

# Results of mBank Group Q1-Q4 2021

Best result on core activity in history.

Significant protection against CHF legal risks.



Presentation for Investors and Analysts, 08.02.2022

# Agenda



---

## Key highlights of 2021 in mBank Group 2

---

## Overview of main trends in Q4 2021 15

---

- Business development
  - Summary of financial results
- 

## Analysis of the performance after Q4 2021 19

---

- 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 28

---

## Appendix 32

---

# Key highlights of 2021 in mBank Group

**Total revenues at the highest level in history despite challenging market conditions**

- ▶ Record **total income** of **PLN 6,111 million**, **+4.2% YoY**, generated on strong performance of regular business and organic expansion
- ▶ Better **net interest income** of **PLN 4,104 million**, **+2.4% YoY**, on upward path through 2021, boosted by rates normalisation since October
- ▶ Lower **net interest margin** of **2.15%**, determined by tough market environment, but deposit costs reduced to the minimum

**Double-digit growth of fees outpacing the sector's dynamics**

- ▶ Soaring **net fees and commissions** of **PLN 1,890 million**, **+25.3% YoY**, benefiting from **reviving customer activity** and adjustments of tariffs
- ▶ Positive contribution from most categories, including cards, lending, FX exchange, transactionality and insurance distribution

**Excellent efficiency supported by proven cost discipline**

- ▶ Well-managed **total costs** of **PLN 2,457 million**, **+1.9% YoY**, with rising personnel expenses, while other items kept under control
- ▶ Best-in-class **Cost/Income ratio** at **40.2%**

**Prudent risk management reflected in portfolio quality**

- ▶ **Cost of risk** at **0.76%** stemming from **conservative approach** to provisioning amid many uncertainties in the economy
- ▶ Resilient asset quality confirmed by declining **NPL ratio** of **3.9%**

**Superior core financial performance demonstrating the strength of mBank's franchise**

- ▶ Reported **net loss** of **PLN 1,179 million** under severe **negative impact of legal costs** related to FX legacy portfolio of PLN 2,758 million
- ▶ Profitability burdened strongly by **banking tax** of **PLN 609 million**
- ▶ **Underlying return of equity** (ROE) for Core Business at **11.9%**

# Key highlights of 2021 in mBank Group

## Expansion of loans driven by record-high sales of mortgages

- ▶ **Gross loan portfolio** of **PLN 121.2 billion**, **+7.4% YoY** excl. FX effect, shaped by differentiated dynamics between business segments
- ▶ New **production of mortgage loans** at record **PLN 12.4 billion** and rebounding sales of consumer credit at PLN 9.9 billion
- ▶ **Market share** in household loans continued to improve to **7.9%** and in enterprises loans it declined slightly to **8.2%** amid focus on quality

## Surge of deposits backed by inflows to transactional accounts

- ▶ **Deposit base** of **PLN 159.9 billion**, **+16.1% YoY**, accompanied by term structure evolution towards a dominance of current accounts
- ▶ **Market share** in household deposits went up further to **8.3%** and in enterprises deposits it amounted to **10.7%**

## Ample liquidity levels and diversified funding structure

- ▶ Safe **loan-to-deposit ratio** of **73.8%** and **LCR** at **216%**
- ▶ Successful issuance of inaugural **non-preferred senior green bond** worth EUR 500 million eligible for MREL under EMTN programme

## High capital ratios well above regulatory requirements

- ▶ Consolidated **Tier 1 ratio** at **14.2%** and **Total Capital Ratio** at **16.6%** safely exceeding required levels of 10.64% and 13.17%, respectively
- ▶ Individual FX-related capital buffer revised down to 2.12 p.p. for TCR

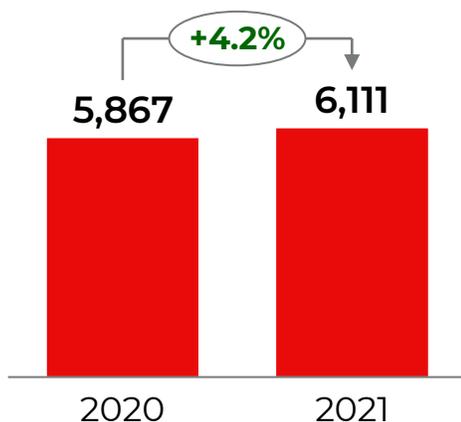
## mBank's organic growth fuelled by new and existing clients

- ▶ **5.5 million retail customers** with favourable demographic profile and **31.3 thousand companies** with good development prospects
- ▶ **2.96 million** of mBank's **mobile application users** in 3 countries
- ▶ New strategy for 2021-2025 anchored in **client life cycle**

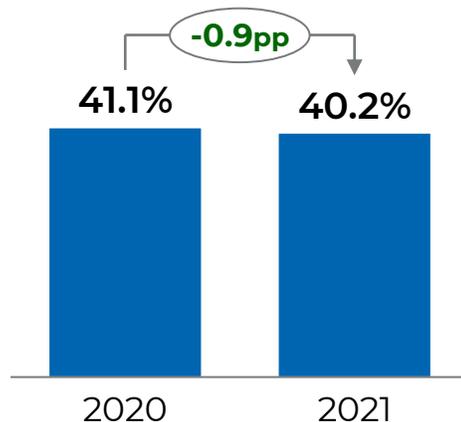
# Summary of key financial highlights for mBank Group

## Total income

PLN M

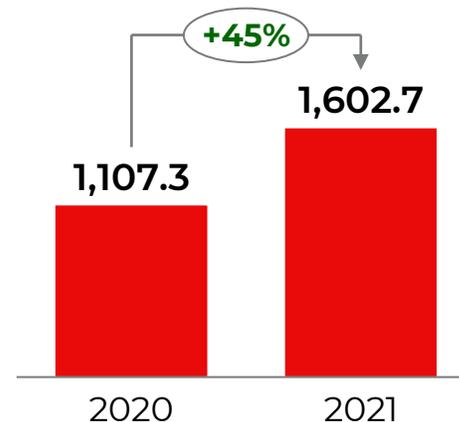


## Cost/Income ratio

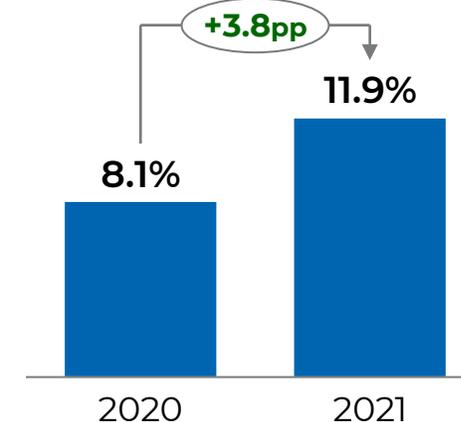


## Net profit of Core Business<sup>1</sup>

PLN M

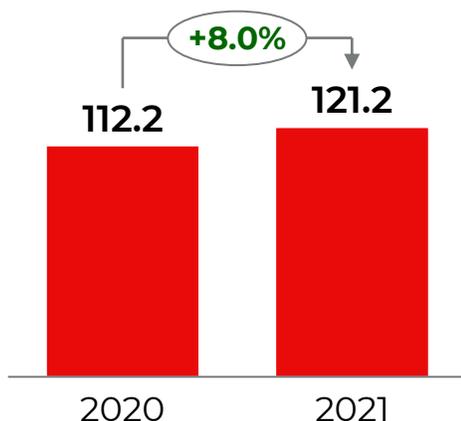


## ROE of Core Business<sup>1</sup>

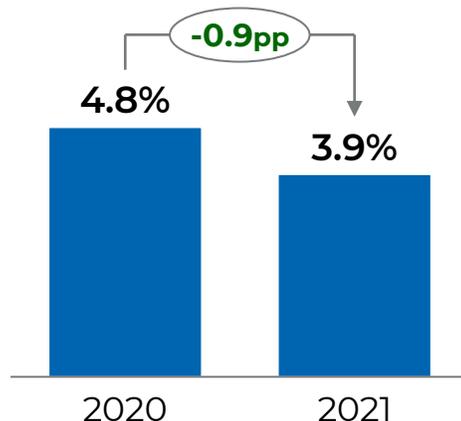


## Gross loans to customers

PLN B

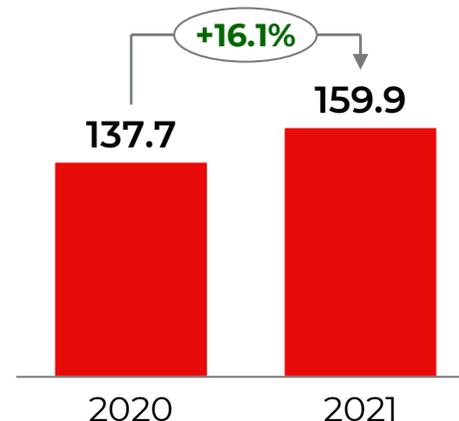


## NPL ratio

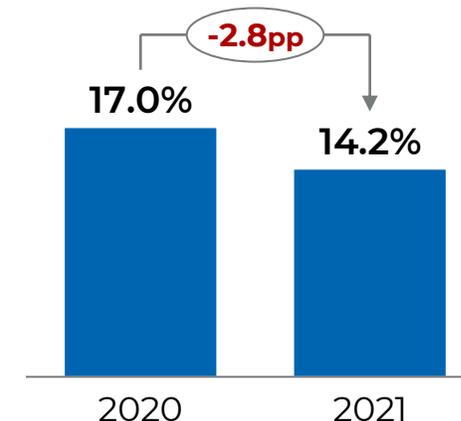


## Customer deposits

PLN B



## Tier 1 capital ratio



<sup>1</sup> Defined as mBank Group excluding FX Mortgage Loans segment

# mBank's key achievements and product innovations in 2021

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



- **Mobile application to Junior Account** designed for children below 13 years old and suited to their key needs faced in managing daily spending.
- A fast and secure **confirmation of transactions with biometric data**, using a face or fingerprint scan in mBank's mobile application.
- **Voicebot** launched **in the call center** to help clients with most frequent issues, while directing more complex cases to consultants.
- New **mobile application for corporate clients** with a well-structured interface, intuitive navigation and 'task assistant' to remind about orders waiting for authorization.

## ...taking into account ESG and the best customer experience...

- mBank and its clients **donated together PLN 20 M** during the 29th Grand Finale fundraiser of **the Great Orchestra of Christmas Charity**.
- **Eco-mortgage loan** for financing the purchase or construction of an **energy-saving real estate**, with an automatically reduced margin based on applicable certificate.
- mBank arranged **the issuance of green bonds** amounting to PLN 150 M by R.Power, the largest Polish developer of photovoltaic farms.
- Special loan for **financing small renewable energy projects** and installations for own needs carried out by mBank's corporate customers.



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

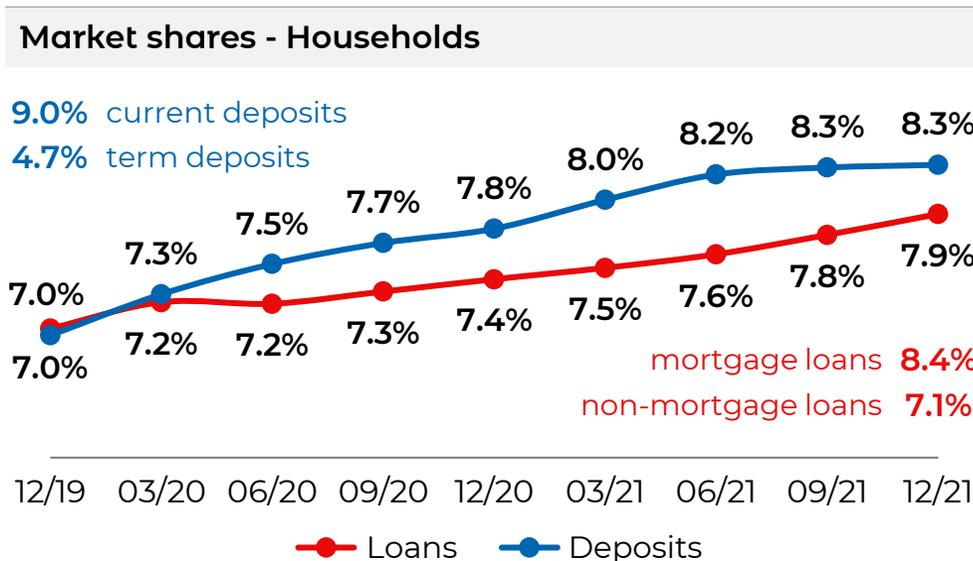
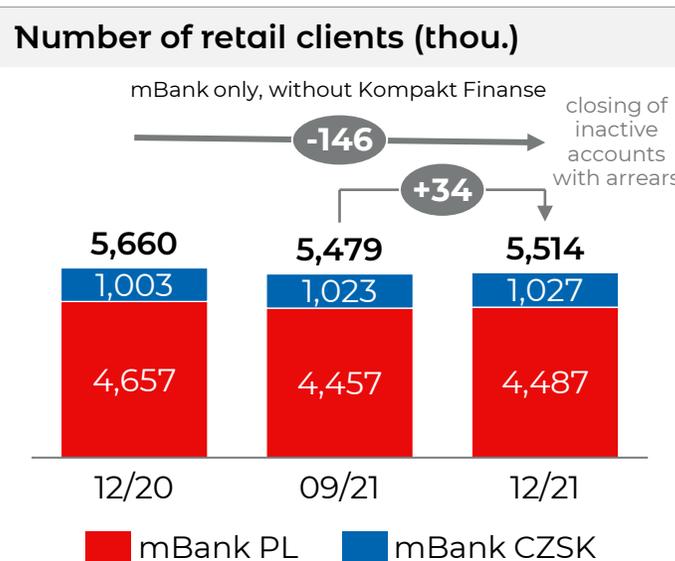


- **Contactless BLIK** available in mBank's mobile application for convenient payments in service and commercial points of sales without an issued card.
- mBank's corporate clients were provided with three popular **mobile payments options**, including Apple Pay, Google Pay and Garmin Pay.
- Another edition of **special campaign and contest "Digital Revolutions"** to support microfirms and SMEs in an e-commerce entry and developing their online business.
- **Foreign investment funds** of 3 global asset management companies (AllianceBernstein, Fidelity, Schrodgers) were added to mBank's online offer.

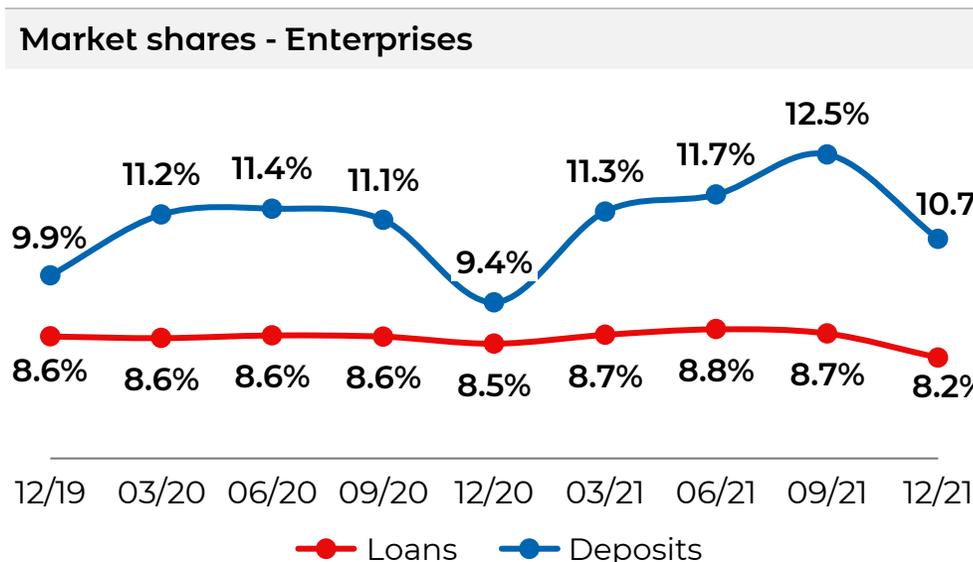
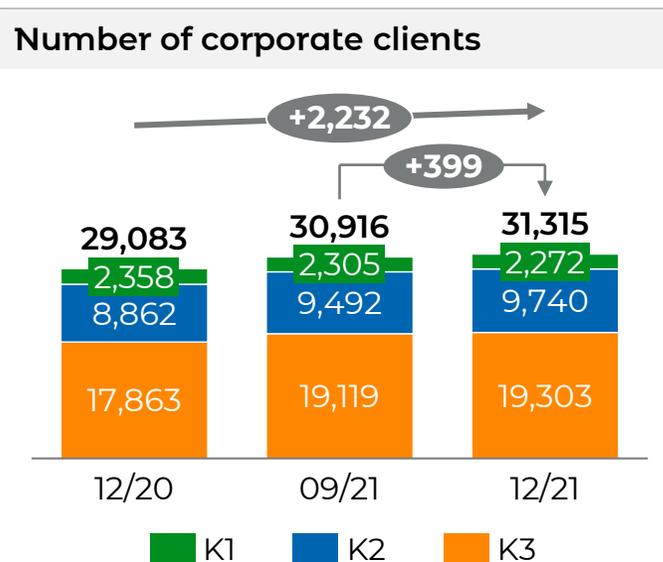
# Client base and market position of retail and corporate banking



## 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 remains a front-runner in mobile banking adoption



#1

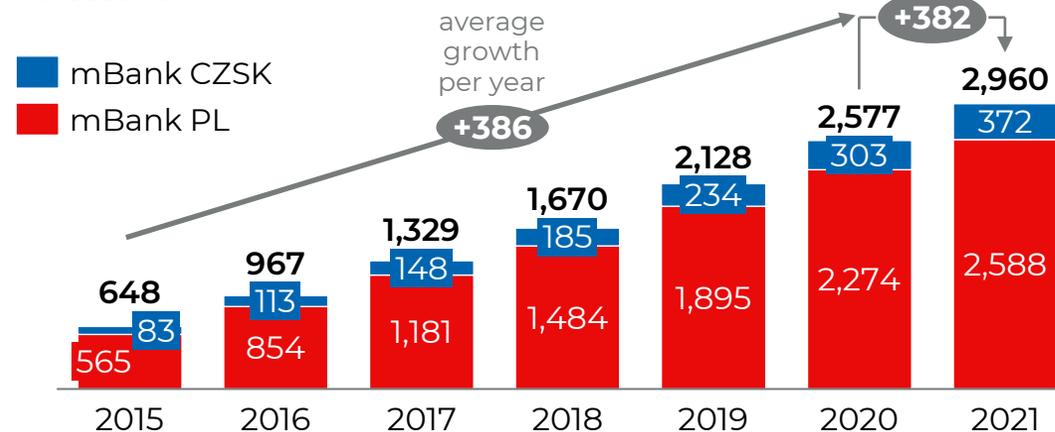
by the share of mobile users in total active customer base

#2

by the number of mobile app users among Polish banks

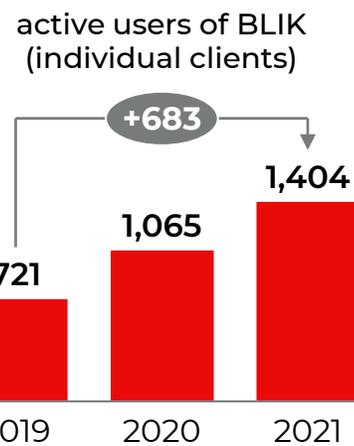
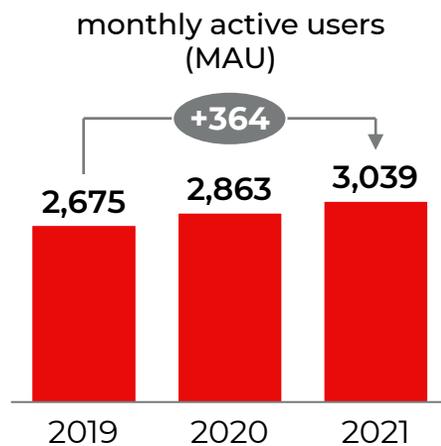
## Number of active users of mBank's mobile application

thousand



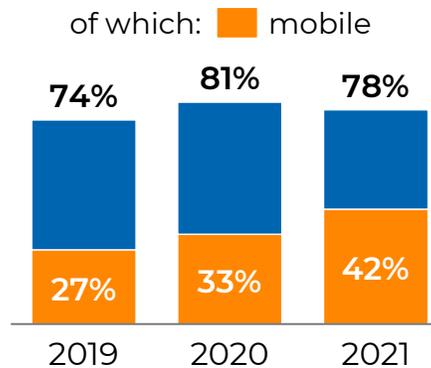
## Number of active users of mBank's services in Poland

thousand

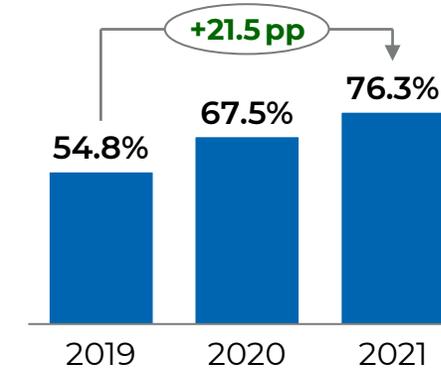


## Growing importance of digital channel in daily banking

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



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



Note: Active user is a client who in a given month performed at least one of the following actions: logging in to the mobile application or internet banking, initiated a transfer or card transaction.

