

Results of mBank Group Q1 2017

**Promising start to the year
with strong operating results**

Management Board of mBank S.A.

Investor Presentation

April 27, 2017



Key highlights of Q1 2017

Core income of PLN 998.6 M close to historical heights

- NII at PLN 749.0 M (+10.7% YoY), on improved margins
- NFC at PLN 249.6 M (+17.9% YoY), on rising customer business

Solid efficiency maintained

- Cost/Income ratio at 53.4%

Profit & Loss

Sound deposit base

- Loan-to-Deposit ratio at 92.1%

Capital ratios well above regulatory requirements

- CET 1 Ratio at 18.8%/22.1%²
- Total Capital Ratio at 21.6%/25.4%²

Diversification of funding

- New issue under EMTN programme

Capital & Liquidity

Volumes

Selective volume growth

- Gross loans at PLN 84.5 B (-0.1% QoQ, +4.4% YoY)¹
- Customer deposits at PLN 88.7 B (-2.8% QoQ, +8.7% YoY)¹

Focus on higher margin lending

- Mortgage loan sales at PLN 0.8 B in Q1/17 (+12% YoY); non-mortgage loan sales at PLN 1.8 B (+34% YoY)

Business development

Strengthening the position as mobile and transactional bank

- Enhanced mobile application and new mCompanyNet platform
- Launch of mBank's FinTech fund

Accelerating client acquisition

- 5,447 thou. retail clients (+410 thou. YoY) and 21,235 corporate clients (+1,243 YoY)

Strong total revenues exceeding PLN 1.08 B

Net Profit of PLN 218.8 M, -25.2% compared to Q4/16

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

Agenda



Summary of Q1/17 in mBank Group

Key Financials

Client acquisition and Market shares

Development of retail and corporate new business

Analysis of Q1/17 Results

Development of Loans and Deposits

Development of Income and Costs

Loan Portfolio Quality

Funding Structure Details

Capital and Liquidity Ratios

Macroeconomic Update

Appendix

Additional Information: Selected Financial Data

Detailed Results of Business Lines

Summary of Q1/17 in mBank Group

Key Financials: Profit and Loss Account

PLN million	Q1/16	Q4/16	Q1/17	change QoQ	change YoY
Net interest income	676.4	753.3	749.0	-0.6% ↓	+10.7% ↑
Net fee and commission income	211.7	250.6	249.6	-0.4% ↓	+17.9% ↑
Total income	1,008.9	1,044.7	1,081.8	+3.5% ↑	+7.2% ↑
Total costs (excl. BFG)	-443.6	-442.7	-445.5	+0.6% ↑	+0.4% ↑
Contributions to the BFG ¹	-37.1	-49.2	-132.2	---	---
Loan Loss Provisions	-68.5	-39.7	-82.9	+109.0% ↑	+21.0% ↑
Operating profit	459.6	513.1	421.2	-17.9% ↓	-8.4% ↓
Taxes on the Group balance sheet items	-57.3	-92.8	-91.3	-1.6% ↓	+59.3% ↑
Profit before income tax	402.3	420.3	329.9	-21.5% ↓	-18.0% ↓
Net profit	307.8	292.5	218.8	-25.2% ↓	-28.9% ↓
Net Interest Margin (NIM)	2.29%	2.35%	2.42%	+0.07 p.p.	+0.12 p.p.
NIM excl. CHF portfolio	2.66%	2.69%	2.77%	+0.08 p.p.	+0.11 p.p.
Cost/Income ratio	47.7%	47.1%	53.4%	+6.3 p.p.	+5.7 p.p.
Cost of Risk	0.35%	0.20%	0.41%	+0.21 p.p.	+0.06 p.p.
Return on Equity (ROE)	10.1%	9.8%	6.8%	-3.0 p.p.	-3.3 p.p.
Return on Assets (ROA)	0.99%	0.88%	0.68%	-0.20 p.p.	-0.31 p.p.

¹ Q4/16 contributions include additional payment to the Bank Guarantee Fund related to the bankruptcy of Cooperative Bank in Nadarzyn of PLN 10.9 million; Q1/17 contributions consist of annual payment to the Resolution Fund of PLN 116.8 million and quarterly payment to the Deposit Guarantee Scheme of PLN 15.4 million;

Summary of Q1/17 in mBank Group

Key Financials: Balance Sheet

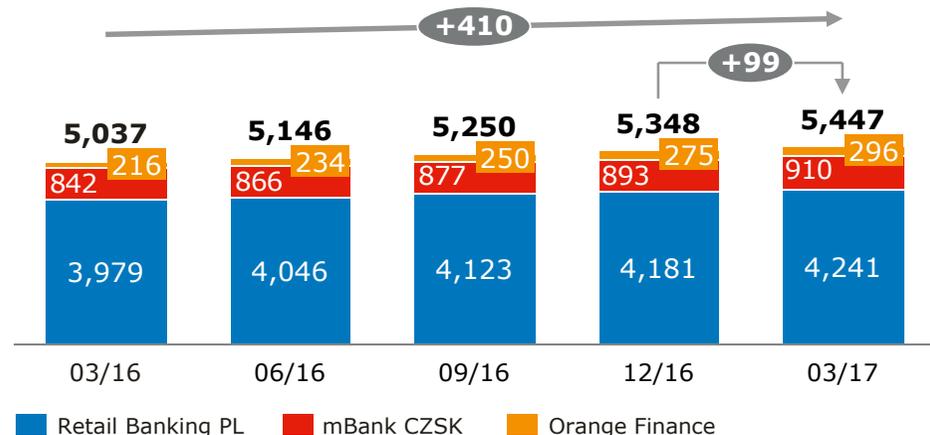
PLN million	Q1/16	Q4/16	Q1/17	change QoQ	change YoY
Total assets	123,268	133,744	130,488	-2.4% ↓	+5.9% ↑
Gross loans to customers	80,925	84,581	84,538	-0.1% ↓	+4.5% ↑
Retail client loans	46,511	48,950	48,338	-1.2% ↓	+3.9% ↑
Core corporate client loans ¹	32,801	34,118	34,759	+1.9% ↑	+6.0% ↑
Amounts due to customers	81,134	91,418	88,744	-2.9% ↓	+9.4% ↑
Retail client deposits	47,835	53,495	53,829	+0.6% ↑	+12.5% ↑
Core corporate client deposits ¹	31,771	35,783	32,080	-10.3% ↓	+1.0% ↑
Total equity	12,627	13,051	13,338	+2.2% ↑	+5.6% ↑
Loan to Deposit ratio	96.1%	89.4%	92.1%	+2.6 p.p.	-4.0 p.p.
NPL ratio	5.8%	5.4%	5.2%	-0.2 p.p.	-0.6 p.p.
Coverage ratio	58.6%	57.1%	59.4%	+2.3 p.p.	+0.7 p.p.
Common Equity Tier 1 Ratio	16.2%	17.3%	18.8%	+1.5 p.p.	+2.6 p.p.
Total Capital Ratio	19.0%	20.3%	21.6%	+1.3 p.p.	+2.6 p.p.

¹ Excluding reverse repo / buy-sell-back transactions for loans and repo transactions for deposits;

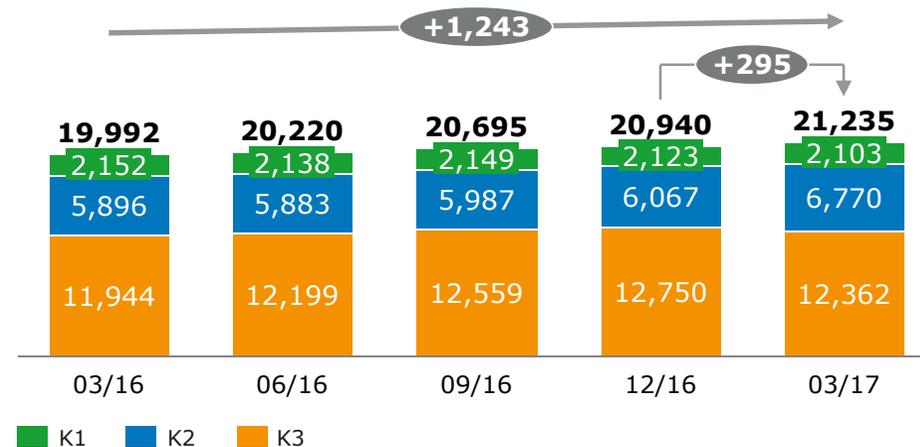
Summary of Q1/17 in mBank Group

Business Development: Client acquisition and Market shares

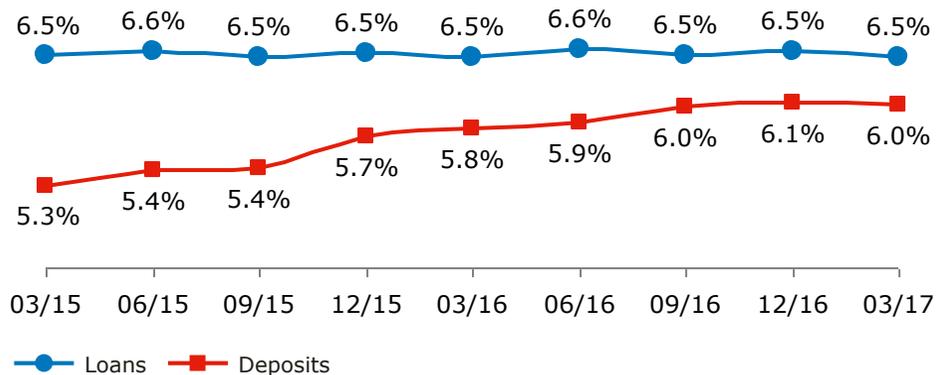
Number of Retail Clients (thou.)



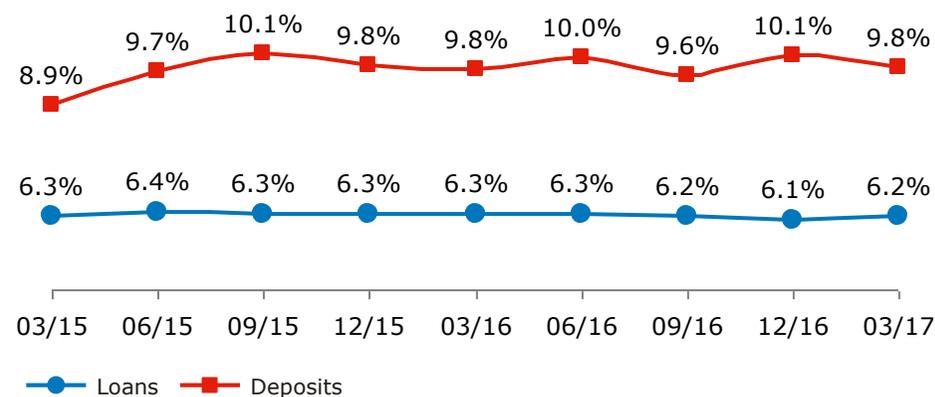
Number of Corporate Clients



Market shares in Retail Banking segment



Market shares in Corporate Banking segment

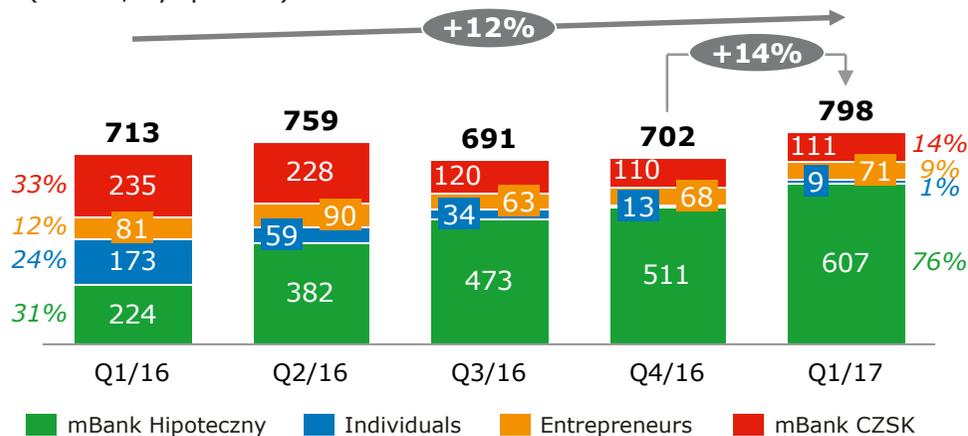


Note: Corporate clients split: K1 – annual sales over PLN 500 M and non-banking financial institutions; K2 – annual sales PLN 30 M to PLN 500 M; K3 – annual sales below 30 M.

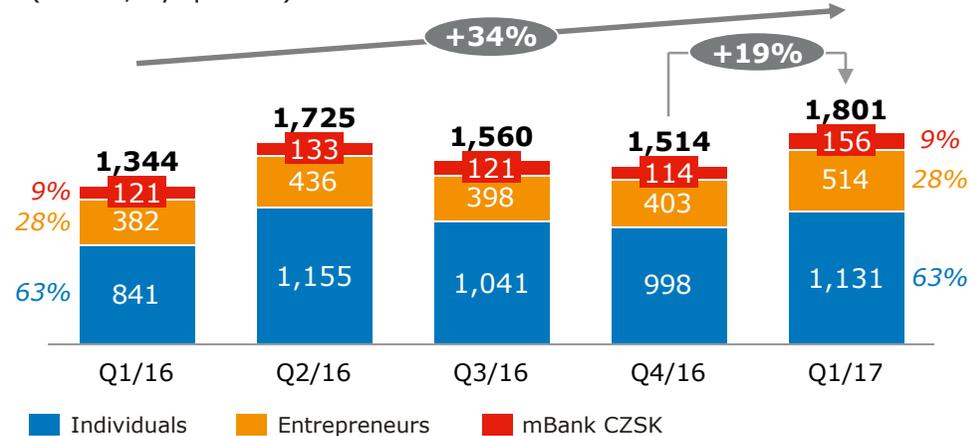
Summary of Q1/17 in mBank Group

Development of Retail and Corporate new business

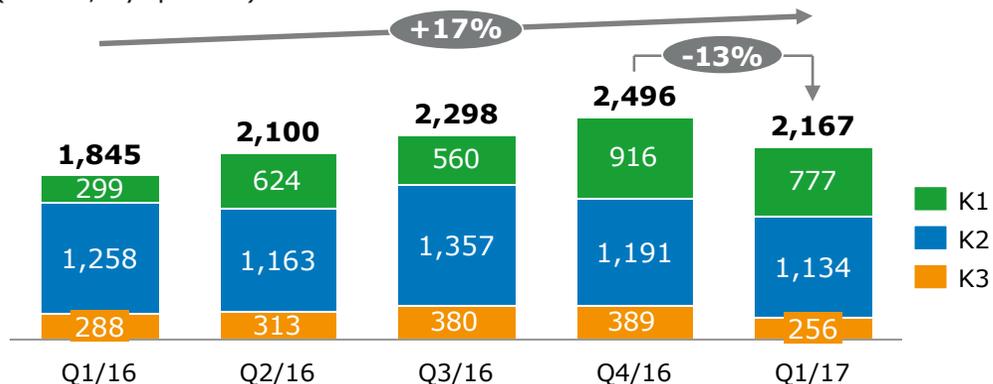
Sales of mortgage loans
(PLN M, by quarter)



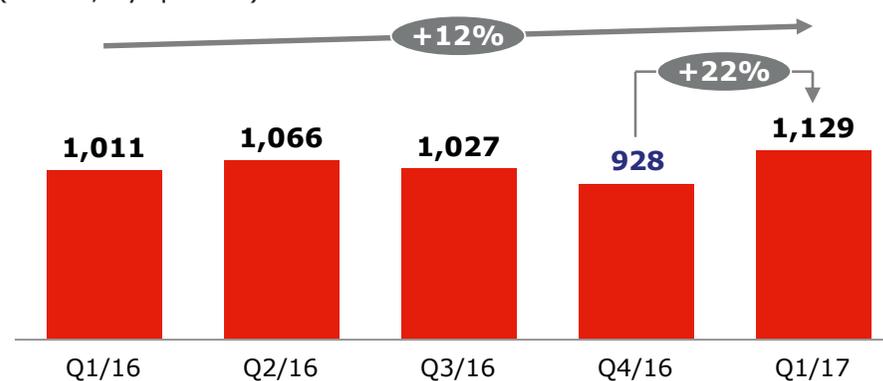
Sales of non-mortgage loans
(PLN M, by quarter)



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.

Agenda

Summary of Q1/17 in mBank Group

Key Financials

Client acquisition and Market shares

Development of retail and corporate new business



Analysis of Q1/17 Results

Development of Loans and Deposits

Development of Income and Costs

Loan Portfolio Quality

Funding Structure Details

Capital and Liquidity Ratios

Macroeconomic Update

Appendix

Additional Information: Selected Financial Data

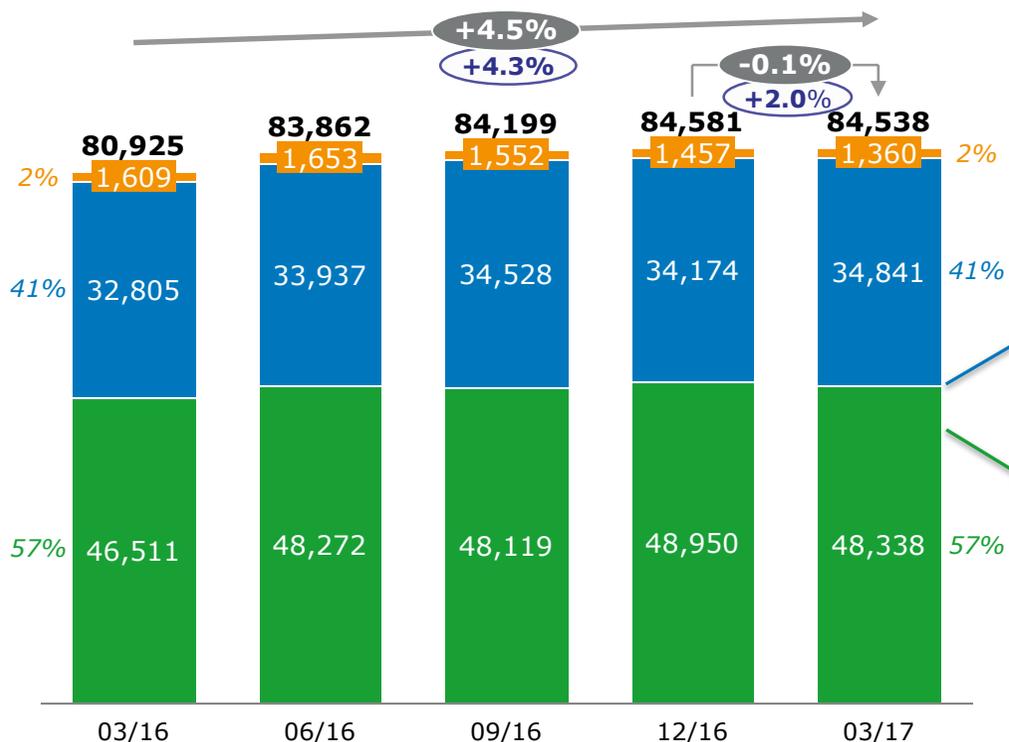
Detailed Results of Business Lines

Analysis of Q1/17 in mBank Group

Development of Loans to Customers

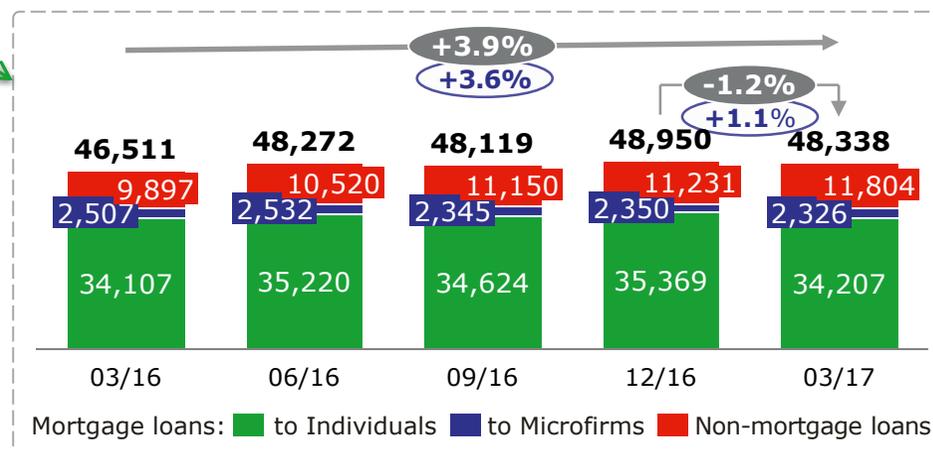
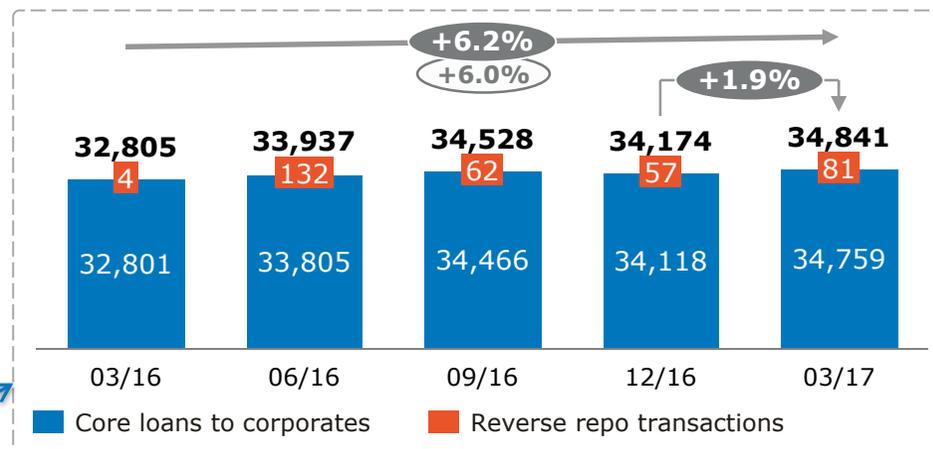
Loan growth focused on higher-margin products

