

Results of mBank Group Q3 2021

Strong operating performance of core business



Presentation for Investors and Analysts, 03.11.2021

Agenda



Key highlights of Q3 2021

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- Business development
- Summary of financial results

Analysis of the performance after Q3 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 Q3 2021 in mBank Group

- ✓ Core revenues at record-high level, driven by rebounding net interest income and strongest fee result in history
- ✓ Best-in-class efficiency continued, quarterly increase in costs due to special Covid-19 rewards for employees
- ✓ Improving 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 growing market shares
- ✓ Lower risk costs reflecting resilient asset quality, strong capital and liquidity position
- ✓ Intensifying usage of mobile application, rising share of processes initiated in digital channels by retail clients

Net interest income
+4.6% YoY

Net fee income
+28.5% YoY

Total costs
+8.8% YoY

Cost/Income ratio
40.9%

Core gross profit
+25% YoY

CHF legal costs
PLN 437 million

Loans
+9.3% YoY

Deposits
+16.3% YoY

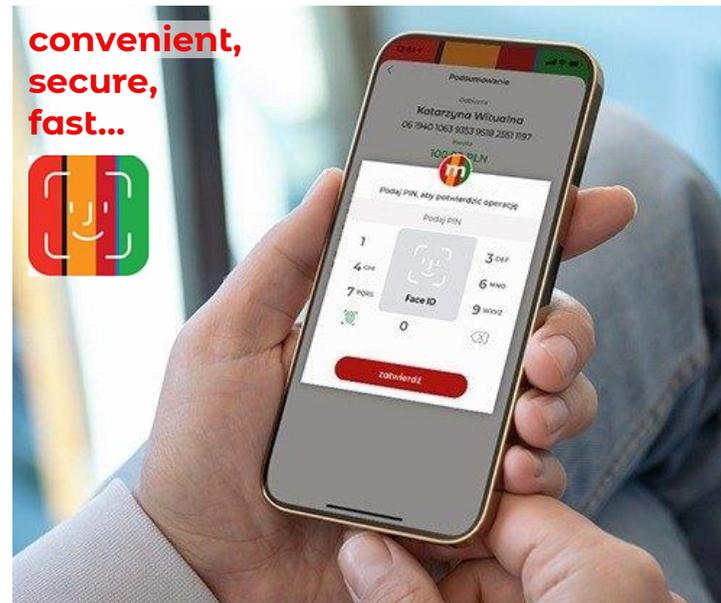
Cost of Risk
66 bps

Total capital ratio
17.5%

Mobile app users
2.5 million

Digital processes
76%

New products and innovations in Q3 2021



Transaction confirmation using biometry in the app

- Financial operations at mBank are even more secure now, with a new function of confirming transactions with biometric data
- Using a face or fingerprint scan in the mobile application, client can easily authorize all operations up to PLN 3,000 (above the PIN code is required)

Special loan for financing small RES projects

- The offer is for small renewable energy projects, mainly photovoltaic farms with a rated power of up to 5 MW, and RES installations for own needs carried out by customers of mBank's corporate division
- The minimum own contribution for these loans is 10%, secured with a BGK guarantee



“Digital Revolutions” support e-commerce entry

- Second edition of the contest, aimed at supporting SMEs in developing their online business, attracted 823 participants to present their ideas
- This year's winners HOUSE TO GO and WObit received two prize packages worth PLN 110,000 each to help them spread their wings in e-commerce

mBank's Inaugural Non-Preferred Senior Green Bond Issuance

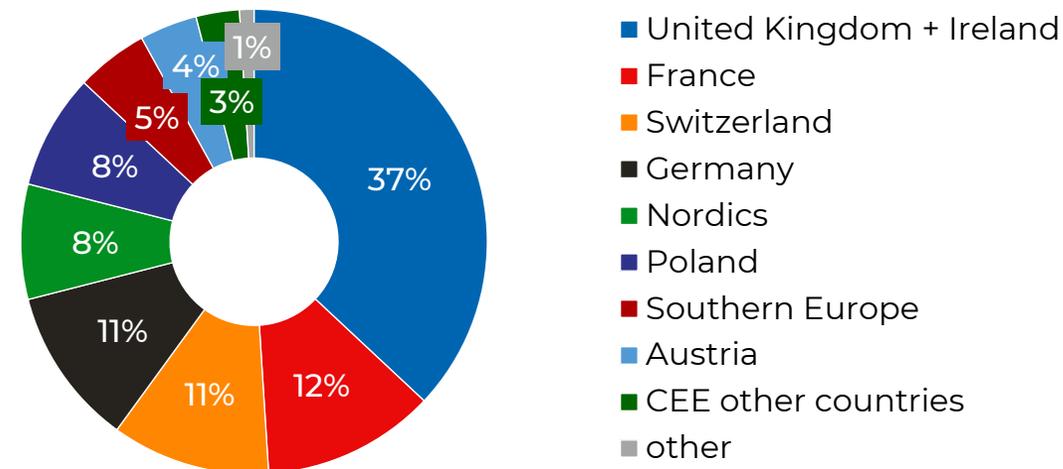
Transaction details

Format	Green Senior Non-Preferred Notes
Issue size	EUR 500 M
Issue rating	BBB- (S&P) /BBB- (Fitch)
Launch date	15.09.2021
Settlement date	20.09.2021
Maturity date	21.09.2027
Reoffer spread	MS+125 bps
Coupon	0.966% fixed p.a.
Listing	Luxembourg Stock Exchange

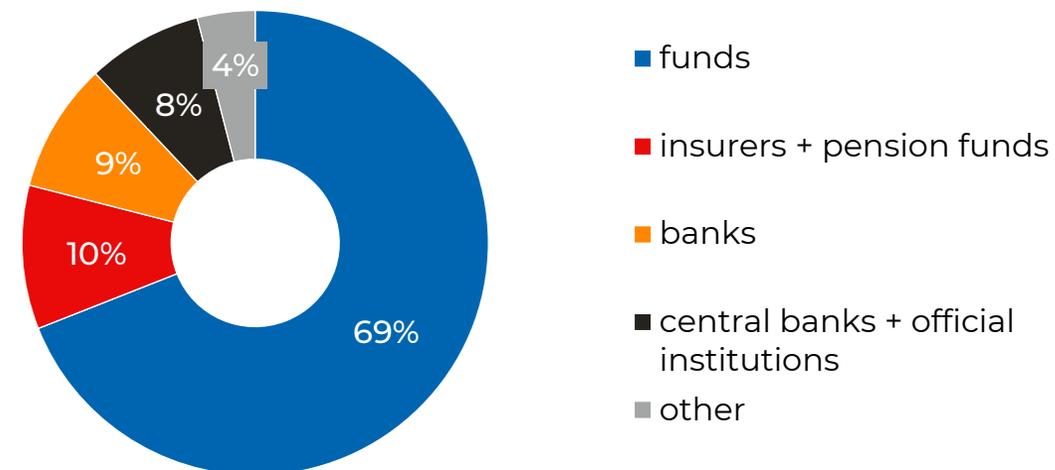


- The transaction constituted the first EUR benchmark under a Green Bond framework and the first EUR Non-Preferred MREL-eligible Notes issuance from a Polish bank.
- mBank will use the proceeds of this Green bond transaction to finance or refinance eligible projects (primarily residential mortgage portfolio).
- A Second Party Opinion for the framework was delivered by Sustainalytics and a pre-issuance certification by Climate Bonds Initiative was also obtained.
- The transaction was significantly oversubscribed with EUR 1.2 B of orders for EUR 500 M trade. The deal featured broad participation and received orders from 110 investors, allowing for a sizeable optimization of funding costs.
- We expect mBank's future NPS issuances to be in green format.

Distribution by investor location



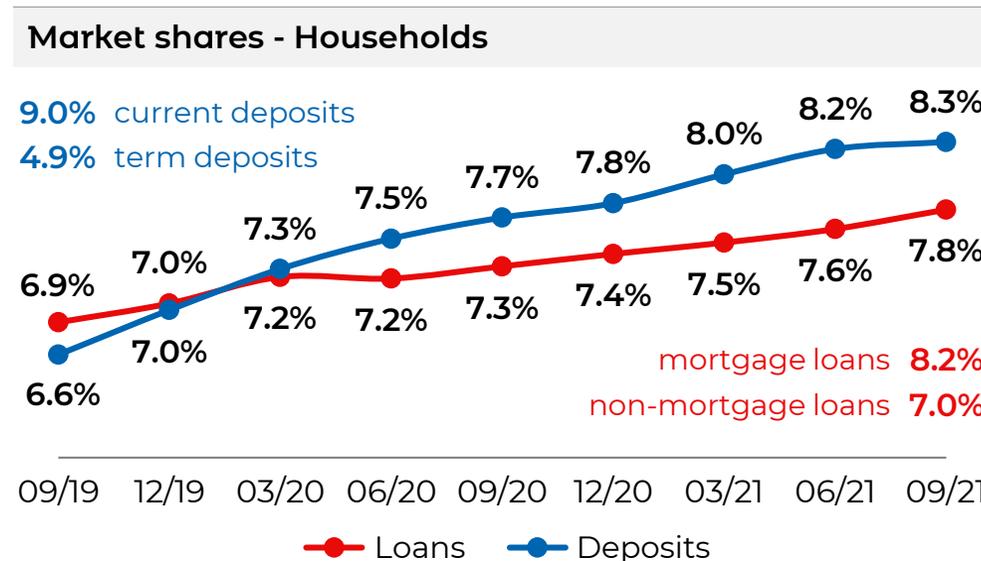
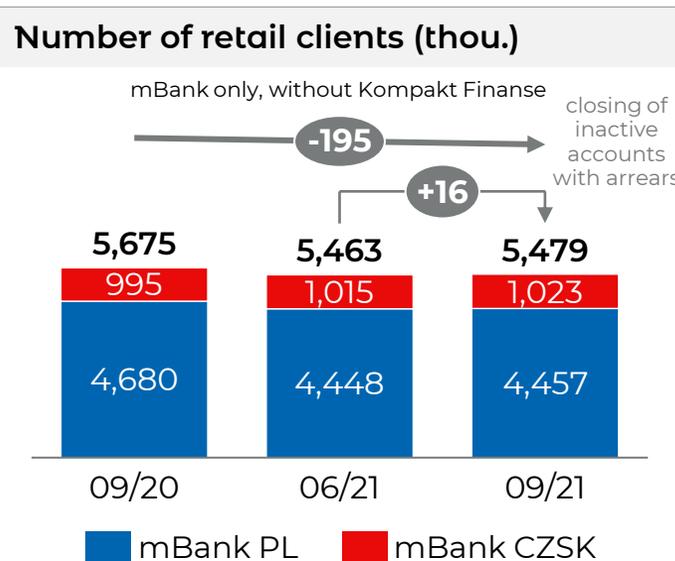
Distribution by investor type



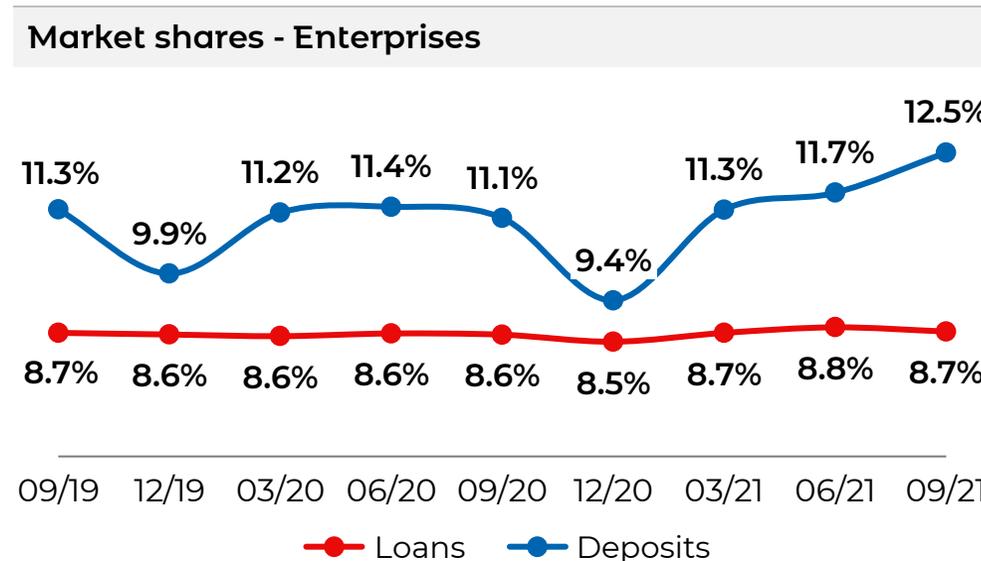
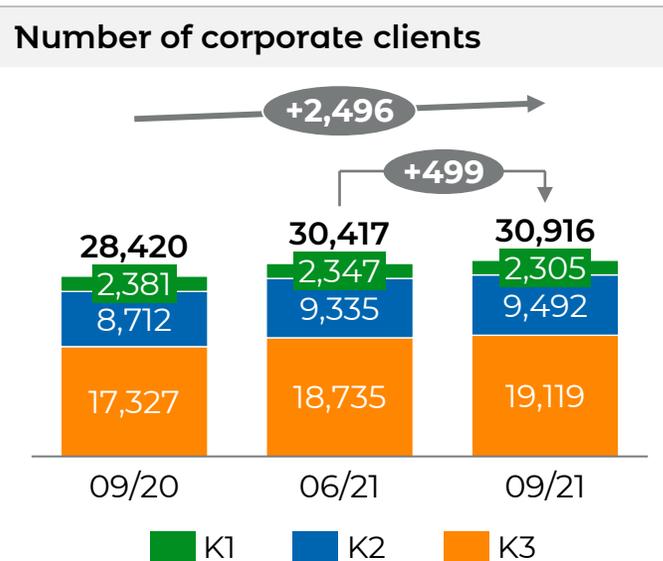
Client base and market position of retail and corporate banking



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

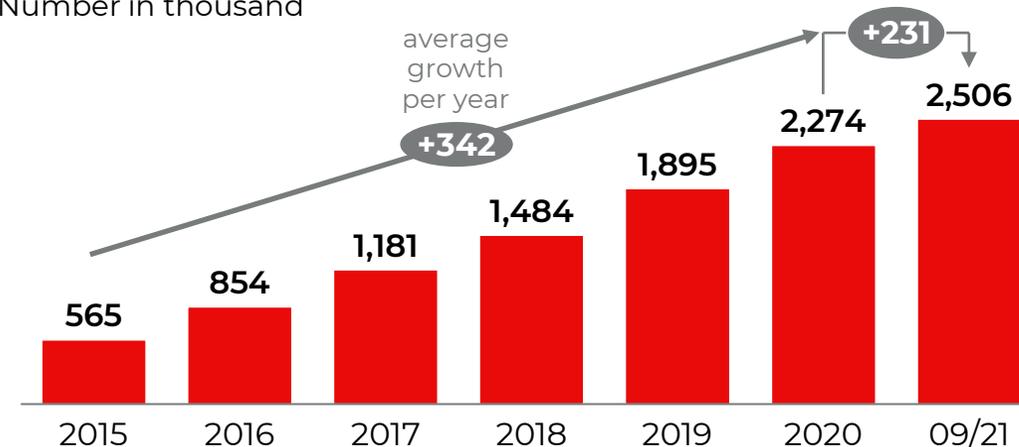
by the share of mobile users in total active customer base

#2

by the number of mobile app users among Polish banks

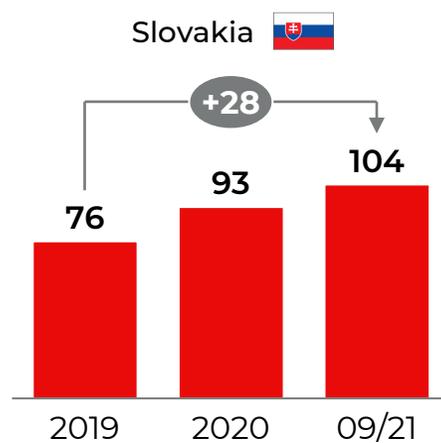
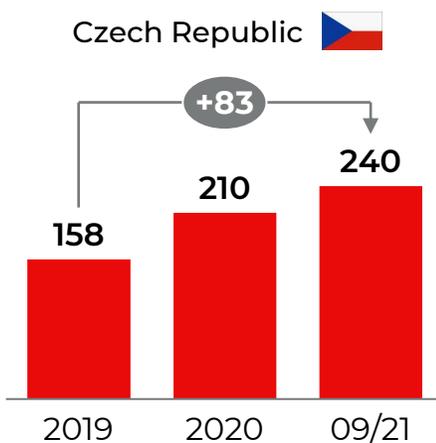
Active users of mBank's mobile application in Poland

Number in thousand



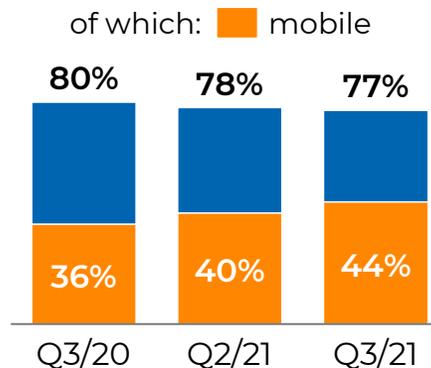
Active users of mBank's mobile application outside Poland

Number in thousand

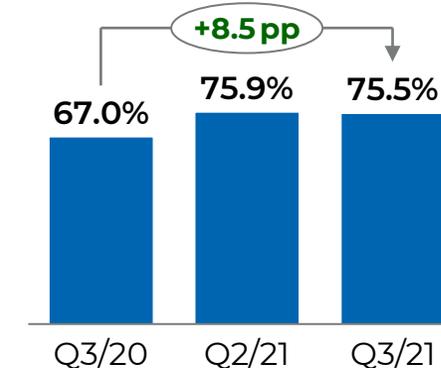


Growing importance of digital channel in daily banking

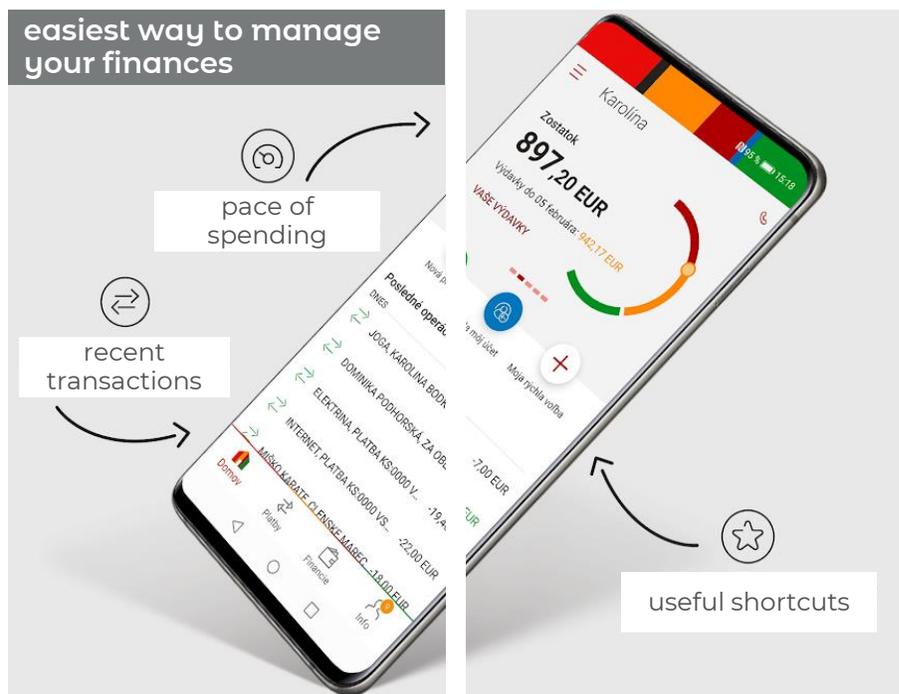
Share of digital channel in the sale of non-mortgage loans (by number of pieces)



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



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

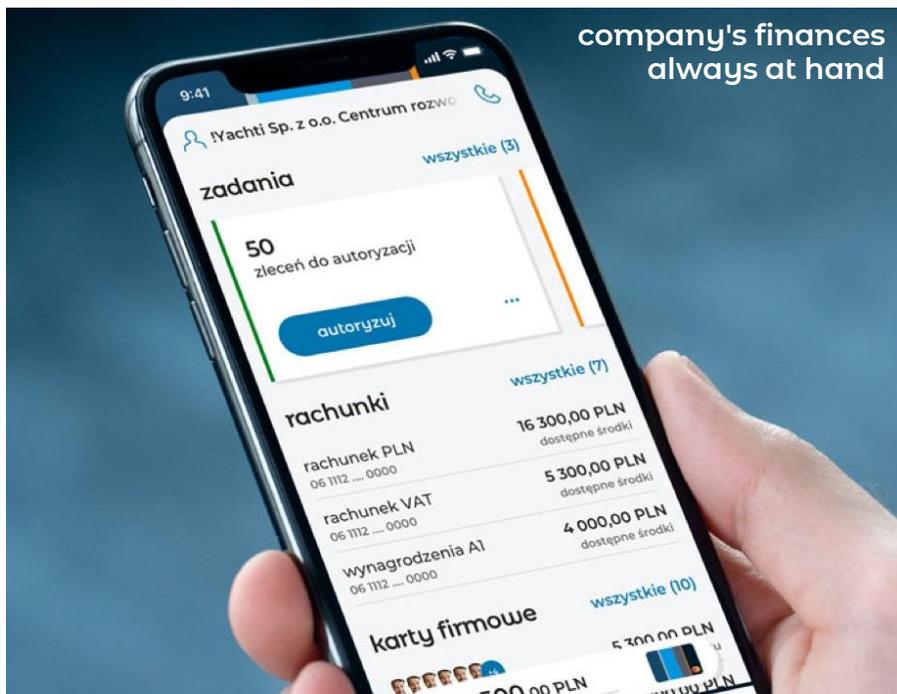


reminders from Payment Assistant and scanning of data to the transfer form from the invoices



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 **"The Best Digital Corporate/Institutional Bank in Poland 2021"** 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

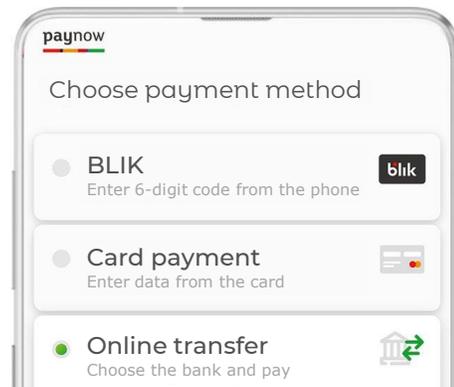
paynow

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 +27% QoQ in Q3/21



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



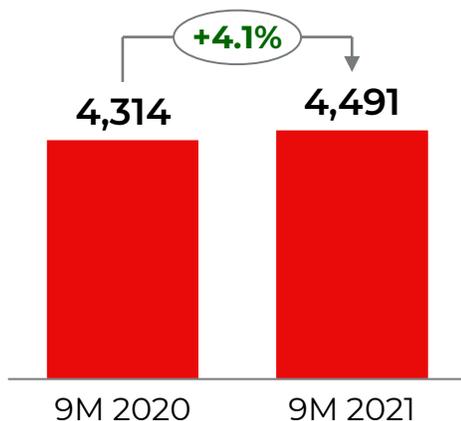
Paynow gateway was selected "the best digital payment system 2020" in the eTrade Awards competition.