# mBank Group's financial results in 2021: Profit and Loss Account

PLN million	2019	2020	2021	Δ YoY
Net interest income	4,002.8	4,009.3	4,104.0	+2.4%
Net fee and commission income	1,270.6	1,508.3	1,890.0	+25.3%
Net trading and other income	251.0	349.2	117.1	-66.5%
Total income	5,524.4	5,866.8	6,111.1	+4.2%
Total costs	-2,329.2	-2,411.1	-2,456.9	+1.9%
Loan loss provisions and fair value change <sup>1</sup>	-793.8	-1,292.8	-878.6	-32.0%
Costs of legal risk related to FX loans	-387.8	-1,021.7	-2,758.1	+169.9%
Operating profit	2,013.7	1,141.1	17.6	-98.5%
Taxes on the Group balance sheet items	-458.7	-531.4	-608.6	+14.5%
Profit or loss before income tax	1,555.0	609.7	-591.0	+/-
Net profit or loss	1,010.4	103.8	-1,178.8	+/-
Net interest margin	2.69%	2.33%	2.15%	-0.18pp
Cost/Income ratio	42.2%	41.1%	40.2%	-0.9pp
Cost of risk	0.79%	1.19%	0.76%	-0.43pp
Return on equity (ROE)	6.4%	0.6%	-7.2%	-7.8pp
Return on assets (ROA)	0.66%	0.06%	-0.59%	-0.65pp

<sup>1</sup> Sum of 'Impairment on financial assets not measured at fair value through profit or loss' and 'Gains or losses on non-trading financial assets mandatorily at fair value through profit or loss' related to loans

# mBank Group's financial results in 2021: Balance Sheet

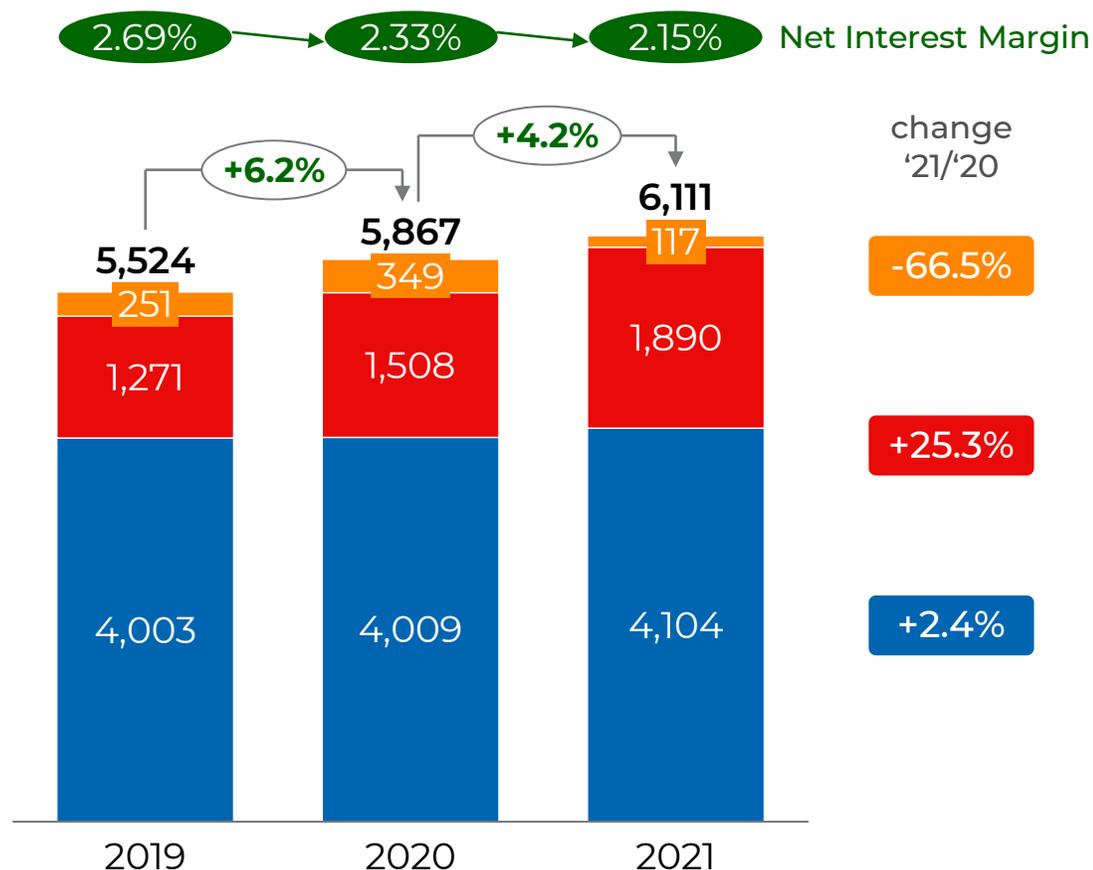
PLN million	2019	2020	2021	Δ YoY
Total assets	158,353	178,872	199,539	+11.6%
Gross loans to customers	108,170	112,208	121,233	+8.0%
Individual client loans	59,993	65,952	73,244	+11.1%
Corporate client loans	47,786	46,025	47,836	+3.9%
Customer deposits	116,661	137,699	159,935	+16.1%
Individual client deposits	77,664	97,976	112,446	+14.8%
Corporate client deposits <sup>1</sup>	37,963	39,143	46,761	+19.5%
Total equity	16,153	16,675	13,718	-17.7%
Loan-to-deposit ratio	90.0%	78.8%	73.8%	-5.0pp
NPL ratio	4.5%	4.8%	3.9%	-0.9pp
Coverage ratio	60.7%	58.3%	53.1%	-5.2pp
Tier 1 Capital Ratio	16.5%	17.0%	14.2%	-2.8pp
Total Capital Ratio	19.5%	19.9%	16.6%	-3.3pp

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

# Revenues on growth trajectory, further improvement of efficiency

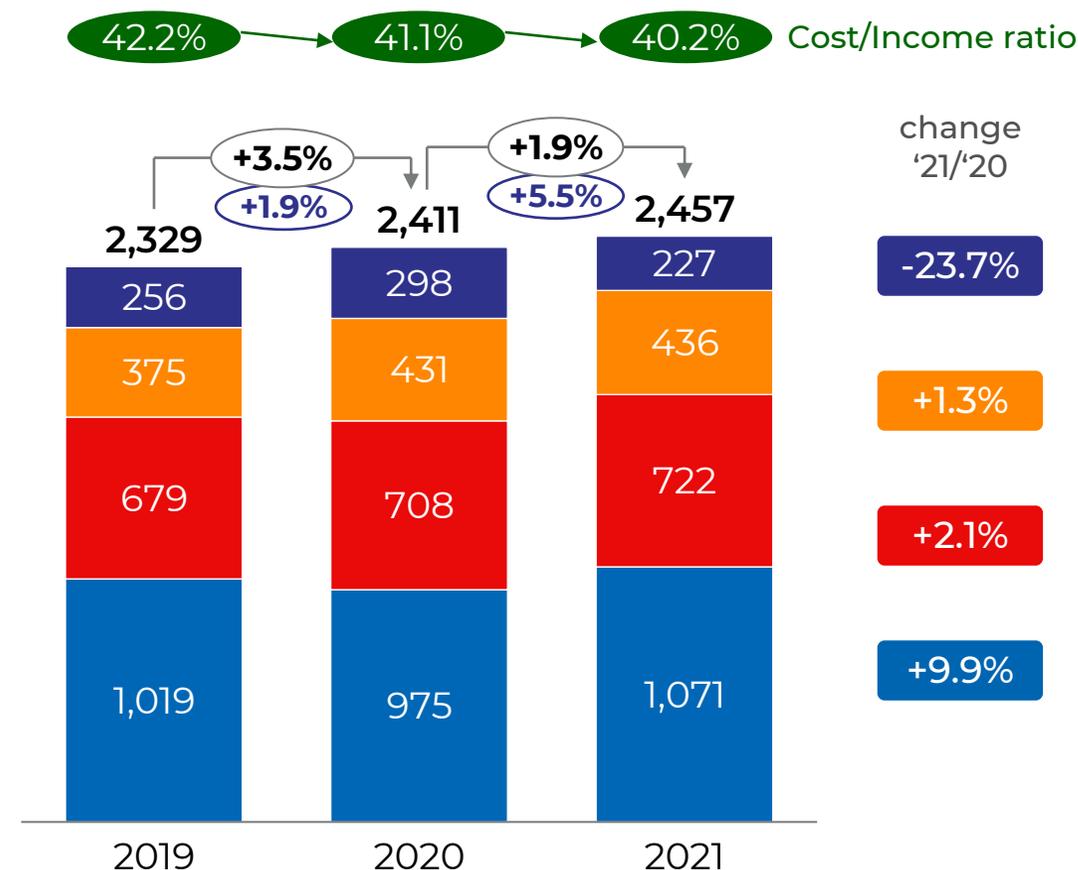
Development of mBank Group's total income and NIM

PLN M



Development of mBank Group's total costs and C/I ratio

PLN M



- Net interest income
- Net fee and commission income
- Net trading and other income

- Personnel costs
- Material and other costs
- Amortization
- Contributions to the BFG
- +X.X% Dynamics excluding the BFG

# New segmentation to show genuine performance of core business

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

PLN million	Core Business	Non-core <sup>1</sup>	mBank Group
Net interest income	3,978	126	4,104
Net fee, trading and other income	2,069	-62	2,007
Total income	6,047	64	6,111
Total costs	-2,436	-21	-2,457
Loan loss provisions and fair value change <sup>2</sup>	-865	-13	-879
Costs of legal risk related to FX loans	0	-2,758	-2,758
Operating profit	2,746	-2,729	18
Taxes on the Group balance sheet items	-556	-53	-609
Profit or loss before income tax	2,190	-2,781	-591
Net profit or loss	1,603	-2,781	-1,179
Total assets	188,236	11,303	199,539
Net interest margin	2.23%		2.15%
Cost/Income ratio	40.3%		40.2%
Cost of risk	0.85%		0.76%
Return on equity (ROE)	11.9%		-7.2%
Return on assets (ROA)	0.86%		-0.59%

<sup>1</sup> Equivalent of "FX Mortgage Loans segment" in the financial statement

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

## 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 1.9 B as of 31.12.2021.

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:

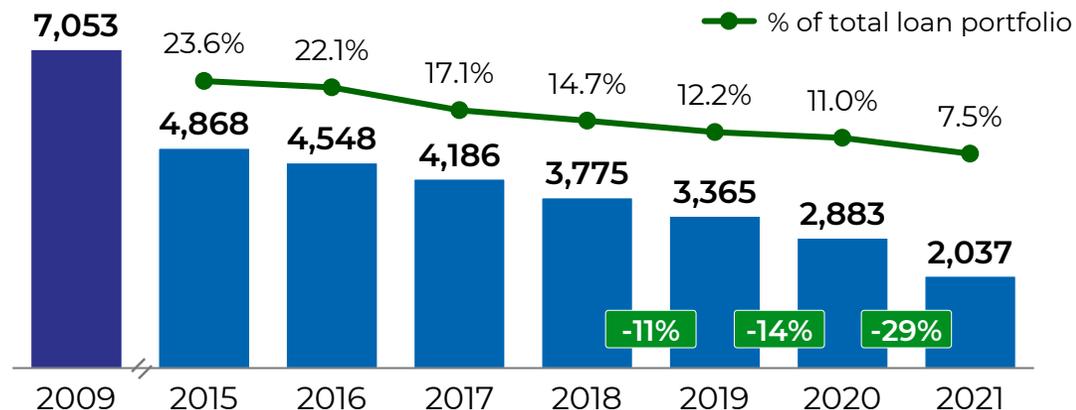
- PLN 3,785.1 M reflected through a deduction from gross assets;
- PLN 348.5 M included in the bank's liabilities;

# Strong protection against legal risks related to CHF portfolio

## CHF mortgage loans granted to individual customers

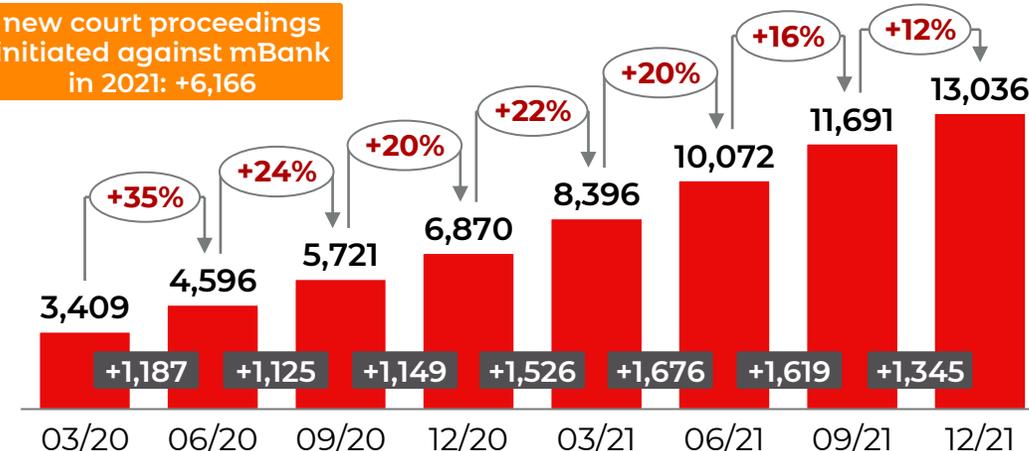
CHF M, carrying amount

equivalent to: PLN 9,064 M as of 31.12.2021



## Number of individual court cases concerning indexation clauses

new court proceedings initiated against mBank in 2021: +6,166



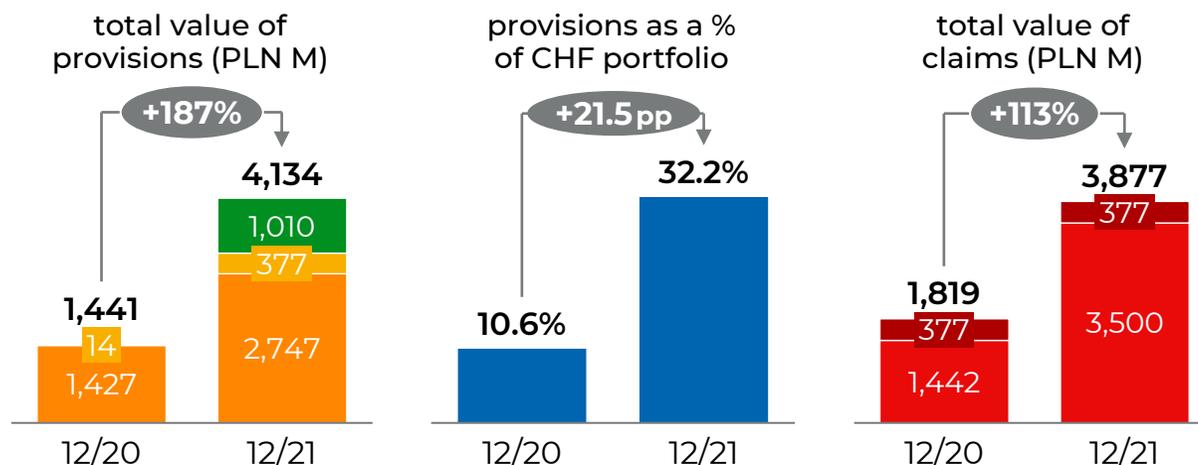
## Provisions created in relation to legal risk and claims resulting from court proceedings

concerning indexation clauses in CHF mortgage loans

mBank distinguished by one of the highest coverage of CHF portfolio with created provisions among Polish peers as of 31.12.2021.

Components of legal costs:

- potential settlements
- class action
- individual cases



Key factors driving costs of legal risk in 2021 included:

- an increase of legal risk related to individual lawsuits, which mainly resulted from (i) higher-than-expected inflow of new cases and (ii) changes in the level of loss on credit exposure in the event of the bank losing the case
- covering costs of a potential voluntary settlement program (assuming acceptance rate by customers at 34%)
- additional provision for a class action relating to indexation clauses

# We have adopted new ESG strategy of mBank Group

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

## Responsibility for climate



By 2050 we will become a fully climate-neutral bank. By 2030 we will reach climate neutrality in scope 1 and 2. Our goal is to **reduce own environmental footprint of mBank Group** and to **be a leading bank supporting energy transition of our clients** by:

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

## Responsibility for being an organization in line with ESG values



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

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

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

## Responsibility for financial health of our clients



We support customers in safe and convenient banking as well as making conscious financial decisions. Our goal is to **take care of good financial standing and future of our clients** by:

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

## Responsibility for society



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

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

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



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

ESG Risk Rating  
by Sustainalytics  
**15.9 (low risk)**  
as of 19.04.2021

MSCI ESG Rating<sup>1</sup>  
**BBB**  
as of July 2021

**Bloomberg GEI**  
Gender-Equality Index

**FTSE4Good**  
Index Series

**WIG-ESG index**  
on WSE in Poland

<sup>1</sup> please see [the webpage](#) for disclaimer statement

# Agenda



---

**Key highlights of 2021 in mBank Group** **2**

---

**Overview of main trends in Q4 2021** **15**

---

- Business development
  - Summary of financial results
- 

**Analysis of the performance after Q4 2021** **19**

---

- 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** **28**

---

**Appendix** **32**

---

# Key highlights of Q4 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, although mounting inflation is putting pressure on cost development
- ✓ Strong profit of core business, elevated costs of legal risk weighted down the results of non-core segment
- ✓ Loan and deposit volumes on upward trajectory in retail segment, year-end effect recorded in corporate area
- ✓ Increased provisioning reflecting prudent risk approach, sound capital and liquidity position
- ✓ Constantly rising number of active clients, proving the convenience of mBank's services and application

Net interest income  
**+21.9% YoY**

Net fee income  
**+19.7% YoY**

Total costs  
**+11.0% YoY**

Cost/Income ratio  
**36.7%**

Core gross profit  
**PLN 592 million**

CHF legal costs  
**PLN 2.0 billion**

Loans  
**+8.0% YoY**

Deposits  
**+16.1% YoY**

Cost of risk  
**98 bps**

Total capital ratio  
**16.6%**

MAU in Poland  
**3.0 million**

Active BLIK users  
**1.4 million**

MAU = monthly active users

# Summary of financial results: Profit and Loss Account

PLN million	Q4 2020	Q3 2021	Q4 2021	Δ QoQ	Δ YoY
Net interest income	976.9	1,004.8	1,190.8	+18.5%	+21.9%
Net fee and commission income	409.5	479.4	490.0	+2.2%	+19.7%
Total income	1,552.3	1,509.0	1,620.6	+7.4%	+4.4%
Total costs (excluding BFG)	-502.2	-592.3	-570.7	-3.6%	+13.7%
Contributions to the BFG	-34.4	-24.2	-24.8	+2.4%	-28.0%
Loan loss provisions and fair value change <sup>1</sup>	-262.6	-195.7	-289.8	+48.1%	+10.4%
Costs of legal risk related to FX loans	-633.0	-436.8	-2,006.5	+359.3%	+217.0%
Operating profit	120.2	260.0	-1,271.2	+/-	+/-
Taxes on the Group balance sheet items	-127.8	-158.6	-164.0	+3.4%	+28.4%
Profit or loss before income tax	-7.6	101.4	-1,435.3	+/-	188.9x
Net profit or loss	-174.7	26.6	-1,631.1	+/-	9.3x
Net interest margin	2.21%	2.02%	2.42%	+0.40pp	+0.21pp
Cost/Income ratio	34.6%	40.9%	36.7%	-4.2pp	+2.1pp
Cost of risk	0.97%	0.66%	0.98%	+0.32pp	+0.01pp
Return on equity (ROE)	-4.1%	0.6%	-42.5%	-43.1pp	-38.4pp
Return on assets (ROA)	-0.38%	0.05%	-3.14%	-3.19pp	-2.76pp

<sup>1</sup> Sum of 'Impairment on financial assets not measured at fair value through profit or loss' and 'Gains or losses on non-trading financial assets mandatorily at fair value through profit or loss' related to loans

# Summary of financial results: Balance Sheet

PLN million	Q4 2020	Q3 2021	Q4 2021	Δ QoQ	Δ YoY
Total assets	178,872	208,152	199,539	-4.1% ↓	+11.6% ↑
Gross loans to customers	112,208	123,210	121,233	-1.6% ↓	+8.0% ↑
Individual client loans	65,952	73,124	73,244	+0.2% ↑	+11.1% ↑
Corporate client loans	46,025	49,883	47,836	-4.1% ↓	+3.9% ↑
Customer deposits	137,699	164,142	159,935	-2.6% ↓	+16.1% ↑
Individual client deposits	97,976	108,921	112,446	+3.2% ↑	+14.8% ↑
Corporate client deposits <sup>1</sup>	39,143	54,418	46,761	-14.1% ↓	+19.5% ↑
Total equity	16,675	16,536	13,718	-17.0% ↓	-17.7% ↓
Loan-to-deposit ratio	78.8%	72.9%	73.8%	+0.9pp	-5.0pp
NPL ratio	4.8%	4.0%	3.9%	-0.1pp	-0.9pp
Coverage ratio	58.3%	57.2%	53.1%	-4.1pp	-5.2pp
Tier 1 Capital Ratio	17.0%	15.2%	14.2%	-1.0pp	-2.8pp
Total Capital Ratio	19.9%	17.5%	16.6%	-0.9pp	-3.3pp

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

# Agenda



---

## Key highlights of 2021 in mBank Group 2

---

## Overview of main trends in Q4 2021 15

---

- Business development
  - Summary of financial results
- 

## Analysis of the performance after Q4 2021 19

---

- 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 28

---

## Appendix 32

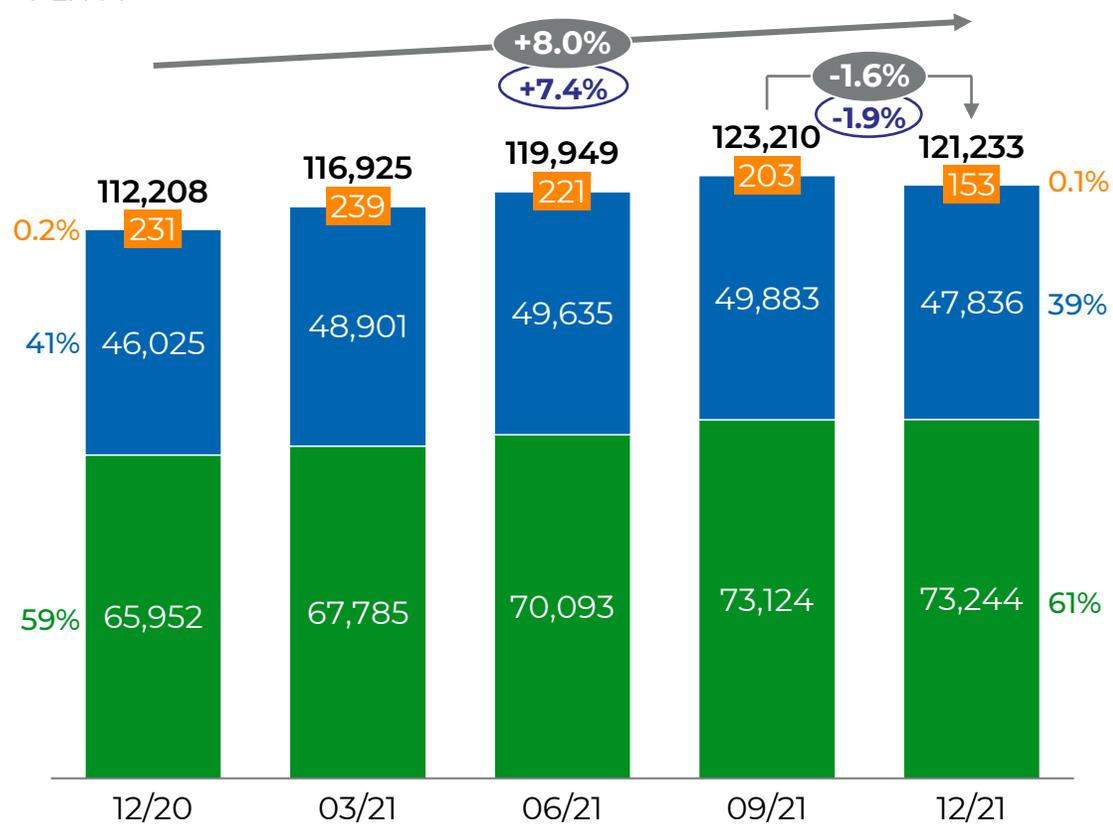
---

# Results of mBank Group: Loans to customers

Loan portfolio expansion driven by strong momentum of retail exposures

Development of gross loans and advances to customers

PLN M

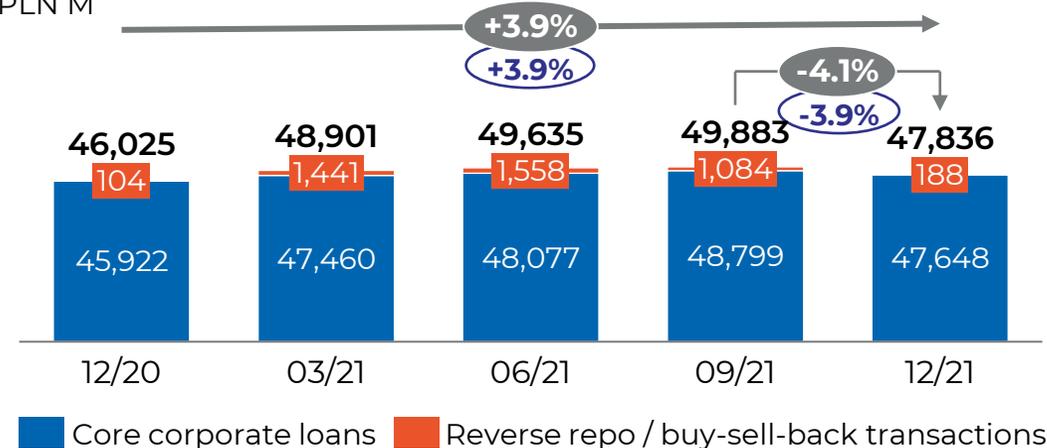


- Individual clients
- Corporate clients
- Public sector

+X.X% Excluding FX effect

Gross loans to corporate customers

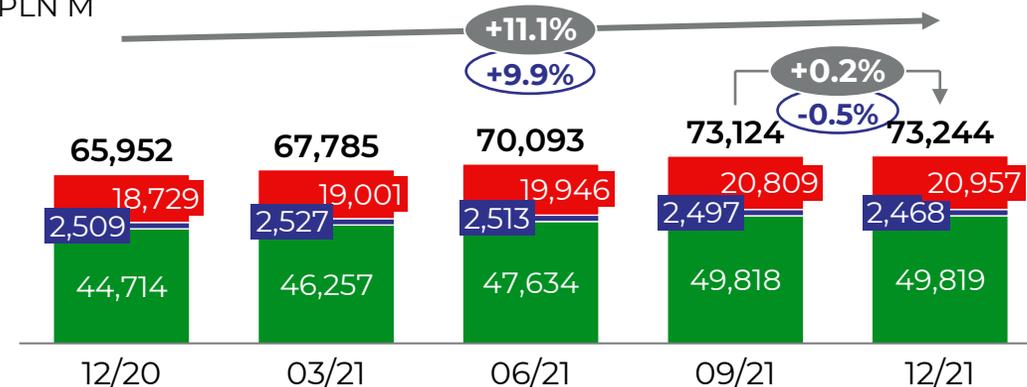
PLN M



- Core corporate loans
- Reverse repo / buy-sell-back transactions

Gross loans to retail customers

PLN M



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

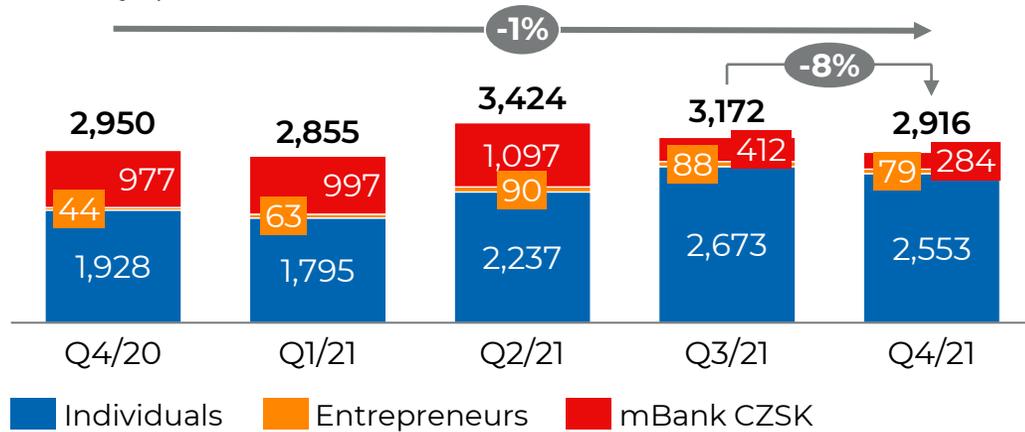
Note: Data for Q1/20-Q4/20 restated due to the presentational change related to CHF mortgage loans.

