD                         | 43.6%  | 42.2%  | 51.3%  | 45.0%  | 43.4%  |
| Cost of Risk ( <i>quarterly</i> )             | 0.97%  | 0.67%  | 1.51%  | 1.28%  | 0.98%  |
| Cost of Risk YtD                              | 0.83%  | 0.79%  | 1.51%  | 1.41%  | 1.26%  |
| ROE net ( <i>quarterly</i> )                  | 9.33%  | 3.03%  | 2.24%  | 2.09%  | 2.40%  |
| ROE net YtD                                   | 7.87%  | 6.65%  | 2.24%  | 2.17%  | 2.25%  |
| ROA net ( <i>quarterly</i> )                  | 0.91%  | 0.29%  | 0.22%  | 0.20%  | 0.22%  |
| ROA net YtD                                   | 0.78%  | 0.66%  | 0.22%  | 0.21%  | 0.21%  |
| Loan-to-Deposit Ratio                         | 90.3%  | 90.3%  | 86.0%  | 77.9%  | 77.7%  |
| Total Capital Ratio                           | 19.79% | 19.46% | 19.38% | 19.26% | 19.53% |
| Tier 1 Capital Ratio                          | 16.82% | 16.51% | 16.51% | 16.43% | 16.74% |
| Equity / Assets                               | 10.1%  | 10.2%  | 9.5%   | 9.2%   | 9.3%   |
| TREA / Assets                                 | 53.1%  | 53.0%  | 51.0%  | 47.9%  | 48.9%  |
| NPL ratio                                     | 4.7%   | 4.5%   | 4.5%   | 4.9%   | 4.8%   |
| NPL coverage ratio                            | 62.5%  | 60.7%  | 60.6%  | 58.8%  | 60.7%  |
| NPL coverage ratio incl. stage 1&2 provisions | 75.0%  | 73.6%  | 73.5%  | 71.7%  | 75.0%  |

# Appendix

## Selected Financial Data Profit and Loss Account: Net Interest Income

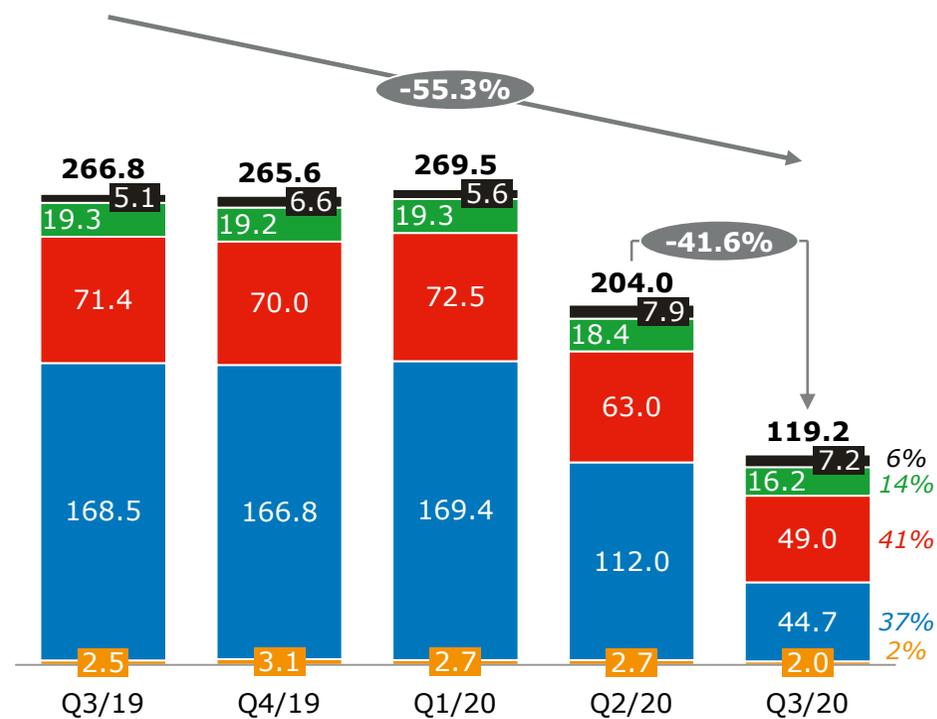
|                          |
|--------------------------|
| Summary                  |
| <b>Profit &amp; Loss</b> |
| Balance Sheet            |
| Business Lines           |
| Subsidiaries             |
| Historical view          |

Interest Income Structure  
(PLN M)



- Cash and short-term deposits
- Loans and advances
- Investment securities
- Derivatives classified into banking book
- Debt securities held for trading
- Other

Interest Expense Structure  
(PLN M)



- Loans received
- Deposits (incl. from banks)
- Issue of debt securities
- Subordinated liabilities
- Other

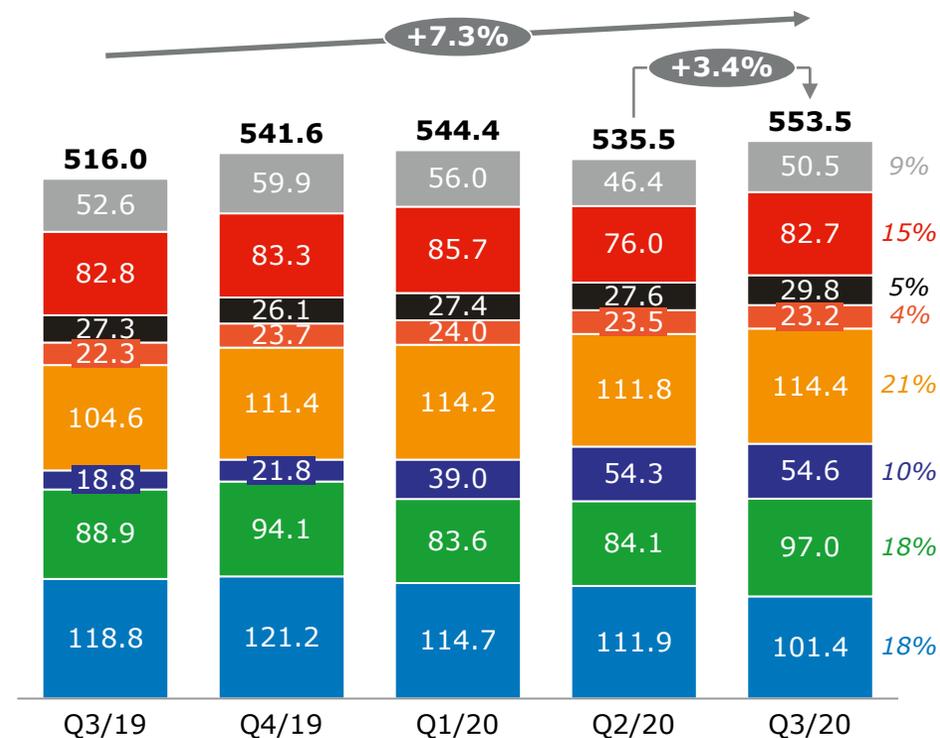
# Appendix

## Selected Financial Data

### Profit and Loss Account: Net Fee and Commission Income

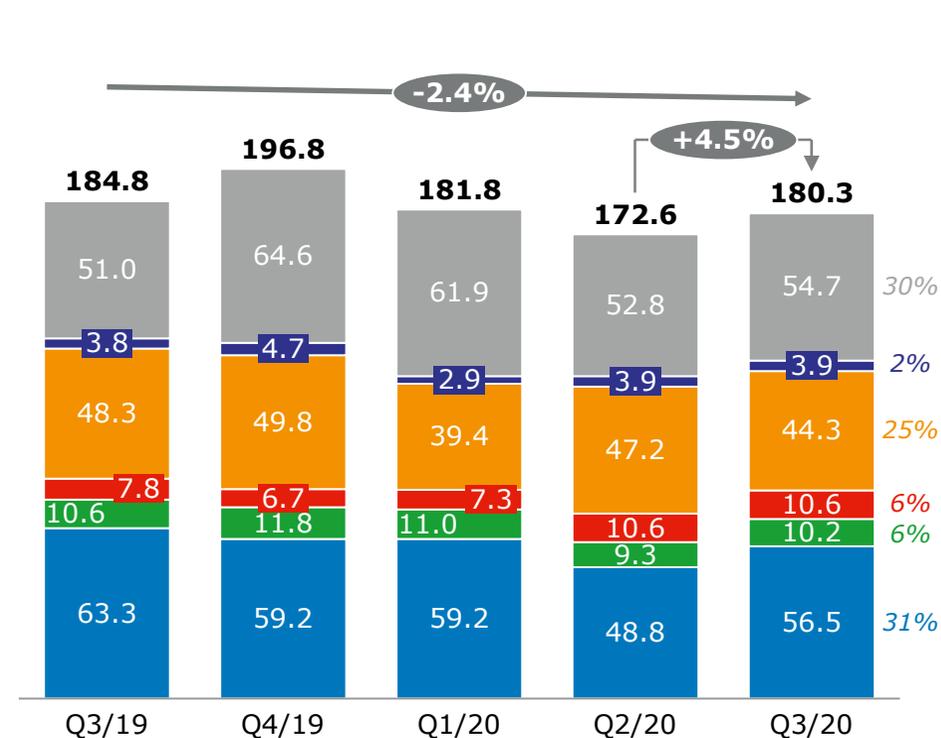
|                          |
|--------------------------|
| Summary                  |
| <b>Profit &amp; Loss</b> |
| Balance Sheet            |
| Business Lines           |
| Subsidiaries             |
| Historical view          |

Fee and Commission Income Structure (PLN M)



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

Fee and Commission Expense Structure (PLN M)



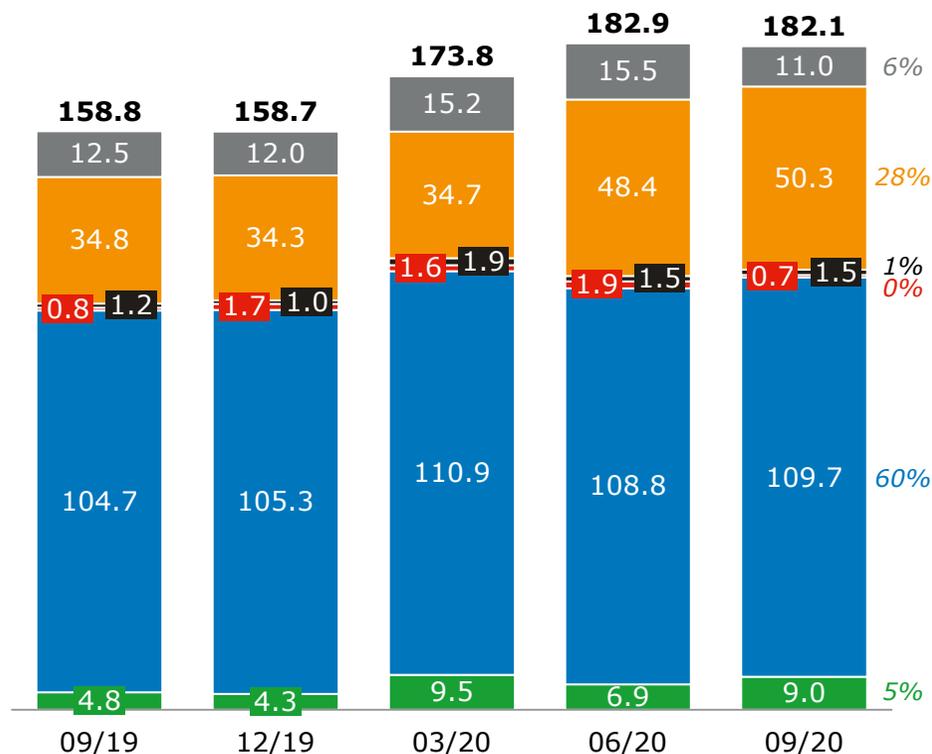
- Payment card fees
- Cash handling fees
- Discharged brokerage fees
- Fees paid to NBP and KIR
- Commissions paid to external entities
- Other (incl. insurance activity)

# Appendix

## Selected Financial Data Balance Sheet Analysis: Assets & Liabilities

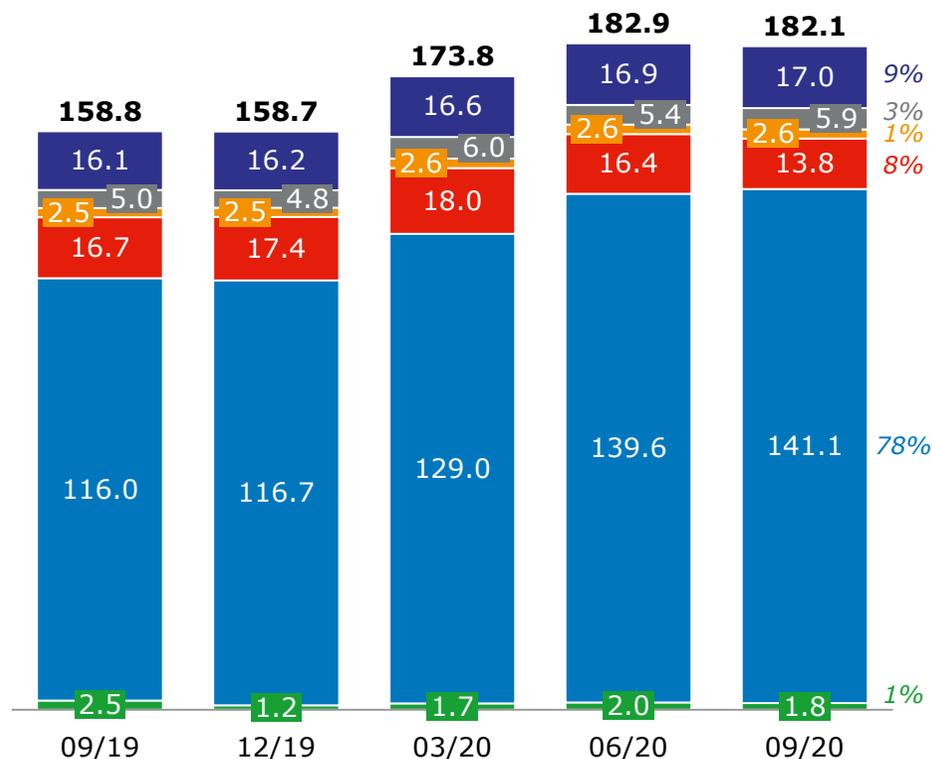
|                      |
|----------------------|
| Summary              |
| Profit & Loss        |
| <b>Balance Sheet</b> |
| Business Lines       |
| Subsidiaries         |
| Historical view      |