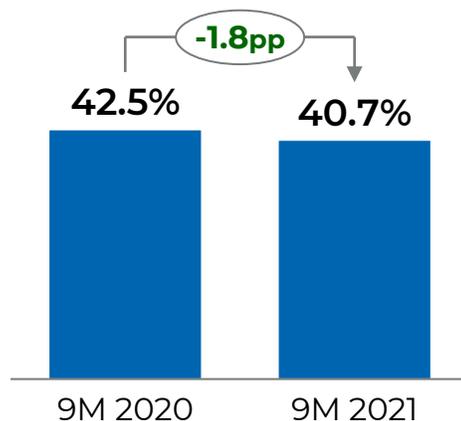
Summary of key financial highlights

Total income

PLN M

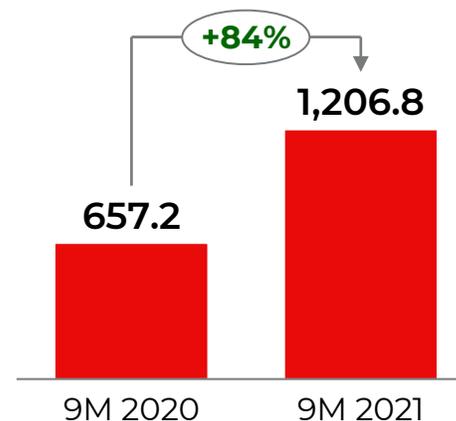


Cost/Income ratio¹

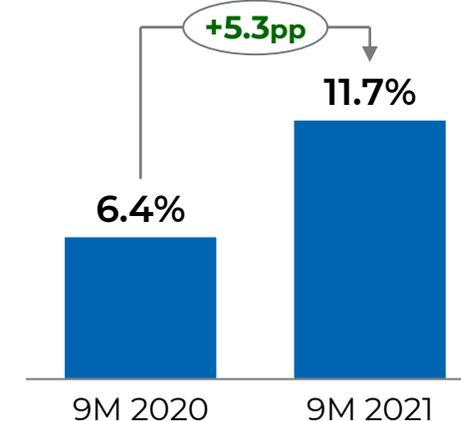


Net profit of Core Business²

PLN M

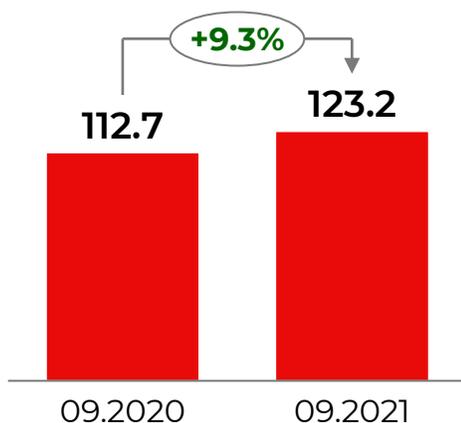


ROE of Core Business²

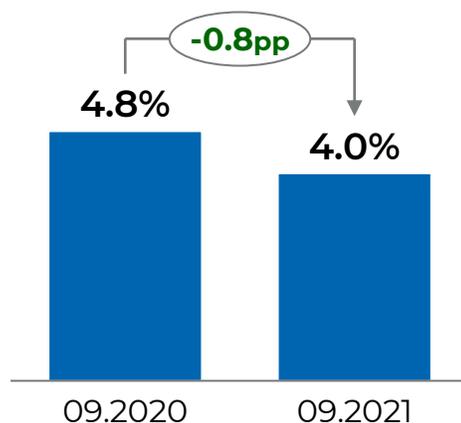


Gross loans to customers

PLN B

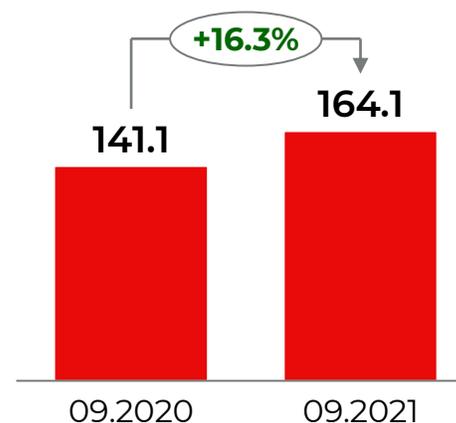


NPL ratio

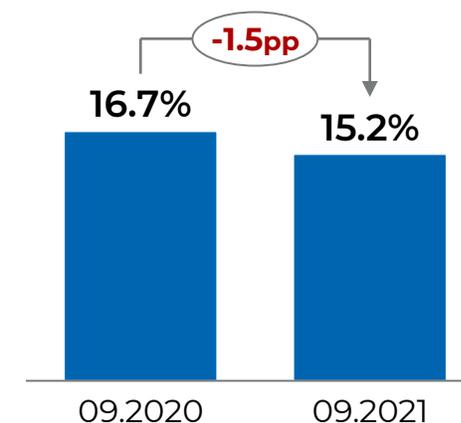


Customer deposits

PLN B



Tier 1 capital ratio



¹ Normalized indicator, including 3/4 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	Q3 2020	Q2 2021	Q3 2021	Δ QoQ	Δ YoY
Net interest income	960.3	961.5	1,004.8	+4.5%	+4.6%
Net fee and commission income	373.2	452.6	479.4	+5.9%	+28.5%
Total income	1,410.7	1,442.8	1,509.0	+4.6%	+7.0%
Total costs (excluding BFG)	-533.0	-555.3	-592.3	+6.7%	+11.1%
Contributions to the BFG	-33.7	-25.0	-24.2	-3.1%	-28.2%
Loan loss provisions and fair value change ¹	-268.8	-228.4	-195.7	-14.3%	-27.2%
Costs of legal risk related to FX loans	-186.9	-248.5	-436.8	+75.8%	+133.8%
Operating profit	388.3	385.7	260.0	-32.6%	-33.0%
Taxes on the Group balance sheet items	-133.4	-147.2	-158.6	+7.8%	+18.9%
Profit before income tax	255.0	238.5	101.4	-57.5%	-60.2%
Net profit	100.6	108.7	26.6	-75.6%	-73.6%
Net interest margin	2.15%	2.04%	2.02%	-0.02pp	-0.13pp
Cost/Income ratio	40.2%	40.2%	40.9%	+0.6pp	+0.7pp
Cost of risk	0.99%	0.80%	0.66%	-0.13pp	-0.33pp
Return on equity (ROE)	2.4%	2.6%	0.6%	-2.0pp	-1.8pp
Return on assets (ROA)	0.22%	0.22%	0.05%	-0.17pp	-0.17pp

¹ 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	Q3 2020	Q2 2021	Q3 2021	Δ QoQ	Δ YoY
Total assets	181,436	198,471	208,152	+4.9%	+14.7%
Gross loans to customers	112,684	119,949	123,210	+2.7%	+9.3%
Individual client loans	64,404	70,093	73,124	+4.3%	+13.5%
Corporate client loans	47,970	49,635	49,883	+0.5%	+4.0%
Customer deposits	141,119	156,584	164,142	+4.8%	+16.3%
Individual client deposits	92,303	106,700	108,921	+2.1%	+18.0%
Corporate client deposits ¹	47,882	48,876	54,418	+11.3%	+13.7%
Total equity	16,970	16,694	16,536	-0.9%	-2.6%
Loan-to-deposit ratio	77.2%	74.2%	72.9%	-1.3pp	-4.3pp
NPL ratio	4.8%	4.4%	4.0%	-0.4pp	-0.8pp
Coverage ratio	60.7%	58.3%	57.2%	-1.1pp	-3.5pp
Tier 1 Capital Ratio	16.7%	15.2%	15.2%	0.0pp	-1.5pp
Total Capital Ratio	19.5%	17.6%	17.5%	-0.1pp	-2.0pp

¹ Excluding repo / sell-buy-back transactions

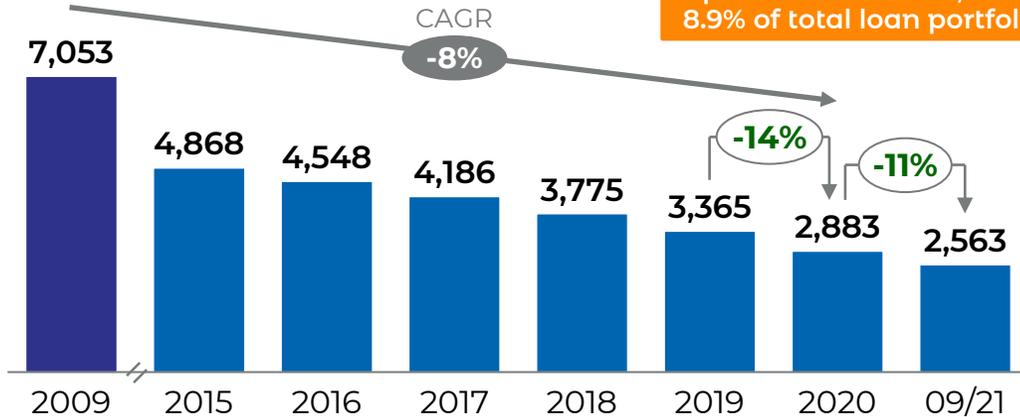
Note: Balance sheet data for Q1/20-Q4/20 restated due to the presentational change related to CHF mortgage loans.

Summary of litigations and provisions related to CHF portfolio

CHF mortgage loans granted to individual customers

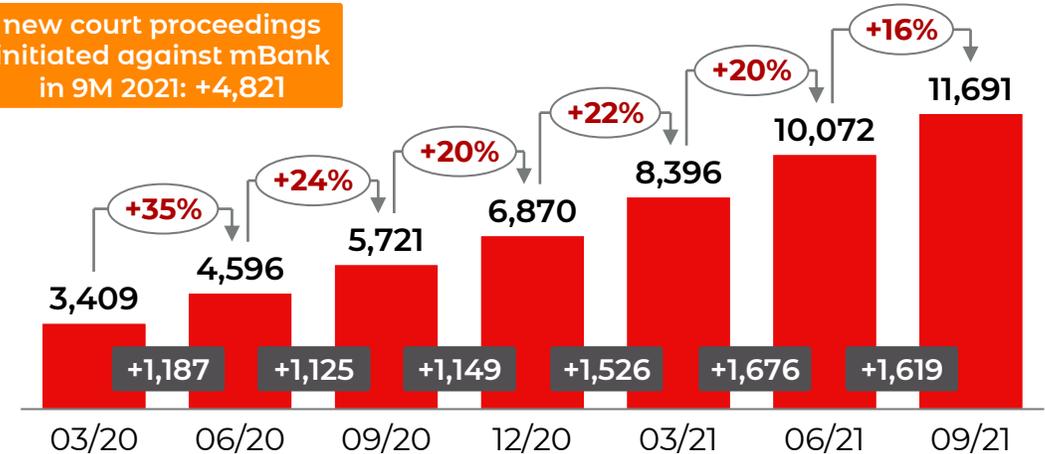
CHF M, carrying amount

equivalent to PLN 10,950 M,
8.9% of total loan portfolio



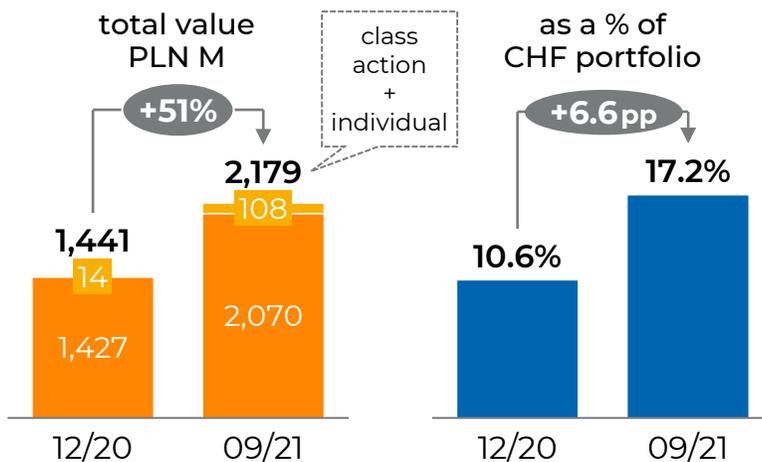
Number of individual court cases concerning indexation clauses

new court proceedings
initiated against mBank
in 9M 2021: +4,821



Provisions created for all court cases

concerning indexation clauses in CHF mortgage loans

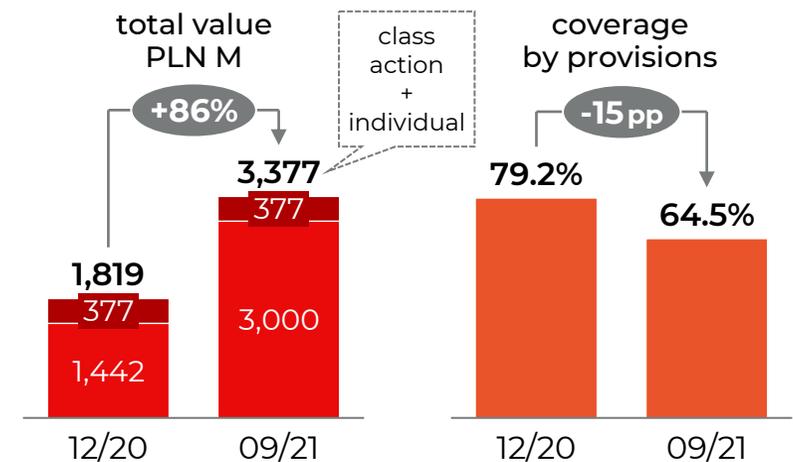


Key parameters for the calculation of portfolio provisions include:

- 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 all court 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 9M 2021

PLN million	Core Business	Non-core ¹	mBank Group
Net interest income	2,815.9	97.4	2,913.3
Net fee, trading and other income	1,625.5	-48.2	1,577.3
Total income	4,441.4	49.2	4,490.6
Total costs	-1,846.9	-14.5	-1,861.4
Loan loss provisions and fair value change ²	-591.5	2.7	-588.8
Costs of legal risk related to FX loans	0.0	-751.6	-751.6
Operating profit	2,003.0	-714.2	1,288.8
Taxes on the Group balance sheet items	-404.3	-40.3	-444.6
Profit before income tax	1,598.7	-754.5	844.2
Net profit	1,206.8	-754.5	452.4
Total assets	194,924	13,228	208,152
Net interest margin	2.14%		2.05%
Cost/Income ratio	41.6%		41.5%
Cost of risk	0.78%		0.69%
Return on equity (ROE)	11.7%		3.6%
Return on assets (ROA)	0.88%		0.31%

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 3.1 B as of 30.09.2021.

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 1,720.1 M reflected through a deduction from gross assets;
- PLN 458.5 M included in the bank's liabilities;

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- Total costs and efficiency
- Loan loss provisions and portfolio quality
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Macroeconomic update and outlook

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Appendix

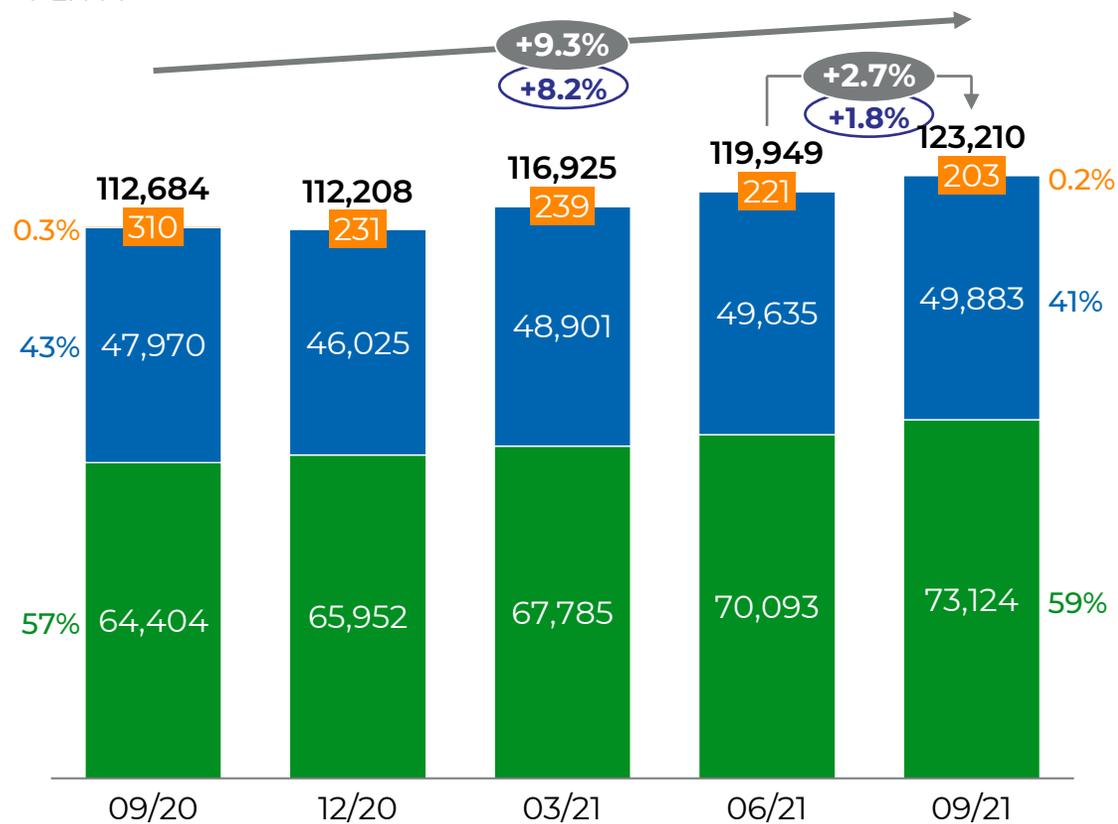
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Results of mBank Group: Loans to customers

Continuous loan portfolio expansion driven by strong momentum of retail exposures

Development of gross loans and advances to customers

PLN M

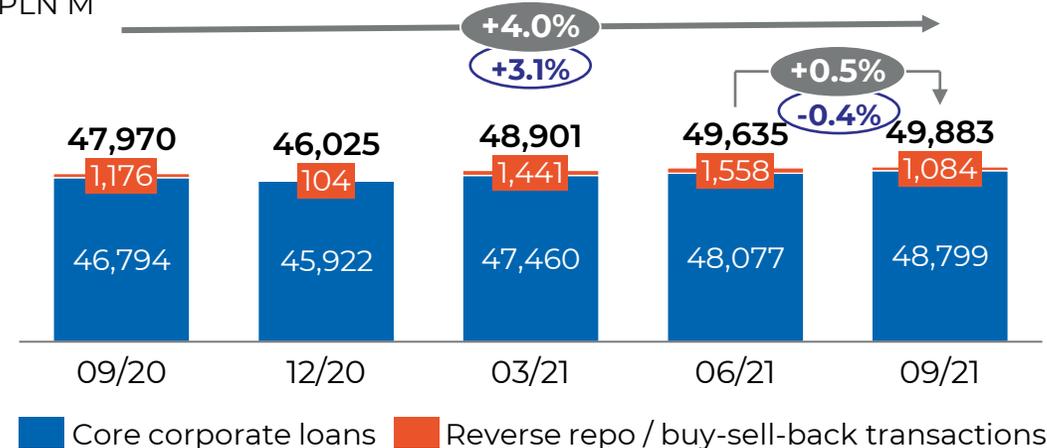


- Individual clients
- Corporate clients
- Public sector

+X.X% Excluding FX effect

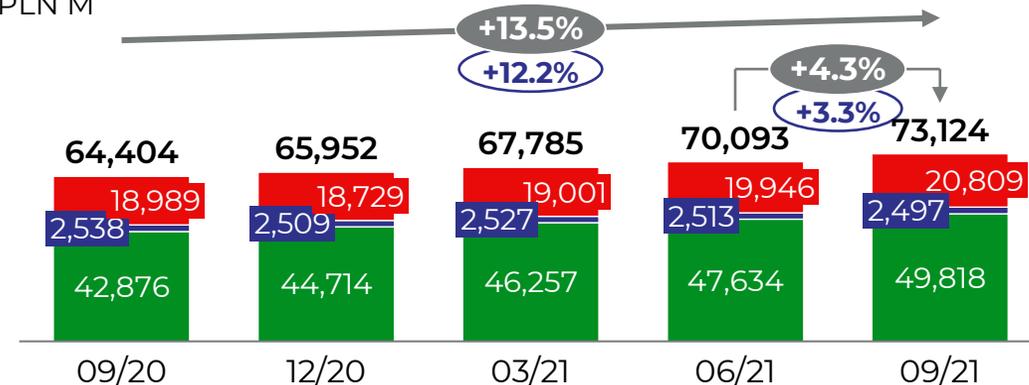
Gross loans to corporate customers

PLN M



Gross loans to retail customers

PLN M



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

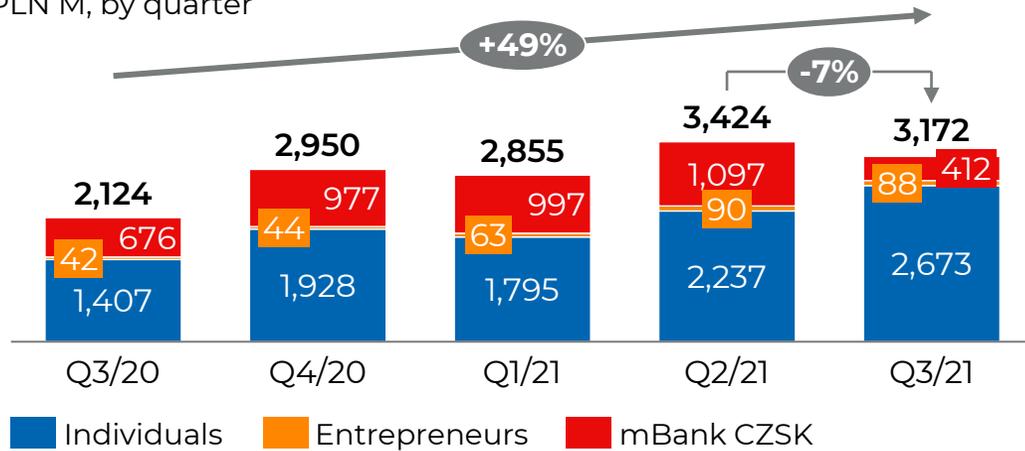
Note: Data for Q1/20-Q4/20 restated due to the presentational change related to CHF mortgage loans.