# Results of mBank Group: New lending business

Sales of housing loans kept high, consumer lending broadly returned to pre-pandemic level

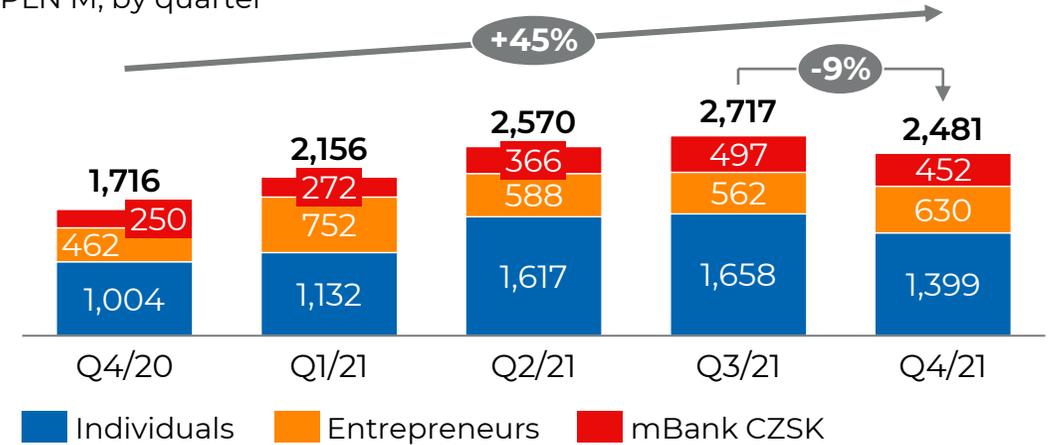
## Sales of mortgage loans

PLN M, by quarter



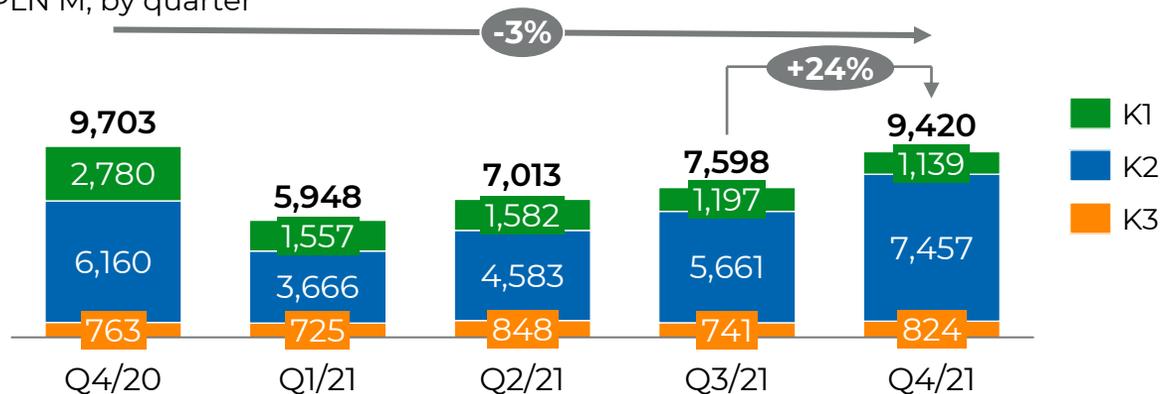
## Sales of non-mortgage loans

PLN M, by quarter



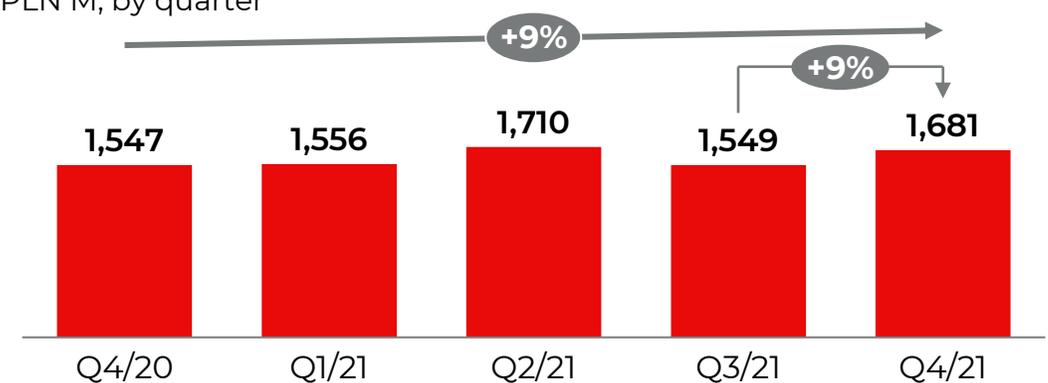
## Sales of corporate loans<sup>1</sup>

PLN M, by quarter



## New leasing contracts

PLN M, by quarter

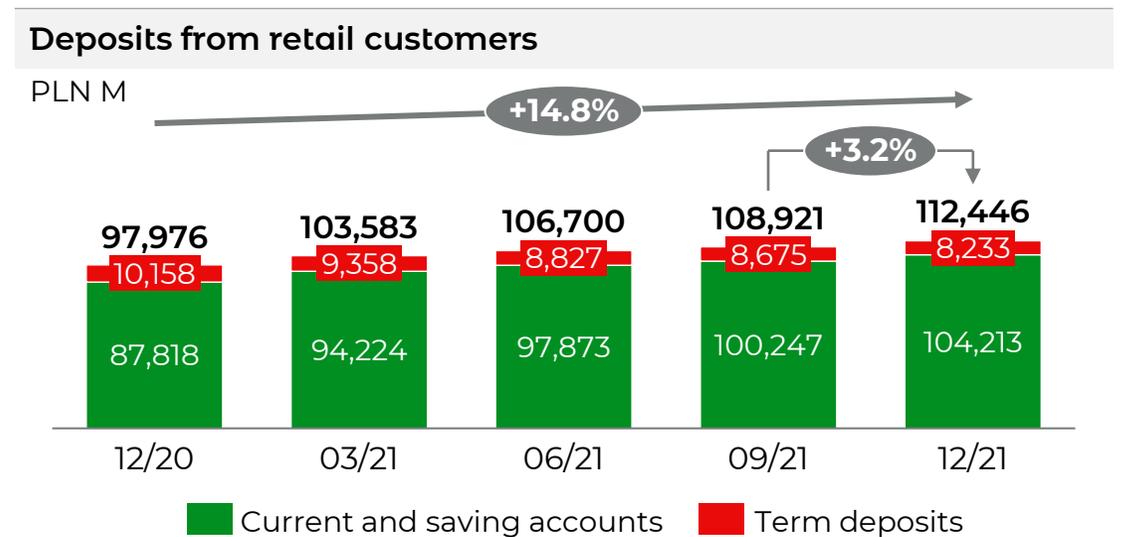
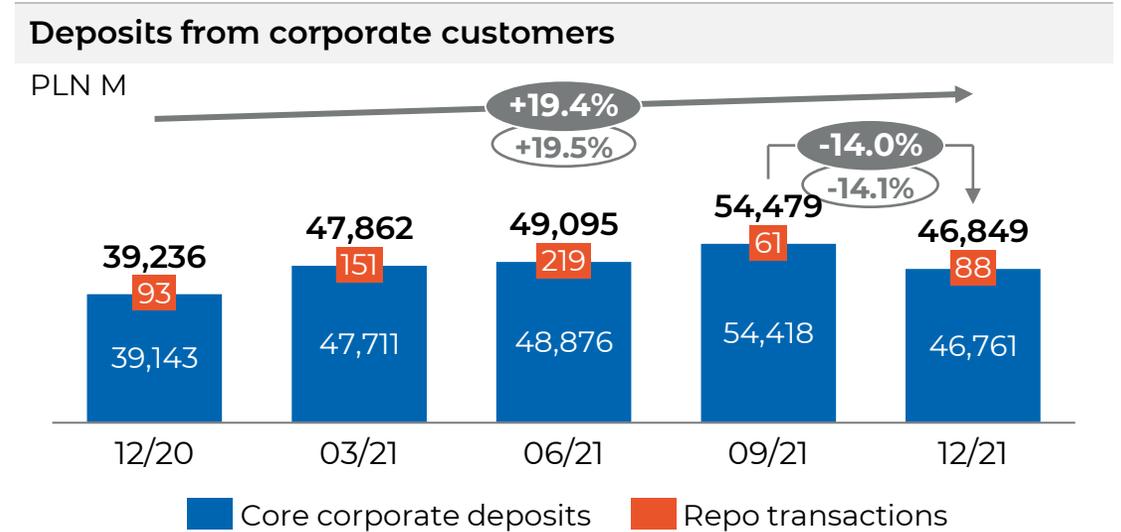
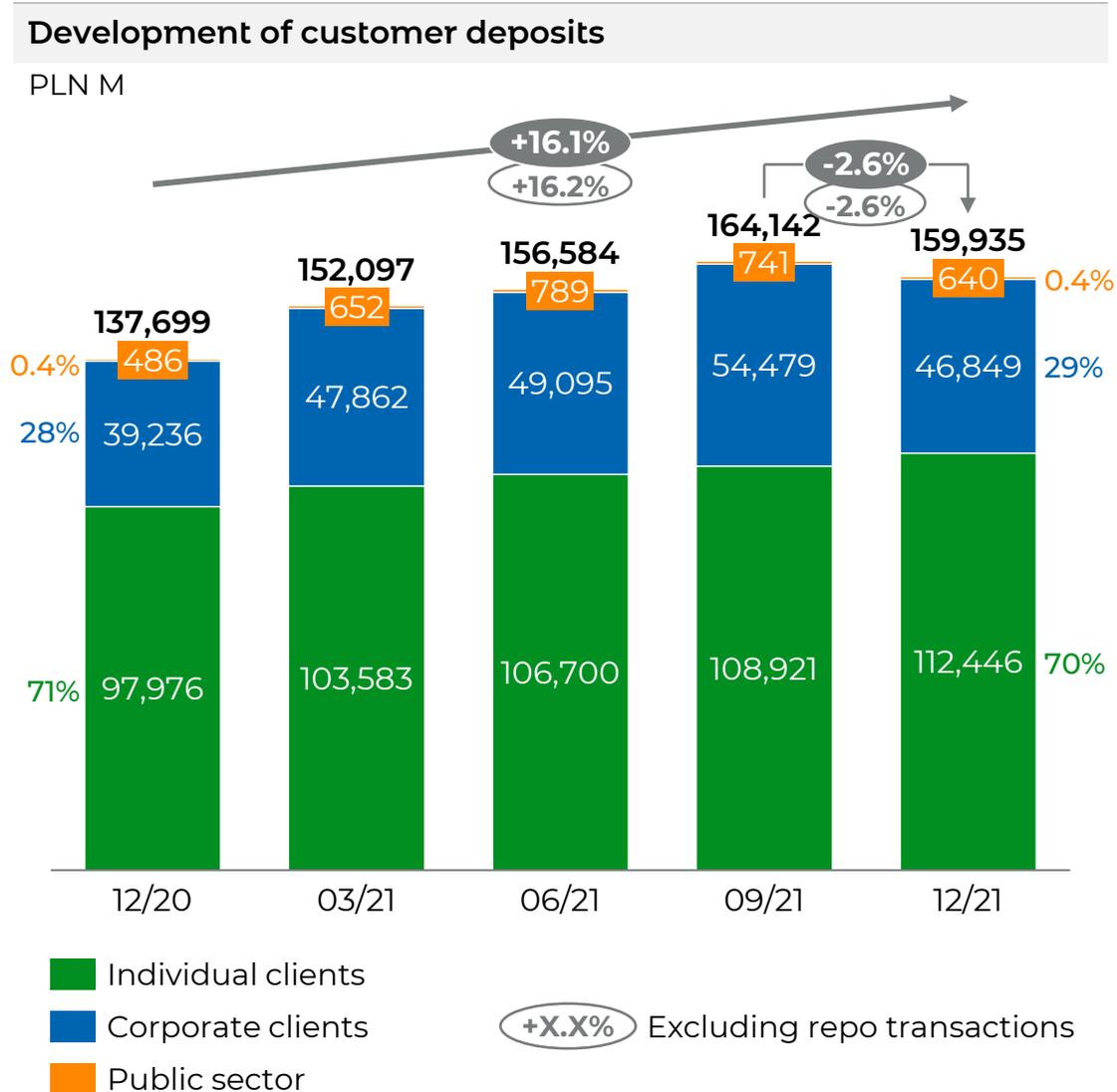


<sup>1</sup> Including new sale, rising and renewal

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

# Results of mBank Group: Customer deposits

Strong inflows to transactional accounts, intentional reduction of corporate deposits

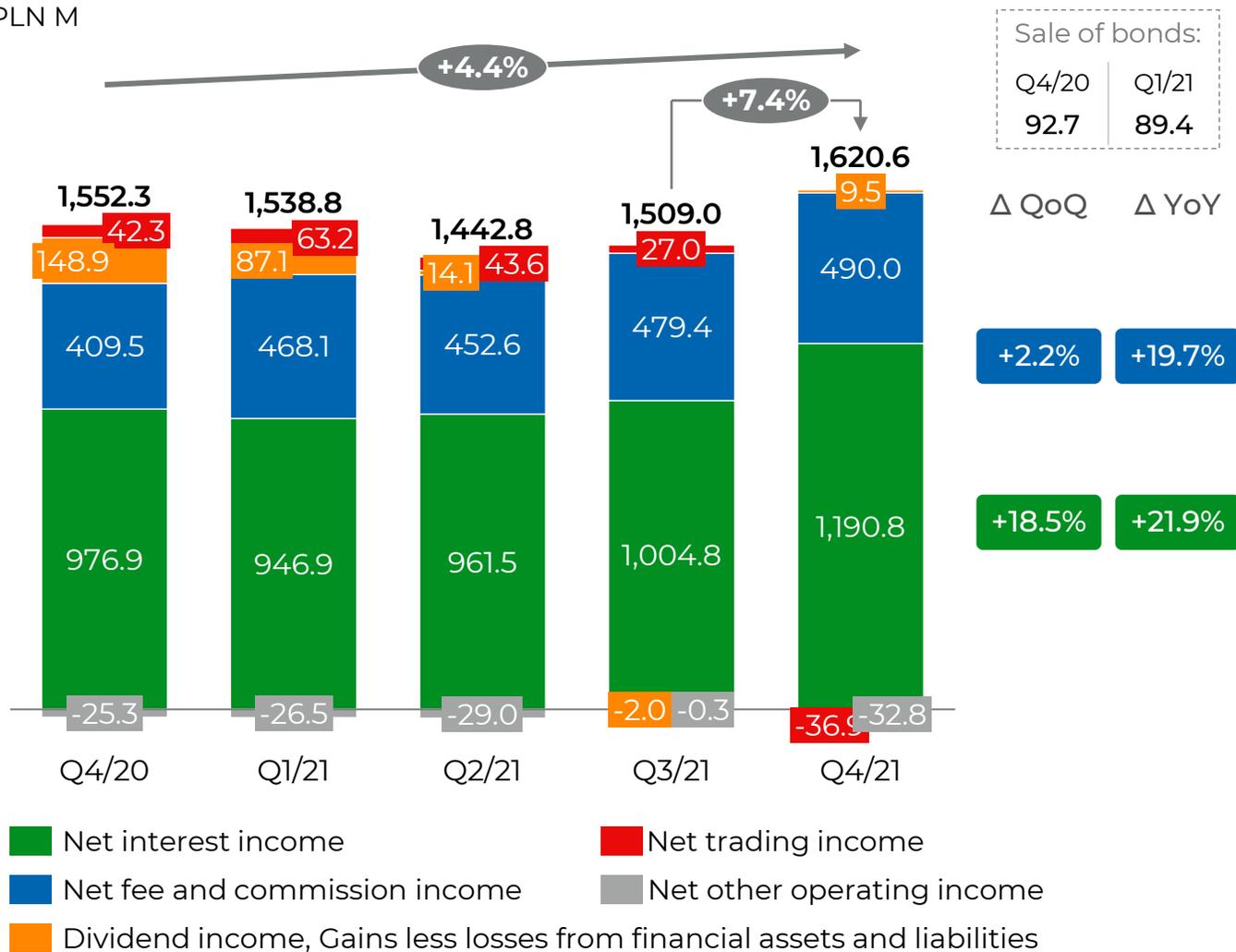


# Results of mBank Group: Total income

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

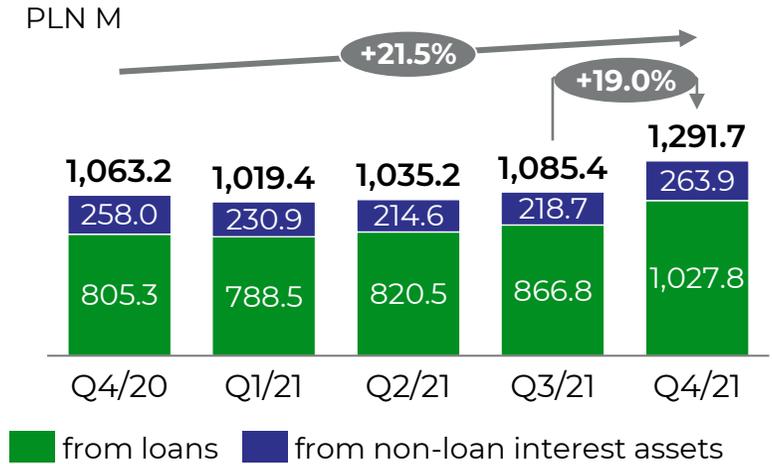
## Development of mBank Group's total income

PLN M



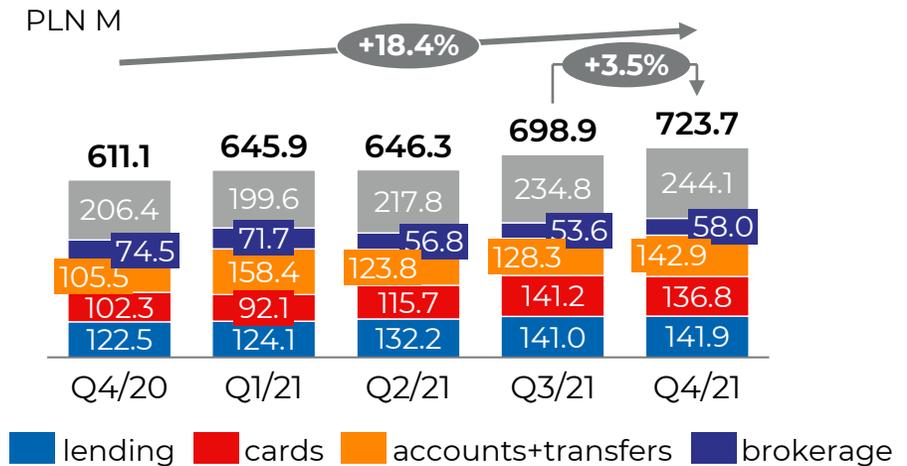
## Development of interest income

PLN M



## Development of fee and commission income

PLN M

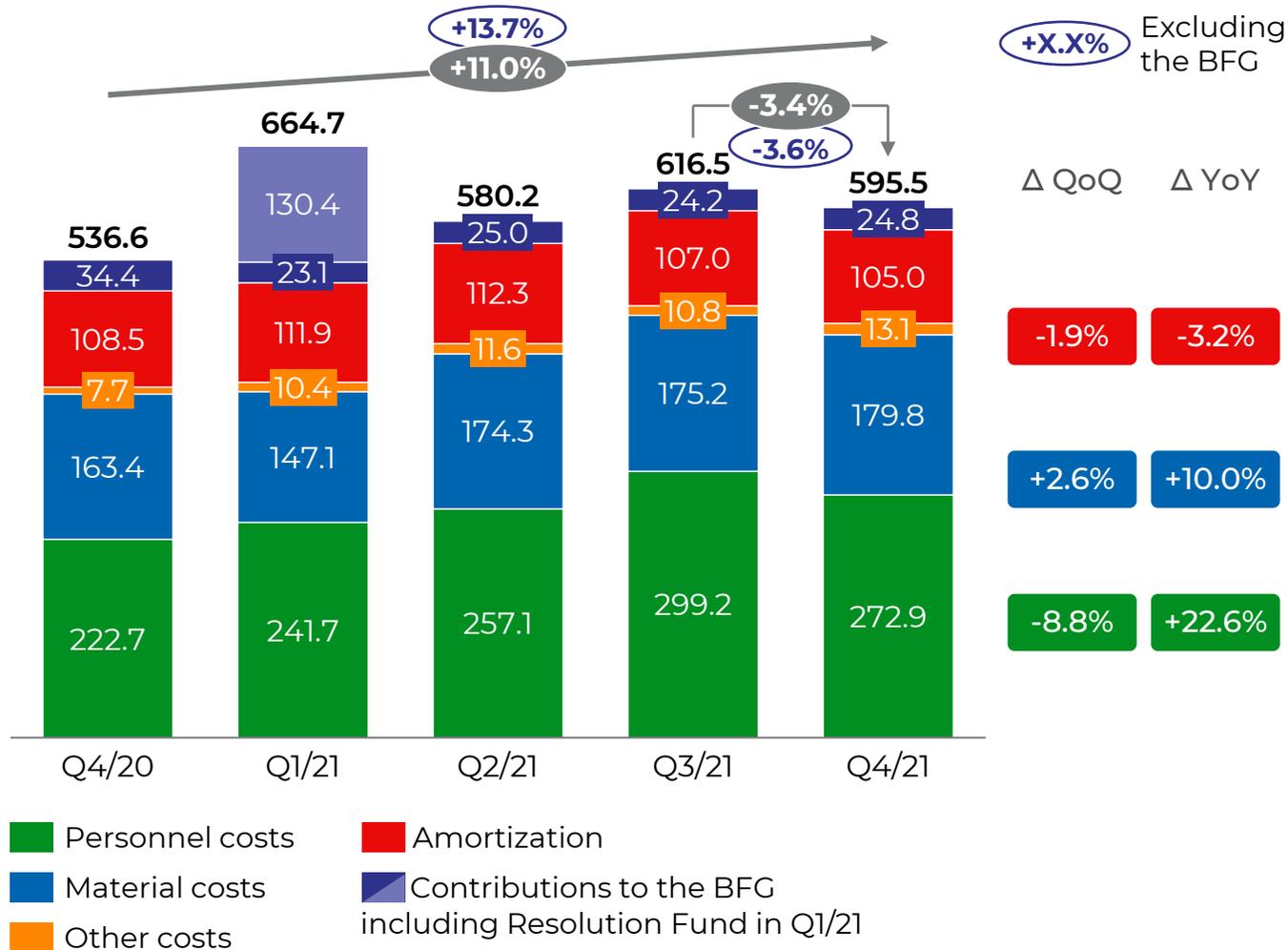


# Results of mBank Group: Total costs and efficiency

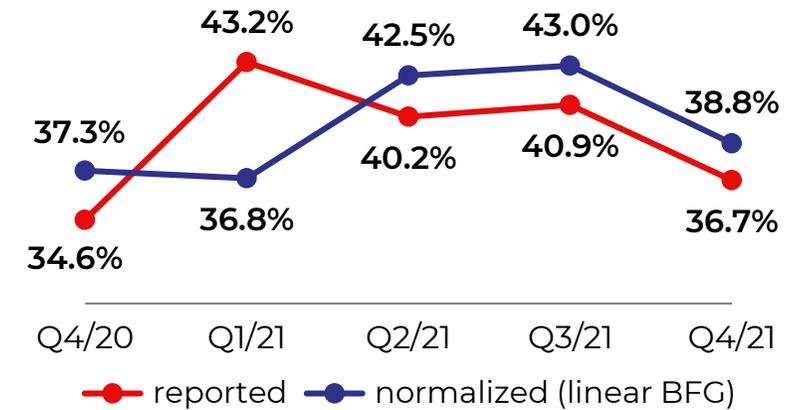
Best-in-class efficiency maintained, staff costs down to a more normalized level