Structure of Assets  
(PLN B)



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

Structure of Liabilities and Equity  
(PLN B)



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

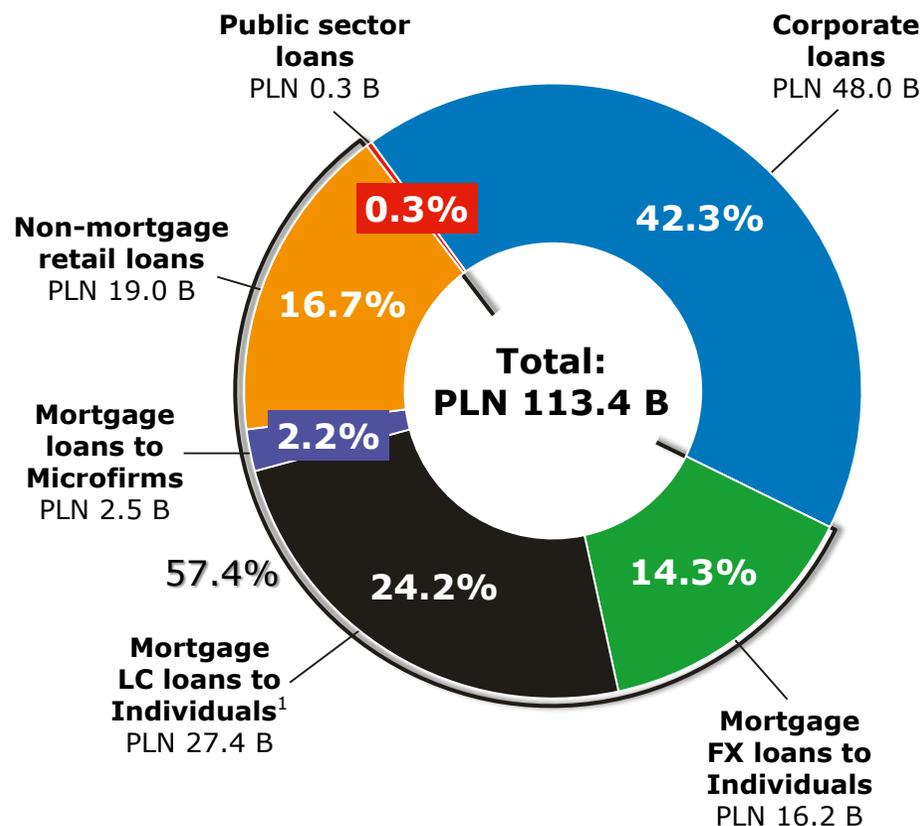
# Appendix

## Selected Financial Data

### Balance Sheet Analysis: Structure of Loans and Deposits

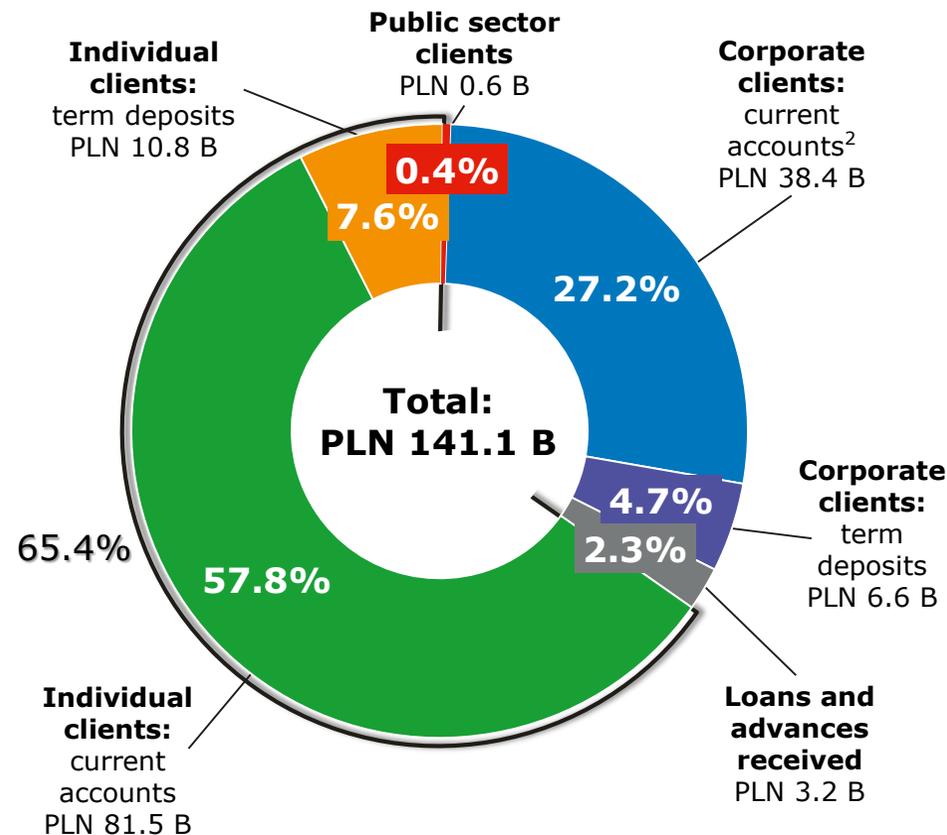
|                      |
|----------------------|
| Summary              |
| Profit & Loss        |
| <b>Balance Sheet</b> |
| Business Lines       |
| Subsidiaries         |
| Historical view      |

Structure of mBank Group's gross loans and advances to customers as of 30.09.2020



<sup>1</sup> Including local currency mortgage loans granted in Poland, the Czech Republic and Slovakia

Structure of mBank Group's amounts due to customers as of 30.09.2020

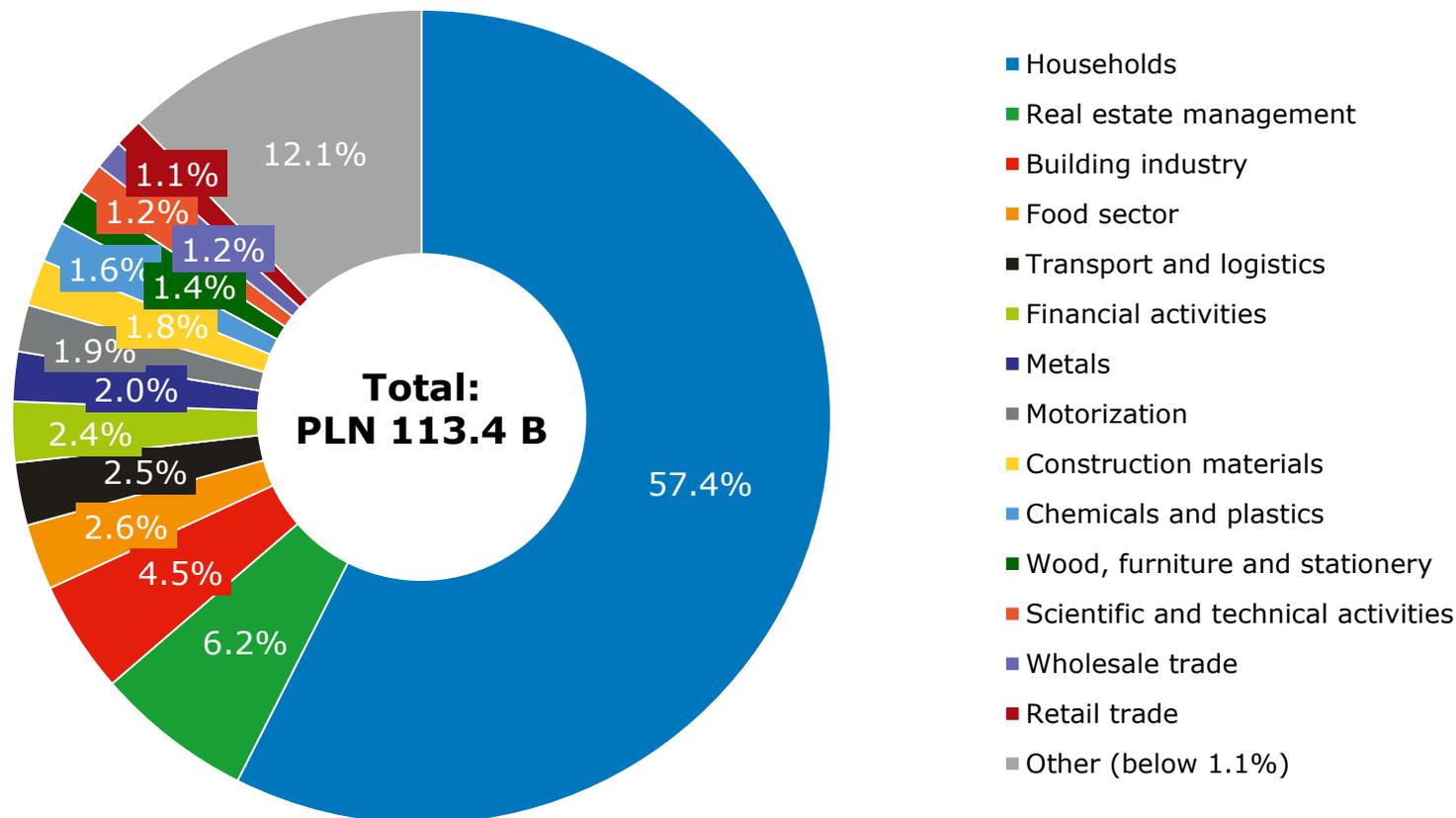


<sup>2</sup> Including repo transactions

# Appendix

## Selected Financial Data Balance Sheet Analysis: Loan Portfolio Structure

mBank Group's Sector Exposure by Industry  
as of 30.09.2020



**A well diversified loan portfolio with granular structure**

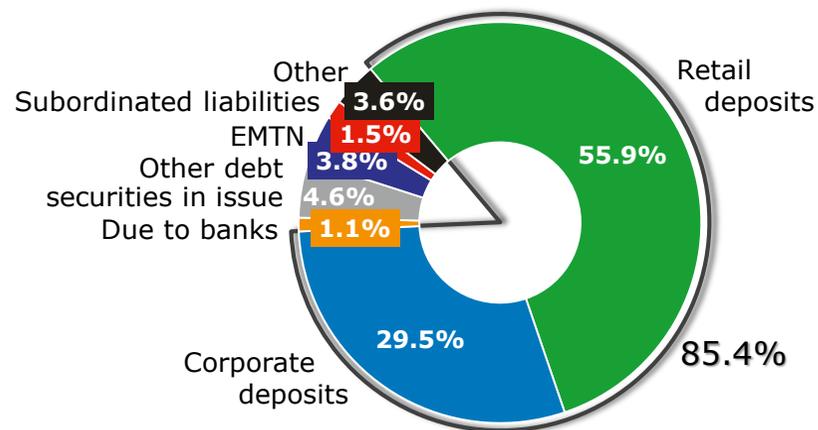
# Appendix

## Selected Financial Data

### Balance Sheet Analysis: Funding Structure and Liquidity Levels

|                      |
|----------------------|
| Summary              |
| Profit & Loss        |
| <b>Balance Sheet</b> |
| Business Lines       |
| Subsidiaries         |
| Historical view      |

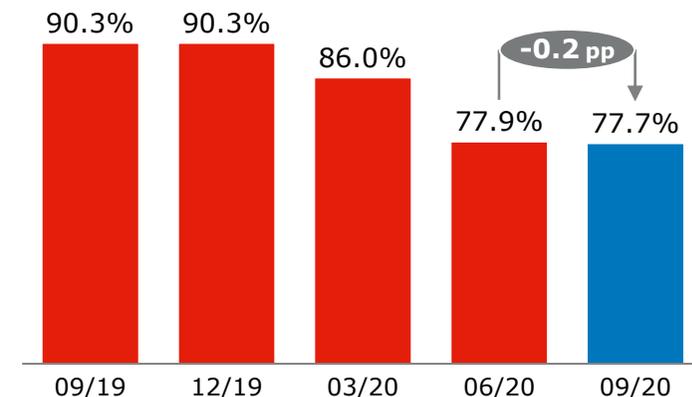
mBank Group's Funding Structure as of 30.09.2020



