

# Introduction to mBank Group



**The most successful organic growth story in Poland**

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BANKING SUMMIT 2018, Stresa, 04 October 2018

**mBank's retail business was established in 2000.**  
**Today it serves over 5.6 million customers in 3 countries**

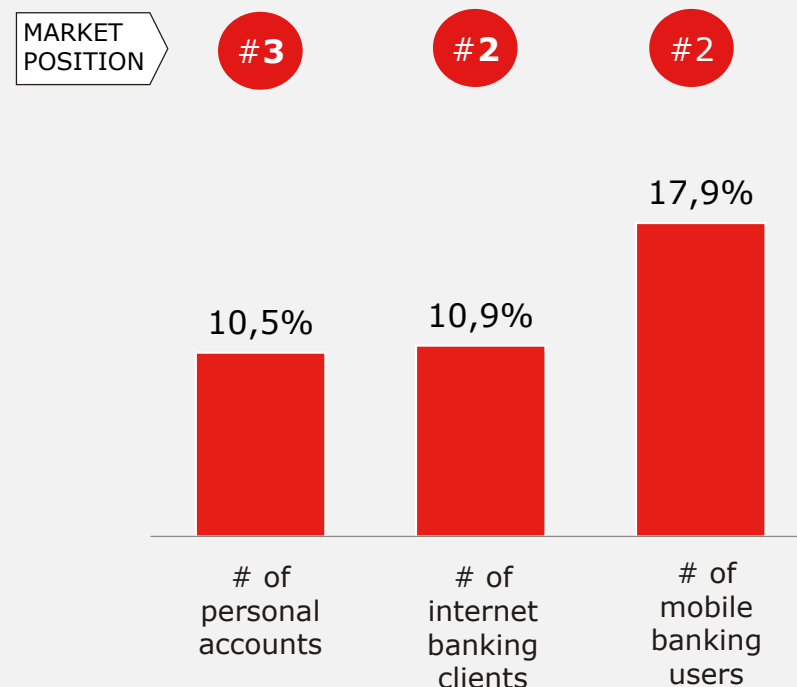
#### mBANK RETAIL MARKET COVERAGE 31.12.2017