Results of mBank Group: New lending business

Accelerated sales of housing loans, accompanied by further rebound of consumer lending

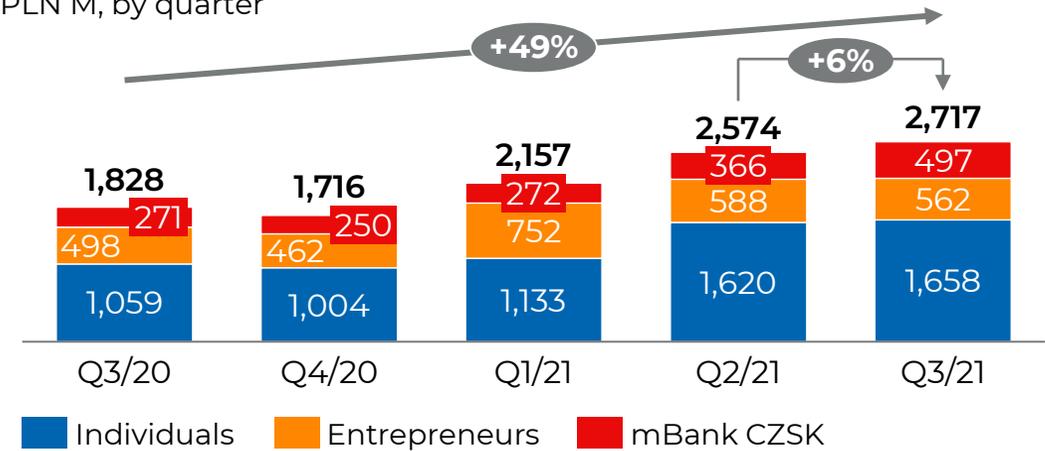
Sales of mortgage loans

PLN M, by quarter



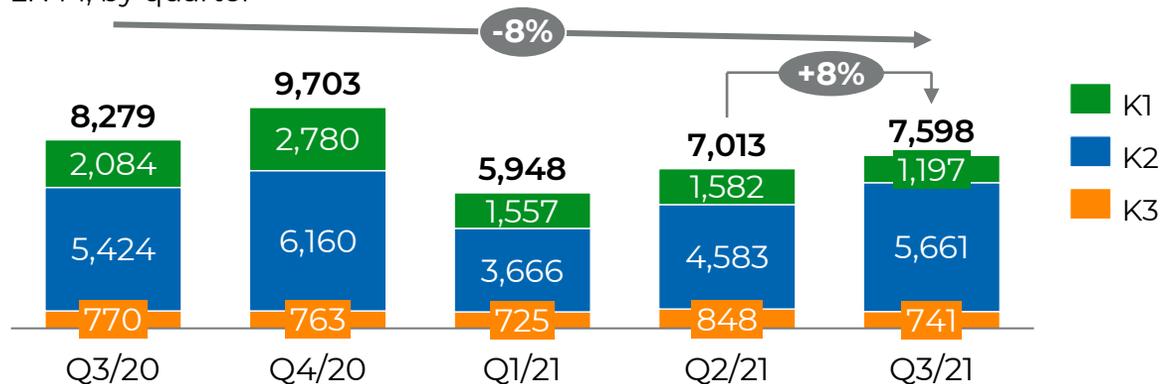
Sales of non-mortgage loans

PLN M, by quarter



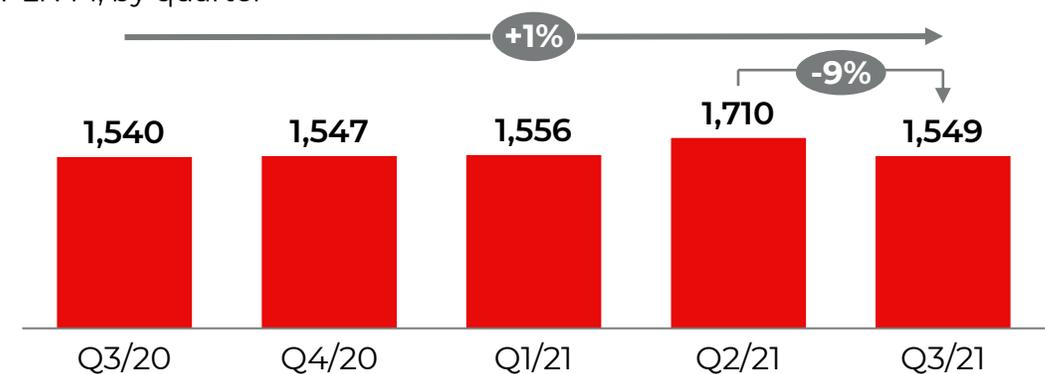
Sales of corporate loans¹

PLN M, by quarter



New leasing contracts

PLN M, by quarter

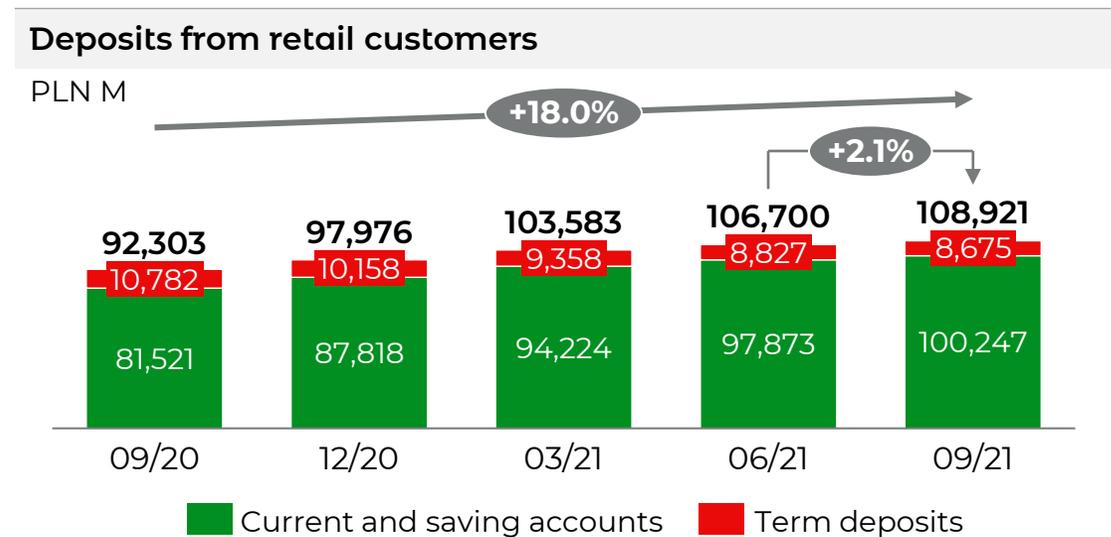
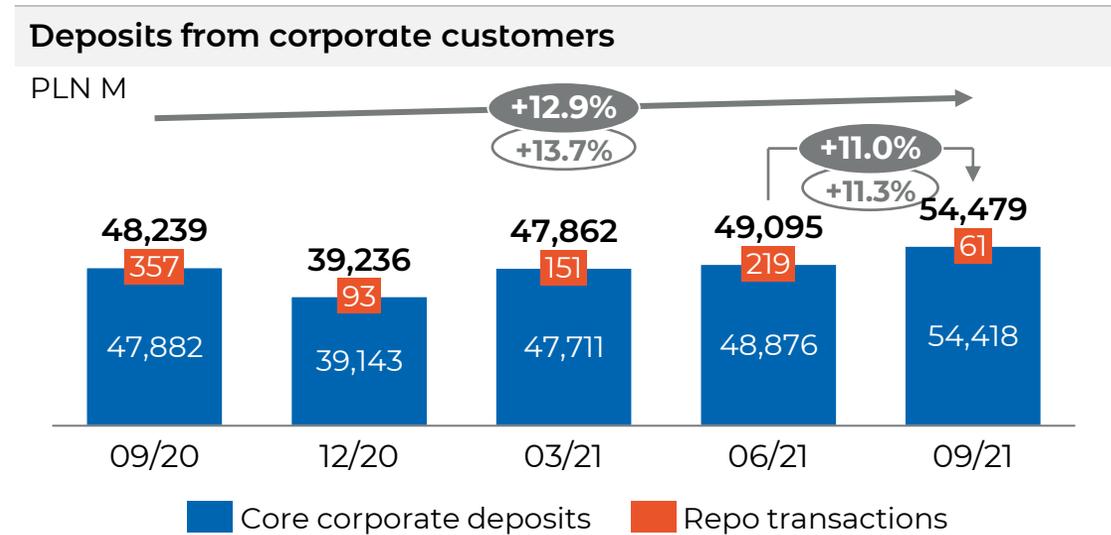
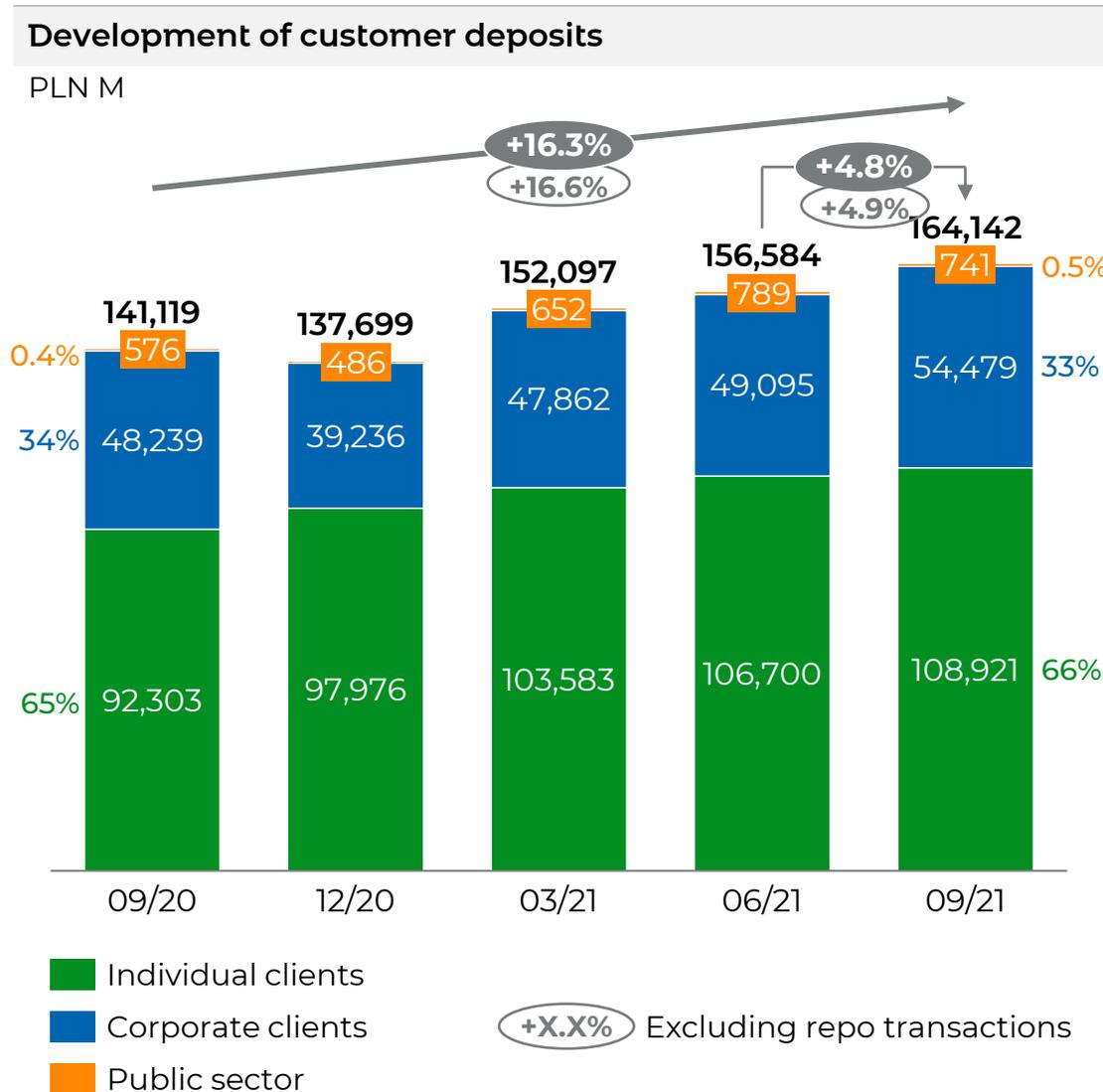


¹ Including new sale, rising and renewal

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

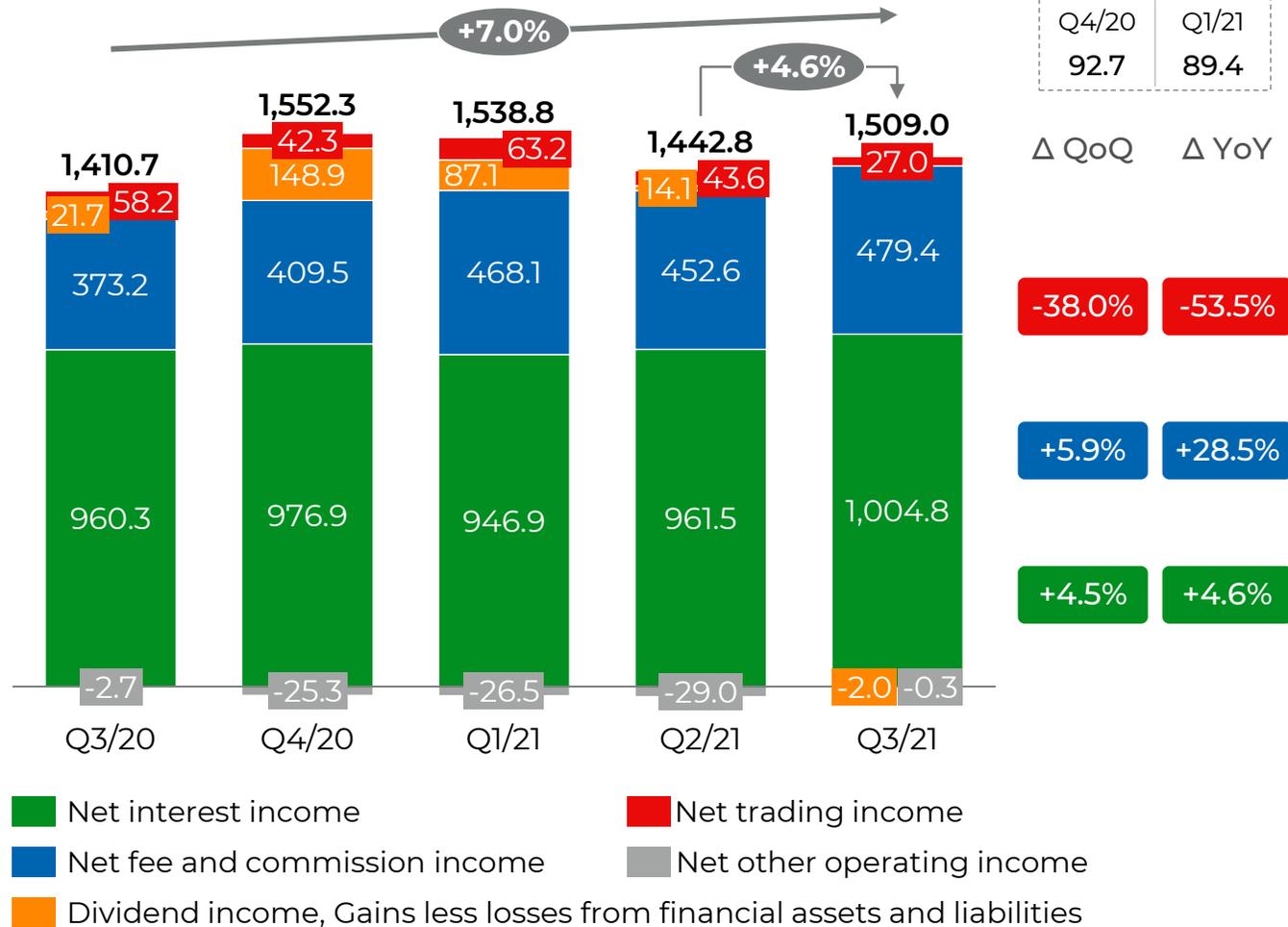


Results of mBank Group: Total income

Record-high core revenues driven by rising net interest income and strong fee result

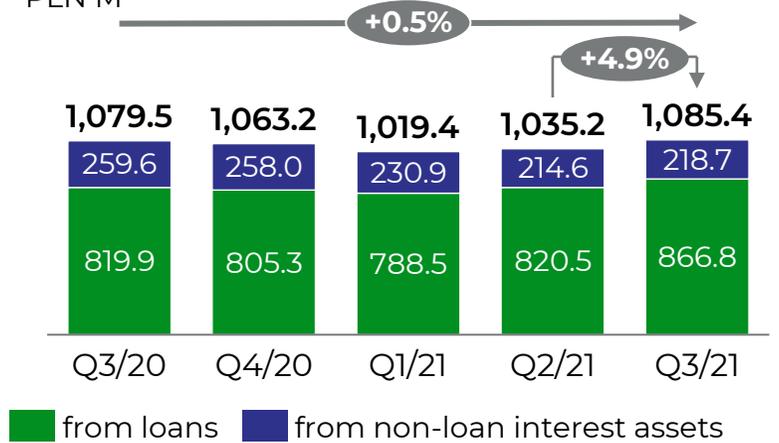
Development of mBank Group's total income

PLN M



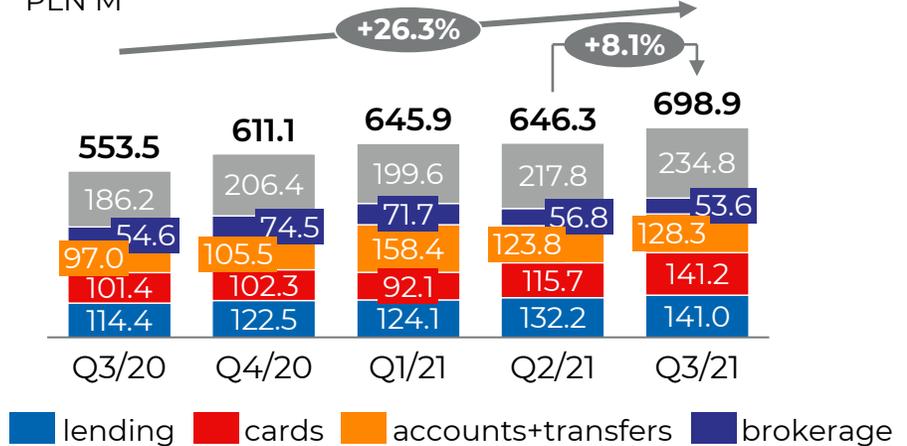
Development of interest income

PLN M



Development of fee and commission income

PLN M

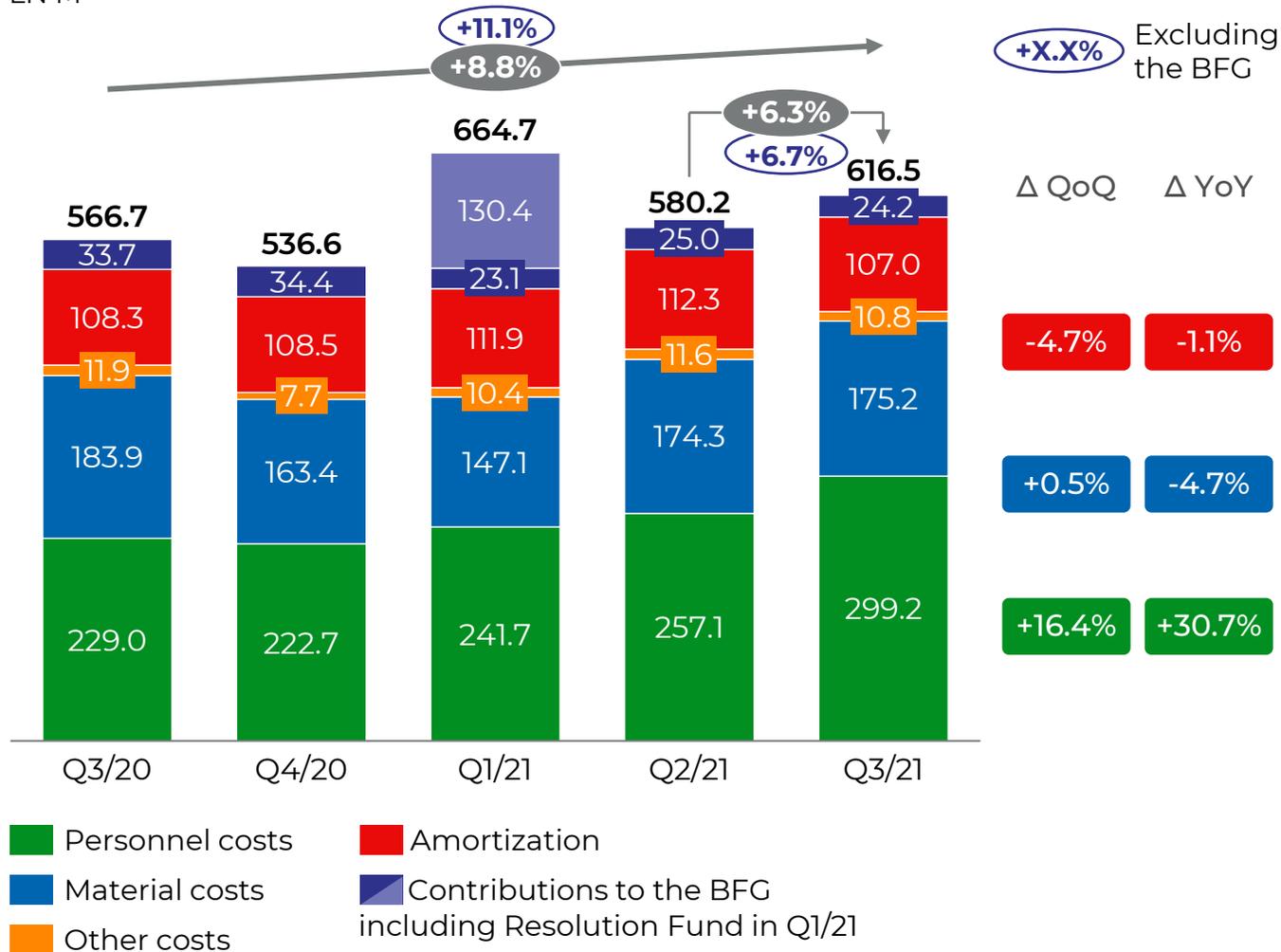


Results of mBank Group: Total costs and efficiency

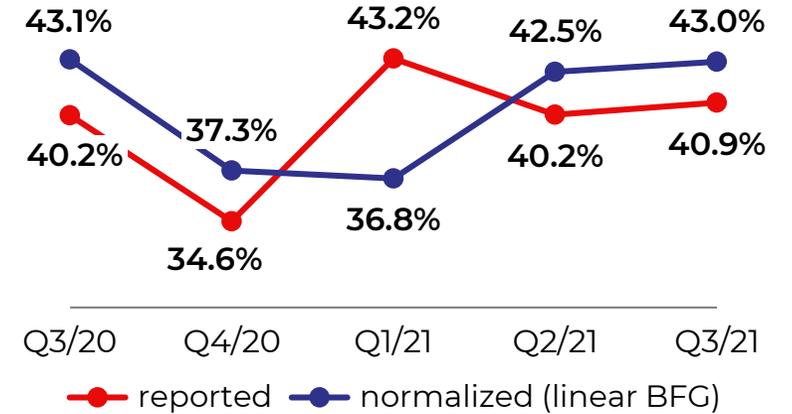
Best-in-class efficiency maintained, increase of costs only due to rewards for employees