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

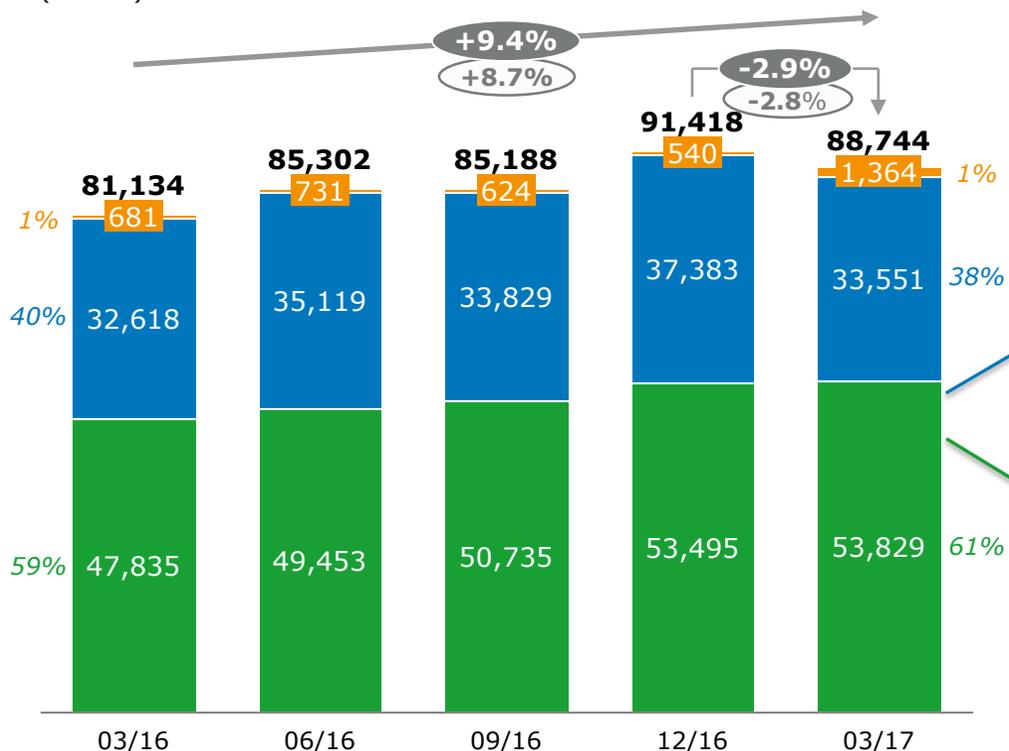


Analysis of Q1/17 in mBank Group

Development of Deposits

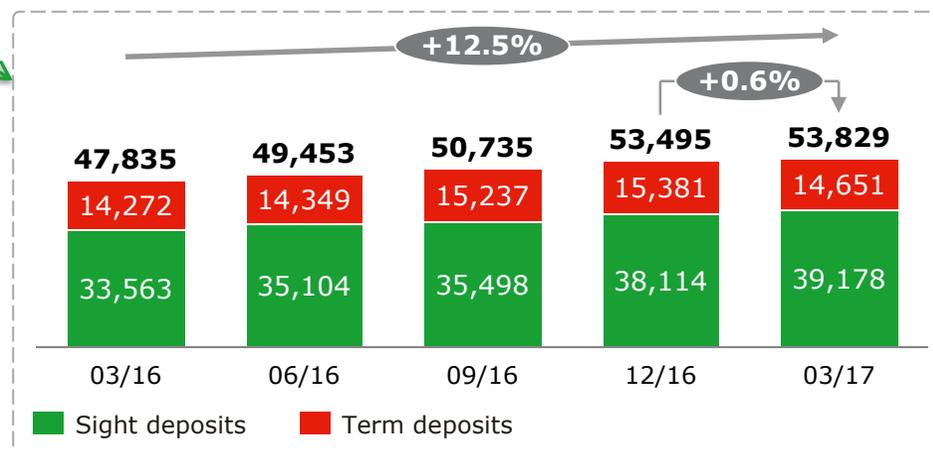
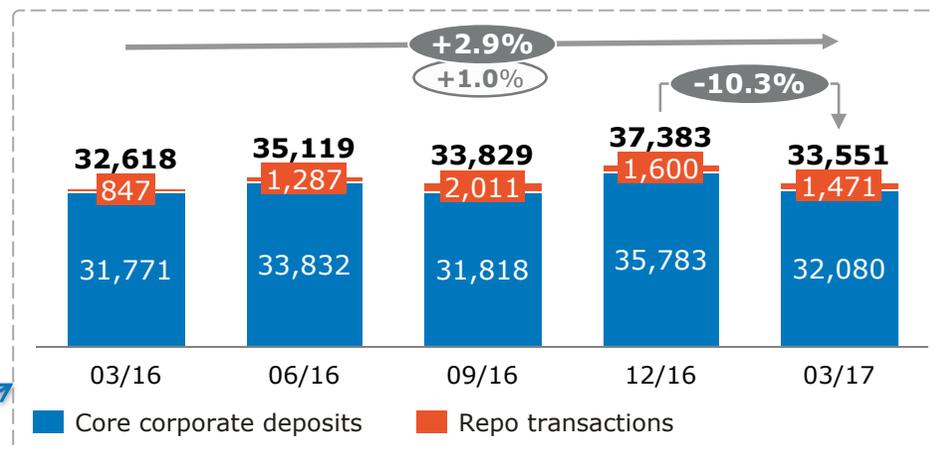
Intentional outflow of corporate term deposits, growth in current accounts

Development of Amounts due to Customers (PLN M)



- Individual clients
- Corporate clients
- Public sector

+X.X% Excluding Repo transactions

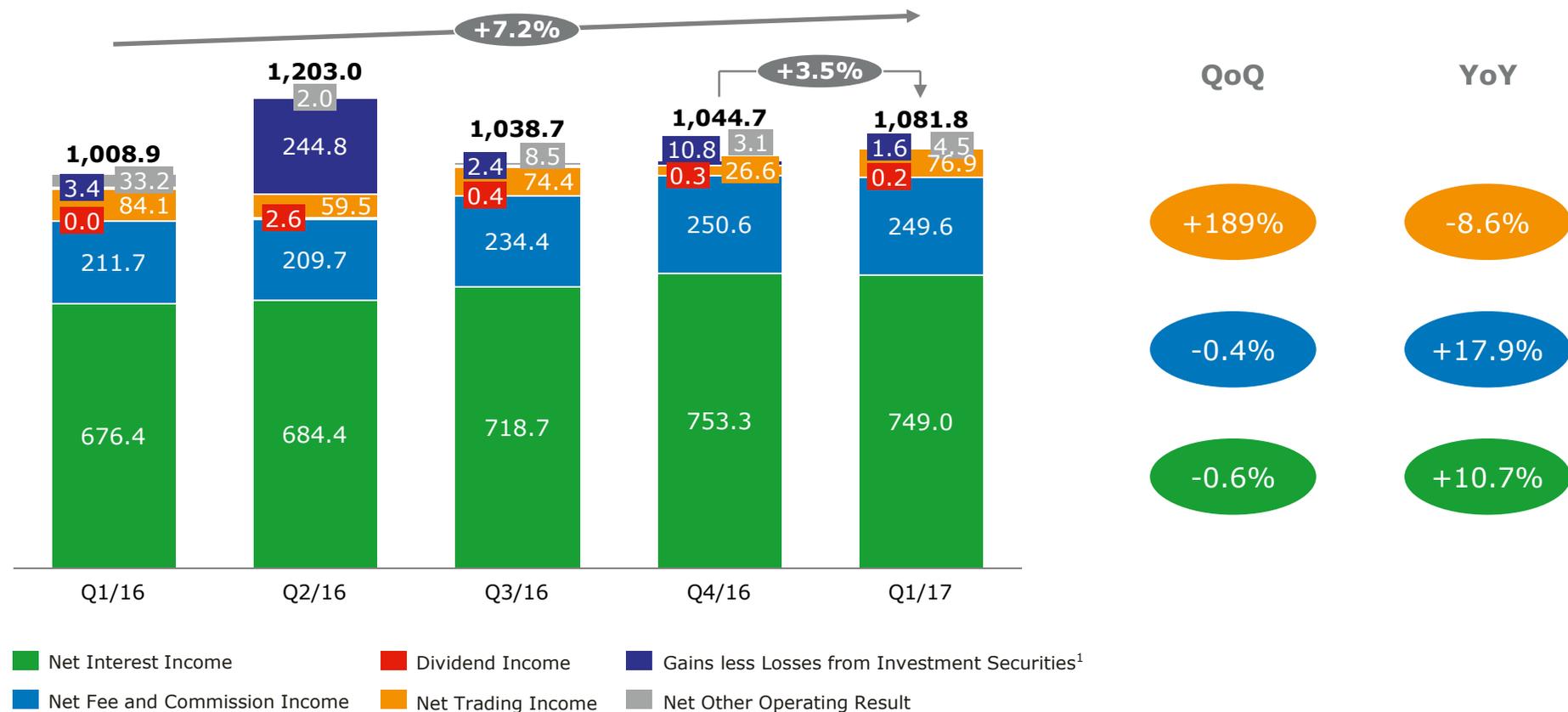


Analysis of Q1/17 in mBank Group

Income of mBank Group

High core revenues despite a seasonally weaker quarter

Development of mBank Group's Income (PLN M)



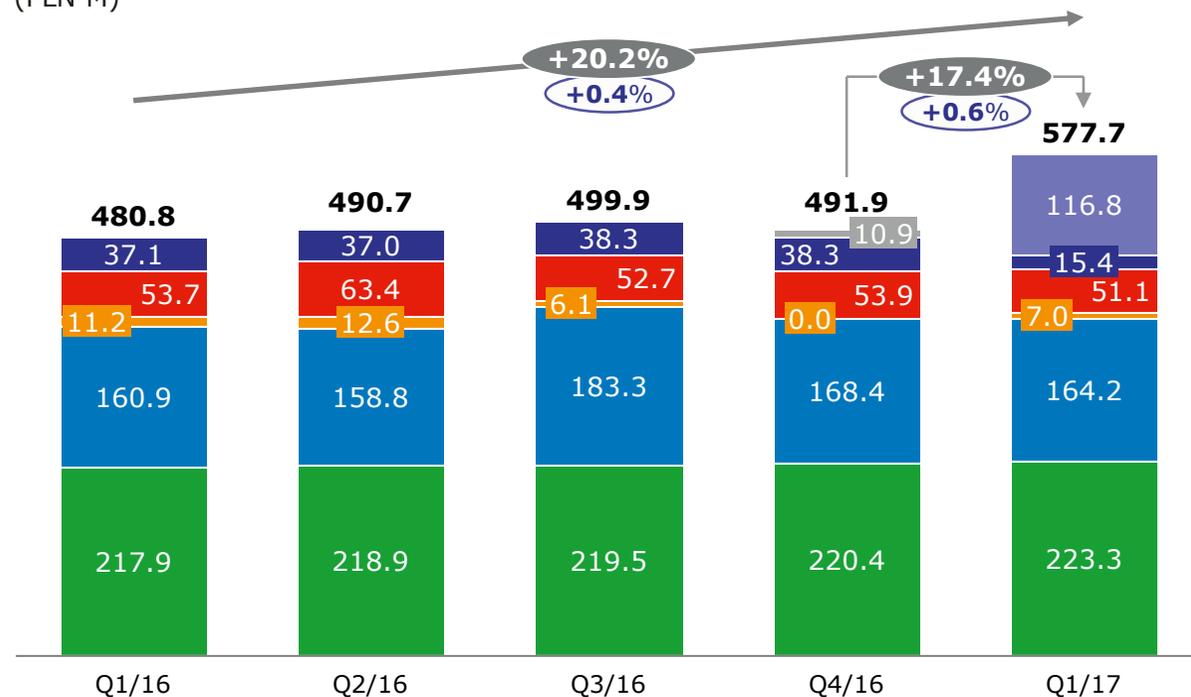
¹ Including one-off gain on the settlement of Visa transaction (PLN 251.7 M) in Q2/16;

Analysis of Q1/17 in mBank Group

Costs of mBank Group

Solid cost efficiency despite contributions to the BFG

Development of mBank Group's Costs (PLN M)



- Q4/16 costs include additional payment to the BFG related to the bankruptcy of Cooperative Bank in Nadarzyn of PLN 10.9 million.
- Q1/17 costs include annual contribution to the Resolution Fund of PLN 116.8 million.

QoQ

YoY

-5.1%

-4.9%

-2.5%

+2.0%

+1.3%

+2.5%

+X.X% Excluding contributions to the BFG and one-off regulatory costs

45.3%

Normalized C/I ratio of mBank Group for Q1/17

53.4%

C/I ratio of mBank Group (quarterly)

47.7%

40.8%

48.1%

47.1%

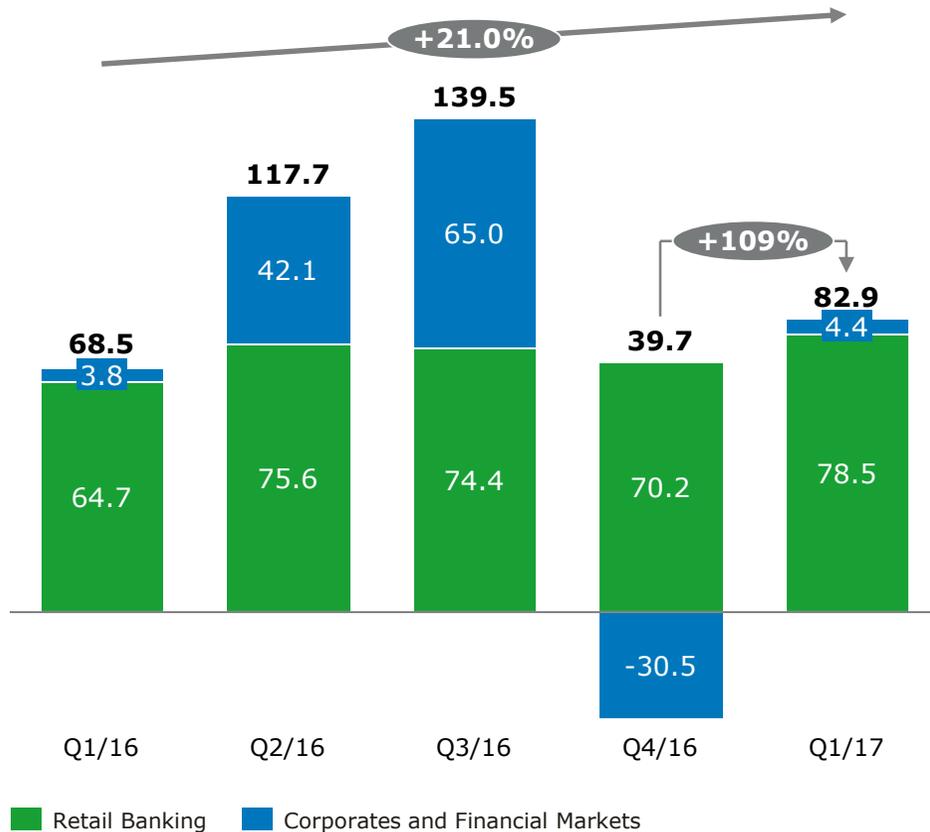
¹ Including taxes and fees, contributions to the Social Benefits Fund;

Analysis of Q1/17 in mBank Group

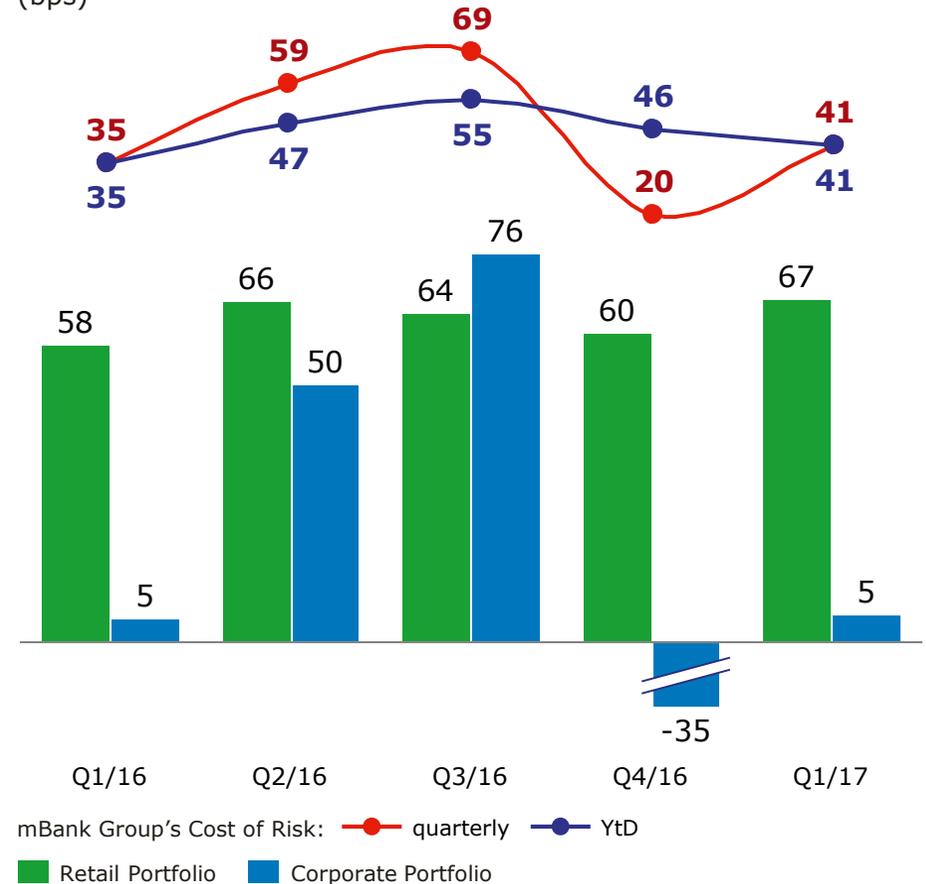
Loan Loss Provisions and Risk Costs

Cost of risk driven by low provisions in the corporate segment

Net Impairment Losses on Loans and Advances (PLN M)



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

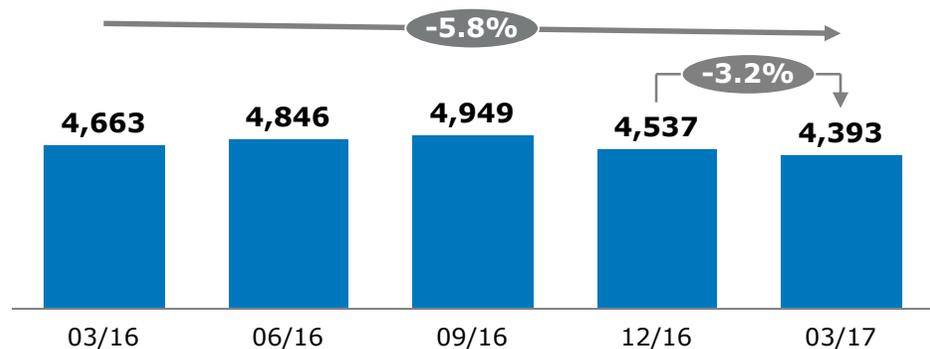


Analysis of Q1/17 in mBank Group

Loan Portfolio Quality

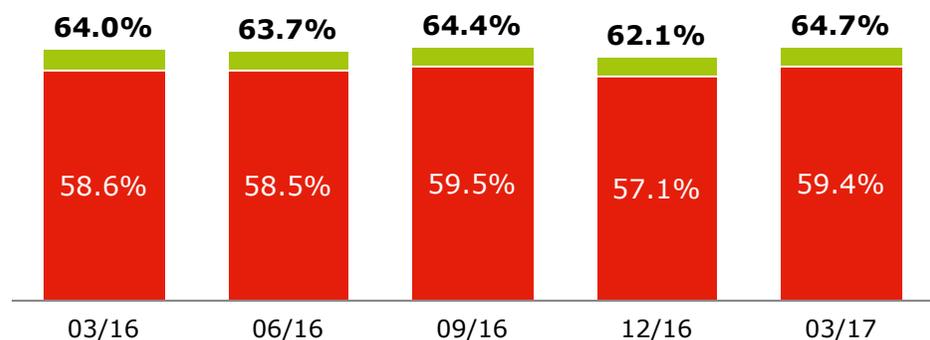
Resilient loan portfolio quality reflected in improving risk indicators

mBank Group's Impaired Loans Portfolio (PLN M)

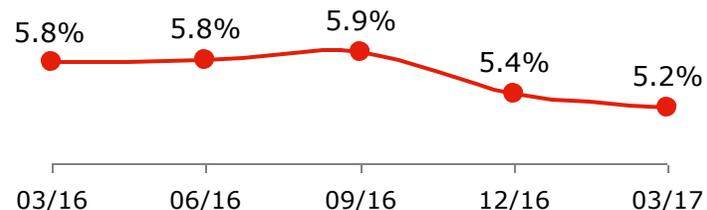


mBank Group's Coverage Ratio

incl. IBNR provisions

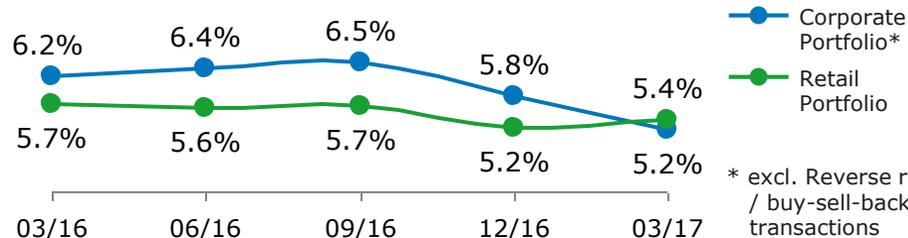


mBank Group's NPL Ratio



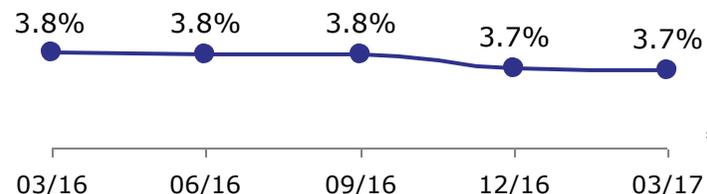
mBank Group applies a conservative client-oriented approach in its methodology of NPL recognition.

mBank Group's NPL Ratio by segment



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

NPL Ratio of Mortgage Loan Portfolio*



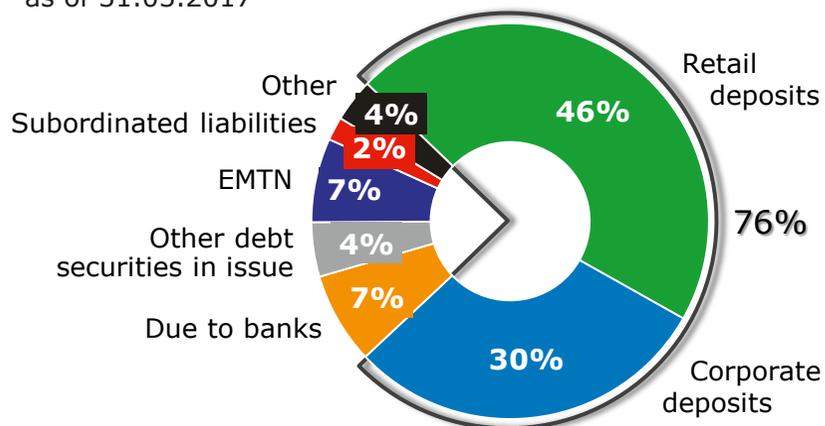
* to Private Individuals in Poland

Analysis of Q1/17 in mBank Group

Funding Structure Details

A well diversified funding profile and highly liquid balance sheet

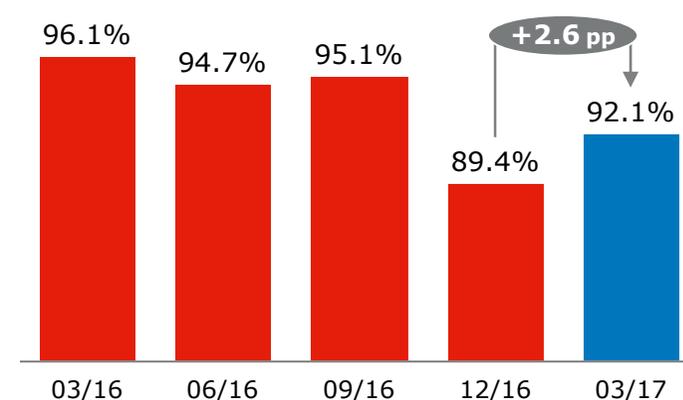
mBank Group's funding structure as of 31.03.2017



