

Results of mBank Group Q1 2022

Outstanding operational results in a volatile environment



Presentation for Investors and Analysts, 11.05.2022

Agenda



Key highlights of Q1 2022

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- Business development
- Summary of financial results

Analysis of the performance after Q1 2022

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

Macroeconomic update and outlook

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Key highlights of Q1 2022 in mBank Group

- ✓ Total revenues over PLN 2 billion for the first time, driven by surging net interest income and uptrending fee result
- ✓ Excellent efficiency, higher BFG contribution and inflation of other costs more than offset by income development
- ✓ Very strong earnings despite further costs of legal risk related to FX loan portfolio, as core business outperformed
- ✓ Loan and deposit volumes followed upward trajectory, translating into growing market shares in key categories
- ✓ Provisioning level reflecting prudent risk approach, sound capital position supported by securitisation
- ✓ Pursuing its strategy, mBank attracts rising number of active clients thanks to the convenience of offered solutions

Net interest income
+58.3% YoY

Net fee income
+27.8% YoY

Total costs
+27.0% YoY

Cost/Income ratio
38.7%

Net profit
PLN 512 million

CHF legal costs
PLN 193 million

Loans
+8.4% YoY

Deposits
+8.3% YoY

Cost of risk
89 bps

Total capital ratio
15.9%

MAU in Poland
3.1 million

Mobile payments
1.6 million cards

MAU = monthly active users

mBank's achievements and actions in pursuing its ESG strategy

mBank's ESG Low Risk rating confirmed; decarbonisation path with PCAF initiated

- After a review performed in April 2022, **Sustainalytics confirmed its Low Risk Rating** for mBank.

ESG Risk Rating

COMPREHENSIVE



14.8

LOW Risk

The best on the Polish market

Negligible	Low	Medium	High	Severe
0-10	10-20	20-30	30-40	40+

- mBank was the first bank in Poland to **join the Partnership for Carbon Accounting Financials (PCAF)**. Thanks to this cooperation, it will determine the carbon footprint of its loan portfolio in accordance with the best global standards.



mBank continued to cooperate with the Great Orchestra of Christmas Charity (WOŚP)



- As the main partner and sponsor, **mBank played together with WOŚP during the Grand Finale fundraiser** for the fifth time in a row.
- The most convenient and popular ways to support this charitable endeavour were **dedicated "heart" icon for quick payments in mBank's mobile application** and contributions via website using Paynow.
- This year, **mBank and its clients donated PLN 22 million** for WOŚP.

mBank initiated multiple activities to support victims of the war in Ukraine

- To help refugees, **mBank chose to cooperate with the Polish Center for International Aid (PCPM)**, which is a reputable organization, experienced in delivering humanitarian assistance.
- mBank's clients can support activities of the PCPM foundation using a **dedicated shortcut in online banking service and mobile application**.
- mBank organized **customized living space for refugees** seeking a shelter in one of its office buildings in Warsaw and in Zbeniny as well as a **school for 120 children from Ukraine** located in its premises.



Evolution of mBank's digital solutions for greater convenience

mBank extended functionality of mojID (myID) for greater convenience of remote services

- mBank introduced a **qualified electronic signature mSzafor** for retail clients with the identity confirmed in transaction service via mojID.
- Thanks to the cooperation with KIR (National Clearing House) and integration with the National Node (login.gov.pl), mBank's clients gained **full, remote access to civic and administration services**, using data from online banking.
- To the previously available options, mBank added a possibility of **remote account opening with e-ID in mobile application**.



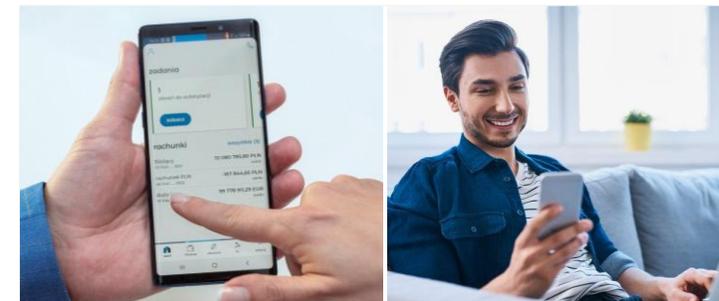
mBank added personal financial management (PFM) functionalities to its mobile application



- To provide its clients with a possibility of **better planning and monitoring of their personal budgets**, mBank started developing **PFM functionalities in the mobile application**.
- First release included **an analysis of the transaction history** allowing the user for comparing inflows and spendings as well as checking their details by category.

mBank upgraded its mobile and internet solutions for corporate customers to boost satisfaction

- Continued **enhancements aimed at increasing mobile banking penetration** among corporate clients concerned development of **payment and transfer modules** as well as strengthening of the security.
- The **amendments** implemented in mBank CompanyMobile in Q1 2022 were also **focused on eliminating at least 80% of features reported by customers as not satisfactory**.
- As another method of **verifying the identity fully remotely** in mBank CompanyNet, corporate clients can now **use e-ID and the eDO App**.

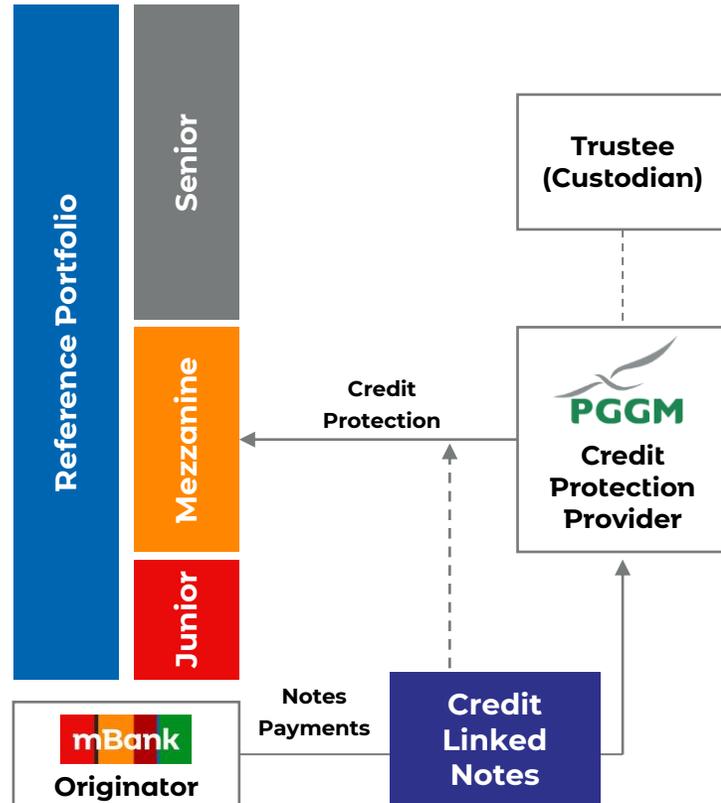


mBank's inaugural synthetic securitisation transaction

Structure of the transaction

Securitized loans

Type	Corporate and SME
Country of origin	Poland
Denomination	PLN
Total volume	PLN 8,922 million



A landmark transaction for the Polish credit risk sharing market

- ✓ the largest ever securitized portfolio in Central and Eastern Europe
- ✓ the first ever STS synthetic securitisation from Poland
- ✓ the first Polish SRT trade with a credit-linked note issued directly by bank
- ✓ first transaction in the Polish market executed entirely with a private sector investor



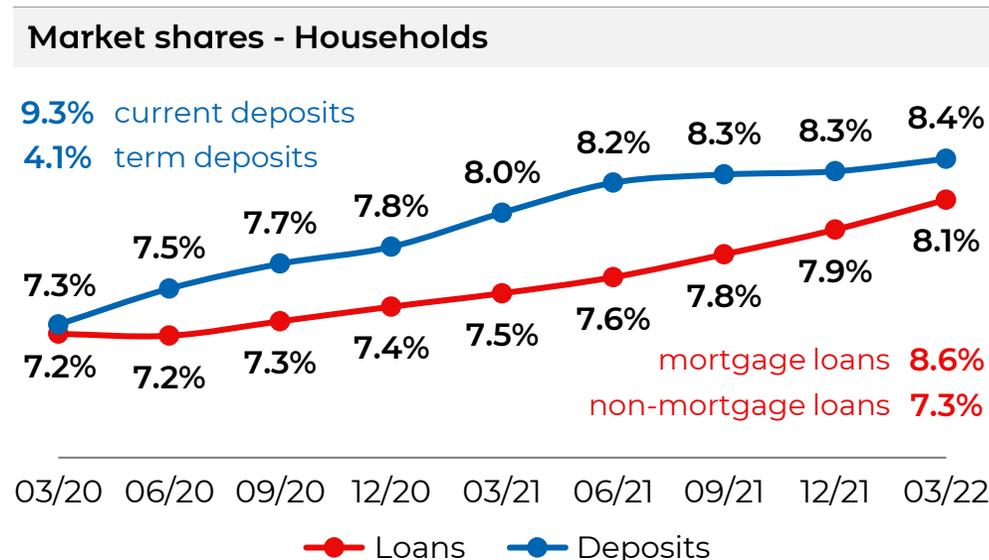
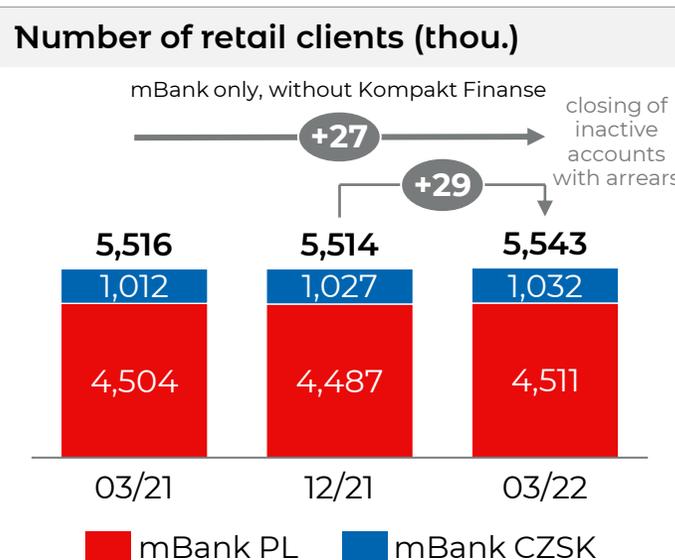
- On 24.03.2022, mBank and PGGM conducted the settlement of a synthetic securitization transaction referencing a portfolio of corporate loans with a total value of almost PLN 9 billion. PGGM is a pension fund service provider based in the Netherlands.
- As part of the transaction, a significant part of the credit risk of a selected securitized portfolio was transferred to PGGM via Credit Linked Notes (CLN). Securitized loans remain on the balance sheet of the bank.
- mBank issued Credit Linked Notes with a total nominal value of PLN 642.5 million. They were introduced to trading on the Vienna MTF (Multilateral Trading Facility), operated by the Vienna Stock Exchange.
- The transaction meets the requirements for significant risk transfer specified in the CRR Regulation and has been structured as meeting the STS criteria (simple, transparent and standard securitization) in accordance with Regulation 2021/557.

The transaction improved the Common Equity Tier 1 (CET1) ratio by approximately 0.6 p.p., when referenced to reported figures for mBank Group at the end of 2021.

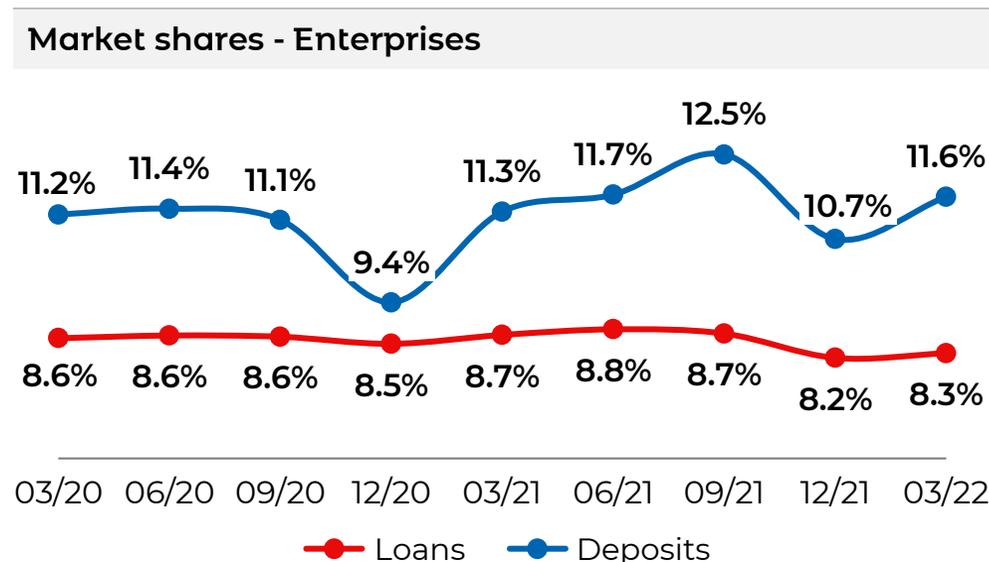
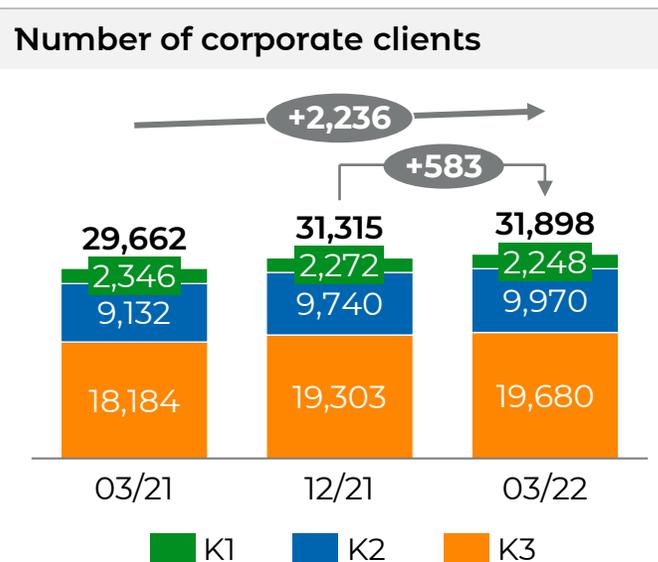
Client base and market position of retail and corporate banking



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.

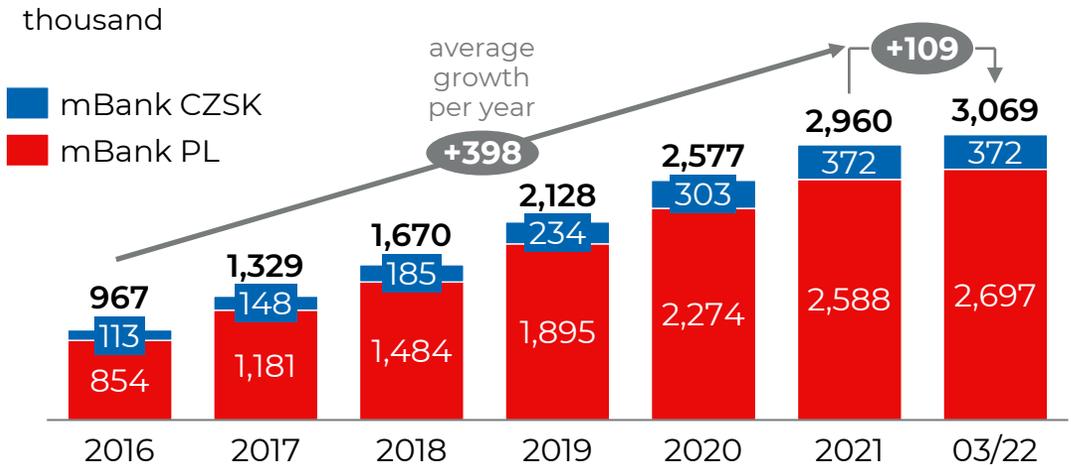
mBank remains a front-runner in mobile banking adoption



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

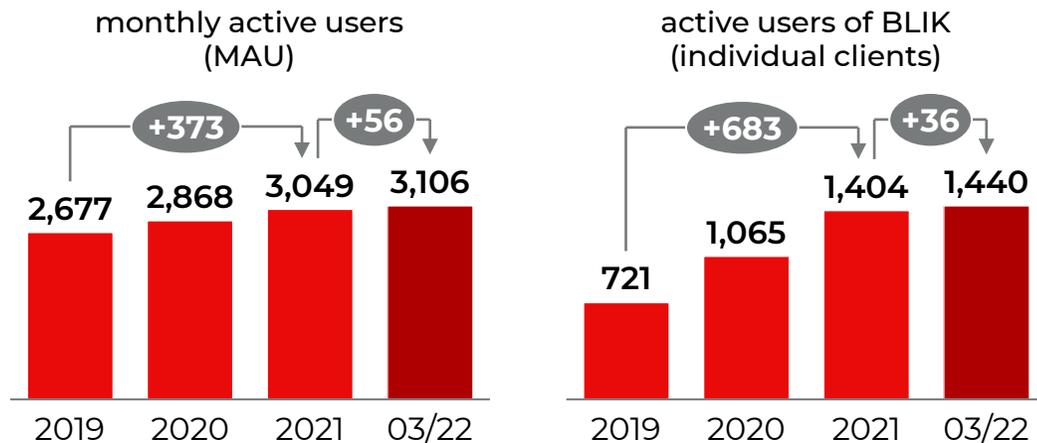
#2 by the number of mobile app users among Polish banks

Number of active users of mBank's mobile application



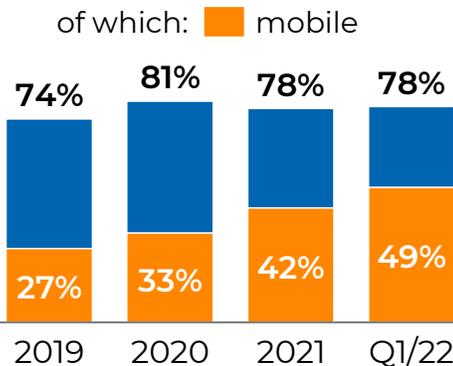
Number of active users of mBank's services in Poland

thousand

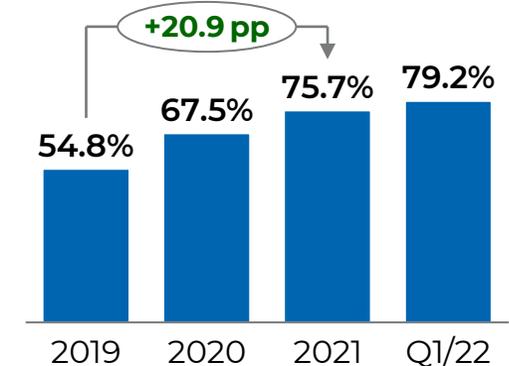


Growing importance of digital channel in daily banking

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

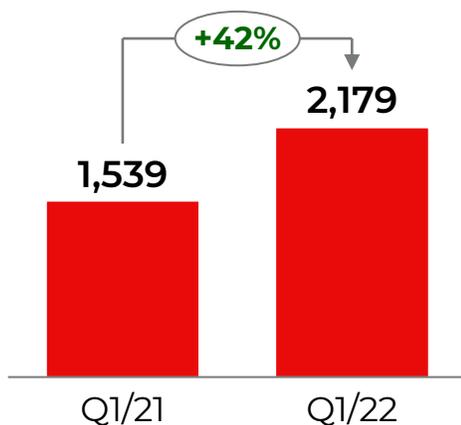


Note: Active user is a client who in a given month performed at least one of the following actions: logging in to the mobile application, internet banking or trusted profile (ePUAP), initiated a transfer or card transaction.

