

Results of mBank Group Q2 2021

Robust core operations on strong business flows



Presentation for Investors and Analysts, 03.08.2021

Agenda



Key highlights of Q2 2021

3

- Business development
- Summary of financial results

Analysis of the performance after Q2 2021

16

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

Macroeconomic update and outlook

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Key highlights of Q2 2021 in mBank Group

- ✓ Core revenues close to record-high level, driven by strong fee result and gradually rebounding net interest income
- ✓ High efficiency amid investments in future growth, continued disciplined cost management
- ✓ Improving net profit of core business, elevated costs of legal risk affecting profitability in non-core segment
- ✓ Loan and deposit volumes on upward trajectory in both segments, translating into higher market shares
- ✓ Risk costs reflecting prudent approach despite resilient asset quality, strong capital and liquidity position
- ✓ Growing usage of mobile application and payments, support in entering e-commerce market

Net interest income
-4.5% YoY

Net fee income
+24.7% YoY

Total costs
+1.5% YoY

Cost/Income ratio
42.5%

Net profit
+25% YoY

CHF legal reserves
PLN 249 million

Loans
+7.3% YoY

Deposits
+12.1% YoY

Cost of Risk
80 bps

Total capital ratio
17.6%

Mobile app users
2.42 million

Mobile payments
1.4 million cards

New products and innovations in Q2 2021



special card to celebrate Pol'and'Rock Festival

- In relation to the 27th Pol'and'Rock Festival, mBank issued a special debit card designed by Jurek Owskiak, the founder and leader of the Great Orchestra of Christmas Charity
- A limited edition of 15,000 cards is available via the Internet website for existing and new clients of mBank

arranger of green bond issuance of R.Power

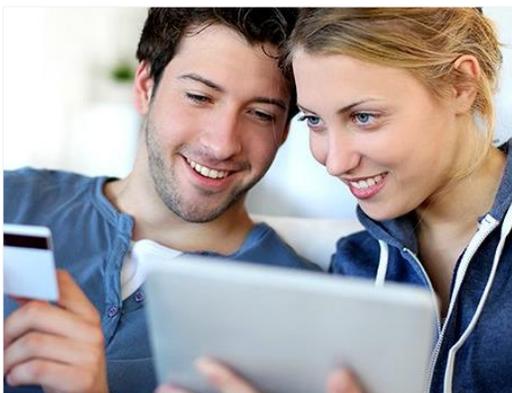
- In June, mBank arranged the issuance of the first series of green bonds by R.Power, the largest Polish developer of photovoltaic farms
- Obtained funds of PLN 150 million will be allocated to the purchase of new PV projects and the development of already existing ones



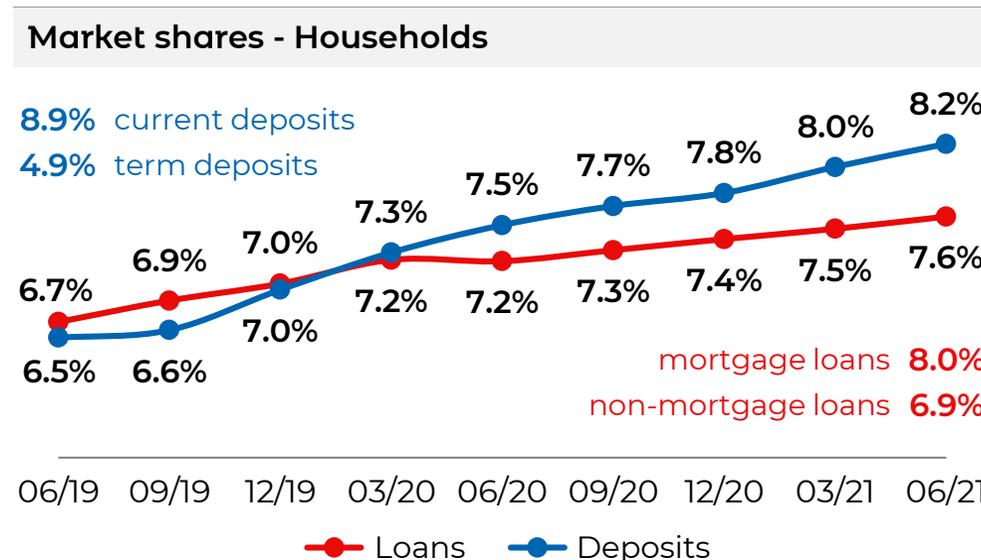
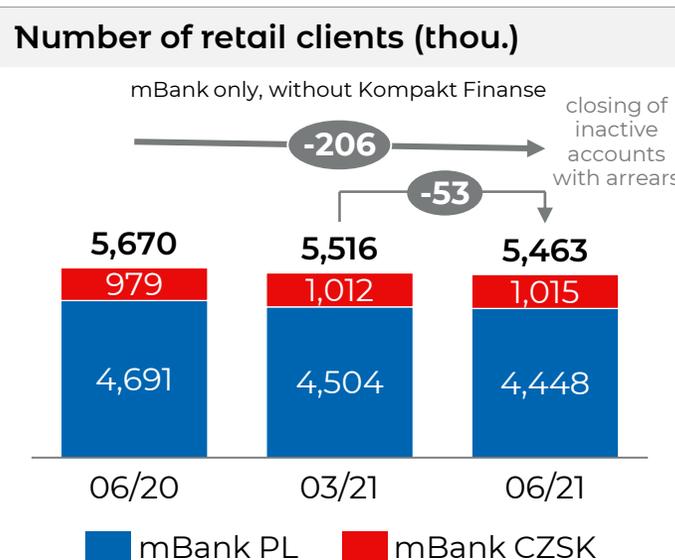
mobile payments for corporate clients

- mBank's corporate clients were provided with three popular mobile payments options, including: Apple Pay, Google Pay and Garmin Pay
- They work at all sales or service points, where contactless transactions are accepted; users avoid touching the terminal or cash amid the pandemic

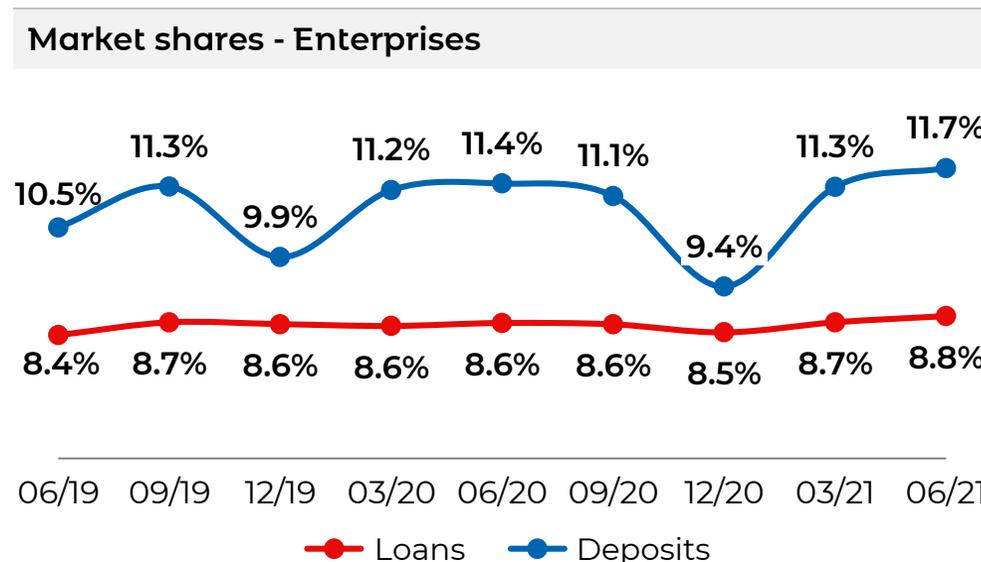
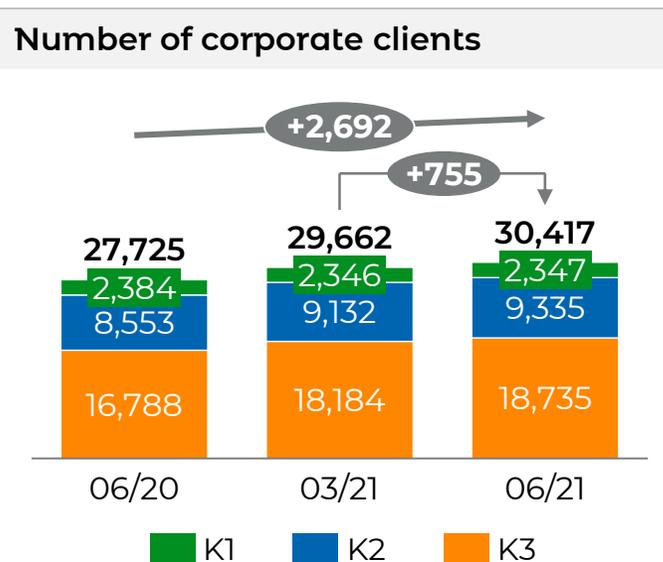
Client base and market position of retail and corporate banking



RETAIL BANKING



CORPORATE BANKING



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

mBank as a front-runner in mobile banking adoption

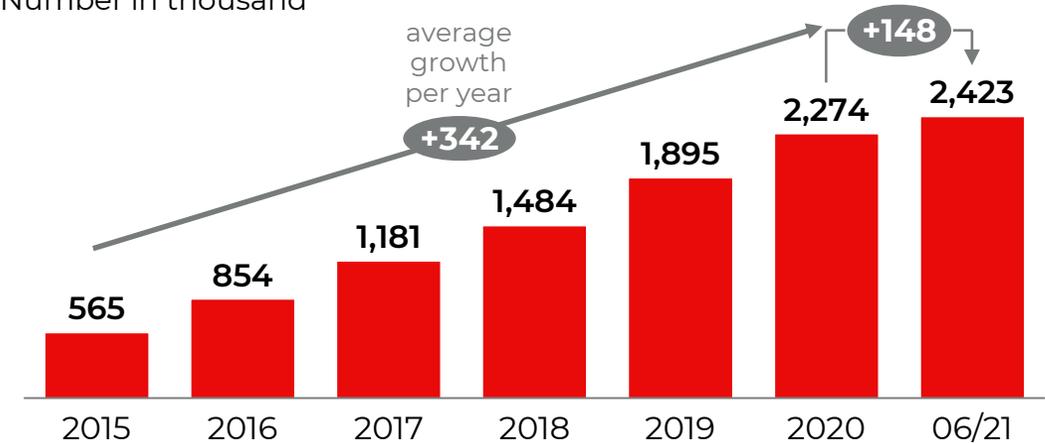


#1 by the share of mobile users in total active customer base

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

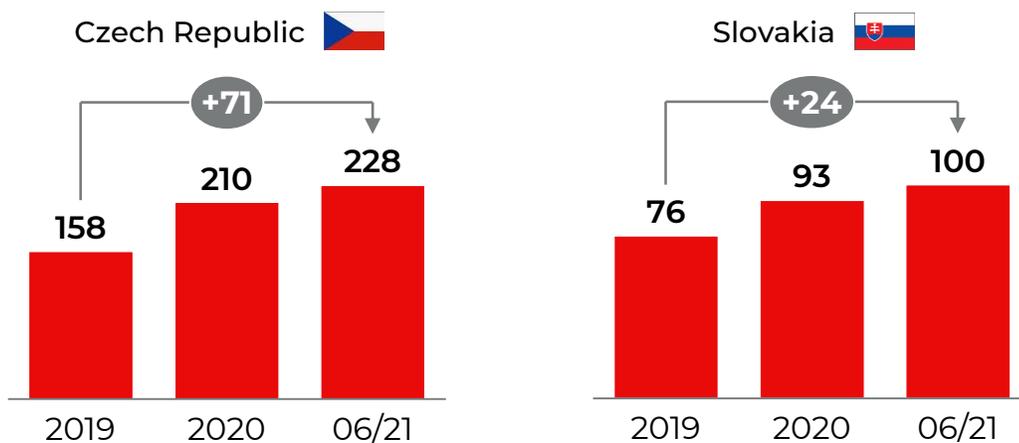
Active users of mBank's mobile application in Poland

Number in thousand



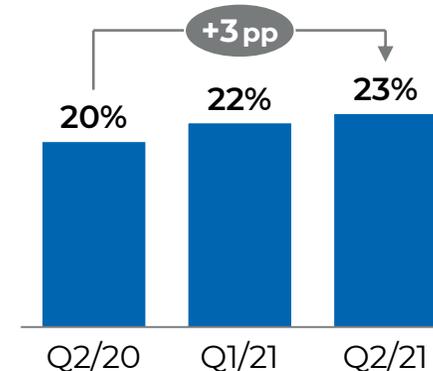
Active users of mBank's mobile application outside Poland

Number in thousand



Growing importance of mobile channel in daily banking

Share of mobile application in the sale of non-mortgage loans (by volume)



Usage of Apple Pay, Google Pay, Garmin Pay and Fitbit Pay

Mobile payment cards number at the end of Q2/21

1,404 thousand

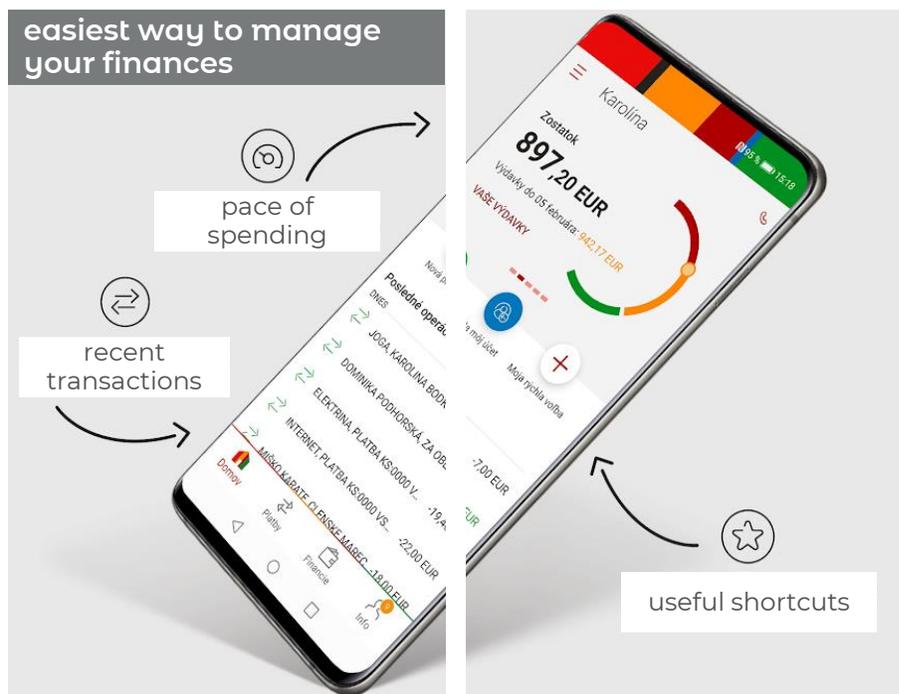
+95,000 QoQ

Contactless mobile transactions number in Q2/21

60.5 million

+36% QoQ

Development of leading mobile banking offer for individuals



Mobile application to Junior Account

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



mBank was awarded as **Best Private Bank** in CEE in **Digital Portfolio Management** category by *Professional Wealth Management* magazine

Well-designed functionalities for client convenience

fully remote account opening with a selfie and agreement approved via a text message

logging in with a PIN code, fingerprint or Face ID



contactless payments with Google Pay and Apple Pay



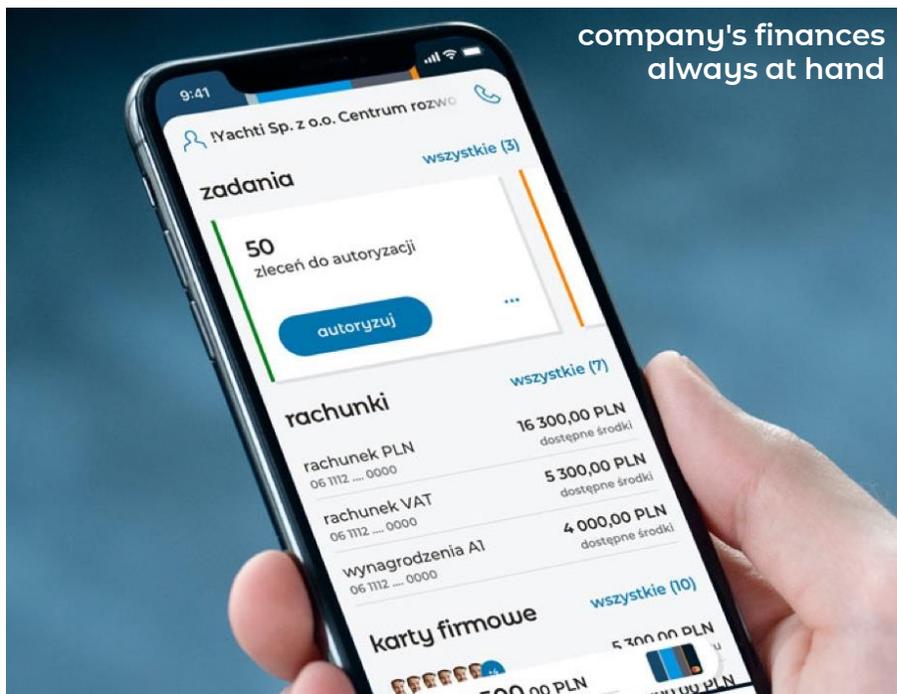
express transfers using telephone numbers and the BLIK system



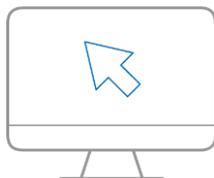
reminders from Payment Assistant and scanning of data to the transfer form from the invoices

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

Development of best digital banking services for corporate clients



CompanyMobile
CompanyNet



mBank was named "**World's Best Corporate/Institutional Digital Bank in CEE 2020**" by Global Finance magazine

First-class digital banking offer for companies



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



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



remote access and constant control via enhanced mBank CompanyMobile application



Administrator Centre for self-managing user permissions and authorisation schemes



electronic sending of documents, signing of agreements



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



Development of complete solutions for e-commerce segment

mBank's unique payment gateway

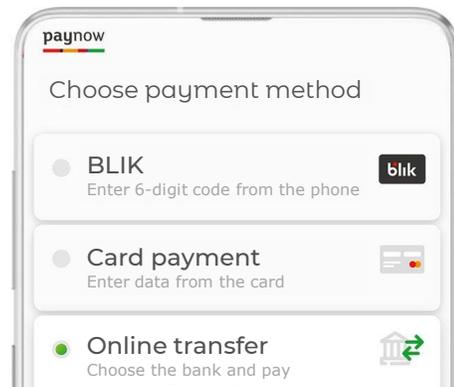
paynow

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



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

- quick and easy integration with merchant's online shop
- high processing capacity, especially for peaks in payment volumes (up to 200 transactions per second)
- convenient management through mBank's transactional service or panel adapted to mobile devices
- no fee for activation and attractive pricing thereafter



Processed payments volume has been growing dynamically, with PLN 29 M per month in Q2/21



Comprehensive value proposition for e-merchants



2nd edition of special campaign and contest "Digital Revolutions" to support microfirms and SMEs in e-commerce expansion

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



Already 6,500 of clients took advantage of mBank's e-commerce offer, including +1,000 in Q2/21



Focus on sustainable and responsible banking

External ESG assessment



Membership in ESG indices

Bloomberg GEI
Gender-Equality Index

FTSE4Good
Index Series

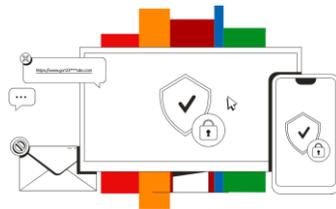
WIG-ESG index
on WSE in Poland

Green Bond framework

Our ESG activities are centred around 3 aspects in line with sustainable development strategy

✓ mBank educates

- We support the development of mathematical skills and equalize educational opportunities for the young



- We teach how to use online and mobile banking safely

✓ mBank promotes prosperity

- We support organisations that work for social welfare



We play together



- We are accessible to clients with disabilities (inclusive banking)
- We ensure diversity and equal opportunities

✓ 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
- Eco-supportive products in each customer segment
- PLN 4 billion dedicated for Renewable Energy Sources financing



Customers choosing virtual cards saved nearly 250 kilograms of plastic with us in H1 2021

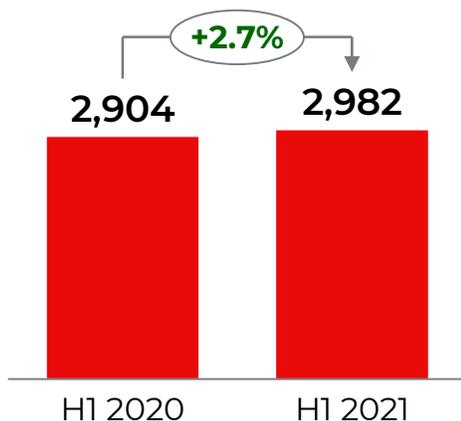
We limit our direct impact

- Measurement and reduction of our carbon footprint
- Waste segregation and recycling
- Selection of suppliers by ESG standards

