

Results of mBank Group Q3 2016

Sound income in a challenging market

Management Board of mBank S.A.

Investor Presentation

October 26, 2016



Key highlights of Q3 2016

Core revenues of PLN 953.1 M at historically high level

- NII at PLN 718.7 M (+12.0% YoY), as volume re-pricing continued
- NFC at PLN 234.4 M (-0.5% YoY), on customer business growth

Solid efficiency maintained

- Cost/Income ratio at 48.1%

Profit & Loss

Excess deposit funding

- Loan-to-Deposit ratio at 95.1%

Capital ratios well above regulatory requirements

- CET 1 Ratio at 15.9%/19.0%²
- Total Capital Ratio at 18.6%/22.2%²

Issue of Eurobonds to support funding diversification

Capital & Liquidity

Business development

Strong total revenues exceeding PLN 1.0 B

Selective volume growth

- Gross loans at PLN 84.2 B (+0.5% QoQ, +5.4% YoY)¹
- Customer deposits at PLN 85.2 B (-1.0% QoQ, +10.2% YoY)¹

Focus on higher margin lending

- Mortgage loan sales at PLN 2.2 B in 9M/16 (-32% YoY); non-mortgage loan sales at PLN 4.6 B (+26% YoY)

Strengthening the position as mobile and transactional bank

- Rising number and volume of non-cash card payments
- Cooperation with strategic partners

Accelerating client acquisition

- 5,250 thou. retail clients (+386 thou. YoY) and 20,695 corporate clients (+1,609 YoY)

Net Profit of PLN 230.5 M, -27.9% compared to Q3/15

¹ Volume dynamics presented excl. reverse repo / buy-sell-back transactions and repo transactions, respectively; ² Stand-alone capital ratios

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Summary of Q3/16 in mBank Group

Key Financials

Client acquisition and Market shares

Development of retail and corporate business

Analysis of Q3/16 Results

Development of Loans and Deposits

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Macroeconomic Update

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Additional Information: Selected Financial Data

Detailed Results of Business Lines

Summary of Q3/16 in mBank Group

Key Financials: Profit and Loss Account

<i>in PLN million</i>	Q3/16	Q3/15	<i>Change YoY</i>	Q2/16
Net interest income	718.7	641.8	+12.0%	684.4
Net Fee and Commission income	234.4	235.6	-0.5%	209.7
Total income	1,038.7	979.9	+6.0%	1,203.0
Total costs	(499.9)	(463.3)	+7.9%	(490.7)
Loan Loss Provisions	(139.5)	(111.0)	+25.7%	(117.7)
Operating profit	399.4	405.6	-1.5%	594.6
Taxes on the Group balance sheet items	(89.8)	(0.9)	–	(89.0)
Profit before income tax	309.6	404.7	-23.5%	505.5
Net profit	230.5	319.5	-27.9%	388.5
Net Interest Margin (NIM)	2.31%	2.12%	+0.19 p.p.	2.25%
NIM excl. CHF portfolio	2.65%	2.48%	+0.17 p.p.	2.60%
Cost/Income ratio	48.1%	47.3%	+0.8 p.p.	40.8%
Cost of Risk	0.69%	0.57%	+0.12 p.p.	0.59%
Return on Equity (ROE)	7.6%	11.6%	-4.0 p.p.	12.8%
Return on Assets (ROA)	0.71%	1.00%	-0.29 p.p.	1.23%

Note: Q2/16 results include a pre-tax gain on the settlement of Visa transaction of PLN 251.7 M.

Summary of Q3/16 in mBank Group

Key Financials: Balance Sheet

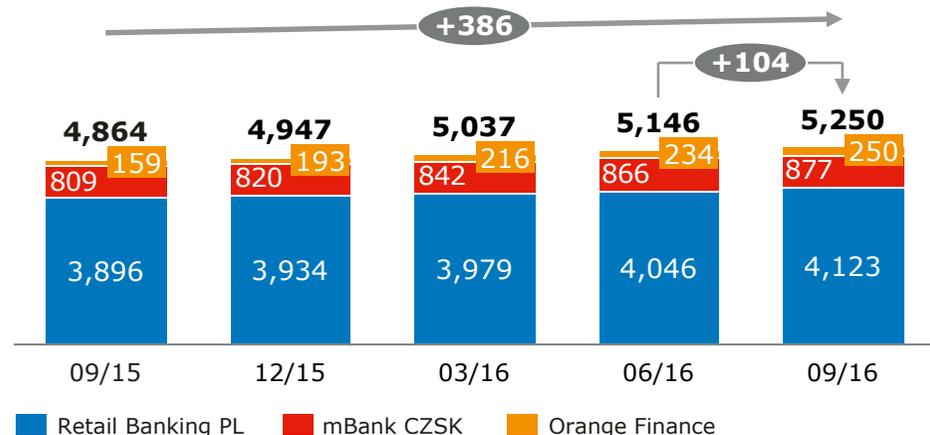
<i>in PLN million</i>	Q3/16	Q3/15	<i>Change YoY</i>	Q2/16
Gross loans to customers	84,199	82,449	+2.1%	83,862
Retail client loans	48,119	45,381	+6.0%	48,272
Core corporate client loans ¹	34,466	32,305	+6.7%	33,805
Amounts due to customers	85,188	78,546	+8.5%	85,302
Retail client deposits	50,735	42,458	+19.5%	49,453
Core corporate client deposits ¹	31,818	31,833	0.0%	33,832
Loan to Deposit ratio	95.1%	101.1%	-6.0 p.p.	94.7%
NPL ratio	5.9%	5.9%	0.0 p.p.	5.8%
Coverage ratio	59.5%	57.1%	+2.4 p.p.	58.5%
Common Equity Tier 1 Ratio	15.9%	14.1%	+1.8 p.p.	15.6%
Total Capital Ratio	18.6%	17.0%	+1.6 p.p.	18.3%

¹ Excl. reverse repo / buy-sell-back transactions for loans and repo transactions for deposits

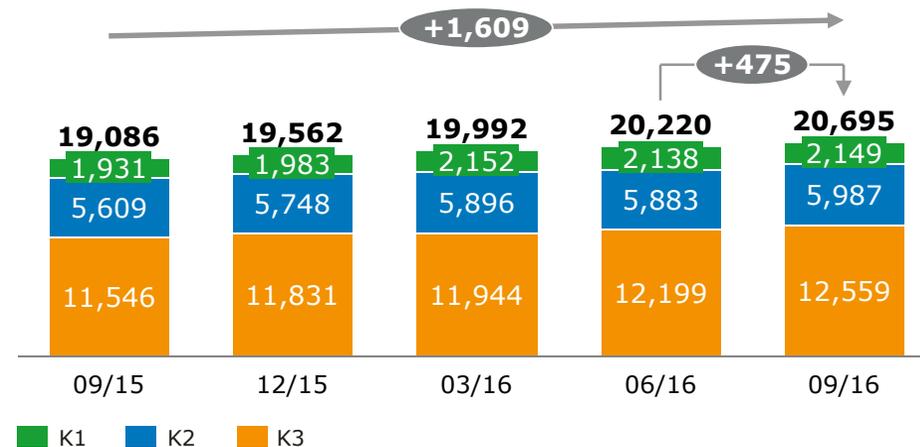
Summary of Q3/16 in mBank Group

Business Development: Client acquisition and Market shares

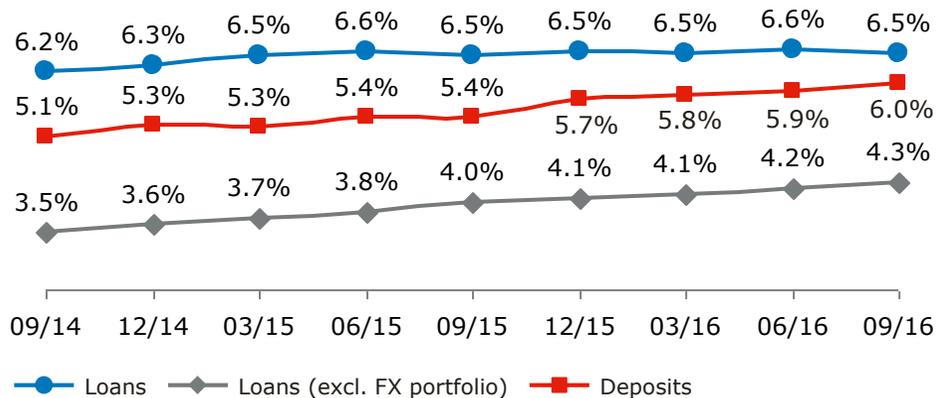
Number of Retail Clients (thou.)



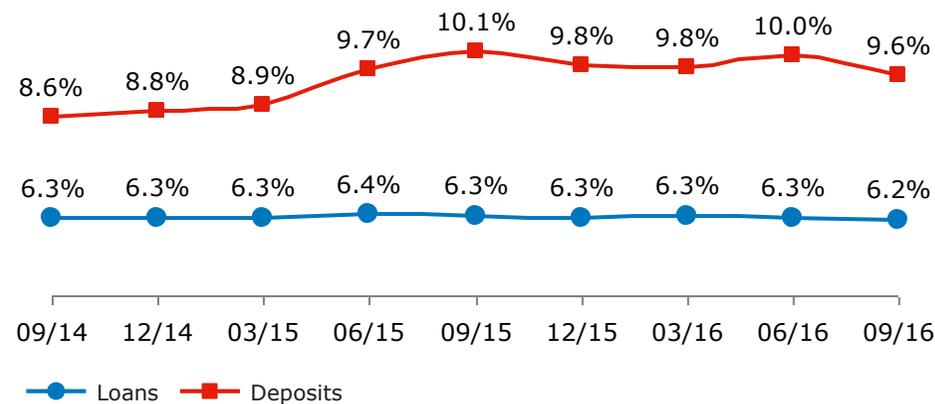
Number of Corporate Clients



Market shares in Retail Banking segment



Market shares in Corporate Banking segment

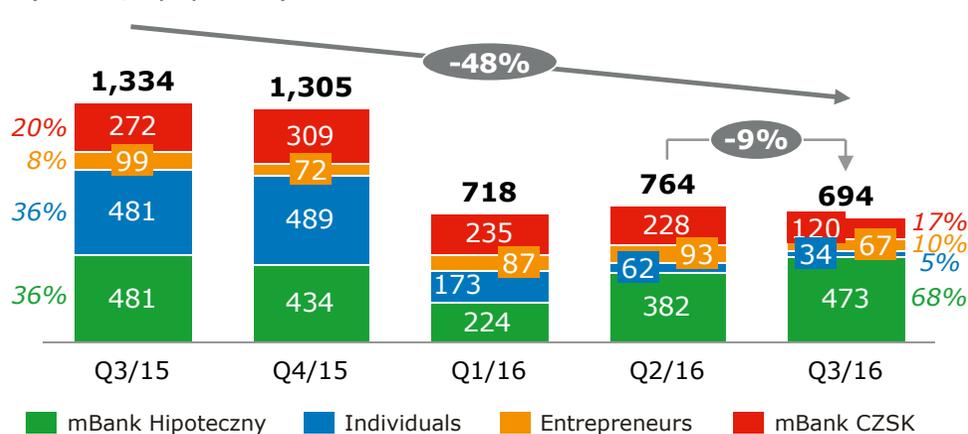


Note: Corporate clients split: K1 – annual sales over PLN 500 M and non-banking financial institutions; K2 – annual sales PLN 30 M to PLN 500 M; K3 – annual sales below 30 M.

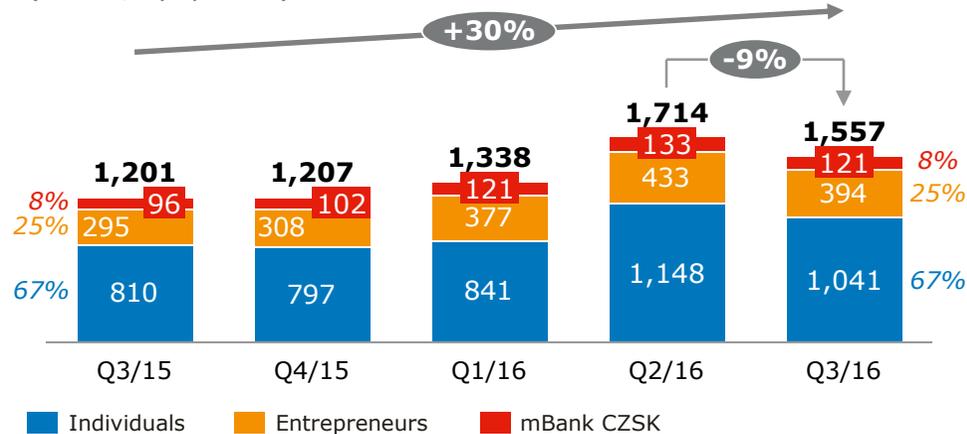
Summary of Q3/16 in mBank Group

Development of Retail and Corporate business

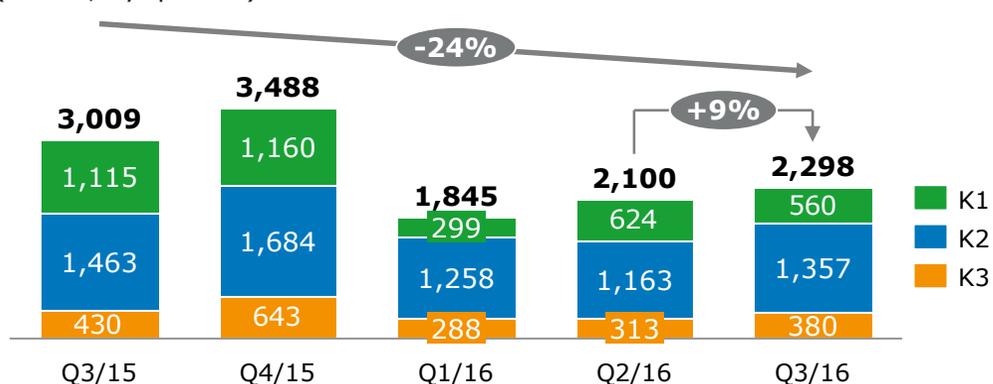
Sales of mortgage loans
(PLN M, by quarter)



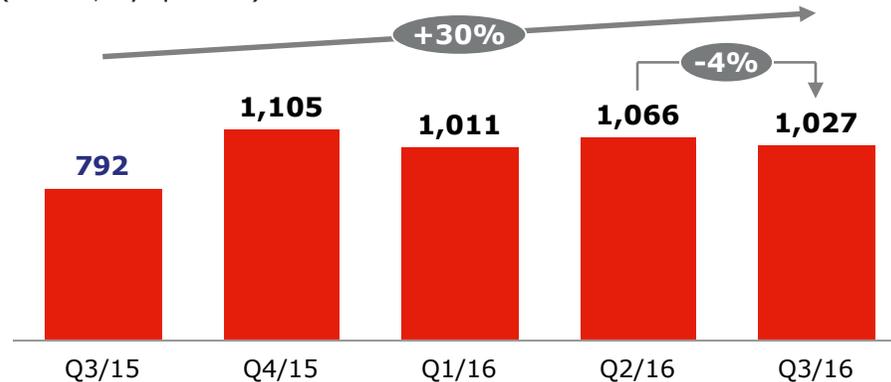
Sales of non-mortgage loans
(PLN M, by quarter)



Sales of corporate loans
(PLN M, by quarter)



New leasing contracts
(PLN M, by quarter)



Note: Corporate clients split: K1 – annual sales over PLN 500 M and non-banking financial institutions; K2 – annual sales PLN 30 M to PLN 500 M; K3 – annual sales below 30 M.

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Additional Information: Selected Financial Data

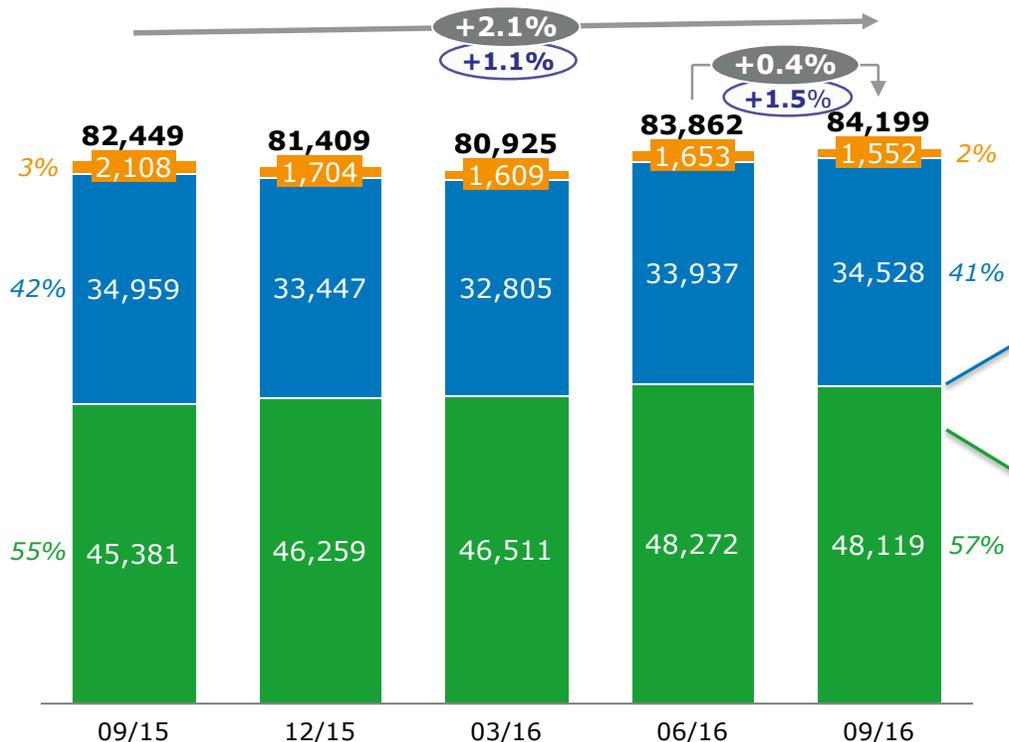
Detailed Results of Business Lines

Analysis of Q3/16 in mBank Group

Development of Loans to Customers

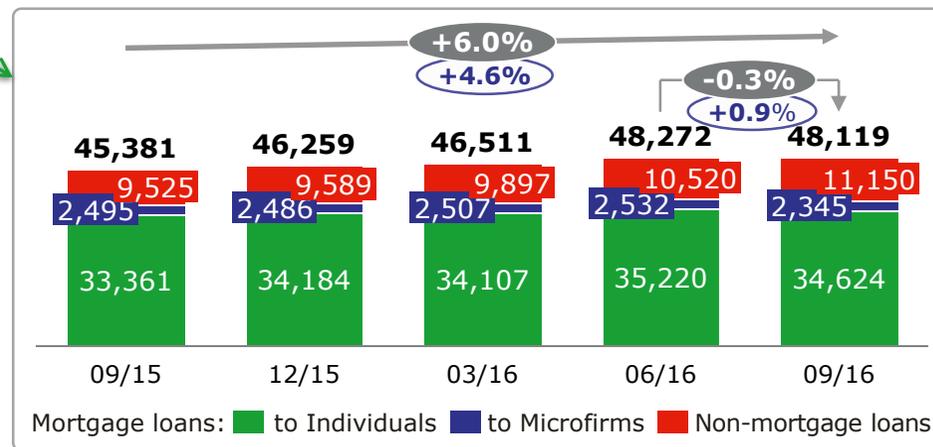
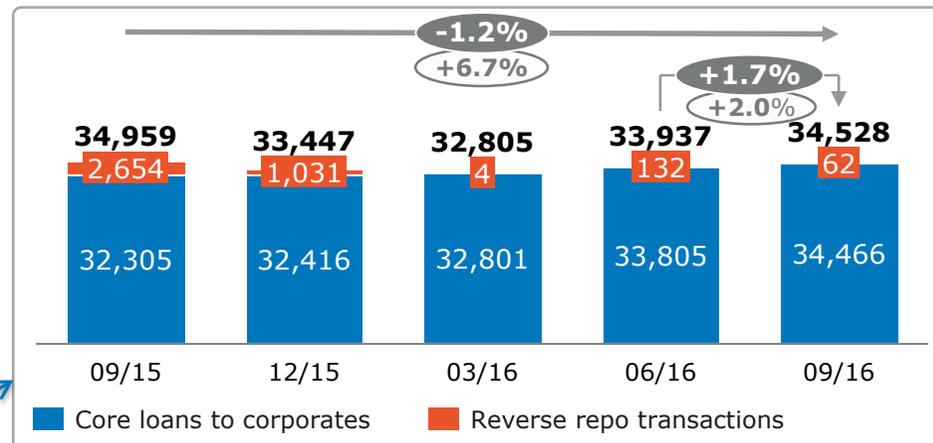
Selective lending growth focused on higher-margin products

Development of Gross Loans and Advances to Customers (PLN M)



- Individual clients
- Corporate clients
- Public sector & Other receivables

+X.X% Excluding FX effect
+X.X% Excluding Reverse repo / buy-sell-back transactions

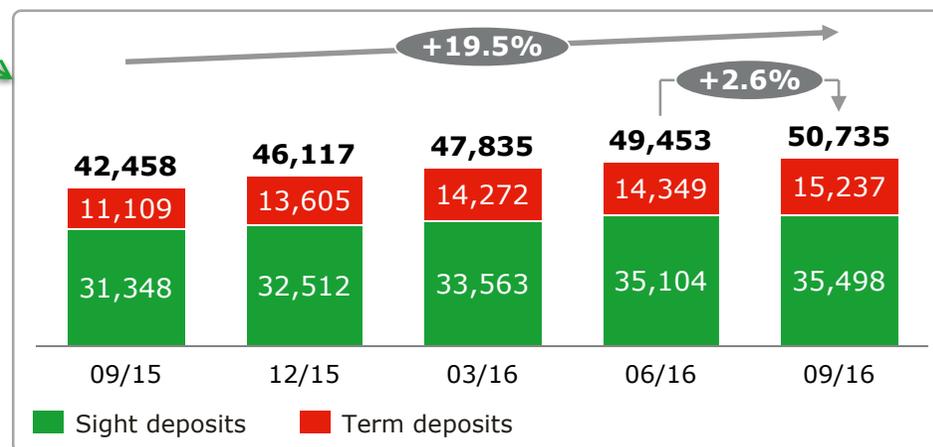
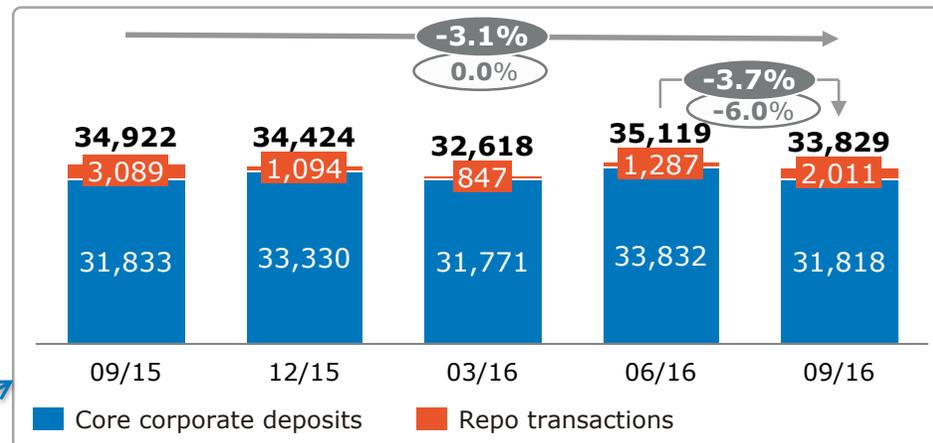
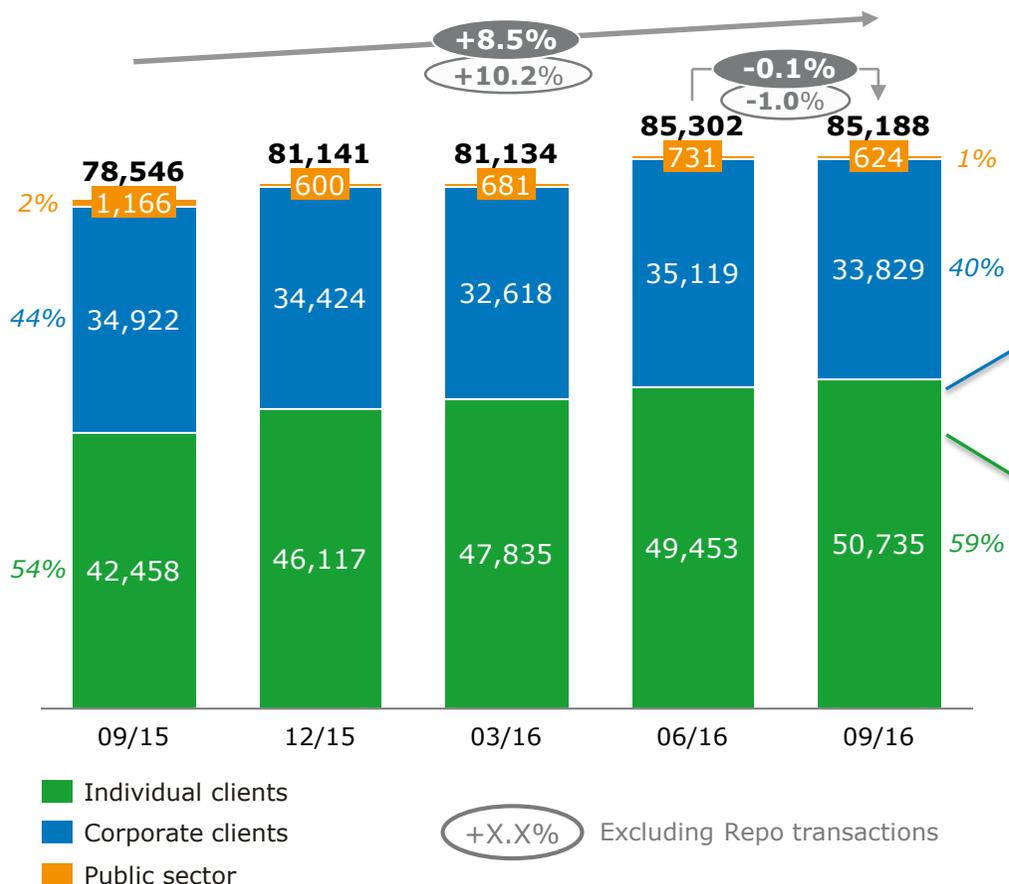