**4.66 M** individual  
& business clients<sup>1)</sup>



**mBank is the only retail bank in Poland  
with an international strategy**

#### mBANK RETAIL PL KEY MARKET SHARES 2017

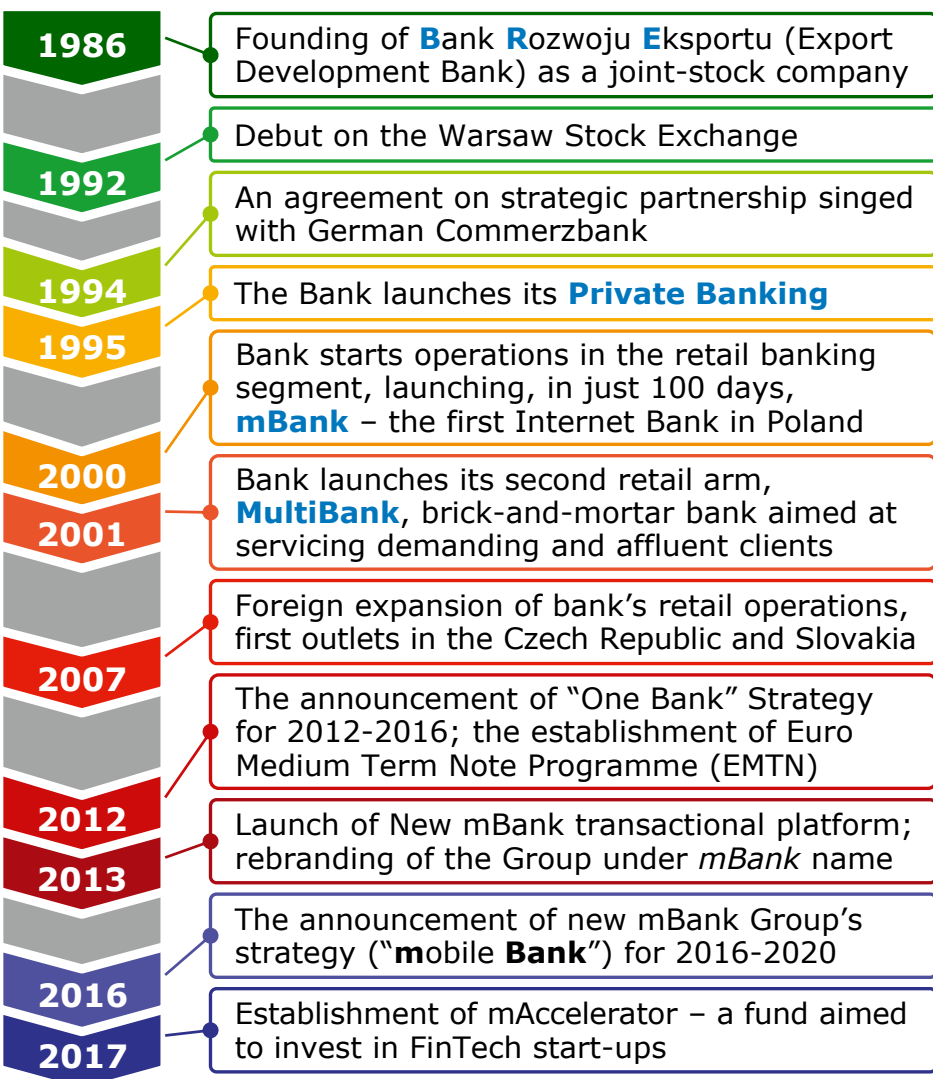


**First-wave online bank**

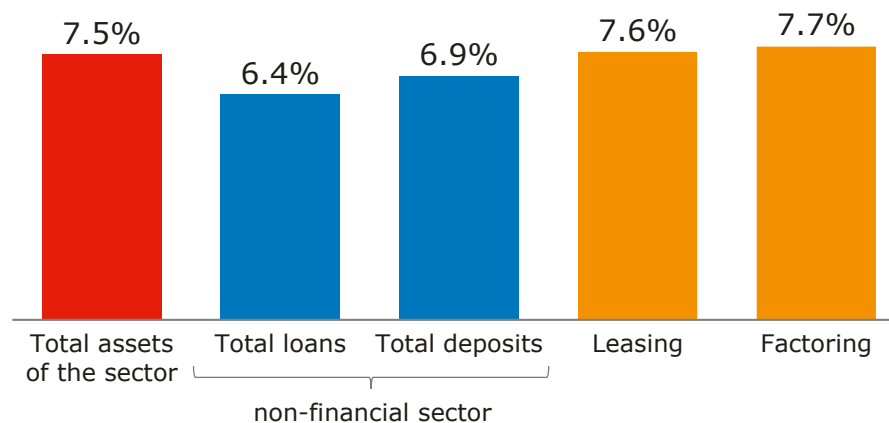
1) mBank PL + Orange Finance  
Source: PR news, mBank

# From a specialized corporate bank to a large universal bank

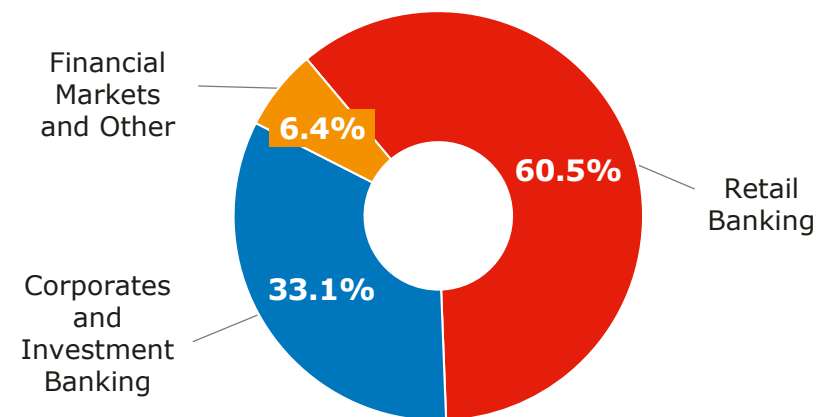
## Brief history



## Market shares as of 30.06.2018



## Composition of mBank Group's profit before income tax



Profit before income tax: PLN 1,528 million in 2017

# Disruptive innovation is in our DNA since very beginning



mBank – **born digital** as a remedy for queues and inefficiencies:

- **Very functional digital channels**
- **3 products (current account, saving account, debit card)**
- **Available online 24/7** (accounts, cards, loans, insurances, mutual funds, brokerage, except mortgage)
- **No branch visit needed**