Development of mBank Group's operating costs

PLN M

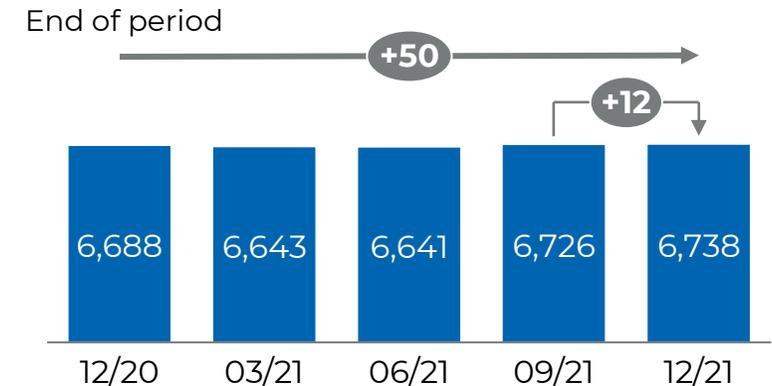


Cost/Income ratio of mBank Group – quarterly



Cost/Income ratio for 2021 **40.2%**

Employment of mBank Group (in FTEs)

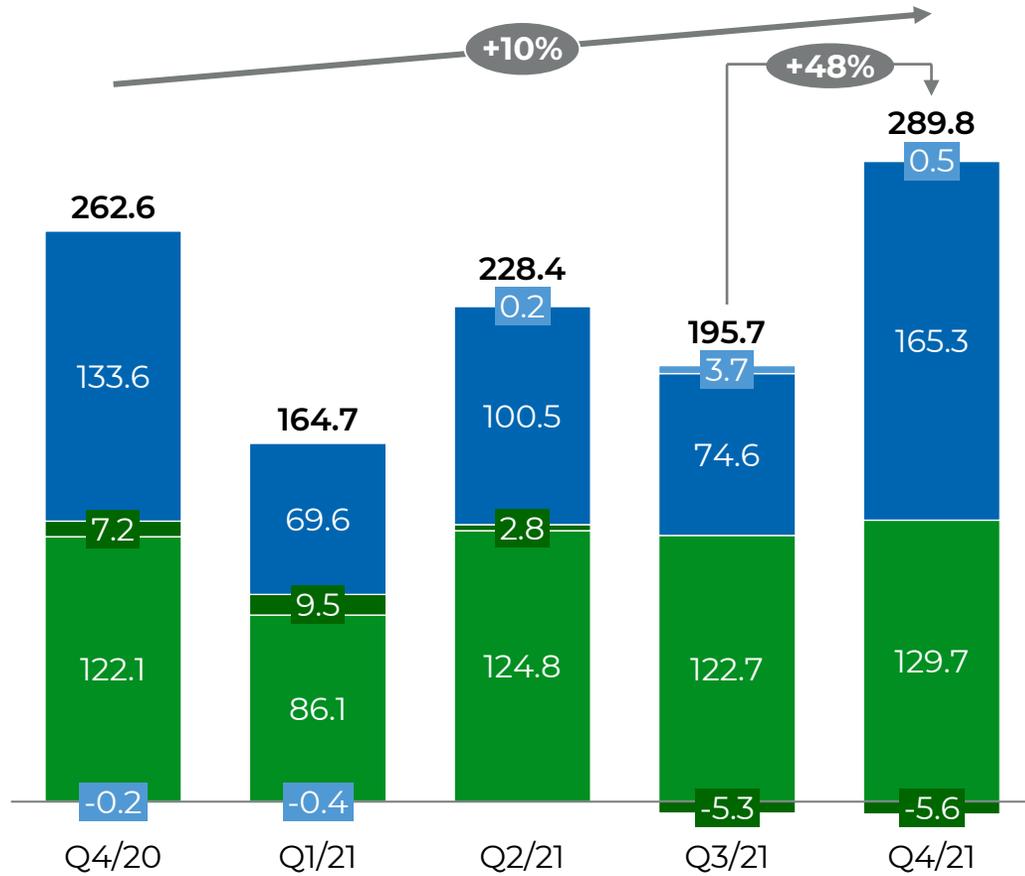


# Results of mBank Group: Loan loss provisions and cost of risk

Conservative approach reflected in increased provisioning amid persisting uncertainties

Net impairment losses and fair value change on loans

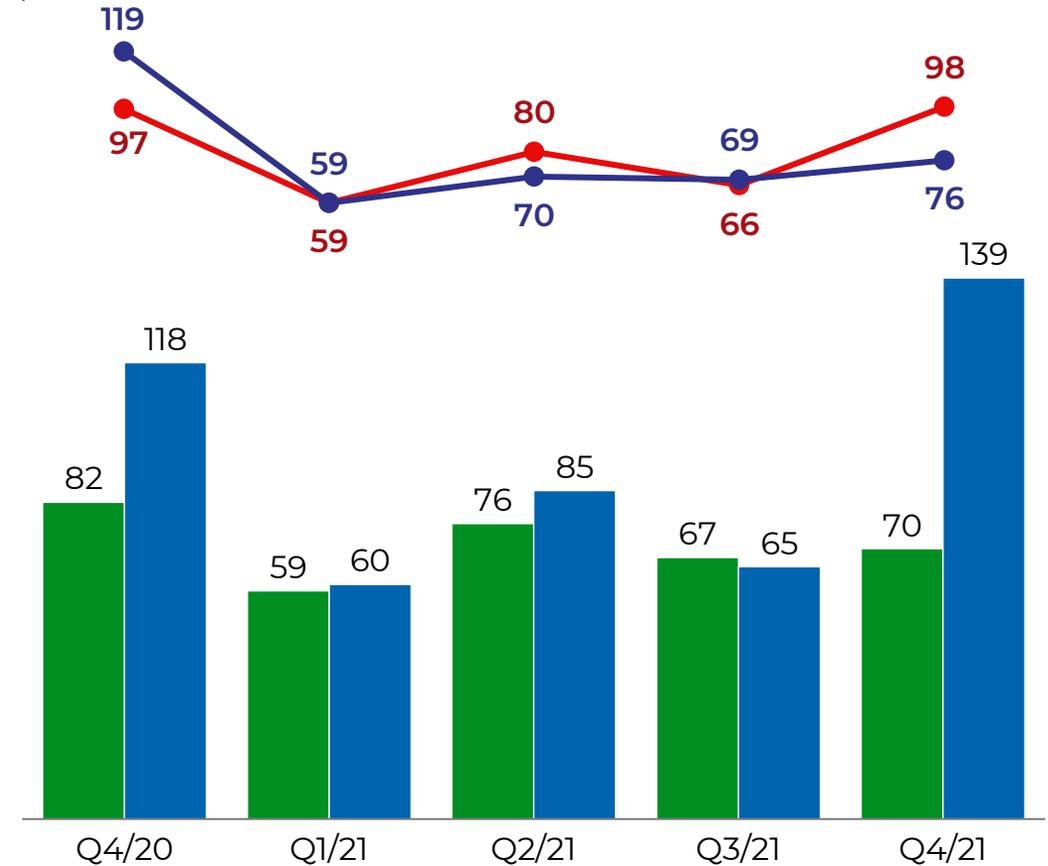
PLN M



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

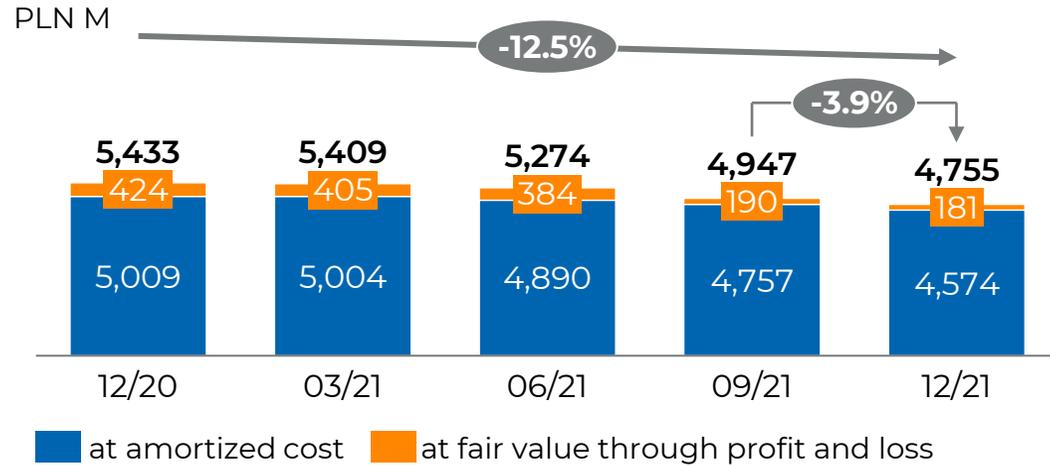


mBank Group's cost of risk: ● quarterly ● YtD  
■ Retail loan portfolio ■ Corporate loan portfolio

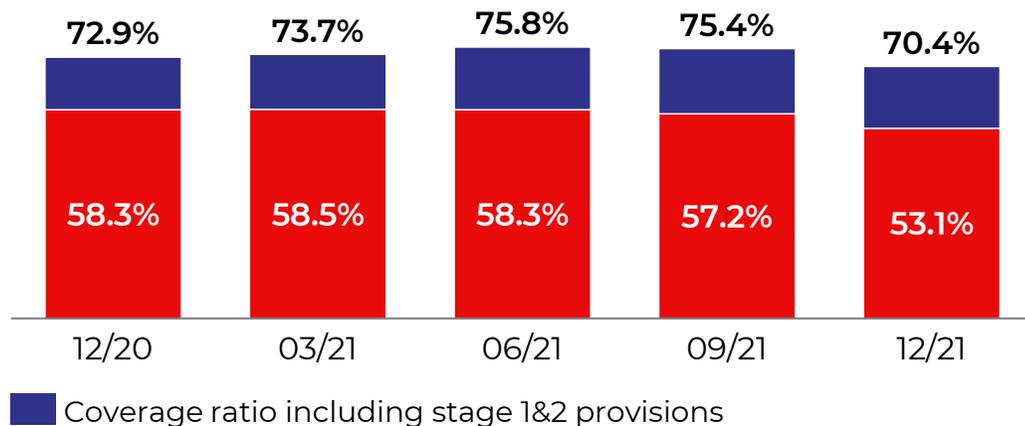
# Results of mBank Group: Loan portfolio quality

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

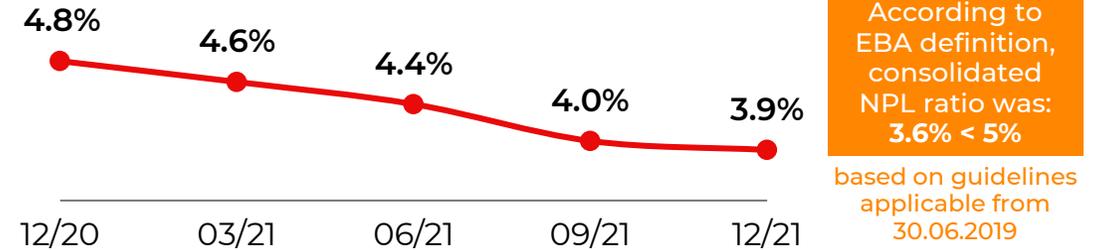
## mBank Group's impaired loans portfolio



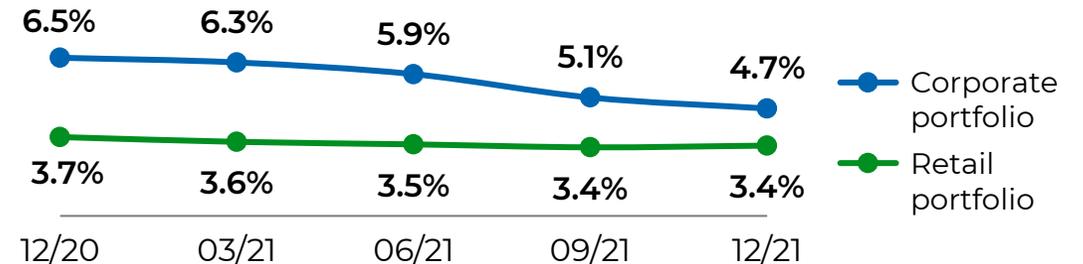
## mBank Group's coverage ratio



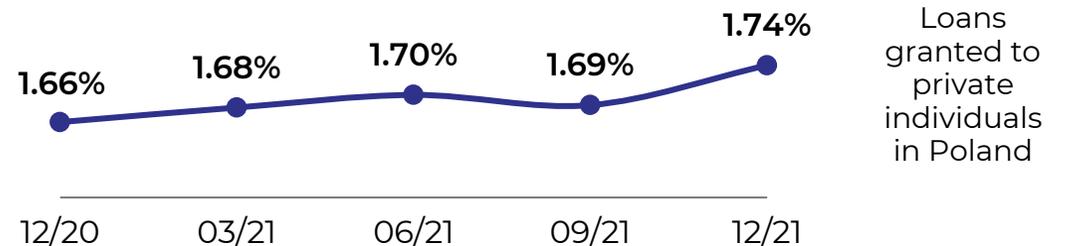
## mBank Group's NPL ratio



## mBank Group's NPL ratio, by segment



## NPL ratio of mortgage loan portfolio



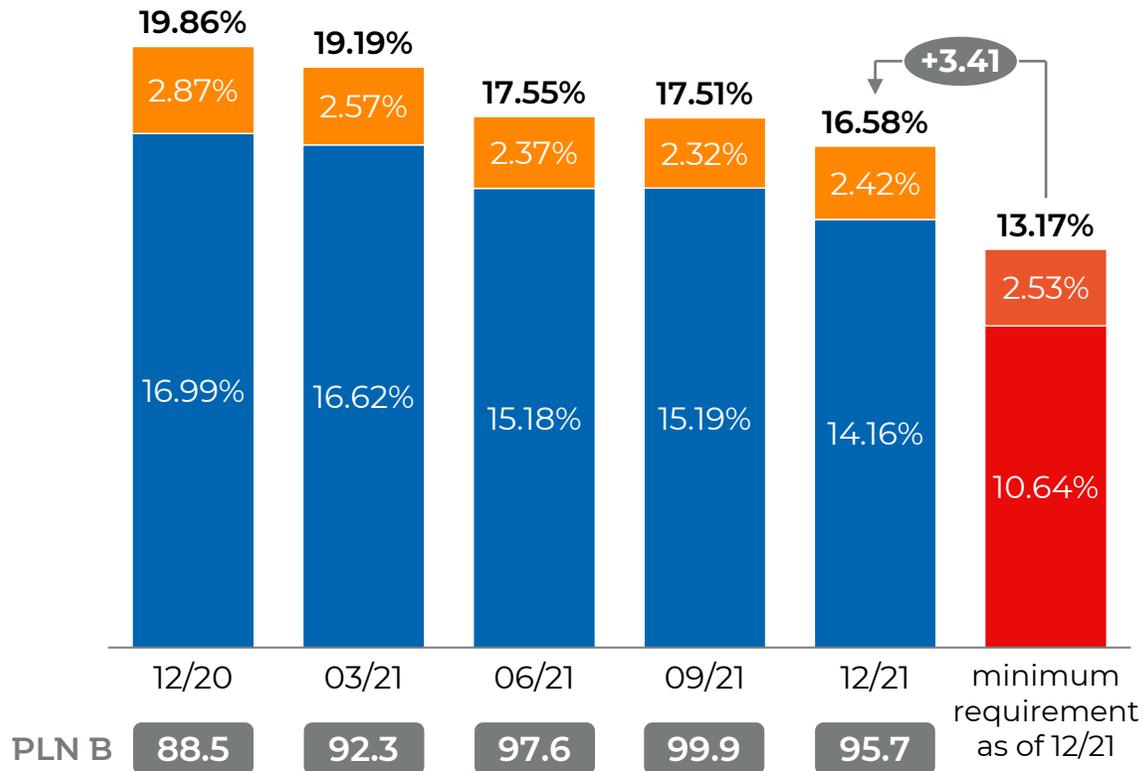
Note: Risk indicators presented for credit portfolio measured both at amortized cost and at fair value through profit or loss. The bank applies a client-oriented approach in its methodology of NPL recognition.

# Results of mBank Group: Capital ratio and liquidity position

Sound capital position and outstanding liquidity securing safety and operational stability

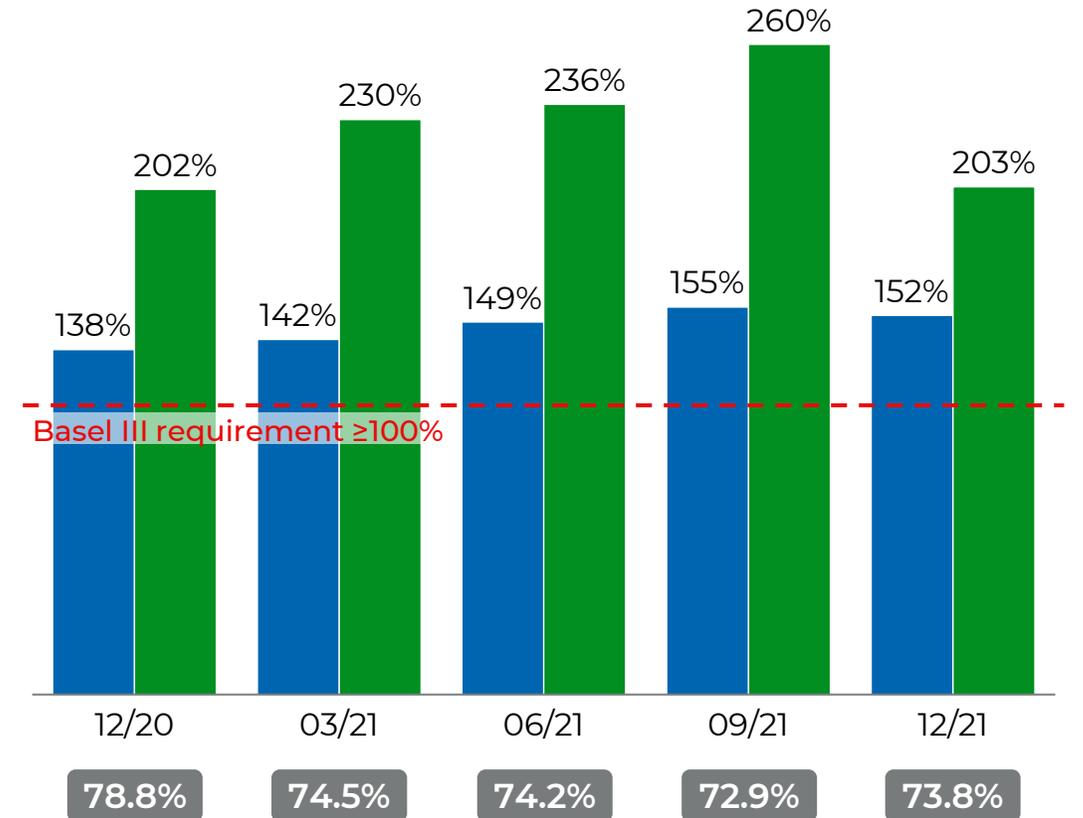
mBank Group's Total Capital Ratio

The impact of negative bond valuation on capital ratios amounted to -0.4 p.p. YoY (including mitigation factor).



mBank's NSFR and LCR

Group's LCR: 216%



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 2021 in mBank Group 2

---

## Overview of main trends in Q4 2021 15

---

- Business development
  - Summary of financial results
- 

## Analysis of the performance after Q4 2021 19

---

- 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 28

---

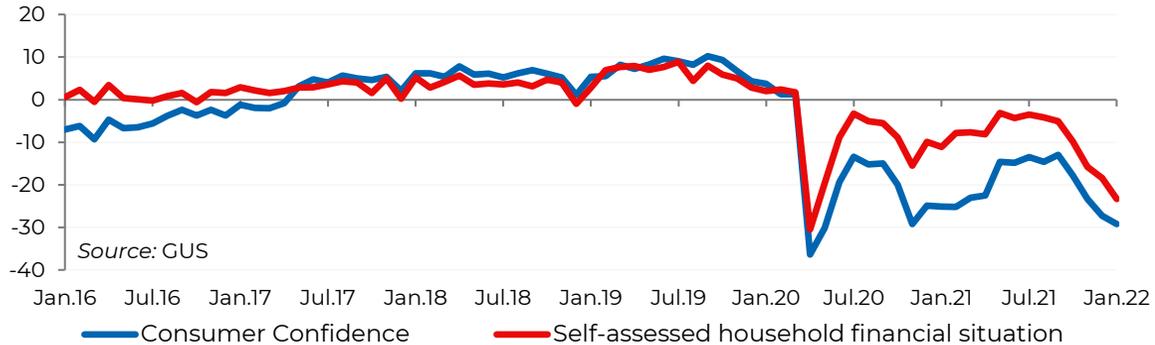
## Appendix 32

---

# Macroeconomic situation and outlook

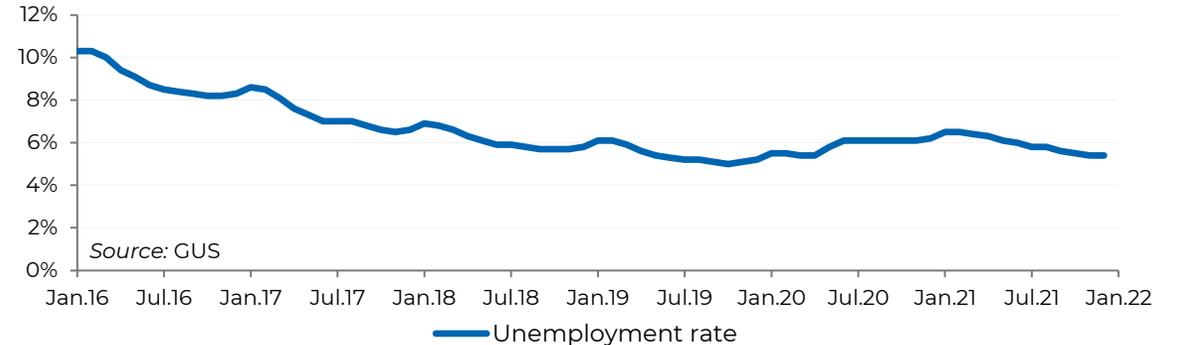
## High demand meets supply bottlenecks and inflation follows

### Consumer sentiment under pressure



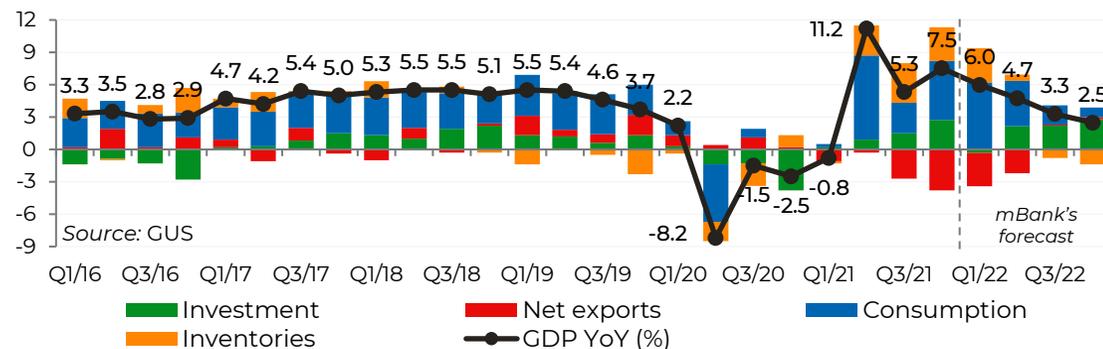
Much faster inflation and monetary policy tightening cooled consumer sentiment. Any meaningful improvement is hard to be expected. Downside pressure on consumption will be clearly visible in 2022.