Analysis of Q3/16 in mBank Group

Development of Deposits

Active management of customer deposits, solid inflows in retail segment

Development of Amounts due to Customers
(PLN M)

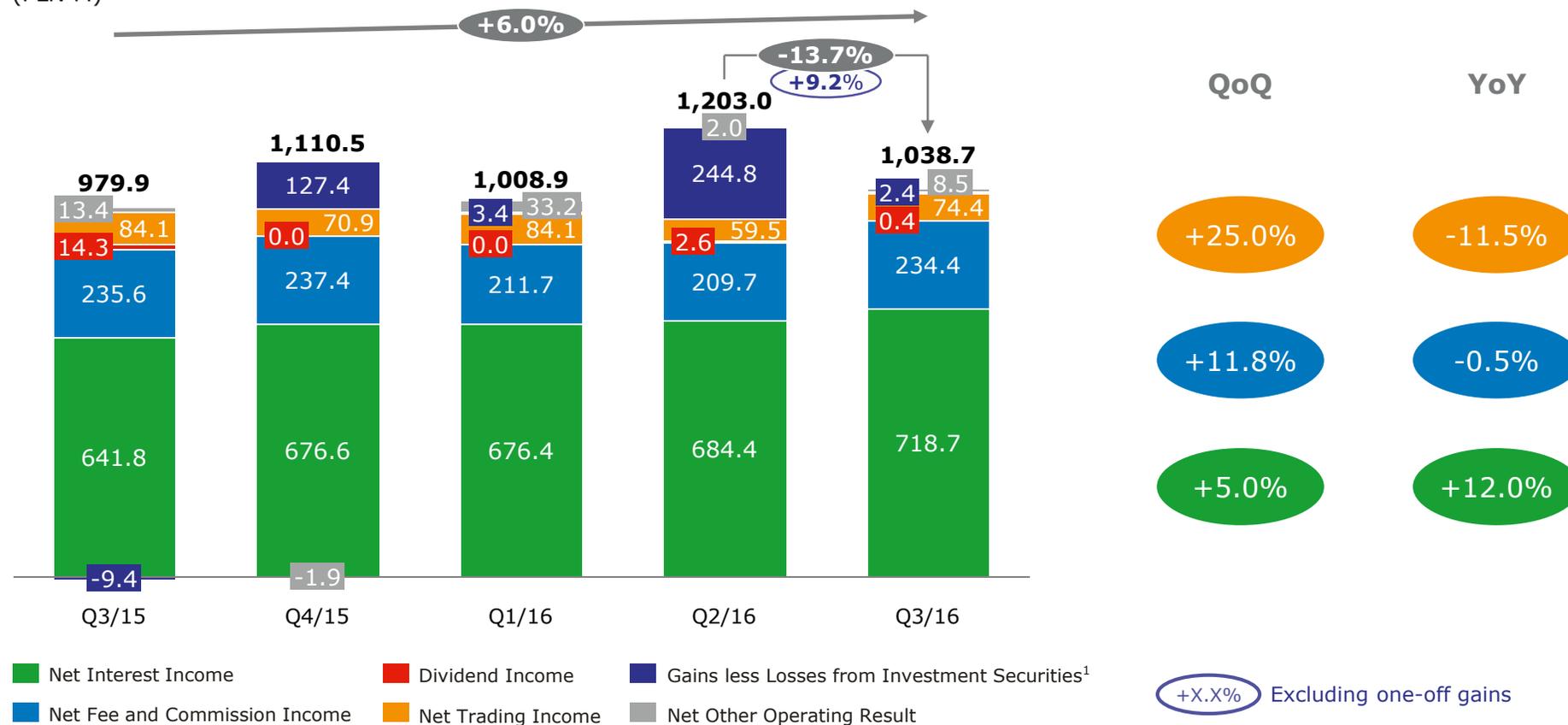


Analysis of Q3/16 in mBank Group

Income of mBank Group

Solid recurrent revenues driven by record high core income

Development of mBank Group's Income (PLN M)



¹ Including one-off gains on the sale of PZU shares (PLN 125.0 M) in Q4/15 and gains on the settlement of Visa transaction (PLN 251.7 M) in Q2/16

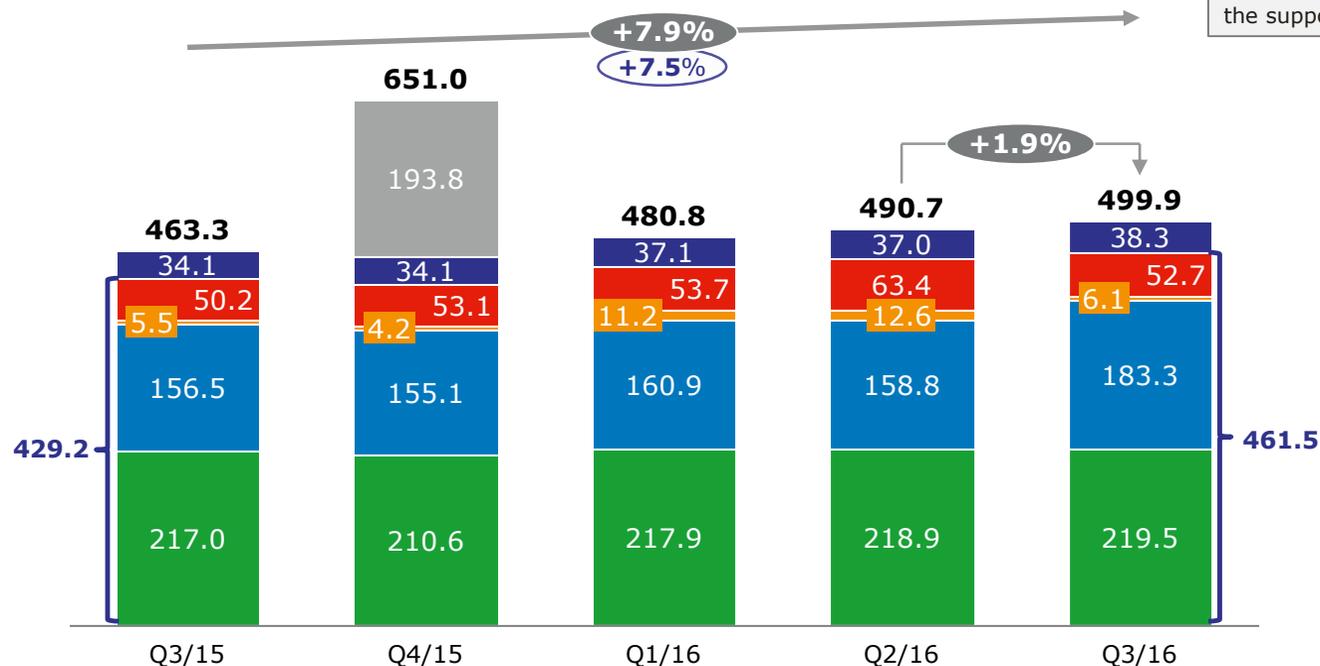
Analysis of Q3/16 in mBank Group

Costs of mBank Group

High efficiency despite continued investments in future growth

Development of mBank Group's Costs (PLN M)

In Q4/15 mBank Group paid a contribution to the Bank Guarantee Fund of PLN 141.7 million to cover the cost of payments to deposit holders of bankrupt Cooperative Bank in Wołomin and contribution for the support fund for distressed mortgage borrowers of PLN 52.1 million



+X.X% Excluding contributions to the BFG

■ Personnel Costs
 ■ Other Costs¹
 ■ Contributions to the BFG
■ Material Costs
 ■ Amortization

45.3% C/I ratio of mBank Group for 9M 2016

48.1% C/I ratio of mBank Group (quarterly)

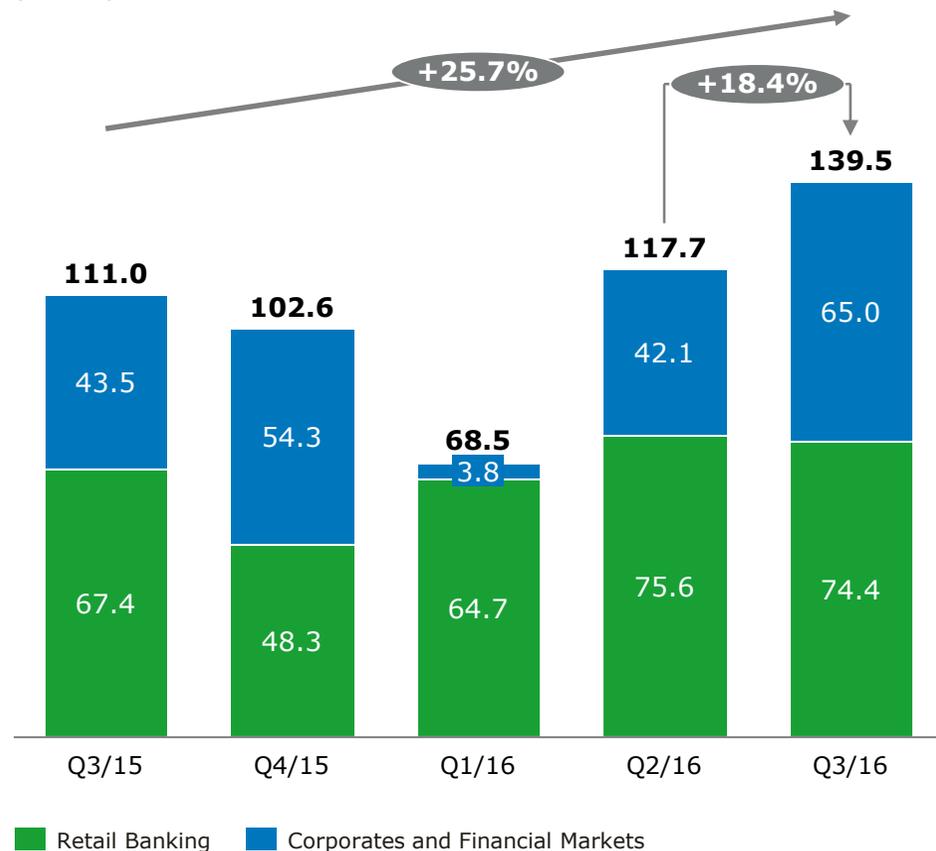
¹ Including taxes and fees, contributions to the Social Benefits Fund

Analysis of Q3/16 in mBank Group

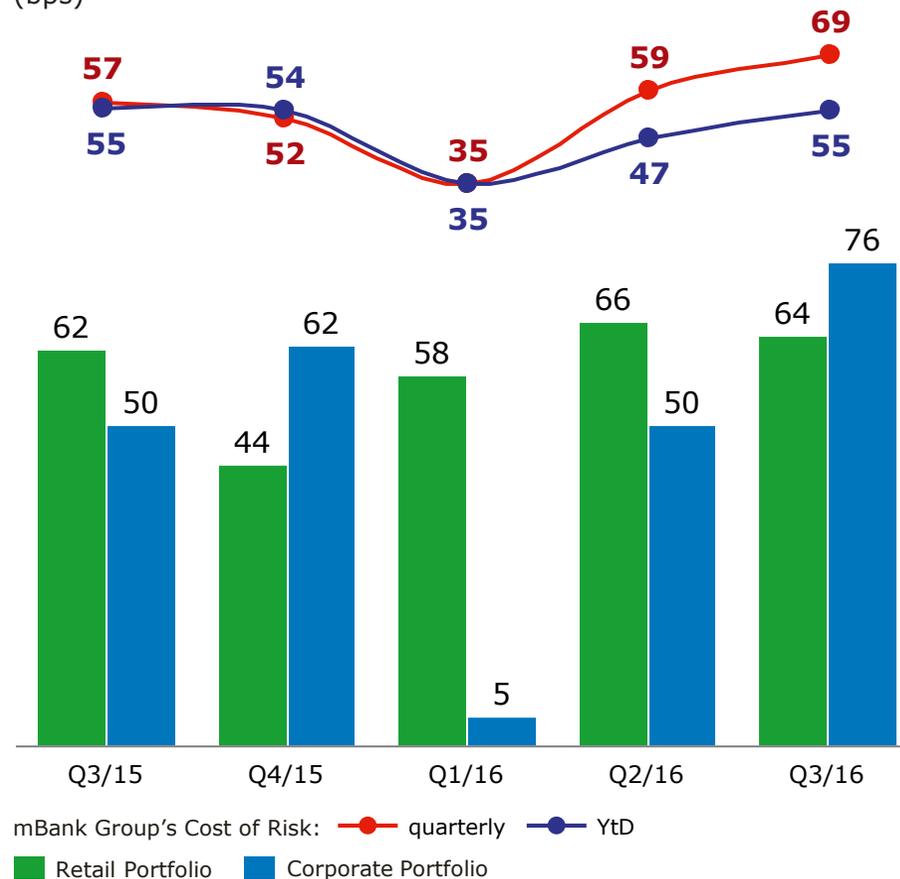
Loan Loss Provisions and Risk Costs

Stable cost of risk on annual basis, reflecting prudent approach

Net Impairment Losses on Loans and Advances (PLN M)



mBank Group's Cost of Risk by Segment (bps)

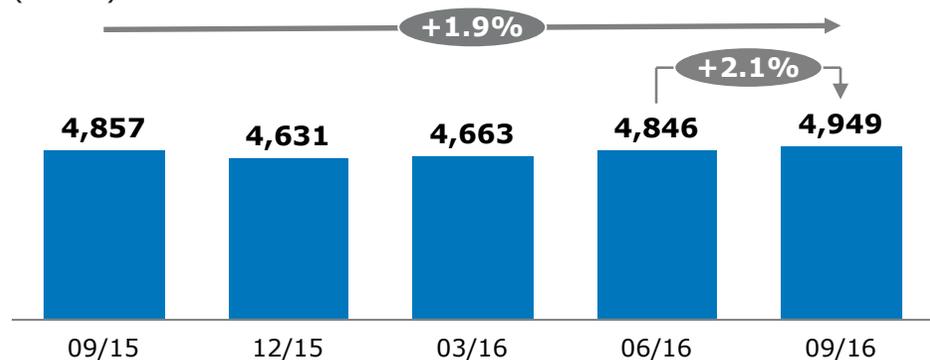


Analysis of Q3/16 in mBank Group

Loan Portfolio Quality

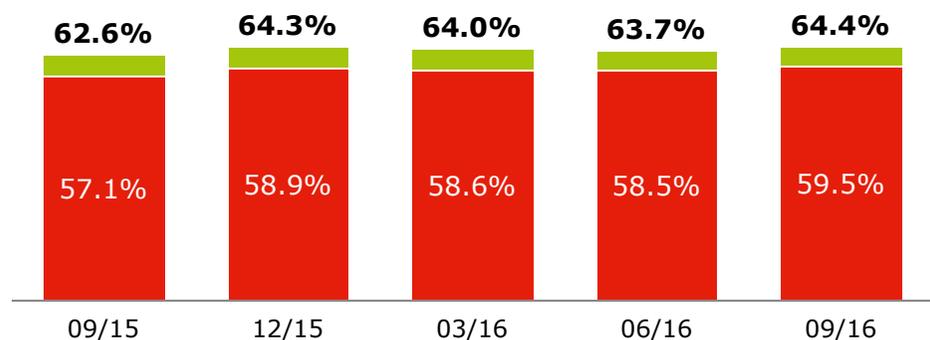
Resilient risk indicators confirming good portfolio quality

mBank Group's Impaired Loans Portfolio (PLN M)

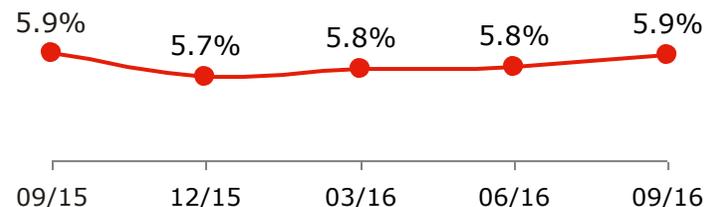


mBank Group's Coverage Ratio

incl. IBNR provisions

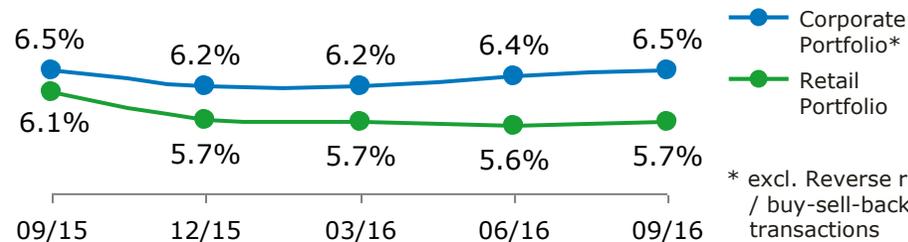


mBank Group's NPL Ratio



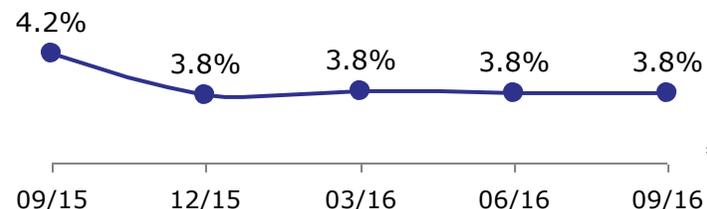
mBank Group applies a conservative client-oriented approach in its methodology of NPL recognition.

mBank Group's NPL Ratio by segment



* excl. Reverse repo / buy-sell-back transactions

NPL Ratio of Mortgage Loan Portfolio*



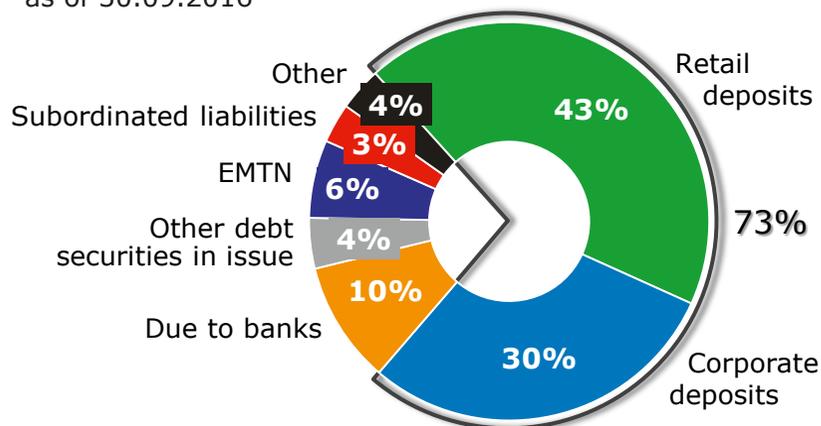
* to Private Individuals in Poland

Analysis of Q3/16 in mBank Group

Funding Structure Details

A well diversified funding profile and safe liquidity levels

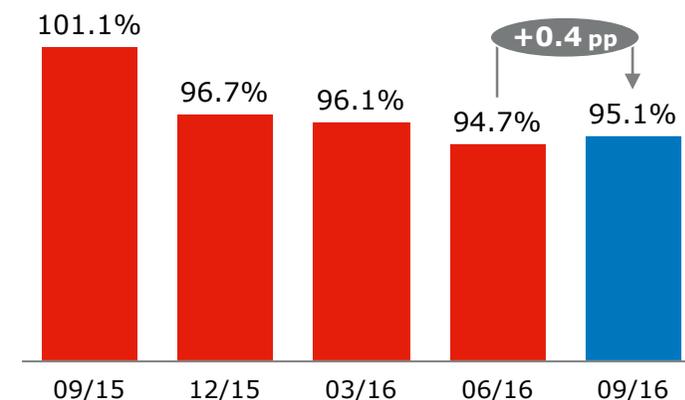
mBank Group's funding structure as of 30.09.2016



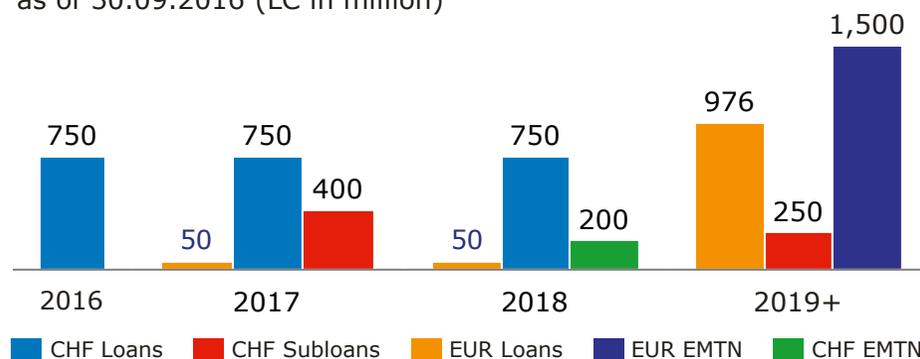
mBank's ratings

Fitch	
Long-term rating	BBB
Short-term rating	F2
Standard & Poor's	
Long-term credit rating	BBB
Short-term credit rating	A-2

Loan-to-Deposit Ratio



Maturity of long-term funding instruments in original currencies as of 30.09.2016 (LC in million)



Summary of Issues under Euro Medium Term Note (EMTN) Programme

Issue size	Issue date	Maturity date	Tenor	Coupon
EUR 500 M	12-10-2012	12-10-2015 ¹	3.0 Y	2.750%
CHF 200 M	08-10-2013	08-10-2018	5.0 Y	2.500%
EUR 500 M	01-04-2014	01-04-2019	5.0 Y	2.375%
EUR 500 M	26-11-2014	26-11-2021	7.0 Y	2.000%
EUR 500 M	26-09-2016	26-09-2020	4.0 Y	1.398%

