

Letter from the Chairman of the Supervisory Board of mBank S.A. to the Shareholders

Dear Shareholders,

The year 2019 brought plenty of reasons to be cheerful and satisfied, but on the other hand, it has sparked growing concerns about the future of the banking sector in Poland.

Once again the business and financial performance of mBank Group confirmed the strength and viability of the business model and strategy adopted by the Group.

mBank is a synonym for youth and modern thinking and an icon of mobility and empathy towards clients. We are proud of the continuous pursuit of excellence in refining our award-winning mobile and online banking services, which have won widespread recognition for their client-centricity, simplicity, and user-friendliness. In 2019 the Bank made a number of improvements making its banking apps even more user-friendly. Throughout 2019 the number of active mobile app users grew by 27.6% to nearly 1.9 million. mBank boasts the highest share of mobile app users in the client base on the market.

In 2019 mBank Group continued to develop and improve its lending business. The gross credit portfolio of mBank Group grew by 11% compared with the end of 2018. The volume of corporate loans increased by 8%, while retail loans rose by 14%, driven by record-high sales of housing loans (+77.0%) and non-mortgage loans (+15.0%). Our deposit base grew as well, especially the volume of retail deposits (up by 17.8%), propelled by strong inflows to current and savings accounts.

Dynamic growth in volumes observed in 2019 pushed mBank's market shares up to 7.0% in retail loans, 7.5% in corporate loans, 7.0% in retail deposits and 9.9% in corporate deposits.

The continuous development of our business has been reflected in the income figures posted by mBank Group. In 2019 total income reached its all-time high of PLN 5.5 billion. The Group generated a net profit attributable to Owners of mBank in the amount of PLN 1,010.4 million, which represents a year-on-year decrease caused primarily by high provisions for legal risk connected with foreign currency loans.

An ample capital base allows the Group to continue on a stable growth path in the longer perspective.

The Annual General Meeting in 2020 marks the end of the current term of office of the Supervisory Board. The outgoing Supervisory Board stood out for its versatility and diversity. Individual members were carefully appointed based on their diverse professional experience, knowledge, and skills. The competences of the Supervisory Board Members perfectly cover all areas of the Bank's business.

Therefore, as the current term of office of the Supervisory Board is coming to an end, on behalf of the entire Supervisory Board I would like to thank the Management Board for the constructive and effective cooperation. My special thanks also go to all Shareholders for the confidence you have in mBank.

After 26 years, my formal cooperation with the bank comes to the end. Thank you to the Management Board for great, model cooperation with the Supervisory Board.

Last but not least, I want to thank all the Supervisory Board Members for their personal commitment and great contribution to the work of the Supervisory Board. I wish the incoming Supervisory Board every success in the pursuit of goals and targets in close cooperation with the Management Board.

Maciej Leśny
Chairman of the Supervisory Board