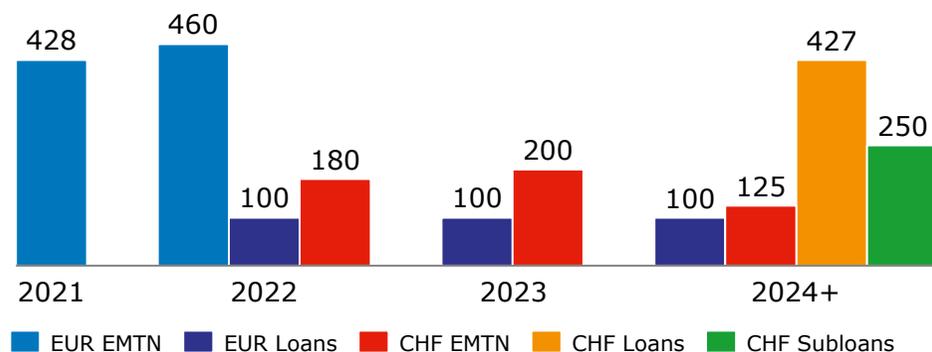
mBank's ratings

| Fitch                    |             |
|--------------------------|-------------|
| Long-term rating         | <b>BBB-</b> |
| Short-term rating        | <b>F3</b>   |
| Standard & Poor's        |             |
| Long-term credit rating  | <b>BBB</b>  |
| Short-term credit rating | <b>A-2</b>  |

Loan-to-Deposit Ratio



Maturity of long-term funding instruments in original currencies as of 30.09.2020 (LC in million)



Summary of Issues under Euro Medium Term Note (EMTN) Programme

| Issue size | Issue date | Maturity date | Tenor | Coupon  |
|------------|------------|---------------|-------|---------|
| EUR 500 M  | 26-11-2014 | 26-11-2021    | 7.0 Y | 2.000%  |
| CHF 200 M  | 28-03-2017 | 28-03-2023    | 6.0 Y | 1.005%  |
| CHF 180 M  | 07-06-2018 | 07-06-2022    | 4.0 Y | 0.565%  |
| EUR 500 M  | 05-09-2018 | 05-09-2022    | 4.0 Y | 1.058%  |
| CHF 125 M  | 05-04-2019 | 04-10-2024    | 5.5 Y | 1.0183% |

Note: All tranches presented in the original amount as of issue date.

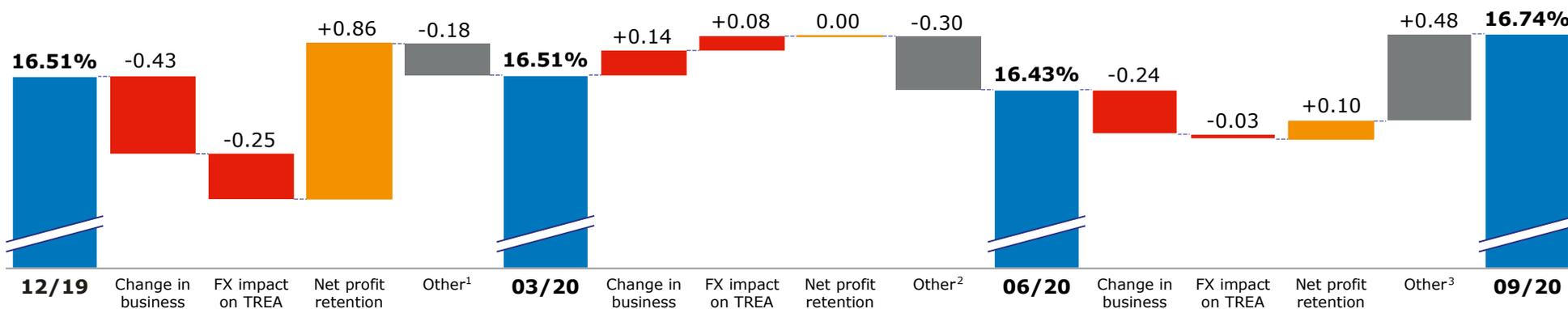
# Appendix

## Selected Financial Data

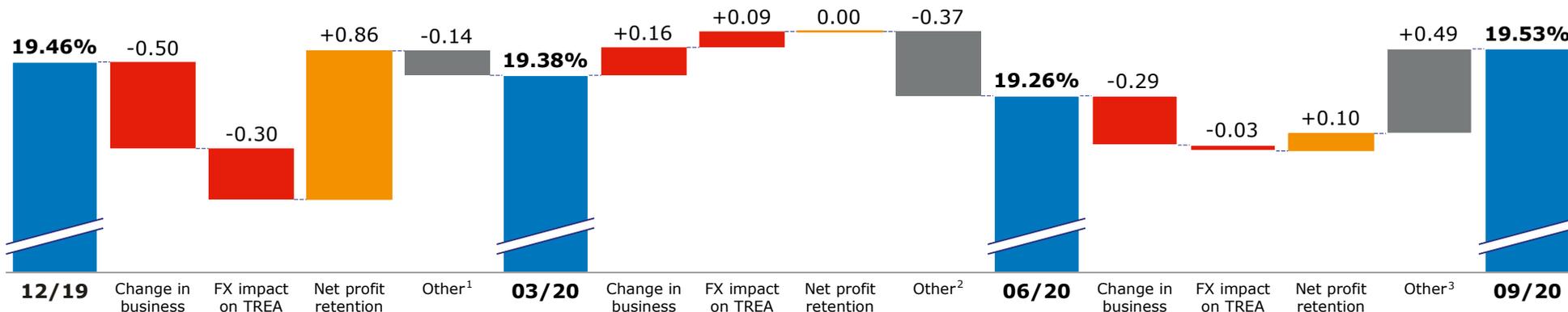
### Balance Sheet Analysis: Detailed Development of Capital Ratios

|                      |
|----------------------|
| Summary              |
| Profit & Loss        |
| <b>Balance Sheet</b> |
| Business Lines       |
| Subsidiaries         |
| Historical view      |

mBank Group's Tier 1 Capital Ratio



mBank Group's Total Capital Ratio



<sup>1</sup> Negative impact on capital ratios from annual update of operational risk that added PLN 0.8 billion to TREA

<sup>2</sup> Due to a decline of own funds (-PLN 325 M QoQ) resulting from addition of loan loss provisions and higher deductions of intangible assets as well as caused by the gradual amortization of Tier 2 capital

<sup>3</sup> Lower CET 1 deductions thanks to reduction of loan loss provisions after the inclusion of current net profit for H1 2020

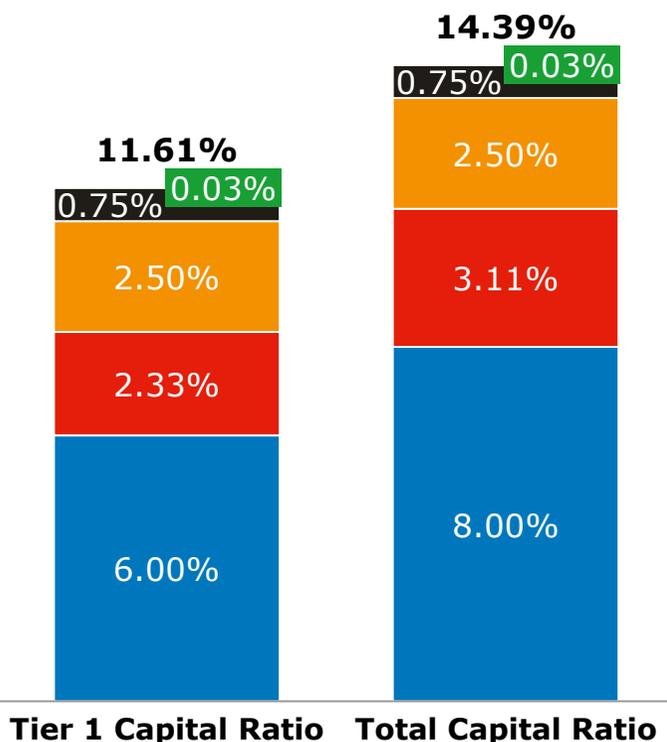
# Appendix

## Selected Financial Data

### Balance Sheet Analysis: Details of Capital Requirements

|                      |
|----------------------|
| Summary              |
| Profit & Loss        |
| <b>Balance Sheet</b> |
| Business Lines       |
| Subsidiaries         |
| Historical view      |

Regulatory capital requirements for mBank Group as of 30.09.2020



- 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"); its level is reviewed annually.
- 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.

The MREL requirement on mBank's sub-consolidated basis communicated by the BFG on 05.02.2020 amounts to 14.54% of the total liabilities and own funds which corresponds to 27.515% of total risk exposure and should be met by 01.01.2024.

## Detailed Results of the Business Lines in Q3 2020

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# Retail Banking

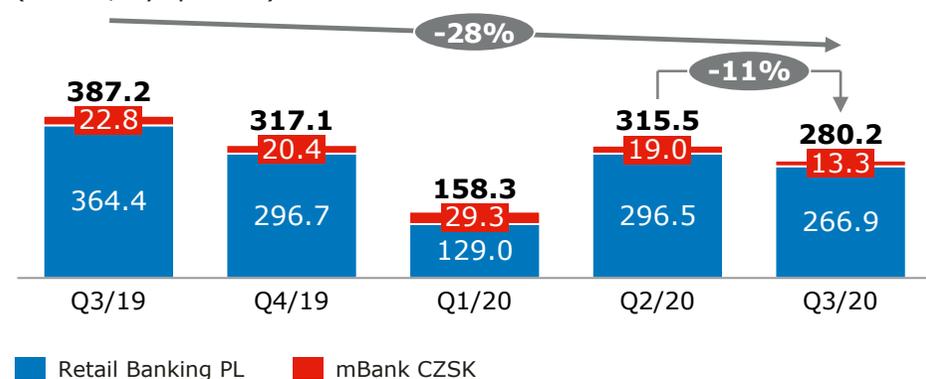
# Appendix

## Retail Banking Summary of Q3/20: Financial and Business Results

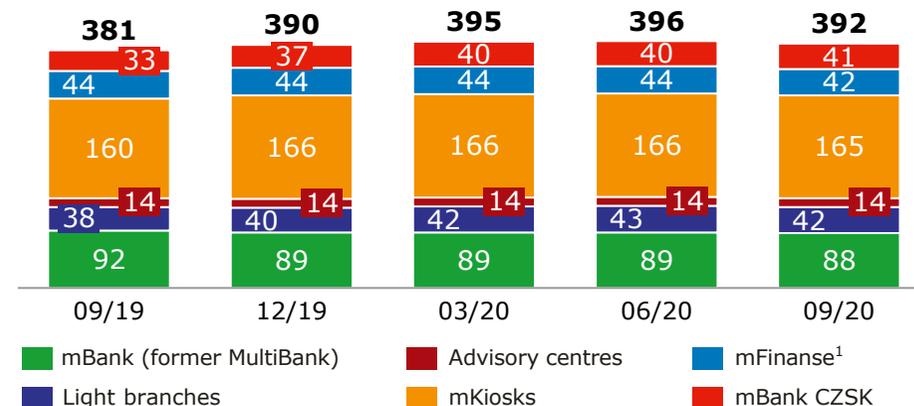
|                       |
|-----------------------|
| Summary               |
| Profit & Loss         |
| Balance Sheet         |
| <b>Business Lines</b> |
| Subsidiaries          |
| Historical view       |

Profit before Tax of the Segment  
(PLN M, by quarter)

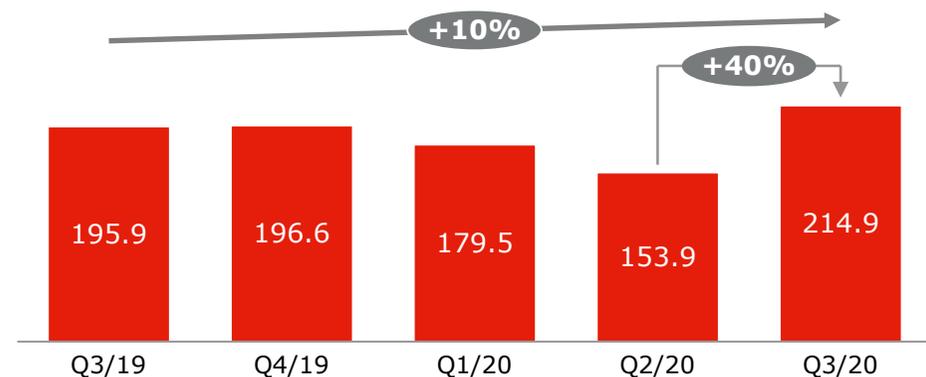
*Presented without provisions for legal risk related to FX mortgage loans*



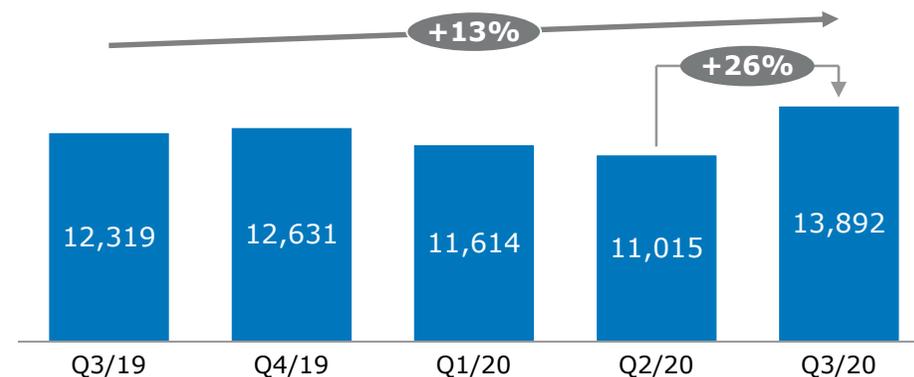
Number of Retail Service Locations



Number of non-cash transactions with payment cards  
(M, by quarter)