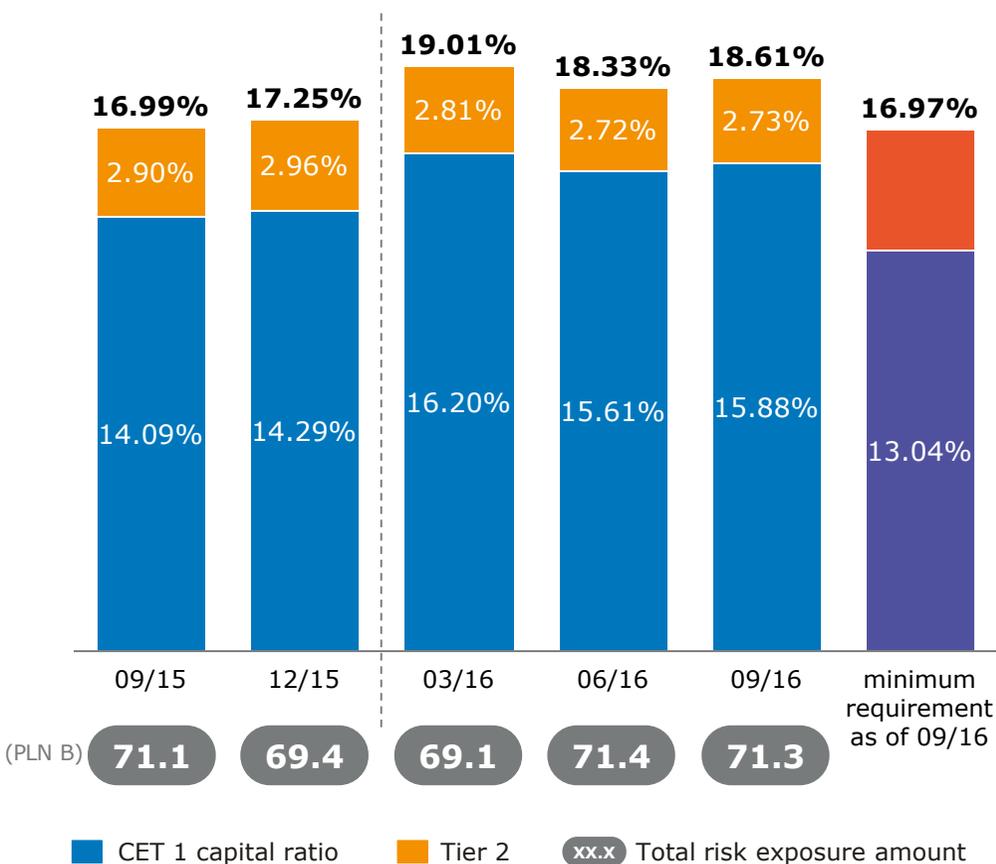
¹ redeemed at maturity

Analysis of Q3/16 in mBank Group

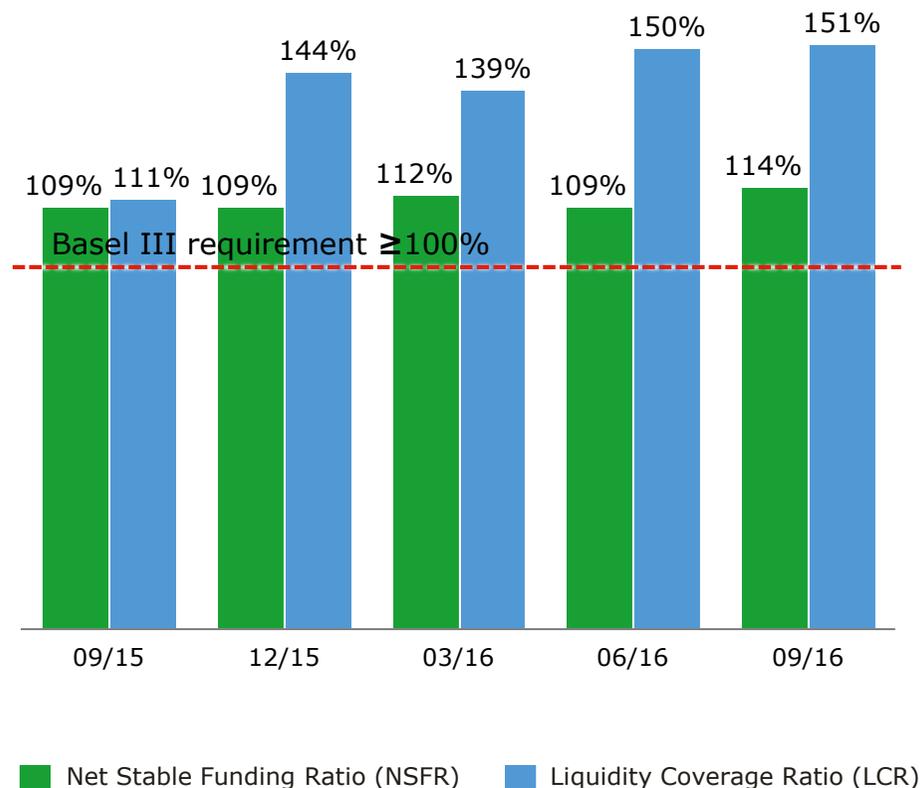
Key Regulatory Ratios

Strong capital ratios well above regulatory requirements

mBank Group's Total Capital Ratio



mBank's NSFR and LCR



Note: On 04.10.2016 the Polish FSA identified mBank as an other systemically important institution and imposed on the bank an additional buffer at 0.5% of total risk exposure amount.

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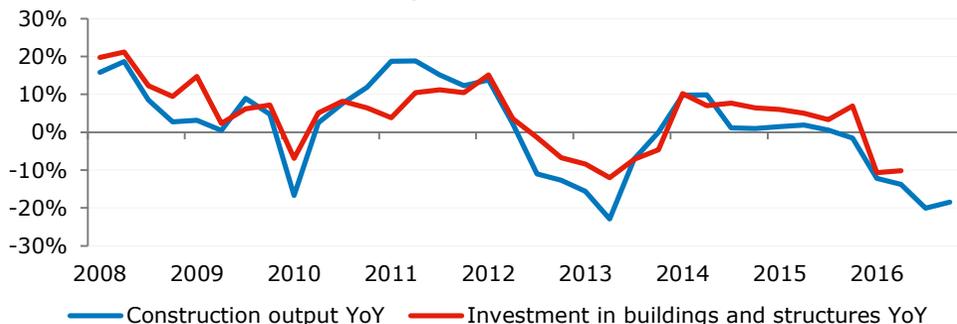
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Macroeconomic Update (1/2)

Higher household consumption is mitigating the effects of investment slump

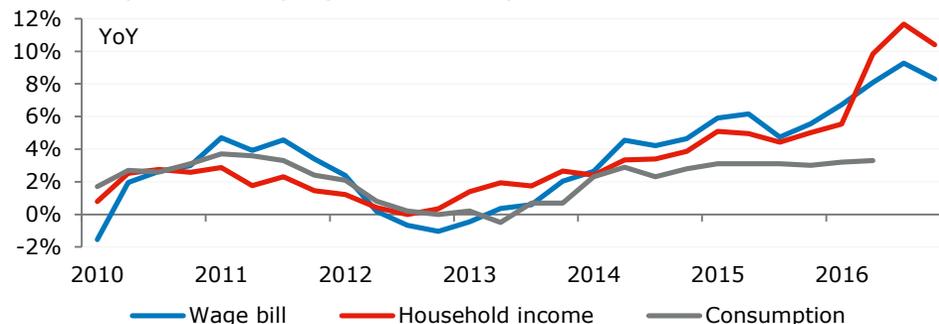
Investment remains in a deep downturn



- Deep declines in construction output (20% YoY) herald the overall weakness of investment. Multiple factors are responsible and this slump will continue in H2 2016.

Source: GUS, NBP

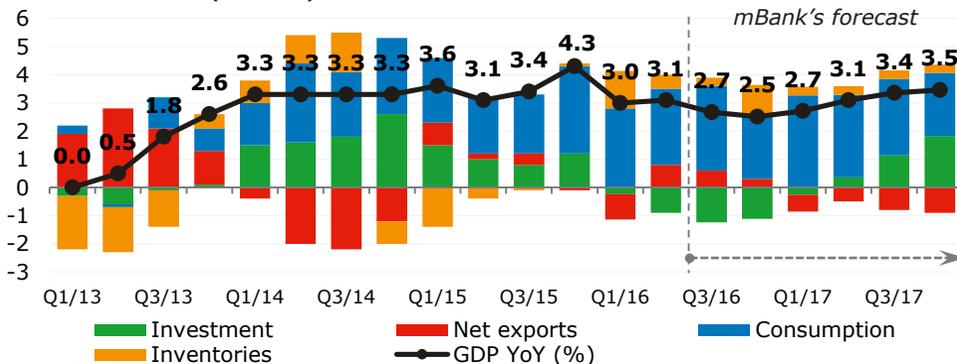
Consumption is keeping the economy afloat



- Owing to fast wage and (more generally) household income growth, as well as good sentiment, consumption is growing robustly. It seems the money from 500+ is finally being spent.

Source: GUS, NBP

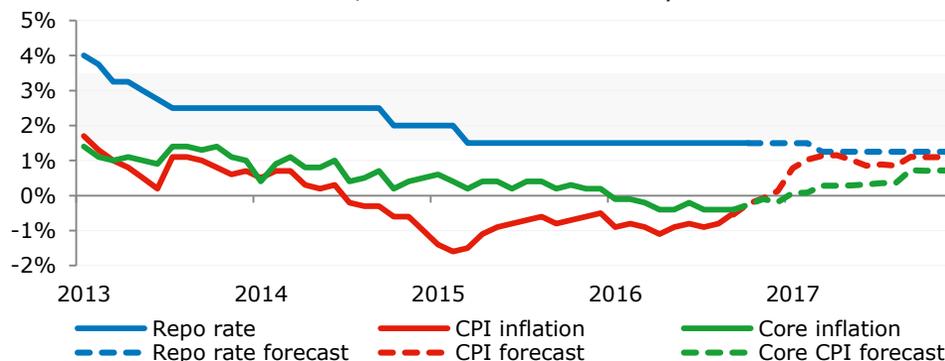
GDP forecast (% YoY)



- The bank has revised its GDP forecasts downward. Now it expects growth to drop below 3% in H2 2016 and accelerate in 2017 as EU funds kick in. Risks are to the downside, though.

Source: GUS, NBP

Record low core inflation, end of deflation is only a statistical one



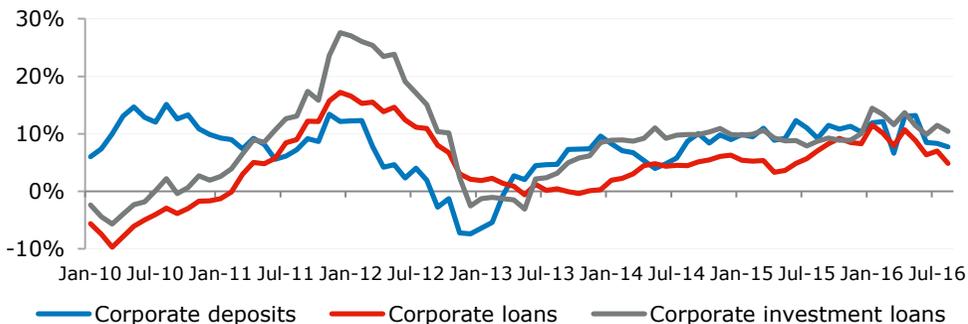
- Fuel prices are no longer contributing negatively to inflation, but core CPI is at all time lows. What would force the MPC to resume easing? Weaker growth is the only option.

Source: GUS

Macroeconomic Update (2/2)

Slower growth in corporate loans, cautious borrowing by households

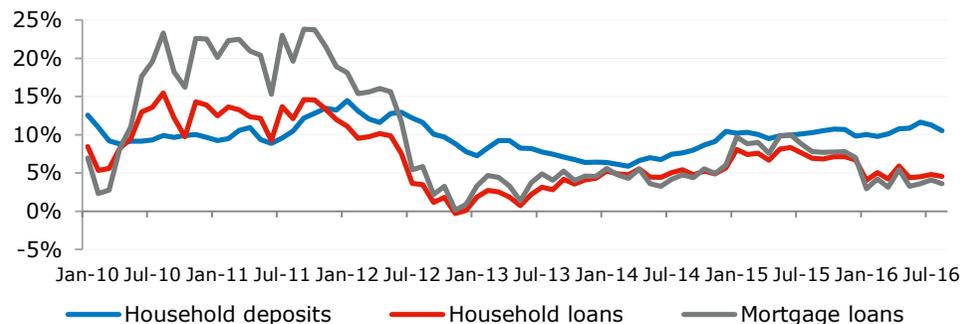
Corporate loans and deposits (% YoY)



- Corporate credit has decelerated materially this year, but not due to investment loans. Corporate deposits are growing more slowly as the impact of weak PLN is fading.

Source: NBP

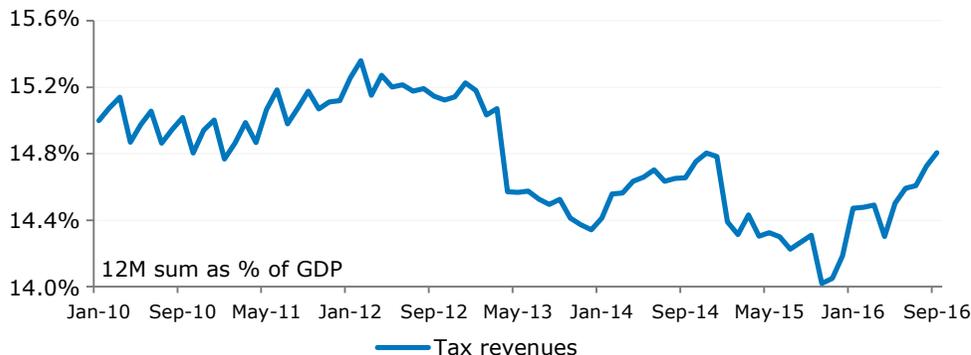
Household loans and deposits (% YoY)



- With 500+ money being finally spent, household deposit growth is decelerating. Household credit is propelled by consumer loans as mortgage lending remains sluggish.

Source: NBP

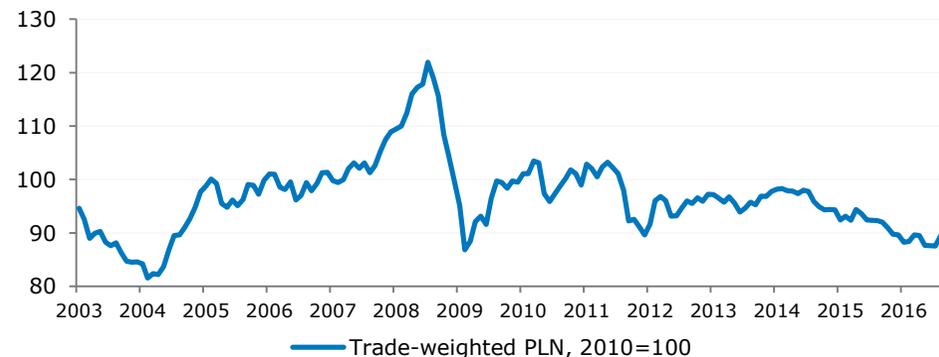
Markets might be too pessimistic on fiscal policy



- With strong growth in tax revenues, the overall fiscal position looks sound. 2017 budget is feasible, if this trend continues. This suggests that risk premia in Polish bonds might be too high.

Source: Bloomberg

PLN remains weak



- PLN remains weak. In fact, if averaged over all trade partners, it is close to decade lows. Fundamental reason – the need to remain competitive in the face of deflation and rising wages.

Source: Bloomberg

2016 in forecasts and the impact on mBank Group

Macroeconomic environment and challenges for the banking sector

Key economic indicators

	2014	2015	2016F
GDP growth (YoY)	3.3%	3.4%	2.8%
Domestic demand (YoY)	4.9%	3.4%	2.7%
Private consumption (YoY)	2.6%	3.1%	3.6%
Investment (YoY)	9.8%	6.1%	-4.3%
Inflation (eop)	-1.0%	-0.5%	0.3%
MPC rate (eop)	2.00	1.50	1.50
CHF/PLN (eop)	3.57	3.92	3.95
EUR/PLN (eop)	4.29	4.26	4.35

Banking sector – monetary aggregates YoY

	2014	2015	2016F
Corporate loans	6.3%	8.2%	5.8%
Mortgage loans	6.0%	7.0%	3.4%
Non-mortgage loans	5.0%	6.2%	6.8%
Corporate deposits	9.0%	10.3%	8.4%
Retail deposits	10.4%	9.8%	10.2%

Source: mBank's estimates as of 03.10.2016.

Impact on mBank

Net interest income & NIM (Slightly positive) 

- MPC decision on reduction of interest rates less likely
- Limited room for deposit re-pricing

Net Fee & Commission income (Neutral) 

- Constantly rising client transactionality and strong acquisition in both retail and corporate segment
- Lower volume dynamics due to lending stagnation balancing gains from client acquisitions

Total costs (Negative) 

- Introduction of banking tax with the monthly rate of 0.0366% collected since February 2016
- Business-driven costs to remain well-contained

Loan Loss Provisions (Neutral) 

- Solid macroeconomic situation and low unemployment
- Small downside risk due to changing loan book mix

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Historical view
Profit & Loss
Balance Sheet
Business Lines
Subsidiaries

Quarterly results (PLN thou.)	Q3/15	Q4/15	Q1/16	Q2/16	Q3/16
Net interest income	641,753	676,633	676,418	684,443	718,712
Net fee and commission income	235,583	237,400	211,745	209,703	234,363
Dividend income	14,345	6	0	2,586	442
Net trading income	84,105	70,900	84,087	59,513	74,402
<i>incl. FX result</i>	<i>67,825</i>	<i>75,227</i>	<i>71,817</i>	<i>66,065</i>	<i>82,162</i>
Gains less losses from investment securities	(9,372)	127,430	3,427	244,755	2,350
Net other operating income ¹	13,449	(1,886)	33,226	1,992	8,478
Total income	979,863	1,110,483	1,008,903	1,202,992	1,038,747
Total operating costs	(463,297)	(650,955)	(480,772)	(490,699)	(499,887)
<i>Overhead costs</i>	<i>(413,084)</i>	<i>(597,816)</i>	<i>(427,045)</i>	<i>(427,329)</i>	<i>(447,196)</i>
<i>Amortisation</i>	<i>(50,213)</i>	<i>(53,139)</i>	<i>(53,727)</i>	<i>(63,370)</i>	<i>(52,691)</i>
Loan loss provisions	(110,956)	(102,629)	(68,520)	(117,743)	(139,452)
Operating profit	405,610	356,899	459,611	594,550	399,408
Taxes on the Group balance sheet items	(922)	(933)	(57,302)	(89,011)	(89,824)
Profit before income tax	404,688	355,966	402,309	505,539	309,584
Net profit attributable to owners of mBank	319,501	309,486	307,782	388,504	230,479

¹ Including the share in the profits (losses) of joint ventures

Appendix

Additional Information: Selected Financial Data Consolidated Statement of Financial Position

Summary
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Assets (PLN thou.)	Q3/15	Q4/15	Q1/16	Q2/16	Q3/16
Cash and balances with Central Bank	4 630 886	5 938 133	4 042 760	6 433 221	5 859 485
Loans and advances to banks	2 793 756	1 897 334	1 120 253	1 680 830	2 920 734
Trading securities	2 561 125	557 541	2 849 810	3 233 150	4 177 242
Derivative financial instruments	3 737 662	3 349 328	2 799 170	2 411 457	2 087 395
Loans and advances to customers	79 407 211	78 433 546	77 940 778	80 774 809	81 009 630
Investment securities	30 026 139	30 736 949	31 618 471	31 644 303	31 257 850
Intangible assets	477 160	519 049	512 481	503 561	501 917
Tangible fixed assets	692 640	744 522	722 279	722 792	710 268
Other assets	1 423 564	1 346 619	1 662 378	1 329 362	1 256 202
Total assets	125 750 143	123 523 021	123 268 380	128 733 485	129 780 723
Liabilities (PLN thou.)	Q3/15	Q4/15	Q1/16	Q2/16	Q3/16
Amounts due to other banks	14 783 139	12 019 331	10 972 446	12 058 198	11 562 896
Derivative financial instruments	3 380 521	3 173 638	2 355 838	2 157 160	1 766 557
Amounts due to customers	78 545 901	81 140 866	81 133 851	85 302 300	85 188 225
Debt securities in issue	11 280 897	8 946 195	9 697 975	10 115 495	12 192 188
Subordinated liabilities	3 785 284	3 827 315	3 801 673	3 910 457	3 851 380
Other liabilities	2 051 324	2 140 712	2 679 200	2 392 876	2 248 936
Total liabilities	113 827 066	111 248 057	110 640 983	115 936 486	116 810 182
Total equity	11 923 077	12 274 964	12 627 397	12 796 999	12 970 541
Total liabilities and equity	125 750 143	123 523 021	123 268 380	128 733 485	129 780 723

Appendix

Additional Information: Selected Financial Data mBank Group's Ratios

Summary
Historical view
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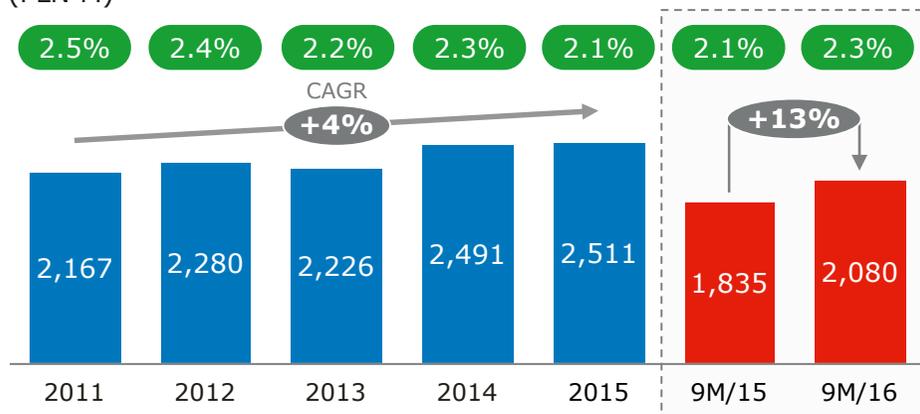
Financial Ratios	Q3/15	Q4/15	Q1/16	Q2/16	Q3/16
Net Interest Margin (<i>quarterly</i>)	2.12%	2.22%	2.29%	2.25%	2.31%
Net Interest Margin YtD	2.10%	2.13%	2.29%	2.27%	2.28%
Net Interest Margin YtD (excl. CHF portfolio)	2.45%	2.48%	2.66%	2.63%	2.64%
Cost to Income Ratio (<i>quarterly</i>)	47.3%	58.6%	47.7%	40.8%	48.1%
Cost to Income Ratio YtD	46.9%	50.1%	47.7%	43.9%	45.3%
Cost of Risk (<i>quarterly</i>)	0.57%	0.52%	0.35%	0.59%	0.69%
Cost of Risk YtD	0.55%	0.54%	0.35%	0.47%	0.55%
ROE net (<i>quarterly</i>)	11.62%	11.20%	10.08%	12.85%	7.61%
ROE net YtD	12.06%	11.84%	10.08%	11.46%	10.18%
ROA net (<i>quarterly</i>)	1.00%	0.97%	0.99%	1.23%	0.71%
ROA net YtD	1.07%	1.04%	0.99%	1.11%	0.98%
Loans to Deposits	101.1%	96.7%	96.1%	94.7%	95.1%
Total Capital Ratio	16.99%	17.25%	19.01%	18.33%	18.61%
Common Equity Tier 1 Ratio	14.09%	14.29%	16.20%	15.61%	15.88%
Equity / Assets	9.5%	9.9%	10.2%	9.9%	10.0%
TREA / Assets	56.5%	56.2%	56.1%	55.4%	54.9%
NPL ratio	5.9%	5.7%	5.8%	5.8%	5.9%
NPL coverage ratio	57.1%	58.9%	58.6%	58.5%	59.5%
NPL coverage ratio incl. general provisions	62.6%	64.3%	64.0%	63.7%	64.4%

