

Results of mBank Group Q1 2023

Strong operating performance and a good start to the year



Presentation for Investors and Analysts, 28.04.2023

Agenda



Key highlights of Q1 2023

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- Business development
- Summary of financial results

Analysis of the performance after Q1 2023

12

- 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 2023 in mBank Group

- ✓ Core revenues back on upward trend thanks to increase of net interest income and improving net fees
- ✓ Efficiency at excellent level despite high inflation, wage pressure and the contribution to the Resolution Fund
- ✓ Cost of risk within the guided range; further rising coverage of CHF mortgage portfolio with legal provisions
- ✓ Robust operating performance; capital and liquidity ratios safely exceeding regulatory requirements
- ✓ Slight increase of loans driven by corporate segment, strong inflows of deposits from retail clients
- ✓ Rising number of active clients and share of sales via digital channels thanks to the convenience of offered solutions

Net interest income
+6.0% QoQ

Net fee income
+7.1% QoQ

Total costs
+35.5% QoQ

Cost/Income ratio
33.4%

Cost of risk
79 bps

CHF legal costs
PLN 808 million

Core gross profit¹
PLN 1,316 million

Total capital ratio
15.75%

Loans
+1.1% QoQ

Deposits
+3.9% QoQ

Mobile application
3.43 million users

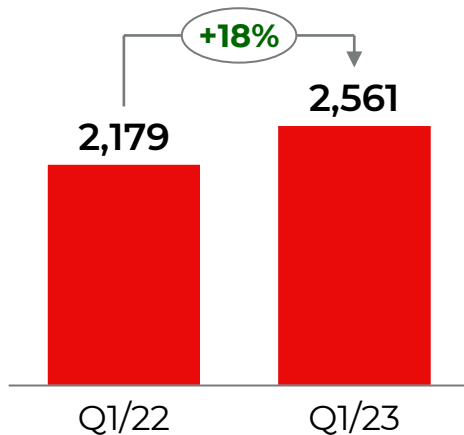
PFM adoption
1.76 million users

¹ Profit before income tax generated by Core Business defined as mBank Group excluding FX Mortgage Loans segment

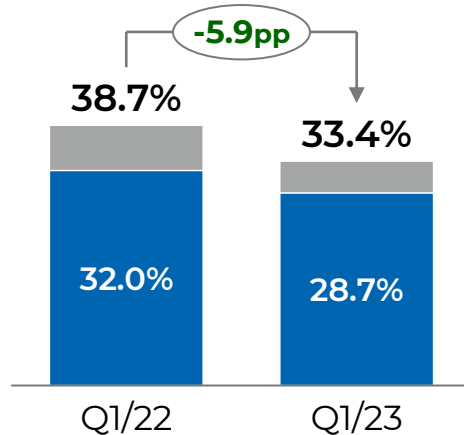
Summary of key financial metrics for mBank Group

Total income

PLN M

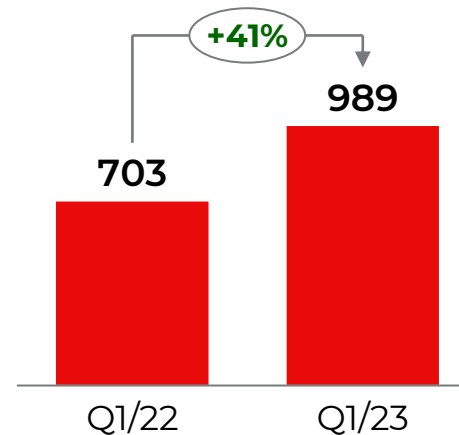


Cost/Income ratio¹

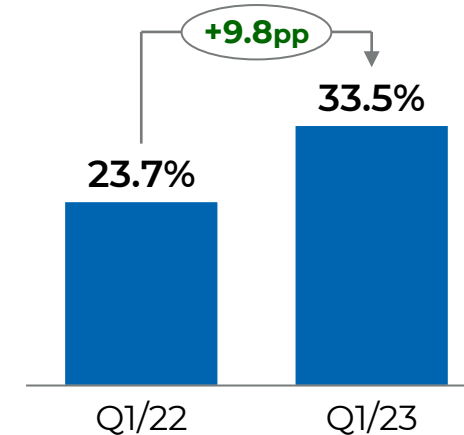


Net profit of Core Business²

PLN M

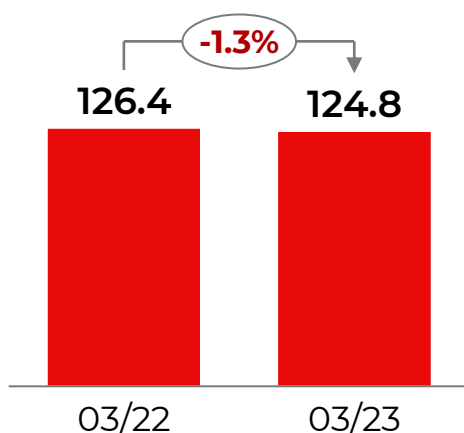


ROE of Core Business²

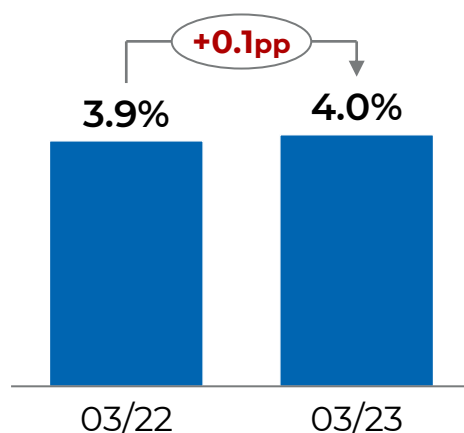


Gross loans to customers

PLN B

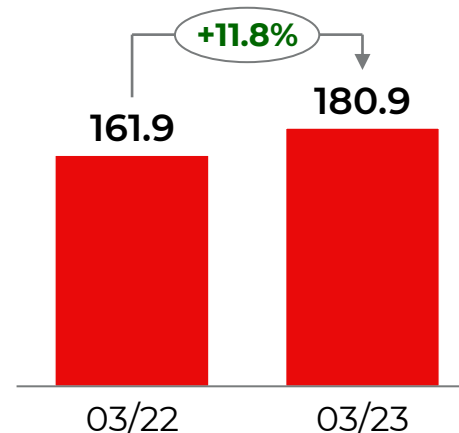


NPL ratio

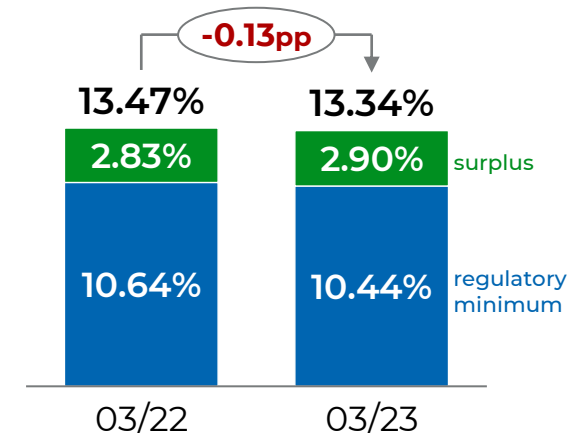


Customer deposits

PLN B



Tier 1 capital ratio



¹ Reported and normalized indicator, including ¼ of contribution to the Resolution Fund booked in the first quarter of the year, and excluding the impact of "credit holidays" (reversal of estimated cost at PLN 57.9 million) in Q1/23

² Defined as mBank Group excluding FX Mortgage Loans segment

Highlights of recent activities executing mBank's ESG strategy

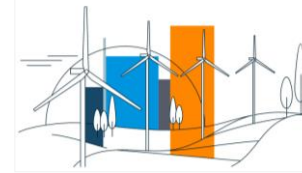
mBank introduced a mobile verification of the identity of its employees contacting clients



- **Security of remote contacts** with mBank has been **further strengthened**. Thanks to the solution, clients can be sure that they are speaking with real representatives of the bank.
- All calls initiated by the bank's employees have to be now confirmed by the client in the mobile application. If the customer does not approve the call, the employee disconnects. **No verification questions** are asked by the person from contact centre.



mBank co-financed the construction of the first large-scale solar and wind farm in Poland



- mBank was in a consortium of three lenders which **granted financing** in the total amount of PLN 776 M for the construction of **Kleczew Solar & Wind project**.
- The farm with a capacity of over 200 MW has been **located in post-mining area**. Thanks to the use of advanced technologies, including **modern n-type photovoltaic panels**, the energy generated in the power plant will meet the demand of approx. 100,000 households.

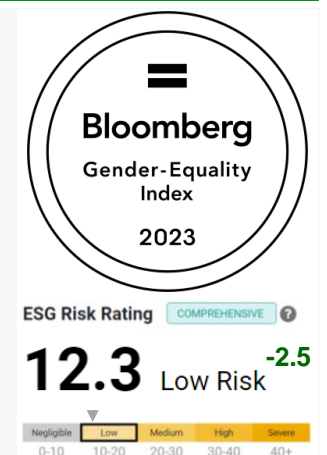
mBank has continued to cooperate with the Great Orchestra of Christmas Charity (WOŚP)

- As the main partner and sponsor, **mBank played together with WOŚP during the Grand Finale fundraiser** for the sixth 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.
- **mBank and its clients donated PLN 20 million** for WOŚP in 2023.

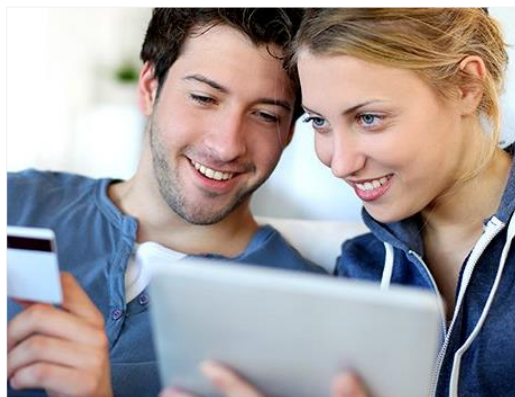


mBank was again assessed highly in terms of ESG aspects by leading independent agencies

- In January 2023, **mBank became a member of the Bloomberg Gender-Equality Index** for the third time. 484 companies from around the world distinguished in this year's edition were **scored against five areas**, including leadership pipeline, pay parity and **inclusive culture**.
- Following a review performed in April 2023, **Sustainalytics confirmed its Low Risk Rating for mBank**. The result of 12.3 points is one of the best scores among Polish banks.

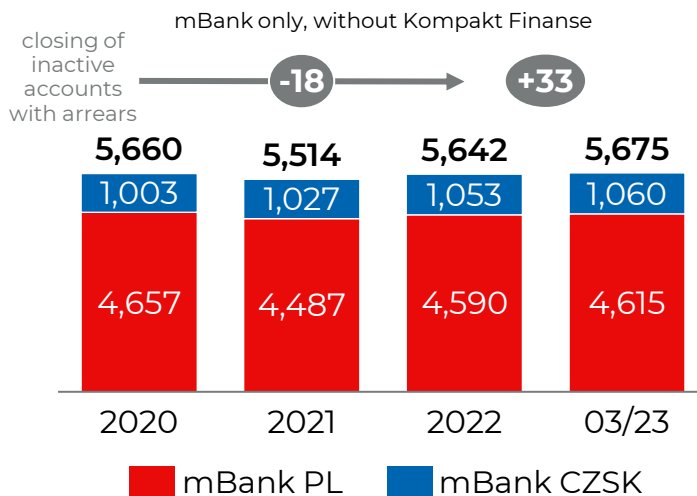


Client base and market position of retail and corporate banking

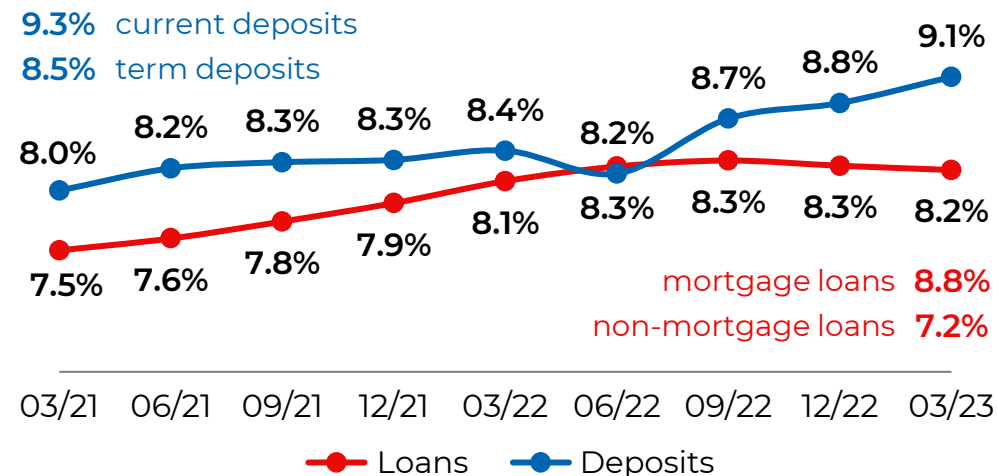


RETAIL BANKING

Number of retail clients (thou.)

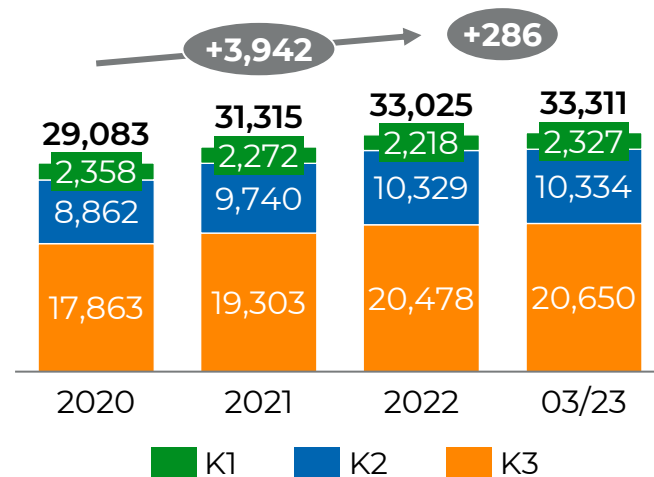


Market shares - Households

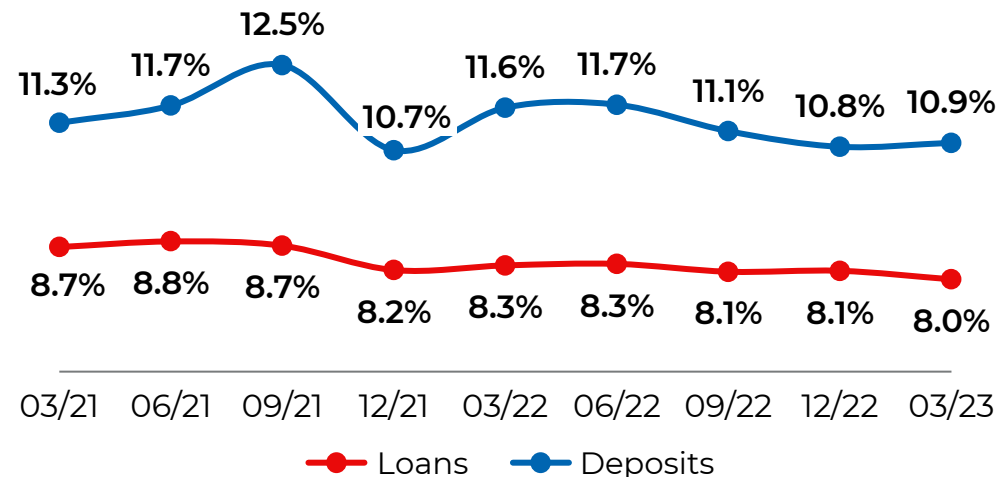


CORPORATE BANKING

Number of corporate clients



Market shares - Enterprises



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.

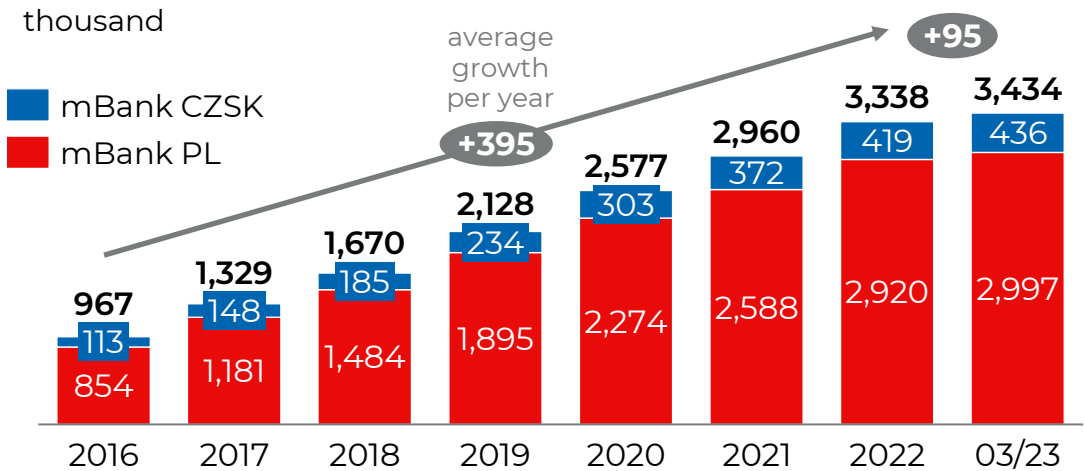
mBank remains a front-runner in mobile banking adoption



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

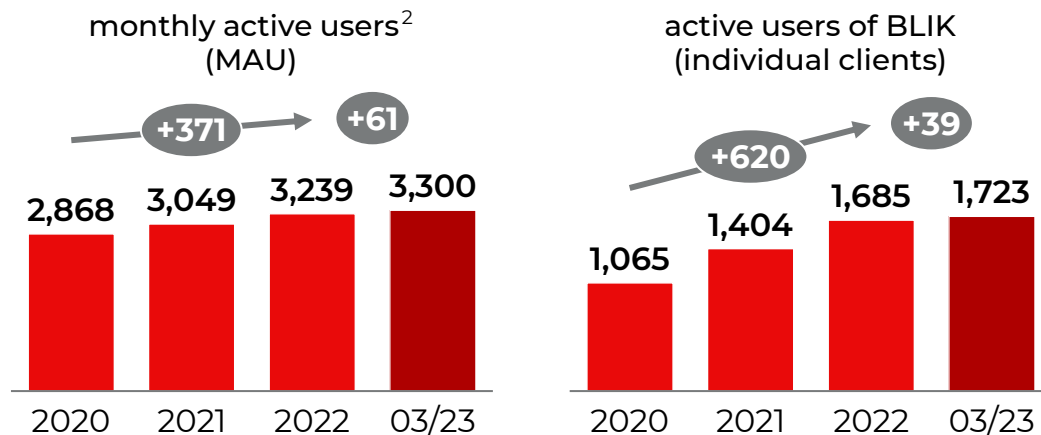
#2 by the number of mobile app users among Polish banks

Number of active users of mBank's mobile application¹



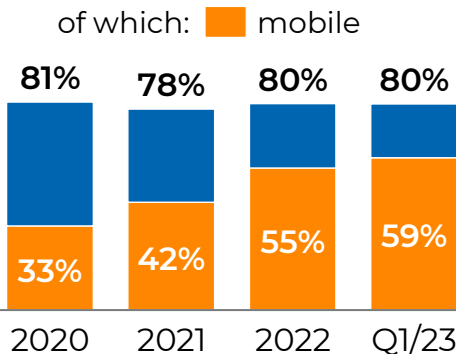
Number of active users of mBank's services in Poland

thousand

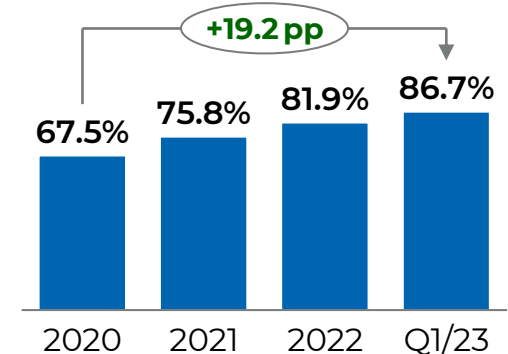


Growing importance of digital channel in daily banking

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



¹ An "active user of mBank's mobile application" is a client who in a given month logged in at least once into the mobile application

² An "active user of mBank's services in Poland" is a client who in a given month performed at least one of the following actions: (i) logged into the mobile application, internet banking or trusted profile (ePUAP), (ii) initiated a transfer or card transaction

Summary of financial results: Profit and Loss Account

PLN million	Q1 2022	Q4 2022	Q1 2023	Δ QoQ	Δ YoY
Net interest income	1,506.6	1,974.5	2,092.4	+6.0%	+38.9%
Net fee and commission income	590.7	467.8	501.1	+7.1%	-15.2%
Total income	2,178.6	2,434.0	2,561.0	+5.2%	+17.6%
Total costs (excl. obligatory contributions)	-597.7	-642.7	-672.0	+4.6%	+12.4%
Contributions to the BFG and BSF ¹	-246.2	11.6	-182.9	+/-	-25.7%
Loan loss provisions and fair value change ²	-268.5	-188.1	-238.2	+26.6%	-11.3%
Costs of legal risk related to FX loans	-192.8	-430.1	-808.5	+88.0%	+319.4%
Operating profit	873.4	1,184.8	659.5	-44.3%	-24.5%
Taxes on the Group balance sheet items	-159.8	-180.3	-190.0	+5.4%	+18.9%
Profit or loss before income tax	713.6	1,004.4	469.5	-53.3%	-34.2%
Net profit or loss	512.3	834.5	142.8	-82.9%	-72.1%
Net interest margin (w/o "credit holidays")	3.17%	4.03%	3.95%	-0.08pp	+0.78pp
Cost/Income ratio	38.7%	25.9%	33.4%	+7.5pp	-5.3pp
Cost of risk	0.89%	0.61%	0.79%	+0.18pp	-0.10pp
Return on equity (ROE)	15.0%	26.9%	4.3%	-22.6pp	-10.7pp
Return on assets (ROA)	1.03%	1.59%	0.27%	-1.32pp	-0.76pp

¹ In Q4/22, following the precise information, PLN 13.1 million for Borrowers' Support Fund (BSF) was released; in Q1/22 and Q1/23 contribution to the Resolution Fund amounted to PLN 194.5 million and PLN 182.9 million, respectively

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

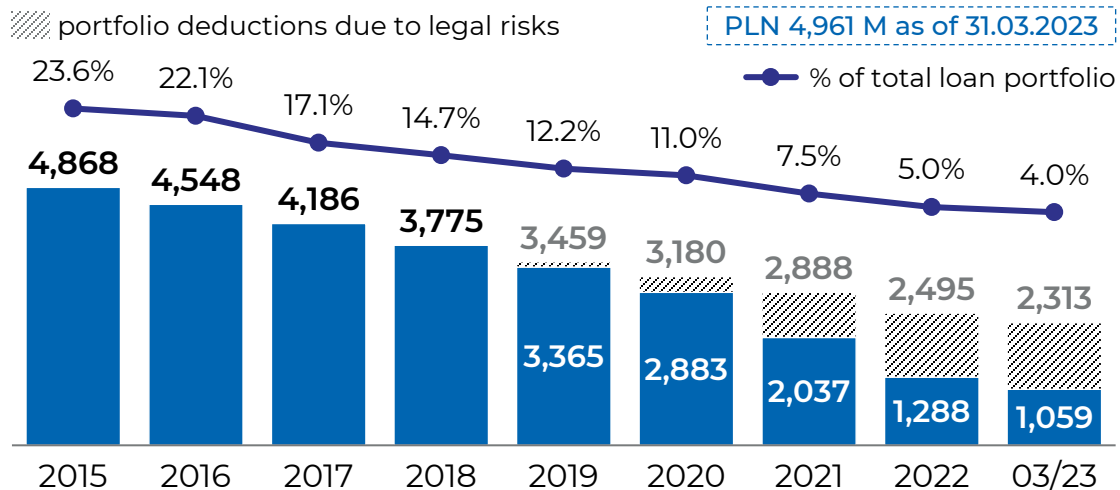
Summary of financial results: Balance Sheet

