

Results of mBank Group

Q2 2017

**Core income kept strong,
solid fundamentals for further business growth**

Management Board of mBank S.A.

Investor Presentation

July 27, 2017



Key highlights of Q2 2017

Historically high level of core income of PLN 1,017.4 M

- NII at PLN 764.8 M (+11.7% YoY), on improved margins
- NFC at PLN 252.6 M (+20.5% YoY), on rising customer business

Solid efficiency maintained

- Cost/Income ratio at 44.9%

Profit & Loss

Sound liquidity level

- Loan-to-Deposit ratio at 94.6%

Capital ratios well above regulatory requirements

- CET 1 Ratio at 18.5%/21.9%¹
- Total Capital Ratio at 21.2%/25.1%¹

Well-diversified funding base

- Issues of long-term debt securities

Capital & Liquidity

Business development

Strong total revenues exceeding PLN 1.08 B

Volumes

Selective volume growth

- Gross loans at PLN 86.2 B (+2.0% QoQ, +2.8% YoY)
- Customer deposits at PLN 88.2 B (-0.7% QoQ, +3.3% YoY)

Focus on higher margin lending

- Mortgage loan sales at PLN 1.8 B in H1/17 (+22% YoY); non-mortgage loan sales at PLN 3.7 B (+20% YoY)

Strengthening the position as mobile and transactional bank

- mBox project: a license for digital platform sold to a French partner
- Expanding client transactionality

Accelerating client acquisition

- 5,547 thou. retail clients (+401 thou. YoY) and 21,500 corporate clients (+1,280 YoY)

**Net Profit of PLN 269.7 M,
+23.3% compared to Q1/17**

¹ Stand-alone capital ratios;

Agenda



Summary of Q2/17 in mBank Group

Key Financials

Client acquisition and Market shares

Development of retail and corporate new business

Analysis of Q2/17 Results

Development of Loans and Deposits

Development of Income and Costs

Loan Portfolio Quality

Funding Structure Details

Capital and Liquidity Ratios

Macroeconomic Update

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Additional Information: Selected Financial Data

Detailed Results of Business Lines

Summary of Q2/17 in mBank Group

Key Financials: Profit and Loss Account

PLN million	Q2/16	Q1/17	Q2/17	change QoQ	change YoY
Net interest income	684.4	749.0	764.8	+2.1%	+11.7%
Net fee and commission income	209.7	249.6	252.6	+1.2%	+20.5%
Total income¹	1,203.0	1,081.8	1,080.9	-0.1%	-10.2%
Total costs (excl. BFG)	-453.7	-445.5	-468.2	+5.1%	+3.2%
Contributions to the BFG ²	-37.0	-132.2	-16.9	-87.2%	-54.4%
Loan Loss Provisions	-117.7	-82.9	-120.4	+45.2%	+2.3%
Operating profit	594.6	421.2	475.4	+12.9%	-20.0%
Taxes on the Group balance sheet items	-89.0	-91.3	-93.0	+1.9%	+4.5%
Profit before income tax	505.5	329.9	382.4	+15.9%	-24.4%
Net profit	388.5	218.8	269.7	+23.3%	-30.6%
Net Interest Margin (NIM)	2.25%	2.42%	2.43%	+0.01 p.p.	+0.18 p.p.
NIM excl. CHF portfolio	2.60%	2.77%	2.76%	-0.01 p.p.	+0.16 p.p.
Cost/Income ratio	40.8%	53.4%	44.9%	-8.5 p.p.	+4.1 p.p.
Cost of Risk	0.59%	0.41%	0.58%	+0.17 p.p.	-0.01 p.p.
Return on Equity (ROE)	12.8%	6.8%	8.2%	+1.4 p.p.	-4.6 p.p.
Return on Assets (ROA)	1.23%	0.68%	0.83%	+0.15 p.p.	-0.40 p.p.

¹ In Q2/16 revenues include a one-off gain on the settlement of Visa transaction of PLN 251.7 million;

² In Q1/17 contribution consists 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 Q2/17 in mBank Group

Key Financials: Balance Sheet

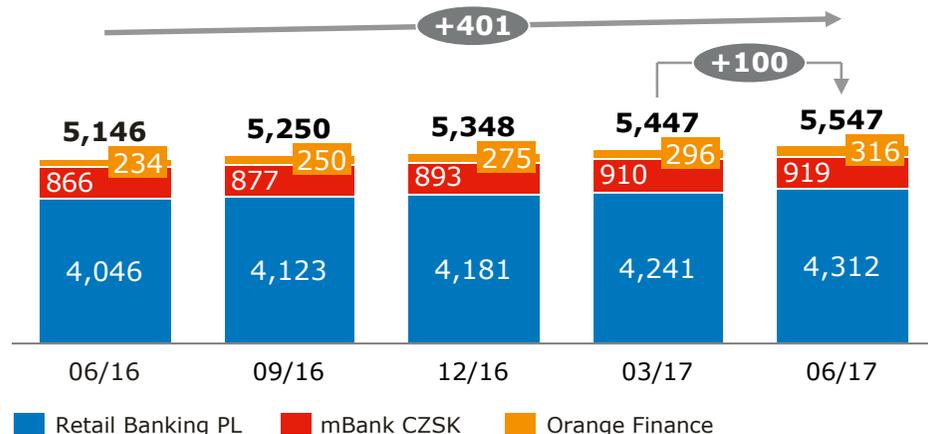
PLN million	Q2/16	Q1/17	Q2/17	change QoQ	change YoY
Total assets	128,733	130,488	129,417	-0.8% ↓	+0.5% ↑
Gross loans to customers	83,862	84,538	86,221	+2.0% ↑	+2.8% ↑
Retail client loans	48,272	48,338	48,758	+0.9% ↑	+1.0% ↑
Corporate client loans ¹	33,805	34,759	36,049	+3.7% ↑	+6.6% ↑
Amounts due to customers	85,302	88,744	88,156	-0.7% ↓	+3.3% ↑
Retail client deposits	49,453	53,829	53,835	0.0% ↔	+8.9% ↑
Corporate client deposits ¹	33,832	32,080	31,702	-1.2% ↓	-6.3% ↓
Total equity	12,797	13,338	13,680	+2.6% ↑	+6.9% ↑
Loan to Deposit ratio	94.7%	92.1%	94.6%	+2.5 p.p.	-0.1 p.p.
NPL ratio	5.8%	5.2%	5.3%	+0.1 p.p.	-0.5 p.p.
Coverage ratio	58.5%	59.4%	57.2%	-2.2 p.p.	-1.3 p.p.
Common Equity Tier 1 Ratio	15.6%	18.8%	18.5%	-0.3 p.p.	+2.9 p.p.
Total Capital Ratio	18.3%	21.6%	21.2%	-0.4 p.p.	+2.9 p.p.

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

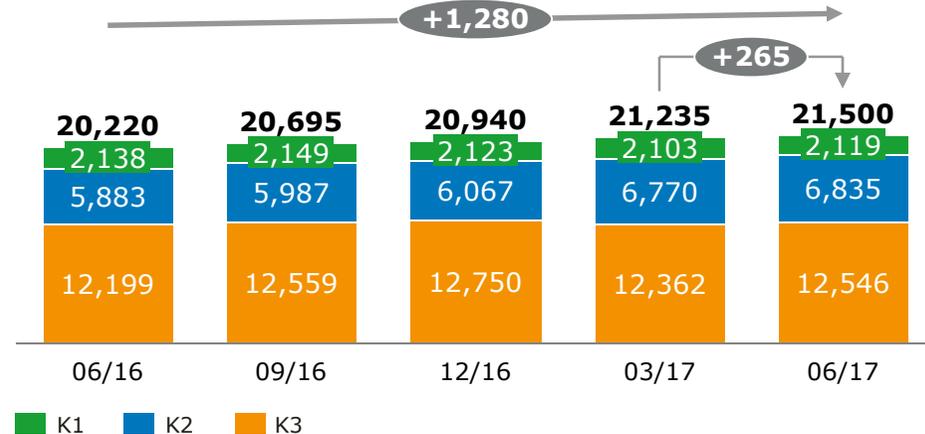
Summary of Q2/17 in mBank Group

Business Development: Client acquisition and Market shares

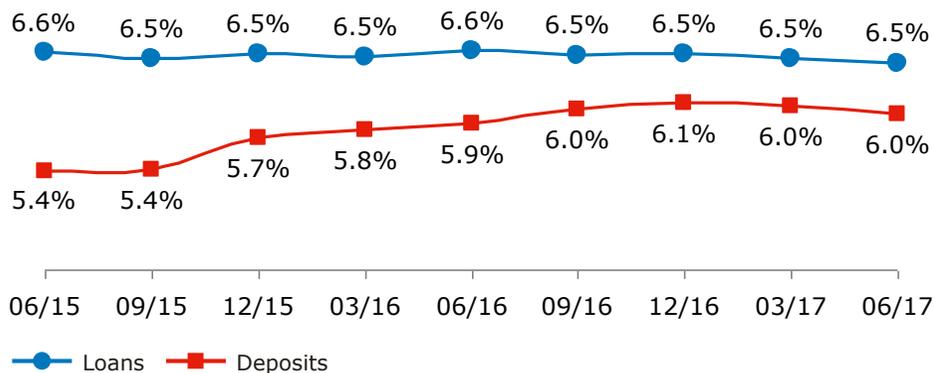
Number of Retail Clients (thou.)



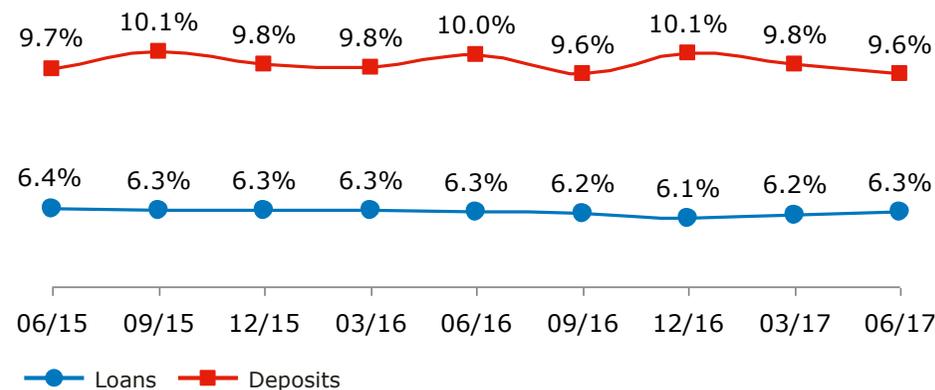
Number of Corporate Clients



Market shares in Retail Banking segment



Market shares in Corporate Banking segment

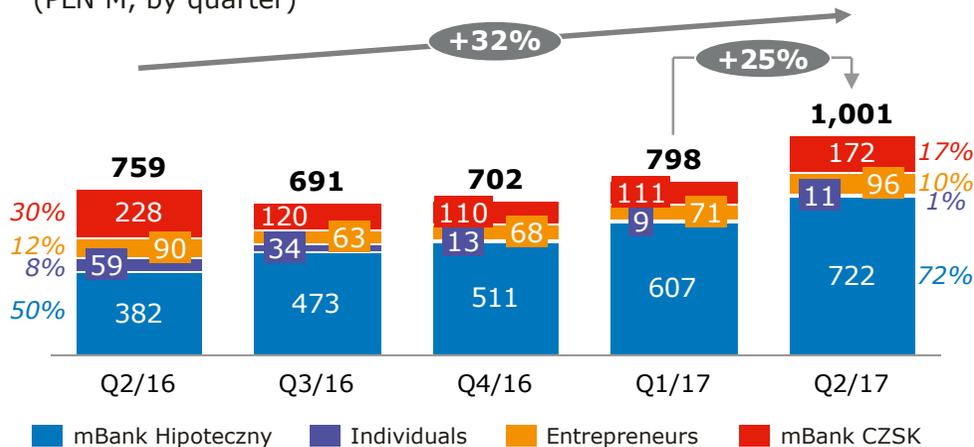


Note: Corporate clients split: K1 – annual sales over PLN 500 M and non-banking financial institutions; K2 – annual sales PLN 30 M to PLN 500 M; K3 – annual sales below 30 M.

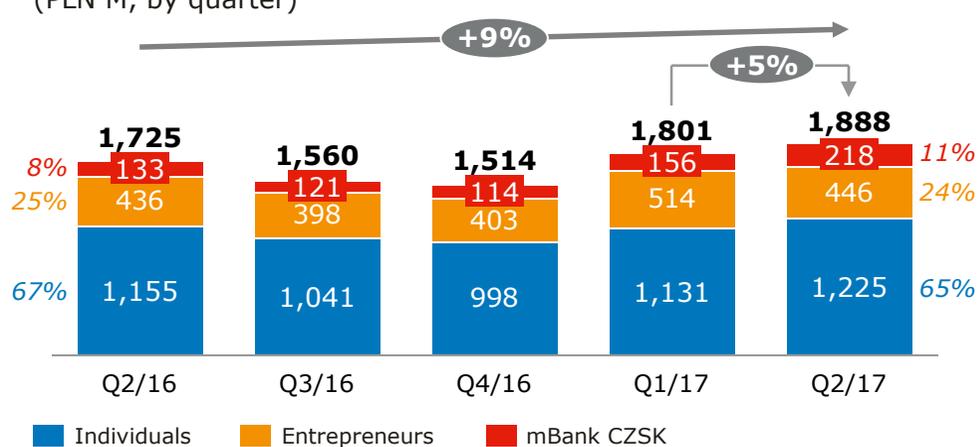
Summary of Q2/17 in mBank Group

Development of Retail and Corporate new business

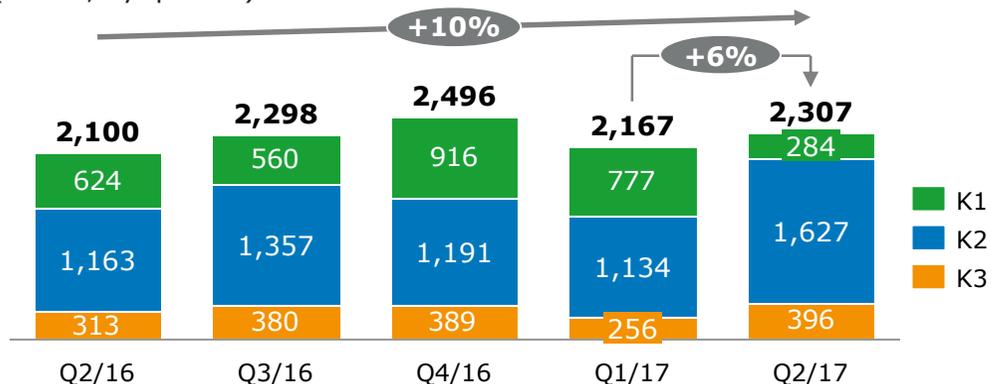
Sales of mortgage loans
(PLN M, by quarter)



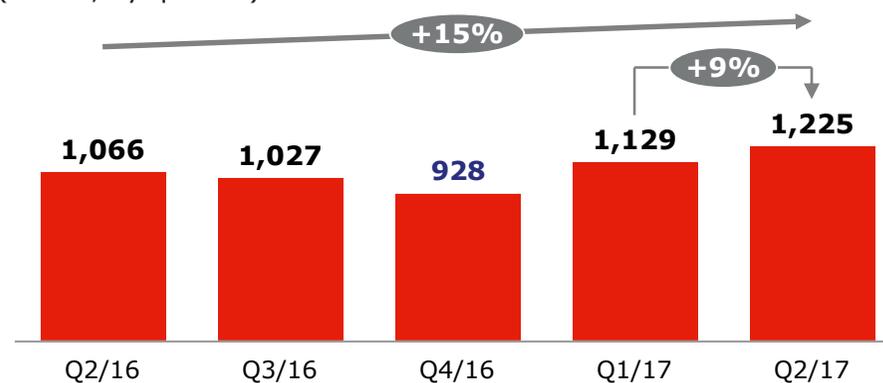
Sales of non-mortgage loans
(PLN M, by quarter)



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.

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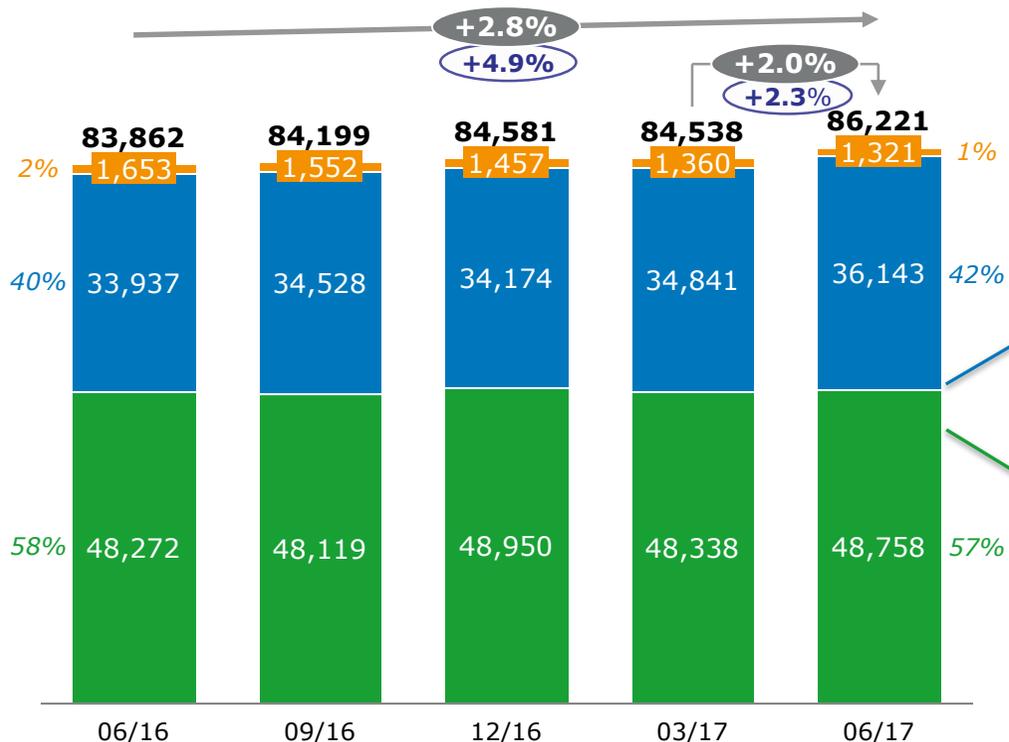
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Analysis of Q2/17 in mBank Group

Development of Loans to Customers

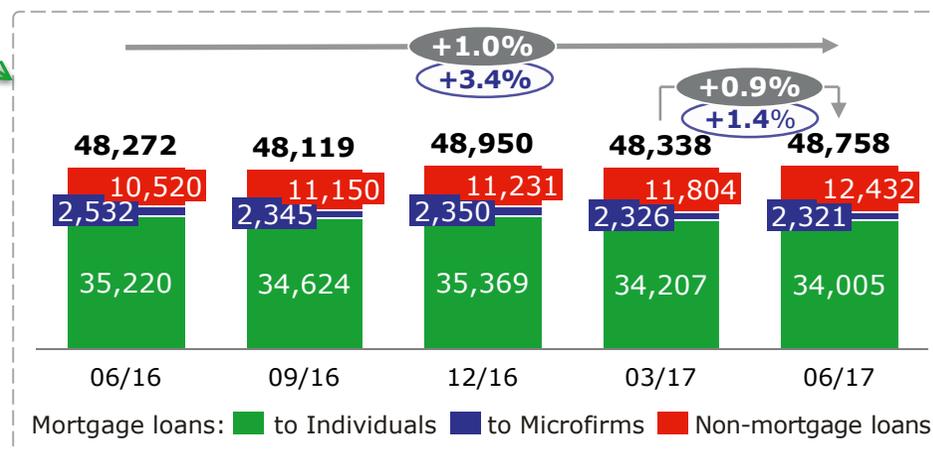
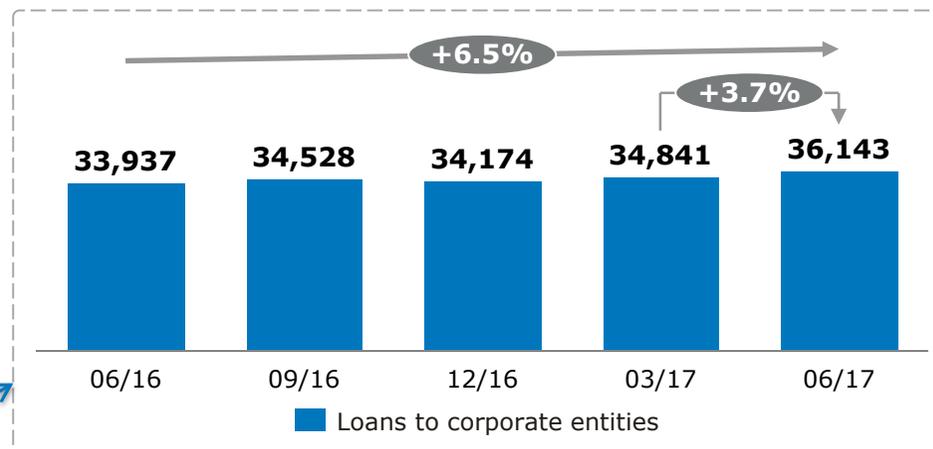
Gradual lending acceleration, focus on higher-margin products