### Unemployment rate declined further



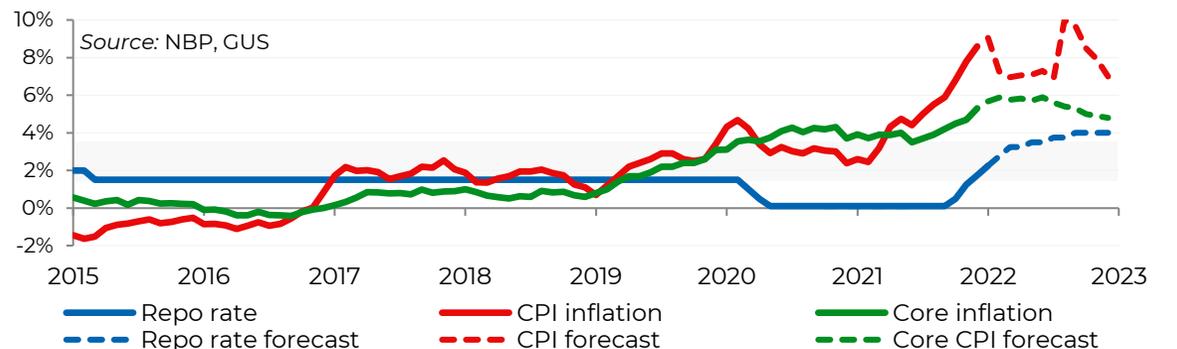
Falling trend in unemployment rate was continued. Wages are growing faster than before pandemic. Demand for labour clearly returned to pre-pandemic levels while supply most likely did not.

### GDP path and forecast for Poland (% YoY)



It is high time to adjust GDP forecasts for inflation and interest rate effects. Although 2021 ended on a bright note (~5.8%), 2022 is set to bring deceleration (4.1%) driven mostly by private consumption.

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

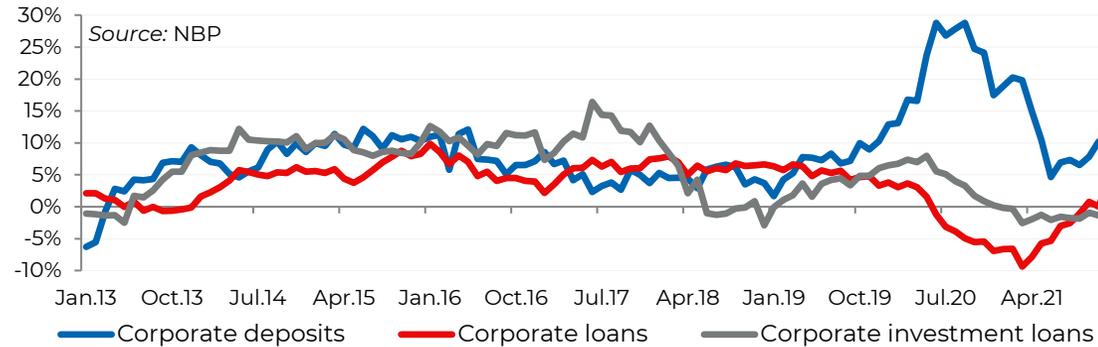


Inflation is heading towards 7-8% in 2022 (depending on the duration of anti-inflationary shields). Monetary tightening cycle is going to be continued and interest rates are set to reach 4% this year.

# Macroeconomic situation and outlook

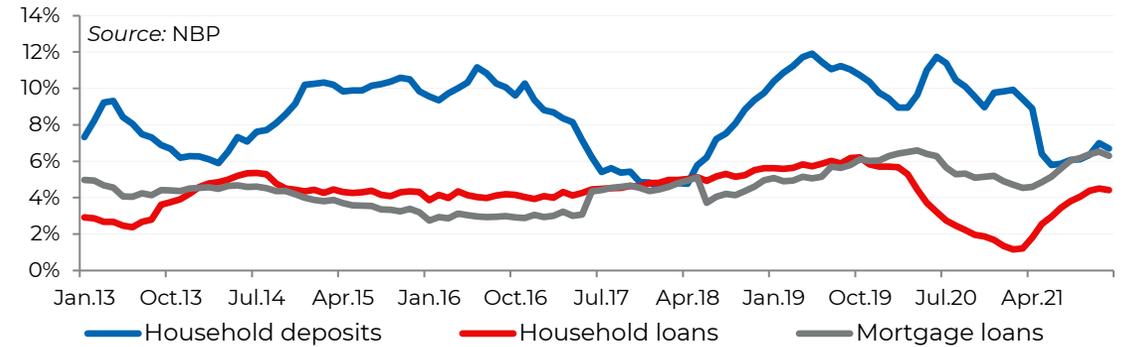
## Demand for credit picked up, as expected

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



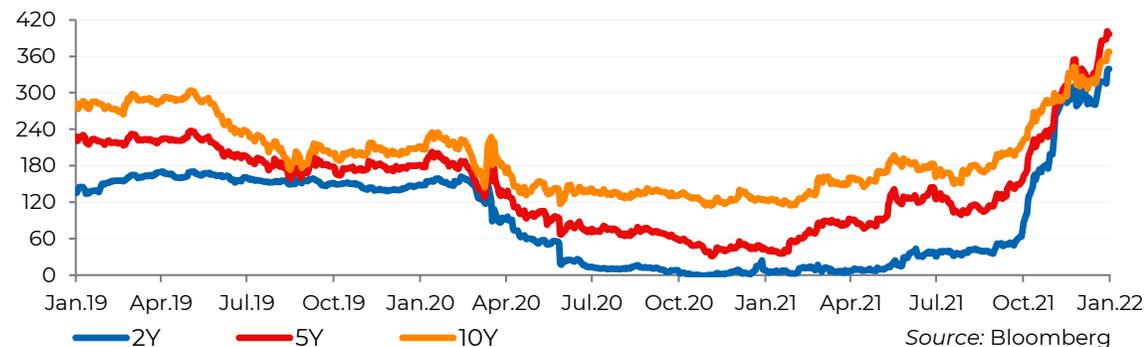
Deposit base is high and unlikely to be reversed. As expected, growth rate of outstanding credit volumes returned to positive territory in the end of 2021. More growth to come in 2022. Expected acceleration of investment credit.

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



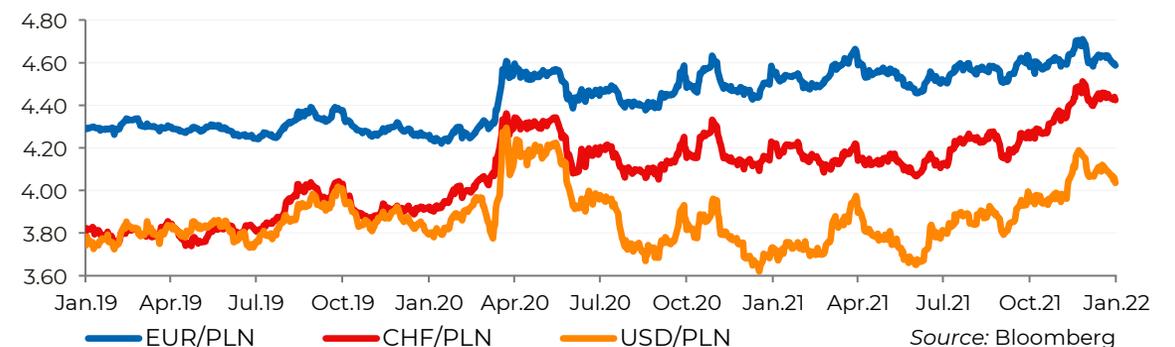
Deposit growth moderated in 2021 but it seems to be only a temporary setback. Outstanding volume of credit picked up substantially last year. Growth rates are expected to settle at somewhat lower levels in 2022.

### Government bond yields: on the rise (bps)



Along with fast GDP growth, accelerating inflation in Poland and MPC's late but aggressive rate hikes, explosion of bond yields came. Markets price in monetary policy tightening towards ~4% rate this year.

### PLN: weak and bleak perspectives for spectacular improvement



Zloty stayed weaker in 2021 on the basis of NBP rhetoric, low interest rates and uncertainty regarding part of EU funds for Poland. Although outlook for 2022 brightens along with higher rates, no spectacular appreciation ahead.

# Macroeconomic forecasts and outlook for mBank Group

## Operating environment for banks remains challenging despite monetary policy tightening

### Key economic indicators for Poland

	2020	2021	2022F	2023F
GDP growth (YoY)	-2.7%	5.8%	4.1%	2.8%
Domestic demand (YoY)	-3.3%	8.2%	5.4%	2.1%
Private consumption (YoY)	-3.0%	7.0%	4.8%	2.1%
Investment (YoY)	-8.4%	6.8%	8.3%	7.7%
Inflation (eop)	2.4%	8.6%	4.3%	1.8%
MPC rate (eop)	0.10%	1.75%	4.00%	3.50%
CHF/PLN (eop)	4.22	4.42	4.17	4.13
EUR/PLN (eop)	4.56	4.59	4.40	4.40

### Polish banking sector – monetary aggregates YoY

	2020	2021	2022F	2023F
Corporate loans	-4.8%	3.9%	10.5%	5.7%
Household loans	3.0%	4.9%	4.7%	3.5%
Mortgage loans	7.3%	7.1%	4.2%	3.4%
Mortgage loans in PLN	9.7%	12.0%	8.7%	6.9%
Non-mortgage loans	-3.8%	1.1%	5.6%	3.7%
Corporate deposits	19.0%	10.4%	4.6%	4.1%
Household deposits	10.7%	6.7%	9.0%	8.4%

Source: mBank's estimates as of 07.02.2022.

Investor Presentation | Q1-Q4 2021

### Short-term prospects for mBank (4 quarters ahead)

Net interest income & NIM positive 

- Ongoing cycle of rate hikes translating into margin improvement and significant increase of interest income
- Low costs of deposits supported by overliquidity of the sector

Net fee and commission income slightly positive 

- Uptrend anchored in growing customer base and transactionality, as well as extending investment product offering
- Selective adjustments of tariff of fees and commissions

Total costs 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 

- The overall asset quality should not deteriorate materially thanks to prudent approach in loan origination
- The financial standing of corporate and retail borrowers may be affected by the changing macroeconomic environment

# Agenda



---

**Key highlights of 2021 in mBank Group** **2**

---

**Overview of main trends in Q4 2021** **15**

---

- Business development
  - Summary of financial results
- 

**Analysis of the performance after Q4 2021** **19**

---

- 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** **28**

---

**Appendix** **32**

---

# Appendix: Selected Financial Data

## Consolidated Profit and Loss Account – quarterly

Quarterly results (PLN thou.)	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021
Net interest income	976,930	946,895	961,537	1,004,845	1,190,766
Net fee and commission income	409,471	468,060	452,569	479,438	489,954
Dividend income	137	440	3,472	957	177
Net trading income	42,251	63,178	43,587	27,017	-36,892
Gains less losses from financial assets <sup>1</sup>	148,812	86,707	10,613	-3,001	9,326
Net other operating income	-25,267	-26,496	-28,989	-253	-32,776
Total income	1,552,334	1,538,784	1,442,789	1,509,003	1,620,555
Total operating costs	-536,579	-664,657	-580,230	-616,497	-595,499
<i>Overhead costs</i>	-428,088	-552,766	-467,894	-509,461	-490,508
<i>Amortisation</i>	-108,491	-111,891	-112,336	-107,036	-104,991
Loan loss provisions and fair value change <sup>2</sup>	-262,606	-164,716	-228,352	-195,691	-289,814
Costs of legal risk related to FX loans	-632,980	-66,268	-248,537	-436,819	-2,006,455
Operating profit	120,169	643,143	385,670	259,996	-1,271,213
Taxes on the Group balance sheet items	-127,767	-138,821	-147,165	-158,594	-164,047
Profit or loss before income tax	-7,598	504,322	238,505	101,402	-1,435,260
Net result attributable to owners of mBank	-174,682	317,125	108,683	26,555	-1,631,116

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

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

# Appendix: Selected Financial Data

## Consolidated Statement of Financial Position – quarterly

<b>Assets (PLN thou.)</b>	<b>Q4 2020</b>	<b>Q1 2021</b>	<b>Q2 2021</b>	<b>Q3 2021</b>	<b>Q4 2021</b>
Cash and balances with Central Bank	3,968,691	16,355,429	16,523,318	18,015,638	12,202,266
Loans and advances to banks	7,354,268	7,381,296	9,750,443	14,398,589	7,229,681
Trading securities	676,466	1,495,167	1,327,844	1,235,480	596,622
Derivative financial instruments	1,722,353	1,879,166	1,699,144	2,029,842	1,952,028
Loans and advances to customers	108,567,354	113,244,357	116,241,341	119,667,078	118,054,854
Investment securities	51,728,934	48,570,723	47,421,519	47,160,934	52,675,679
Intangible assets	1,178,698	1,197,772	1,207,765	1,220,375	1,283,953
Tangible fixed assets	1,514,577	1,696,128	1,553,987	1,537,352	1,542,250
Other assets	2,160,276	2,397,014	2,745,531	2,886,512	4,001,552
<b>Total assets</b>	<b>178,871,617</b>	<b>194,217,052</b>	<b>198,470,892</b>	<b>208,151,800</b>	<b>199,538,885</b>
<b>Liabilities (PLN thou.)</b>	<b>Q4 2020</b>	<b>Q1 2021</b>	<b>Q2 2021</b>	<b>Q3 2021</b>	<b>Q4 2021</b>
Amounts due to banks	2,399,740	2,954,112	2,820,649	2,556,140	3,359,558
Derivative financial instruments	1,338,564	1,731,193	1,803,770	2,317,815	2,011,182
Amounts due to customers	137,698,668	152,097,133	156,583,517	164,141,601	159,935,129
Debt securities in issue	13,996,317	13,652,467	13,060,997	15,462,944	13,429,782
Subordinated liabilities	2,578,327	2,564,462	2,542,224	2,579,721	2,624,456
Other liabilities	4,184,934	4,468,757	4,966,132	4,557,411	4,460,862
<b>Total liabilities</b>	<b>162,196,550</b>	<b>177,468,124</b>	<b>181,777,289</b>	<b>191,615,632</b>	<b>185,820,969</b>
<b>Total equity</b>	<b>16,675,067</b>	<b>16,748,928</b>	<b>16,693,603</b>	<b>16,536,168</b>	<b>13,717,916</b>
<b>Total liabilities and equity</b>	<b>178,871,617</b>	<b>194,217,052</b>	<b>198,470,892</b>	<b>208,151,800</b>	<b>199,538,885</b>

# Appendix: Selected Financial Data

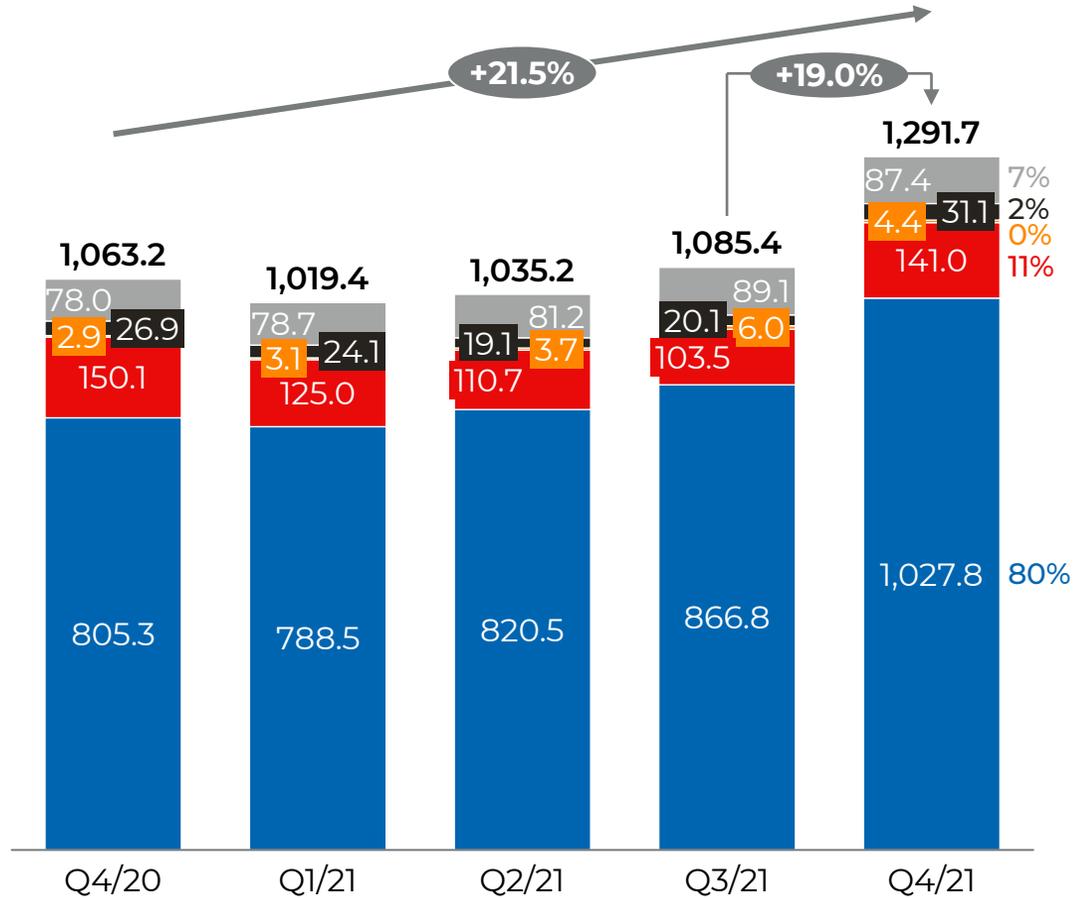
## mBank Group's Ratios – quarterly and cumulatively

Financial Ratios	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021
Net Interest Margin, quarterly	2.21%	2.10%	2.04%	2.02%	2.42%
Net Interest Margin, YtD	2.33%	2.10%	2.07%	2.05%	2.15%
Net Interest Margin, excl. CHF portfolio, YtD	2.47%	2.20%	2.16%	2.14%	2.23%
Cost/Income Ratio, quarterly	34.6%	43.2%	40.2%	40.9%	36.7%
Cost/Income Ratio, YtD	41.1%	43.2%	41.8%	41.5%	40.2%
Cost of Risk, quarterly	0.97%	0.59%	0.80%	0.66%	0.98%
Cost of Risk, YtD	1.19%	0.59%	0.70%	0.69%	0.76%
Return on Equity, ROE net, quarterly	-4.09%	7.69%	2.60%	0.63%	-42.48%
Return on Equity, ROE net, YtD	0.62%	7.69%	5.12%	3.61%	-7.19%
Return on Assets, ROA net, quarterly	-0.38%	0.68%	0.22%	0.05%	-3.14%
Return on Assets, ROA net, YtD	0.06%	0.68%	0.44%	0.31%	-0.59%
Loan-to-Deposit Ratio	78.8%	74.5%	74.2%	72.9%	73.8%
Total Capital Ratio	19.86%	19.19%	17.55%	17.51%	16.58%
Tier 1 Capital Ratio	16.99%	16.62%	15.18%	15.19%	14.16%
Leverage ratio	7.8%	7.4%	7.0%	6.8%	6.3%
Equity / Assets	9.3%	8.6%	8.4%	7.9%	6.9%
TREA / Assets	49.5%	47.5%	49.2%	48.0%	48.0%
NPL ratio	4.8%	4.6%	4.4%	4.0%	3.9%
NPL coverage ratio	58.3%	58.5%	58.3%	57.2%	53.1%
NPL coverage ratio incl. stage 1&2 provisions	72.9%	73.7%	75.8%	75.4%	70.4%

# Appendix: Selected Financial Data – Net Interest Income

Structure of mBank Group's interest income

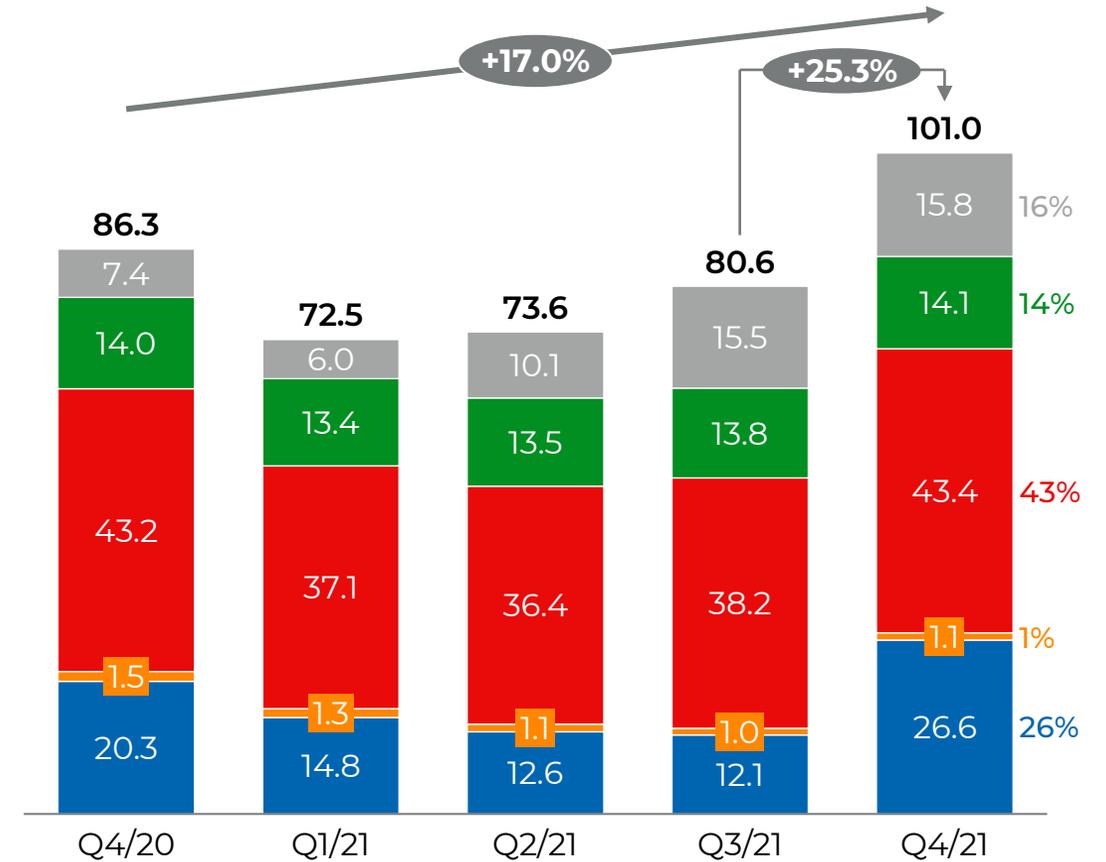
PLN M



- 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

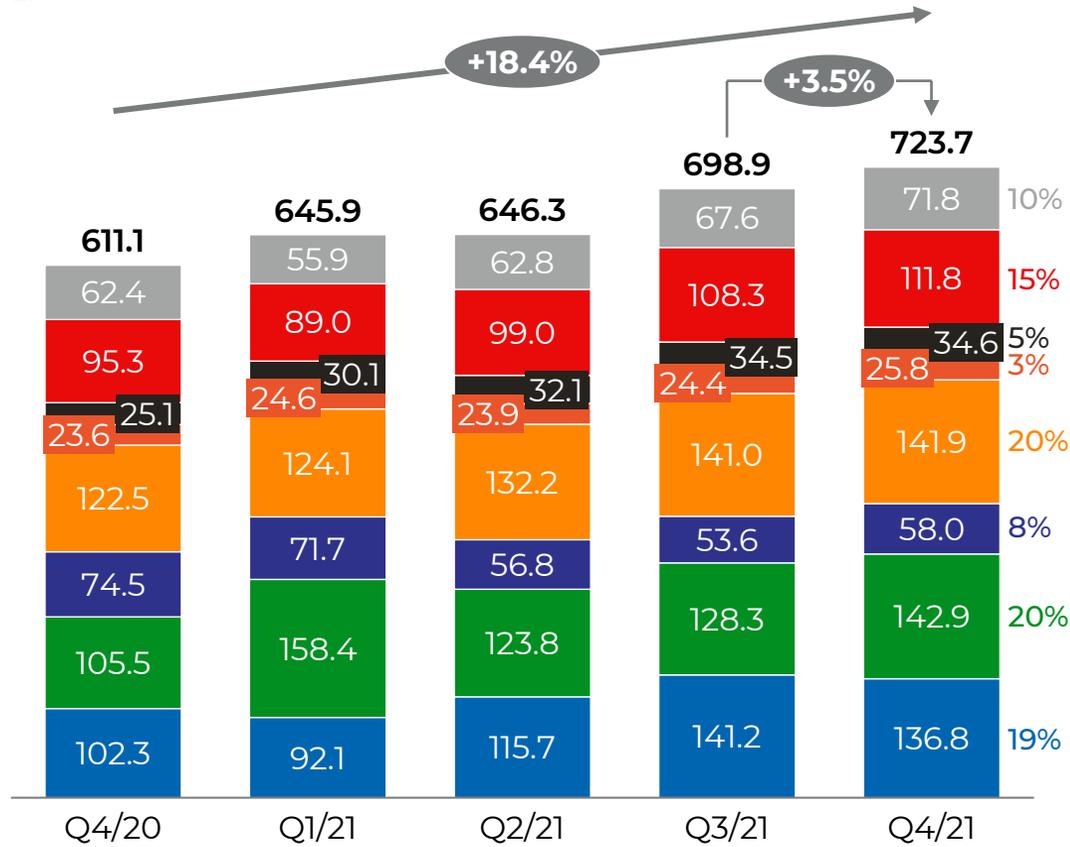


- Deposits (incl. from banks)
- Issue of debt securities
- Loans received
- Subordinated liabilities
- Other