PLN million	Q1 2022	Q4 2022	Q1 2023	Δ QoQ	Δ YoY
Total assets	203,237	209,892	217,529	+3.6%	+7.0%
Gross loans to customers	126,403	123,437	124,800	+1.1%	-1.2%
Individual client loans	74,763	71,122	70,224	-1.3%	-6.0%
Corporate client loans	51,469	52,207	54,476	+4.3%	+5.8%
Customer deposits	161,862	174,131	180,917	+3.9%	+11.8%
Individual client deposits	111,174	122,890	129,043	+5.0%	+16.1%
Corporate client deposits ¹	49,728	49,671	51,085	+2.8%	+2.7%
Total equity	13,590	12,715	13,265	+4.3%	-2.4%
Loan-to-deposit ratio	76.0%	69.0%	67.2%	-1.8pp	-8.8pp
NPL ratio	3.9%	4.0%	4.0%	0.0pp	+0.1pp
Coverage ratio	54.4%	52.3%	52.3%	0.0pp	-2.1pp
Tier 1 Capital Ratio	13.5%	13.8%	13.3%	-0.5pp	-0.2pp
Total Capital Ratio	15.9%	16.4%	15.8%	-0.6pp	-0.1pp

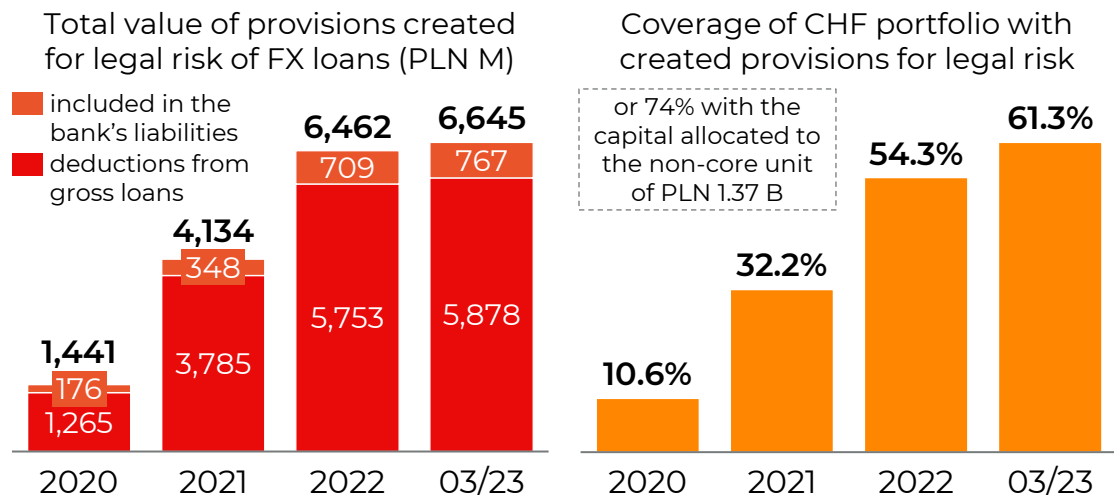
¹ Excluding repo / sell-buy-back transactions

Strong protection against legal risks and ongoing settlement program

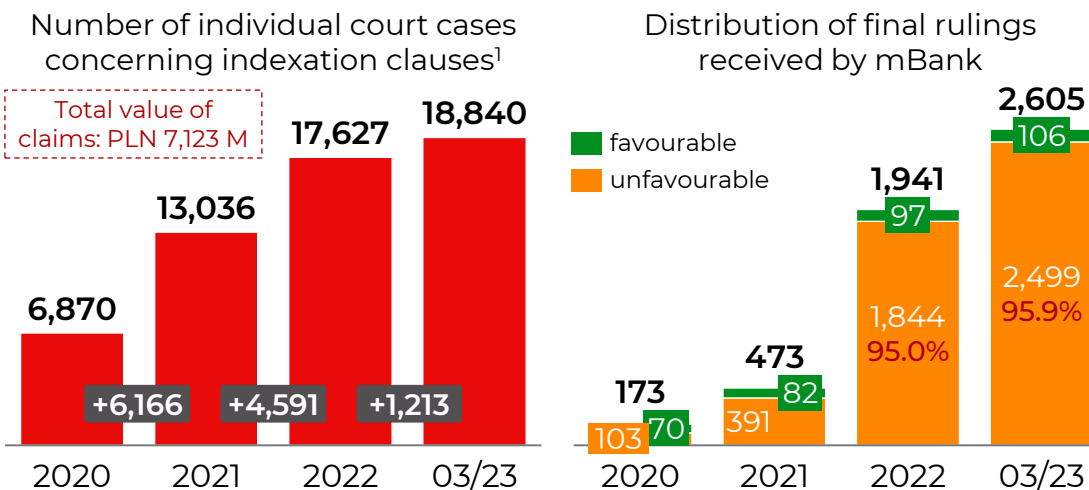
CHF mortgage loans to individual customers (CHF M, net)



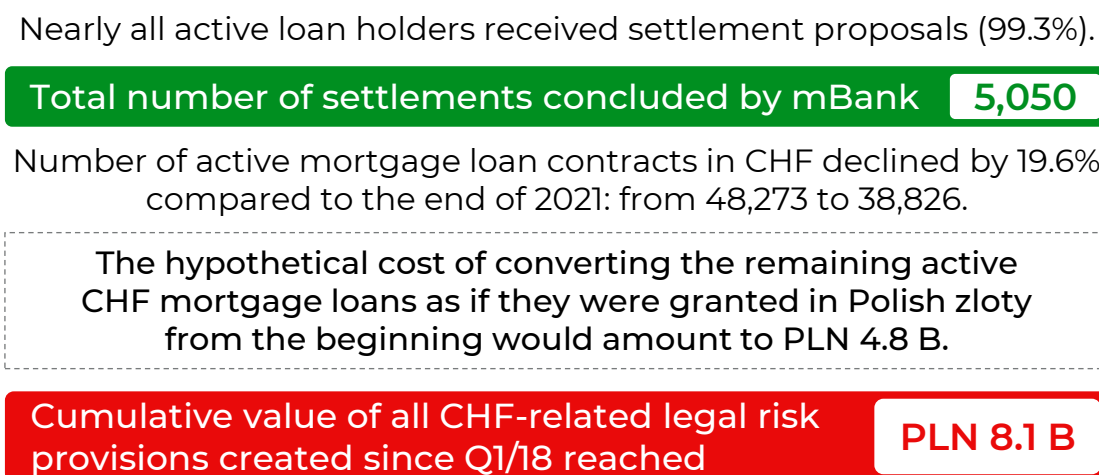
Provisions for legal risk and coverage for CHF portfolio



Summary of pending court cases and severity of verdicts



Statistics of mBank's settlement program – as of 19.04.2023



¹ the currently outstanding number of court cases, i.e. new lawsuits minus final verdicts and settlements

Robust performance of the core business demonstrated in Q1 2023

Summary of financial results for mBank's core activity and run-off portfolio in Q1/23

PLN million	Core Business	Non-core ¹	mBank Group
Net interest income	2,085.2	7.2	2,092.4
Net fee, trading and other income	474.5	-5.9	468.6
Total income	2,559.7	1.3	2,561.0
Total costs	-828.6	-26.3	-854.9
Loan loss provisions and fair value change ²	-233.4	-4.8	-238.2
Costs of legal risk related to FX loans	0.0	-808.5	-808.5
Operating profit	1,497.7	-838.3	659.5
Taxes on the Group balance sheet items	-181.8	-8.2	-190.0
Profit or loss before income tax	1,316.0	-846.5	469.5
Net profit or loss	989.3	-846.5	142.8
Total assets	210,463	7,066	217,529
Net interest margin	4.09%		3.95%
Cost/Income ratio	32.4%		33.4%
Cost of risk	0.82%		0.79%
Return on equity (ROE)	33.5%		4.3%
Return on assets (ROA)	1.91%		0.27%

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, is shown separately 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 1.37 B as of 31.03.2023.

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);

From the managerial perspective, growth of mBank's core business is effectively based on lower capital due to its portion being set aside for FX Mortgage Loans segment.

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Appendix

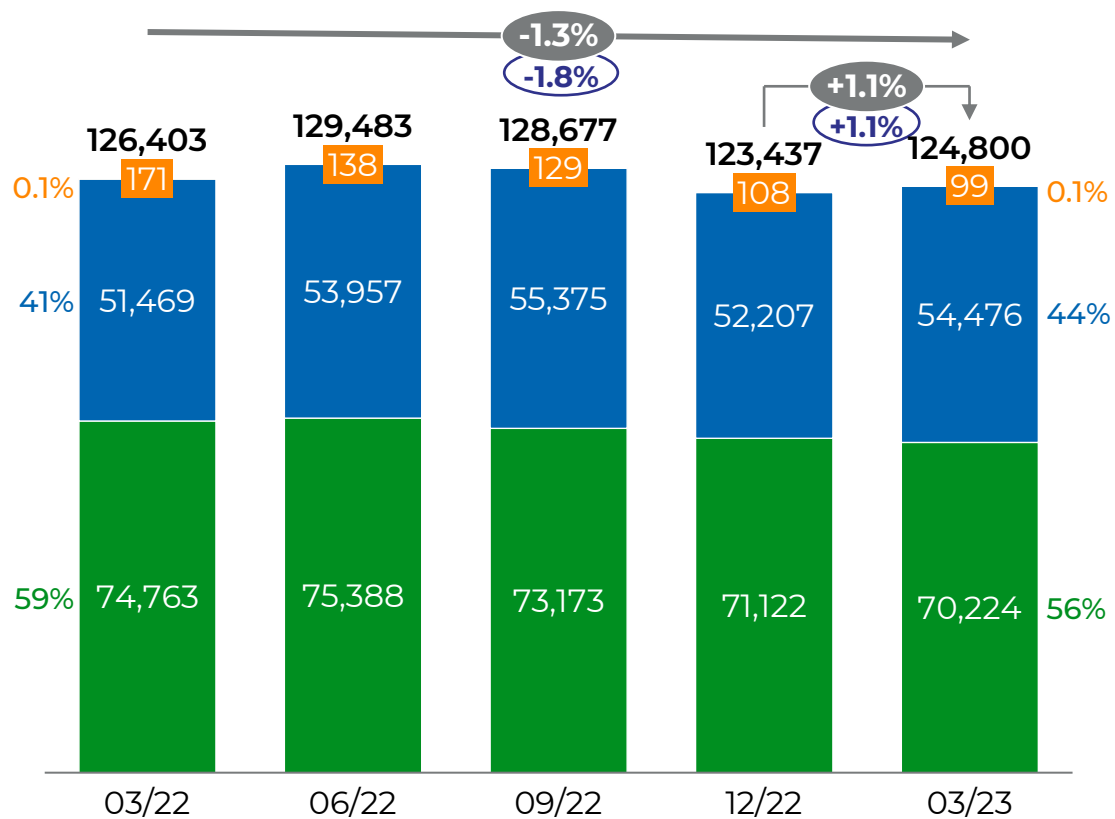
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Results of mBank Group: Loans to customers

Subdued growth of loan portfolio observed in both business segments

Development of gross loans and advances to customers

PLN M

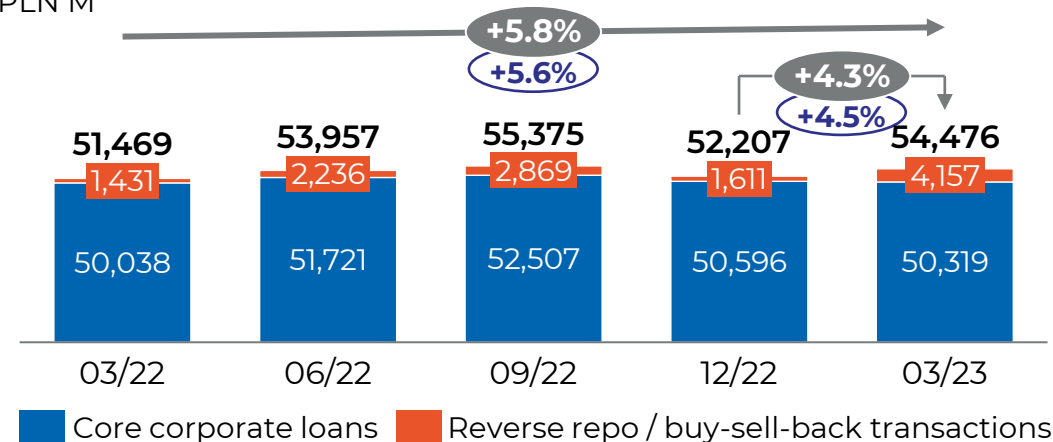


- Individual clients
- Corporate clients
- Public sector

+X.X% Excluding FX effect

Gross loans to corporate customers

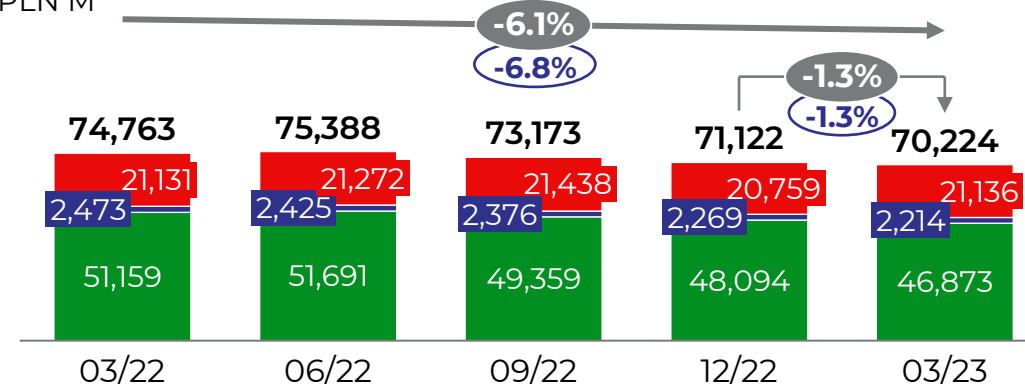
PLN M



- 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

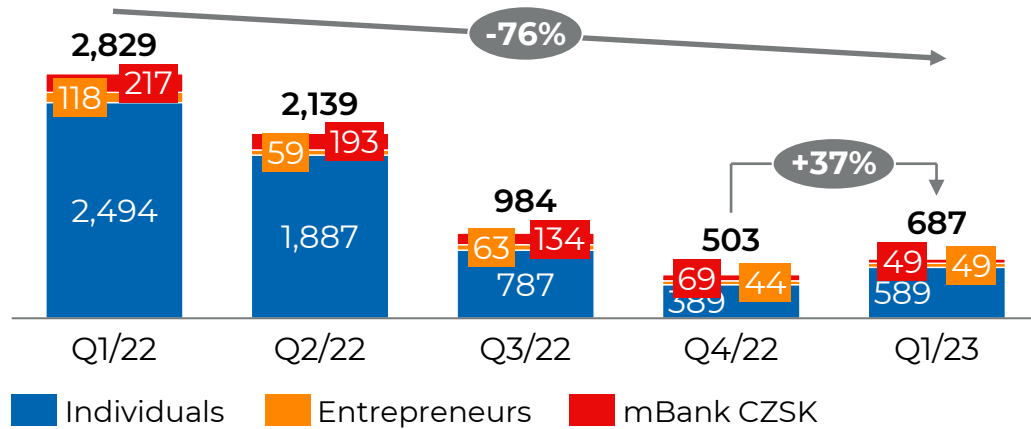
Note: Data for the previous quarters restated due to a change in classification of receivables for the settlement of cash deposit machines and sorting plants.

Results of mBank Group: New lending business

Small uptick in new mortgage lending, accompanied by improving sales of consumer credit

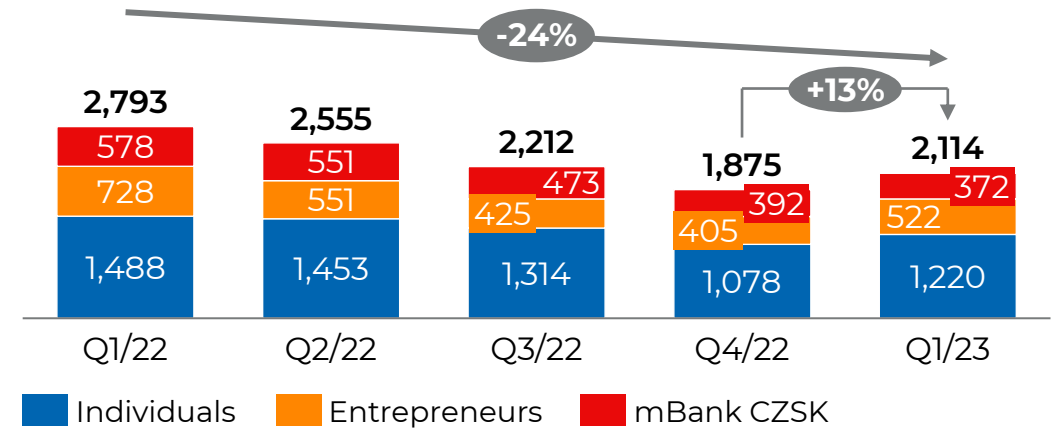
Sales of mortgage loans

PLN M, by quarter



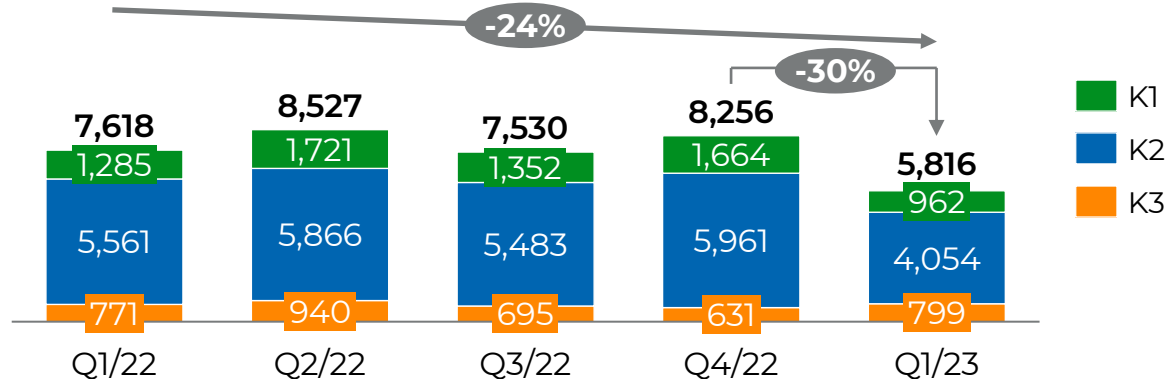
Sales of non-mortgage loans

PLN M, by quarter



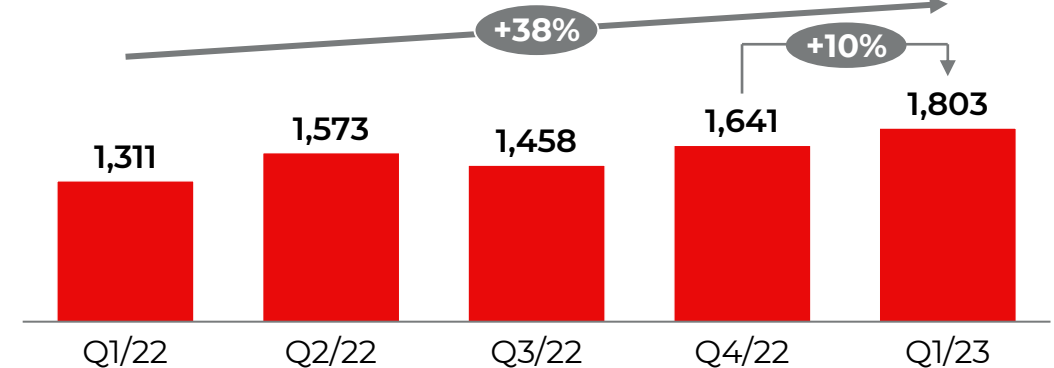
Sales of corporate loans¹

PLN M, by quarter



New leasing contracts

PLN M, by quarter

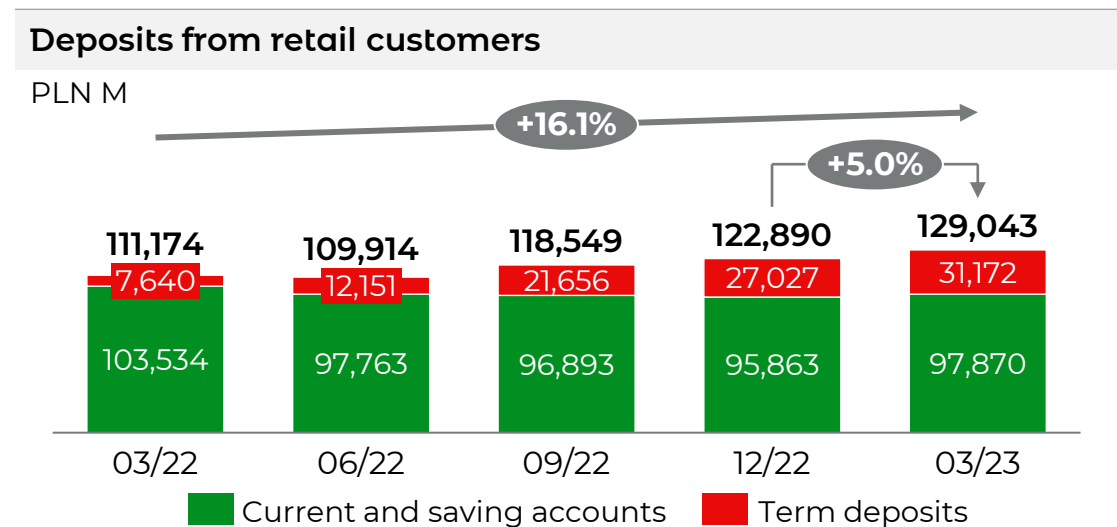
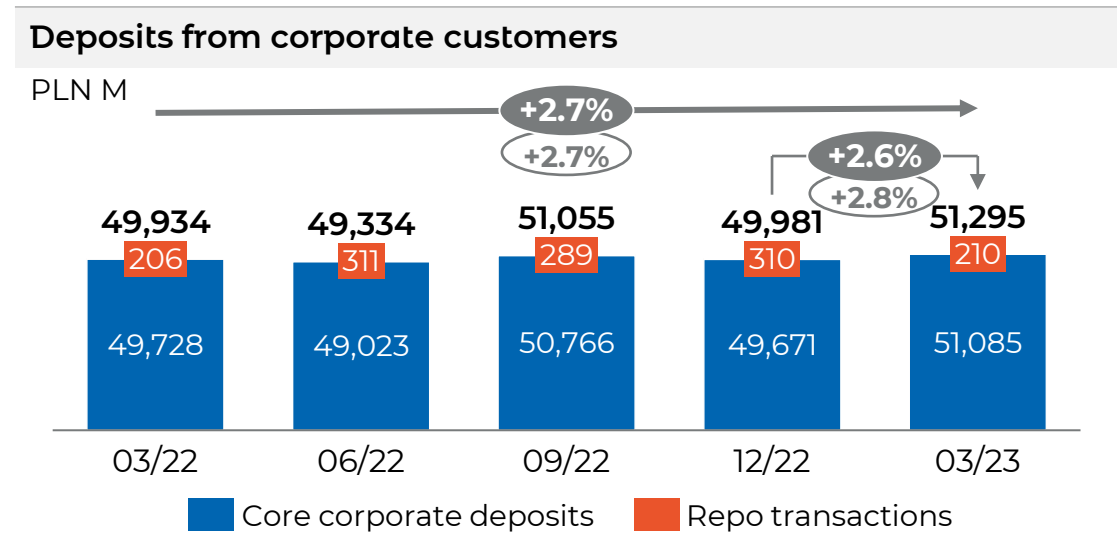
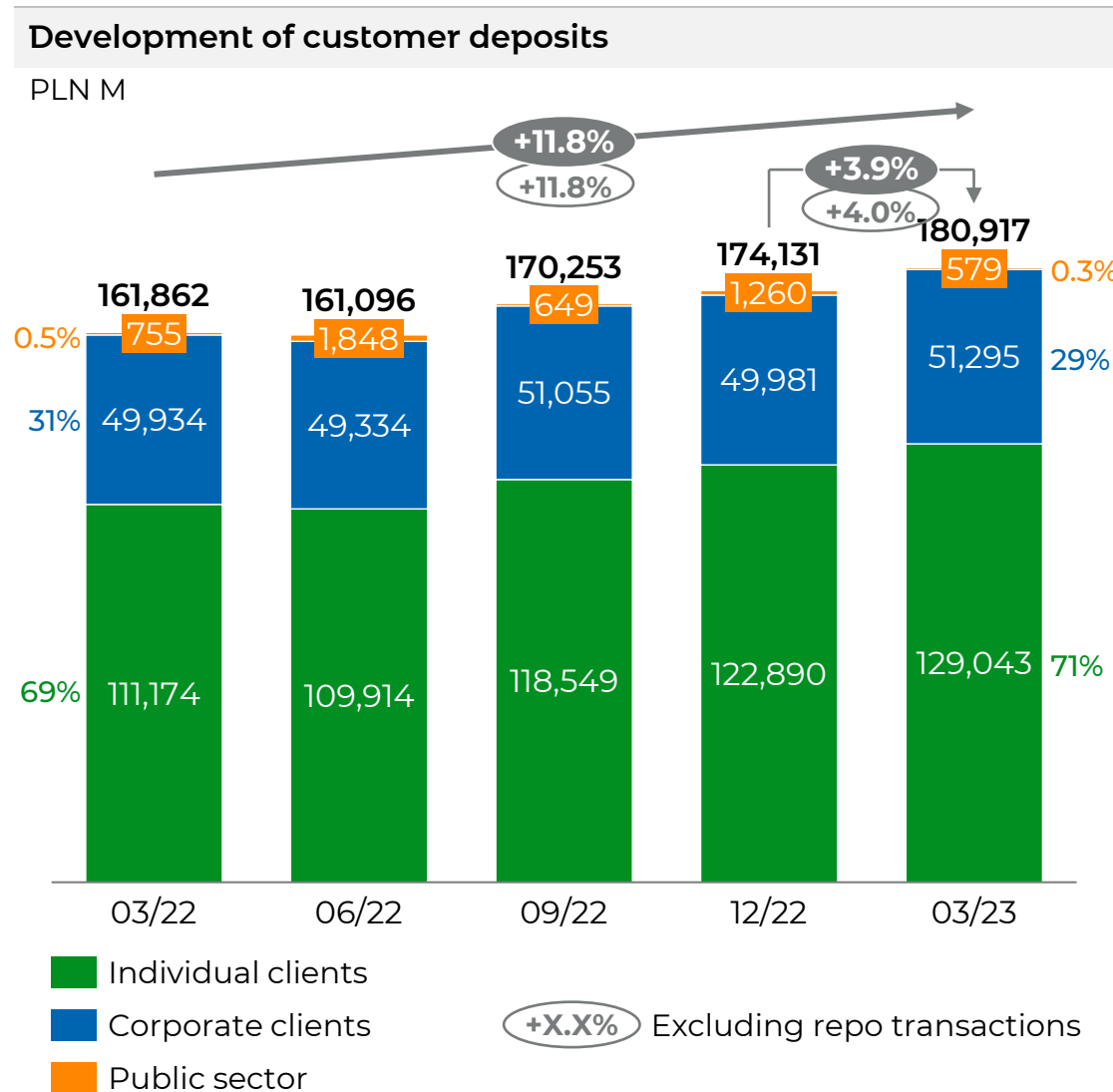