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



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

+X.X% Excluding FX effect

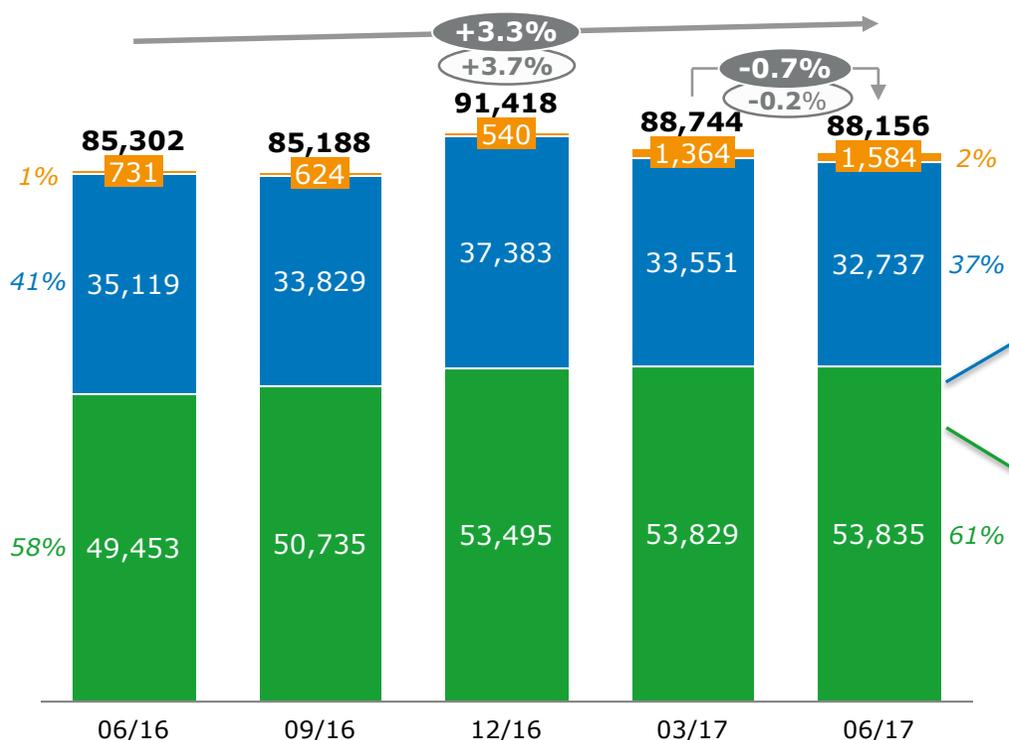


Analysis of Q2/17 in mBank Group

Development of Deposits

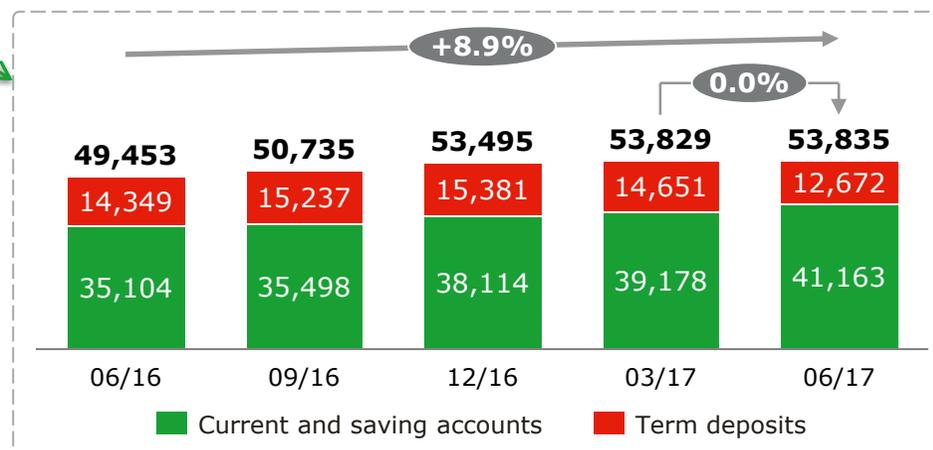
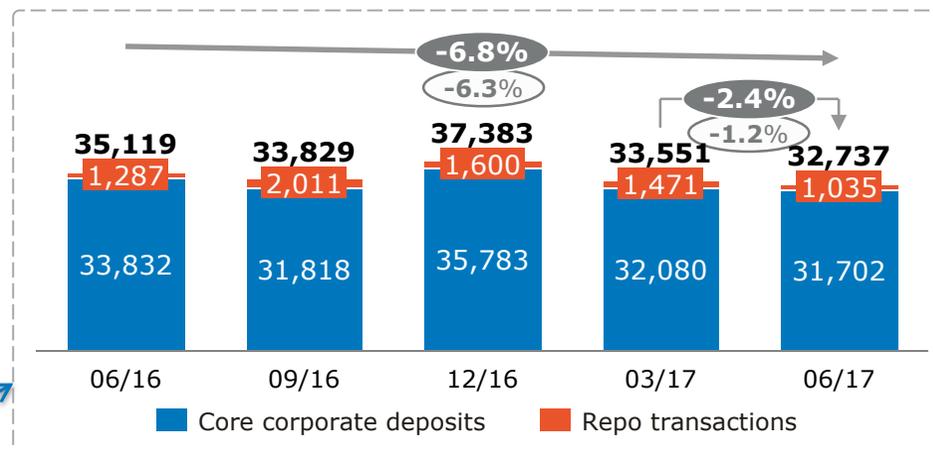
Outflow of term deposits continued, growth in current accounts

Development of Amounts due to Customers
(PLN M)



- Individual clients
- Corporate clients
- Public sector

+X.X% Excluding Repo transactions

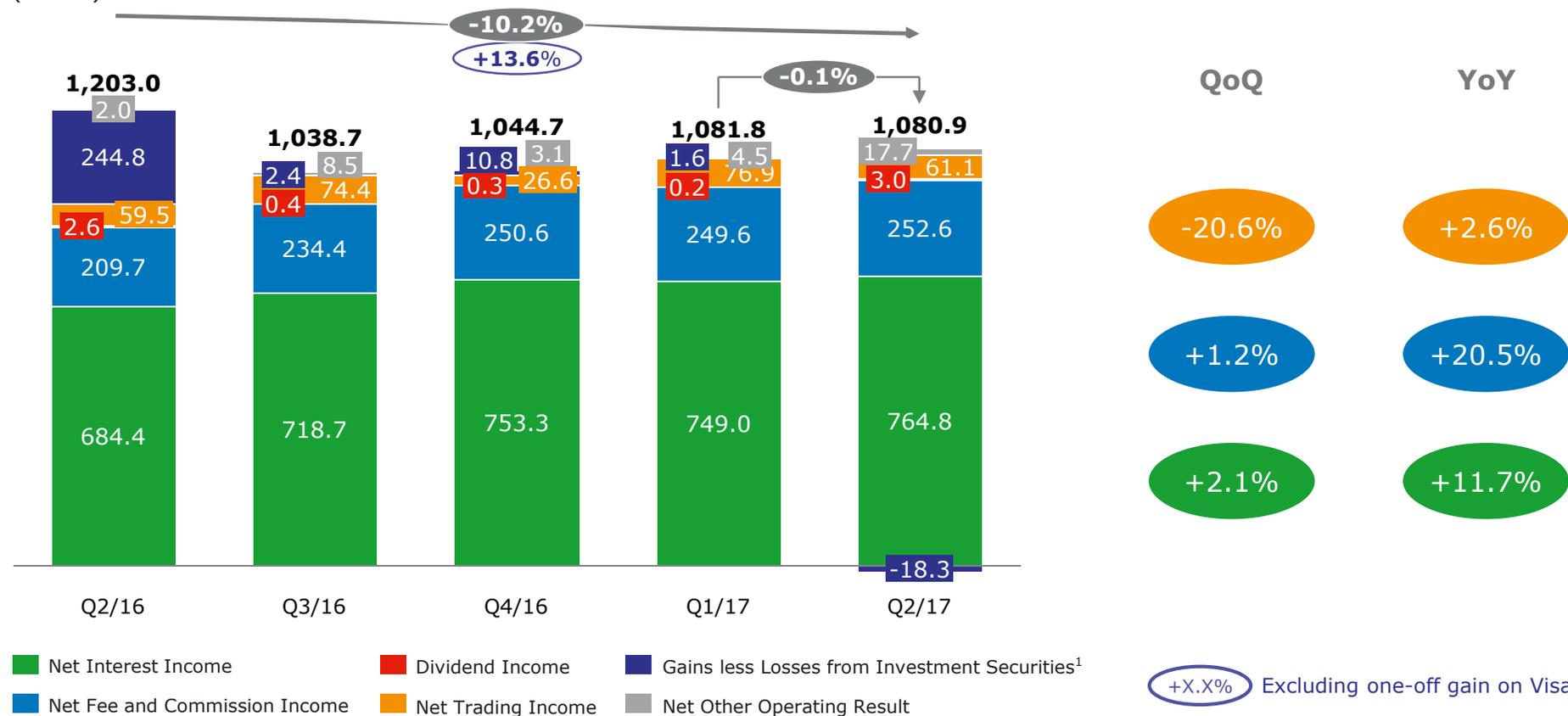


Analysis of Q2/17 in mBank Group

Income of mBank Group

Record high core revenues

Development of mBank Group's Income (PLN M)



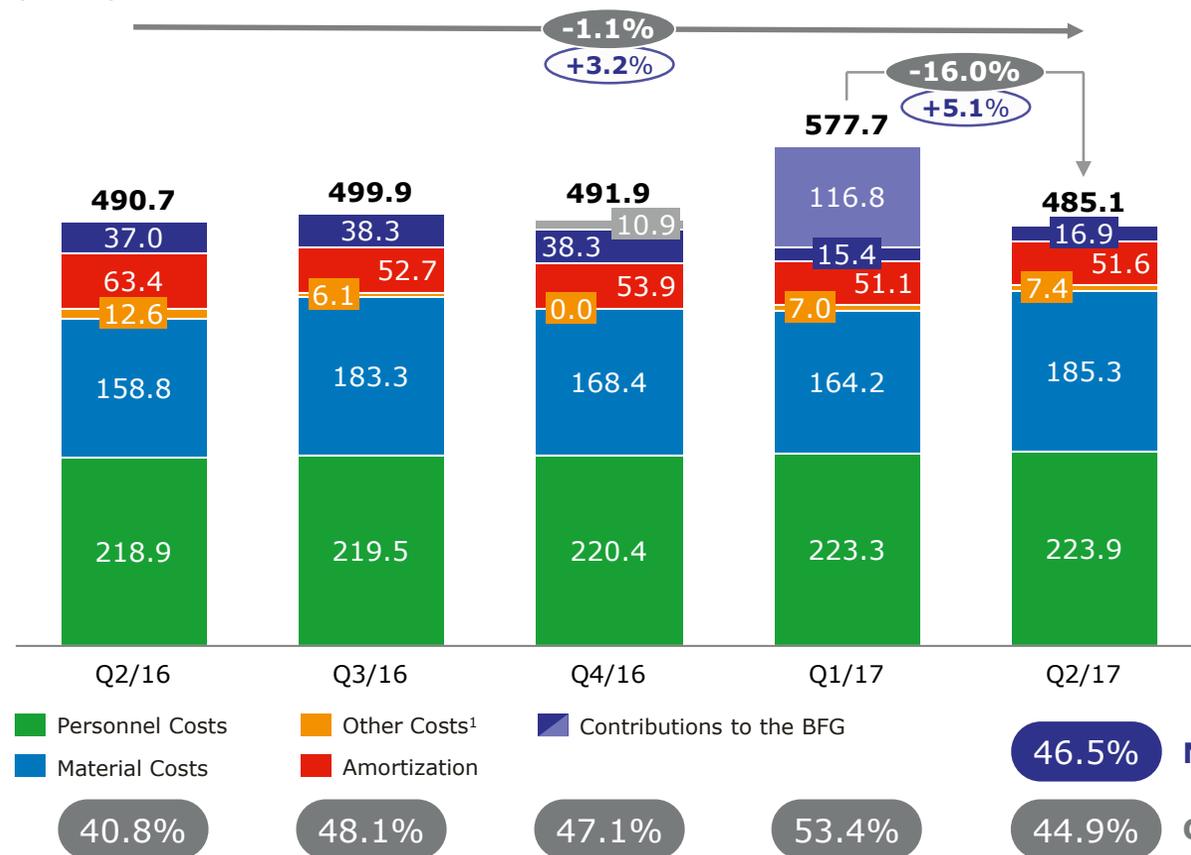
¹ Including one-off gain on the settlement of Visa transaction (PLN 251.7 M) in Q2/16;

Analysis of Q2/17 in mBank Group

Costs of mBank Group

Solid efficiency despite investing in future growth

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

+1.0%

-18.6%

+12.9%

+16.7%

+0.3%

+2.3%

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

46.5%

Normalized C/I ratio of mBank Group for H1/17

44.9%

C/I ratio of mBank Group (quarterly)

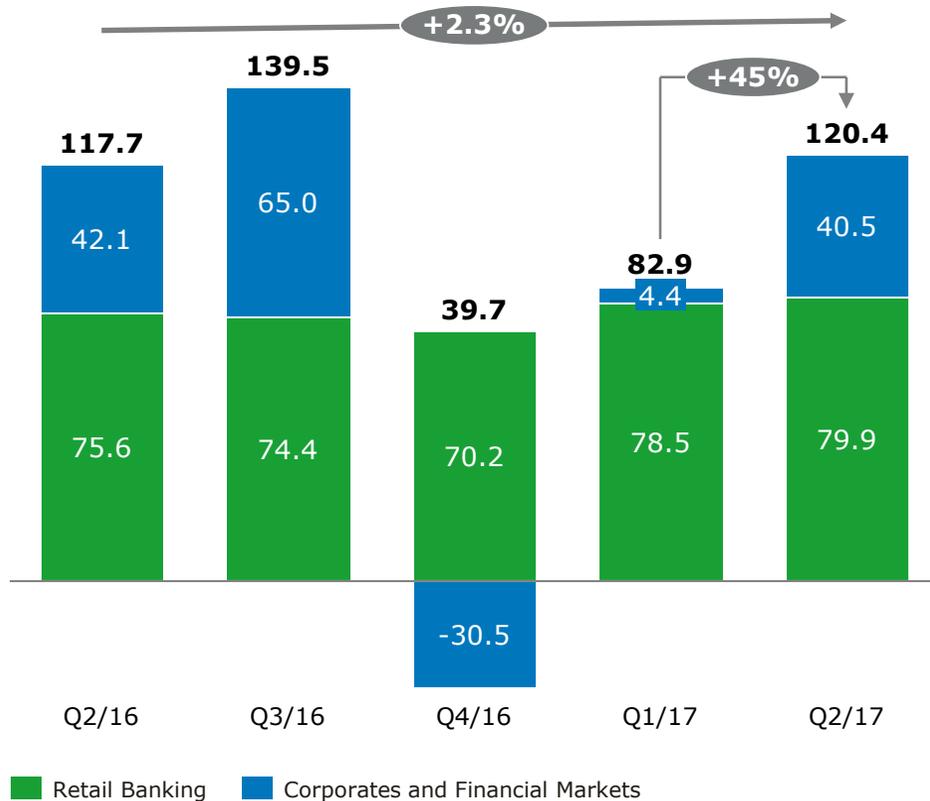
¹ Including taxes and fees, contributions to the Social Benefits Fund;

Analysis of Q2/17 in mBank Group

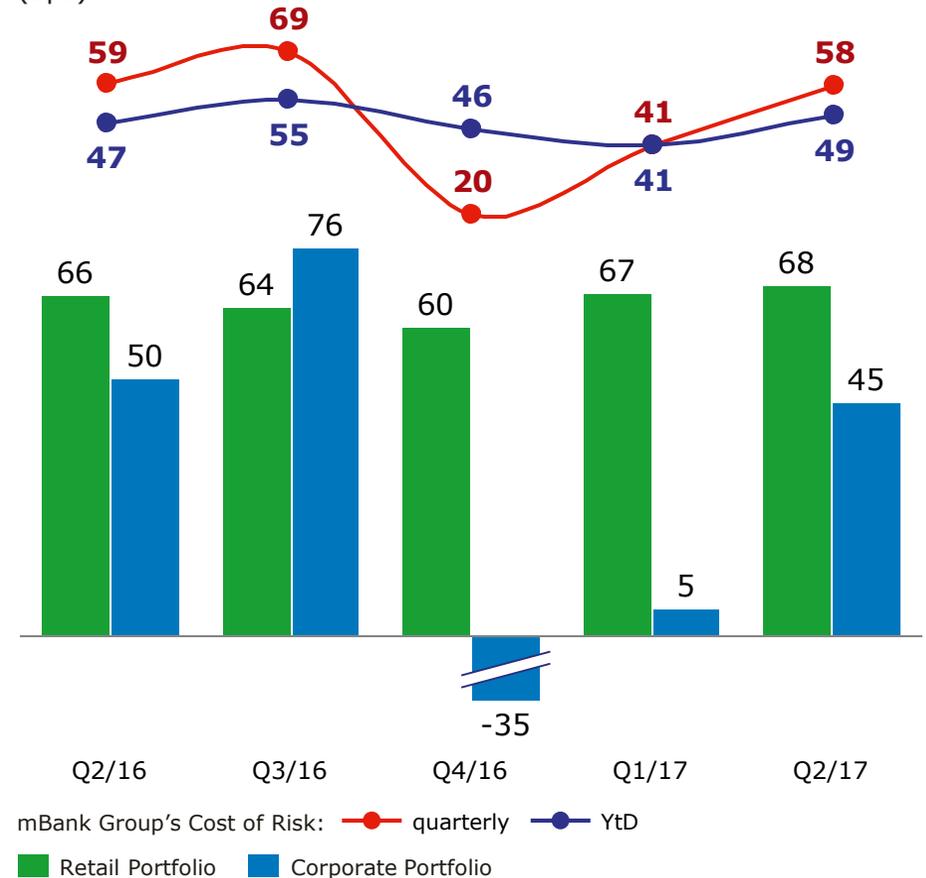
Loan Loss Provisions and Risk Costs

Cost of risk at a normalized level

Net Impairment Losses on Loans and Advances
(PLN M)



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

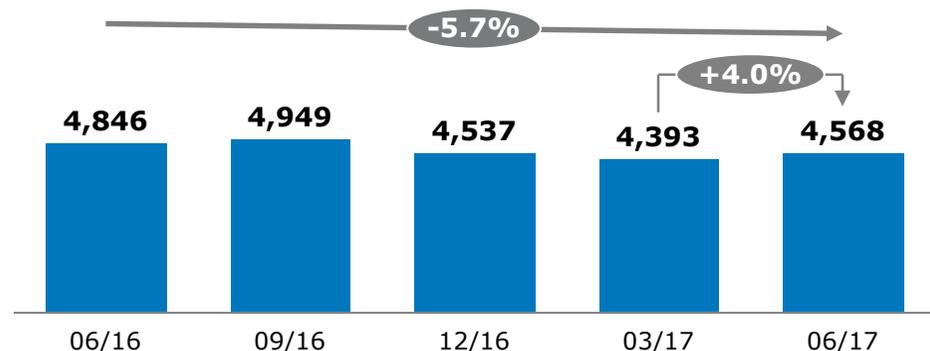


Analysis of Q2/17 in mBank Group

Loan Portfolio Quality

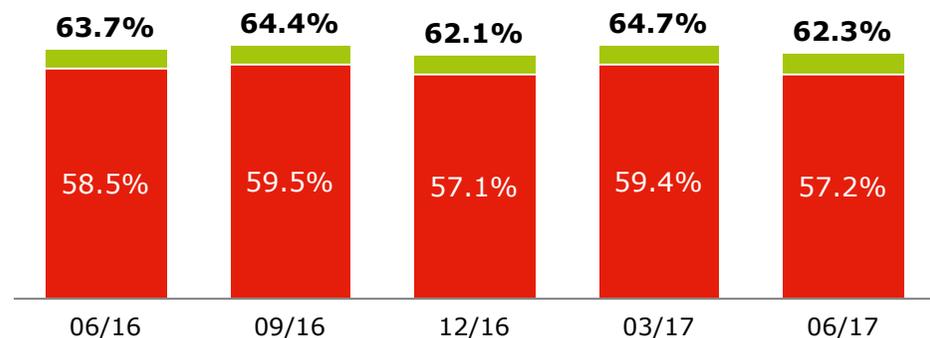
Resilient risk indicators confirming good loan portfolio quality

mBank Group's Impaired Loans Portfolio (PLN M)