**Global prizes for innovations in different parts of the business model:**

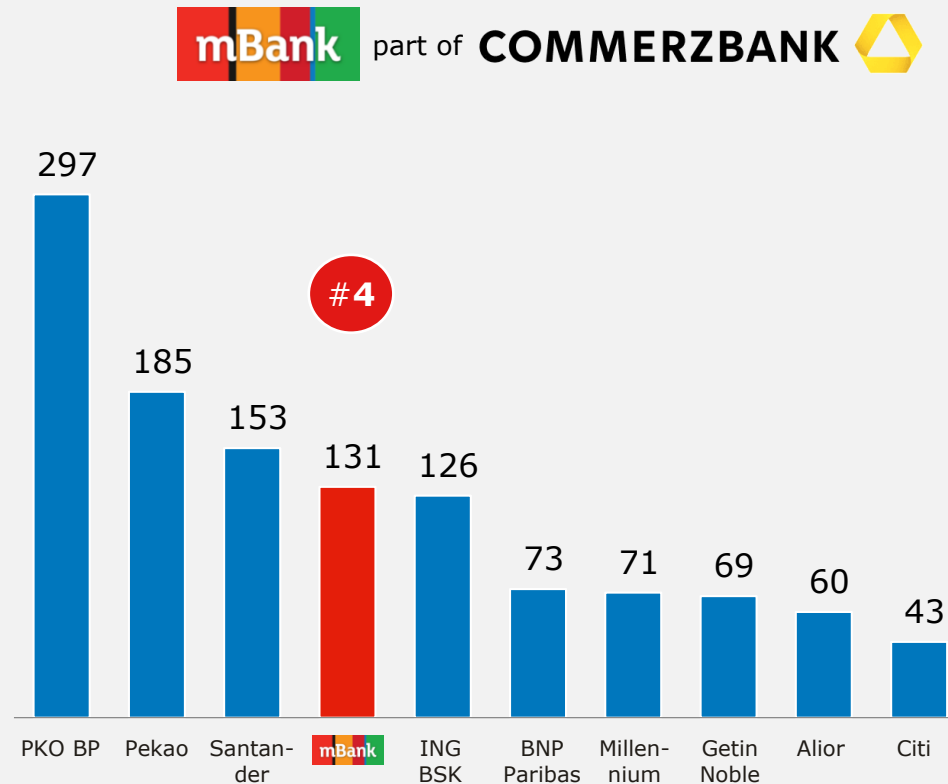
- **Digital & physical channels**
- **Digital sales processes**
- **Products and platforms**



# mBank: the 4th largest bank in Poland in terms of total assets with Retail business as a main source of revenues

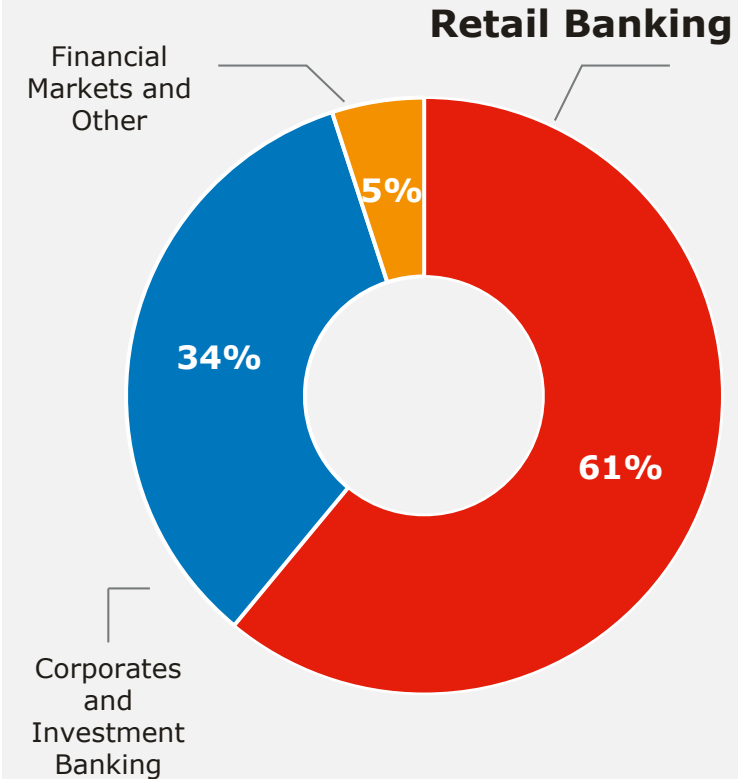
## MARKET POSITION BY TOTAL ASSETS

31.12.2017 [PLN B]