¹ Sales of corporate loans include: (i) new loans and (ii) increases in volume and renewal of existing loans

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

Continued increase of deposit base anchored in strong inflows from retail clients



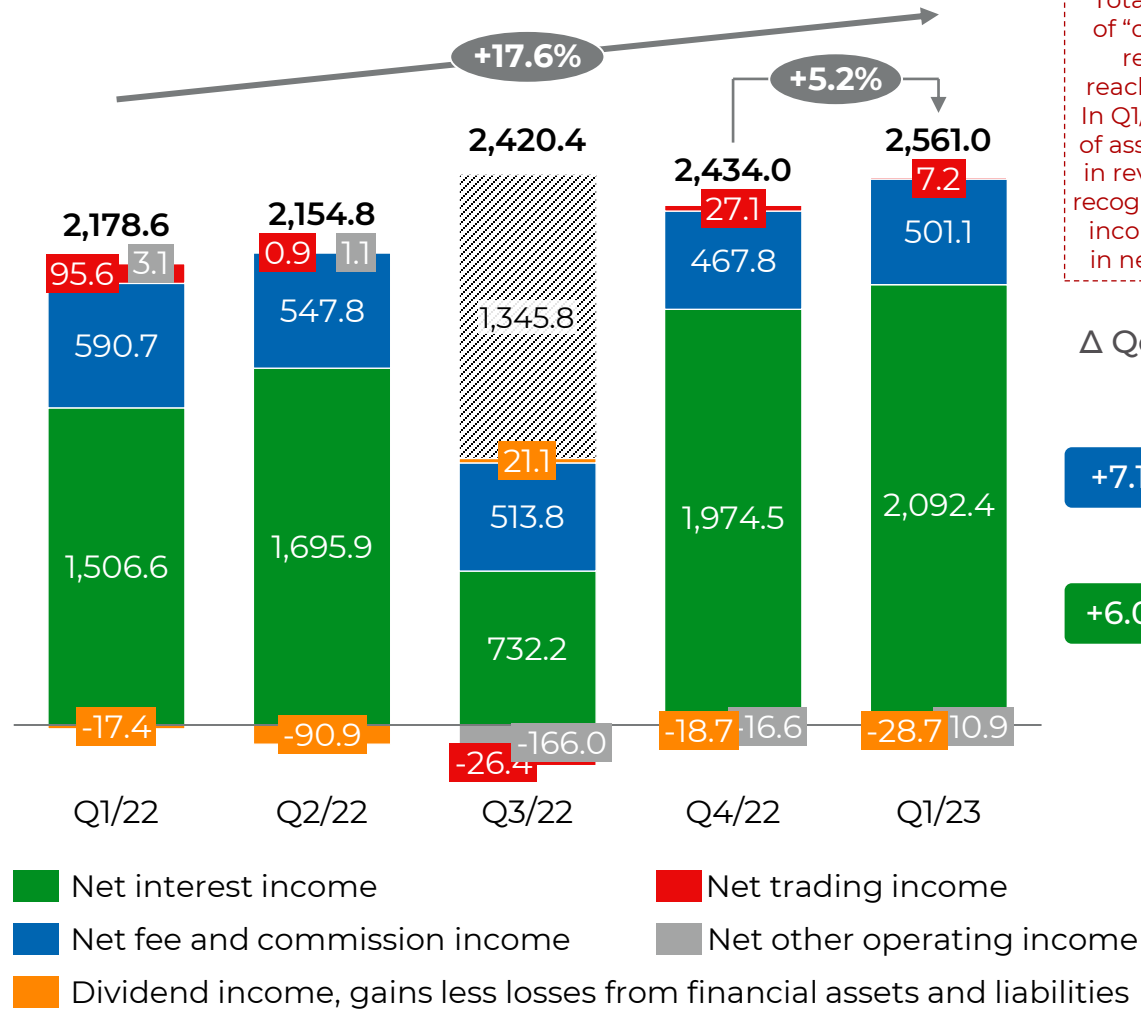
Note: Data for the previous quarters restated due to a change in classification of 'loans and advances received' as well as 'leasing liabilities', which were excluded from 'amount due to customers'.

Results of mBank Group: Total income

Total revenues at record-high level thanks to active management of net interest income

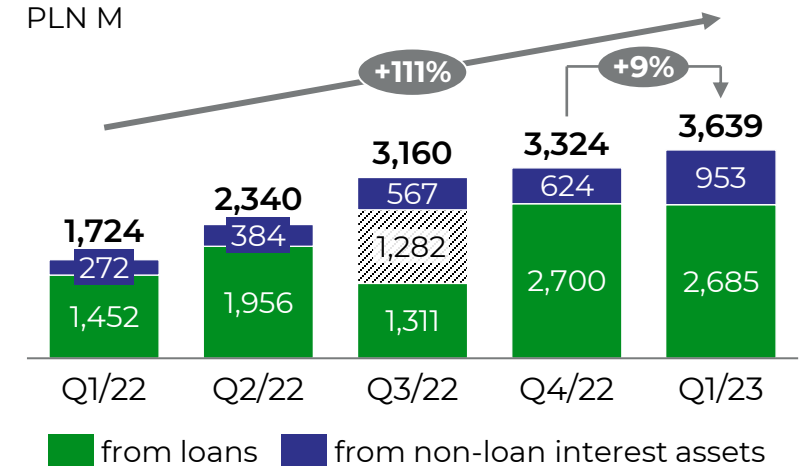
Development of mBank Group's total income

PLN M



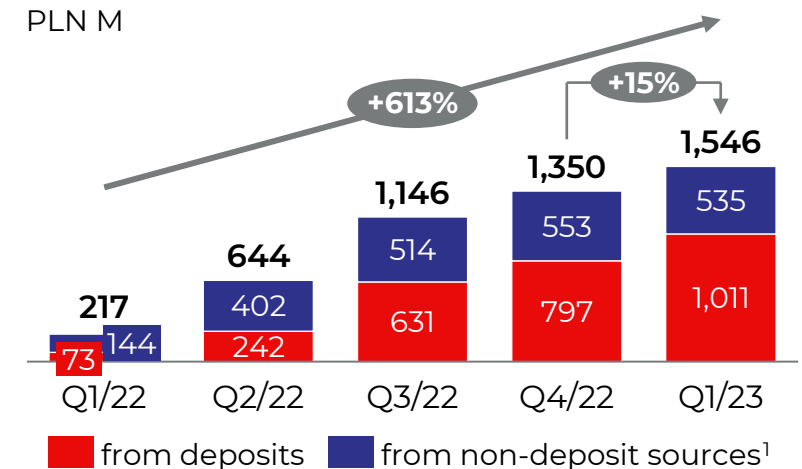
Development of interest income

PLN M



Development of interest expense

PLN M



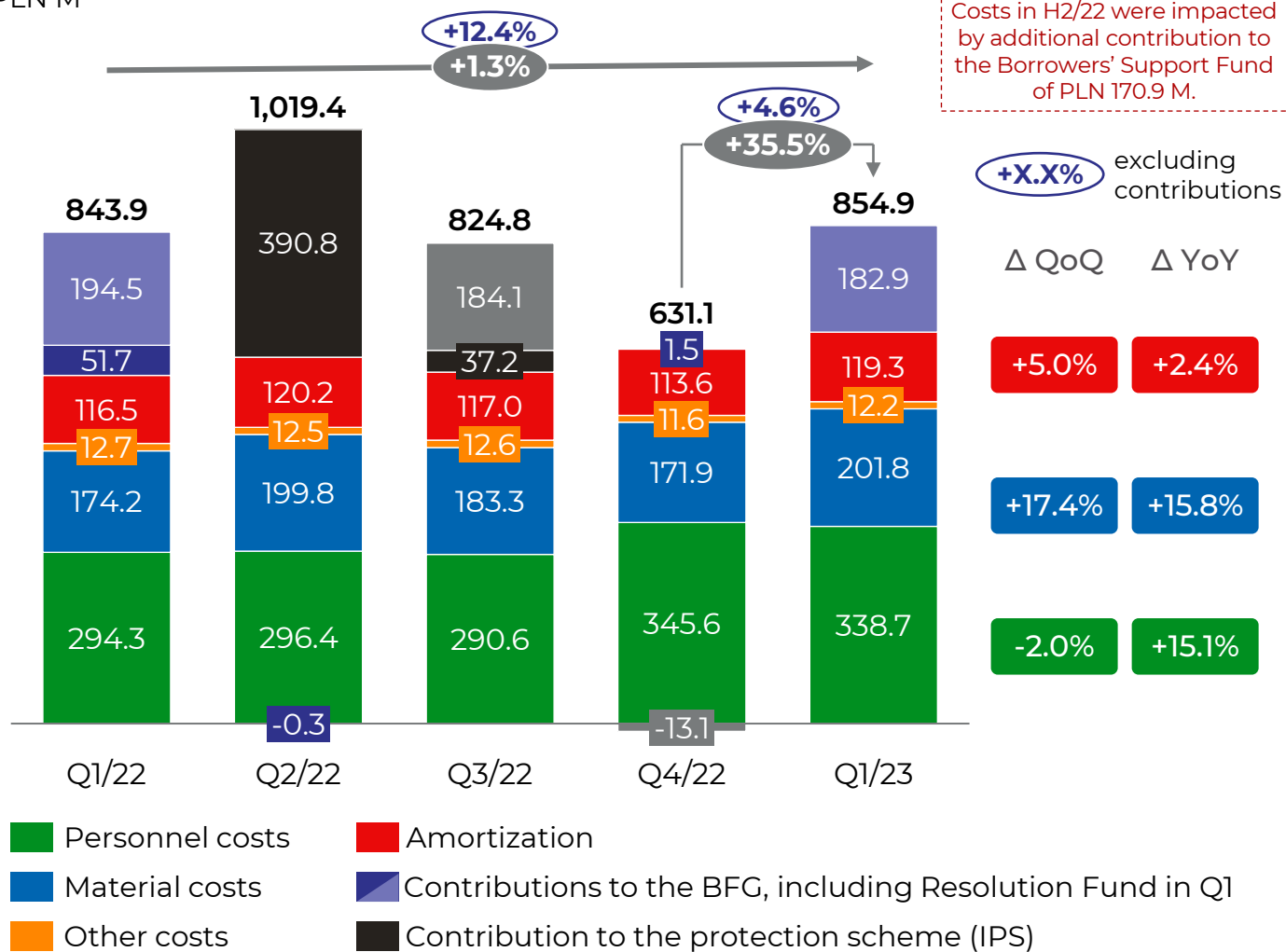
¹ non-deposit interest expense is primarily composed of hedging activities and wholesale funding costs, including subordinated liabilities

Results of mBank Group: Total costs and efficiency

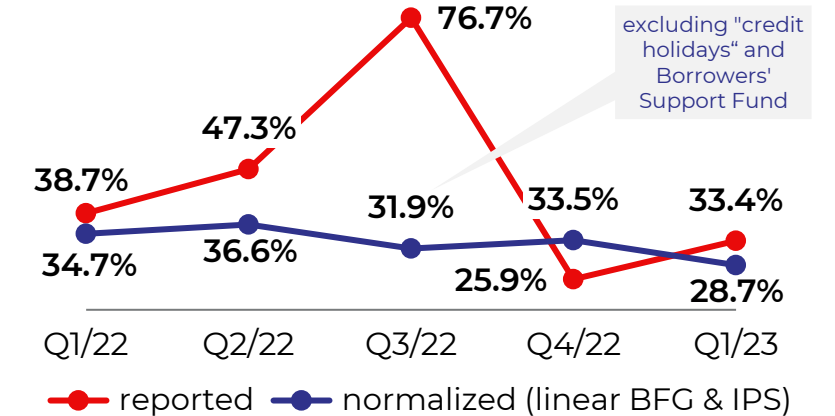
Pace of underlying operating costs maintained below inflation rate, excellent efficiency

Development of mBank Group's operating costs

PLN M



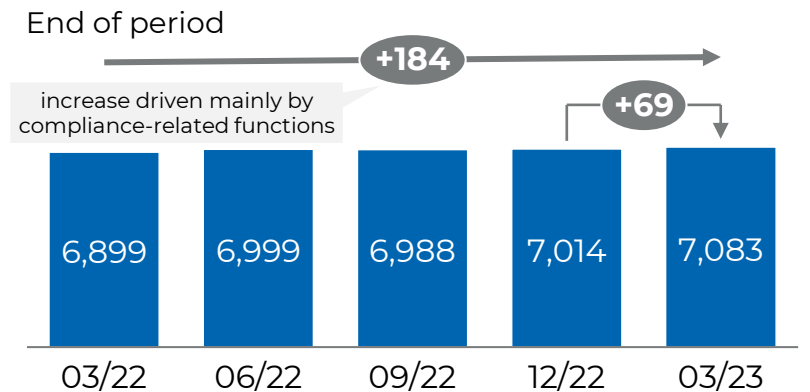
Cost/Income ratio of mBank Group – quarterly



Normalized C/I ratio for 2022 **34.3%**

excluding impact of "credit holidays" and Borrowers' Support Fund

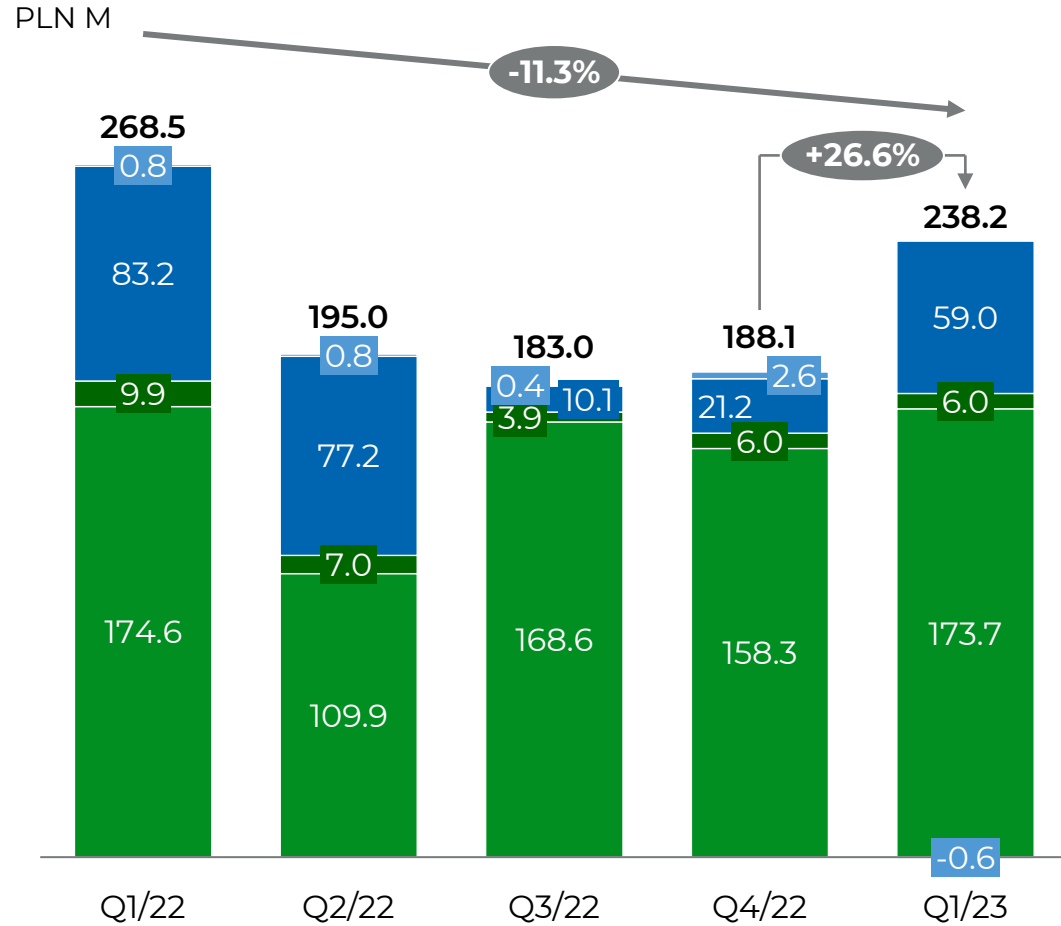
Employment of mBank Group (in FTEs)



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

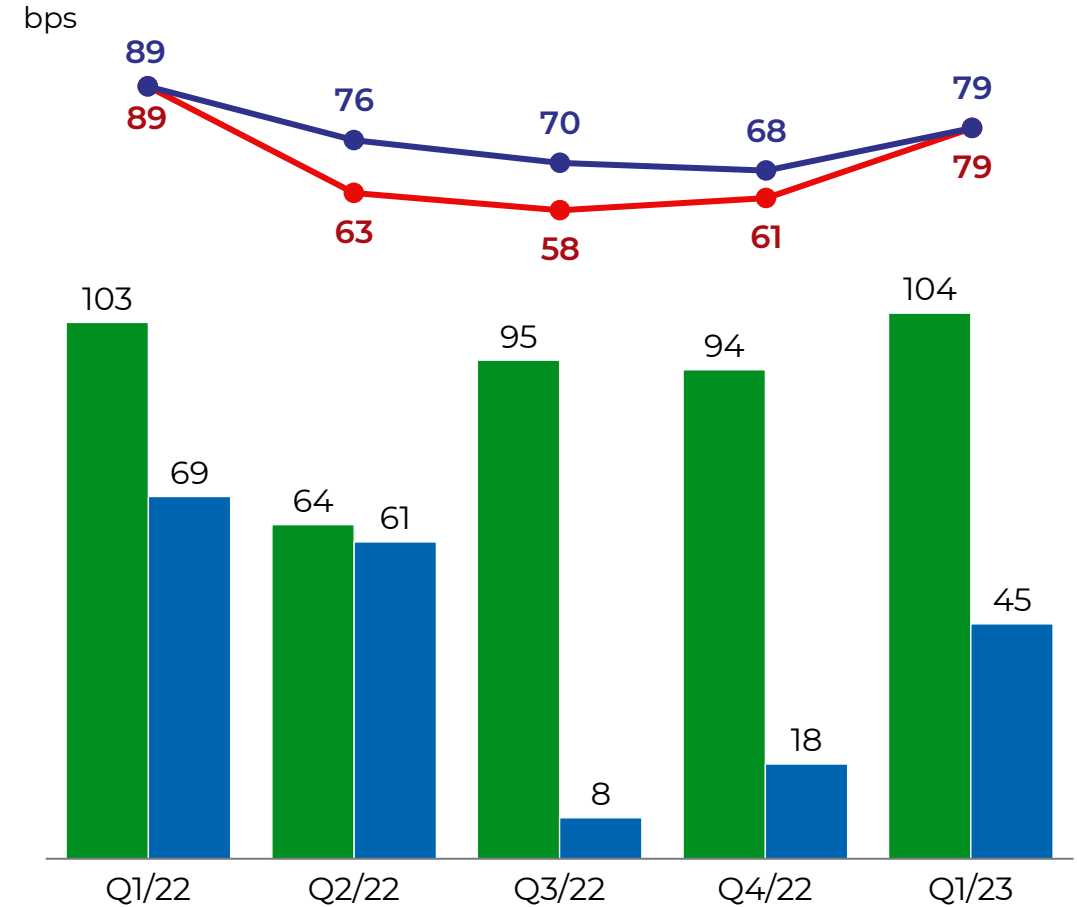
Provisioning level reflecting prudent risk management amid tougher market conditions

Net impairment losses and fair value change on loans



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

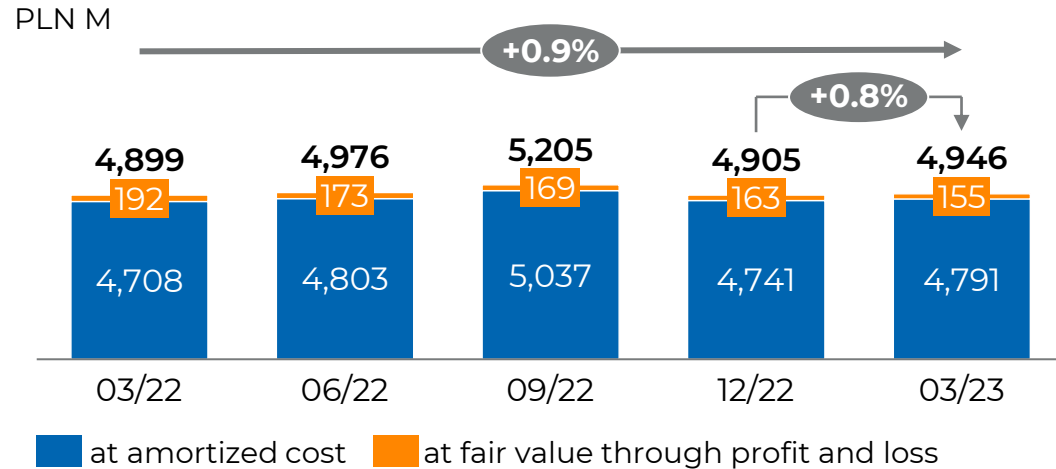


mBank Group's cost of risk: ● quarterly ● YtD
■ Retail loan portfolio ■ Corporate loan portfolio