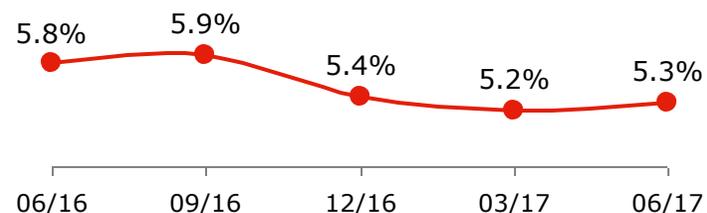


mBank Group's Coverage Ratio

incl. IBNR provisions

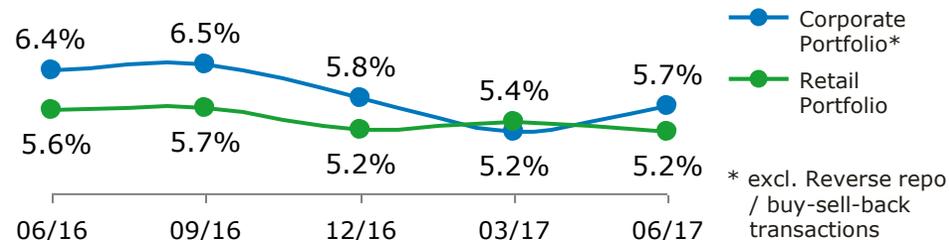


mBank Group's NPL Ratio



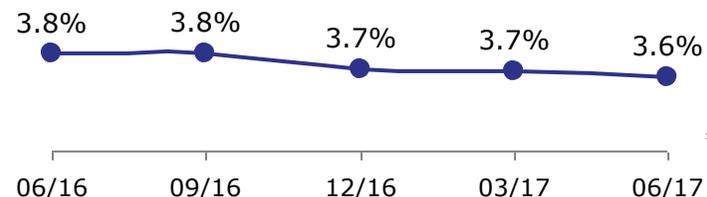
mBank Group applies a conservative client-oriented approach in its methodology of NPL recognition.

mBank Group's NPL Ratio by segment



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

NPL Ratio of Mortgage Loan Portfolio*



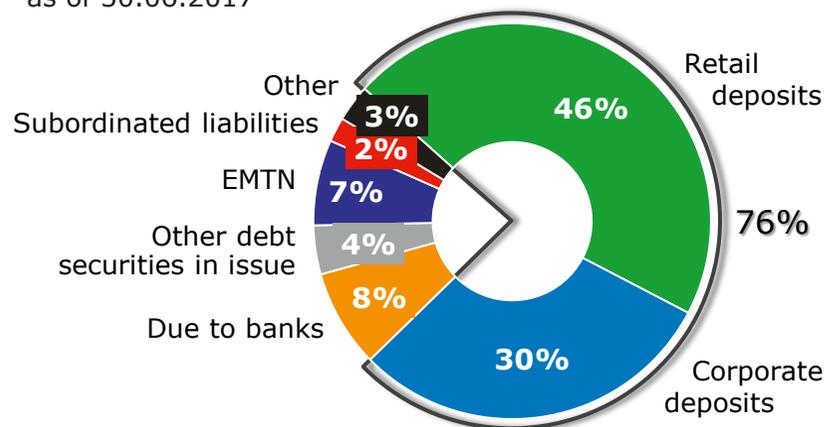
* to Private Individuals in Poland

Analysis of Q2/17 in mBank Group

Funding Structure Details

A well diversified funding profile and safe liquidity levels

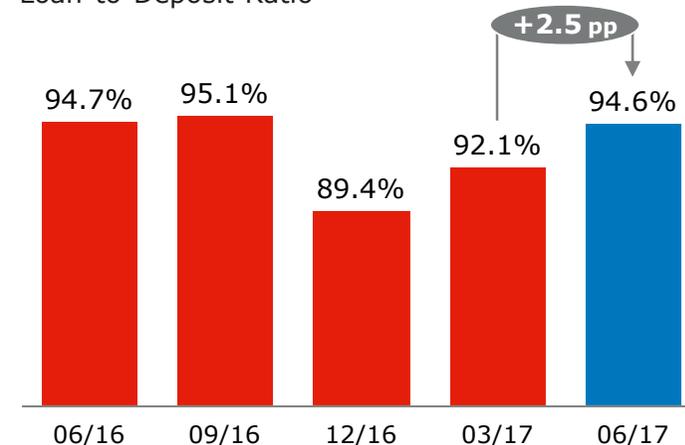
mBank Group's funding structure as of 30.06.2017



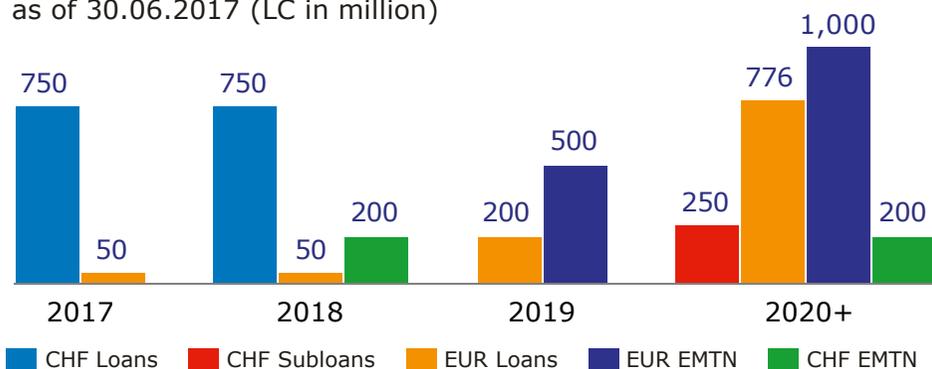
mBank's ratings

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 30.06.2017 (LC in million)



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

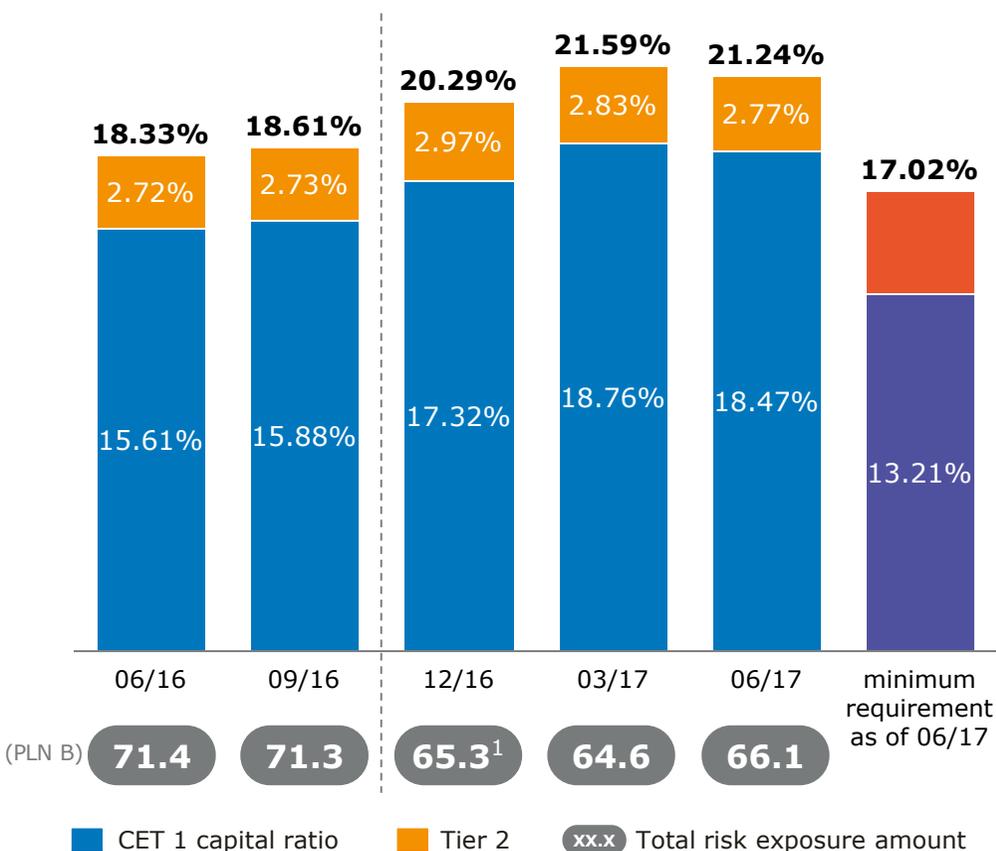
Issue size	Issue date	Maturity date	Tenor	Coupon
CHF 200 M	08-10-2013	08-10-2018	5.0 Y	2.500%
EUR 500 M	01-04-2014	01-04-2019	5.0 Y	2.375%
EUR 500 M	26-11-2014	26-11-2021	7.0 Y	2.000%
EUR 500 M	26-09-2016	26-09-2020	4.0 Y	1.398%
CHF 200 M	28-03-2017	28-03-2023	6.0 Y	1.005%

Analysis of Q2/17 in mBank Group

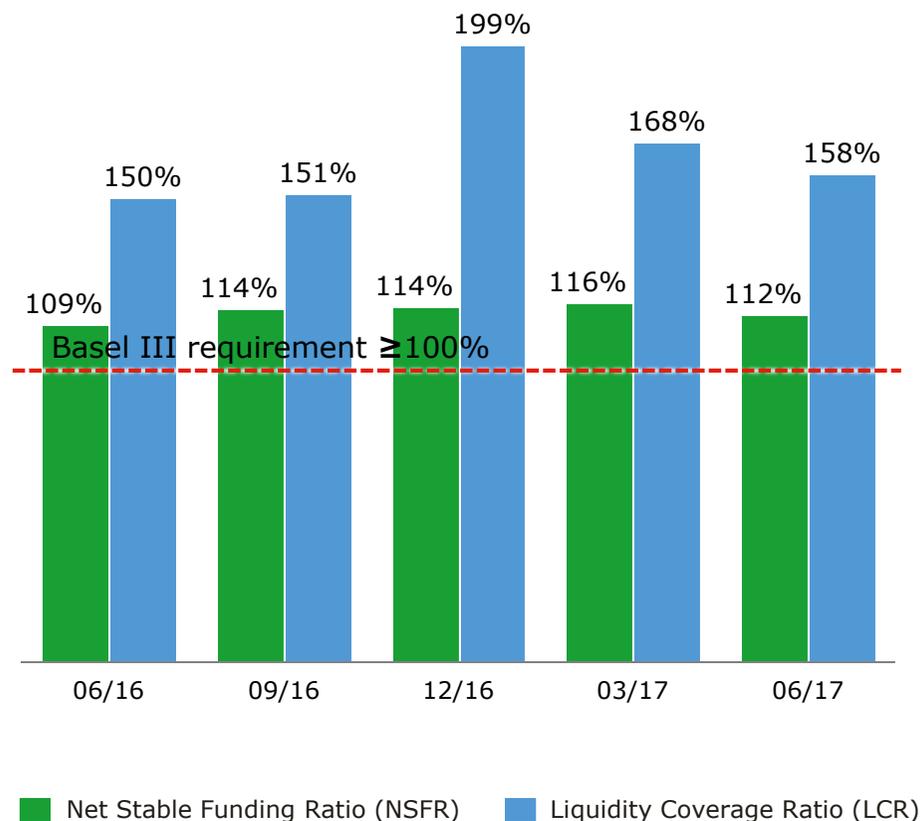
Key Regulatory Ratios

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.

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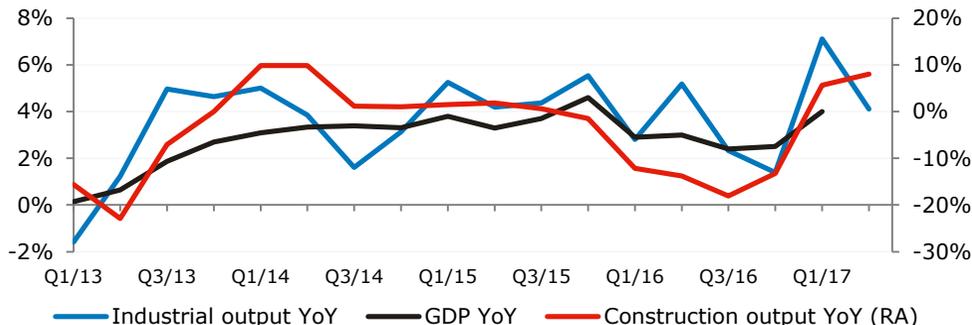
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Macroeconomic Update (1/2)

The economy set to grow by 4% on average in 2017 and 2018

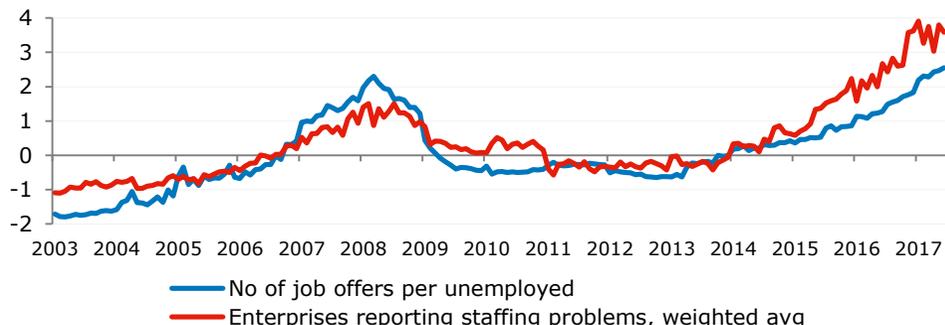
The economy maintained strong growth in Q2/17



- Q2/17 growth set to be slightly lower than Q1/17 figure, but still close to 4%. Due to less favourable calendar and slower inventory accumulation, industrial output slowed down slightly.

Source: GUS, NBP

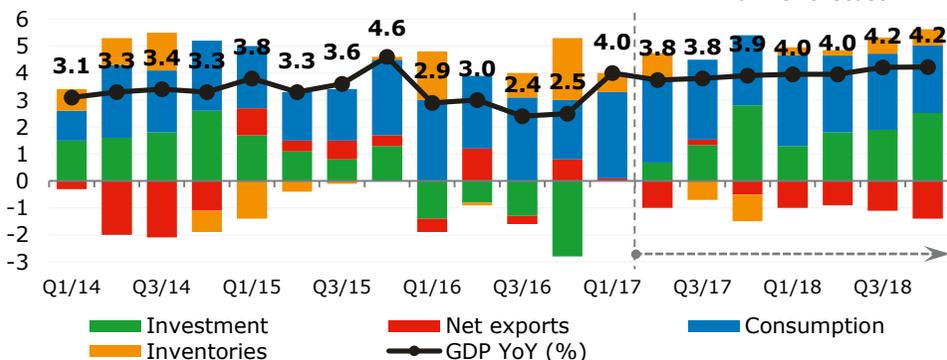
Tighter labour market across the board, supporting consumption



- 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

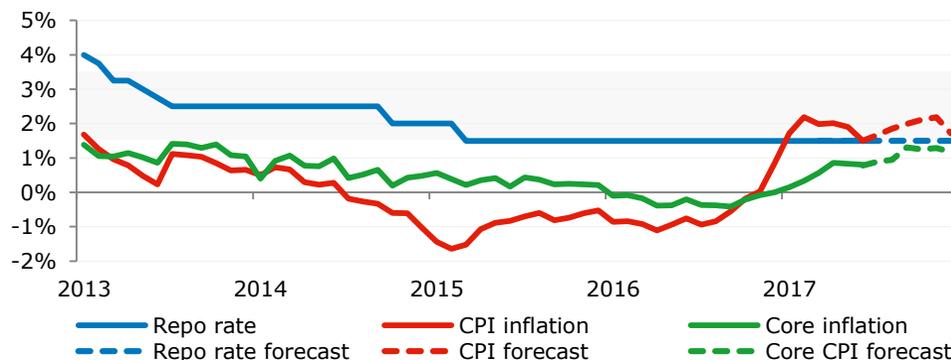
GDP forecast (% YoY)



- The economy set to grow by ca. 4% this year and in 2018. Consumption will remain the key pillar of growth, followed by accelerating investment.

Source: GUS, NBP

Inflation set to move sideways, but core inflation is trending up



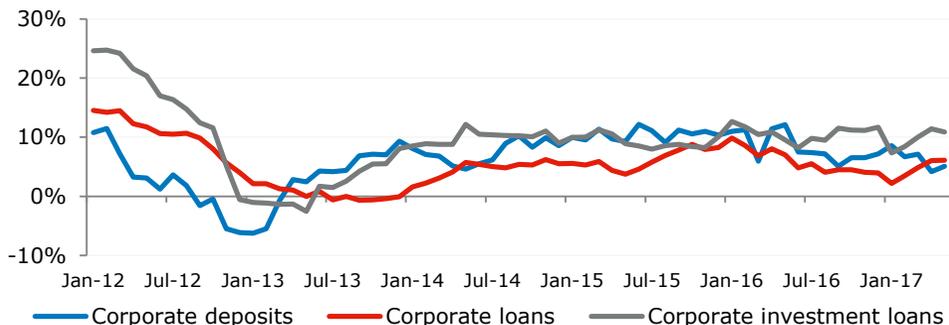
- Inflation set to stabilize close to 2%, as the fuels price spike ends and food price growth levels off. The uptrend in core inflation means, however, that the likelihood of higher inflation is growing.

Source: GUS

Macroeconomic Update (2/2)

Slight rebound in credit growth. Polish assets are in demand.

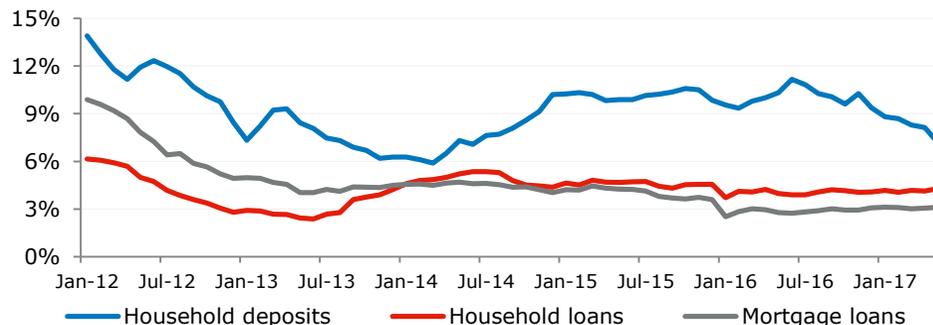
Corporate loans and deposits (% YoY, FX-adjusted)



■ 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, FX-adjusted)



■ Household deposits decelerate as consumption accelerates and household are looking for alternative investments. Lending is still sluggish and mortgage production remains in line with historical average.

Source: NBP

Risk premium in Polish bonds continues to decline



■ 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 appreciated vis-a-vis the USD and the CHF, stable against the EUR



■ PLN strengthened in lockstep with bonds and equities, then stabilized around 4.20. With stronger EUR, USD/PLN and CHF/PLN are at multi-year lows.

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)	3.3%	2.4%	4.5%
Private consumption (YoY)	3.0%	3.8%	4.4%
Investment (YoY)	6.1%	-7.9%	5.8%
Inflation (eop)	-0.5%	0.8%	1.5%
MPC rate (eop)	1.50	1.50	1.50
CHF/PLN (eop)	3.92	4.11	3.73
EUR/PLN (eop)	4.26	4.40	4.10

Banking sector – monetary aggregates YoY

	2015	2016	2017F
Corporate loans	8.2%	5.0%	9.4%
Mortgage loans	7.0%	4.8%	-0.8%
Non-mortgage loans	6.2%	5.9%	7.2%
Corporate deposits	10.3%	7.9%	8.5%
Retail deposits	9.8%	9.7%	3.9%

Source: mBank's estimates as of 04.07.2017.

