

# Results of mBank Group Q1-Q4 2020

**Strong operating performance of core business.  
Results hampered by legacy portfolio.**

Management Board of mBank S.A.

Investor Presentation

February 9, 2021



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# Agenda

## ✓ Key Highlights of 2020 in mBank Group

### ✓ Summary of Main Trends in Q4 2020

Business Development of Retail and Corporate Segment

Key Financials

### ✓ Analysis of the Results after Q4 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 2020 in mBank Group

## Revenues

**Total income at record-high level of PLN 5,867 M despite market challenges**

## Net interest income & margin

**Stable NII at PLN 4,009 M (+0.2% YoY), NIM dropped by 37 bps to 2.32%**

- Three interest rate cuts by 140 bps in total to the lowest level ever recorded in Poland of 0.10% and weaker demand for loans stood for unfavourable environment for the bank's margin
- Overliquidity enabled a substantial reduction of funding costs, specifically on customer deposits

## Fees & commissions

**Soaring NFC at PLN 1,508 M (+18.7% YoY), supported by price adjustments**

- With high volatility and emerging investment opportunities, fees benefited from particularly strong income from brokerage activity and an increase of commissions for FX exchange
- Some modifications of banking tariffs contributed to positive dynamics of other categories

## Operating costs & efficiency

**Well-managed total costs of PLN 2,411 M (+3.5% YoY), excellent efficiency**

- Excluding higher payment to the Bank Guarantee Fund, cost base grew by 1.9% YoY, mainly due to rising amortisation, IT and project spending, reflecting investments in future growth
- Best-in-class Cost/Income ratio at 41.1% underpinned by optimal banking platform

## Credit losses & portfolio quality

**Elevated cost of risk at 119 bps, accompanied by resilient asset quality**

- Conservative approach to provisioning amid the uncertainty related to the COVID-19 pandemic
- NPL ratio of 4.8%, below the sector average, as clients returned to repayments after moratoria

## Profitability

**Net profit of PLN 104 M under severe negative impact of legacy portfolio**

- Provisions for legal risk related to FX loans of PLN 1,022 M and high banking tax of PLN 531 M significantly reduced Return on Equity (ROE) to reported 0.6% (v. normalized 6.8%)

# Key highlights of 2020 in mBank Group

## Loans

### **Slight expansion of loans to PLN 113.5 B (+1.9% YoY, excl. FX effect)**

- Credit portfolio shaped by opposing trends, with record-high sales of mortgage loans offsetting a decline of corporate exposures, while dynamics of consumer lending volume slowed down
- Market share in household loans improved to 7.4% and in enterprises loans was kept at 8.5%
- Continued repayment of CHF mortgage portfolio: down by CHF 282 M or 7.9% in 2020

## Deposits

### **Surge of deposits to PLN 137.7 B (+18.0% YoY), driven by both segments**

- High increase due to hefty inflows (transfers of PFR's funds to corporates) and lower spending (cautious savings by retail customers), accompanied by favourable term structure evolution
- Market share in household deposits went up to 7.8% and in enterprises deposits down to 9.4%

## Funding profile

### **Ample liquidity levels and a well diversified funding structure**

- Loan-to-Deposit ratio of 79.8% and LCR at 202%, allowing for comfortable business growth
- Due to extraordinary market conditions, including exceptionally strong inflow of deposits, new issues of unsecured bonds under EMTN programme and covered bonds were ceased

## Capital position

### **High capital ratios well above regulatory requirements**

- Consolidated Tier 1 Capital Ratio at 17.0% and Total Capital Ratio at 19.9% safely exceeding required levels of 11.15% and 13.86%, respectively
- Polish FSA's minima reduced with lifted systemic risk buffer, revised down individual capital requirement related to the risk of FX mortgage loans and O-SII buffer lowered to 0.50%

## Client base

### **mBank's growth is fuelled by its new and existing clients, organically**

- 5,662 thousand retail customers in Poland, Czech Republic and Slovakia, with favourable demographic profile, and 29.1 thousand corporates with good development prospects

# Key product and offer innovations in 2020

At mBank, we are permanently working to provide the best customer experience

## We are constantly developing our offer and platform...

- ✓ Opening of an individual account via smartphone, without a need to visit a bank branch
- ✓ Fully digital onboarding of corporate clients, with no in-person contact and printouts required
- ✓ Cash loan without documenting the salary on paper thanks to open banking solutions under PSD2
- ✓ Safe online mortgage process with only one meeting at the branch to sign the loan contract
- ✓ The fastest online payment platform Paynow designed for e-commerce
- ✓ Electronic signing of agreements for corporate customers

## ...taking into account ESG and pandemic-related challenges...

- ✓ Loan repayment moratorium for retail and corporate clients
- ✓ Servicing applications for support under Polish Development Fund Financial Shield via mBank's system
- ✓ Increase of the limit for Renewable Energy financing to PLN 4 billion
- ✓ Free-of-charge hotline for accounting consultancy available for mBank's business clients
- ✓ Educational campaign "Digital Revolution" to help entrepreneurs create an online shop
- ✓ Donation of PLN 500,000 for the COVID-19 Relief Fund of the Great Orchestra of Christmas Charity

## ...and supplementing the product palette with related services

- ✓ Request for a money transfer on a cell phone number via BLIK mobile payment system
- ✓ A complete set of tools helping firms to start doing business online
- ✓ Junior account with a payment card for children aged below 13 available to be remotely opened by parents
- ✓ Online platform mAuto.pl for car sales and financing for individuals and SMEs launched by mLeasing
- ✓ Recourse factoring with the BGK guarantee offered by mFactoring
- ✓ Virtual card enabling to pay online, with card data kept in the mobile application



# Summary of 2020 in mBank Group

## Key Financials: Profit and Loss Account

PLN million	2018	2019	2020	change YoY
Net interest income	3,496.5	4,002.8	4,009.3	+0.2%
Net fee and commission income	1,257.8	1,270.6	1,508.3	+18.7%
Trading and other income <sup>1</sup>	325.3	251.0	349.2	+39.1%
<b>Total income</b>	<b>5,079.5</b>	<b>5,524.4</b>	<b>5,866.8</b>	<b>+6.2%</b>
<b>Total costs</b>	<b>-2,163.9</b>	<b>-2,329.2</b>	<b>-2,411.1</b>	<b>+3.5%</b>
Loan loss provisions and fair value change <sup>2</sup>	-694.4	-793.8	-1,292.8	+62.9%
Provisions for legal risk related to FX loans	-20.3	-387.8	-1,021.7	+163.5%
<b>Operating profit</b>	<b>2,200.8</b>	<b>2,013.7</b>	<b>1,141.1</b>	<b>-43.3%</b>
Taxes on the Group balance sheet items	-415.4	-458.7	-531.4	+15.9%
<b>Profit before income tax</b>	<b>1,786.6</b>	<b>1,555.0</b>	<b>609.7</b>	<b>-60.8%</b>
<b>Net profit</b>	<b>1,302.8</b>	<b>1,010.4</b>	<b>103.8</b>	<b>-89.7%</b>
Net Interest Margin	2.58%	2.69%	2.32%	-0.37 p.p.
Cost/Income ratio	42.6%	42.2%	41.1%	-1.1 p.p.
Cost of Risk	0.78%	0.79%	1.19%	+0.40 p.p.
Return on Equity (ROE)	9.4%	6.6%	0.6%	-6.0 p.p.
Return on Assets (ROA)	0.93%	0.66%	0.06%	-0.60 p.p.

<sup>1</sup> Including a gain on the sale of an organised part of the enterprise of mFinanse (PLN 219.7 M) in 2018;

<sup>2</sup> From 2018 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'

# Summary of 2020 in mBank Group

## Key Financials: Balance Sheet

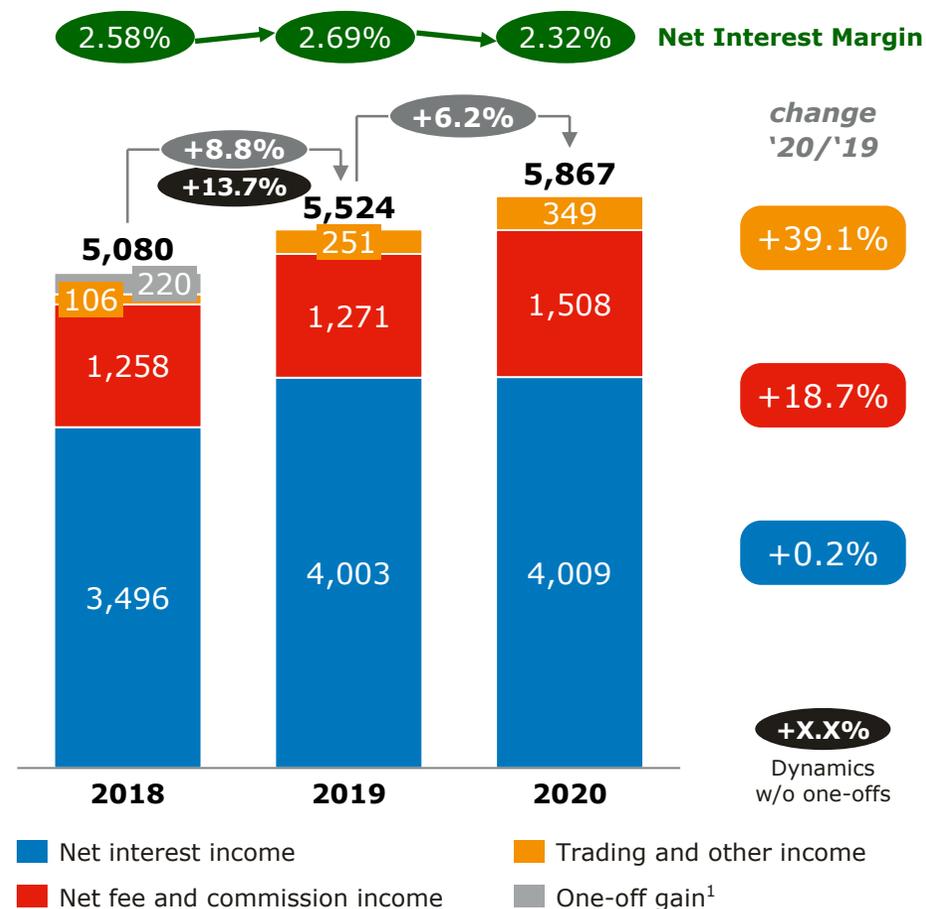
<i>PLN million</i>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<i>change YoY</i>
<b>Total assets</b>	<b>145,781</b>	<b>158,721</b>	<b>180,136</b>	<b>+13.5%</b>
<b>Gross loans to customers</b>	<b>97,808</b>	<b>108,538</b>	<b>113,473</b>	<b>+4.5%</b>
Retail client loans	52,925	60,361	67,216	+11.4%
Corporate client loans	44,233	47,786	46,025	-3.7%
<b>Customer deposits</b>	<b>102,009</b>	<b>116,661</b>	<b>137,699</b>	<b>+18.0%</b>
Retail client deposits	65,924	77,664	97,976	+26.2%
Corporate client deposits <sup>1</sup>	34,633	37,963	39,143	+3.1%
<b>Total equity</b>	<b>15,171</b>	<b>16,153</b>	<b>16,675</b>	<b>+3.2%</b>
Loan to Deposit ratio	92.9%	90.3%	79.8%	-10.5 p.p.
NPL ratio	4.8%	4.5%	4.8%	+0.3 p.p.
Coverage ratio	62.5%	60.7%	58.2%	-2.5 p.p.
Tier 1 Capital Ratio	17.5%	16.5%	17.0%	+0.5 p.p.
Total Capital Ratio	20.7%	19.5%	19.9%	+0.4 p.p.

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

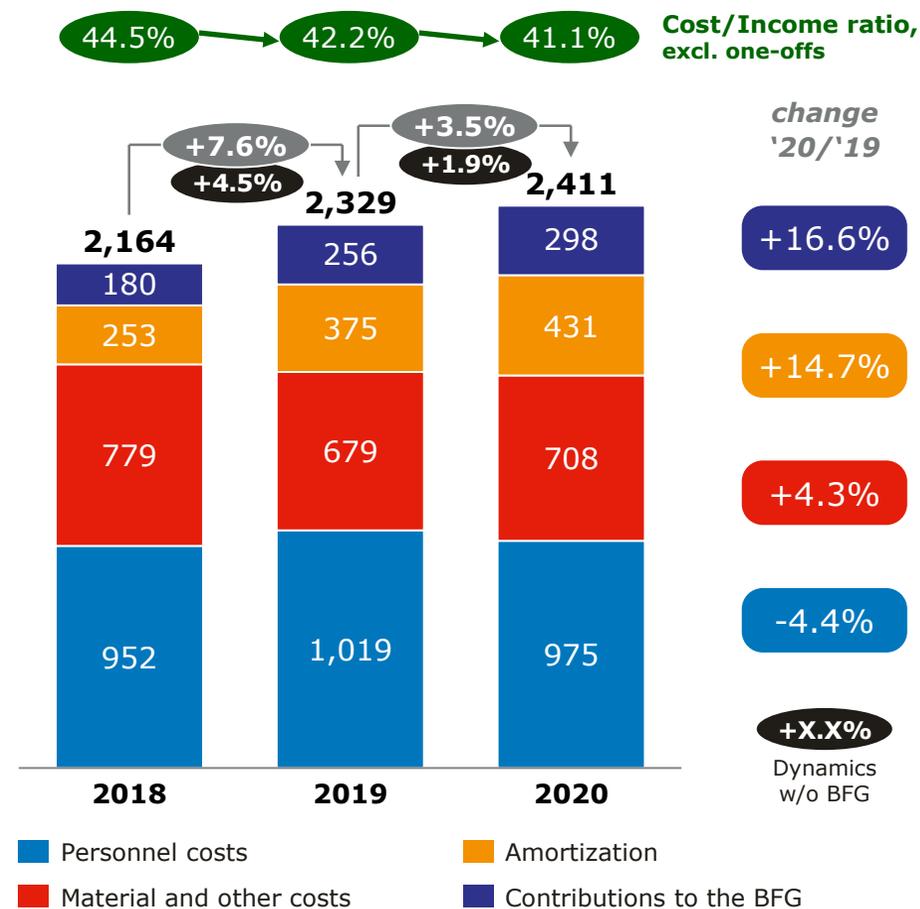
# Summary of 2020 in mBank Group

Revenues kept on growth trajectory, continued improvement of underlying efficiency

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



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



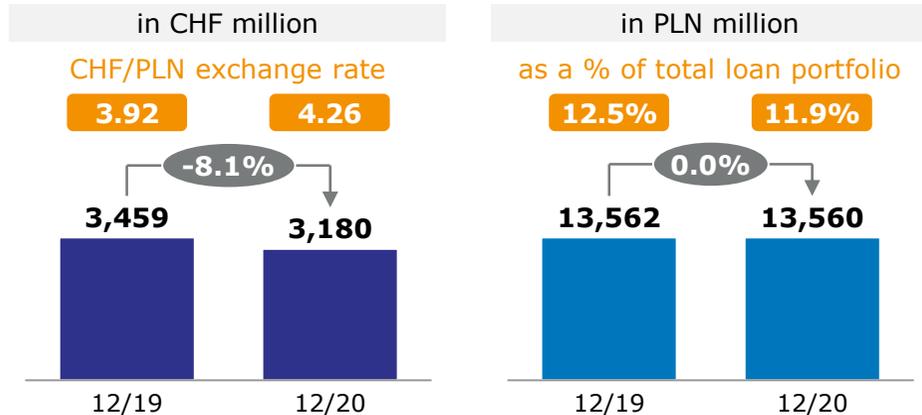
<sup>1</sup> Result on the sale of an organised part of the enterprise of mFinanse (PLN 219.7 M).  
Note: Total net revenues presented without provisions for legal risk related to FX mortgage loans.

Note: Development of material costs and amortization distorted due to implementation of IFRS 16.

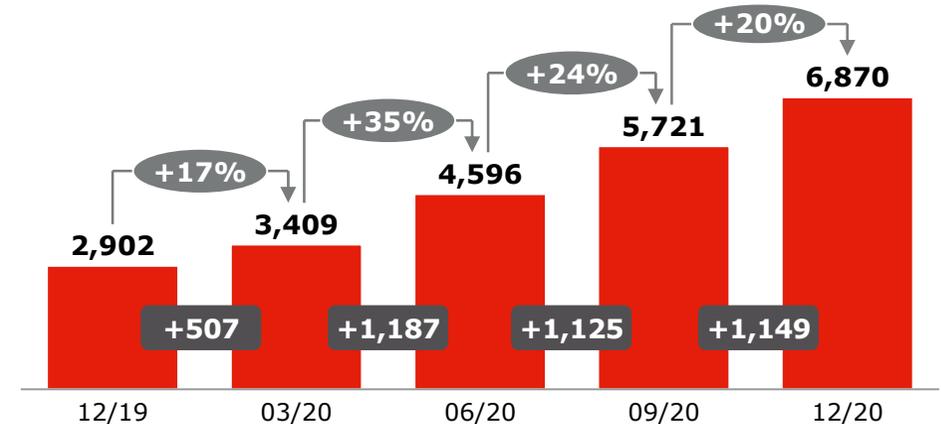
# Summary of 2020 in mBank Group

Provisions for legal risk cover more than 10% of the CHF portfolio and full value of claims

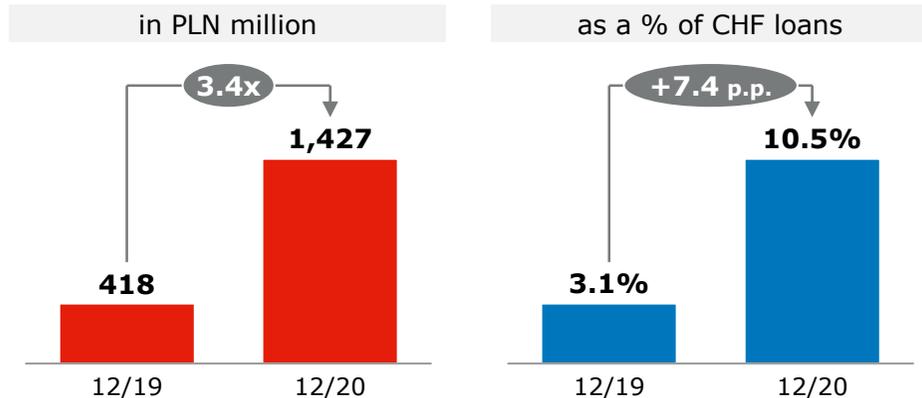
Carrying amount of mortgage loans granted to individual customers in CHF



Number of individual court cases concerning indexation clauses in mortgage loans in CHF



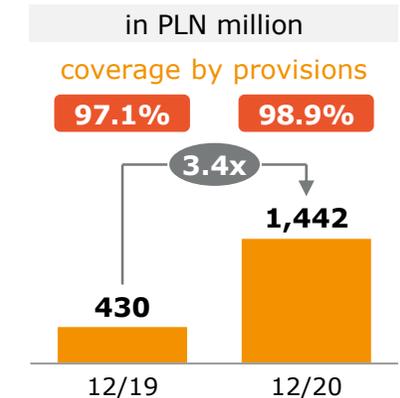
Total value of provisions created for individual court cases concerning indexation clauses in mortgage loans in CHF



Key parameters for the calculation of portfolio provisions include:

- population of borrowers who will file a lawsuit against the bank projected for a period of 5 years
- probability of loss, defined as a share of negative verdicts in all final judgments in 5-year period
- expected level of loss in case of losing the lawsuit by the bank (taking into account a distribution of 3 possible outcomes)
- CHF/PLN exchange rate

Total value of claims in the individual proceedings



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# Key highlights of Q4 2020



## **Strong core income of PLN 1,386.4 M, despite still unfavourable market conditions**

- Net interest income at PLN 976.9 M (-3.3% YoY), severely affected by rate cuts and declining loan yields
- Net fee and commission income at PLN 409.5 M (+18.8% YoY), driven by client activity and price adjustments

## **Efficient management evidenced by Cost/Income ratio of 34.6% (normalized 37.3%<sup>1</sup>)**

- Total revenues supported by sale of bonds (+10.1% YoY), strict cost discipline adopted (-3.2% YoY, excl. BFG)

## **Net loss of PLN 174.7 M impacted by elevated legal provisions related to CHF loans**



## **Continued increase of retail volumes, subdued dynamics in corporate segment**

- Gross loans at PLN 113.5 B (-0.7% QoQ, +1.9% YoY, excl. FX effect), growing retail credit portfolio
- Customer deposits at PLN 137.7 B (-2.4% QoQ, +18.0% YoY), stimulated outflow of corporate clients' money

## **Divergent trends in new lending, consumer credits still below pre-COVID-19 level**

- Higher sales of housing loans at PLN 2.95 B (+36% YoY); constant reduction of CHF portfolio (-7.9% YoY)
- New production of non-mortgage loans curbed to PLN 1.72 B (-36% YoY) with more cautious criteria



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

- Consolidated Tier 1 Capital Ratio at 16.99% and Total Capital Ratio at 19.86%<sup>2</sup>
- Loan-to-Deposit ratio at 79.8% and LCR at 202% confirming safety; the most diversified funding structure

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

- Cost of risk at 96 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 58.2%

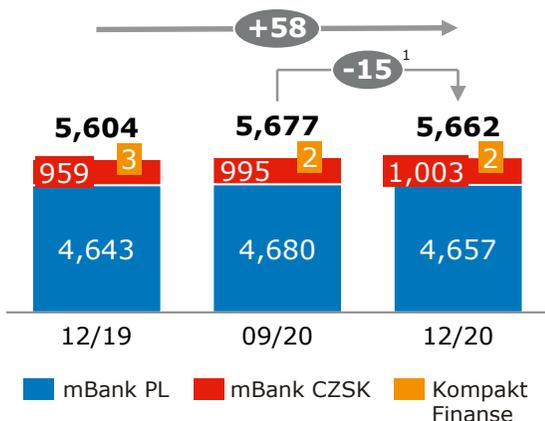
<sup>1</sup> Including ¼ of contribution to the Resolution Fund booked in Q1/20; <sup>2</sup> Stand-alone capital ratios were Tier 1 Capital Ratio of 19.59% and Total Capital Ratio of 22.95%

# Summary of Q4 2020 in mBank Group

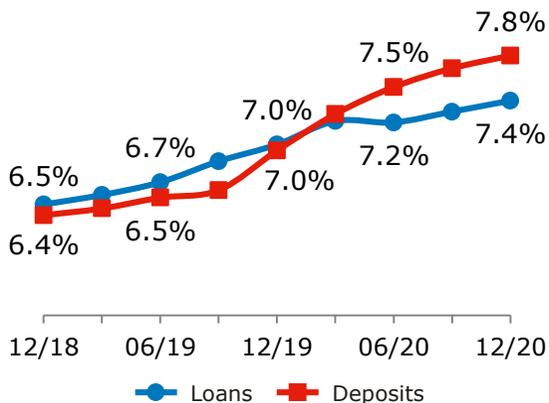
## Business Development of Retail Banking and Corporate Banking

Retail Banking

Number of Retail Clients (thou.)