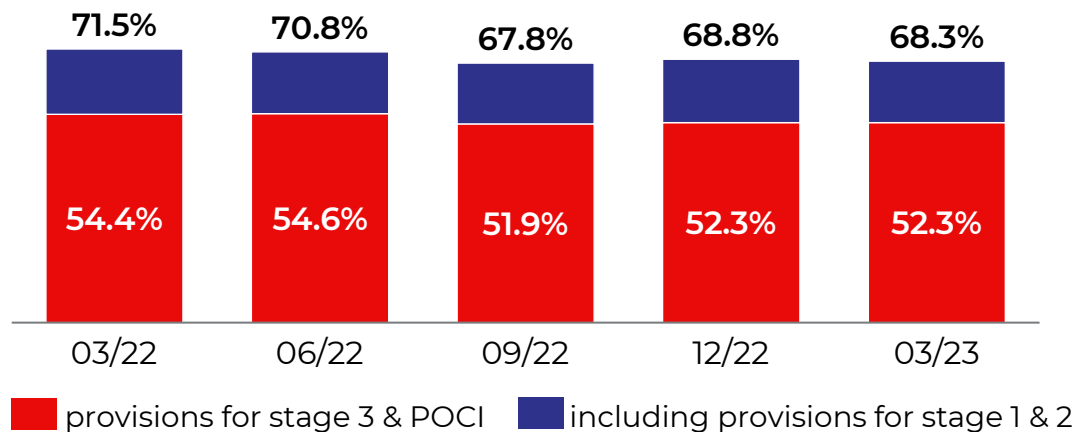
Results of mBank Group: Loan portfolio quality

Good asset quality confirmed by risk indicators, minor deterioration in microfirms segment

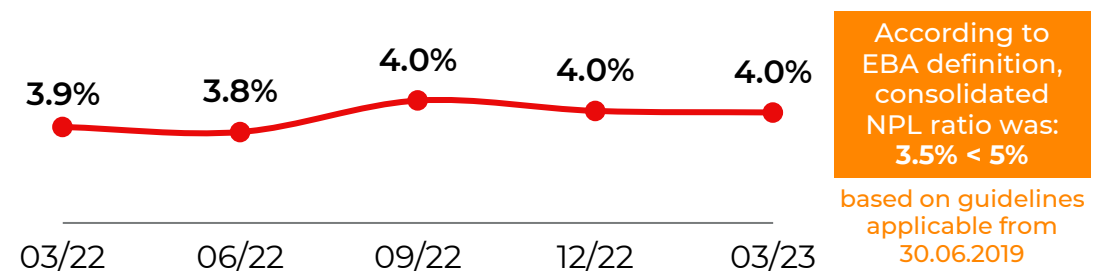
mBank Group's impaired loans portfolio



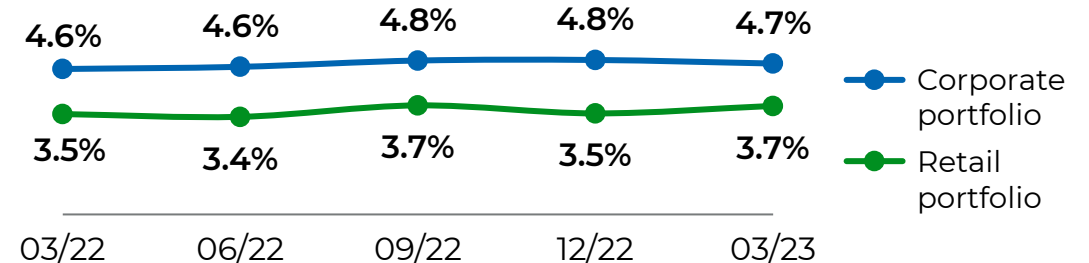
mBank Group's coverage ratio



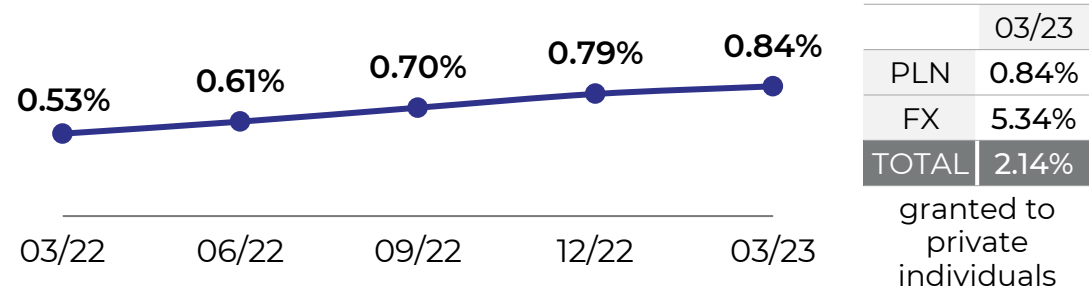
mBank Group's NPL ratio



mBank Group's NPL ratio, by segment



NPL ratio of mortgage loan portfolio in PLN

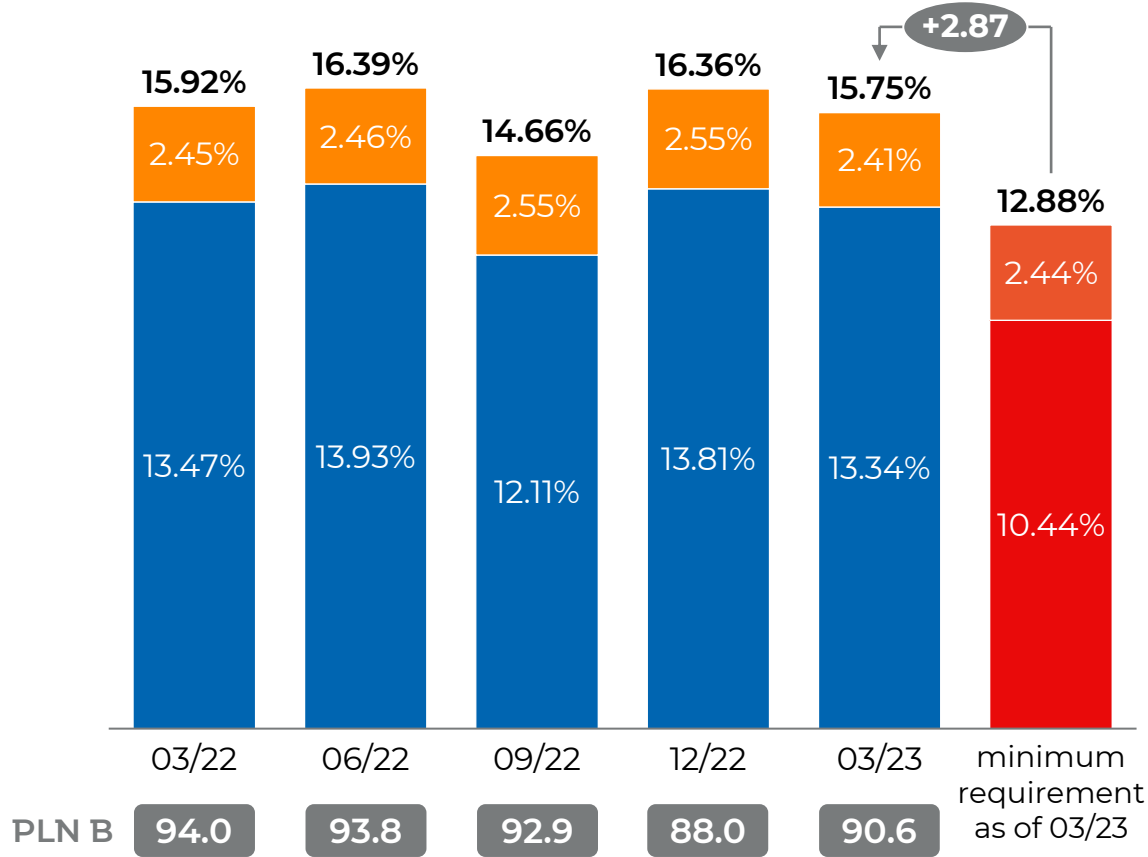


Note: Risk indicators presented for credit portfolio measured both at amortized cost and at fair value through profit or loss. The bank applies a client-oriented approach in its methodology of NPL recognition.

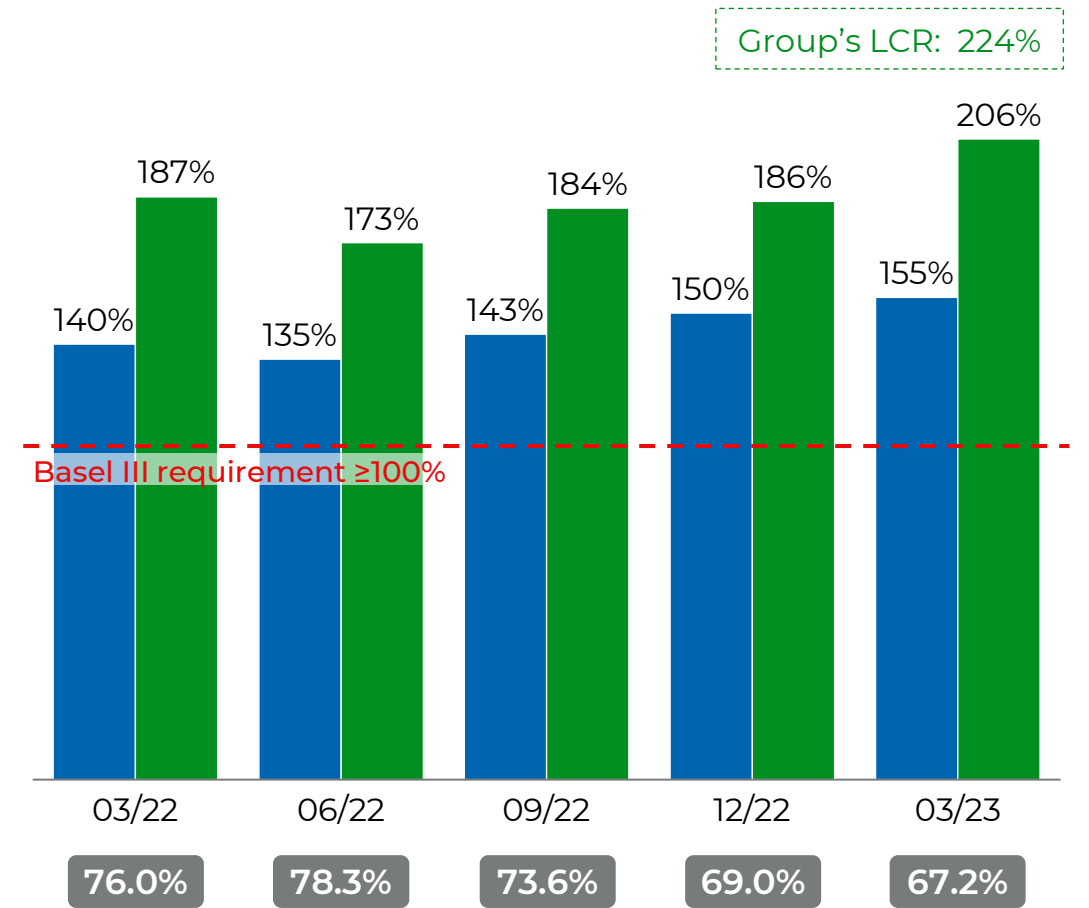
Results of mBank Group: Capital ratio and liquidity position

Capital position safely surpassing regulatory requirements, ample liquidity level

mBank Group's Total Capital Ratio



mBank's NSFR and LCR



xx.x Total risk exposure amount (TREA)

■ Tier 1 capital ratio ■ Tier 2

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

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

Agenda



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- Business development
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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

21

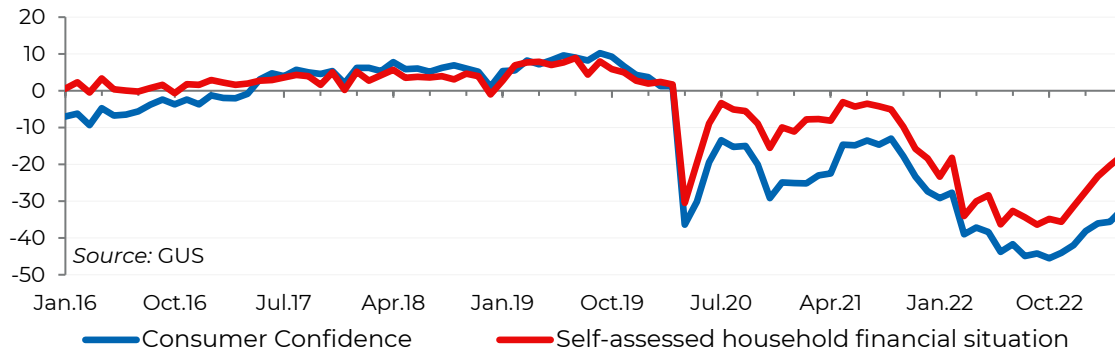
Appendix

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Macroeconomic situation and outlook

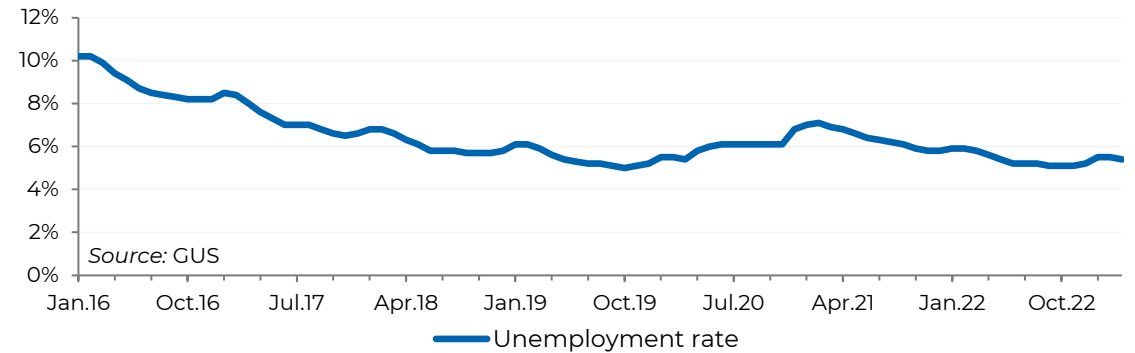
Economic slowdown + inflation tops ! = real disinflation.

Consumption close to the bottom



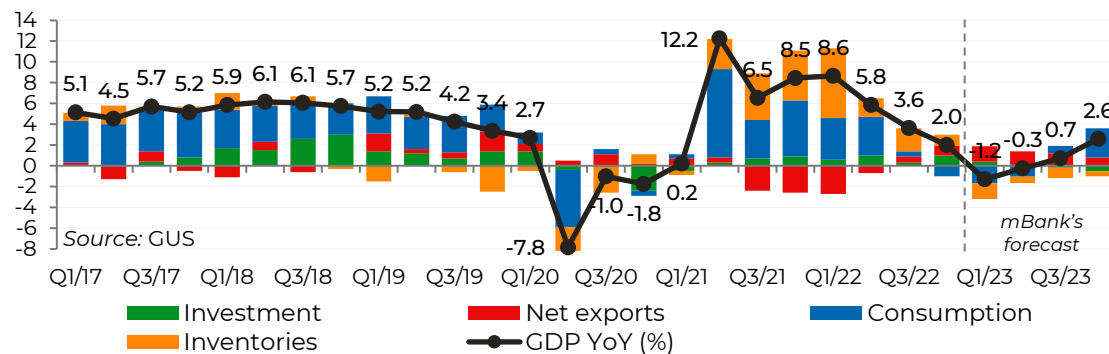
Soft indicators suggest consumption should be bottoming out. The missing ingredient is lower inflation. As soon as real wage fund starts growing again, consumption will follow. It is likely to happen in Q2/Q3 2023.

Unemployment rate (still) very low



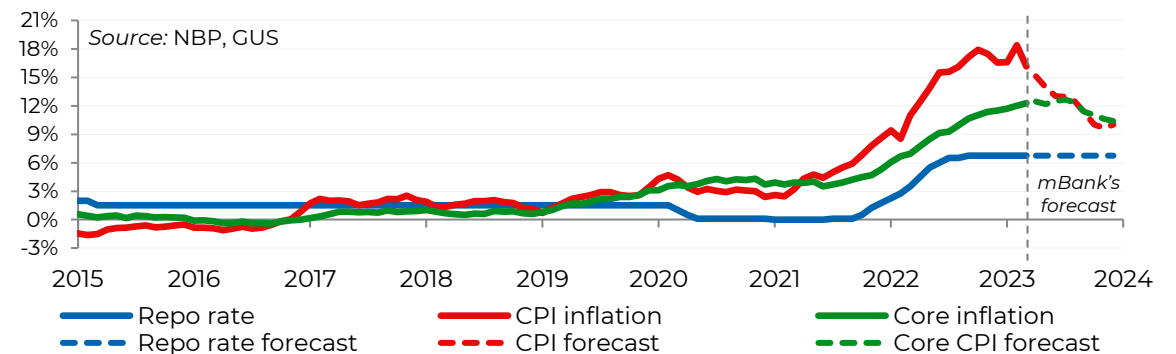
As labour market has typically some inertia, the fall of GDP growth momentum has not yet been seen. The structure of labour market (low supply) implies that an incoming increase in unemployment rate is set to be only (very) small.

GDP path and forecast for Poland (% YoY)



The worst in terms of annual GDP growth came in Q1 2023. It is assessed to shrank by 1.2% YoY. The momentum should improve afterwards. However, the upswing is not going to be dynamic, with only 0.4% expected in the whole 2023.

Inflation falling but interest rates will stay intact this year

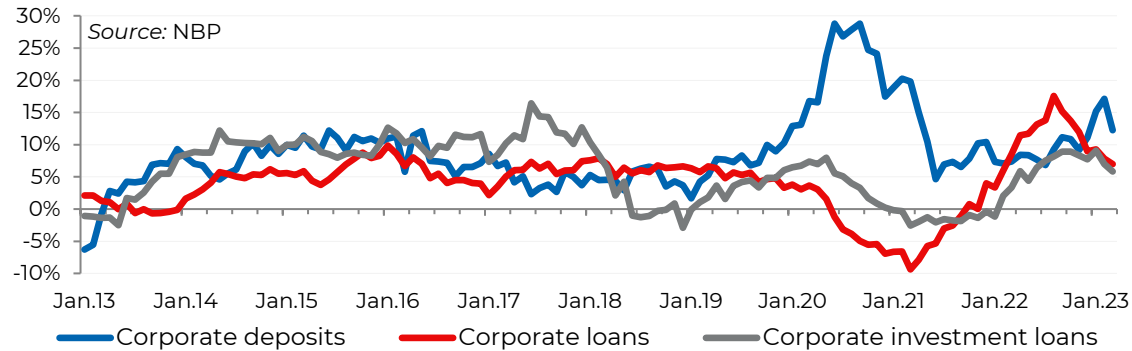


Inflation passed the peak. It is however mostly due to base effects and lower fuel prices. Inflation momentum is still way too high and stable. With CPI at ~10% in the year's end, NBP is unlikely to cut rates.

Macroeconomic situation and outlook

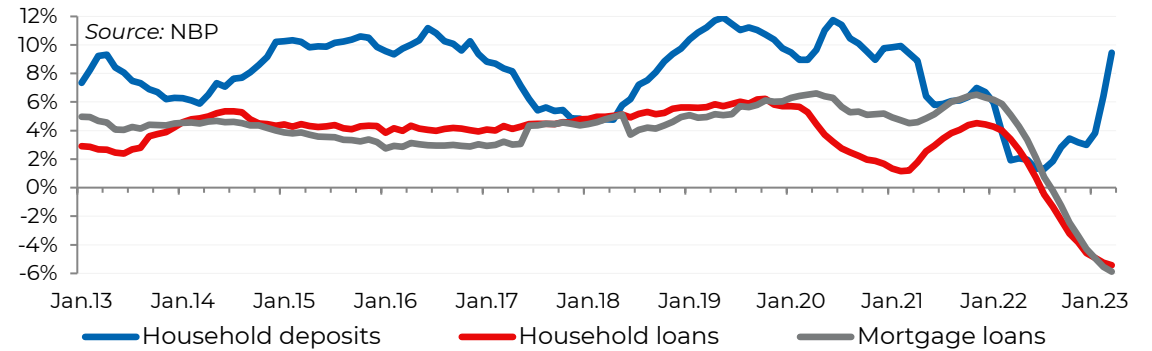
Deleveraging. Rates and EUR/PLN passed their peaks.

Corporate loans and deposits (YoY, FX-adjusted)



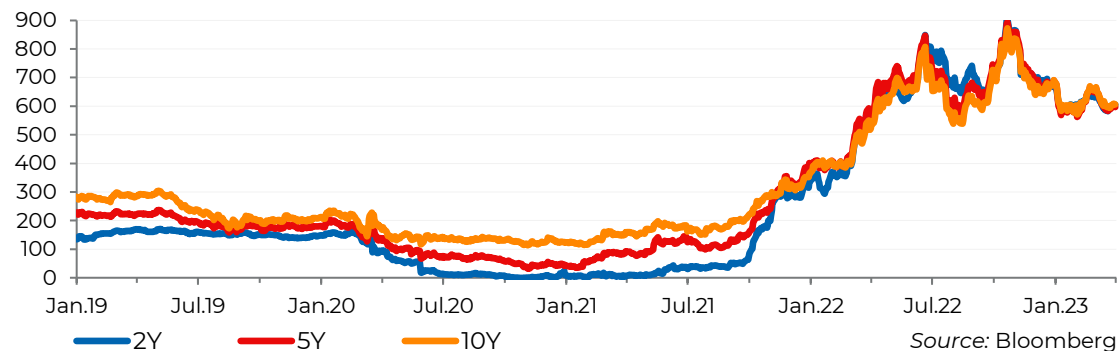
Peak performance of credit activity is here. Lagged effects of interest rate hikes set to slow down (or even reverse) all aggregates. Deposits are growing steadily (yet).

Household loans and deposits (YoY, FX-adjusted)



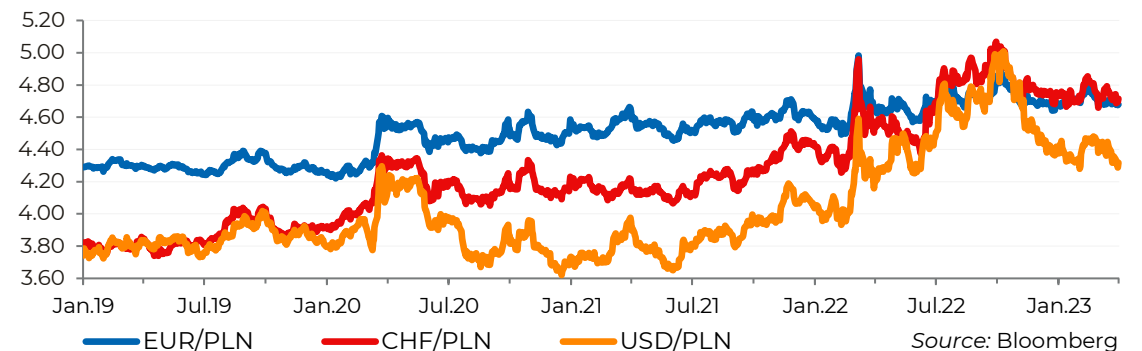
Loan volumes retreat under the weight of higher interest rates, tightened credit standards and weaker business activity. Government mortgage at 2% offers light at the end of the tunnel. Deposit base growing at fast clip.

Government bond yields off the highs (revisit unlikely) (bps)



Peaks in yields from the end of 2022 were not revisited. However, expectations for timing and scale of rate cuts in 2023/24 are overblown. Although the general direction of yields is down, some correction up may still be in the pipeline.

PLN still weak, bleak perspectives for spectacular improvement



Expectations for the nearing tops in global interest rates and some improvement in C/A balance have helped the zloty recently. The Polish currency is seen to appreciate in the year's end but this move will not be substantial.

Macroeconomic forecasts and outlook for mBank Group

Operating environment for banks has continued being unfavourable and hardly predictable

Key economic indicators for Poland				
	2021	2022	2023F	2024F
GDP growth (YoY)	6.9%	5.1%	0.4%	2.5%
Domestic demand (YoY)	8.4%	5.8%	-0.8%	2.4%
Private consumption (YoY)	6.3%	3.0%	-1.0%	3.1%
Investment (YoY)	2.1%	4.6%	0.2%	2.3%
Inflation (eop)	8.6%	16.6%	10.0%	6.0%
MPC rate (eop)	1.75%	6.75%	6.75%	6.00%
CHF/PLN (eop)	4.42	4.73	4.51	4.37
EUR/PLN (eop)	4.59	4.69	4.57	4.47

Polish banking sector – monetary aggregates YoY				
	2021	2022	2023F	2024F
Corporate loans	3.9%	9.6%	4.1%	5.0%
Household loans	4.9%	-3.8%	-0.6%	0.9%
Mortgage loans	7.1%	-3.2%	0.2%	2.0%
Mortgage loans in PLN	12.0%	-1.8%	4.7%	5.8%
Non-mortgage loans	1.1%	-5.1%	-2.2%	-1.4%
Corporate deposits	10.4%	11.6%	4.4%	4.1%
Household deposits	6.7%	3.3%	5.4%	8.4%

Source: mBank's estimates as of 26.04.2023.