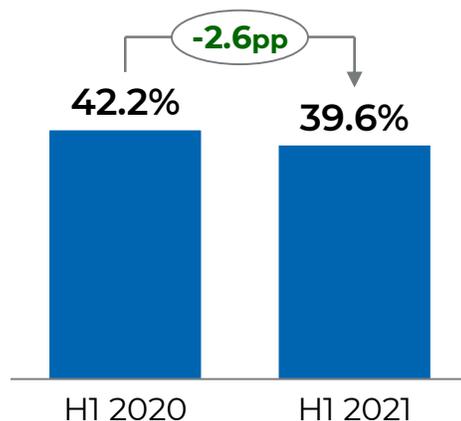
Summary of key financial highlights

Total income

PLN M

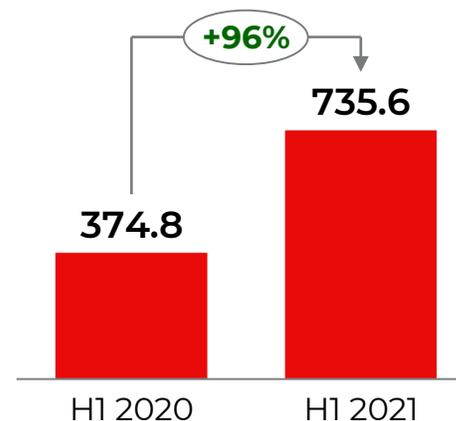


Cost/Income ratio¹

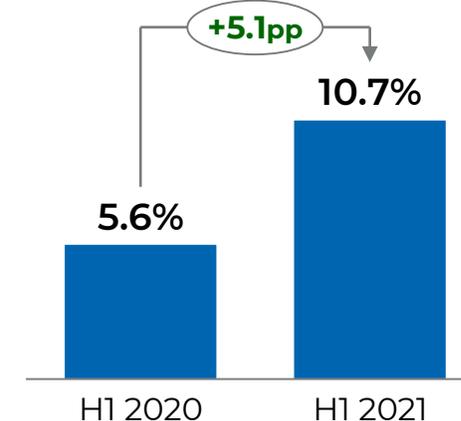


Net profit of Core Business²

PLN M

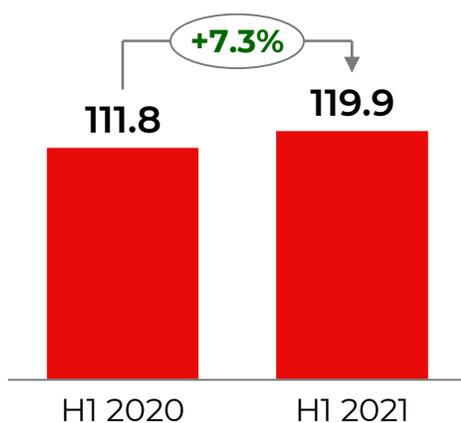


ROE of Core Business²

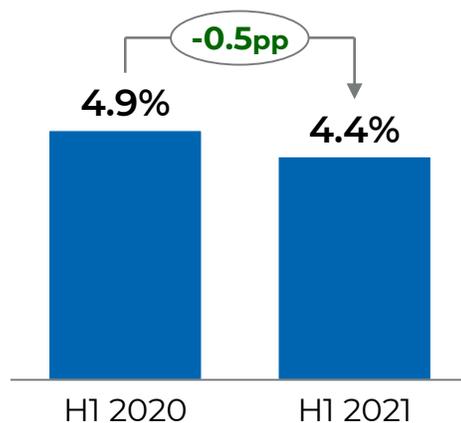


Gross loans to customers

PLN B

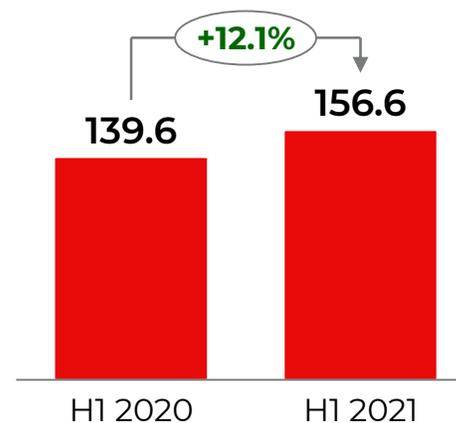


NPL ratio

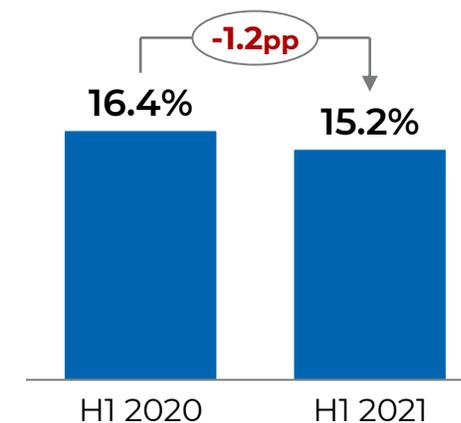


Customer deposits

PLN B



Tier 1 capital ratio



¹ Normalized indicator, including ½ of contribution to the Resolution Fund booked in the first quarter of the year; ² Defined as mBank Group excluding FX Mortgage Loans segment

Summary of financial results: Profit and Loss Account

PLN million	Q2 2020	Q1 2021	Q2 2021	Δ QoQ	Δ YoY
Net interest income	1,006.6	946.9	961.5	+1.5%	-4.5%
Net fee and commission income	362.9	468.1	452.6	-3.3%	+24.7%
Total income	1,469.5	1,538.8	1,442.8	-6.2%	-1.8%
Total costs (excluding BFG)	-538.7	-511.2	-555.3	+8.6%	+3.1%
Contributions to the BFG ¹	-32.8	-153.5	-25.0	-83.7%	-23.8%
Loan loss provisions and fair value change ²	-352.2	-164.7	-228.4	+38.6%	-35.2%
Costs of legal risk related to FX loans	-189.0	-66.3	-248.5	+275.0%	+31.5%
Operating profit	356.8	643.1	385.7	-40.0%	+8.1%
Taxes on the Group balance sheet items	-138.4	-138.8	-147.2	+6.0%	+6.3%
Profit before income tax	218.4	504.3	238.5	-52.7%	+9.2%
Net profit	87.0	317.1	108.7	-65.7%	+24.9%
Net interest margin	2.34%	2.10%	2.04%	-0.06pp	-0.30pp
Cost/Income ratio	38.9%	43.2%	40.2%	-3.0pp	+1.3pp
Cost of risk	1.29%	0.59%	0.80%	+0.21pp	-0.49pp
Return on equity (ROE)	2.1%	7.7%	2.6%	-5.1pp	+0.5pp
Return on assets (ROA)	0.20%	0.68%	0.22%	-0.46pp	+0.02pp

¹ Including annual contributions to the Resolution Fund of PLN 130.4 million in Q1/21

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

Summary of financial results: Balance Sheet

PLN million	Q2 2020	Q1 2021	Q2 2021	Δ QoQ	Δ YoY
Total assets	182,396	194,217	198,471	+2.2%	+8.8%
Gross loans to customers	111,818	116,925	119,949	+2.6%	+7.3%
Individual client loans	62,730	67,785	70,093	+3.4%	+11.7%
Corporate client loans	48,734	48,901	49,635	+1.5%	+1.8%
Customer deposits	139,623	152,097	156,584	+2.9%	+12.1%
Individual client deposits	89,777	103,583	106,700	+3.0%	+18.8%
Corporate client deposits ¹	48,362	47,711	48,876	+2.4%	+1.1%
Total equity	16,913	16,749	16,694	-0.3%	-1.3%
Loan-to-deposit ratio	77.5%	74.5%	74.2%	-0.3pp	-3.3pp
NPL ratio	4.9%	4.6%	4.4%	-0.2pp	-0.5pp
Coverage ratio	58.8%	58.5%	58.3%	-0.2pp	-0.5pp
Tier 1 Capital Ratio	16.4%	16.6%	15.2%	-1.4pp	-1.2pp
Total Capital Ratio	19.3%	19.2%	17.6%	-1.6pp	-1.7pp

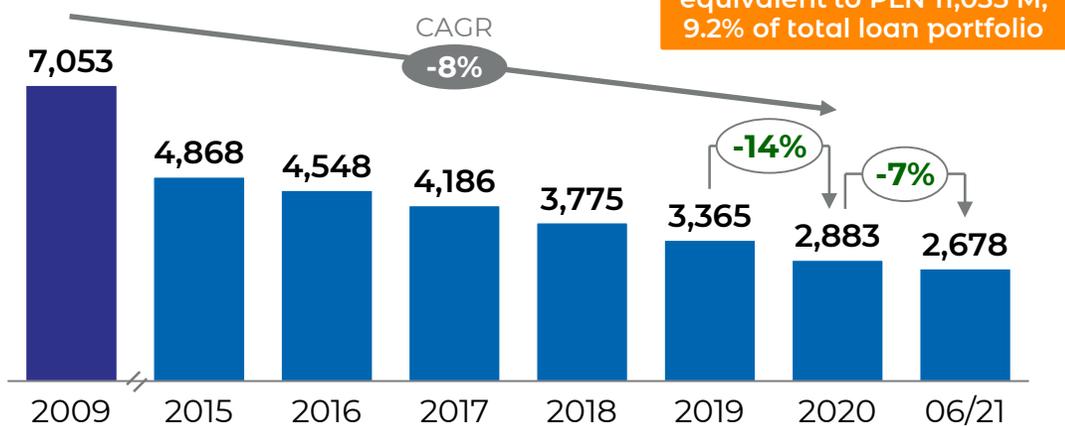
¹ Excluding repo / sell-buy-back transactions

Note: Balance sheet data for Q1/20-Q4/20 restated due to the presentational change related to CHF mortgage loans.

Summary of litigations and provisions related to CHF portfolio

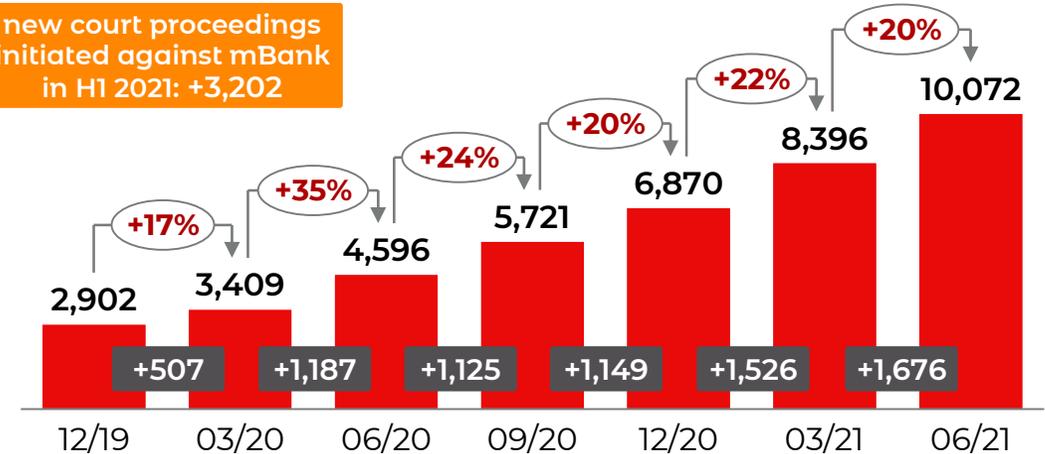
CHF mortgage loans granted to individual customers

CHF M, carrying amount



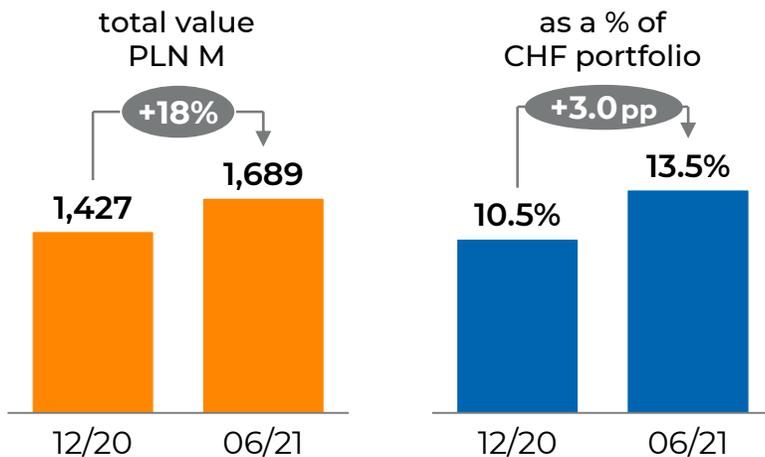
Number of individual court cases concerning indexation clauses

new court proceedings initiated against mBank in H1 2021: +3,202



Provisions created for individual court cases

concerning indexation clauses in CHF mortgage loans

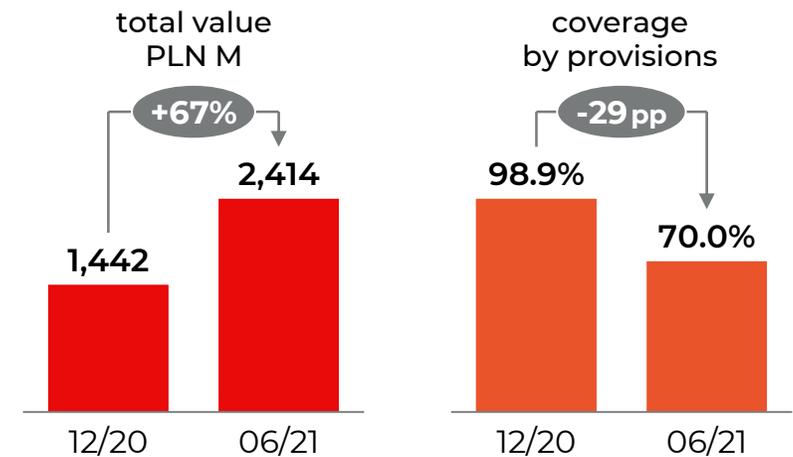


Key parameters for the calculation of portfolio provisions include:

- population of borrowers who will file a lawsuit against the bank
- probability of loss, defined as a share of negative verdicts in all final judgments
- 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

Claims related to the individual proceedings

concerning indexation clauses in CHF loan agreements



New segmentation to show genuine performance of core business

Summary of financial results for mBank's core activity and run-off portfolio in H1 2021

PLN million	Core Business	Non-core ¹	mBank Group
Net interest income	1,843.5	65.0	1,908.4
Net fee, trading and other income	1,107.0	-33.8	1,073.1
Total income	2,950.4	31.1	2,981.6
Total costs	-1,235.8	-9.1	-1,244.9
Loan loss provisions and fair value change ²	-403.6	10.6	-393.1
Costs of legal risk related to FX loans	0.0	-314.8	-314.8
Operating profit	1,311.0	-282.2	1,028.8
Taxes on the Group balance sheet items	-258.3	-27.6	-286.0
Profit before income tax	1,052.6	-309.8	742.8
Net profit	735.6	-309.8	425.8
Total assets	185,136	13,335	198,471
Net interest margin	2.16%		2.07%
Cost/Income ratio	41.9%		41.8%
Cost of risk	0.82%		0.70%
Return on equity (ROE)	10.7%		5.1%
Return on assets (ROA)	0.83%		0.44%

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

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

Separation of FX mortgage loan portfolio

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

The capital allocated to the non-core unit amounted to PLN 2.9 B as of 30.06.2021.

It is calculated primarily based on:

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

Provisions for legal risk are currently divided into:

- PLN 1,468.5 M reflected through a deduction from gross assets;
- PLN 220.5 M included in the bank's liabilities;

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Macroeconomic update and outlook

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Appendix

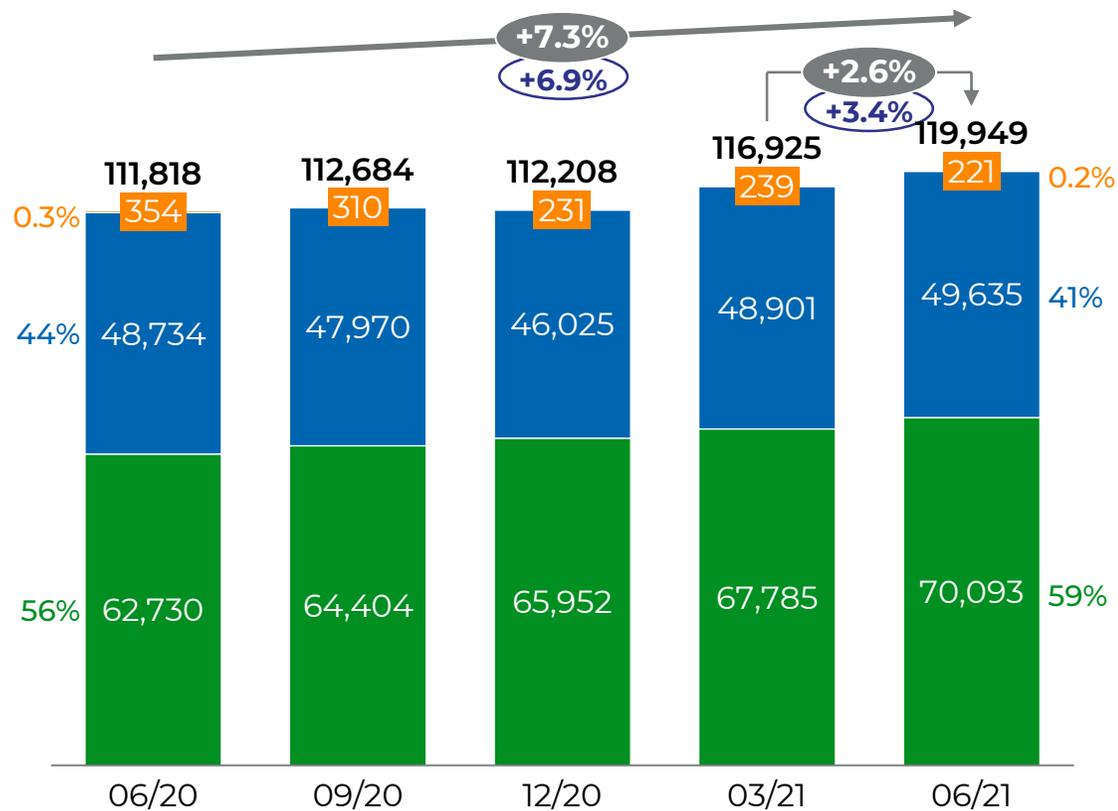
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Results of mBank Group: Loans to customers

Continuous loan portfolio expansion driven by strong momentum of retail exposures

Development of gross loans and advances to customers

PLN M

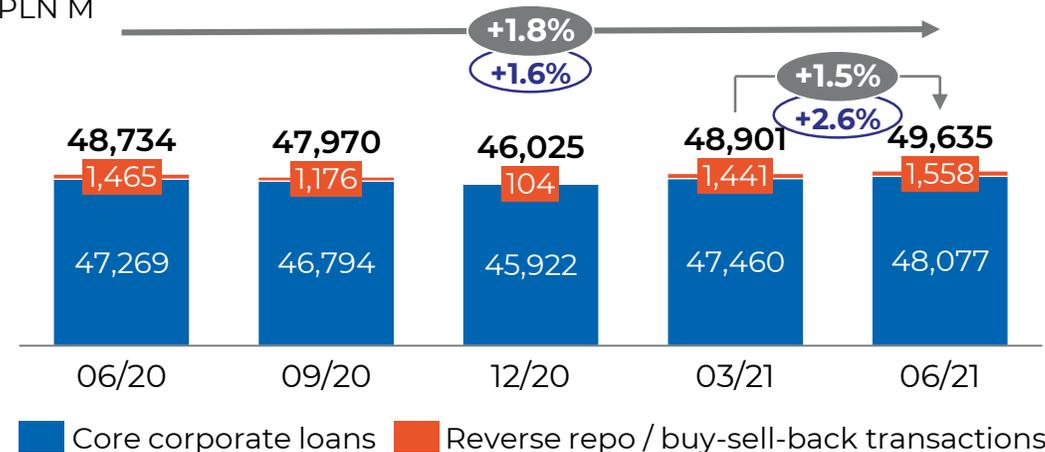


- Individual clients
- Corporate clients
- Public sector

+X.X% Excluding FX effect

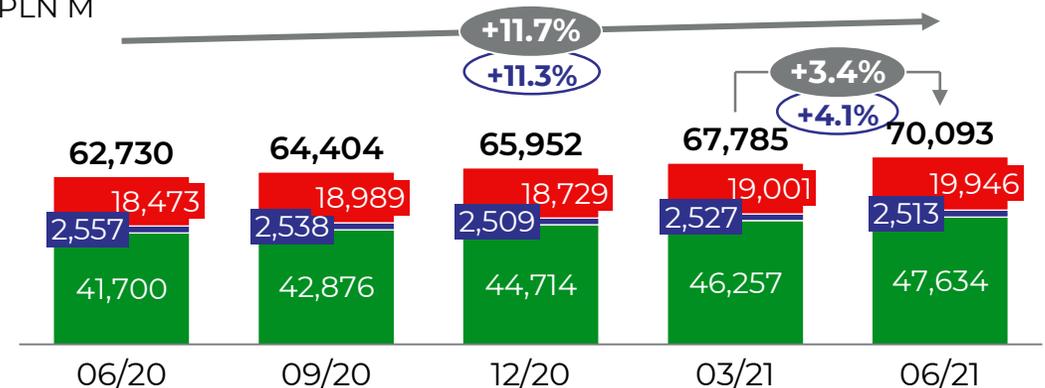
Gross loans to corporate customers

PLN M



Gross loans to retail customers

PLN M



Mortgage loans: ■ to individuals ■ to microfirms ■ Non-mortgage loans

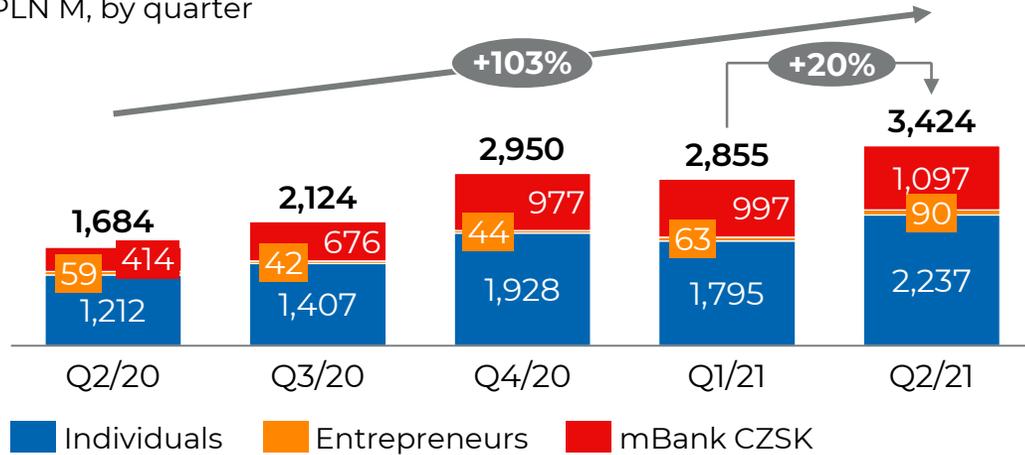
Note: Data for Q1/20-Q4/20 restated due to the presentational change related to CHF mortgage loans.