Value of non-cash transactions with payment cards  
(PLN M, by quarter)



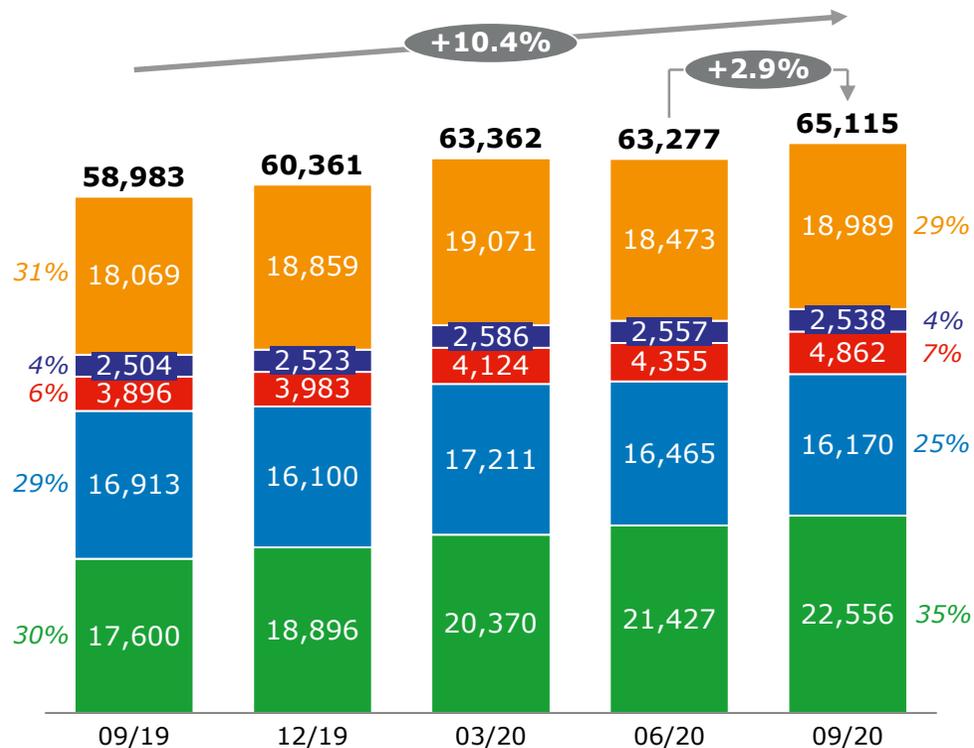
<sup>1</sup> Including financial centres and agency service points

# Appendix

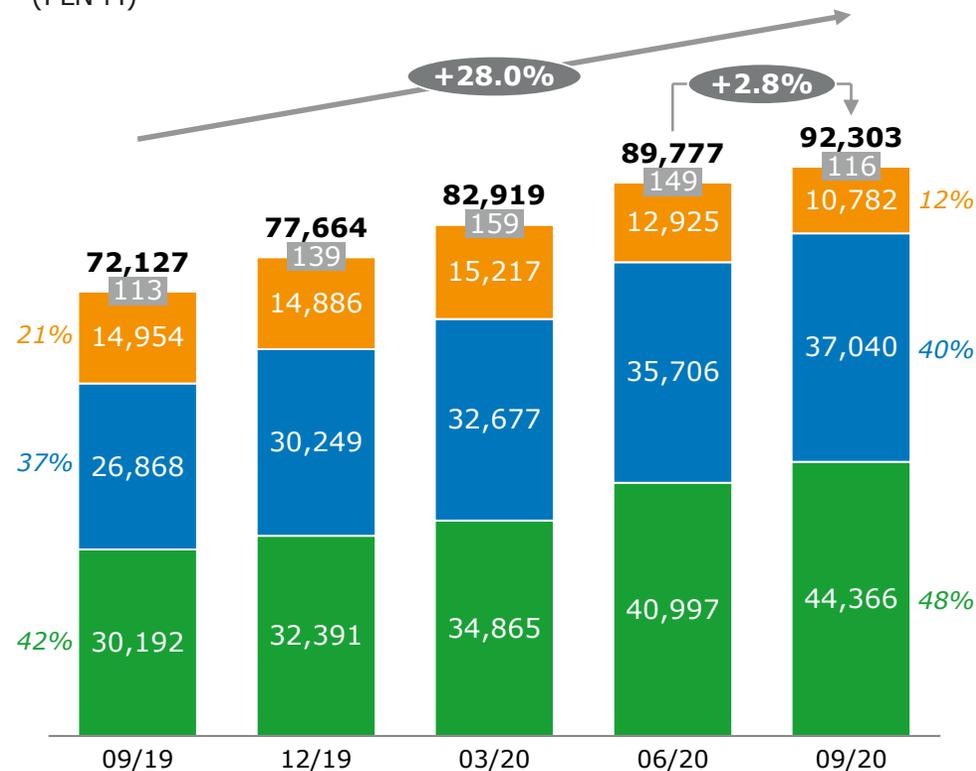
## Retail Banking Summary of Q3/20: Loans and Deposits

|                       |
|-----------------------|
| Summary               |
| Profit & Loss         |
| Balance Sheet         |
| <b>Business Lines</b> |
| Subsidiaries          |
| Historical view       |

Gross Loans to Retail Banking Clients<sup>1</sup>  
(PLN M)



Deposits from Retail Banking Clients  
(PLN M)



- PLN mortgage loans to Individuals
- FX mortgage loans to Individuals granted in PL
- Mortgage loans granted in CZSK
- Mortgage loans to Microfirms
- Non-mortgage loans

- Current accounts
- Saving accounts
- Term deposits
- Other

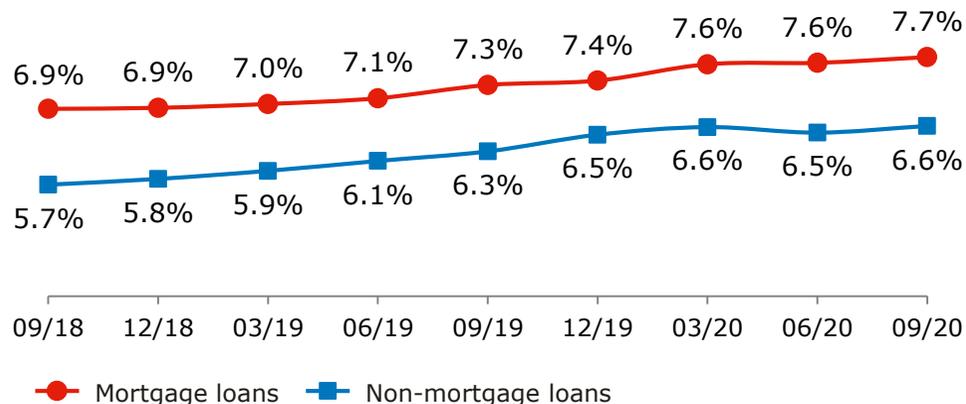
<sup>1</sup> Currency and geographical breakdown based on management information

# Appendix

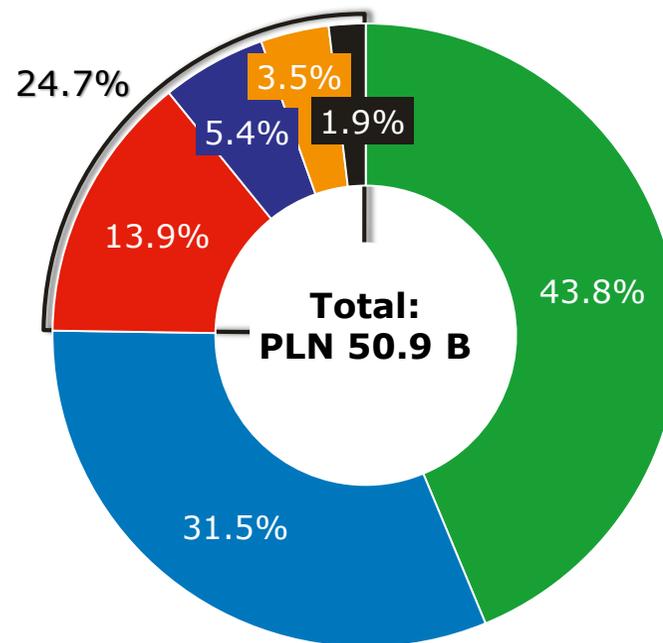
## Retail Banking Loan Portfolio Structure of mBank Group in Poland

|                       |
|-----------------------|
| Summary               |
| Profit & Loss         |
| Balance Sheet         |
| <b>Business Lines</b> |
| Subsidiaries          |
| Historical view       |

Market Shares in Household Loans in Poland

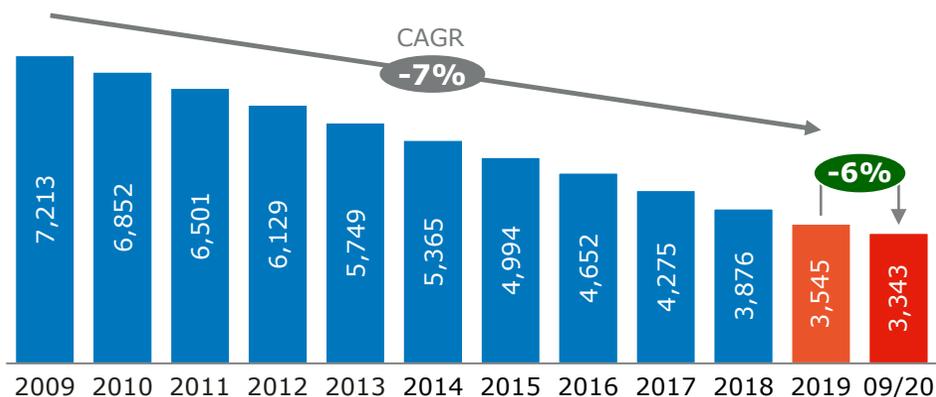


Product Structure of Retail Banking Loan Portfolio in Poland as of 30.09.2020



- PLN Mortgage loans
- Cash loans
- Credit cards
- FX Mortgage loans
- Credit lines
- Other

mBank's Gross CHF Loan Portfolio to Retail Clients (CHF M)



# Appendix

## Retail Banking mBank's Mobile Application: Functionalities and Users

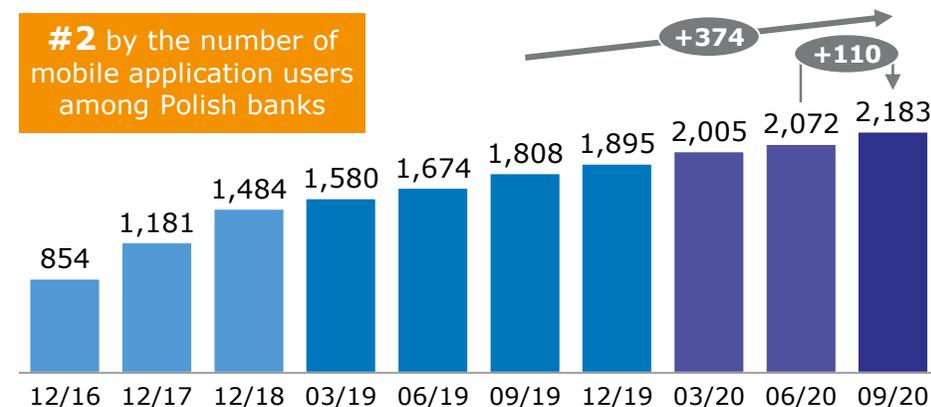
|                       |
|-----------------------|
| Summary               |
| Profit & Loss         |
| Balance Sheet         |
| <b>Business Lines</b> |
| Subsidiaries          |
| Historical view       |

Focus on client convenience through well-designed functionalities

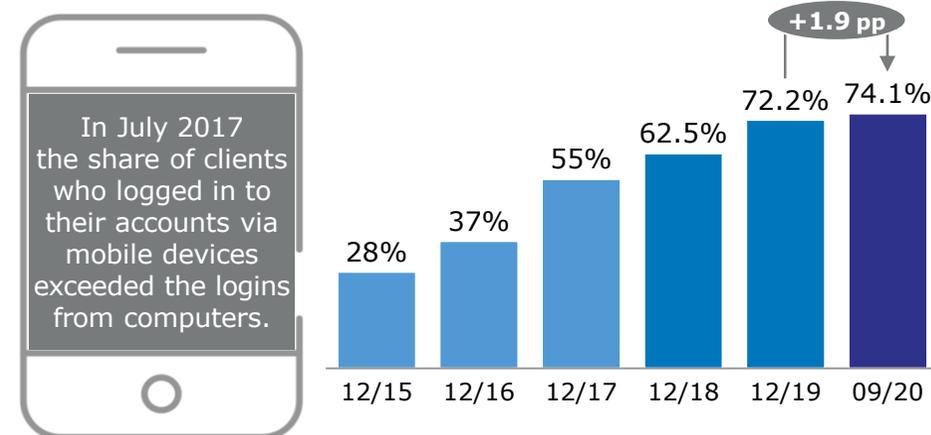
- ✓ **Google Pay** and **Apple Pay** (for Visa and MasterCard holders) for contactless payments with a phone in POS
- ✓ The possibility of **logging in with a PIN code, fingerprint or Face ID**
- ✓ A display with **a pace of the client's spending** to help the users control their budget
- ✓ **Mobile authorisation** – confirmation of operations made in the transaction system via the mobile application (instead of entering the code received in text message)
- ✓ **Payment Assistant** – reminders of regular payments, allowing the users to quickly settle invoices
- ✓ **mLine in a click** – connection with consultants directly from the application, without the need of ID and telecode
- ✓ **Quick cash loan** with a decision in 1 minute from request submission, based on pre-approved limit determined for the client
- ✓ **Express transfers** using telephone numbers within the BLIK system
- ✓ **Scanning of data to the transfer form** from both paper or electronic invoices instead of manual filling



Active Users of mBank's Mobile Application (thou.)