Appendix

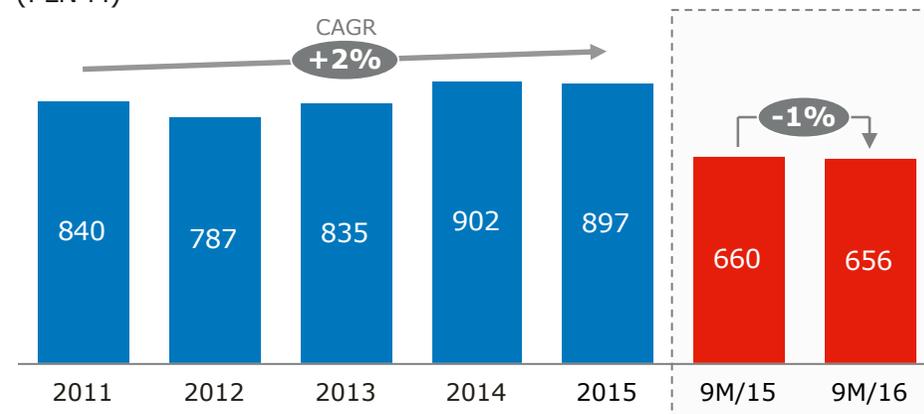
mBank Group's historical performance (1/3)

Summary
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Business Lines
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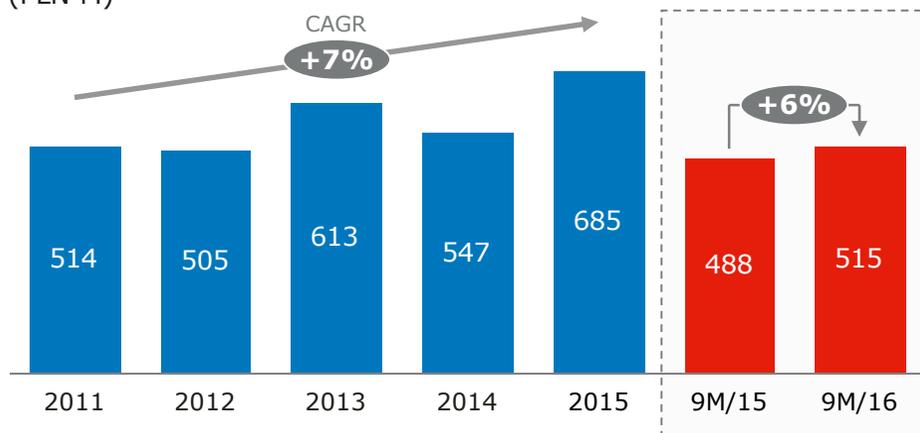
Net Interest Income & NIM
(PLN M)



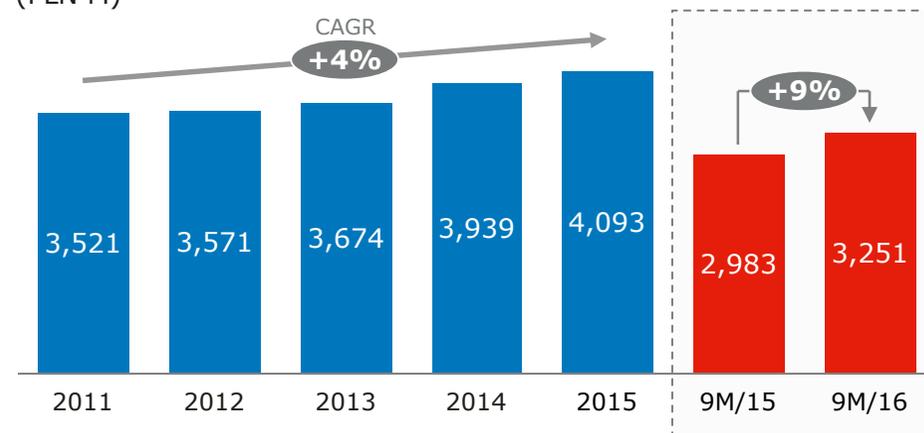
Net Fee and Commission Income
(PLN M)



Trading and Other Income
(PLN M)



Total Income
(PLN M)



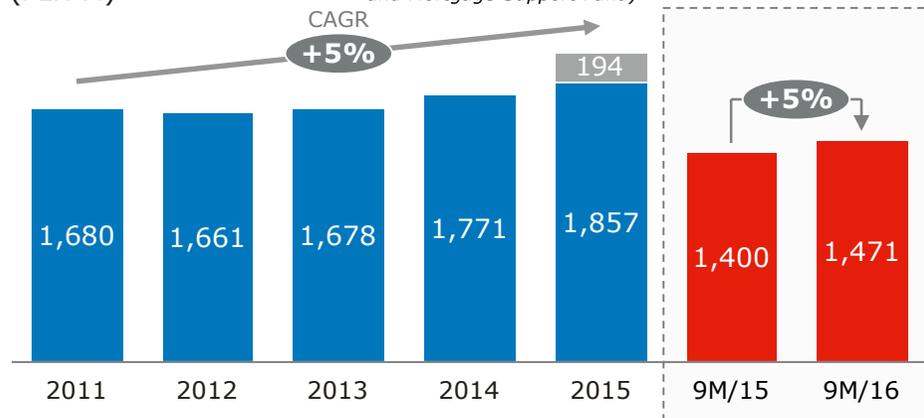
Appendix

mBank Group's historical performance (2/3)

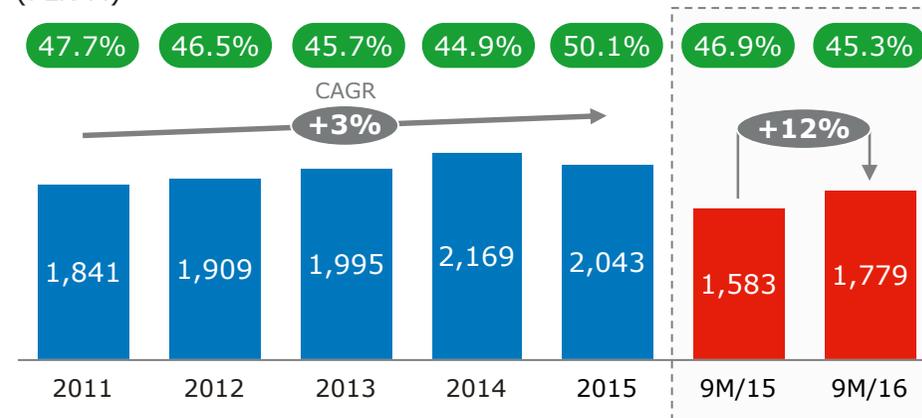
Summary
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Operating Costs
(PLN M)

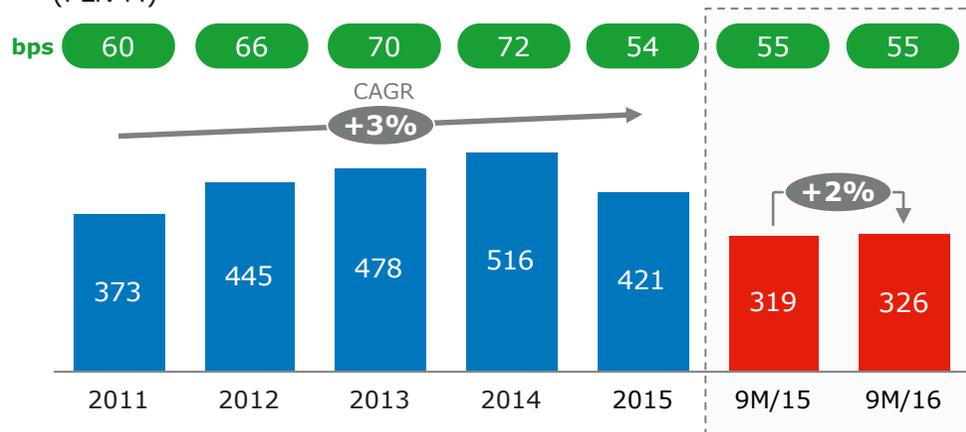
One-off regulatory costs
(additional payments to the BFG
and Mortgage Support Fund)



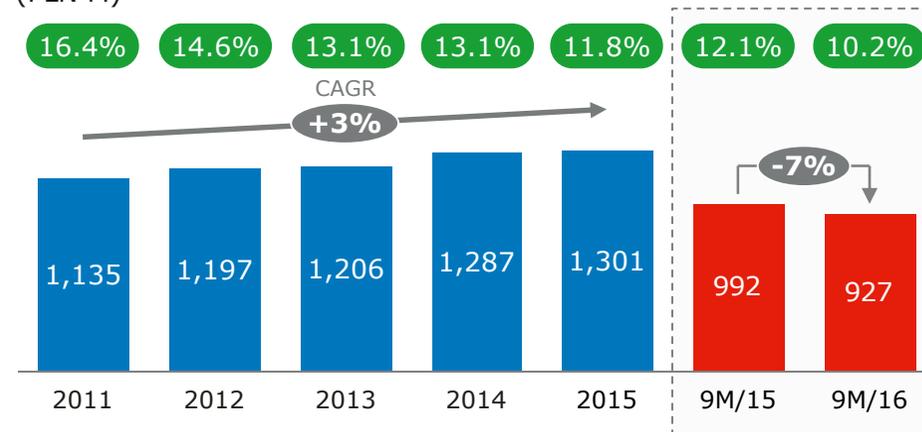
Pre-provision Income & C/I ratio
(PLN M)



Loan Loss Provisions & Cost of Risk
(PLN M)



Net Profit & Return on Equity
(PLN M)

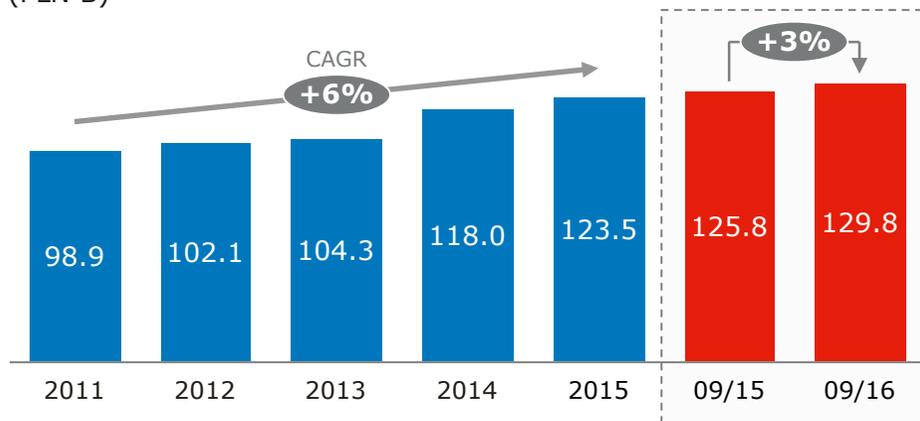


Appendix

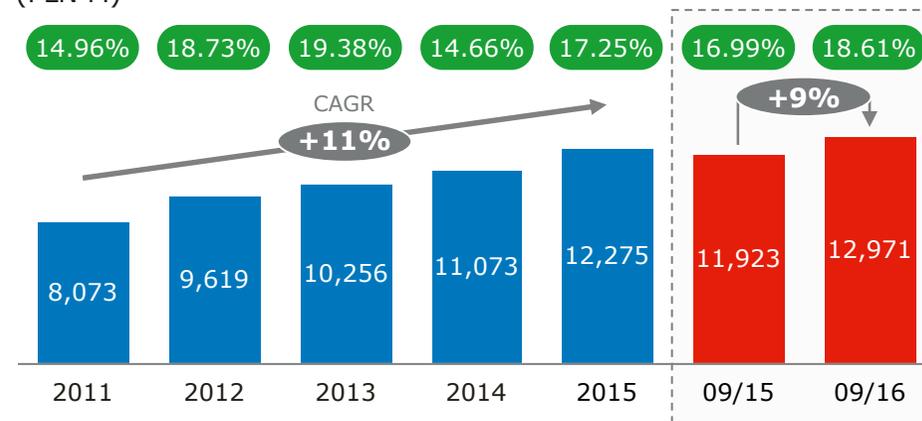
mBank Group's historical performance (3/3)

Summary
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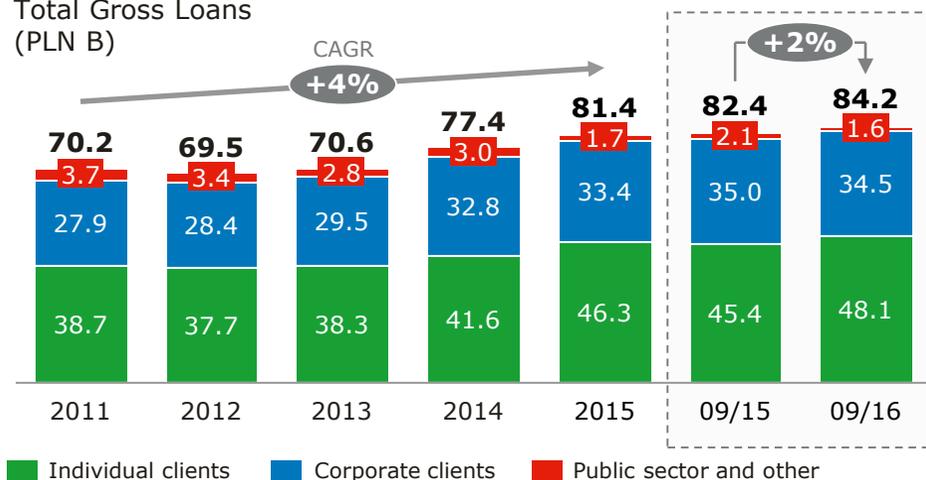
Total Assets
(PLN B)



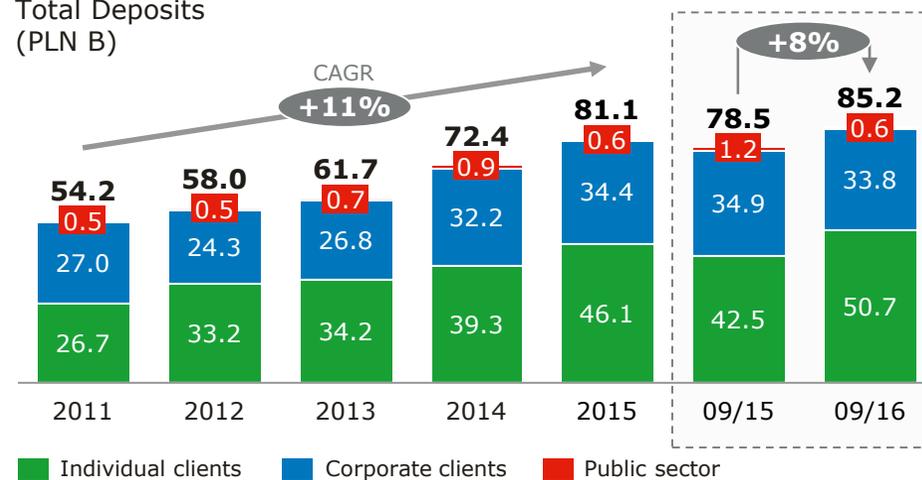
Equity & Total Capital Ratio
(PLN M)



Total Gross Loans
(PLN B)



Total Deposits
(PLN B)

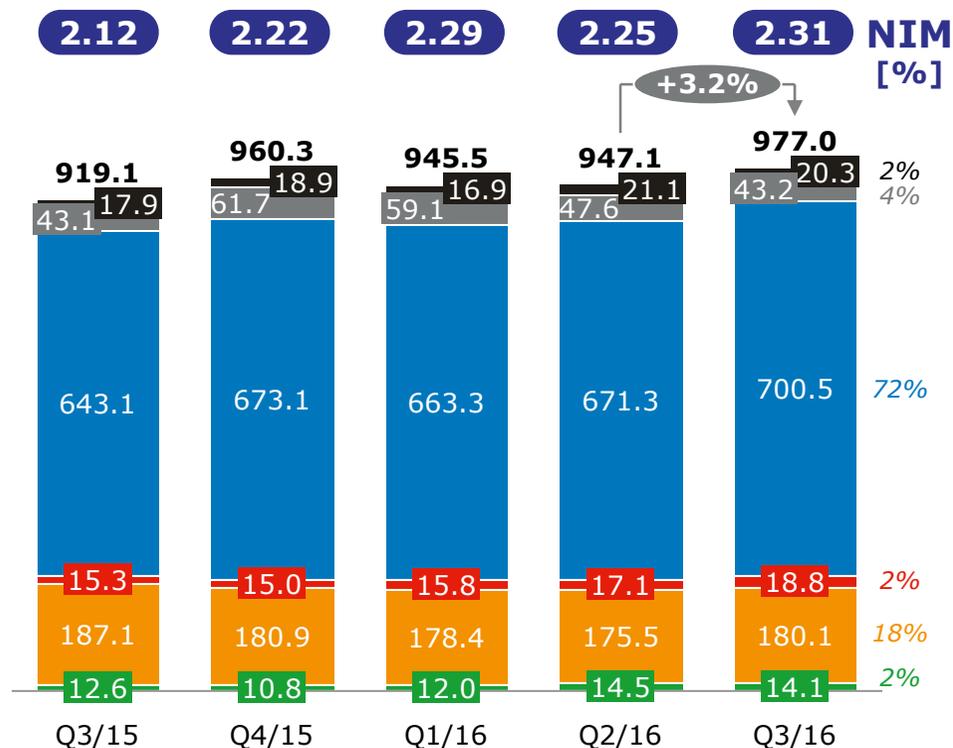


Appendix

Additional Information: Selected Financial Data Net Interest Income & Margin

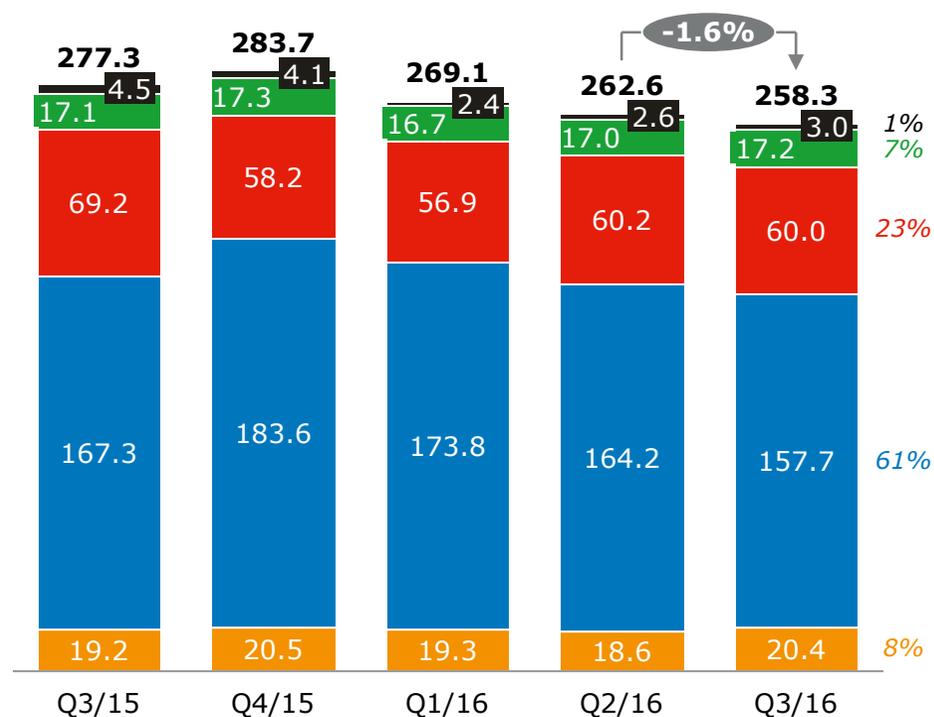
Summary
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Interest Income Structure
(PLN M)



- Cash and short-term deposits
- Investment securities
- Debt securities held for trading
- Loans and advances
- Derivatives classified into banking book
- Other

Interest Expense Structure
(PLN M)



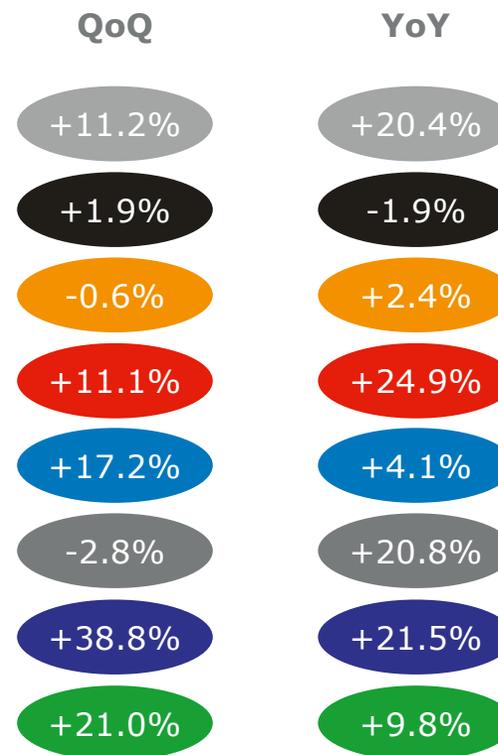
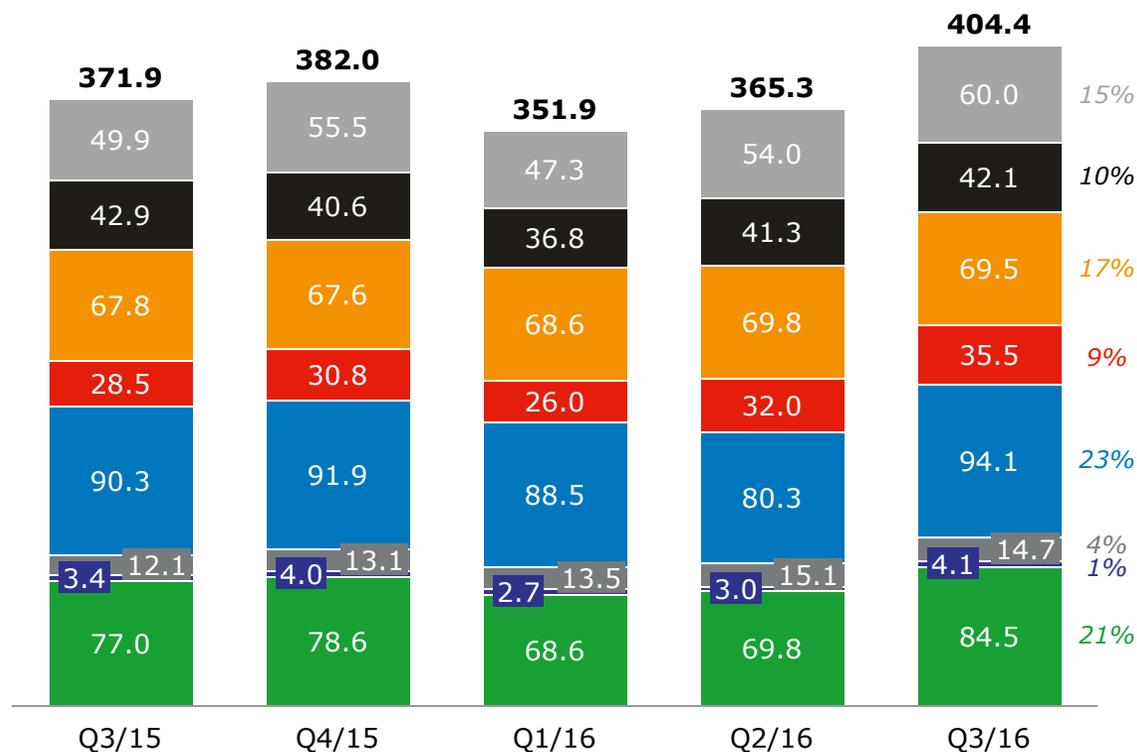
- Amounts due to banks
- Amounts due to customers
- Issue of debt securities
- Subordinated liabilities
- Other