## mBANK REVENUE SPLIT BY BUSINESS LINES

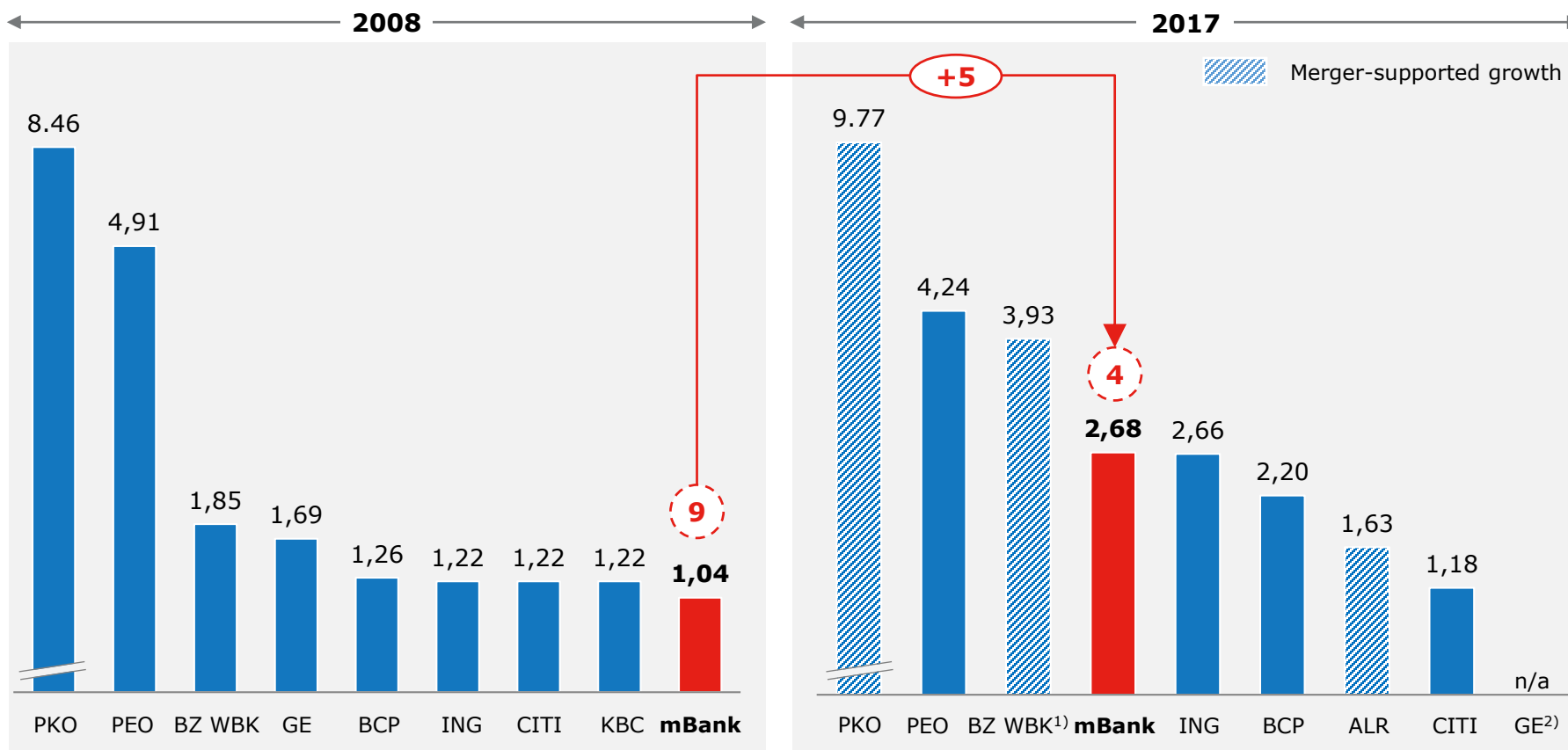
2017 [%]



Source: Banks' consolidated financial statements as of 31.12.2017.