Share of clients who log in to their accounts via mobile devices

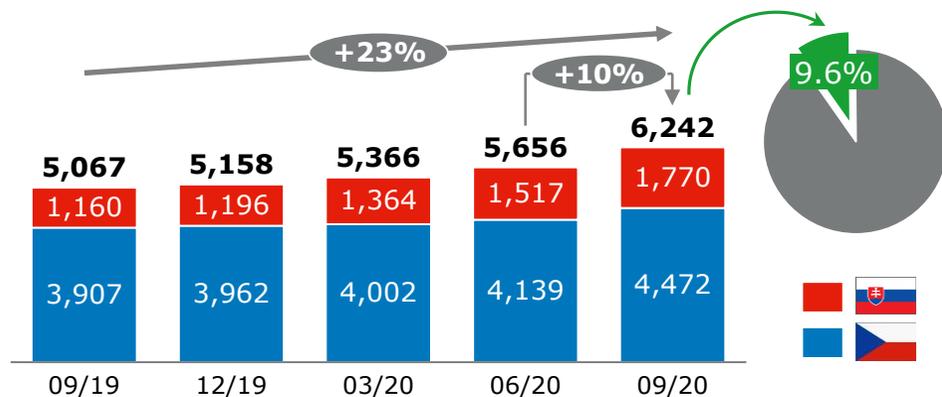


# Appendix

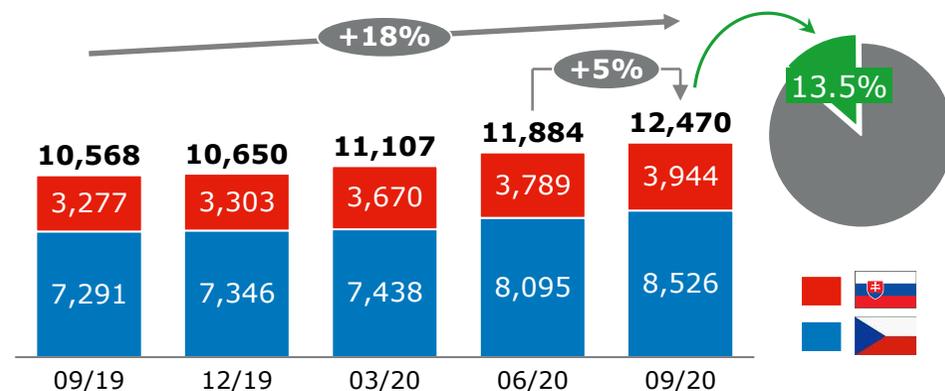
## Retail Banking mBank in the Czech Republic and Slovakia

|                       |
|-----------------------|
| Summary               |
| Profit & Loss         |
| Balance Sheet         |
| <b>Business Lines</b> |
| Subsidiaries          |
| Historical view       |

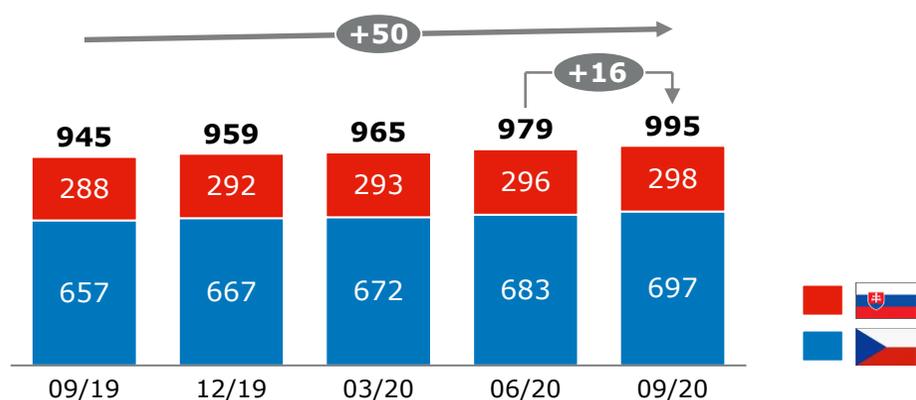
Gross Loans (PLN M) and Share in Total mBank's retail volume



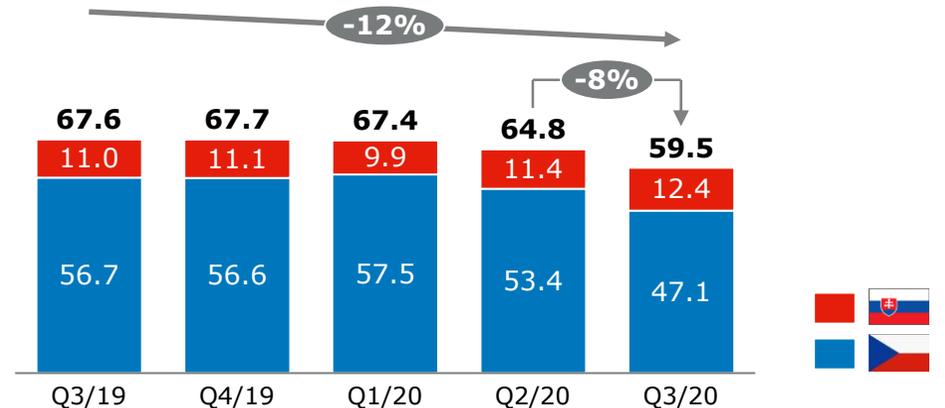
Deposits (PLN M) and Share in Total mBank's retail volume



Number of clients (thou.)



Total revenues (PLN M)



Note: Volumes based on management information.

# Appendix

## Retail Banking mBank in the Czech Republic and Slovakia

|                       |
|-----------------------|
| Summary               |
| Profit & Loss         |
| Balance Sheet         |
| <b>Business Lines</b> |
| Subsidiaries          |
| Historical view       |

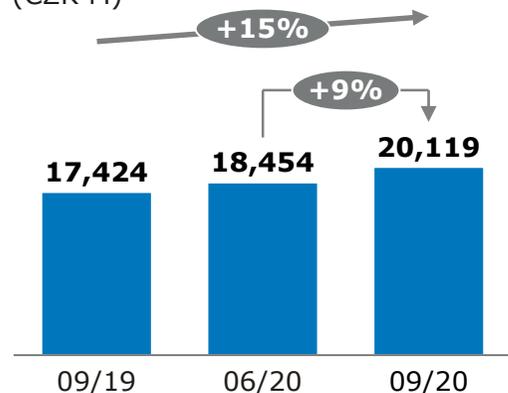


### Czech Republic

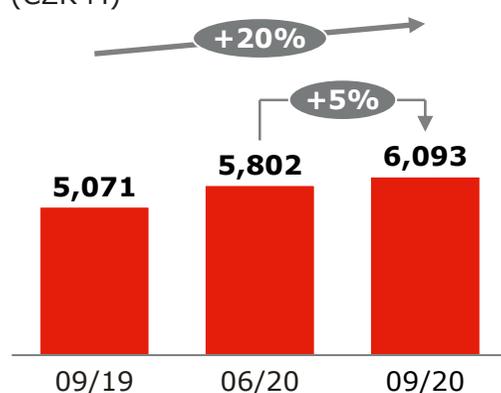
Clients:  
**697.0 thou.**

**6** light branches,  
**6** financial centres &  
**18** mKiosks

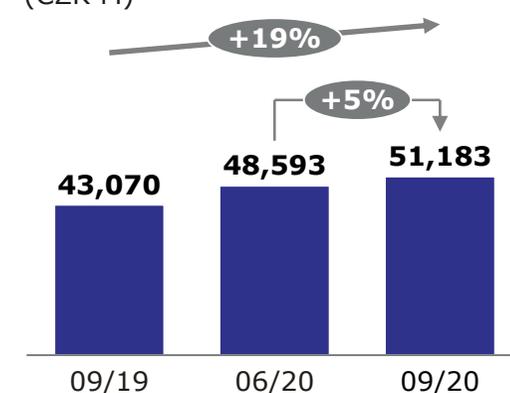
Mortgage Loans  
(CZK M)



Non-mortgage Loans  
(CZK M)



Customer deposits  
(CZK M)

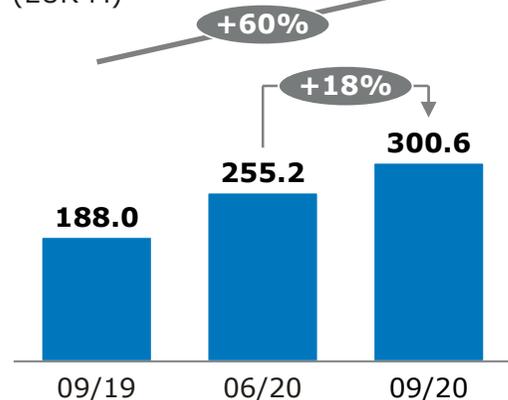


### Slovakia

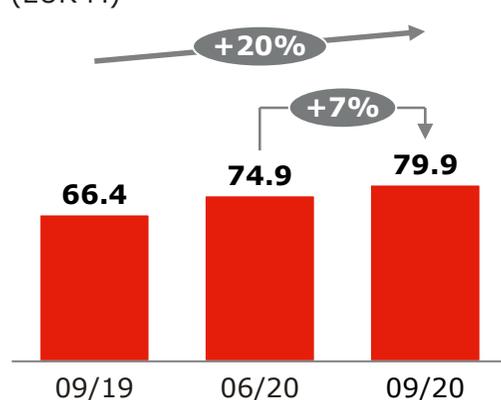
Clients:  
**298.3 thou.**

**2** light branches,  
**2** financial centres &  
**7** mKiosks

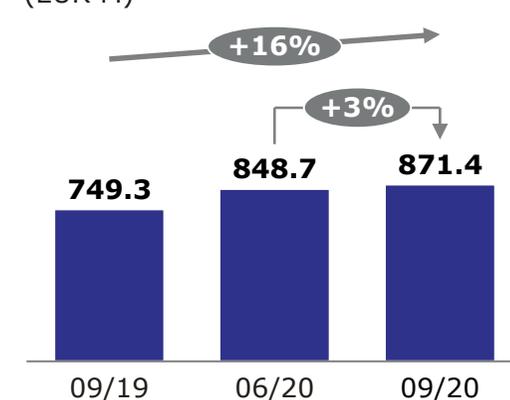
Mortgage Loans  
(EUR M)



Non-mortgage Loans  
(EUR M)



Customer deposits  
(EUR M)



Note: Volumes based on management information.

## Detailed Results of the Business Lines in Q3 2020

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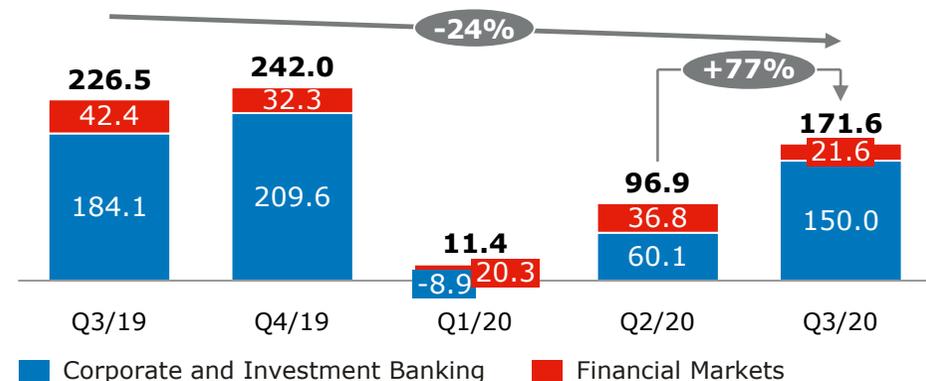
# Corporates & Financial Markets

# Appendix

## Corporates and Financial Markets Summary of Q3/20: Financial and Business Results

|                       |
|-----------------------|
| Summary               |
| Profit & Loss         |
| Balance Sheet         |
| <b>Business Lines</b> |
| Subsidiaries          |
| Historical view       |