Investor Presentation | Q1 2023

Short-term prospects for mBank (compared to Q1/23)

Net interest income & NIM **slightly negative** ↓

- With significantly increased rates translating into rising deposit costs, potential for further margin improvement exhausted
- Decelerating loan volumes may impact dynamics of interest income

Net fee and commission income **neutral** ↔

- Uptrend in customer base and transactionality may be offset by slowing economy and weaker demand for banking products
- Relevant adjustments to tariff of fees already implemented

Total costs **slightly negative** ↓

- Visible wage and inflationary pressure weights on operating costs
- Rising amortisation driven by investments in future growth
- Reduced contributions to the Deposit Guarantee Scheme

Loan loss provisions & FV change **slightly negative** ↓

- Financial standing of borrowers may be affected by the tougher macroeconomic environment and geopolitical developments
- The overall asset quality should not deteriorate materially thanks to prudent approach in loan origination unless more negative market scenarios materialise

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Appendix: Selected Financial Data

Consolidated Profit and Loss Account – quarterly

Quarterly results (PLN thou.)	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023
Net interest income	1,506,592	1,695,946	732,219	1,974,482	2,092,426
Net fee and commission income	590,737	547,772	513,818	467,750	501,063
Dividend income	835	3,991	287	123	122
Net trading income	95,627	858	-26,398	27,111	7,192
Gains less losses from financial assets ¹	-18,259	-94,861	20,792	-18,848	-28,857
Net other operating income	3,069	1,126	-166,048	-16,598	-10,930
Total income	2,178,601	2,154,832	1,074,670	2,434,020	2,561,016
Total operating costs	-843,894	-1,019,427	-824,772	-631,096	-854,887
<i>Overhead costs</i>	<i>-727,360</i>	<i>-899,263</i>	<i>-707,779</i>	<i>-517,479</i>	<i>-735,603</i>
<i>Amortisation</i>	<i>-116,534</i>	<i>-120,164</i>	<i>-116,993</i>	<i>-113,617</i>	<i>-119,284</i>
Loan loss provisions and fair value change ²	-268,524	-194,956	-182,958	-188,075	-238,188
Costs of legal risk related to FX loans	-192,754	-175,094	-2,314,320	-430,097	-808,488
Operating profit	873,429	765,355	-2,247,380	1,184,752	659,453
Taxes on the Group balance sheet items	-159,839	-167,105	-176,904	-180,327	-189,998
Profit or loss before income tax	713,590	598,250	-2,424,284	1,004,425	469,455
Net result attributable to owners of mBank	512,329	229,708	-2,279,244	834,516	142,815

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 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023
Cash and balances with Central Bank	17,971,383	12,522,901	20,488,126	16,014,318	16,477,981
Loans and advances to banks	6,829,976	8,547,677	9,654,087	9,806,262	13,438,881
Trading securities	1,004,413	1,121,144	1,063,428	984,237	1,386,600
Derivative financial instruments	1,701,204	2,044,790	2,309,677	1,500,695	1,182,442
Loans and advances to customers	123,073,939	126,121,456	125,289,458	120,183,142	121,533,452
Investment securities	46,215,685	45,162,202	39,999,559	54,350,774	56,414,504
Intangible assets	1,301,614	1,299,544	1,323,417	1,391,707	1,431,547
Tangible fixed assets	1,527,159	1,494,499	1,464,949	1,484,933	1,516,678
Other assets	3,611,209	3,856,210	4,083,549	4,176,045	4,147,087
Total assets	203,236,582	202,170,423	205,676,250	209,892,113	217,529,172
Liabilities (PLN thou.)	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023
Amounts due to banks	3,970,565	4,564,953	3,716,459	3,270,223	3,683,656
Derivative financial instruments	2,384,707	2,839,548	3,006,258	2,086,111	2,193,333
Amounts due to customers	161,862,191	161,095,983	170,252,682	174,130,914	180,916,989
Debt securities in issue	13,654,108	12,203,802	9,511,485	9,465,479	8,387,166
Subordinated liabilities	2,645,717	2,702,305	2,807,751	2,740,721	2,719,069
Other liabilities	5,129,308	5,386,239	4,902,681	5,483,634	6,364,250
Total liabilities	189,646,596	188,792,830	194,197,316	197,177,082	204,264,463
Total equity	13,589,986	13,377,593	11,478,934	12,715,031	13,264,709
Total liabilities and equity	203,236,582	202,170,423	205,676,250	209,892,113	217,529,172

Appendix: Selected Financial Data

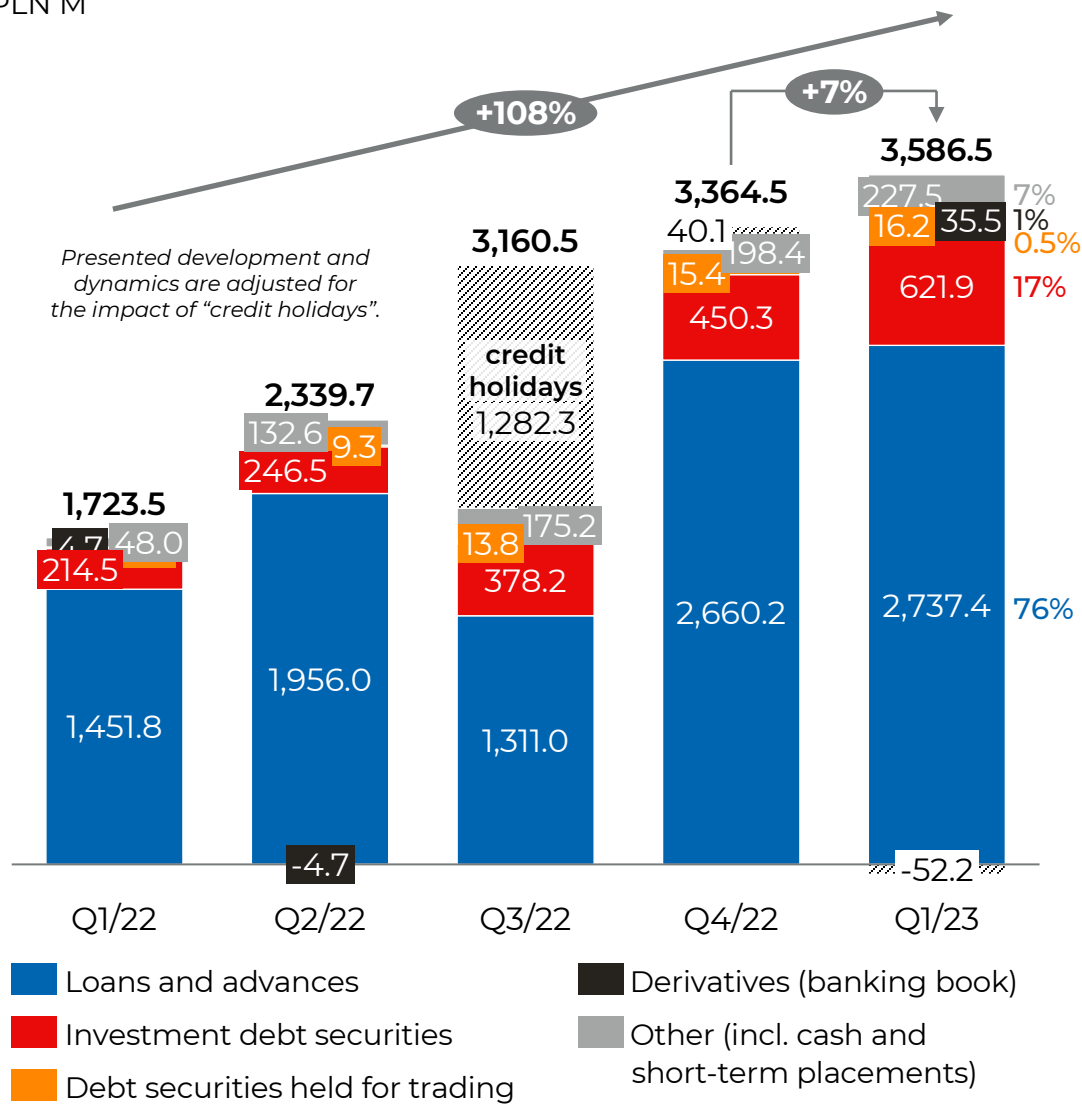
mBank Group's Ratios – quarterly and cumulatively

Financial Ratios	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023
Net Interest Margin, quarterly	3.17%	3.56%	4.02%	4.03%	3.95%
Net Interest Margin, YtD	3.17%	3.37%	3.59%	3.70%	3.95%
Net Interest Margin, excl. CHF portfolio, YtD	3.31%	3.51%	3.75%	3.87%	4.09%
Cost/Income Ratio, quarterly	38.7%	47.3%	76.7%	25.9%	33.4%
Cost/Income Ratio, YtD	38.7%	43.0%	49.7%	42.3%	33.4%
Cost of Risk, quarterly	0.89%	0.63%	0.58%	0.61%	0.79%
Cost of Risk, YtD	0.89%	0.76%	0.70%	0.68%	0.79%
Return on Equity, ROE net, quarterly	15.0%	6.8%	-70.4%	26.9%	4.3%
Return on Equity, ROE net, YtD	15.0%	10.9%	-15.3%	-5.3%	4.3%
Return on Assets, ROA net, quarterly	1.03%	0.46%	-4.32%	1.59%	0.27%
Return on Assets, ROA net, YtD	1.03%	0.74%	-1.00%	-0.34%	0.27%
Loan-to-Deposit Ratio	76.0%	78.3%	73.6%	69.0%	67.2%
Total Capital Ratio	15.92%	16.39%	14.66%	16.36%	15.75%
Tier 1 Capital Ratio	13.47%	13.93%	12.11%	13.81%	13.34%
Leverage ratio	5.9%	6.0%	5.1%	5.4%	5.2%
Equity / Assets	6.7%	6.6%	5.6%	6.1%	6.1%
TREA / Assets	46.3%	46.4%	45.1%	41.9%	41.7%
NPL ratio	3.9%	3.8%	4.0%	4.0%	4.0%
NPL coverage ratio	54.4%	54.6%	51.9%	52.3%	52.3%
NPL coverage ratio incl. stage 1&2 provisions	71.5%	70.8%	67.8%	68.8%	68.3%

Appendix: Selected Financial Data – Net interest income

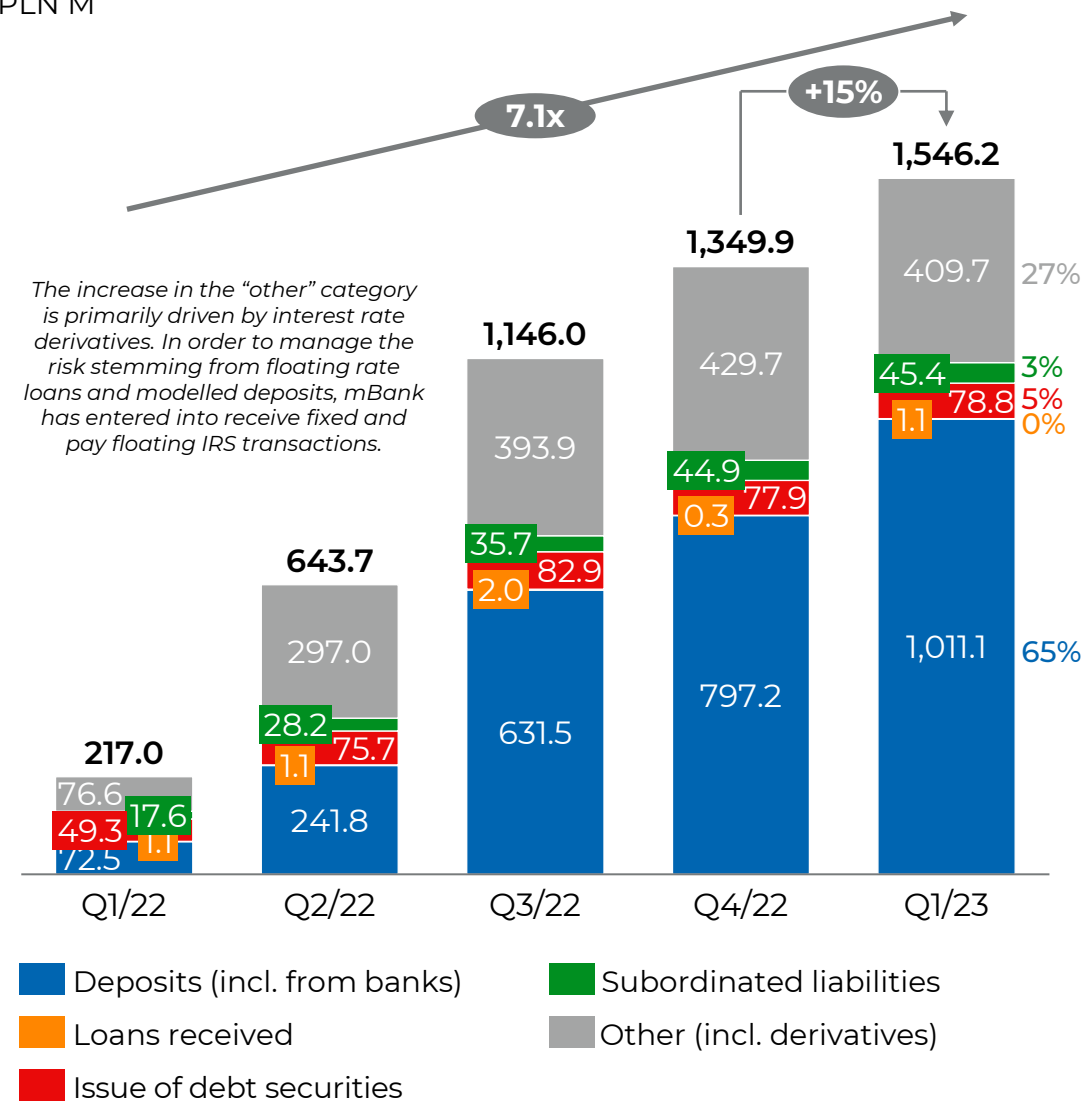
Structure of mBank Group's interest income

PLN M



Structure of mBank Group's interest expense

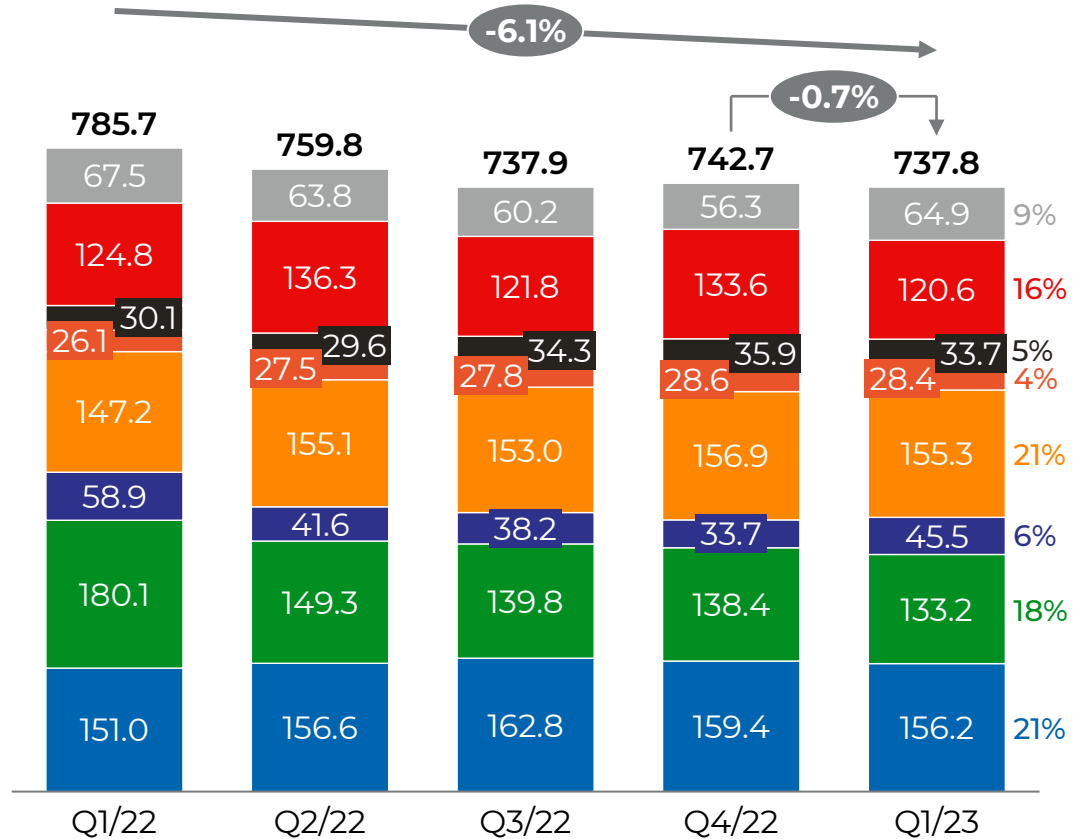
PLN M



Appendix: Selected Financial Data – Net fees and commissions

Structure of mBank Group's fee and commission income

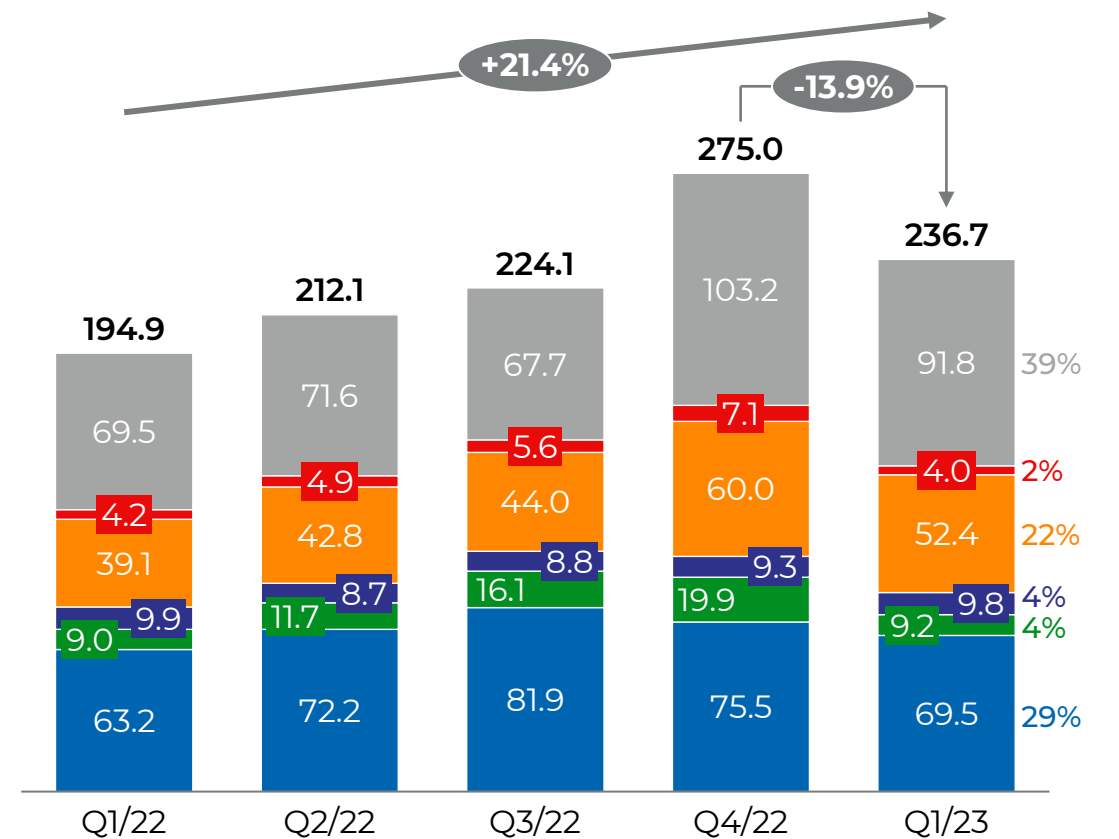
PLN M



- 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

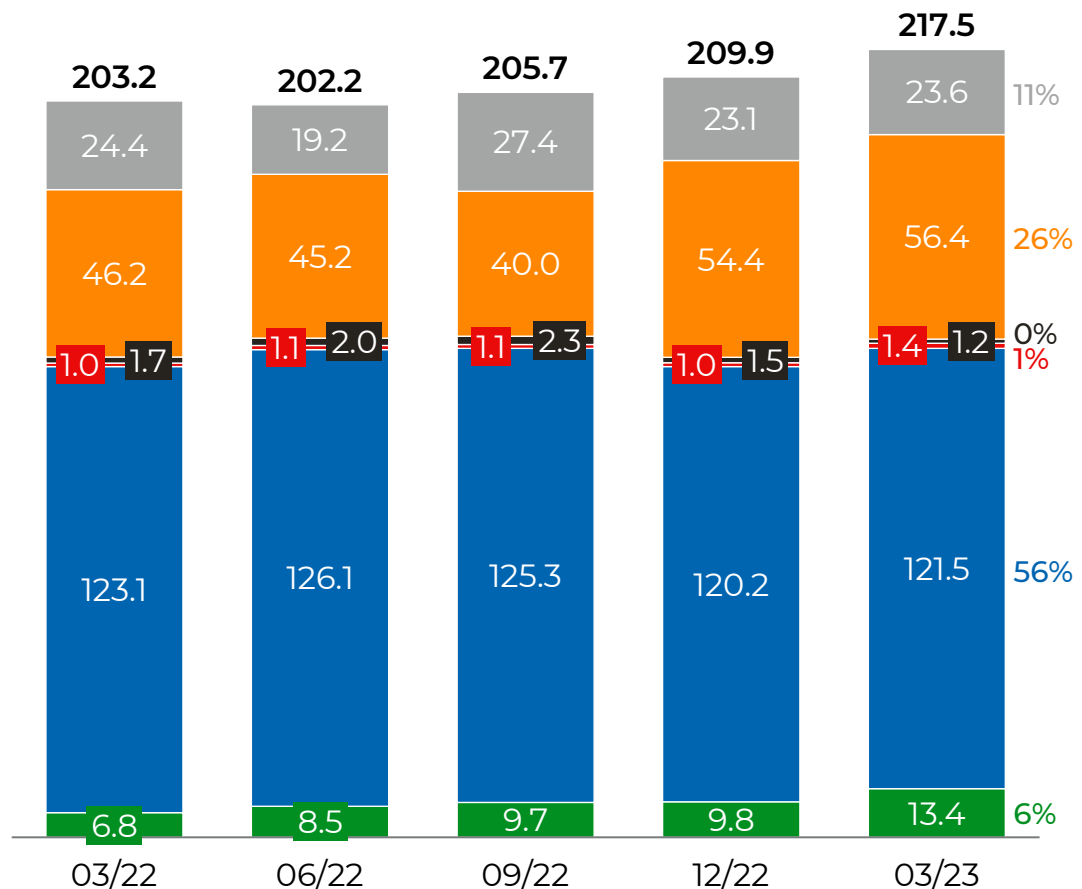


- Payment card fees
- Cash handling fees
- Discharged brokerage fees
- Commissions paid to external entities
- Fees paid to NBP and KIR
- Other (incl. insurance activity)