Appendix

Additional Information: Selected Financial Data Fee and Commission Income

Summary
Historical view
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Fee and Commission Income Structure
(PLN M)



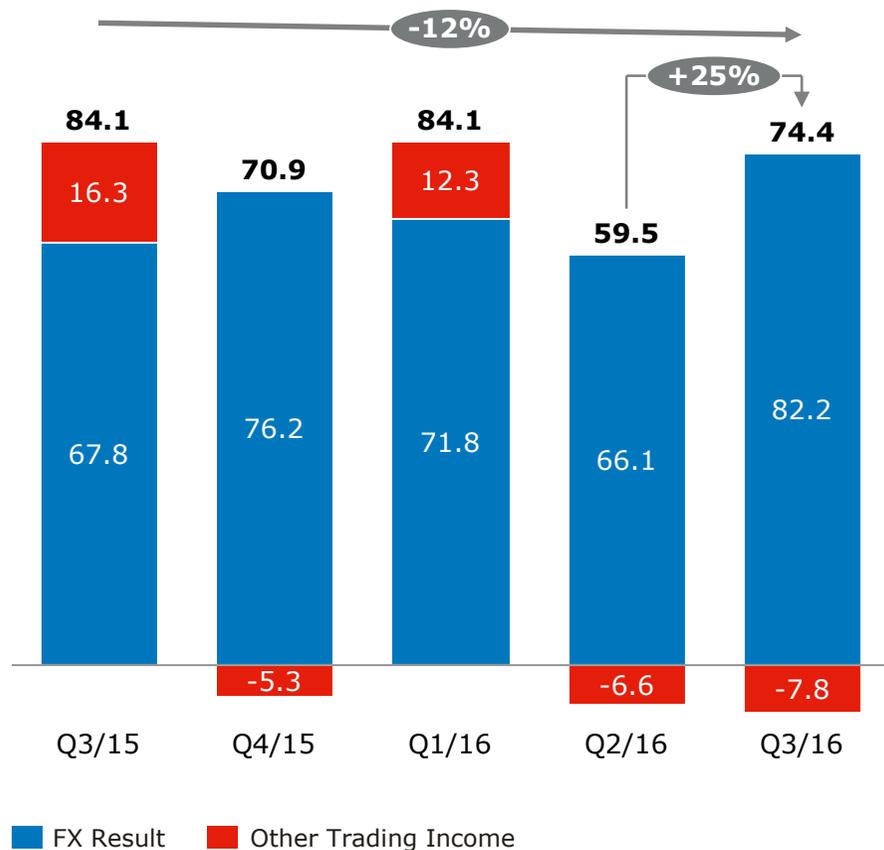
- Credit related fees
- Payment card fees
- Insurance activity
- Portfolio management
- Brokerage activity & securities issue
- Other (incl. custody)
- Guarantees and trade finance
- Accounts & money transfers

Appendix

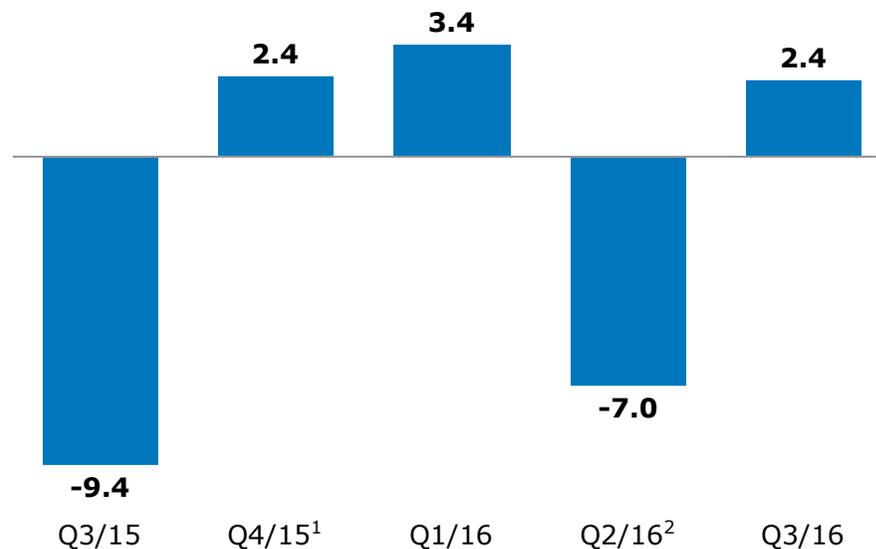
Additional Information: Selected Financial Data Trading and Other Income

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Net Trading Income Structure
(PLN M)



Gains less Losses from Investment Securities
(PLN M)



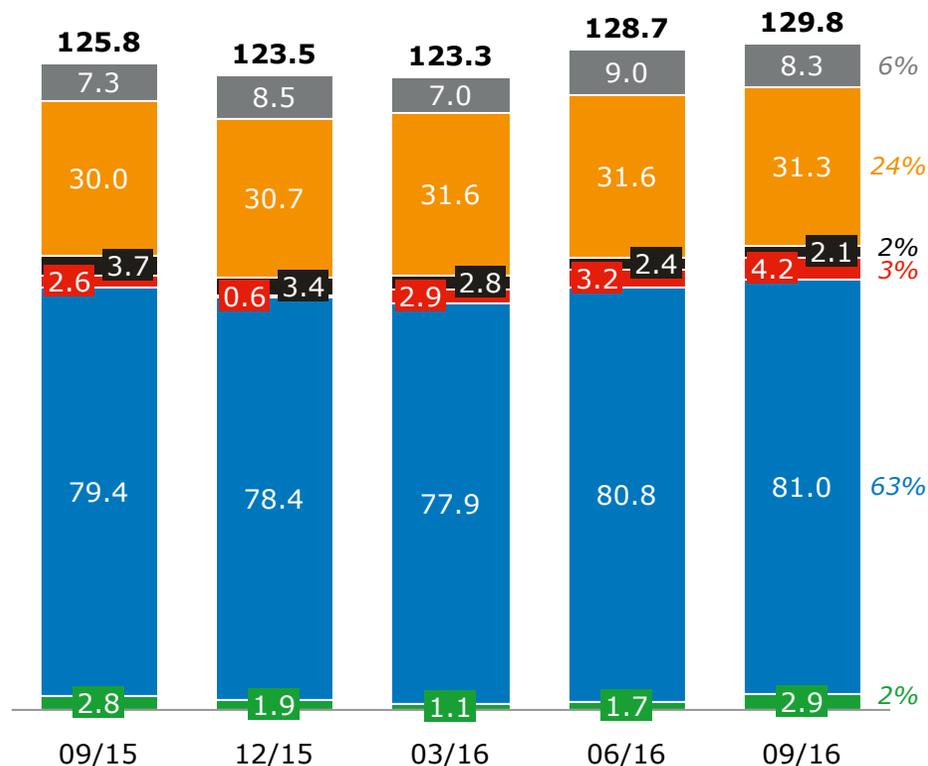
¹ Excl. one-off gain on the sale of PZU shares (PLN 125.0 M); ² Excl. gain on the settlement of Visa transaction (PLN 251.7 M)

Appendix

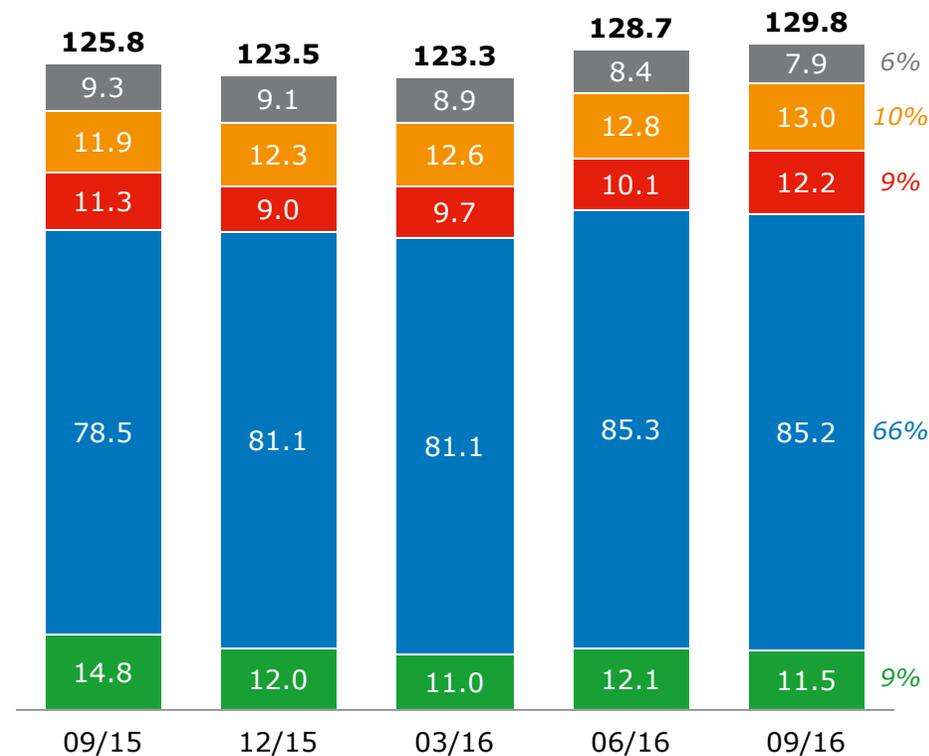
Additional Information: Selected Financial Data Balance Sheet Analysis: Assets & Liabilities

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Structure of Assets
(PLN B)



Structure of Liabilities and Equity
(PLN B)



- Amounts due from banks
- Loans and advances to customers
- Trading securities
- Derivative financial instruments
- Investment securities
- Other

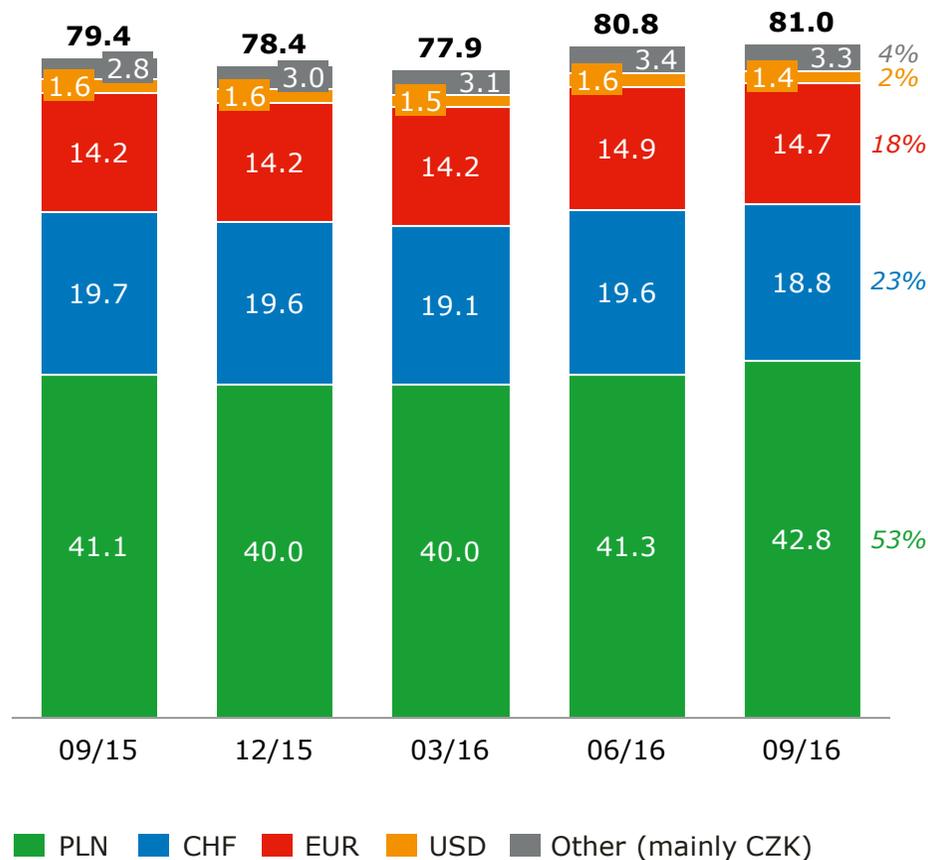
- Amounts due to other banks
- Amounts due to customers
- Debt securities in issue
- Equity
- Other

Appendix

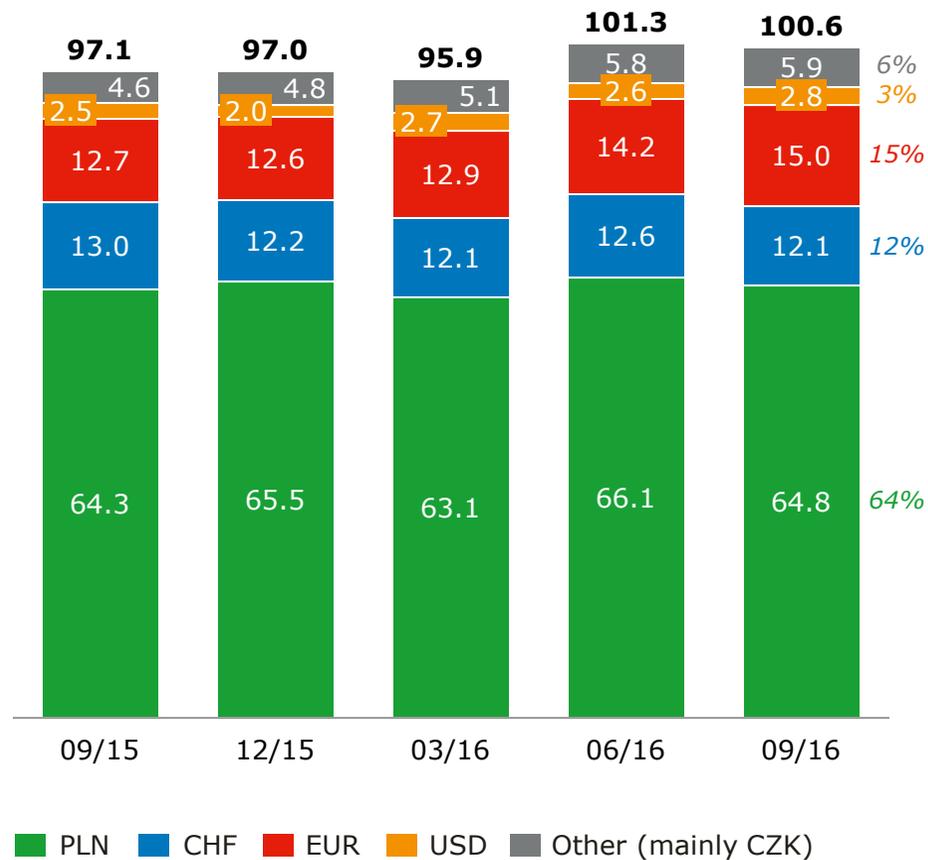
Additional Information: Selected Financial Data Balance Sheet Analysis: Currency Structure

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Currency Structure of Loans to Customers (net)
(PLN B)



Currency Structure of Amounts due to Banks and Customers¹
(PLN B)



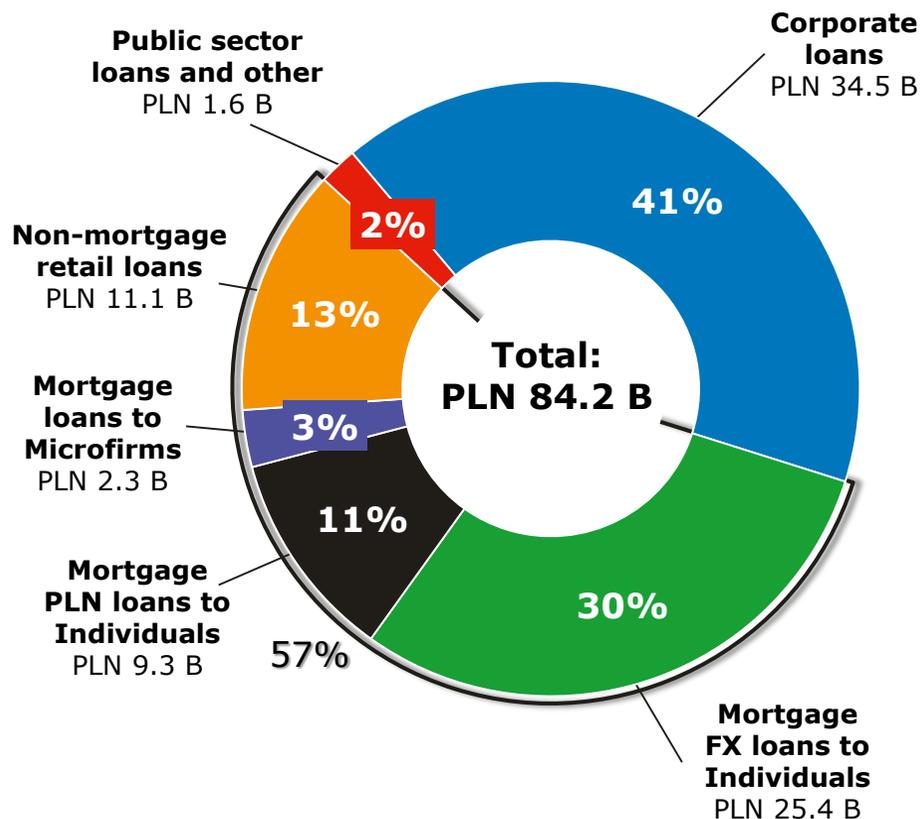
¹ Incl. amounts due to other banks and customers and subordinated liabilities

Appendix

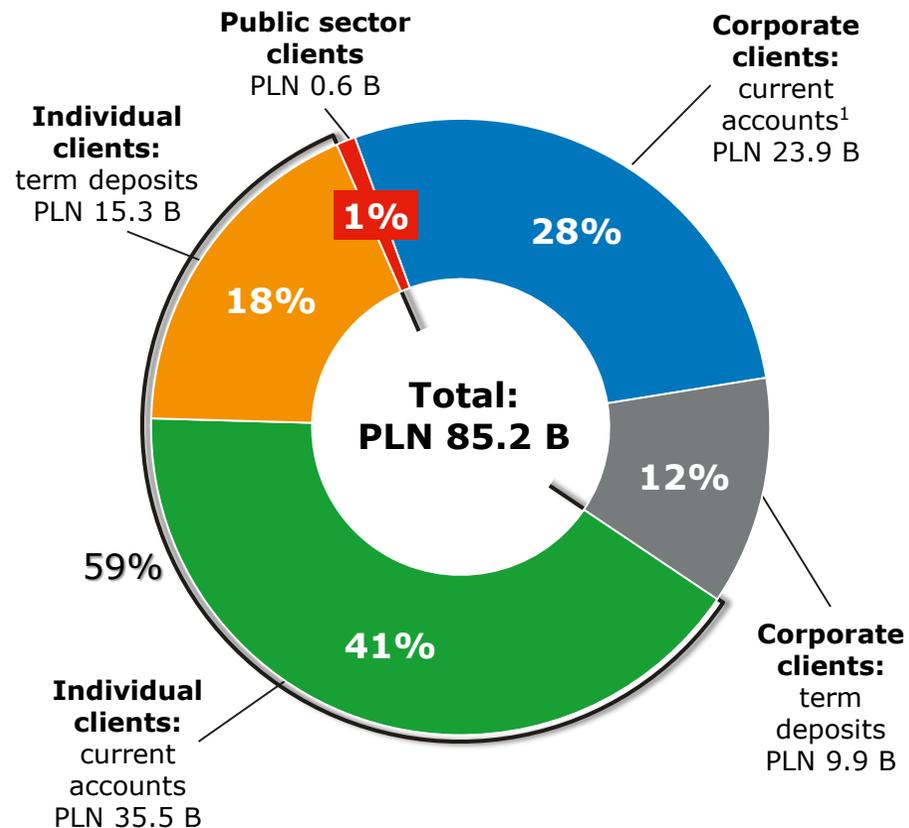
Summary
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Additional Information: Selected Financial Data Balance Sheet Analysis: Structure of Loans and Deposits

Structure of mBank Group's Gross Loans as of 30.09.2016



Structure of mBank Group's Deposits as of 30.09.2016

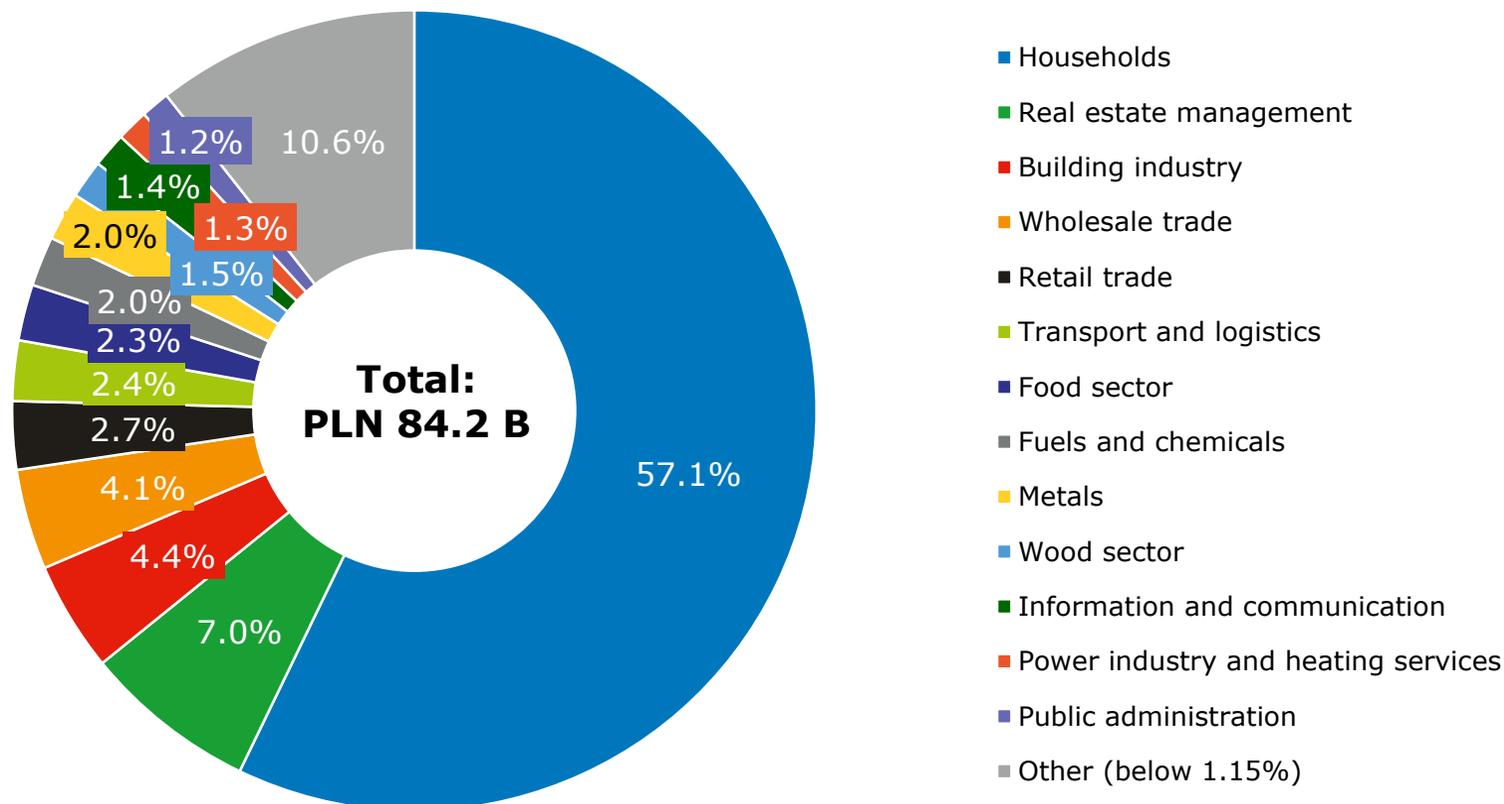


¹ incl. repo transactions, loans and advances received, other liabilities

Appendix

Additional Information: Selected Financial Data Balance Sheet Analysis: Loan Portfolio Structure

mBank Group's Sector Exposure by Industry
as of 30.09.2016



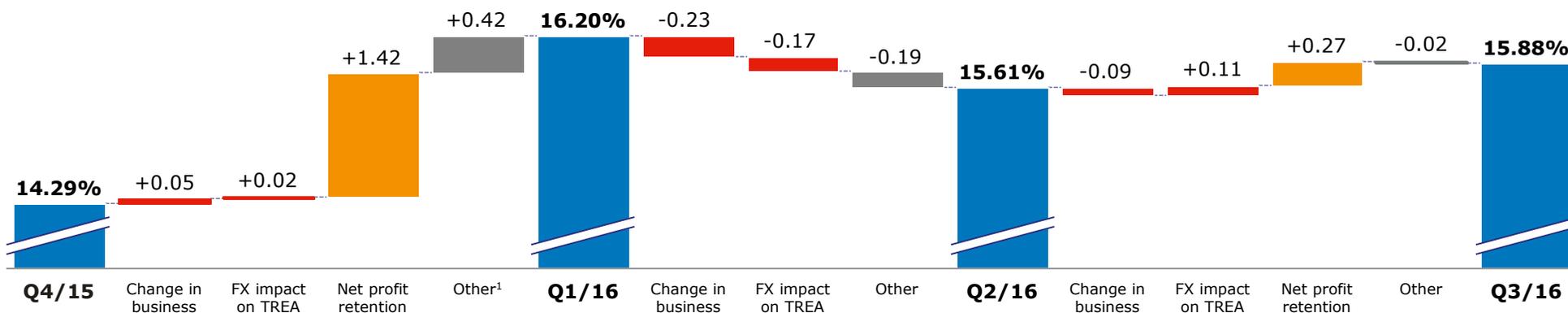
A well diversified loan portfolio with granular structure