Development of mBank Group's operating costs

PLN M

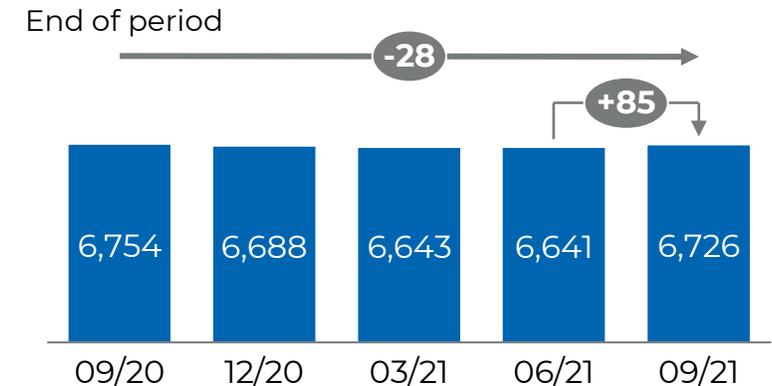


Cost/Income ratio of mBank Group – quarterly



Normalized Cost/Income ratio for 9M/21 **40.7%**

Employment of mBank Group (in FTEs)

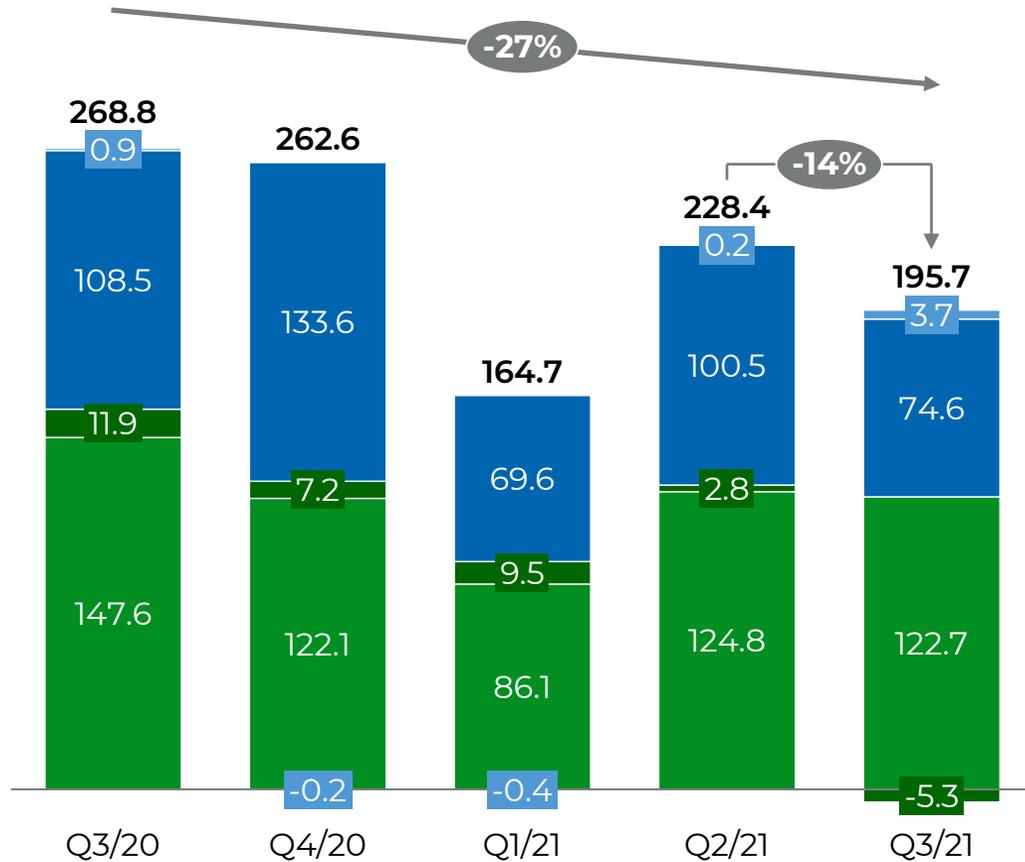


Results of mBank Group: Loan loss provisions and cost of risk

Provisions for expected credit losses at lower level amid positive macroeconomic outlook

Net impairment losses and fair value change on loans

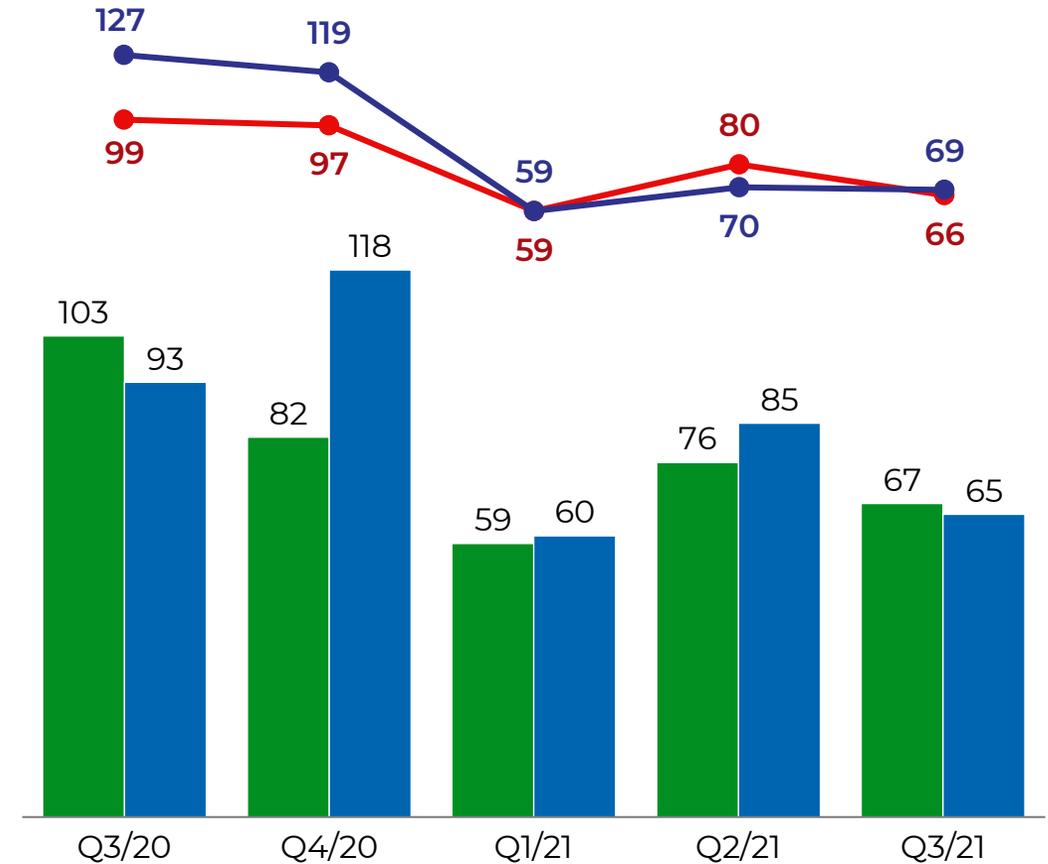
PLN M



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

mBank Group's cost of risk, by segment

bps

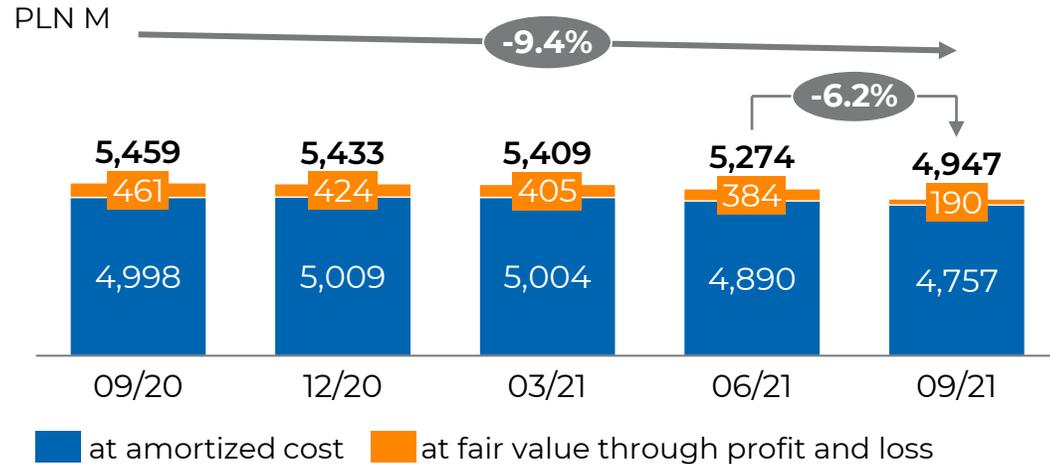


mBank Group's cost of risk: ● quarterly ● YtD
■ Retail loan portfolio ■ Corporate loan portfolio

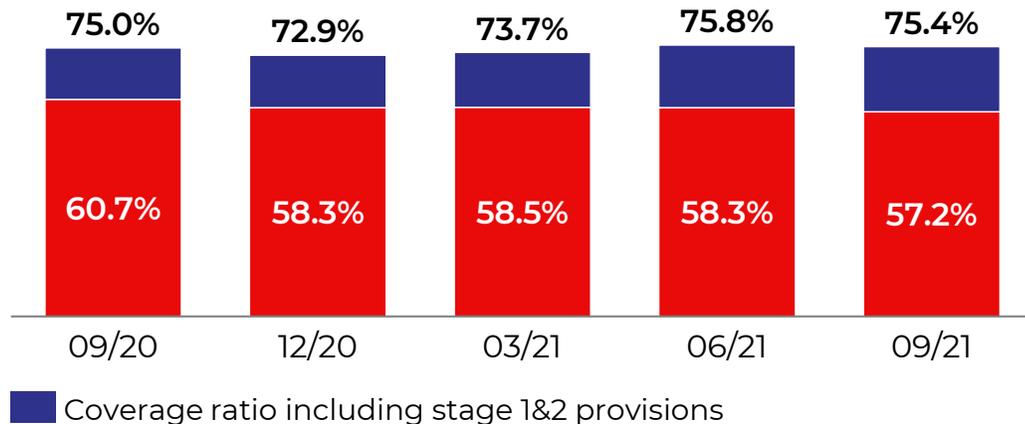
Results of mBank Group: Loan portfolio quality

Robust asset quality confirmed by resilient risk indicators, additional support from NPL sales

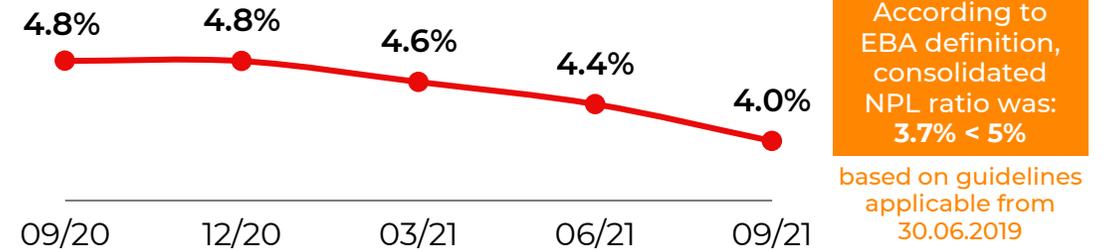
mBank Group's impaired loans portfolio



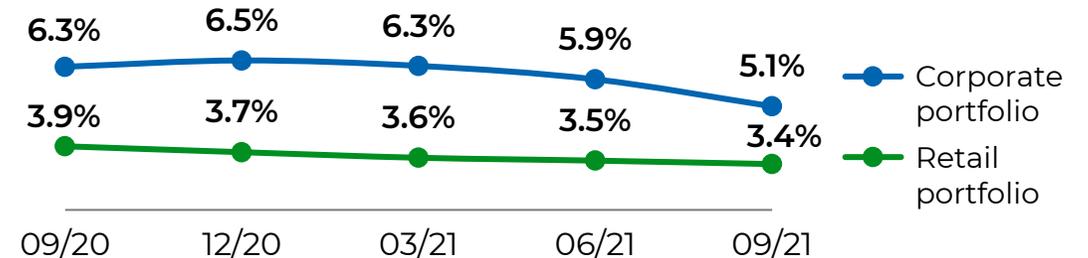
mBank Group's coverage ratio



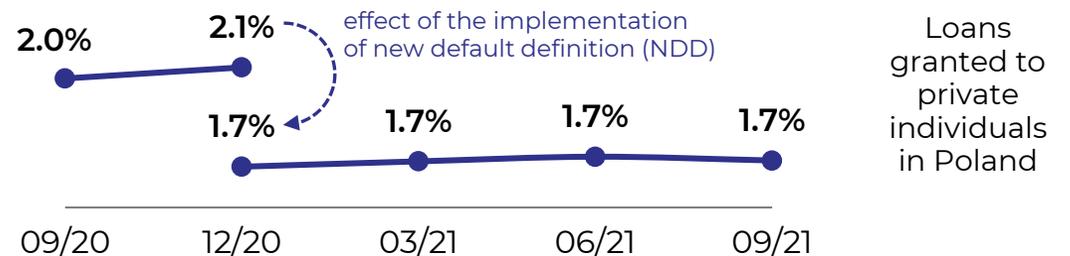
mBank Group's NPL ratio



mBank Group's NPL ratio, by segment



NPL ratio of mortgage loan portfolio

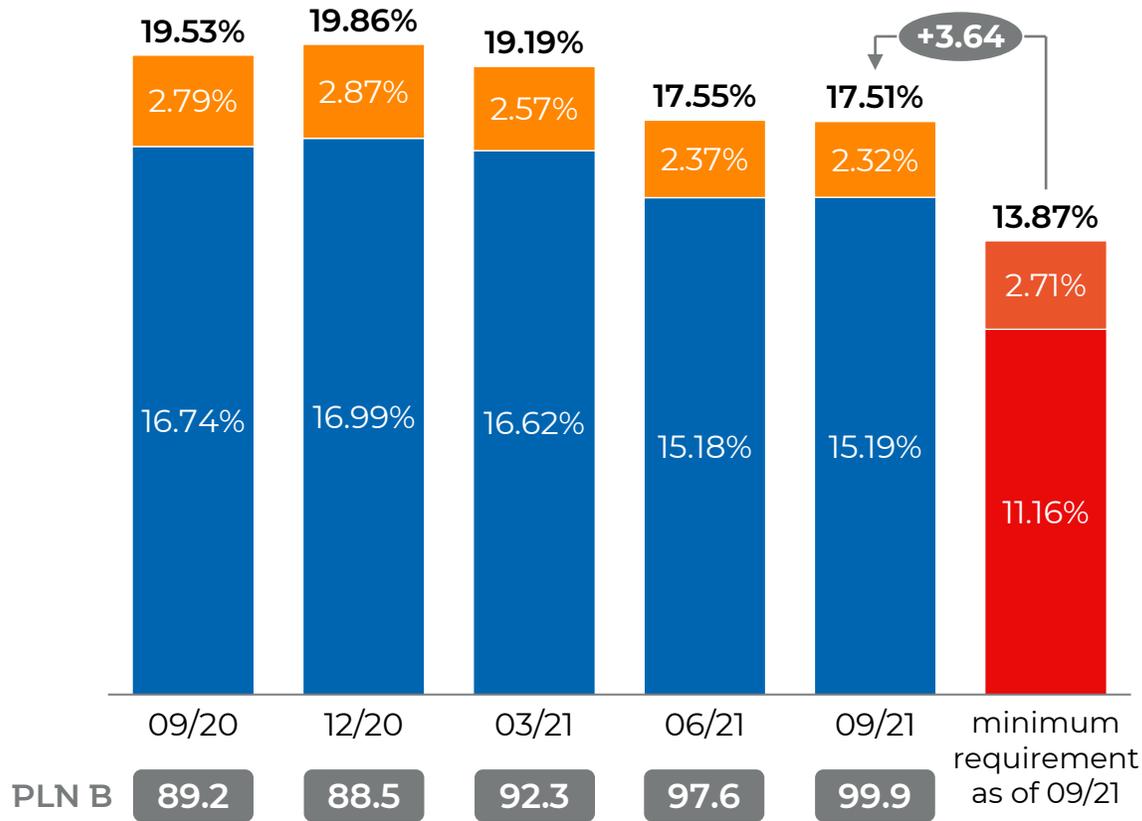


Note: Risk indicators presented for credit portfolio measured both at amortized cost and at fair value through profit or loss. The bank applies a client-oriented approach in its methodology of NPL recognition.

Results of mBank Group: Capital ratio and liquidity position

Strong capital position and outstanding liquidity securing safety and operational stability

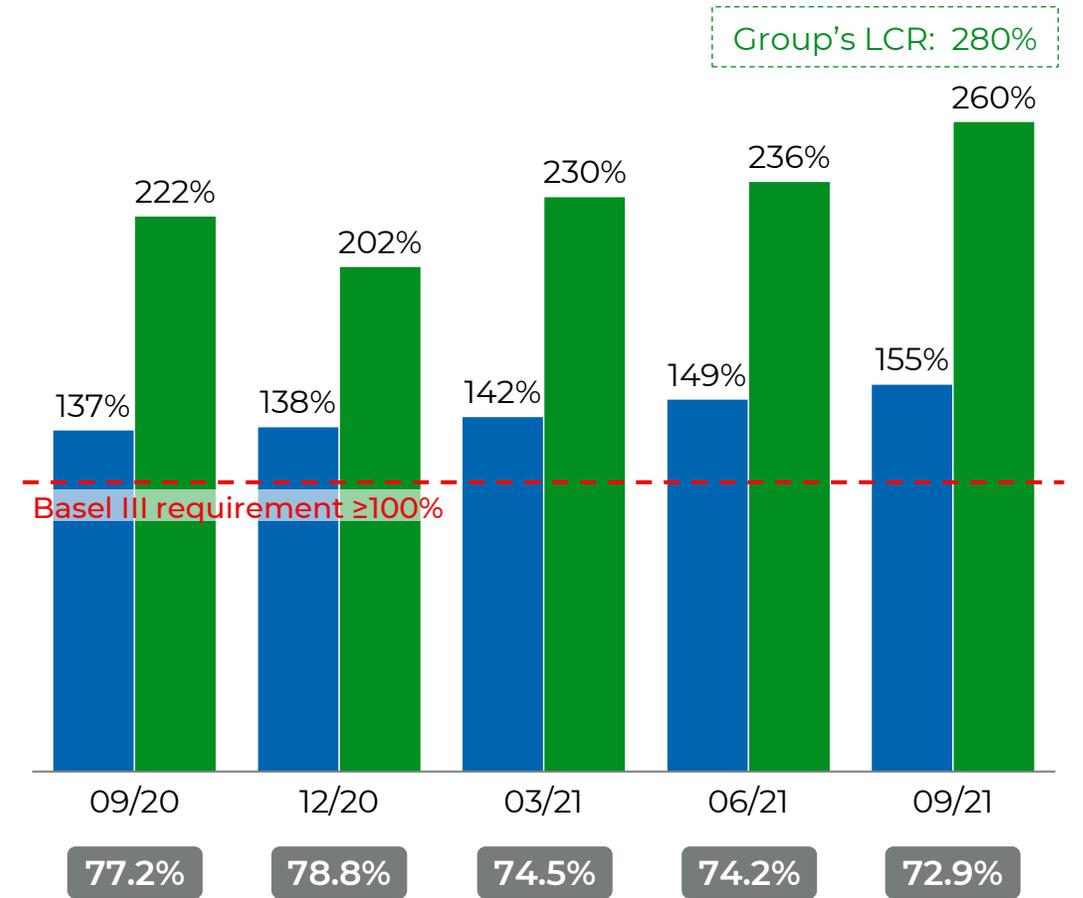
mBank Group's Total Capital Ratio



xx.x Total risk exposure amount (TREA)

■ Tier 1 capital ratio ■ Tier 2

mBank's NSFR and LCR



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

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

Agenda



Key highlights of Q3 2021

2

- Business development
- Summary of financial results

Analysis of the performance after Q3 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

25

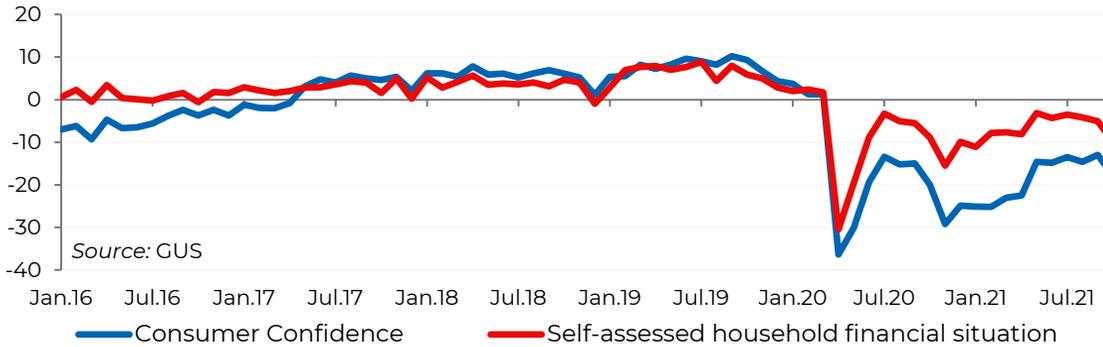
Appendix

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Macroeconomic situation and outlook

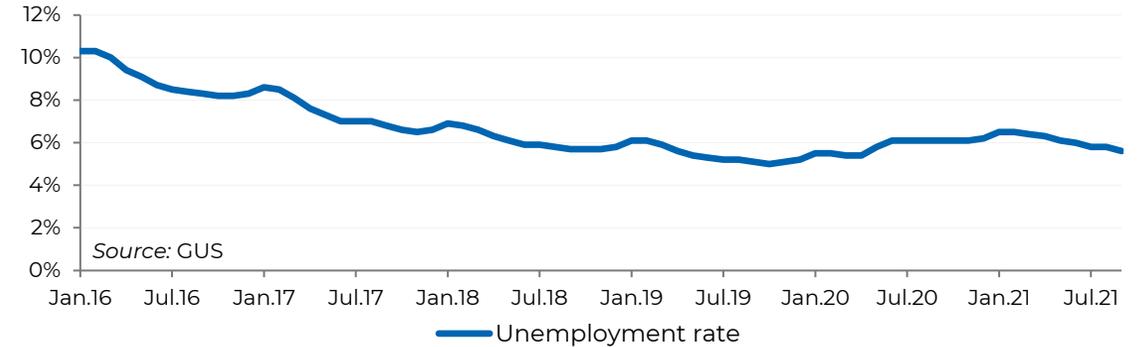
Normalization of demand meets supply bottlenecks

Consumer sentiment under the pressure of high inflation?