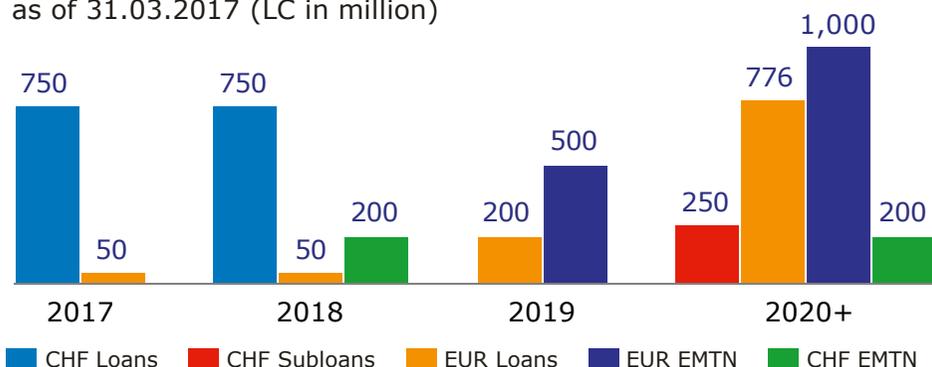
mBank's ratings

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 31.03.2017 (LC in million)



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

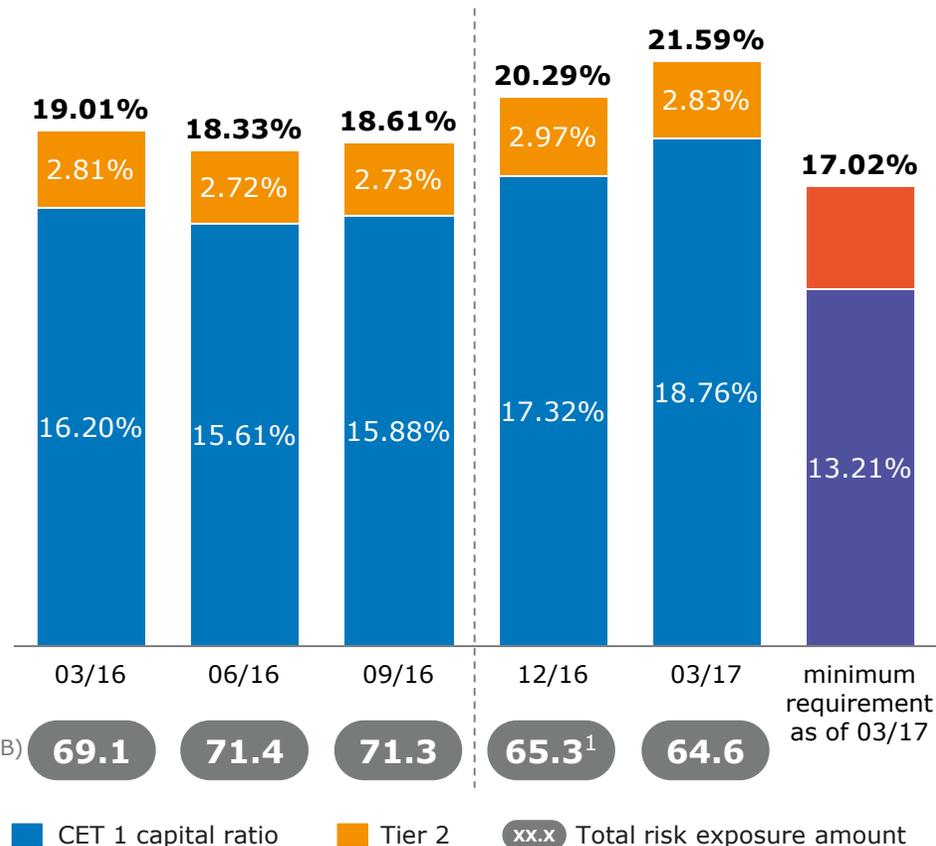
Issue size	Issue date	Maturity date	Tenor	Coupon
CHF 200 M	08-10-2013	08-10-2018	5.0 Y	2.500%
EUR 500 M	01-04-2014	01-04-2019	5.0 Y	2.375%
EUR 500 M	26-11-2014	26-11-2021	7.0 Y	2.000%
EUR 500 M	26-09-2016	26-09-2020	4.0 Y	1.398%
CHF 200 M	28-03-2017	28-03-2023	6.0 Y	1.005%

Analysis of Q1/17 in mBank Group

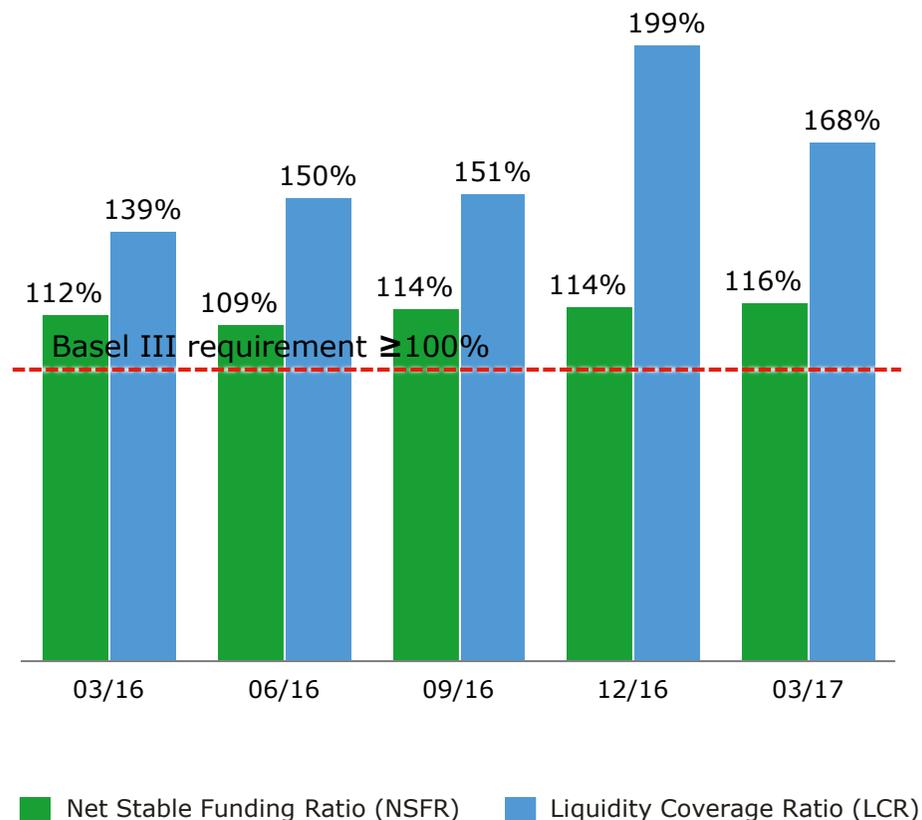
Key Regulatory Ratios

Strong capital ratios well above regulatory requirements

mBank Group's Total Capital Ratio



mBank's NSFR and LCR



¹ Due to the adjustment of the application of the regulatory floor to the requirements of article 500 CRR and the extensions of the AIRB approach;
 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.

Agenda

Summary of Q1/17 in mBank Group

Key Financials

Client acquisition and Market shares

Development of retail and corporate new business

Analysis of Q1/17 Results

Development of Loans and Deposits

Development of Income and Costs

Loan Portfolio Quality

Funding Structure Details

Capital and Liquidity Ratios



Macroeconomic Update

Appendix

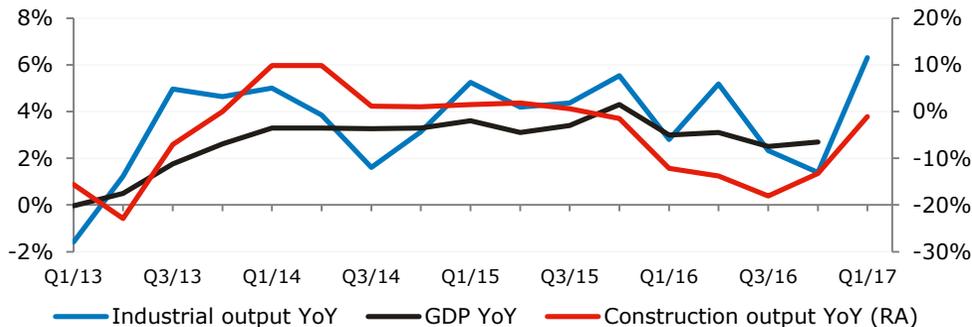
Additional Information: Selected Financial Data

Detailed Results of Business Lines

Macroeconomic Update (1/2)

The economy set to grow by 4% on average in 2017

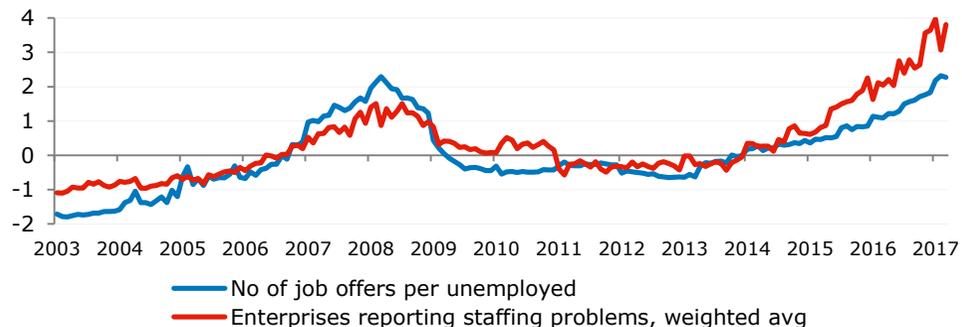
The economy rebounded strongly in Q1/17



- 2017 began on a positive note, with further acceleration in all monthly measures of economic activity. In particular, investment is rebounding faster than previously anticipated.

Source: GUS, NBP

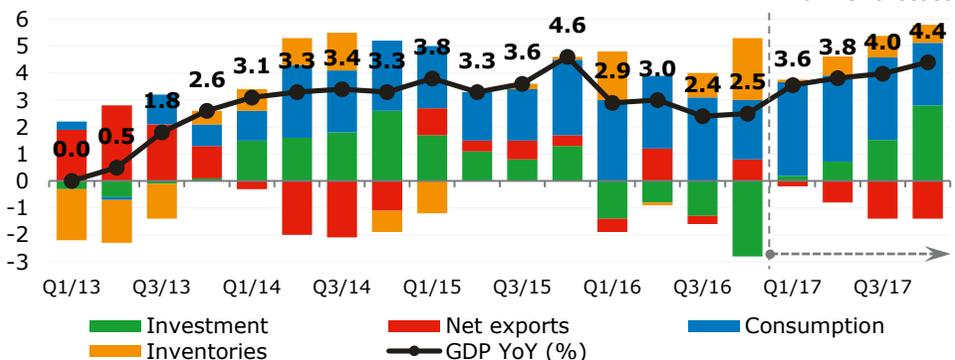
Tighter labour market across the board, supporting consumption



- The biggest economic story in Poland is probably on the labour market: tight conditions, record low unemployment, accelerating wage growth. This bodes well for consumption.

Source: GUS, NBP

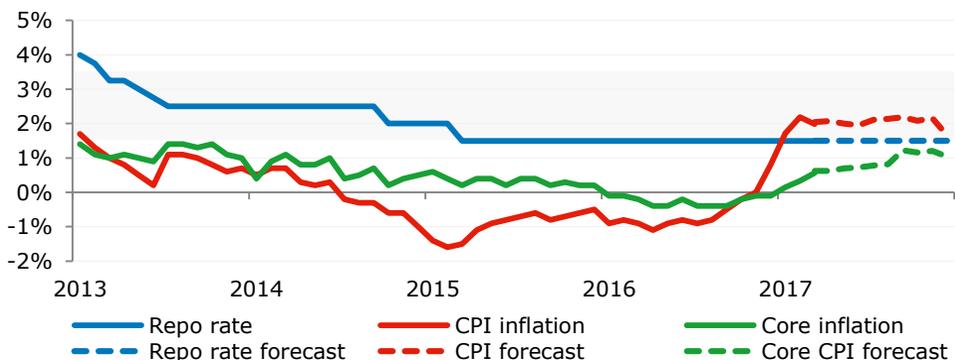
GDP forecast (% YoY)



- The bank revised its GDP forecasts upwards, Q1/17 data was one of the factors behind this. Now the growth is expected to accelerate to 4.0% on average in 2017 with strong contribution from investment.

Source: GUS, NBP

Inflation spike over, but core inflation is trending up



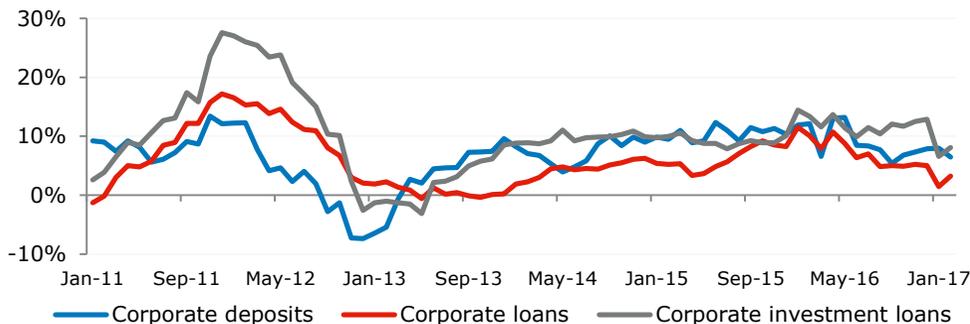
- Local peak in inflation in February. The uptrend in core inflation means, however, that inflation will continue to rise once the effects of oil spike fade away.

Source: GUS

Macroeconomic Update (2/2)

Loan-to-deposit ratio heading below 100% as credit growth remains tepid

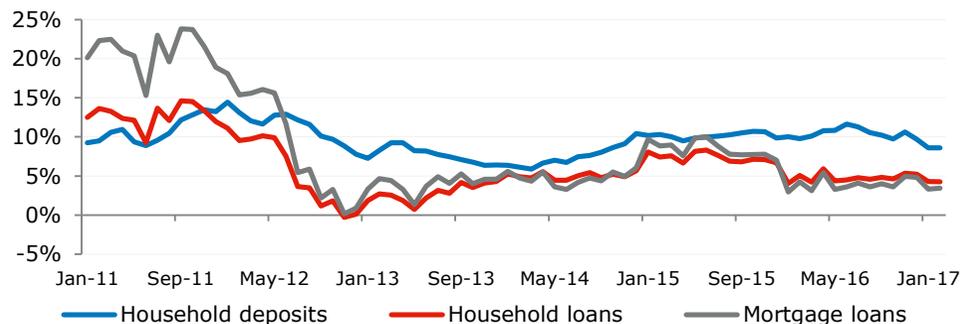
Corporate loans and deposits (% YoY)



- Corporate lending began to rebound at the beginning of 2017 – a likely sign of stronger investment activity. Deposit growth remains moderate.

Source: NBP

Household loans and deposits (% YoY)



- Household deposits decelerate as consumption accelerates. Lending is still sluggish and mortgage production remains in line with historical average.

Source: NBP

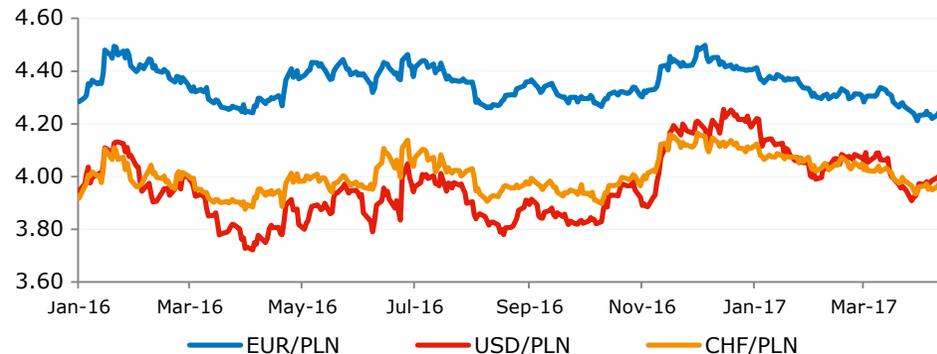
Risk premium in Polish bonds declined markedly



- The risk premium in Polish assets has declined recently. Strong growth, better fiscal figures and favourable climate for emerging markets all contributed to lower yields and spreads.

Source: Bloomberg

PLN appreciation likely done



- PLN strengthened in lockstep with bonds and equities. Current levels are probably in equilibrium and the case for significant change in either direction is weak at the moment.

Source: Bloomberg

2017 in forecasts and the impact on mBank Group

Macroeconomic environment and challenges for the banking sector

Key economic indicators

	2015	2016	2017F
GDP growth (YoY)	3.8%	2.7%	4.0%
Domestic demand (YoY)	3.4%	2.8%	4.5%
Private consumption (YoY)	3.2%	3.6%	4.2%
Investment (YoY)	6.6%	-5.5%	5.9%
Inflation (eop)	-0.5%	0.8%	1.8%
MPC rate (eop)	1.50	1.50	1.50
CHF/PLN (eop)	3.92	4.11	3.89
EUR/PLN (eop)	4.26	4.40	4.20

Banking sector – monetary aggregates YoY

	2015	2016	2017F
Corporate loans	8.2%	5.0%	9.3%
Mortgage loans	7.0%	4.8%	0.4%
Non-mortgage loans	6.2%	5.9%	7.3%
Corporate deposits	10.3%	7.9%	9.7%
Retail deposits	9.8%	9.7%	4.2%

Source: mBank's estimates as of 03.04.2017.

Outlook for mBank

Net interest income & NIM (Slightly positive) 

- Continued gradual increase of margin driven by changing structure of loan portfolio
- More limited room for reduction of funding costs

Net Fee & Commission income (Slightly positive) 

- Constantly rising client transactionality and strong acquisition in both retail and corporate segment
- Selective adjustment of fees for some services

Total costs (Slightly negative) 

- Business-driven costs to remain well-contained
- Risk of higher contribution to the BFG under new deposit guarantee scheme
- Rising amortisation due to ongoing investments in IT

Loan Loss Provisions (Neutral) 

- Resilient asset quality supported by good macroeconomic situation and low unemployment
- Small downside risk due to changing loan book mix

Agenda

Summary of Q1/17 in mBank Group

Key Financials

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Development of retail and corporate new business

Analysis of Q1/17 Results

Development of Loans and Deposits

Development of Income and Costs

Loan Portfolio Quality

Funding Structure Details

Capital and Liquidity Ratios

Macroeconomic Update



Appendix

Additional Information: Selected Financial Data

Detailed Results of Business Lines

Appendix

Additional Information: Selected Financial Data	Page No.
Consolidated Profit and Loss Account	23
Consolidated Statement of Financial Position	24
mBank Group's Ratios	25
mBank Group's Historical Performance	26-28
Net Interest Income & Margin	29
Fee and Commission Income	30
Trading and Other Income	31
Balance Sheet Analysis: Assets & Liabilities	32
Balance Sheet Analysis: Currency structure	33
Balance Sheet Analysis: Structure of loans and deposits	34
Balance Sheet Analysis: Loan portfolio structure	35
Balance Sheet analysis: Development of Capital Ratios	36

Detailed Results of the Business Lines	Page No.
Retail Banking	37-42
Summary of Q1/17: Financial Results and Volumes	38-39
Loan Portfolio Structure in Poland	40
mBank in the Czech Republic and Slovakia	41-42
Corporates and Financial Markets	43-46
Summary of Q1/17: Financial Results and Volumes	44-45
Financial Markets Activity: Market Shares	46
mBank Group's Subsidiaries	47-52
Results of Consolidated Companies	48
mBank Hipoteczny (mBH) and Covered Bonds Issuance	49-50
Leasing and Factoring	51
mBank Dom Maklerski (mDM)	52
mBank's share price performance	53
Contact Details	54

Appendix

Additional Information: Selected Financial Data Consolidated Profit and Loss Account

Summary
Historical view
Profit & Loss
Balance Sheet
Business Lines
Subsidiaries

Quarterly results (PLN thou.)	Q1/16	Q2/16	Q3/16	Q4/16	Q1/17
Net interest income	676,418	684,443	718,712	753,270	749,007
Net fee and commission income	211,745	209,703	234,363	250,634	249,554
Dividend income	0	2,586	442	299	154
Net trading income	84,087	59,513	74,402	26,629	76,897
<i>incl. FX result</i>	<i>71,817</i>	<i>66,065</i>	<i>82,162</i>	<i>50,407</i>	<i>76,407</i>
Gains less losses from investment securities	3,427	244,755	2,350	10,749	1,636
Net other operating income ¹	33,226	1,992	8,478	3,131	4,530
Total income	1,008,903	1,202,992	1,038,747	1,044,712	1,081,778
Total operating costs	(480,772)	(490,699)	(499,887)	(491,926)	(577,691)
<i>Overhead costs</i>	<i>(427,045)</i>	<i>(427,329)</i>	<i>(447,196)</i>	<i>(438,073)</i>	<i>(526,609)</i>
<i>Amortisation</i>	<i>(53,727)</i>	<i>(63,370)</i>	<i>(52,691)</i>	<i>(53,853)</i>	<i>(51,082)</i>
Loan loss provisions	(68,520)	(117,743)	(139,452)	(39,679)	(82,921)
Operating profit	459,611	594,550	399,408	513,107	421,166
Taxes on the Group balance sheet items	(57,302)	(89,011)	(89,824)	(92,802)	(91,305)
Profit before income tax	402,309	505,539	309,584	420,305	329,861
Net profit attributable to owners of mBank	307,782	388,504	230,479	292,517	218,778

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

Appendix

Additional Information: Selected Financial Data Consolidated Statement of Financial Position

Summary
Historical view
Profit & Loss
Balance Sheet
Business Lines
Subsidiaries

Assets (PLN thou.)	Q1/16	Q2/16	Q3/16	Q4/16	Q1/17
Cash and balances with Central Bank	4 042 760	6 433 221	5 859 485	9 164 281	7 139 929
Loans and advances to banks	1 120 253	1 680 830	2 920 734	3 082 855	1 976 859
Trading securities	2 849 810	3 233 150	4 177 242	3 800 634	3 538 122
Derivative financial instruments	2 799 170	2 411 457	2 087 395	1 808 847	1 680 769
Loans and advances to customers	77 940 778	80 774 809	81 009 630	81 763 277	81 697 942
Investment securities	31 618 471	31 644 303	31 257 850	31 393 352	31 689 903
Intangible assets	512 481	503 561	501 917	582 663	577 955
Tangible fixed assets	722 279	722 792	710 268	757 371	737 261
Other assets	1 662 378	1 329 362	1 256 202	1 390 222	1 449 641
Total assets	123 268 380	128 733 485	129 780 723	133 743 502	130 488 381
Liabilities (PLN thou.)	Q1/16	Q2/16	Q3/16	Q4/16	Q1/17
Amounts due to other banks	10 972 446	12 058 198	11 562 896	8 486 753	8 767 287
Derivative financial instruments	2 355 838	2 157 160	1 766 557	1 599 266	1 557 117
Amounts due to customers	81 133 851	85 302 300	85 188 225	91 417 962	88 744 037
Debt securities in issue	9 697 975	10 115 495	12 192 188	12 660 389	13 260 781
Subordinated liabilities	3 801 673	3 910 457	3 851 380	3 943 349	2 250 473
Other liabilities	2 679 200	2 392 876	2 248 936	2 584 622	2 570 402
Total liabilities	110 640 983	115 936 486	116 810 182	120 692 341	117 150 097
Total equity	12 627 397	12 796 999	12 970 541	13 051 161	13 338 284
Total liabilities and equity	123 268 380	128 733 485	129 780 723	133 743 502	130 488 381