Market shares - Households

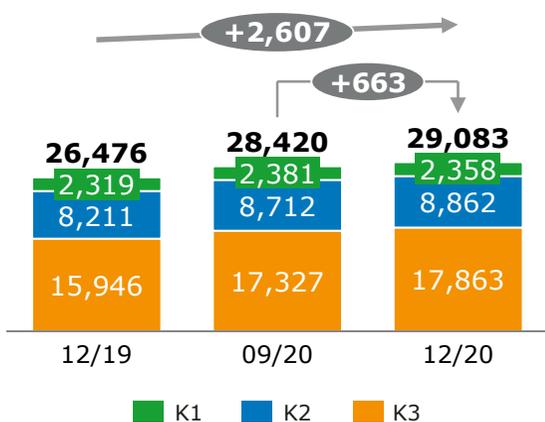


### Innovations and new products

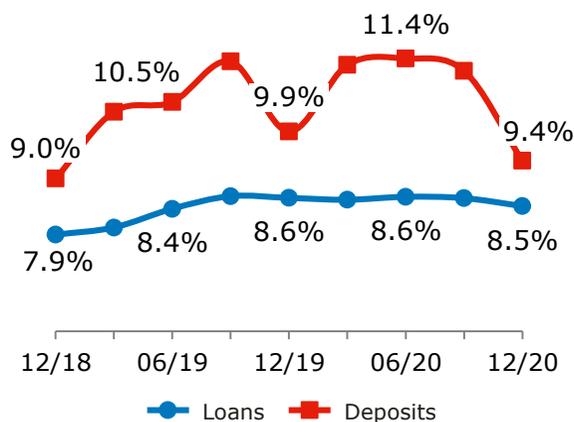
- ✓ mBank introduced a remote identity verification with myID (mojeID). Thanks to this tool, clients can confirm their identity and thus get access to online services in an easy and safe way. It applies for a wide range of commercial and public providers from various sectors.
- ✓ mLeasing launched online platform for car sales. Using mAuto.pl portal, clients can remotely choose a new or used car, adjust an offer and decide on its financing. SMEs may select leasing or long-term rental, while individuals can purchase with cash. New service includes delivery to home and possibility to return.
- ✓ mBank granted another funding for photovoltaic projects to R.POWER. The October amount of PLN 102 M constituted a third agreement between the companies, totalling already PLN 355 M. The tranche is for the construction of 32 power plants.

Corporate Banking

Number of Corporate Clients



Market shares - Enterprises



<sup>1</sup> Growth in the number of customers negatively impacted by the closing of accounts in the microfirms segment

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 Q4 2020 in mBank Group

## Key Financials: Profit and Loss Account

PLN million	Q4/19	Q3/20	Q4/20	change QoQ	change YoY
Net interest income	1,010.5	960.3	976.9	+1.7%	-3.3%
Net fee and commission income	344.7	373.2	409.5	+9.7%	+18.8%
<b>Total income</b>	<b>1,409.3</b>	<b>1,410.7</b>	<b>1,552.3</b>	<b>+10.0%</b>	<b>+10.1%</b>
<b>Total costs</b> (excluding BFG)	<b>-518.9</b>	<b>-533.0</b>	<b>-502.2</b>	<b>-5.8%</b>	<b>-3.2%</b>
Contributions to the BFG	-14.8	-33.7	-34.4	+2.1%	+131.7%
Loan loss provisions and fair value change <sup>1</sup>	-174.9	-268.8	-262.6	-2.3%	+50.2%
Provisions for legal risk related to FX loans	-293.5	-186.9	-633.0	+238.8%	+115.7%
<b>Operating profit</b>	<b>407.3</b>	<b>388.3</b>	<b>120.2</b>	<b>-69.1%</b>	<b>-70.5%</b>
Taxes on the Group balance sheet items	-121.4	-133.4	-127.8	-4.2%	+5.3%
<b>Profit before income tax</b>	<b>285.9</b>	<b>255.0</b>	<b>-7.6</b>	<b>+/-</b>	<b>+/-</b>
<b>Net profit</b>	<b>116.3</b>	<b>100.6</b>	<b>-174.7</b>	<b>+/-</b>	<b>+/-</b>
Net Interest Margin	2.60%	2.15%	2.20%	+0.05 p.p.	-0.40 p.p.
Cost/Income ratio	37.9%	40.2%	34.6%	-5.6 p.p.	-3.3 p.p.
Cost of Risk	0.67%	0.98%	0.96%	-0.02 p.p.	+0.29 p.p.
Return on Equity (ROE)	3.0%	2.4%	-4.2%	-6.6 p.p.	-7.2 p.p.
Return on Assets (ROA)	0.29%	0.22%	-0.38%	-0.60 p.p.	-0.67 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 Q4 2020 in mBank Group

## Key Financials: Balance Sheet

<i>PLN million</i>	<b>Q4/19</b>	<b>Q3/20</b>	<b>Q4/20</b>	<i>change QoQ</i>	<i>change YoY</i>
<b>Total assets</b>	<b>158,721</b>	<b>182,147</b>	<b>180,136</b>	-1.1% ↓	+13.5% ↑
<b>Gross loans to customers</b>	<b>108,538</b>	<b>113,395</b>	<b>113,473</b>	+0.1% ↑	+4.5% ↑
Retail client loans	60,361	65,115	67,216	+3.2% ↑	+11.4% ↑
Corporate client loans	47,786	47,970	46,025	-4.1% ↓	-3.7% ↓
<b>Customer deposits</b>	<b>116,661</b>	<b>141,119</b>	<b>137,699</b>	-2.4% ↓	+18.0% ↑
Retail client deposits	77,664	92,303	97,976	+6.1% ↑	+26.2% ↑
Corporate client deposits <sup>1</sup>	37,963	47,882	39,143	-18.3% ↓	+3.1% ↑
<b>Total equity</b>	<b>16,153</b>	<b>16,970</b>	<b>16,675</b>	-1.7% ↓	+3.2% ↑
Loan to Deposit ratio	90.3%	77.7%	79.8%	+2.1 p.p.	-10.5 p.p.
NPL ratio	4.5%	4.8%	4.8%	0.0 p.p.	+0.3 p.p.
Coverage ratio	60.7%	60.7%	58.2%	-2.5 p.p.	-2.5 p.p.
Tier 1 Capital Ratio	16.5%	16.7%	17.0%	+0.3 p.p.	+0.5 p.p.
Total Capital Ratio	19.5%	19.5%	19.9%	+0.4 p.p.	+0.4 p.p.

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

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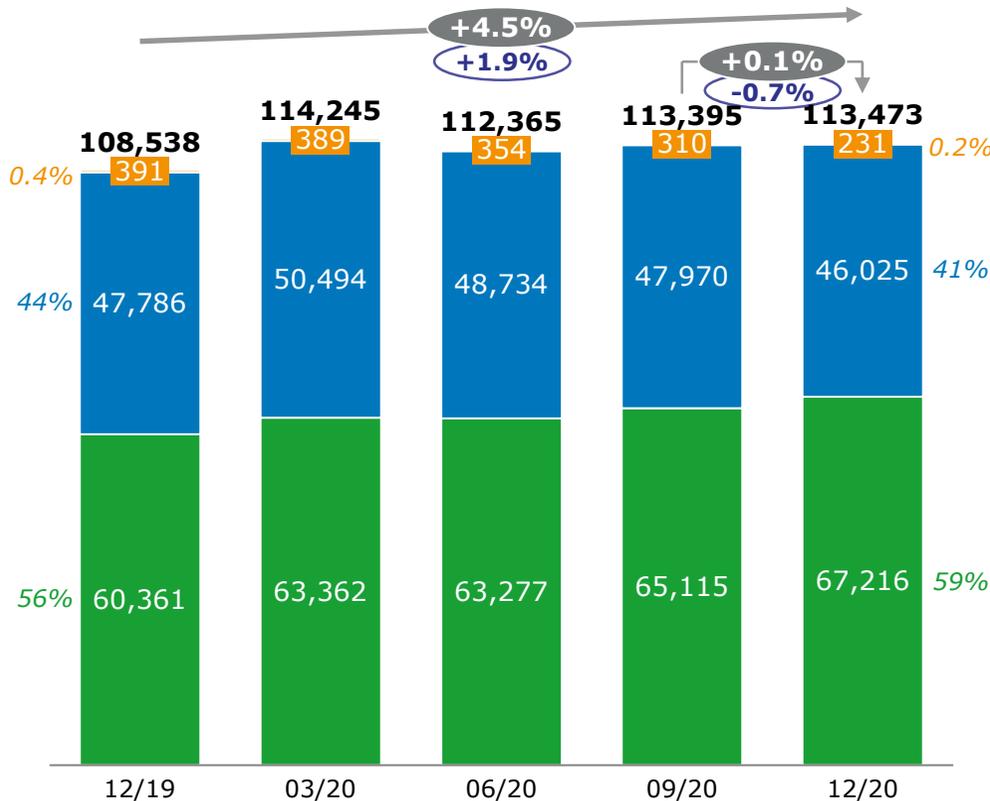
Detailed Results of Business Lines



# Results of mBank Group: Loans to customers

Subdued dynamics of loan portfolio, rising retail volumes offset declining corporate credits

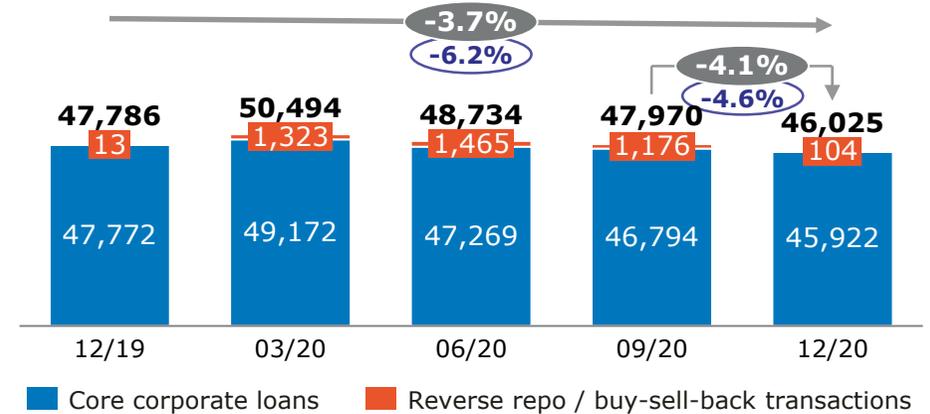
Development of Gross Loans and Advances to Customers (PLN M)



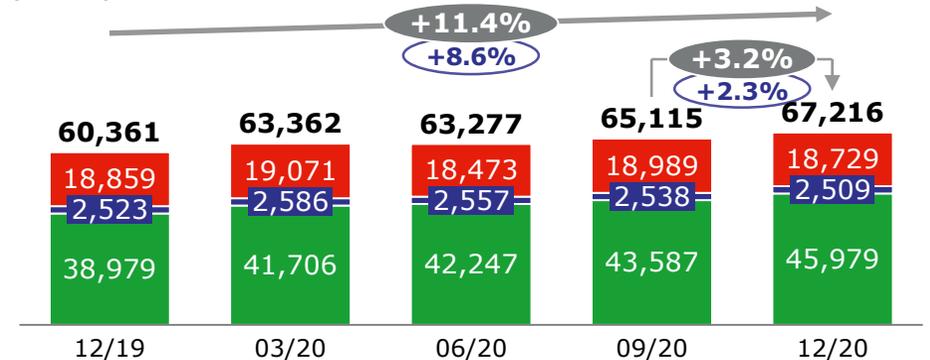
- Individual clients
- Corporate clients
- Public sector

+X.X% Excluding FX effect

Gross Loans to Corporate Entities (PLN M)



Gross Loans to Retail Customers (PLN M)

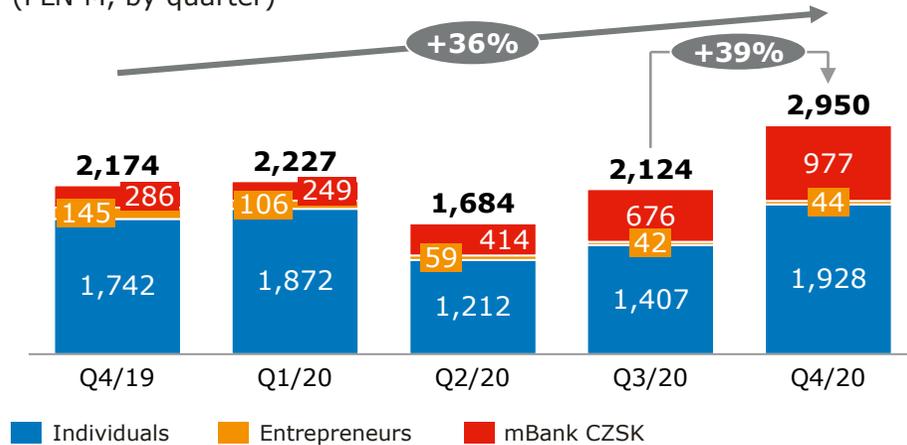


Mortgage loans: to Individuals to Microfirms Non-mortgage loans

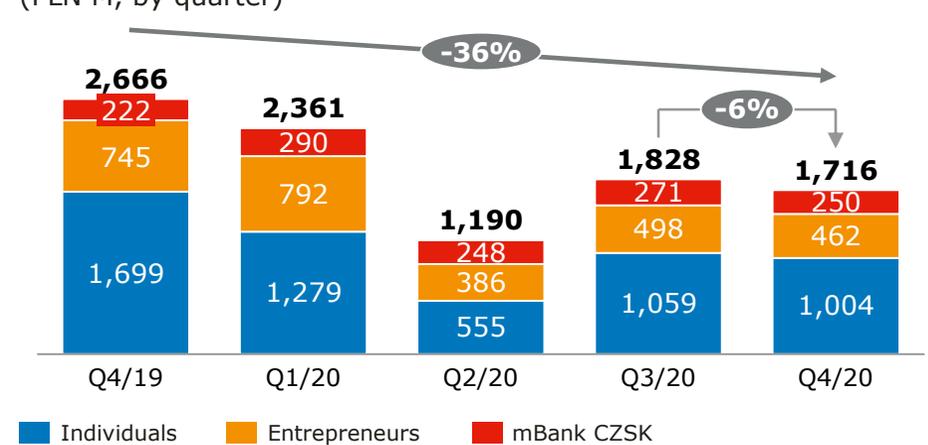
# Results of mBank Group: New lending business

Accelerating sales of housing loans, more cautious approach to consumer lending

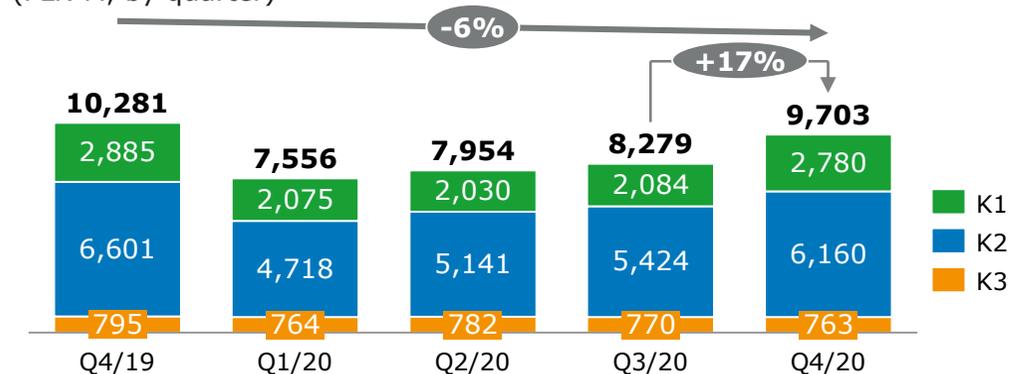
Sales of Mortgage Loans  
(PLN M, by quarter)



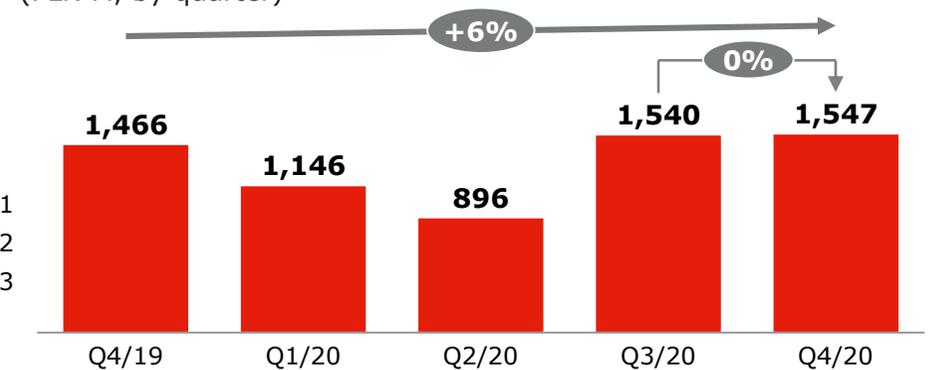
Sales of Non-mortgage Loans  
(PLN M, by quarter)



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



New Leasing Contracts  
(PLN M, by quarter)



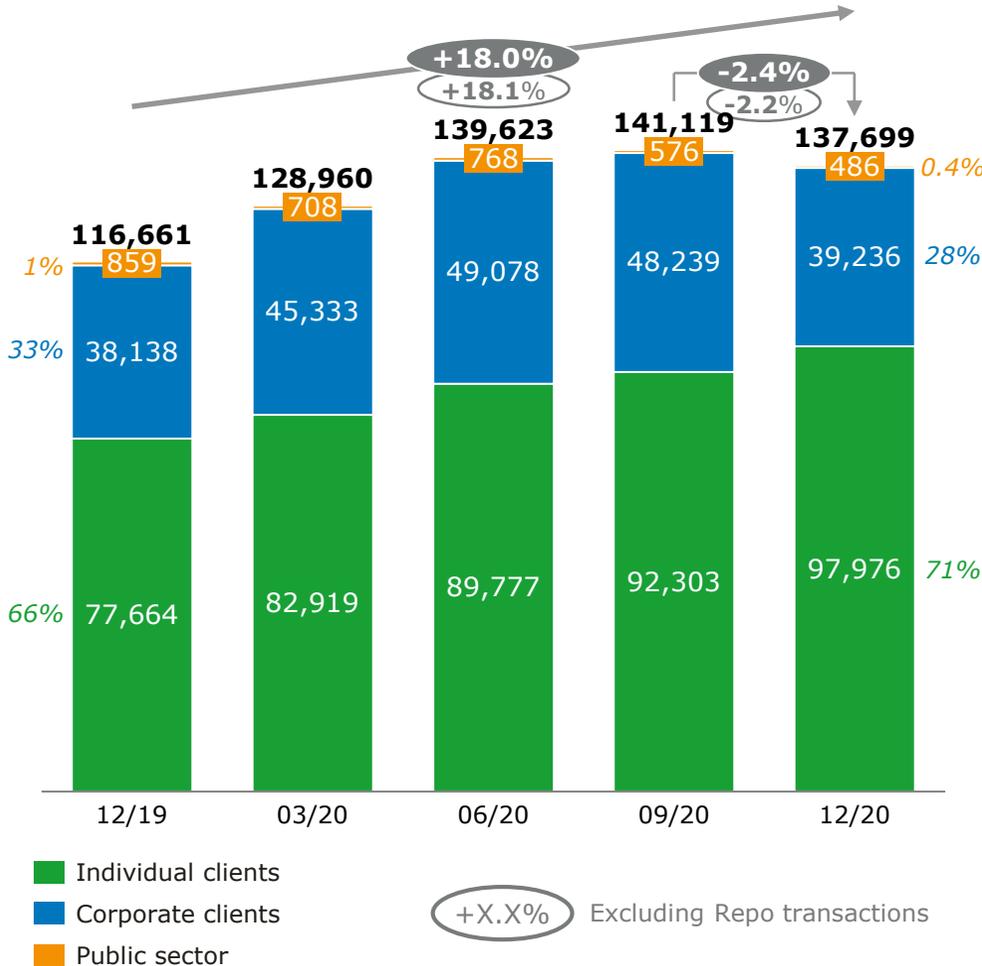
<sup>1</sup> Including new sale, rising and renewal

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.