Appendix

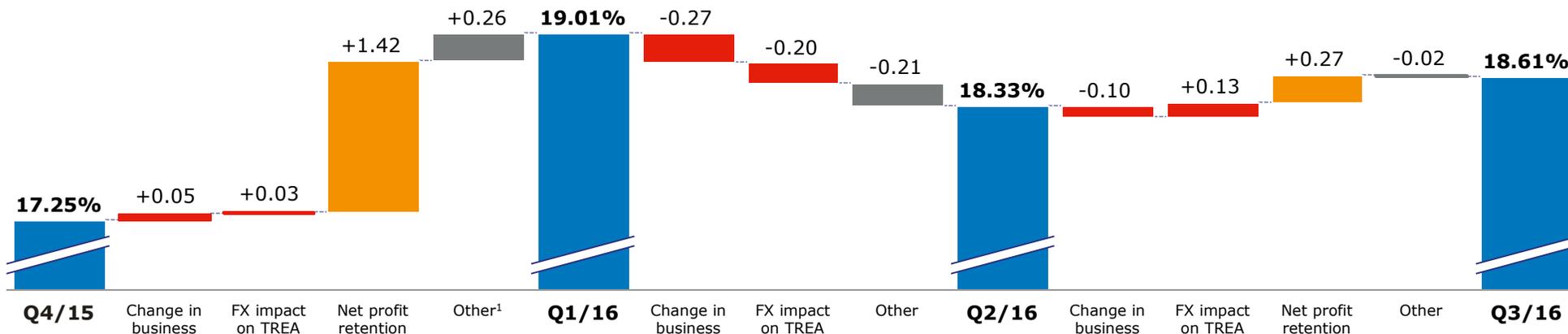
Additional Information: Selected Financial Data Balance Sheet Analysis: Detailed Development of Capital Ratios

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mBank Group's Common Equity Tier 1 (CET 1) Ratio



mBank Group's Total Capital Ratio



¹ due to lower deductions of own funds (mostly decrease of loan loss provisions after 2015 profit retention)

Appendix

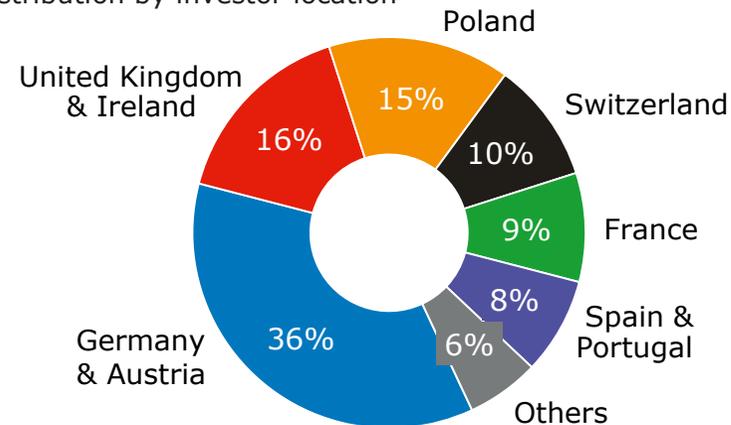
mBank's Euro Medium Term Note (EMTN) Programme Summary of fifth tranche: 4-year EUR 500 M, Senior Unsecured

Transaction details

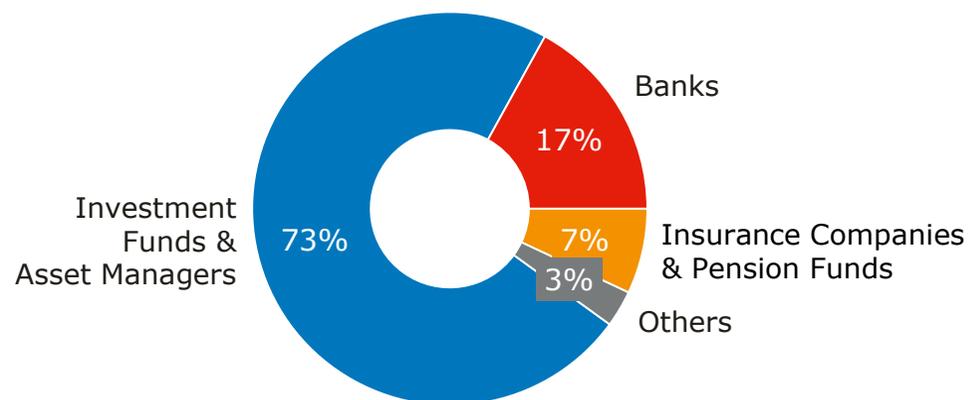
Issuer	mFinance France S.A.
Guarantor	mBank S.A.
Format	Senior Unsecured Debt out of EMTN programme
Issue rating	BBB (Fitch) / BBB (S&P)
Issue size	EUR 500 M
Maturity date	26th September 2020
Issue date	26th September 2016
Reoffer spread	MS+157bps
Coupon	1.398% p.a.
Listing	Bourse de Luxembourg

- The transaction was of significant interest to investors, with a final order book size of EUR 1.3 billion
- The book showed high granularity with the participation of 135 investors, representing broad appeal across the European investor community

Distribution by investor location

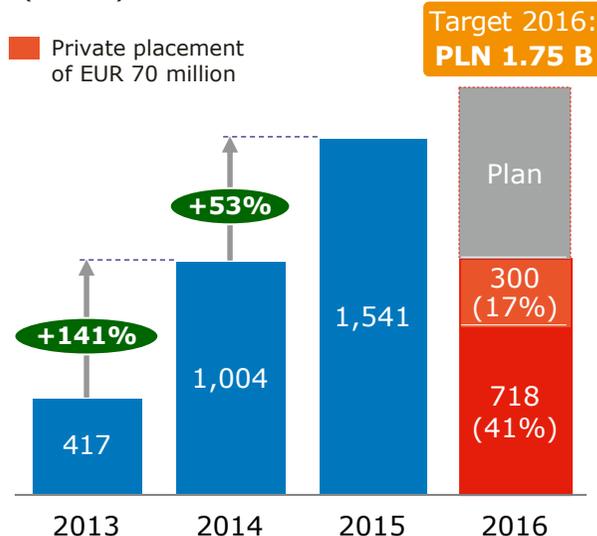


Distribution by investor type



Issuance Activity on the Covered Bonds Market Residential mortgage loans are rising in cover pool

Covered Bonds Issuance
(PLN M)



- mBank Hipoteczny issued more than planned PLN 1.5 billion of covered bonds in 2015 and its target for 2016 amounts to PLN 1.75 billion
- Covered bond issuance to become the dominant long-term financing source for the Group's mortgage lending and a competitive advantage in a tightening regulatory environment

Summary of Mortgage Covered Bonds issued in 2014-2016 (public issues)

Amount	Currency	Issue date	Maturity date	Tenor (years)	Coupon
7.5 M	EUR	17-02-2014	15-02-2018	4.0	EURIBOR 6M + 80bps
8.0 M	EUR	28-02-2014	28-02-2029	15.0	Fixed (3.50%)
15.0 M	EUR	17-03-2014	15-03-2029	15.0	Fixed (3.50%)
20.0 M	EUR	30-05-2014	30-05-2029	15.0	Fixed (3.20%)
300.0 M	PLN	28-07-2014	28-07-2022	8.0	WIBOR 6M + 93bps
200.0 M	PLN	04-08-2014	20-02-2023	8.5	WIBOR 6M + 93bps
20.0 M	EUR	22-10-2014	22-10-2018	4.0	Fixed (1.115%)
50.0 M	EUR	28-11-2014	15-10-2019	4.9	EURIBOR 3M + 87bps
200.0 M	PLN	20-02-2015	28-04-2022	7.2	WIBOR 6M + 78bps
20.0 M	EUR	25-02-2015	25-02-2022	7.0	Fixed (1.135%)
250.0 M	PLN	15-04-2015	16-10-2023	8.5	WIBOR 6M + 87bps
11.0 M	EUR	24-04-2015	24-04-2025	10.0	Fixed (1.285%)
50.0 M	EUR	24-06-2015	24-06-2020	5.0	EURIBOR 3M + 69bps
500.0 M	PLN	17-09-2015	10-09-2020	5.0	WIBOR 3M + 110bps
255.0 M	PLN	02-12-2015	20-09-2021	5.8	WIBOR 3M + 115bps
300.0 M	PLN	09-03-2016	05-03-2021	5.0	WIBOR 3M + 120bps
50.0 M	EUR	23-03-2016	21-06-2021	5.2	EURIBOR 3M + 87bps
50.0 M	PLN	28-04-2016	28-04-2020	4.0	Fixed (2.91%)
100.0 M	PLN	11-05-2016	28-04-2020	4.0	Fixed (2.91%)
13.0 M	EUR	28-09-2016	20-09-2026	10.0	Fixed (1.18%)

Detailed Results of the Business Lines in Q3/16

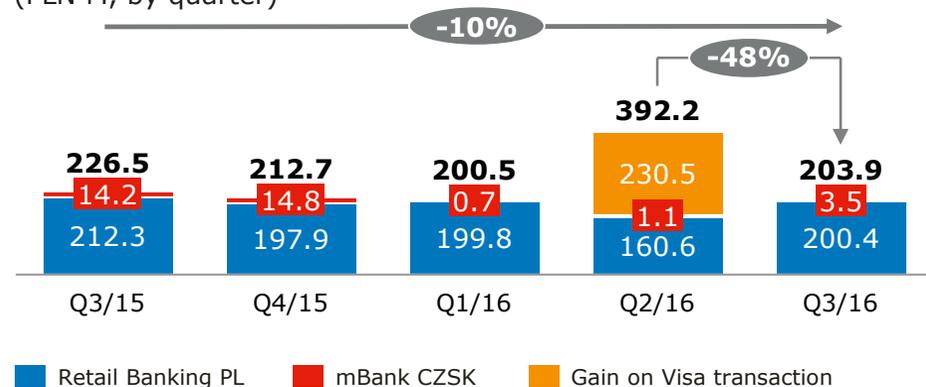
Retail Banking

Appendix

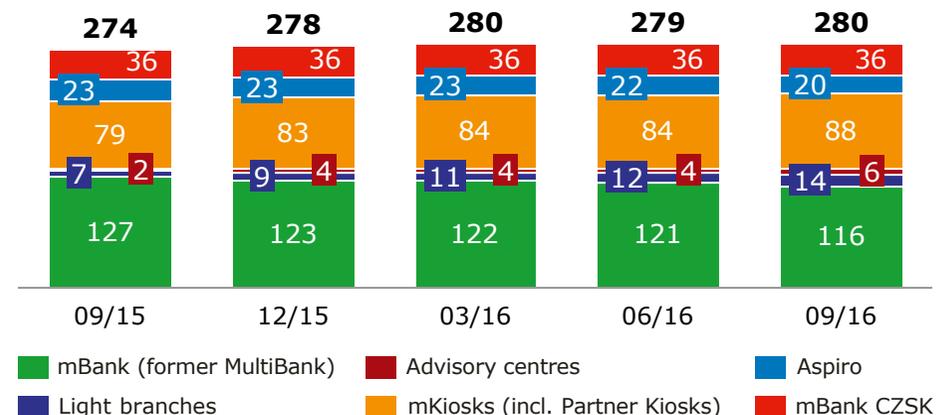
Retail Banking Summary of Q3/16: Financial Results

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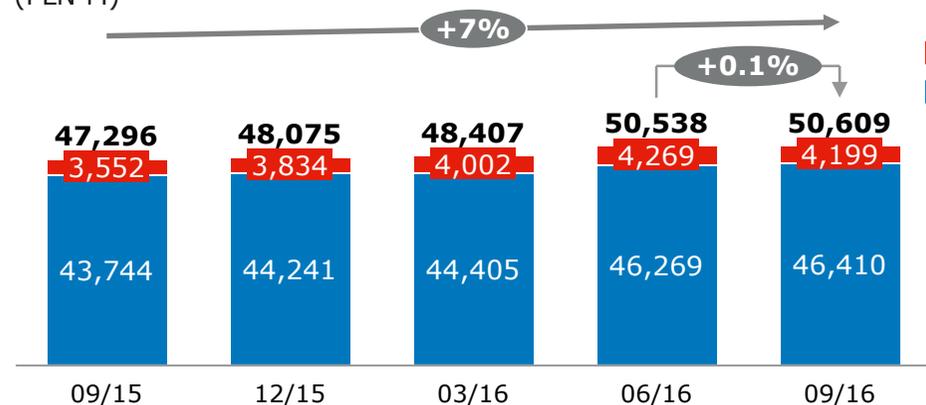
Profit before Tax of the Segment
(PLN M, by quarter)



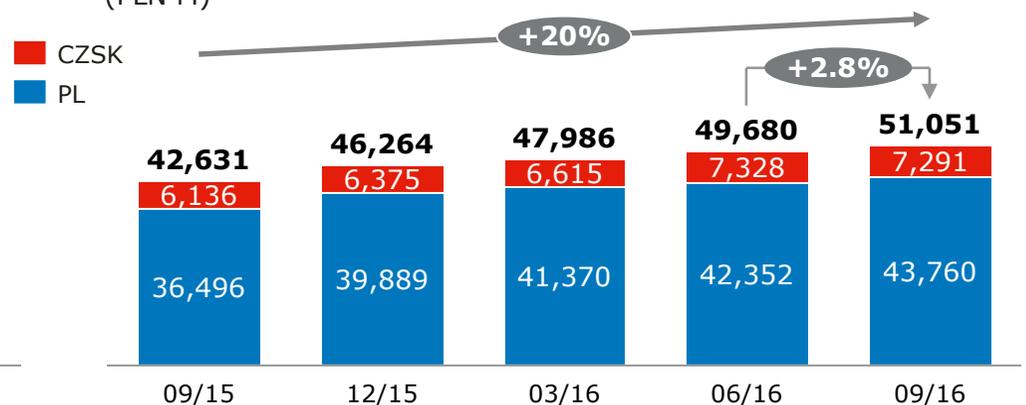
Number of Retail Service Locations



Total Retail Gross Loans¹
(PLN M)



Total Retail Deposits¹
(PLN M)



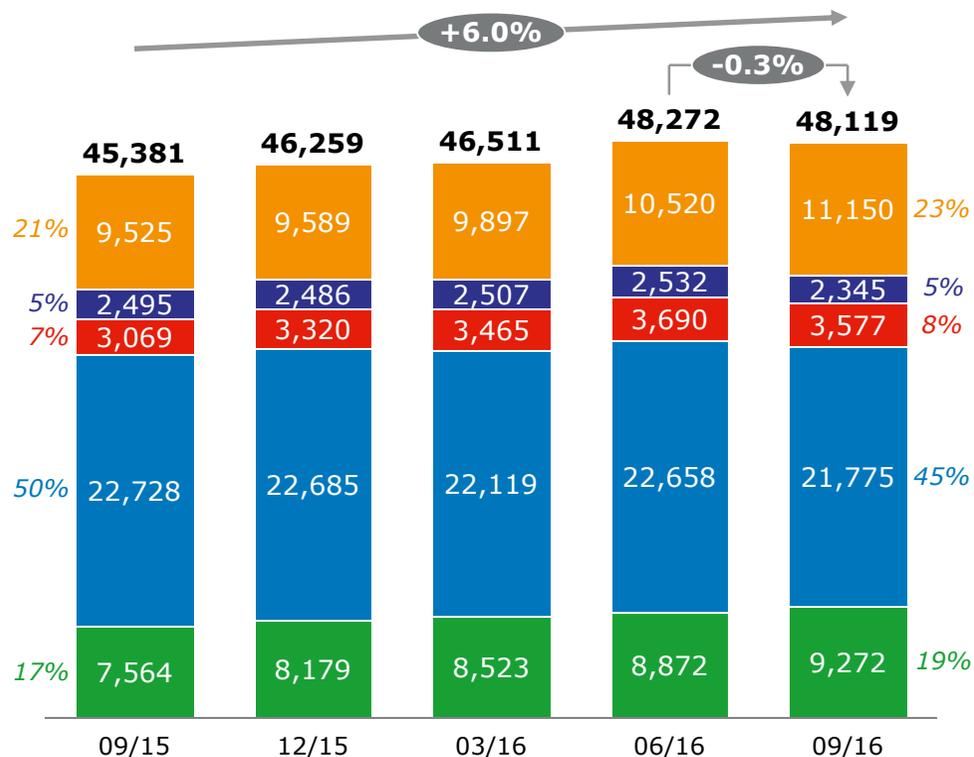
¹ Based on management information

Appendix

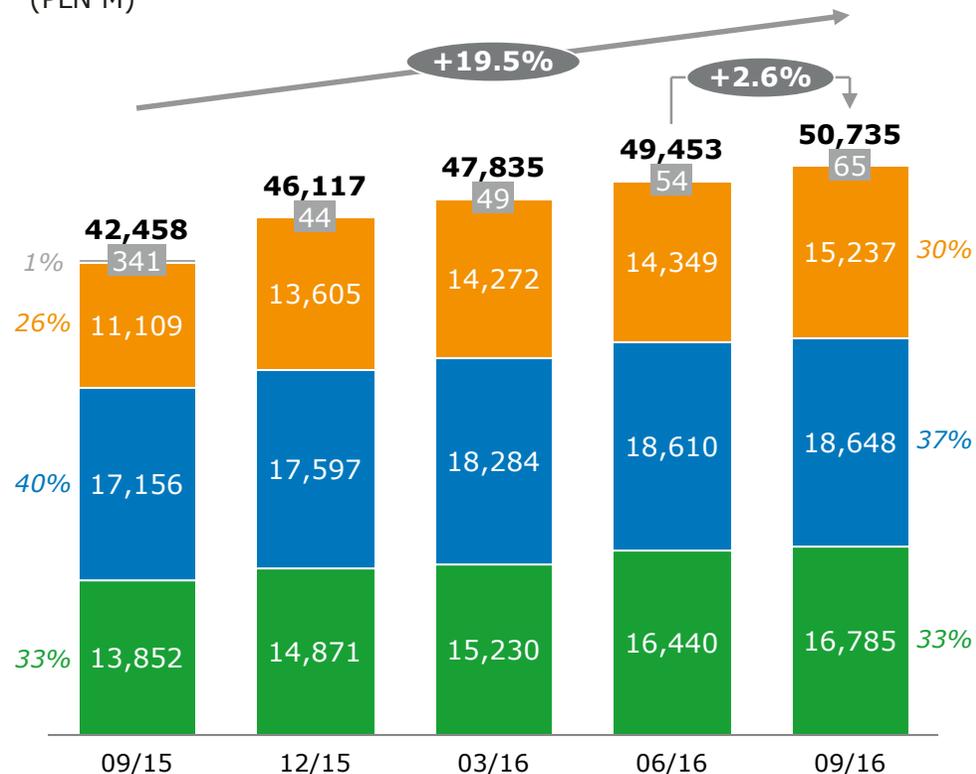
Retail Banking Summary of Q3/16: Loans and Deposits

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Gross Loans to Retail Banking Clients¹
(PLN M)



Deposits from Retail Banking Clients
(PLN M)



- PLN mortgage loans to Individuals
- FX mortgage loans to Individuals granted in PL
- Mortgage loans granted in CZSK
- Mortgage loans to Microfirms
- Non-mortgage loans

- Current accounts
- Saving accounts
- Term deposits
- Other

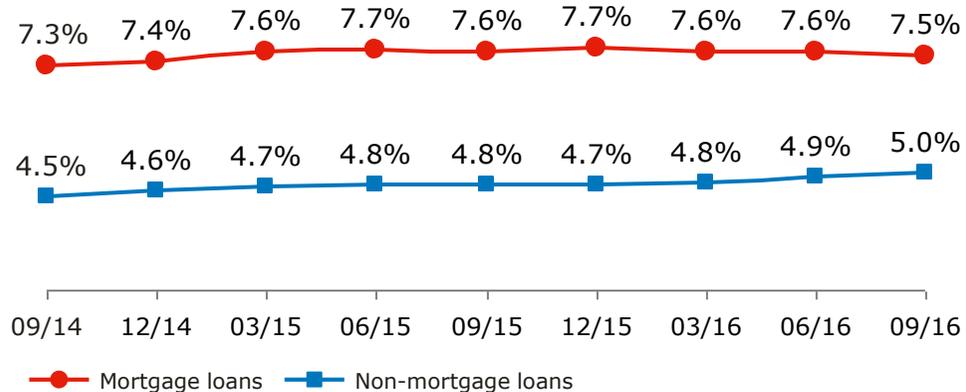
¹ Currency and geographical breakdown based on management information

Appendix

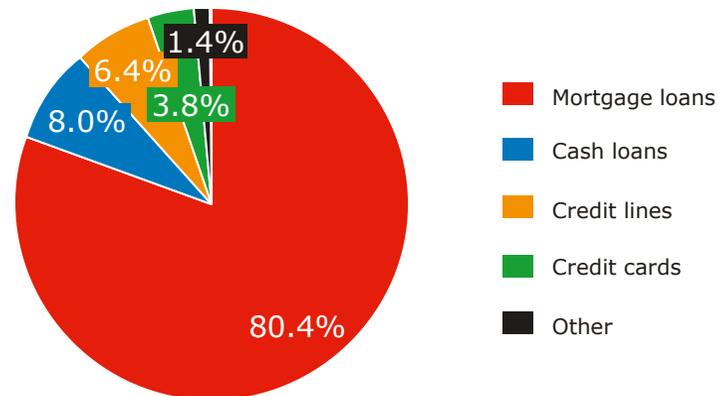
Retail Banking Loan Portfolio Structure of mBank Group in Poland