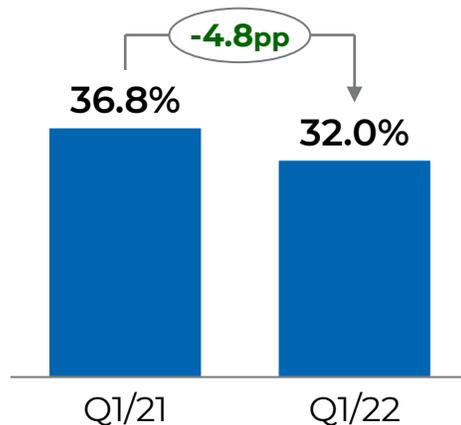
Summary of key financial highlights for mBank Group

Total income

PLN M

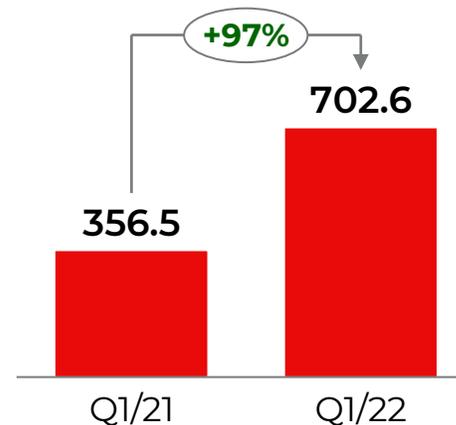


Cost/Income ratio¹

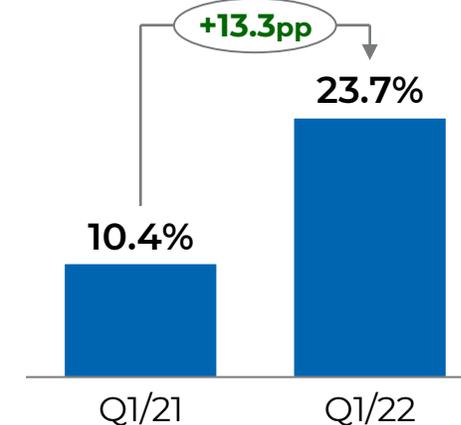


Net profit of Core Business²

PLN M



ROE of Core Business²

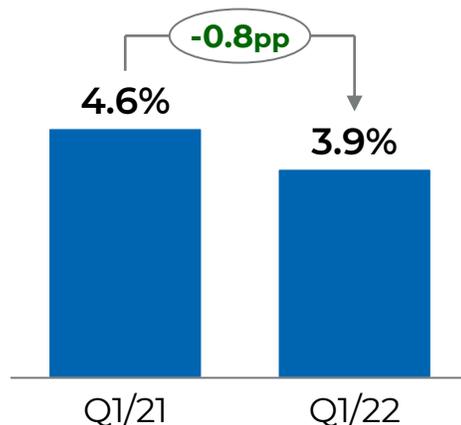


Gross loans to customers

PLN B

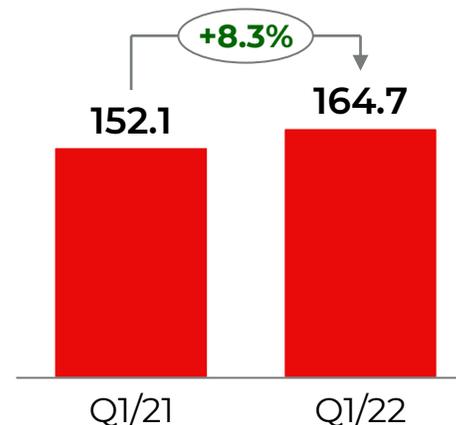


NPL ratio

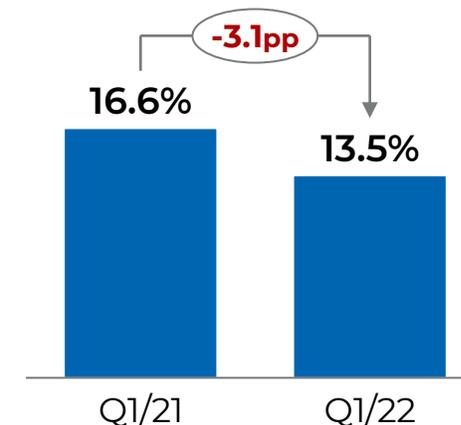


Customer deposits

PLN B



Tier 1 capital ratio



¹ Normalized indicator, including ¼ 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	Q1 2021	Q4 2021	Q1 2022	Δ QoQ	Δ YoY
Net interest income	946.9	1,190.8	1,499.3	+25.9% ↑	+58.3% ↑
Net fee and commission income	468.1	490.0	598.0	+22.1% ↑	+27.8% ↑
Total income	1,538.8	1,620.6	2,178.6	+34.4% ↑	+41.6% ↑
Total costs (excluding BFG)	-511.2	-570.7	-597.7	+4.7% ↑	+16.9% ↑
Contributions to the BFG	-153.5	-24.8	-246.2	+894% ↑	+60.4% ↑
Loan loss provisions and fair value change ¹	-164.7	-289.8	-268.5	-7.3% ↓	+63.0% ↑
Costs of legal risk related to FX loans	-66.3	-2,006.5	-192.8	-90.4% ↓	+191% ↑
Operating profit	643.1	-1,271.2	873.4	-/+ ↑	+35.8% ↑
Taxes on the Group balance sheet items	-138.8	-164.0	-159.8	-2.6% ↓	+15.1% ↑
Profit or loss before income tax	504.3	-1,435.3	713.6	-/+ ↑	+41.5% ↑
Net profit or loss	317.1	-1,631.1	512.3	-/+ ↑	+61.6% ↑
Net interest margin	2.10%	2.39%	3.15%	+0.76pp	+1.05pp
Cost/Income ratio	43.2%	36.7%	38.7%	+2.0pp	-4.5pp
Cost of risk	0.59%	0.98%	0.89%	-0.09pp	+0.30pp
Return on equity (ROE)	7.7%	-42.5%	15.0%	+57.5pp	+7.3pp
Return on assets (ROA)	0.68%	-3.14%	1.03%	+4.17pp	+0.35pp

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	Q1 2021	Q4 2021	Q1 2022	Δ QoQ	Δ YoY
Total assets	194,217	199,539	204,914	+2.7%	+5.5%
Gross loans to customers	116,925	121,233	126,773	+4.6%	+8.4%
Individual client loans	67,785	73,244	75,122	+2.6%	+10.8%
Corporate client loans	48,901	47,836	51,480	+7.6%	+5.3%
Customer deposits	152,097	159,935	164,743	+3.0%	+8.3%
Individual client deposits	103,583	112,446	111,174	-1.1%	+7.3%
Corporate client deposits ¹	47,711	46,761	52,577	+12.4%	+10.2%
Total equity	16,749	13,718	13,626	-0.7%	-18.6%
Loan-to-deposit ratio	74.5%	73.8%	74.9%	+1.1pp	+0.4pp
NPL ratio	4.6%	3.9%	3.9%	0.0pp	-0.7pp
Coverage ratio	58.5%	53.1%	54.4%	+1.3pp	-4.1pp
Tier 1 Capital Ratio	16.6%	14.2%	13.5%	-0.7pp	-3.1pp
Total Capital Ratio	19.2%	16.6%	15.9%	-0.7pp	-3.3pp

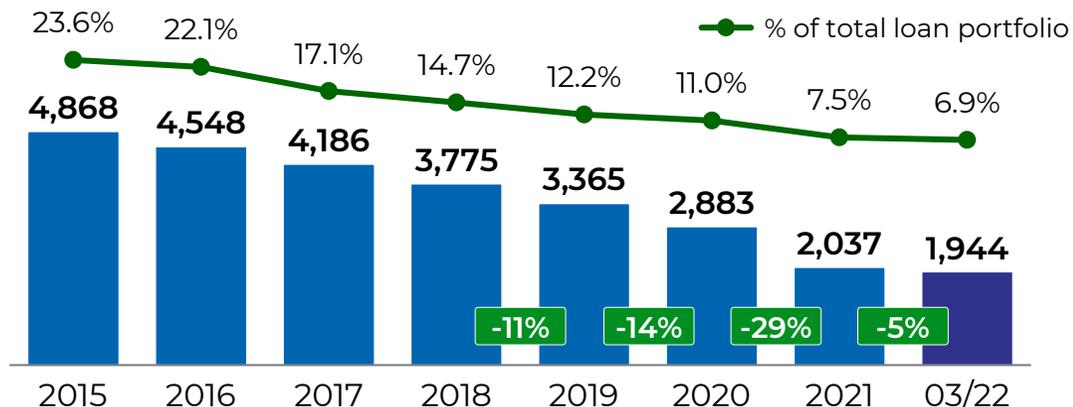
¹ Excluding repo / sell-buy-back transactions

Strong protection against legal risks related to CHF portfolio

CHF mortgage loans granted to individual customers

CHF M, carrying amount

equivalent to: PLN 8,787 M as of 31.03.2022



Number of individual court cases concerning indexation clauses

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



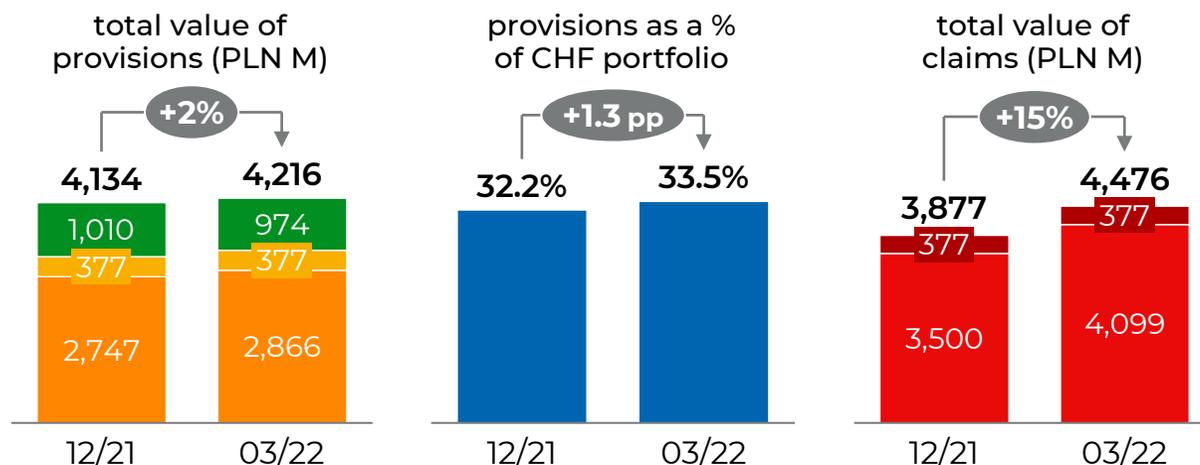
Provisions created in relation to legal risk and claims resulting from court proceedings

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 31.03.2022.

Components of legal costs:

- potential settlements
- class action
- individual cases



Key factors driving the development of costs of legal risk include:

- an increase of legal risk related to individual lawsuits, which mainly resulted from: (i) expected population of borrowers who will file a lawsuit against the bank, (ii) the probability of losing the case, and (iii) the projected loss rate
- changes in provision for a class action relating to indexation clauses
- potential costs of settlement program (acceptance rate of the bank's offer is currently assumed at 34%)

Excellent performance of the core business demonstrated in Q1 2022

Summary of financial results for mBank's core activity and run-off portfolio in Q1 2022

PLN million	Core Business	Non-core ¹	mBank Group
Net interest income	1,472.2	27.1	1,499.3
Net fee, trading and other income	669.5	9.8	679.3
Total income	2,141.7	36.9	2,178.6
Total costs	-812.3	-31.6	-843.9
Loan loss provisions and fair value change ²	-276.9	8.3	-268.5
Costs of legal risk related to FX loans	0.0	-192.8	-192.8
Operating profit	1,052.6	-179.1	873.4
Taxes on the Group balance sheet items	-148.7	-11.2	-159.8
Profit or loss before income tax	903.9	-190.3	713.6
Net profit or loss	702.6	-190.3	512.3
Total assets	193,758	11,157	204,914
Net interest margin	3.28%		3.15%
Cost/Income ratio	37.9%		38.7%
Cost of risk	1.01%		0.89%
Return on equity (ROE)	23.7%		15.0%
Return on assets (ROA)	1.49%		1.03%

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 non-core part, comprising of foreign currency mortgage loans, was separated from the total business.
- **Non-core assets** are 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 1.8 B as of 31.03.2022.

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 3,798.8 M reflected through a deduction from gross assets;
- PLN 417.6 M included in the bank's liabilities;

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- Total costs and efficiency
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Macroeconomic update and outlook

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Appendix

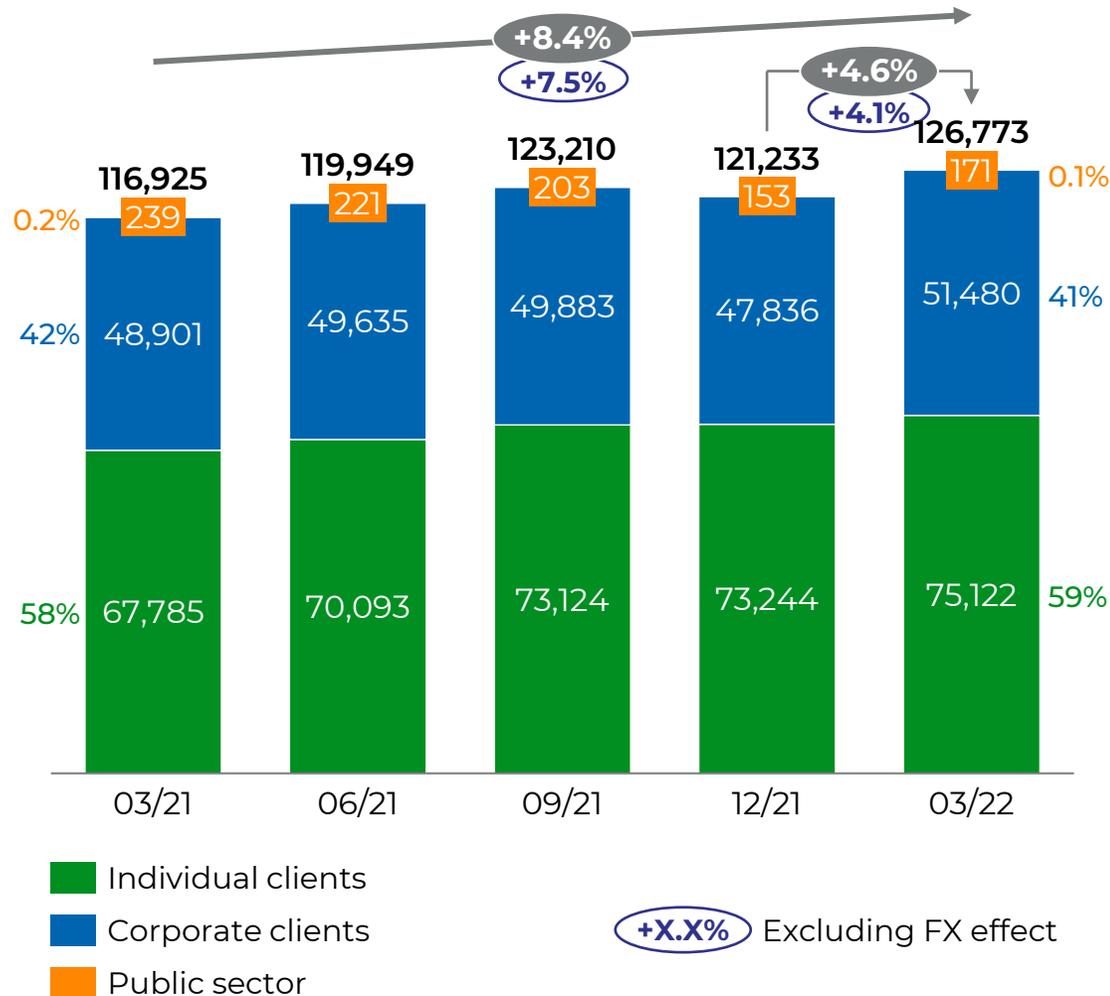
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Results of mBank Group: Loans to customers

Loan portfolio expansion driven by positive trends in both retail and corporate segment

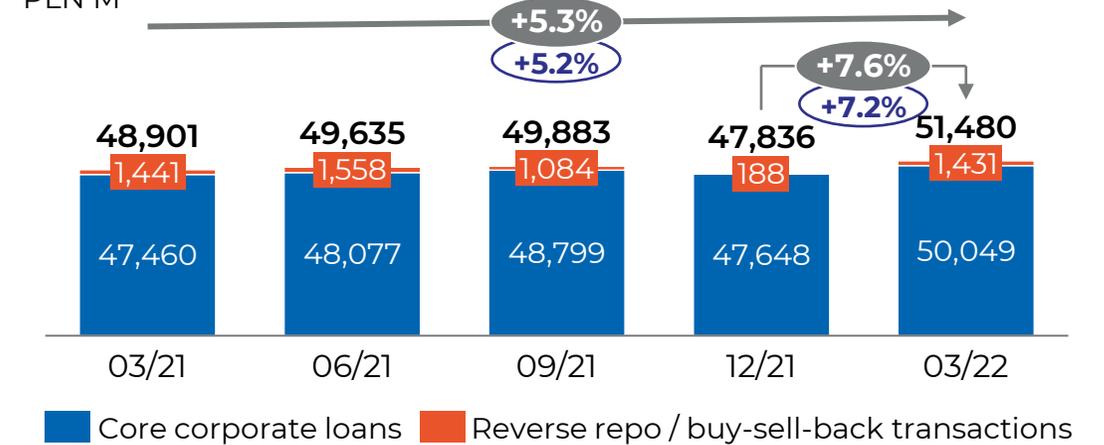
Development of gross loans and advances to customers

PLN M



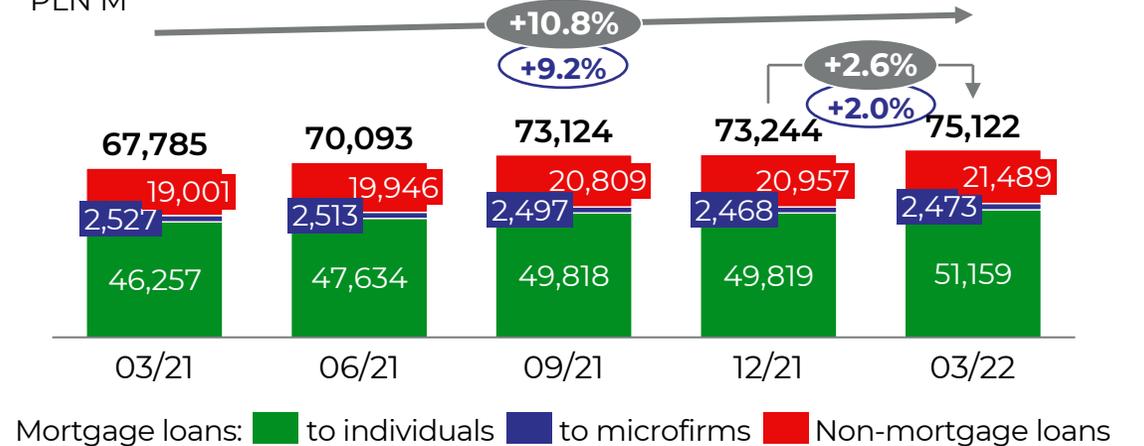
Gross loans to corporate customers

PLN M



Gross loans to retail customers

PLN M

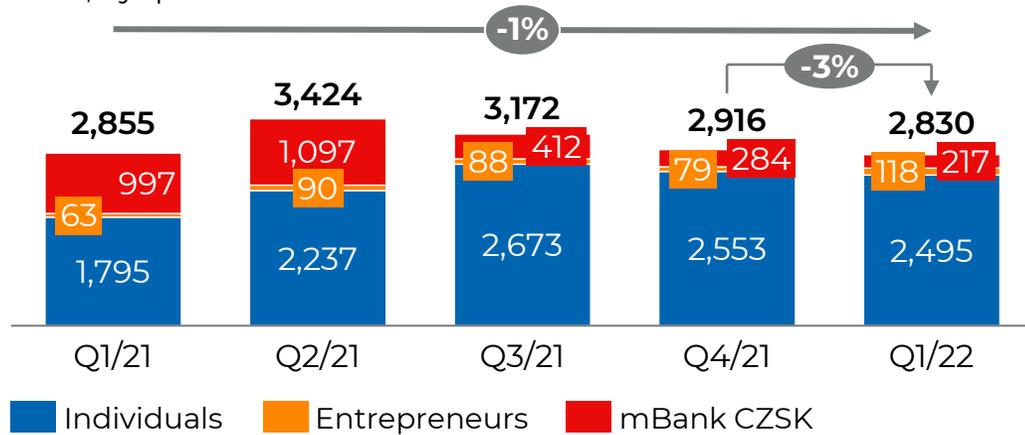


Results of mBank Group: New lending business

New mortgage lending maintained high, accompanied by record sales of consumer loans