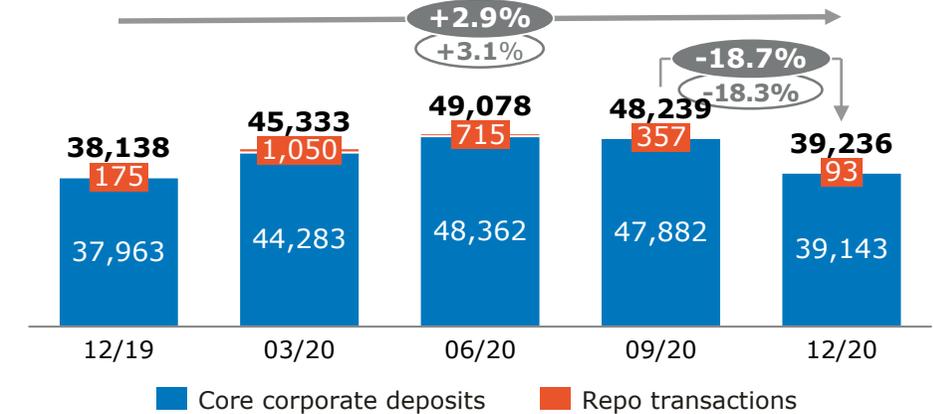
# Results of mBank Group: Customer deposits

Strong inflows to retail current accounts, intentional reduction of corporate deposits

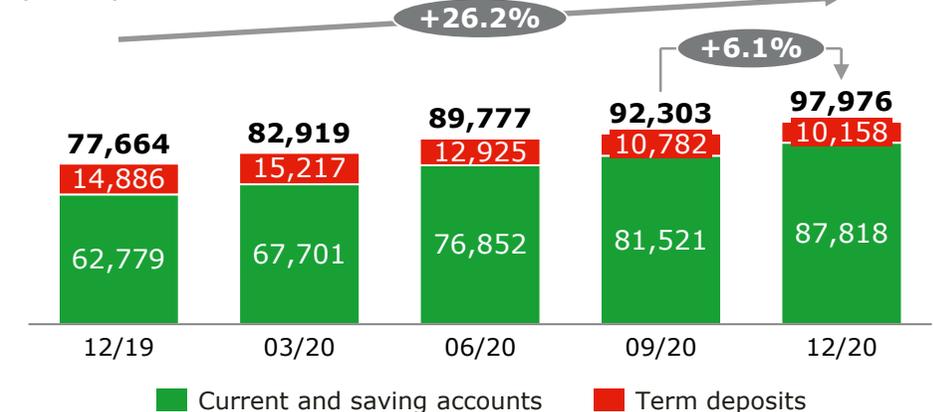
Development of Customer Deposits (PLN M)



Deposits from Corporate Entities (PLN M)



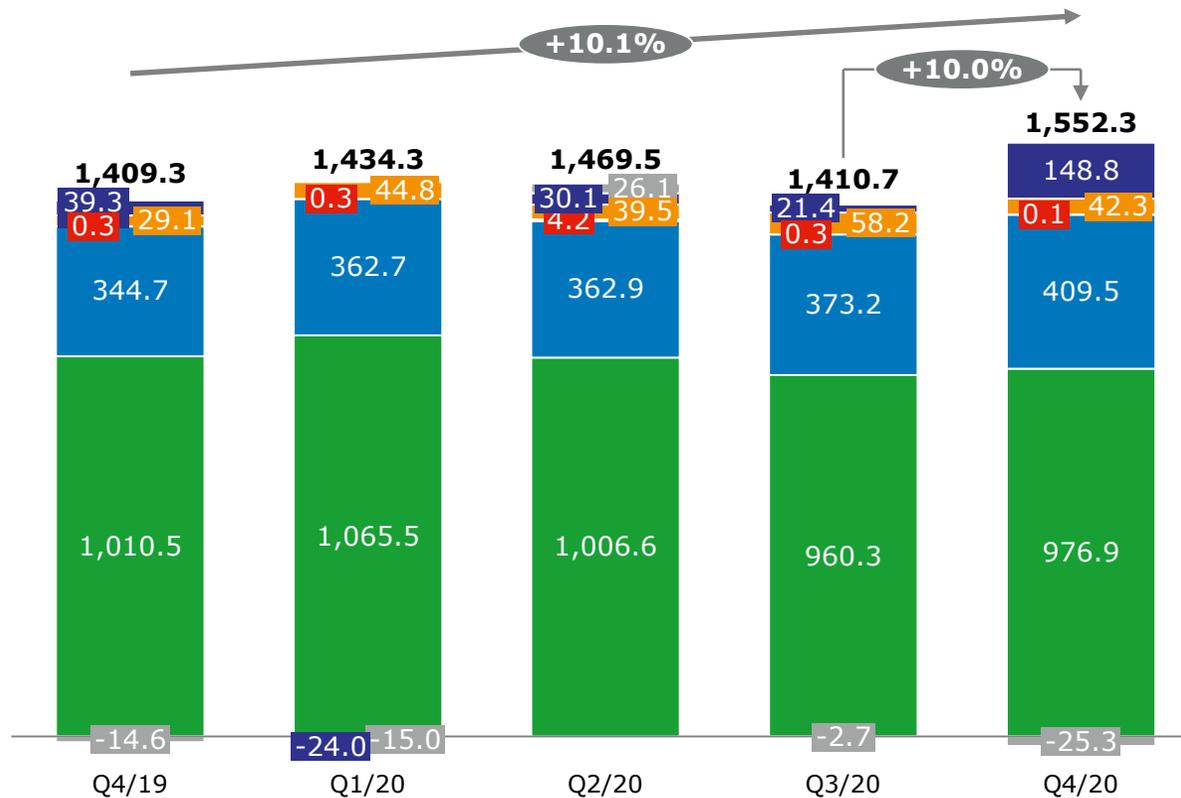
Deposits from Retail Customers (PLN M)



# Results of mBank Group: Total income

Net interest income bottomed out, net fees kept growing, support from non-core income

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



In Q4/20, total revenues were positively impacted by:

- sale of bonds (PLN 93 M);
- upward revaluation of minor stakes held by mBank in KIR S.A. and PSP (operator of BLIK);
- partial disposal of Visa stake (series A preferred shares);

QoQ

YoY

-27.3%

+45.2%

+9.7%

+18.8%

+1.7%

-3.3%

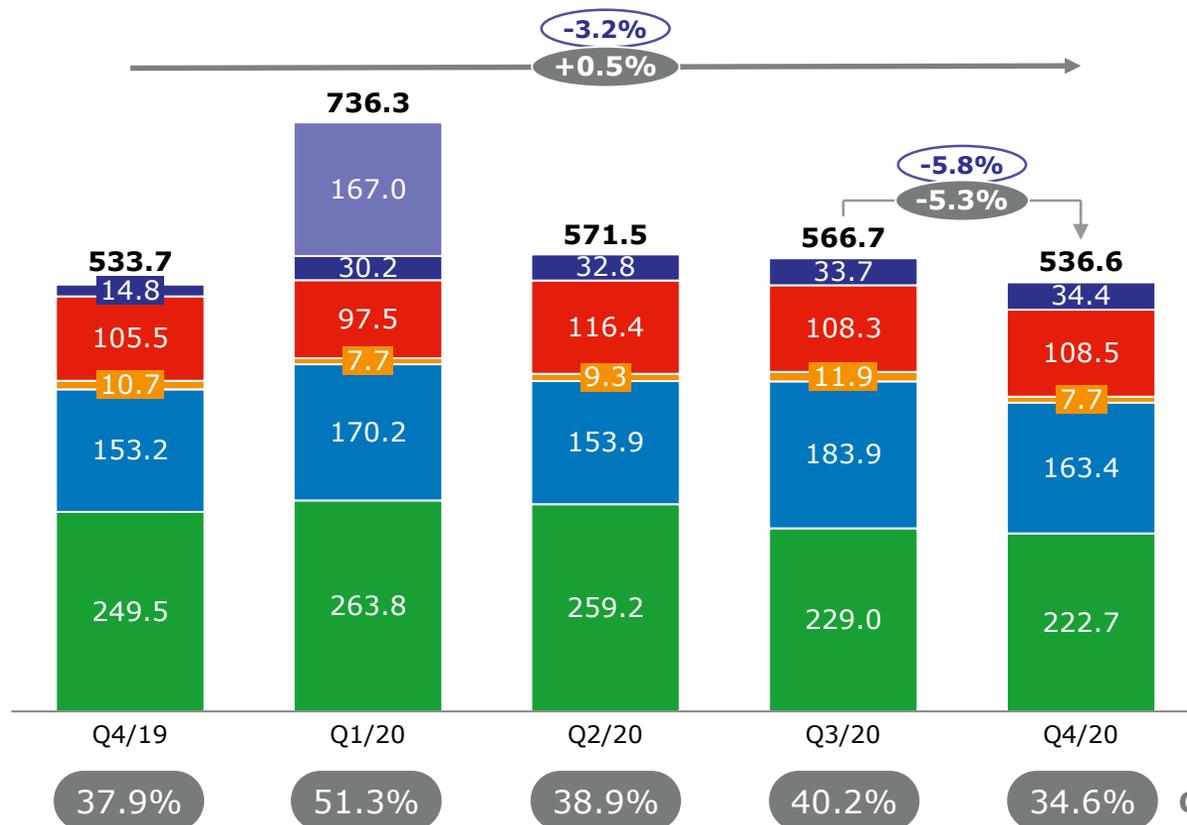
■ Net interest income     
 ■ Dividend income     
 ■ Gains less losses from financial assets and liabilities <sup>1</sup>  
■ Net fee and commission income     
 ■ Net trading income     
 ■ Net other operating income

<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, tight cost discipline

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



■ Personnel costs   
 ■ Other costs<sup>1</sup>   
 ■ Contributions to the BFG  
■ Material costs   
 ■ Amortization

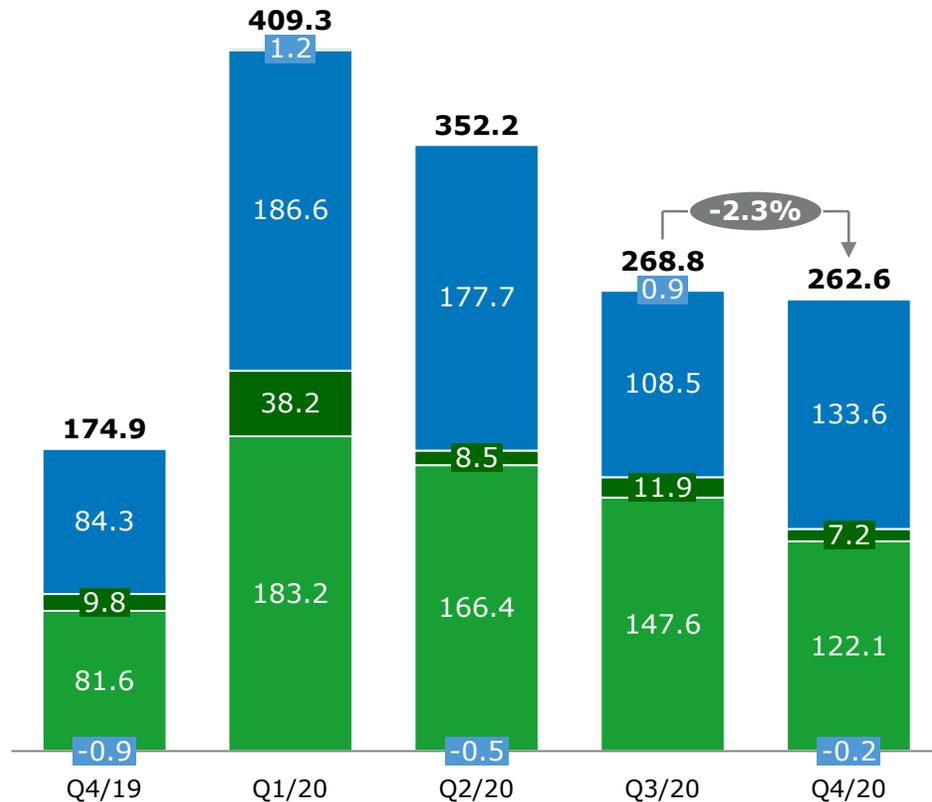
**41.1%** **Cost/Income ratio of mBank Group for 2020**  
w/o provisions for legal risk related to the FX mortgage loans

<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 2020 would amount to 49.8%.

# Results of mBank Group: Cost of risk

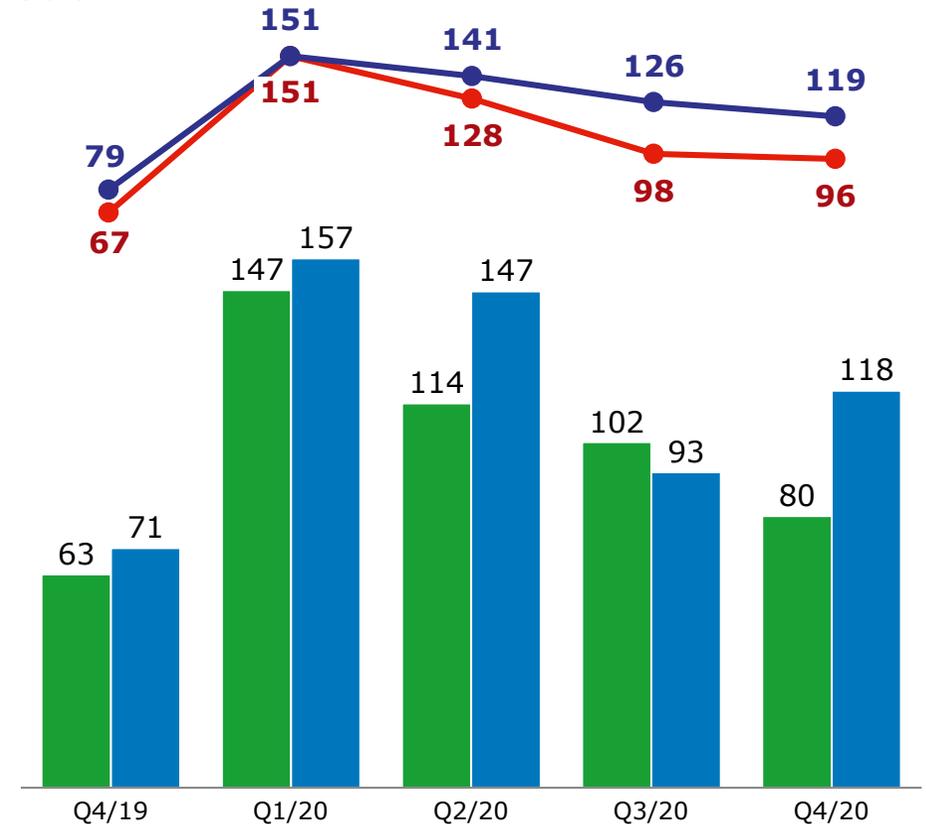
Conservative approach reflected in still increased provisioning amid the COVID-19 pandemic

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)



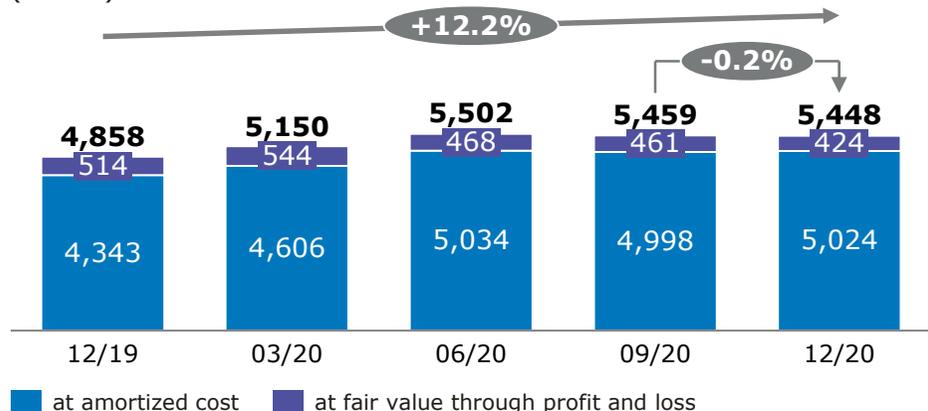
mBank Group's Cost of Risk: ● quarterly ● YtD  
■ Retail Portfolio ■ Corporate Portfolio

<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)

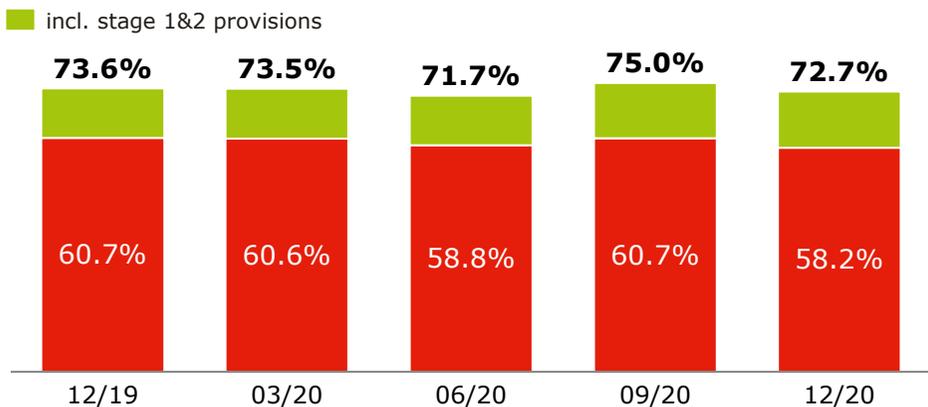
# Results of mBank Group: Loan portfolio quality

Robust asset quality confirmed by no material deterioration of risk indicators

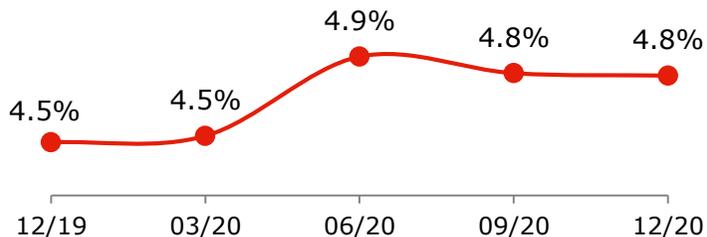
mBank Group's Impaired Loans Portfolio (PLN M)



mBank Group's Coverage Ratio

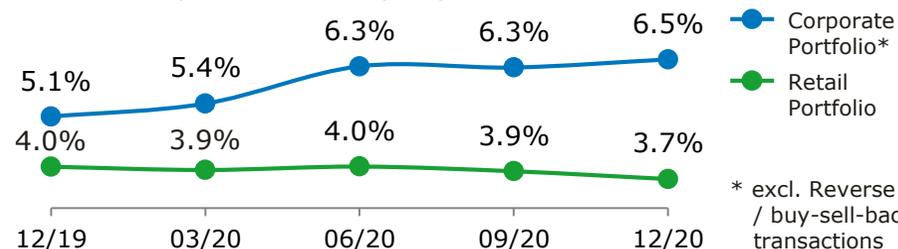


mBank Group's NPL Ratio



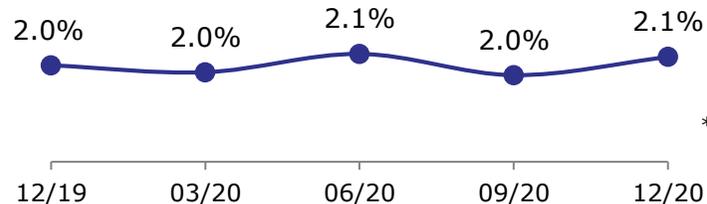
According to EBA definition, consolidated NPL ratio was: **4.4% < 5%** based on guidelines applicable from 30.06.2019

mBank Group's NPL Ratio by segment



\* excl. Reverse repo / buy-sell-back transactions

NPL Ratio of Mortgage Loan Portfolio\*



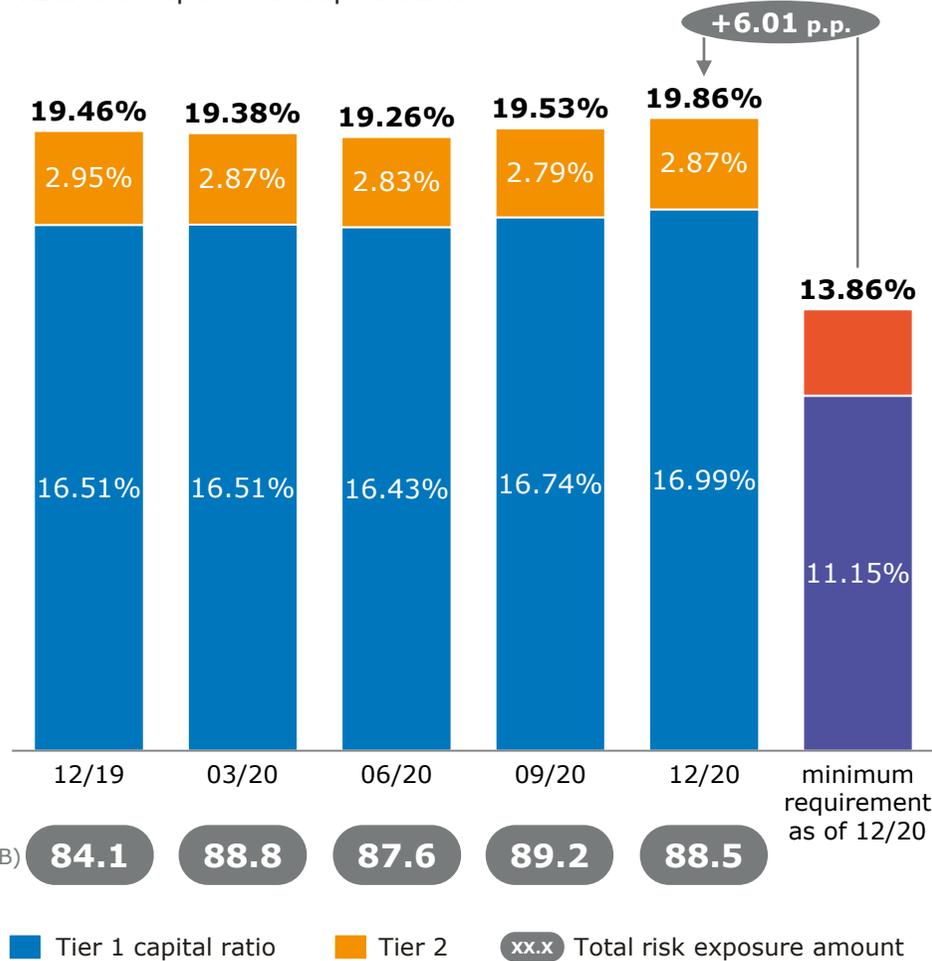
\* to Private Individuals in Poland

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.