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
- 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

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Additional Information: Selected Financial Data Consolidated Profit and Loss Account

Summary
Historical view
Profit & Loss
Balance Sheet
Business Lines
Subsidiaries

Quarterly results (PLN thou.)	Q2/16	Q3/16	Q4/16	Q1/17	Q2/17
Net interest income	684,443	718,712	753,270	749,007	764,779
Net fee and commission income	209,703	234,363	250,634	249,554	252,612
Dividend income	2,586	442	299	154	2,970
Net trading income	59,513	74,402	26,629	76,897	61,068
<i>incl. FX result</i>	66,065	82,162	50,407	76,407	57,912
Gains less losses from investment securities	244,755	2,350	10,749	1,636	(18,298)
Net other operating income ¹	1,992	8,478	3,131	4,530	17,741
Total income	1,202,992	1,038,747	1,044,712	1,081,778	1,080,872
Total operating costs	(490,699)	(499,887)	(491,926)	(577,691)	(485,090)
<i>Overhead costs</i>	(427,329)	(447,196)	(438,073)	(526,609)	(433,494)
<i>Amortisation</i>	(63,370)	(52,691)	(53,853)	(51,082)	(51,596)
Loan loss provisions	(117,743)	(139,452)	(39,679)	(82,921)	(120,399)
Operating profit	594,550	399,408	513,107	421,166	475,383
Taxes on the Group balance sheet items	(89,011)	(89,824)	(92,802)	(91,305)	(93,018)
Profit before income tax	505,539	309,584	420,305	329,861	382,365
Net profit attributable to owners of mBank	388,504	230,479	292,517	218,778	269,700

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.)	Q2/16	Q3/16	Q4/16	Q1/17	Q2/17
Cash and balances with Central Bank	6 433 221	5 859 485	9 164 281	7 139 929	5 855 425
Loans and advances to banks	1 680 830	2 920 734	3 082 855	1 976 859	2 259 136
Trading securities	3 233 150	4 177 242	3 800 634	3 538 122	3 296 641
Derivative financial instruments	2 411 457	2 087 395	1 808 847	1 680 769	1 325 089
Loans and advances to customers	80 774 809	81 009 630	81 763 277	81 697 942	83 377 025
Investment securities	31 644 303	31 257 850	31 393 352	31 689 903	30 469 641
Intangible assets	503 561	501 917	582 663	577 955	627 900
Tangible fixed assets	722 792	710 268	757 371	737 261	711 925
Other assets	1 329 362	1 256 202	1 390 222	1 449 641	1 494 709
Total assets	128 733 485	129 780 723	133 743 502	130 488 381	129 417 491
Liabilities (PLN thou.)	Q2/16	Q3/16	Q4/16	Q1/17	Q2/17
Amounts due to other banks	12 058 198	11 562 896	8 486 753	8 767 287	8 641 320
Derivative financial instruments	2 157 160	1 766 557	1 599 266	1 557 117	1 114 492
Amounts due to customers	85 302 300	85 188 225	91 417 962	88 744 037	88 155 911
Debt securities in issue	10 115 495	12 192 188	12 660 389	13 260 781	13 011 687
Subordinated liabilities	3 910 457	3 851 380	3 943 349	2 250 473	2 232 839
Other liabilities	2 392 876	2 248 936	2 584 622	2 570 402	2 580 807
Total liabilities	115 936 486	116 810 182	120 692 341	117 150 097	115 737 056
Total equity	12 796 999	12 970 541	13 051 161	13 338 284	13 680 435
Total liabilities and equity	128 733 485	129 780 723	133 743 502	130 488 381	129 417 491

Appendix

Additional Information: Selected Financial Data mBank Group's Ratios

Summary
Historical view
Profit & Loss
Balance Sheet
Business Lines
Subsidiaries

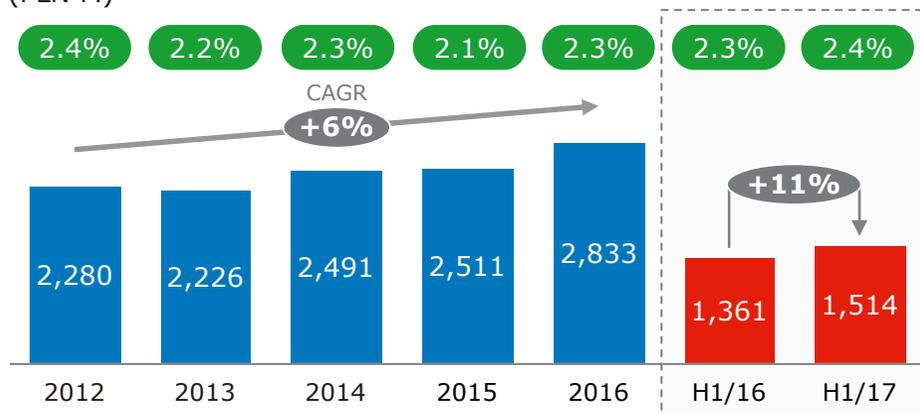
Financial Ratios	Q2/16	Q3/16	Q4/16	Q1/17	Q2/17
Net Interest Margin (<i>quarterly</i>)	2.25%	2.31%	2.35%	2.42%	2.43%
Net Interest Margin YtD	2.27%	2.28%	2.30%	2.42%	2.42%
Net Interest Margin YtD (excl. CHF portfolio)	2.63%	2.64%	2.65%	2.77%	2.76%
Cost to Income Ratio (<i>quarterly</i>)	40.8%	48.1%	47.1%	53.4%	44.9%
Cost to Income Ratio YtD	43.9%	45.3%	45.7%	53.4%	49.1%
Cost of Risk (<i>quarterly</i>)	0.59%	0.69%	0.20%	0.41%	0.58%
Cost of Risk YtD	0.47%	0.55%	0.46%	0.41%	0.49%
ROE net (<i>quarterly</i>)	12.85%	7.61%	9.81%	6.81%	8.23%
ROE net YtD	11.46%	10.18%	10.09%	6.81%	7.53%
ROA net (<i>quarterly</i>)	1.23%	0.71%	0.88%	0.68%	0.83%
ROA net YtD	1.11%	0.98%	0.95%	0.68%	0.75%
Loan-to-Deposit Ratio	94.7%	95.1%	89.4%	92.1%	94.6%
Total Capital Ratio	18.33%	18.61%	20.29%	21.59%	21.24%
Common Equity Tier 1 Ratio	15.61%	15.88%	17.32%	18.76%	18.47%
Equity / Assets	9.9%	10.0%	9.8%	10.2%	10.6%
TREA / Assets	55.4%	54.9%	48.8%	49.5%	51.1%
NPL ratio	5.8%	5.9%	5.4%	5.2%	5.3%
NPL coverage ratio	58.5%	59.5%	57.1%	59.4%	57.2%
NPL coverage ratio incl. general provisions	63.7%	64.4%	62.1%	64.7%	62.3%

Appendix

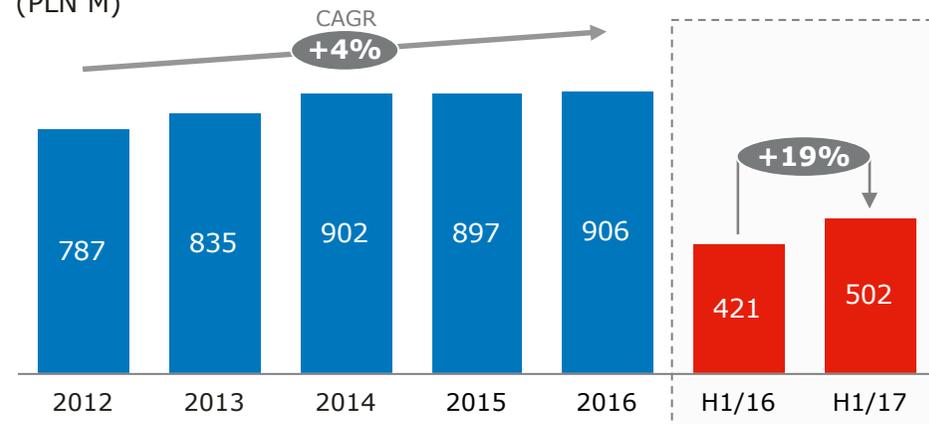
mBank Group's historical performance (1/3)

Summary
Historical view
Profit & Loss
Balance Sheet
Business Lines
Subsidiaries

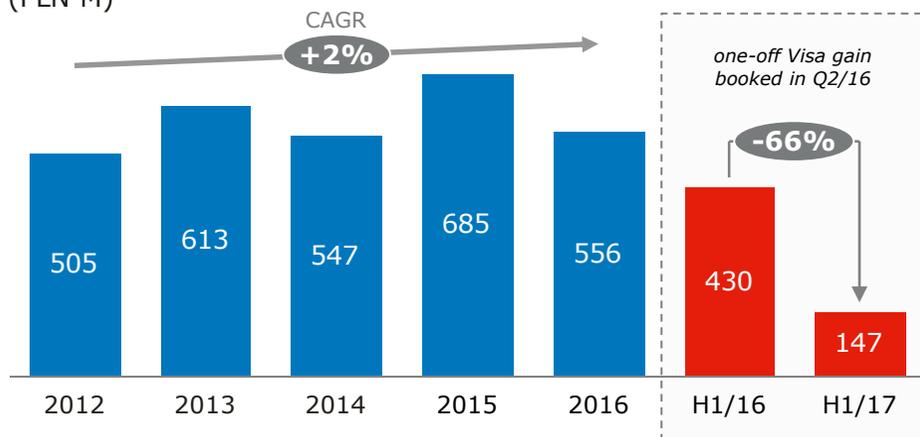
Net Interest Income & NIM
(PLN M)



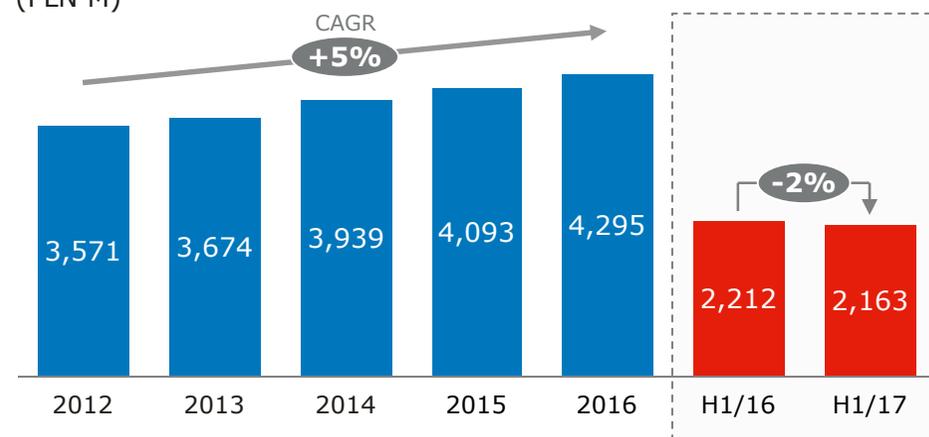
Net Fee and Commission Income
(PLN M)



Trading and Other Income
(PLN M)



Total Income
(PLN M)

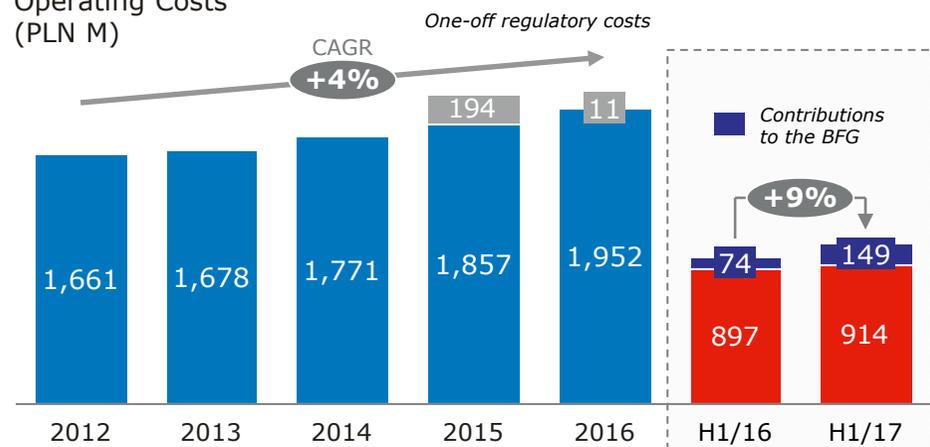


Appendix

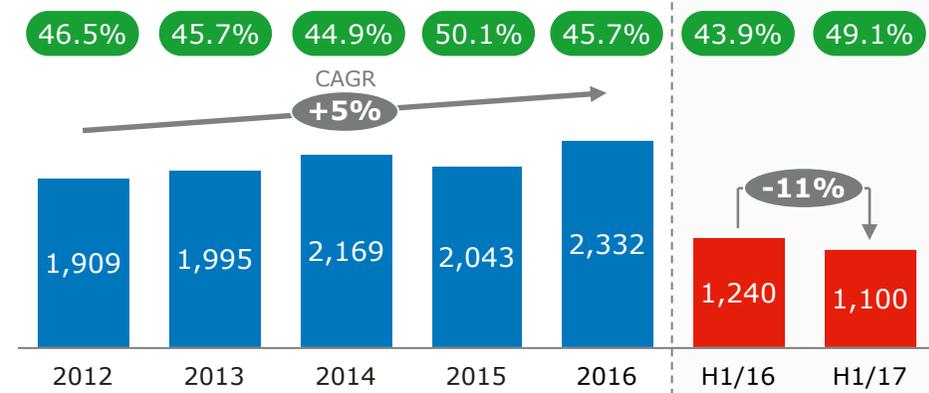
mBank Group's historical performance (2/3)

Summary
Historical view
Profit & Loss
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Business Lines
Subsidiaries

Operating Costs
(PLN M)



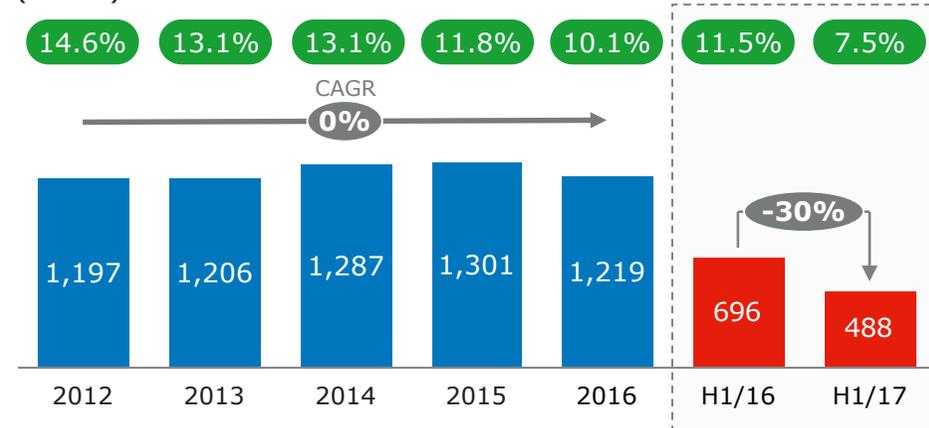
Pre-provision Income & C/I ratio
(PLN M)



Loan Loss Provisions & Cost of Risk
(PLN M)



Net Profit & Return on Equity
(PLN M)

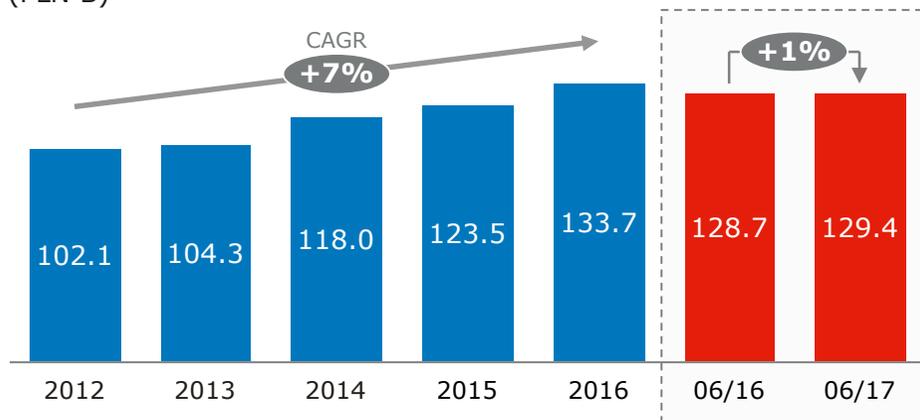


Appendix

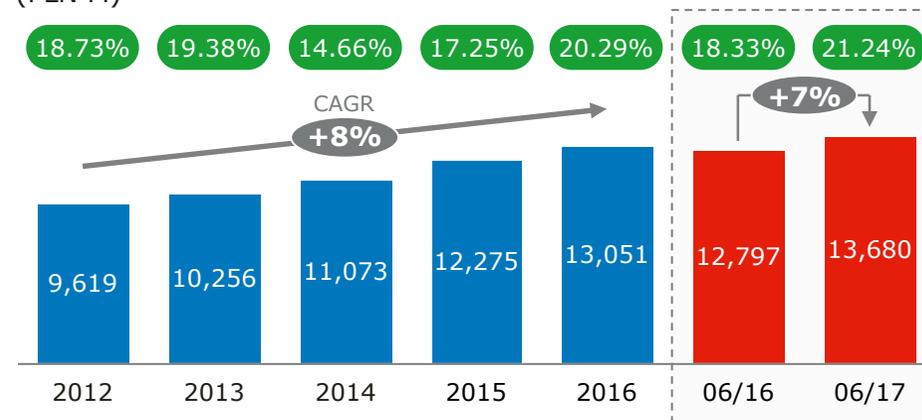
mBank Group's historical performance (3/3)

Summary
Historical view
Profit & Loss
Balance Sheet
Business Lines
Subsidiaries

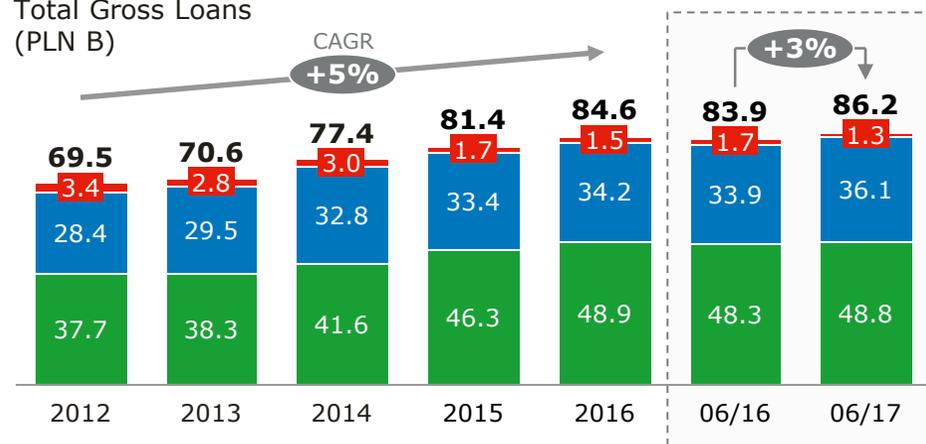
Total Assets
(PLN B)



Equity & Total Capital Ratio
(PLN M)

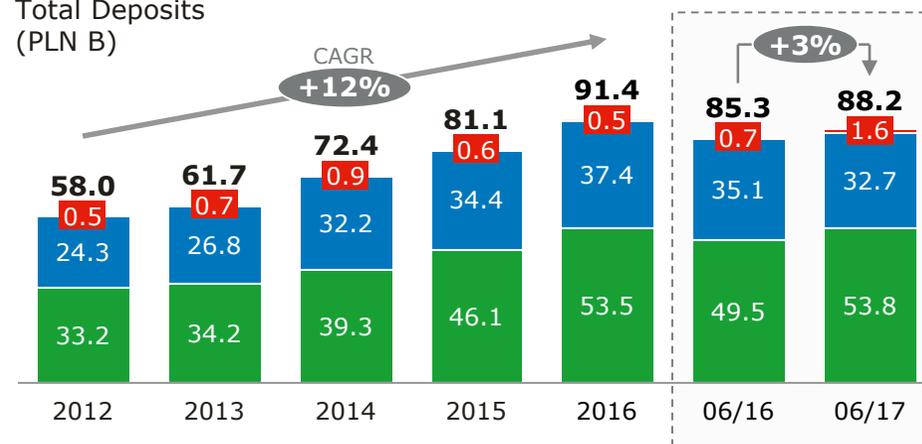


Total Gross Loans
(PLN B)



Individual clients Corporate clients Public sector and other

Total Deposits
(PLN B)



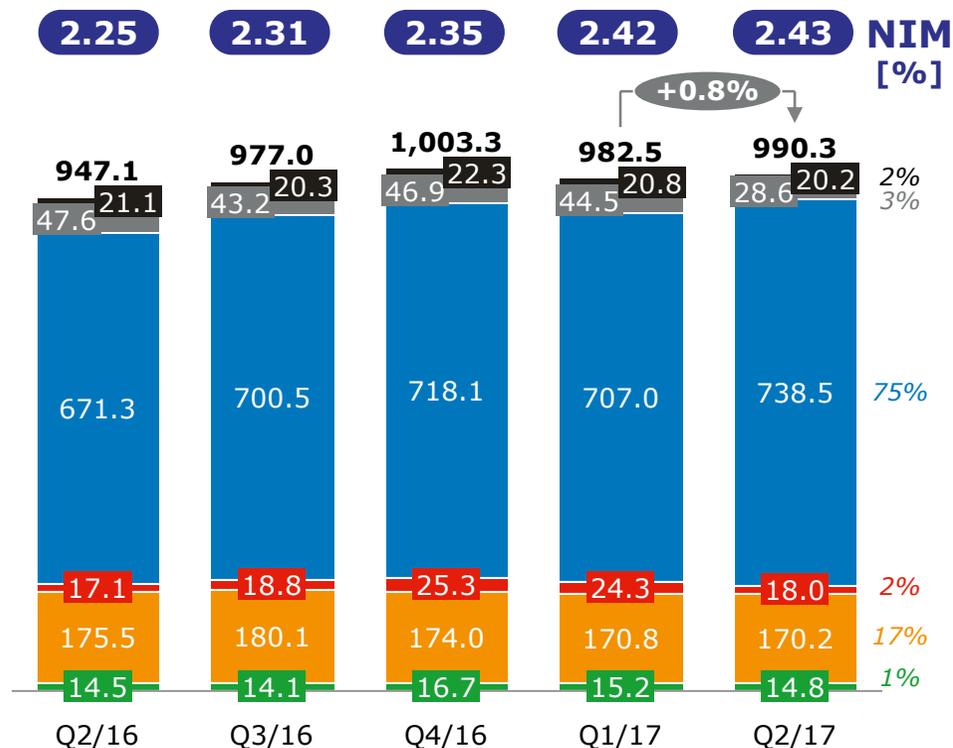
Individual clients Corporate clients Public sector