# mBank is the fastest 100% organically growing retail banking business in Poland

REVENUES: mBANK RETAIL VS KEY PLAYERS 2017 VS. 2008 [PLN B]



# mBank Retail rank

1) Merged with KBC since 2013 2) Merged with ALR since 2016

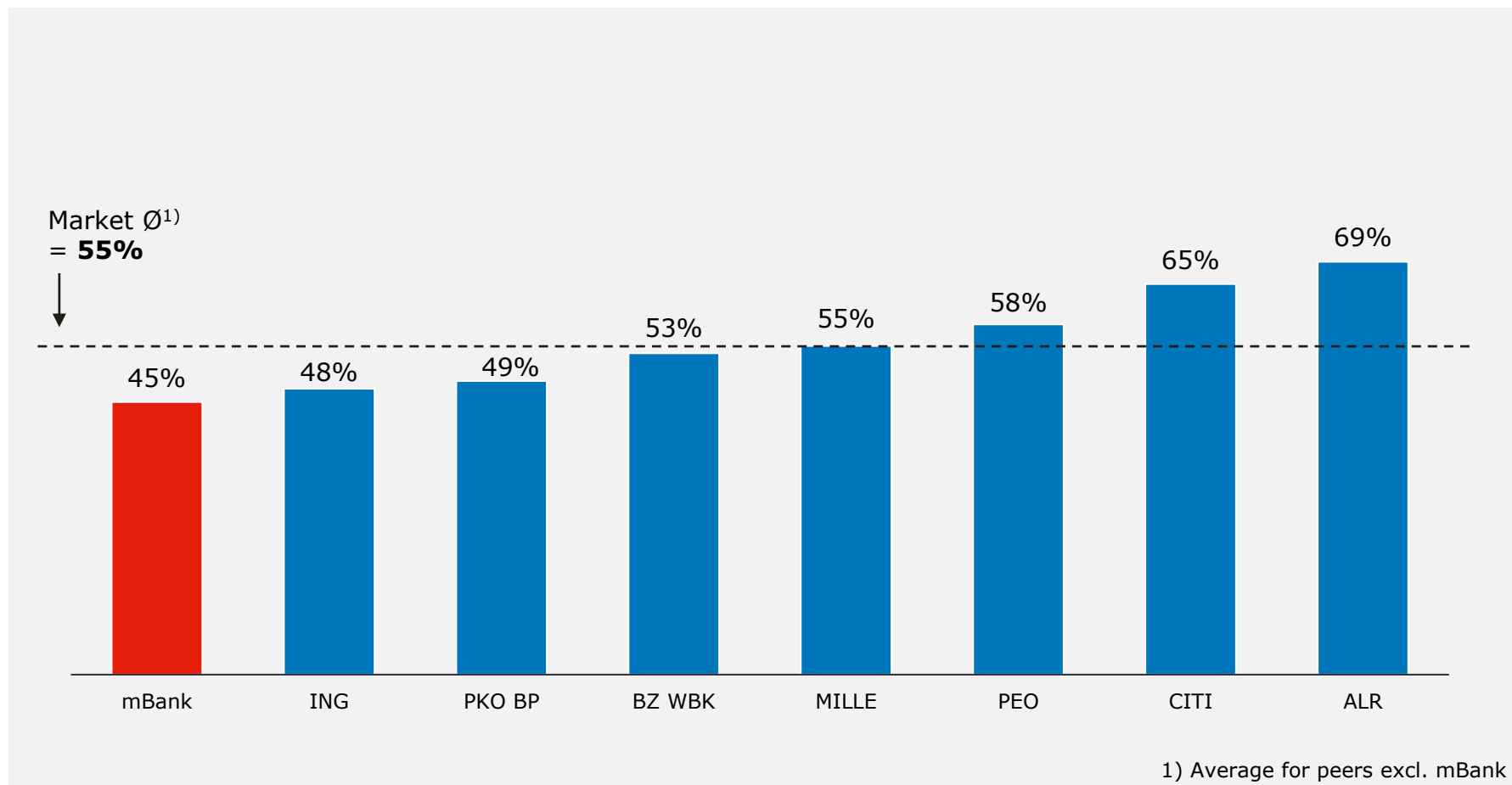