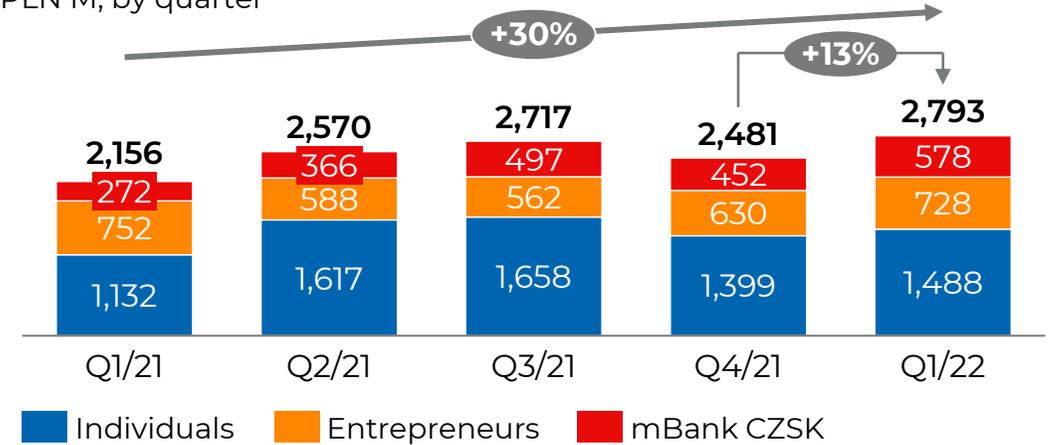
Sales of mortgage loans

PLN M, by quarter



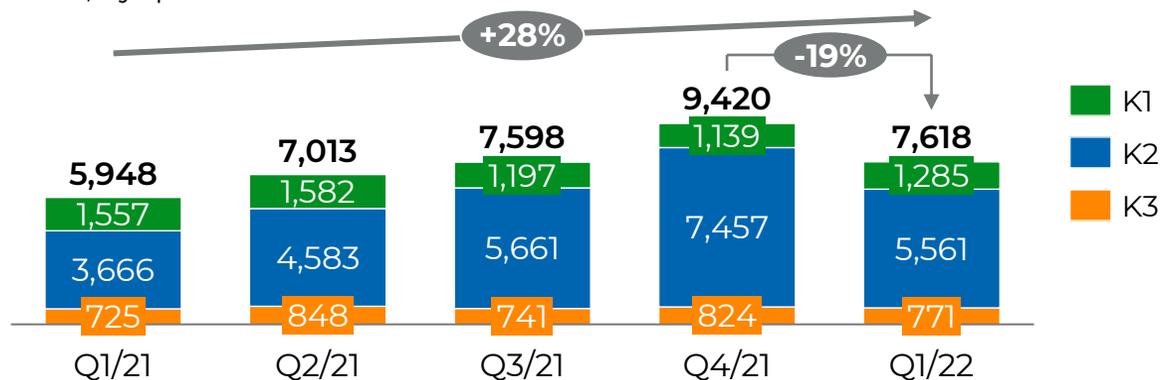
Sales of non-mortgage loans

PLN M, by quarter



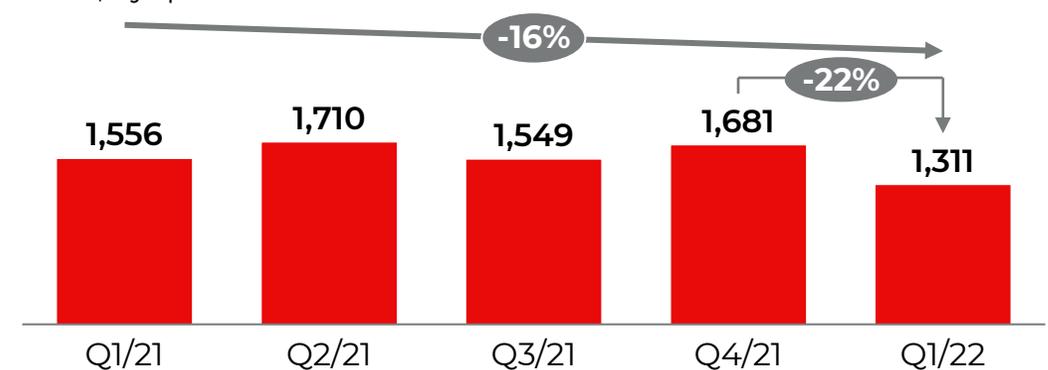
Sales of corporate loans¹

PLN M, by quarter



New leasing contracts

PLN M, by quarter

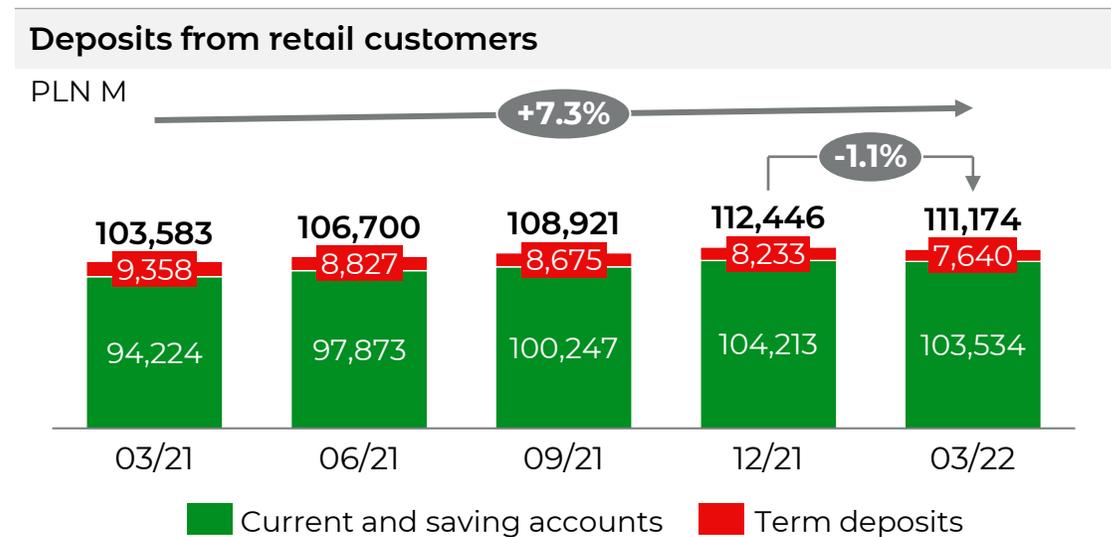
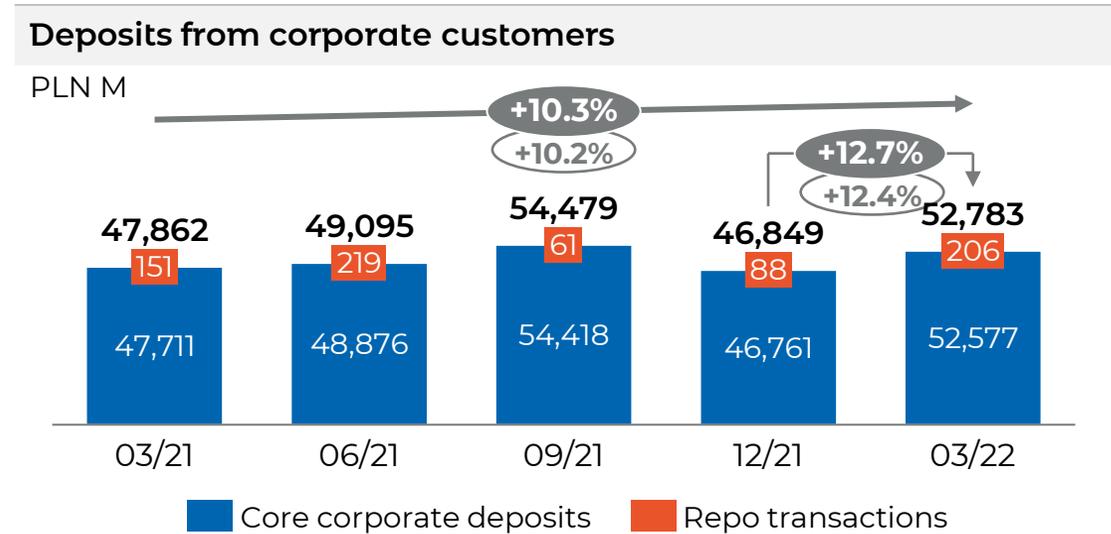
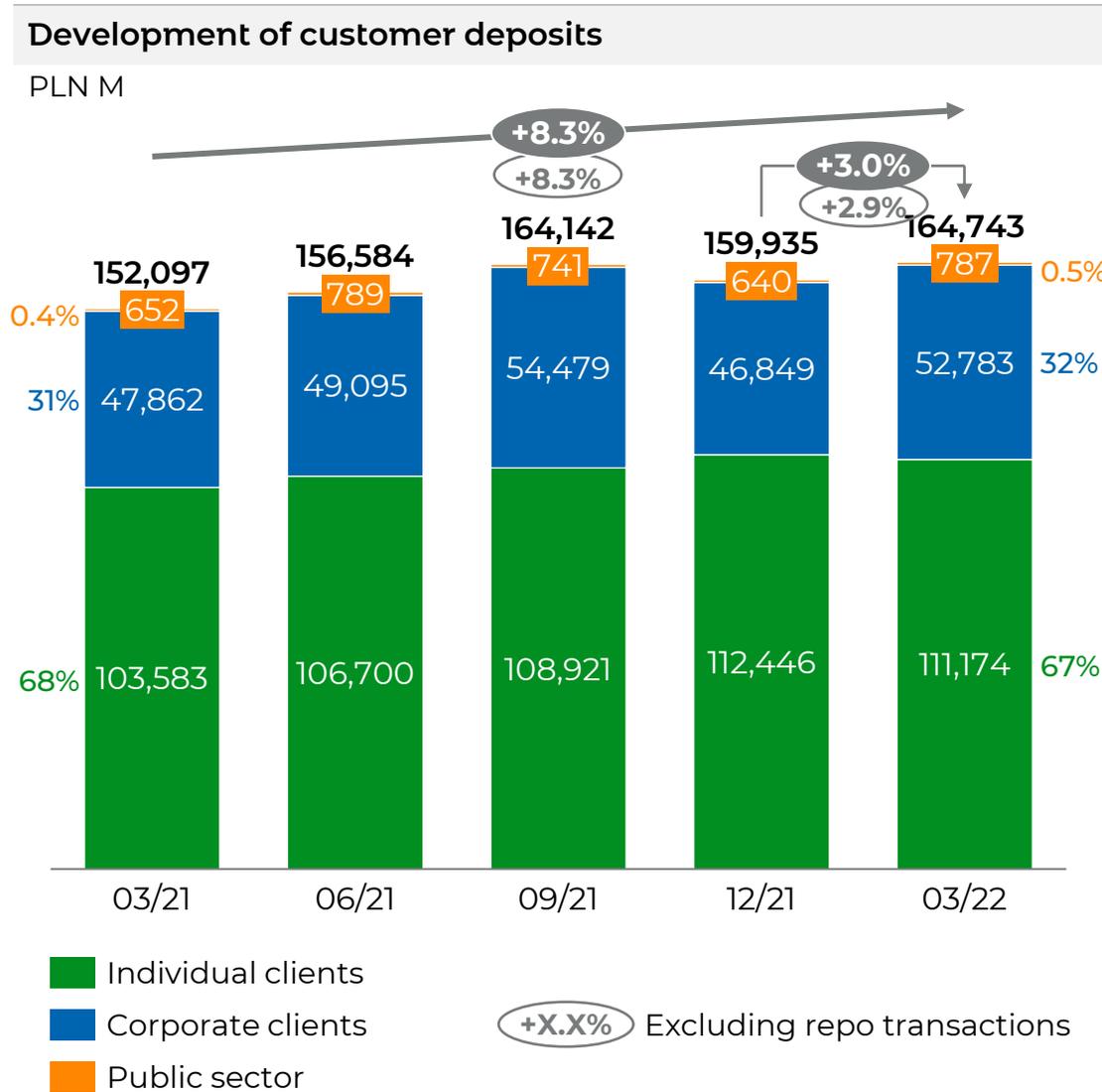


¹ Including new sale, rising and renewal

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

Deposit base anchored in transactional accounts, retail outflows lower than in the sector

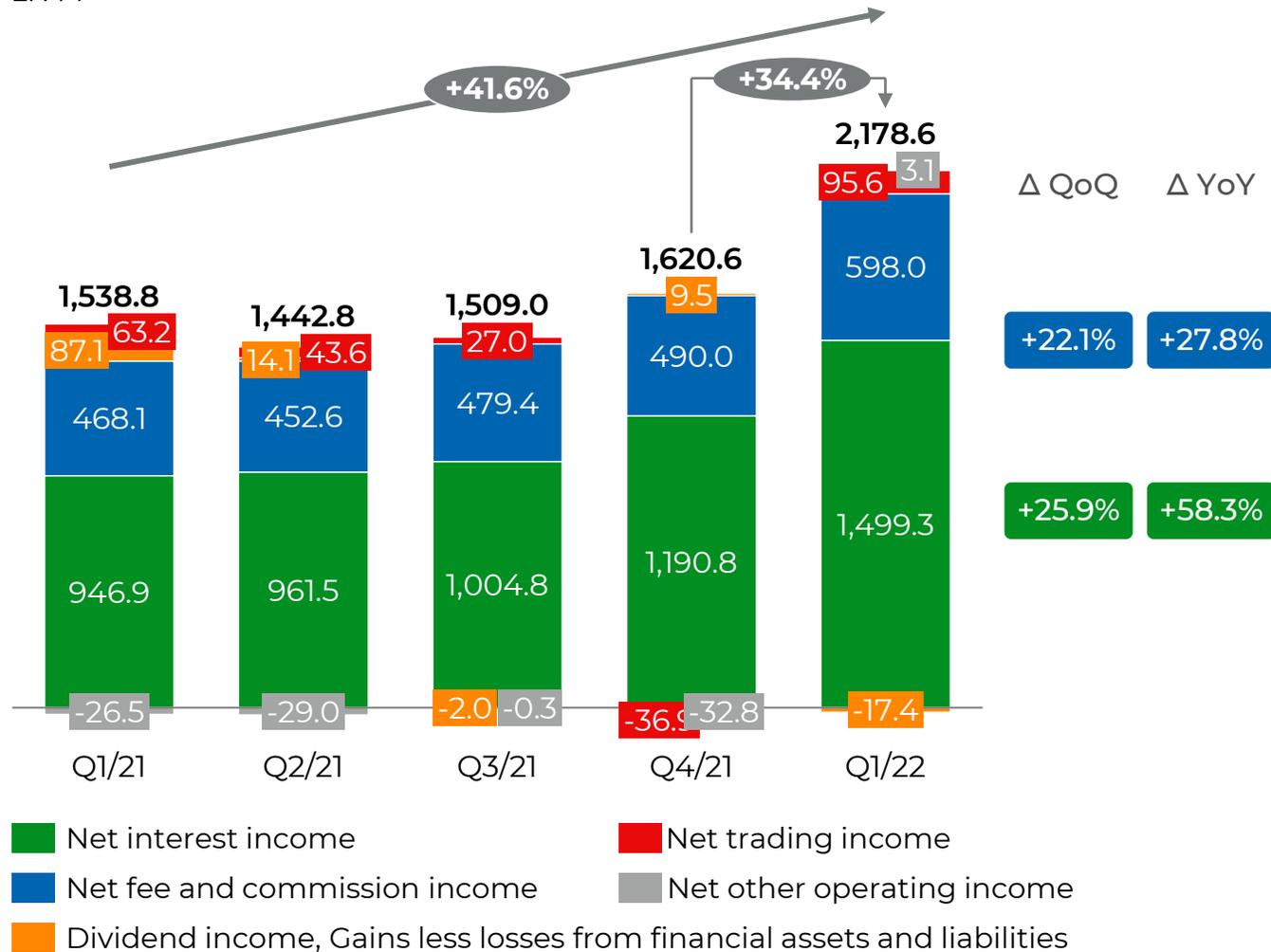


Results of mBank Group: Total income

The highest revenues in history driven by surging net interest income and strong fee result

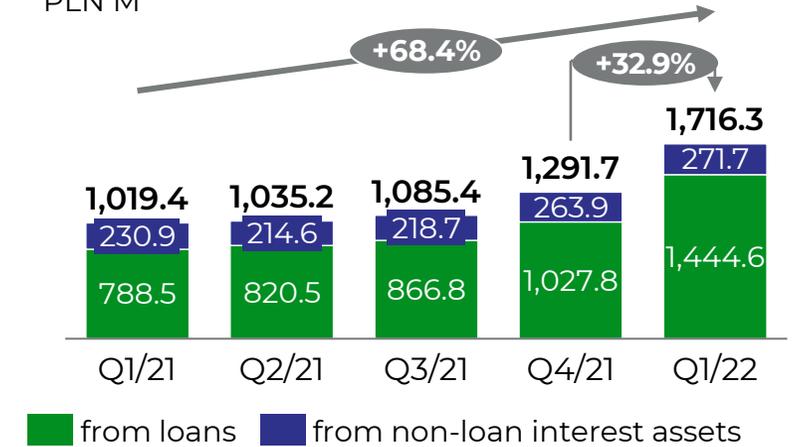
Development of mBank Group's total income

PLN M



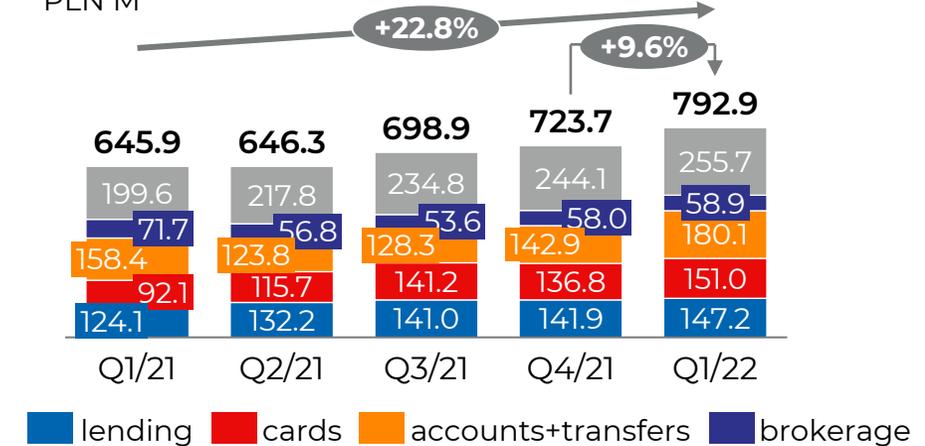
Development of interest income

PLN M



Development of fee and commission income

PLN M

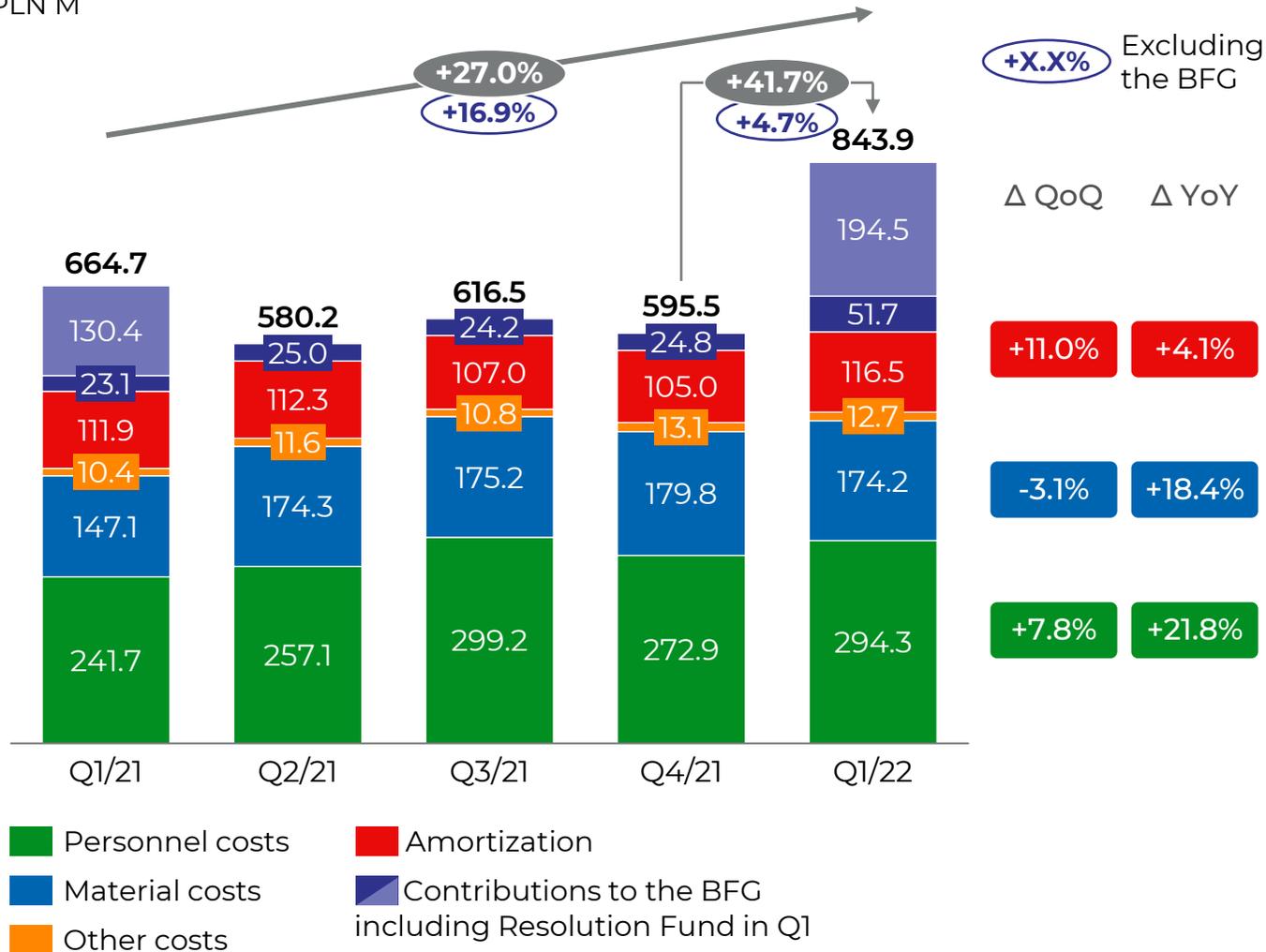


Results of mBank Group: Total costs and efficiency

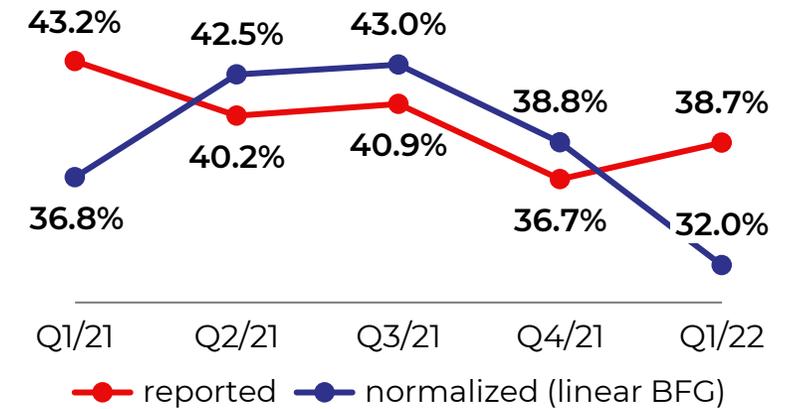
Excellent efficiency, inflation of costs kept visibly below the dynamics of revenues

Development of mBank Group's operating costs

PLN M

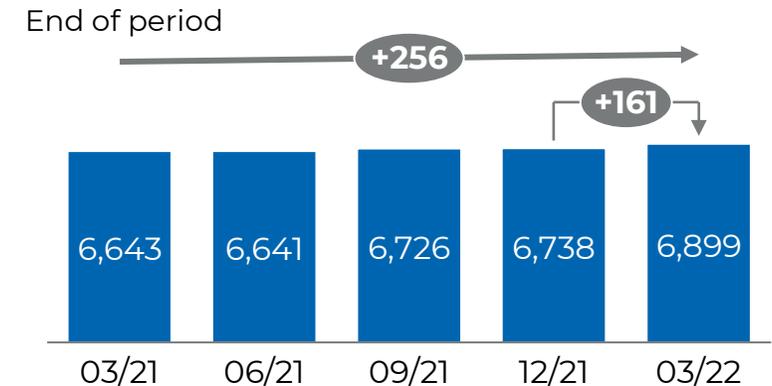


Cost/Income ratio of mBank Group – quarterly



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

Employment of mBank Group (in FTEs)