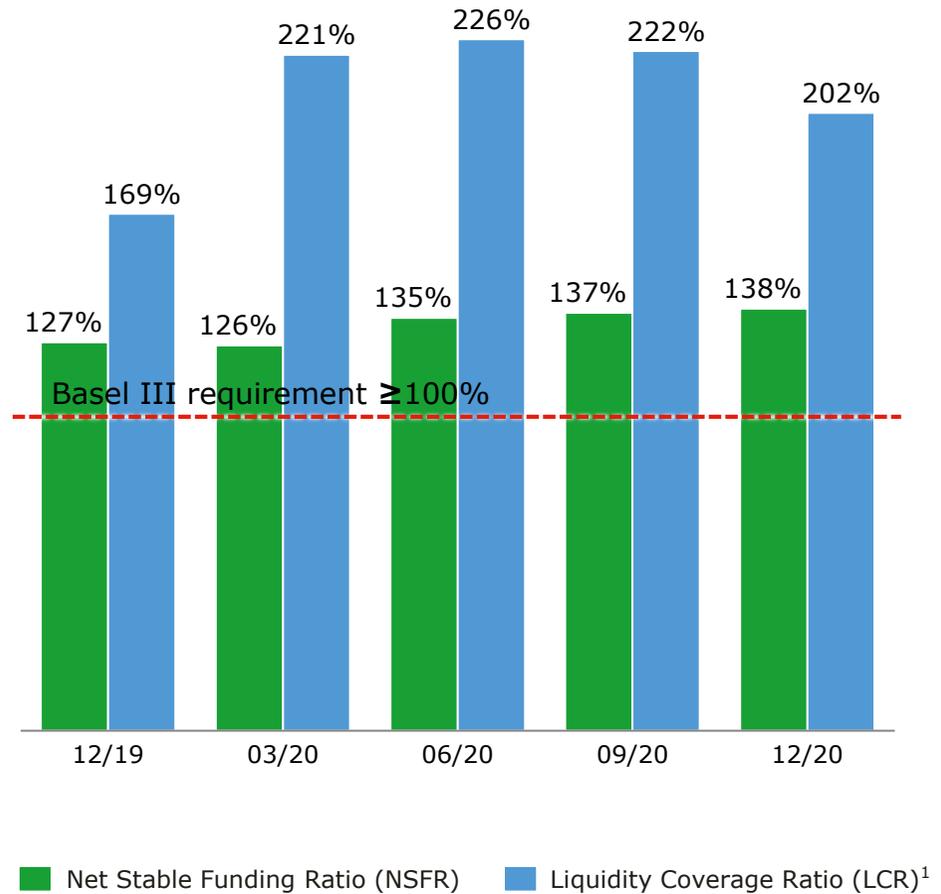
# Results of mBank Group: Key regulatory ratios

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 218% as of 31.12.2020

# Agenda

## ✓ Key Highlights of 2020 in mBank Group

## ✓ Summary of Main Trends in Q4 2020

Business Development of Retail and Corporate Segment

Key Financials

## ✓ Analysis of the Results after Q4 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

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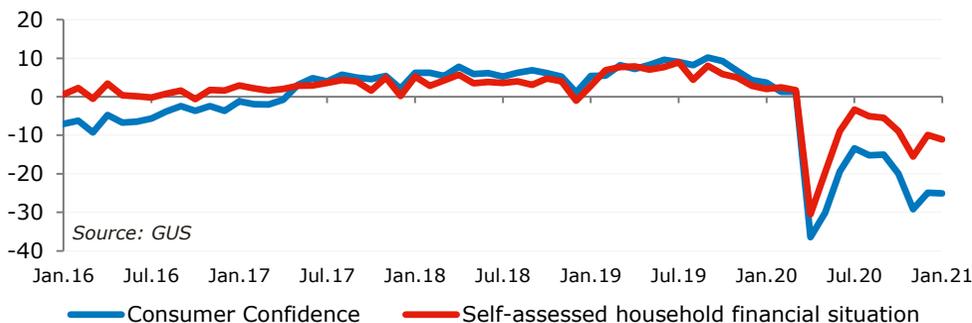
Detailed Results of Business Lines



# Macroeconomic Update (1/2)

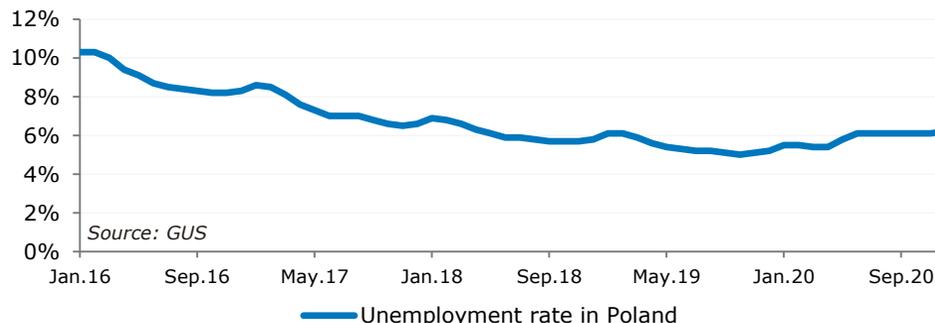
## Economy still in the grip of the virus but victory is near

Consumers still in the virus-induced bad moods



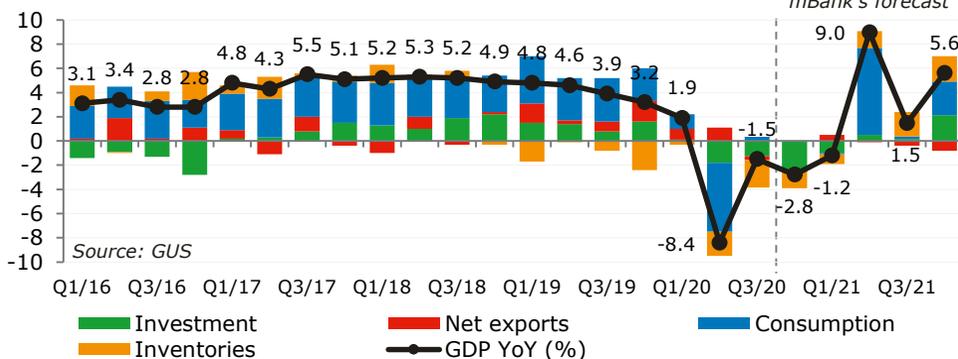
- Most of the negative impact stems from pandemic restrictions and fear. Consumption will gain strength as soon as they are lifted, most vulnerable population is inoculated and pent-up demand is released.

Unemployment rate stable but so far rather jobless recovery



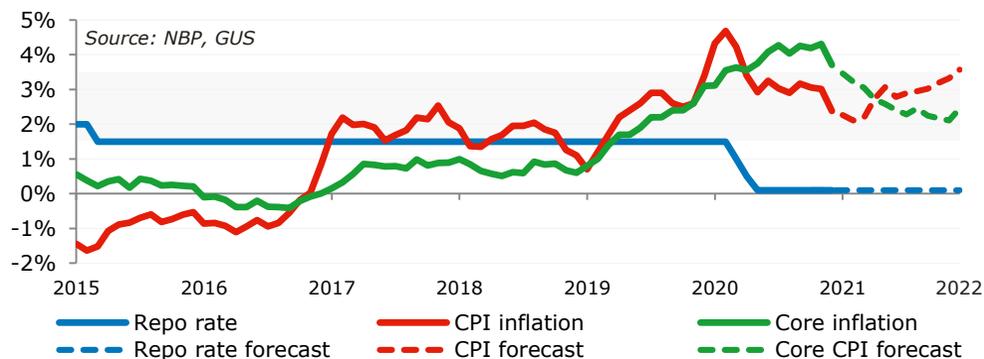
- Joint fiscal and monetary response did a great job to keep consumers and enterprises afloat. 2021 will be marked with jobless recovery and ongoing structural shifts. Unemployment is unlikely to rise further but also labour market will probably not to strengthen much in 2021.

GDP forecast (% YoY)



- GDP growth is expected to accelerate to 3.8% in 2021. Growth will be better if consumers feel safe earlier (and be supported by stronger labour market) and firms ramp up investment faster. Otherwise all is yet to come in 2022/23.

A trough in inflation in Q1/21 and then acceleration

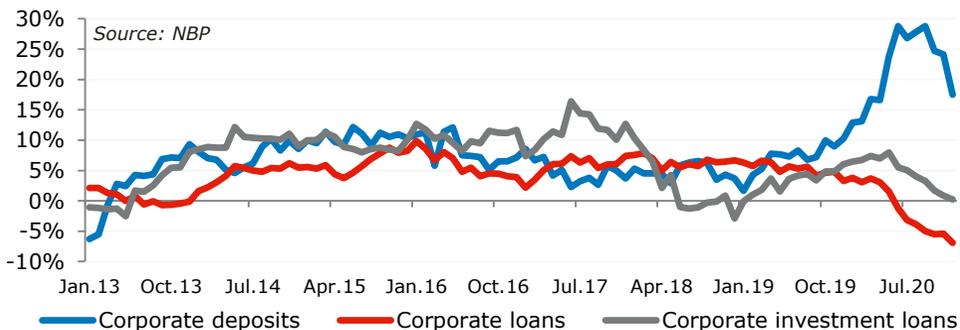


- Inflation will decelerate towards 2.8% on average in 2021 from 3.4% for 2020. However, the trough is set to come in Q1/21 and afterwards price levels are set to steadily accelerate.

# Macroeconomic Update (2/2)

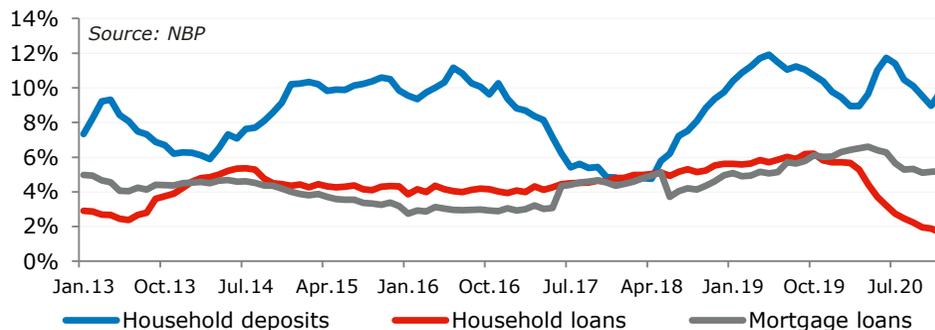
## Demand for credit to pick up somewhat but huge liquidity a damping factor

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



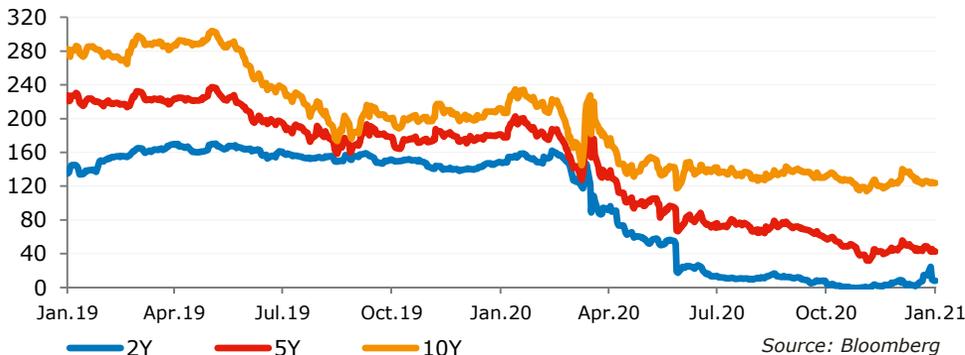
- Big shift generated by the PFR funds. Coexistence of low demand for credit and substantial liquidity. Interest in new financing is expected to pick-up somewhat in 2021. Downside risks prevail.

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



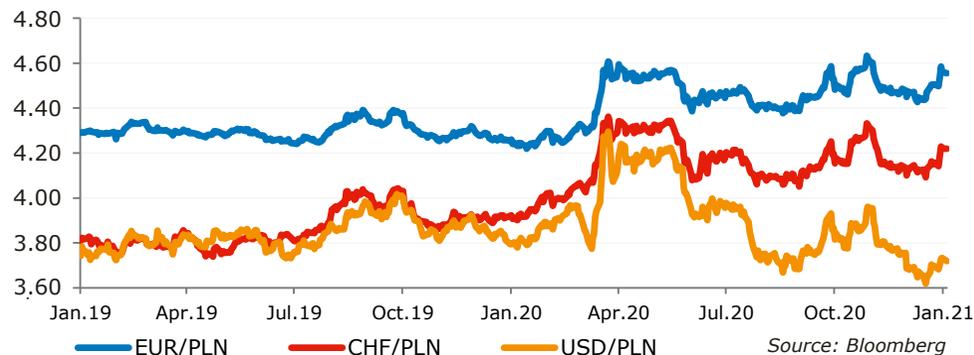
- Consumers acquired substantial liquidity buffers (also in cash). It will take time until they will be willing to dip their toes in credit on previous scale. Bright outlook for mortgage loans, other types of credit muted.

Government bonds yield dropped (basis points)



- 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: weak for the most part of 2021



- Several factors support the zloty (cyclicality, current account surplus) but NBP interventions will keep a lid on any appreciation until recovery takes hold and can be deemed sustainable (no sooner than in H2 2021).

# Economic forecasts and impact on mBank Group

## Macroeconomic environment and challenges for the banking sector

### Key economic indicators

	2019	2020	2021F
GDP growth (YoY)	4.5%	-2.8%	3.8%
Domestic demand (YoY)	3.5%	-3.7%	3.9%
Private consumption (YoY)	4.0%	-3.0%	3.7%
Investment (YoY)	7.2%	-8.4%	1.1%
Inflation (eop)	3.4%	2.4%	3.7%
MPC rate (eop)	1.50%	0.10%	0.10%
CHF/PLN (eop)	3.92	4.22	4.03
EUR/PLN (eop)	4.25	4.56	4.40

### Banking sector – monetary aggregates YoY

	2019	2020	2021F
Corporate loans	3.0%	-4.8%	3.6%
Household loans	6.0%	3.0%	4.7%
Mortgage loans	6.6%	7.3%	4.4%
Non-mortgage loans	5.1%	-3.8%	5.2%
Corporate deposits	10.0%	19.0%	4.3%
Household deposits	9.7%	10.7%	5.5%

Source: mBank's estimates as of 05.02.2021.

### Short-term outlook for mBank (compared to 2020)

Net interest income & NIM (negative) 

- Interest rate cuts to the historically lowest level translating into weaker interest income and strong pressure on margin
- Exhausted space for deposit repricing and reducing funding costs

Net fee & commission income (slightly positive) 

- Reviving customer activity and transactionality along with gradual relaxation of pandemic restrictions
- Selective adjustments of tariff of fees and commissions

Total costs (neutral) 

- Strictly-disciplined management of operating expenses
- Rising amortisation due to ongoing investments in IT
- Anticipated lower contribution to the Bank Guarantee Fund

Loan loss provisions & FV change (slightly positive) 

- The financial standing of corporate and retail borrowers to be supported by expected recovery of the Polish economy
- Despite end of loan moratoria and anti-crisis aid package, the overall asset quality should not deteriorate materially

### Expected future post-pandemic trends for mBank Group

Revenue growth	2020-24 CAGR	~5%	Assuming:
Cost/Income ratio	for 2024	39%	<ul style="list-style-type: none"> <li>mild increase of interest rates</li> <li>no material rise of BFG contribution</li> </ul>

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## ✓ Macroeconomic Update and Outlook

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Selected Financial Data

Detailed Results of Business Lines



# Appendix

## Selected Financial Data: Consolidated Profit and Loss Account – quarterly

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Profit & Loss
Balance Sheet
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Historical view

Quarterly results (PLN thou.)	Q4/19	Q1/20	Q2/20	Q3/20	Q4/20
Net interest income	1,010,501	1,065,464	1,006,611	960,295	976,930
Net fee and commission income	344,748	362,676	362,937	373,201	409,471
Dividend income	271	300	4,179	310	137
Net trading income	29,103	44,805	39,545	58,151	42,251
Gains less losses from financial assets <sup>1</sup>	39,319	-24,007	30,083	21,390	148,812
Net other operating income	-14,632	-14,955	26,132	-2,678	-25,267
<b>Total income</b>	<b>1,409,310</b>	<b>1,434,283</b>	<b>1,469,487</b>	<b>1,410,669</b>	<b>1,552,334</b>
<b>Total operating costs</b>	<b>-533,726</b>	<b>-736,323</b>	<b>-571,509</b>	<b>-566,717</b>	<b>-536,579</b>
<i>Overhead costs</i>	<i>-428,239</i>	<i>-638,813</i>	<i>-455,147</i>	<i>-458,452</i>	<i>-428,088</i>
<i>Amortisation</i>	<i>-105,487</i>	<i>-97,510</i>	<i>-116,362</i>	<i>-108,265</i>	<i>-108,491</i>
Loan loss provisions and fair value change <sup>2</sup>	-174,863	-409,279	-352,159	-268,777	-262,606
Provisions for legal risk related to FX loans	-293,453	-12,911	-188,972	-186,851	-632,980
<b>Operating profit</b>	<b>407,268</b>	<b>275,770</b>	<b>356,847</b>	<b>388,324</b>	<b>120,169</b>
Taxes on the Group balance sheet items	-121,380	-131,830	-138,417	-133,365	-127,767
<b>Profit before income tax</b>	<b>285,888</b>	<b>143,940</b>	<b>218,430</b>	<b>254,959</b>	<b>-7,598</b>
<b>Net profit attributable to owners of mBank</b>	<b>116,252</b>	<b>90,917</b>	<b>86,983</b>	<b>100,613</b>	<b>-174,682</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

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Historical view

Assets (PLN thou.)	Q4/19	Q1/20	Q2/20	Q3/20	Q4/20
Cash and balances with Central Bank	7,897,010	10,823,272	11,141,250	6,683,941	3,968,691
Loans and advances to banks	4,341,758	9,513,378	6,921,359	8,991,355	7,354,268
Trading securities	1,733,569	1,638,764	1,884,596	678,604	676,466
Derivative financial instruments	959,776	1,894,511	1,487,670	1,488,869	1,722,353
<b>Loans and advances to customers</b>	<b>105,347,475</b>	<b>110,871,784</b>	<b>108,772,763</b>	<b>109,658,296</b>	<b>109,832,031</b>
Investment securities	34,305,184	34,748,278	48,418,934	50,280,275	51,728,934
Intangible assets	955,440	968,233	1,063,925	1,094,258	1,178,698
Tangible fixed assets	1,262,397	1,234,334	1,162,505	1,117,654	1,514,577
Other assets	1,917,974	2,130,707	2,089,799	2,153,505	2,160,276
<b>Total assets</b>	<b>158,720,583</b>	<b>173,823,261</b>	<b>182,942,801</b>	<b>182,146,757</b>	<b>180,136,294</b>
Liabilities (PLN thou.)	Q4/19	Q1/20	Q2/20	Q3/20	Q4/20
Amounts due to banks	1,166,871	1,702,131	2,004,200	1,774,184	2,399,740
Derivative financial instruments	948,764	1,687,534	1,028,543	1,087,757	1,338,564
<b>Customer deposits</b>	<b>116,661,138</b>	<b>128,960,426</b>	<b>139,622,520</b>	<b>141,118,549</b>	<b>137,698,668</b>
Debt securities in issue	17,435,143	18,000,321	16,408,214	13,849,349	13,996,317
Subordinated liabilities	2,500,217	2,594,304	2,564,133	2,561,855	2,578,327
Other liabilities	3,855,145	4,293,251	4,402,462	4,785,420	5,449,611
<b>Total liabilities</b>	<b>142,567,278</b>	<b>157,237,967</b>	<b>166,030,072</b>	<b>165,177,114</b>	<b>163,461,227</b>
<b>Total equity</b>	<b>16,153,305</b>	<b>16,585,294</b>	<b>16,912,729</b>	<b>16,969,643</b>	<b>16,675,067</b>
<b>Total liabilities and equity</b>	<b>158,720,583</b>	<b>173,823,261</b>	<b>182,942,801</b>	<b>182,146,757</b>	<b>180,136,294</b>

# Appendix

## Selected Financial Data: mBank Group's Ratios

Summary
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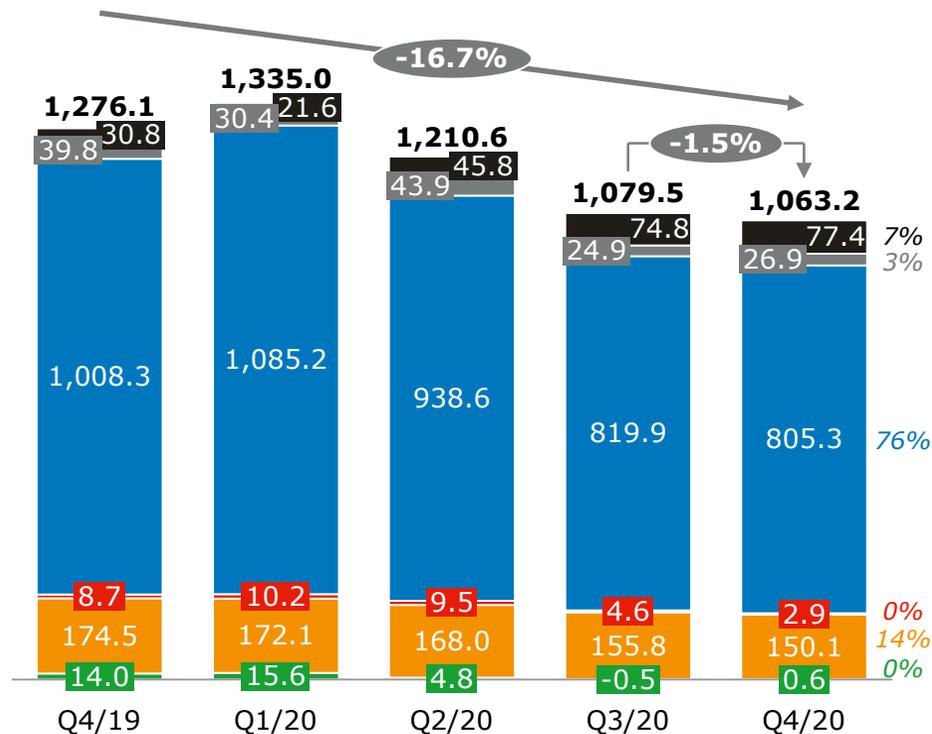
Financial Ratios	Q4/19	Q1/20	Q2/20	Q3/20	Q4/20
Net Interest Margin ( <i>quarterly</i> )	2.60%	2.63%	2.34%	2.15%	2.20%
Net Interest Margin YtD	2.69%	2.63%	2.48%	2.37%	2.32%
Net Interest Margin YtD (excl. CHF portfolio)	2.94%	2.85%	2.69%	2.56%	2.51%
Cost/Income Ratio ( <i>quarterly</i> )	37.9%	51.3%	38.9%	40.2%	34.6%
Cost/Income Ratio YtD	42.2%	51.3%	45.0%	43.4%	41.1%
Cost of Risk ( <i>quarterly</i> )	0.67%	1.51%	1.28%	0.98%	0.96%
Cost of Risk YtD	0.79%	1.51%	1.41%	1.26%	1.19%
ROE net ( <i>quarterly</i> )	3.03%	2.24%	2.09%	2.40%	-4.17%
ROE net YtD	6.65%	2.24%	2.17%	2.25%	0.63%
ROA net ( <i>quarterly</i> )	0.29%	0.22%	0.20%	0.22%	-0.38%
ROA net YtD	0.66%	0.22%	0.21%	0.21%	0.06%
Loan-to-Deposit Ratio	90.3%	86.0%	77.9%	77.7%	79.8%
Total Capital Ratio	19.46%	19.38%	19.26%	19.53%	19.86%
Tier 1 Capital Ratio	16.51%	16.51%	16.43%	16.74%	16.99%
Equity / Assets	10.2%	9.5%	9.2%	9.3%	9.2%
TREA / Assets	53.0%	51.0%	47.9%	48.9%	48.9%
NPL ratio	4.5%	4.5%	4.9%	4.8%	4.8%
NPL coverage ratio	60.7%	60.6%	58.8%	60.7%	58.2%
NPL coverage ratio incl. stage 1&2 provisions	73.6%	73.5%	71.7%	75.0%	72.7%