Appendix

Additional Information: Selected Financial Data mBank Group's Ratios

Summary
Historical view
Profit & Loss
Balance Sheet
Business Lines
Subsidiaries

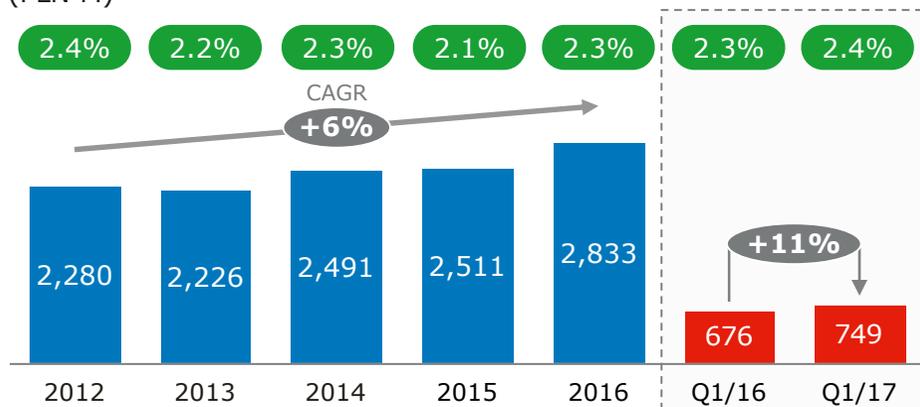
Financial Ratios	Q1/16	Q2/16	Q3/16	Q4/16	Q1/17
Net Interest Margin (<i>quarterly</i>)	2.29%	2.25%	2.31%	2.35%	2.42%
Net Interest Margin YtD	2.29%	2.27%	2.28%	2.30%	2.42%
Net Interest Margin YtD (excl. CHF portfolio)	2.66%	2.63%	2.64%	2.65%	2.77%
Cost to Income Ratio (<i>quarterly</i>)	47.7%	40.8%	48.1%	47.1%	53.4%
Cost to Income Ratio YtD	47.7%	43.9%	45.3%	45.7%	53.4%
Cost of Risk (<i>quarterly</i>)	0.35%	0.59%	0.69%	0.20%	0.41%
Cost of Risk YtD	0.35%	0.47%	0.55%	0.46%	0.41%
ROE net (<i>quarterly</i>)	10.08%	12.85%	7.61%	9.81%	6.81%
ROE net YtD	10.08%	11.46%	10.18%	10.09%	6.81%
ROA net (<i>quarterly</i>)	0.99%	1.23%	0.71%	0.88%	0.68%
ROA net YtD	0.99%	1.11%	0.98%	0.95%	0.68%
Loan-to-Deposit Ratio	96.1%	94.7%	95.1%	89.4%	92.1%
Total Capital Ratio	19.01%	18.33%	18.61%	20.29%	21.59%
Common Equity Tier 1 Ratio	16.20%	15.61%	15.88%	17.32%	18.76%
Equity / Assets	10.2%	9.9%	10.0%	9.8%	10.2%
TREA / Assets	56.1%	55.4%	54.9%	48.8%	49.5%
NPL ratio	5.8%	5.8%	5.9%	5.4%	5.2%
NPL coverage ratio	58.6%	58.5%	59.5%	57.1%	59.4%
NPL coverage ratio incl. general provisions	64.0%	63.7%	64.4%	62.1%	64.7%

Appendix

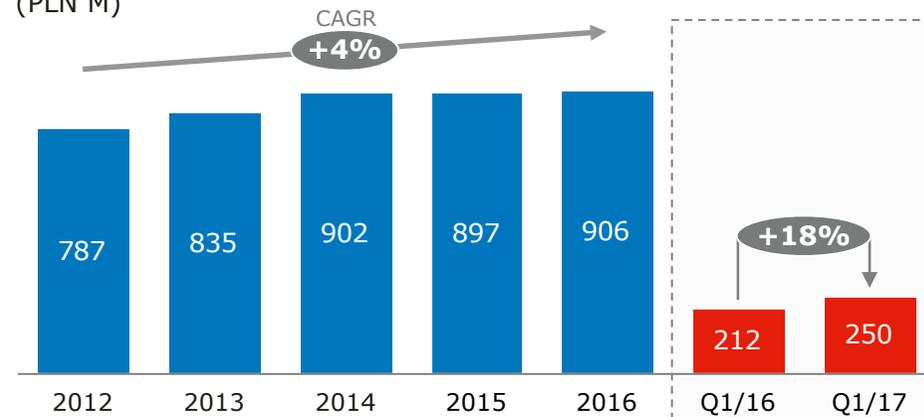
mBank Group's historical performance (1/3)

Summary
Historical view
Profit & Loss
Balance Sheet
Business Lines
Subsidiaries

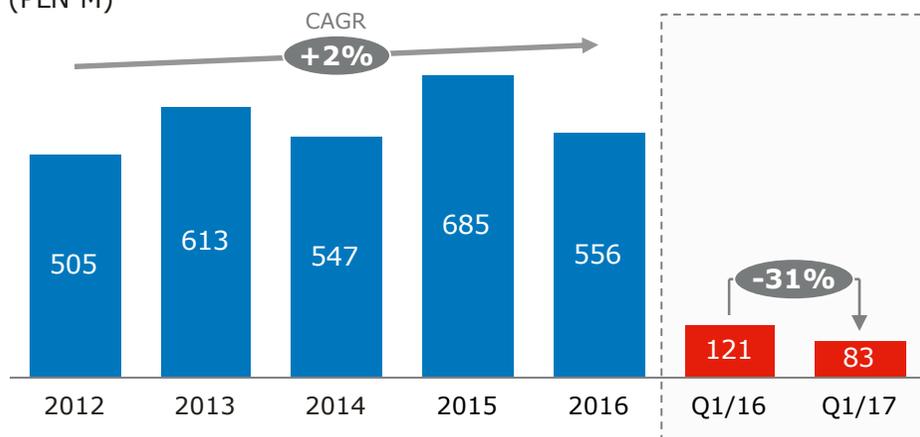
Net Interest Income & NIM
(PLN M)



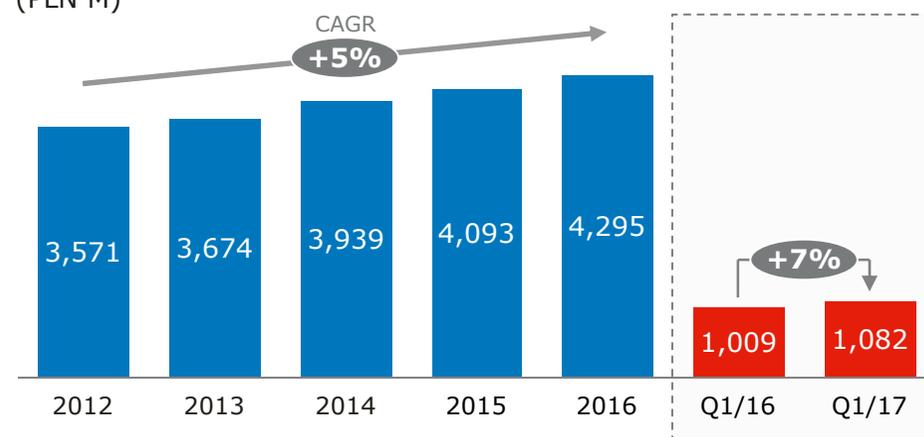
Net Fee and Commission Income
(PLN M)



Trading and Other Income
(PLN M)



Total Income
(PLN M)

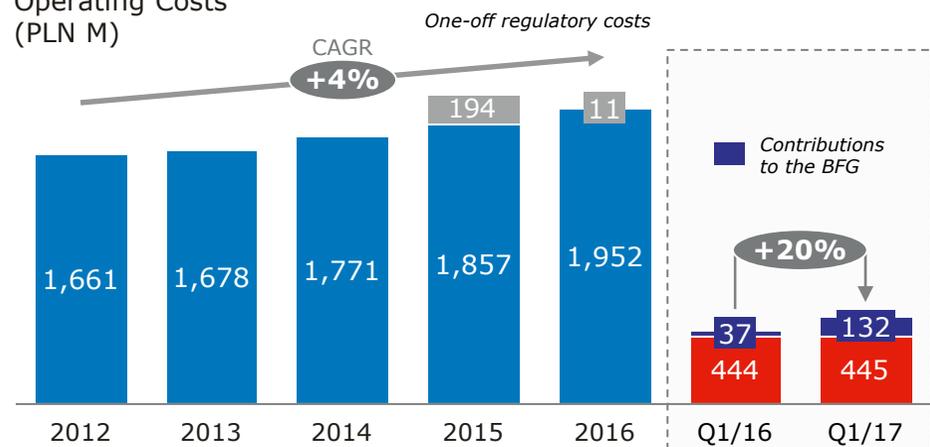


Appendix

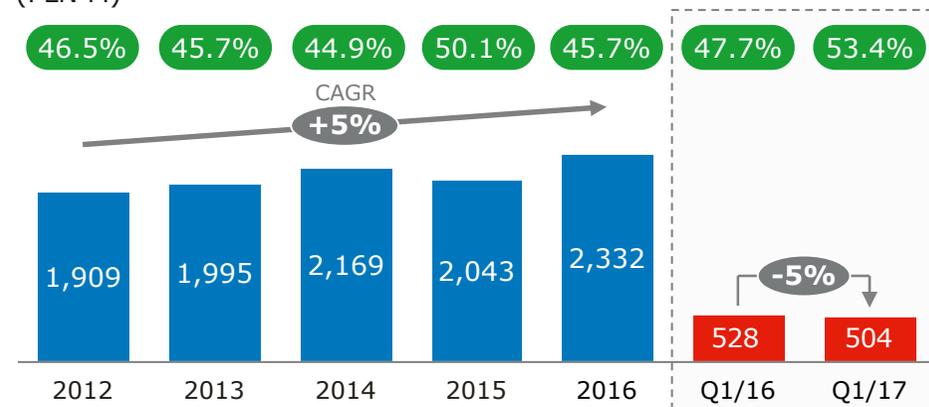
mBank Group's historical performance (2/3)

Summary
Historical view
Profit & Loss
Balance Sheet
Business Lines
Subsidiaries

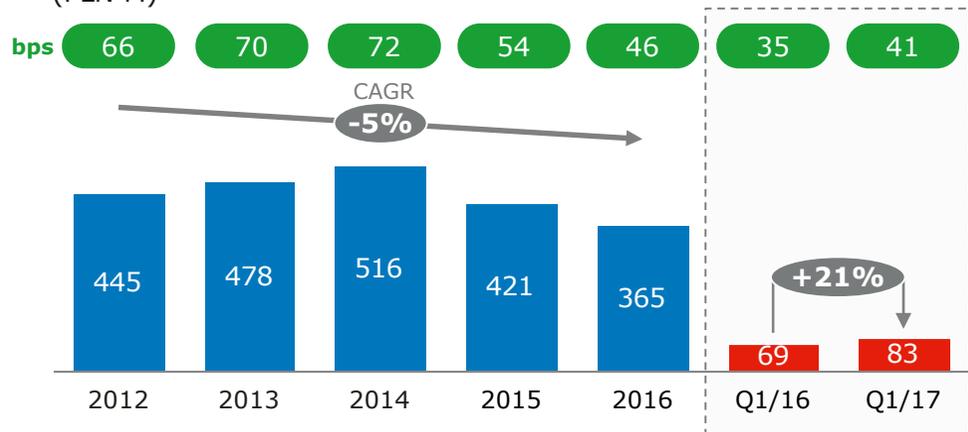
Operating Costs
(PLN M)



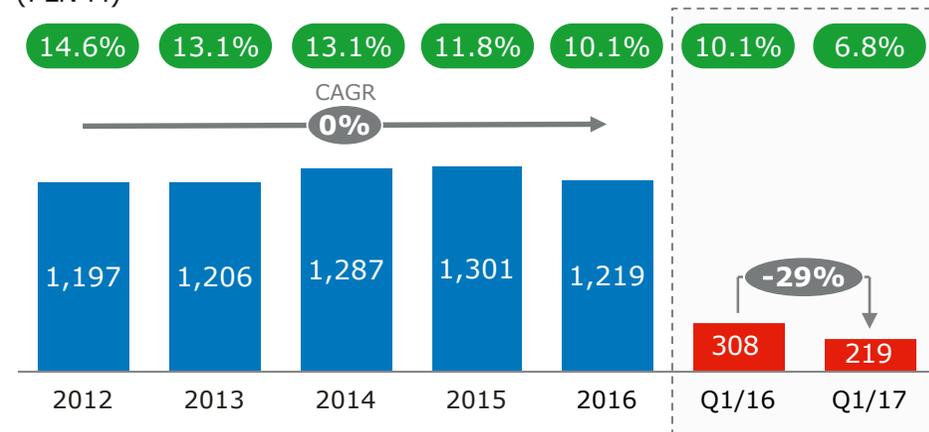
Pre-provision Income & C/I ratio
(PLN M)



Loan Loss Provisions & Cost of Risk
(PLN M)



Net Profit & Return on Equity
(PLN M)

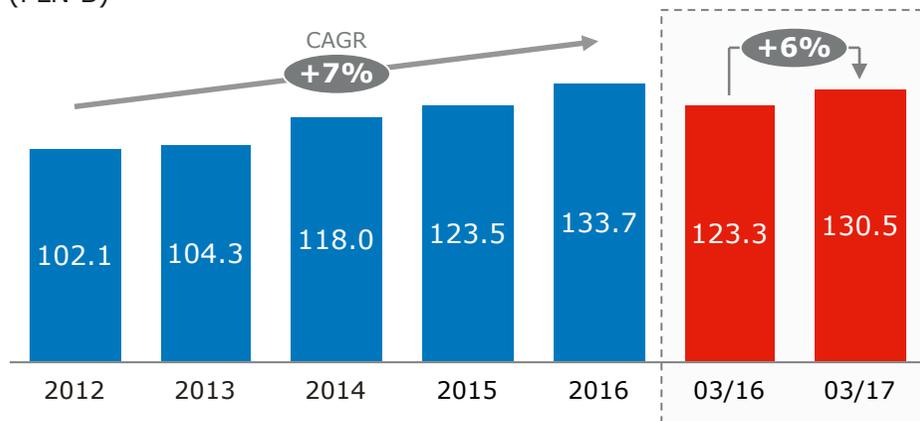


Appendix

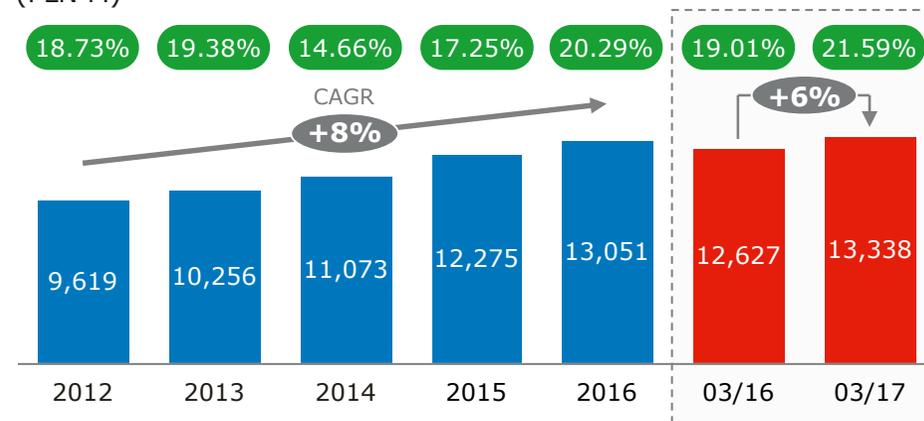
mBank Group's historical performance (3/3)

Summary
Historical view
Profit & Loss
Balance Sheet
Business Lines
Subsidiaries

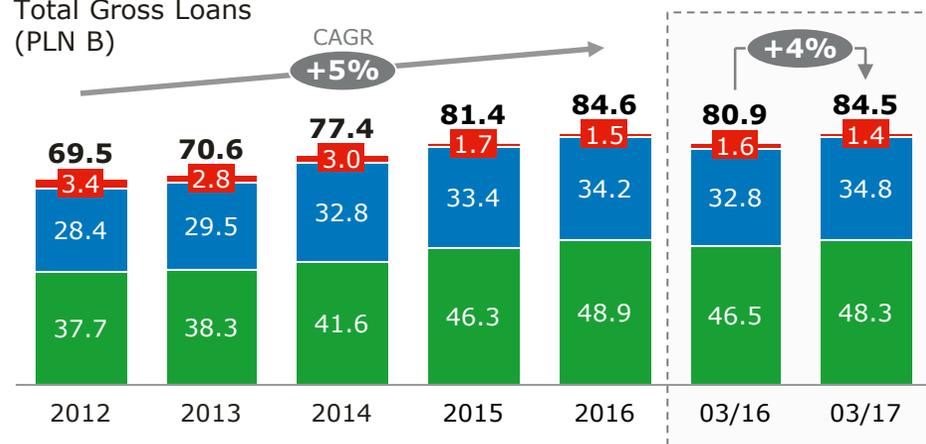
Total Assets
(PLN B)



Equity & Total Capital Ratio
(PLN M)

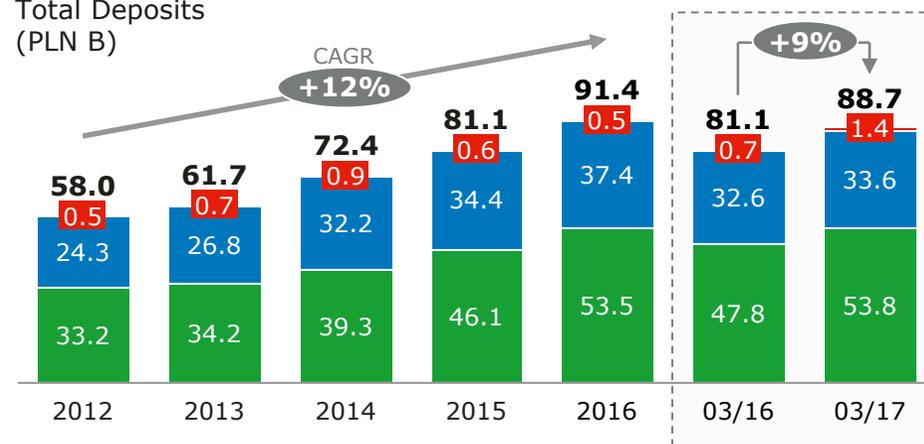


Total Gross Loans
(PLN B)



Individual clients Corporate clients Public sector and other

Total Deposits
(PLN B)



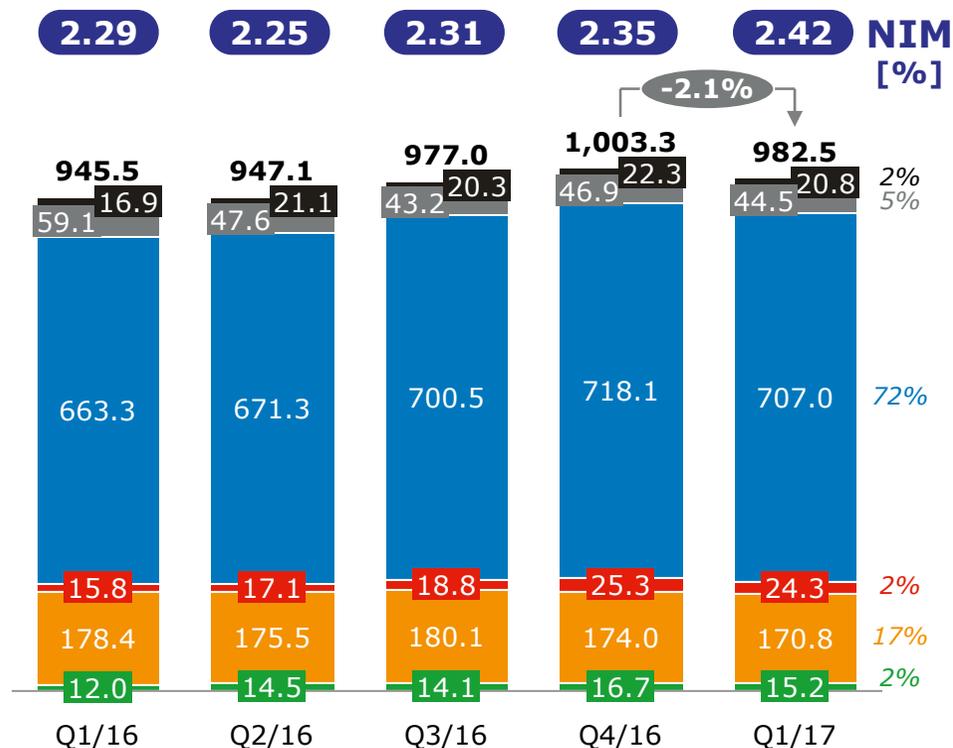
Individual clients Corporate clients Public sector

Appendix

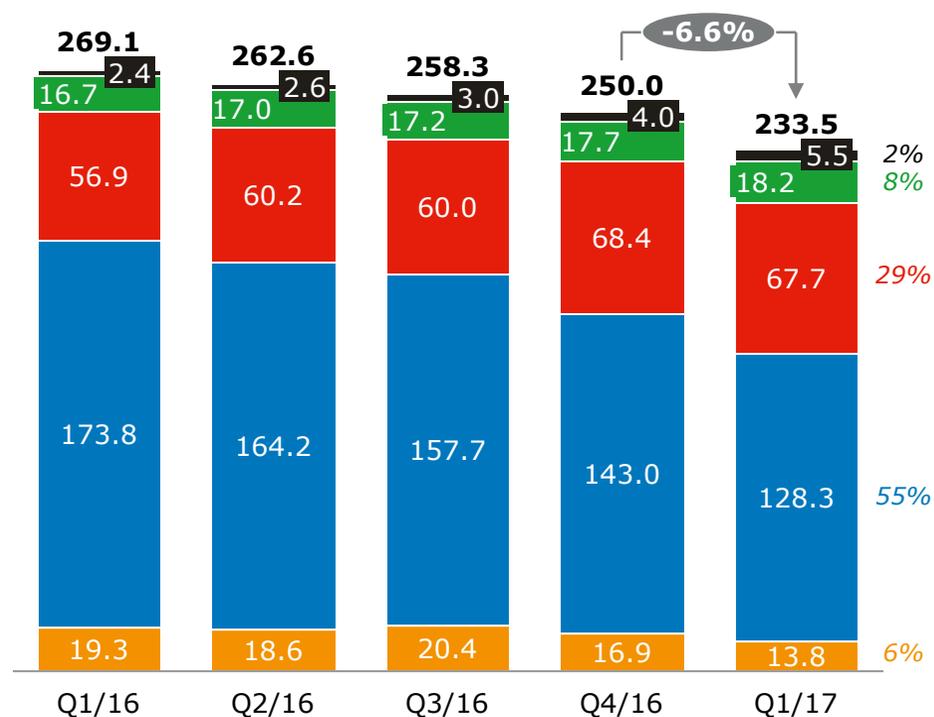
Additional Information: Selected Financial Data Net Interest Income & Margin