# Appendix: Selected Financial Data – Net Fees and Commissions

Structure of mBank Group's fee and commission income

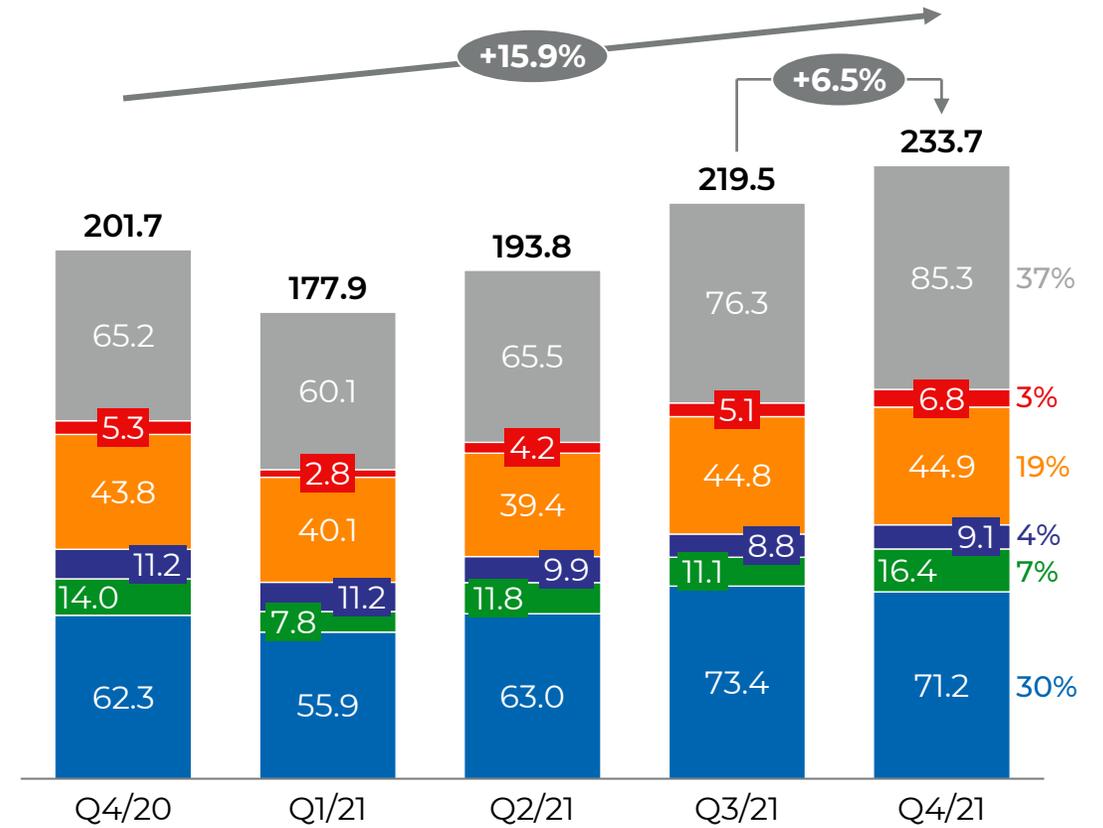
PLN M



- 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

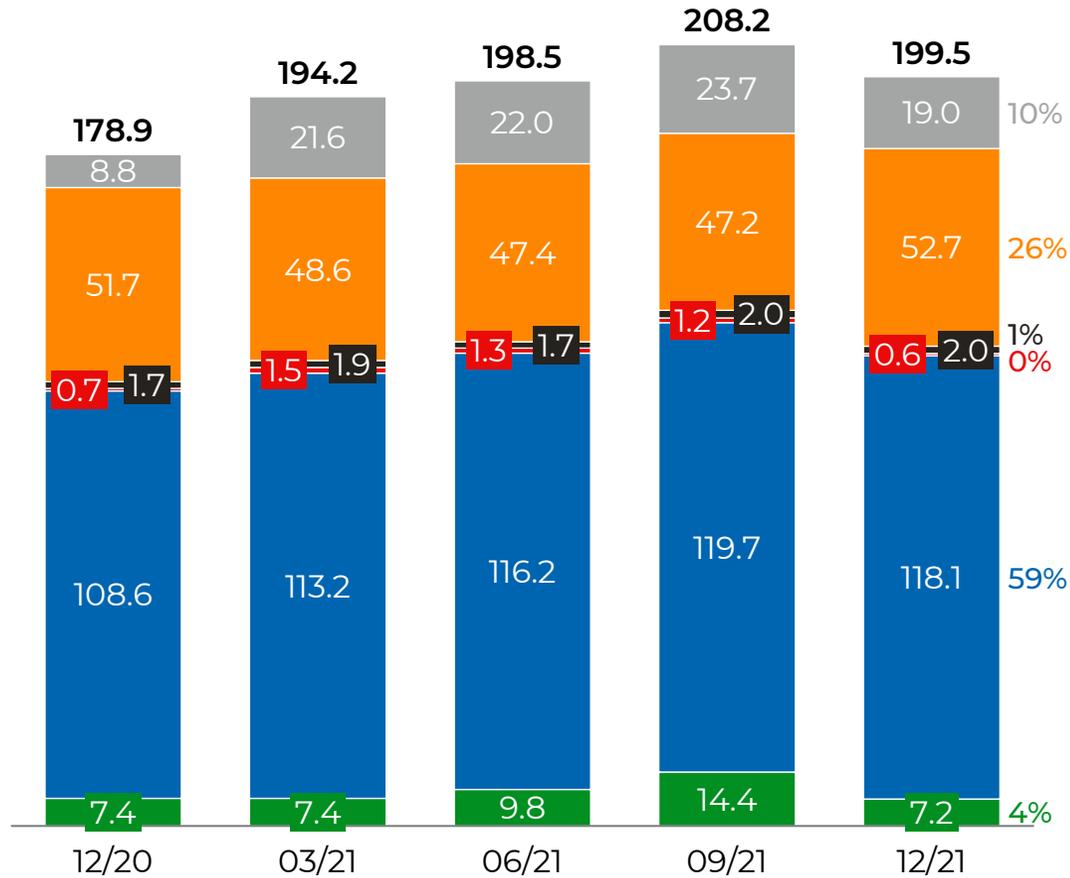


- Payment card fees
- Cash handling fees
- Discharged brokerage fees
- Commissions paid to external entities
- Fees paid to NBP and KIR
- Other (incl. insurance activity)

# Appendix: Selected Financial Data – Balance Sheet Analysis

Structure of mBank Group's total assets

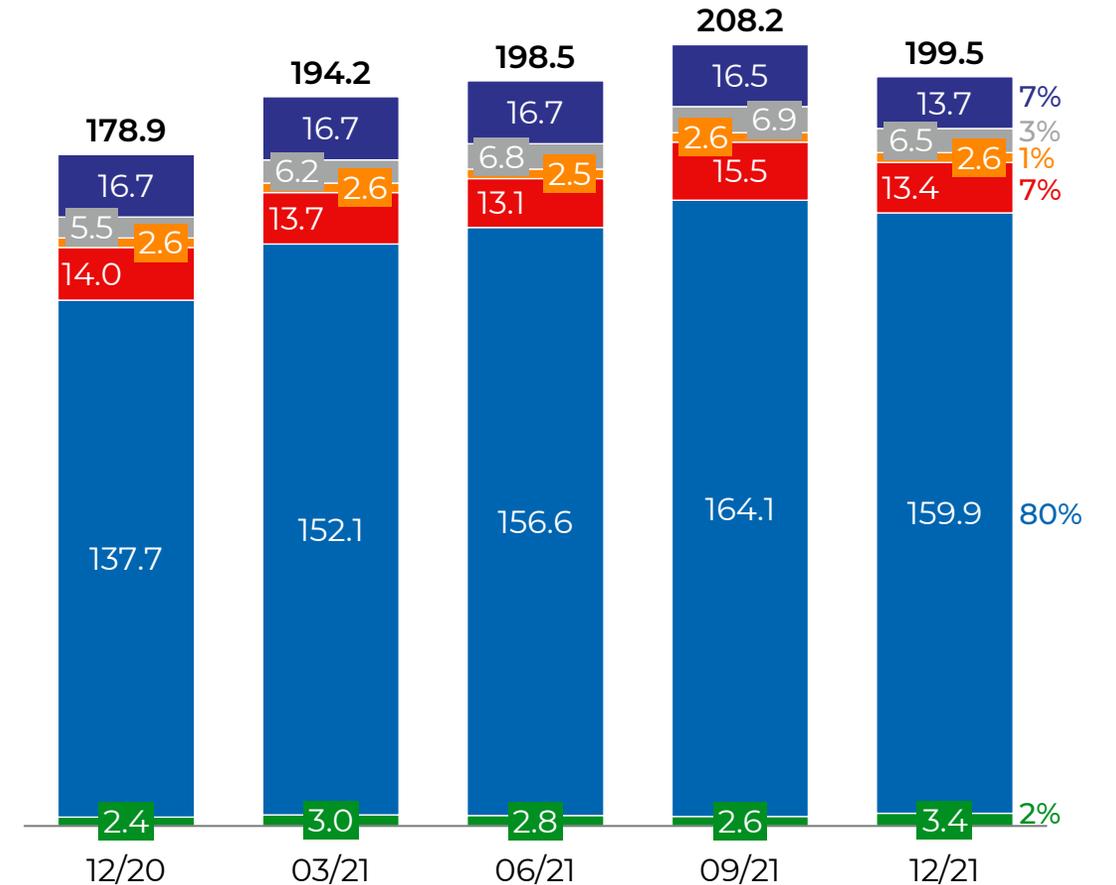
PLN B



- 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

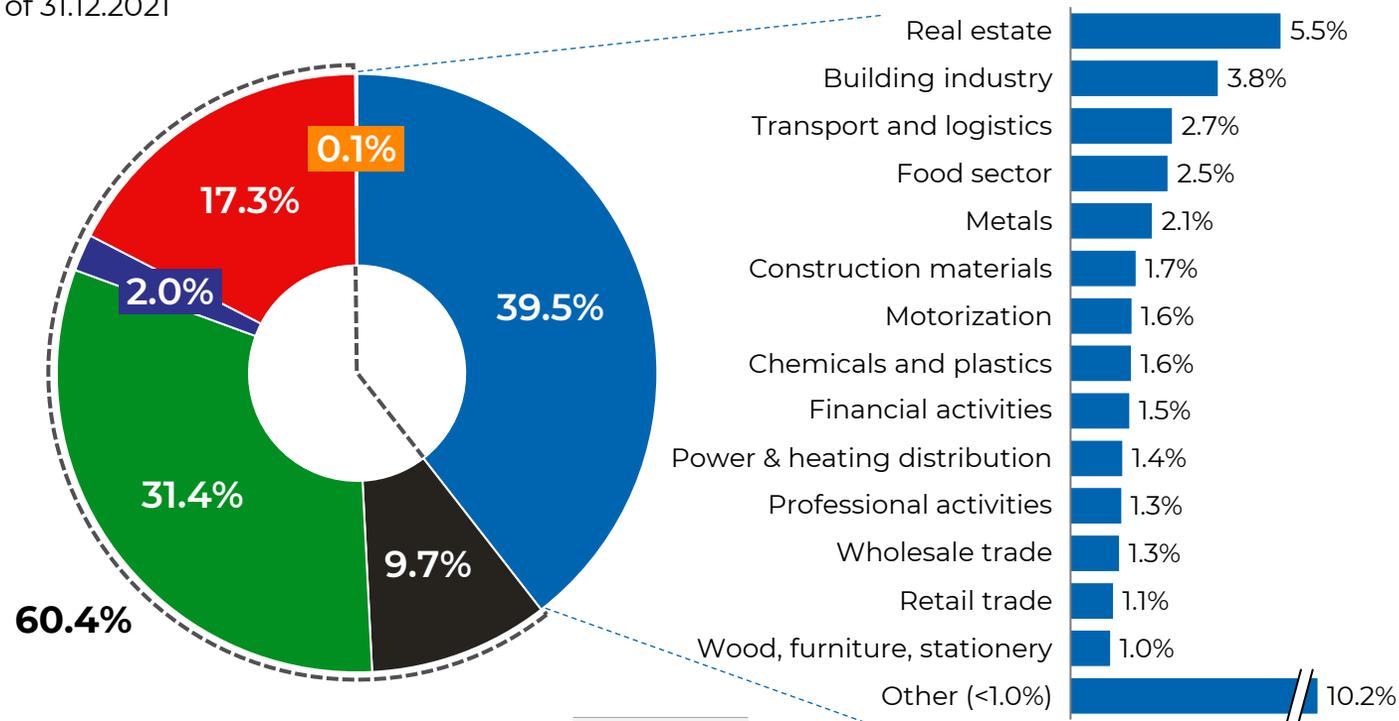


- Amounts due to other banks
- Amounts due to customers
- Debt securities in issue
- Subordinated liabilities
- Other liabilities
- Equity (total)

# Appendix: Selected Financial Data – Structure of Loans and Deposits

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

as of 31.12.2021

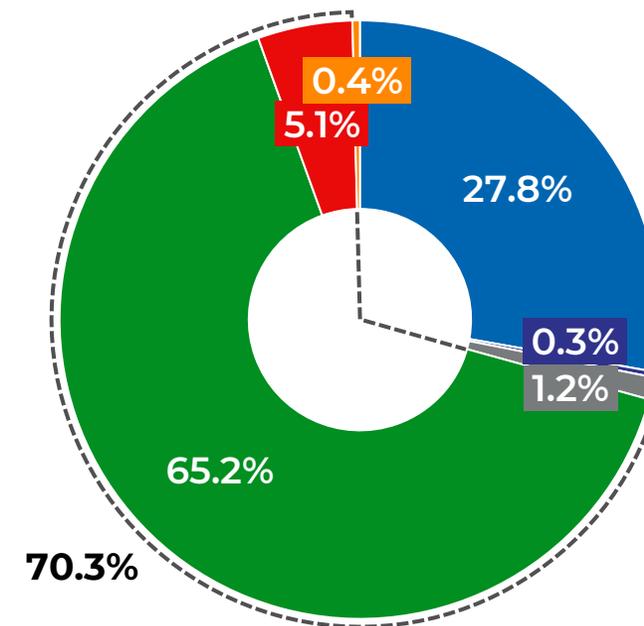


	PLN billion
Corporate loans	47.8
Mortgage loans in FX to individuals	11.7
Mortgage loans in LC to individuals <sup>1</sup>	38.1
Mortgage loans to microfirms	2.5
Non-mortgage retail loans	20.9
Public sector loans	0.2
<b>TOTAL</b>	<b>121.2</b>

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

## Structure of mBank Group's deposits

as of 31.12.2021



	PLN billion
Corporate clients: current accounts <sup>2</sup>	44.4
Corporate clients: term deposits	0.6
Loans and advances received	1.9
Individual clients: current accounts	104.2
Individual clients: term deposits	8.2
Public sector clients	0.6
<b>TOTAL</b>	<b>159.9</b>

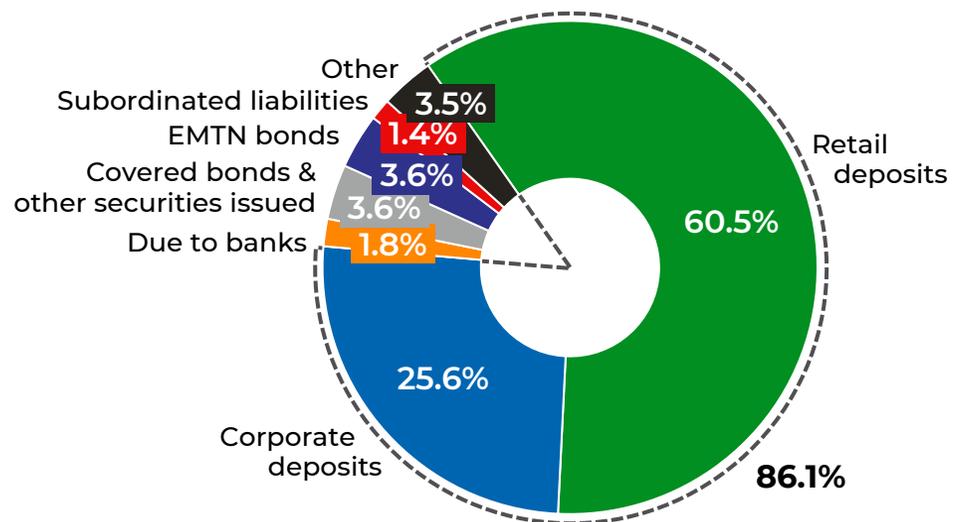
<sup>1</sup> Including local currency mortgage loans granted in Poland, the Czech Republic and Slovakia

<sup>2</sup> Including repo transactions

# Appendix: Selected Financial Data – Funding profile

## Structure of mBank Group's funding

as of 31.12.2021



## Summary of mBank's long-term funding instruments

as of 31.12.2021

Nominal value	Currency	Issue date	Maturity date	Tenor	Coupon
<b>Issues under Euro Medium Term Note (EMTN) Programme</b>					
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%
<b>Subordinated loan and bonds</b>					
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%
<b>Loans and advances received</b>					
113 M	CHF	04.09.2017	04.09.2025	8.0 Y	-
176 M	CHF	30.07.2018	30.07.2025	7.0 Y	-
138 M	CHF	02.08.2019	02.08.2027	8.0 Y	-

## Summary of mBank's ratings

as of 31.12.2021

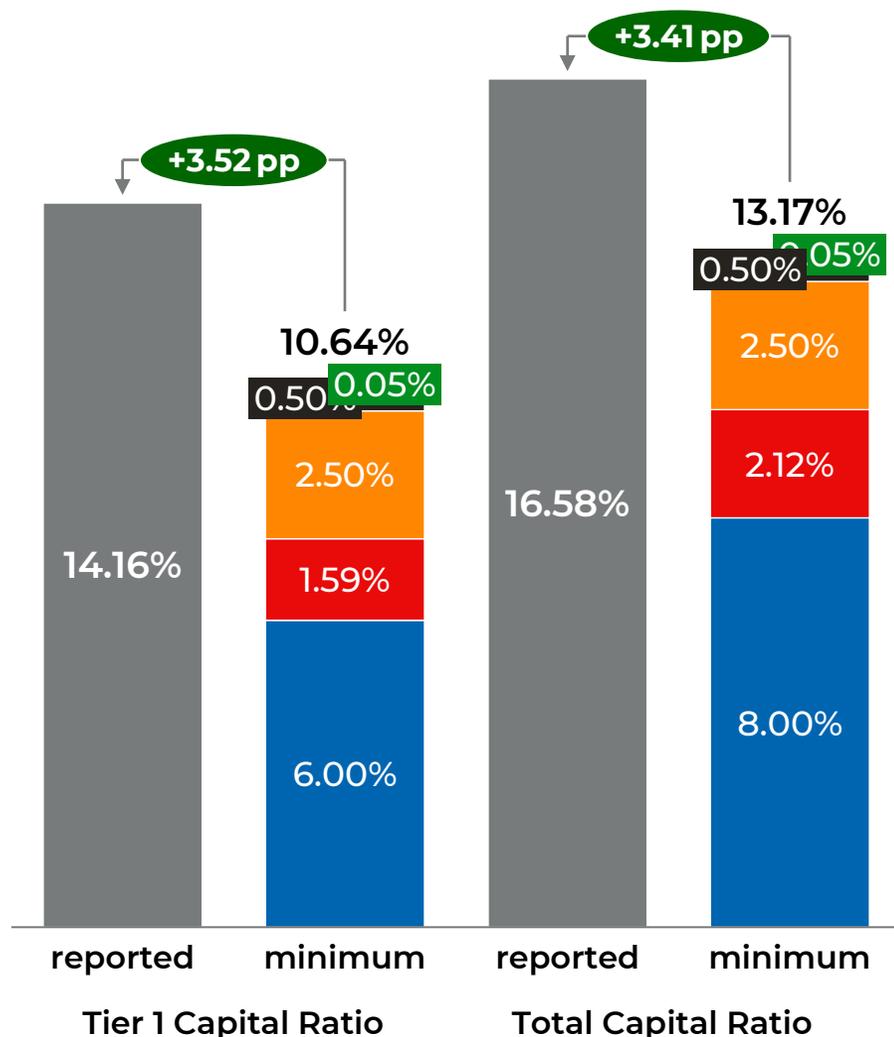
	Fitch Ratings	S&P Global Ratings
Long-term rating	BBB-	BBB
Outlook	<i>Negative</i>	<i>Negative</i>
Short-term rating	F3	A-2
Viability rating / SACP	bbb-	bbb

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

# Appendix: Selected Financial Data – Capital Requirements

## Regulatory capital requirements for mBank Group

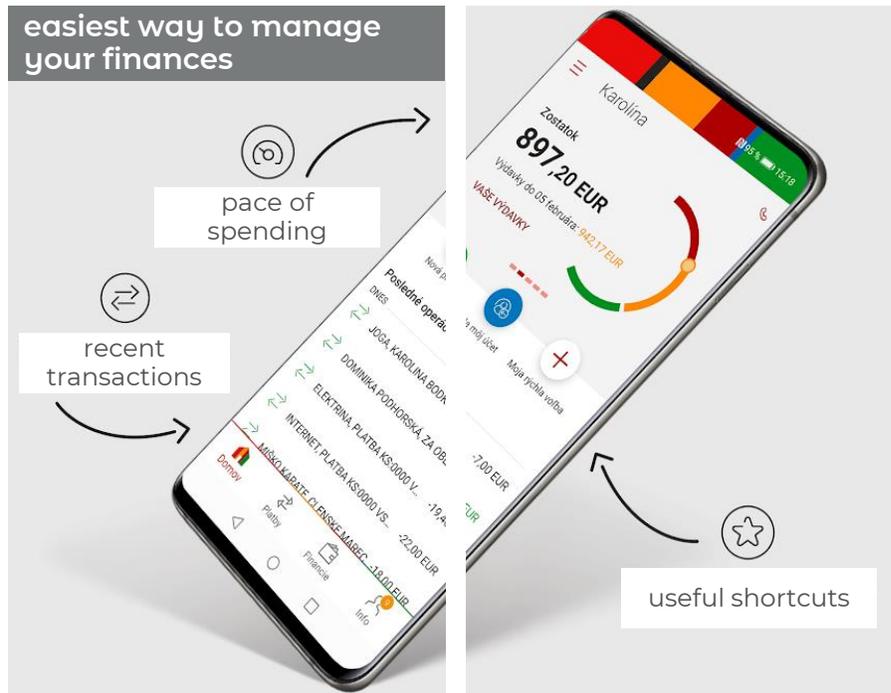
as of 31.12.2021



- 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.

The target MREL requirement set for mBank at the consolidated level, excluding mBank Hipoteczny, amounts to **20.47%** of the total risk exposure amount (TREA) and should be reached by 31.12.2023. Interim MREL<sub>TREA</sub> goals are **15.64%** for the end of 2021 and **18.06%** for the end of 2022.