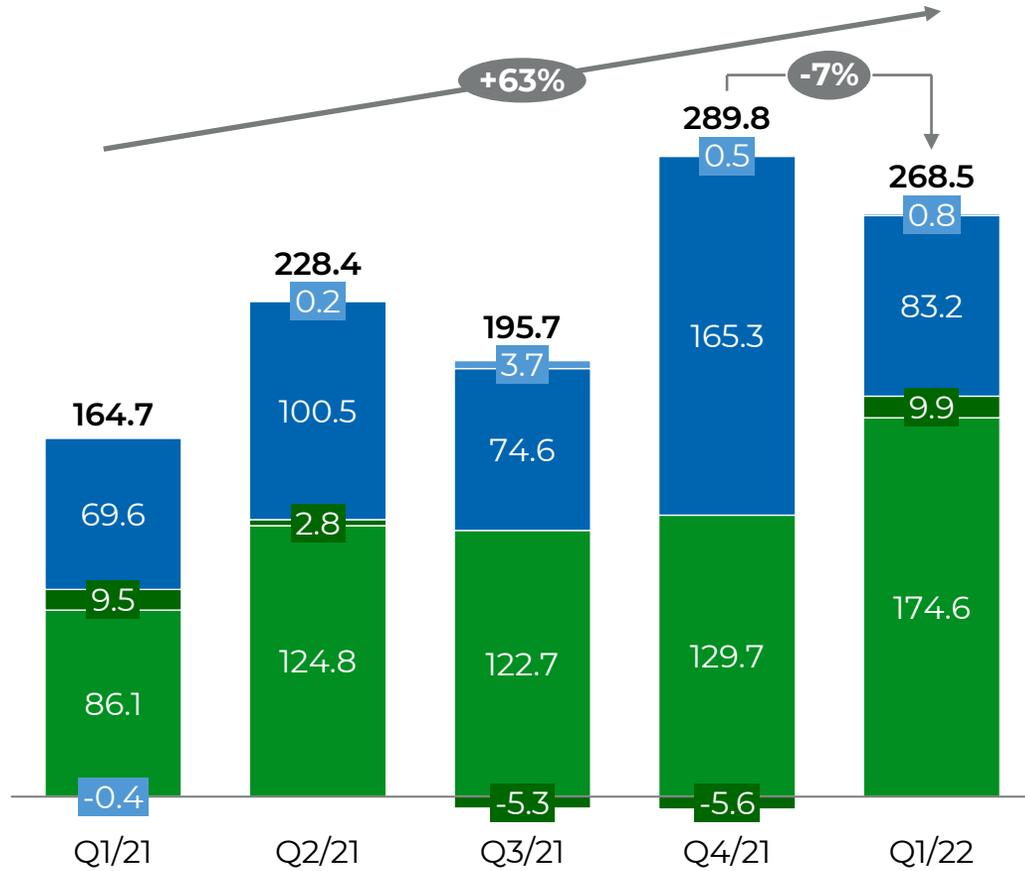


Results of mBank Group: Loan loss provisions and cost of risk

Conservative approach reflected in provisioning amid new wave of uncertainties

Net impairment losses and fair value change on loans

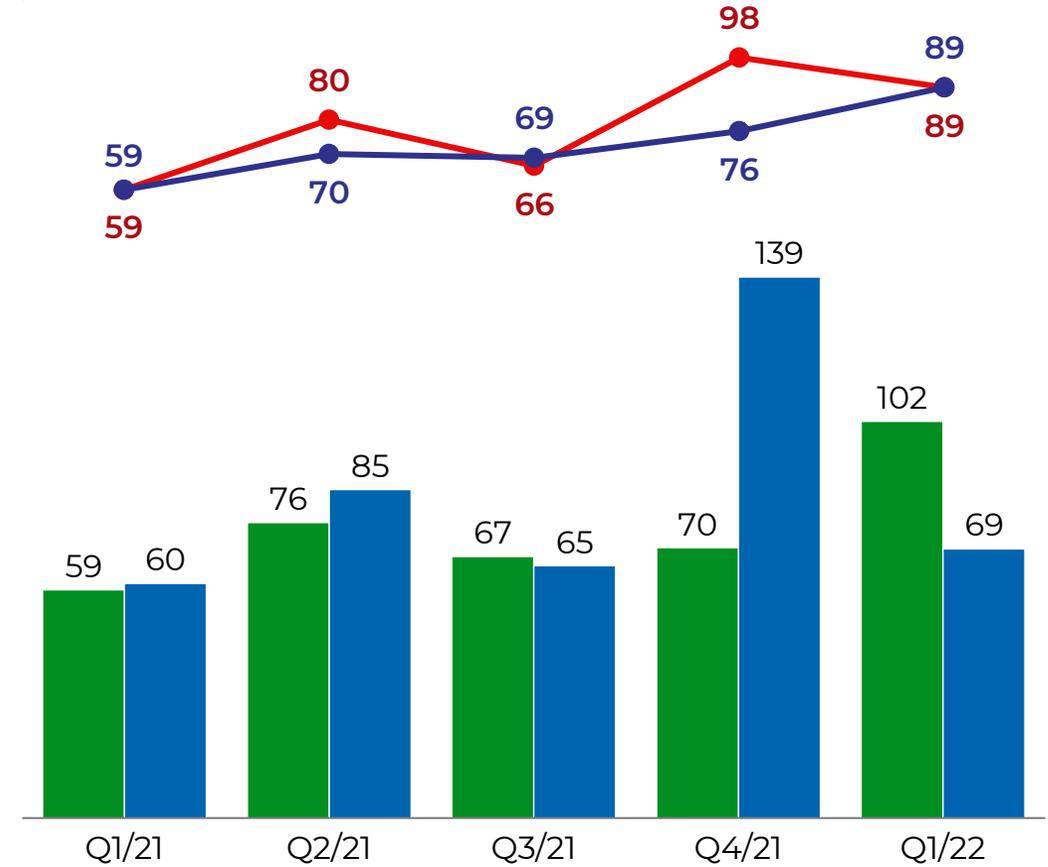
PLN M



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

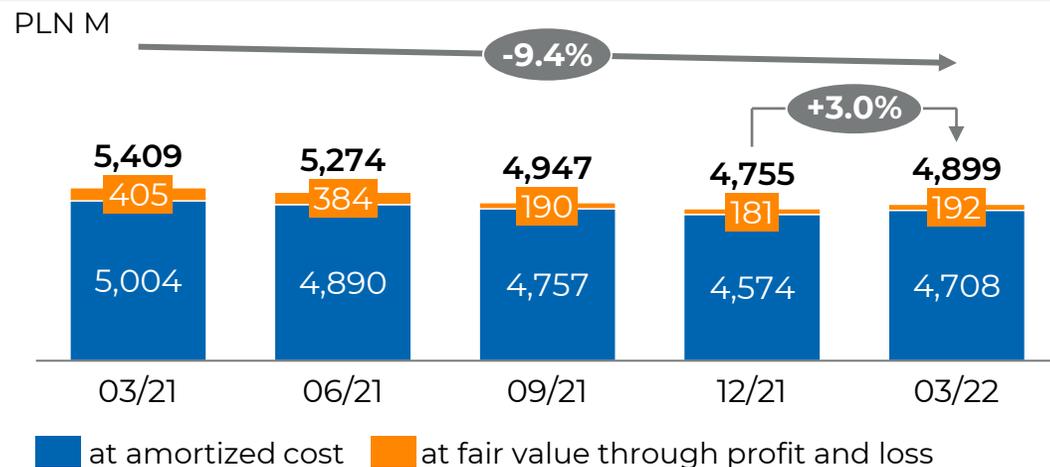


mBank Group's cost of risk: ● quarterly ● YtD
■ Retail loan portfolio ■ Corporate loan portfolio

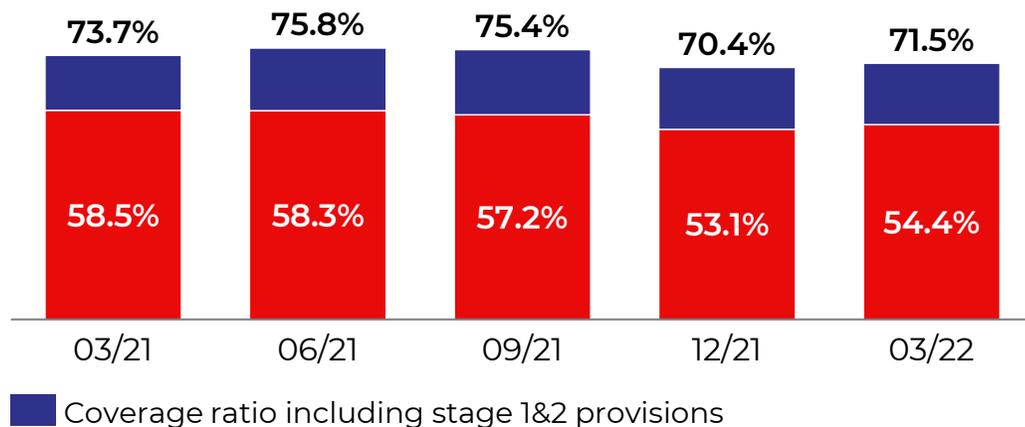
Results of mBank Group: Loan portfolio quality

Robust asset quality confirmed by resilient risk indicators, some support from sale of NPLs

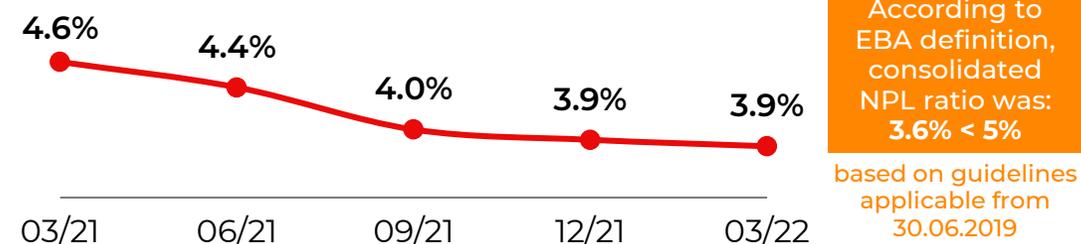
mBank Group's impaired loans portfolio



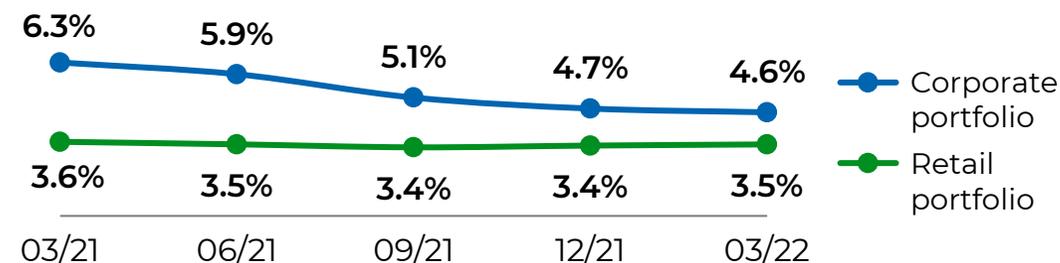
mBank Group's coverage ratio



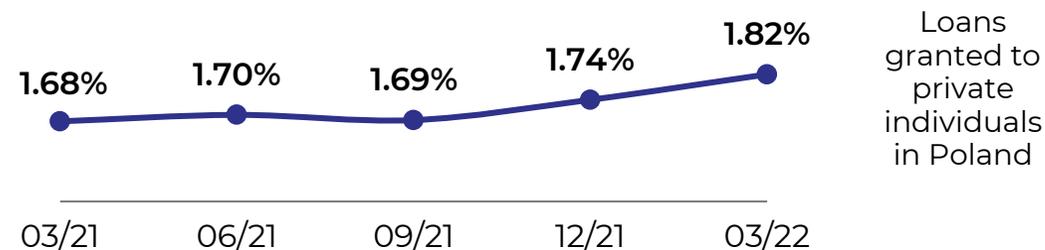
mBank Group's NPL ratio



mBank Group's NPL ratio, by segment



NPL ratio of mortgage loan portfolio



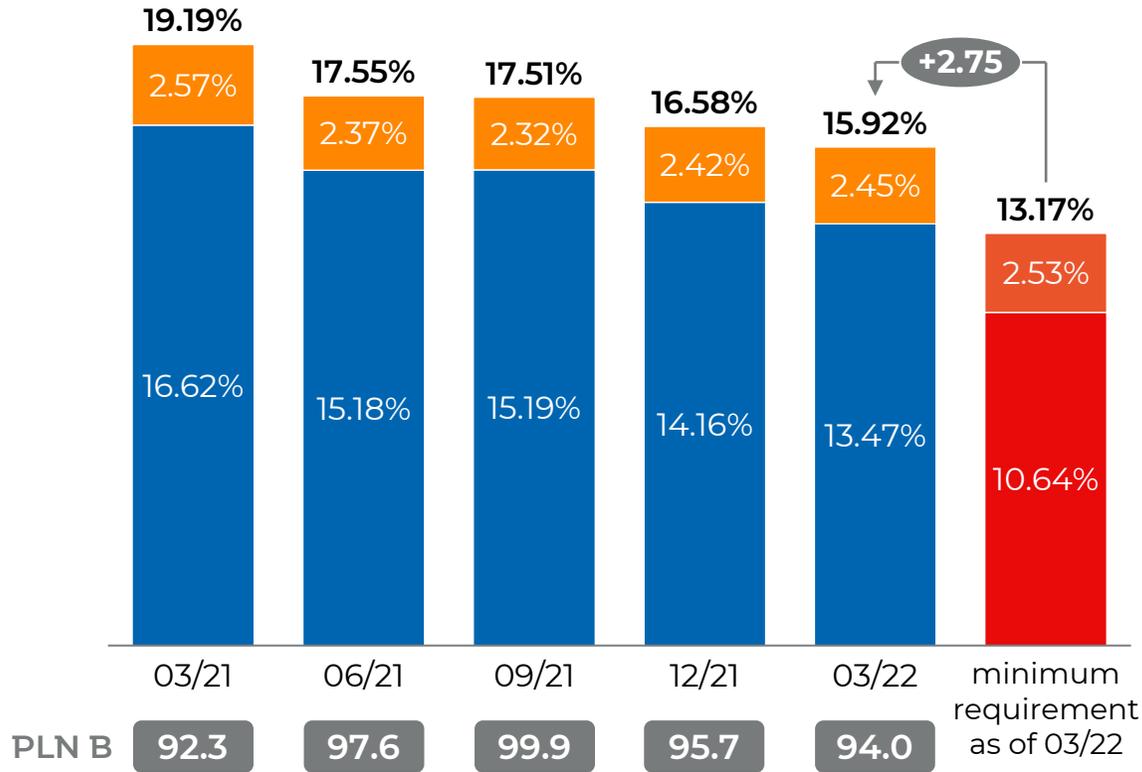
Note: Risk indicators presented for credit portfolio measured both at amortized cost and at fair value through profit or loss. The bank applies a client-oriented approach in its methodology of NPL recognition.

Results of mBank Group: Capital ratio and liquidity position

Safe capital position and outstanding liquidity securing a stable ground for growth

mBank Group's Total Capital Ratio

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

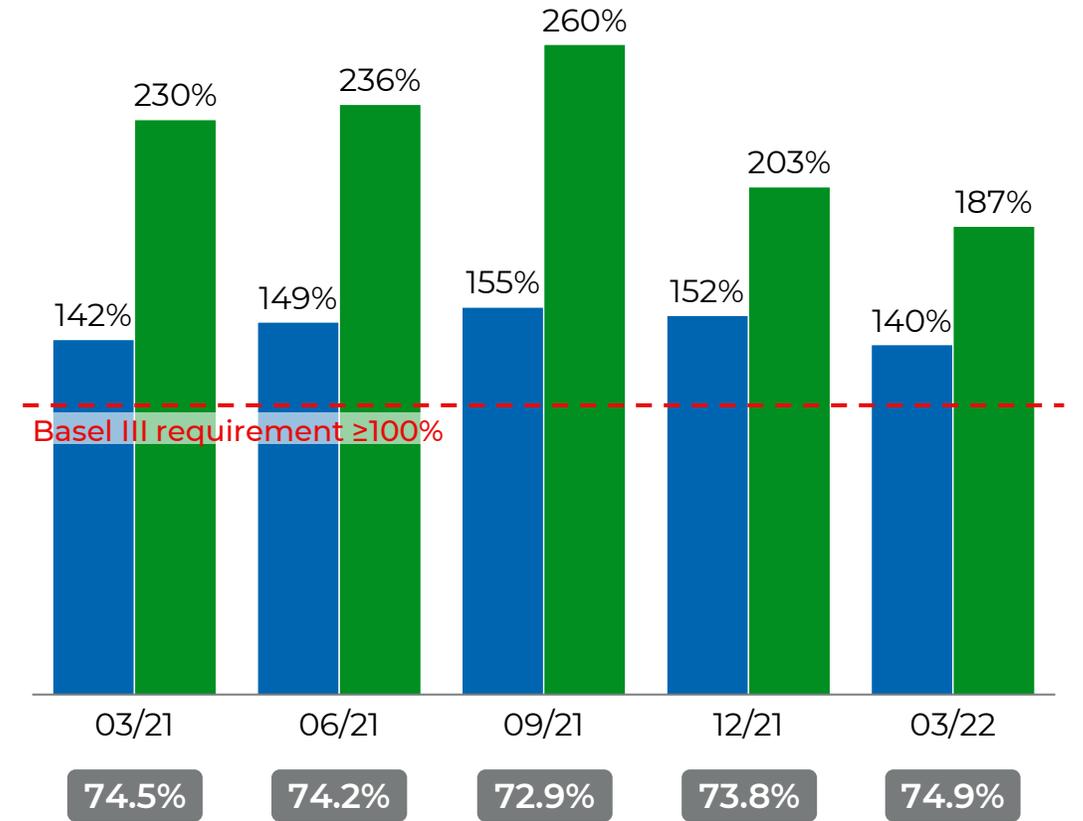


xx.x Total risk exposure amount (TREA)

■ Tier 1 capital ratio ■ Tier 2

mBank's NSFR and LCR

Group's LCR: 200%



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

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

Agenda



Key highlights of Q1 2022

2

- Business development
- Summary of financial results

Analysis of the performance after Q1 2022

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

Macroeconomic update and outlook

23

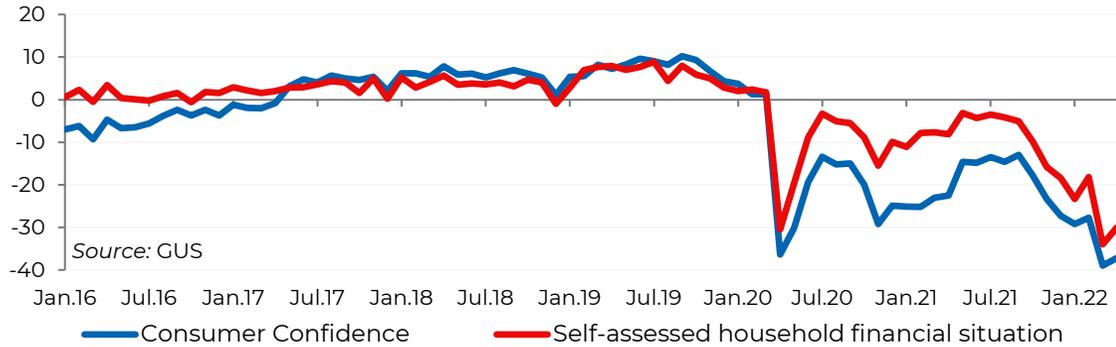
Appendix

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Macroeconomic situation and outlook

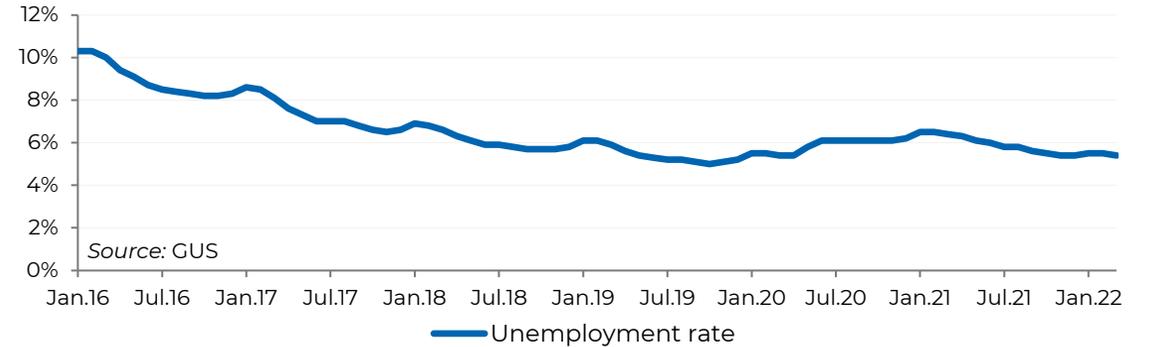
Russian invasion on Ukraine made economic outlook even more complicated

Consumer sentiment still under pressure



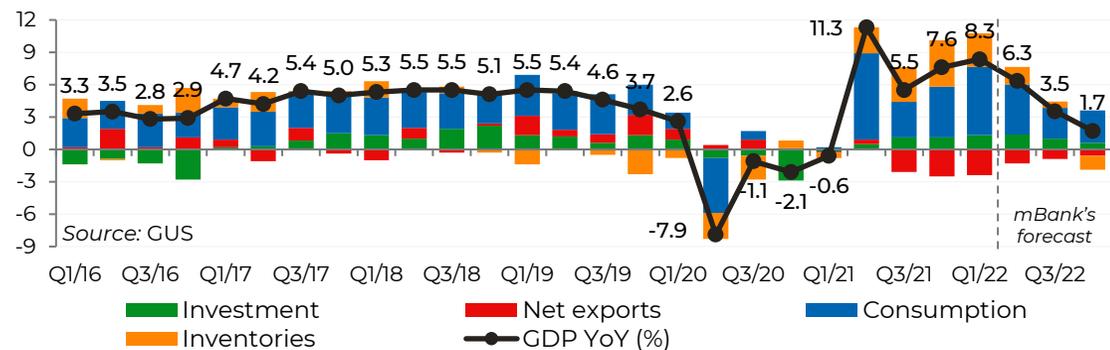
Although consumers feel more and more downbeat, it is not visible in the hard data (yet). The turning point is close, though. Uncertainty, high inflation and high interest rates are expected to take their toll soon.

Unemployment rate declined further



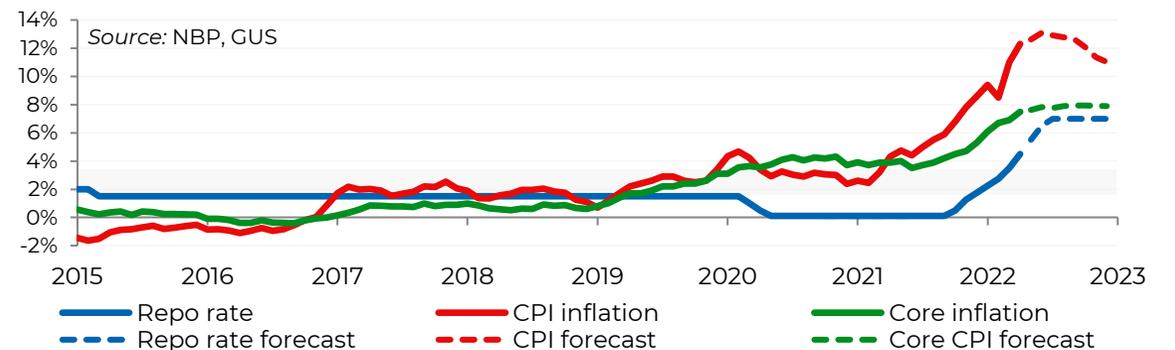
Labour market is strengthening with fast growing wages, supported by huge productivity gains. The inflow of refugees may balance the labour market more if they decide to finally stay.

GDP path and forecast for Poland (% YoY)



Brilliant start of the year is lifting GDP forecasts for 2022 (now at 4.8%). It is unsustainable, though. A solid slowdown brewing underneath annual figures is going to be fully visible in low growth in 2023.

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

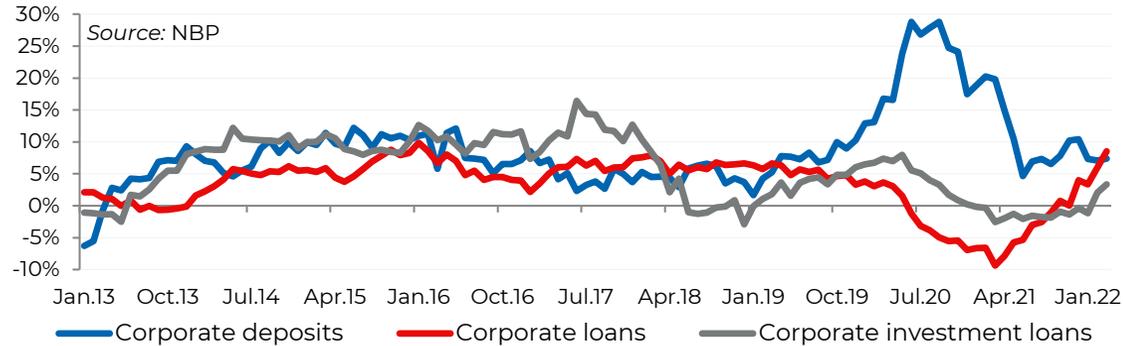


Inflation is heading towards 11-12% in 2022. Monetary tightening cycle is going to be continued and interest rates are set to reach 7% this year. Rate cuts in 2023 highly likely.