Summary
Historical view
Profit & Loss
Balance Sheet
Business Lines
Subsidiaries

Interest Income Structure
(PLN M)



Interest Expense Structure
(PLN M)



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

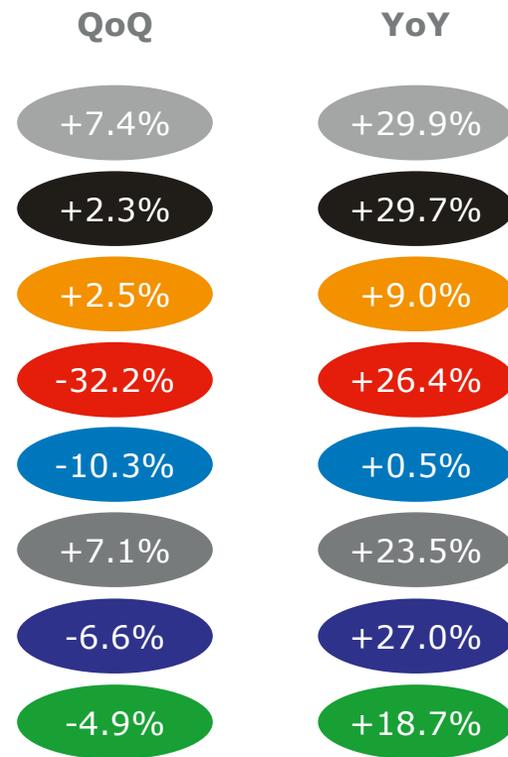
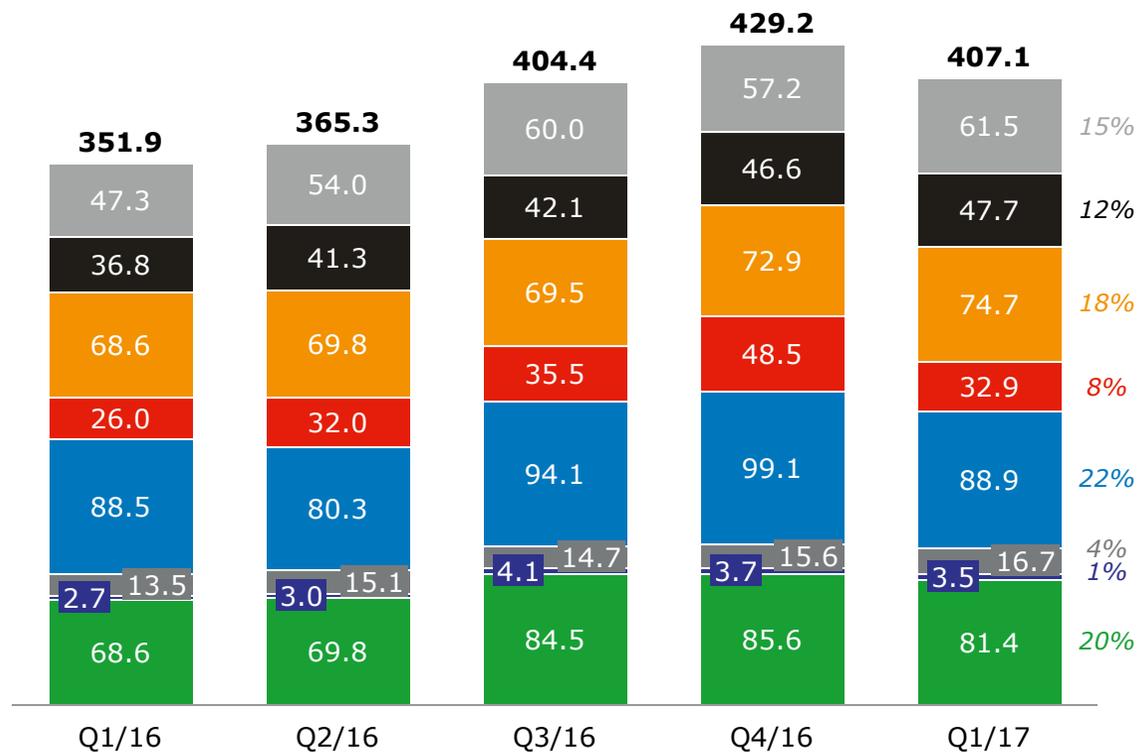
- Amounts due to banks
- Subordinated liabilities
- Amounts due to customers
- Other
- Issue of debt securities

Appendix

Additional Information: Selected Financial Data Fee and Commission Income

Summary
Historical view
Profit & Loss
Balance Sheet
Business Lines
Subsidiaries

Fee and Commission Income Structure
(PLN M)



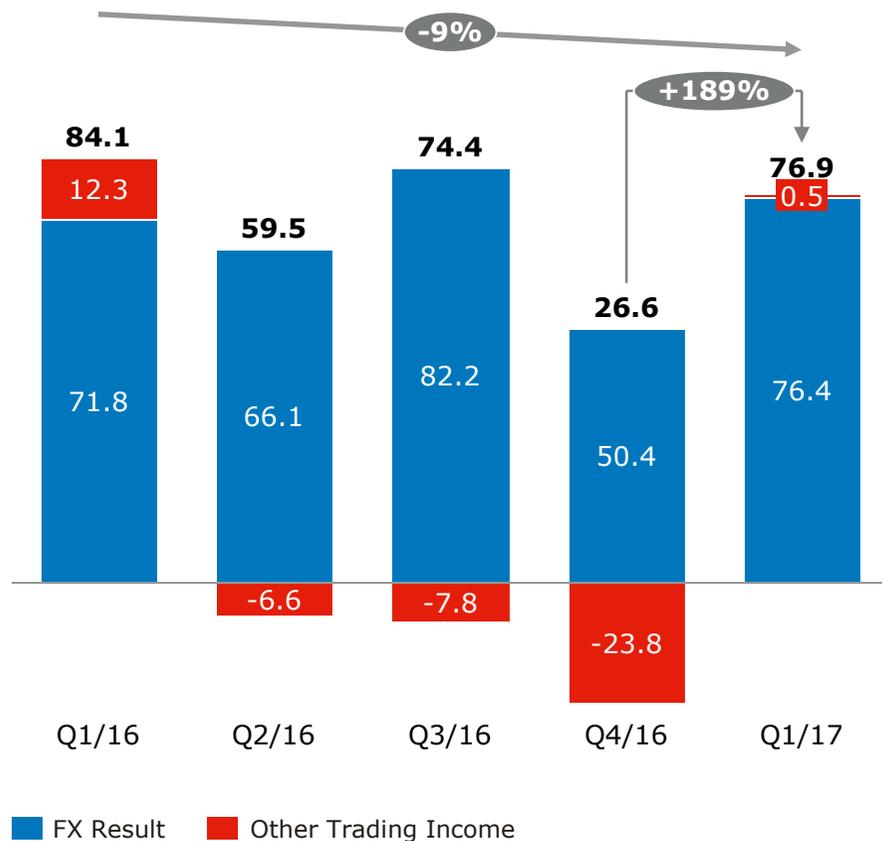
- Credit related fees
- Payment card fees
- Insurance activity
- Portfolio management
- Brokerage activity & securities issue
- Other (incl. custody)
- Guarantees and trade finance
- Accounts & money transfers

Appendix

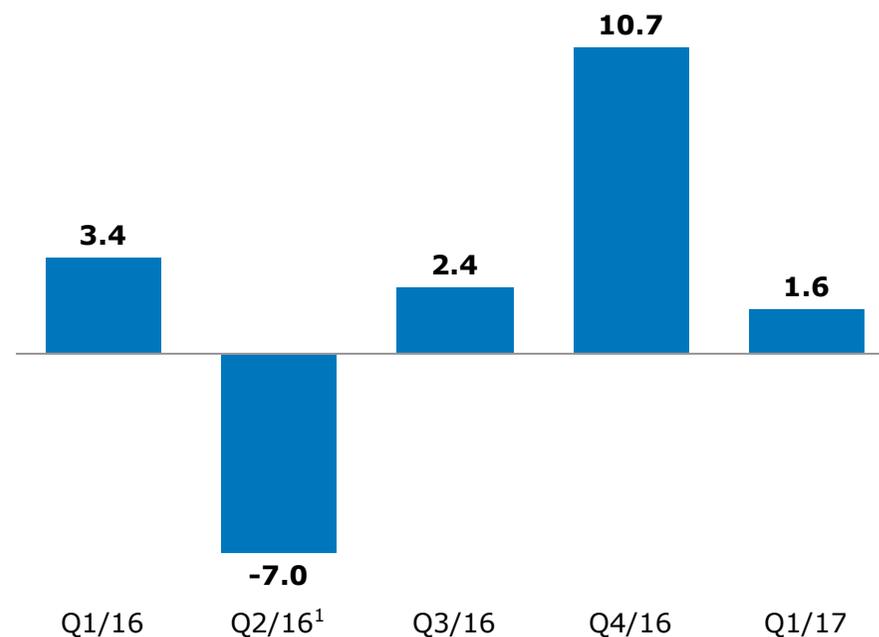
Additional Information: Selected Financial Data Trading and Other Income

Summary
Historical view
Profit & Loss
Balance Sheet
Business Lines
Subsidiaries

Net Trading Income Structure
(PLN M)



Gains less Losses from Investment Securities
(PLN M)



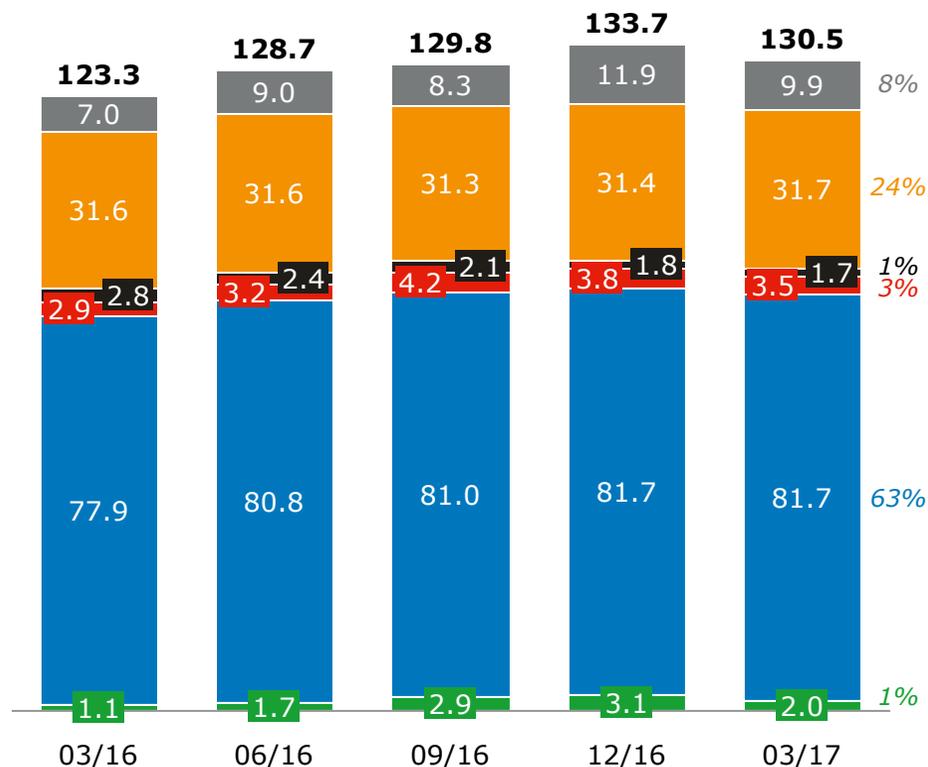
¹ Excluding gain on the settlement of Visa transaction (PLN 251.7 M);

Appendix

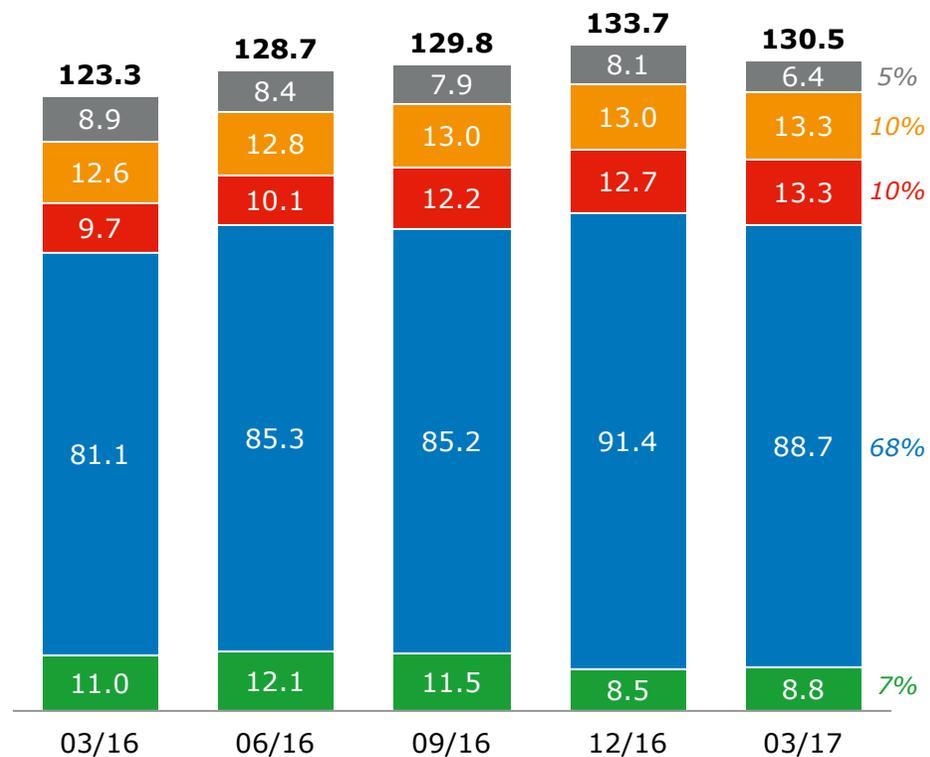
Additional Information: Selected Financial Data Balance Sheet Analysis: Assets & Liabilities

Summary
Historical view
Profit & Loss
Balance Sheet
Business Lines
Subsidiaries

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

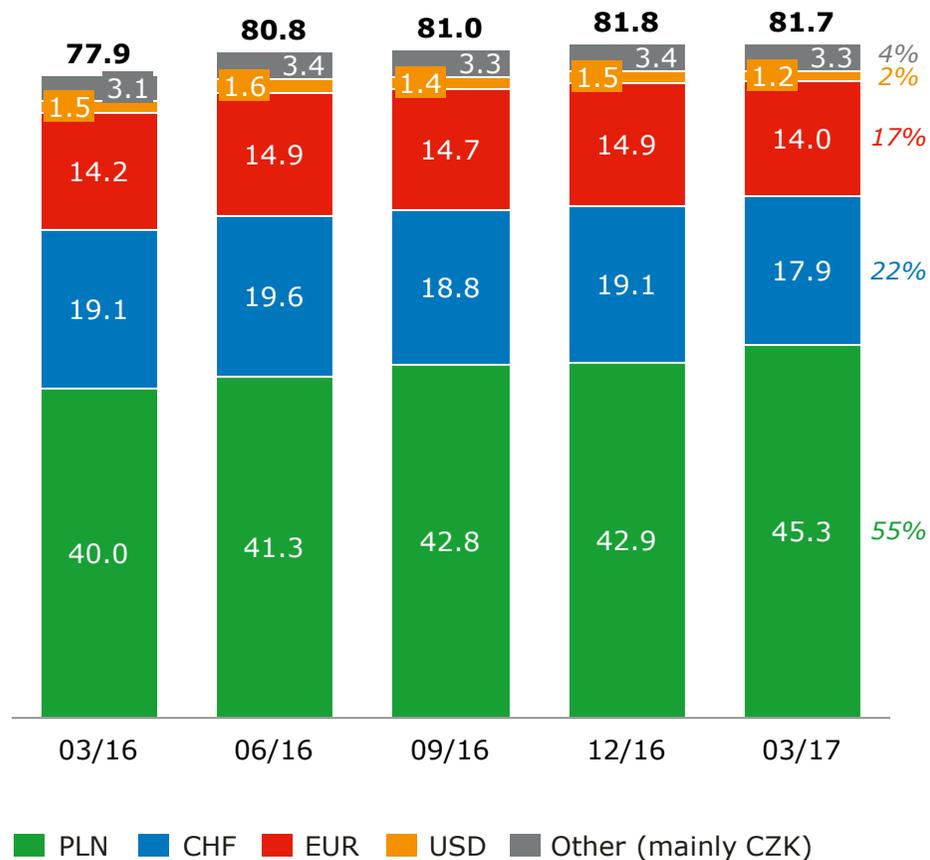
- Amounts due to other banks
- Amounts due to customers
- Debt securities in issue
- Equity
- Other

Appendix

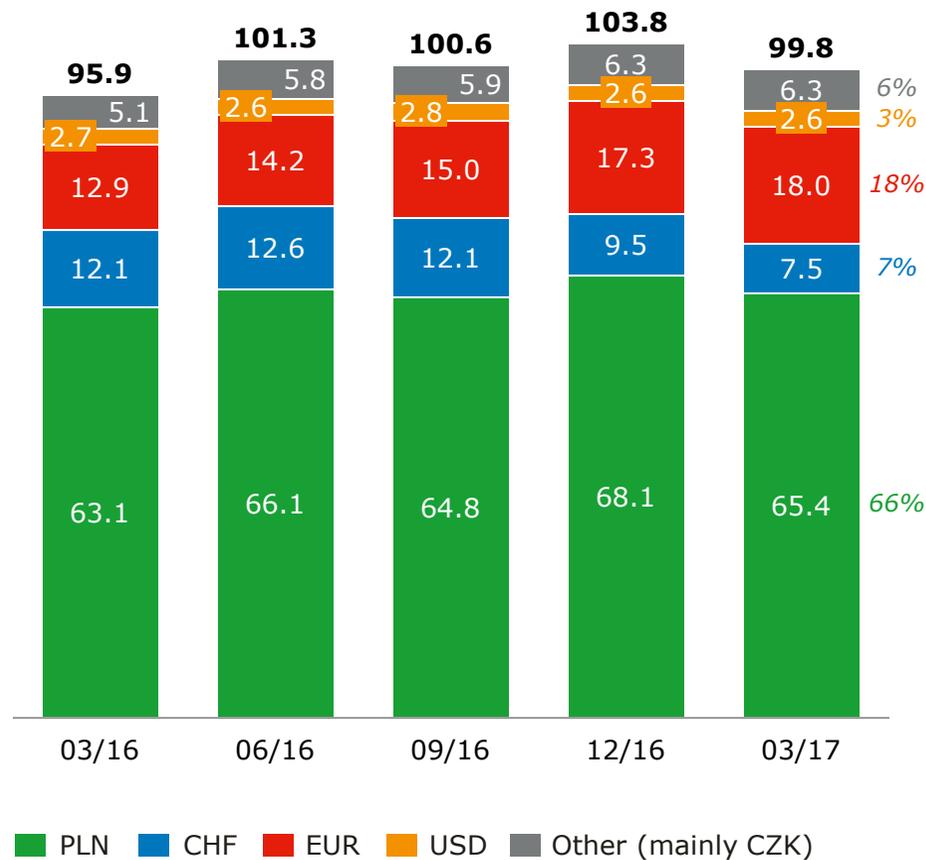
Additional Information: Selected Financial Data Balance Sheet Analysis: Currency Structure

Summary
Historical view
Profit & Loss
Balance Sheet
Business Lines
Subsidiaries

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



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



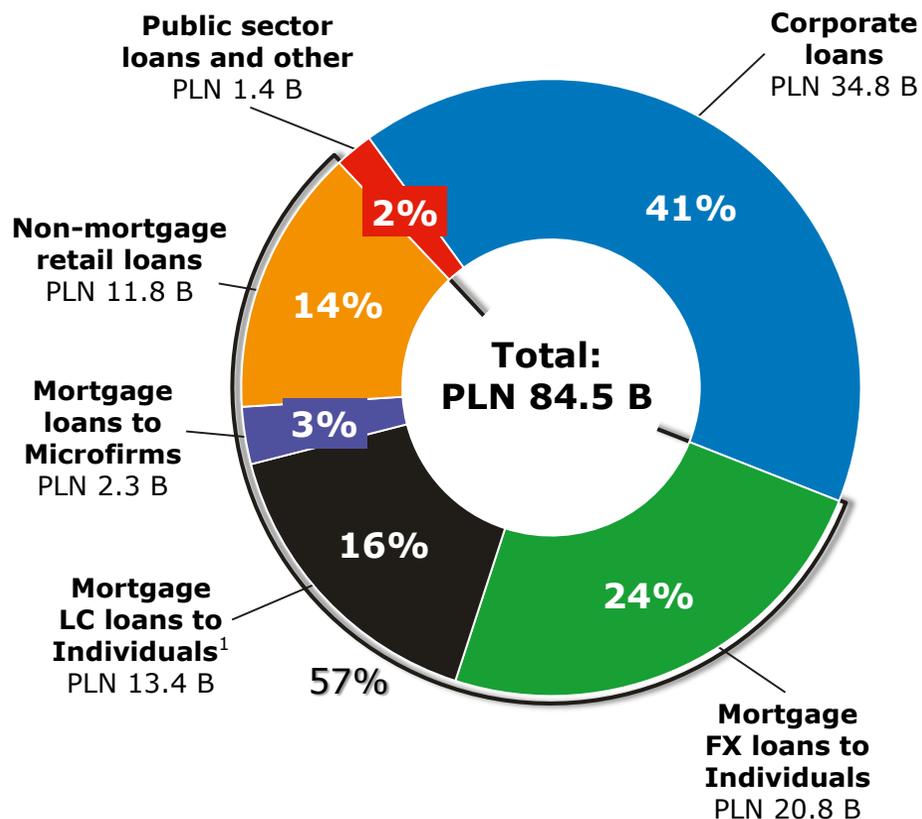
¹ Including amounts due to other banks and customers and subordinated liabilities;