Results of mBank Group: New lending business

Accelerating sales of housing loans, accompanied by strong rebound of consumer lending

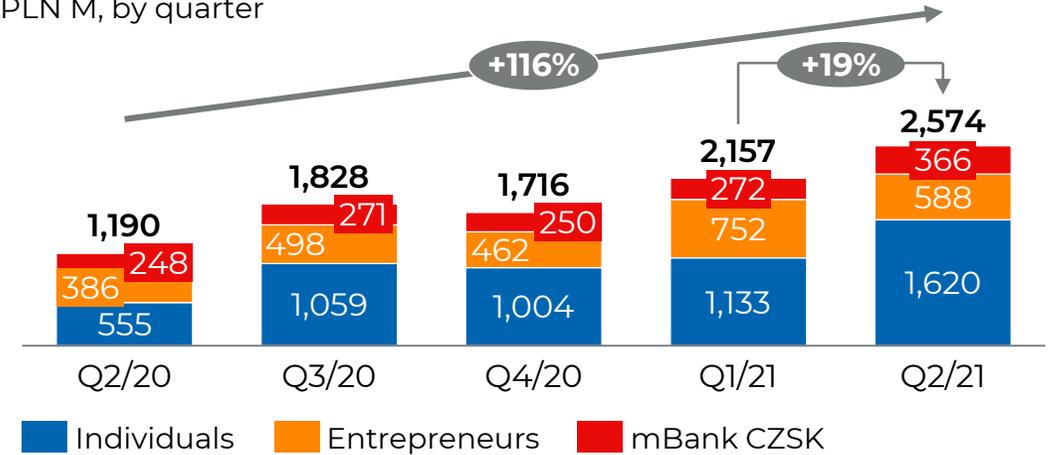
Sales of mortgage loans

PLN M, by quarter



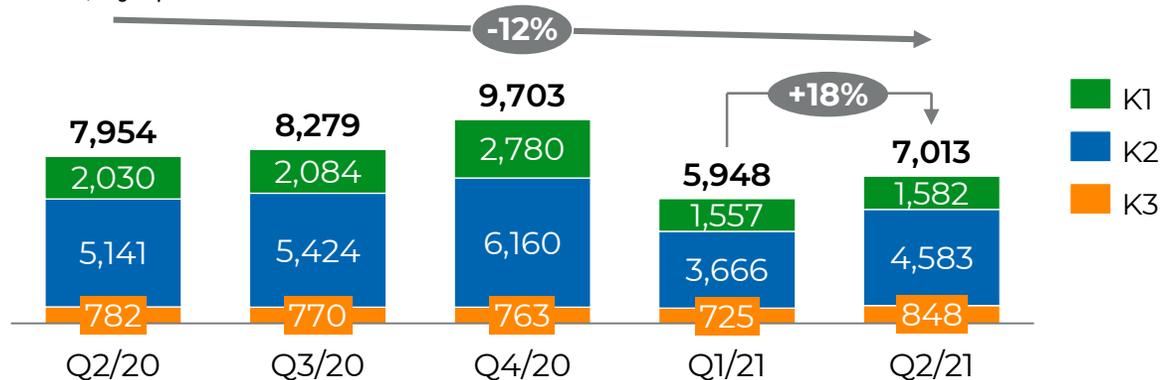
Sales of non-mortgage loans

PLN M, by quarter



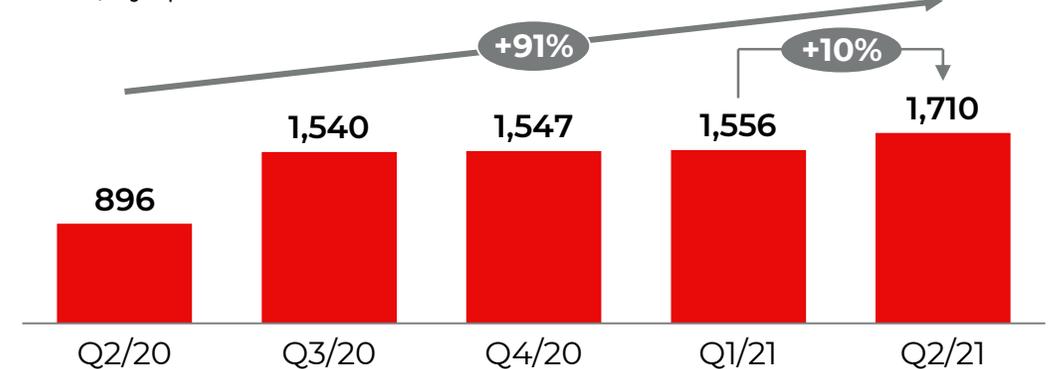
Sales of corporate loans¹

PLN M, by quarter



New leasing contracts

PLN M, by quarter

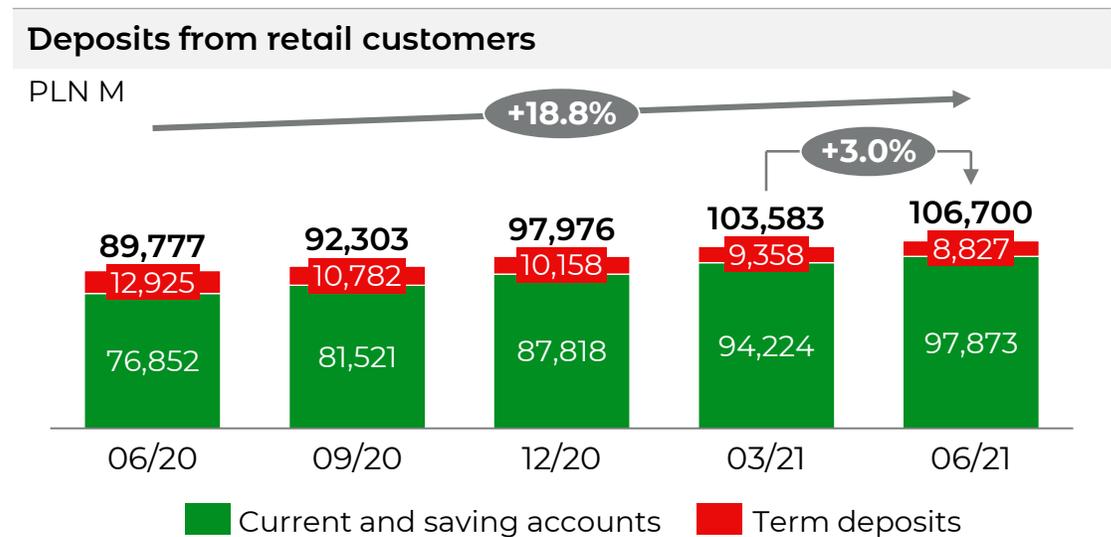
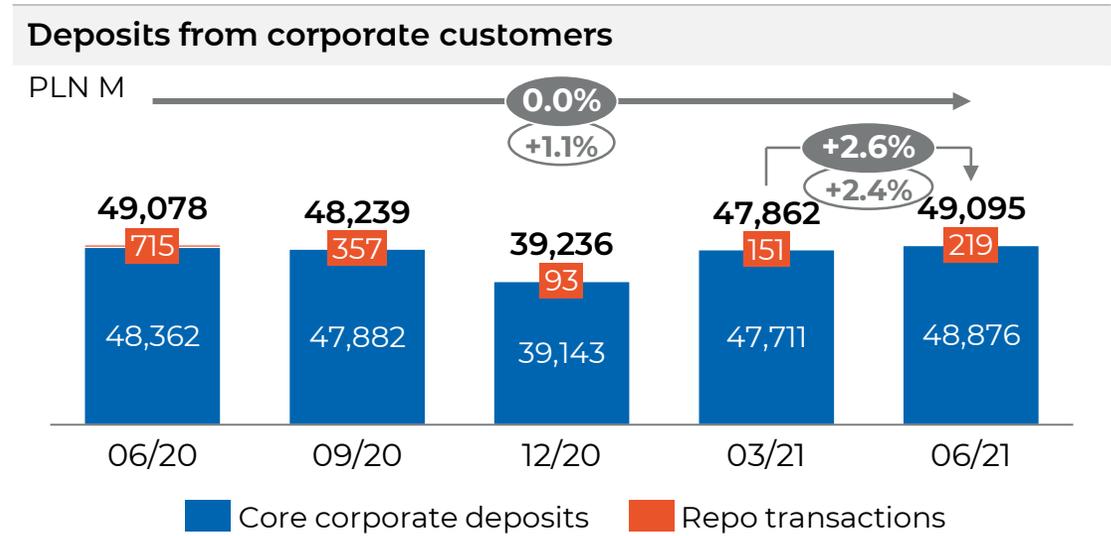
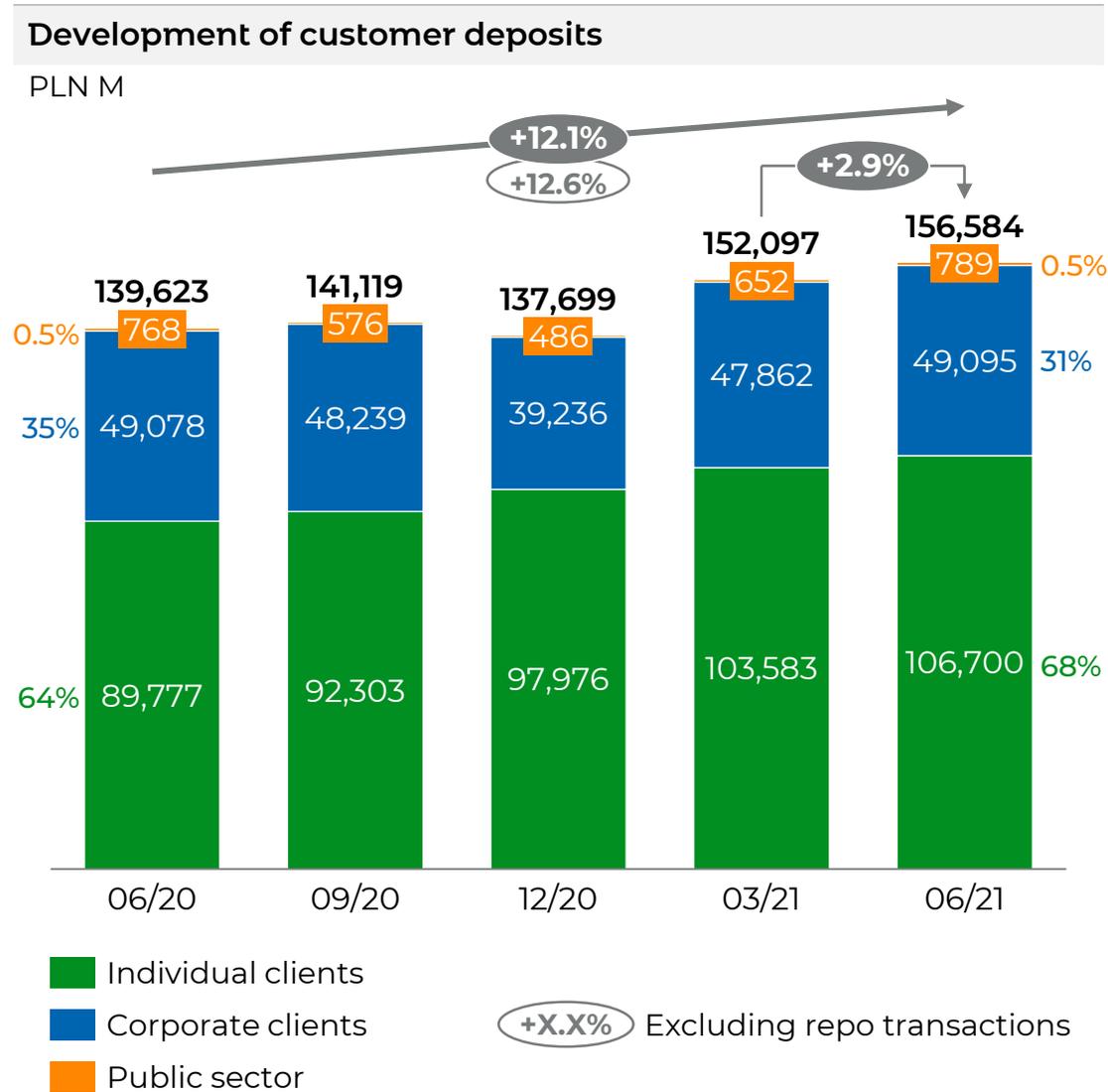


¹ Including new sale, rising and renewal

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

Growth of deposit base fueled by constant inflows to current accounts in both segments

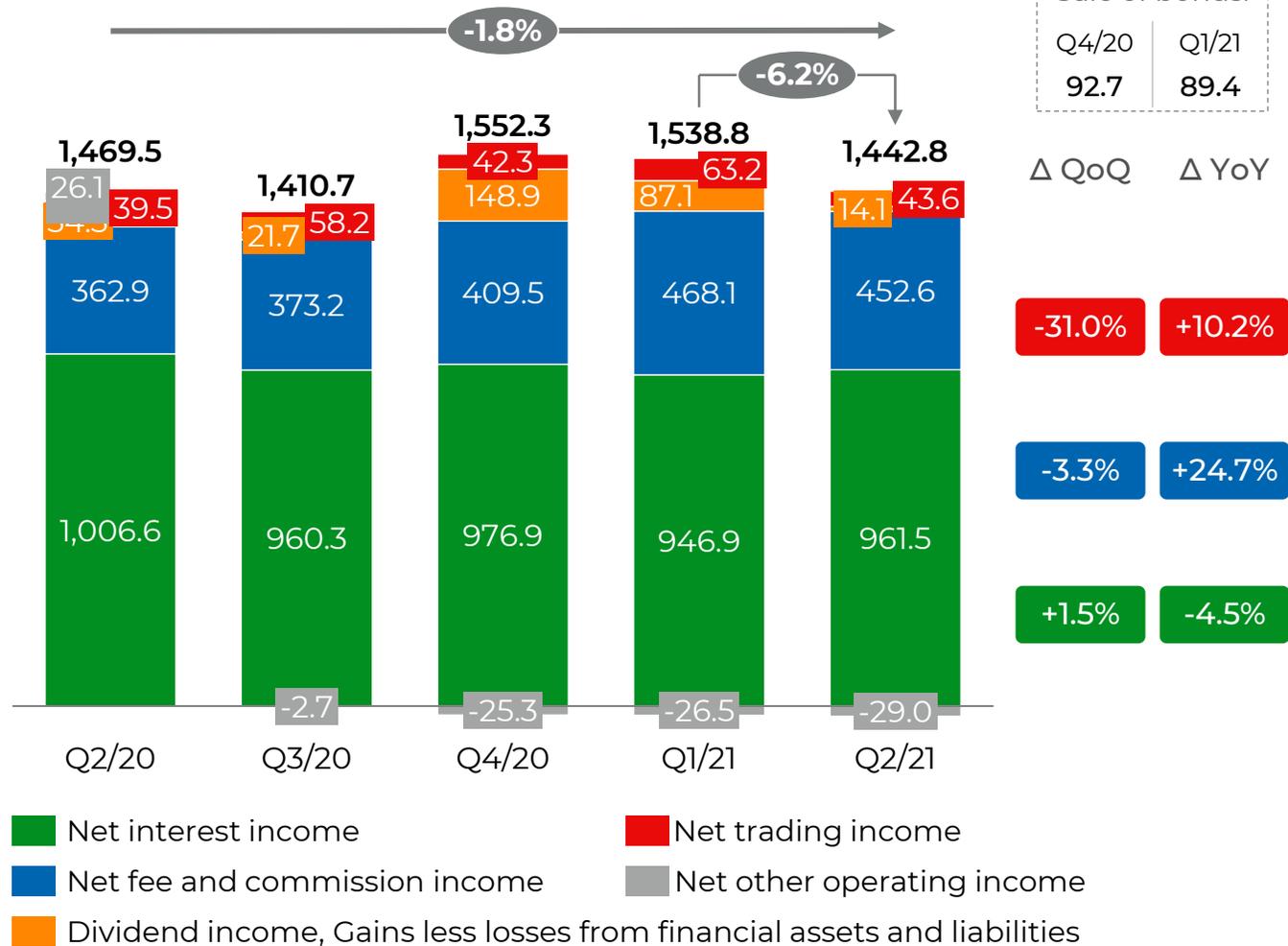


Results of mBank Group: Total income

Solid core revenues driven by gradually recovering net interest income and high fee result

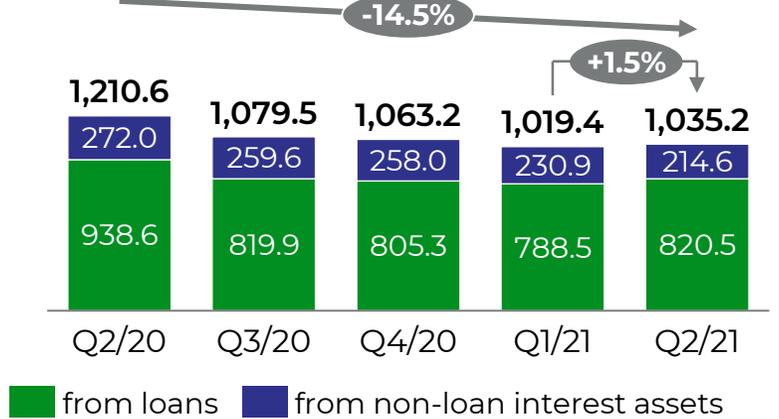
Development of mBank Group's total income

PLN M



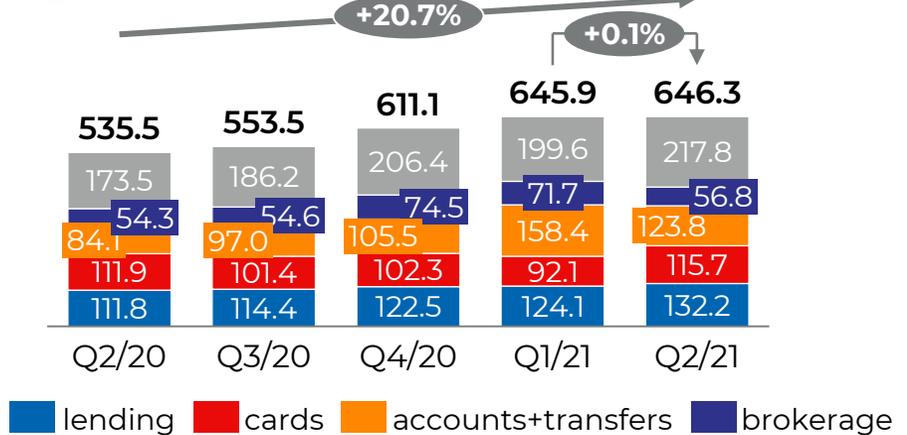
Development of interest income

PLN M



Development of fee and commission income

PLN M

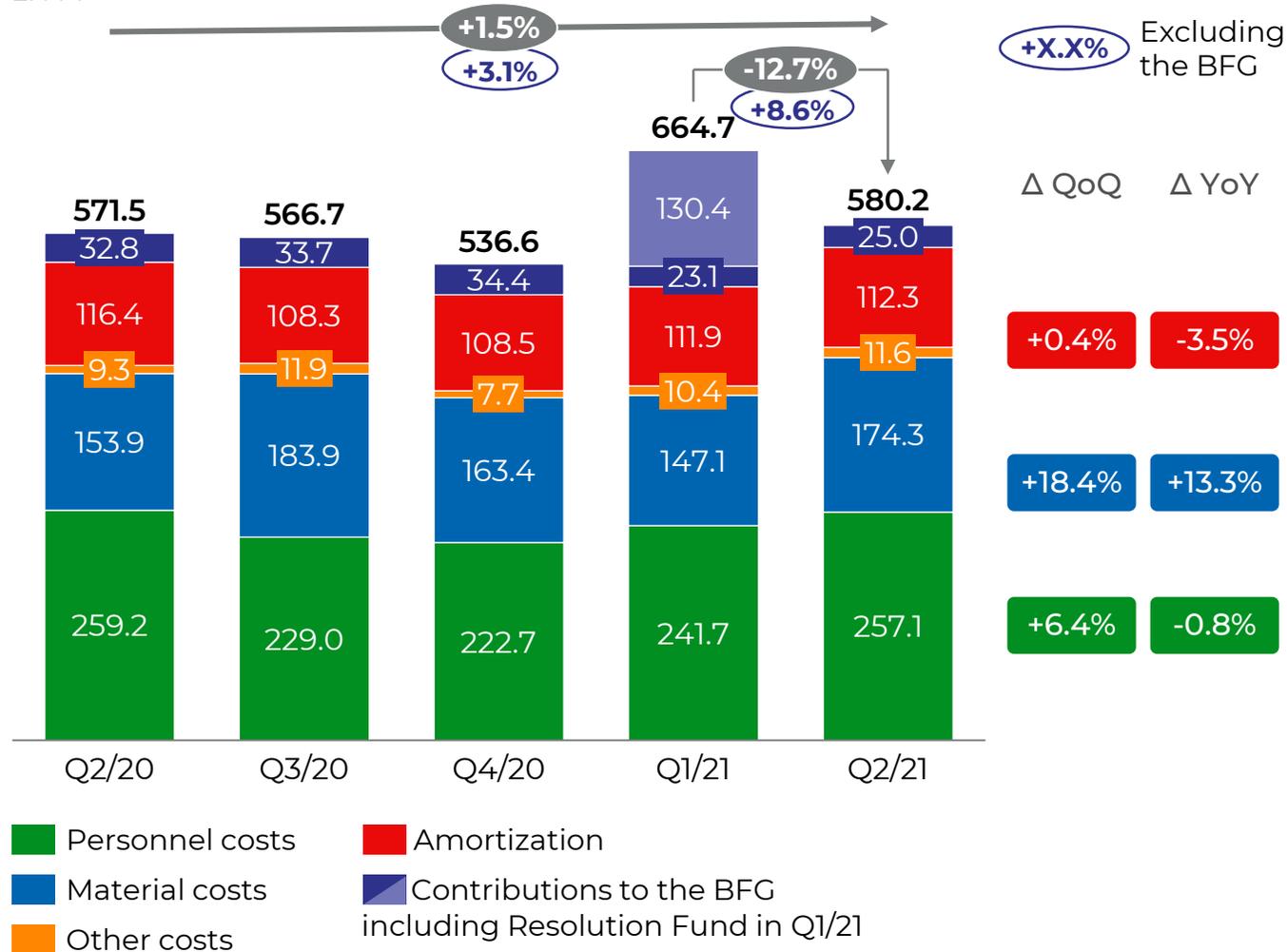


Results of mBank Group: Total costs and efficiency

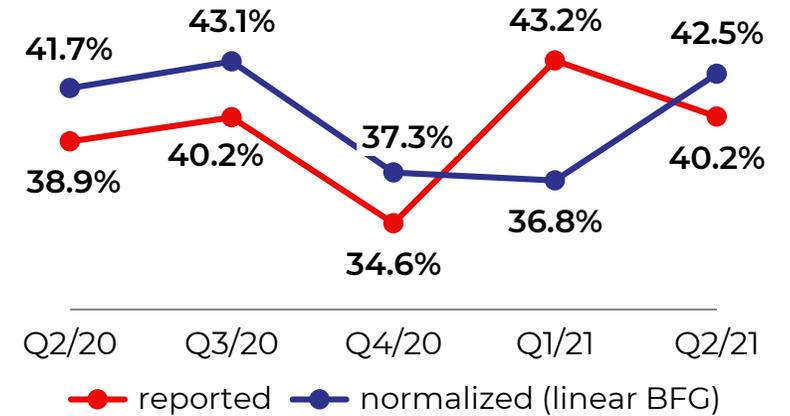
Best-in-class efficiency anchored in disciplined cost management, despite investments

Development of mBank Group's operating costs

PLN M

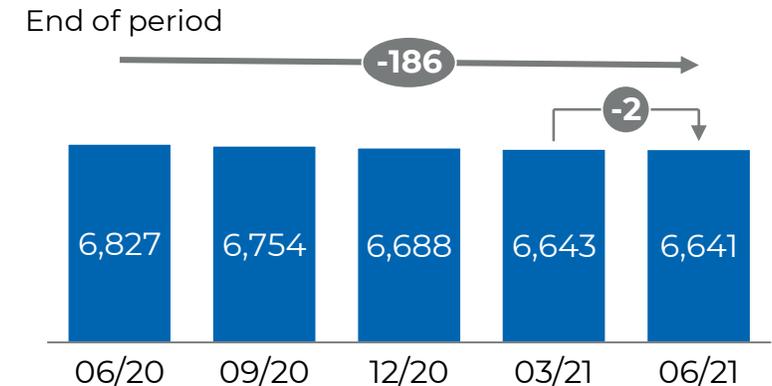


Cost/Income ratio of mBank Group – quarterly



Normalized Cost/Income ratio for H1/21 **39.6%**

Employment of mBank Group (in FTEs)



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

Provisions for expected credit losses reflecting prudent approach amid still uncertain situation