Appendix

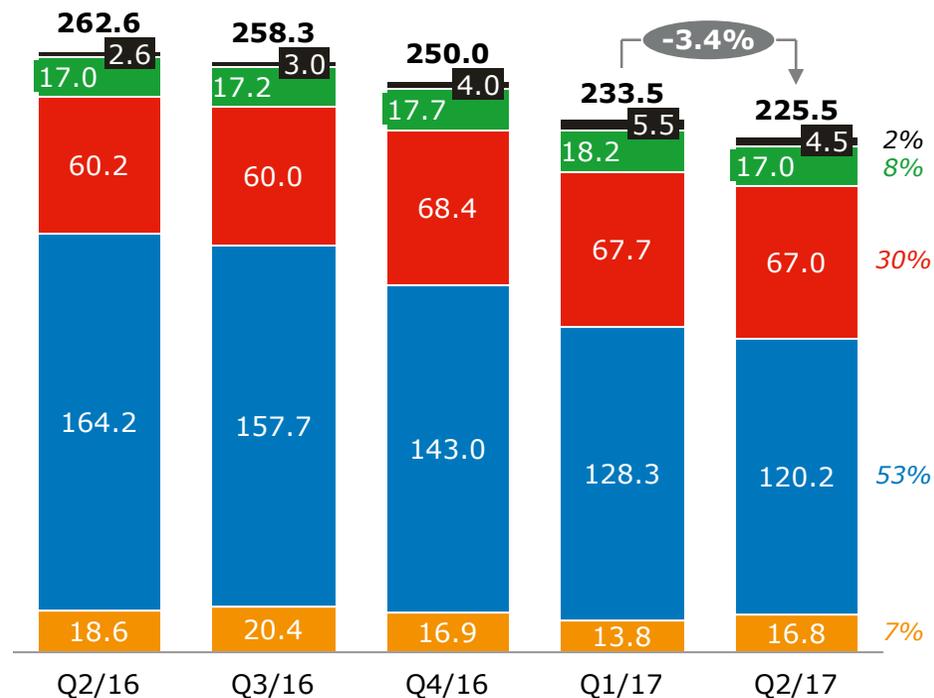
Additional Information: Selected Financial Data Net Interest Income & Margin

Summary
Historical view
Profit & Loss
Balance Sheet
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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

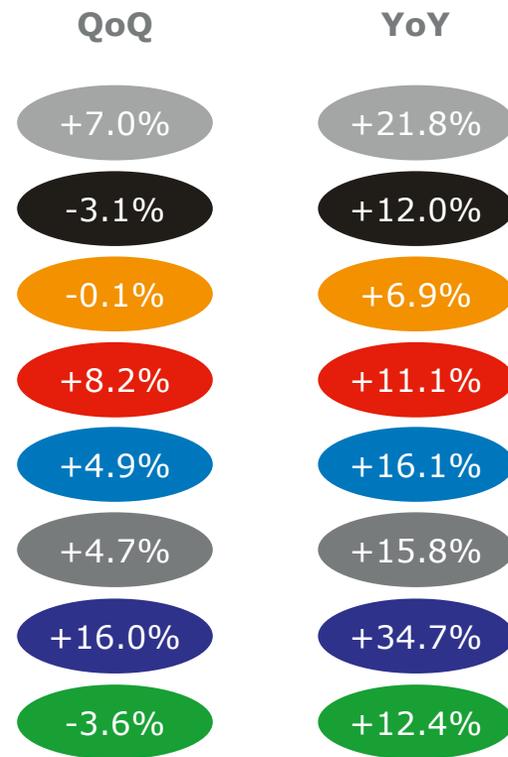
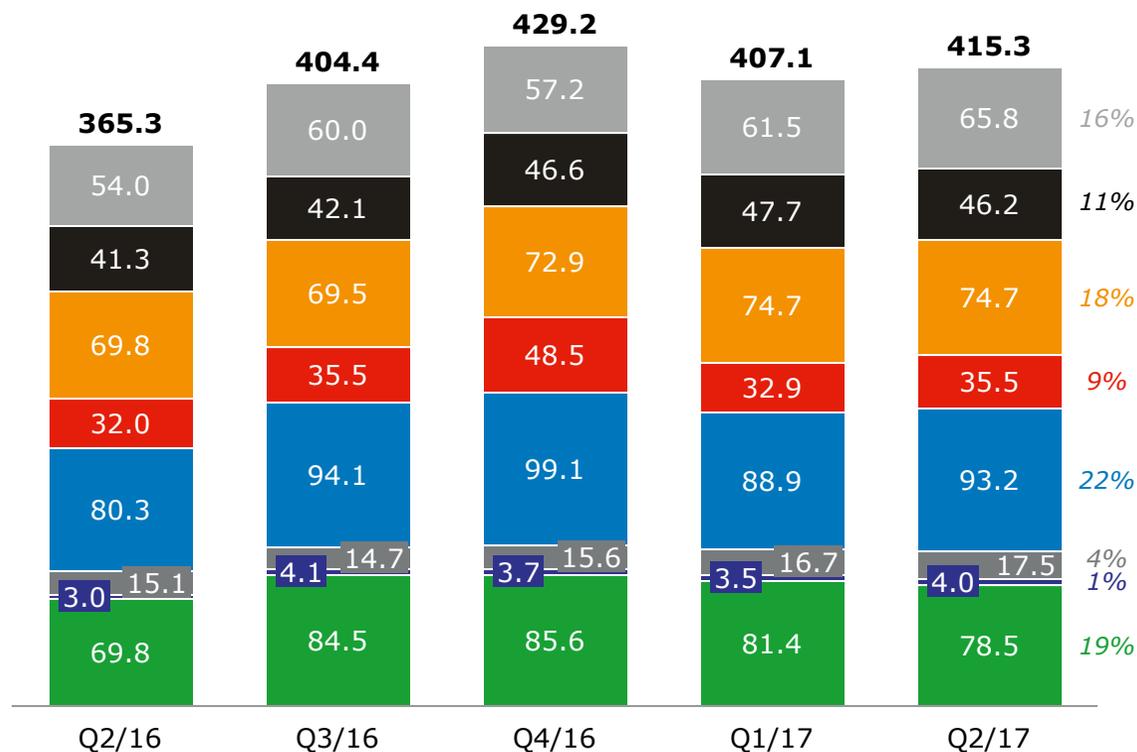
- Amounts due to banks
- Amounts due to customers
- Issue of debt securities
- Subordinated liabilities
- Other

Appendix

Additional Information: Selected Financial Data Fee and Commission Income

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



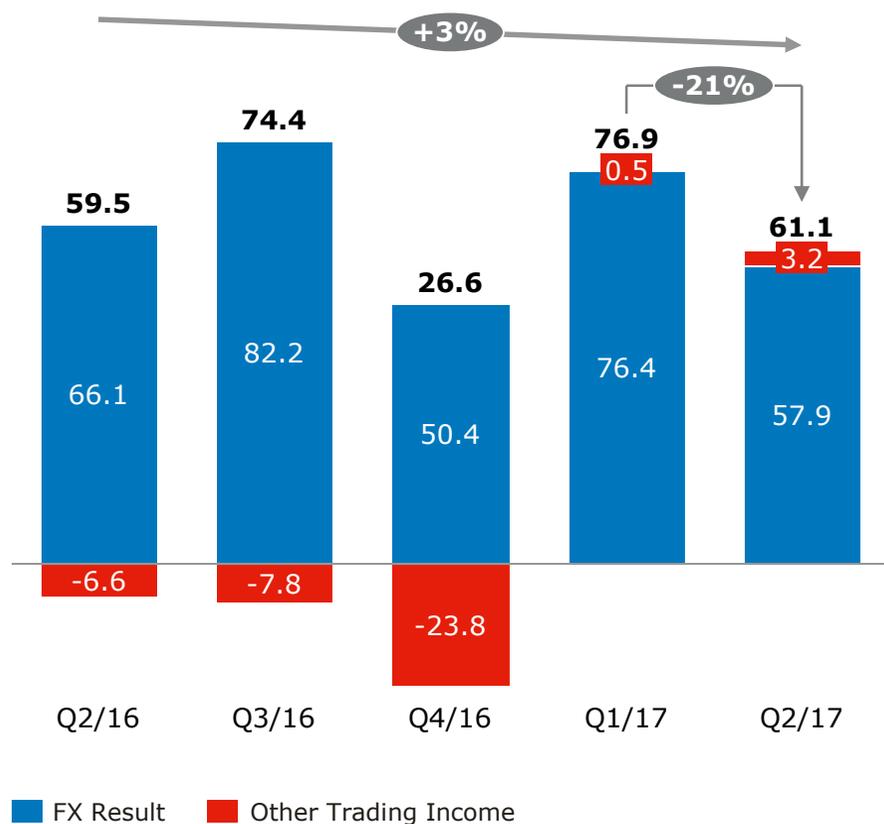
- Credit related fees
- Payment card fees
- Insurance activity
- Portfolio management
- Brokerage activity & securities issue
- Other (incl. custody)
- Guarantees and trade finance
- Accounts & money transfers

Appendix

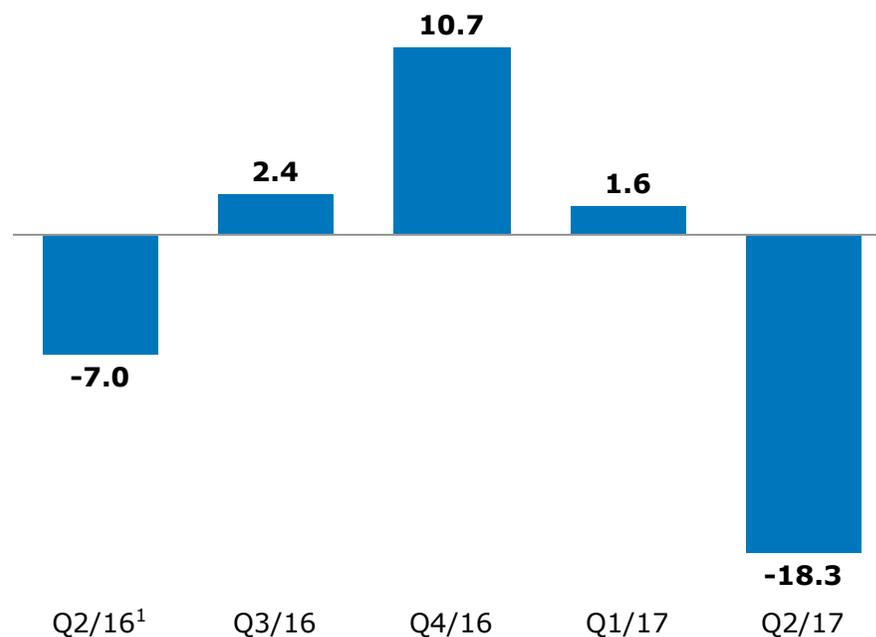
Additional Information: Selected Financial Data Trading and Other Income

Summary
Historical view
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Net Trading Income Structure
(PLN M)



Gains less Losses from Investment Securities
(PLN M)



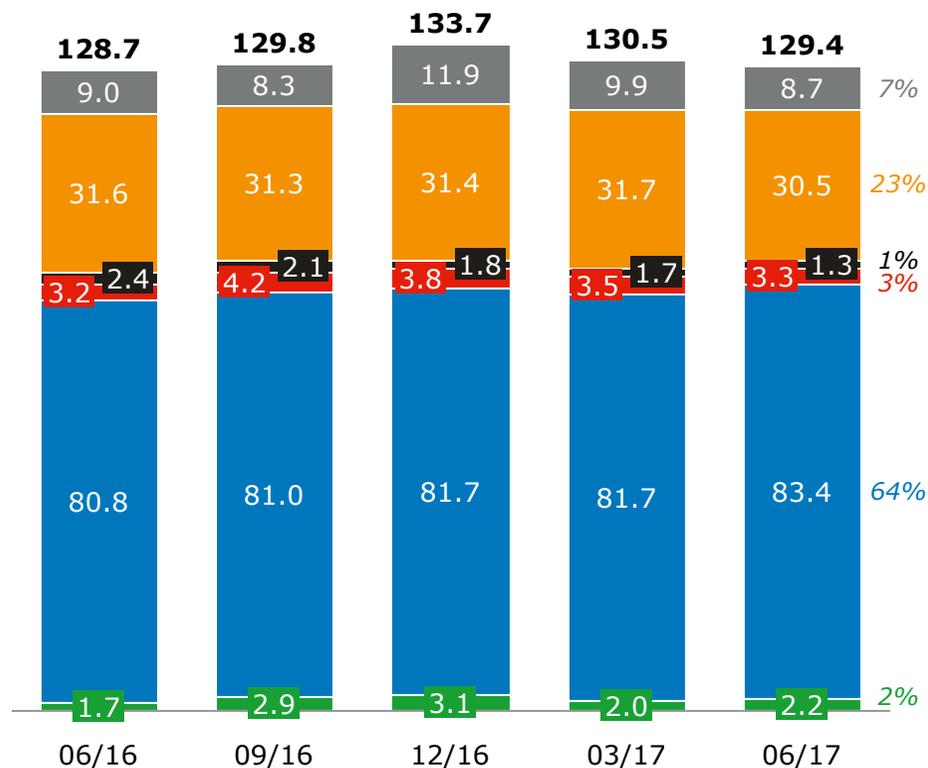
¹ Excluding gain on the settlement of Visa transaction (PLN 251.7 M);

Appendix

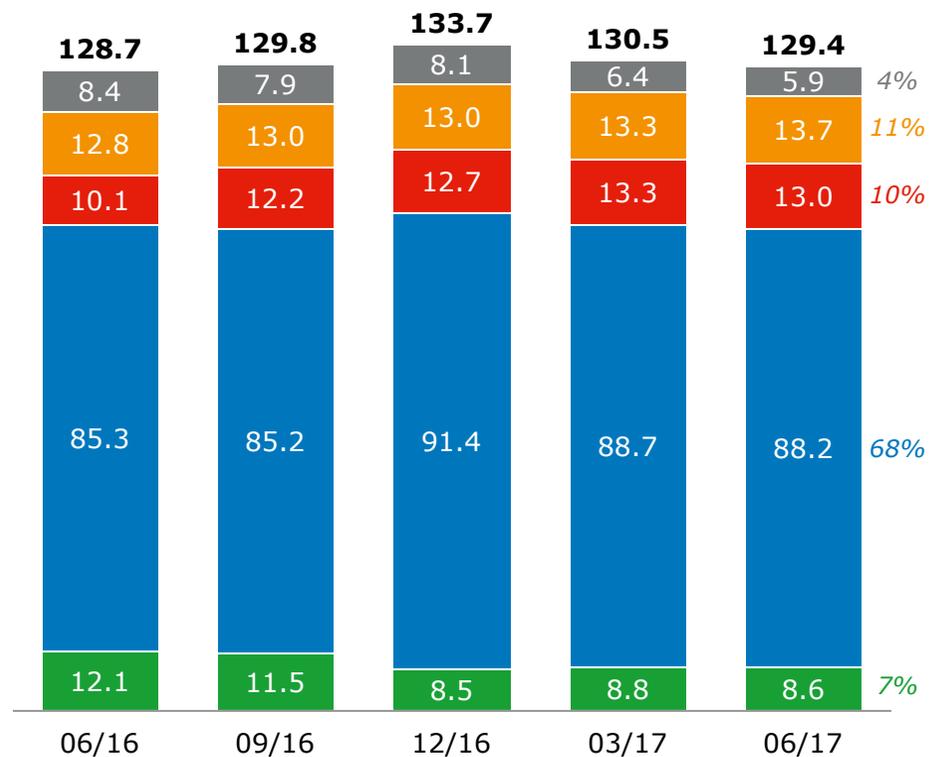
Additional Information: Selected Financial Data Balance Sheet Analysis: Assets & Liabilities

Summary
Historical view
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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

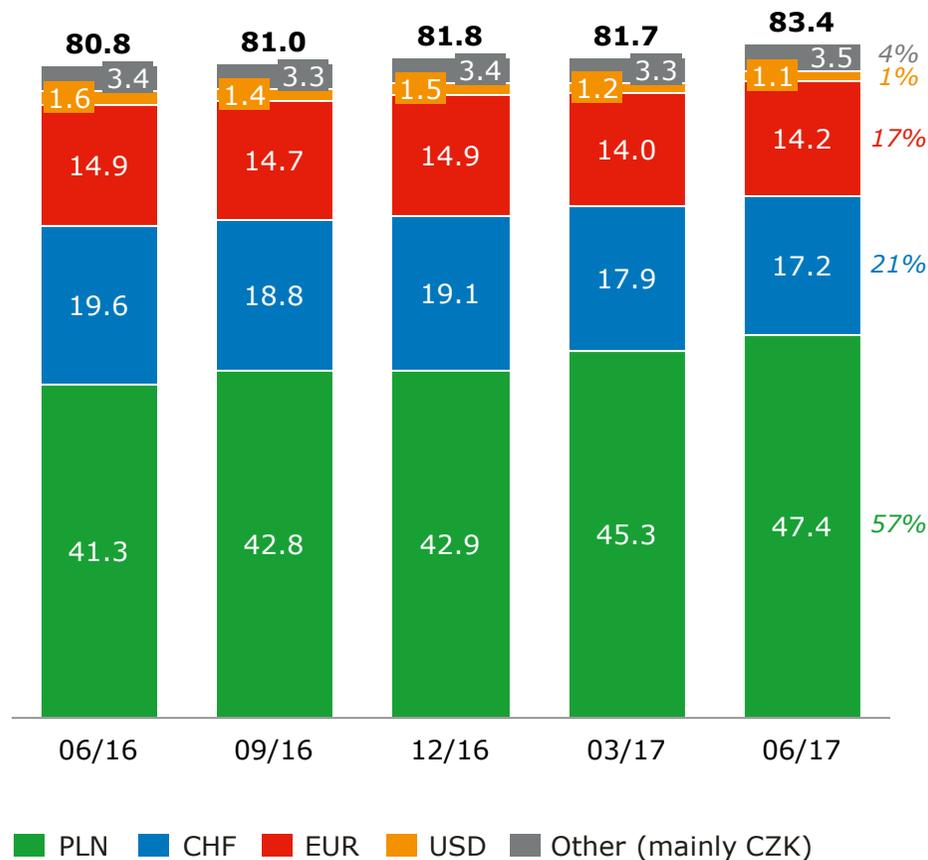
- Amounts due to other banks
- Amounts due to customers
- Debt securities in issue
- Equity
- Other

Appendix

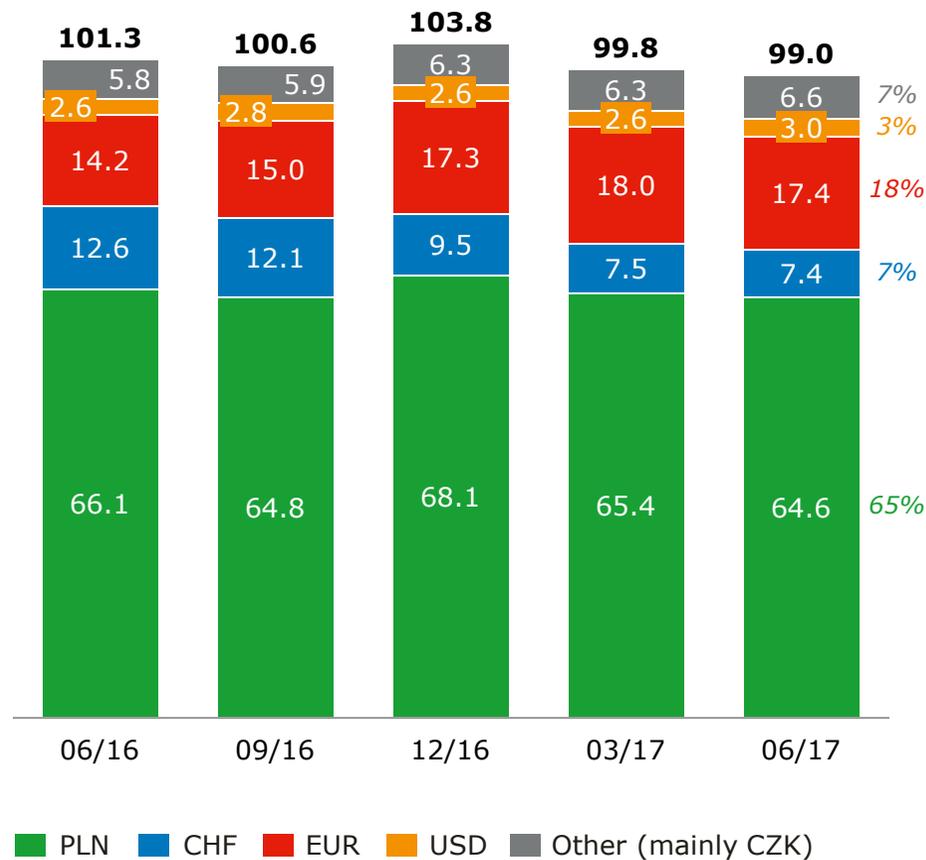
Additional Information: Selected Financial Data Balance Sheet Analysis: Currency Structure

Summary
Historical view
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Currency Structure of Loans to Customers (net)
(PLN B)