Appendix

Summary
Historical view
Profit & Loss
Balance Sheet
Business Lines
Subsidiaries

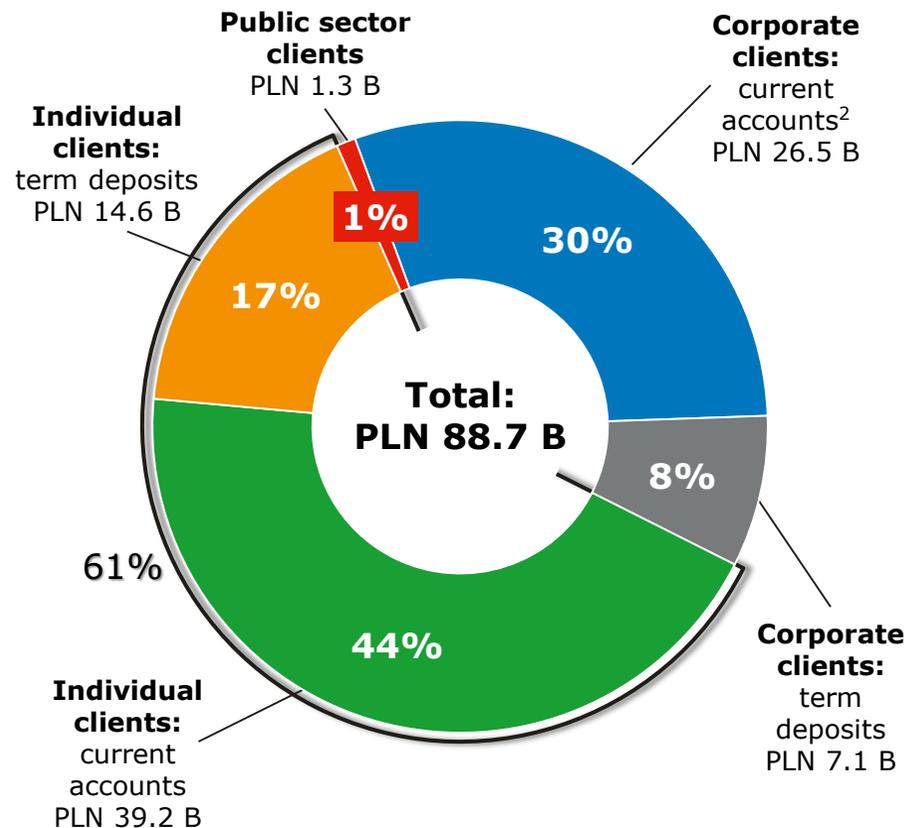
Additional Information: Selected Financial Data Balance Sheet Analysis: Structure of Loans and Deposits

Structure of mBank Group's Gross Loans as of 31.03.2017



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

Structure of mBank Group's Deposits as of 31.03.2017



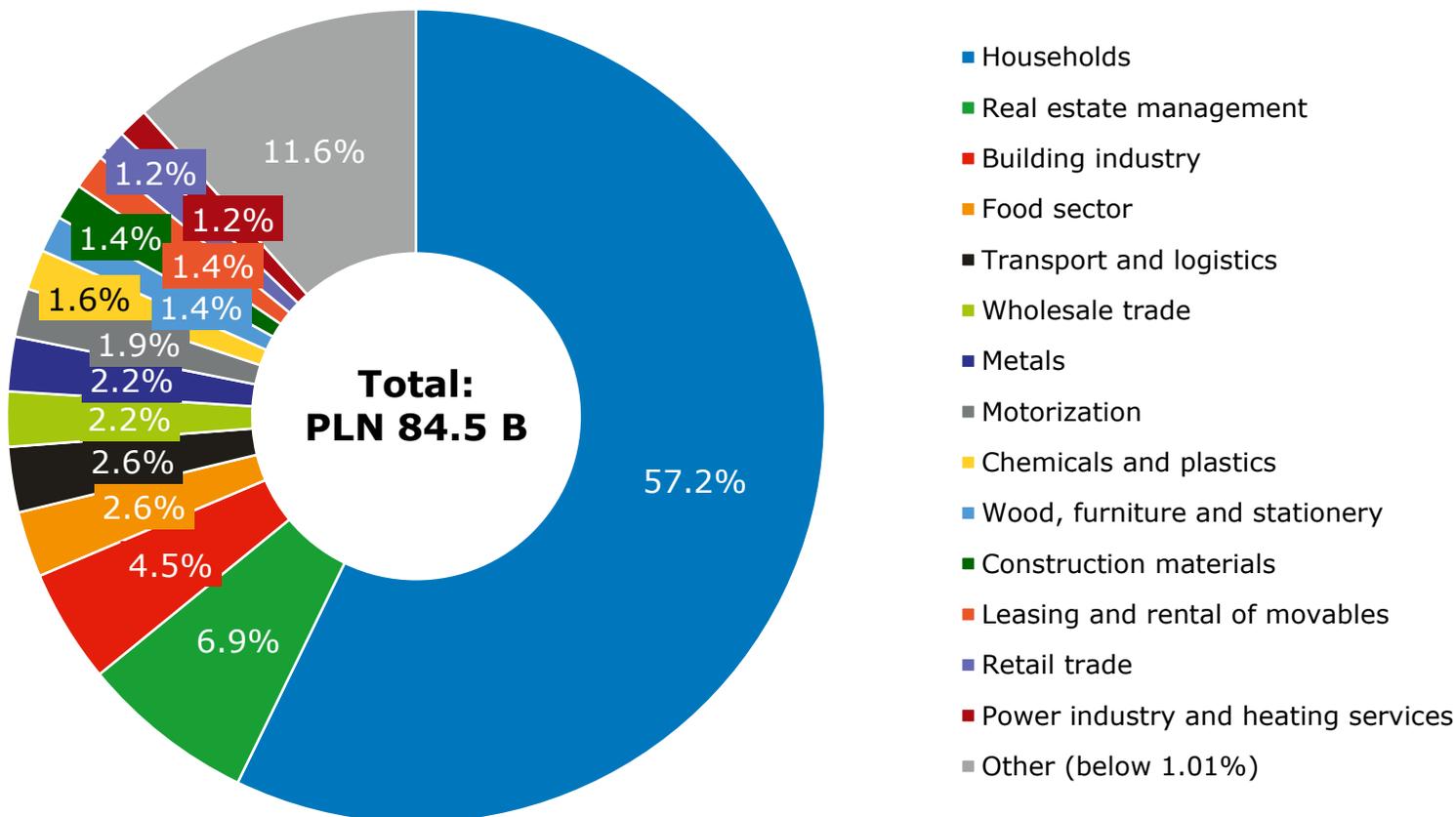
² Including repo transactions, loans and advances received, other liabilities;

Appendix

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

Summary
Historical view
Profit & Loss
Balance Sheet
Business Lines
Subsidiaries

mBank Group's Sector Exposure by Industry
as of 31.03.2017



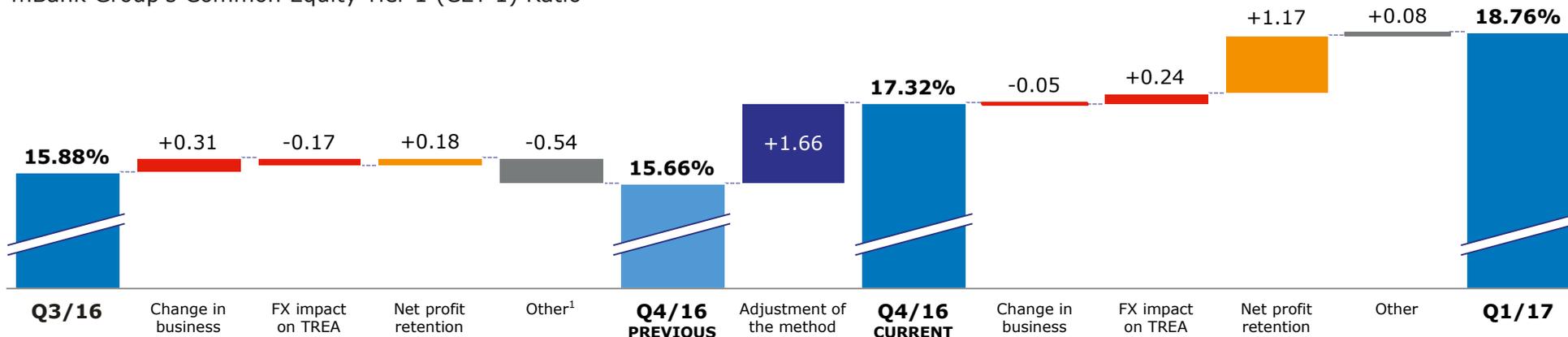
A well diversified loan portfolio with granular structure

Appendix

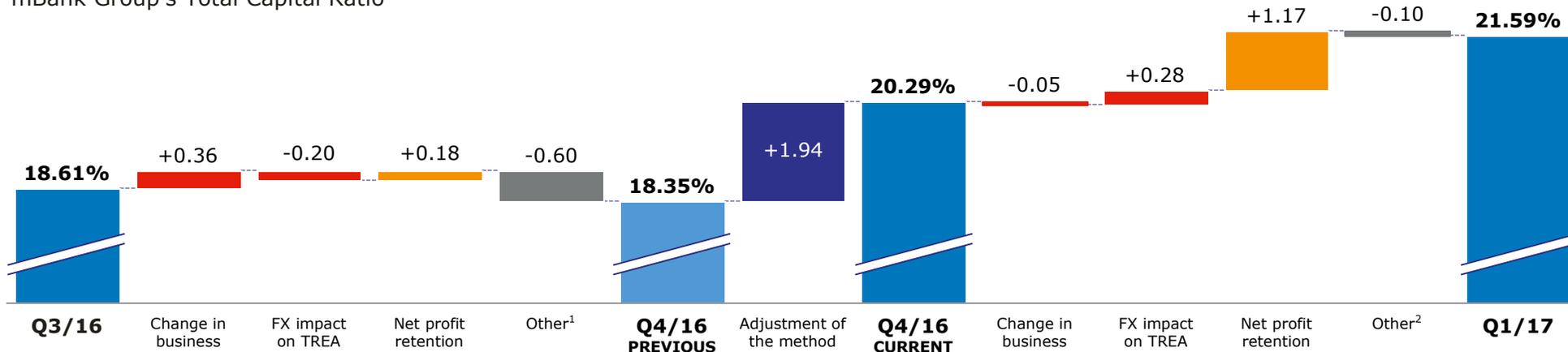
Additional Information: Selected Financial Data Balance Sheet Analysis: Detailed Development of Capital Ratios

Summary
Historical view
Profit & Loss
Balance Sheet
Business Lines
Subsidiaries

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



mBank Group's Total Capital Ratio



¹ Mainly due to negative valuation of available for sale (AFS) financial instruments; ² Due to lower percentage of perpetual subordinated debt, which may be included in Tier 2 capital (50% in 2017);

Detailed Results of the Business Lines in Q1/17

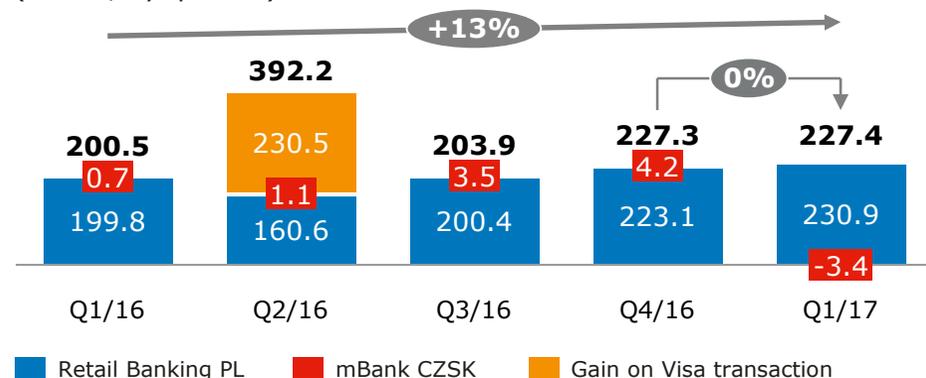
Retail Banking

Appendix

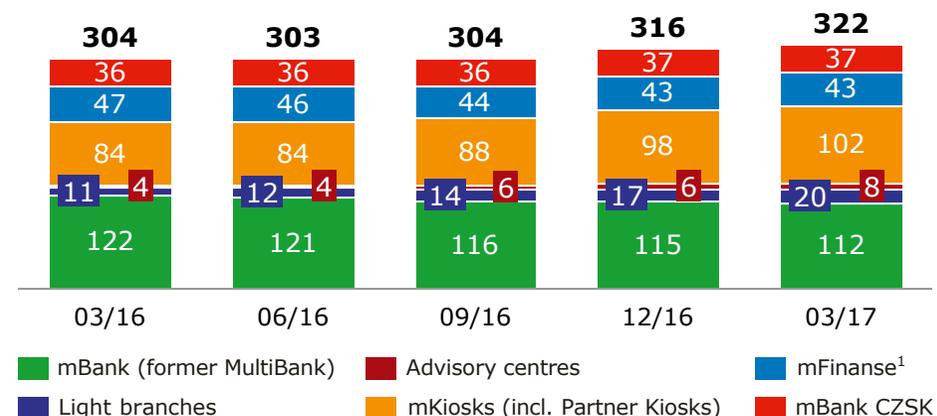
Retail Banking Summary of Q1/17: Financial and Business Results

Summary
Historical view
Profit & Loss
Balance Sheet
Business Lines
Subsidiaries

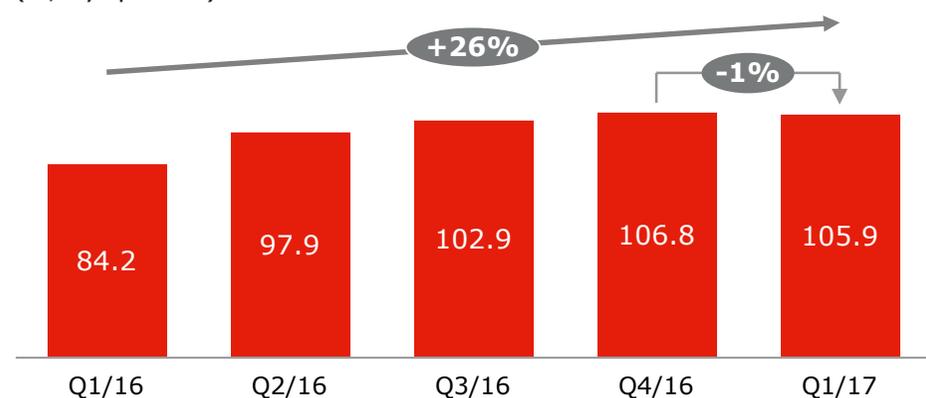
Profit before Tax of the Segment
(PLN M, by quarter)



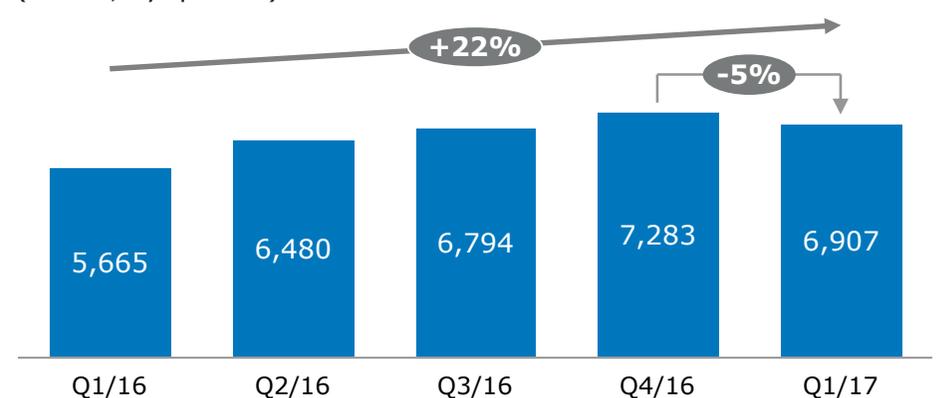
Number of Retail Service Locations



Number of non-cash transactions with payment cards
(M, by quarter)



Value of non-cash transactions with payment cards
(PLN M, by quarter)



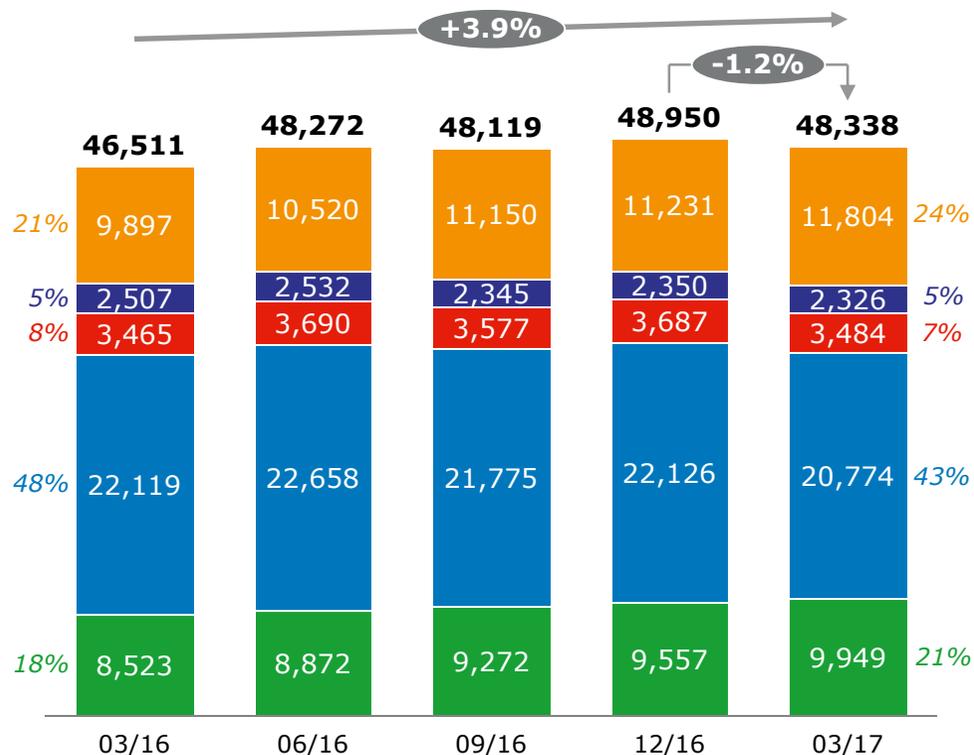
¹ Including financial centres and agency service points (data revised for previous quarters);

Appendix

Retail Banking Summary of Q1/17: Loans and Deposits

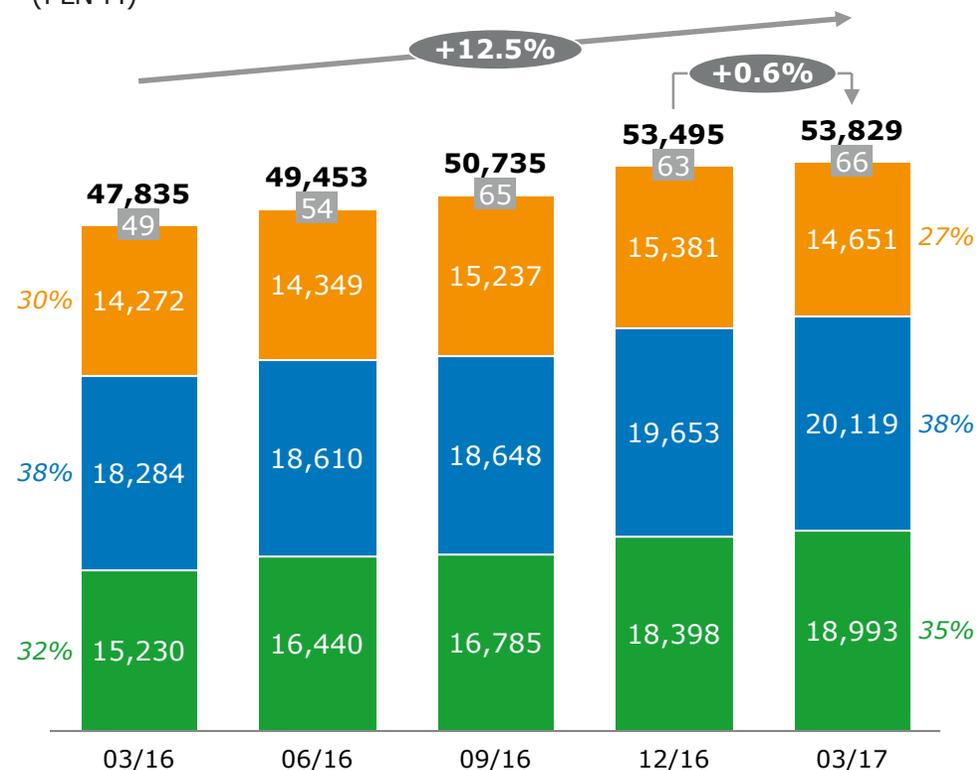
Summary
Historical view
Profit & Loss
Balance Sheet
Business Lines
Subsidiaries

Gross Loans to Retail Banking Clients¹
(PLN M)



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

Deposits from Retail Banking Clients
(PLN M)



- Current accounts
- Saving accounts
- Term deposits
- Other

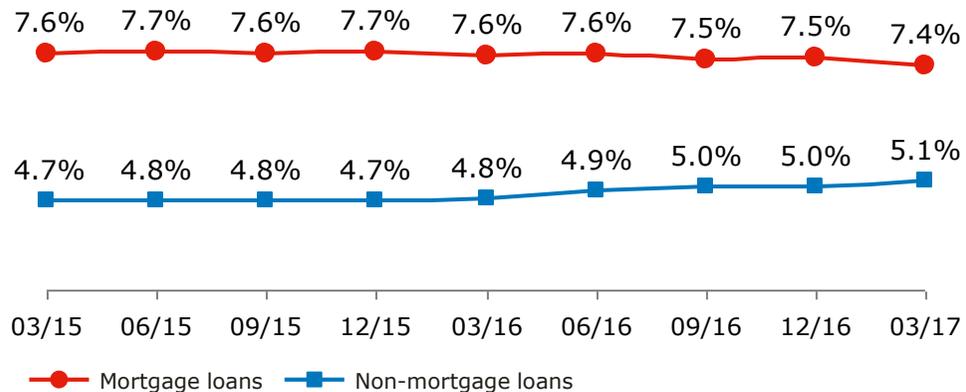
¹ Currency and geographical breakdown based on management information;

Appendix

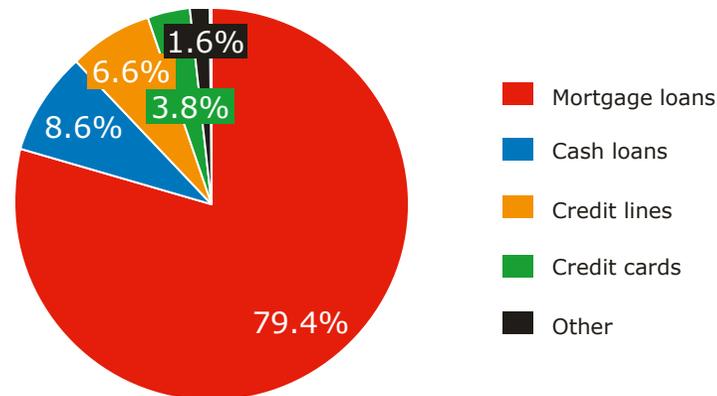
Retail Banking Loan Portfolio Structure of mBank Group in Poland