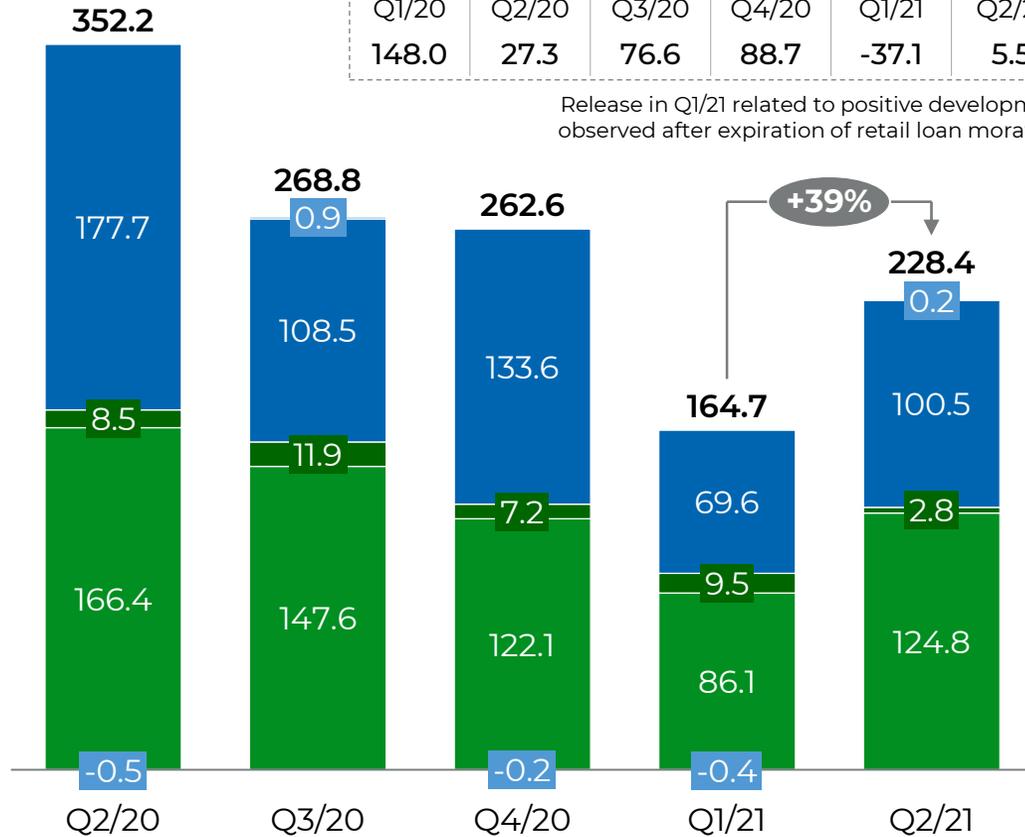
Net impairment losses and fair value change on loans

PLN M

Impact of COVID-19:

Q1/20	Q2/20	Q3/20	Q4/20	Q1/21	Q2/21
148.0	27.3	76.6	88.7	-37.1	5.5

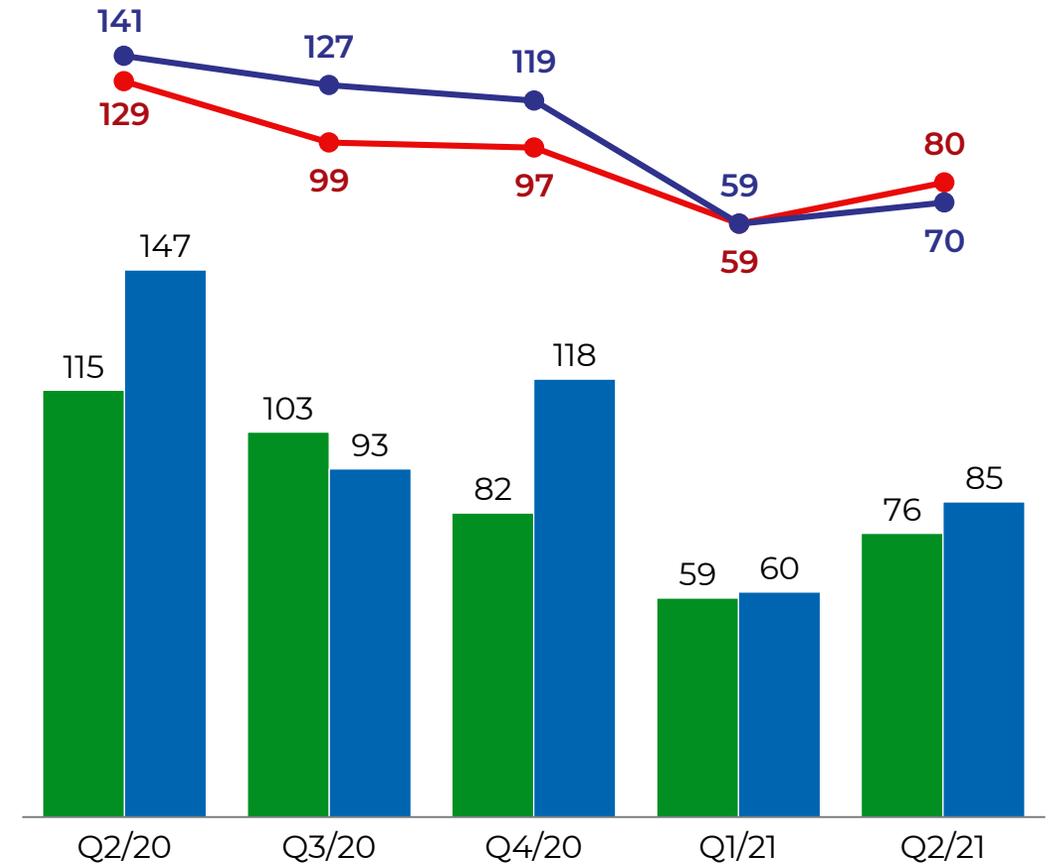
Release in Q1/21 related to positive development observed after expiration of retail loan moratoria



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

mBank Group's cost of risk, by segment

bps

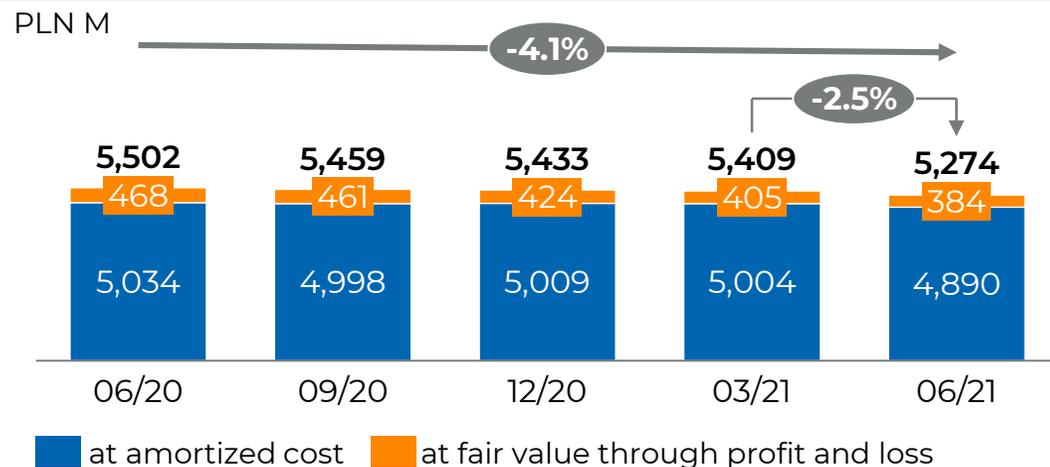


mBank Group's cost of risk: ● quarterly ● YtD
■ Retail loan portfolio ■ Corporate loan portfolio

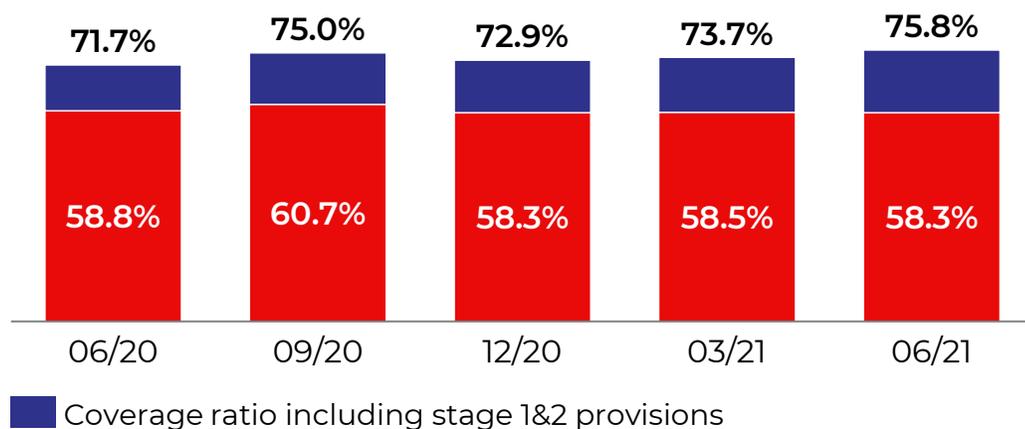
Results of mBank Group: Loan portfolio quality

Robust asset quality confirmed by resilient risk indicators, no pandemic-related deterioration

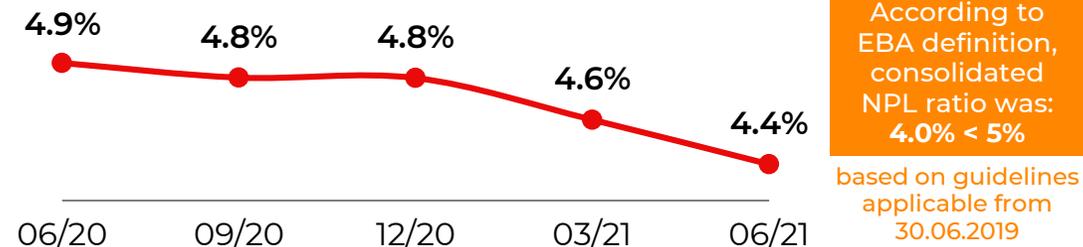
mBank Group's impaired loans portfolio



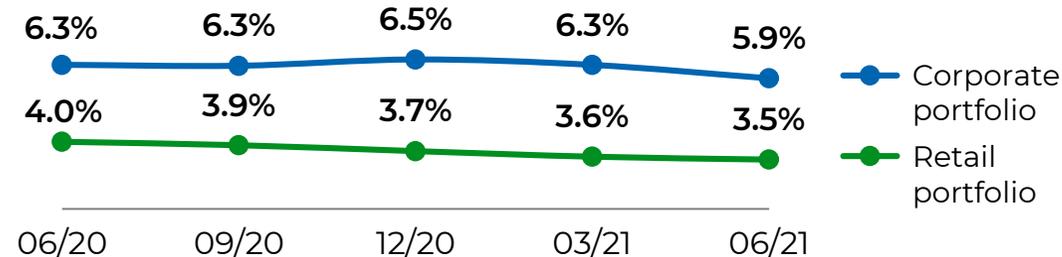
mBank Group's coverage ratio



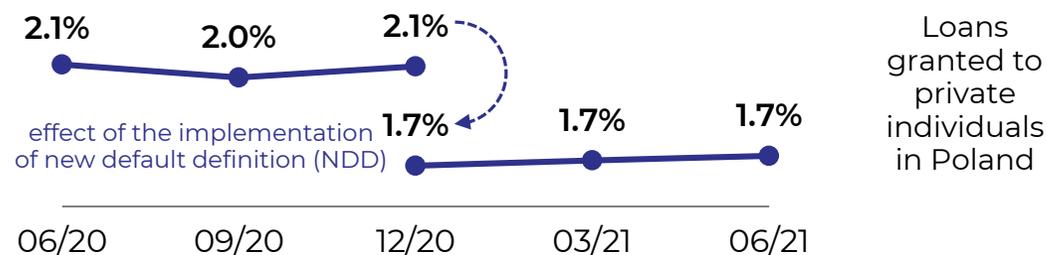
mBank Group's NPL ratio



mBank Group's NPL ratio, by segment



NPL ratio of mortgage loan portfolio

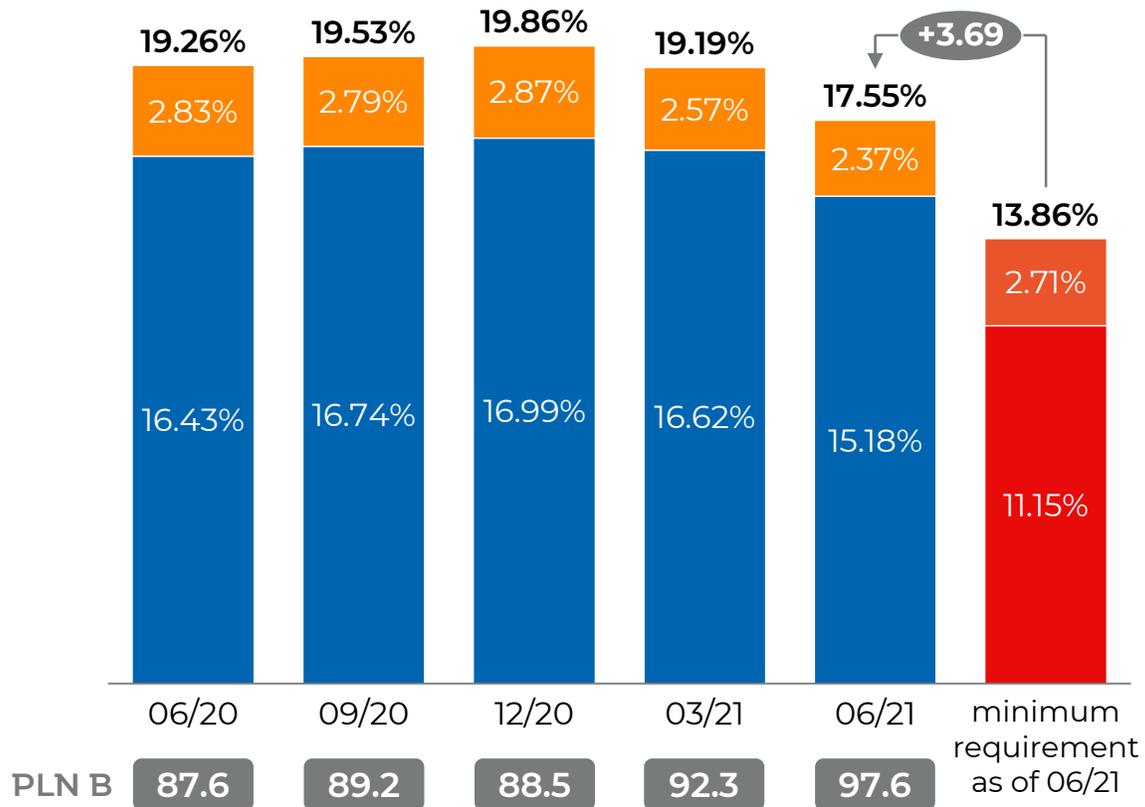


Note: Risk indicators presented for credit portfolio measured both at amortized cost and at fair value through profit or loss. The bank applies a client-oriented approach in its methodology of NPL recognition.

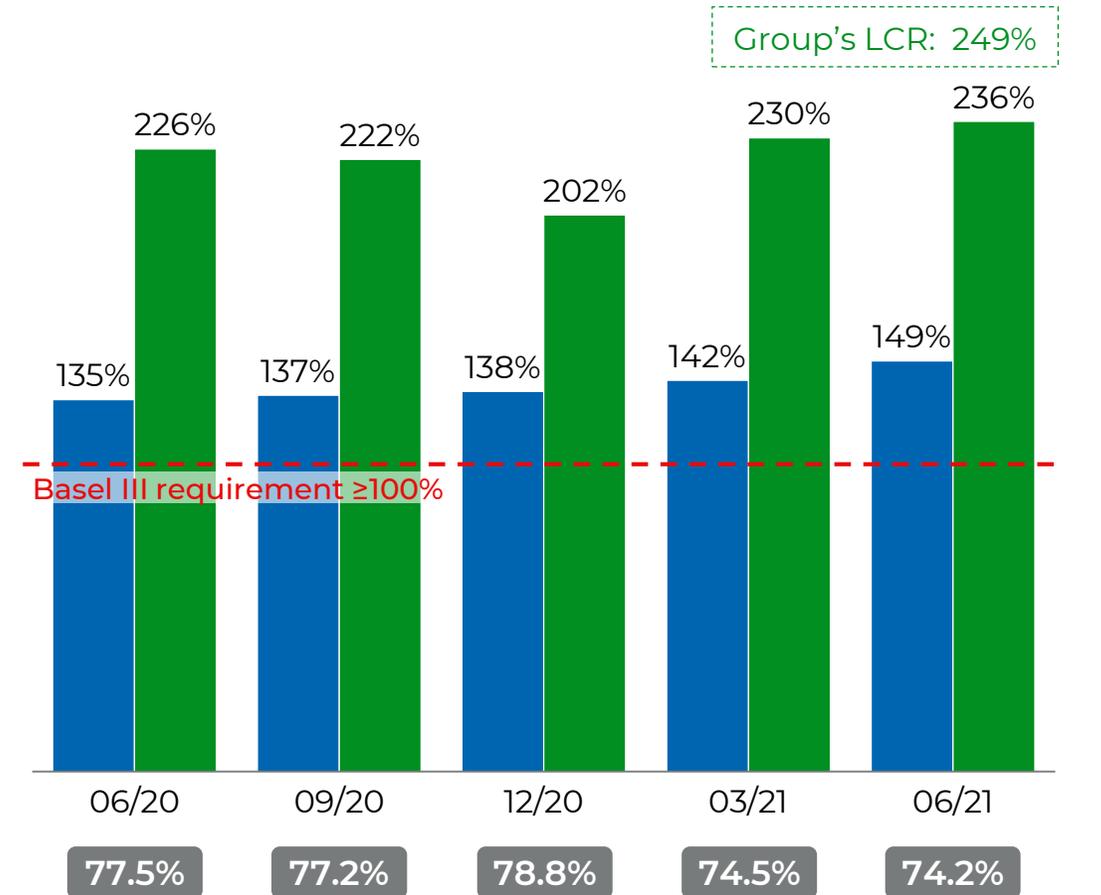
Results of mBank Group: Capital ratio and liquidity position

Strong capital position and outstanding liquidity securing safety and operational stability

mBank Group's Total Capital Ratio



mBank's NSFR and LCR



xx.x Total risk exposure amount (TREA)

■ Tier 1 capital ratio ■ Tier 2

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

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

Agenda



Key highlights of Q2 2021

3

- Business development
- Summary of financial results

Analysis of the performance after Q2 2021

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

Macroeconomic update and outlook

25

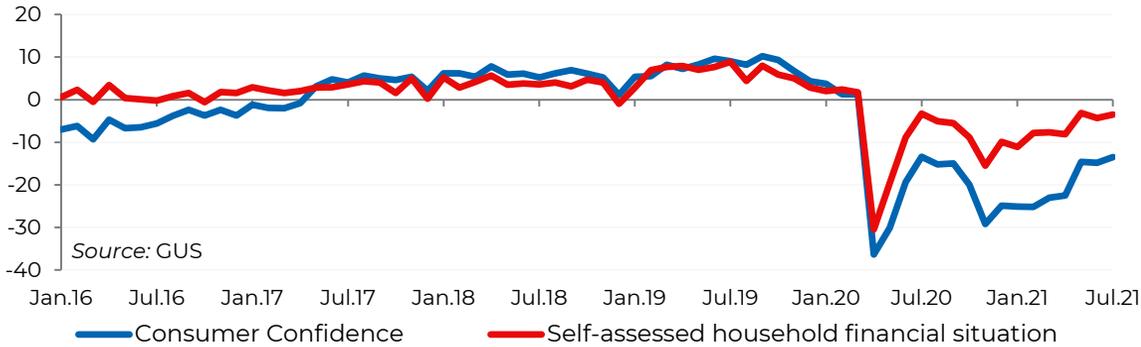
Appendix

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Macroeconomic situation and outlook

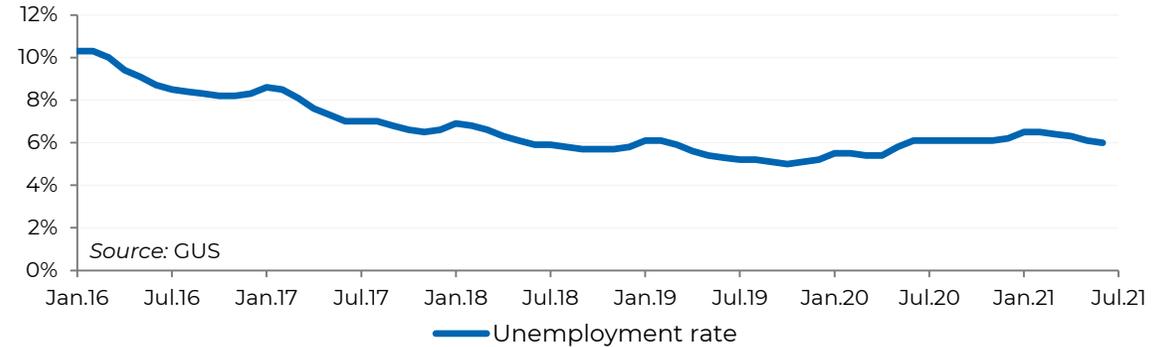
Grand reopening meets recurring (albeit every time smaller) Covid-19 risks

Consumers feeling better



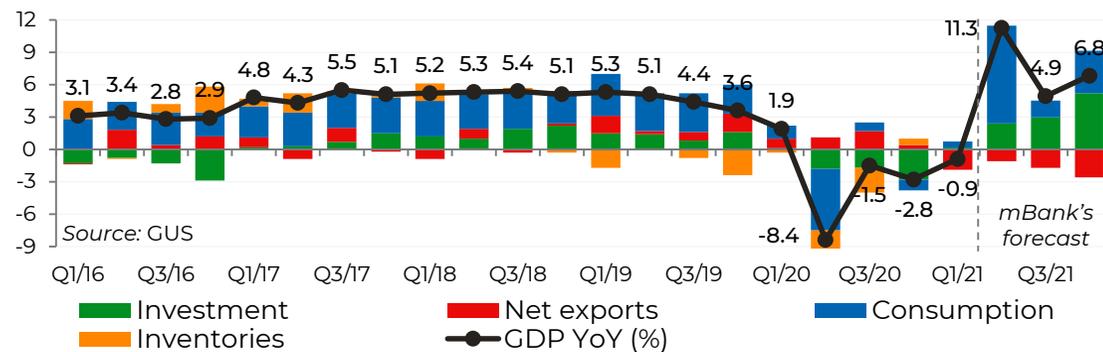
As economic restrictions are lifted, consumer spirits follow. Strong balance sheets allow for release of pent-up demand. The structure of consumption will be skewed more for services for some time.