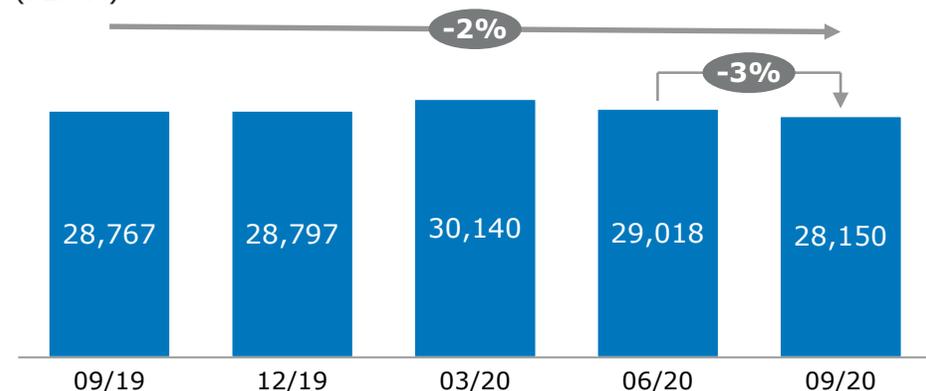
Profit before Tax of the Segment  
(PLN M, by quarter)



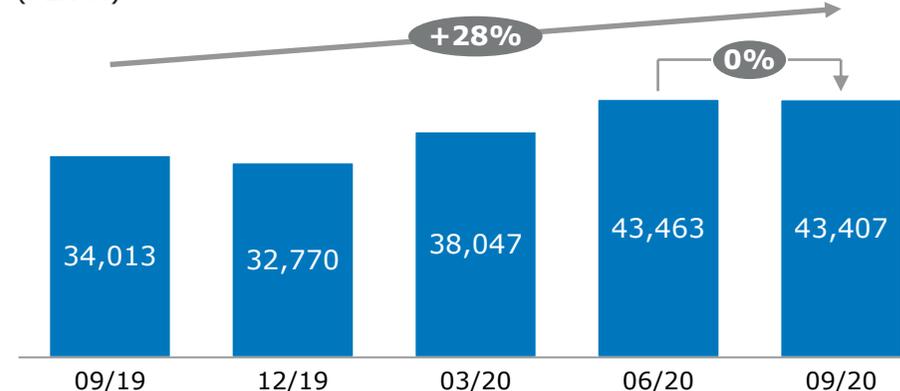
Number of Corporate Service Locations



Loans to enterprises<sup>1</sup>  
(PLN M)



Deposits of enterprises<sup>1</sup>  
(PLN M)



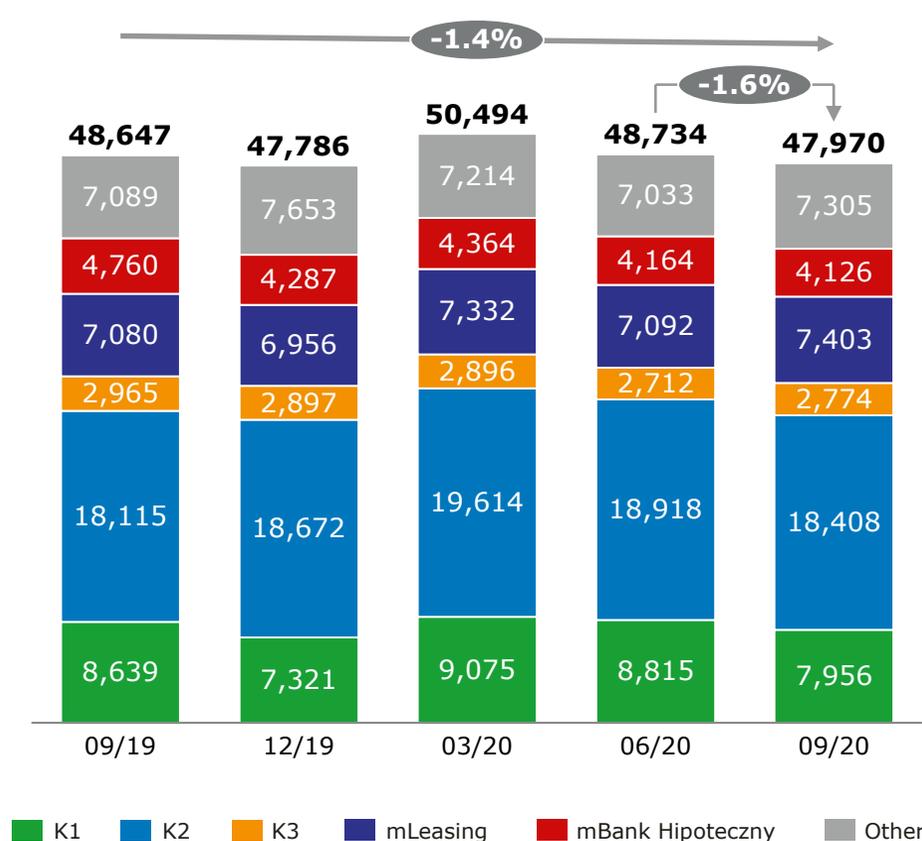
<sup>1</sup> Corporate loan and deposit volumes (for mBank only) according to NBP rules (monetary reporting system – MONREP)

# Appendix

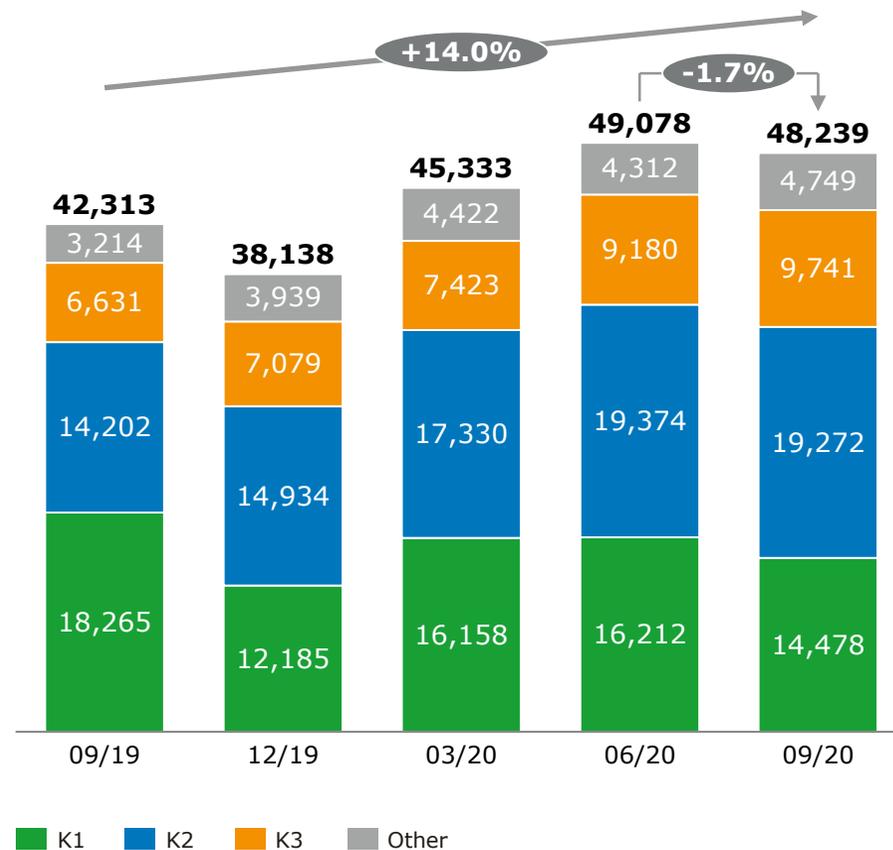
## Corporates and Financial Markets Summary of Q3/20: Loans and Deposits

|                       |
|-----------------------|
| Summary               |
| Profit & Loss         |
| Balance Sheet         |
| <b>Business Lines</b> |
| Subsidiaries          |
| Historical view       |

Gross Loans to Corporate Customers  
(PLN M)



Deposits from Corporate Customers  
(PLN M)



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.

## Detailed Results of mBank Group's major companies in Q3 2020

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# Subsidiaries

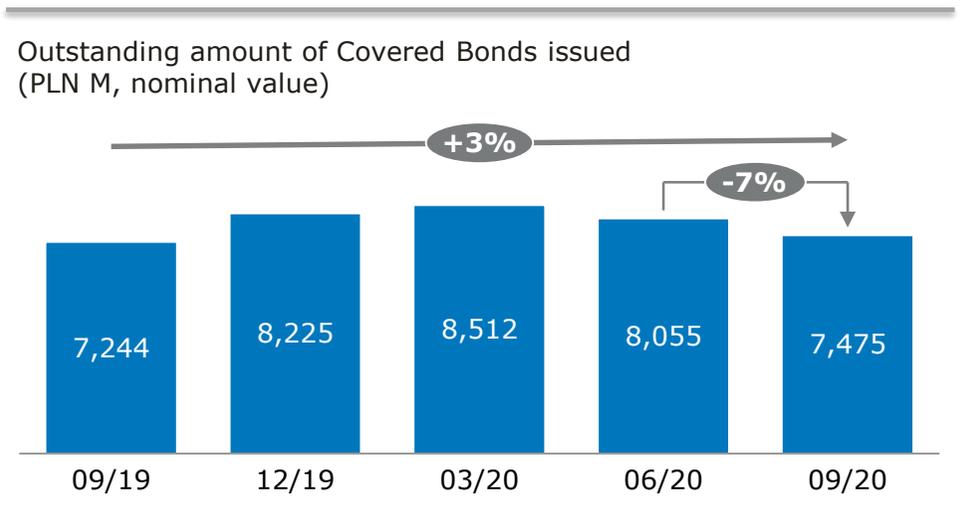
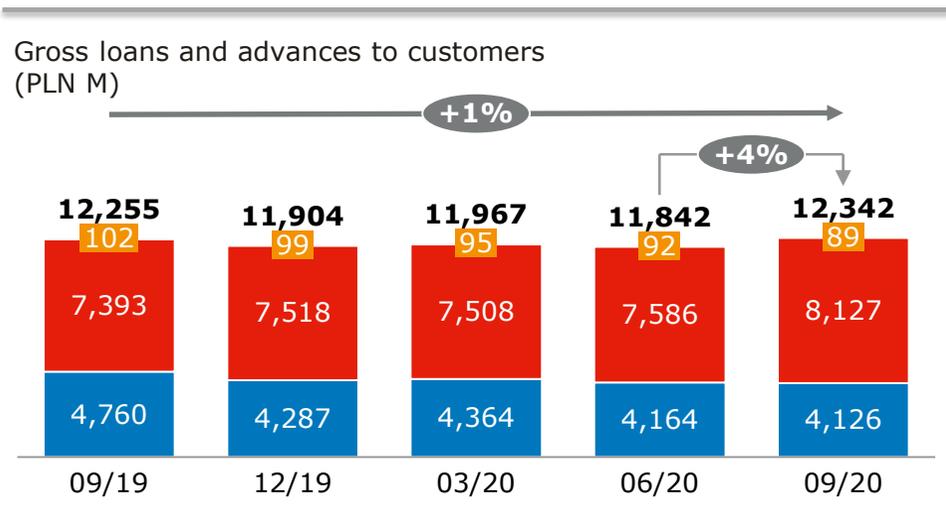
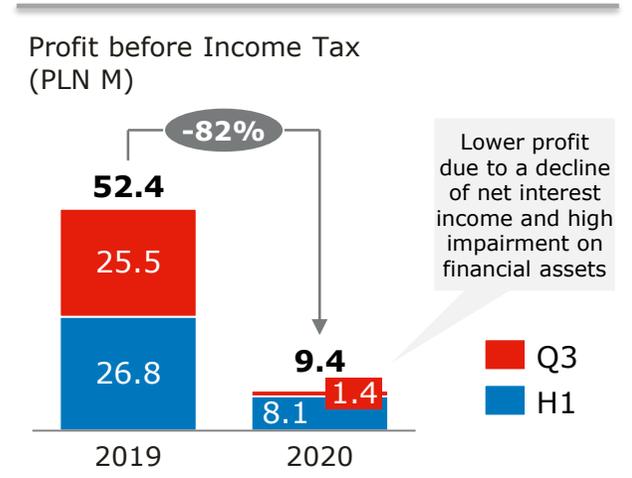
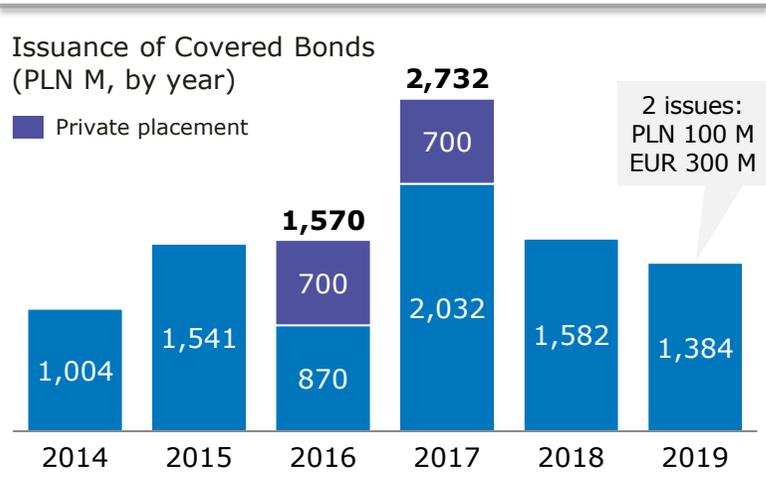
# Appendix

## mBank Group's Subsidiaries mBank Hipoteczny (mBH)

- Summary
- Profit & Loss
- Balance Sheet
- Business Lines
- Subsidiaries
- Historical view

**m Bank Hipoteczny**  
established in 1999  
specialised mortgage bank and active issuer of covered bonds in the Polish market