Macroeconomic situation and outlook

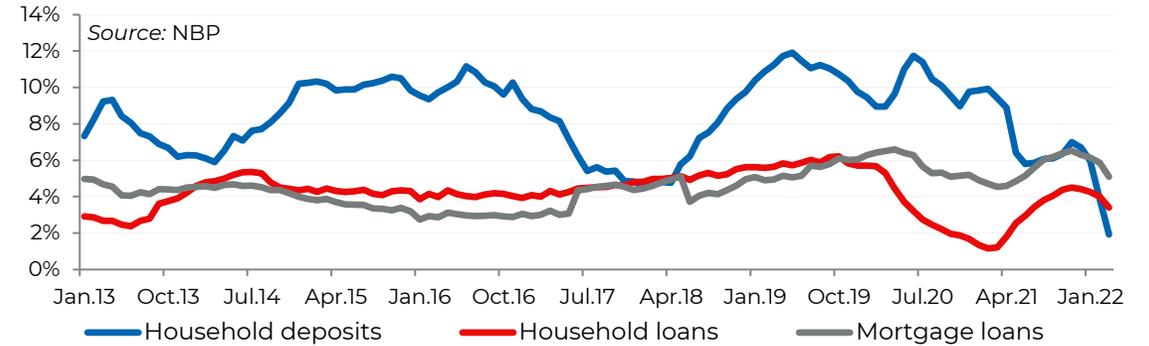
Household credit lost momentum, but corporate demand still strengthening

Corporate loans and deposits (YoY, FX-adjusted)



Deposit base enjoying stable growth. Credit volumes still accelerate but will lose momentum at the turn of the year due to uncertainty, lower investment and overall deceleration of GDP growth.

Household loans and deposits (YoY, FX-adjusted)



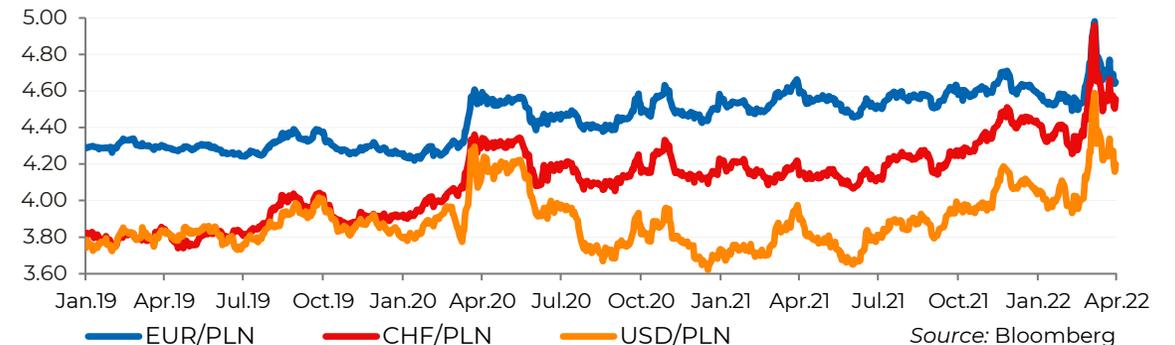
Deposit growth dropped due to high demand for cash at the start of the war. It can be considered as a level shift only. Perspectives for overall deposit growth stay favourable. On the other hand, credit activity is faltering.

Government bond yields: on the rise (bps)



Bond yields exploded amidst higher inflation, higher expected rate path and some repricing (higher) in credit risk. Current policy mix does not support swift reversal, especially when it comes to ASW spreads.

PLN: weak and bleak perspectives for spectacular improvement



Zloty is subject to a series of shocks, with war (and its consequences) being not the last one. There is some room for improvement on the basis of falling risk aversion but chances for swift appreciation are slim.

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)	-2.2%	5.9%	4.8%	0.7%
Domestic demand (YoY)	-2.9%	7.6%	6.3%	-0.5%
Private consumption (YoY)	-3.0%	6.1%	5.9%	-0.5%
Investment (YoY)	-4.9%	3.8%	6.5%	1.3%
Inflation (eop)	2.4%	8.6%	11.5%	3.1%
MPC rate (eop)	0.10%	1.75%	7.00%	5.00%
CHF/PLN (eop)	4.22	4.42	4.41	4.34
EUR/PLN (eop)	4.56	4.59	4.50	4.50

Polish banking sector – monetary aggregates YoY

	2020	2021	2022F	2023F
Corporate loans	-4.8%	3.9%	9.4%	3.4%
Household loans	3.0%	4.9%	0.3%	1.8%
Mortgage loans	7.3%	7.1%	1.9%	3.4%
Mortgage loans in PLN	9.7%	12.0%	4.7%	7.2%
Non-mortgage loans	-3.8%	1.1%	-2.9%	-1.4%
Corporate deposits	19.0%	10.4%	5.2%	-3.4%
Household deposits	10.7%	6.7%	5.0%	6.4%

Source: mBank's estimates as of 09.05.2022.

Investor Presentation | Q1 2022

Short-term prospects for mBank (4 quarters ahead)

Net interest income & NIM

slightly positive



- Ongoing cycle of rate hikes translating into margin improvement and potential increase of interest income
- Expected gradual rise of deposit costs across 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 and inflationary pressure weights on operating costs
- Investments in future growth along with increasing revenues
- Significant increase of contribution to the Bank Guarantee Fund

Loan loss provisions & FV change

slightly negative



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

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Appendix: Selected Financial Data

Consolidated Profit and Loss Account – quarterly

Quarterly results (PLN thou.)	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022
Net interest income	946,895	961,537	1,004,845	1,190,766	1,499,335
Net fee and commission income	468,060	452,569	479,438	489,954	597,994
Dividend income	440	3,472	957	177	835
Net trading income	63,178	43,587	27,017	-36,892	95,627
Gains less losses from financial assets ¹	86,707	10,613	-3,001	9,326	-18,259
Net other operating income	-26,496	-28,989	-253	-32,776	3,069
Total income	1,538,784	1,442,789	1,509,003	1,620,555	2,178,601
Total operating costs	-664,657	-580,230	-616,497	-595,499	-843,894
<i>Overhead costs</i>	-552,766	-467,894	-509,461	-490,508	-727,360
<i>Amortisation</i>	-111,891	-112,336	-107,036	-104,991	-116,534
Loan loss provisions and fair value change ²	-164,716	-228,352	-195,691	-289,814	-268,524
Costs of legal risk related to FX loans	-66,268	-248,537	-436,819	-2,006,455	-192,754
Operating profit	643,143	385,670	259,996	-1,271,213	873,429
Taxes on the Group balance sheet items	-138,821	-147,165	-158,594	-164,047	-159,839
Profit or loss before income tax	504,322	238,505	101,402	-1,435,260	713,590
Net result attributable to owners of mBank	317,125	108,683	26,555	-1,631,116	512,329

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.)	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022
Cash and balances with Central Bank	16,355,429	16,523,318	18,015,638	12,202,266	17,971,383
Loans and advances to banks	7,381,296	9,750,443	14,398,589	7,229,681	6,829,976
Trading securities	1,495,167	1,327,844	1,235,480	596,622	1,004,413
Derivative financial instruments	1,879,166	1,699,144	2,029,842	1,952,028	1,701,204
Loans and advances to customers	113,244,357	116,241,341	119,667,078	118,054,854	123,443,552
Investment securities	48,570,723	47,421,519	47,160,934	52,675,679	46,215,685
Intangible assets	1,197,772	1,207,765	1,220,375	1,283,953	1,301,614
Tangible fixed assets	1,696,128	1,553,987	1,537,352	1,542,250	1,527,159
Other assets	2,397,014	2,745,531	2,886,512	4,001,552	4,919,435
Total assets	194,217,052	198,470,892	208,151,800	199,538,885	204,914,421
Liabilities (PLN thou.)	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022
Amounts due to banks	2,954,112	2,820,649	2,556,140	3,359,558	2,090,424
Derivative financial instruments	1,731,193	1,803,770	2,317,815	2,011,182	2,384,707
Amounts due to customers	152,097,133	156,583,517	164,141,601	159,935,129	164,743,229
Debt securities in issue	13,652,467	13,060,997	15,462,944	13,429,782	13,654,108
Subordinated liabilities	2,564,462	2,542,224	2,579,721	2,624,456	2,645,717
Other liabilities	4,468,757	4,966,132	4,557,411	4,460,862	5,806,250
Total liabilities	177,468,124	181,777,289	191,615,632	185,820,969	191,324,435
Total equity	16,748,928	16,693,603	16,536,168	13,717,916	13,589,986
Total liabilities and equity	194,217,052	198,470,892	208,151,800	199,538,885	204,914,421

Appendix: Selected Financial Data

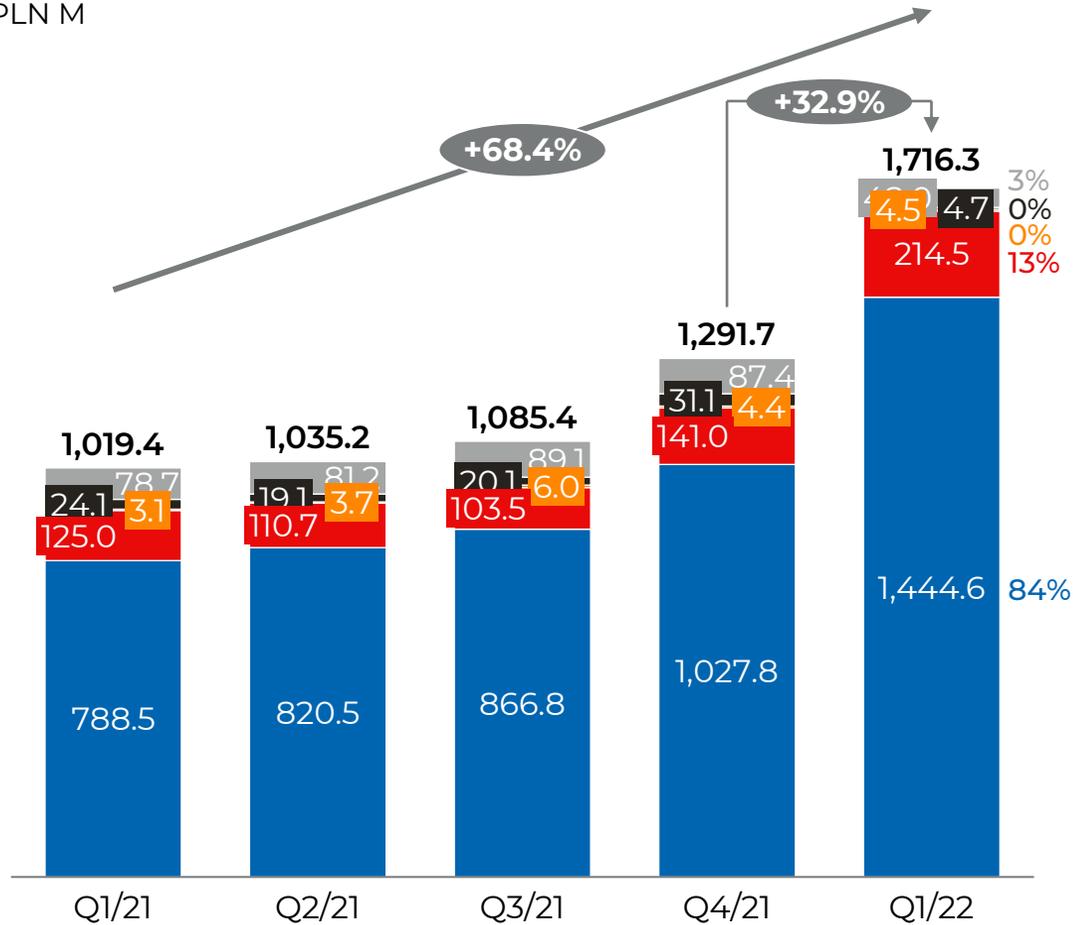
mBank Group's Ratios – quarterly and cumulatively

Financial Ratios	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022
Net Interest Margin, quarterly	2.10%	2.04%	2.02%	2.39%	3.15%
Net Interest Margin, YtD	2.10%	2.07%	2.05%	2.14%	3.15%
Net Interest Margin, excl. CHF portfolio, YtD	2.20%	2.16%	2.14%	2.23%	3.28%
Cost/Income Ratio, quarterly	43.2%	40.2%	40.9%	36.7%	38.7%
Cost/Income Ratio, YtD	43.2%	41.8%	41.5%	40.2%	38.7%
Cost of Risk, quarterly	0.59%	0.80%	0.66%	0.98%	0.89%
Cost of Risk, YtD	0.59%	0.70%	0.69%	0.76%	0.89%
Return on Equity, ROE net, quarterly	7.69%	2.60%	0.63%	-42.48%	15.01%
Return on Equity, ROE net, YtD	7.69%	5.12%	3.61%	-7.19%	15.01%
Return on Assets, ROA net, quarterly	0.68%	0.22%	0.05%	-3.14%	1.03%
Return on Assets, ROA net, YtD	0.68%	0.44%	0.31%	-0.59%	1.03%
Loan-to-Deposit Ratio	74.5%	74.2%	72.9%	73.8%	74.9%
Total Capital Ratio	19.19%	17.55%	17.51%	16.58%	15.92%
Tier 1 Capital Ratio	16.62%	15.18%	15.19%	14.16%	13.47%
Leverage ratio	7.4%	7.0%	6.8%	6.3%	5.9%
Equity / Assets	8.6%	8.4%	7.9%	6.9%	6.6%
TREA / Assets	47.5%	49.2%	48.0%	48.0%	45.9%
NPL ratio	4.6%	4.4%	4.0%	3.9%	3.9%
NPL coverage ratio	58.5%	58.3%	57.2%	53.1%	54.4%
NPL coverage ratio incl. stage 1&2 provisions	73.7%	75.8%	75.4%	70.4%	71.5%

Appendix: Selected Financial Data – Net Interest Income

Structure of mBank Group's interest income

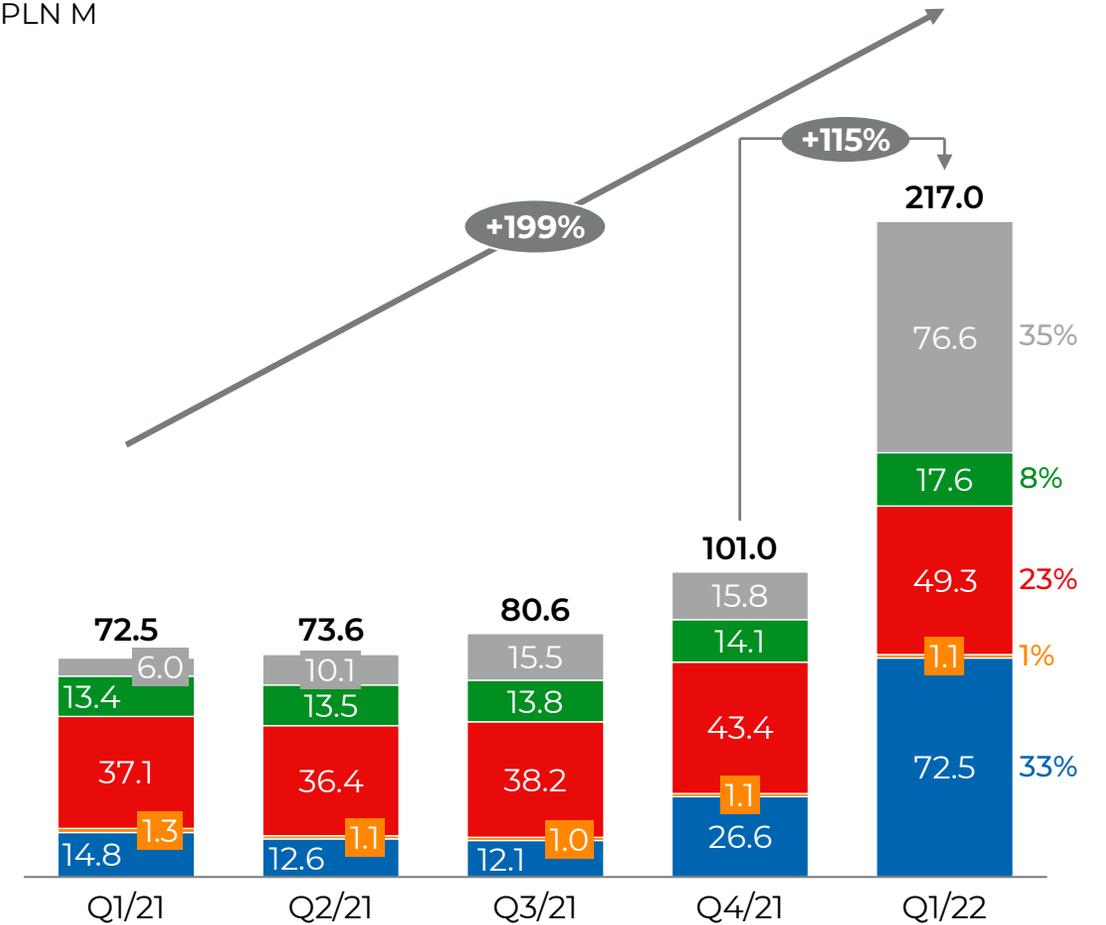
PLN M



- 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

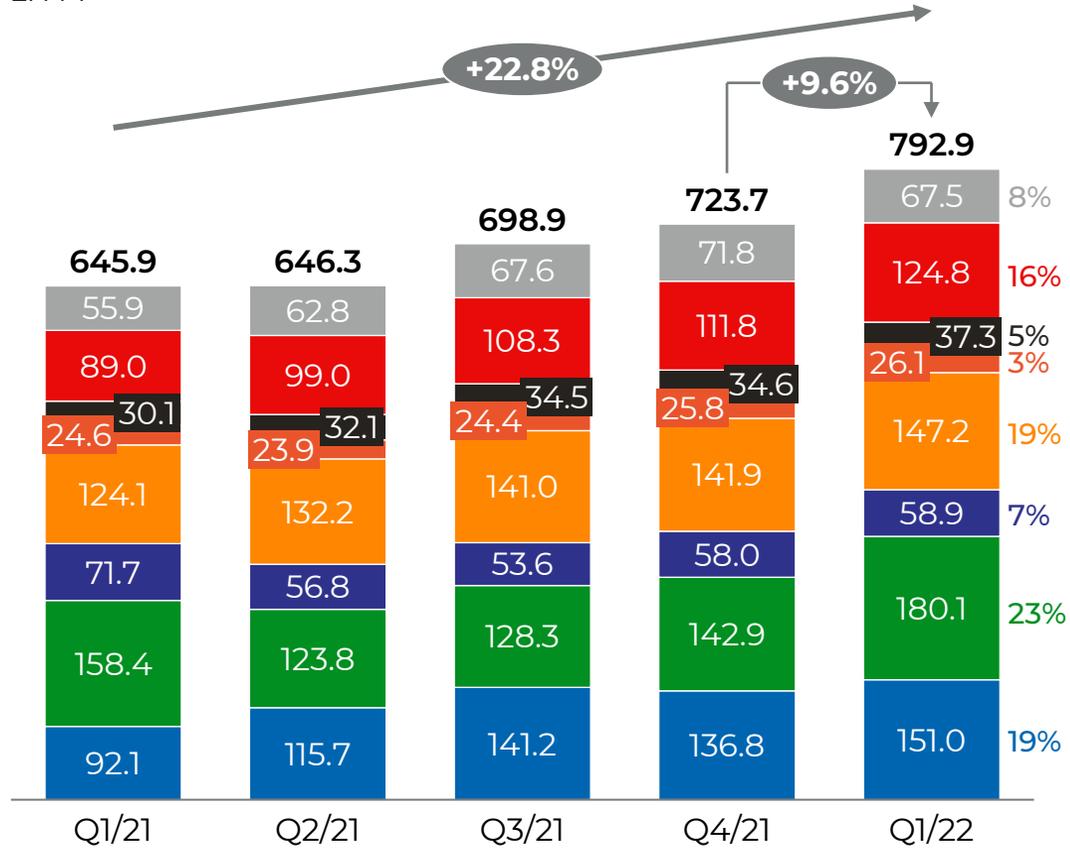


- Deposits (incl. from banks)
- Issue of debt securities
- Loans received
- Subordinated liabilities
- Other (incl. derivatives)

Appendix: Selected Financial Data – Net Fees and Commissions

Structure of mBank Group's fee and commission income

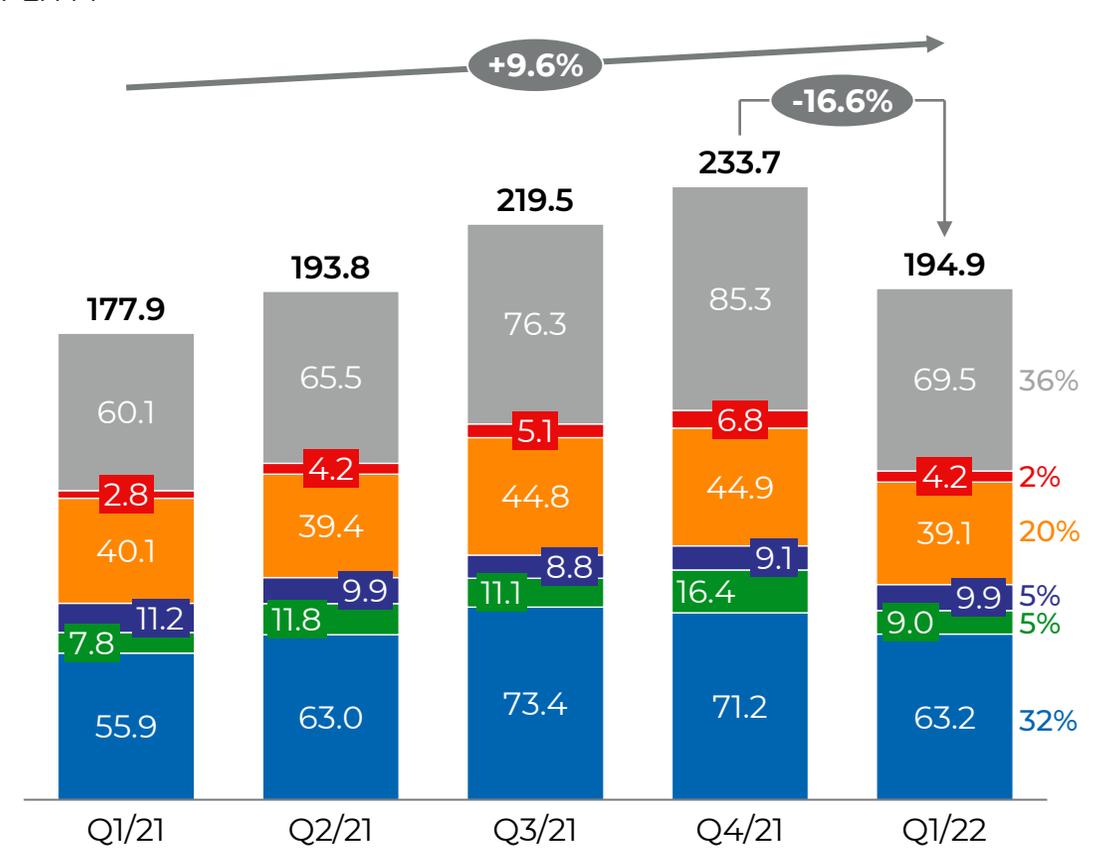
PLN M



- 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

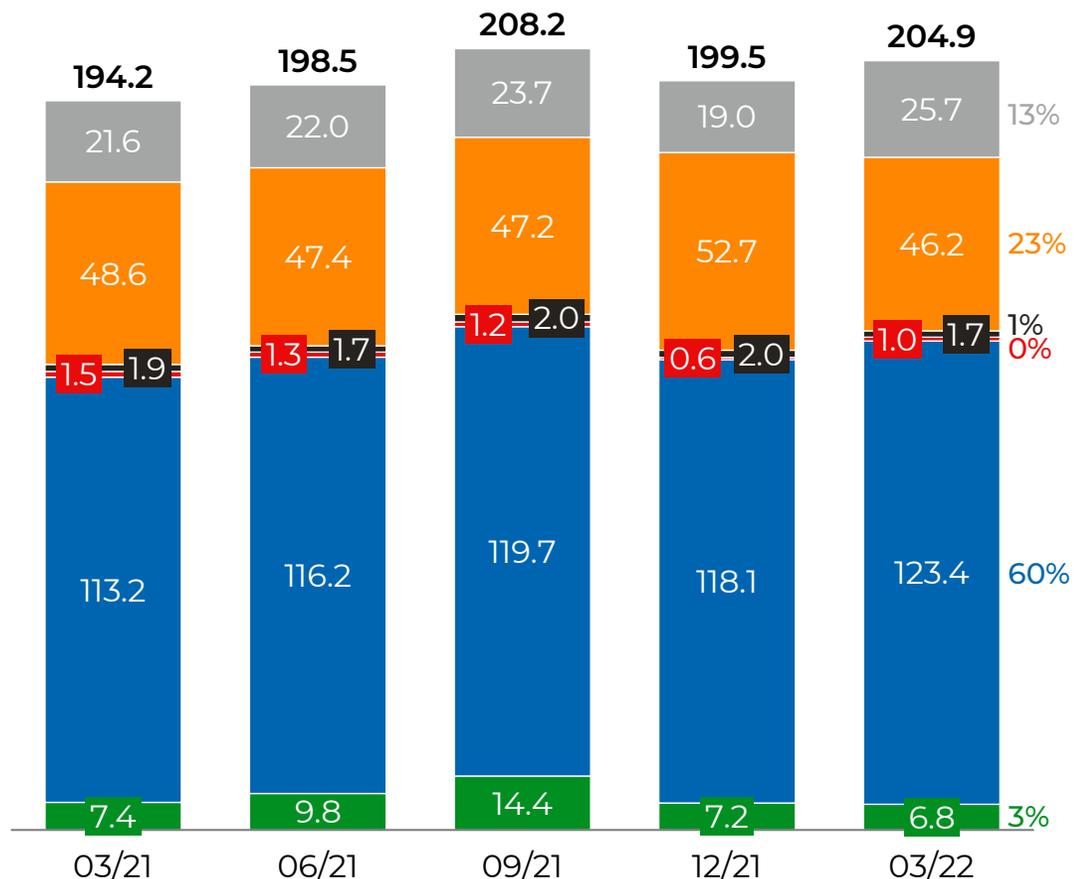


- Payment card fees
- Cash handling fees
- Discharged brokerage fees
- Commissions paid to external entities
- Fees paid to NBP and KIR
- Other (incl. insurance activity)