Unemployment rate expected to decline



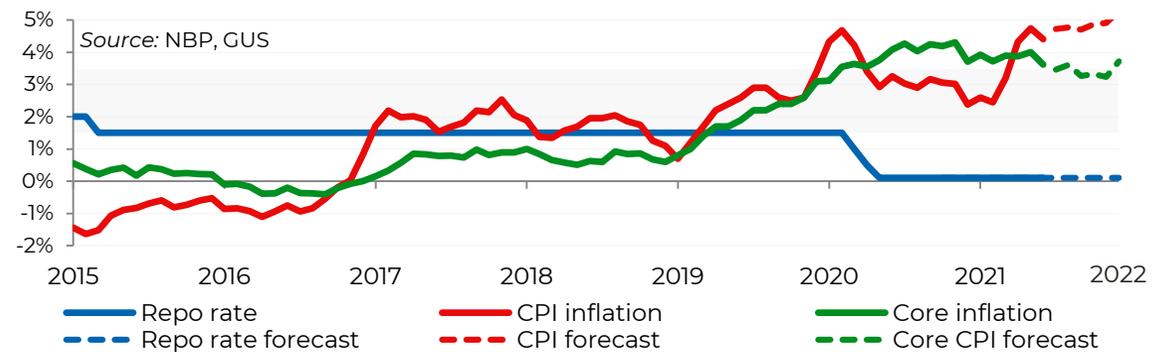
Start of the year did not reveal any (so far) hidden, structural problem in the Polish labour market. Therefore, we stick to the view that cyclical is going to carry labour market to the stronger side and unemployment rate will lower.

GDP path and forecast for Poland (% YoY)



GDP growth is expected to speed up to 5.7% in 2021. Start of the year surprised to the upside with investment activity. Coronavirus risks present but more manageable than during previous waves due to vaccination progress.

Inflation: off 2.5% NBP target, central bank expected to react

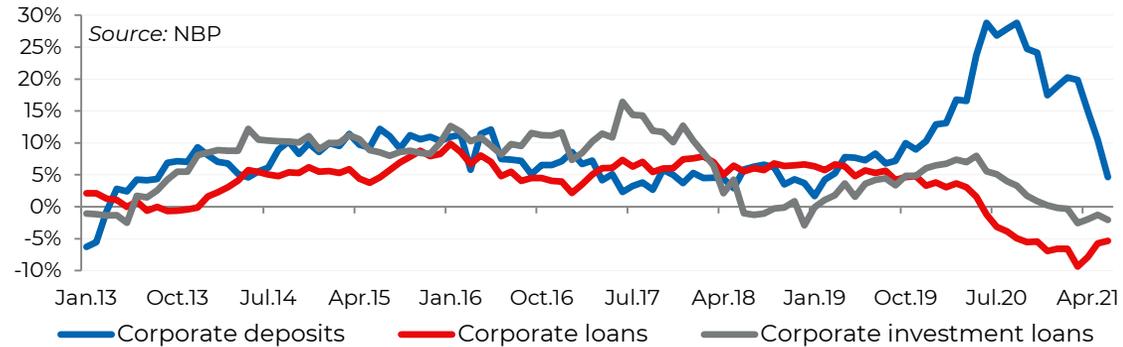


As expected, Q1/21 marked the trough in annual inflation readings for 2021. Substantial acceleration is in the pipeline (4.2% on average for 2021) and NBP is expected to react in early 2022 and hike interest rates.

Macroeconomic situation and outlook

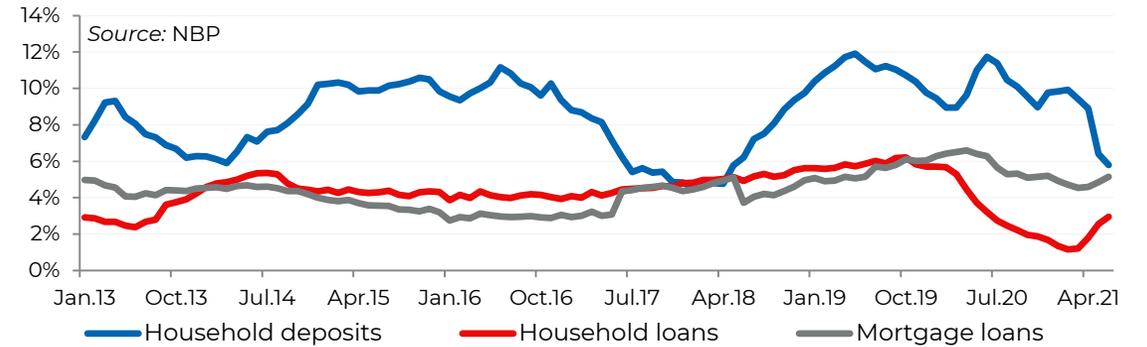
Demand for credit expected to pick up

Corporate loans and deposits (YoY, FX-adjusted)



Deposit base is high and unlikely to be reversed. Growth rates of outstanding credits are negative. Yet, the inflection point is visible. Overall volumes set to return to positive growth territory by the end of the year.

Household loans and deposits (YoY, FX-adjusted)



Consumers acquired substantial liquidity buffers (also in cash). Growth rates of outstanding credits are clearly turning higher. It applies both to mortgage and consumer loans (both see strong demand).

Government bonds yields begin to rise (bps)



H1/21 was marked by an increase in both long- and short-term yields. NBP's activity allowed the longer term yields to stay substantially below swap rates. Monetary policy normalization is coming closer and markets believe in it.

PLN: weak for the most part of 2021



Zloty stayed weaker after NBP's interventions. New tops (4.6800) were made. Negative real, NBP interest rates and CHF legal risks are weighing on the PLN. The outlook brightens only a bit along with improving GDP growth.

Macroeconomic forecasts and outlook for mBank Group

Operating environment for banks remains challenging due to low rates and high tax burdens

Key economic indicators for Poland

	2019	2020	2021F	2022F
GDP growth (YoY)	4.5%	-2.7%	5.7%	5.3%
Domestic demand (YoY)	3.5%	-3.8%	7.4%	6.4%
Private consumption (YoY)	4.0%	-3.0%	5.8%	6.2%
Investment (YoY)	7.2%	-8.4%	13.0%	8.8%
Inflation (eop)	3.4%	2.4%	5.2%	4.0%
MPC rate (eop)	1.50%	0.10%	0.10%	1.00%
CHF/PLN (eop)	3.92	4.22	4.04	3.87
EUR/PLN (eop)	4.25	4.56	4.45	4.30

Polish banking sector – monetary aggregates YoY

	2019	2020	2021F	2022F
Corporate loans	3.0%	-4.8%	4.7%	9.5%
Household loans	6.0%	3.0%	4.6%	6.9%
Mortgage loans	6.6%	7.3%	4.5%	5.6%
Mortgage loans in PLN	12.1%	9.7%	10.0%	10.7%
Non-mortgage loans	5.1%	-3.8%	4.8%	9.1%
Corporate deposits	10.0%	19.0%	9.7%	5.7%
Household deposits	9.7%	10.7%	5.6%	5.2%

Source: mBank's estimates as of 23.07.2021.

Investor Presentation – Q2 2021

Short-term prospects 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 and commission income

positive



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

Total costs

slightly negative



- Reasonable management of operating costs amid growing GDP
- Rising amortisation due to ongoing investments in IT
- Announced lower contribution to the Bank Guarantee Fund

Loan loss provisions & FV change

slightly positive



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

Agenda



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- Capital and liquidity position

Macroeconomic update and outlook

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Appendix: Selected Financial Data

Consolidated Profit and Loss Account – quarterly

Quarterly results (PLN thou.)	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021
Net interest income	1,006,611	960,295	976,930	946,895	961,537
Net fee and commission income	362,937	373,201	409,471	468,060	452,569
Dividend income	4,179	310	137	440	3,472
Net trading income	39,545	58,151	42,251	63,178	43,587
Gains less losses from financial assets ¹	30,083	21,390	148,812	86,707	10,613
Net other operating income	26,132	-2,678	-25,267	-26,496	-28,989
Total income	1,469,487	1,410,669	1,552,334	1,538,784	1,442,789
Total operating costs	-571,509	-566,717	-536,579	-664,657	-580,230
<i>Overhead costs</i>	-455,147	-458,452	-428,088	-552,766	-467,894
<i>Amortisation</i>	-116,362	-108,265	-108,491	-111,891	-112,336
Loan loss provisions and fair value change ²	-352,159	-268,777	-262,606	-164,716	-228,352
Costs of legal risk related to FX loans	-188,972	-186,851	-632,980	-66,268	-248,537
Operating profit	356,847	388,324	120,169	643,143	385,670
Taxes on the Group balance sheet items	-138,417	-133,365	-127,767	-138,821	-147,165
Profit before income tax	218,430	254,959	-7,598	504,322	238,505
Net profit attributable to owners of mBank	86,983	100,613	-174,682	317,125	108,683

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

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

Appendix: Selected Financial Data

Consolidated Statement of Financial Position – quarterly

Assets (PLN thou.)	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021
Cash and balances with Central Bank	11,141,250	6,683,941	3,968,691	16,355,429	16,523,318
Loans and advances to banks	6,921,359	8,991,355	7,354,268	7,381,296	9,750,443
Trading securities	1,884,596	678,604	676,466	1,495,167	1,327,844
Derivative financial instruments	1,487,670	1,488,869	1,722,353	1,879,166	1,699,144
Loans and advances to customers	108,225,663	108,947,243	108,567,354	113,244,357	116,241,341
Investment securities	48,418,934	50,280,275	51,728,934	48,570,723	47,421,519
Intangible assets	1,063,925	1,094,258	1,178,698	1,197,772	1,207,765
Tangible fixed assets	1,162,505	1,117,654	1,514,577	1,696,128	1,553,987
Other assets	2,089,799	2,153,505	2,160,276	2,397,014	2,745,531
Total assets	182,395,701	181,435,704	178,871,617	194,217,052	198,470,892
Liabilities (PLN thou.)	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021
Amounts due to banks	2,004,200	1,774,184	2,399,740	2,954,112	2,820,649
Derivative financial instruments	1,028,543	1,087,757	1,338,564	1,731,193	1,803,770
Amounts due to customers	139,622,520	141,118,549	137,698,668	152,097,133	156,583,517
Debt securities in issue	16,408,214	13,849,349	13,996,317	13,652,467	13,060,997
Subordinated liabilities	2,564,133	2,561,855	2,578,327	2,564,462	2,542,224
Other liabilities	3,855,362	4,074,367	4,184,934	4,468,757	4,966,132
Total liabilities	165,482,972	164,466,061	162,196,550	177,468,124	181,777,289
Total equity	16,912,729	16,969,643	16,675,067	16,748,928	16,693,603
Total liabilities and equity	182,395,701	181,435,704	178,871,617	194,217,052	198,470,892

Note: Balance sheet data for Q1/20-Q4/20 restated due to the presentational change related to CHF mortgage loans.

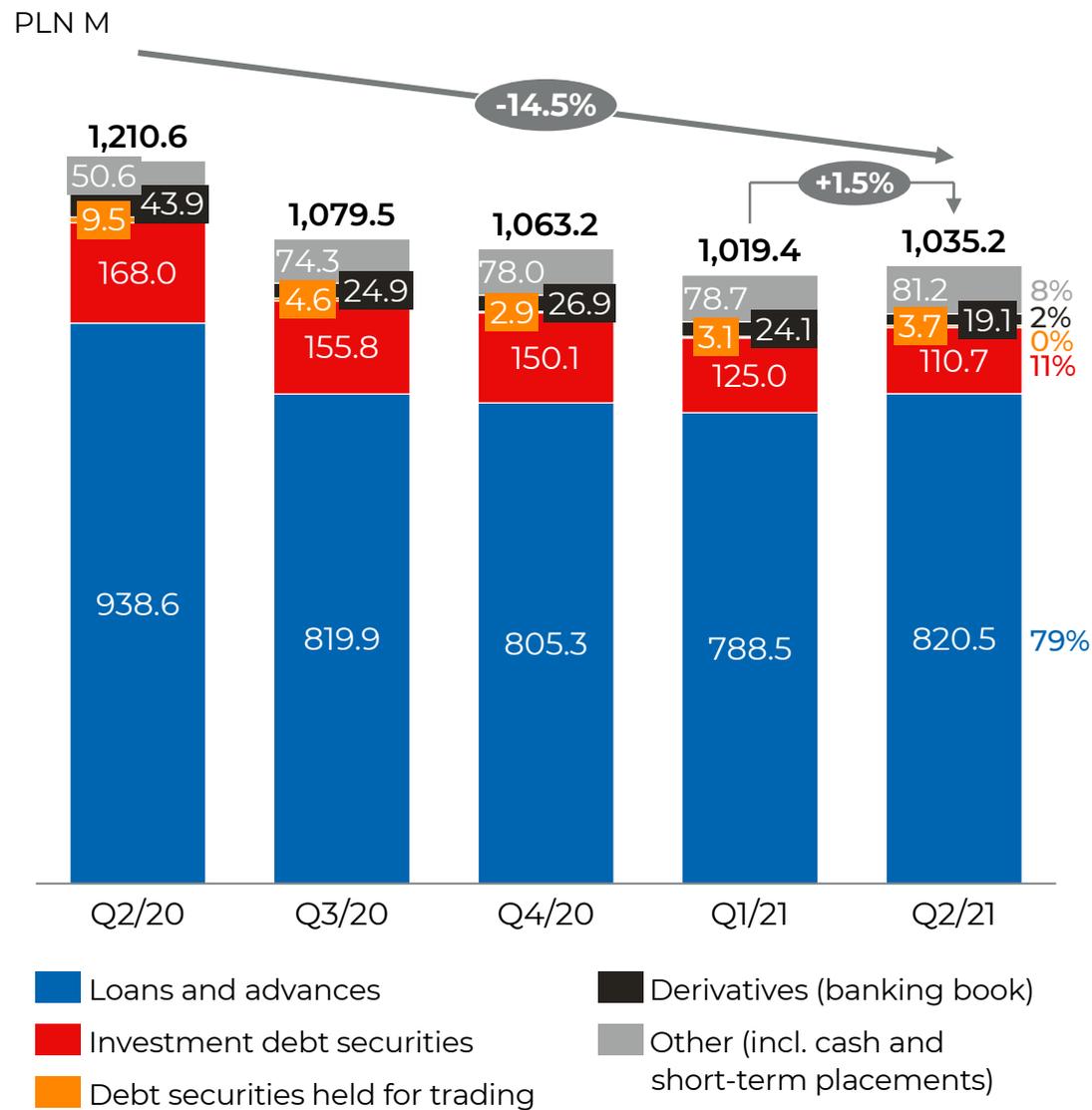
Appendix: Selected Financial Data

mBank Group's Ratios – quarterly and cumulatively

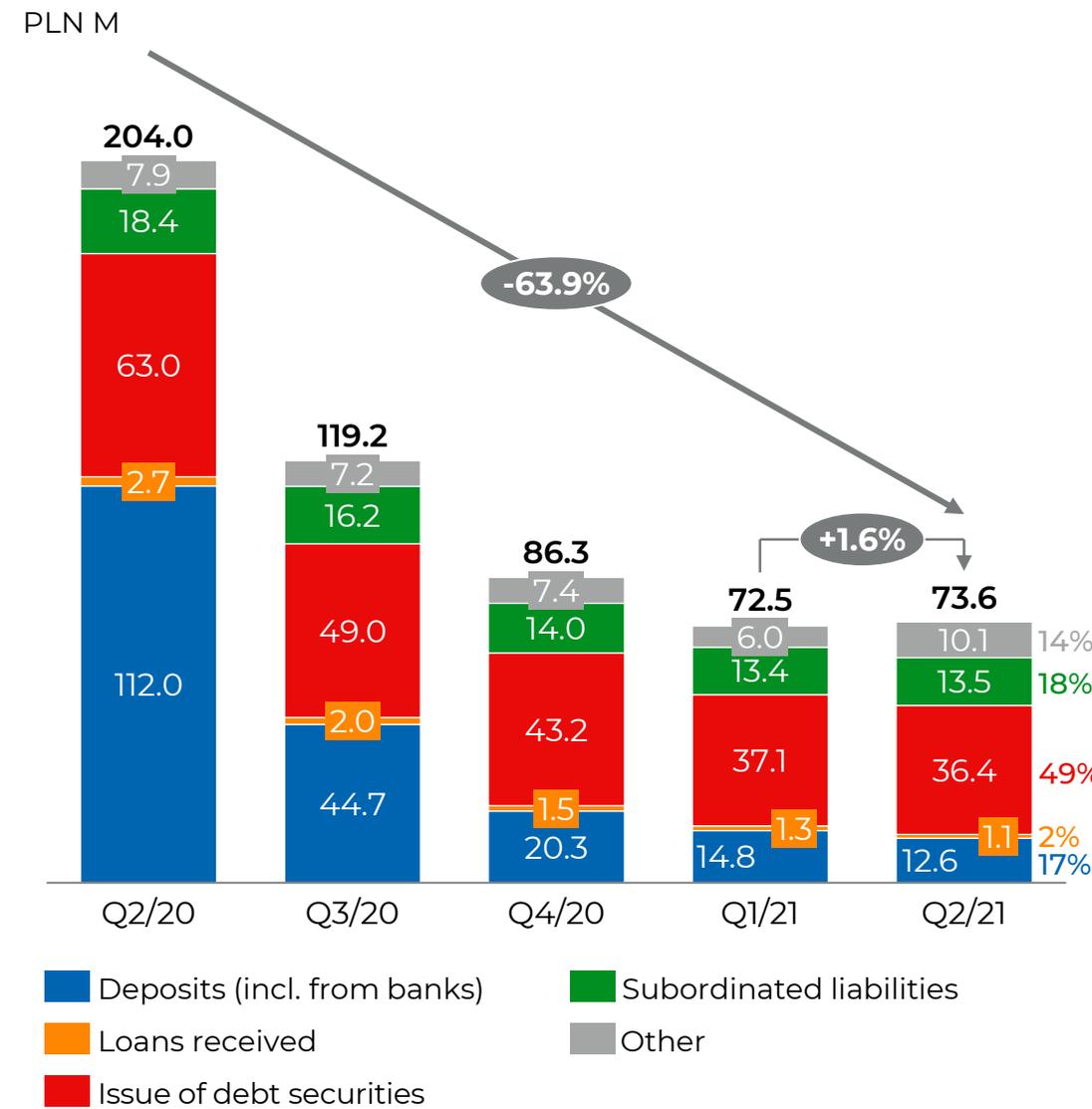
Financial Ratios	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021
Net Interest Margin, quarterly	2.35%	2.16%	2.21%	2.10%	2.04%
Net Interest Margin, YtD	2.49%	2.37%	2.33%	2.10%	2.07%
Net Interest Margin, excl. CHF portfolio, YtD	2.65%	2.52%	2.47%	2.20%	2.16%
Cost/Income Ratio, quarterly	38.9%	40.2%	34.6%	43.2%	40.2%
Cost/Income Ratio, YtD	45.0%	43.4%	41.1%	43.2%	41.8%
Cost of Risk, quarterly	1.29%	0.99%	0.97%	0.59%	0.80%
Cost of Risk, YtD	1.41%	1.27%	1.19%	0.59%	0.70%
Return on Equity, ROE net, quarterly	2.07%	2.35%	-4.09%	7.69%	2.60%
Return on Equity, ROE net, YtD	2.15%	2.22%	0.62%	7.69%	5.12%
Return on Assets, ROA net, quarterly	0.20%	0.22%	-0.38%	0.68%	0.22%
Return on Assets, ROA net, YtD	0.21%	0.21%	0.06%	0.68%	0.44%
Loan-to-Deposit Ratio	77.5%	77.2%	78.8%	74.5%	74.2%
Total Capital Ratio	19.26%	19.53%	19.86%	19.19%	17.55%
Tier 1 Capital Ratio	16.43%	16.74%	16.99%	16.62%	15.18%
Leverage ratio	7.5%	7.7%	7.8%	7.4%	7.0%
Equity / Assets	9.3%	9.4%	9.3%	8.6%	8.4%
TREA / Assets	48.0%	49.2%	49.5%	47.5%	49.2%
NPL ratio	4.9%	4.8%	4.8%	4.6%	4.4%
NPL coverage ratio	58.8%	60.7%	58.3%	58.5%	58.3%
NPL coverage ratio incl. stage 1&2 provisions	71.7%	75.0%	72.9%	73.7%	75.8%

Appendix: Selected Financial Data – Net Interest Income

Structure of mBank Group's interest income



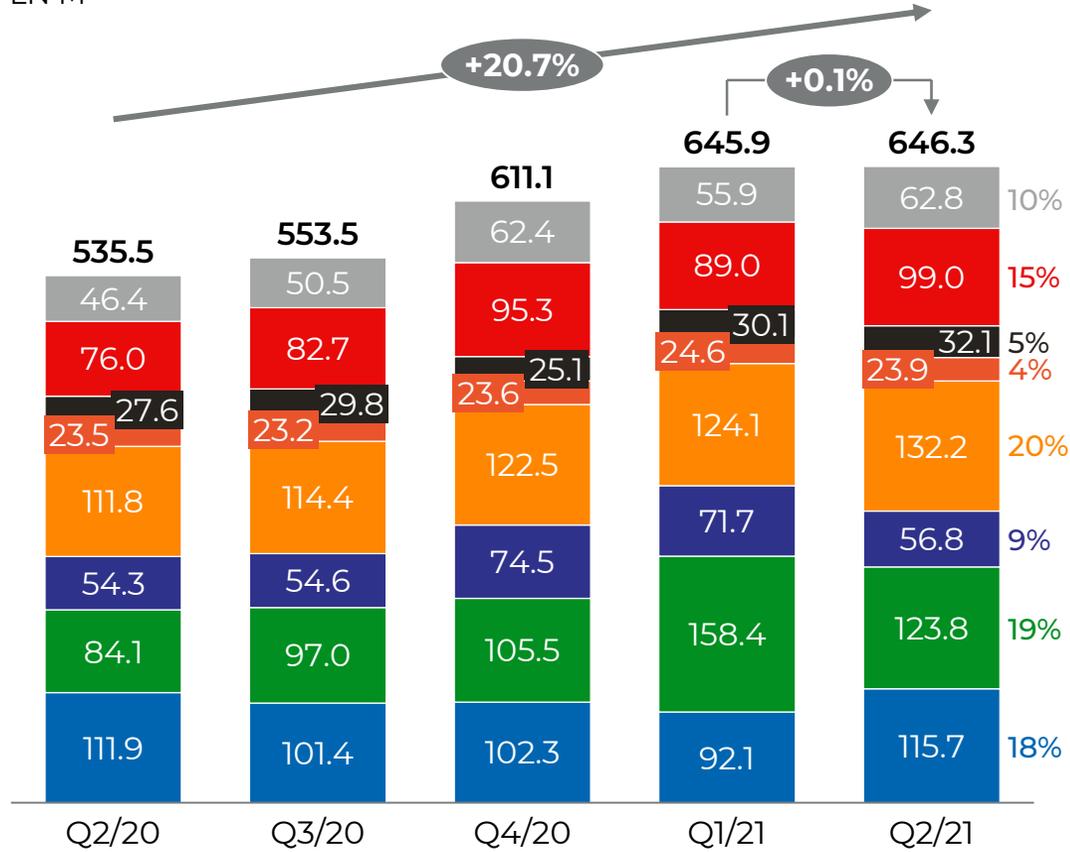
Structure of mBank Group's interest expense