Summary
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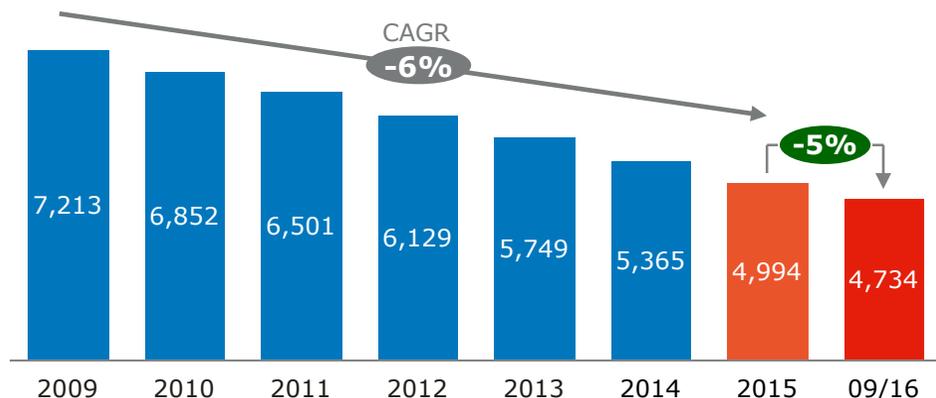
Market Shares in Household Loans in Poland



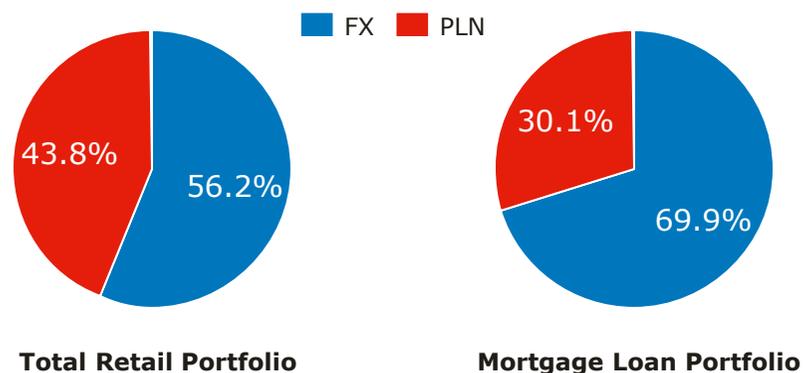
Product Structure of Retail Banking Loan Portfolio in Poland as of 30.09.2016



mBank's Gross CHF Loan Portfolio to Retail Clients (CHF M)



Currency Structure of Retail Banking Loan Portfolio in Poland as of 30.09.2016

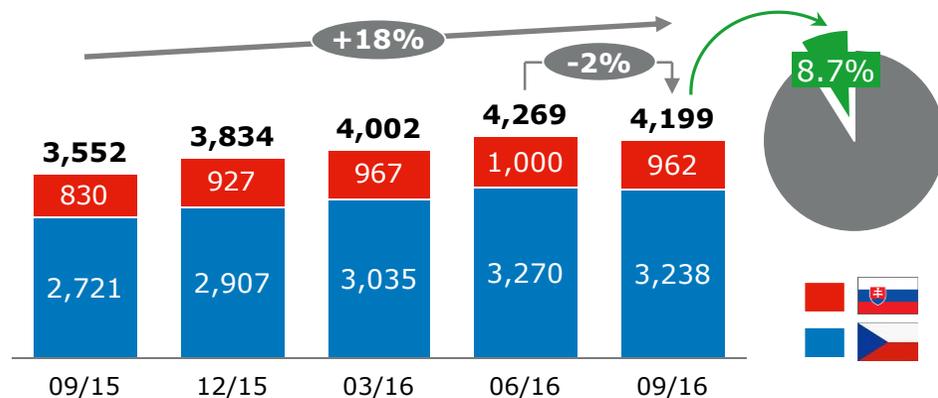


Appendix

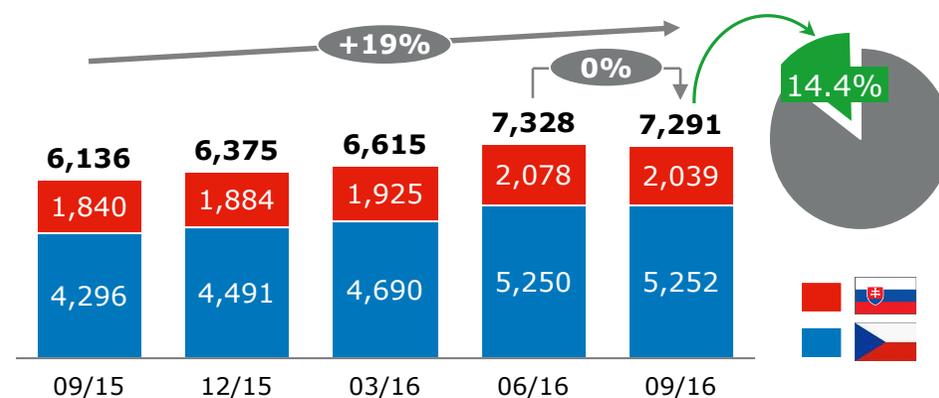
Retail Banking mBank in the Czech Republic and Slovakia

Summary
Historical view
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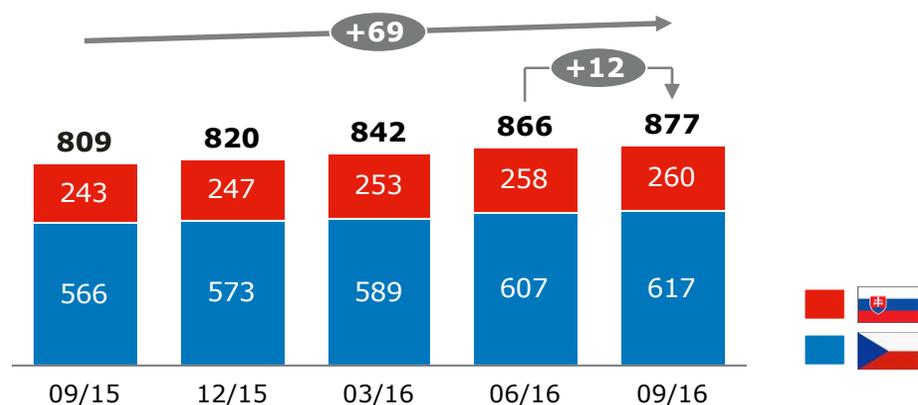
Gross Loans (PLN M) and Share in Total mBank's retail volume



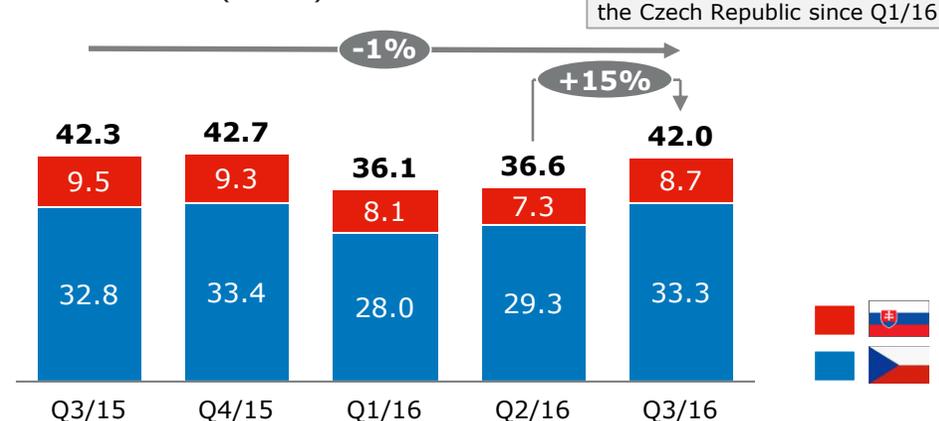
Deposits (PLN M) and Share in Total mBank's retail volume



Number of clients (thou.)



Total revenues (PLN M)



Note: Volumes based on management information.

Appendix

Retail Banking mBank in the Czech Republic and Slovakia

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Business Lines
Subsidiaries

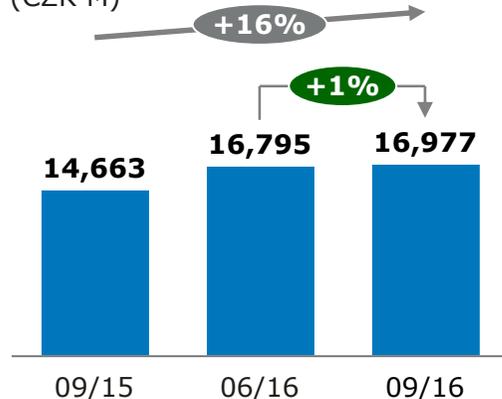


Czech Republic

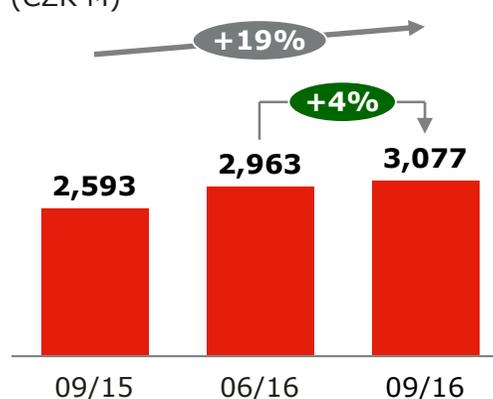
Clients:
617.3 thou.

9 financial centres &
16 mKiosks

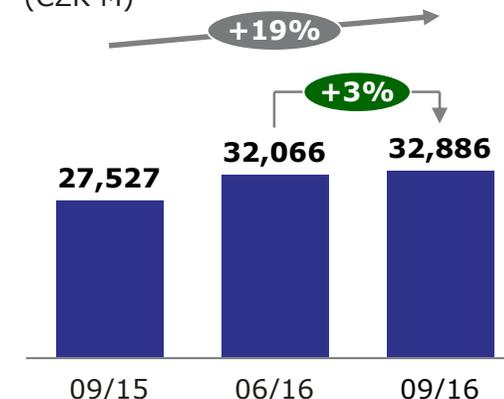
Mortgage Loans
(CZK M)



Non-mortgage Loans
(CZK M)



Customer deposits
(CZK M)

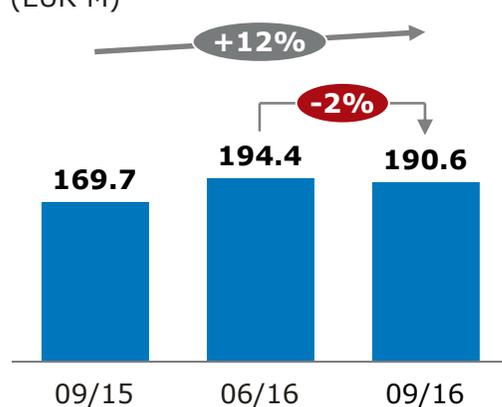


Slovakia

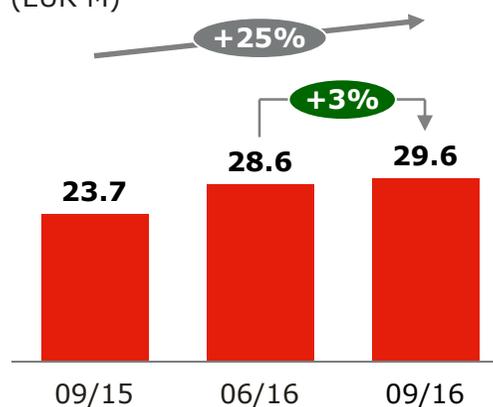
Clients:
260.1 thou.

2 light branches,
4 financial centres &
5 mKiosks

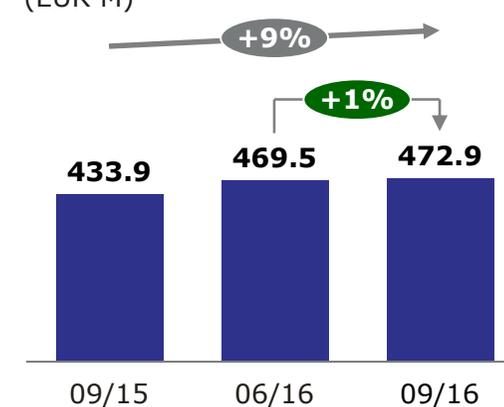
Mortgage Loans
(EUR M)



Non-mortgage Loans
(EUR M)



Customer deposits
(EUR M)



Note: Volumes based on management information.

Detailed Results of the Business Lines in Q3/16

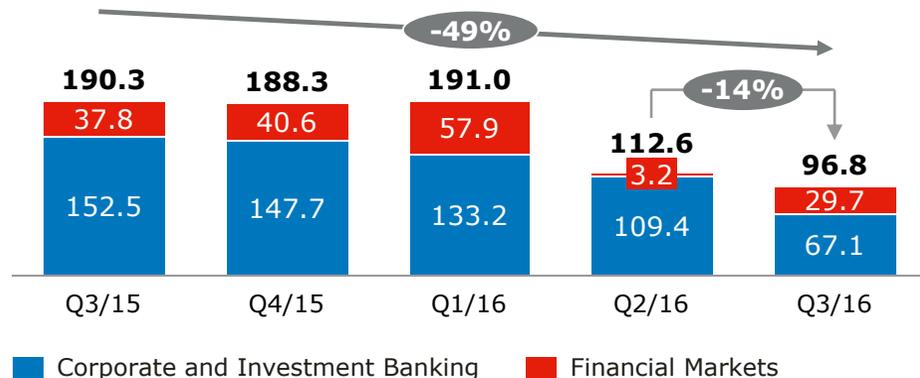
Corporates & Financial Markets

Appendix

Corporates and Financial Markets Summary of Q3/16: Financial Results

Summary
Historical view
Profit & Loss
Balance Sheet
Business Lines
Subsidiaries

Profit before Tax of the Segment
(PLN M, by quarter)

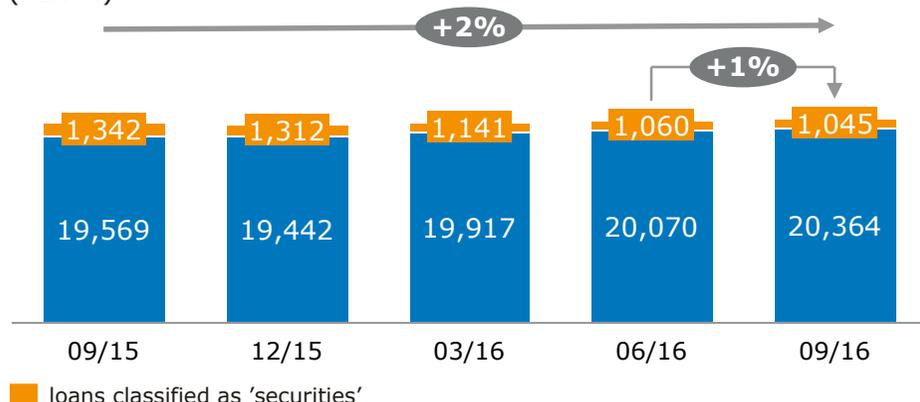


Number of Corporate Service Locations

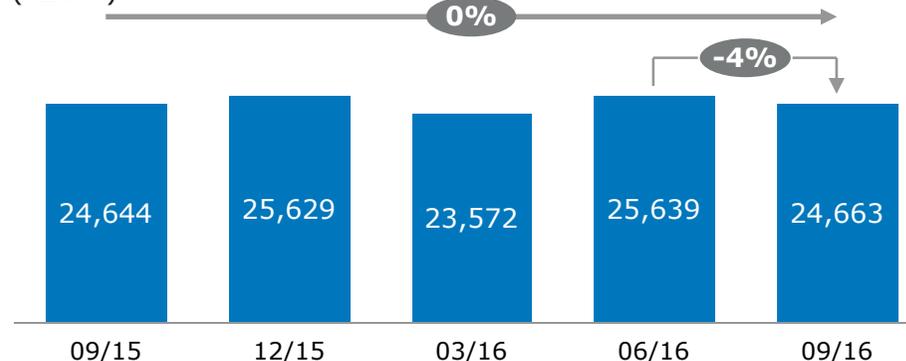
- 29 mBank's branches
- 16 mBank's offices
- 22 mLeasing
- 8 mFactoring
- 5 mBank Hipoteczny
- 6 Advisory centres



Loans to enterprises¹
(PLN M)



Deposits of enterprises¹
(PLN M)



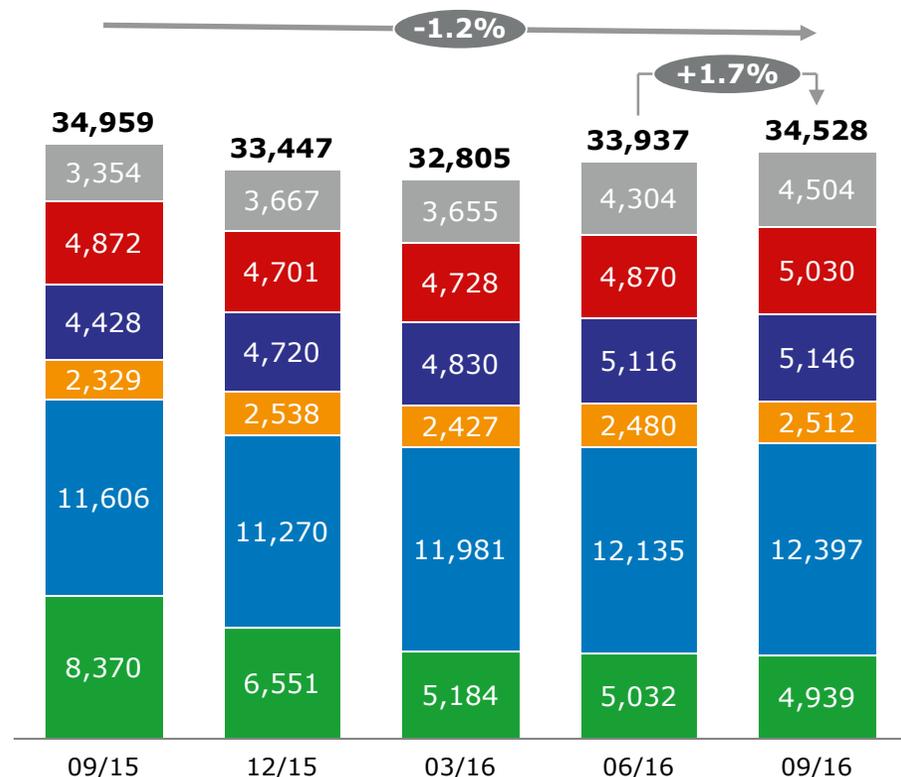
¹ Corporate loan and deposit volumes according to current NBP rules

Appendix

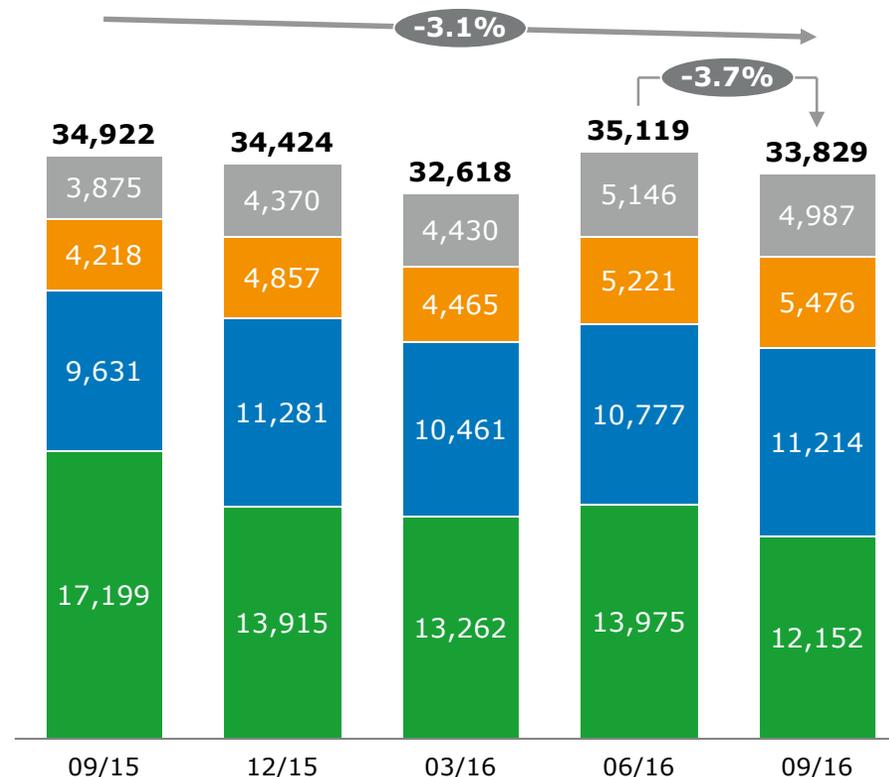
Corporates and Financial Markets Summary of Q3/16: Loans and Deposits

Summary
Historical view
Profit & Loss
Balance Sheet
Business Lines
Subsidiaries

Gross Loans to Corporate Entities
(PLN M)



Deposits from Corporate Customers
(PLN M)



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

■ K1 ■ K2 ■ K3 ■ Other

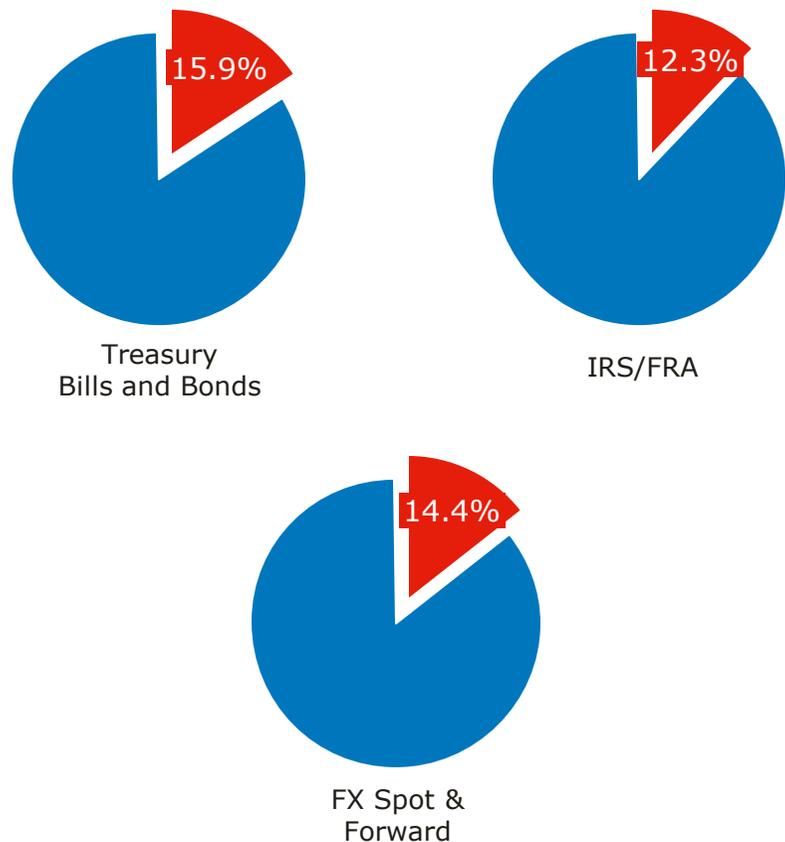
Note: Corporate clients split: K1 – annual sales over PLN 500 M and non-banking financial institutions; K2 – annual sales PLN 30 M to PLN 500 M; K3 – annual sales below 30 M.