Appendix: Selected Financial Data – Balance Sheet Analysis

Structure of mBank Group's total assets

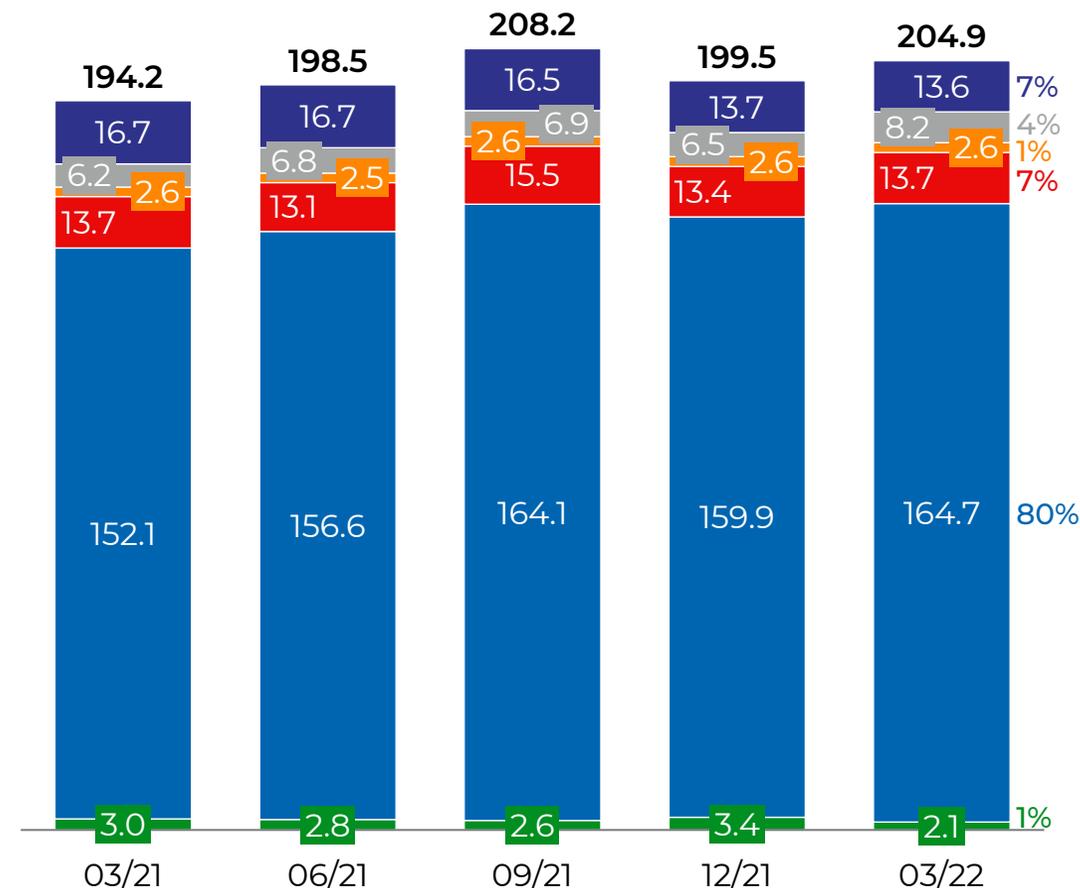
PLN B



- 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

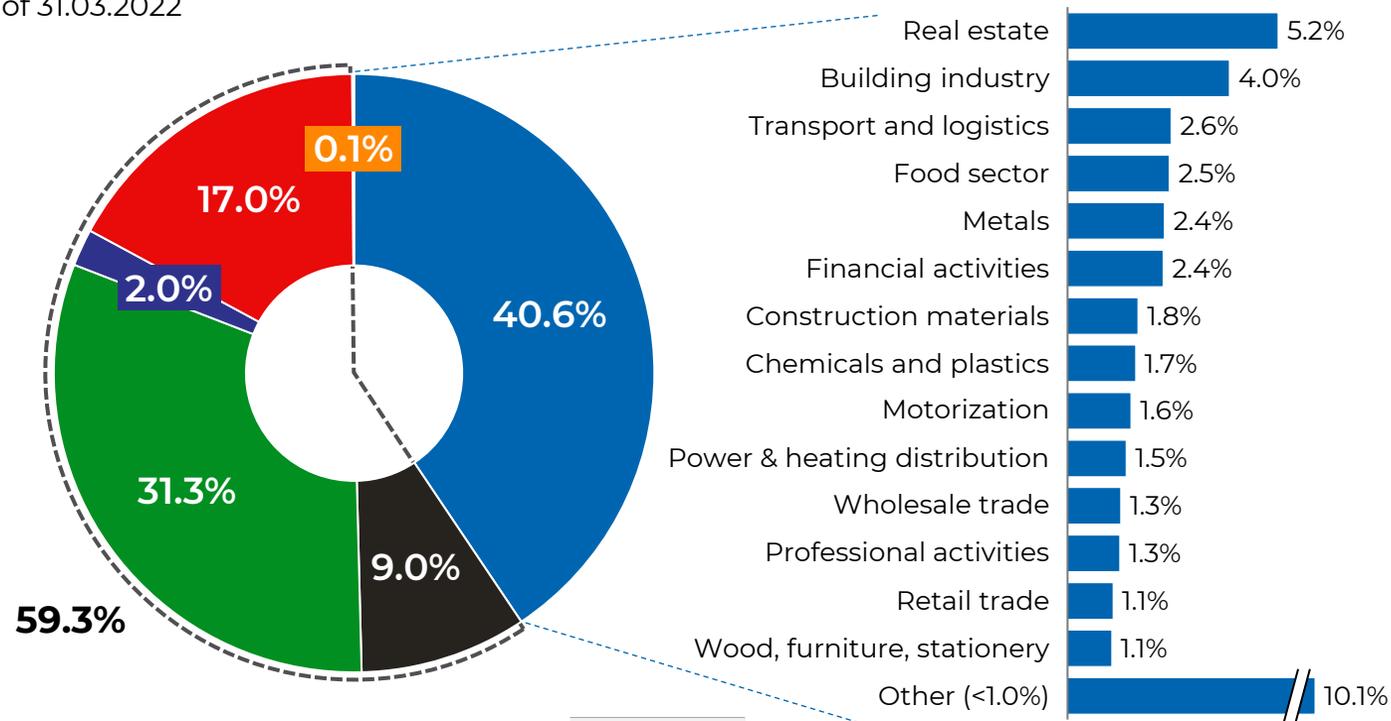


- Amounts due to other banks
- Amounts due to customers
- Debt securities in issue
- Subordinated liabilities
- Other liabilities
- Equity (total)

Appendix: Selected Financial Data – Structure of Loans and Deposits

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

as of 31.03.2022

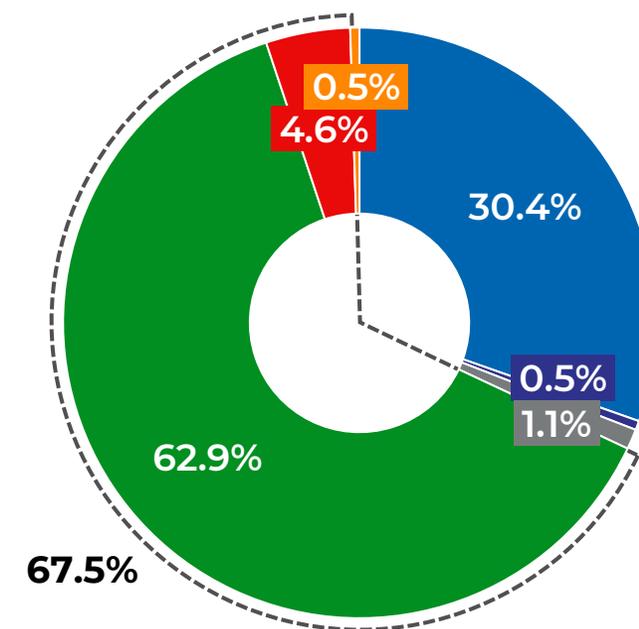


	PLN billion
Corporate loans	51.5
Mortgage loans in FX to individuals	11.4
Mortgage loans in LC to individuals ¹	39.7
Mortgage loans to microfirms	2.5
Non-mortgage retail loans	21.5
Public sector loans	0.2
TOTAL	126.8

A well diversified loan portfolio with granular structure of exposures

Structure of mBank Group's deposits

as of 31.03.2022



	PLN billion
Corporate clients: current accounts ²	50.0
Corporate clients: term deposits	0.9
Loans and advances received	1.9
Individual clients: current accounts	103.3
Individual clients: term deposits	7.6
Public sector clients	0.8
TOTAL	164.5

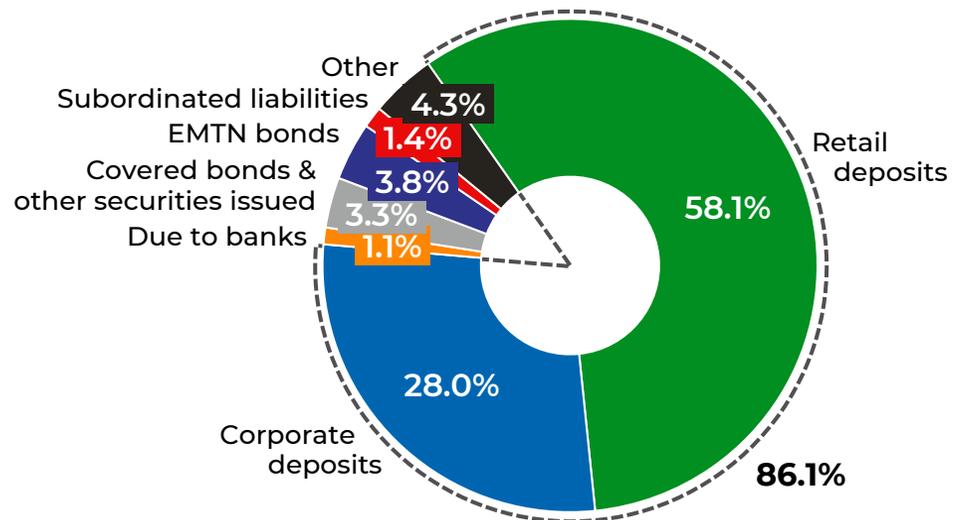
¹ Including local currency mortgage loans granted in Poland, the Czech Republic and Slovakia

² Including repo transactions

Appendix: Selected Financial Data – Funding profile

Structure of mBank Group's funding

as of 31.03.2022



Summary of mBank's long-term funding instruments

as of 31.03.2022

Nominal value	Currency	Issue date	Maturity date	Tenor	Coupon
Issues under Euro Medium Term Note (EMTN) Programme					
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	-

Summary of mBank's ratings

as of 31.03.2022

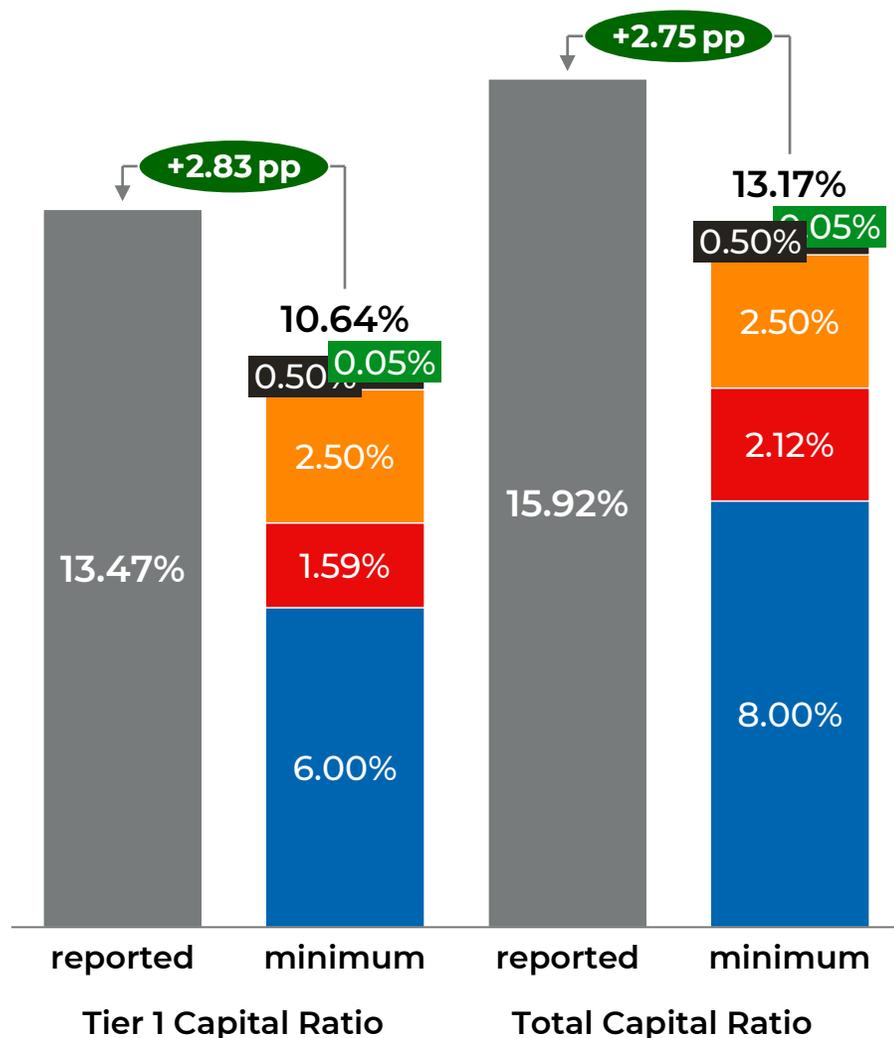
	Fitch Ratings	S&P Global Ratings
Long-term rating	BBB-	BBB
Outlook	<i>Negative</i>	<i>Negative</i>
Short-term rating	F3	A-2
Viability rating / SACP	bbb-	bbb

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

Appendix: Selected Financial Data – Capital Requirements

Regulatory capital requirements for mBank Group

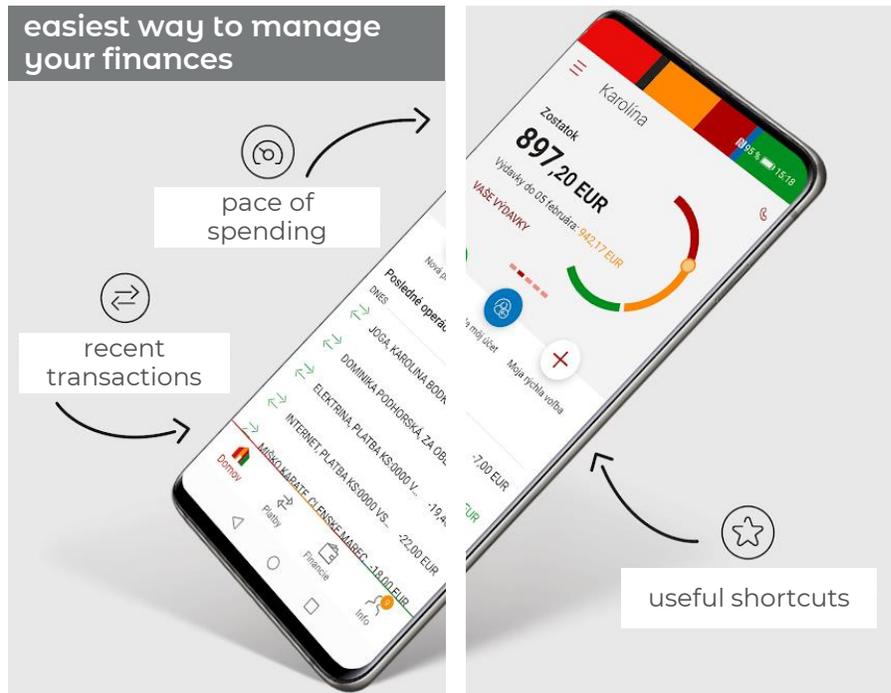
as of 31.03.2022



- 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 updated target MREL requirement set for mBank at the consolidated level, excluding mBank Hipoteczny, amounts to **19.22%** of the total risk exposure amount (TREA) and should be reached by 31.12.2023. Interim MREL_{TREA} goals are **14.67%** at the moment the decision is communicated and **16.94%** at 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



78% of new mBank's clients activate mobile application in the first week from opening the account

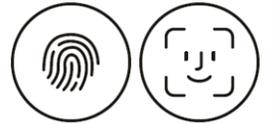
Well-designed functionalities for client convenience



fully remote account opening with e-ID or 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

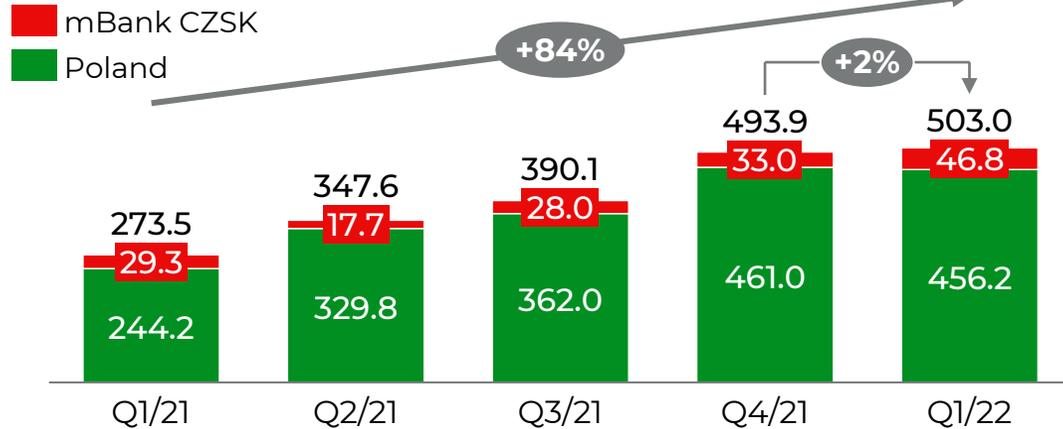


benefits (mDiscounts) for retail buyers and seamless shopping experience with one-click financing options (quick cash loan up to pre-approved limit)

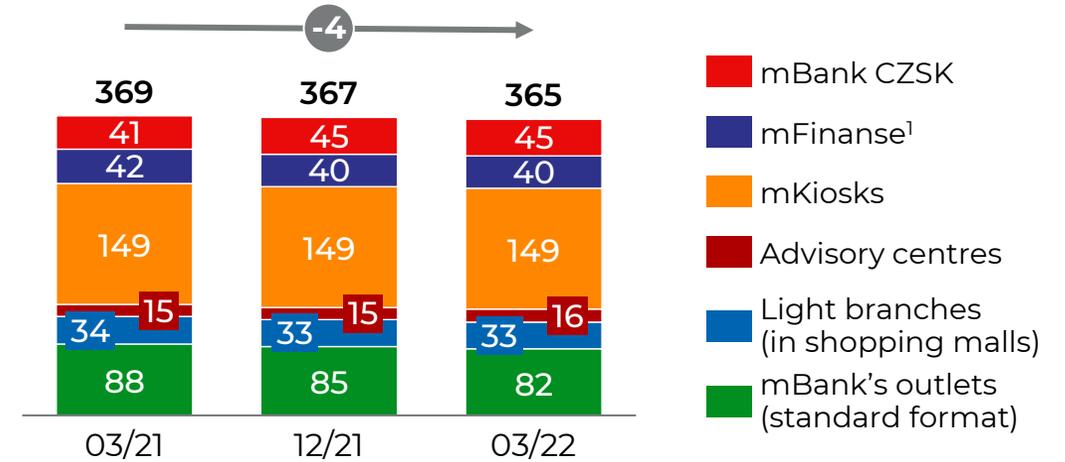
Appendix: Retail Banking – profit and network