Appendix: Selected Financial Data – Net Fees and Commissions

Structure of mBank Group's fee and commission income

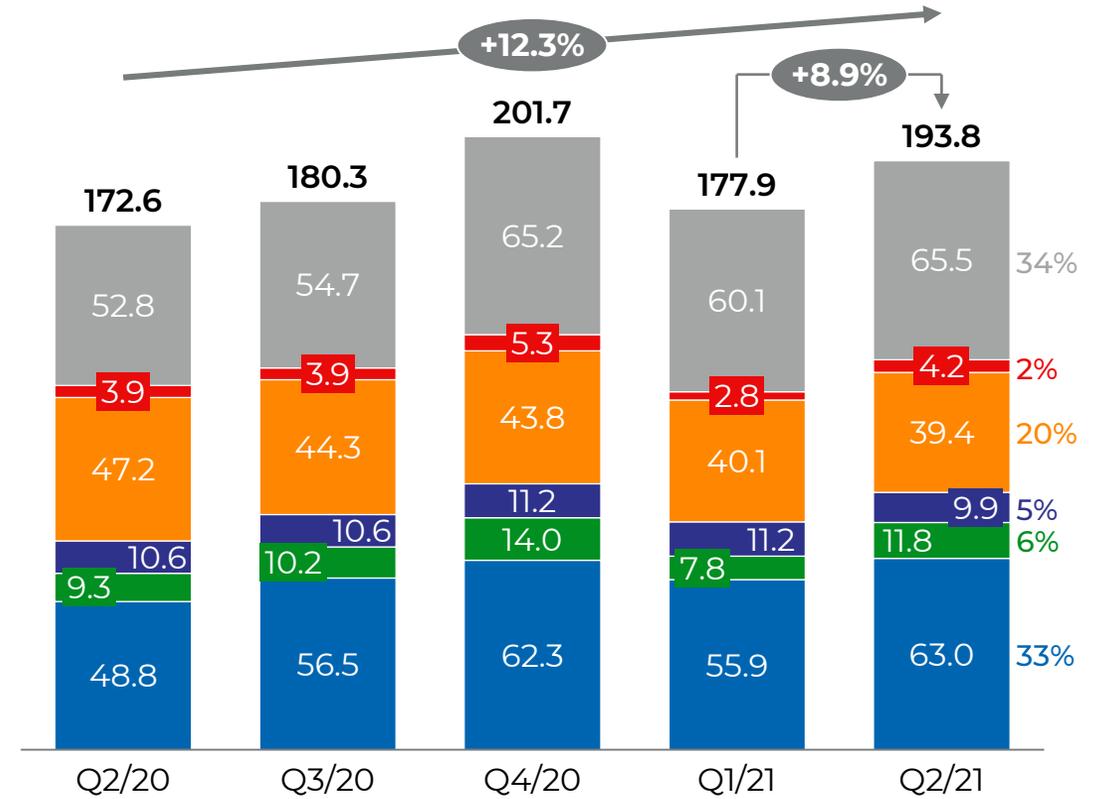
PLN M



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

Structure of mBank Group's fee and commission expense

PLN M

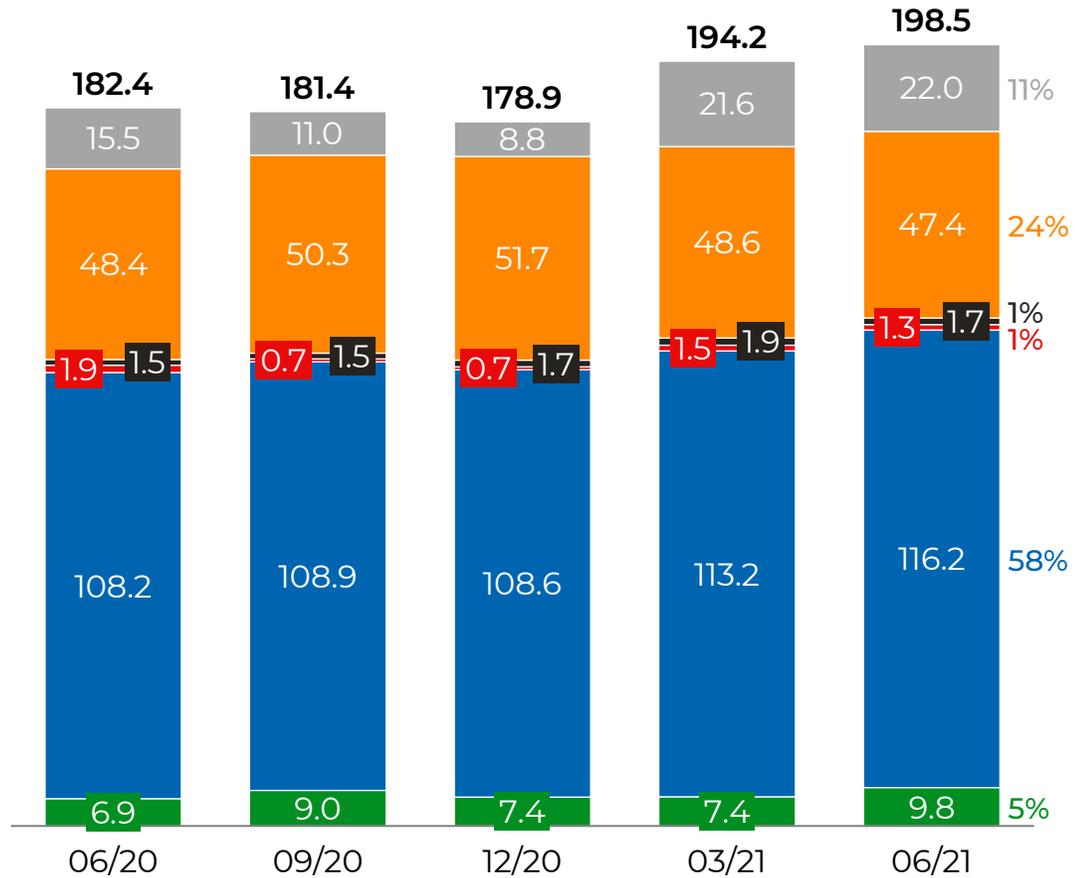


- Payment card fees
- Cash handling fees
- Discharged brokerage fees
- Commissions paid to external entities
- Fees paid to NBP and KIR
- Other (incl. insurance activity)

Appendix: Selected Financial Data – Balance Sheet Analysis

Structure of mBank Group's total assets

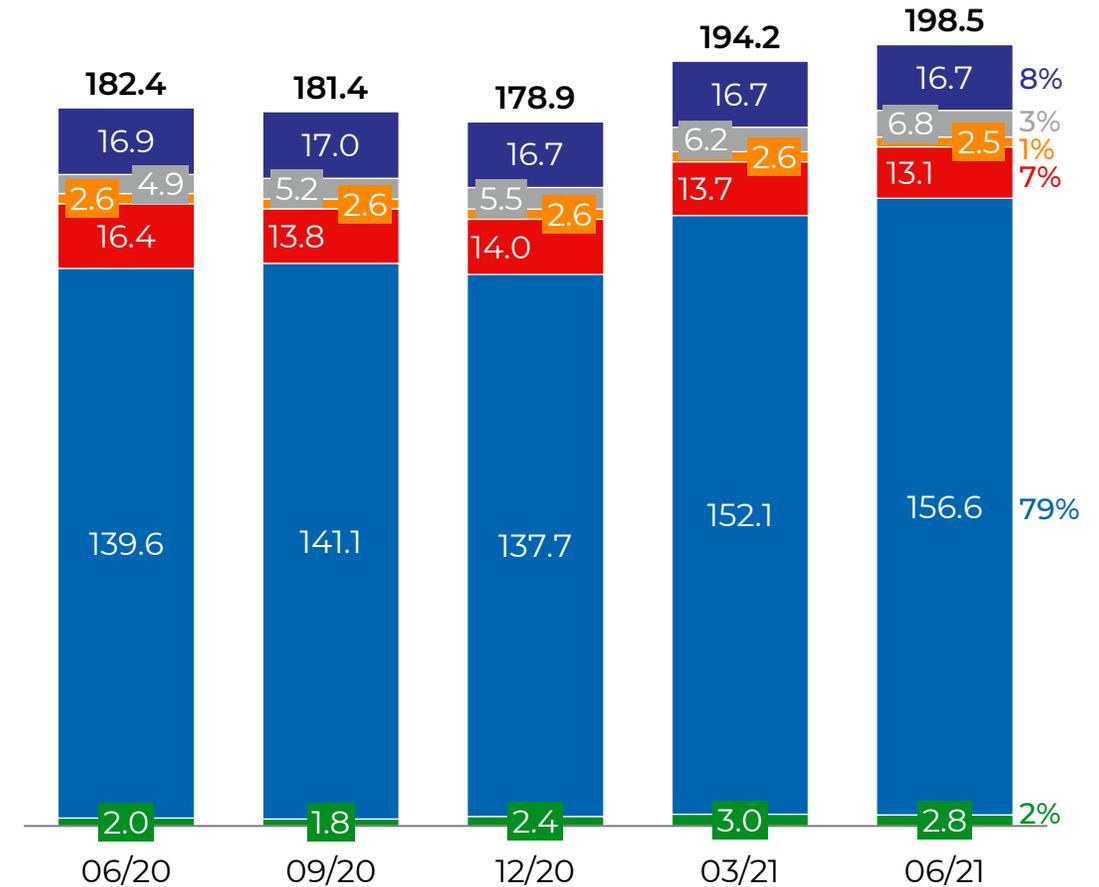
PLN B



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

Structure of mBank Group's liabilities and equity

PLN B

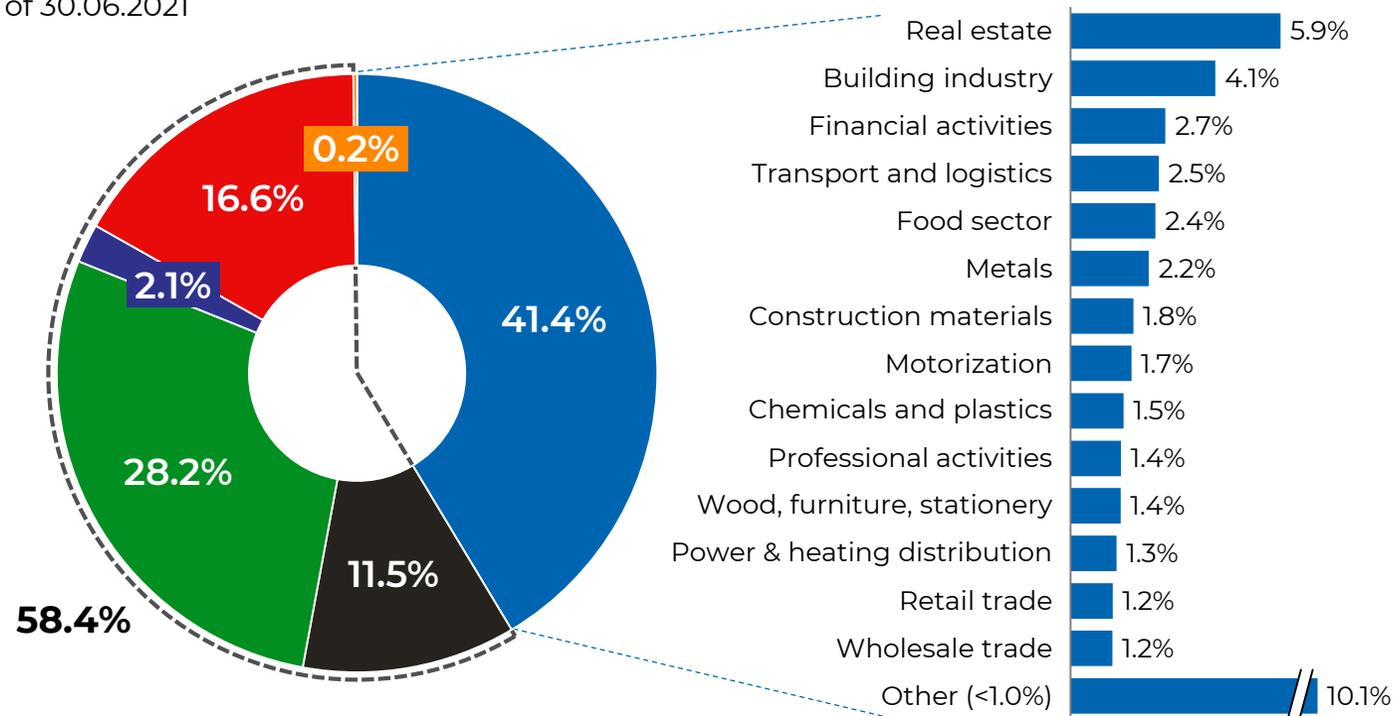


- Amounts due to other banks
- Amounts due to customers
- Debt securities in issue
- Subordinated liabilities
- Other liabilities
- Equity (total)

Appendix: Selected Financial Data – Structure of Loans and Deposits

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

as of 30.06.2021

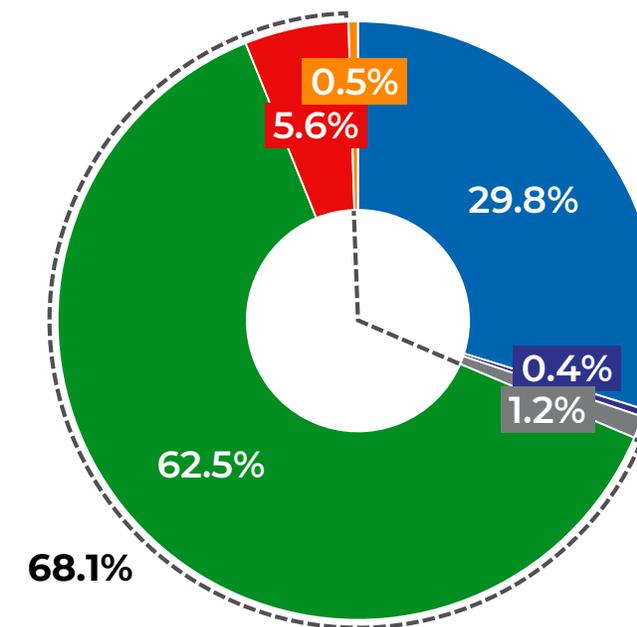


	PLN billion
Corporate loans	49.6
Mortgage loans in FX to individuals	13.8
Mortgage loans in LC to individuals ¹	33.9
Mortgage loans to microfirms	2.5
Non-mortgage retail loans	19.9
Public sector loans	0.2
TOTAL	119.9

A well diversified loan portfolio with granular structure of exposures

Structure of mBank Group's deposits

as of 30.06.2021



	PLN billion
Corporate clients: current accounts ²	46.7
Corporate clients: term deposits	0.6
Loans and advances received	1.8
Individual clients: current accounts	97.9
Individual clients: term deposits	8.8
Public sector clients	0.8
TOTAL	156.6

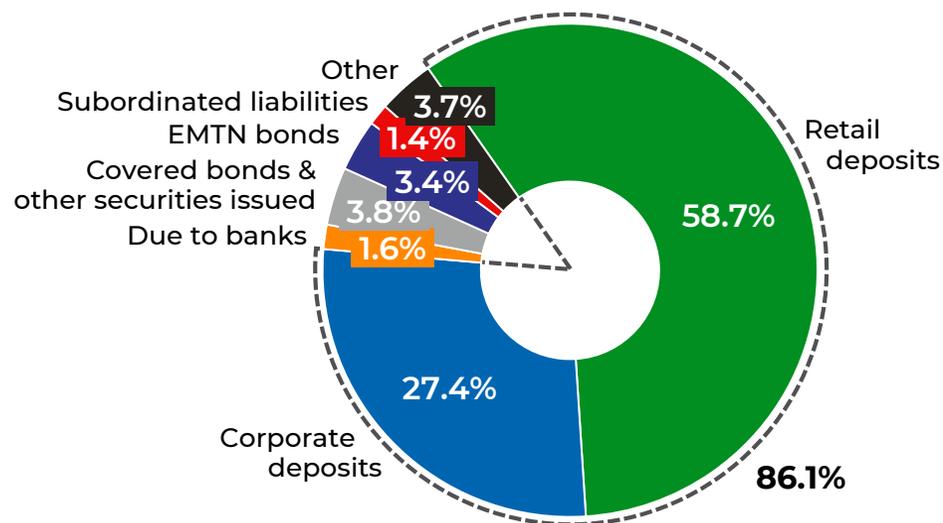
¹ Including local currency mortgage loans granted in Poland, the Czech Republic and Slovakia

² Including repo transactions

Appendix: Selected Financial Data – Funding profile

Structure of mBank Group's funding

as of 30.06.2021



Summary of mBank's long-term funding instruments

as of 30.06.2021

Nominal value	Currency	Issue date	Maturity date	Tenor	Coupon
Issues under Euro Medium Term Note (EMTN) Programme					
500 M	EUR	26.11.2014	26.11.2021	7.0 Y	2.000%
200 M	CHF	28.03.2017	28.03.2023	6.0 Y	1.005%
180 M	CHF	07.06.2018	07.06.2022	4.0 Y	0.565%
500 M	EUR	05.09.2018	05.09.2022	4.0 Y	1.058%
125 M	CHF	05.04.2019	04.10.2024	5.5 Y	1.0183%
Subordinated loan and bonds					
250 M	CHF	21.03.2018	21.03.2028	10.0 Y	LIBOR3M +2.75%
750 M	PLN	17.12.2014	17.01.2025	10.1 Y	WIBOR6M +2.10%
550 M	PLN	09.10.2018	10.10.2028	10.0 Y	WIBOR6M +1.80%
200 M	PLN	09.10.2018	10.10.2030	12.0 Y	WIBOR6M +1.95%
Loans and advances received					
113 M	CHF	04.09.2017	04.09.2025	8.0 Y	-
176 M	CHF	30.07.2018	30.07.2025	7.0 Y	-
138 M	CHF	02.08.2019	02.08.2027	8.0 Y	-

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

Summary of mBank's ratings

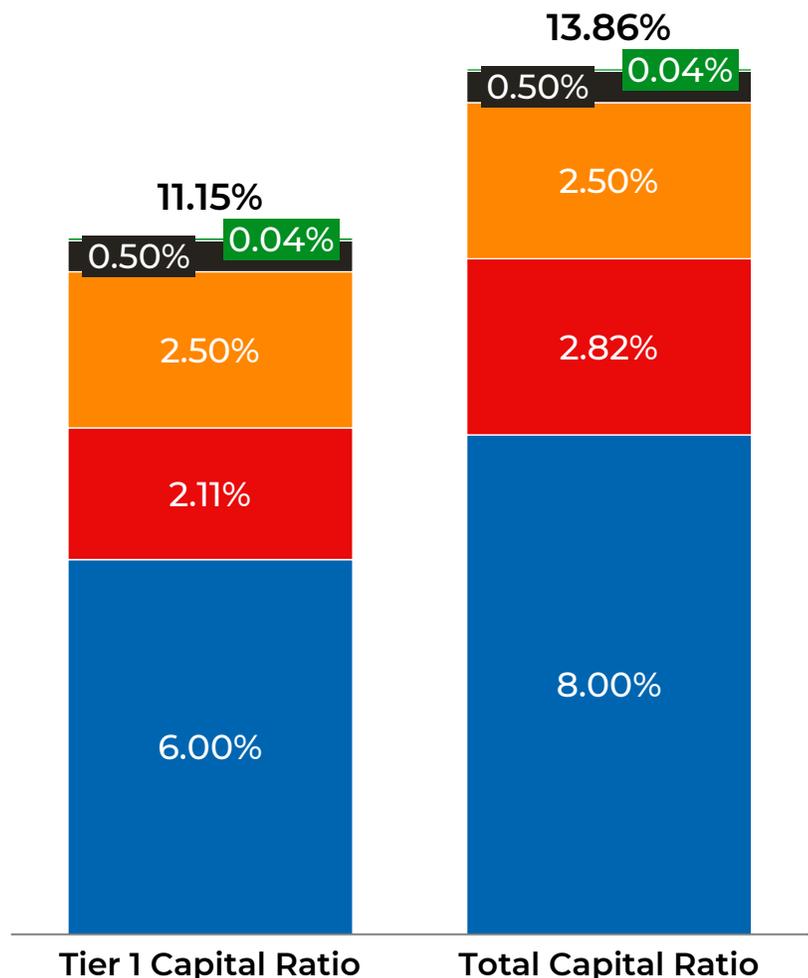
as of 30.06.2021

	Fitch Ratings	S&P Global Ratings
Long-term rating	BBB-	BBB
Outlook	Watch Negative	Negative
Short-term rating	F3	A-2
Viability rating / SACP	bbb-	bbb

Appendix: Selected Financial Data – Capital Requirements

Regulatory capital requirements for mBank Group

as of 30.06.2021

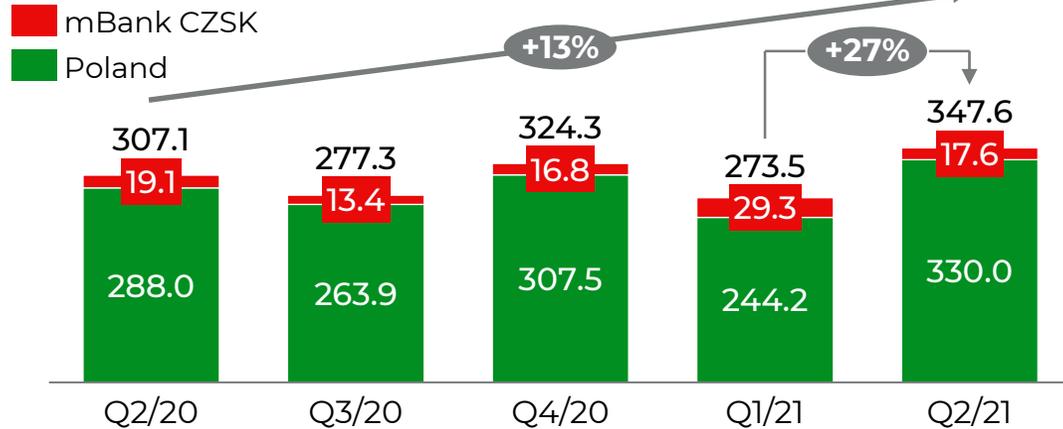


- **Countercyclical Capital Buffer (CCyB)** is calculated as the weighted average of the countercyclical buffer rates that apply in the countries where the relevant credit exposures of the Group are located.
- **Systemic Risk Buffer (SRB)**, originally set at 3.0% in Poland, was reduced to 0% starting 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.