Summary
Historical view
Profit & Loss
Balance Sheet
Business Lines
Subsidiaries

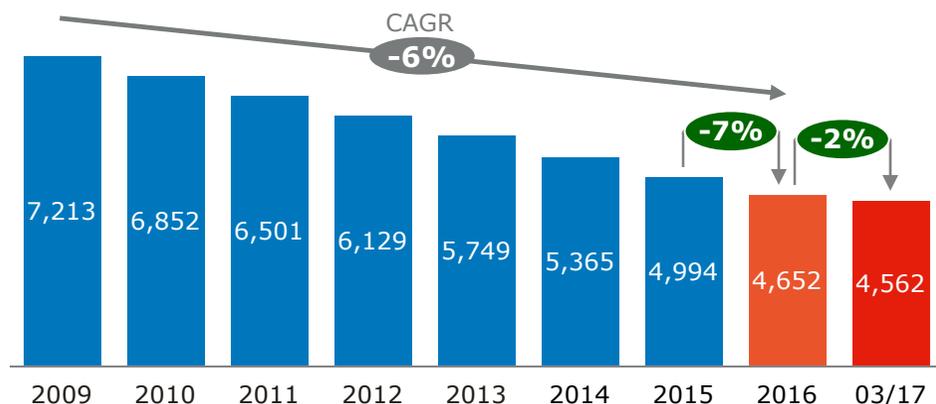
Market Shares in Household Loans in Poland



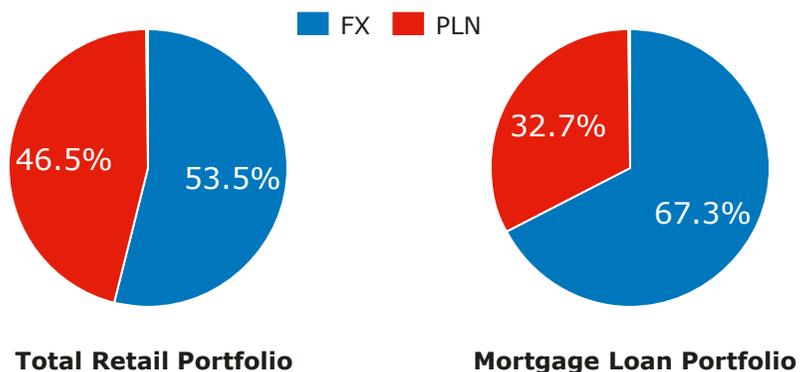
Product Structure of Retail Banking Loan Portfolio in Poland as of 31.03.2017



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



Currency Structure of Retail Banking Loan Portfolio in Poland as of 31.03.2017

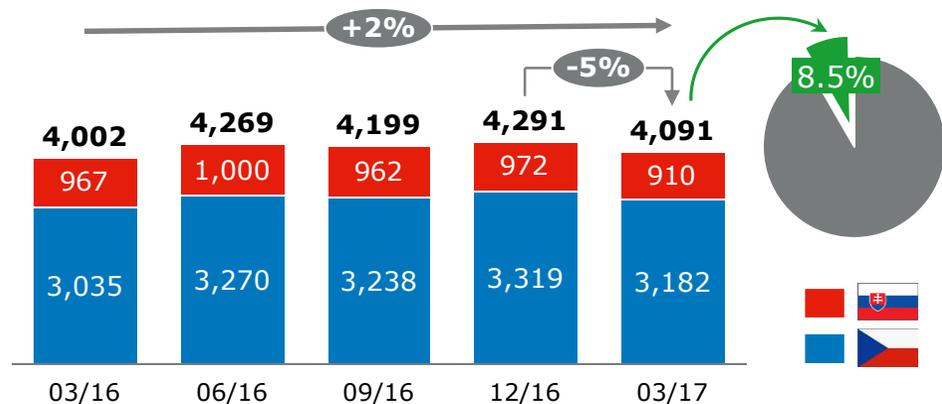


Appendix

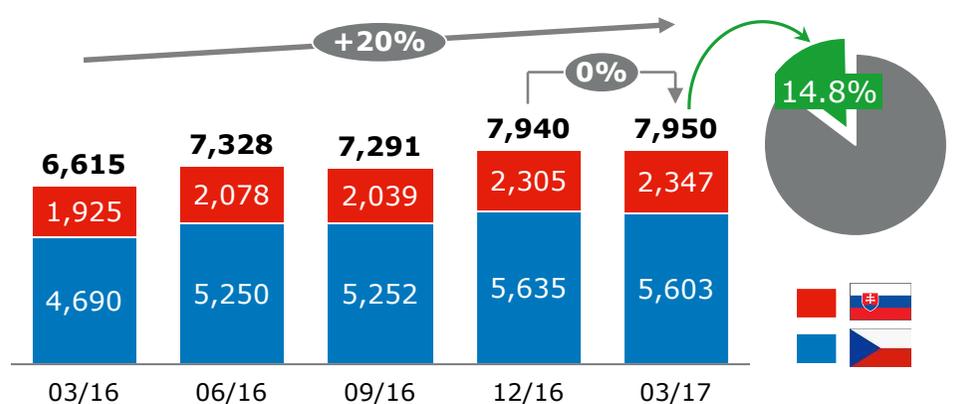
Retail Banking mBank in the Czech Republic and Slovakia

Summary
Historical view
Profit & Loss
Balance Sheet
Business Lines
Subsidiaries

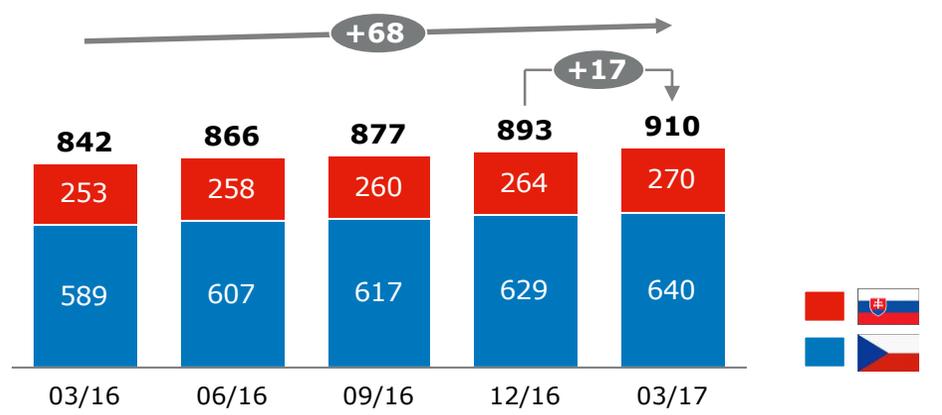
Gross Loans (PLN M) and Share in Total mBank's retail volume



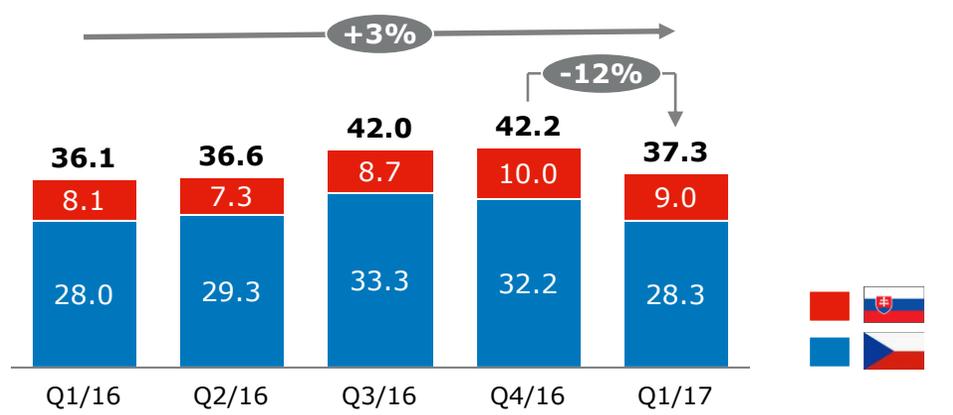
Deposits (PLN M) and Share in Total mBank's retail volume



Number of clients (thou.)



Total revenues (PLN M)



Note: Volumes based on management information.

Appendix

Retail Banking mBank in the Czech Republic and Slovakia

Summary
Historical view
Profit & Loss
Balance Sheet
Business Lines
Subsidiaries

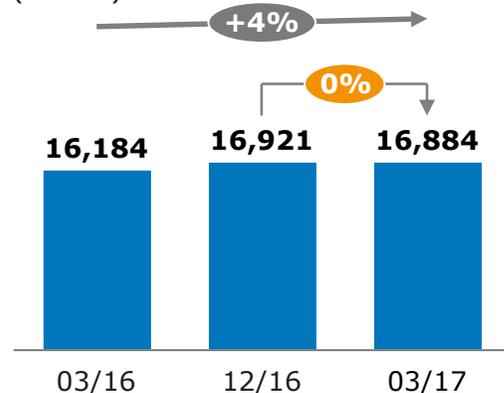


Czech Republic

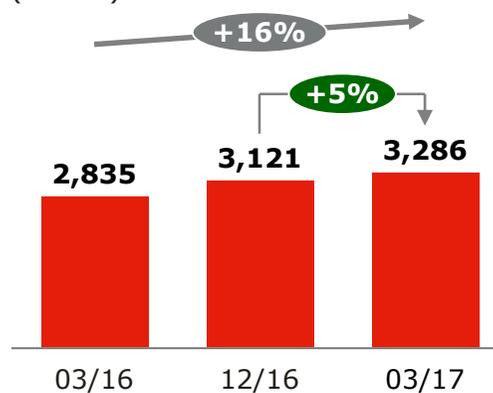
Clients:
639.7 thou.

2 light branches,
9 financial centres &
15 mKiosks

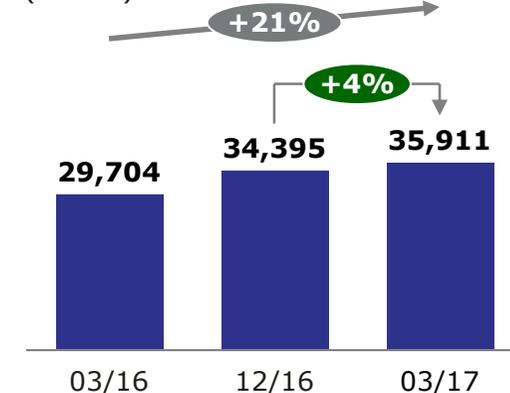
Mortgage Loans
(CZK M)



Non-mortgage Loans
(CZK M)



Customer deposits
(CZK M)

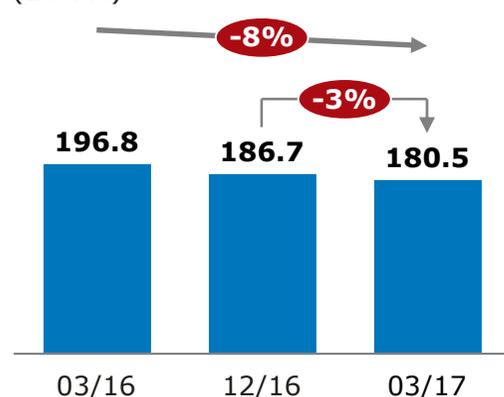


Slovakia

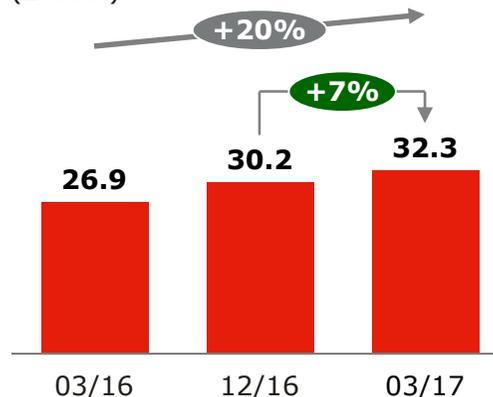
Clients:
270.4 thou.

2 light branches,
4 financial centres &
5 mKiosks

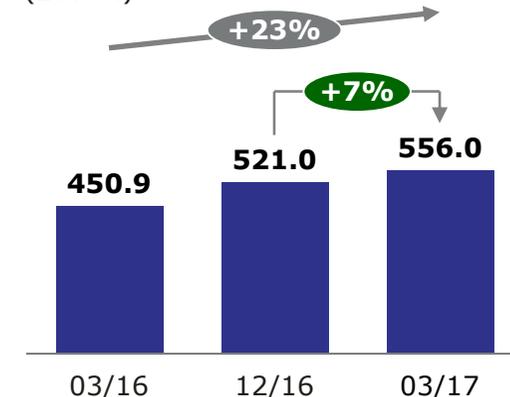
Mortgage Loans
(EUR M)



Non-mortgage Loans
(EUR M)



Customer deposits
(EUR M)



Note: Volumes based on management information.

Detailed Results of the Business Lines in Q1/17

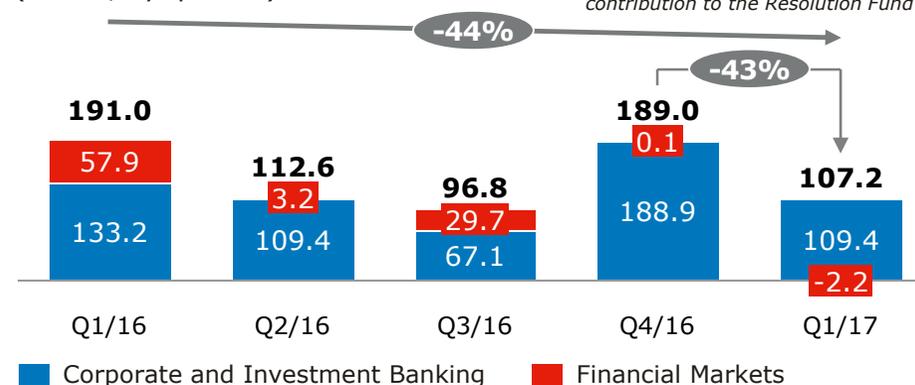
Corporates & Financial Markets

Appendix

Corporates and Financial Markets Summary of Q1/17: Financial and Business Results

Summary
Historical view
Profit & Loss
Balance Sheet
Business Lines
Subsidiaries

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

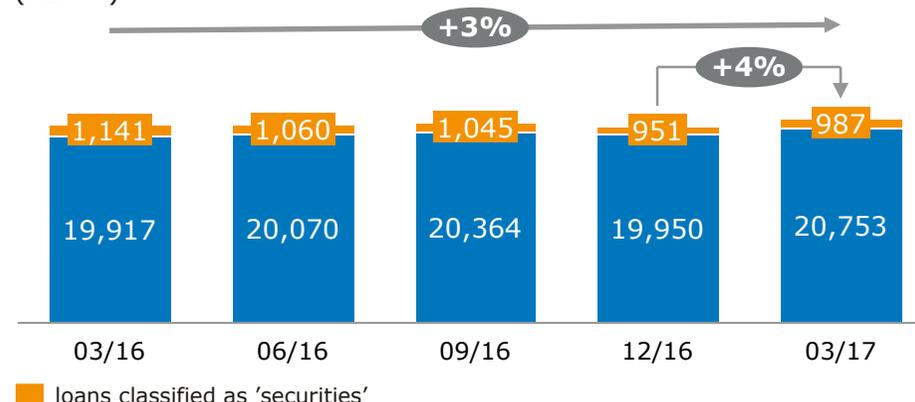


Number of Corporate Service Locations

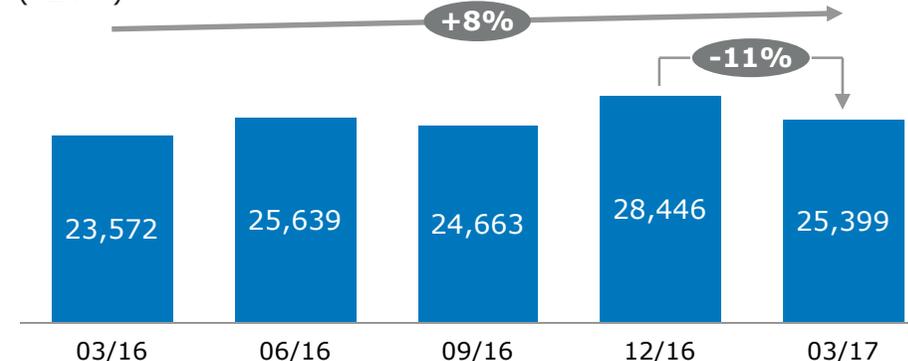
- 29 mBank's branches, incl. 6 advisory centres
- 17 mBank's offices
- 21 mLeasing
- 8 mFaktoring
- 5 mBank Hipoteczny



Loans to enterprises¹
(PLN M)



Deposits of enterprises¹
(PLN M)



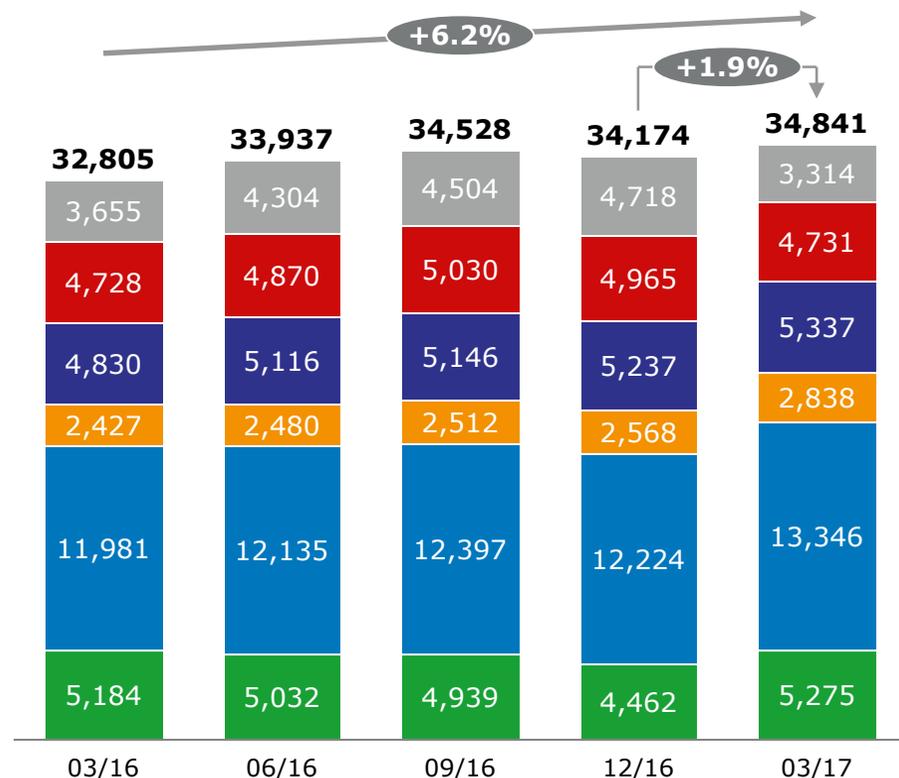
¹ Corporate loan and deposit volumes according to current NBP rules;

Appendix

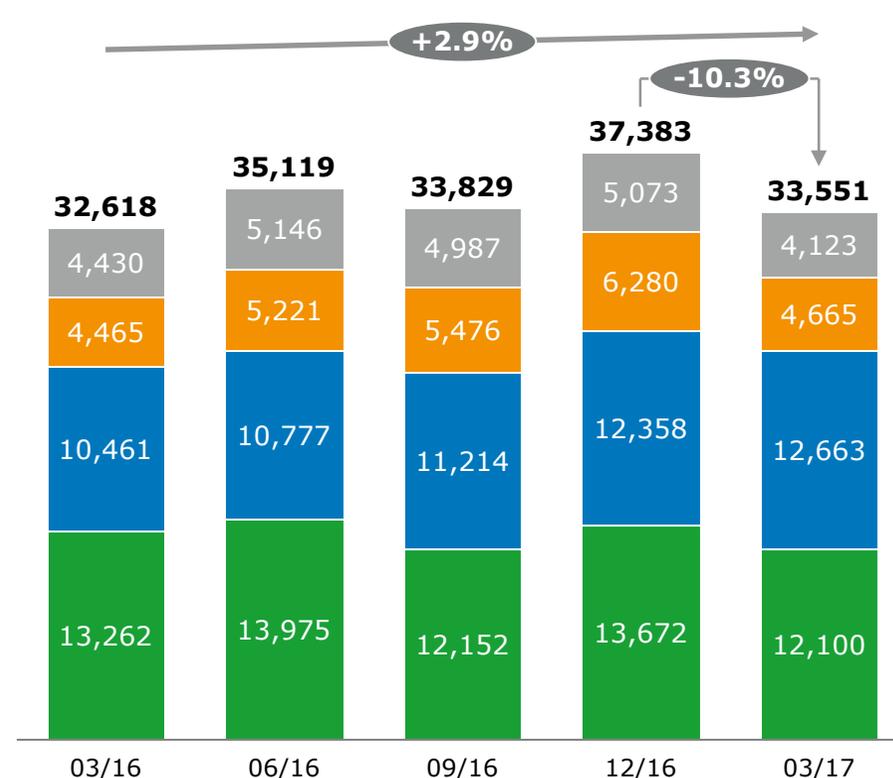
Corporates and Financial Markets Summary of Q1/17: Loans and Deposits

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

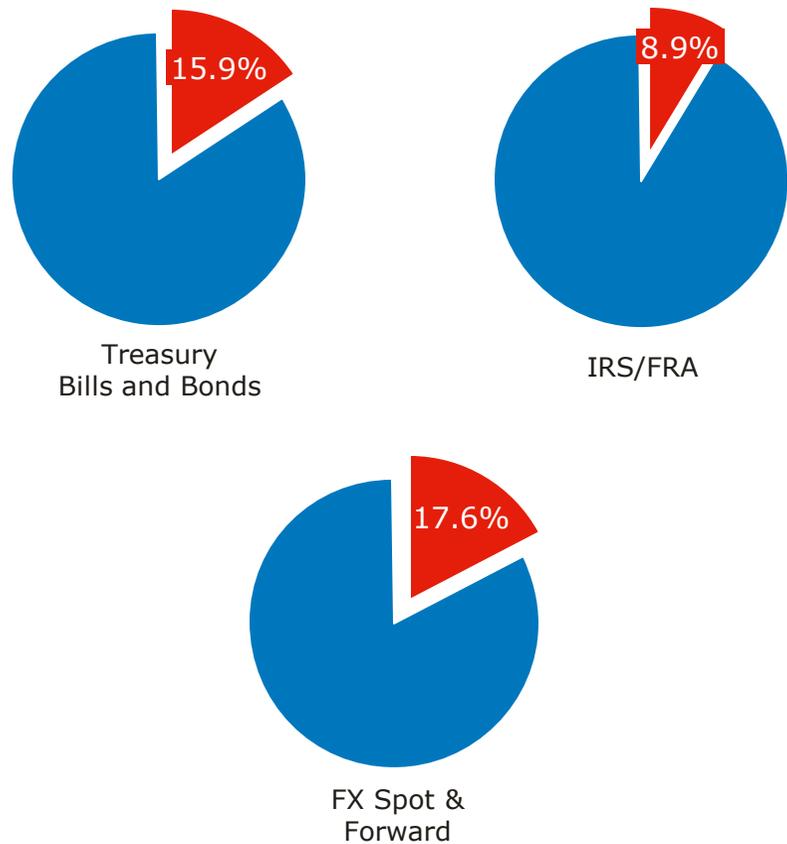
Note: Corporate clients split: K1 – annual sales over PLN 500 M and non-banking financial institutions; K2 – annual sales PLN 30 M to PLN 500 M; K3 – annual sales below 30 M.

