

Warsaw, 4 February 2015

**Report on the activities
of the Risk Committee of the Supervisory Board of mBank S.A.
in 2014**

The Risk Committee of the Supervisory Board (RC-SB) carried out its activities in 2014 pursuant to the rules set in the By-Laws of mBank S.A.

In 2014 the Risk Committee consisted of the following members:

Chairman	Dirk Wilhelm Schuh (till 31 March 2014) Dr Stefan Schmittmann (from 31 March 2014)
Members	Thorsten Kanzler Maciej Leśny Waldemar Stawski (till 31 March 2014) Teresa Mokrysz (between 31 March - 27 October 2014) Dr Agnieszka Słomka-Gołębiowska (from 28 October 2014)

As intended, the RC-SB held its meetings on a quarterly basis in 2014, namely in March, June, September and December 2014. The minutes of the RC-SB were presented to and acknowledged by the full Supervisory Board. According to the tasks outlined in the By-Laws of mBank, the RC-SB exercised regular supervision of credit, market, operational and liquidity risks in the course of 2014 - based on the reports presented by the mBank's Chief Risk Officer (CRO), Vice-President of the Management Board, on the Risk & Capital Monitor (quarterly) as well as other documentations submitted to the RC-SB.

The standing item of the Risk Committee meetings was the development of the Polish economy and its impact on the Bank discussed by the Chief Economist. Every time Risk & Capital Monitor has been presented including information concerning capital adequacy of mBank Group and risks generated by mBank Group's operations, i.e. liquidity risk, market risk, interest rate risk in the banking book, operational risk and credit risk, including concentration risk. Credit concentration risk and migrations of ratings for Corporates were monitored via Portfolio Steering Matrix. In addition, the issues regarding the risk of corporate, financial markets and retail portfolios were discussed in detail at the meetings in June, September and December.

Additionally, in 2014 the Risk Committee issued 32 recommendations in terms of individual counterparty risks in accordance with the parameters defined by the Supervisory Board.

In 2014 the Risk Committee reviewed the internal capital adequacy assessment process (ICAAP) in mBank Group, the Risk Management Strategy of mBank Group, the strategies of managing particular risks (credit risk of corporate and retail areas, liquidity risk, market risk and operational risk) as well as the Capital Management Policy. The Committee issued 15 decisions recommending to the Supervisory Board the approval of various documents with regard to risk steering, including among others strategic risk limits.

The members of RC-SB discussed also issues related to the SREP, PFSA inspection on AQR as well as recommendations of PFSA. In addition, issues connected with the development of Internal Control System (ICS) were also discussed.

Dr Stefan Schmittmann
Chairman of the Risk Committee
of the Supervisory Board