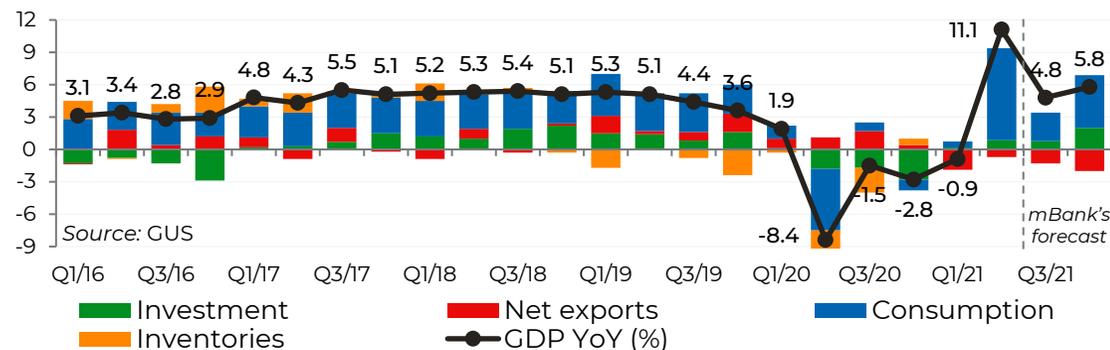
Slow but sure improvement in consumer confidence was obvious direction as Covid-19 risks faded. However, much faster inflation and recent (unexpected) monetary policy tightening cooled consumer sentiment, at least for now.

Unemployment rate declined further



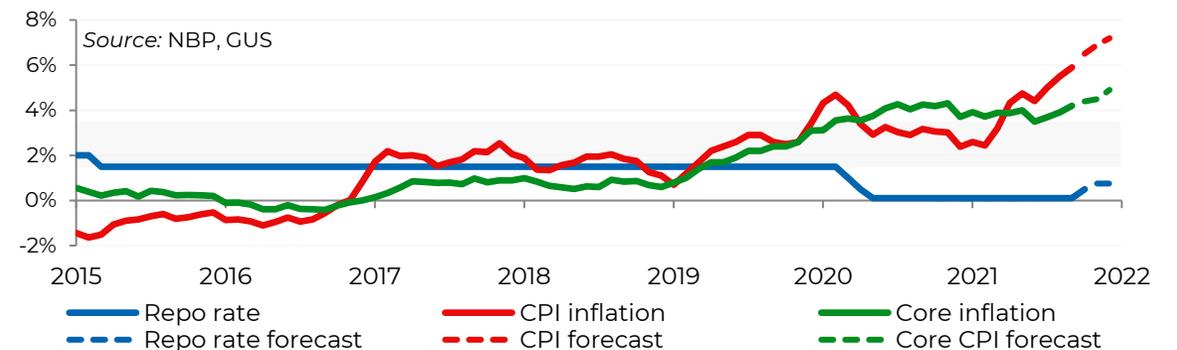
Falling trend in unemployment rate was continued. Wages are growing faster than before pandemic but possibly not fast enough? Demand for labour clearly returned to pre-pandemic levels. Supply most likely not.

GDP path and forecast for Poland (% YoY)



Surge in prices (negative demand effects) and physical problems with production underpin some fine-tuning of economic forecasts for this year. GDP growth perspectives for 2021-2023 are still positive around 5% on average.

Inflation: off 2.5% NBP target, central bank in rate hike cycle

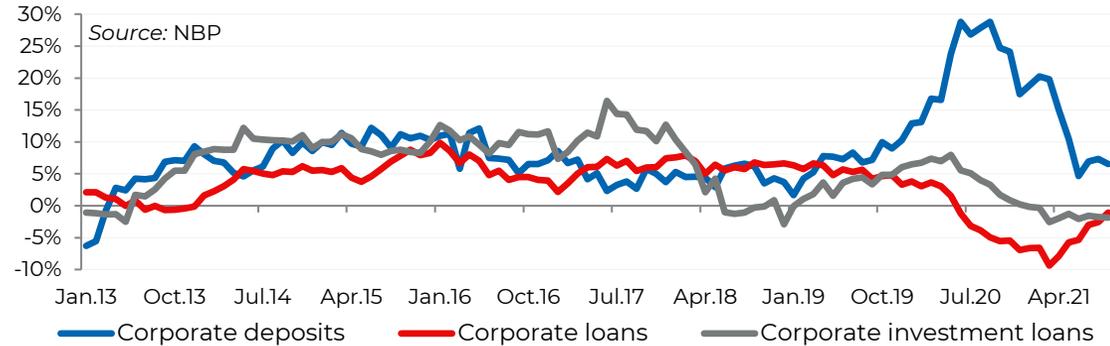


A surge in commodity prices met strong demand component in Polish inflation. CPI is on track to reach 7% and to be higher in 2022 than in 2021. Monetary policy tightening commenced (unexpectedly) earlier.

Macroeconomic situation and outlook

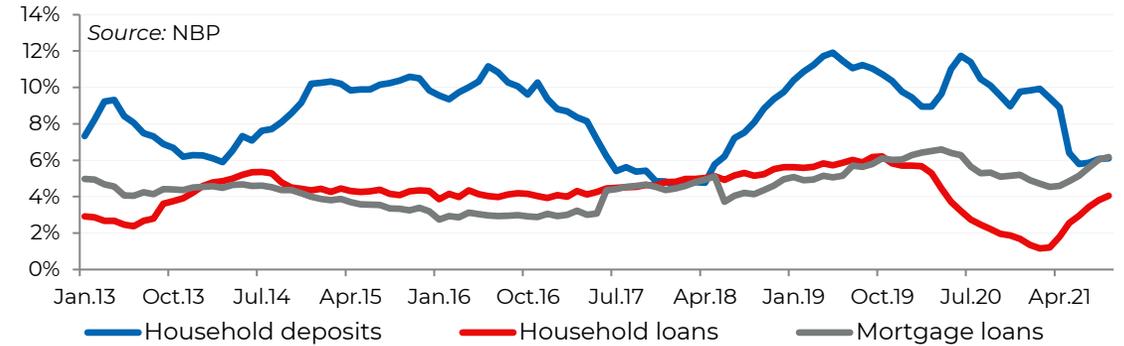
Demand for credit picked up, as expected

Corporate loans and deposits (YoY, FX-adjusted)



Deposit base is high and unlikely to be reversed. Inflection points in credit activity visible everywhere. Overall volumes set to return to positive growth territory by the end of the year.

Household loans and deposits (YoY, FX-adjusted)



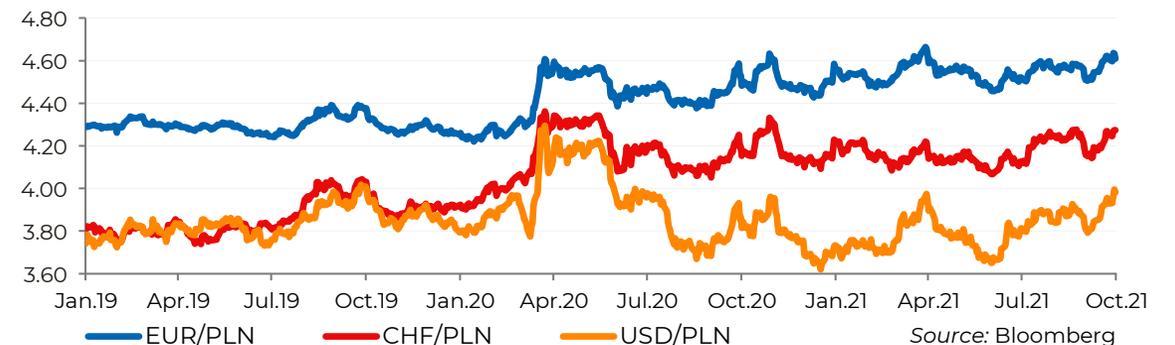
Consumers acquired substantial liquidity buffers (also in cash). Growth rates of outstanding credits are clearly turning higher. It applies both to mortgage and consumer loans (both see strong demand).

Government bond yields: on the rise (bps)



Start of the year began with yield increases in longer dated bonds. Most recent sell-off applies also to shorter papers as expectations for normalization of monetary policy accelerate.

PLN: weak and bleak perspectives for spectacular improvement



Zloty stayed weaker after NBP's interventions. New tops (4.6800) were made. Negative real NBP interest rates and Polish clashes with the EU cast shadow on 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)	4.7%	-2.7%	5.2%	4.8%
Domestic demand (YoY)	3.5%	-3.8%	6.7%	5.7%
Private consumption (YoY)	4.0%	-3.0%	6.5%	5.8%
Investment (YoY)	7.2%	-8.4%	4.6%	7.9%
Inflation (eop)	3.4%	2.4%	6.4%	4.8%
MPC rate (eop)	1.50%	0.10%	0.75%	1.50%
CHF/PLN (eop)	3.92	4.22	4.26	4.03
EUR/PLN (eop)	4.25	4.56	4.60	4.40

Polish banking sector – monetary aggregates YoY

	2019	2020	2021F	2022F
Corporate loans	3.0%	-4.8%	4.6%	9.4%
Household loans	6.0%	3.0%	5.1%	5.8%
Mortgage loans	6.6%	7.3%	5.7%	5.3%
Mortgage loans in PLN	12.1%	9.7%	10.2%	10.8%
Non-mortgage loans	5.1%	-3.8%	4.0%	6.9%
Corporate deposits	10.0%	19.0%	9.5%	5.5%
Household deposits	9.7%	10.7%	5.6%	5.1%

Source: mBank's estimates as of 26.10.2021.

Investor Presentation – Q3 2021

Short-term prospects for mBank (4 quarters ahead)

Net interest income & NIM **positive** 

- Gradual interest rate normalization from historically low level will translate into improving margin and higher interest income
- Costs of deposits should remain low due to current overliquidity

Net fee and commission income **slightly positive** 

- Reviving customer activity and transactionality along with progressing economic rebound
- Selective adjustments of tariff of fees and commissions

Total costs **slightly negative** 

- Visible wage pressure, but overall operating costs under control
- Investments in future growth along with increasing revenues
- Expected increase of contribution to the Bank Guarantee Fund

Loan loss provisions & FV change **neutral** 

- 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 strong macroeconomic environment

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Appendix: Selected Financial Data

Consolidated Profit and Loss Account – quarterly

Quarterly results (PLN thou.)	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021
Net interest income	960,295	976,930	946,895	961,537	1,004,845
Net fee and commission income	373,201	409,471	468,060	452,569	479,438
Dividend income	310	137	440	3,472	957
Net trading income	58,151	42,251	63,178	43,587	27,017
Gains less losses from financial assets ¹	21,390	148,812	86,707	10,613	-3,001
Net other operating income	-2,678	-25,267	-26,496	-28,989	-253
Total income	1,410,669	1,552,334	1,538,784	1,442,789	1,509,003
Total operating costs	-566,717	-536,579	-664,657	-580,230	-616,497
<i>Overhead costs</i>	-458,452	-428,088	-552,766	-467,894	-509,461
<i>Amortisation</i>	-108,265	-108,491	-111,891	-112,336	-107,036
Loan loss provisions and fair value change ²	-268,777	-262,606	-164,716	-228,352	-195,691
Costs of legal risk related to FX loans	-186,851	-632,980	-66,268	-248,537	-436,819
Operating profit	388,324	120,169	643,143	385,670	259,996
Taxes on the Group balance sheet items	-133,365	-127,767	-138,821	-147,165	-158,594
Profit before income tax	254,959	-7,598	504,322	238,505	101,402
Net profit attributable to owners of mBank	100,613	-174,682	317,125	108,683	26,555

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.)	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021
Cash and balances with Central Bank	6,683,941	3,968,691	16,355,429	16,523,318	18,015,638
Loans and advances to banks	8,991,355	7,354,268	7,381,296	9,750,443	14,398,589
Trading securities	678,604	676,466	1,495,167	1,327,844	1,235,480
Derivative financial instruments	1,488,869	1,722,353	1,879,166	1,699,144	2,029,842
Loans and advances to customers	108,947,243	108,567,354	113,244,357	116,241,341	119,667,078
Investment securities	50,280,275	51,728,934	48,570,723	47,421,519	47,160,934
Intangible assets	1,094,258	1,178,698	1,197,772	1,207,765	1,220,375
Tangible fixed assets	1,117,654	1,514,577	1,696,128	1,553,987	1,537,352
Other assets	2,153,505	2,160,276	2,397,014	2,745,531	2,886,512
Total assets	181,435,704	178,871,617	194,217,052	198,470,892	208,151,800
Liabilities (PLN thou.)	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021
Amounts due to banks	1,774,184	2,399,740	2,954,112	2,820,649	2,556,140
Derivative financial instruments	1,087,757	1,338,564	1,731,193	1,803,770	2,317,815
Amounts due to customers	141,118,549	137,698,668	152,097,133	156,583,517	164,141,601
Debt securities in issue	13,849,349	13,996,317	13,652,467	13,060,997	15,462,944
Subordinated liabilities	2,561,855	2,578,327	2,564,462	2,542,224	2,579,721
Other liabilities	4,074,367	4,184,934	4,468,757	4,966,132	4,557,411
Total liabilities	164,466,061	162,196,550	177,468,124	181,777,289	191,615,632
Total equity	16,969,643	16,675,067	16,748,928	16,693,603	16,536,168
Total liabilities and equity	181,435,704	178,871,617	194,217,052	198,470,892	208,151,800

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

Appendix: Selected Financial Data

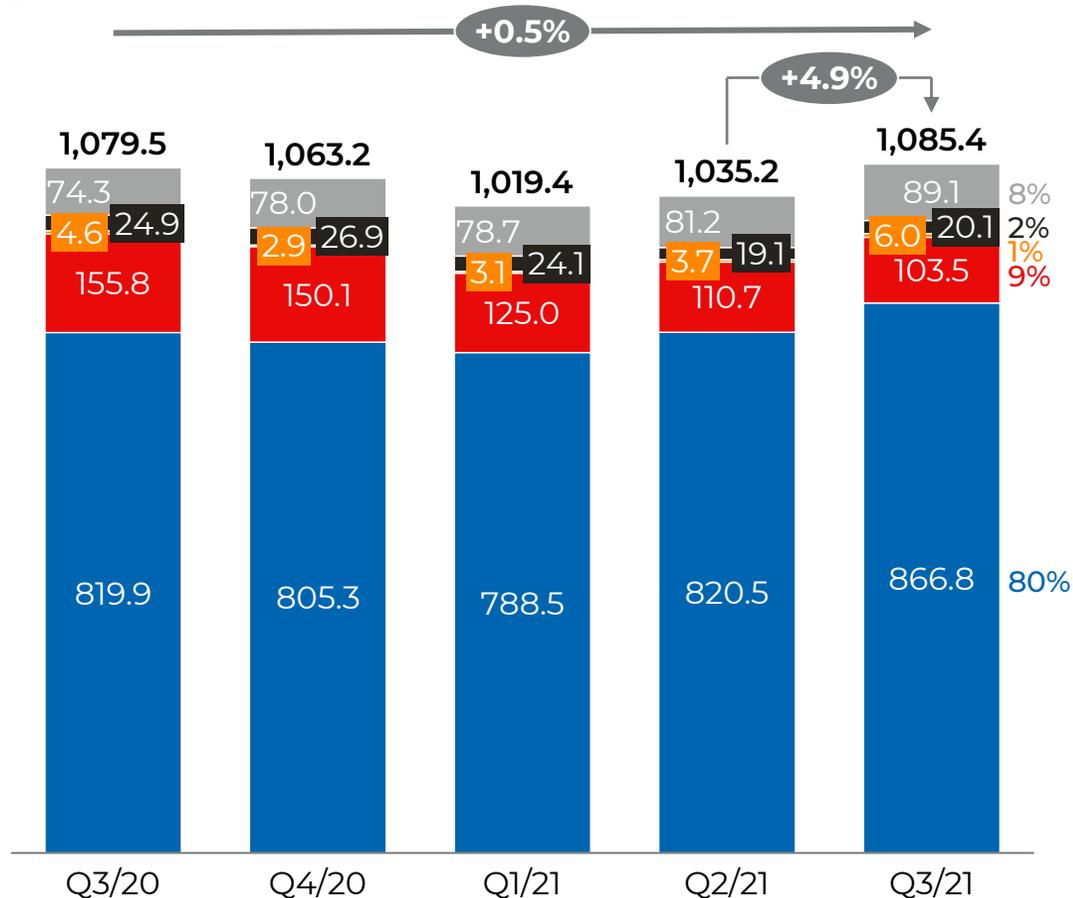
mBank Group's Ratios – quarterly and cumulatively

Financial Ratios	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021
Net Interest Margin, quarterly	2.16%	2.21%	2.10%	2.04%	2.02%
Net Interest Margin, YtD	2.37%	2.33%	2.10%	2.07%	2.05%
Net Interest Margin, excl. CHF portfolio, YtD	2.52%	2.47%	2.20%	2.16%	2.14%
Cost/Income Ratio, quarterly	40.2%	34.6%	43.2%	40.2%	40.9%
Cost/Income Ratio, YtD	43.4%	41.1%	43.2%	41.8%	41.5%
Cost of Risk, quarterly	0.99%	0.97%	0.59%	0.80%	0.66%
Cost of Risk, YtD	1.27%	1.19%	0.59%	0.70%	0.69%
Return on Equity, ROE net, quarterly	2.35%	-4.09%	7.69%	2.60%	0.63%
Return on Equity, ROE net, YtD	2.22%	0.62%	7.69%	5.12%	3.61%
Return on Assets, ROA net, quarterly	0.22%	-0.38%	0.68%	0.22%	0.05%
Return on Assets, ROA net, YtD	0.21%	0.06%	0.68%	0.44%	0.31%
Loan-to-Deposit Ratio	77.2%	78.8%	74.5%	74.2%	72.9%
Total Capital Ratio	19.53%	19.86%	19.19%	17.55%	17.51%
Tier 1 Capital Ratio	16.74%	16.99%	16.62%	15.18%	15.19%
Leverage ratio	7.7%	7.8%	7.4%	7.0%	6.8%
Equity / Assets	9.4%	9.3%	8.6%	8.4%	7.9%
TREA / Assets	49.2%	49.5%	47.5%	49.2%	48.0%
NPL ratio	4.8%	4.8%	4.6%	4.4%	4.0%
NPL coverage ratio	60.7%	58.3%	58.5%	58.3%	57.2%
NPL coverage ratio incl. stage 1&2 provisions	75.0%	72.9%	73.7%	75.8%	75.4%

Appendix: Selected Financial Data – Net Interest Income

Structure of mBank Group's interest income

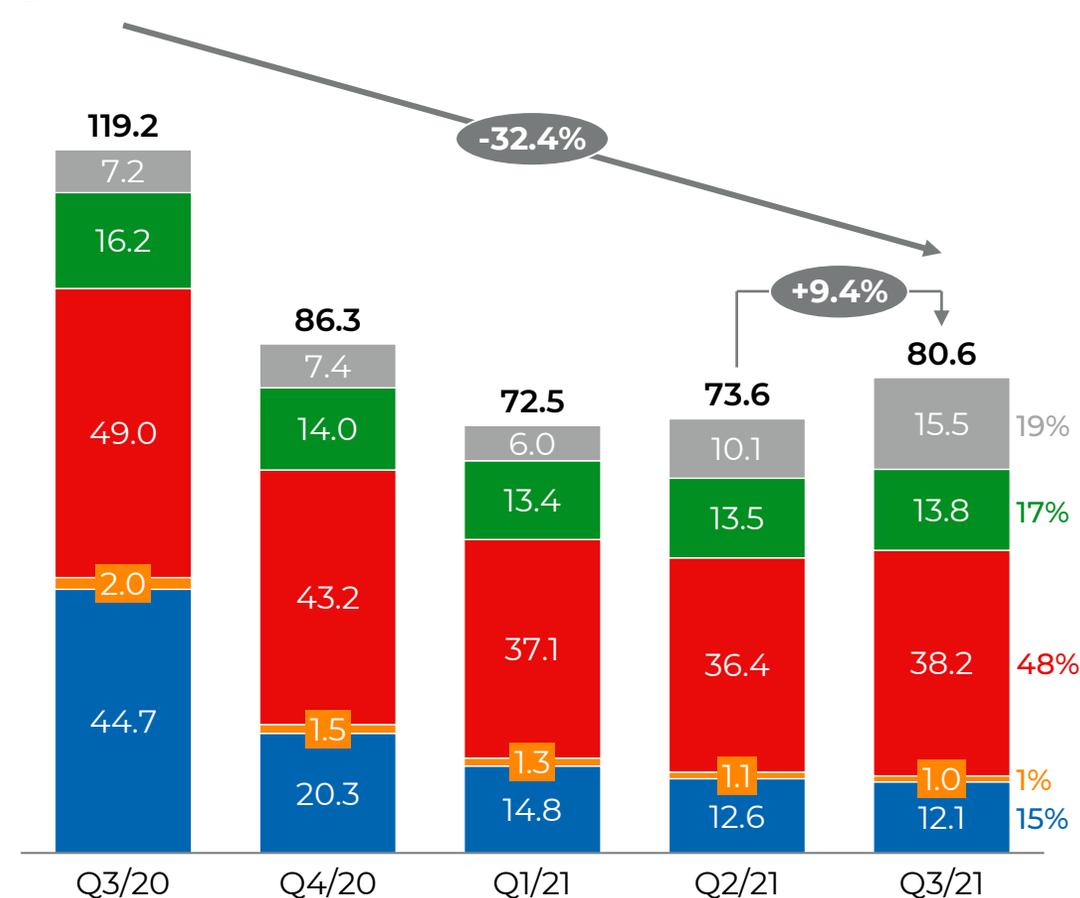
PLN M



- Loans and advances
- Investment debt securities
- Debt securities held for trading
- Derivatives (banking book)
- Other (incl. cash and short-term placements)