Profit before income tax of the segment

PLN M, by quarter

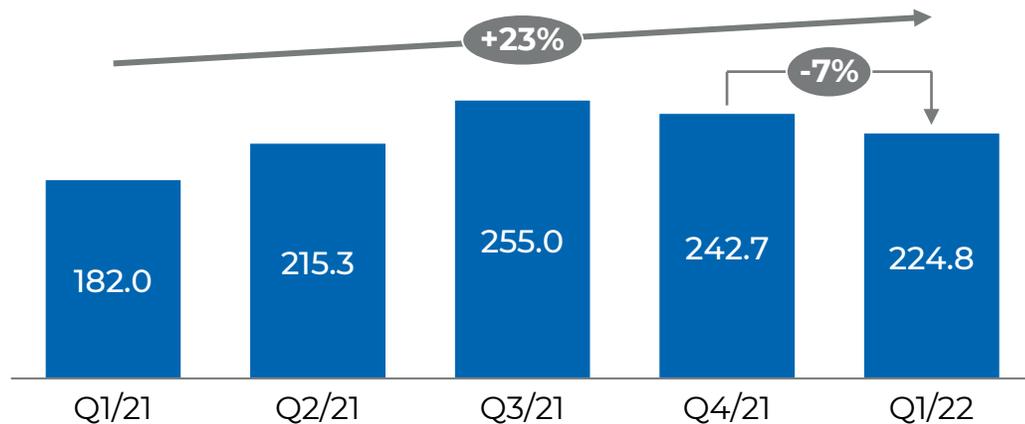


Number of Retail Service Locations



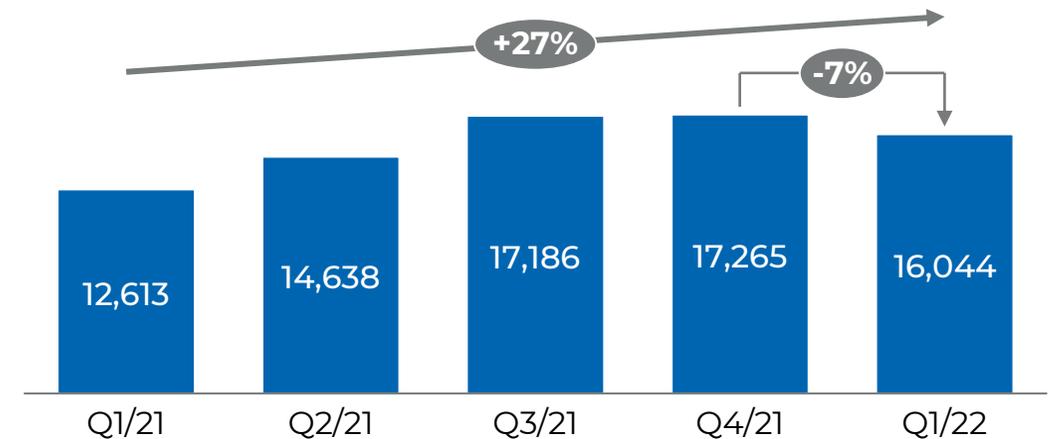
Number of non-cash transactions with payment cards

M, by quarter



Value of non-cash transactions with payment cards

PLN M, by quarter

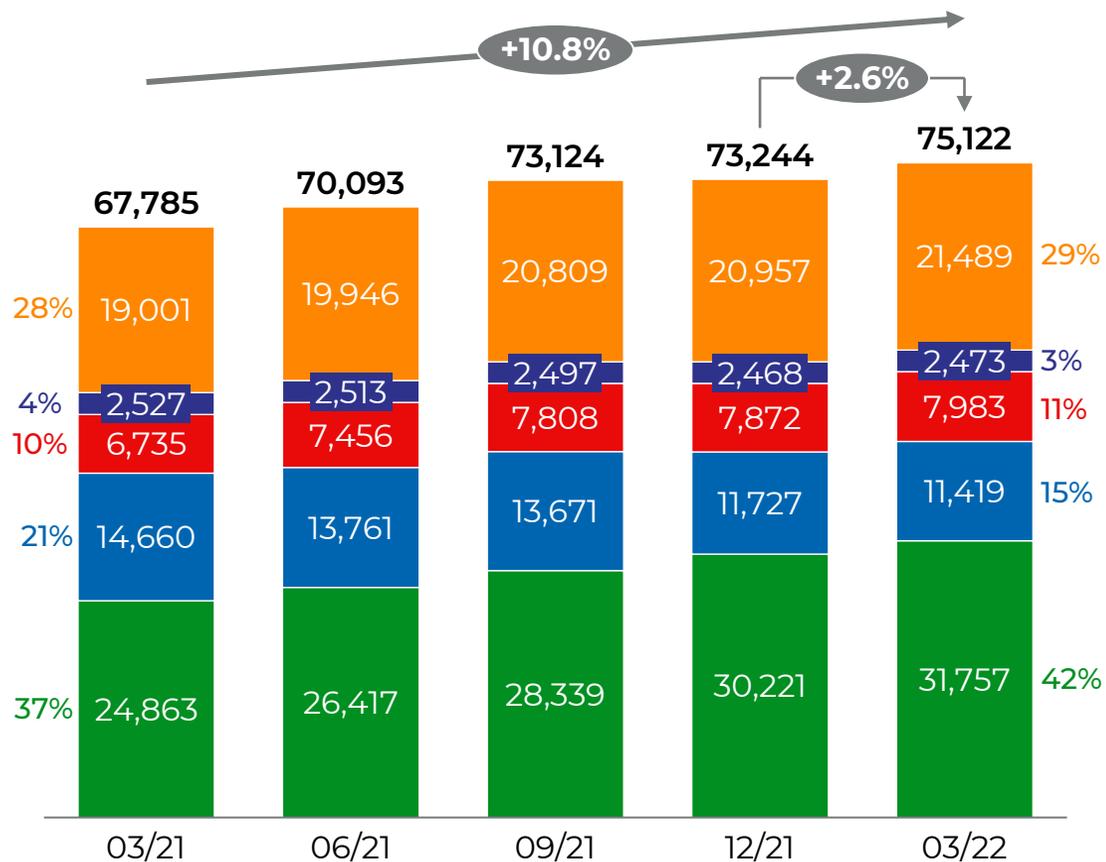


¹ Including financial centres and agency service points

Appendix: Retail Banking – business volumes

Development of gross loans to retail banking clients

PLN M

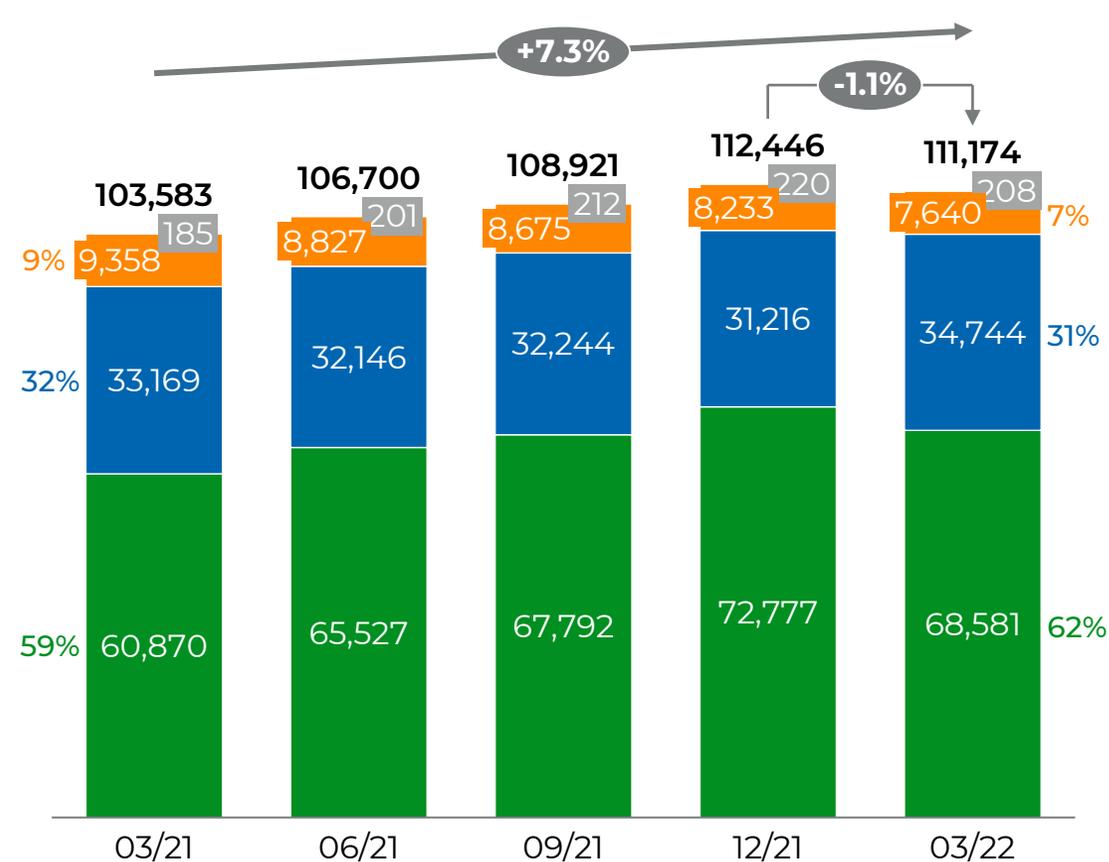


- PLN mortgage loans to individuals
- FX mortgage loans to individuals
- Mortgage loans granted in CZSK
- Mortgage loans to microfirms
- Non-mortgage loans

Note: Currency and geographical breakdown based on management information.

Development of deposits from retail banking clients

PLN M



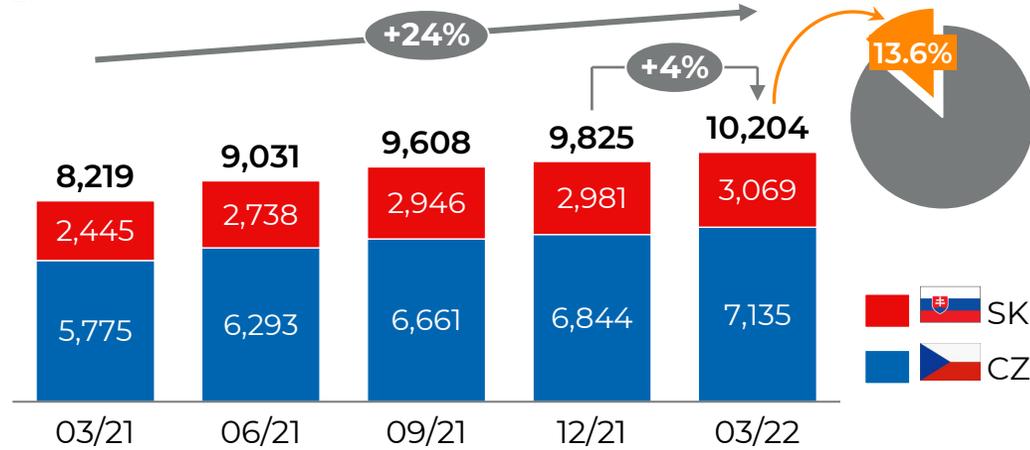
- Current accounts
- Saving accounts
- Term deposits
- Other

Note: Split for 2021 restated due to alignment between management and accounting reporting classification.

Appendix: mBank in the Czech Republic and Slovakia

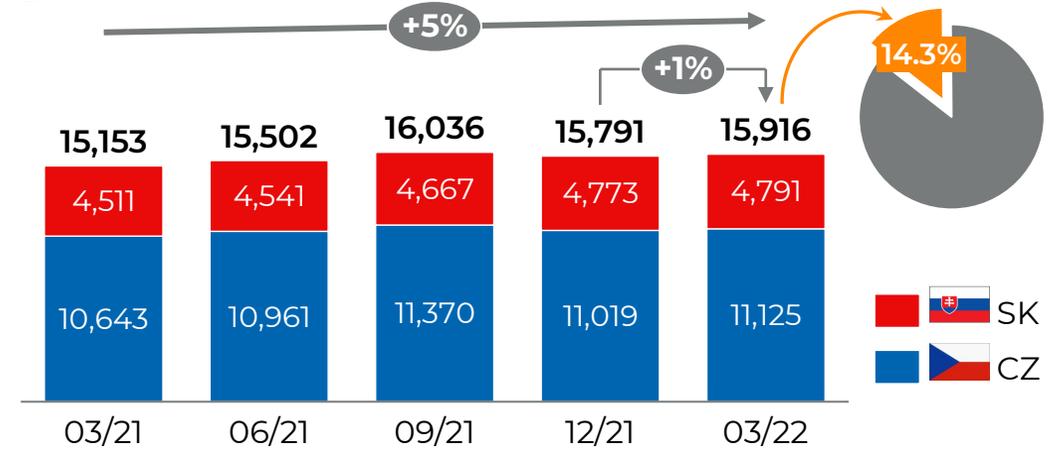
Gross loans and share in total mBank's retail volume

PLN M



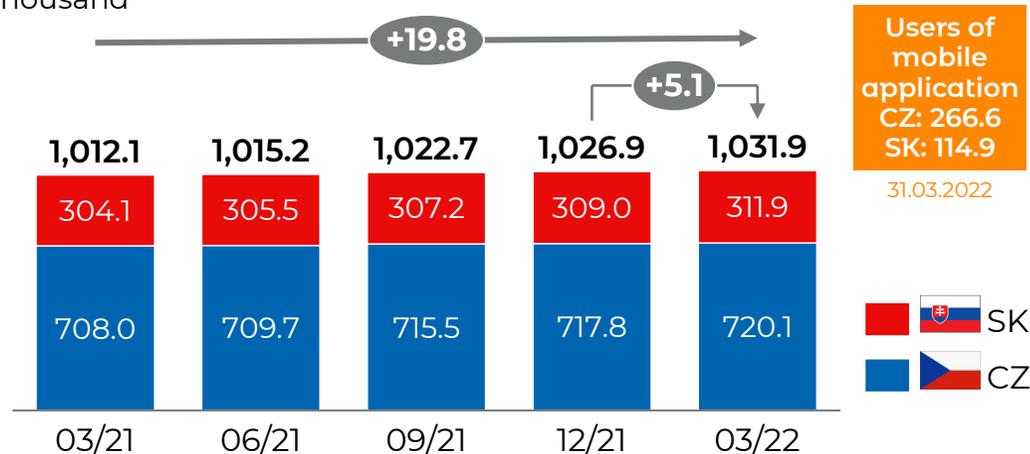
Deposits and share in total mBank's retail volumes

PLN M



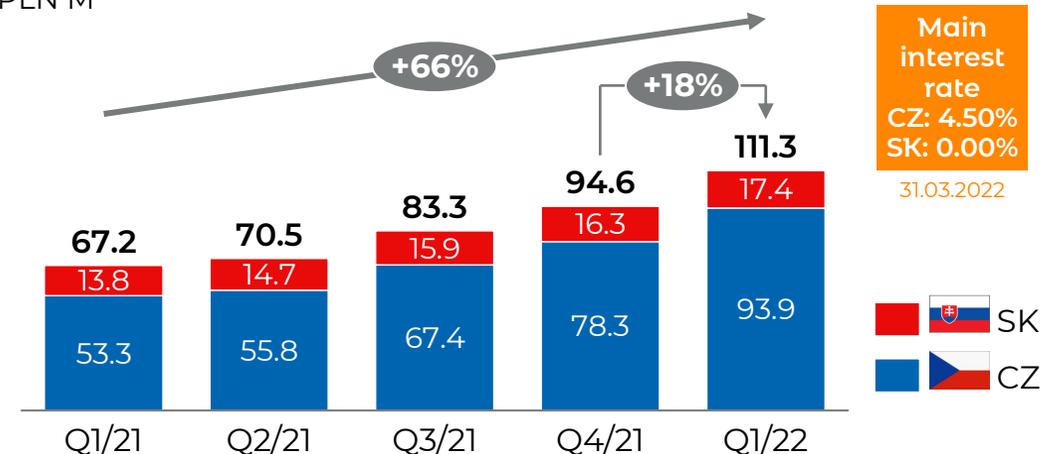
Number of clients

thousand



Development of total revenues

PLN M



Note: Volumes based on management information.

Appendix: mBank in the Czech Republic and Slovakia

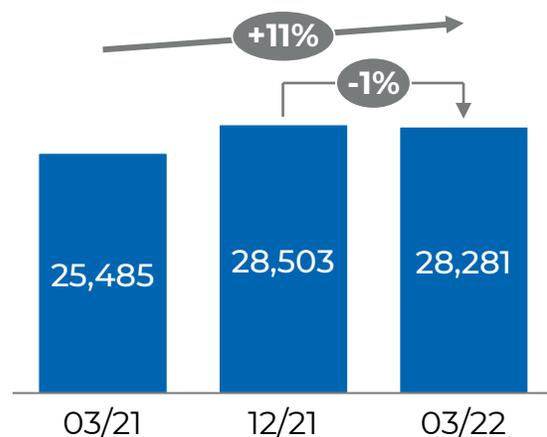


physical network:

6	light branches
7	financial centres
18	mKiosks

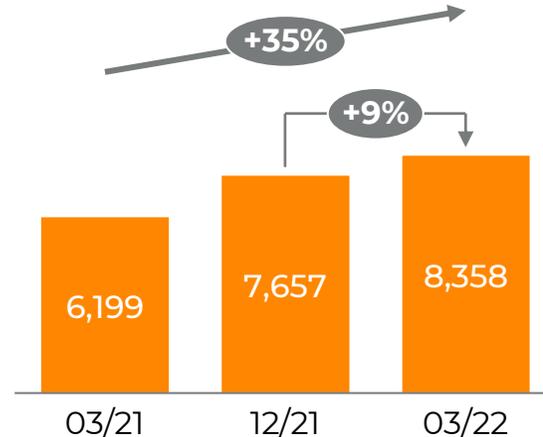
Mortgage loans

CZK M



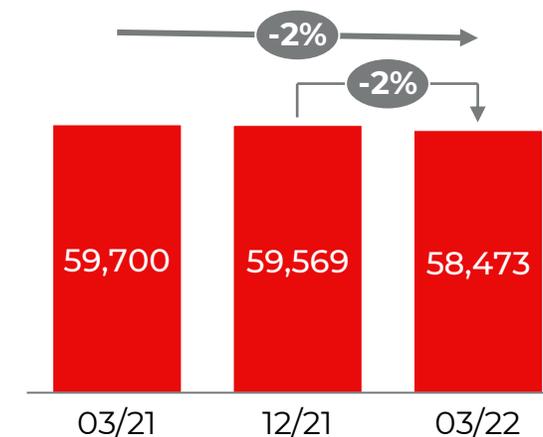
Non-mortgage loans

CZK M



Customer deposits

CZK M

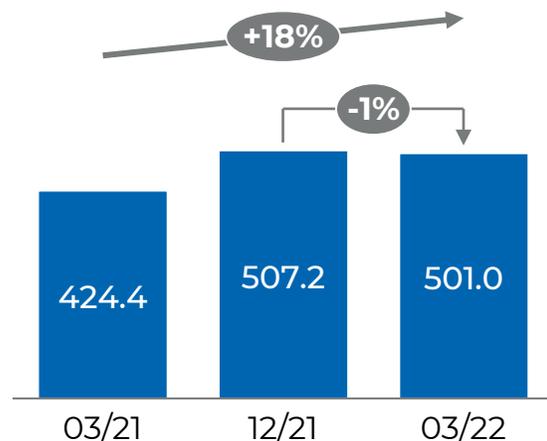


physical network:

2	light branches
3	financial centres
9	mKiosks

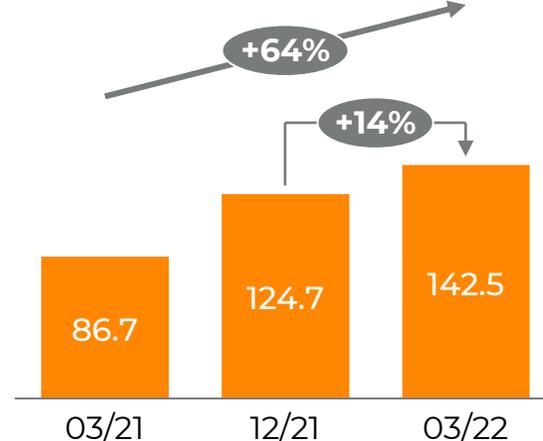
Mortgage loans

EUR M



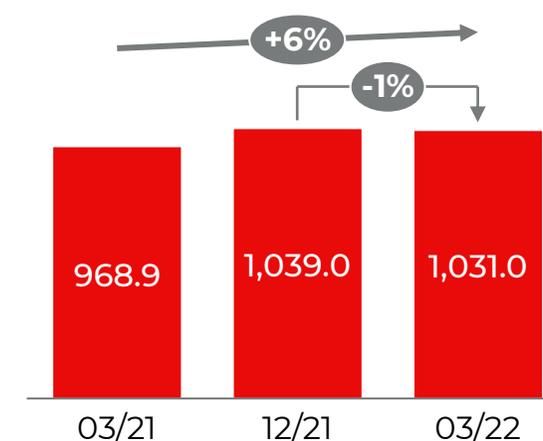
Non-mortgage loans

EUR M



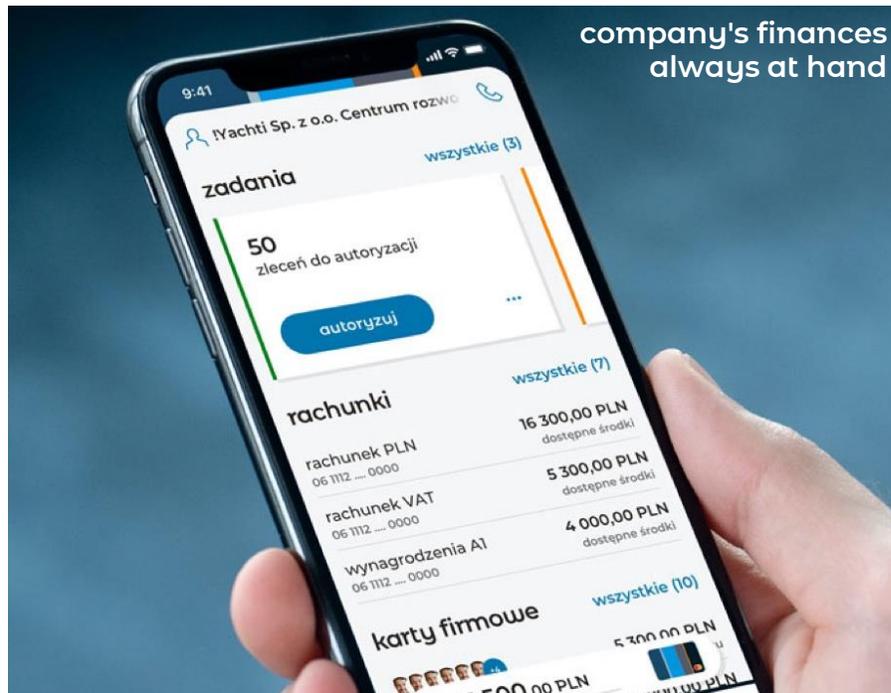
Customer deposits

EUR M

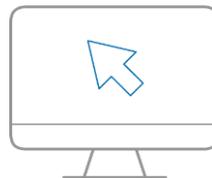


Note: Volumes based on management information.