Appendix

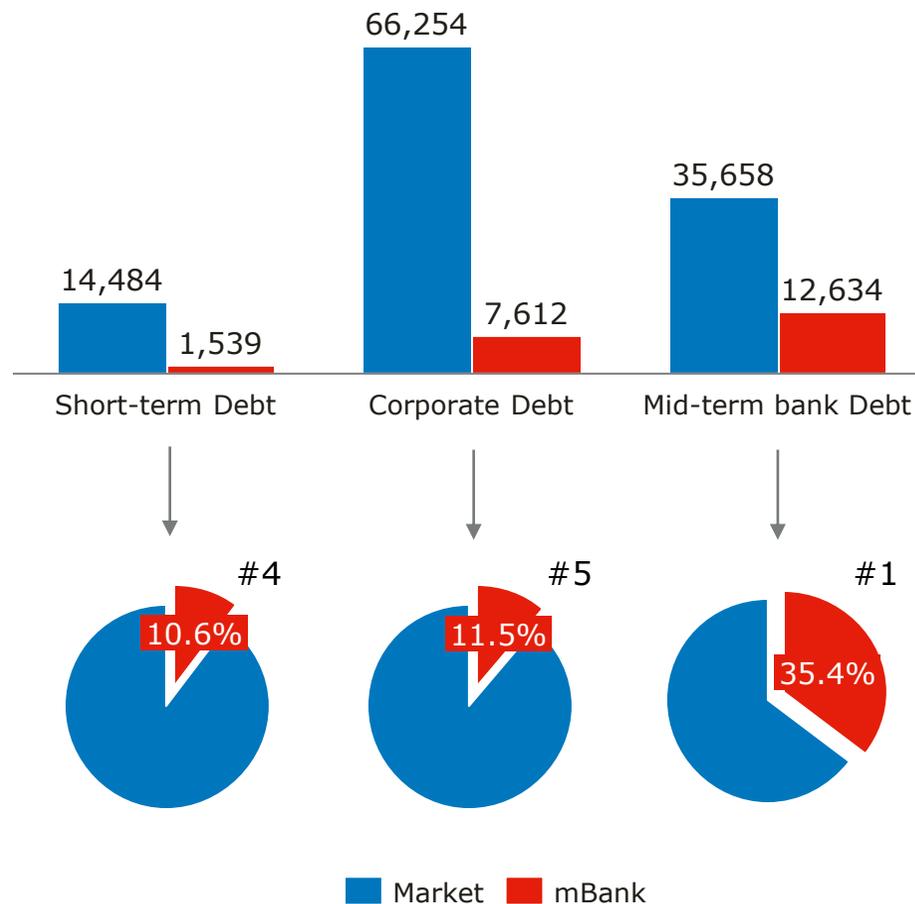
Corporates and Financial Markets Market Shares

Summary
Historical view
Profit & Loss
Balance Sheet
Business Lines
Subsidiaries

mBank's Market Shares in Investment Banking Services¹



mBank in the Market for Non-Treasury Debt²
as of 31.08.2016 (PLN M)



¹ As of 31.08.2016; mBank calculations based on NBP data

² Based on Fitch Polska S.A., Rating & Rynek, 31.08.2016 (excluding BGK road bonds)

Detailed Results of the mBank Group's companies in Q3/16

Subsidiaries

Appendix

mBank Group's Subsidiaries

Development of Profit before Tax of Consolidated Companies

Summary
Historical view
Profit & Loss
Balance Sheet
Business Lines
Subsidiaries

PLN thou.	Q3/15	Q3/16	Change YoY	9M/15	9M/16	Change YoY
mBank Hipoteczny	9,076	8,235	-9.1%	17,381	21,641	+24.5%
mLeasing	17,535	20,264	+15.6%	45,291	61,494	+35.8%
mFactoring	-19,827	1,426	- / +	-17,023	12,588	-/+
mFinanse (p. Aspiro) ¹	43,483	40,235	-7.5%	81,009	118,491	+46.3%
mLocum	7,535	1,340	-82.2%	18,642	16,416	-11.9%
Dom Maklerski mBanku ²	6,502	---	N/A	22,476	2,852	N/A
mWealth Management ²	6,823	---	N/A	19,988	8,976	N/A
Other ³	-1,696	-2,017	+18.9%	3,863	-740	+/-
Total	69,431	69,502	+0.1%	191,626	241,718	+26.1%

¹ Excluding one-off gain on the sale of shares of BRE Ubezpieczenia TUiR in Q1/15

² Companies were integrated into the organizational structure of mBank as of 20.05.2016

³ Other subsidiaries include mFinance France, mCentrum Operacji, BDH Development, Garbary and Tele-Tech Investment (since Q3/15)

Appendix

mBank Group's Subsidiaries mBank Hipoteczny (mBH)

Summary
Historical view
Profit & Loss
Balance Sheet
Business Lines
Subsidiaries

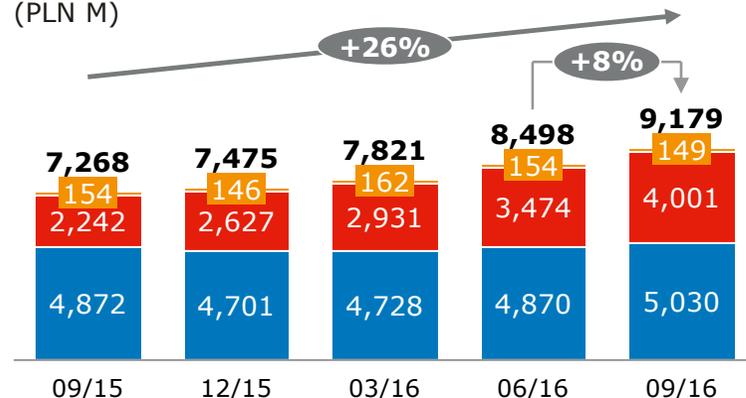
Bank Hipoteczny

established in 1999

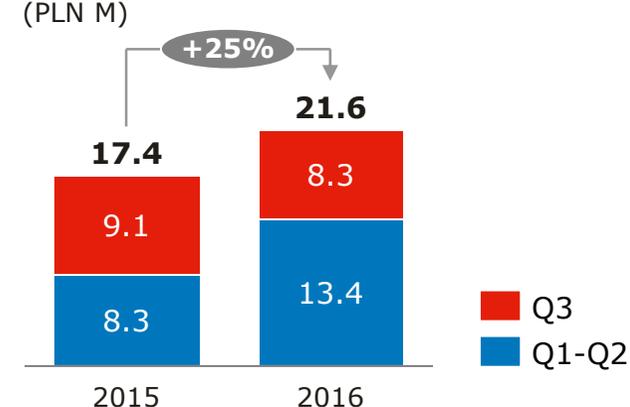
specialised mortgage bank and the largest issuer of covered bonds in the Polish market

- Public sector loans and other receivables
- Housing loans to individual customers (incl. new sales and pooling transactions)
- Commercial loans

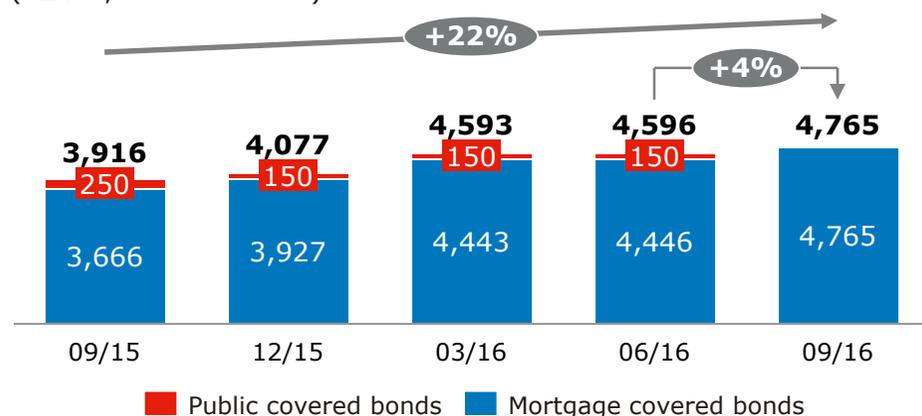
Gross loans and advances to customers (PLN M)



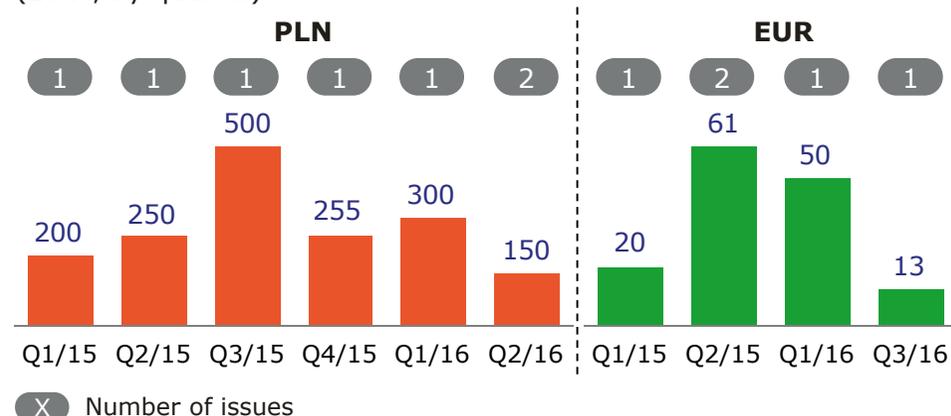
Profit before Tax (PLN M)



Outstanding amount of Covered Bonds issued (PLN M, nominal value)



Issuance of Covered Bonds in original currencies (LC M, by quarter)



Appendix

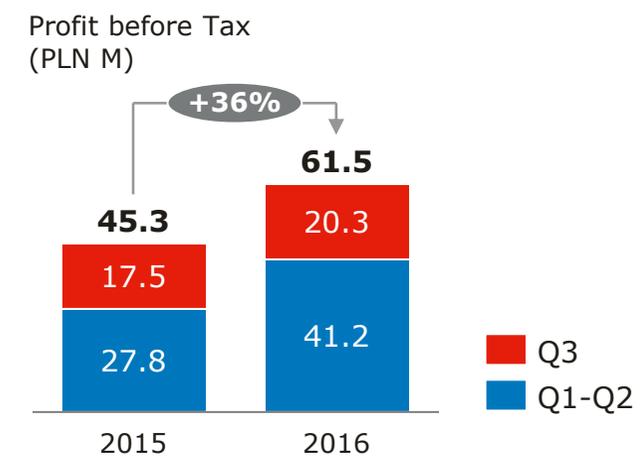
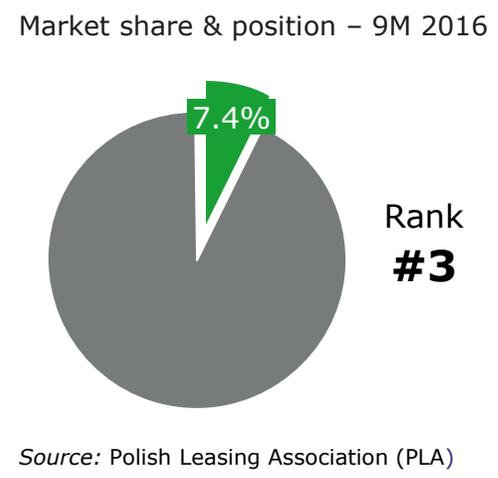
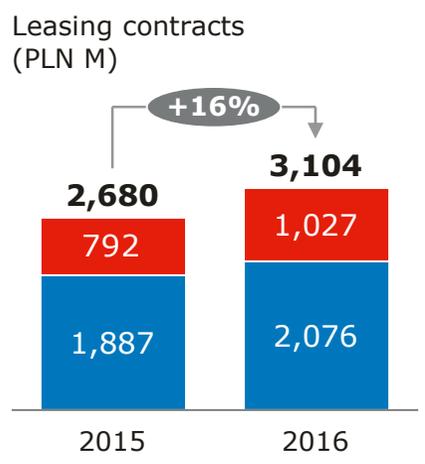
mBank Group's Subsidiaries Leasing and Factoring

Summary
Historical view
Profit & Loss
Balance Sheet
Business Lines
Subsidiaries

m Leasing

established in 1991

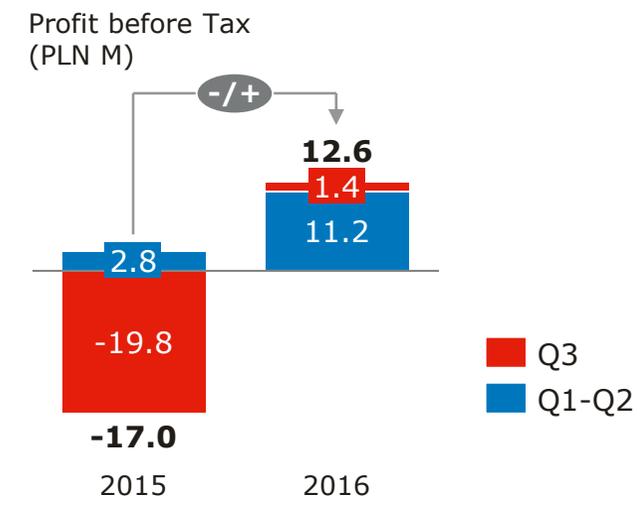
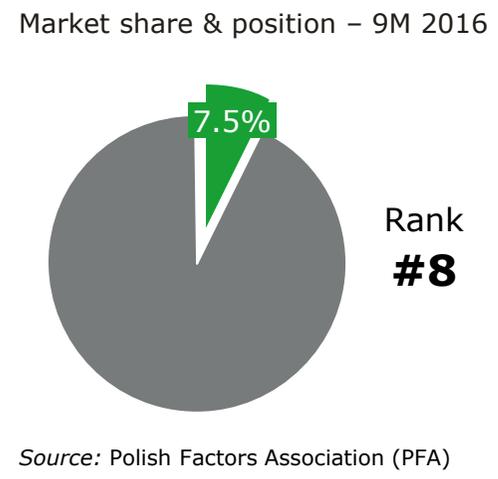
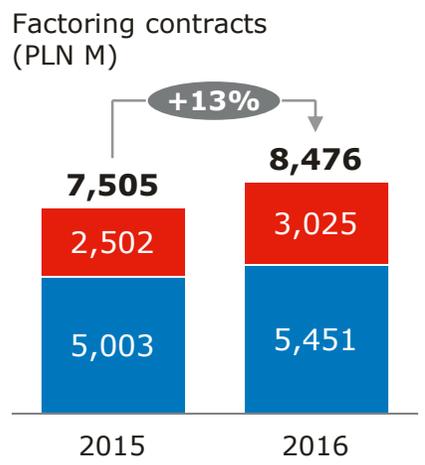
provides financial and operating leasing of cars, trucks, machinery and real estate



m Faktoring

established in 1995

offers factoring services, incl. domestic and export recourse and non-recourse factoring and import guarantees

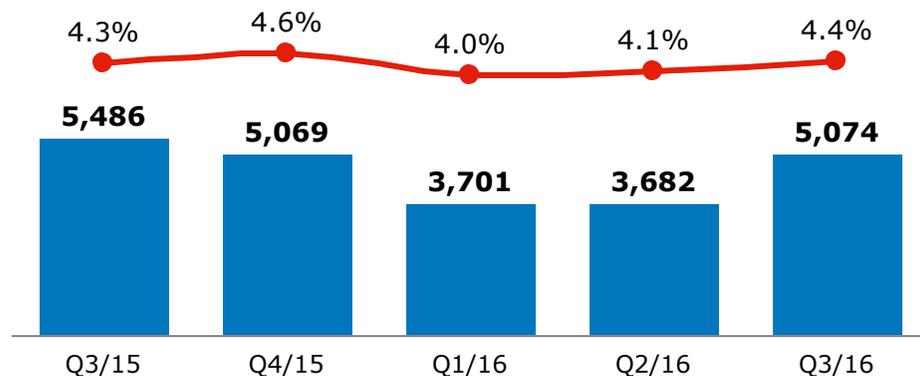


Appendix

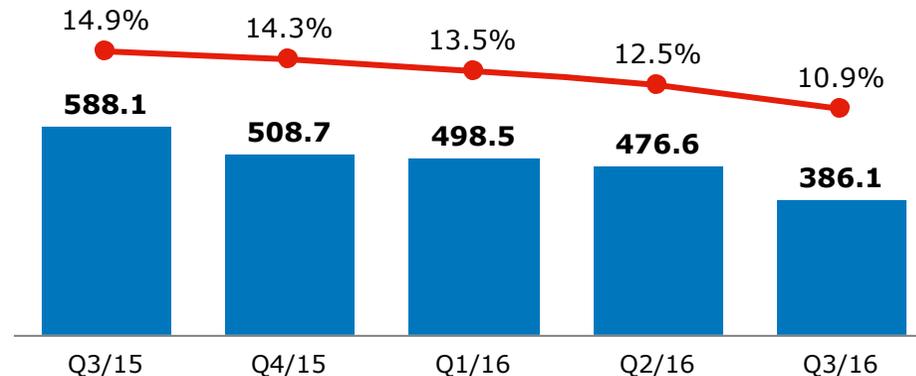
mBank Group's Brokerage Services Dom Maklerski mBanku (mDM)

Summary
Historical view
Profit & Loss
Balance Sheet
Business Lines
Subsidiaries

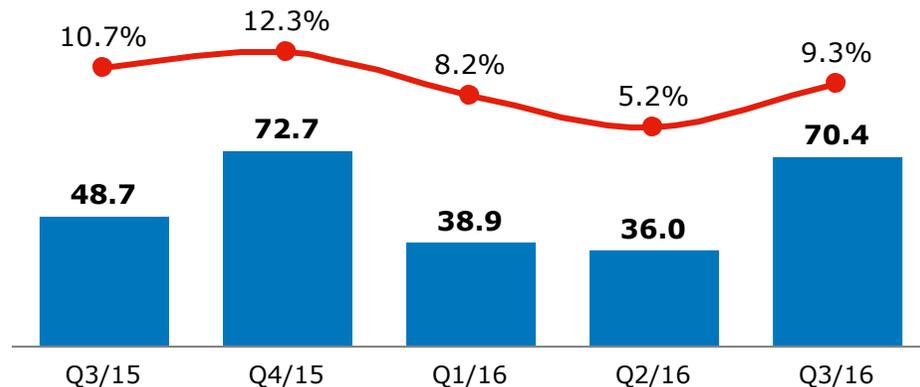
mDM Equities Trading on WSE and Market Share in Turnover (PLN M, by quarter)



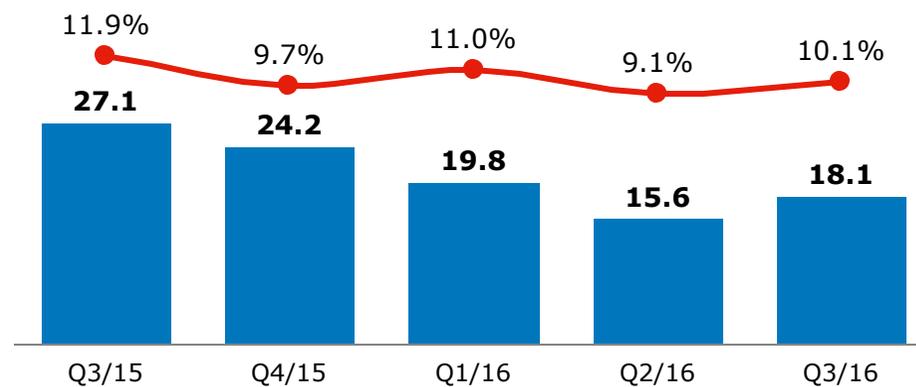
mDM Futures Trading on WSE and Market Share in Turnover (thou. of contracts, by quarter)



mDM Bonds Trading on WSE and Market Share in Turnover (PLN M, by quarter)



mDM Options Trading on WSE and Market Share in Turnover (thou. of contracts, by quarter)



Source: mBank calculations based on WSE data.

mBank's share price performance in 9M/16

Polish banking stocks remain to be influenced by FX-related risks

mBank's index membership and weights*

WIG-30	WIG30	2.577%
WIG-20	WIG20	2.829%
WIG	WIG	1.730%
WIG-Banks	WIGbanki	6.088%
WIG-Poland	WIGPoland	1.791%

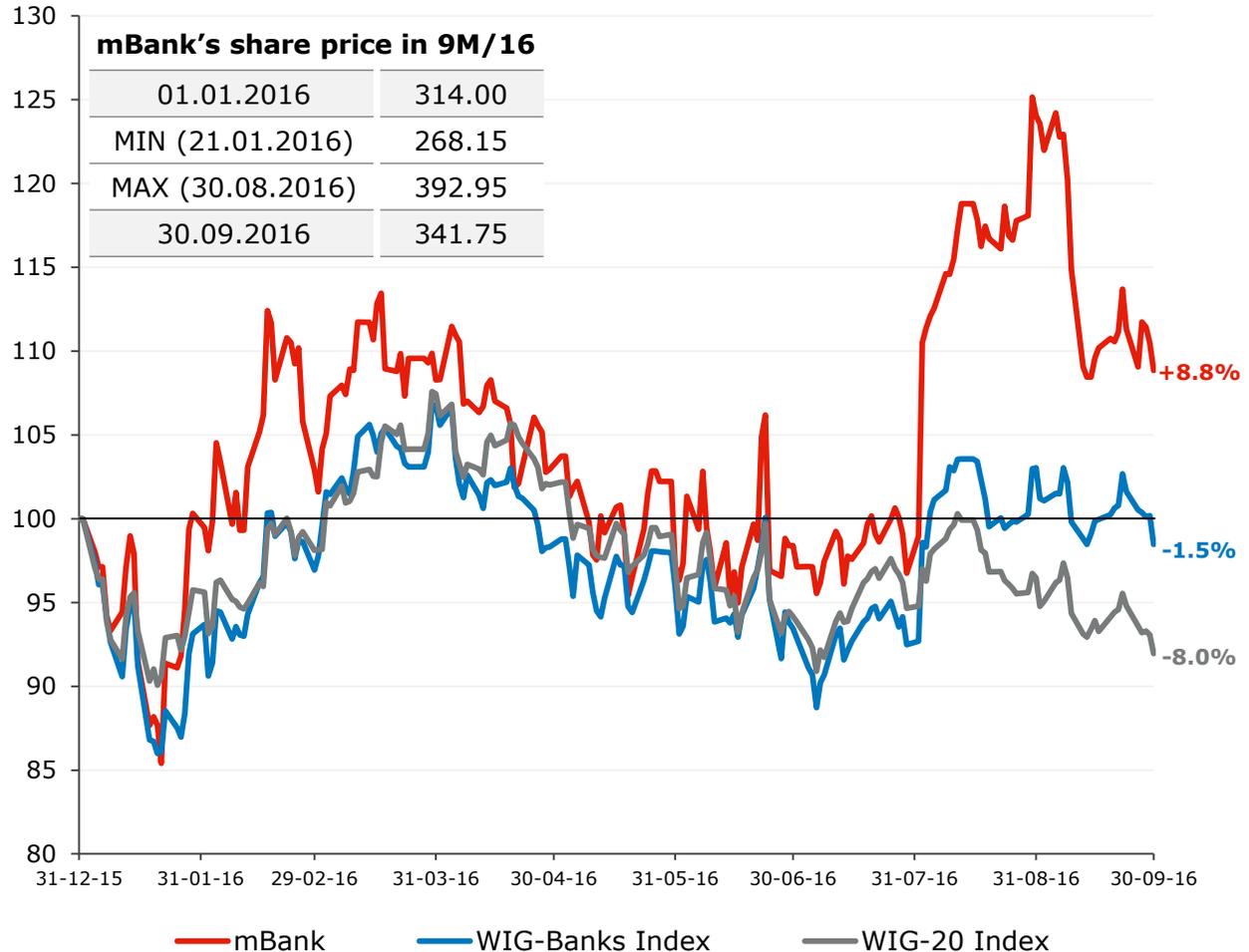
* Share in index as of 30.09.2016

- Listed on the Warsaw Stock Exchange since October 1992
- The only share belonging to WIG-20 blue chip index since its inception in April 1994
- A strategic shareholder, Germany's Commerzbank, owns 69.5% of shares

ISIN	PLBRE0000012
Bloomberg	MBK PW
Number of shares issued	42 279 255

Source: Bloomberg, WSE.

mBank's share performance v. main indices (rebased to 100)



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