# Appendix

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

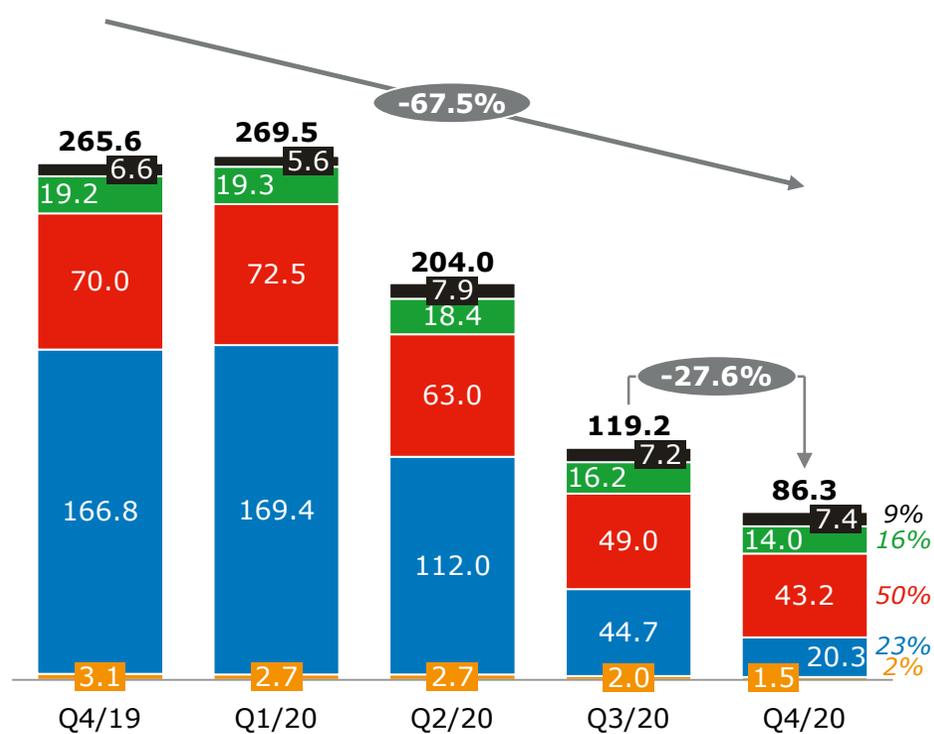
Summary
<b>Profit &amp; Loss</b>
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Interest Income Structure  
(PLN M)



- 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

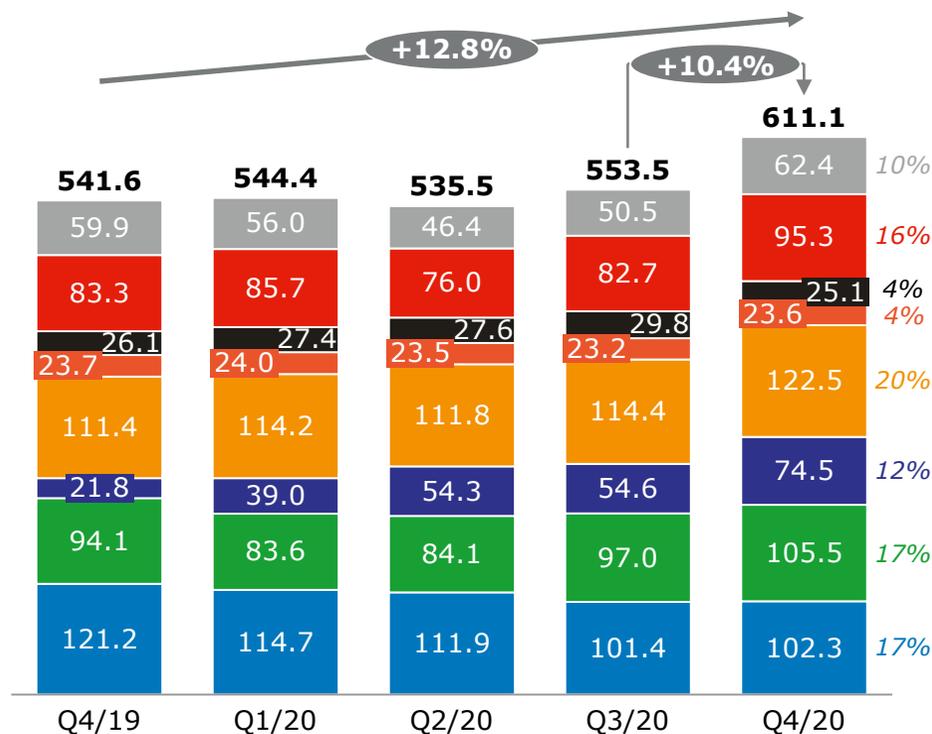
# Appendix

## Selected Financial Data

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

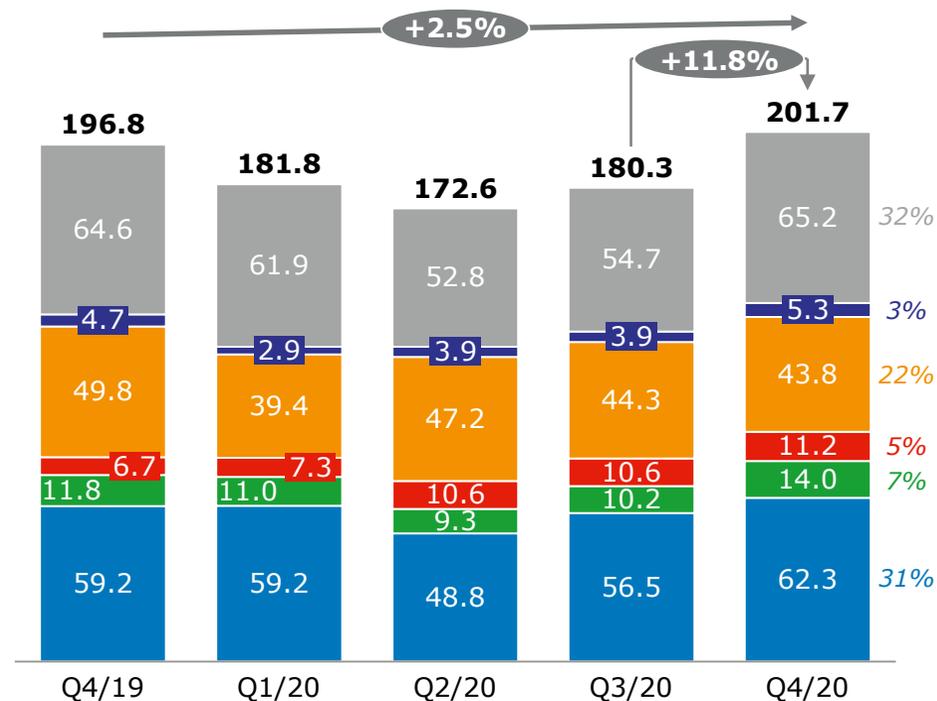
Summary
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Fee and Commission Income Structure (PLN M)



- 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)



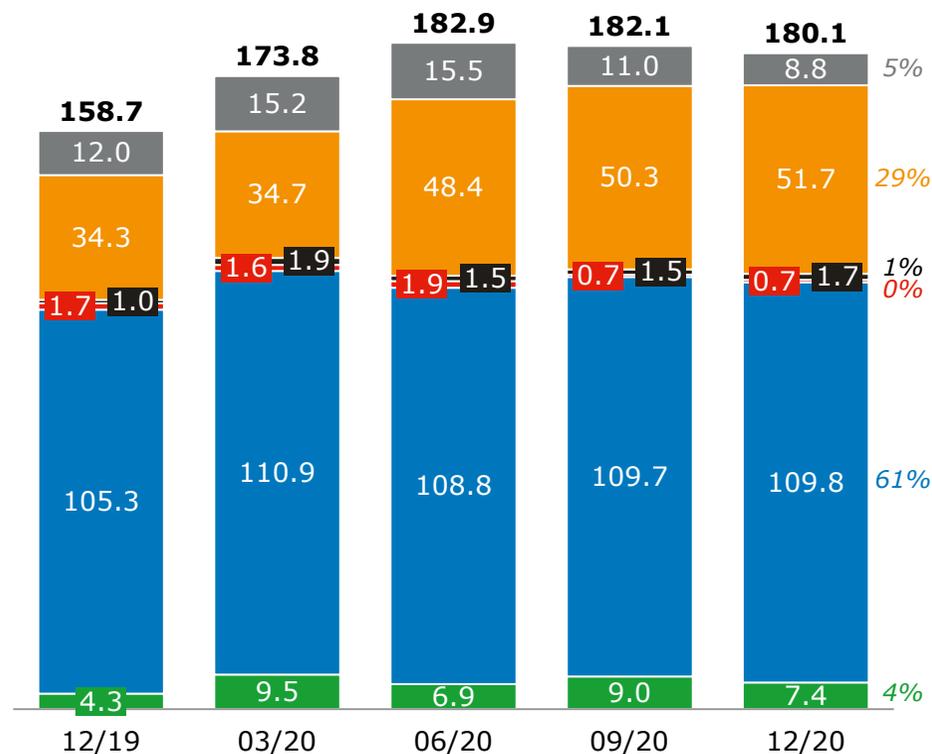
- Payment card fees
- Cash handling fees
- Discharged brokerage fees
- Commissions paid to external entities
- Fees paid to NBP and KIR
- Other (incl. insurance activity)

# Appendix

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

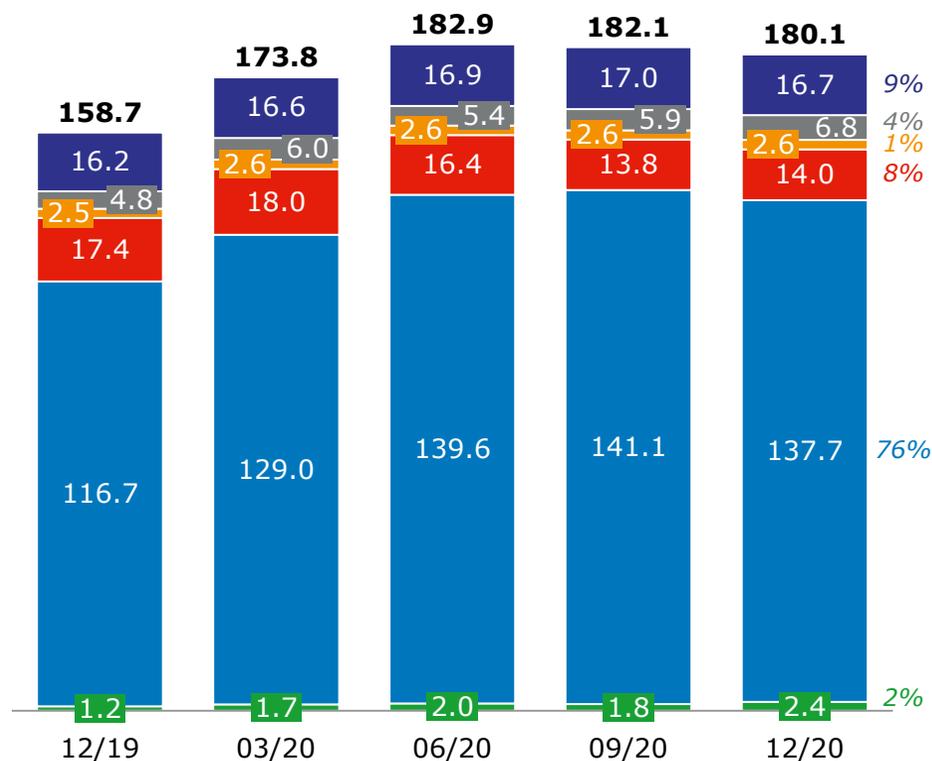
Summary
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Historical view

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)

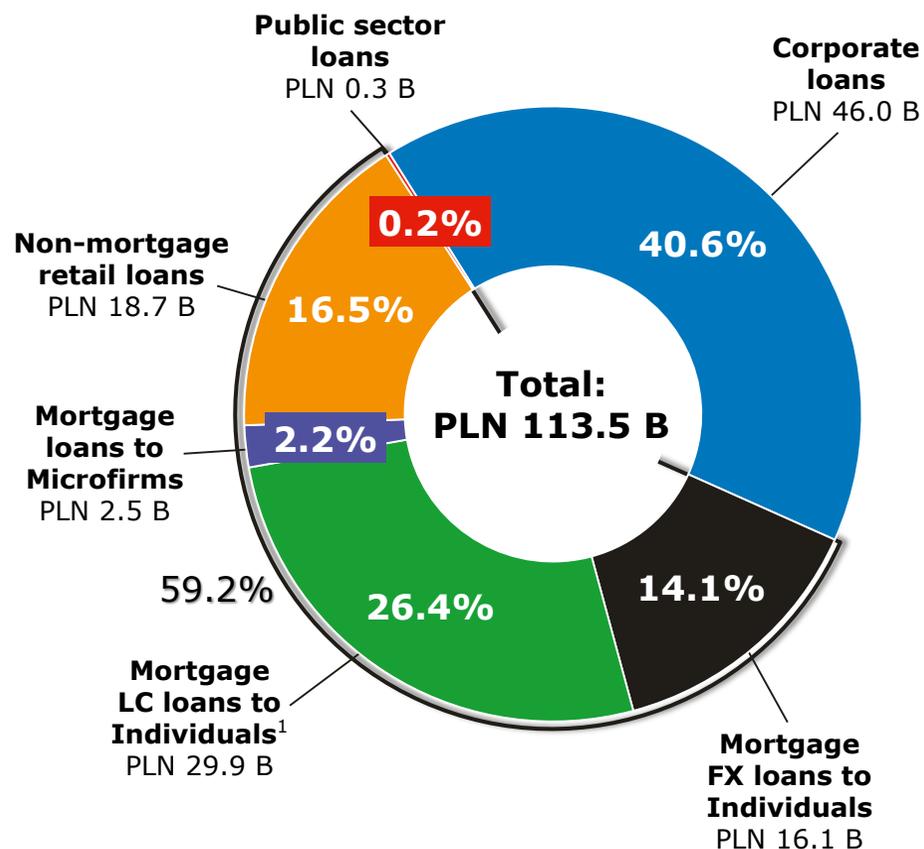
# Appendix

## Selected Financial Data

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

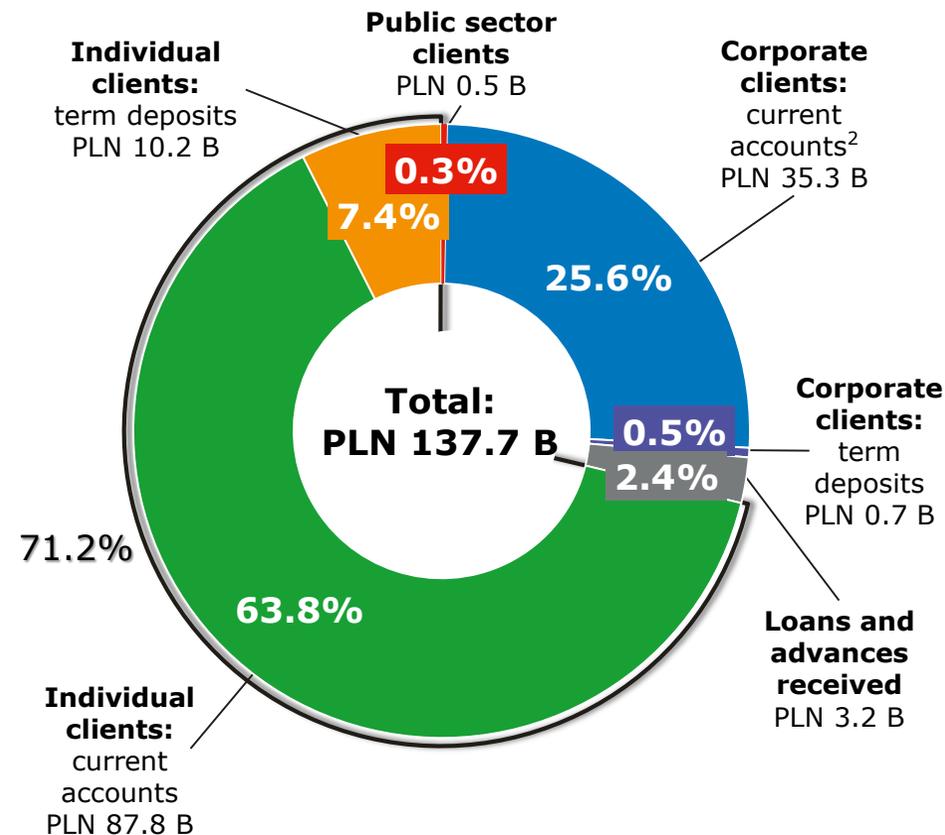
Summary
Profit & Loss
<b>Balance Sheet</b>
Business Lines
Subsidiaries
Historical view

Structure of mBank Group's gross loans and advances to customers as of 31.12.2020



<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 31.12.2020



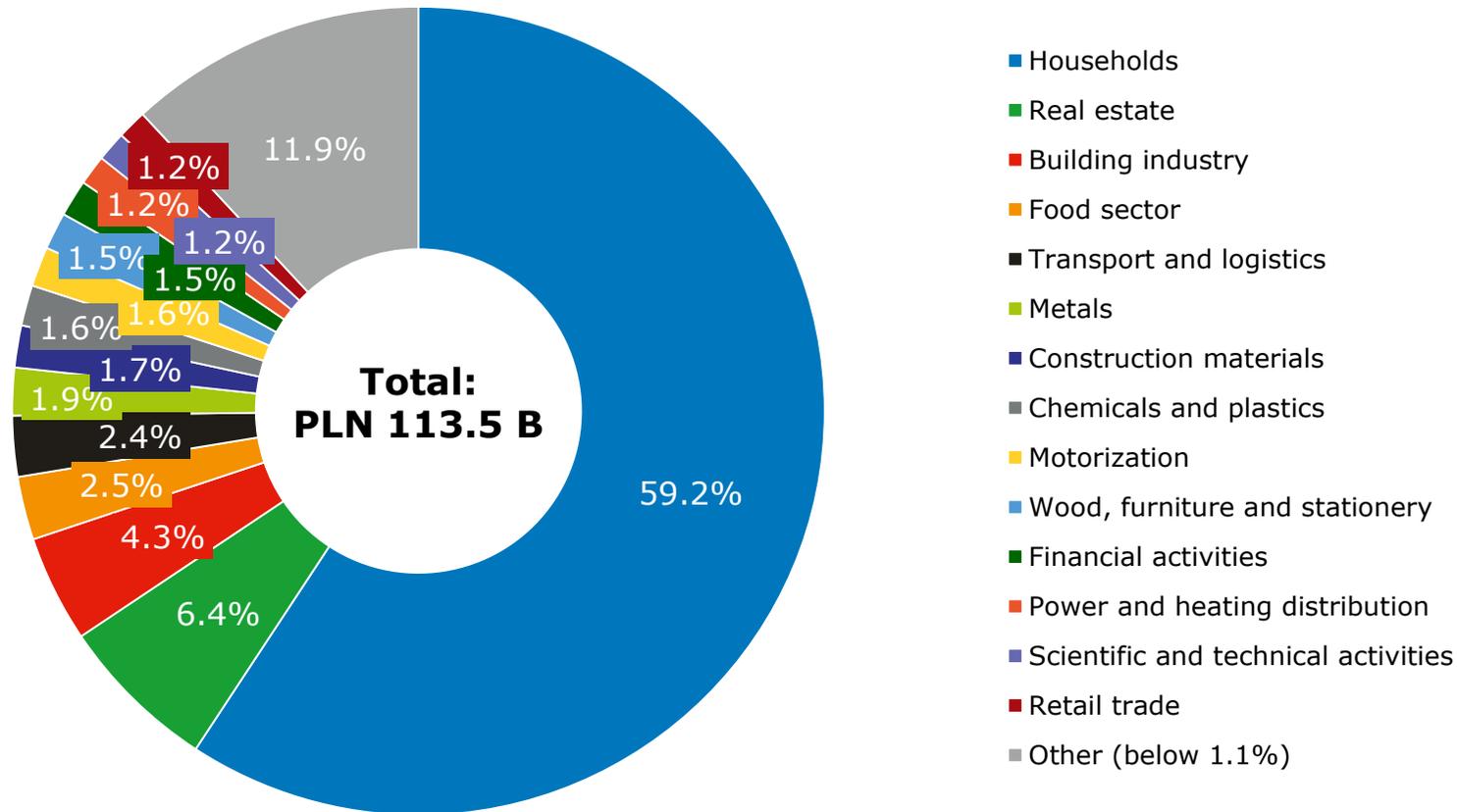
<sup>2</sup> Including repo transactions