Structure of mBank Group's interest expense

PLN M

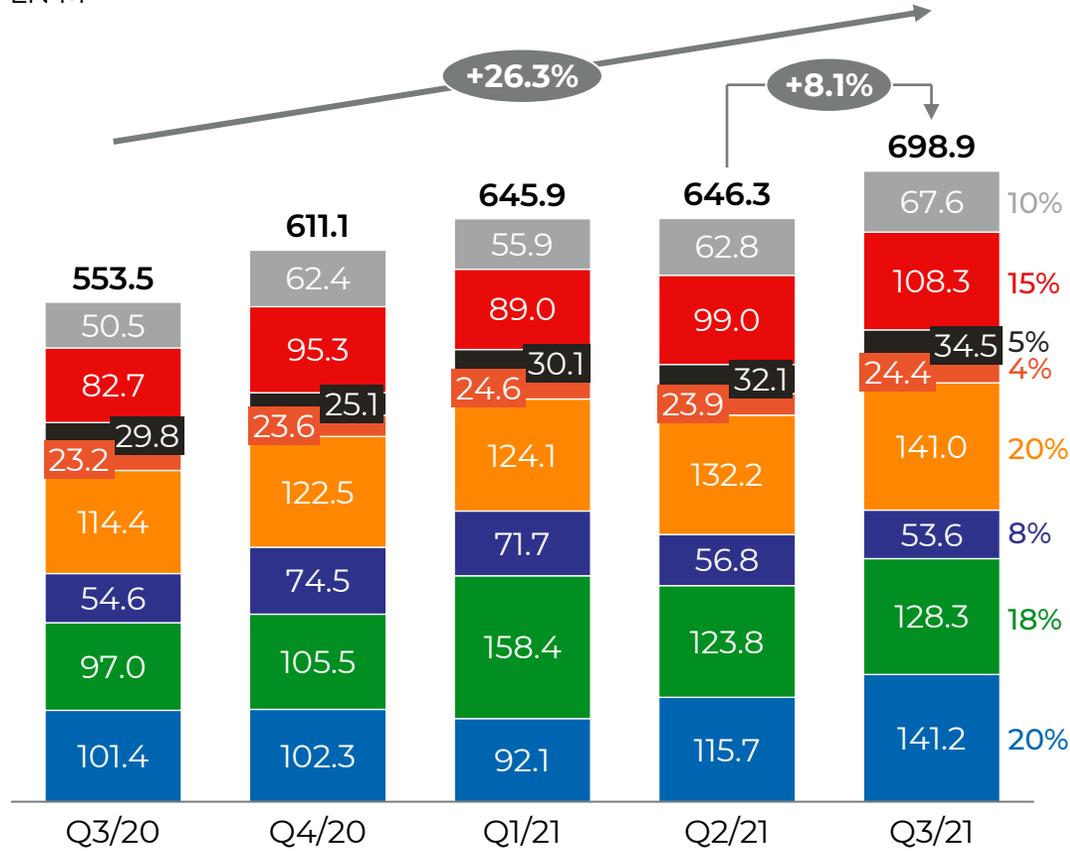


- Deposits (incl. from banks)
- Loans received
- Issue of debt securities
- Subordinated liabilities
- Other

Appendix: Selected Financial Data – Net Fees and Commissions

Structure of mBank Group's fee and commission income

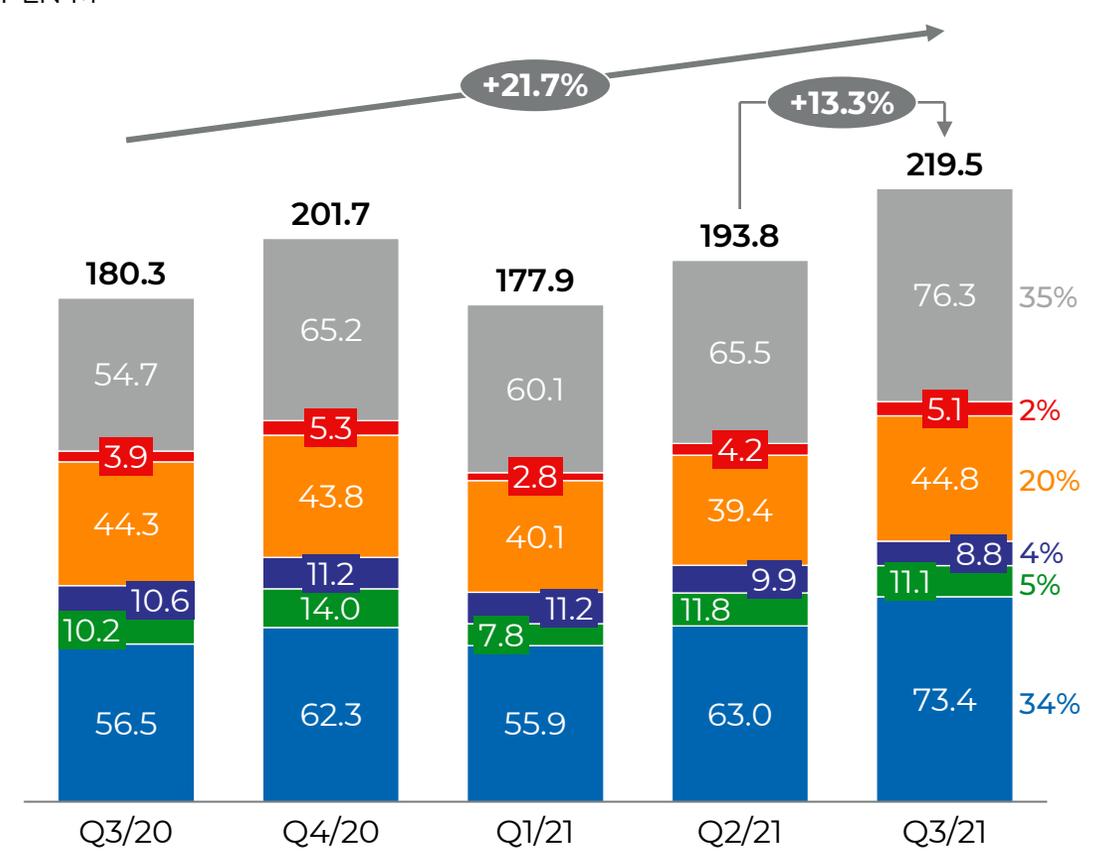
PLN M



- 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

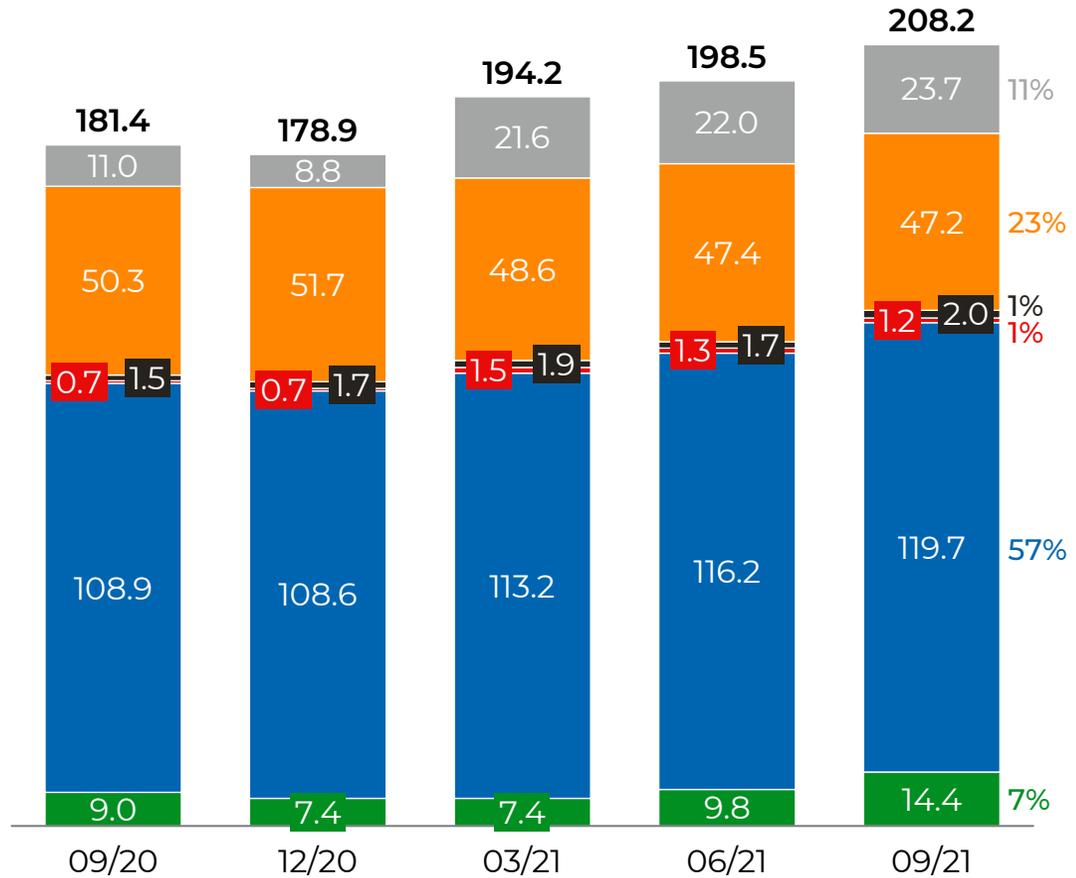


- Payment card fees
- Cash handling fees
- Discharged brokerage fees
- Commissions paid to external entities
- Fees paid to NBP and KIR
- Other (incl. insurance activity)

Appendix: Selected Financial Data – Balance Sheet Analysis

Structure of mBank Group's total assets

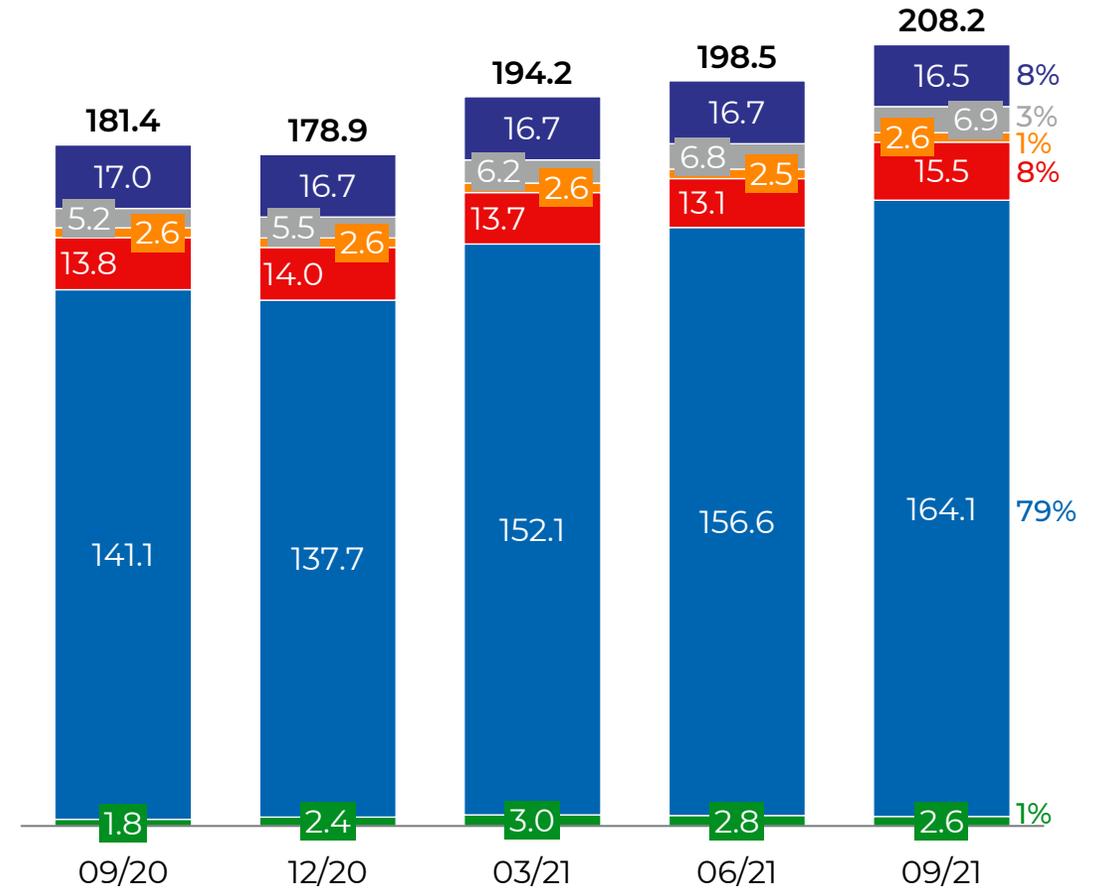
PLN B



- 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

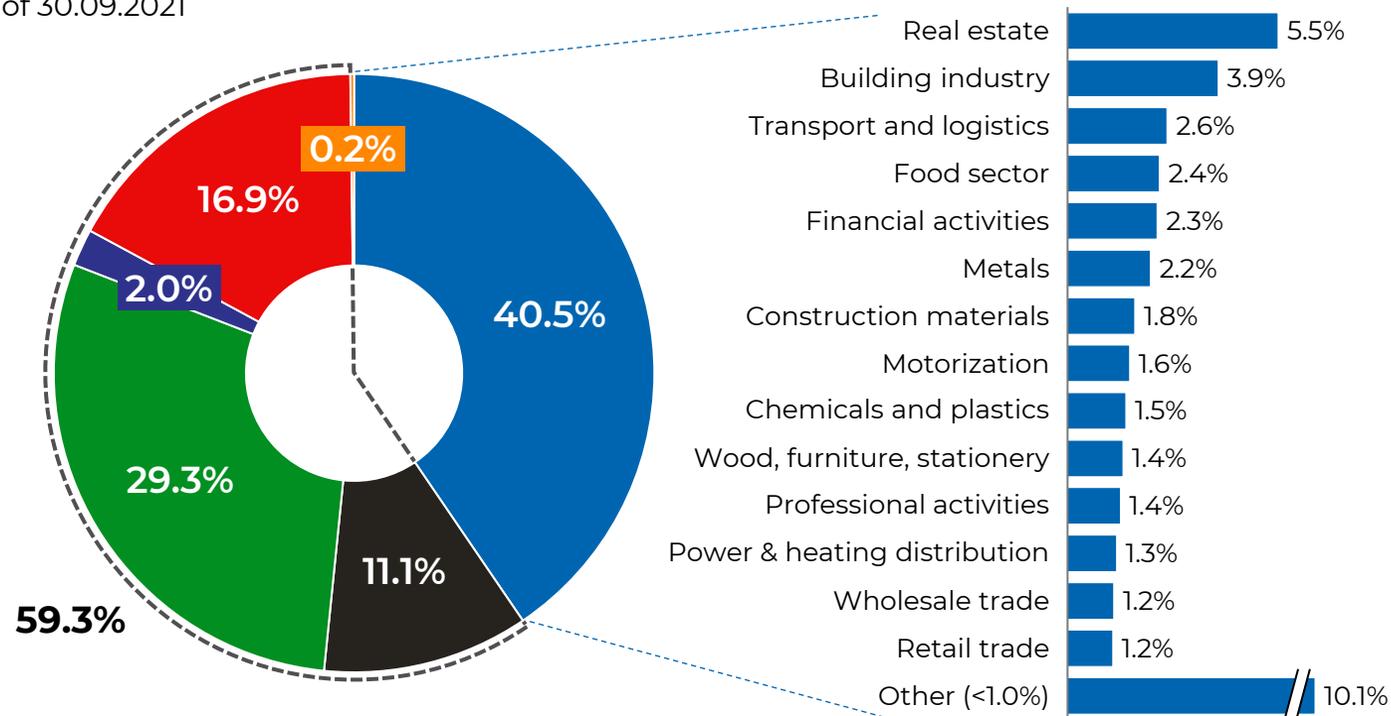


- Amounts due to other banks
- Amounts due to customers
- Debt securities in issue
- Subordinated liabilities
- Other liabilities
- Equity (total)

Appendix: Selected Financial Data – Structure of Loans and Deposits

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

as of 30.09.2021

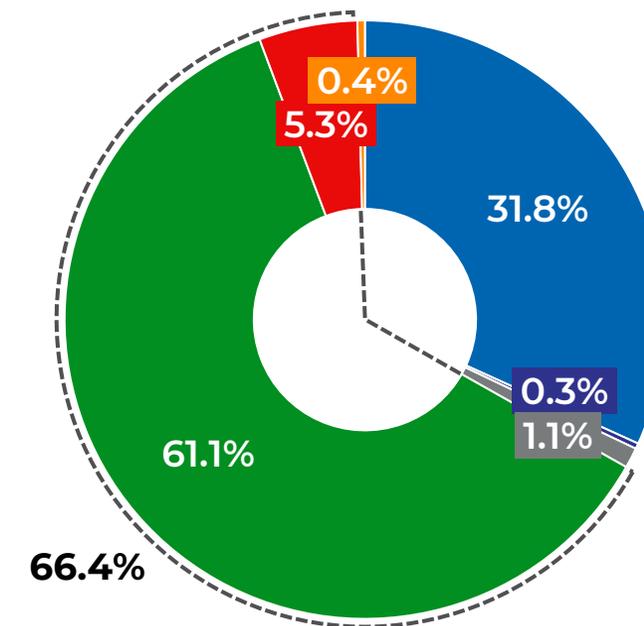


	PLN billion
Corporate loans	49.9
Mortgage loans in FX to individuals	13.7
Mortgage loans in LC to individuals ¹	36.1
Mortgage loans to microfirms	2.5
Non-mortgage retail loans	20.8
Public sector loans	0.2
TOTAL	123.2

A well diversified loan portfolio with granular structure of exposures

Structure of mBank Group's deposits

as of 30.09.2021



	PLN billion
Corporate clients: current accounts ²	52.1
Corporate clients: term deposits	0.5
Loans and advances received	1.8
Individual clients: current accounts	100.2
Individual clients: term deposits	8.7
Public sector clients	0.7
TOTAL	164.1

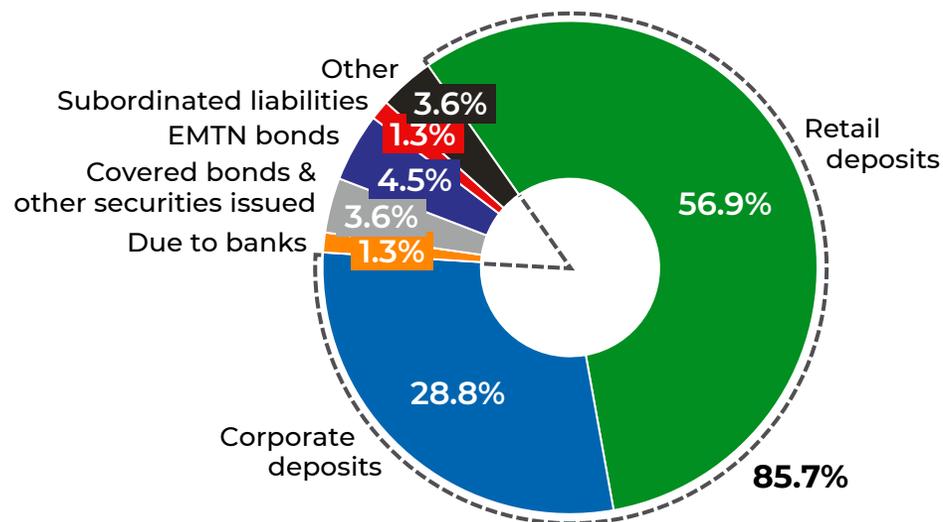
¹ Including local currency mortgage loans granted in Poland, the Czech Republic and Slovakia

² Including repo transactions

Appendix: Selected Financial Data – Funding profile

Structure of mBank Group's funding

as of 30.09.2021



Summary of mBank's long-term funding instruments

as of 30.09.2021

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%
500 M	EUR	20.09.2021	21.09.2027	6.0 Y	0.966%
Subordinated loan and bonds					
250 M	CHF	21.03.2018	21.03.2028	10.0 Y	LIBOR3M +2.75%
750 M	PLN	17.12.2014	17.01.2025	10.1 Y	WIBOR6M +2.10%
550 M	PLN	09.10.2018	10.10.2028	10.0 Y	WIBOR6M +1.80%
200 M	PLN	09.10.2018	10.10.2030	12.0 Y	WIBOR6M +1.95%
Loans and advances received					
113 M	CHF	04.09.2017	04.09.2025	8.0 Y	-
176 M	CHF	30.07.2018	30.07.2025	7.0 Y	-
138 M	CHF	02.08.2019	02.08.2027	8.0 Y	-