Source: Banks' financial statements

## mBank - the most successful organic growth story in Poland



... which also translates to the highest cost efficiency on the market

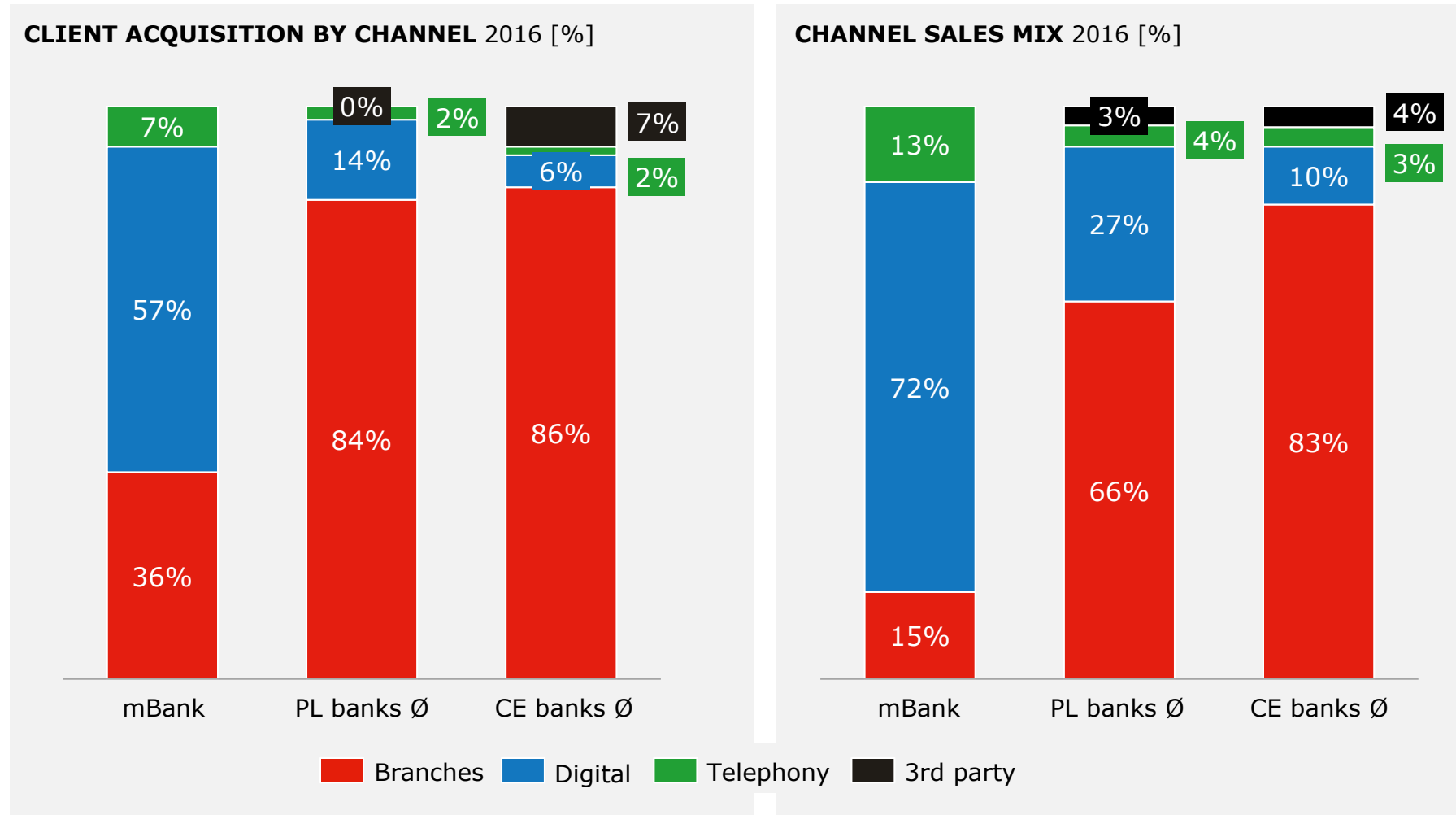
**COST-TO-INCOME RATIO: mBANK RETAIL vs PEERS 2017**