# Appendix

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

Summary
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<b>Balance Sheet</b>
Business Lines
Subsidiaries
Historical view

mBank Group's Sector Exposure by Industry  
as of 31.12.2020



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

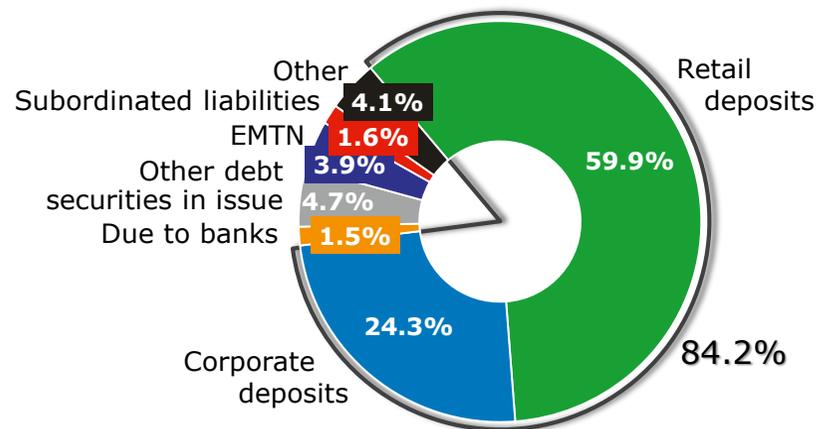
# Appendix

## Selected Financial Data

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

Summary
Profit & Loss
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Historical view

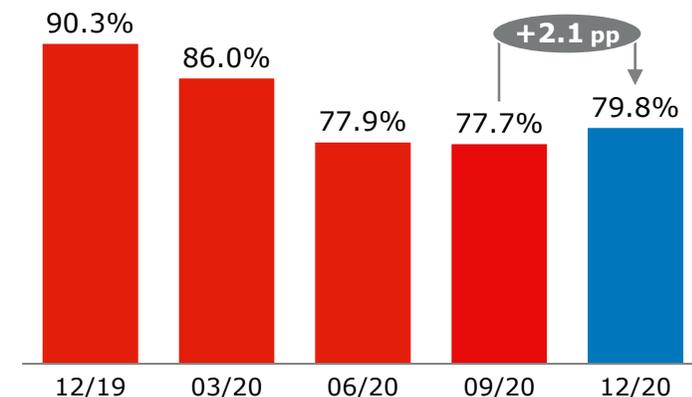
mBank Group's Funding Structure as of 31.12.2020



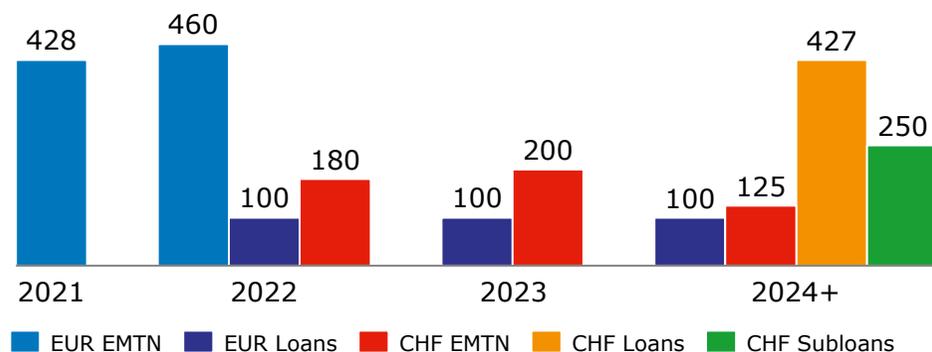
mBank's ratings

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 31.12.2020 (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.

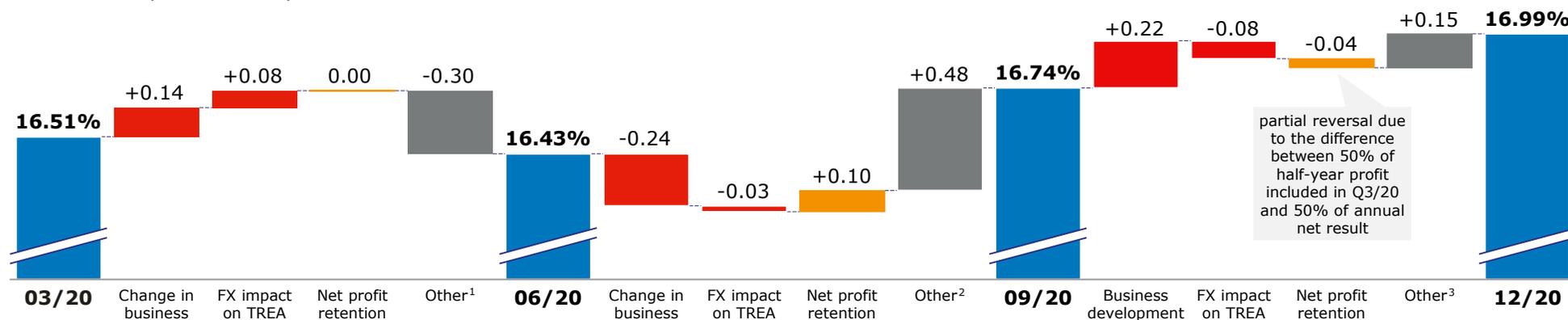
# Appendix

## Selected Financial Data

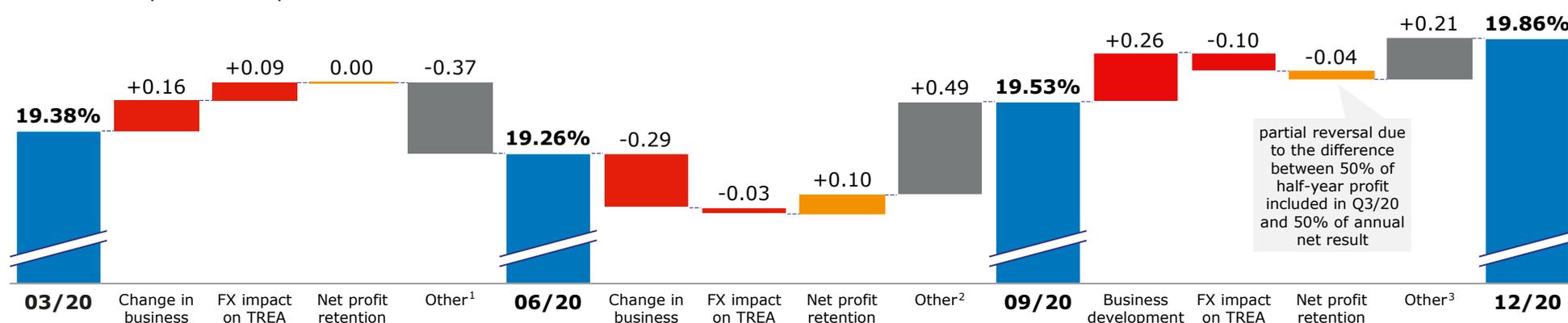
### Balance Sheet Analysis: Detailed Development of Capital Ratios

Summary
Profit & Loss
<b>Balance Sheet</b>
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mBank Group's Tier 1 Capital Ratio



mBank Group's Total Capital Ratio



<sup>1</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>2</sup> Lower CET 1 deductions thanks to reduction of loan loss provisions after the inclusion of current net profit for H1 2020

<sup>3</sup> Drop in Tier 1 capital deductions due to preferential treatment of software assets partially offset by higher loan loss provisions (inclusion of Q4 2020); increase of Tier 2 capital driven by CHF appreciation

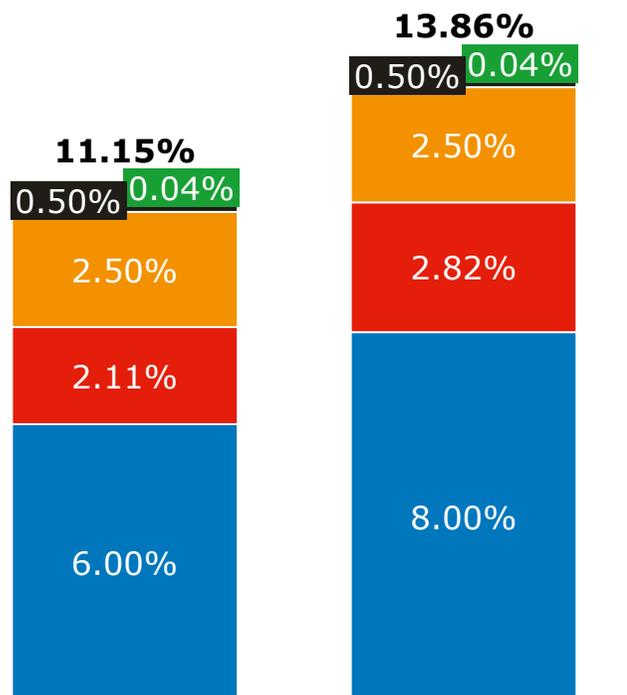
# Appendix

## Selected Financial Data

### Balance Sheet Analysis: Details of Capital Requirements

Summary
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Regulatory capital requirements for mBank Group as of 31.12.2020



- 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 Q4 2020

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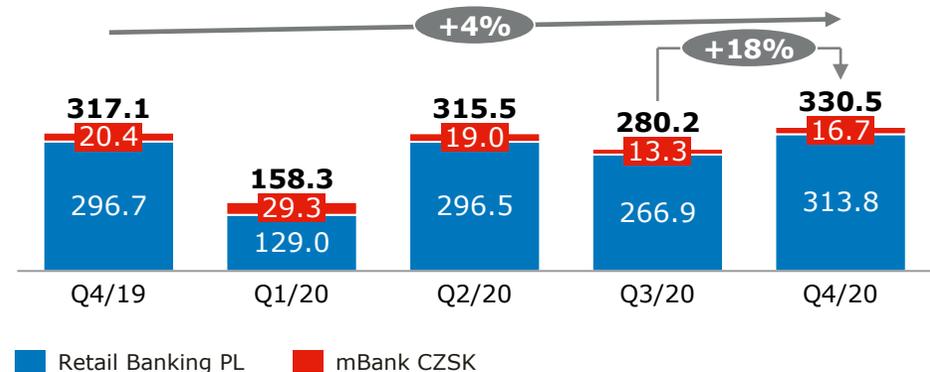
# Retail Banking

# Appendix

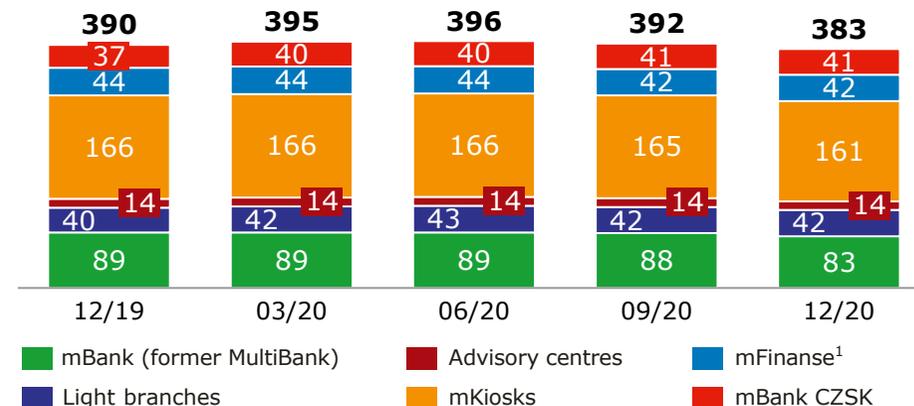
## Retail Banking Summary of Q4/20: Financial and Business Results

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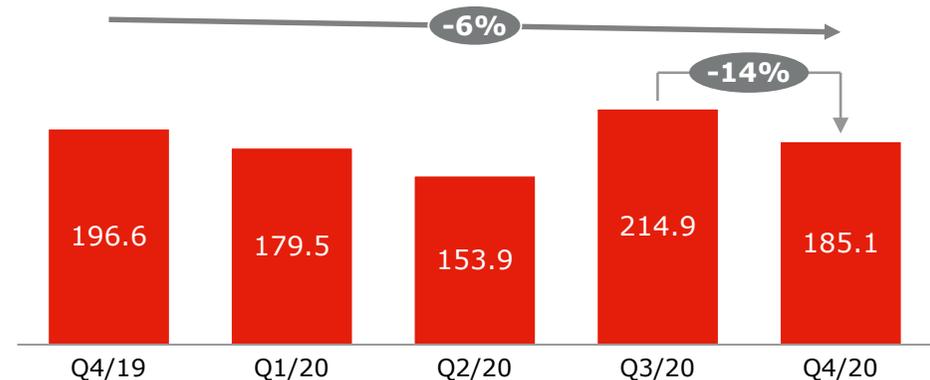
Profit before Tax of the Segment  
(PLN M, by quarter)



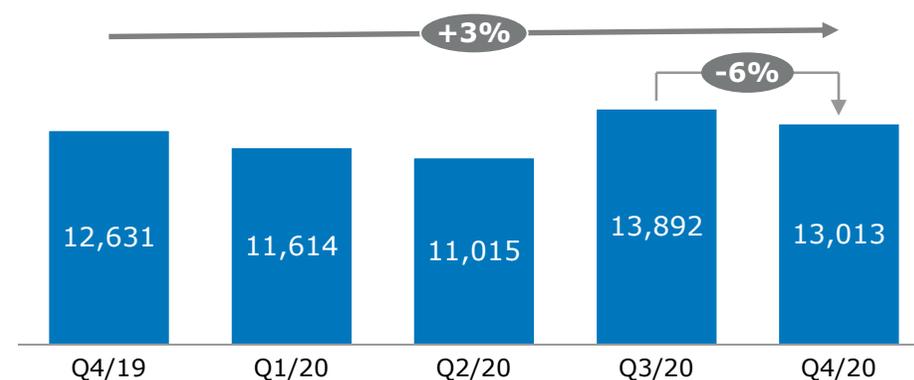
Number of Retail Service Locations



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



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



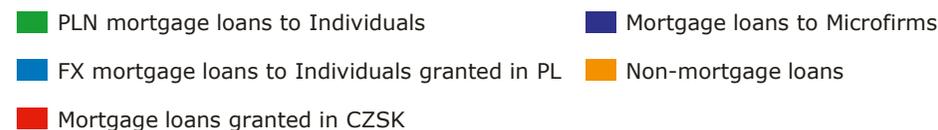
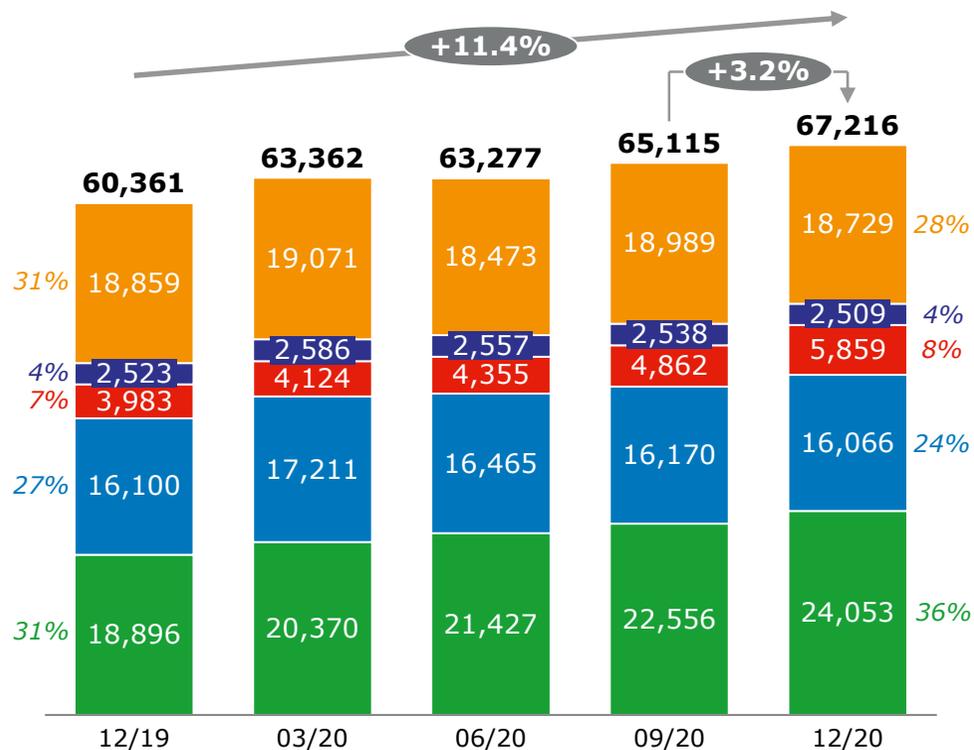
¹ Including financial centres and agency service points

# Appendix

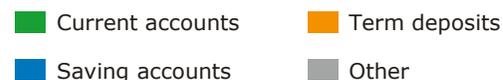
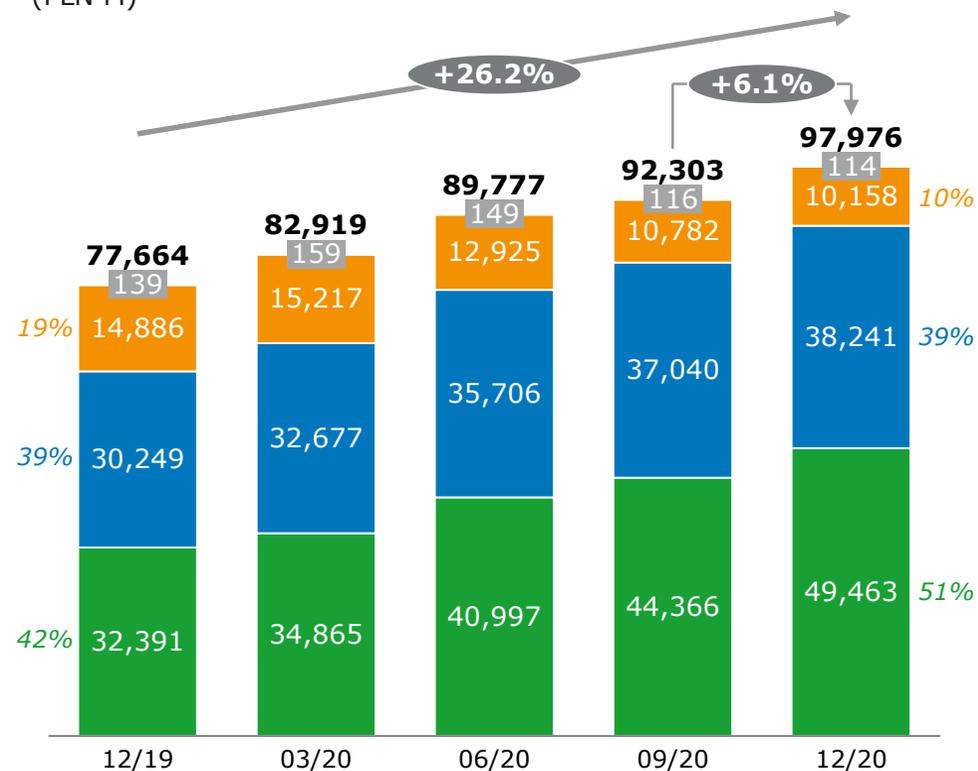
## Retail Banking Summary of Q4/20: Loans and Deposits

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Historical view

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



Deposits from Retail Banking Clients  
(PLN M)



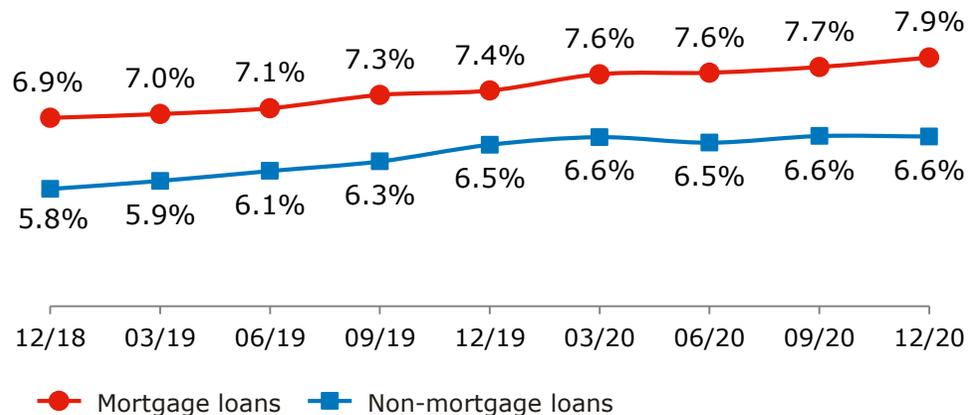
<sup>1</sup> Currency and geographical breakdown based on management information

# Appendix

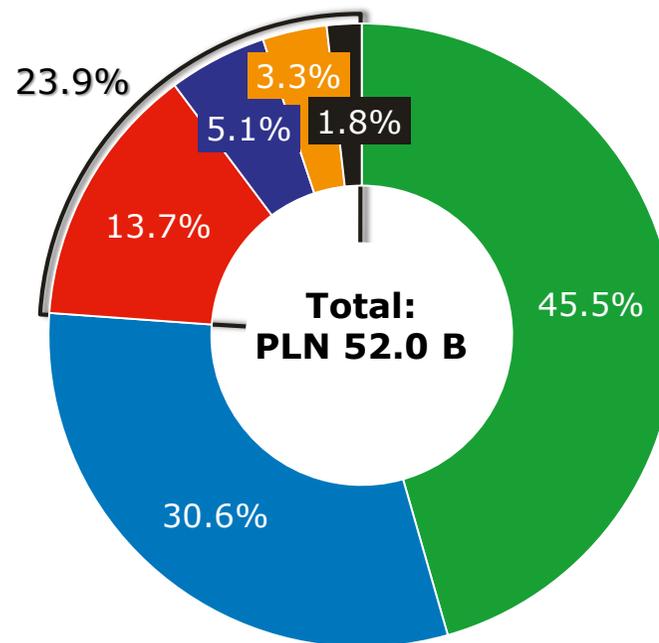
## Retail Banking Loan Portfolio Structure of mBank Group in Poland