- Public sector loans and other receivables
- Housing loans to individual customers (incl. new sales and pooling transactions)
- Commercial loans



# Appendix

## mBank Group's Subsidiaries

### mBank Hipoteczny (mBH): Issuance Activity on the Covered Bonds Market

[Summary](#)
[Profit & Loss](#)
[Balance Sheet](#)
[Business Lines](#)
[Subsidiaries](#)
[Historical view](#)

Summary of Mortgage Covered Bonds issued in 2014-2020 (outstanding public issues)

| Amount    | Currency | Issue date | Maturity date | Tenor (years) | Coupon             |
|-----------|----------|------------|---------------|---------------|--------------------|
| 8.0 M     | EUR      | 28-02-2014 | 28-02-2029    | 15.0          | Fixed (3.50%)      |
| 15.0 M    | EUR      | 17-03-2014 | 15-03-2029    | 15.0          | Fixed (3.50%)      |
| 20.0 M    | EUR      | 30-05-2014 | 30-05-2029    | 15.0          | Fixed (3.20%)      |
| 300.0 M   | PLN      | 28-07-2014 | 28-07-2022    | 8.0           | WIBOR 6M + 93bps   |
| 200.0 M   | PLN      | 04-08-2014 | 20-02-2023    | 8.5           | WIBOR 6M + 93bps   |
| 200.0 M   | PLN      | 20-02-2015 | 28-04-2022    | 7.2           | WIBOR 6M + 78bps   |
| 20.0 M    | EUR      | 25-02-2015 | 25-02-2022    | 7.0           | Fixed (1.135%)     |
| 250.0 M   | PLN      | 15-04-2015 | 16-10-2023    | 8.5           | WIBOR 6M + 87bps   |
| 11.0 M    | EUR      | 24-04-2015 | 24-04-2025    | 10.0          | Fixed (1.285%)     |
| 255.0 M   | PLN      | 02-12-2015 | 20-09-2021    | 5.8           | WIBOR 3M + 115bps  |
| 300.0 M   | PLN      | 09-03-2016 | 05-03-2021    | 5.0           | WIBOR 3M + 120bps  |
| 50.0 M    | EUR      | 23-03-2016 | 21-06-2021    | 5.2           | EURIBOR 3M + 87bps |
| 13.0 M    | EUR      | 28-09-2016 | 20-09-2026    | 10.0          | Fixed (1.18%)      |
| 35.0 M    | EUR      | 26-10-2016 | 20-09-2026    | 9.9           | Fixed (1.183%)     |
| 24.9 M    | EUR      | 01-02-2017 | 01-02-2024    | 7.0           | Fixed (0.94%)      |
| 500.0 M   | PLN      | 29-09-2017 | 10-09-2022    | 5.0           | WIBOR 3M + 75bps   |
| 1,000.0 M | PLN      | 11-10-2017 | 15-09-2023    | 5.9           | WIBOR 3M + 82bps   |
| 100.0 M   | EUR      | 30-10-2017 | 22-06-2022    | 4.6           | Fixed (0.612%)     |
| 300.0 M   | EUR      | 26-04-2018 | 05-03-2025    | 6.9           | Fixed (1.073%)     |
| 310.0 M   | PLN      | 22-06-2018 | 10-06-2024    | 6.0           | WIBOR 3M + 58bps   |
| 100.0 M   | PLN      | 22-02-2019 | 20-12-2028    | 9.8           | WIBOR 3M + 80bps   |
| 300.0 M   | EUR      | 12-11-2019 | 15-09-2025    | 5.8           | Fixed (0.242%)     |

# Appendix

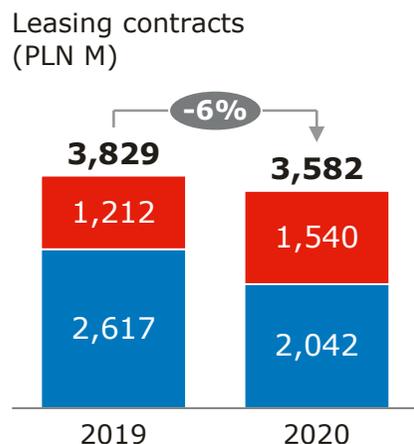
## mBank Group's Subsidiaries Leasing and Factoring

|                     |
|---------------------|
| Summary             |
| Profit & Loss       |
| Balance Sheet       |
| Business Lines      |
| <b>Subsidiaries</b> |
| Historical view     |

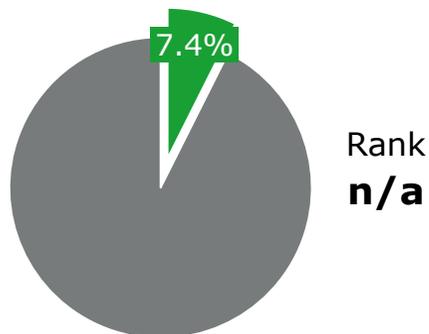
**m Leasing**

established in 1991

provides financial and operating leasing of cars, trucks, machinery and real estate

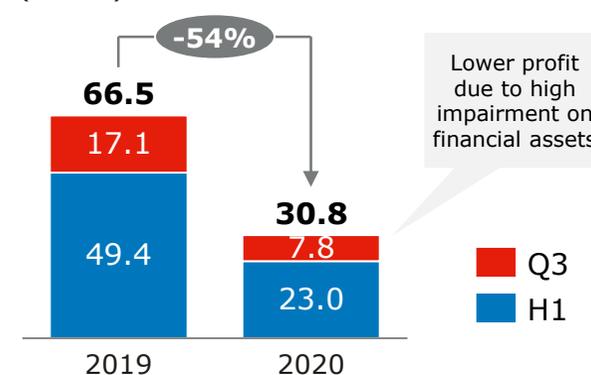


Market share & position – 9M 2020



Source: Polish Leasing Association (PLA)

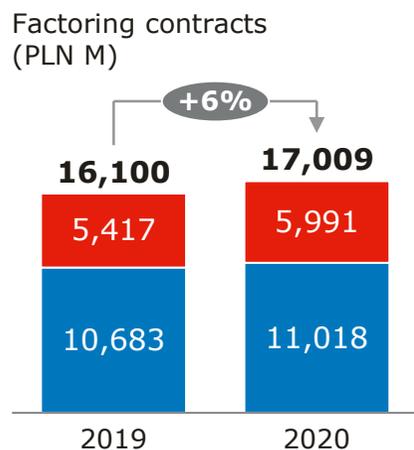
Profit before Tax (PLN M)



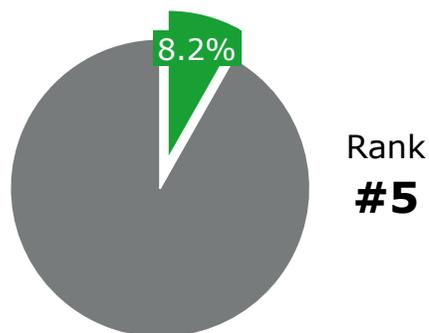
**m Faktoring**

established in 1995

offers factoring services, incl. domestic and export recourse and non-recourse factoring and import guarantees

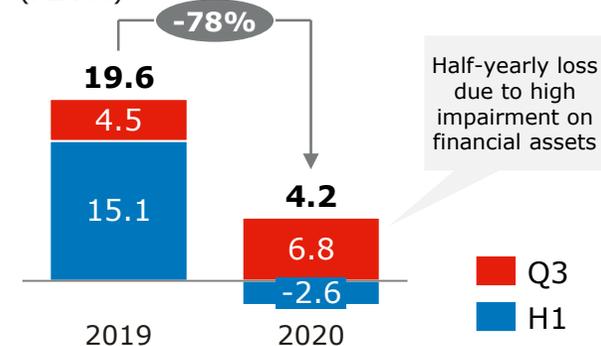


Market share & position – 9M 2020



Source: Polish Factors Association (PFA)

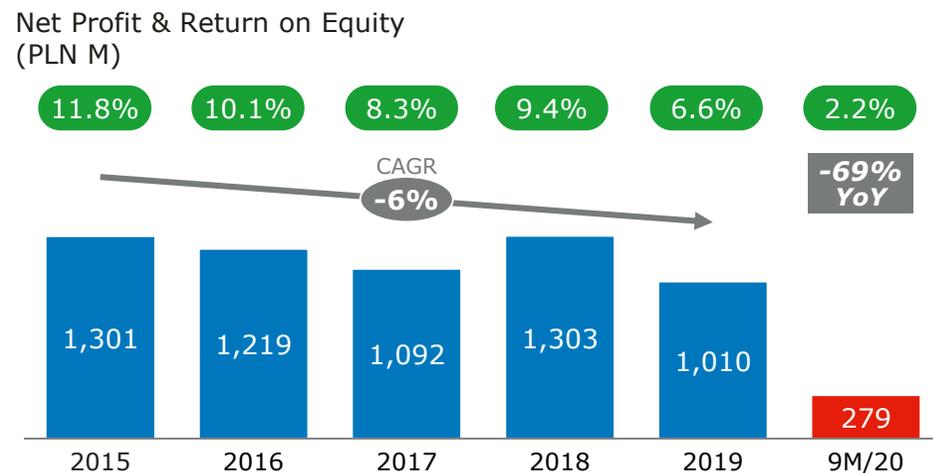
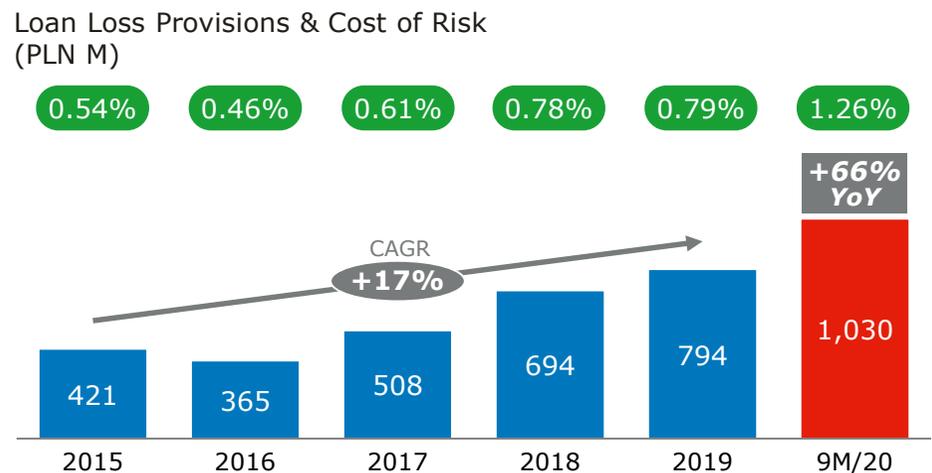
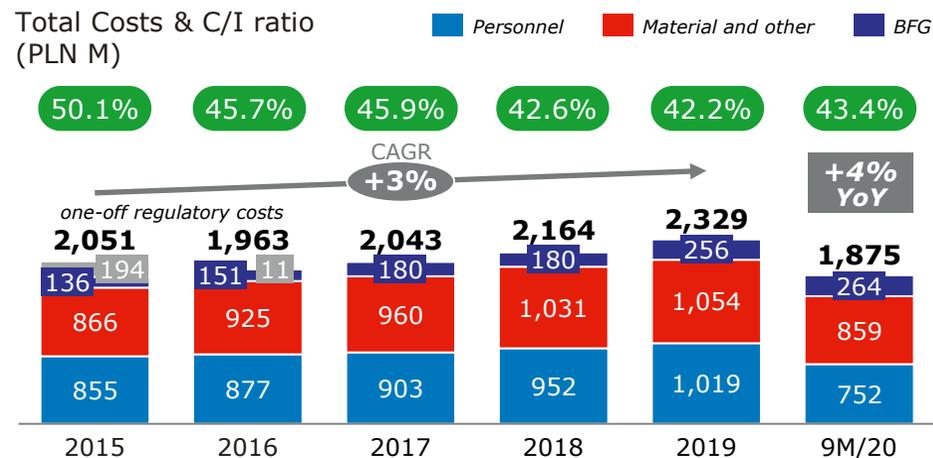
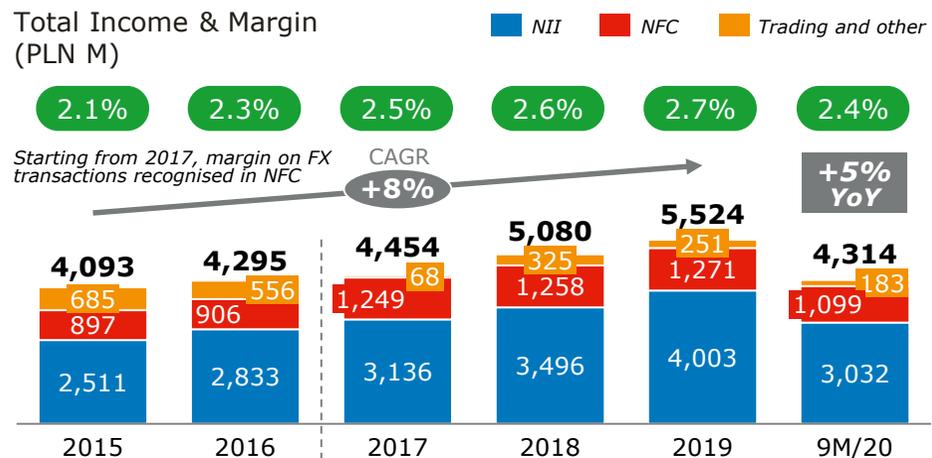
Profit before Tax (PLN M)



# Appendix

|                        |
|------------------------|
| Summary                |
| Profit & Loss          |
| Balance Sheet          |
| Business Lines         |
| Subsidiaries           |
| <b>Historical view</b> |

## mBank Group's historical performance: Profit and Loss Account



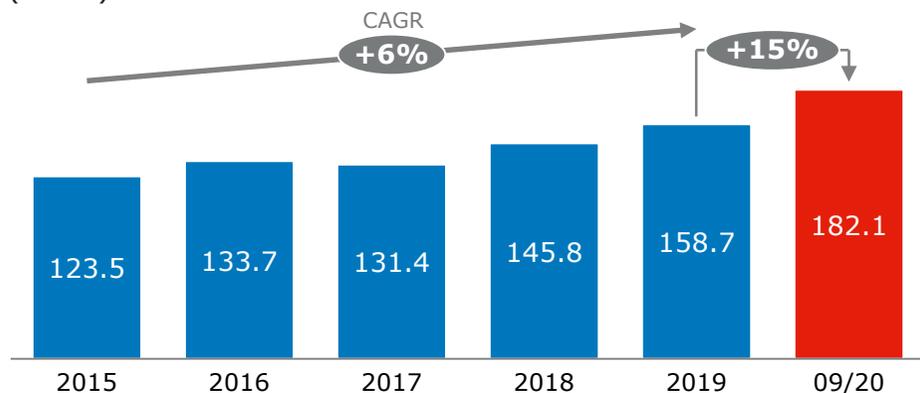
Note: A drop of net profit in 2019 and 9M 2020 caused by the provisions for legal risk related to the FX mortgage loans.