Source: Banks' financial statements

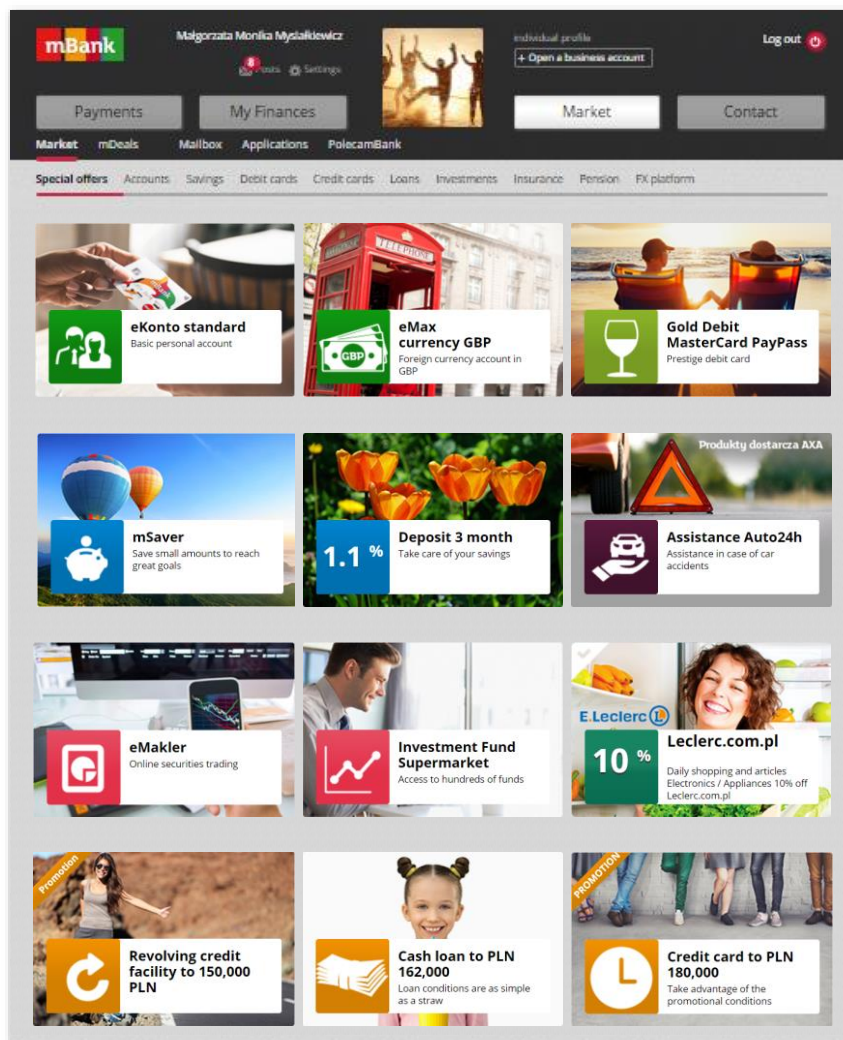


## Thanks to digital excellence we are already far ahead of our competitors in direct sales



Source: Source: Finalta, 100% McKinsey subsidiary

# mBank Retail has a fully-fledged offer for individual and small business clients leveraged on omnichannel access



## ACCOUNTS

- personal accounts
- foreign currency accounts
- FX platform
- PLN and FX debit cards

## SAVINGS

- Term deposits
- Regular saving products

## INSURANCE

- Life
- P&C insurance

## INVESTMENT

- Mutual funds
- Stocks
- Structured products
- Pensions

## LOANS

- Mortgage loans
- Consumer loans

## MARKETING DEALS



# mBank Group Strategy for 2016 - 2020

Specific business actions will be based on three strategy pillars

1

## Empathy

- **Offer the best customer experience** i.e. give clients what they need just in time they need
- **Make banking easy**
- **Focused customer acquisition** oriented on **development of active client base**, incl. mBank's aspiration to acquire 1/3 of the young entering the banking market
- **Broaden the sources of information about the client** to target our offer more precisely

2

## Mobility

- **Be the point of reference** in terms of **mobile banking**
- **Offer the best** (most convenient, hassle-free, intuitive and engaging) **mobile application on the banking market**
- **Enhance 'mobile first' distribution approach** within the omnichannel model
- **Minimize the functionality gap** between mobile and internet
- **Expand base of active mobile app users** and sales via mobile channel

3

## Efficiency

- **Grow while keeping the FTE base at current level**
- **Increase average revenues per client** every year
- **Enhance assets profitability** through an active management of balance sheet structure
- **Strengthen funding independence** through rising volume of covered bonds and clients transactional deposits
- Simplify, streamline, automate and **digitalise all processes to be a paperless bank**

*„To help. Not to annoy. To delight... Anywhere.“*