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

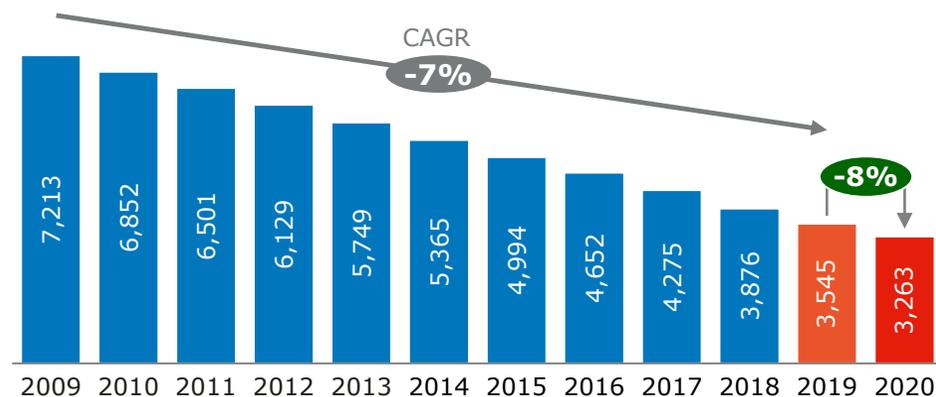
Market Shares in Household Loans in Poland



Product Structure of Retail Banking Loan Portfolio in Poland as of 31.12.2020



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



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

# Appendix

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

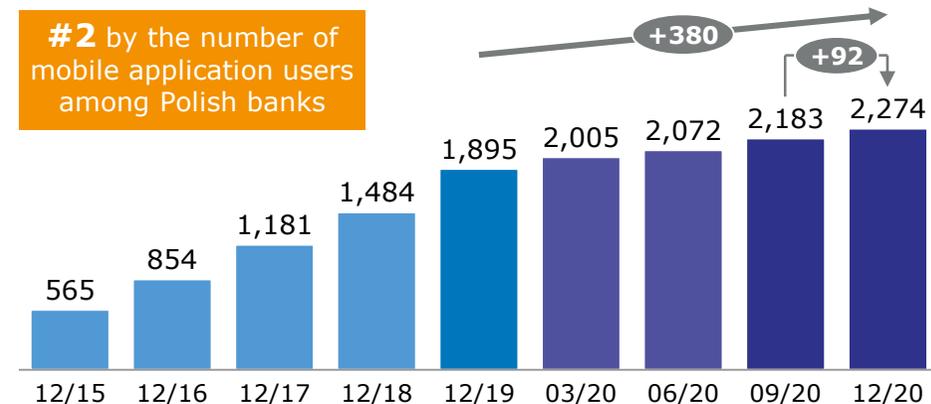
Summary
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Focus on client convenience through well-designed functionalities

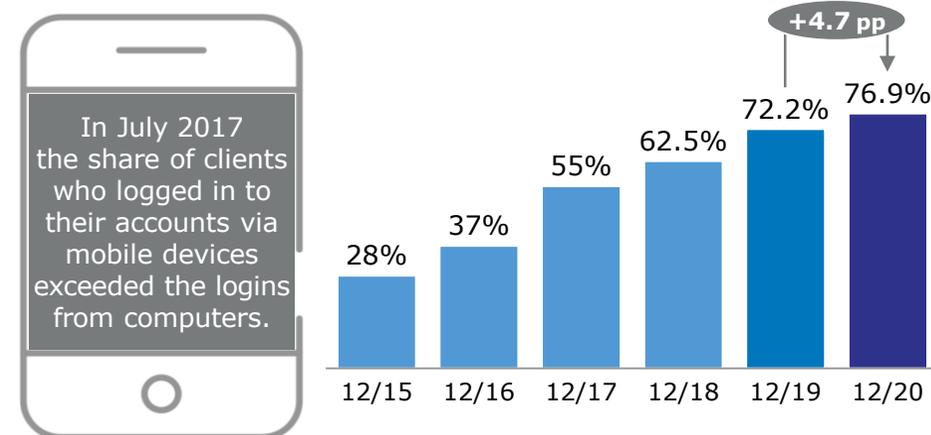
- ✓ **Google Pay** and **Apple Pay** (for Visa and MasterCard holders) for contactless payments with a phone in POS
- ✓ The possibility of **logging in with a PIN code, fingerprint or Face ID**
- ✓ A display with **a pace of the client's spending** to help the users control their budget
- ✓ **Mobile 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

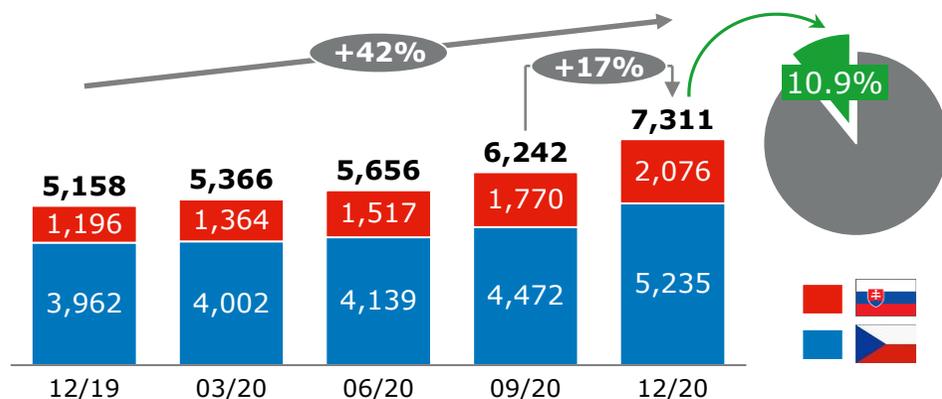


# Appendix

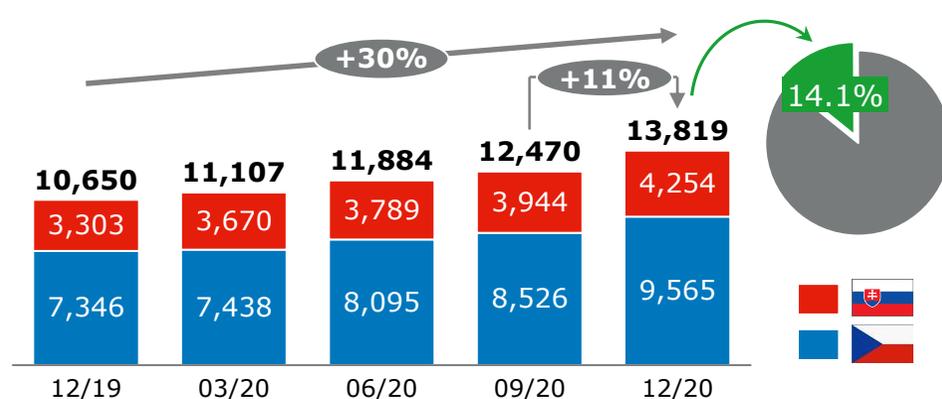
## Retail Banking mBank in the Czech Republic and Slovakia

Summary
Profit & Loss
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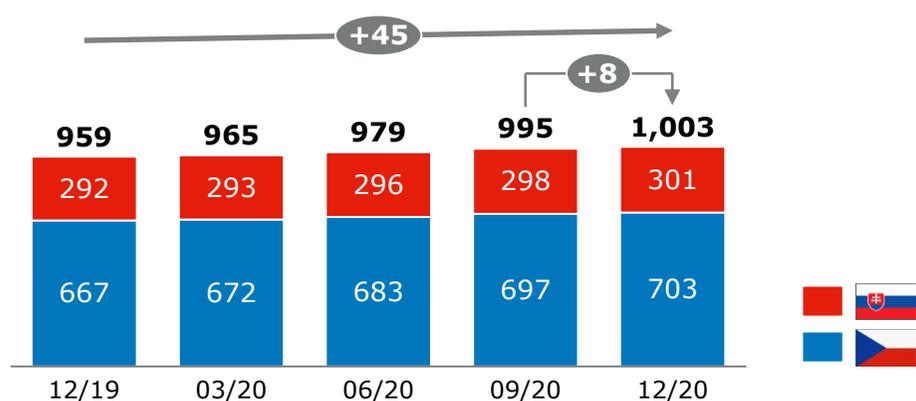
Gross Loans (PLN M) and Share in Total mBank's retail volume



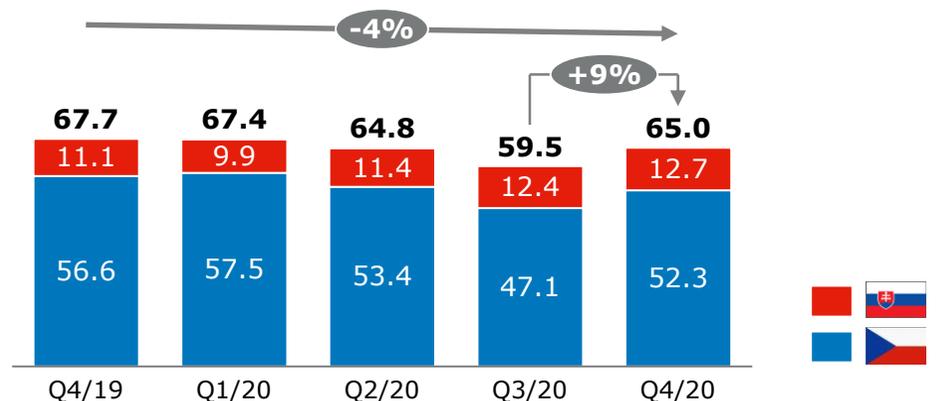
Deposits (PLN M) and Share in Total mBank's retail volume



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
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<b>Business Lines</b>
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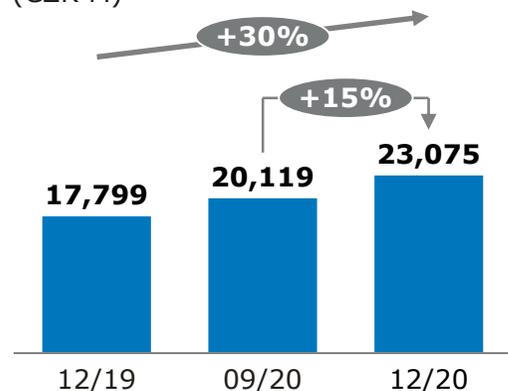


### Czech Republic

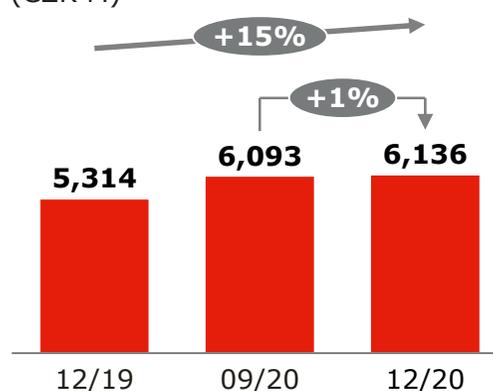
Clients:  
**702.7 thou.**

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

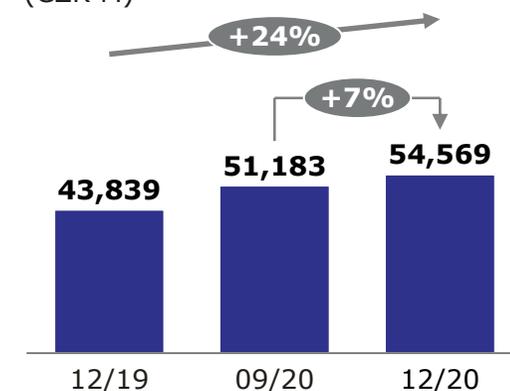
Mortgage Loans  
(CZK M)



Non-mortgage Loans  
(CZK M)



Customer deposits  
(CZK M)

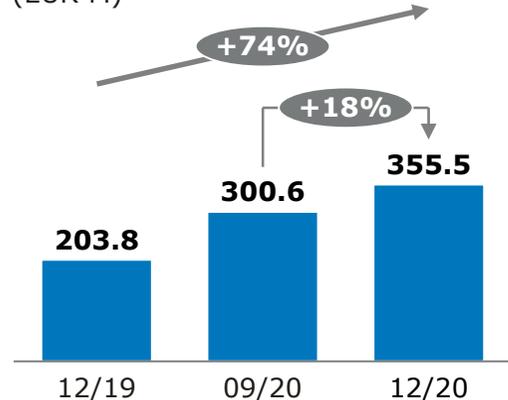


### Slovakia

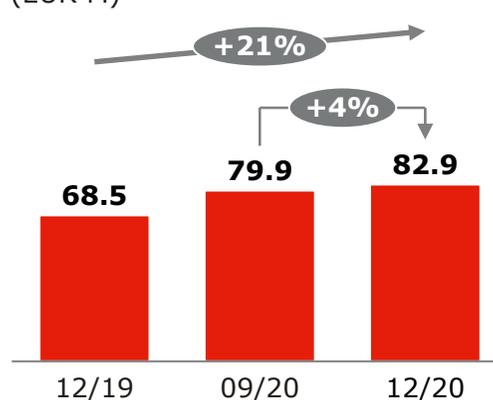
Clients:  
**300.7 thou.**

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

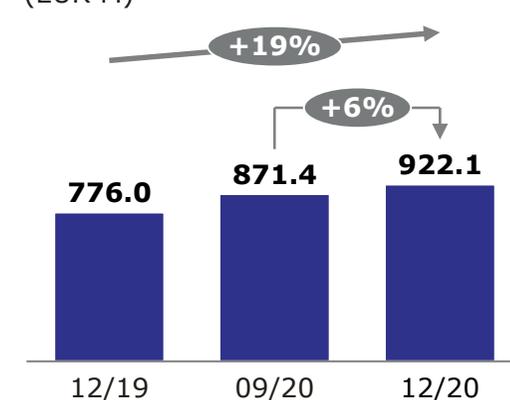
Mortgage Loans  
(EUR M)



Non-mortgage Loans  
(EUR M)



Customer deposits  
(EUR M)



Note: Volumes based on management information.

## Detailed Results of the Business Lines in Q4 2020

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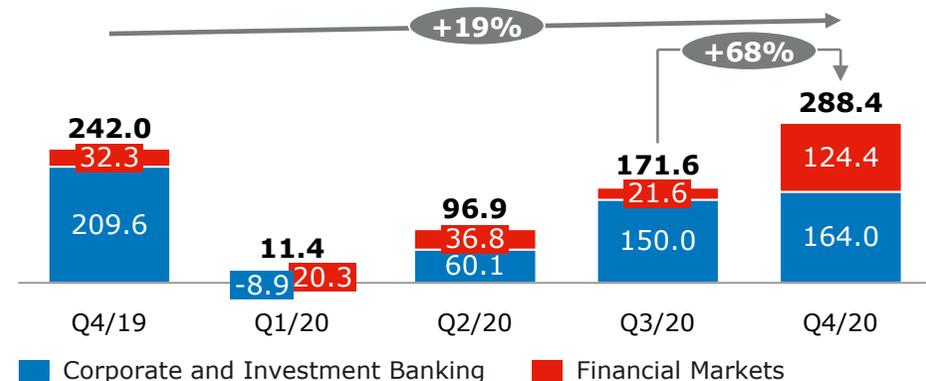
# Corporates & Financial Markets

# Appendix

## Corporates and Financial Markets Summary of Q4/20: Financial and Business Results

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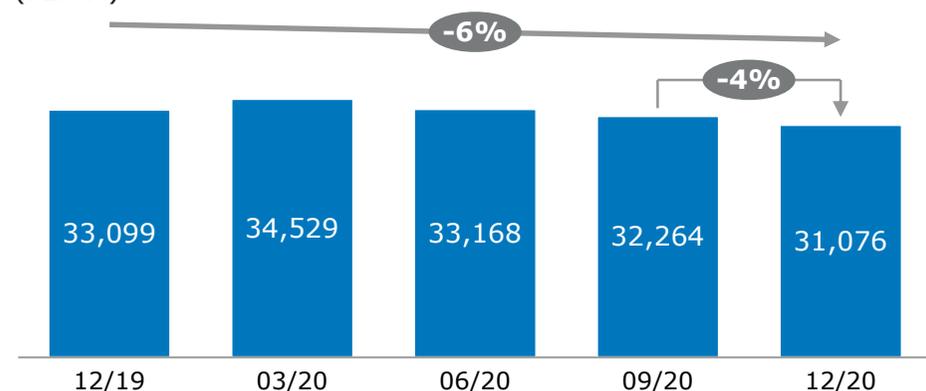
Profit before Tax of the Segment  
(PLN M, by quarter)



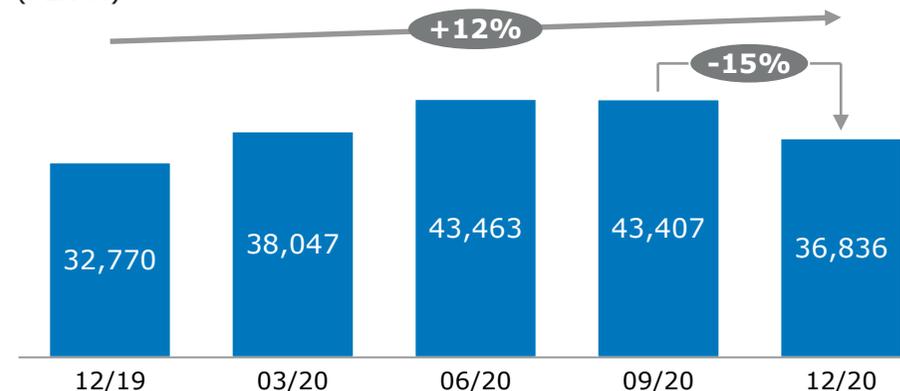
Number of Corporate Service Locations



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



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



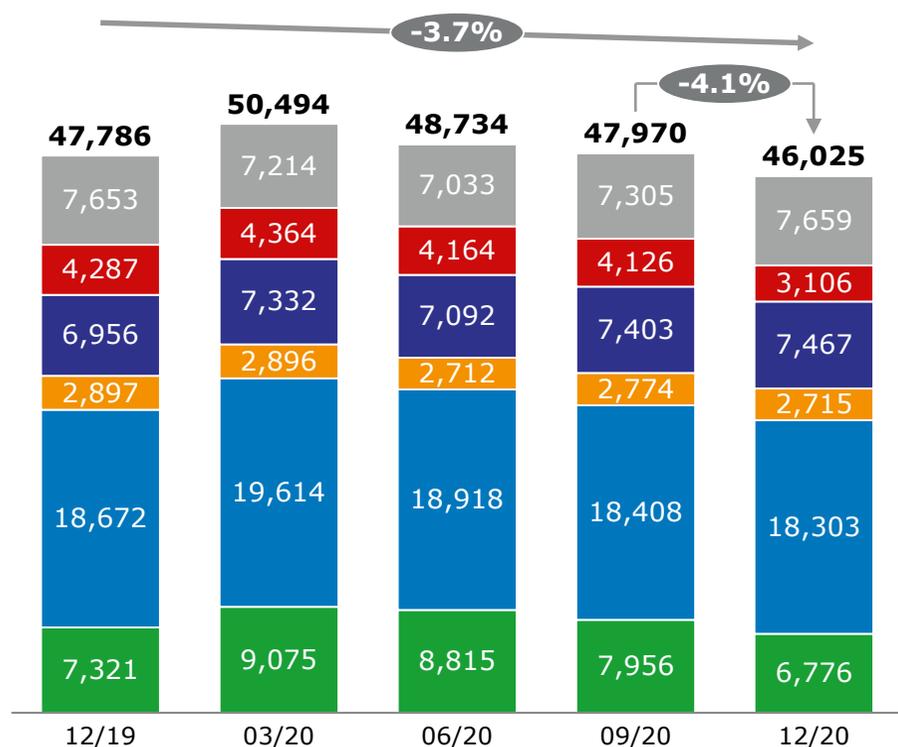
<sup>1</sup> Corporate loan and deposit volumes (for mBank and mBank Hipoteczny) according to NBP rules (monetary reporting system – MONREP)

# Appendix

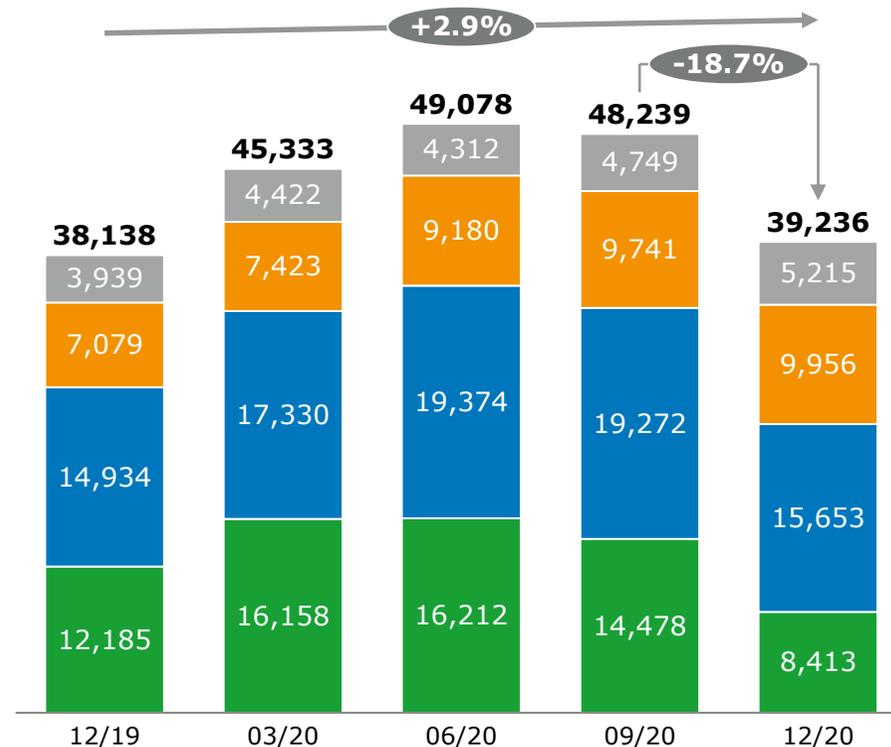
## Corporates and Financial Markets Summary of Q4/20: Loans and Deposits

Summary
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Gross Loans to Corporate Customers  
(PLN M)



Deposits from Corporate Customers  
(PLN M)



■ K1  
 ■ K2  
 ■ K3  
 ■ mLeasing  
 ■ mBank Hipoteczny  
 ■ Other

■ 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.