Appendix: Selected Financial Data – Balance sheet analysis

Structure of mBank Group's total assets

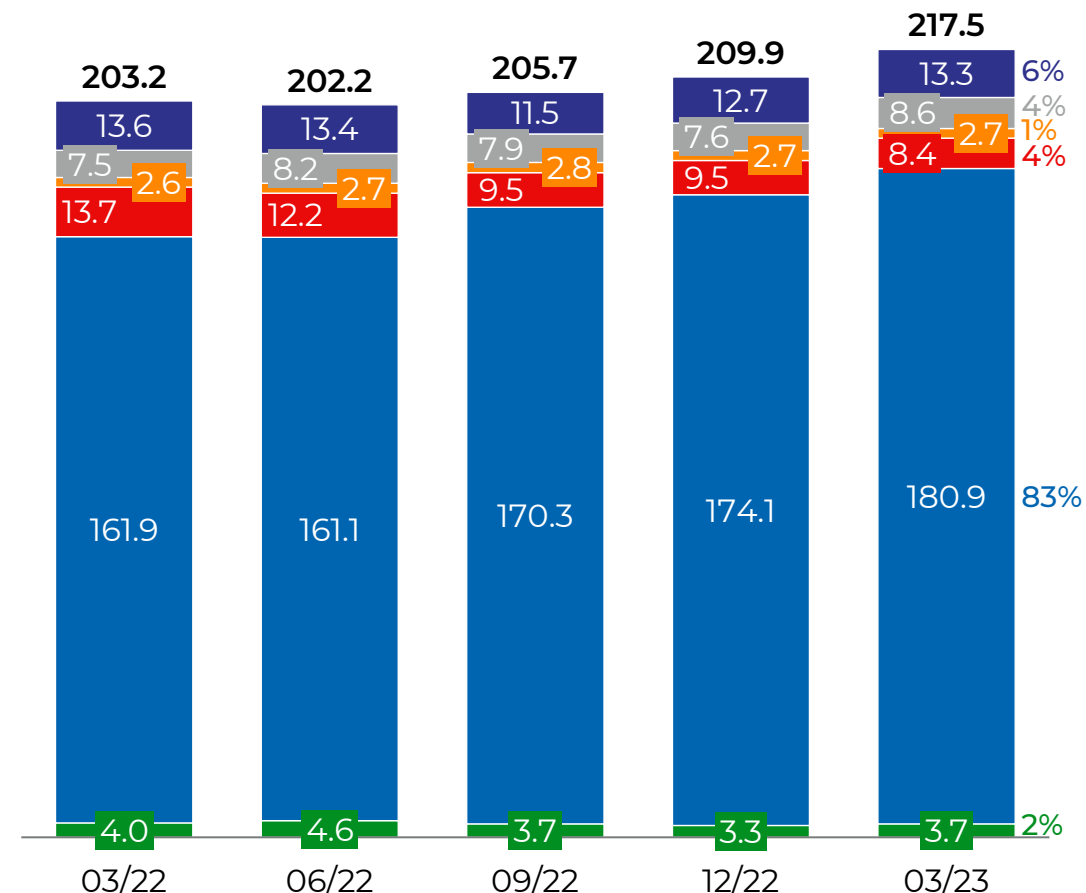
PLN B



- 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

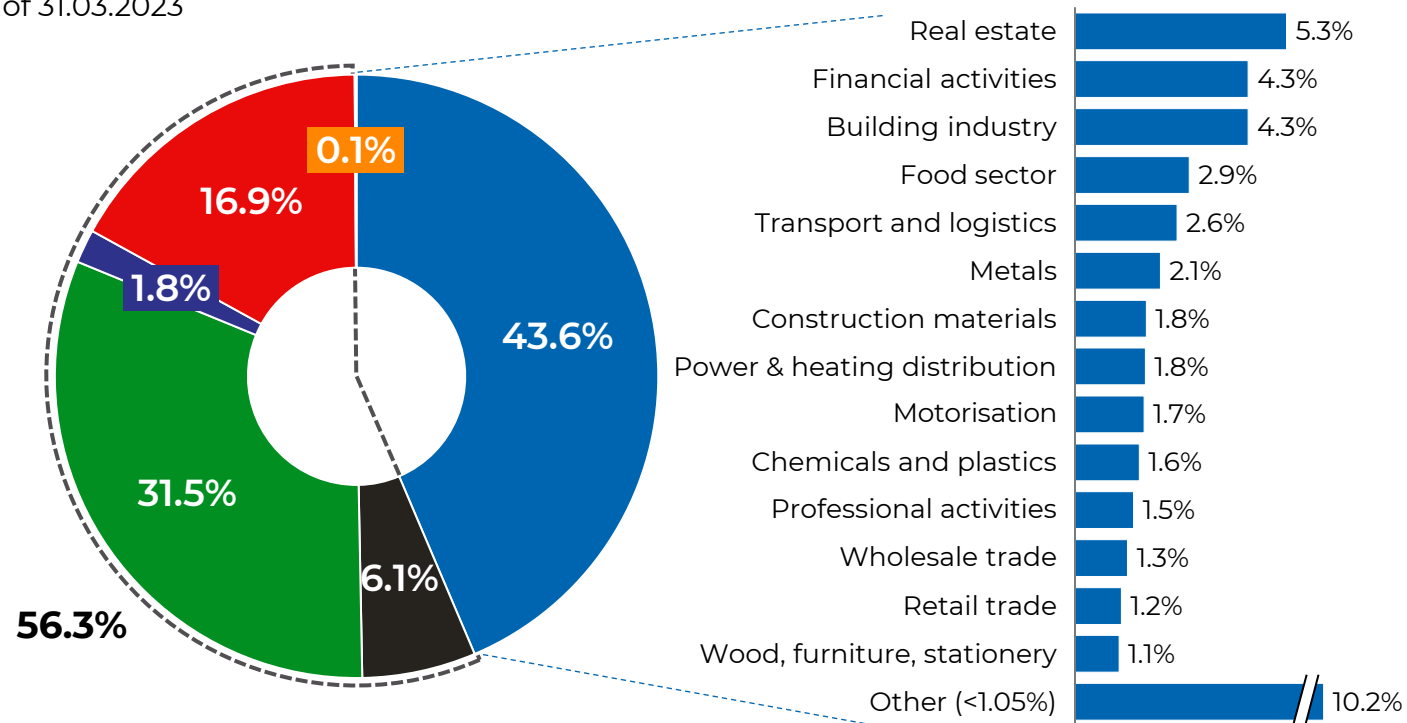


- Amounts due to other banks
- Amounts due to customers
- Debt securities in issue
- Subordinated liabilities
- Other liabilities
- Equity (total)

Appendix: Selected Financial Data – Structure of loans and deposits

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

as of 31.03.2023



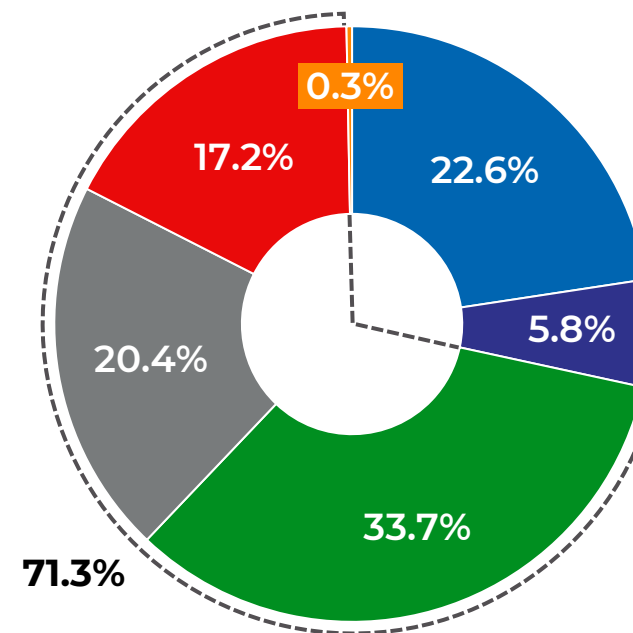
	PLN billion
Corporate loans	54.5
Mortgage loans in FX to individuals	7.6
Mortgage loans in LC to individuals ¹	39.3
Mortgage loans to microfirms	2.2
Non-mortgage retail loans	21.1
Public sector loans	0.1
TOTAL	124.8

A well diversified loan portfolio with granular structure of exposures

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

Structure of mBank Group's deposits

as of 31.03.2023



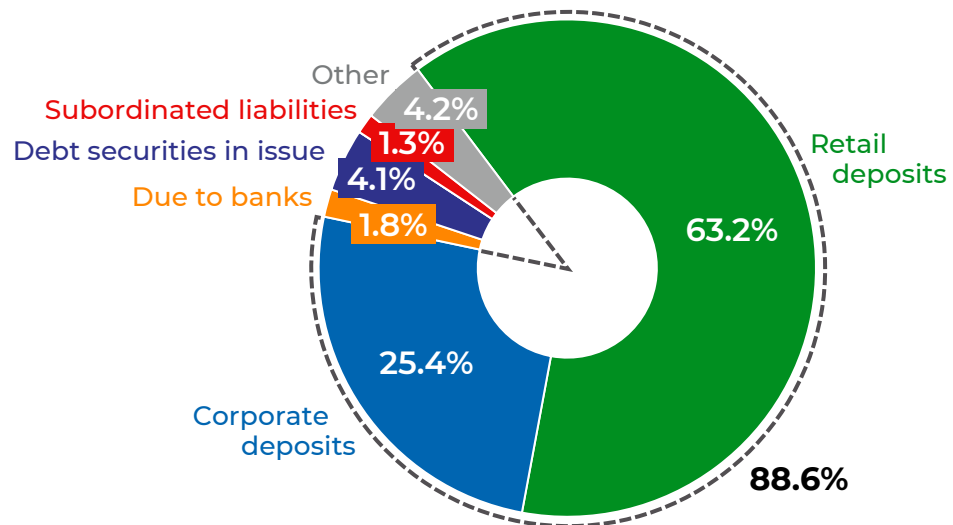
	PLN billion
Corporate clients: current accounts ²	40.8
Corporate clients: term deposits	10.5
Individual clients: current accounts	61.0
Individual clients: saving accounts	36.8
Individual clients: term deposits	31.2
Public sector clients	0.6
TOTAL	180.9

² Including repo transactions

Appendix: Selected Financial Data – Funding profile

Structure of mBank Group's funding

as of 31.03.2023



Summary of mBank's long-term funding instruments

as of 31.03.2023

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% redeemed
125 M	CHF	05.04.2019	04.10.2024	5.5 Y	1.0183%
500 M	EUR	20.09.2021	21.09.2027	6.0 Y	0.966%
Subordinated loan and bonds					
250 M	CHF	21.03.2018	21.03.2028	10.0 Y	LIBOR3M +2.75%
750 M	PLN	17.12.2014	17.01.2025	10.1 Y	WIBOR6M +2.10%
550 M	PLN	09.10.2018	10.10.2028	10.0 Y	WIBOR6M +1.80%
200 M	PLN	09.10.2018	10.10.2030	12.0 Y	WIBOR6M +1.95%
Loans and advances received					
113 M	CHF	04.09.2017	04.09.2025	8.0 Y	-
176 M	CHF	30.07.2018	30.07.2025	7.0 Y	-
138 M	CHF	02.08.2019	02.08.2027	8.0 Y	-

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

Summary of mBank's ratings

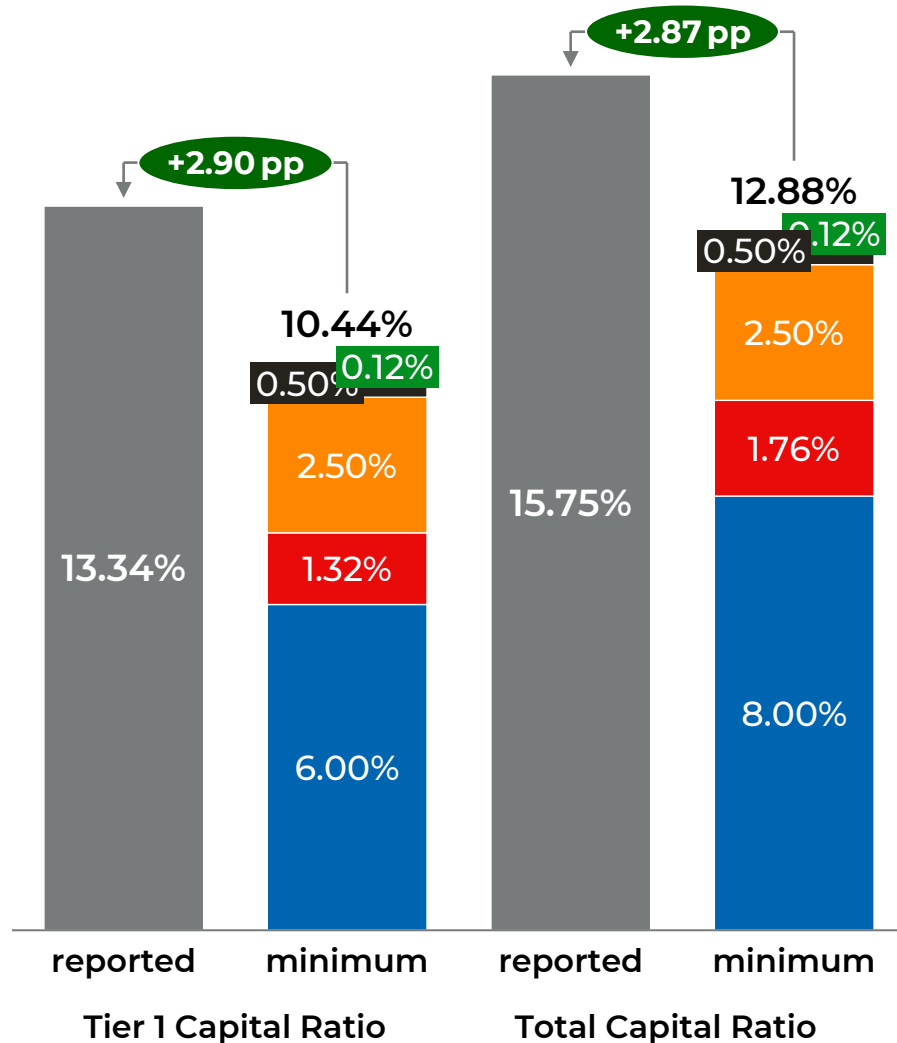
as of 31.03.2023

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

Appendix: Selected Financial Data – Capital requirements

Regulatory capital requirements for mBank Group

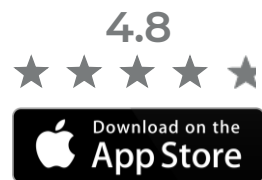
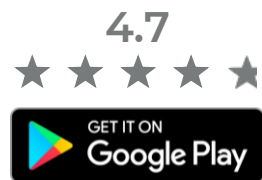
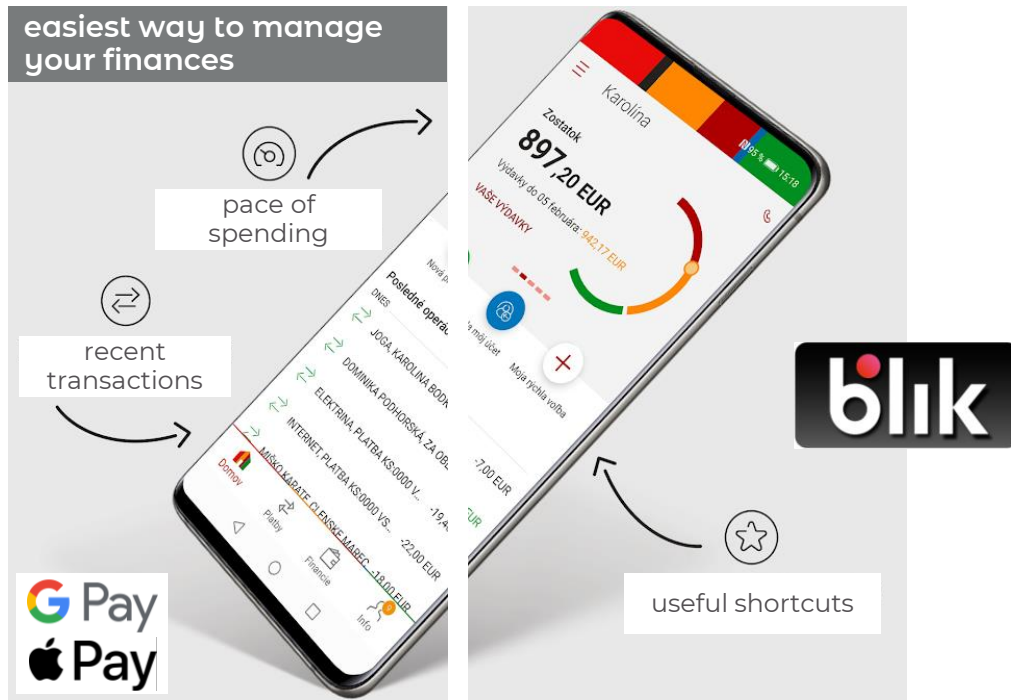
as of 31.03.2023



- 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.

Based on the MREL decision dated 11.04.2023, the fully-fledged MREL requirement to be set for mBank at the consolidated level, excluding mBank Hipoteczny, amounts to **18.57%** of the total risk exposure amount (TREA) and **5.91%** of the total exposure measure (TEM) and should be reached by 31.12.2023. Interim MREL_{TREA} and MREL_{TEM} limits were set at **14.16%** and **4.64%** from the date of decision's communication. The Bank also needs to keep the Combined Buffer Requirement on top of the MREL requirement.

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



On average, **78%** of new mBank's clients activate mobile application in the first week from opening the account (in Q1/23)

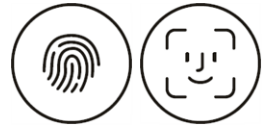
Well-designed functionalities for client convenience



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 BLIK



initial set of personal financial management (PFM) functionalities and value added services



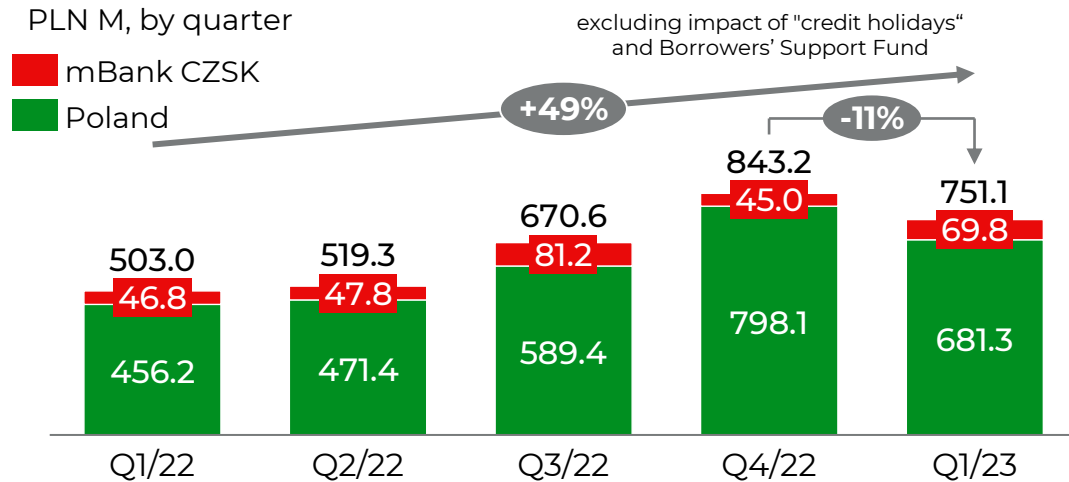
reminders from Payment Assistant and scanning of data to the transfer form from the invoices



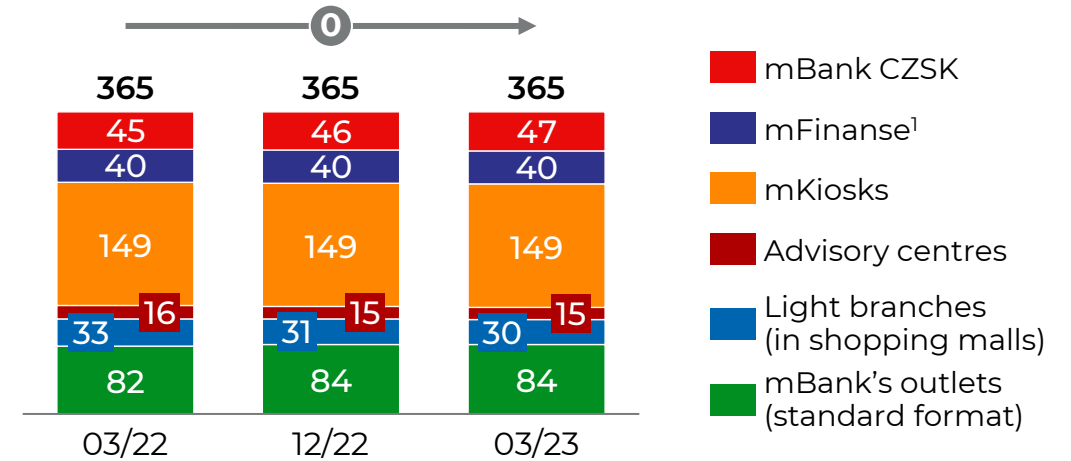
benefits (mDiscounts) for retail buyers and seamless shopping experience with one-click financing options (quick cash loan up to pre-approved limit)