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

Summary of mBank's ratings

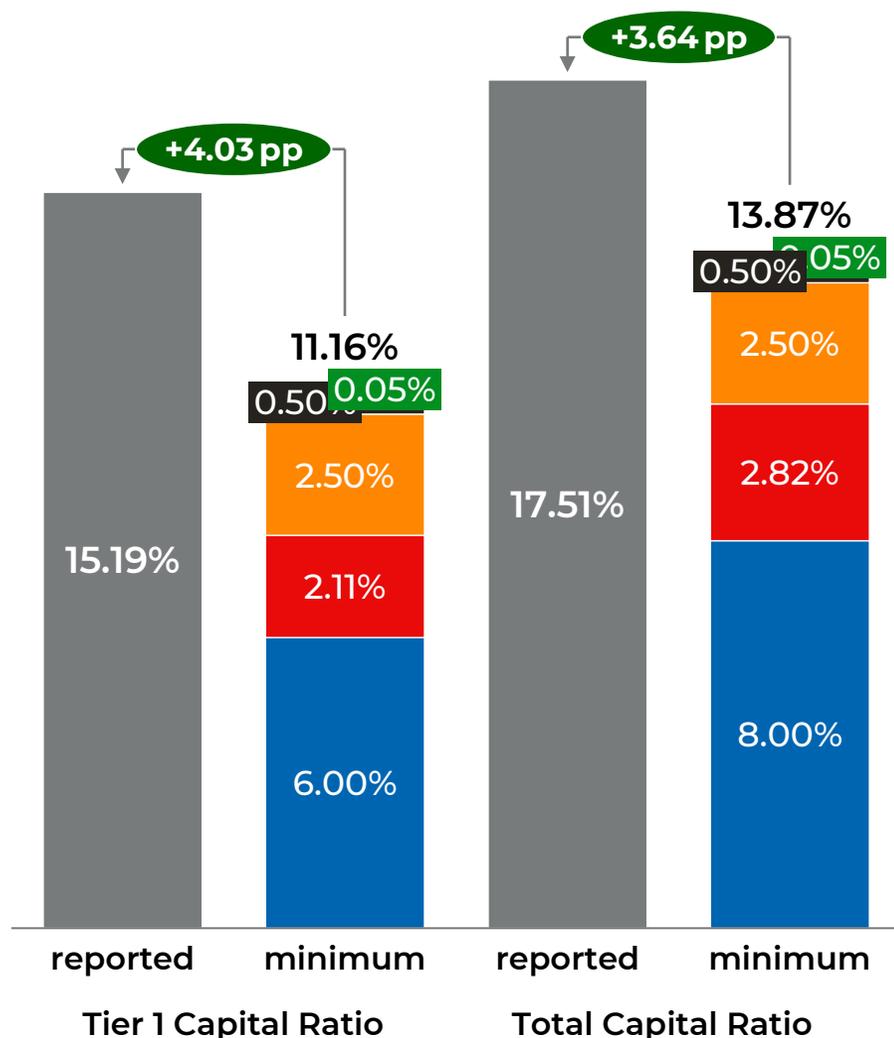
as of 30.09.2021

	Fitch Ratings	S&P Global Ratings
Long-term rating	BBB-	BBB
Outlook	<i>Negative</i>	<i>Negative</i>
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 30.09.2021

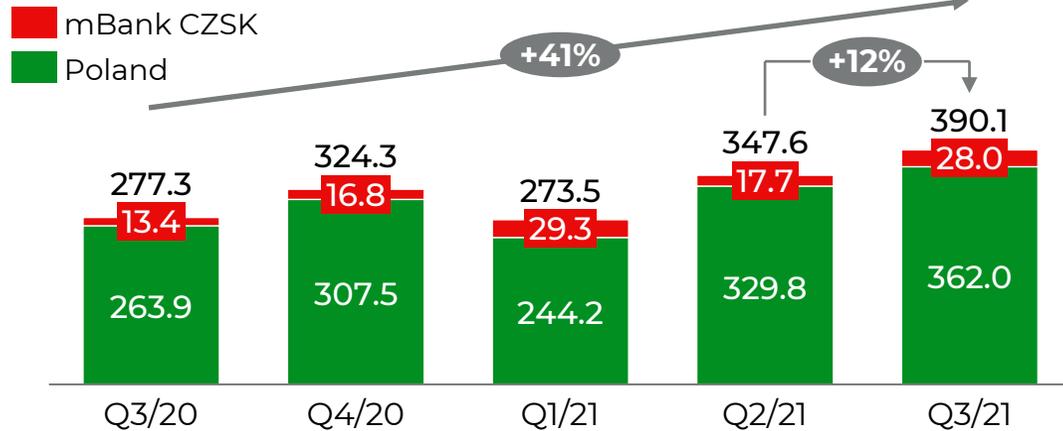


- Countercyclical Capital Buffer (CCyB)** is calculated as the weighted average of the countercyclical buffer rates that apply in the countries where the relevant credit exposures of the Group are located.
- Systemic Risk Buffer (SRB)**, originally set at 3.0% in Poland, was reduced to 0% starting from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

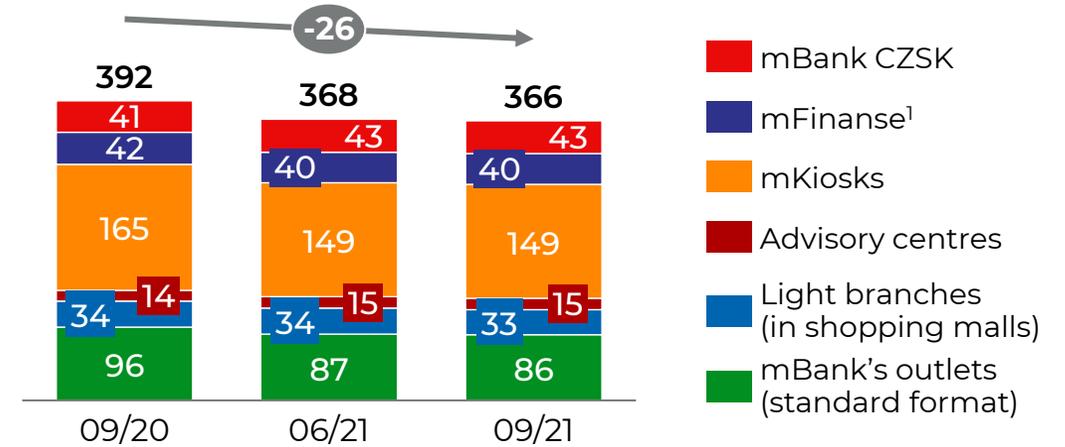
Appendix: Retail Banking

Profit before income tax of the segment

PLN M, by quarter

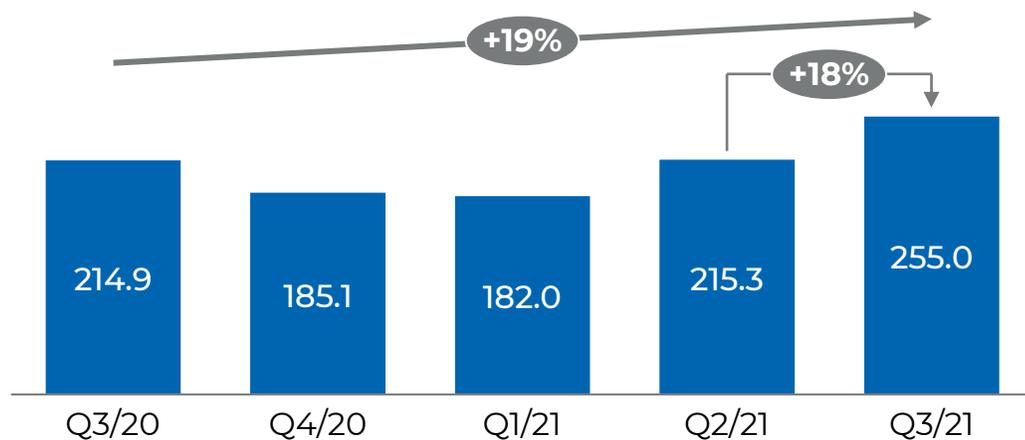


Number of Retail Service Locations



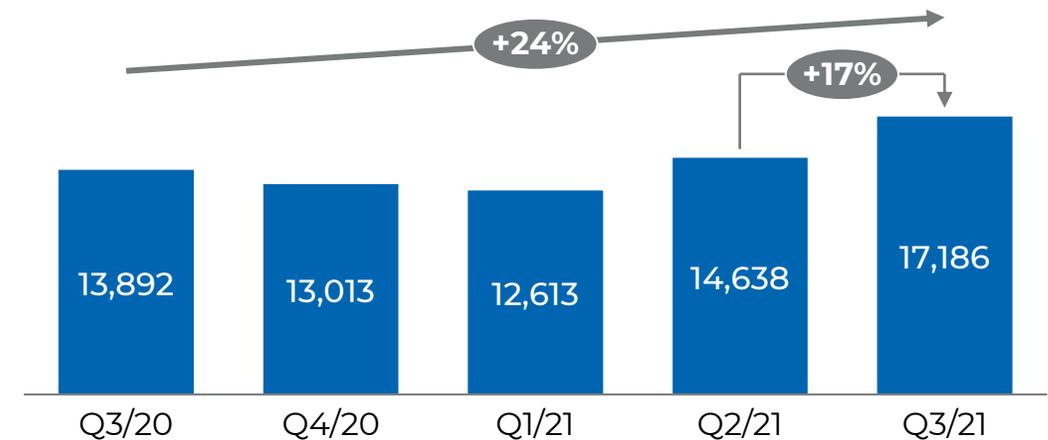
Number of non-cash transactions with payment cards

M, by quarter



Value of non-cash transactions with payment cards

PLN M, by quarter

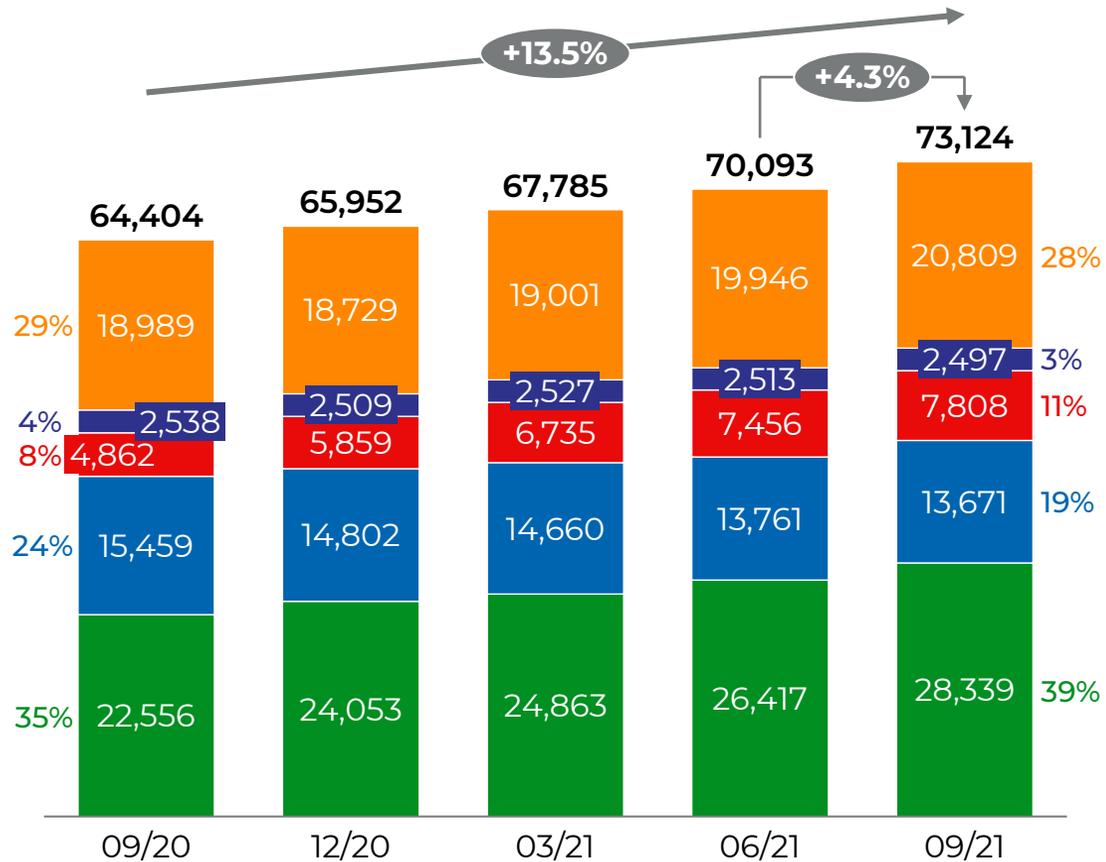


¹ Including financial centres and agency service points

Appendix: Retail Banking

Development of gross loans to retail banking clients

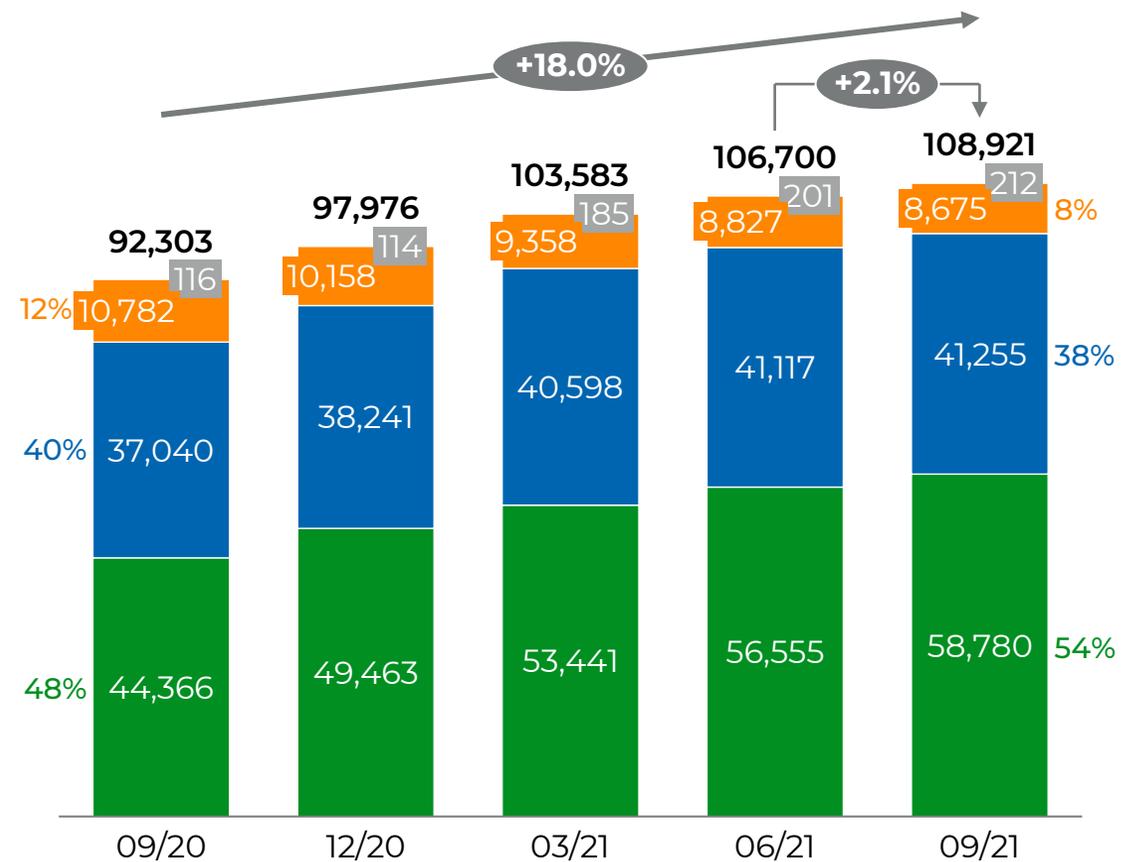
PLN M



- 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



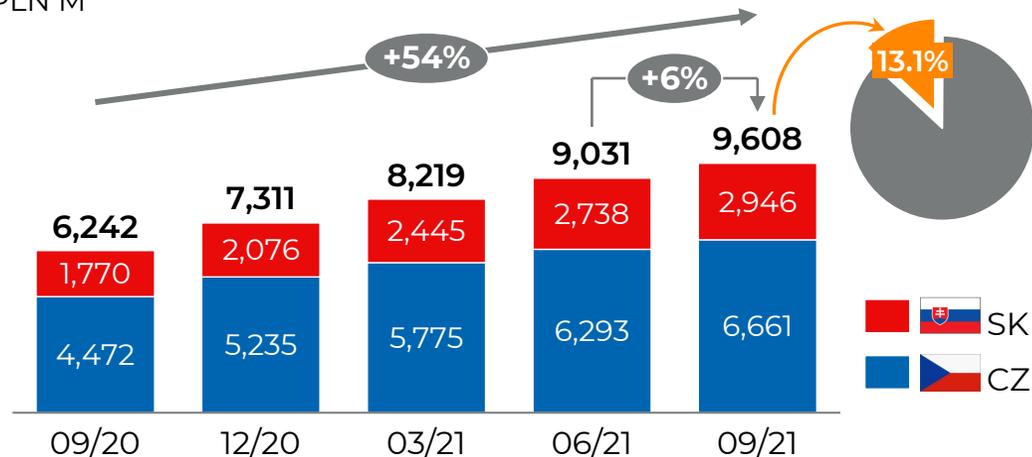
- Current accounts
- Saving accounts
- Term deposits
- Other

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

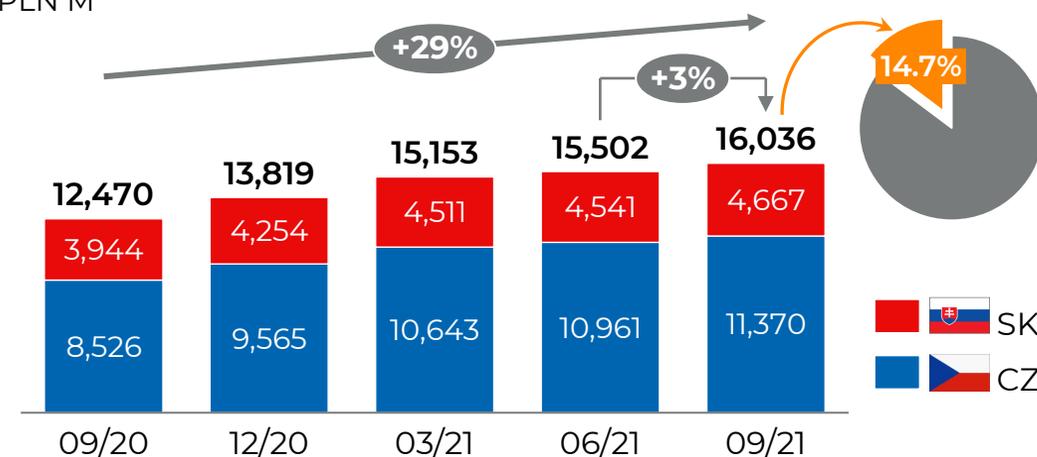
Gross loans and share in total mBank's retail volume

PLN M



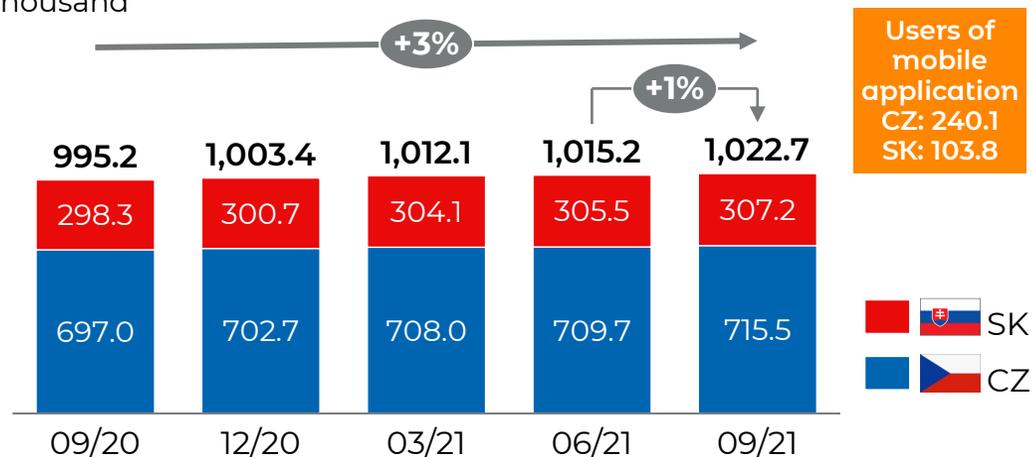
Deposits and share in total mBank's retail volumes

PLN M



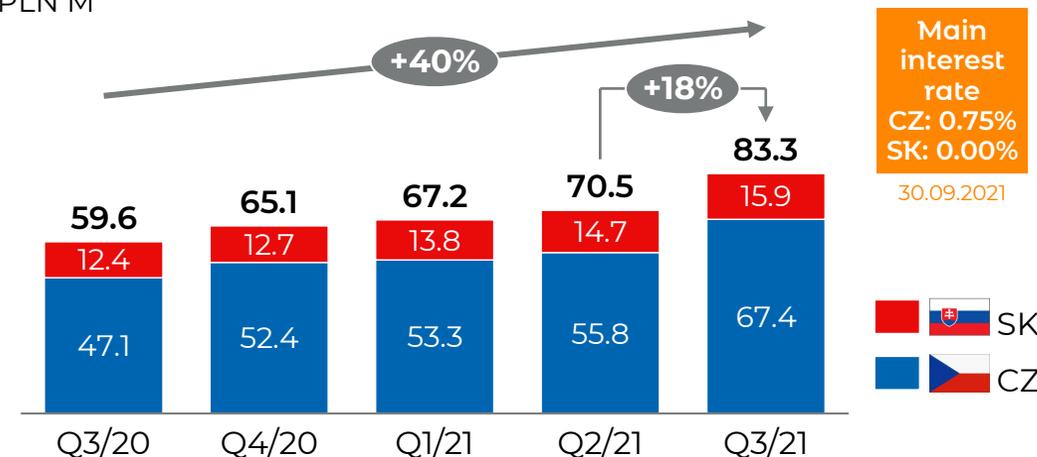
Number of clients

thousand



Development of total revenues

PLN M



Note: Volumes based on management information.