## Detailed Results of mBank Group's major companies in Q4 2020

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# Subsidiaries

# Appendix

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

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

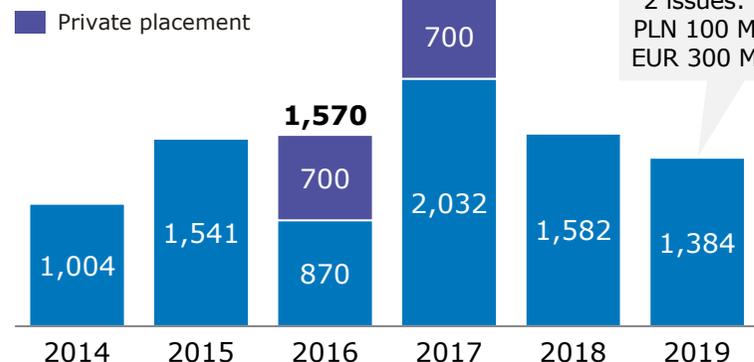


established in 1999

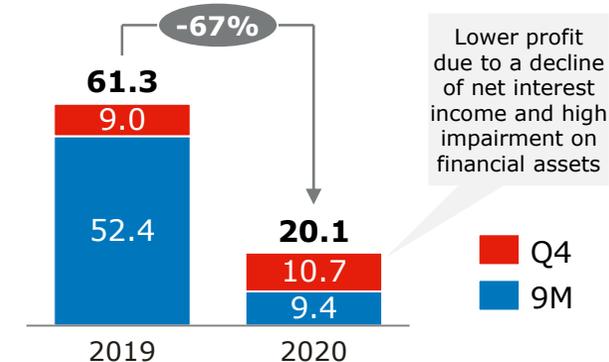
specialised mortgage bank and active issuer of covered bonds in the Polish market

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

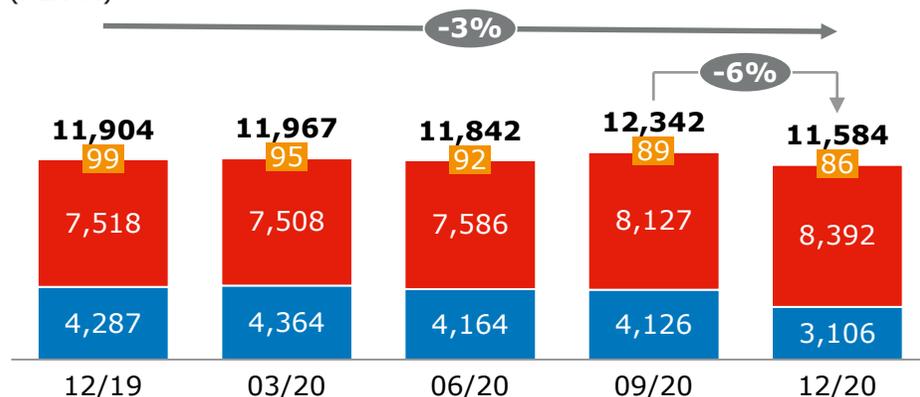
Issuance of Covered Bonds (PLN M, by year)



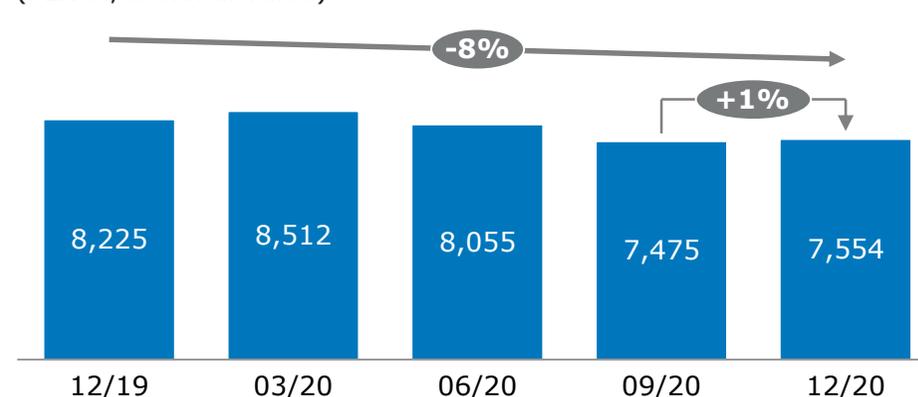
Profit before Income Tax (PLN M)



Gross loans and advances to customers (PLN M)



Outstanding amount of Covered Bonds issued (PLN M, nominal value)



# 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

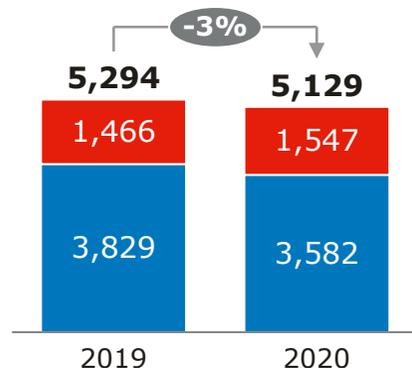
Summary
Profit & Loss
Balance Sheet
Business Lines
<b>Subsidiaries</b>
Historical view



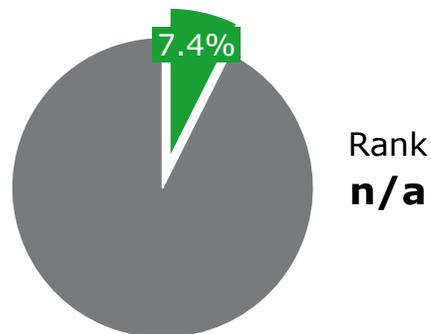
established in 1991

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

Leasing contracts (PLN M)

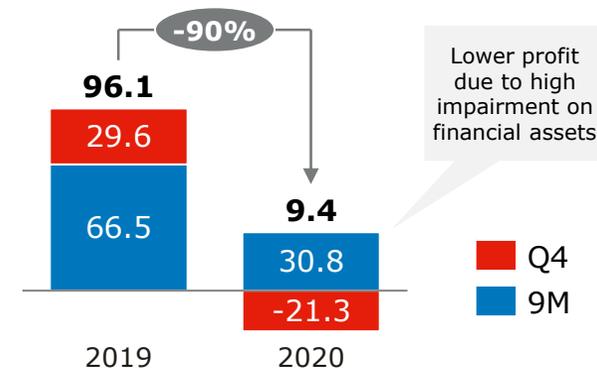


Market share & position – 9M 2020



Source: Polish Leasing Association (PLA)

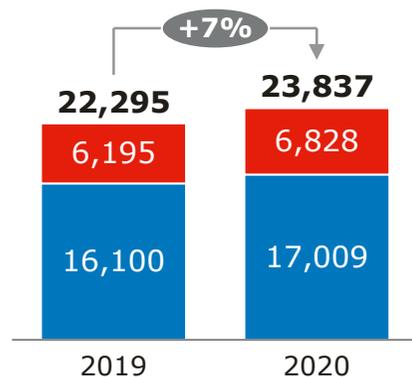
Profit before Tax (PLN M)



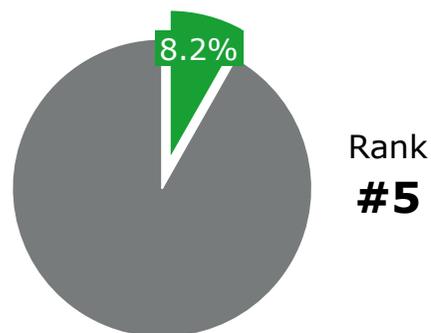
established in 1995

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

Factoring contracts (PLN M)

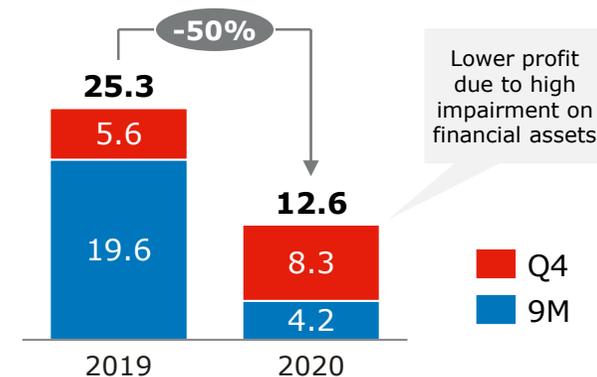


Market share & position – 2020



Source: Polish Factors Association (PFA)

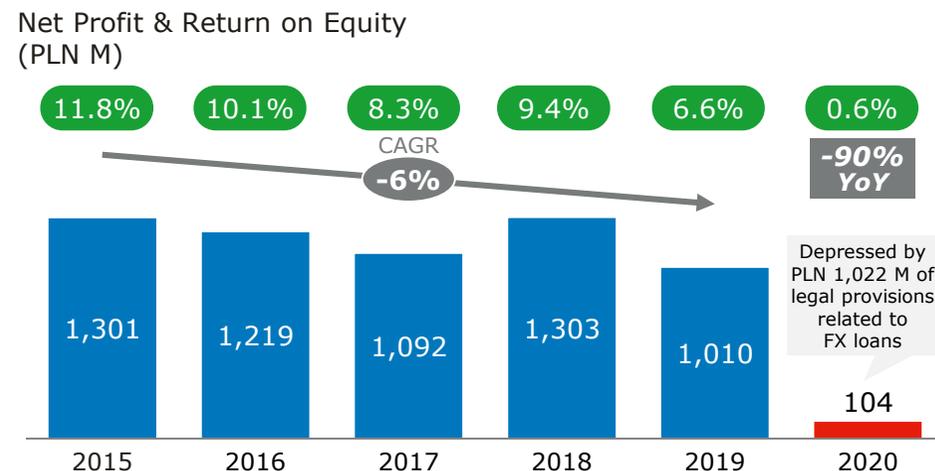
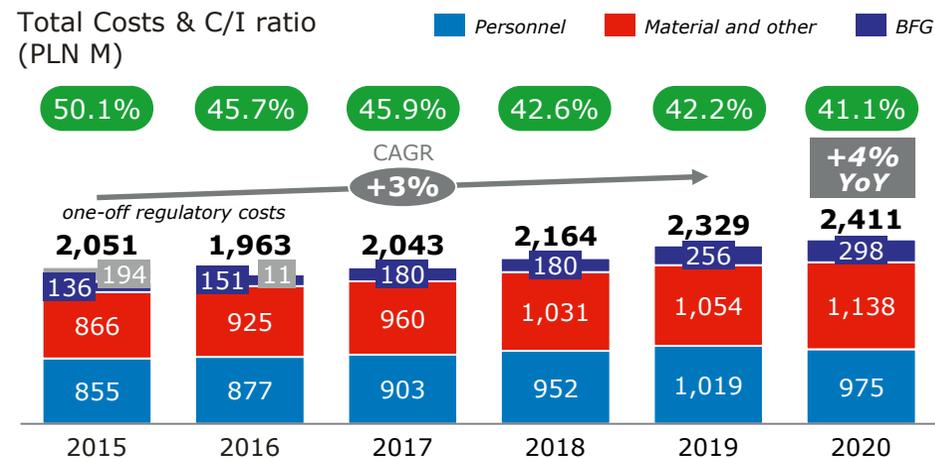
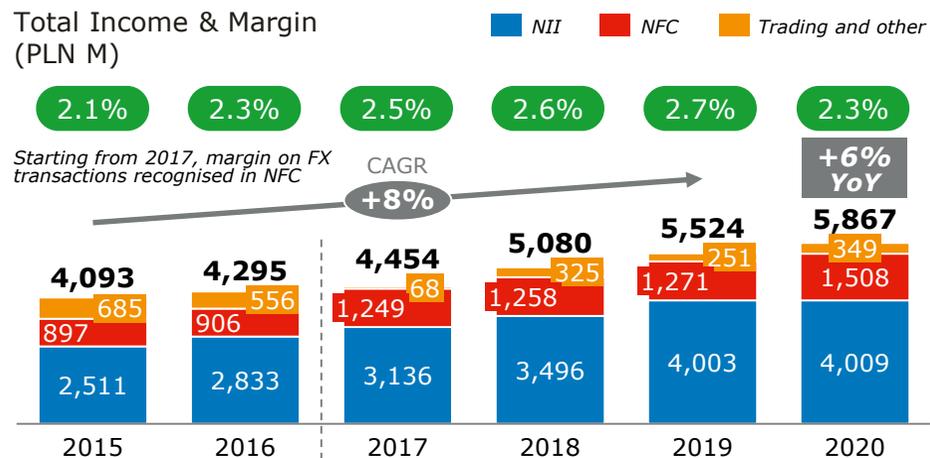
Profit before Tax (PLN M)



# Appendix

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

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



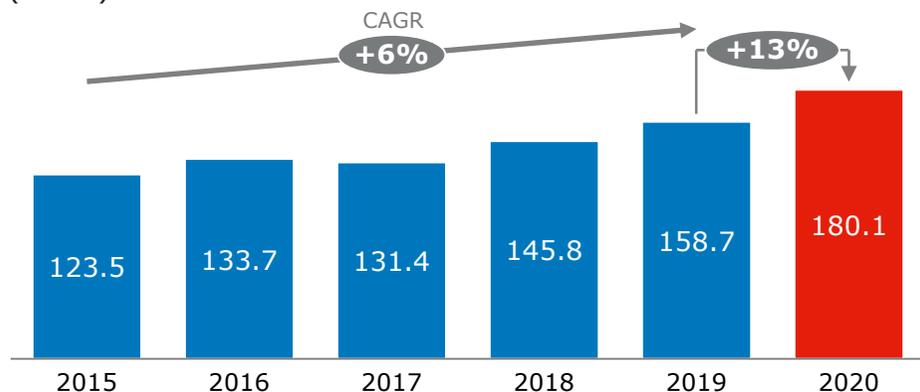
Note: A drop of net profit in 2019 and 2020 caused by the provisions for legal risk related to the FX mortgage loans.

# Appendix

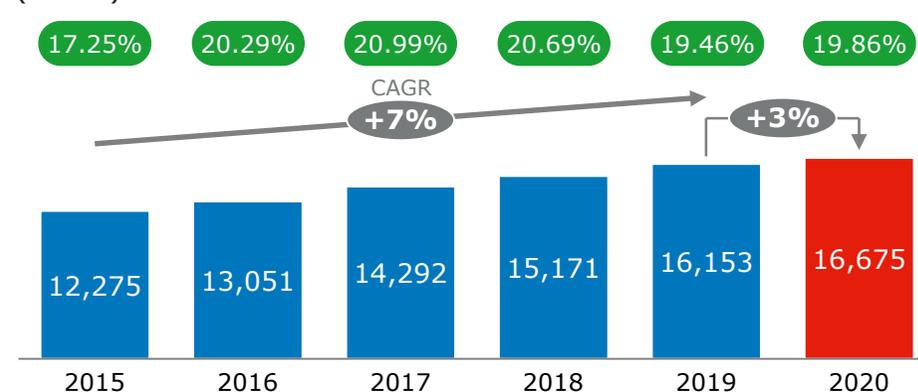
Summary
Profit & Loss
Balance Sheet
Business Lines
Subsidiaries
<b>Historical view</b>

## mBank Group's historical performance: Balance Sheet

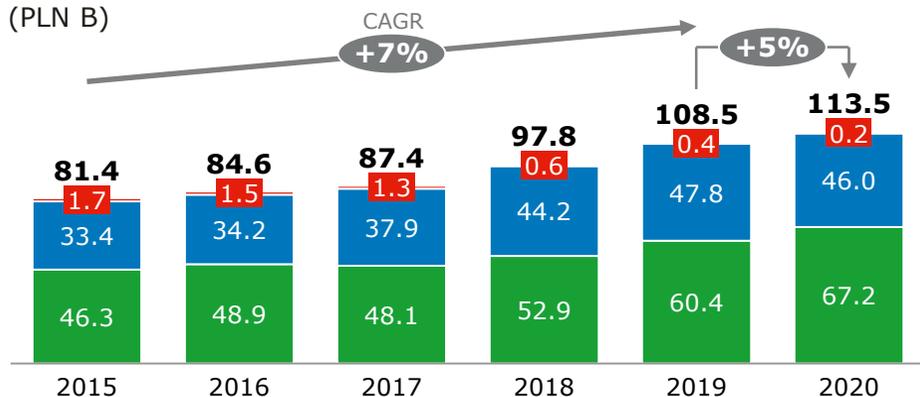
Total Assets  
(PLN B)



Equity & Total Capital Ratio  
(PLN M)

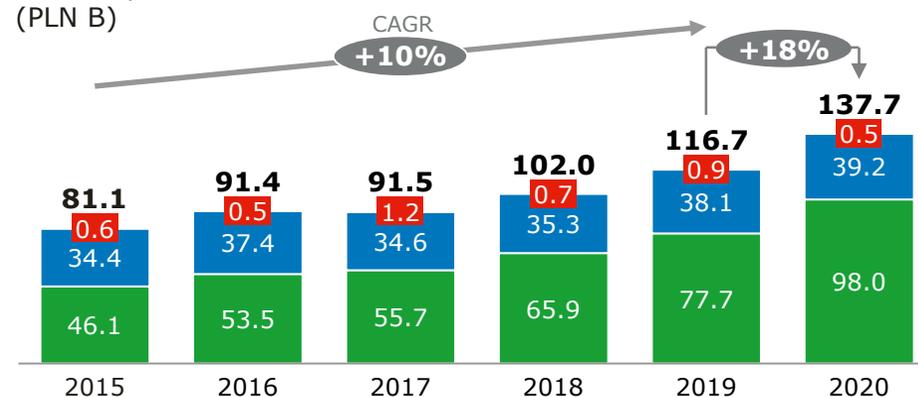


Total Gross Loans  
(PLN B)



Individual clients Corporate clients Public sector and other

Total Deposits  
(PLN B)



Individual clients Corporate clients Public sector

# mBank's share price performance

## Banking stocks depressed by worsening profitability due to the pandemic

mBank's index membership and weights as of 31.12.2020

WIG30		1.048%
mWIG40		4.236% <sup>1</sup>
WIG		0.804%
WIG-Banks		4.284%
WIG-ESG		1.324%
WIG-Poland		0.819%

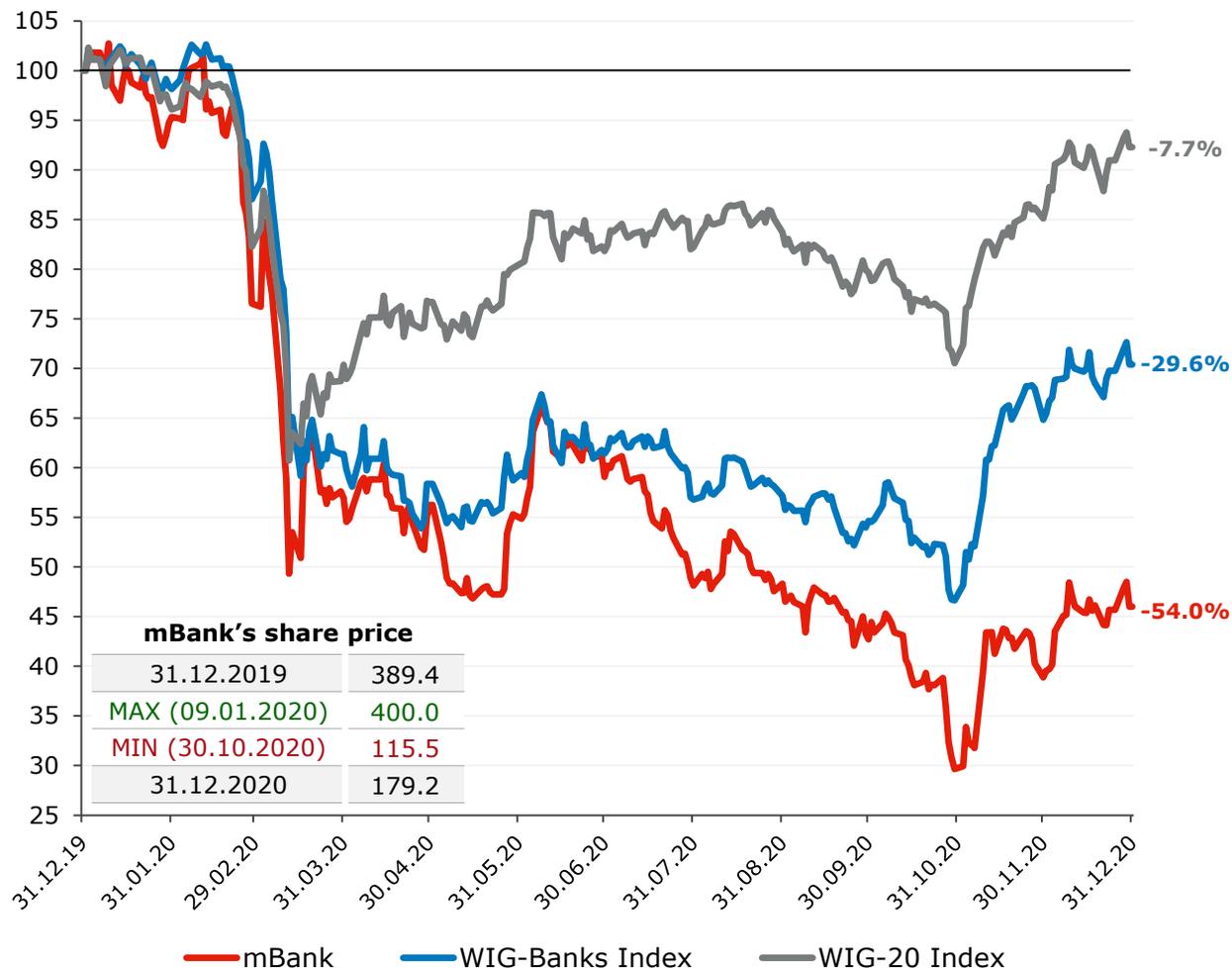
<sup>1</sup> After the trading session on 14.10.2020, there was an extraordinary adjustment of the indices resulting from the IPO of Allegro shares. mBank was replaced by this company in WIG20 (blue chip) index and entered the mWIG40 (mid-caps) index.

- mBank has been listed on the Warsaw Stock Exchange since October 1992
- A strategic shareholder, Germany's Commerzbank, owns 69.28% of shares

ISIN	PLBRE0000012
Bloomberg	MBK PW
Number of shares issued	42 367 040

Source: WSE, Bloomberg (data as of 31.12.2020).

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



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