Appendix

Corporates and Financial Markets Market Shares

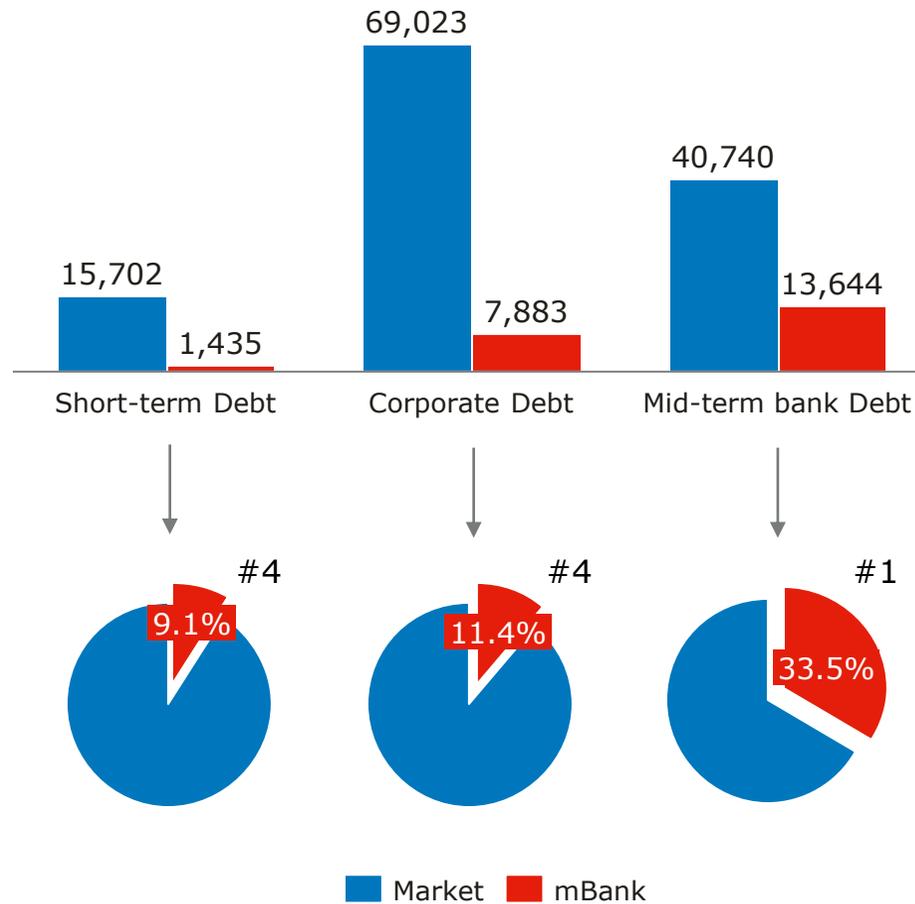
Summary
Historical view
Profit & Loss
Balance Sheet
Business Lines
Subsidiaries

mBank's Market Shares in Investment Banking Services¹



¹ mBank calculations based on NBP data as of 28.02.2017;

mBank in the Market for Non-Treasury Debt²
as of 28.02.2017 (PLN M)



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

Detailed Results of mBank Group's companies in Q1/17

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.	Q1/16	Q1/17	Change YoY	2015	2016	Change YoY
mBank Hipoteczny	11,819	11,148	-5.7%	26,797	30,180	+12.6%
mLeasing	20,462	16,864	-17.6%	57,221	72,550	+26.8%
mFactoring	6,210	2,218	-64.3%	-22,242	15,141	- / +
mFinanse (p. Aspiro) ¹	36,370	37,446	+3.0%	170,068	155,431	-8.6%
mLocum	10,745	937	-91.3%	17,900	18,273	+2.1%
Dom Maklerski mBanku ²	3,234	---	N/A	28,248	2,852	N/A
mWealth Management ²	5,516	---	N/A	27,367	8,976	N/A
Other ³	-1,758	-1,242	-29.3%	44	-1,645	+ / -
Total	92,597	67,370	-27.2%	305,403	301,758	-1.2%

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

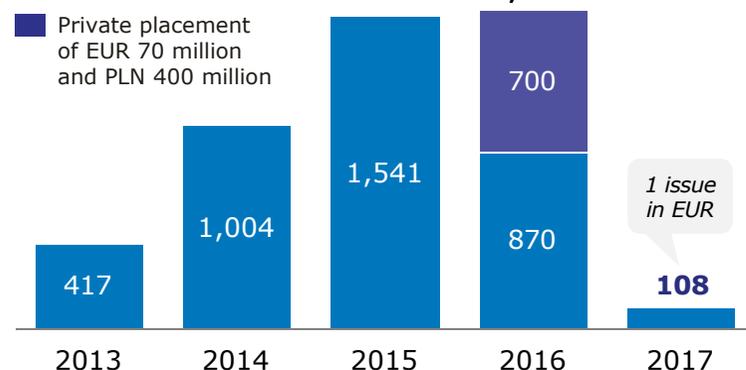
Bank Hipoteczny

established in 1999

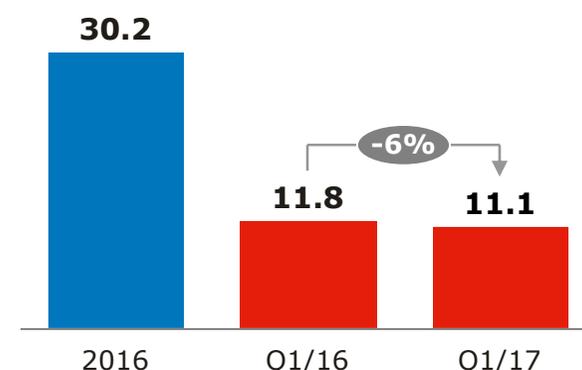
specialised mortgage bank and the largest issuer of covered bonds in the Polish market

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

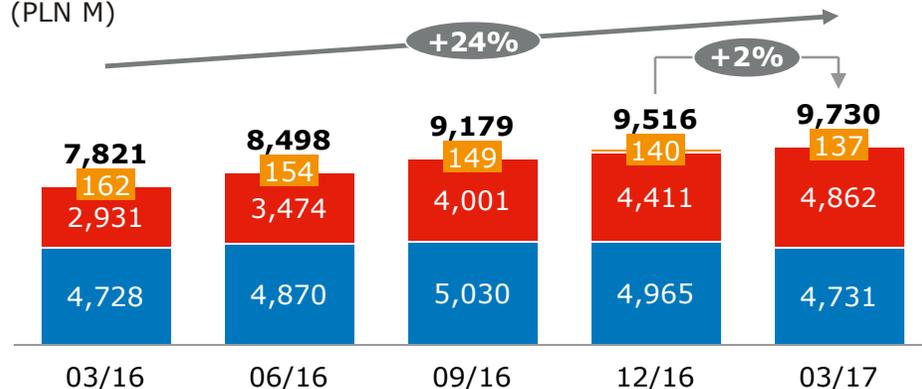
Issuance of Covered Bonds (PLN M, by year)



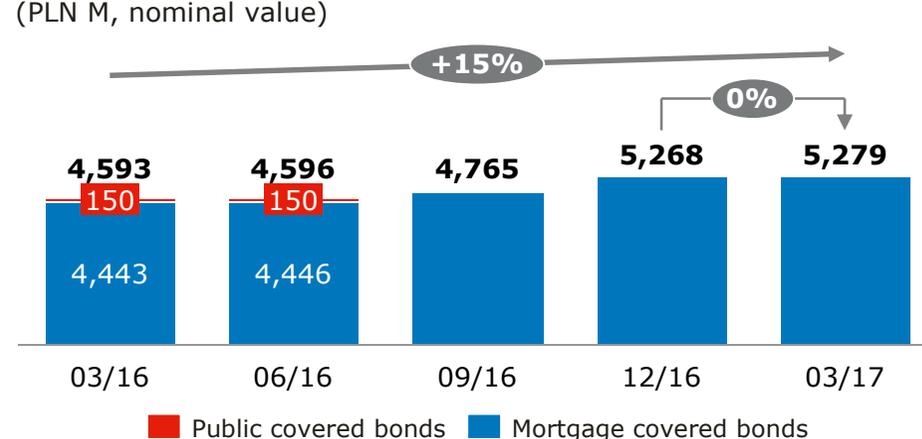
Profit before Income Tax (PLN M)



Gross loans and advances to customers (PLN M)



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



mBank Group's Subsidiaries

mBank Hipoteczny (mBH): Issuance Activity on the Covered Bonds Market

Summary of Mortgage Covered Bonds issued in 2014-2017 (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%)
35.0 M	EUR	26-10-2016	20-09-2026	9.9	Fixed (1.183%)
24.9 M	EUR	01-02-2017	01-02-2024	7.0	Fixed (0.94%)

Appendix

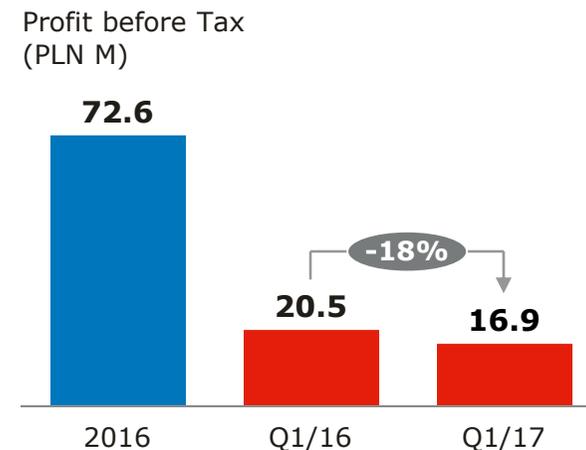
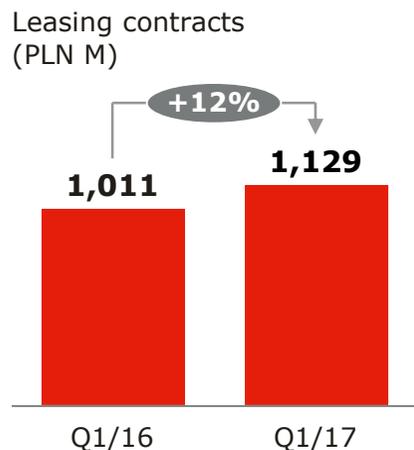
mBank Group's Subsidiaries Leasing and Factoring

Summary
Historical view
Profit & Loss
Balance Sheet
Business Lines
Subsidiaries

m Leasing

established in 1991

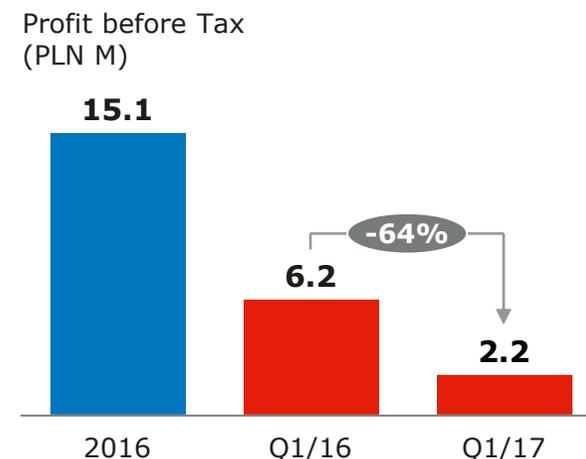
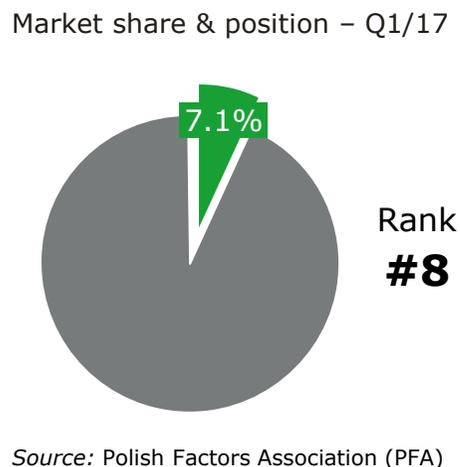
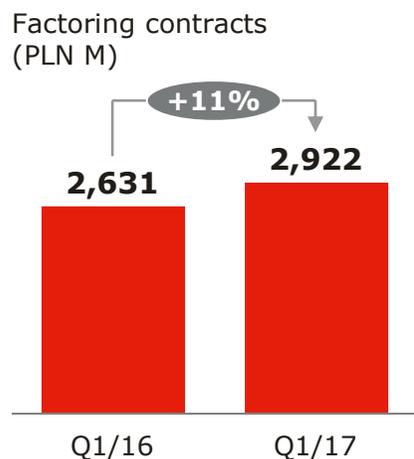
provides financial and operating leasing of cars, trucks, machinery and real estate



m Faktoring

established in 1995

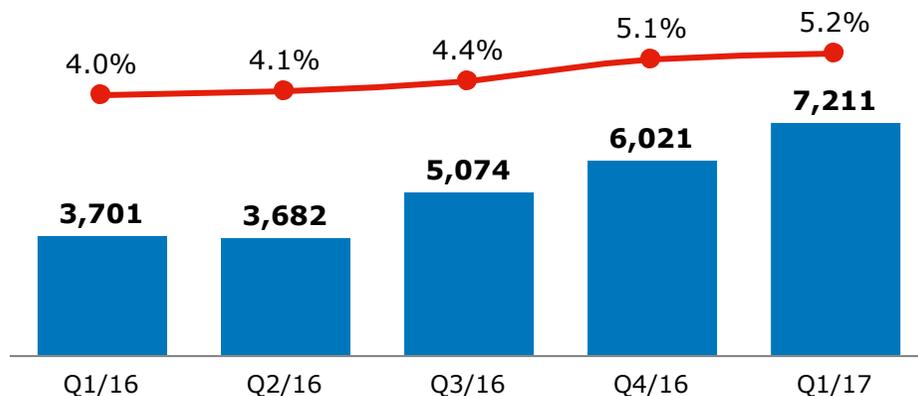
offers factoring services, incl. domestic and export recourse and non-recourse factoring and import guarantees



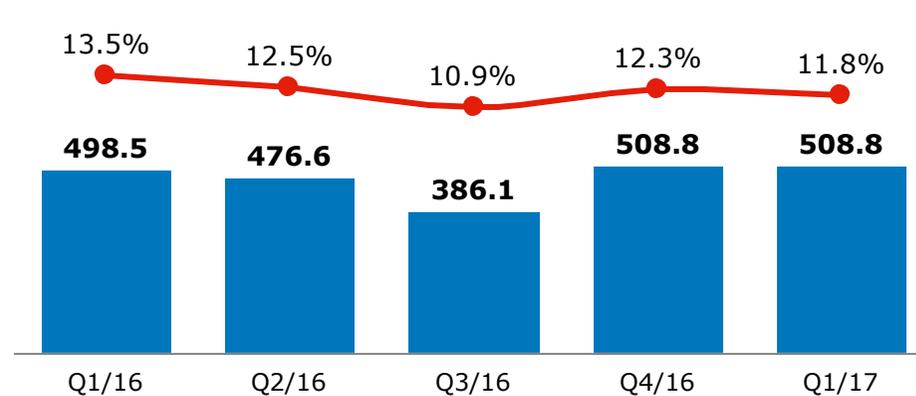
Appendix

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

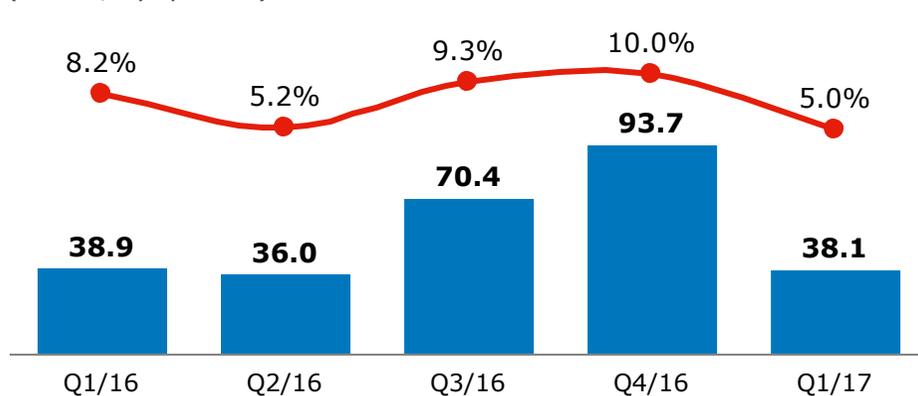
mDM Equities Trading on WSE and Market Share in Turnover (PLN M, by quarter)



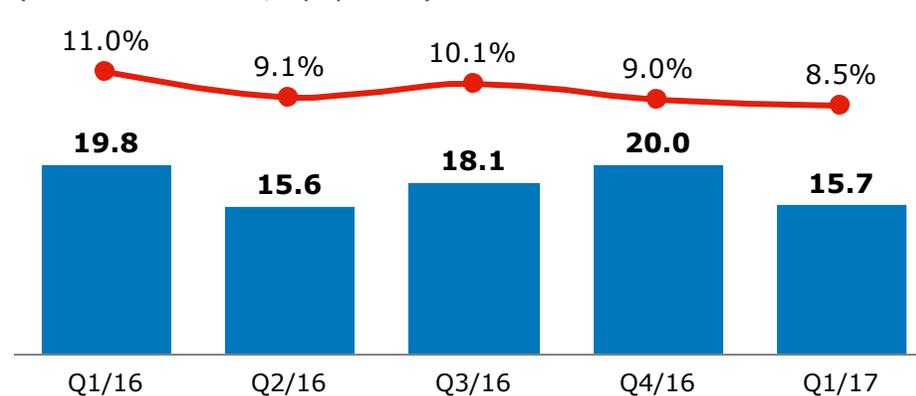
mDM Futures Trading on WSE and Market Share in Turnover (thou. of contracts, by quarter)



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 Q1/17

Polish banking stocks remain to be influenced by regulatory and legislative risks

mBank's index membership and weights*

WIG-30	WIG30	2.201%
WIG-20	WIG20	2.406%
WIG	WIG	1.552%
WIG-Banks	WIGbanki	5.770%
WIG-Poland	WIGPoland	1.597%

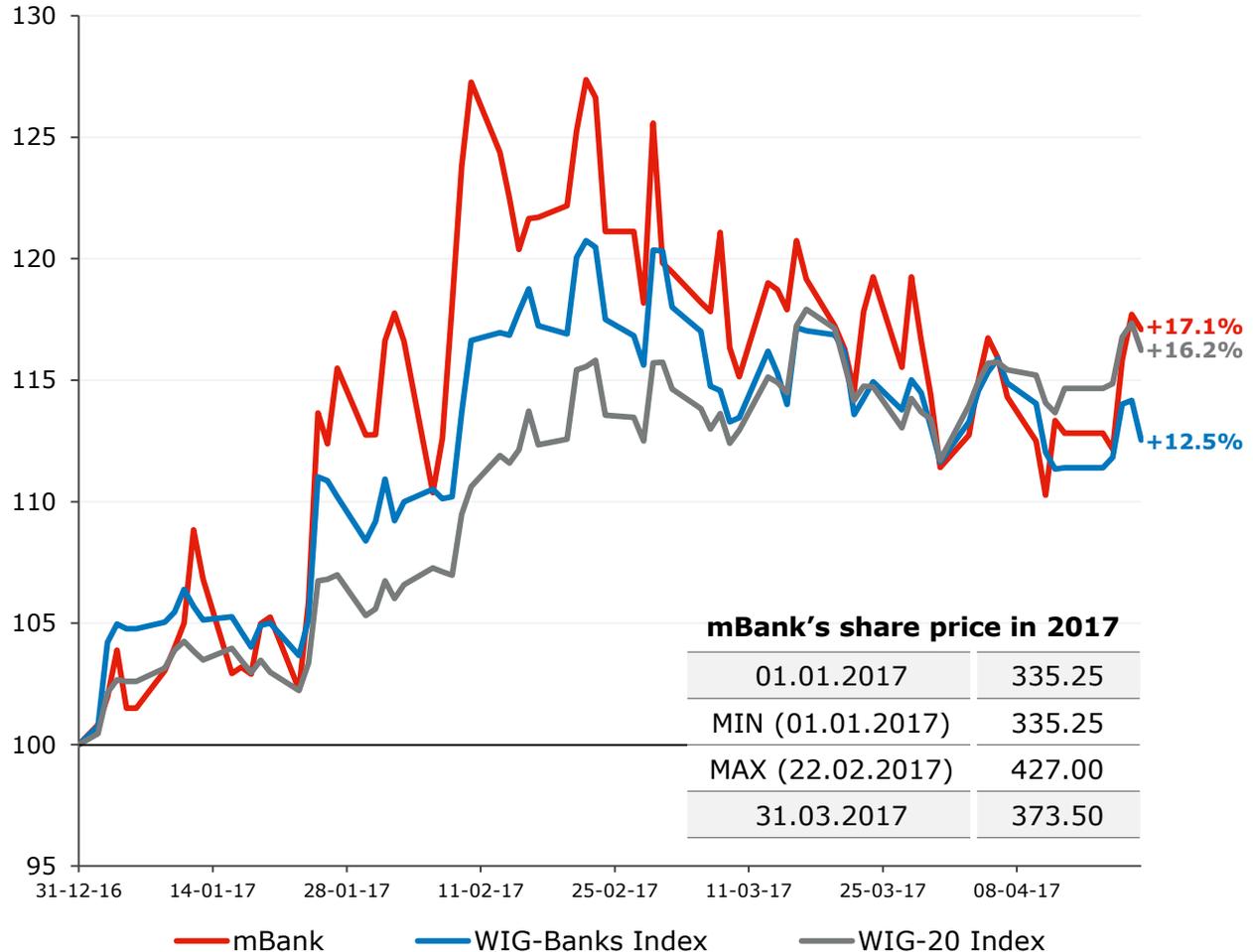
* Share in index as of 18.04.2017

- 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 69.4% of shares

ISIN	PLBRE0000012
Bloomberg	MBK PW
Number of shares issued	42 280 127

Source: WSE, Bloomberg (data as of 21.04.2017).

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



Contact details

mBank's Investor Relations at your service:

E-mail address: investor.relations@mbank.pl

Ernest Pytlarczyk

Head of Investor Relations and Group Strategy,
Chief Economist

Direct dial: +48 22 829 14 34
E-mail: ernest.pytlarczyk@mbank.pl

Joanna Filipkowska

Deputy Head of Investor Relations

Direct dial: +48 22 829 04 53
E-mail: joanna.filipkowska@mbank.pl

Paweł Lipiński

Direct dial: +48 22 829 15 33
E-mail: pawel.lipinski@mbank.pl

Marta Polańska

Direct dial: +48 22 438 31 09
E-mail: marta.polanska@mbank.pl

Monika Zaręba

Direct dial: +48 22 829 08 18
E-mail: monika.zareba@mbank.pl

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

mBank Analyzer: analyzer.mbank.pl

mBank S.A.
Investor Relations and Group Strategy
ul. Senatorska 18
00-950 Warszawa