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



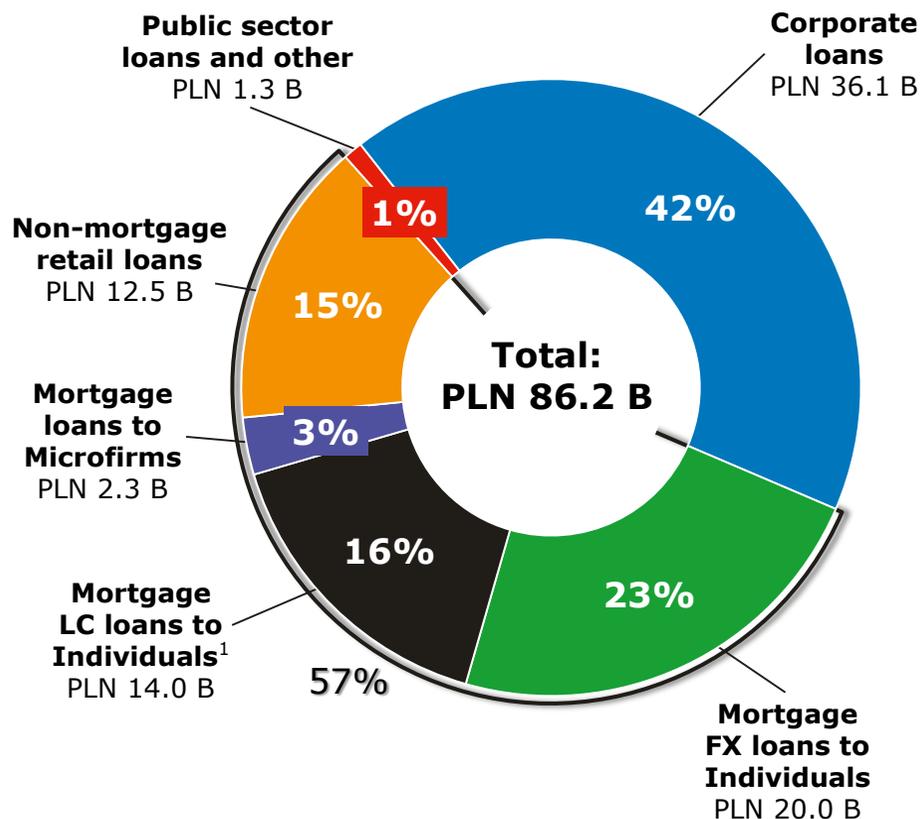
¹ Including amounts due to other banks and customers and subordinated liabilities;

Appendix

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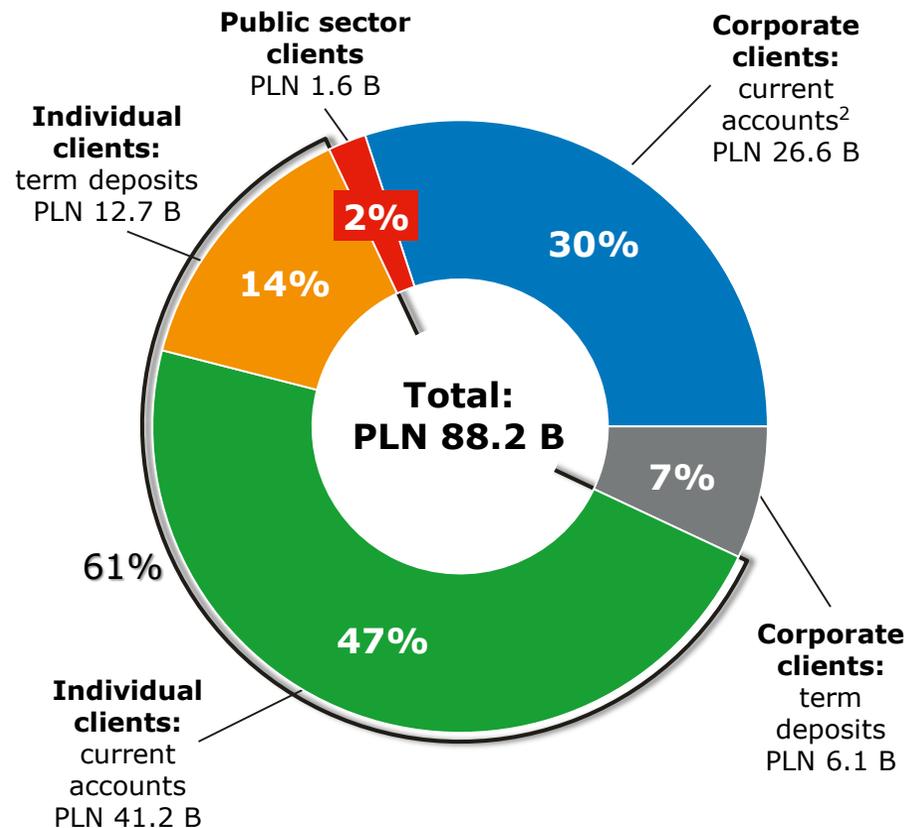
Additional Information: Selected Financial Data Balance Sheet Analysis: Structure of Loans and Deposits

Structure of mBank Group's Gross Loans as of 30.06.2017



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

Structure of mBank Group's Deposits as of 30.06.2017



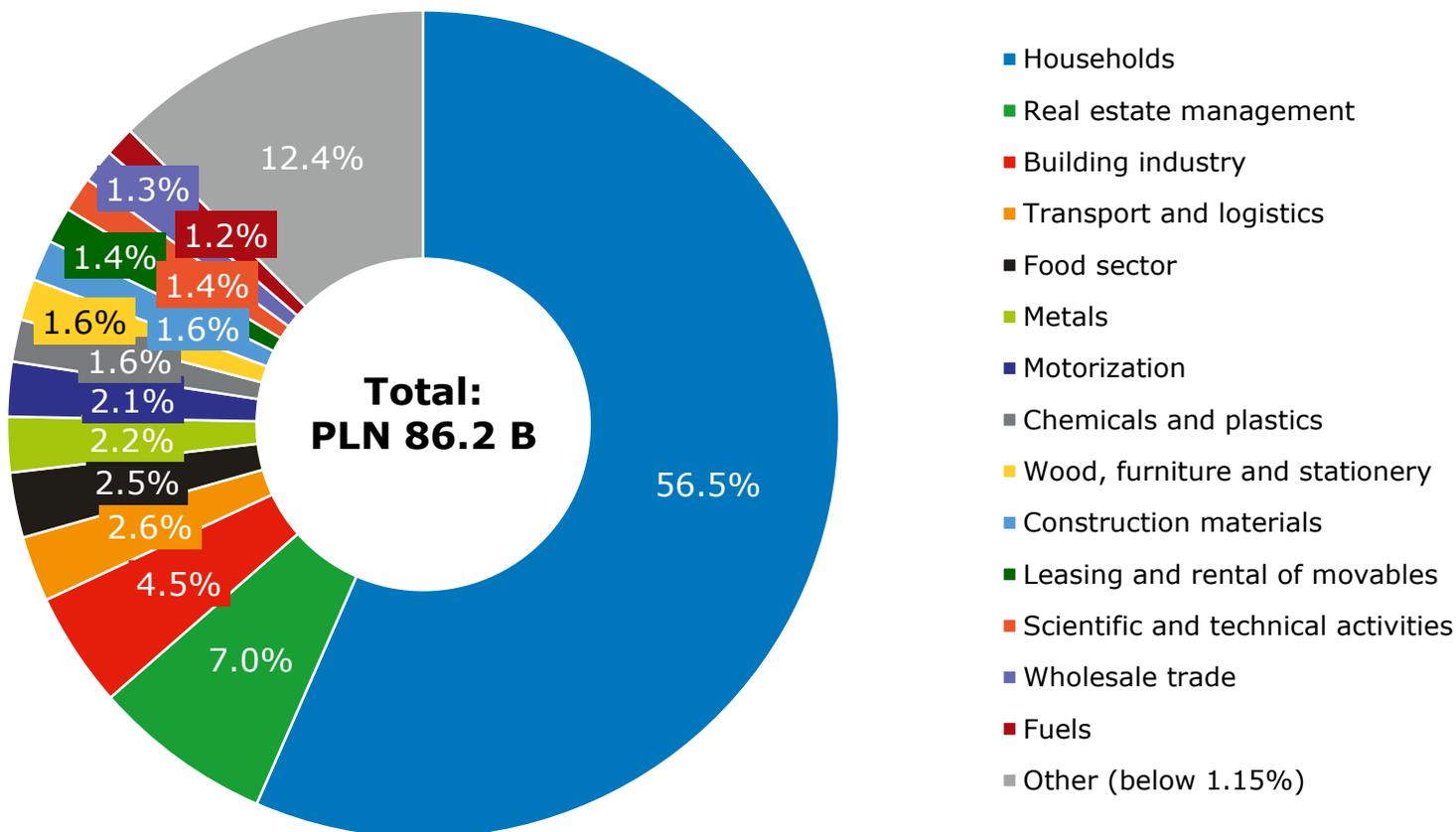
² Including repo transactions, loans and advances received, other liabilities;

Appendix

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

Summary
Historical view
Profit & Loss
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mBank Group's Sector Exposure by Industry
as of 30.06.2017



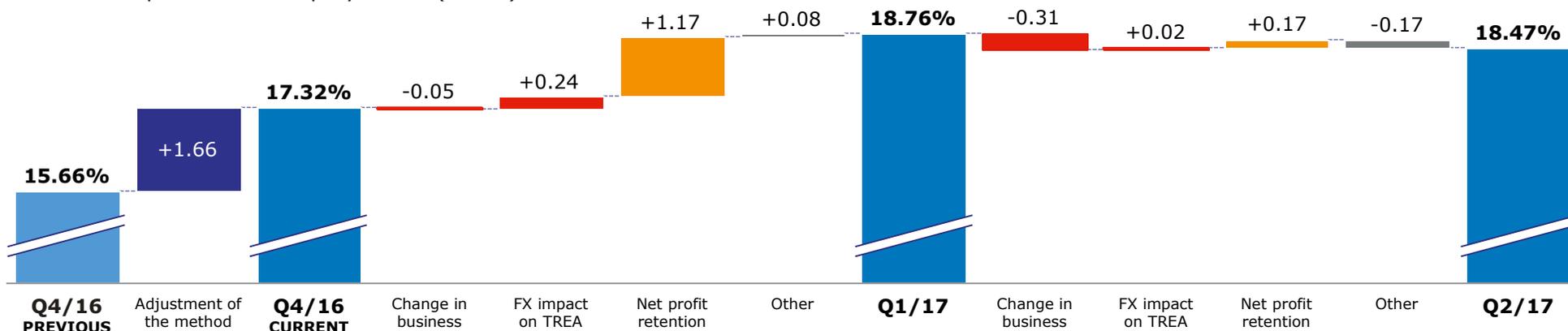
A well diversified loan portfolio with granular structure

Appendix

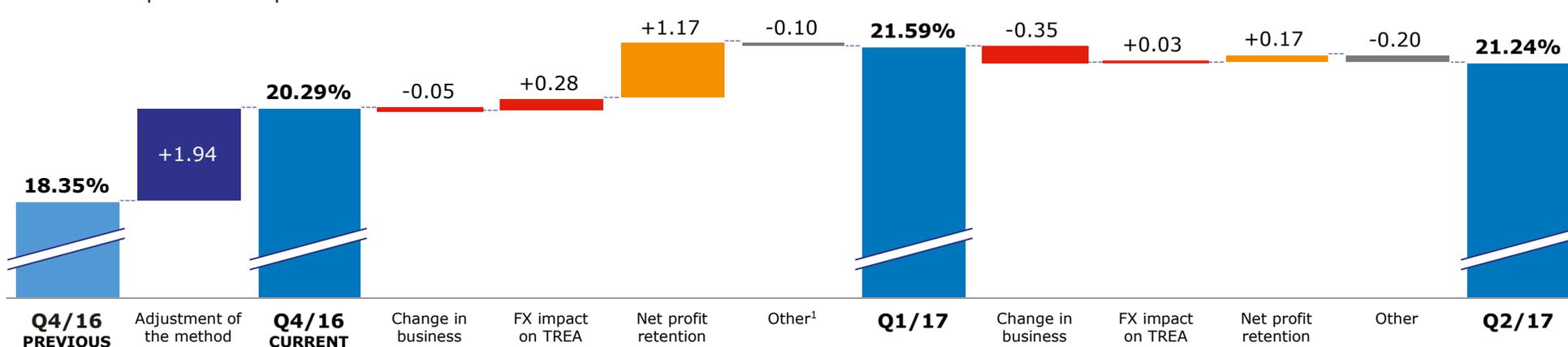
Summary
Historical view
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Additional Information: Selected Financial Data Balance Sheet Analysis: Detailed Development of Capital Ratios

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



mBank Group's Total Capital Ratio



¹ 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 Q2/17

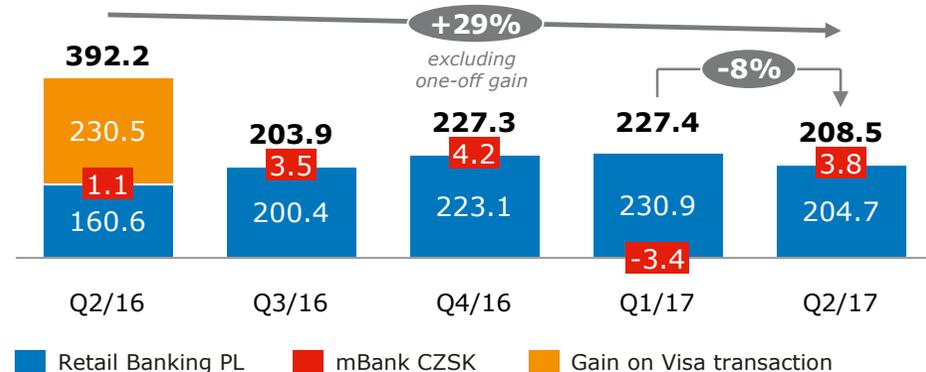
Retail Banking

Appendix

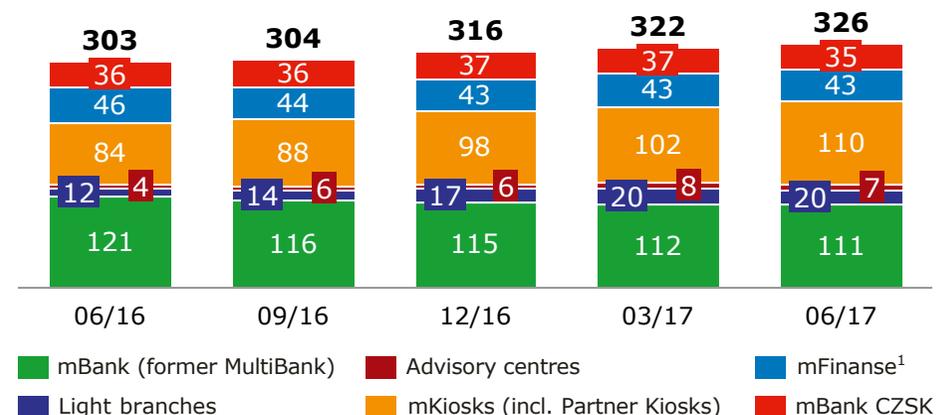
Retail Banking Summary of Q2/17: Financial and Business Results

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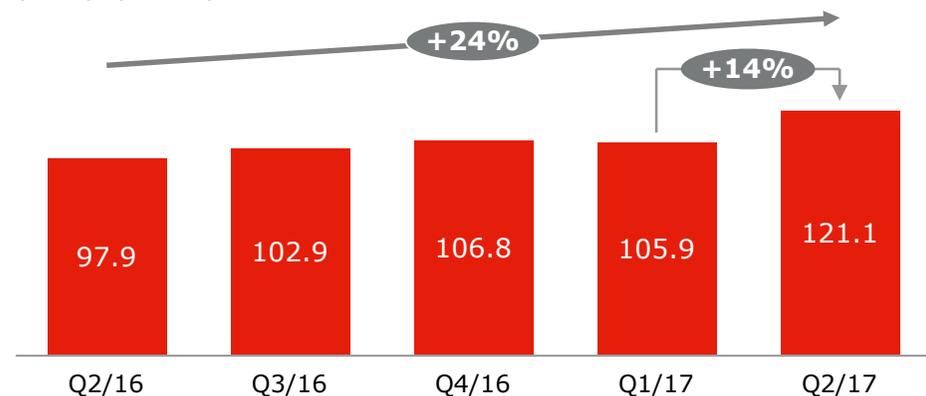
Profit before Tax of the Segment
(PLN M, by quarter)



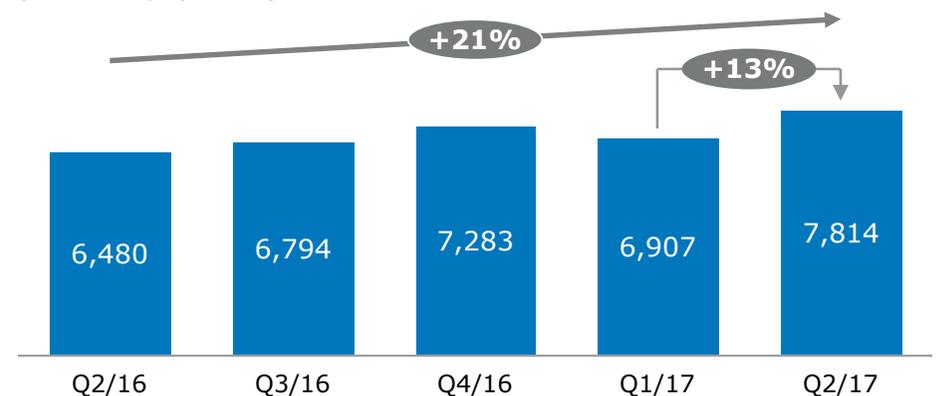
Number of Retail Service Locations



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



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



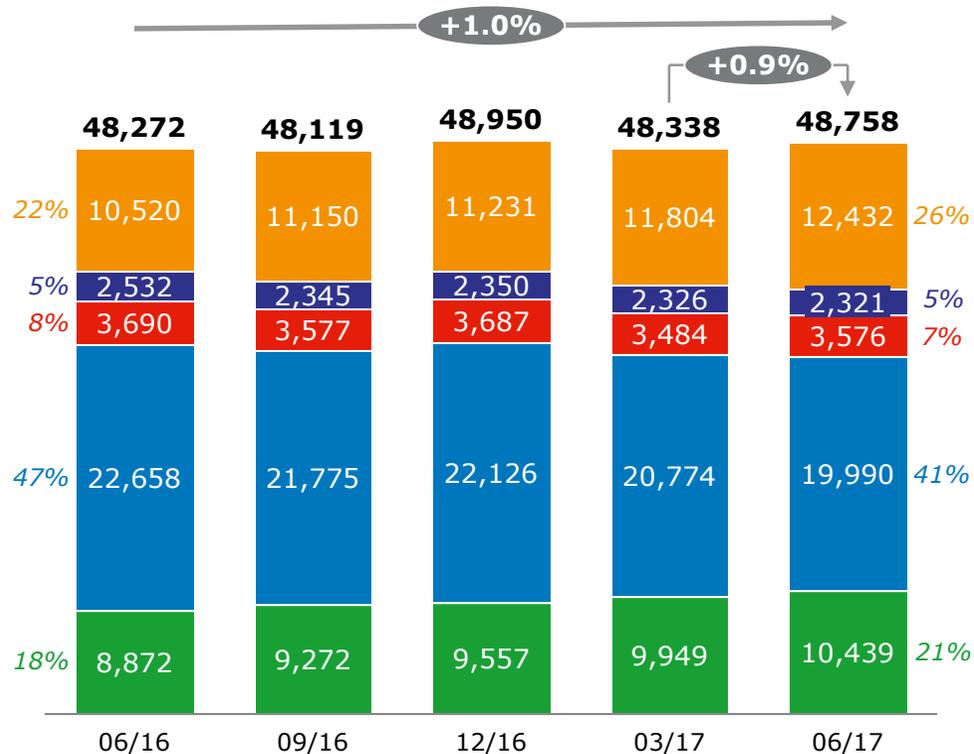
¹ Including financial centres and agency service points;

Appendix

Retail Banking Summary of Q2/17: Loans and Deposits

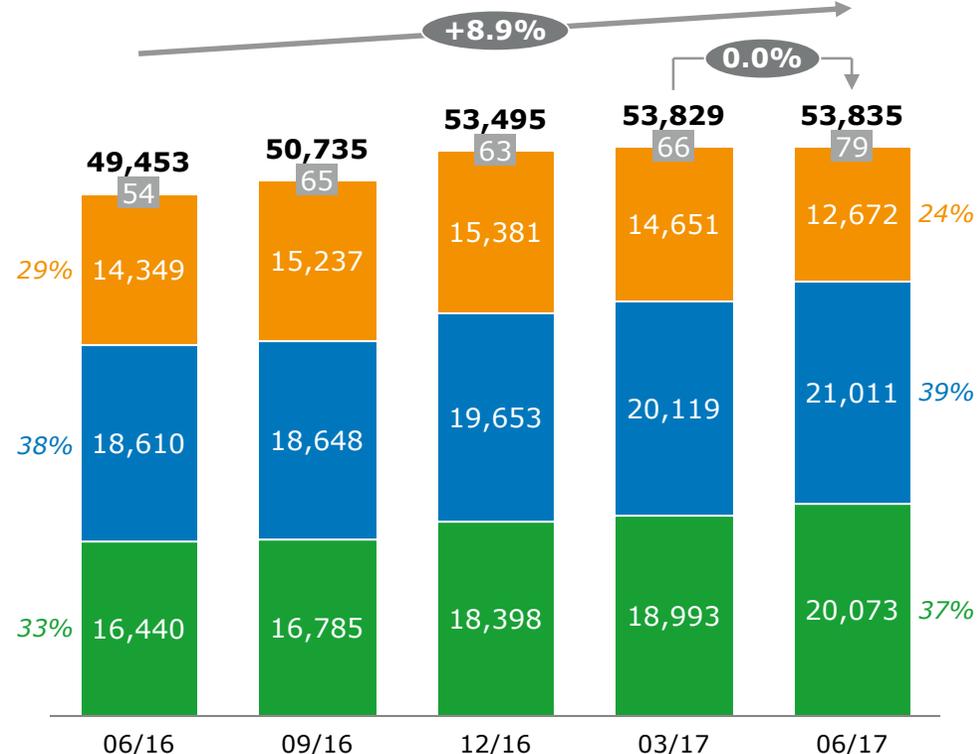
Summary
Historical view
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Gross Loans to Retail Banking Clients¹
(PLN M)