Appendix: Retail Banking – profit and network

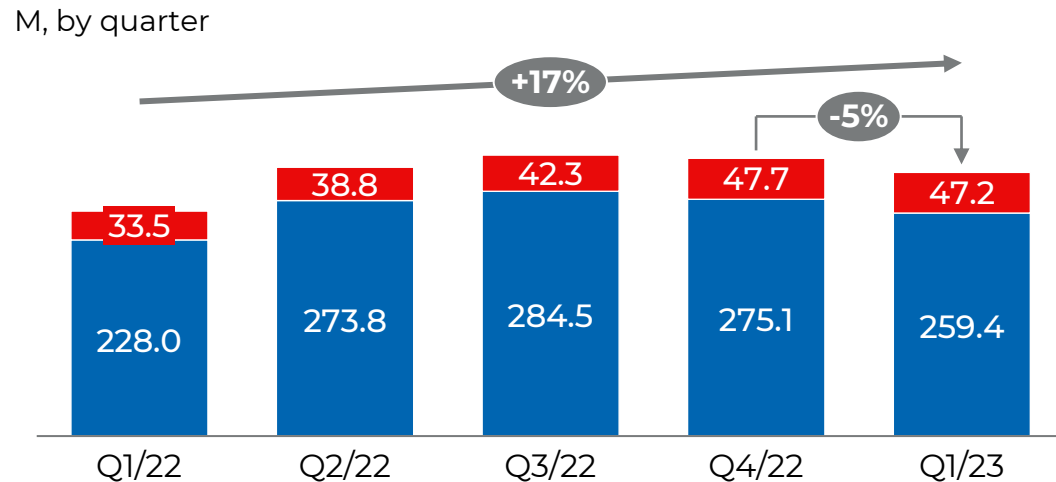
Profit before income tax of the segment



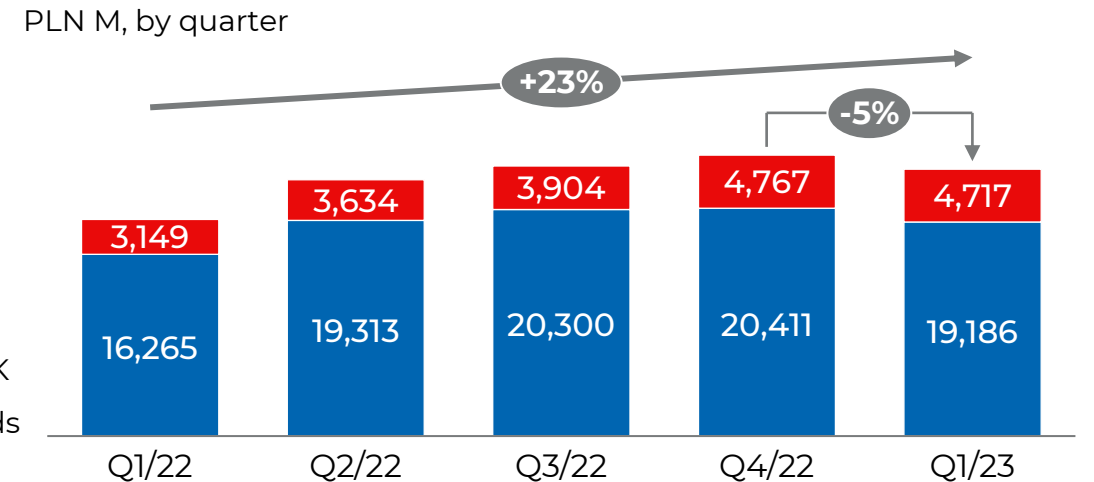
Number of Retail Service Locations



Number of non-cash payments with cards and BLIK



Value of non-cash payments with cards and BLIK

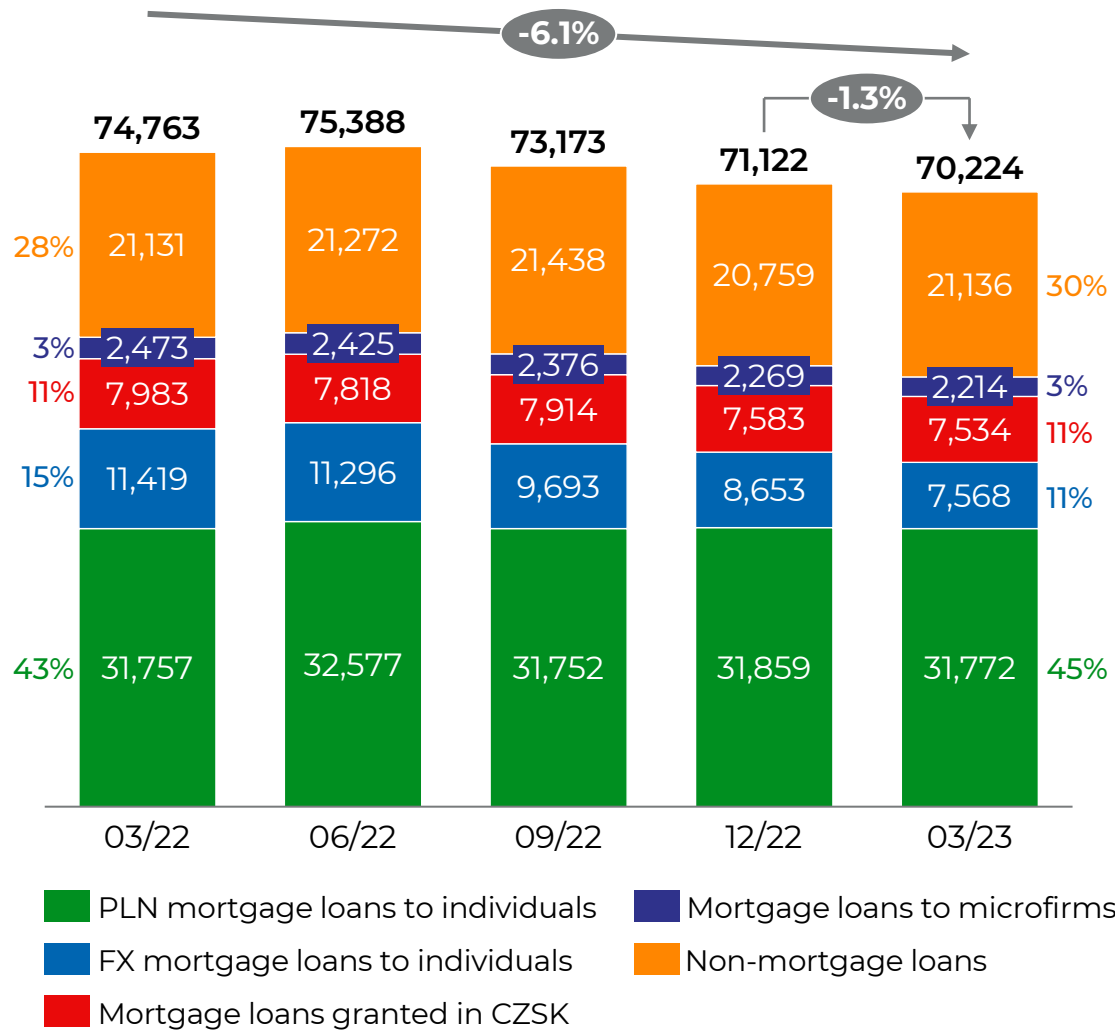


¹ Including financial centres and agency service points

Appendix: Retail Banking – business volumes

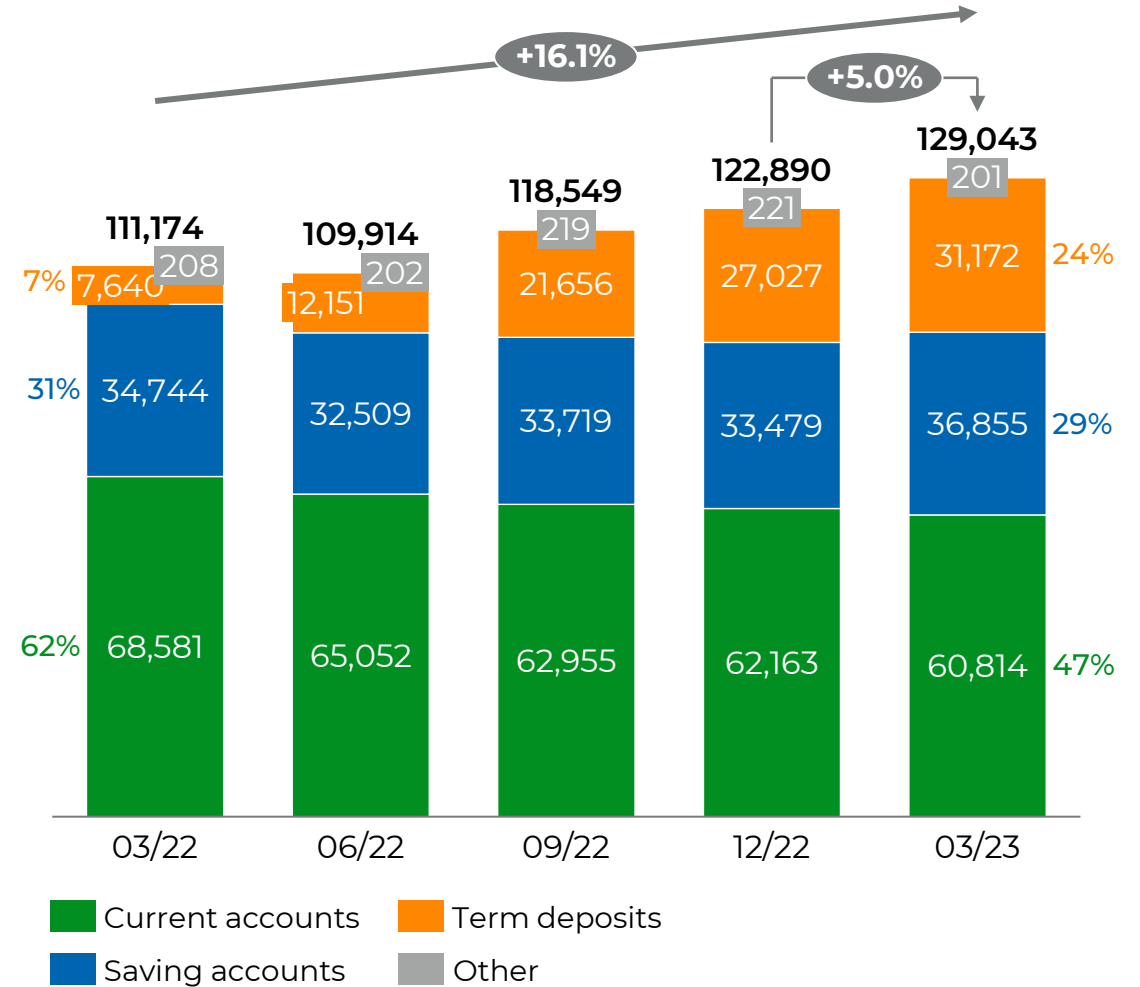
Development of gross loans to retail banking clients

PLN M



Development of deposits from retail banking clients

PLN M

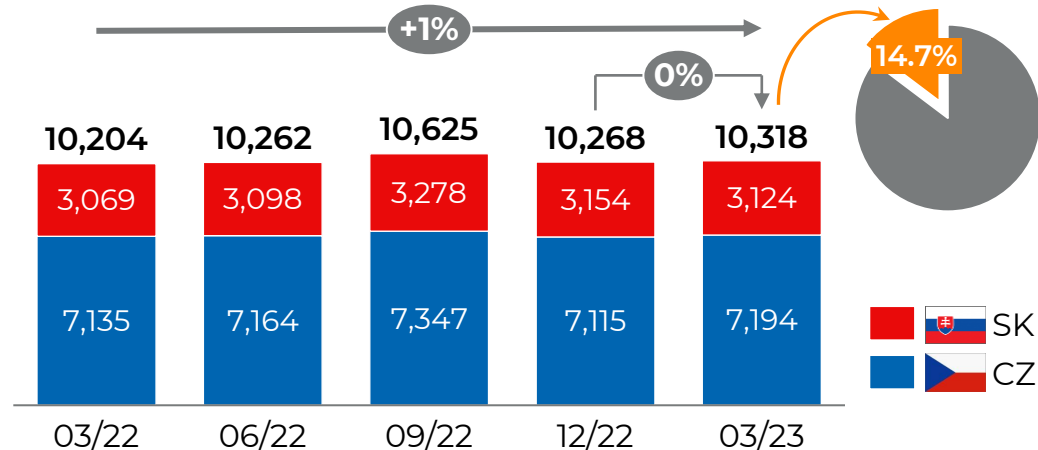


Note: Currency and geographical breakdown based on management information.

Appendix: mBank in the Czech Republic and Slovakia

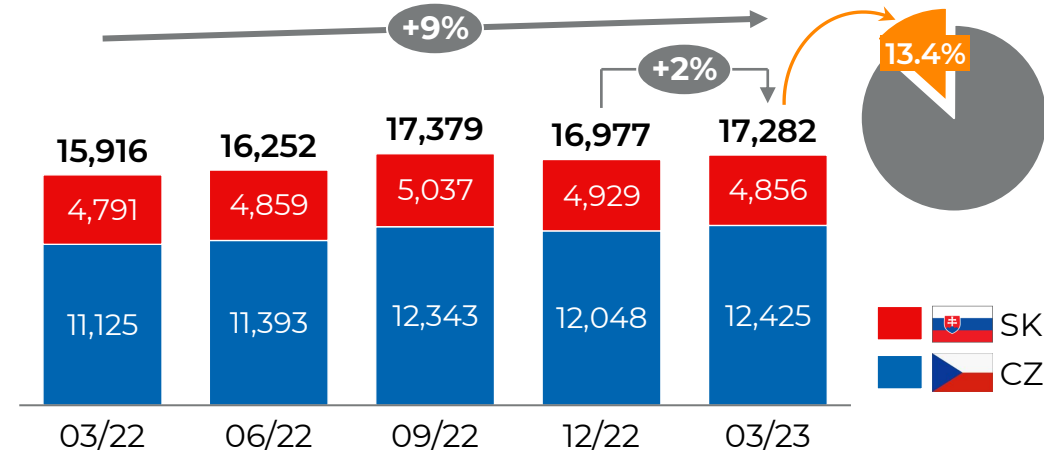
Gross loans and share in total mBank's retail volume

PLN M



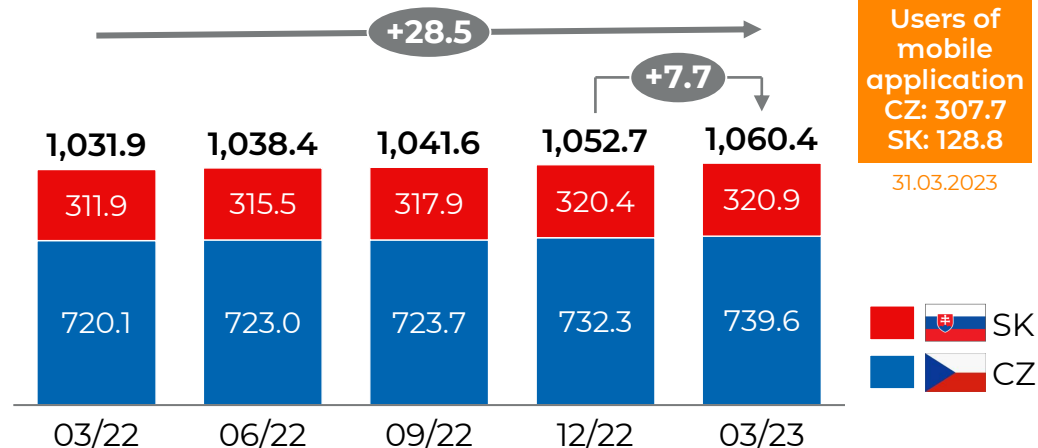
Deposits and share in total mBank's retail volumes

PLN M



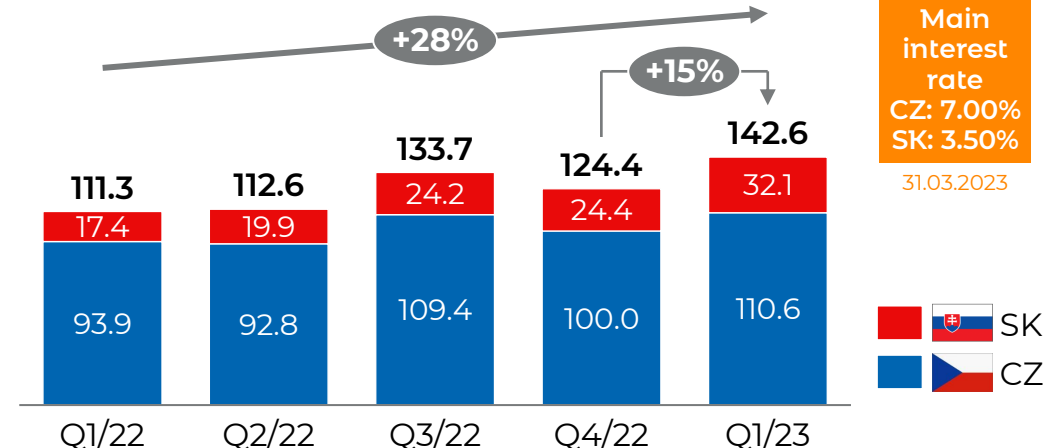
Number of clients

thousand



Development of total revenues

PLN M



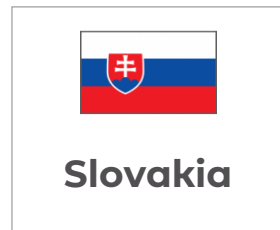
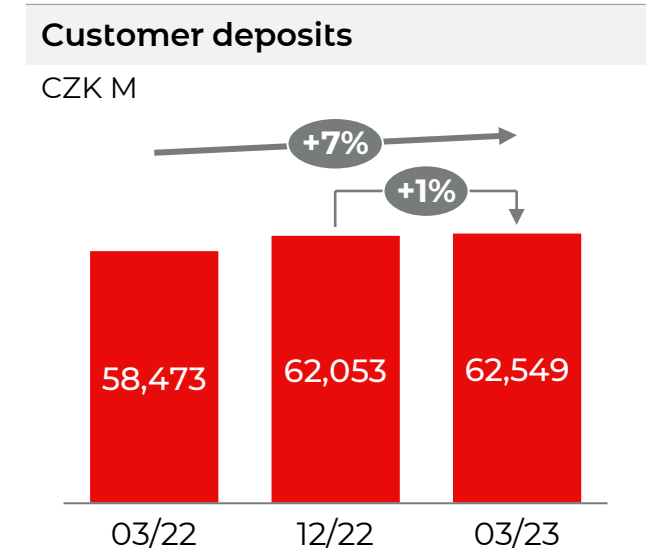
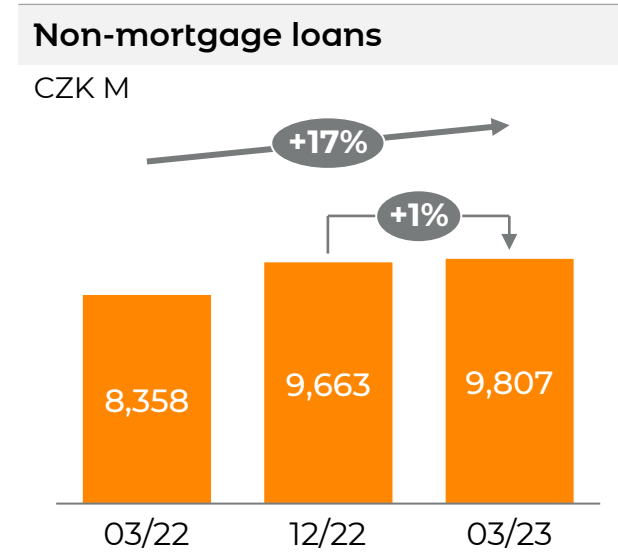
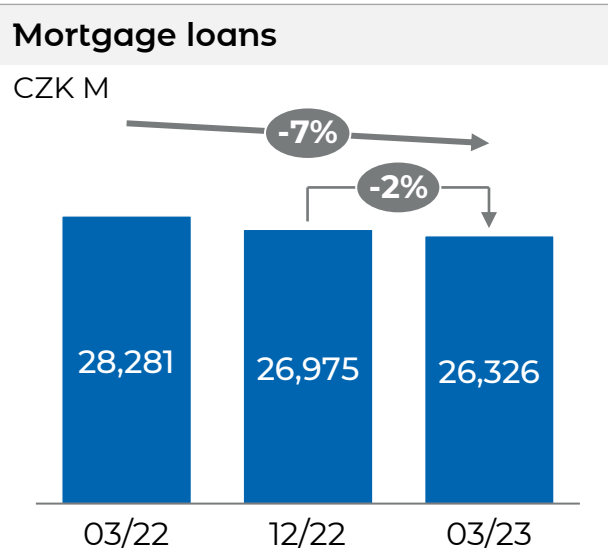
Note: Volumes based on management information.

Appendix: mBank in the Czech Republic and Slovakia



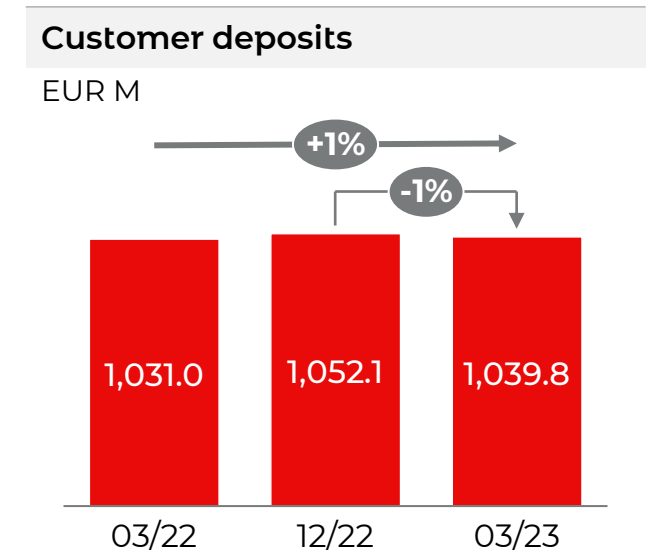
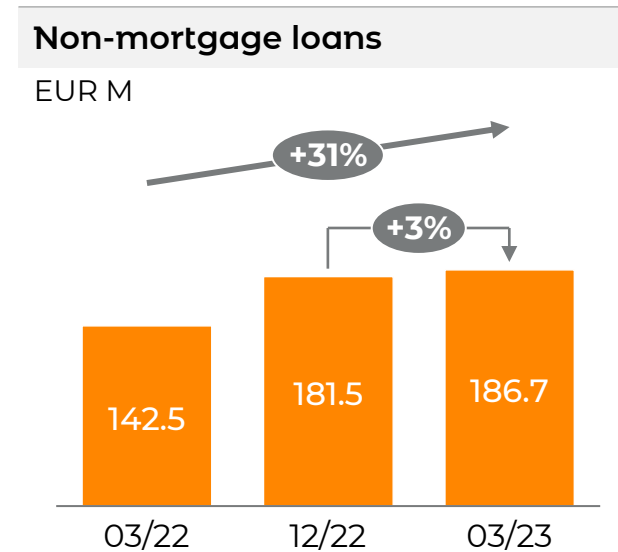
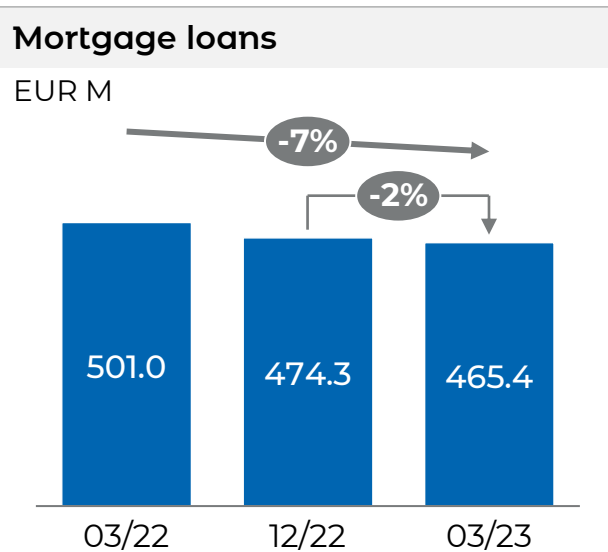
physical network:

7	light branches
7	financial centres
18	mKiosks



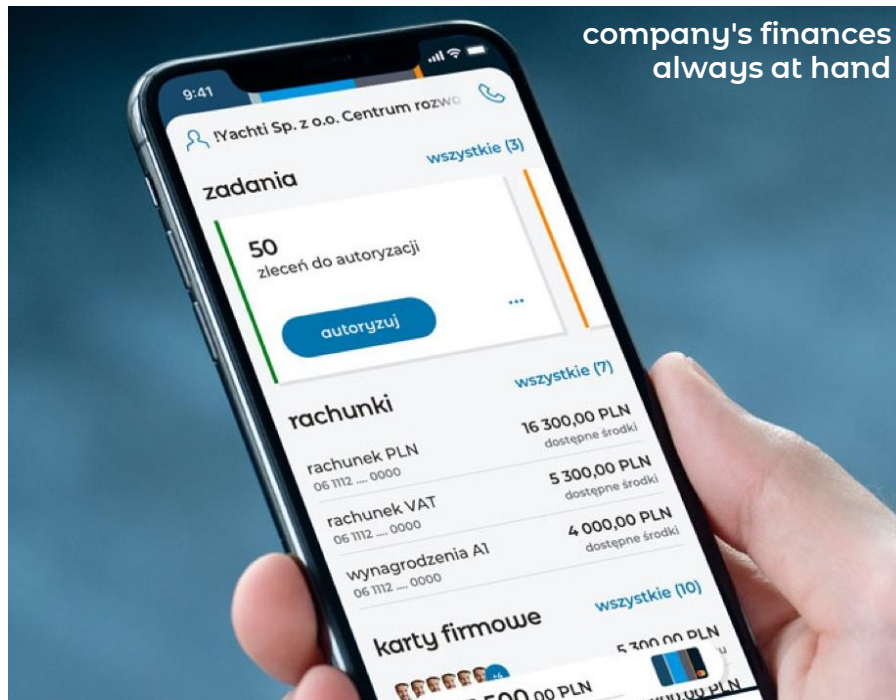
physical network:

2	light branches
4	financial centres
9	mKiosks



Note: Volumes based on management information.