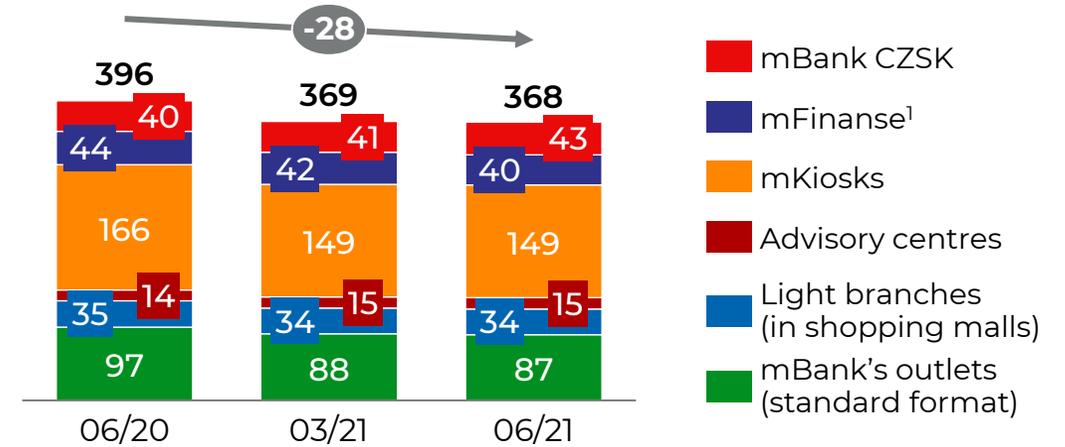
Appendix: Retail Banking

Profit before income tax of the segment

PLN M, by quarter

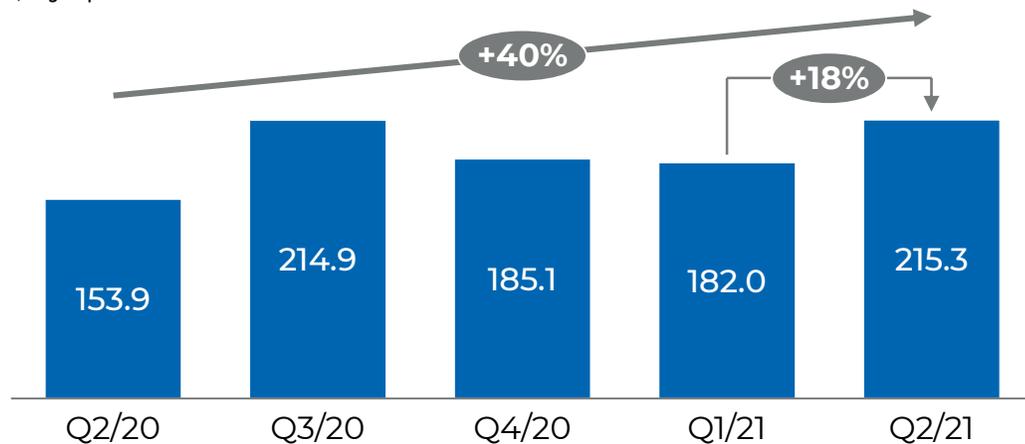


Number of Retail Service Locations



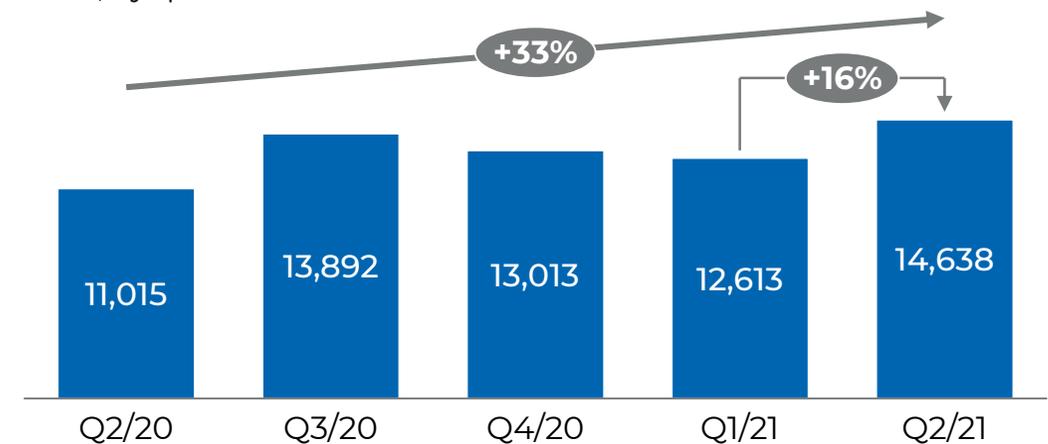
Number of non-cash transactions with payment cards

M, by quarter



Value of non-cash transactions with payment cards

PLN M, by quarter

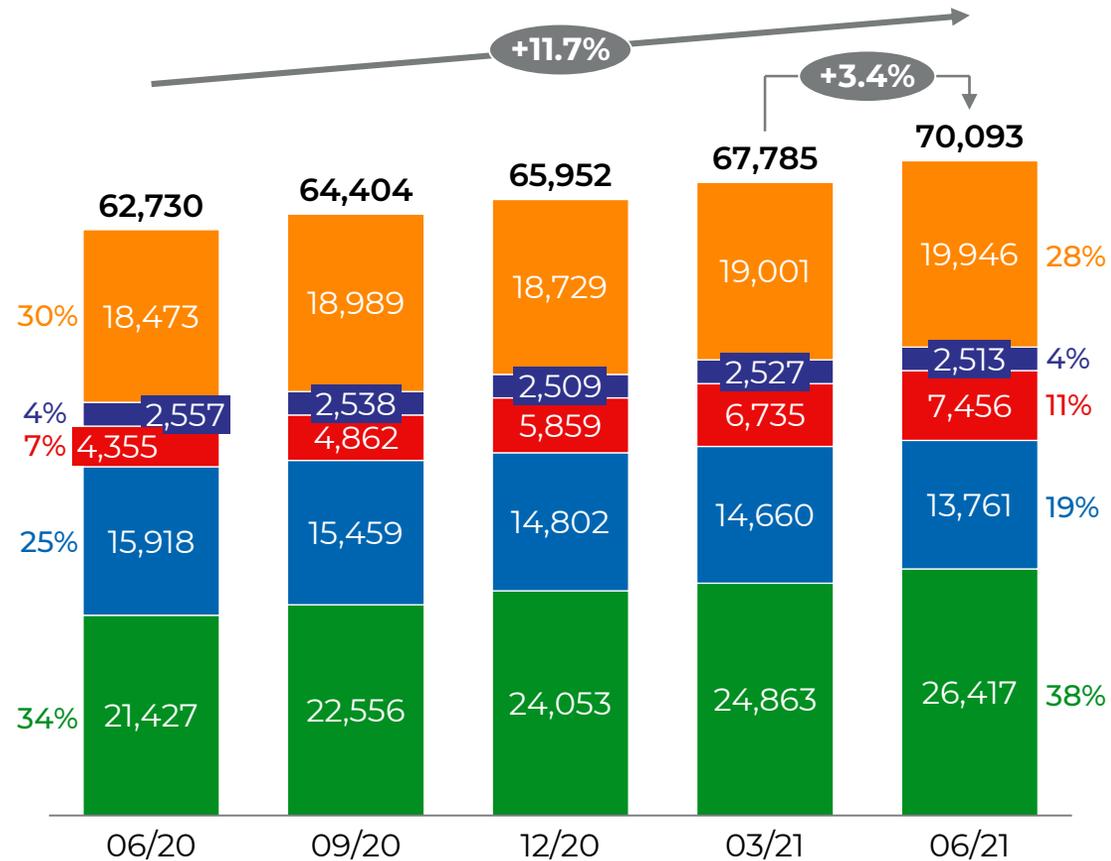


¹ Including financial centres and agency service points

Appendix: Retail Banking

Development of gross loans to retail banking clients

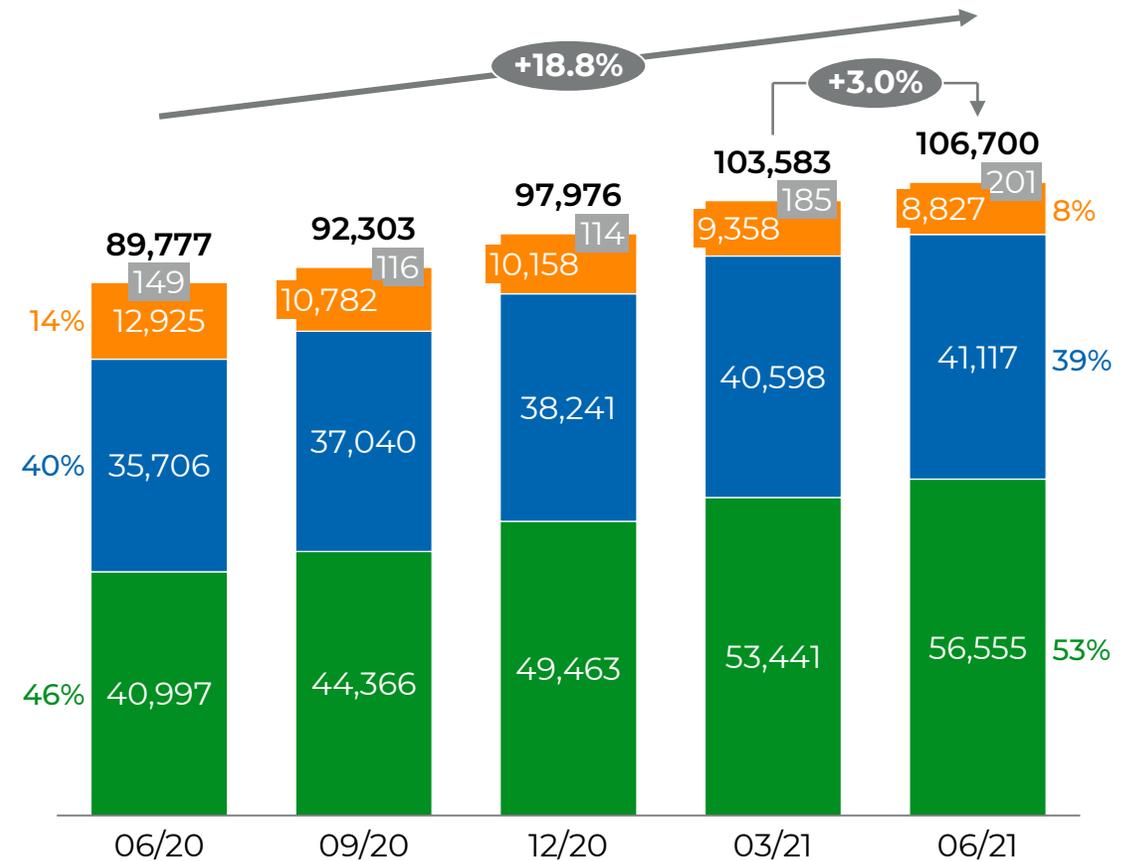
PLN M



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

Development of deposits from retail banking clients

PLN M



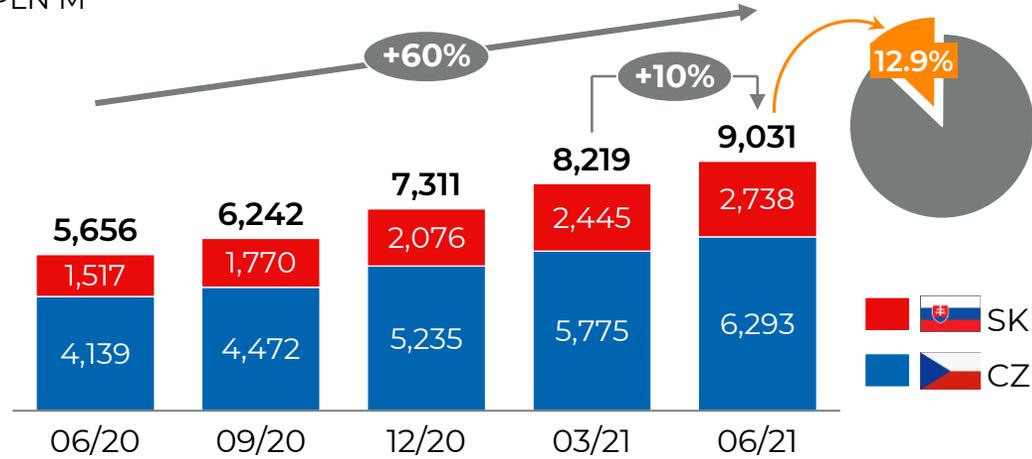
- Current accounts
- Saving accounts
- Term deposits
- Other

Note: Currency and geographical breakdown based on management information. Data for 2020 restated due to the presentational change related to CHF mortgage loans.

Appendix: mBank in the Czech Republic and Slovakia

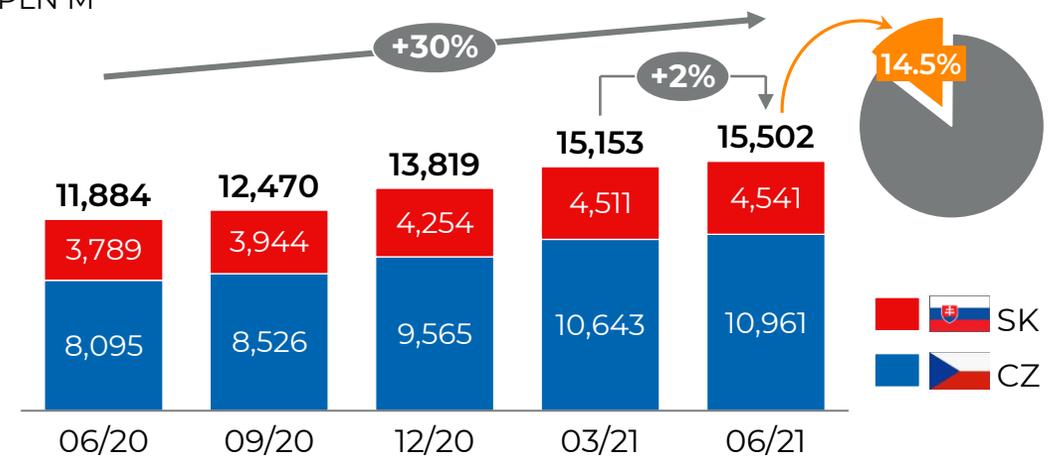
Gross loans and share in total mBank's retail volume

PLN M



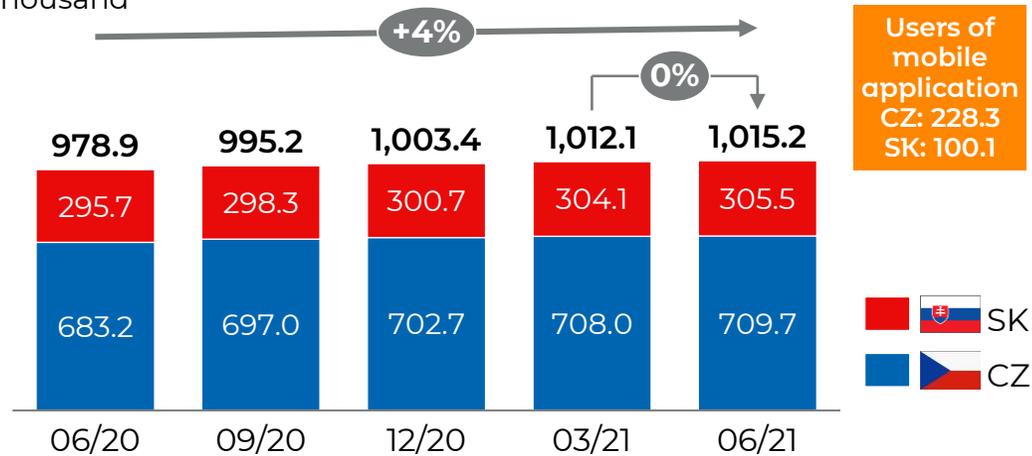
Deposits and share in total mBank's retail volumes

PLN M



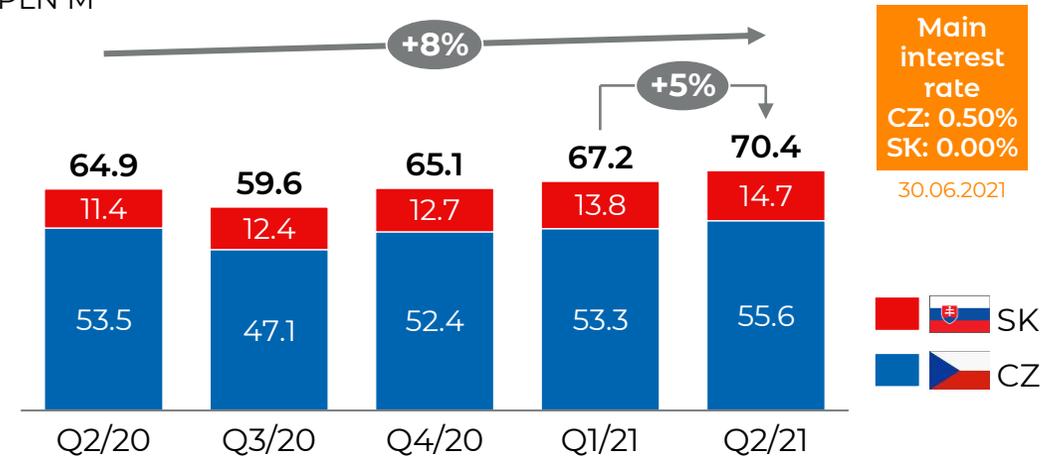
Number of clients

thousand



Development of total revenues

PLN M



Note: Volumes based on management information.

Appendix: mBank in the Czech Republic and Slovakia

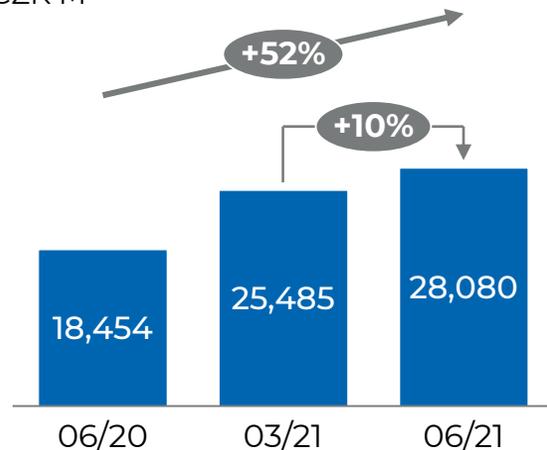


physical network:

7	light branches
0	financial centres
23	mKiosks

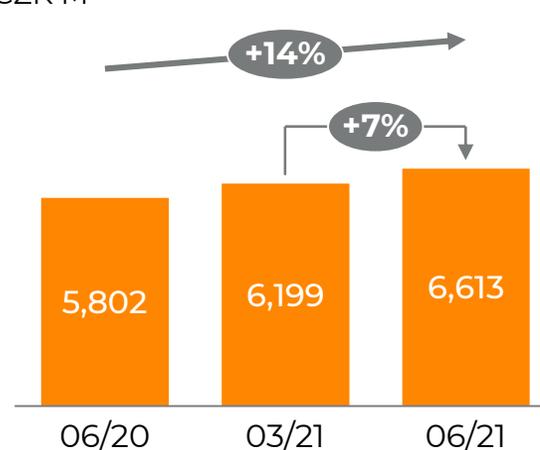
Mortgage loans

CZK M



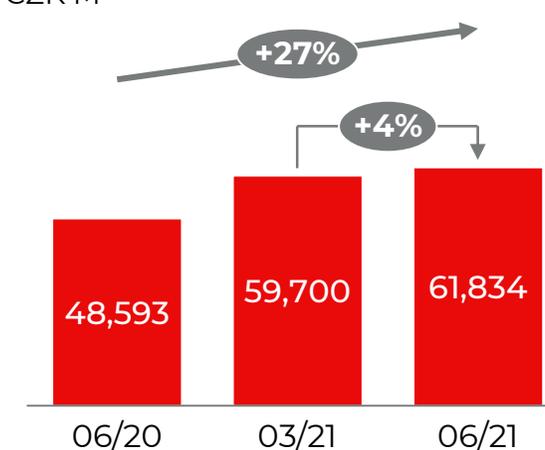
Non-mortgage loans

CZK M



Customer deposits

CZK M

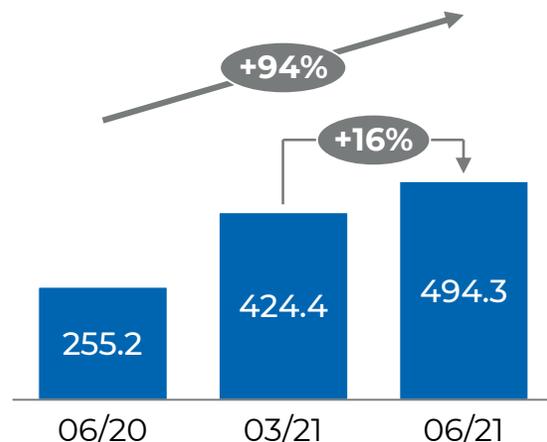


physical network:

2	light branches
1	financial centres
10	mKiosks

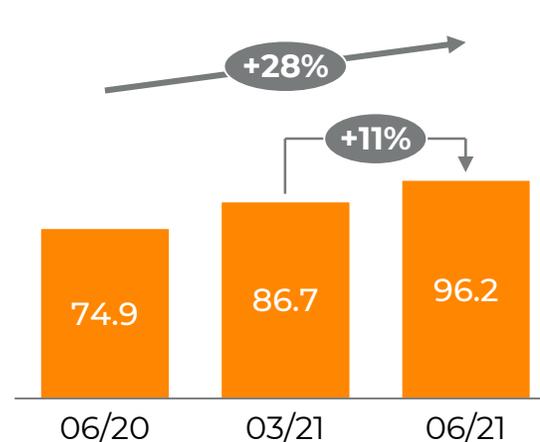
Mortgage loans

EUR M



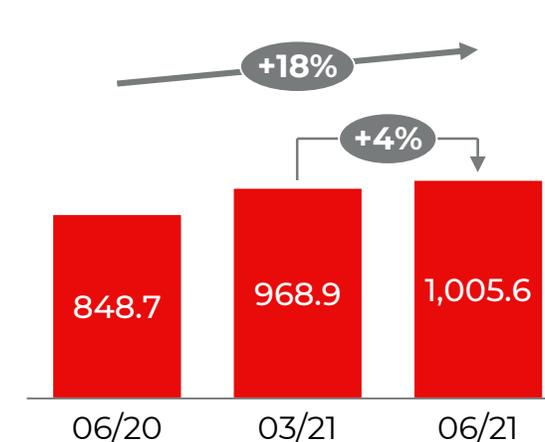
Non-mortgage loans

EUR M



Customer deposits

EUR M

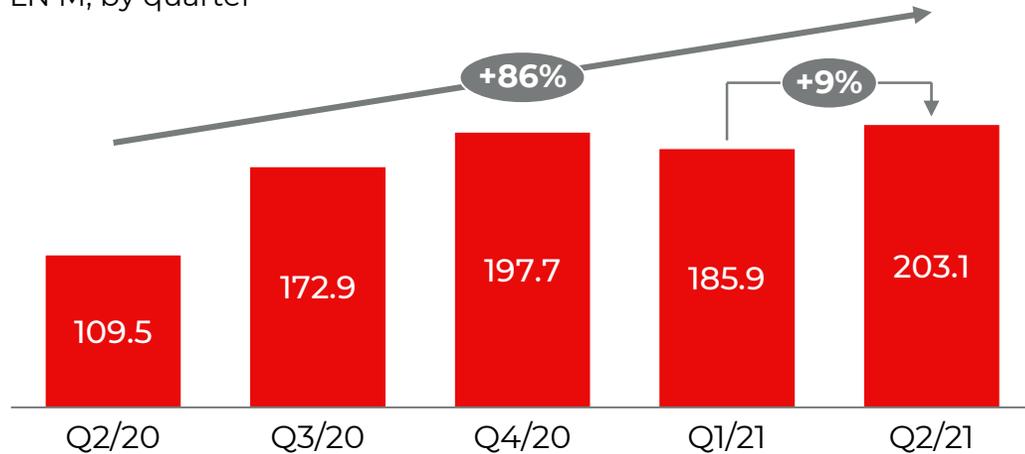


Note: Volumes based on management information.