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

Deposits from Retail Banking Clients
(PLN M)



- Current accounts
- Term deposits
- Saving accounts
- Other

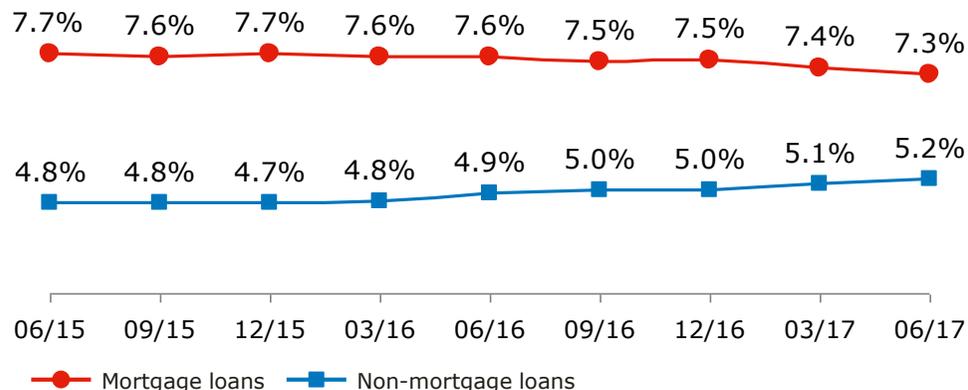
¹ Currency and geographical breakdown based on management information;

Appendix

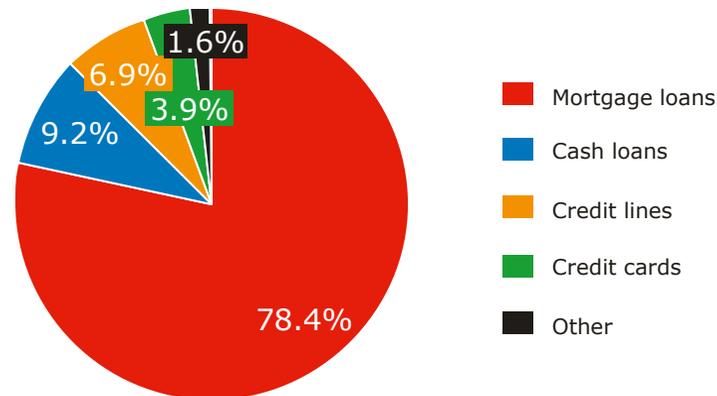
Retail Banking Loan Portfolio Structure of mBank Group in Poland

Summary
Historical view
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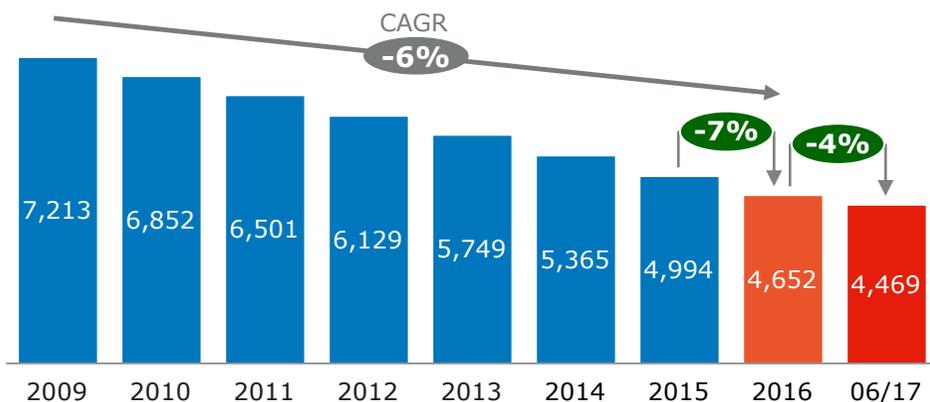
Market Shares in Household Loans in Poland



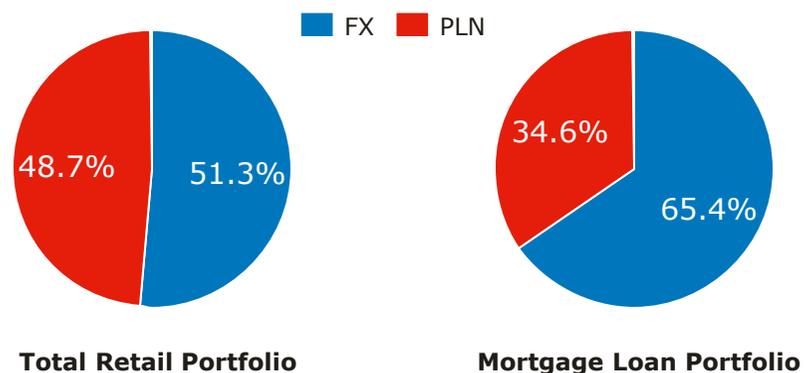
Product Structure of Retail Banking Loan Portfolio in Poland as of 30.06.2017



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



Currency Structure of Retail Banking Loan Portfolio in Poland as of 30.06.2017

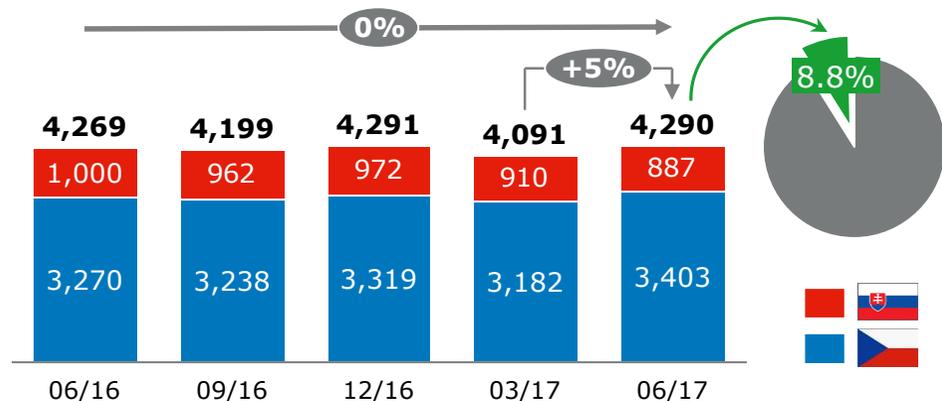


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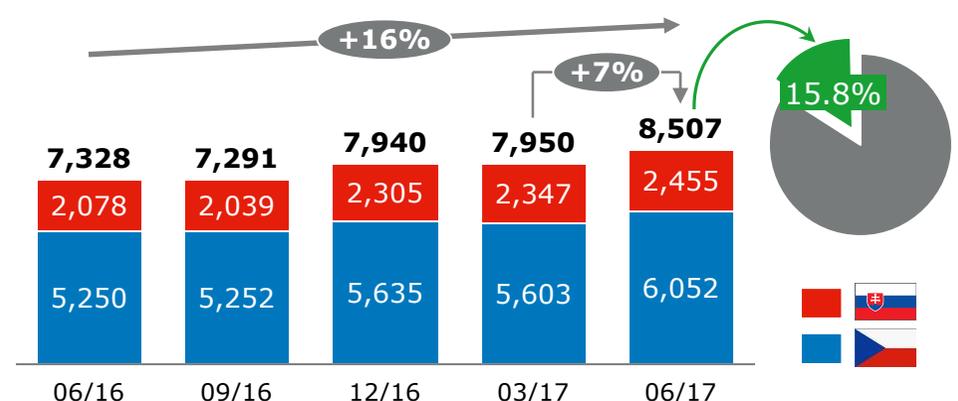
Retail Banking mBank in the Czech Republic and Slovakia

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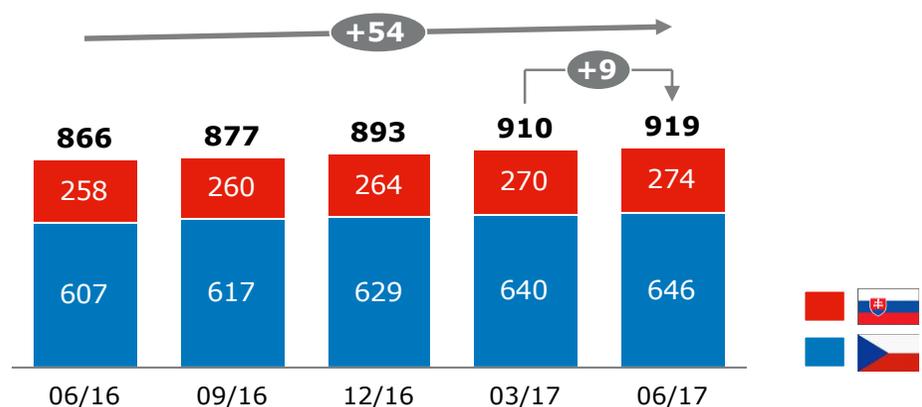
Gross Loans (PLN M) and Share in Total mBank's retail volume



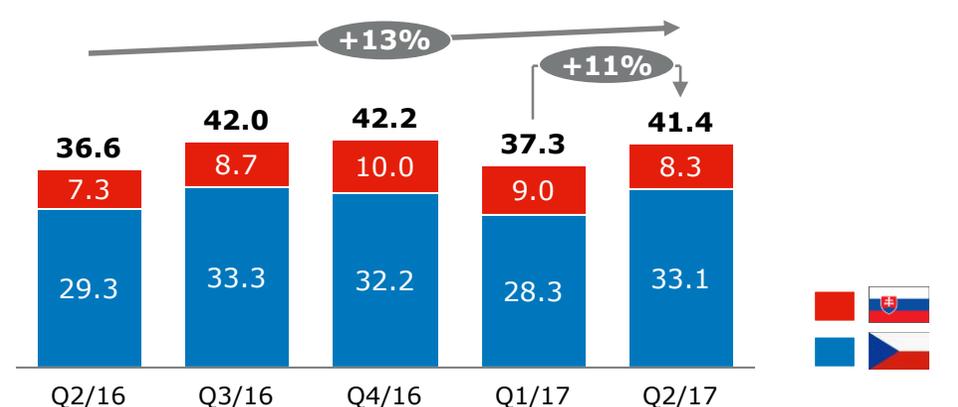
Deposits (PLN M) and Share in Total mBank's retail volume



Number of clients (thou.)



Total revenues (PLN M)



Note: Volumes based on management information.

Appendix

Retail Banking mBank in the Czech Republic and Slovakia

Summary
Historical view
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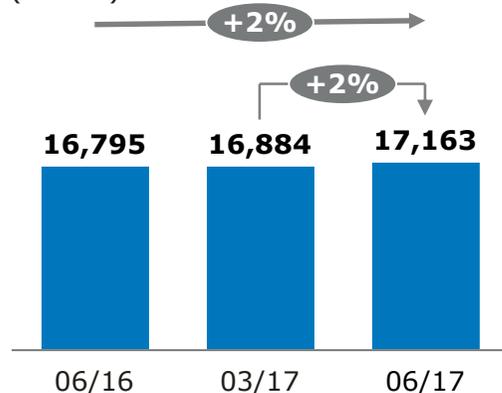


Czech Republic

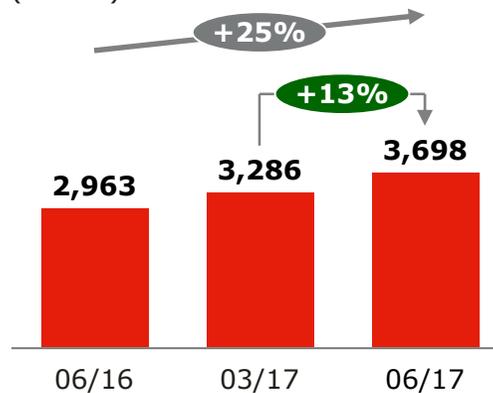
Clients:
646.0 thou.

2 light branches,
9 financial centres &
14 mKiosks

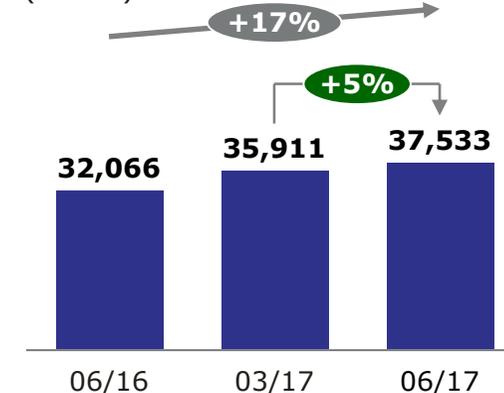
Mortgage Loans
(CZK M)



Non-mortgage Loans
(CZK M)



Customer deposits
(CZK M)

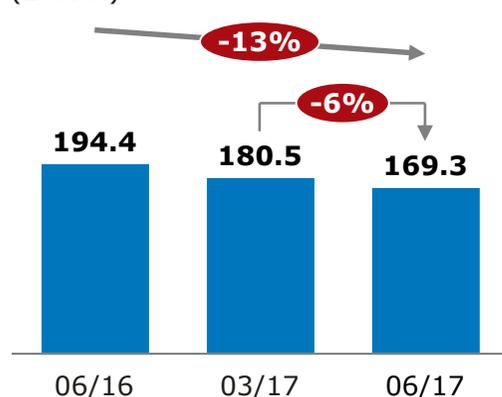


Slovakia

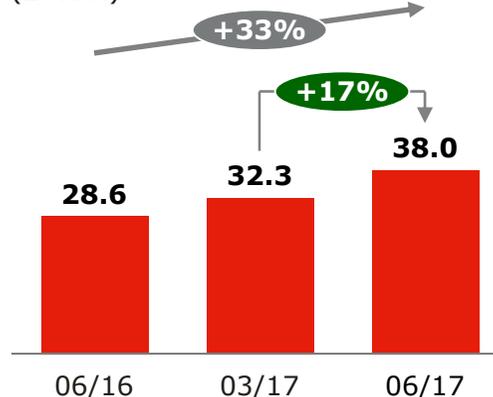
Clients:
273.5 thou.

2 light branches,
3 financial centres &
5 mKiosks

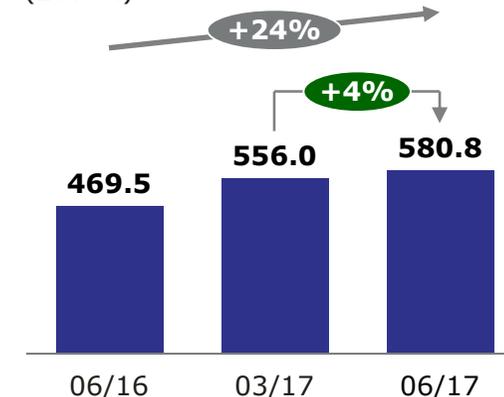
Mortgage Loans
(EUR M)



Non-mortgage Loans
(EUR M)



Customer deposits
(EUR M)



Note: Volumes based on management information.

Detailed Results of the Business Lines in Q2/17

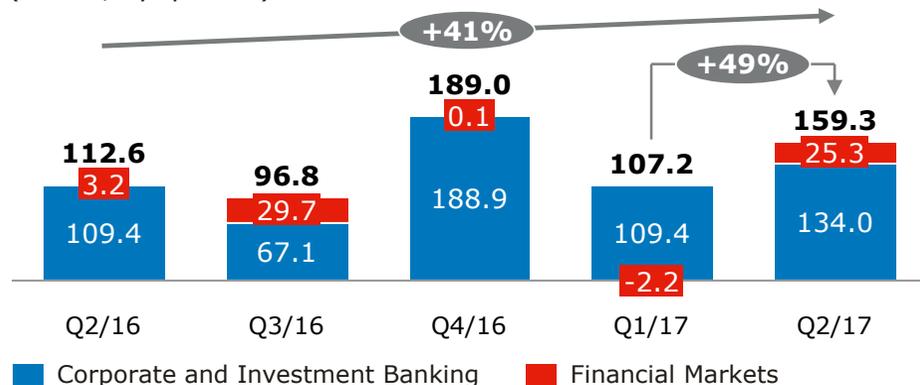
Corporates & Financial Markets

Appendix

Corporates and Financial Markets Summary of Q2/17: Financial and Business Results

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

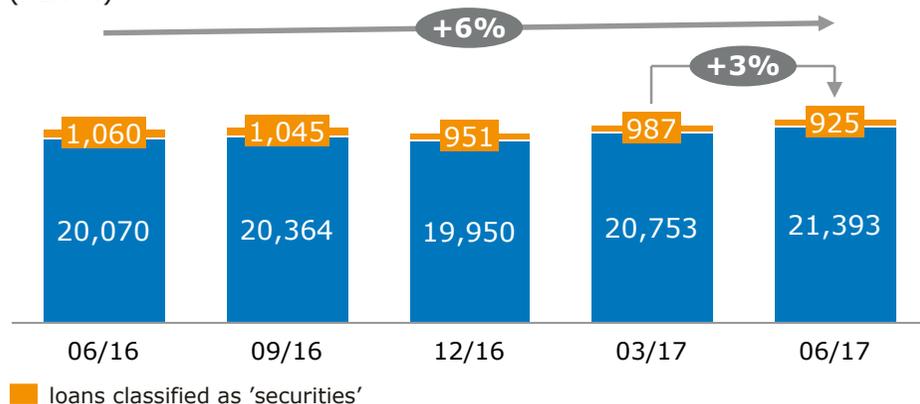


Number of Corporate Service Locations

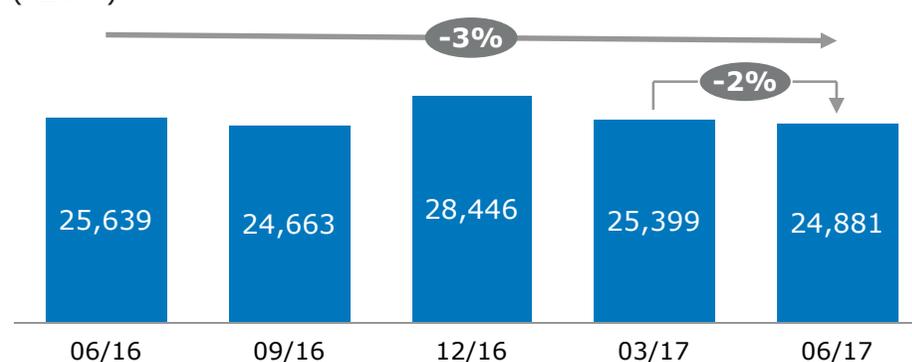
- 29 mBank's branches, incl. 6 advisory centres
- 17 mBank's offices
- 21 mLeasing
- 8 mFaktoring
- 5 mBank Hipoteczny



Loans to enterprises¹
(PLN M)



Deposits of enterprises¹
(PLN M)



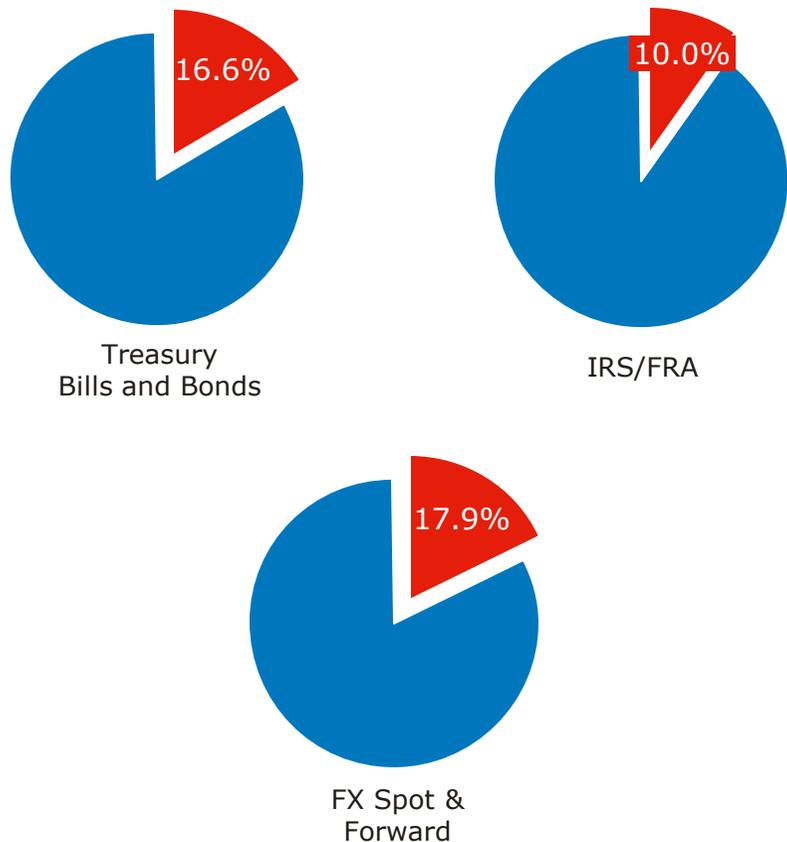
¹ Corporate loan and deposit volumes (for mBank only) according to current NBP rules;