# Appendix: A leading mobile banking offer for individual clients



Mobile application to Junior Account  
designed for children below 13 years old and suited to their needs



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

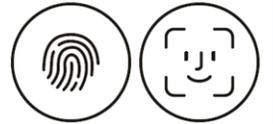
Well-designed functionalities for client convenience



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



logging in and confirmation of  
transactions with a PIN code,  
fingerprint or Face ID



contactless payments with  
Google Pay and Apple Pay



express transfers using telephone  
numbers and the BLIK system



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

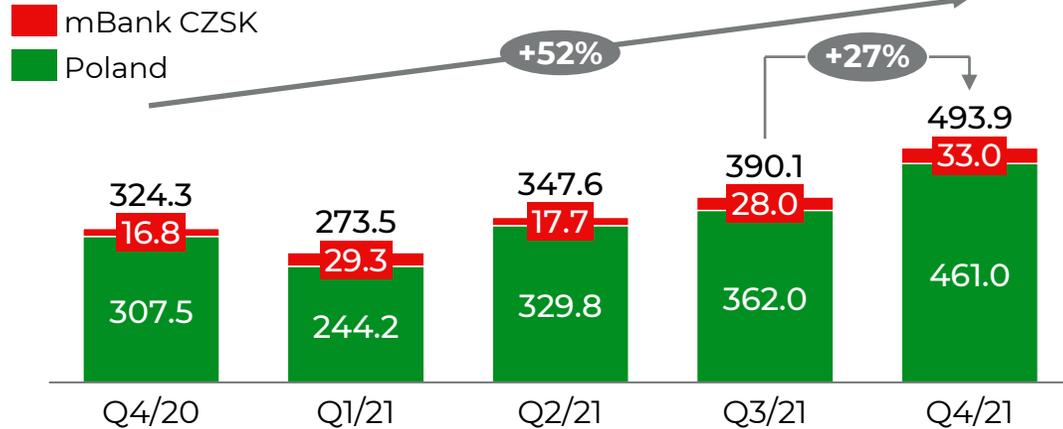


benefits (mDiscounts) for retail buyers and seamless  
shopping experience with one-click financing options  
(quick cash loan up to pre-approved limit)

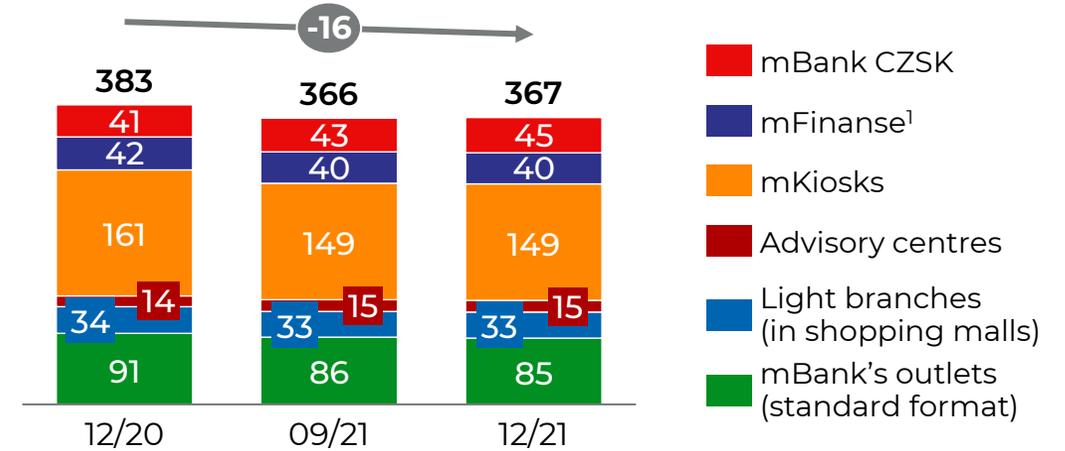
# Appendix: Retail Banking – profit and network

## Profit before income tax of the segment

PLN M, by quarter

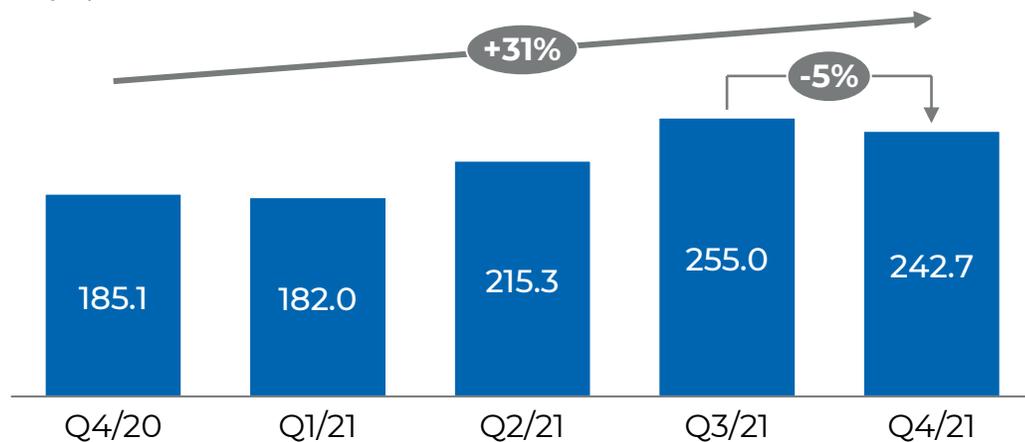


## Number of Retail Service Locations



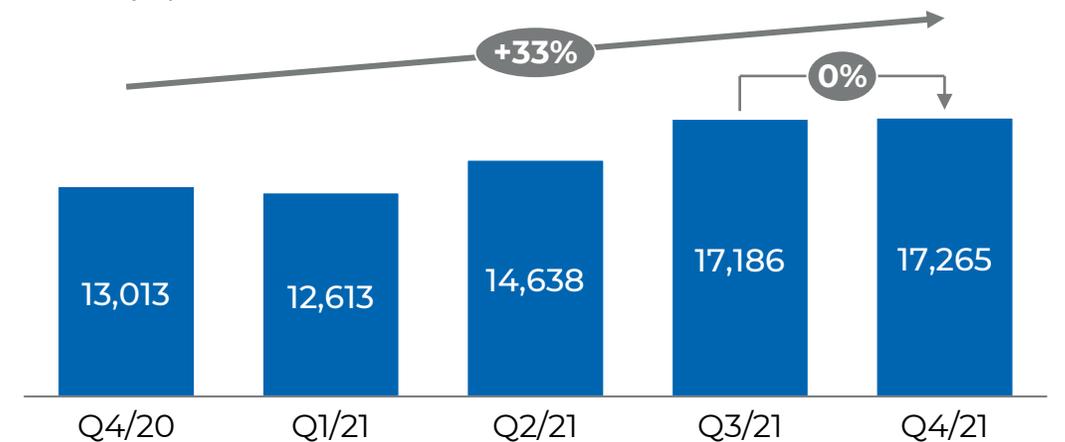
## Number of non-cash transactions with payment cards

M, by quarter



## Value of non-cash transactions with payment cards

PLN M, by quarter

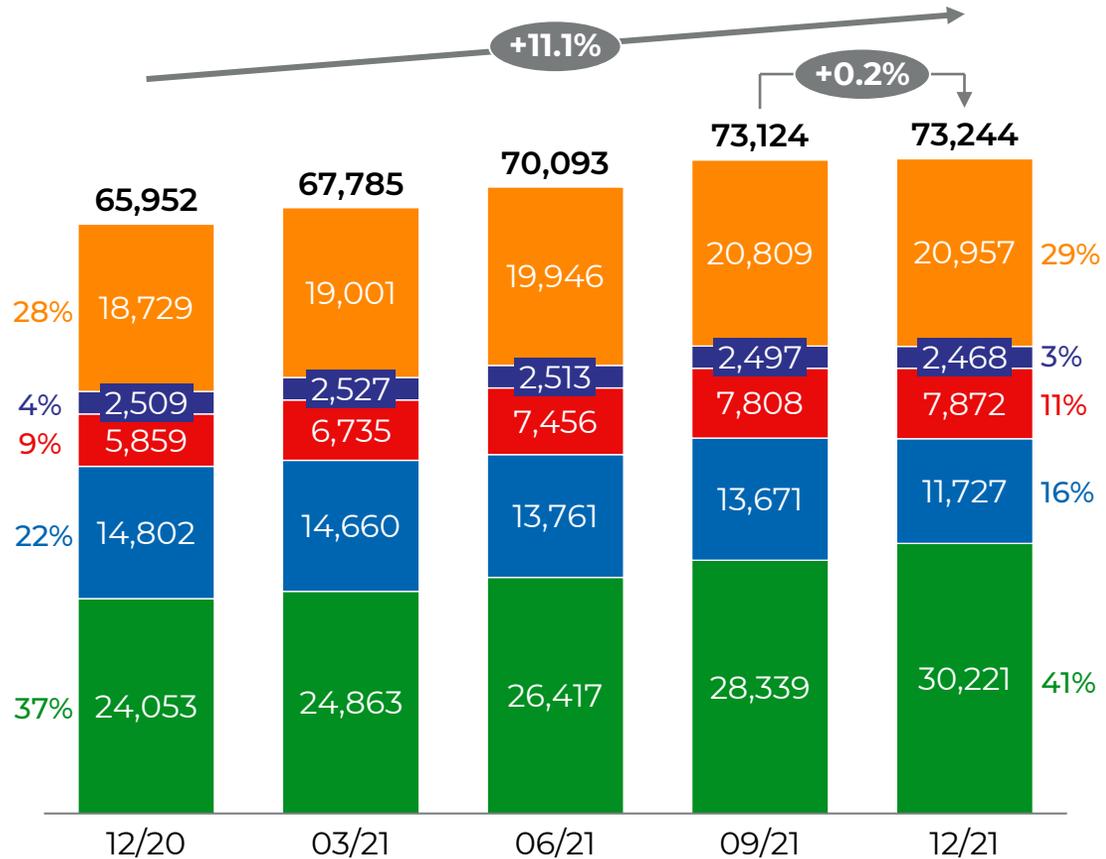


<sup>1</sup> Including financial centres and agency service points

# Appendix: Retail Banking – business volumes

Development of gross loans to retail banking clients

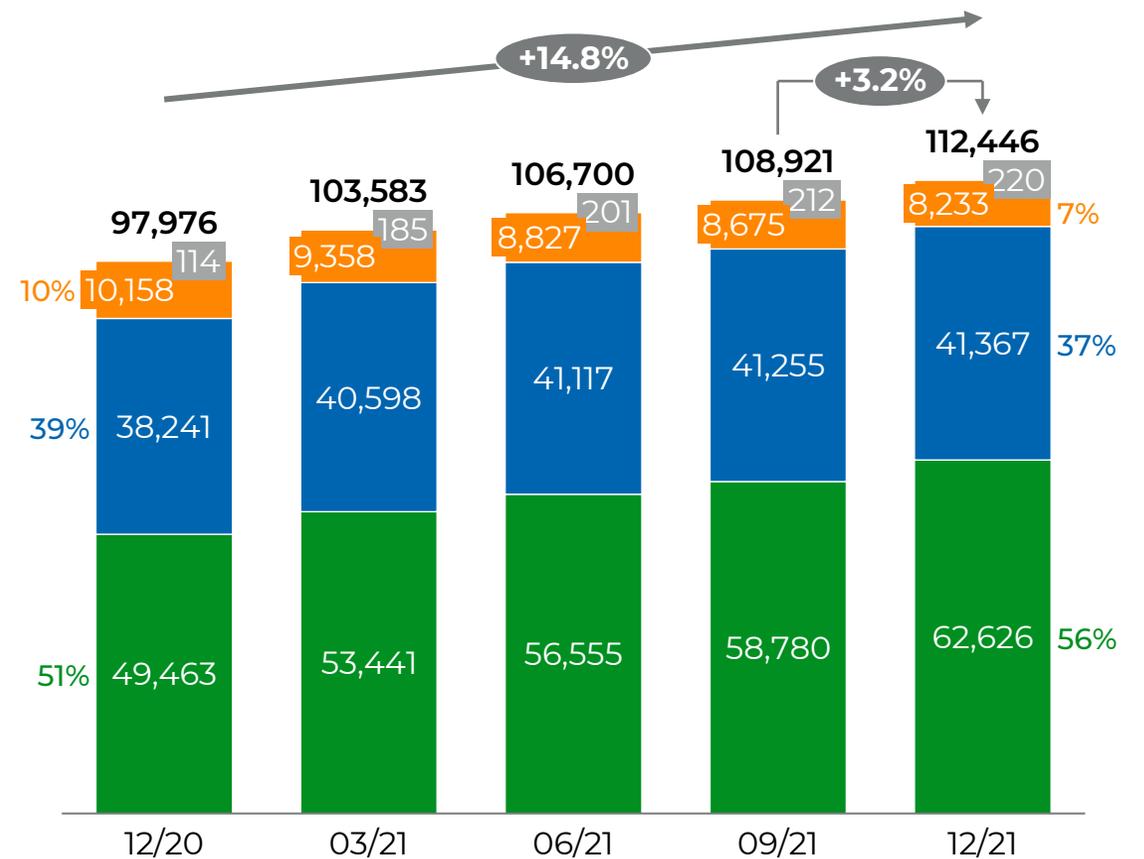
PLN M



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

Development of deposits from retail banking clients

PLN M



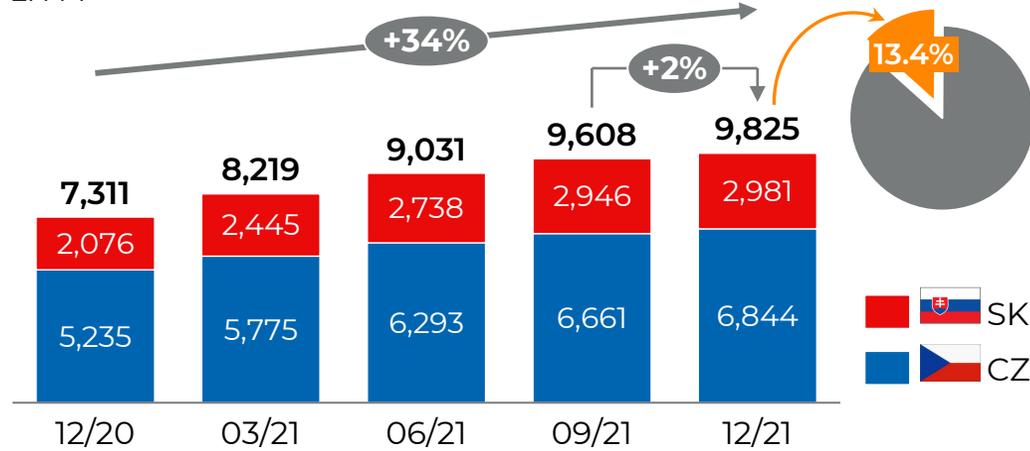
- Current accounts
- Saving accounts
- Term deposits
- Other

Note: Currency and geographical breakdown based on management information.

# Appendix: mBank in the Czech Republic and Slovakia

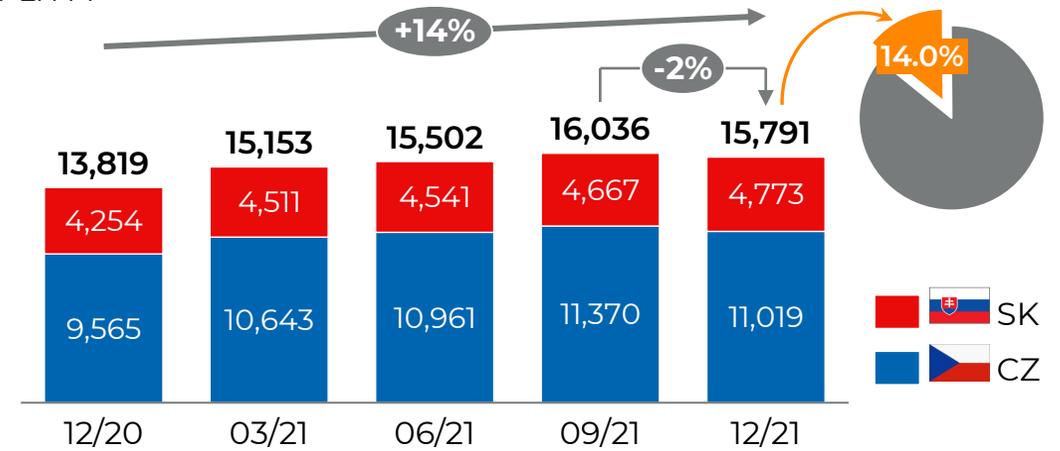
## Gross loans and share in total mBank's retail volume

PLN M



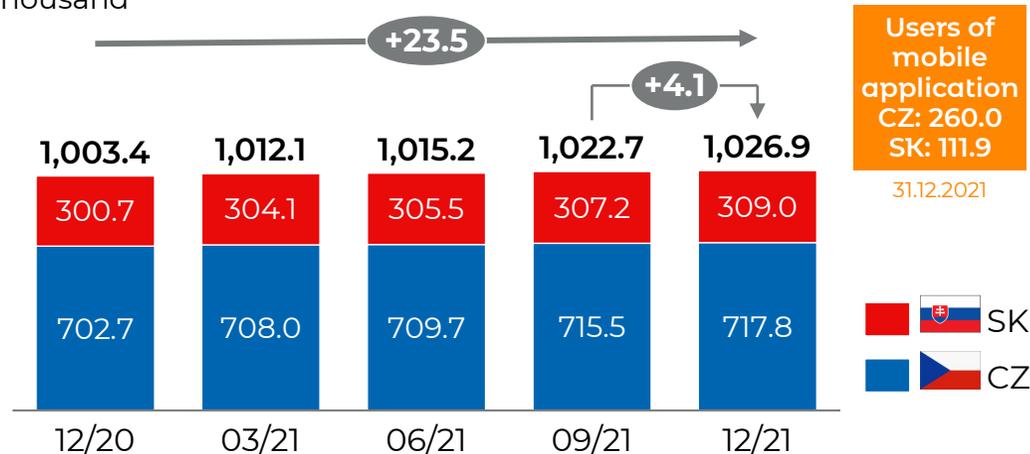
## Deposits and share in total mBank's retail volumes

PLN M



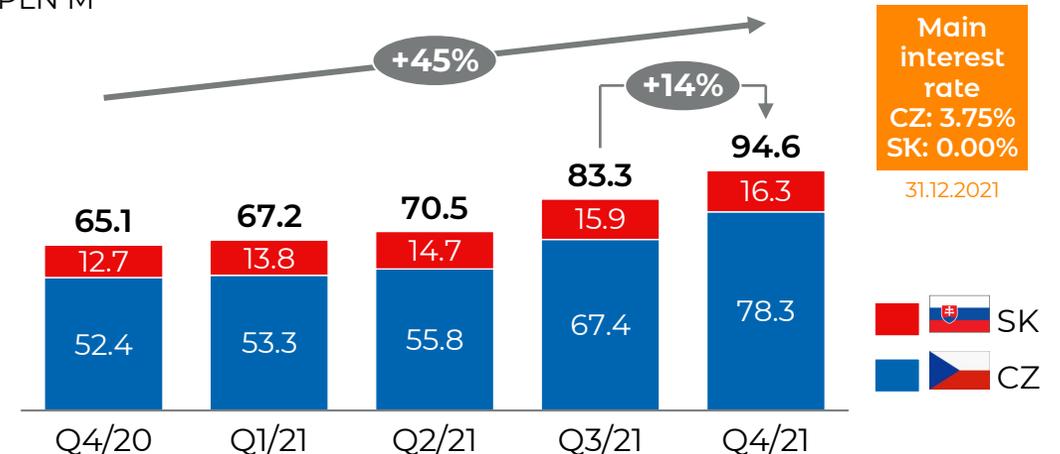
## Number of clients

thousand



## Development of total revenues

PLN M



Note: Volumes based on management information.

# Appendix: mBank in the Czech Republic and Slovakia

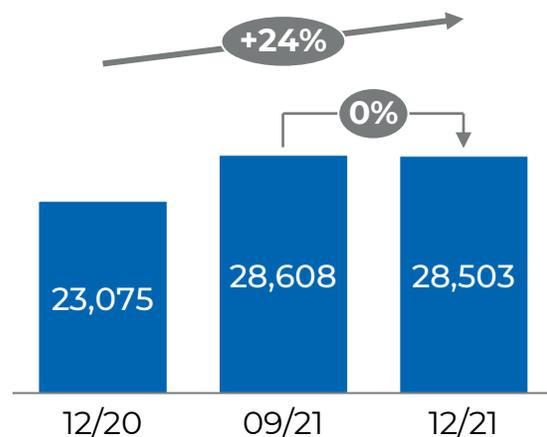


physical network:

7	light branches
5	financial centres
19	mKiosks

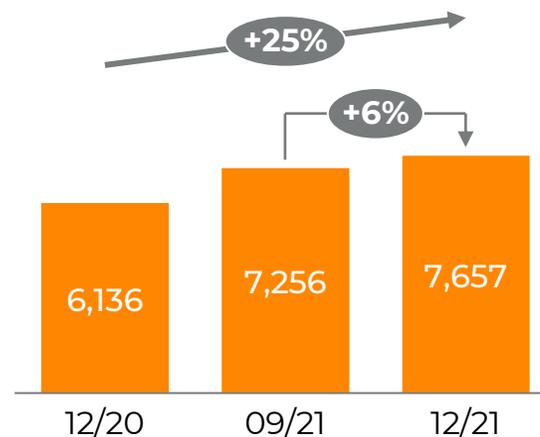
## Mortgage loans

CZK M



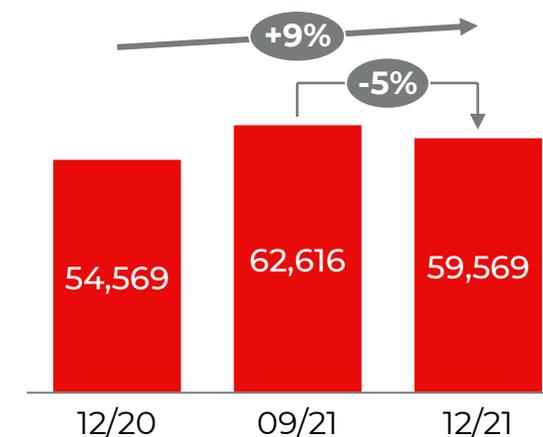
## Non-mortgage loans

CZK M



## Customer deposits

CZK M

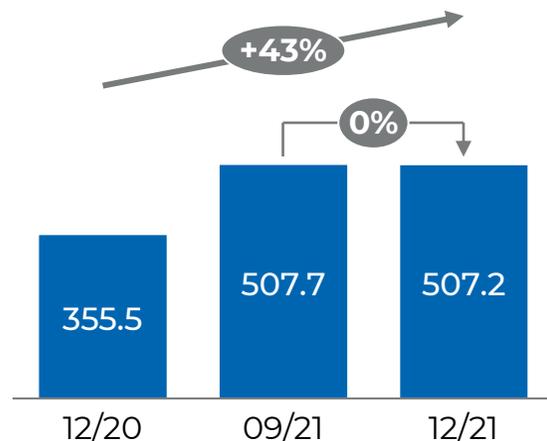


physical network:

0	light branches
5	financial centres
9	mKiosks

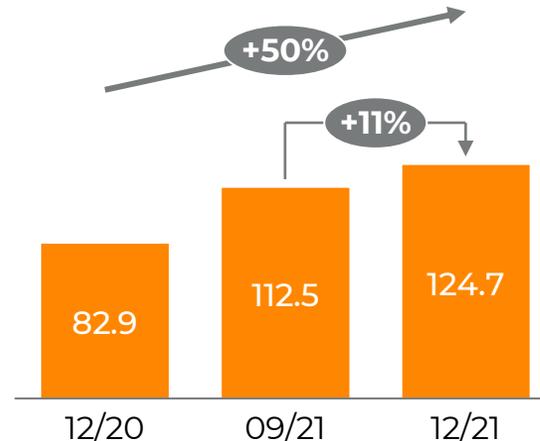
## Mortgage loans

EUR M



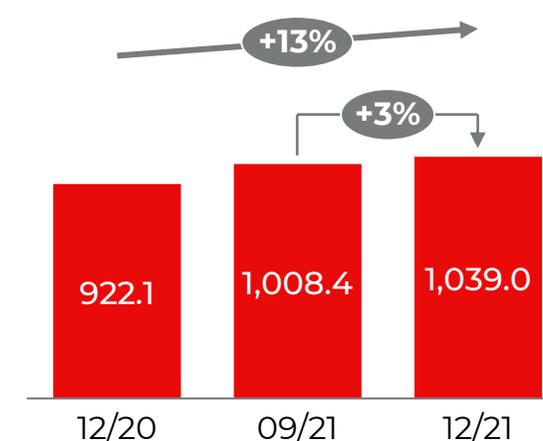
## Non-mortgage loans

EUR M



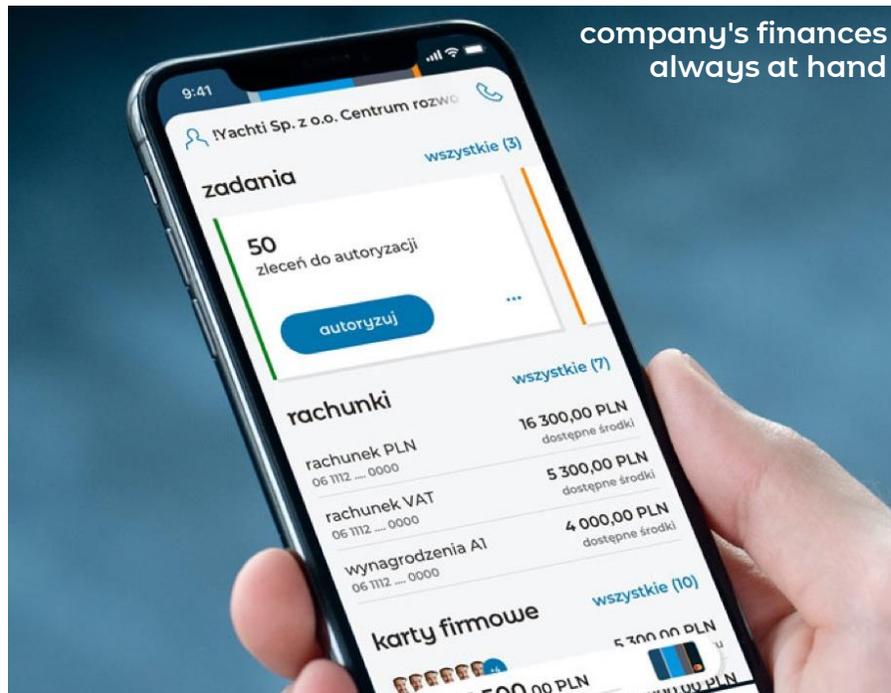
## Customer deposits

EUR M

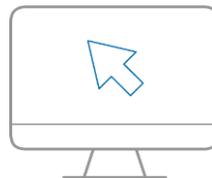


Note: Volumes based on management information.