Appendix: Corporate & Investment Banking

Profit before income tax of the segment

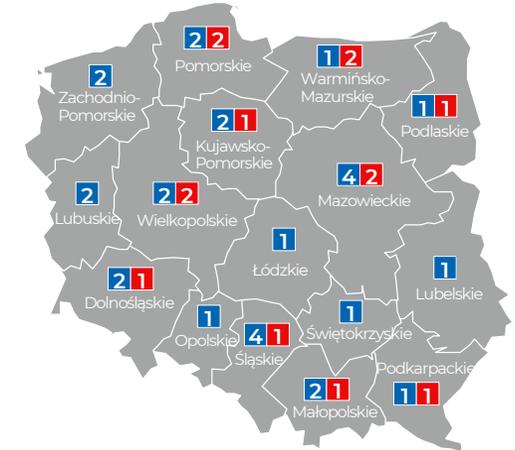
PLN M, by quarter



Number of corporate service locations

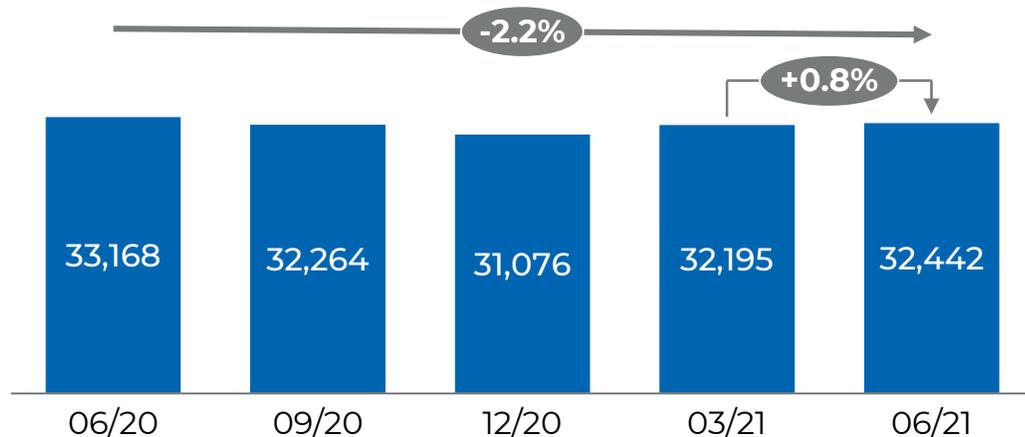
29 mBank's branches,
incl. 13 advisory centres

14 mBank's offices



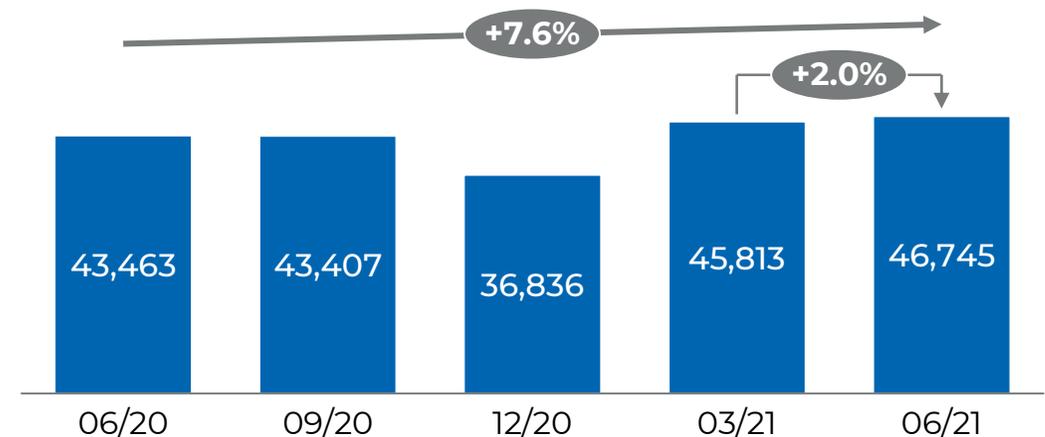
Development of loans to enterprises¹

PLN M



Development of deposits from enterprises¹

PLN M

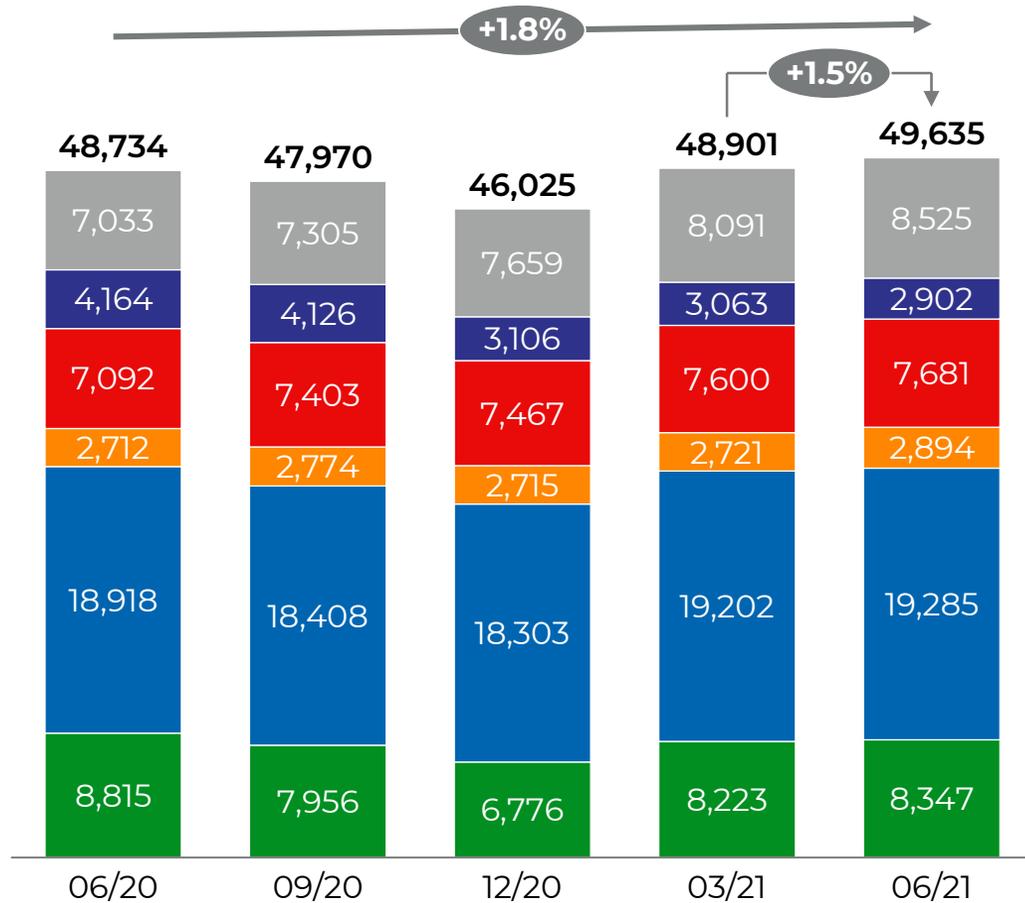


¹ Corporate loan and deposit volumes (for mBank and mBank Hipoteczny) according to NBP rules (monetary reporting system – MONREP)

Appendix: Corporate & Investment Banking

Development of gross loans to corporate customers

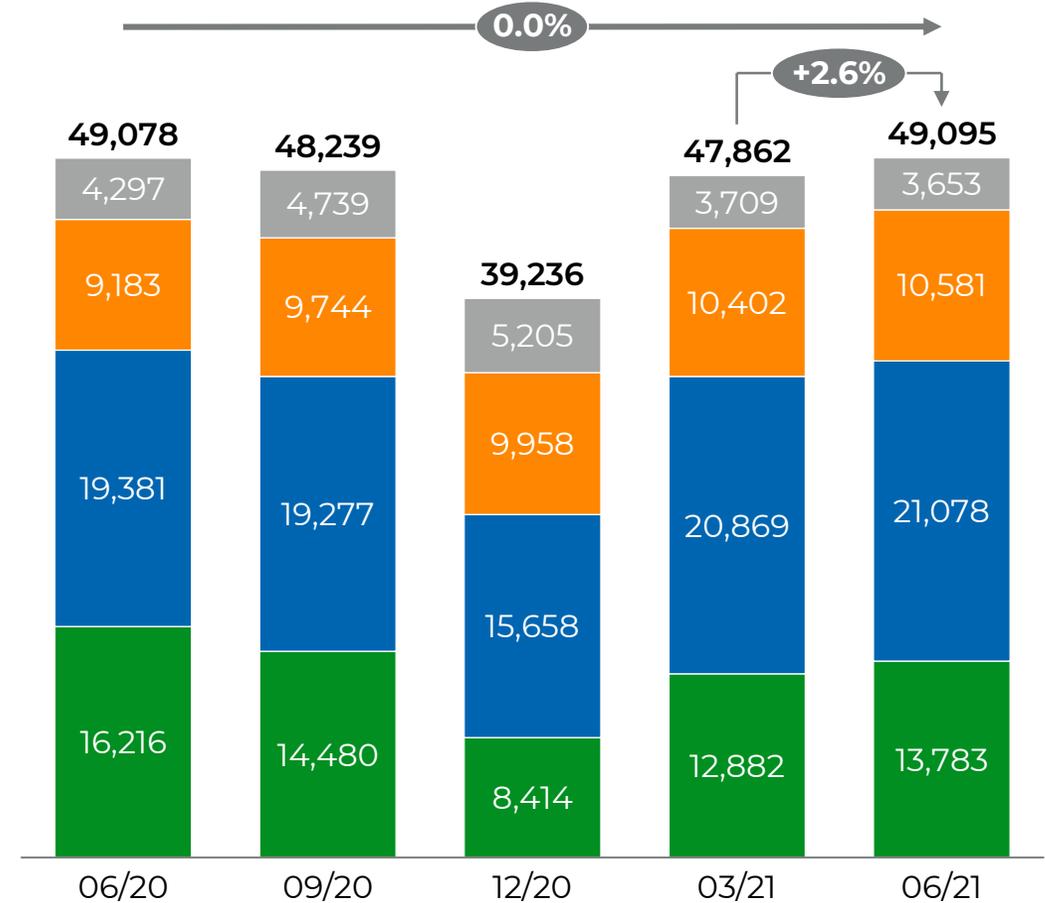
PLN M



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

Development of deposits from corporate customers

PLN M



■ K1 ■ K2 ■ K3 ■ Other

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

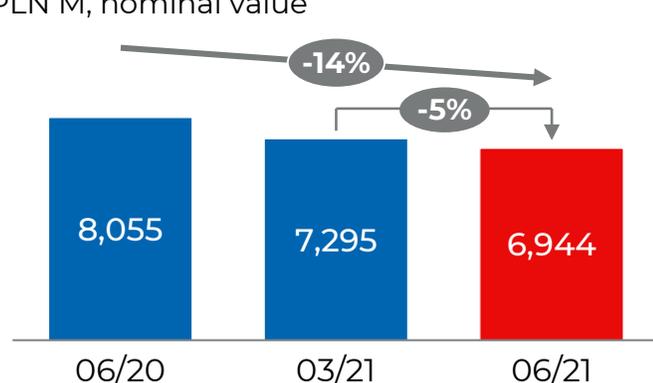
Appendix: Performance of main subsidiaries of mBank

m Bank Hipoteczny
 established in 1999

specialised mortgage bank and active issuer of covered bonds on both domestic and foreign markets

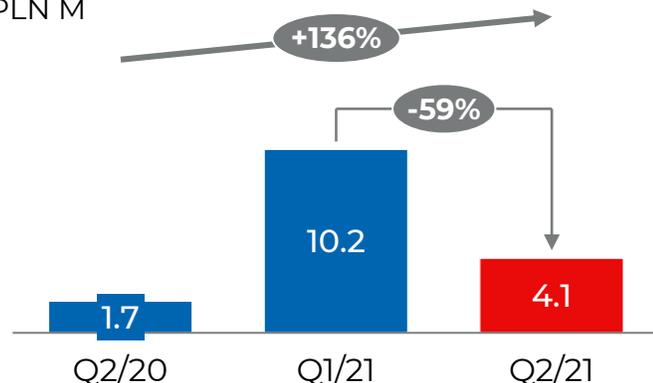
Outstanding amount of covered bonds

PLN M, nominal value



Company's profit before income tax

PLN M



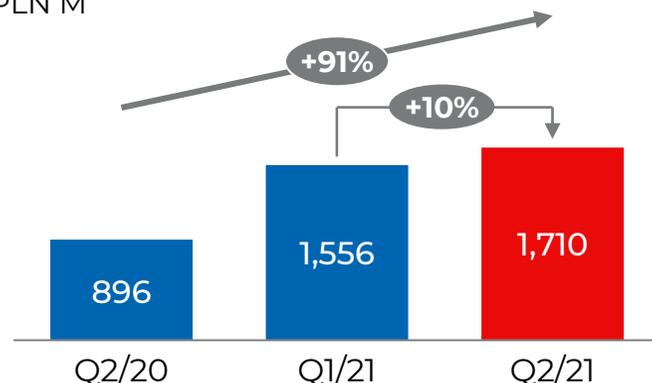
m Leasing
 established in 1991

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

Leasing contracts

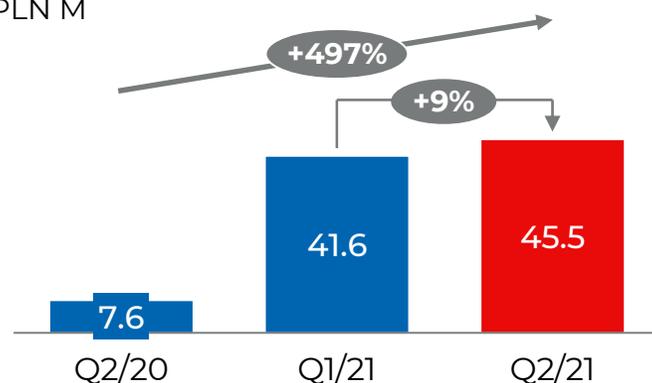
PLN M

Market share in 2020: 7.3%



Company's profit before income tax

PLN M



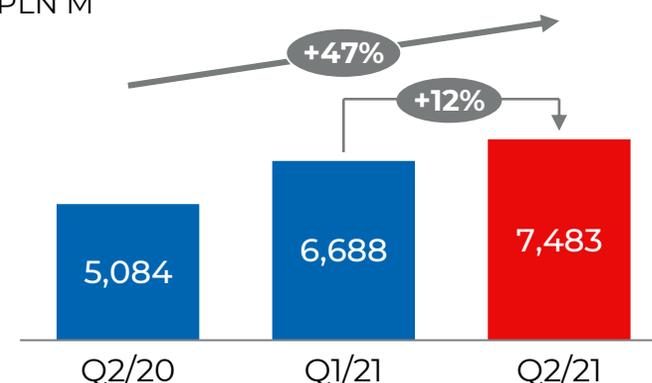
m Faktoring
 established in 1995

offered services include domestic and export recourse and non-recourse factoring and import guarantees

Factoring contracts

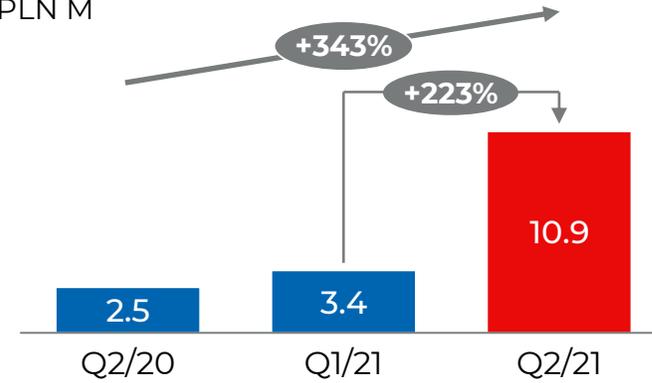
PLN M

Market share in 2020: 8.2%



Company's profit before income tax

PLN M



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

Appendix: Historical financial results of mBank Group

PLN million	2016	2017	2018	2019	2020	Δ YoY
Net interest income	2,832.8	3,135.7	3,496.5	4,002.8	4,009.3	+0.2%
Net fee and commission income	906.4	1,249.5	1,257.8	1,270.6	1,508.3	+18.7%
Net trading and other income	556.2	68.4	325.3	251.0	349.2	+39.1%
Total income	4,295.5	4,453.6	5,079.5	5,524.4	5,866.8	+6.2%
Total costs	-1,963.3	-2,043.2	-2,163.9	-2,329.2	-2,411.1	+3.5%
Loan loss provisions and fair value change	-365.4	-507.7	-694.4	-793.8	-1,292.8	+62.9%
Operating profit before legal provisions and taxes	1,966.8	1,902.7	2,221.2	2,401.5	2,162.8	-9.9%
Costs of legal risk related to FX loans	0.0	0.0	-20.3	-387.8	-1,021.7	+163.5%
Taxes on the Group balance sheet items	-328.9	-375.3	-415.4	-458.7	-531.4	+15.9%
Income tax	-415.5	-432.8	-483.9	-544.8	-506.0	-7.1%
Net profit	1,219.3	1,091.5	1,302.8	1,010.4	103.8	-89.7%
Total assets	133,744	131,424	145,781	158,353	178,872	+13.0%
Gross loans to customers	84,581	87,388	97,808	108,170	112,208	+3.7%
Individual clients	48,950	48,143	52,925	59,993	65,952	+9.9%
Corporate clients	34,174	37,942	44,233	47,786	46,025	-3.7%
Customer deposits	91,418	91,496	102,009	116,661	137,699	+18.0%
Individual clients	53,495	55,694	65,924	77,664	97,976	+26.2%
Corporate clients	37,383	34,590	35,346	38,138	39,236	+2.9%
Total equity	13,051	14,292	15,171	16,153	16,675	+3.2%
Net interest margin	2.3%	2.5%	2.6%	2.7%	2.3%	-0.4pp
Cost/Income ratio	45.7%	45.9%	42.6%	42.2%	41.1%	-1.1pp
Cost of risk	0.46%	0.61%	0.78%	0.79%	1.19%	+0.40pp
Return on equity (ROE)	9.6%	8.0%	8.9%	6.4%	0.6%	-5.8pp
Tier 1 capital ratio	17.3%	18.3%	17.5%	16.5%	17.0%	+0.5pp
Total Capital Ratio	20.3%	21.0%	20.7%	19.5%	19.9%	+0.4pp

Appendix: mBank's share price performance

Banking stocks gained since Autumn, but CHF-related risks still weigh on mBank

mBank's index membership and weights

as of 30.06.2021

WIG30		1.658%
mWIG40		6.001%
WIG		1.189%
WIG-Banks		5.504%
WIG-ESG		1.850%
WIG-Poland		1.238%

- 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

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



Source: WSE, Bloomberg (data as of 30.06.2021).

Disclaimer

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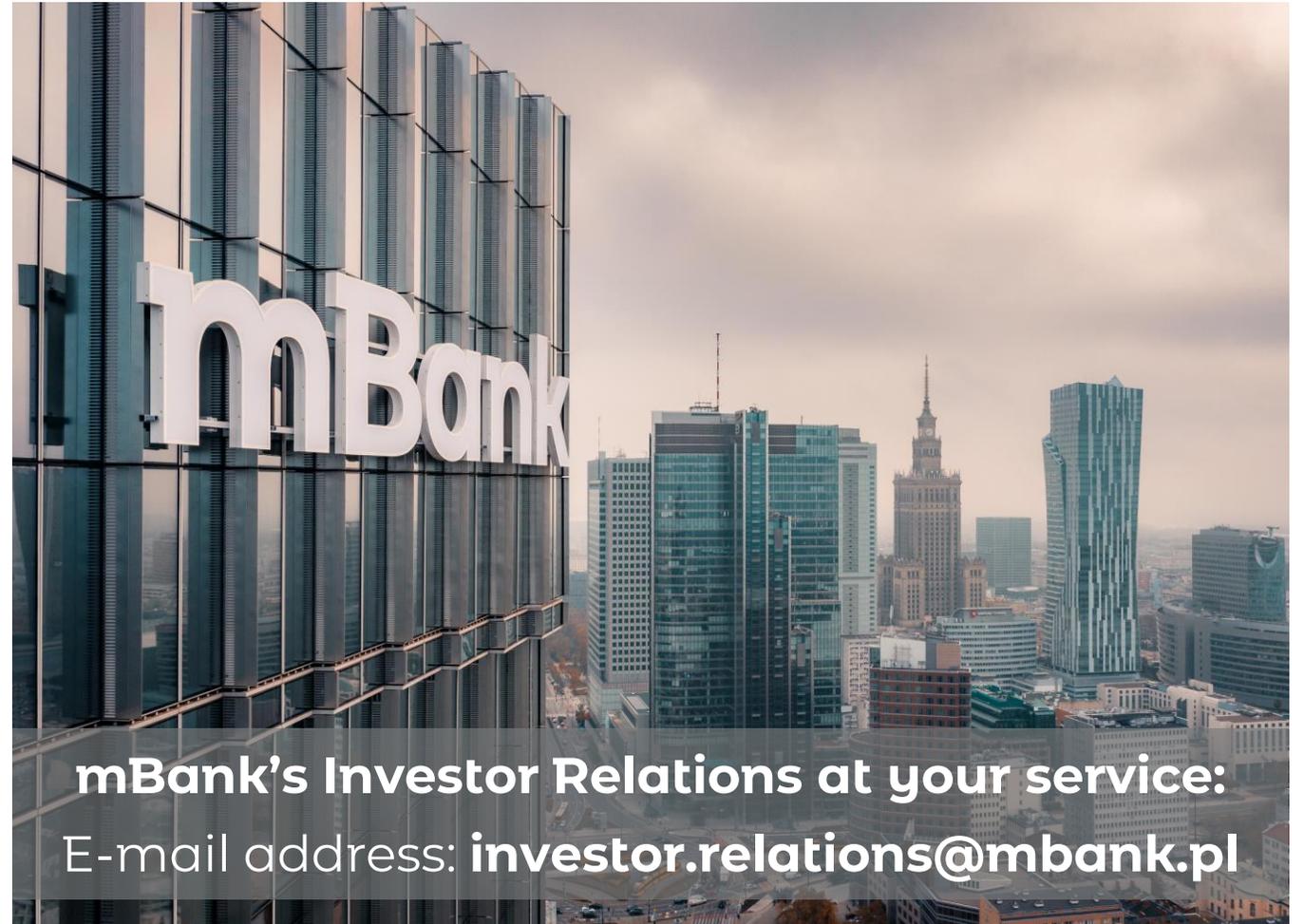
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