# Appendix

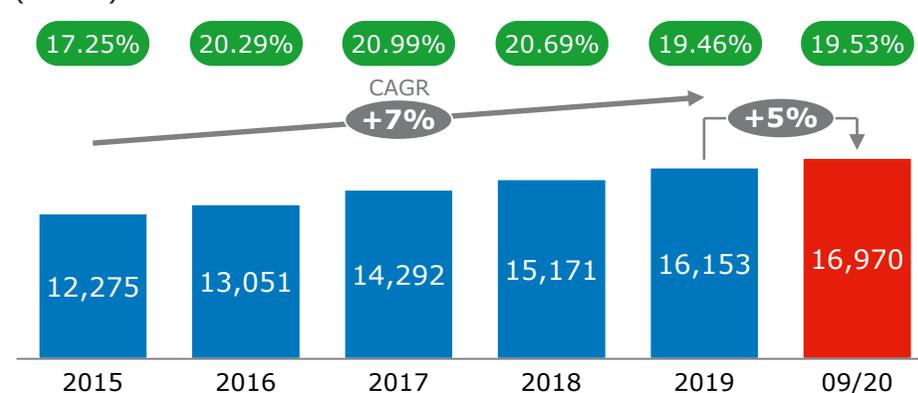
|                        |
|------------------------|
| Summary                |
| Profit & Loss          |
| Balance Sheet          |
| Business Lines         |
| Subsidiaries           |
| <b>Historical view</b> |

## mBank Group's historical performance: Balance Sheet

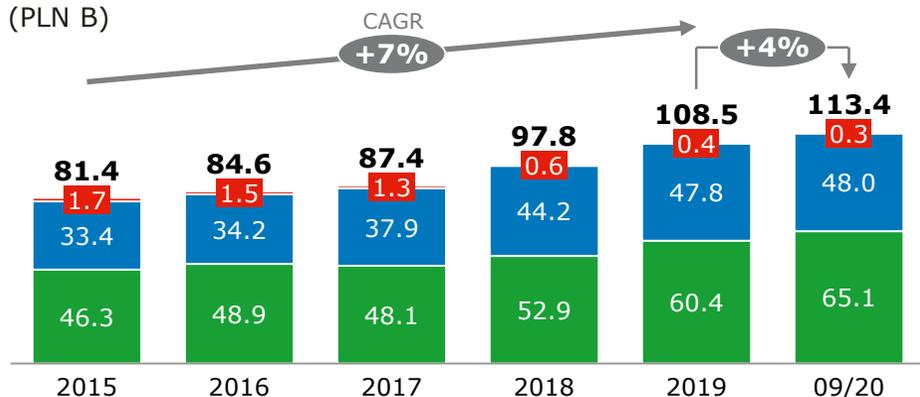
Total Assets  
(PLN B)



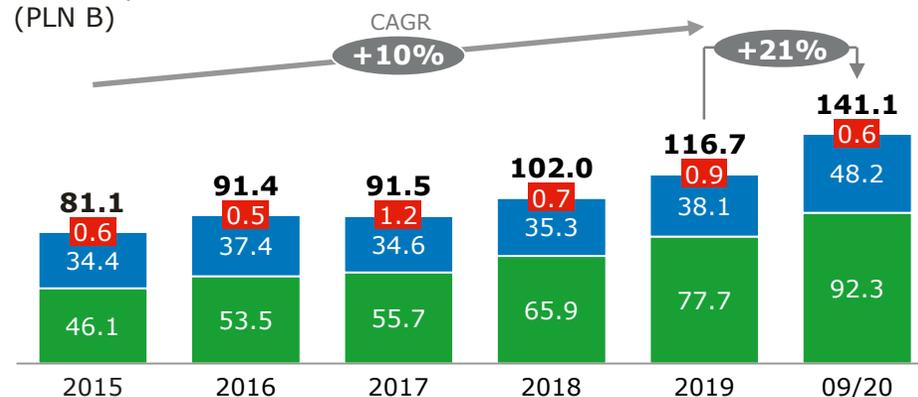
Equity & Total Capital Ratio  
(PLN M)



Total Gross Loans  
(PLN B)



Total Deposits  
(PLN B)



Individual clients Corporate clients Public sector and other

Individual clients Corporate clients Public sector

# mBank's share price performance

## Banking stocks depressed by worsening profitability and resurgence of pandemic

mBank's index membership and weights as of 30.09.2020

|            |                  |                     |
|------------|------------------|---------------------|
| WIG-30     | <b>WIG30</b>     | 1.233%              |
| WIG-20     | <b>WIG20</b>     | 1.317% <sup>1</sup> |
| WIG        | <b>WIG</b>       | 0.908%              |
| WIG-Banks  | <b>WIGbanki</b>  | 4.978%              |
| WIG-ESG    | <b>WIGESG</b>    | 1.467%              |
| WIG-Poland | <b>WIGPoland</b> | 0.926%              |

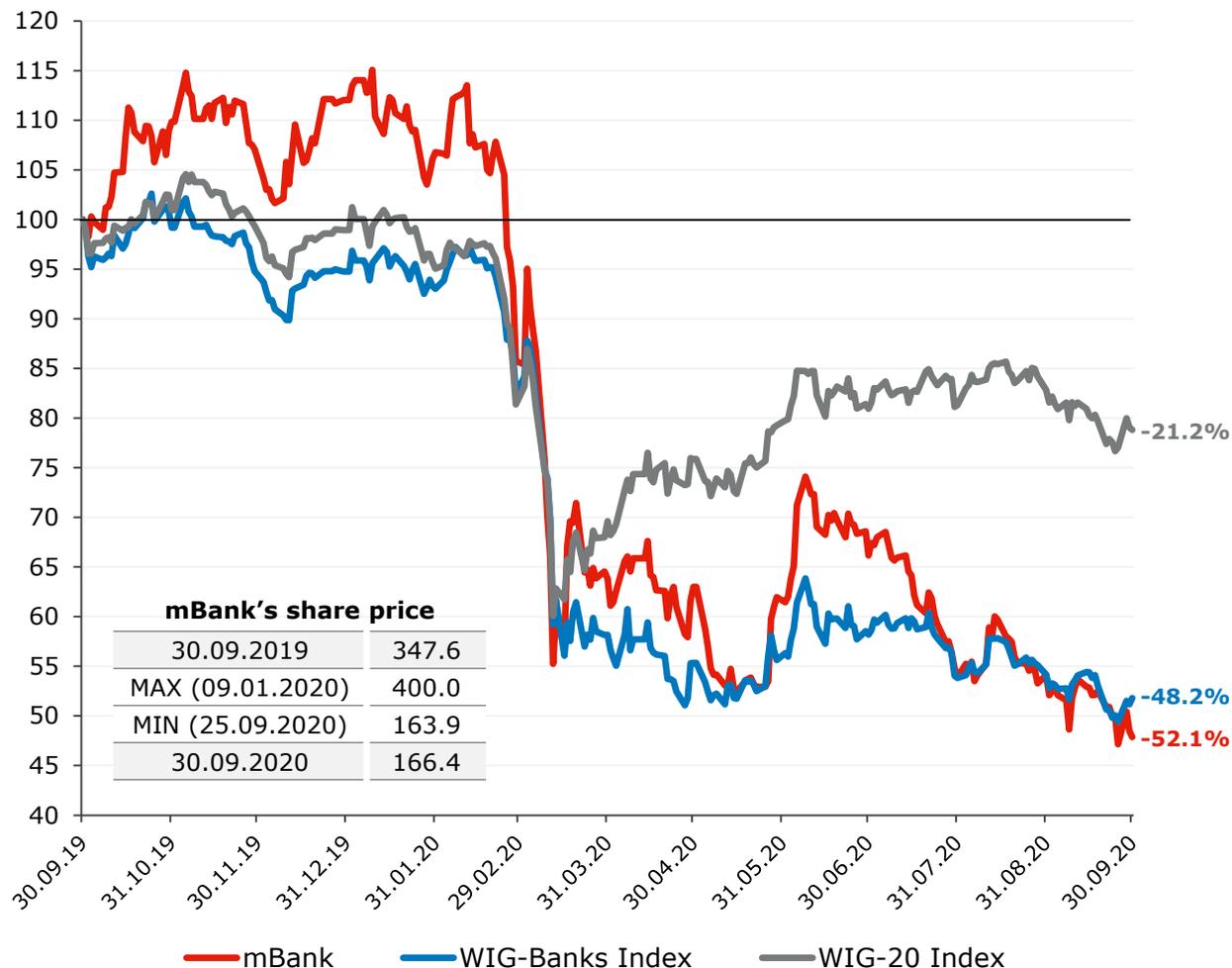
<sup>1</sup> After the trading session on 14.10.2020, there was an extraordinary adjustment of the indices resulting from the IPO of Allegro shares. mBank was replaced by this company in WIG20 (blue chip) index and entered the mWIG40 (mid-caps) index.

- mBank has been listed on the Warsaw Stock Exchange since October 1992
- A strategic shareholder, Germany's Commerzbank, owns 69.29% of shares

|                         |              |
|-------------------------|--------------|
| ISIN                    | PLBRE0000012 |
| Bloomberg               | MBK PW       |
| Number of shares issued | 42 365 259   |

Source: WSE, Bloomberg (data as of 30.09.2020).

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



# mBank Group's Strategy for 2020-2023

What will mBank be like in the horizon of the strategy for 2020-2023?

We will...



... continue mBank's **organic growth**, based on the **acquisition** of **young clients** and dynamic **companies** from prospective industries.



... **accompany** our clients throughout their **lifecycle** and **development**, designing our products, platforms, access channels and service model according to their **needs**.



... remain the most **convenient transactional bank** by providing our customers with **ease and speed of use**, high security standards, advanced platform, **personalisation** and a bonus for loyalty.



... build our offer and solutions based on the **mobile first** paradigm, increasing the share of sales and service in the **digital sphere**.



... intensify **optimisation**, **automation** and **digitalisation** of internal processes what will translate into savings for the organisation and **enhanced operational efficiency**.



... be systematically **improving our profitability** due to rising revenues, decent cost discipline and prudent approach to risk management, while **more favourable balance sheet structure** will result in higher margin.

# mBank Group's Strategy for 2020-2023

In the strategy for 2020-2023, mBank Group focuses on 4 areas

## Client

Acquisition &  
long-term relations

## Platform

Ecosystem &  
user experience

Four pillars of the  
strategy for 2020-2023  
correspond to the key  
components of mBank's  
business model

## Employees

& organisation culture

## Efficiency

Operational advantage

# mBank Group's Strategy for 2020-2023

Corporate Social Responsibility and Sustainable Development Strategy of mBank

## Top aim

Be among top three leaders of social responsibility in the banking sector

## Direction guidelines

Sustainable Development Goals (SDGs) set by the United Nations

For the first time, the CSR strategy has become an integral part of the document.

### mBank educates

- We support the development of mathematical education and equalize educational opportunities for young people.

*national competitions and grant programmes*



- We teach how to use online and mobile banking safely. We make customers more sensitive to cybercrime threats in the banking area.

*social (educational) campaigns*



### mBank cares about the climate and the environment

- We limit our indirect impact.

*credit policy regarding industries relevant in the context of EU climate policy*

*mBank in the ESG Index (GPW)*



- We limit our direct impact.

*measurement and reduction of our carbon footprint*  
*reduction of energy consumption*  
*saving water, paper and office supplies*



### mBank promotes prosperity

- We support organisations that work for social welfare.

*cooperation with WOŚP*



- We are accessible to clients with disabilities (inclusive banking).

- We act ethically.

*Code of Conduct 2.0*



- We communicate with our customers in a fair, clear and transparent way.

- We ensure diversity and equal opportunities.

# Contact details

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