# Appendix: 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



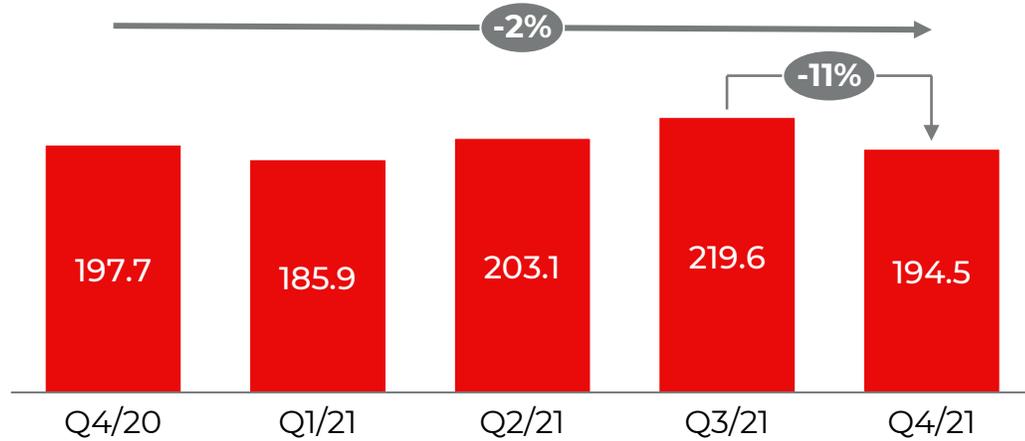
mAuto.pl online platform with an offer of new and used cars, financed by leasing or long-term rental



# Appendix: Corporate & Investment Banking – profit and network

## Profit before income tax of the segment

PLN M, by quarter



## Number of corporate service locations

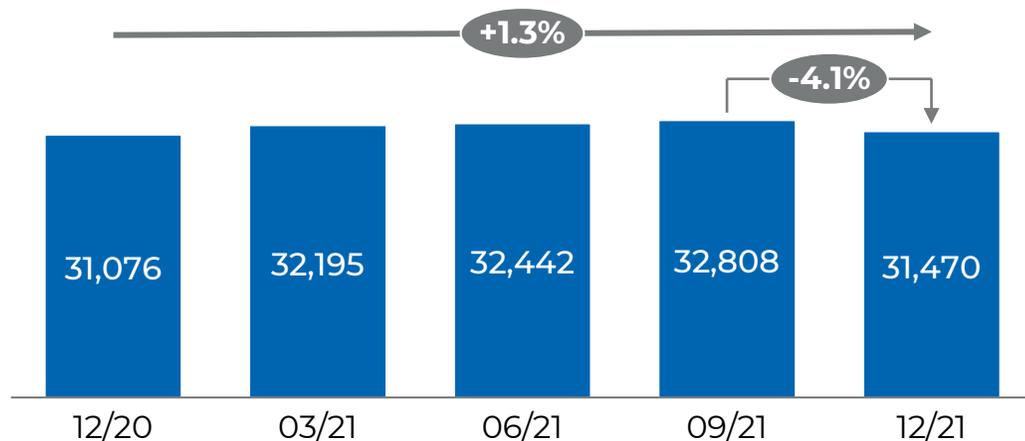
**29** mBank's branches,  
incl. 13 advisory centres

**14** mBank's offices



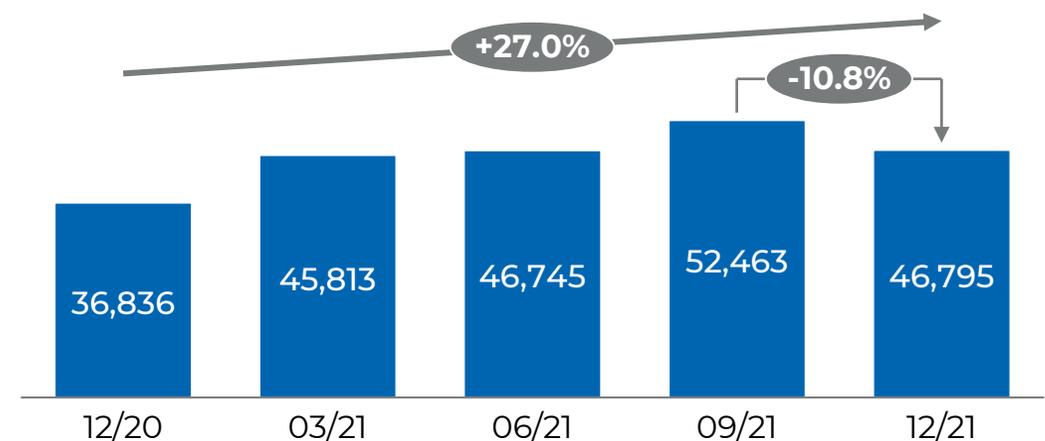
## Development of loans to enterprises<sup>1</sup>

PLN M



## Development of deposits from enterprises<sup>1</sup>

PLN M

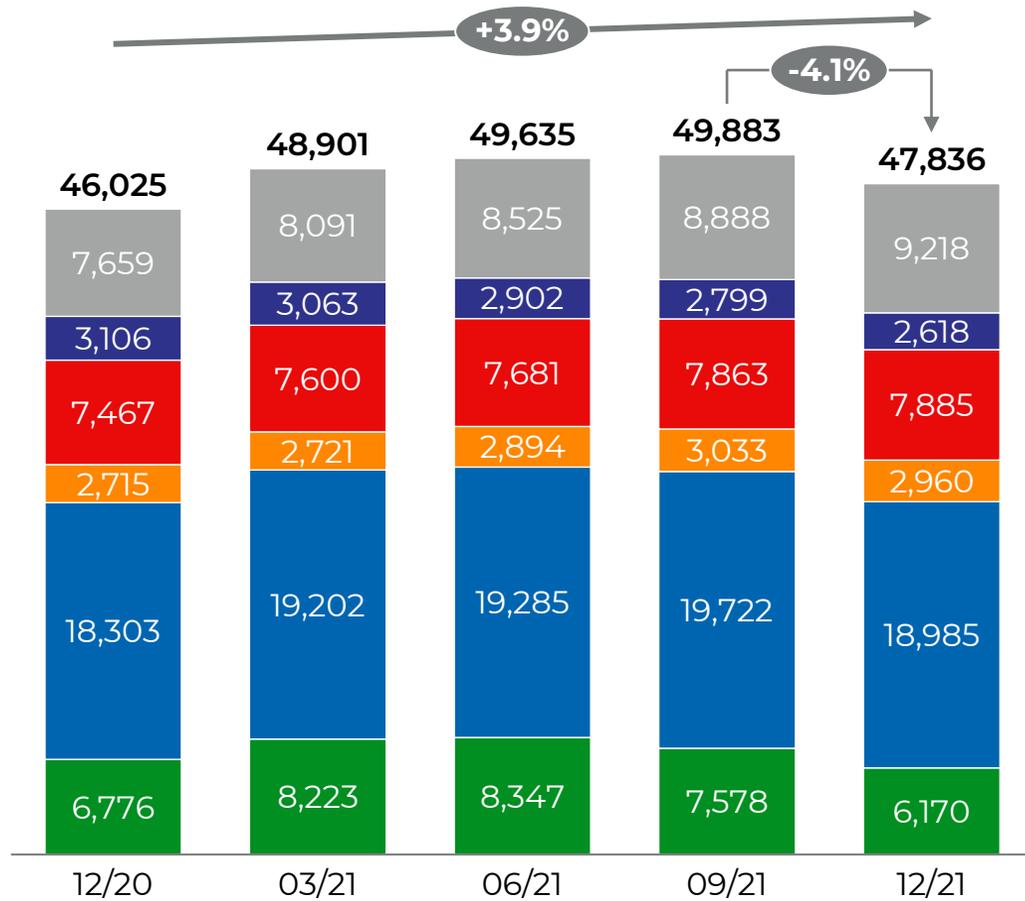


<sup>1</sup> Corporate loan and deposit volumes (for mBank and mBank Hipoteczny) according to NBP rules (monetary reporting system – MONREP)

# Appendix: Corporate & Investment Banking – business volumes

Development of gross loans to corporate customers

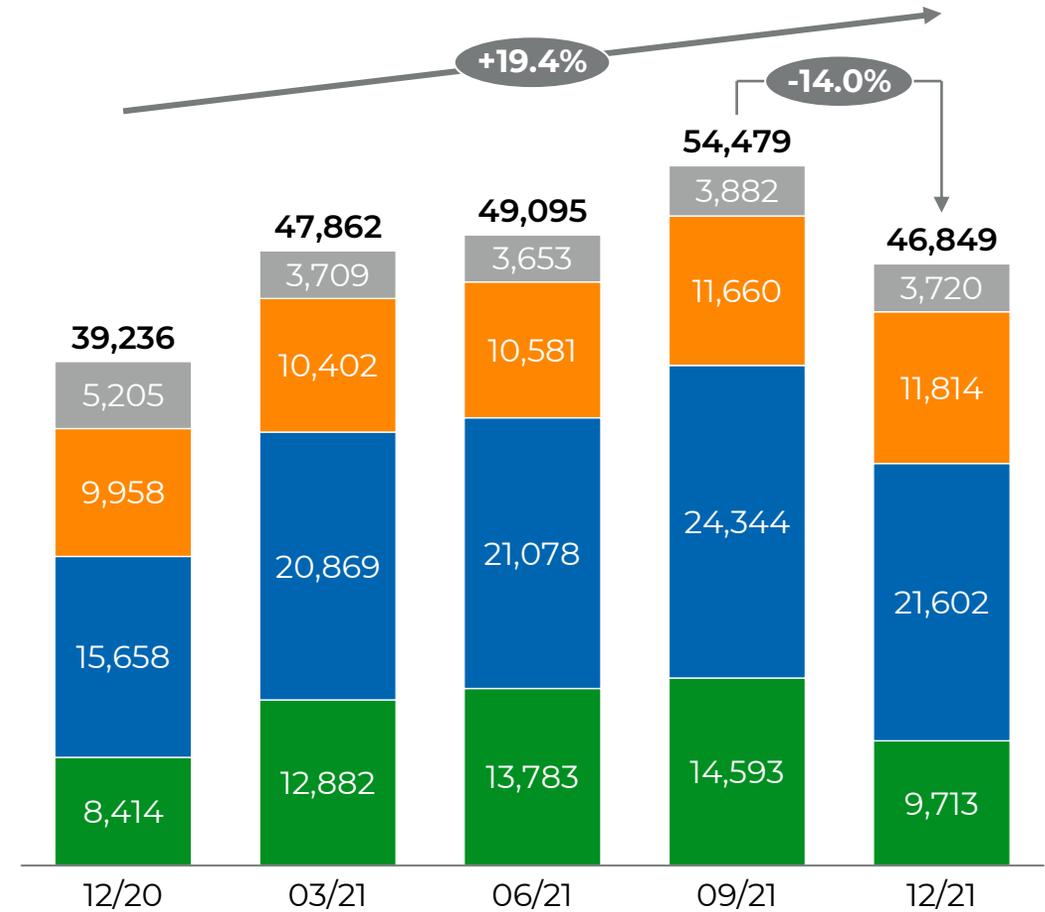
PLN M



■ 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: Complete solutions for e-commerce segment

mBank's unique payment gateway

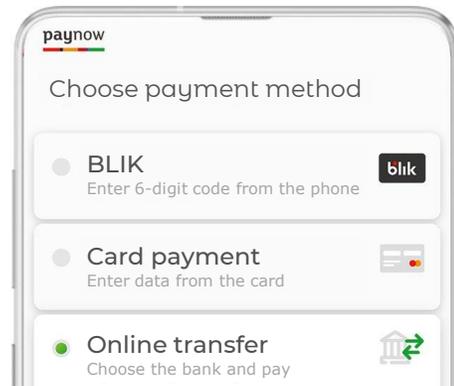
## paynow

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, to PLN 145 M in Q4/21, +54% QoQ



Comprehensive value proposition for e-merchants



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.



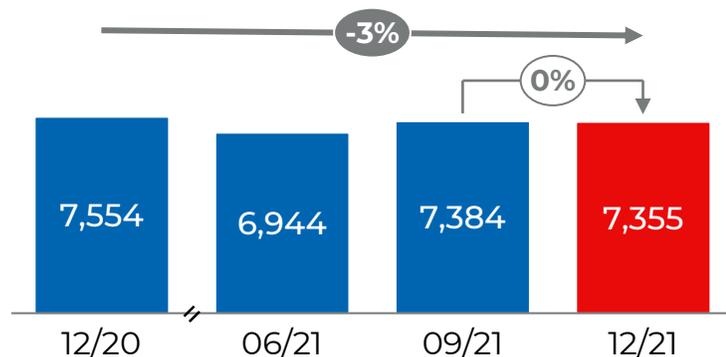
# Appendix: Performance of main subsidiaries of mBank

**m Bank Hipoteczny**  
 established in 1999

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

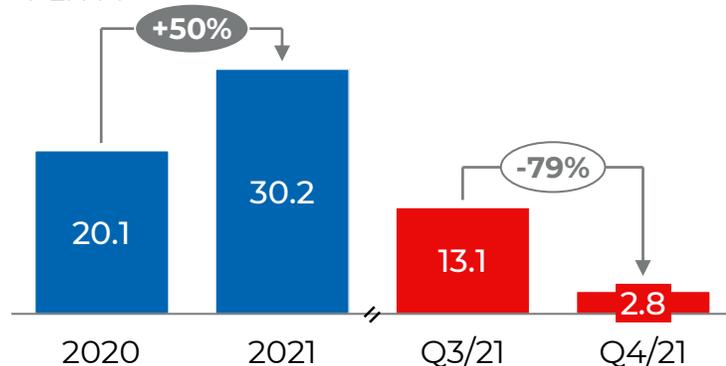
## Outstanding amount of covered bonds

PLN M, nominal value, incl. private placement



## Company's profit before income tax

PLN M

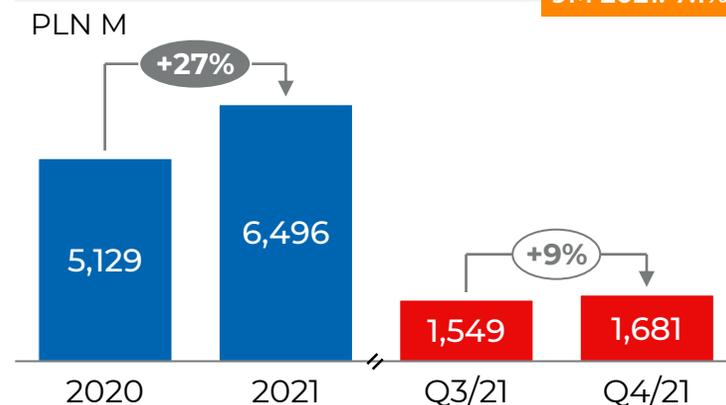


**m Leasing**  
 established in 1991

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

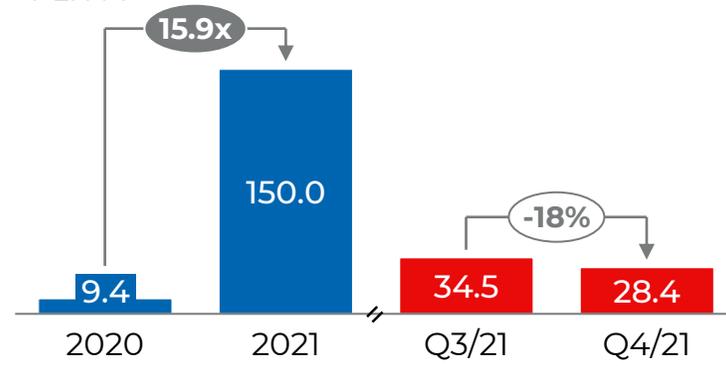
## Leasing contracts

Market share  
 9M 2021: 7.1%



## Company's profit before income tax

PLN M

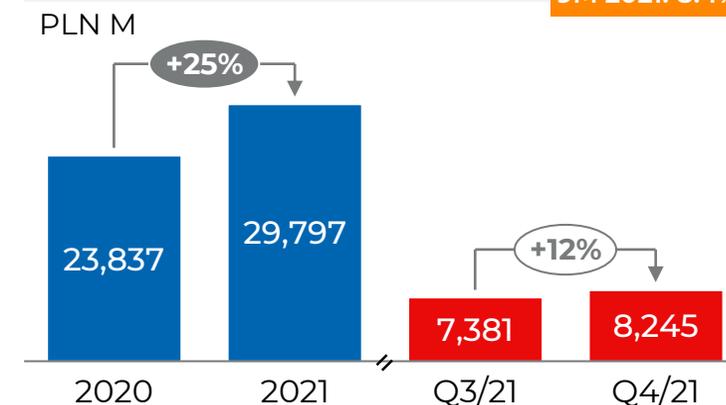


**m Faktoring**  
 established in 1995

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

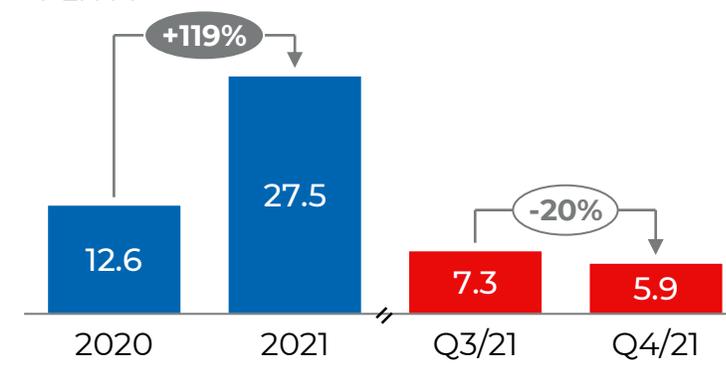
## Factoring contracts

Market share  
 9M 2021: 8.4%



## 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	2017	2018	2019	2020	2021	Δ YoY
Net interest income	3,135.7	3,496.5	4,002.8	4,009.3	4,104.0	+2.4%
Net fee and commission income	1,249.5	1,257.8	1,270.6	1,508.3	1,890.0	+25.3%
Net trading and other income	68.4	325.3	251.0	349.2	117.1	-66.5%
Total income	4,453.6	5,079.5	5,524.4	5,866.8	6,111.1	+4.2%
Total costs	-2,043.2	-2,163.9	-2,329.2	-2,411.1	-2,456.9	+1.9%
Loan loss provisions and fair value change	-507.7	-694.4	-793.8	-1,292.8	-878.6	-32.0%
Operating profit before legal provisions and taxes	1,902.7	2,221.2	2,401.5	2,162.8	2,775.7	+28.3%
Costs of legal risk related to FX loans	0.0	-20.3	-387.8	-1,021.7	-2,758.1	+169.9%
Taxes on the Group balance sheet items	-375.3	-415.4	-458.7	-531.4	-608.6	+14.5%
Income tax	-432.8	-483.9	-544.8	-506.0	-587.8	+16.2%
Net profit or loss	1,091.5	1,302.8	1,010.4	103.8	-1,178.8	+/-
Total assets	131,424	145,781	158,353	178,872	199,539	+11.6%
Gross loans to customers	87,388	97,808	108,170	112,208	121,233	+8.0%
Individual clients	48,143	52,925	59,993	65,952	73,244	+11.1%
Corporate clients	37,942	44,233	47,786	46,025	47,836	+3.9%
Customer deposits	91,496	102,009	116,661	137,699	159,935	+16.1%
Individual clients	55,694	65,924	77,664	97,976	112,446	+14.8%
Corporate clients	34,590	35,346	38,138	39,236	46,849	+19.4%
Total equity	14,292	15,171	16,153	16,675	13,718	-17.7%
Net interest margin	2.5%	2.6%	2.7%	2.3%	2.1%	-0.2pp
Cost/Income ratio	45.9%	42.6%	42.2%	41.1%	40.2%	-0.9pp
Cost of risk	0.61%	0.78%	0.79%	1.19%	0.76%	-0.43pp
Return on equity (ROE)	8.0%	8.9%	6.4%	0.6%	-7.2%	-7.8pp
Tier 1 capital ratio	18.3%	17.5%	16.5%	17.0%	14.2%	-2.8pp
Total Capital Ratio	21.0%	20.7%	19.5%	19.9%	16.6%	-3.3pp

# Appendix: mBank's share price performance

Banking stocks recovered significantly in 2021, mBank performed better than the index

## mBank's index membership and weights

as of 31.12.2021

WIG30		2.142%
mWIG40		6.796%
WIG		1.541%
WIG-Banks		5.697%
WIG-ESG		2.426%
WIG-Poland		1.606%

- mBank has been listed on the Warsaw Stock Exchange since October 1992
- A strategic shareholder, Germany's Commerzbank, owns 69.25% of shares

ISIN	PLBRE0000012
Bloomberg	MBK PW
Number of shares issued	42 384 884

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



Source: WSE, Bloomberg (data as of 31.12.2021).

# Disclaimer

This presentation has been prepared by mBank S.A. for information purposes only and is based on the non-audited financial data of mBank Group for the fourth quarter of 2021, prepared under the International Financial Reporting Standards. For more detailed information on mBank S.A. and mBank Group results, please refer to the respective financial statements and data.

This presentation contains certain estimates and projections regarding potential future trends. Estimates and projections presented in this presentation rely on historical information and other factors and assumptions which reflect mBank S.A. current position about potential future trends which seem justified under the given circumstances.

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

While this information has been prepared in good faith, no representation or warranty, expressed or implied, is or will be made and no responsibility or liability is or will be accepted by mBank S.A. or any subsidiaries or affiliates of mBank S.A. or by any of their respective officers, employees or agents in relation to the accuracy or completeness of these materials.

The presentation should not be treated as a recommendation to purchase securities, an offer, invitation or a solicitation of an offer to purchase, invest or conclude any transaction on securities, in particular with respect to securities of mBank and its subsidiaries.

This presentation has been completed as of the date indicated at the beginning. mBank S.A. does not undertake any obligation to update or revise this presentation, including any forward-looking estimates and projections, whether as a result of new information, future events or otherwise.

# Contact details

## Karol Prażmo

Managing Director for Treasury and Investor Relations

+48 607 424 464

[karol.prazmo@mbank.pl](mailto:karol.prazmo@mbank.pl)

## Joanna Filipkowska

Head of Investor Relations

+48 510 029 766

[joanna.filipkowska@mbank.pl](mailto:joanna.filipkowska@mbank.pl)

## Paweł Lipiński

+48 508 468 023

[pawel.lipinski@mbank.pl](mailto:pawel.lipinski@mbank.pl)

## Marta Polańska

+48 508 468 016

[marta.polanska@mbank.pl](mailto:marta.polanska@mbank.pl)



**mBank's Investor Relations at your service:**  
E-mail address: [investor.relations@mbank.pl](mailto:investor.relations@mbank.pl)

Investor Relations website: [www.mbank.pl/en/investor-relations/](http://www.mbank.pl/en/investor-relations/)