Appendix: Best digital banking services for corporate clients



CompanyMobile
CompanyNet



81% of corporate customers have at least one user of mBank's mobile application

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



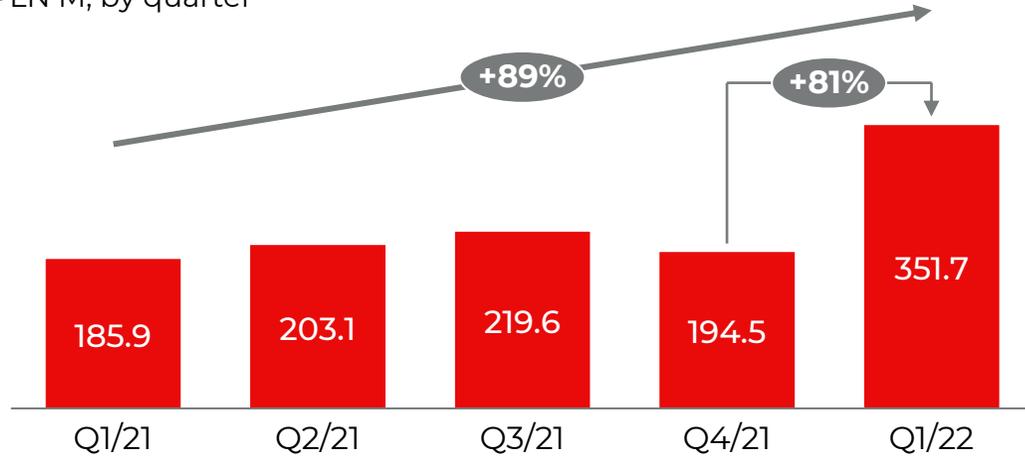
mAuto.pl online platform with an offer of new and used cars, financed by leasing or long-term rental



Appendix: Corporate & Investment Banking – profit and network

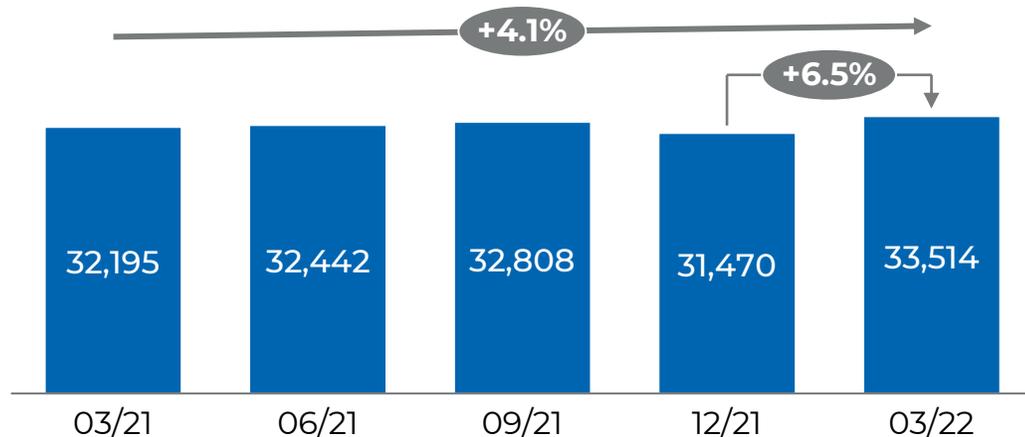
Profit before income tax of the segment

PLN M, by quarter



Development of loans to enterprises¹

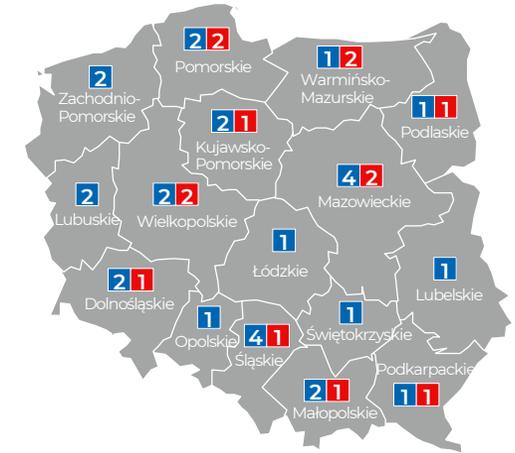
PLN M



Number of corporate service locations

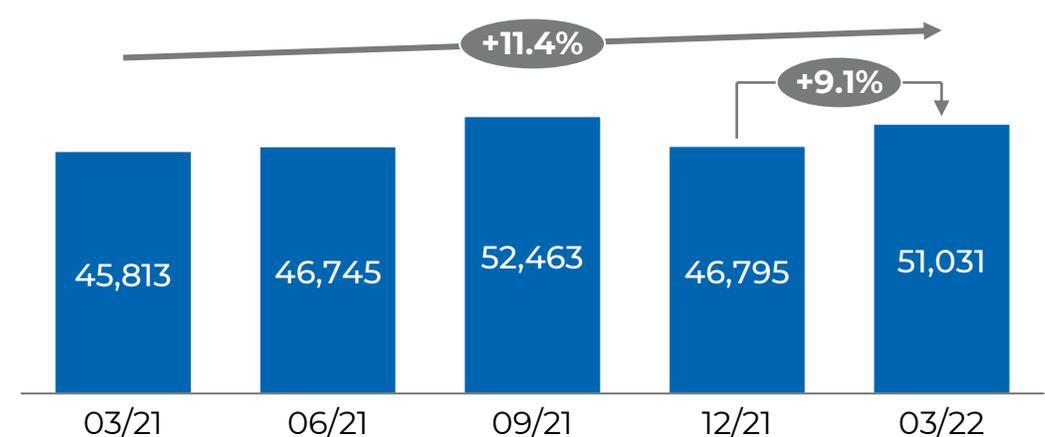
29 mBank's branches,
incl. 13 advisory centres

14 mBank's offices



Development of deposits from enterprises¹

PLN M

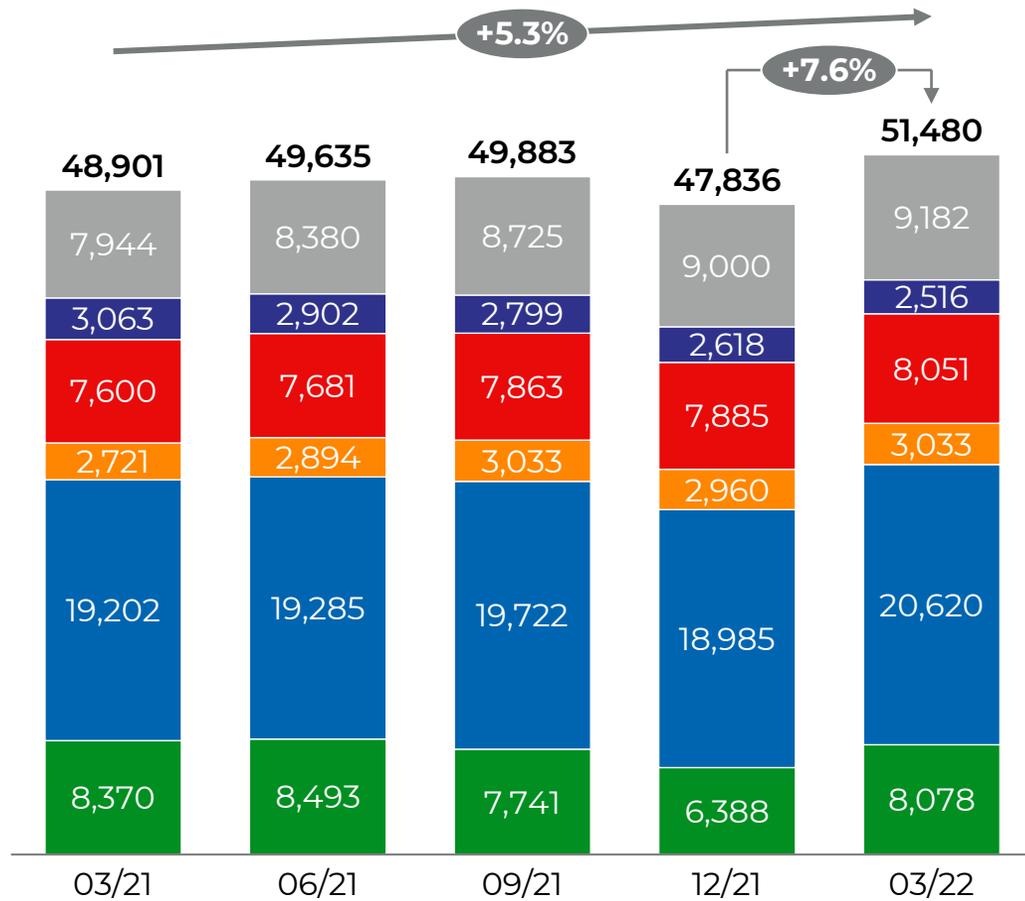


¹ Corporate loan and deposit volumes (for mBank and mBank Hipoteczny) according to NBP rules (monetary reporting system – MONREP)

Appendix: Corporate & Investment Banking – business volumes

Development of gross loans to corporate customers

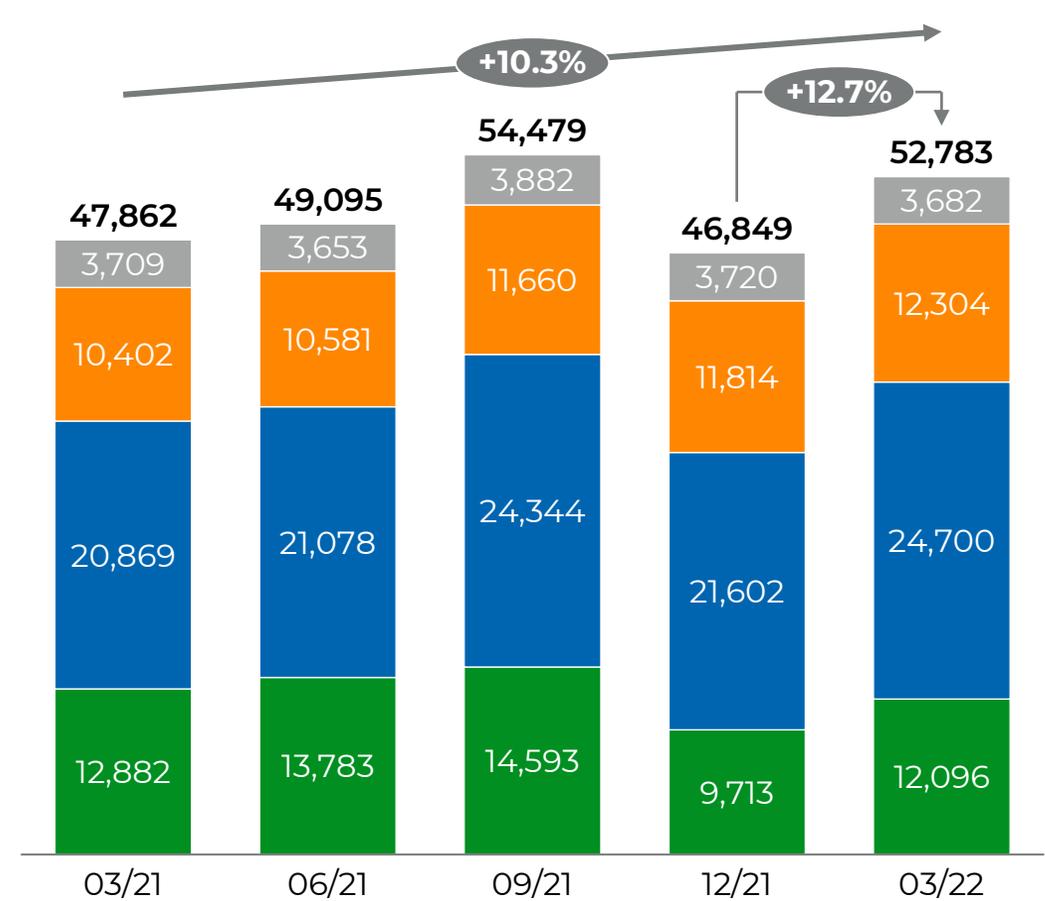
PLN M



■ 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

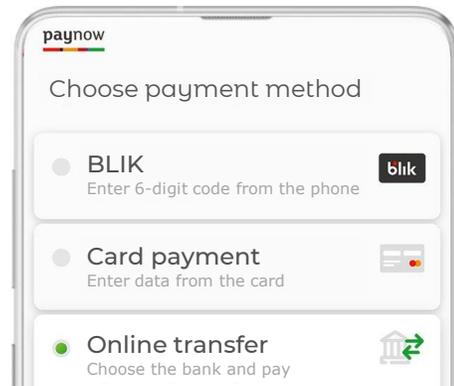
paynow

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 constantly growing, to PLN 152 M in Q1/22, +5% 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.

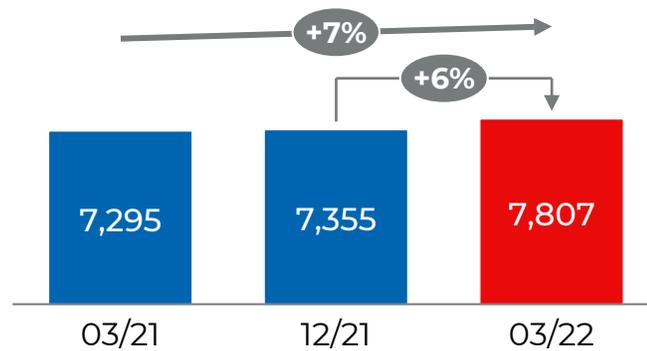


Appendix: Performance of main subsidiaries of mBank

m Bank Hipoteczny
 established in 1999
 specialised mortgage bank and active issuer of covered bonds on both domestic and foreign markets

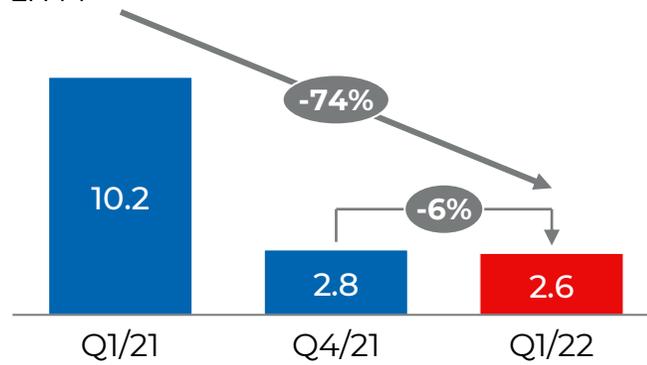
Outstanding amount of covered bonds

PLN M, nominal value, incl. private placement



Company's profit before income tax

PLN M

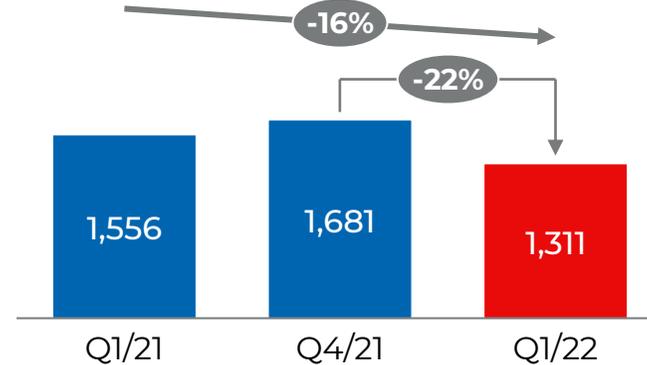


m Leasing
 established in 1991
 offered financing in the form of leasing of cars, trucks, machinery and real estate as well as car fleet management (CFM) services

Leasing contracts

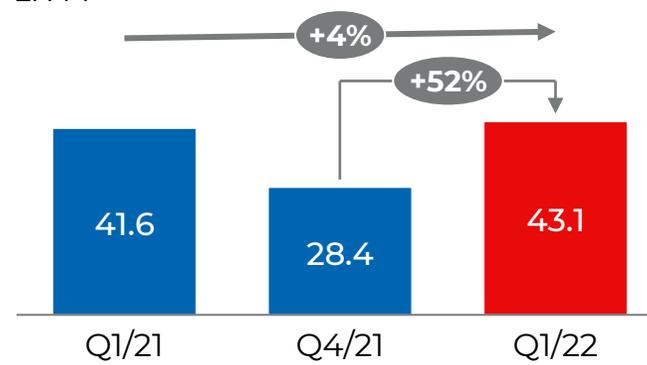
Market share 2021: 7.4%

PLN M



Company's profit before income tax

PLN M

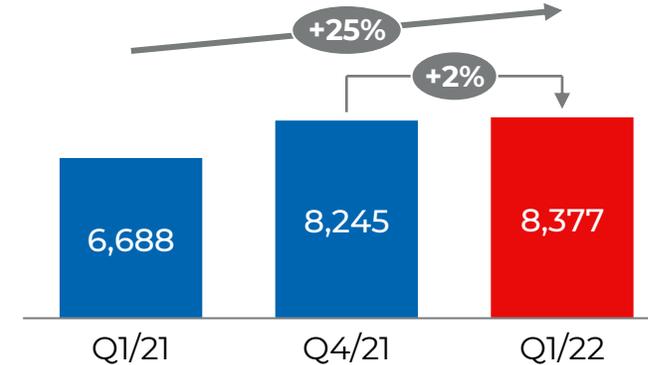


m Faktoring
 established in 1995
 offered services include domestic and export recourse and non-recourse factoring and import guarantees

Factoring contracts

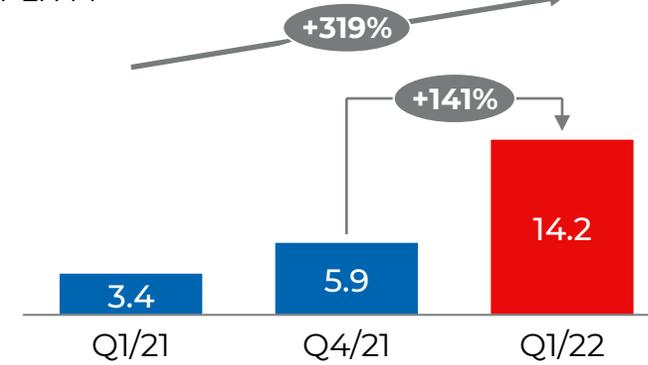
Market share 2021: 8.2%

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: ESG is well embedded in mBank Group's strategy

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
14.8 (low risk)
as of 02.05.2022

MSCI ESG Rating¹
BBB
as of February 2022

Bloomberg GEI
Gender-Equality Index

FTSE4Good
Index Series

WIG-ESG index
on WSE in Poland

¹ please see [the webpage](#) for disclaimer statement

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 declined on worsened sentiment due to Russian aggression against Ukraine

mBank's index membership and weights

as of 31.03.2022

WIG20		1.954%
WIG30		1.800%
WIG		1.330%
WIG-Banks		5.293%
WIG-ESG		2.129%
WIG-Poland		1.382%

- 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 31.03.2022).

Disclaimer

This presentation has been prepared by mBank S.A. for information purposes only and is based on the Condensed Consolidated Financial Statements for the first quarter of 2022, 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.

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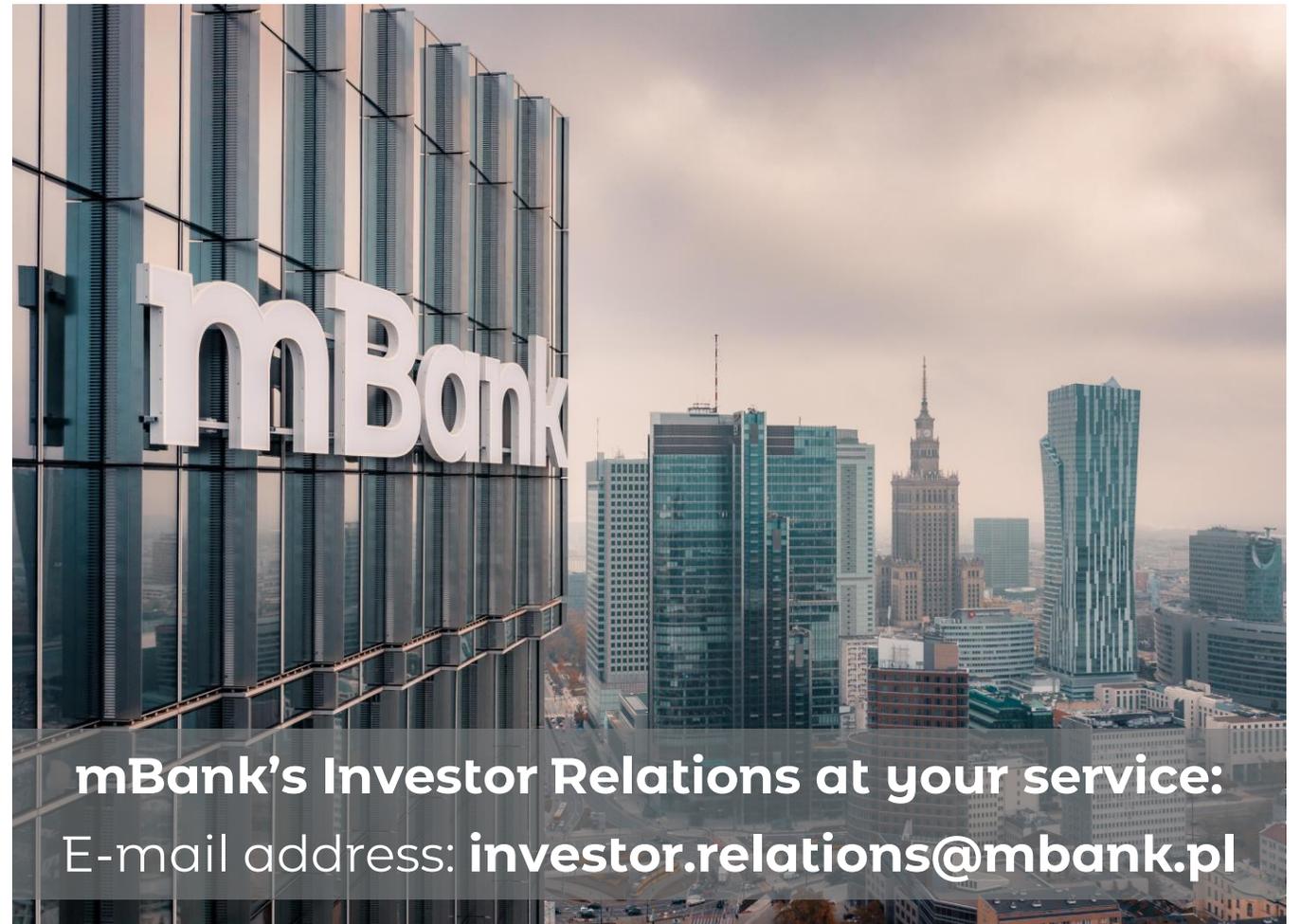
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