Appendix: mBank in the Czech Republic and Slovakia

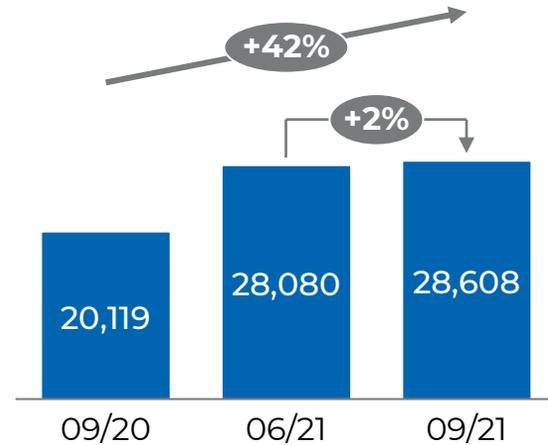


physical network:

8	light branches
23	mKiosks

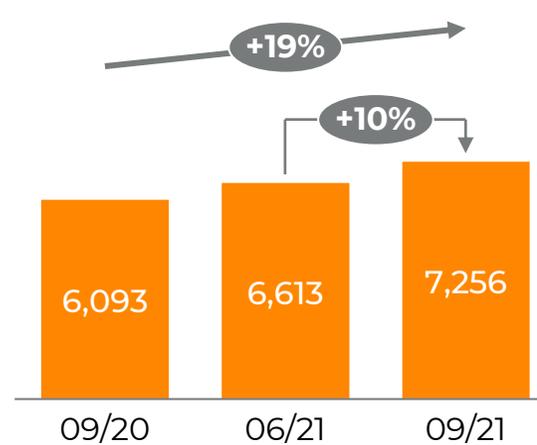
Mortgage loans

CZK M



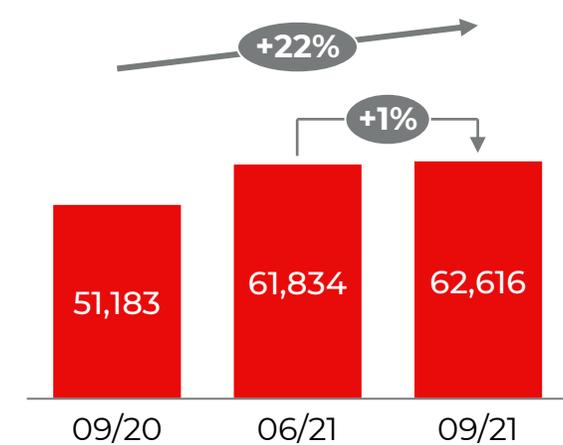
Non-mortgage loans

CZK M



Customer deposits

CZK M

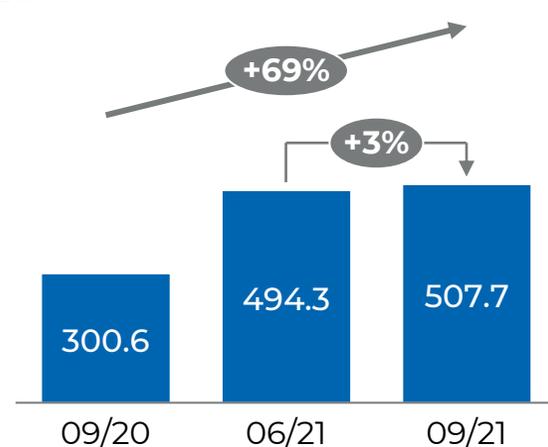


physical network:

3	light branches
9	mKiosks

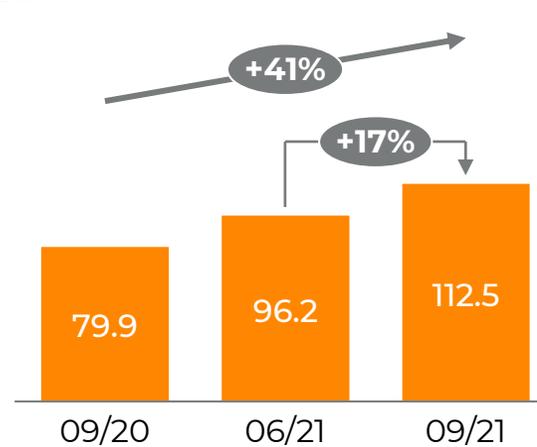
Mortgage loans

EUR M



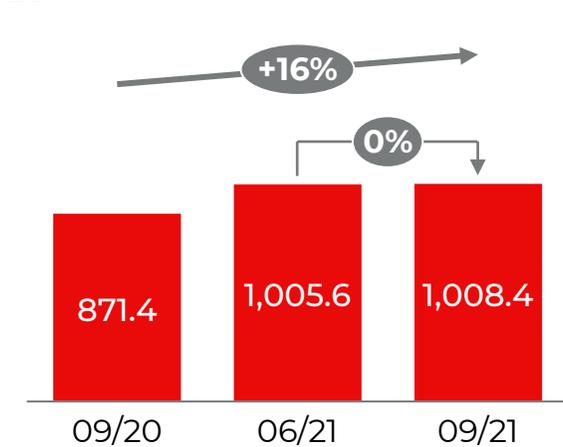
Non-mortgage loans

EUR M



Customer deposits

EUR M

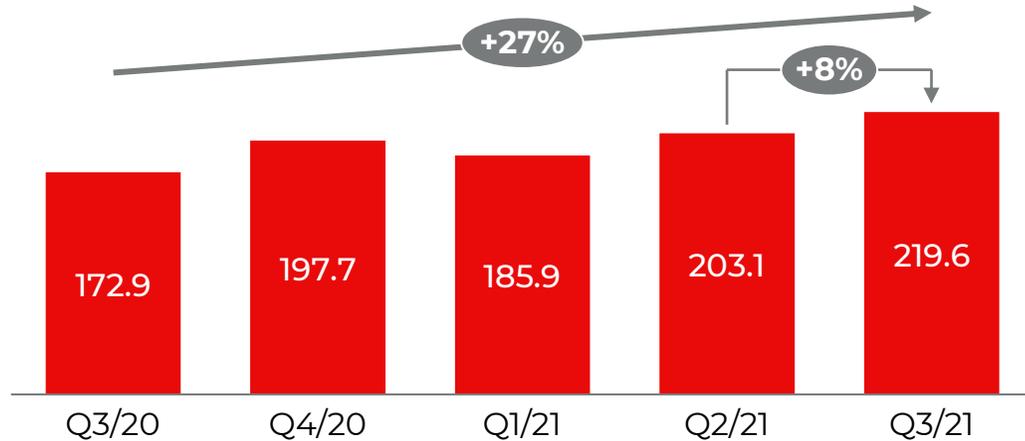


Note: Volumes based on management information.

Appendix: Corporate & Investment Banking

Profit before income tax of the segment

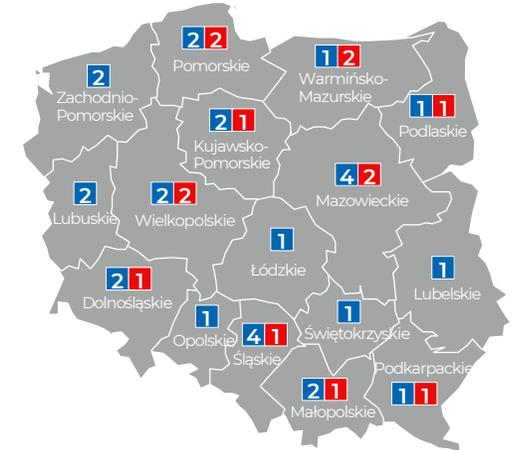
PLN M, by quarter



Number of corporate service locations

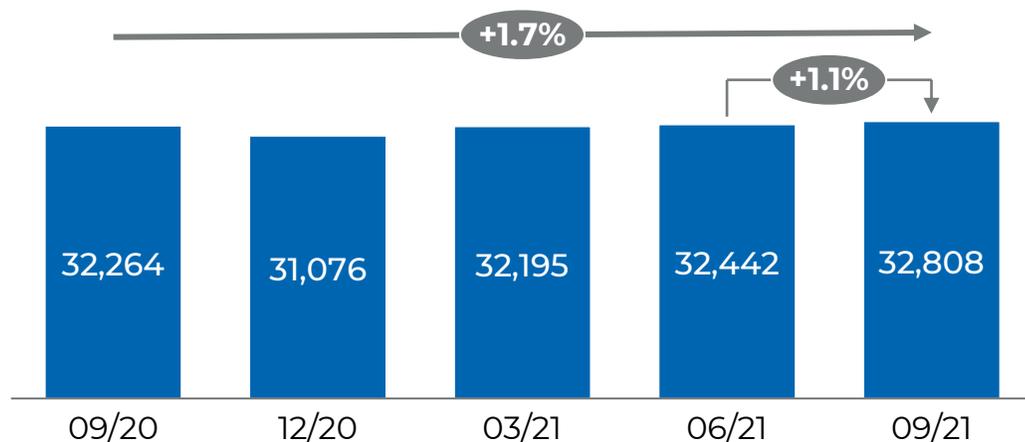
29 mBank's branches,
incl. 13 advisory centres

14 mBank's offices



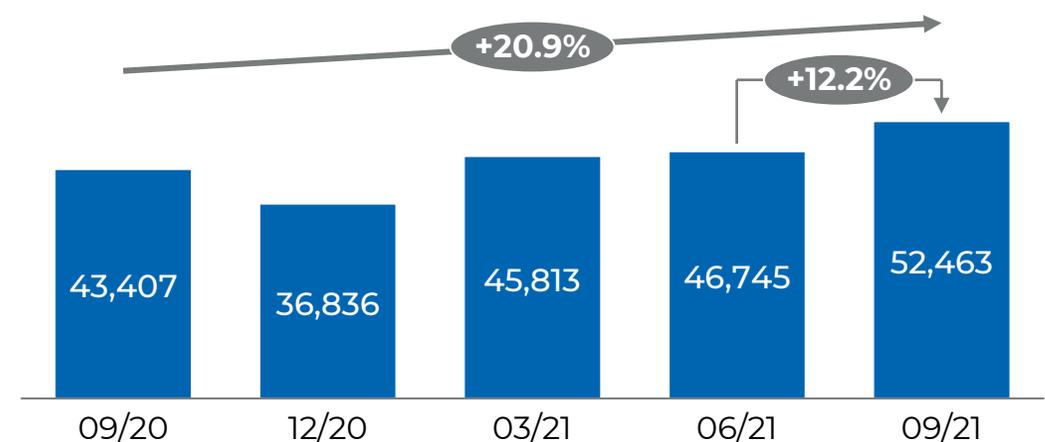
Development of loans to enterprises¹

PLN M



Development of deposits from enterprises¹

PLN M

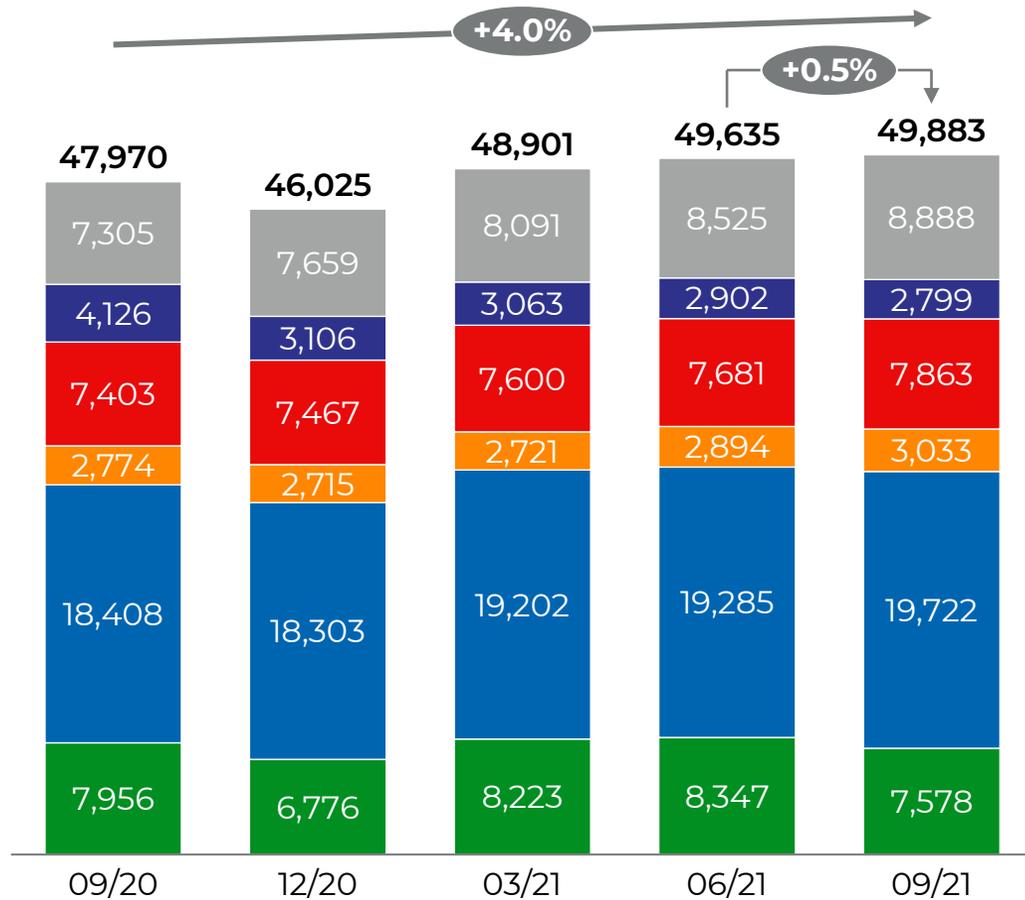


¹ Corporate loan and deposit volumes (for mBank and mBank Hipoteczny) according to NBP rules (monetary reporting system – MONREP)

Appendix: Corporate & Investment Banking

Development of gross loans to corporate customers

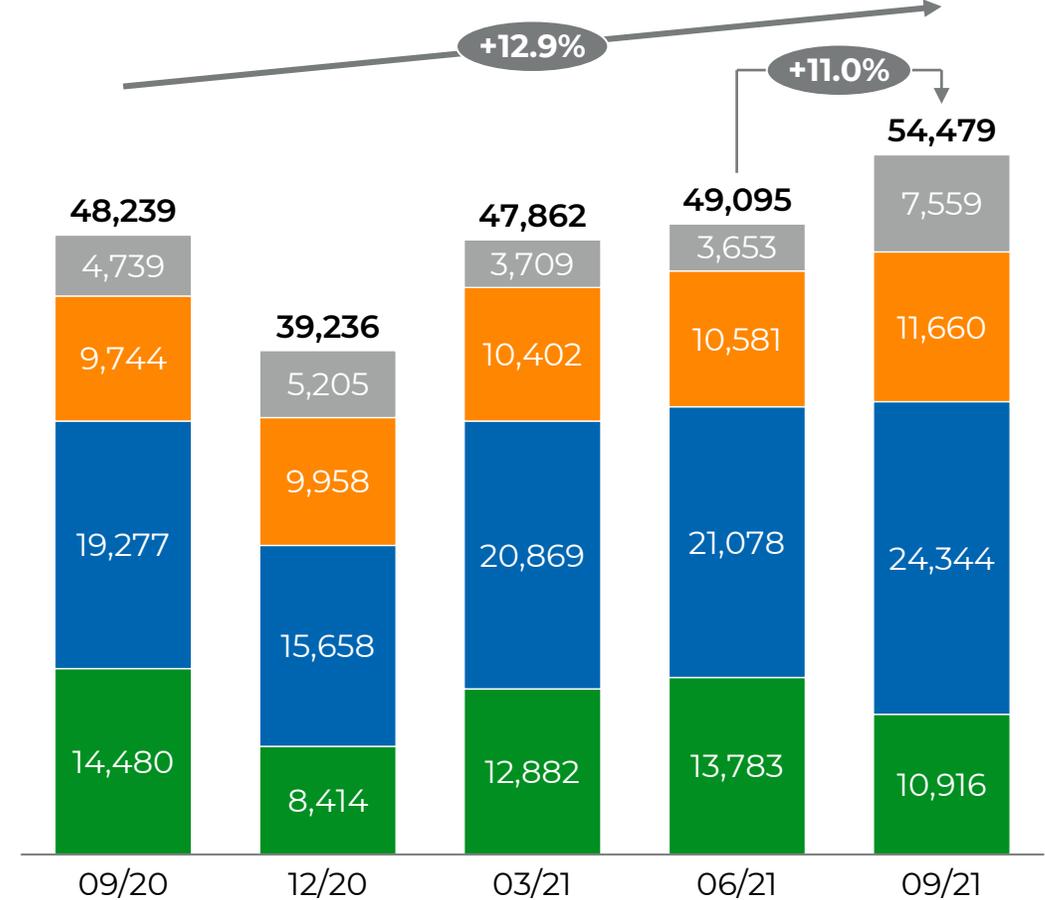
PLN M



■ 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.

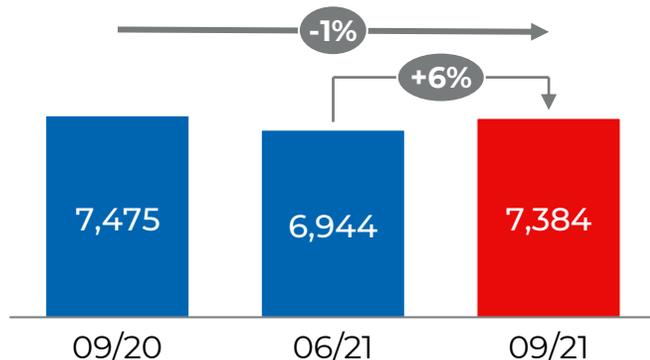
Appendix: Performance of main subsidiaries of mBank

m Bank Hipoteczny
 established in 1999

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

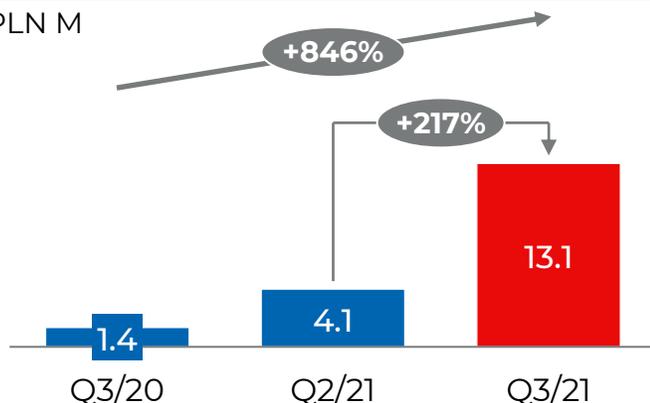
Outstanding amount of covered bonds

PLN M, nominal value



Company's profit before income tax

PLN M



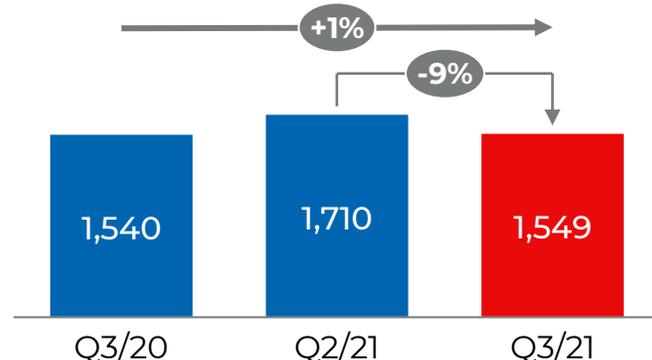
m Leasing
 established in 1991

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

Leasing contracts

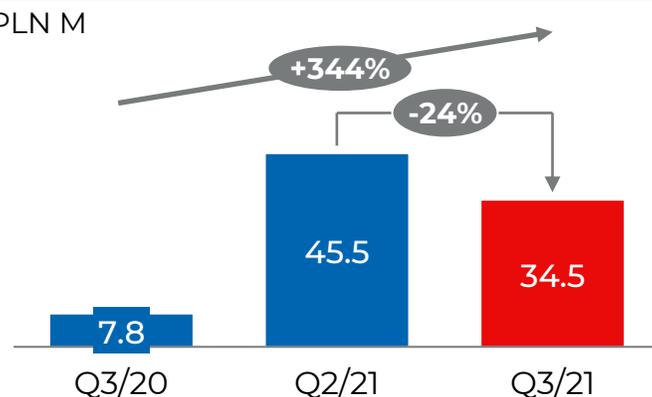
Market share
 H1 2021: 8.1%

PLN M



Company's profit before income tax

PLN M



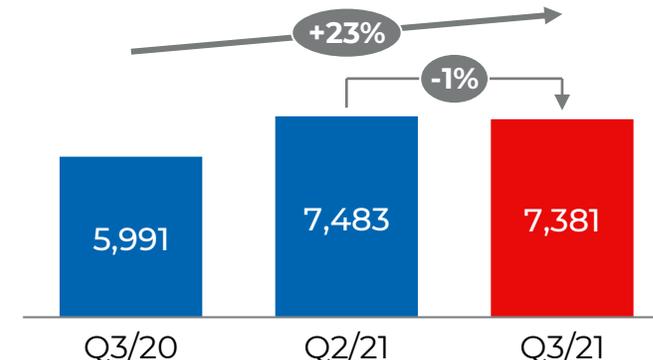
m Faktoring
 established in 1995

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

Factoring contracts

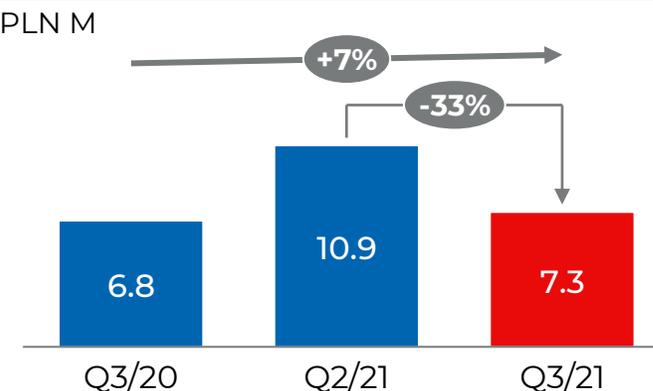
Market share
 H1 2021: 8.5%

PLN M



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 have gained significantly over recent months, mBank better than the index

mBank's index membership and weights

as of 15.10.2021

WIG30		2.301%
mWIG40		7.998%
WIG		1.686%
WIG-Banks		6.483%
WIG-ESG		2.664%
WIG-Poland		1.750%

- 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	42 368 696

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



Source: WSE, Bloomberg (data as of 30.09.2021).

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Contact details

Karol Prażmo

Managing Director for Treasury and Investor Relations

+48 607 424 464

karol.prazmo@mbank.pl

Joanna Filipkowska

Head of Investor Relations

+48 510 029 766

joanna.filipkowska@mbank.pl

Paweł Lipiński

+48 508 468 023

pawel.lipinski@mbank.pl

Marta Polańska

+48 508 468 016

marta.polanska@mbank.pl



mBank's Investor Relations at your service:
E-mail address: investor.relations@mbank.pl

Investor Relations website: www.mbank.pl/en/investor-relations/