Appendix: Best digital banking services for corporate clients



CompanyMobile
CompanyNet



85% of corporate customers have at least one user logging in to mBank's mobile application every month

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



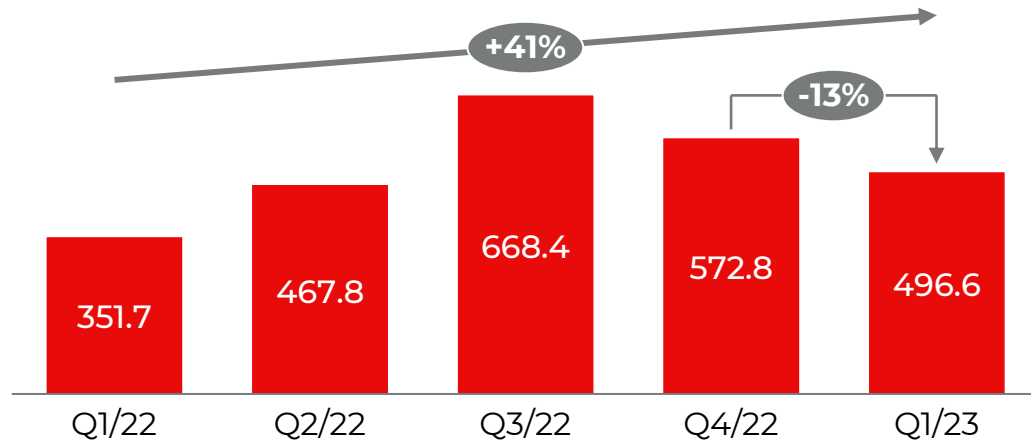
mAuto.pl online platform with an offer of new and used cars, financed by leasing or long-term rental



Appendix: Corporate & Investment Banking – profit and network

Profit before income tax of the segment

PLN M, by quarter

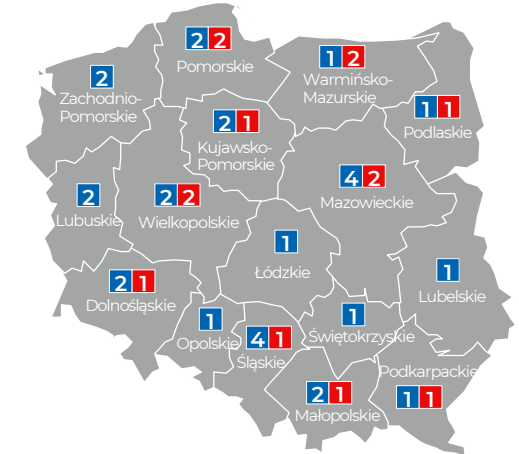


Number of corporate service locations

as of 31.03.2023

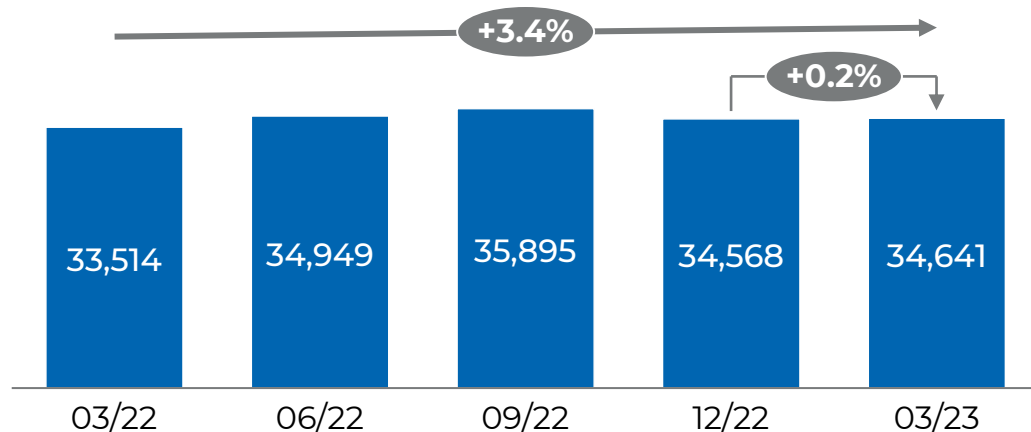
29 mBank's branches,
incl. 13 advisory centres

14 mBank's offices



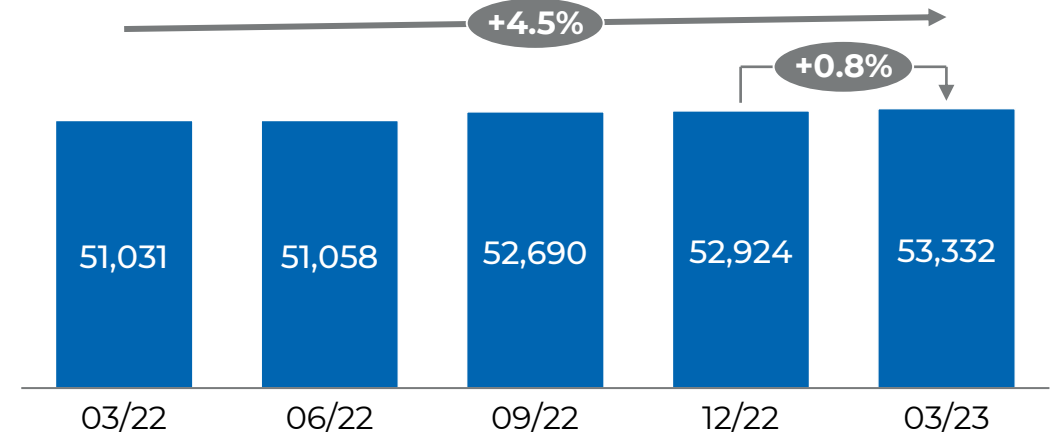
Development of loans to enterprises¹

PLN M



Development of deposits from enterprises¹

PLN M

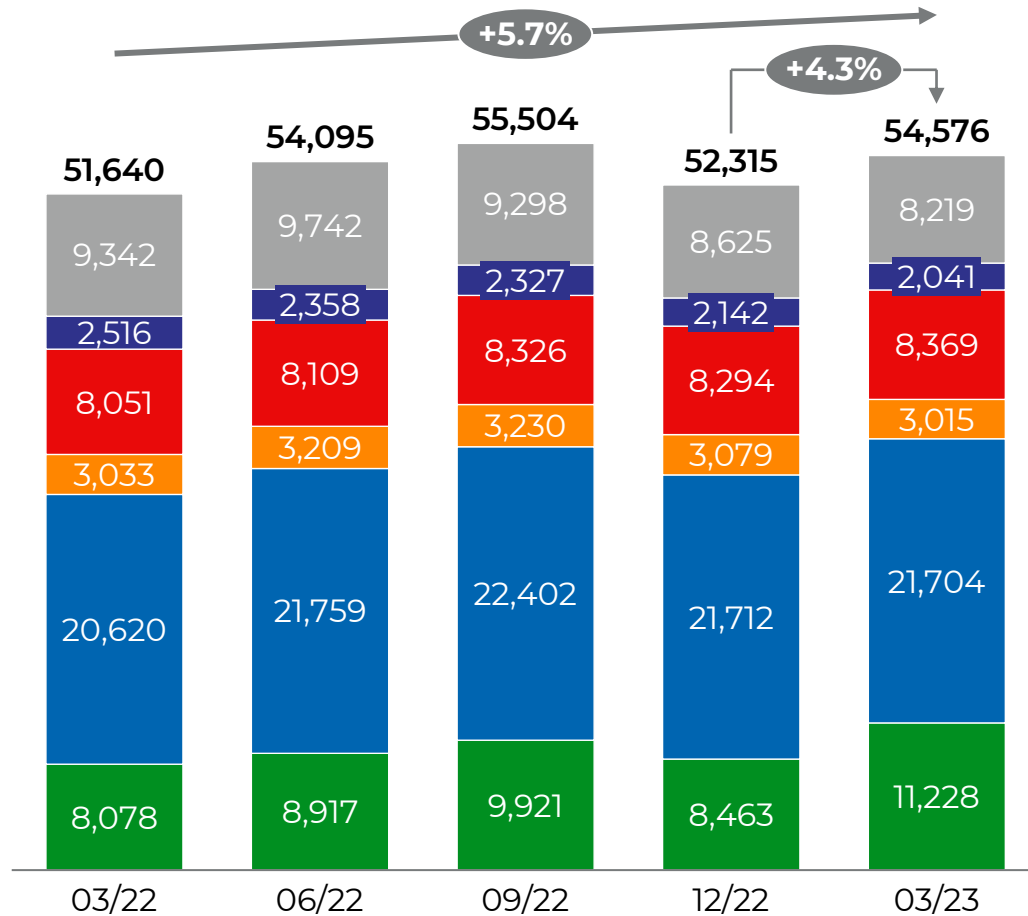


¹ Corporate loan and deposit volumes (for mBank and mBank Hipoteczny) according to NBP rules (monetary reporting system – MONREP)

Appendix: Corporate & Investment Banking – business volumes

Development of gross loans to corporates and public sector

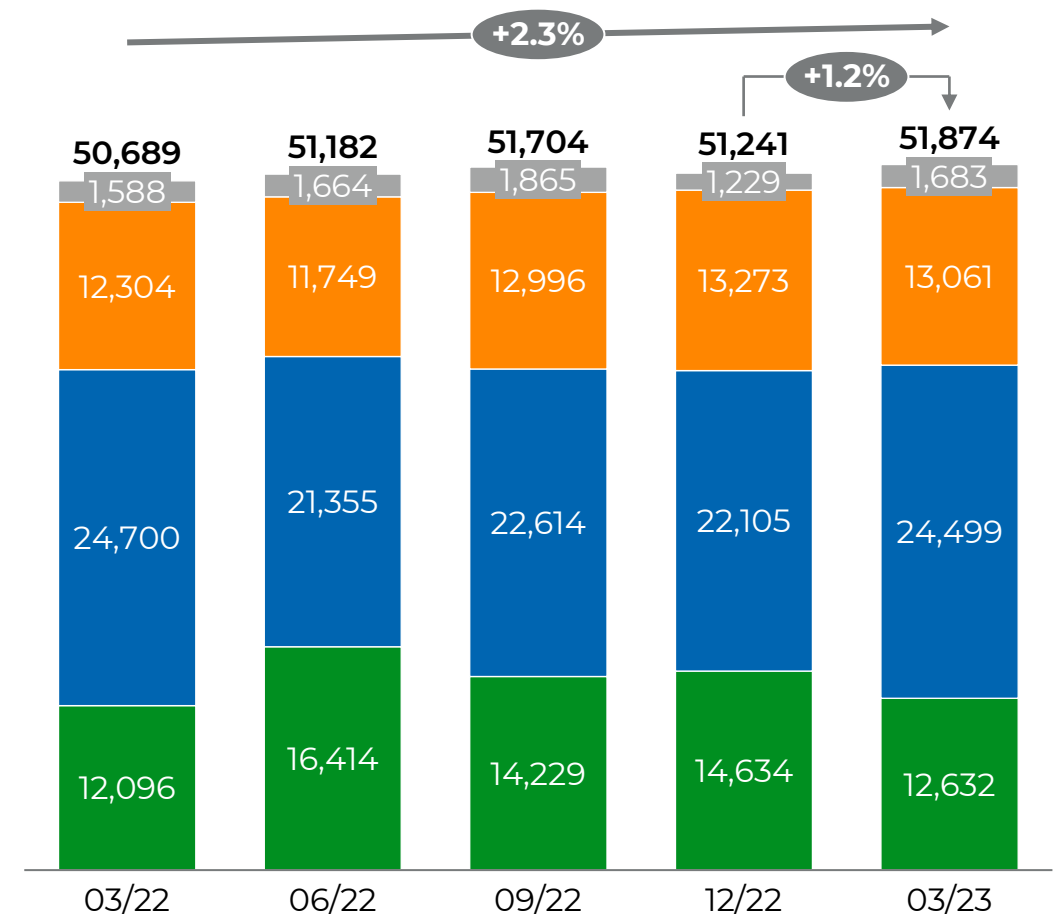
PLN M



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

Development of deposits from corporates and public sector

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

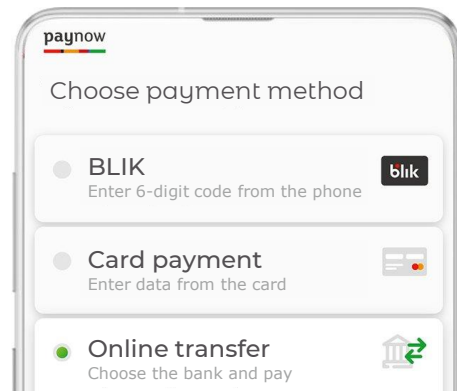
paynow

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
- extended for new services, e.g. recent Mass Collect for corporate clients



Processed payments volume has been constantly growing: PLN 408 M in Q1/23, +167% YoY



Comprehensive value proposition for e-merchants



3 editions of special campaign and contest "Digital Revolutions" to support microfirms and SMEs in e-commerce expansion

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



professional accounting services for businesses

At the end of Q1/23, mBank serviced 559.6 thousand microfirms in Poland, +14.0 thousand YoY.



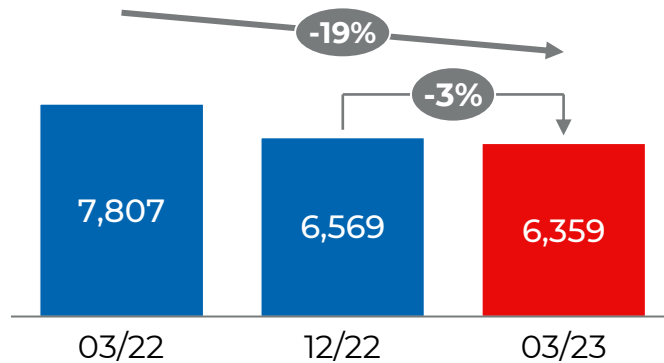
Appendix: Performance of main subsidiaries of mBank

m Bank Hipoteczny
 established in 1999

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

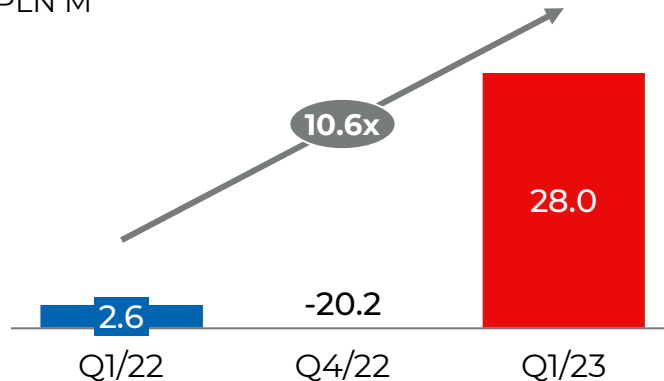
Outstanding amount of covered bonds

PLN M, nominal value, incl. private placement



Company's profit before income tax

PLN M



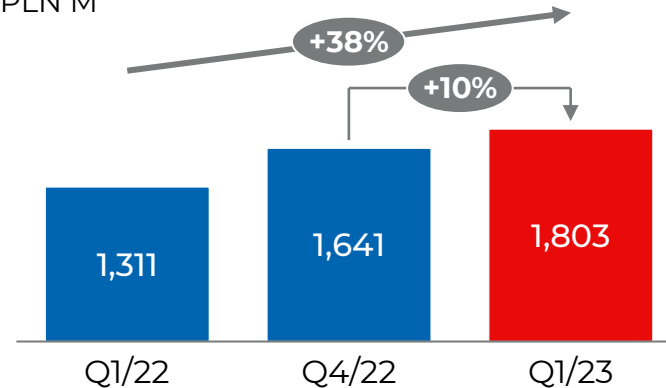
m Leasing
 established in 1991

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

Leasing contracts

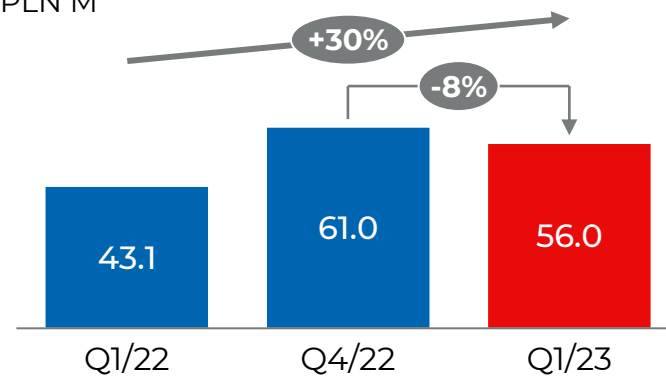
PLN M

Market share in 2022: 6.8%



Company's profit before income tax

PLN M



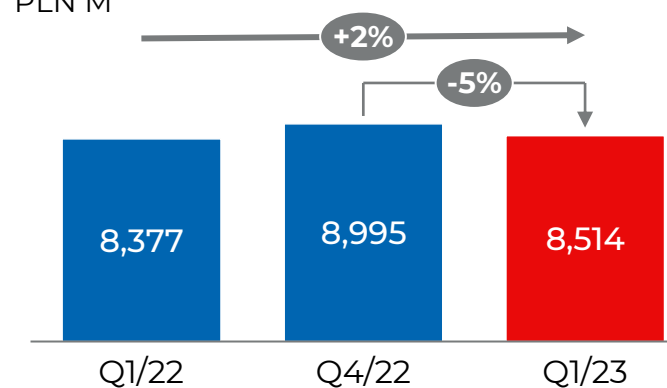
m Faktoring
 established in 1995

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

Factoring contracts

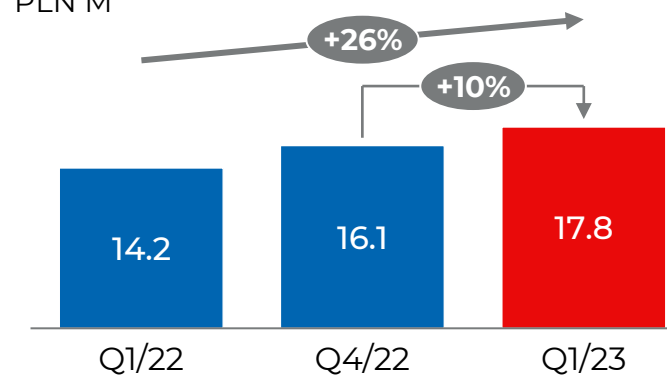
PLN M

Market share in 2022: 7.8%



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 2030 we will reach climate neutrality in scope 1 and 2.
By 2050 we will become a fully climate-neutral bank.

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
12.3 (low risk)

as of 26.04.2023

MSCI ESG Rating¹

A

as of November 2022

Bloomberg GEI
Gender-Equality Index

WIG-ESG index
on WSE in Poland

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

Appendix: Historical financial results of mBank Group

PLN million	2018	2019	2020	2021	2022	Δ YoY
Net interest income	3,496.5	4,002.8	4,009.3	4,126.3	5,909.2	+43.2%
Net fee and commission income	1,257.8	1,270.6	1,508.3	1,867.8	2,120.1	+13.5%
Net trading and other income	325.3	251.0	349.2	117.1	-187.2	+/-
Total income	5,079.5	5,524.4	5,866.8	6,111.1	7,842.1	+28.3%
Total costs	-2,163.9	-2,329.2	-2,411.1	-2,456.9	-3,319.2	+35.1%
Loan loss provisions and fair value change	-694.4	-793.8	-1,292.8	-878.6	-834.5	-5.0%
Operating profit before legal provisions and taxes	2,221.2	2,401.5	2,162.8	2,775.7	3,688.4	+32.9%
Costs of legal risk related to FX loans	-20.3	-387.8	-1,021.7	-2,758.1	-3,112.3	+12.8%
Taxes on the Group balance sheet items	-415.4	-458.7	-531.4	-608.6	-684.2	+12.4%
Income tax	-483.9	-544.8	-506.0	-587.8	-594.5	+1.1%
Net profit or loss	1,302.8	1,010.4	103.8	-1,178.8	-702.7	-40.4%
Total assets	145,781	158,353	178,861	198,373	209,892	+5.8%
Gross loans to customers	97,808	108,170	111,912	120,856	123,437	+2.1%
Individual clients	52,925	59,993	65,655	72,871	71,122	-2.4%
Corporate clients	44,233	47,786	46,025	47,832	52,207	+9.1%
Customer deposits	98,552	113,184	133,672	157,072	174,131	+10.9%
Individual clients	65,924	77,664	97,976	112,446	122,890	+9.3%
Corporate clients	31,889	34,702	35,250	44,018	49,981	+13.5%
Total equity	15,171	16,153	16,675	13,718	12,715	-7.3%
Net interest margin	2.6%	2.7%	2.3%	2.2%	3.7%	+1.5pp
Cost/Income ratio	42.6%	42.2%	41.1%	40.2%	42.3%	+2.1pp
Cost of risk	0.78%	0.79%	1.20%	0.76%	0.68%	-0.08pp
Return on equity (ROE)	8.9%	6.4%	0.6%	-7.2%	-5.3%	+1.9pp
Tier 1 capital ratio	17.5%	16.5%	17.0%	14.2%	13.8%	-0.4pp
Total Capital Ratio	20.7%	19.5%	19.9%	16.6%	16.4%	-0.2pp

Appendix: mBank's share price performance

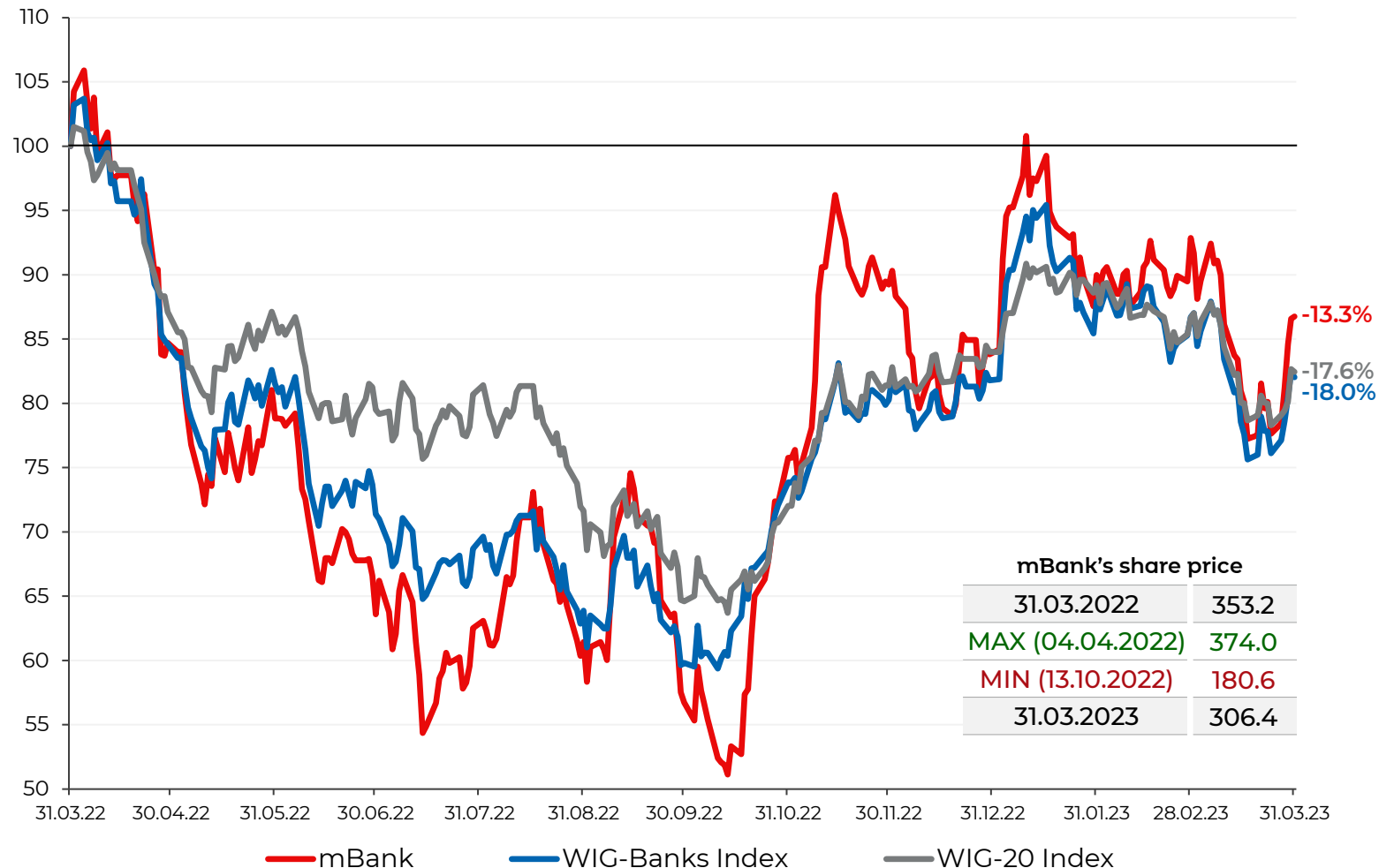
Market uncertainty and risks related to election year worsen sentiment to banking stocks

mBank's index membership and weights as of 31.03.2023		
WIG20		1.902%
WIG30		1.910%
WIG		1.324%
WIG-Banks		5.771%
WIG-ESG		2.026%
WIG-Poland		1.392%

- mBank has been listed on the Warsaw Stock Exchange since October 1992
- A strategic shareholder, Germany's Commerzbank, owns 69.17% of shares

ISIN	PLBRE0000012
Bloomberg	MBK PW
Number of shares issued	42 433 495

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



Source: WSE, Bloomberg (data as of 31.03.2023).

Disclaimer

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Contact details

Karol Prażmo

Managing Director for Treasury and Investor Relations

+48 607 424 464

karol.prazmo@mbank.pl

Joanna Filipkowska

Head of Investor Relations

+48 510 029 766

joanna.filipkowska@mbank.pl

Magdalena Hanuszewska

+48 510 479 500

magdalena.hanuszewska@mbank.pl

Paweł Lipiński

+48 508 468 023

pawel.lipinski@mbank.pl

Marta Polańska

+48 508 468 016

marta.polanska@mbank.pl



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