Appendix

Corporates and Financial Markets Market Shares

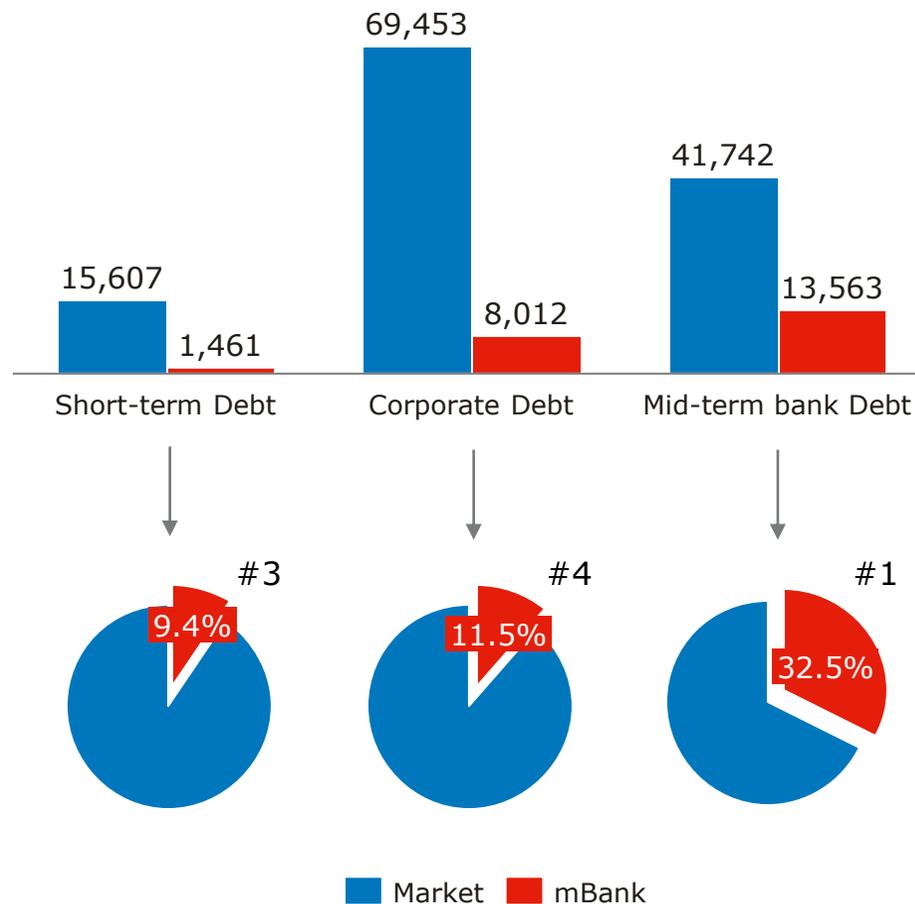
Summary
Historical view
Profit & Loss
Balance Sheet
Business Lines
Subsidiaries

mBank's Market Shares in Investment Banking Services¹



¹ mBank calculations based on NBP data as of 31.05.2017;

mBank in the Market for Non-Treasury Debt²
as of 31.05.2017 (PLN M)



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

Detailed Results of mBank Group's companies in H1/17

Subsidiaries

Appendix

mBank Group's Subsidiaries

Development of Profit before Tax of Consolidated Companies

PLN thou.	Q2/16	Q2/17	Change YoY	H1/16	H1/17	Change YoY
mBank Hipoteczny	1,569	5,851	+273%	13,388	16,998	+27.0%
mLeasing	20,768	17,062	-17.8%	41,230	33,926	-17.7%
mFactoring	4,952	3,038	-38.7%	11,162	5,256	-52.9%
mFinanse (p. Aspiro)	41,886	34,673	-17.2%	78,256	72,119	-7.8%
mLocum	4,331	21,190	+389%	15,076	22,126	+46.8%
Dom Maklerski mBanku ¹	-382	---	N/A	2,852	---	N/A
mWealth Management ¹	3,460	---	N/A	8,976	---	N/A
Other ²	3,036	-2,043	+ / -	1,277	-3,285	+ / -
Total	79,619	79,771	+0.2%	172,217	147,140	-14.6%

¹ Companies were integrated into the organizational structure of mBank as of 20.05.2016;

² Other subsidiaries include mFinance France, mCentrum Operacji, BDH Development, Garbary, Tele-Tech Investment and Future Tech FIZ (since Q2/17);

Appendix

mBank Group's Subsidiaries mBank Hipoteczny (mBH)

Summary
Historical view
Profit & Loss
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Business Lines
Subsidiaries

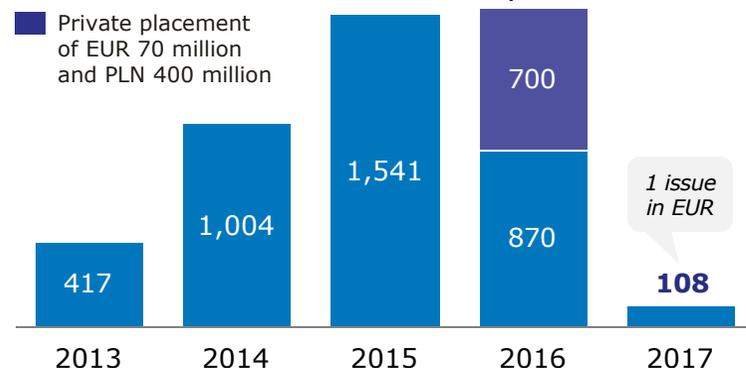
m Bank Hipoteczny

established in 1999

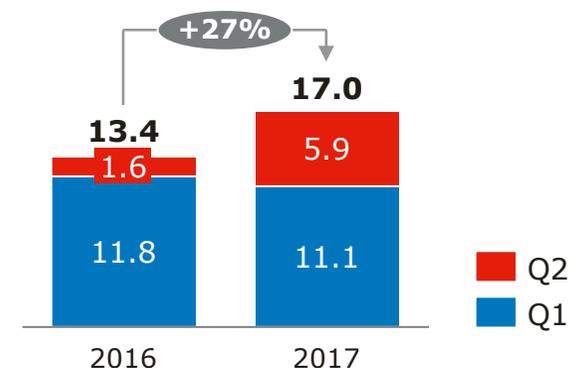
specialised mortgage bank and the largest issuer of covered bonds in the Polish market

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

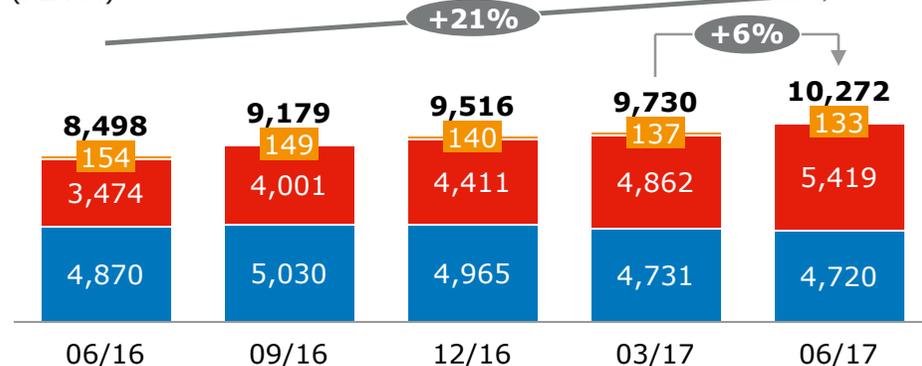
Issuance of Covered Bonds (PLN M, by year)



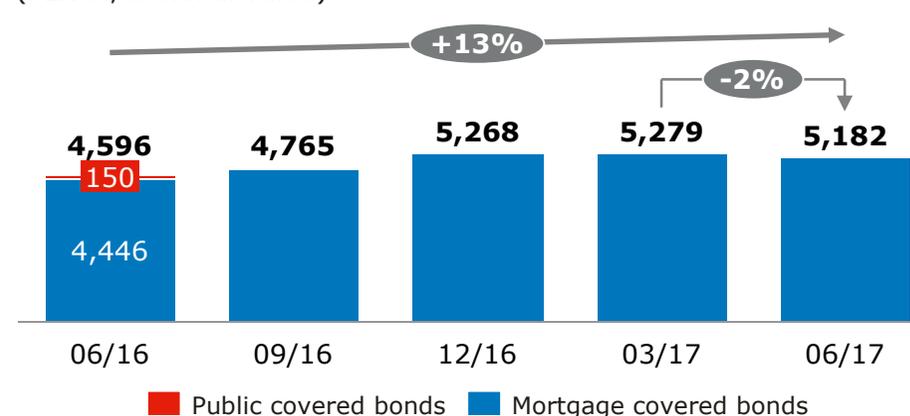
Profit before Income Tax (PLN M)



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

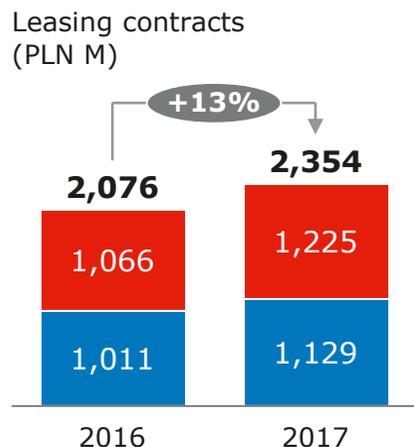
mBank Group's Subsidiaries Leasing and Factoring

Summary
Historical view
Profit & Loss
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Subsidiaries

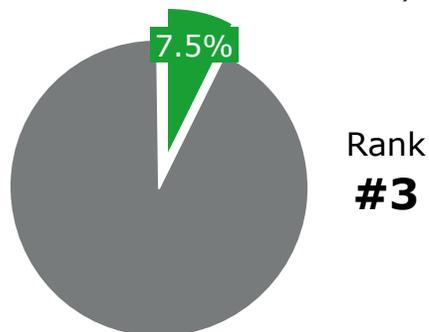
m Leasing

established in 1991

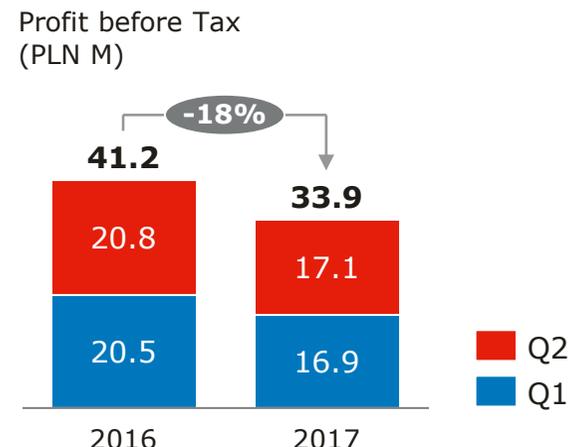
provides financial and operating leasing of cars, trucks, machinery and real estate



Market share & position – Q1 2017
(data for H1 2017 not available)



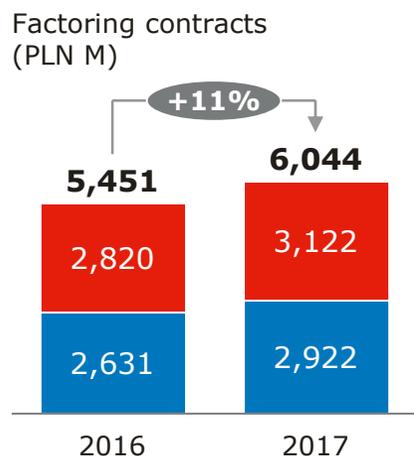
Source: Polish Leasing Association (PLA)



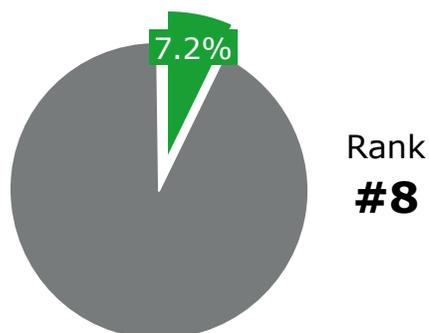
m Faktoring

established in 1995

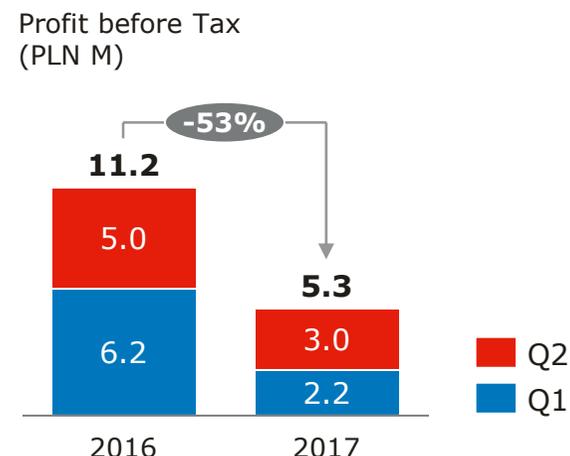
offers factoring services, incl. domestic and export recourse and non-recourse factoring and import guarantees



Market share & position – H1 2017



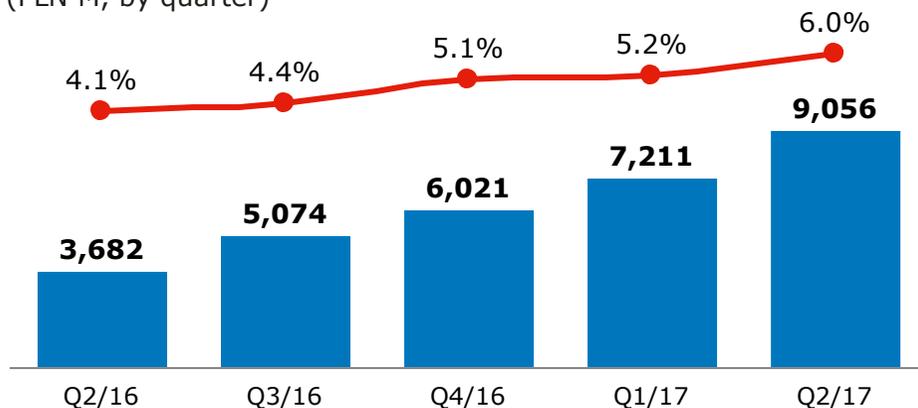
Source: Polish Factors Association (PFA)



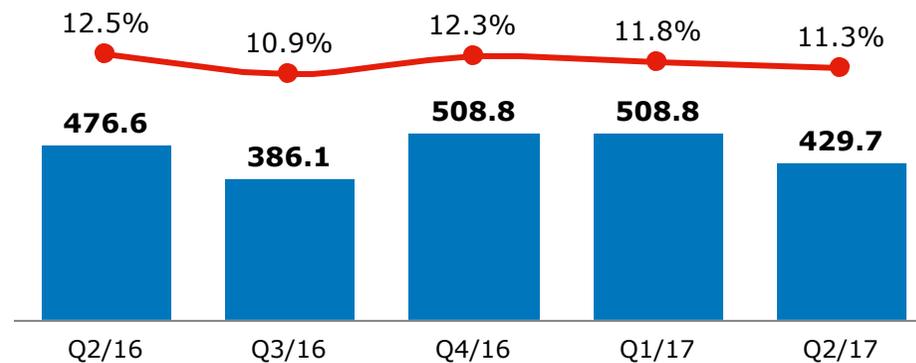
Appendix

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

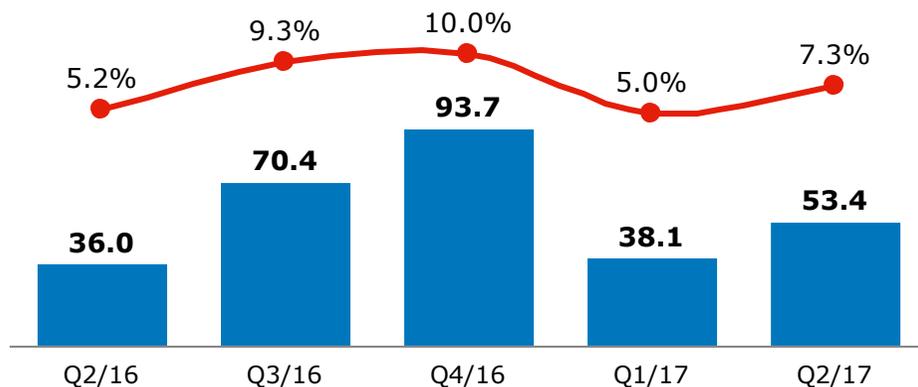
mDM Equities Trading on WSE and Market Share in Turnover (PLN M, by quarter)



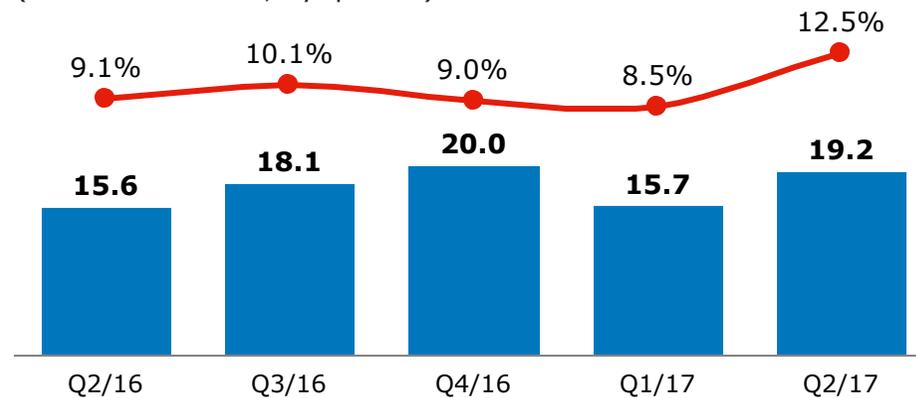
mDM Futures Trading on WSE and Market Share in Turnover (thou. of contracts, by quarter)



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 H1/17

mBank's shares have gained this year despite regulatory and legislative risks

mBank's index membership and weights*

WIG-30		2.666%
WIG-20		2.873%
WIG		1.845%
WIG-Banks		6.897%
WIG-Poland		1.892%

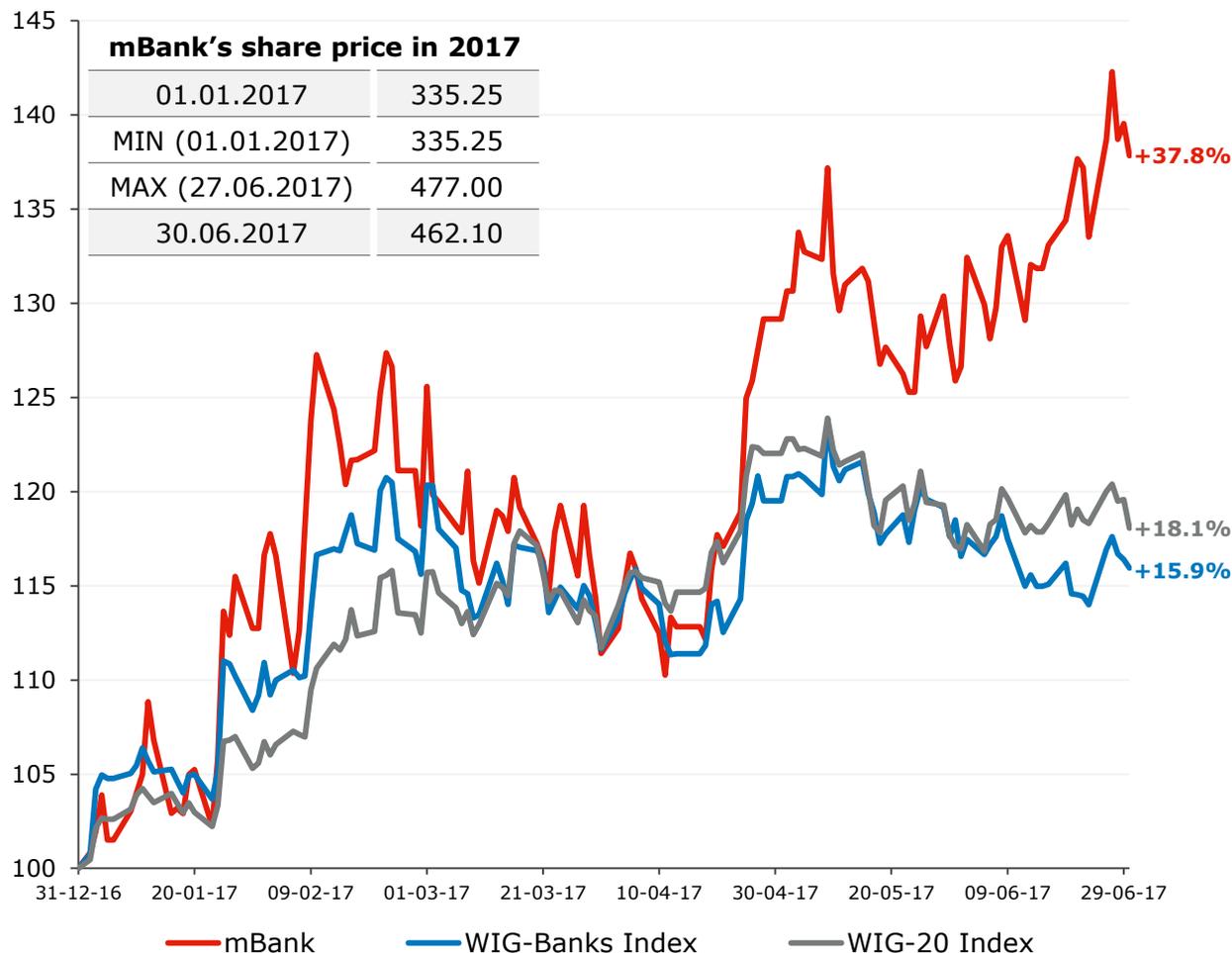
* Share in index as of 30.06.2017

- 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	42 285 676

Source: WSE, Bloomberg (data as of 30.06.2017).

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



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