

Results of mBank Group Q2 2014

PLN 1 billion in revenues

Management Board of mBank S.A.

Investor Presentation

July 30, 2014



Key highlights of Q2 2014

Record high total income driven by core revenues

- NII up 4.4% QoQ and 12.2% YoY amid accelerating lending
- NFC up 0.9% QoQ and 16.5% YoY on growing client business

Best-in-class efficiency

- Cost/Income ratio at 44.5%

Profit & Loss

Net Profit of PLN 324.8 M ...

Capital ratios supporting further growth

- CET 1 Ratio at 13.2%
- Total Capital Ratio at 15.8%

Funding profile based on diversified financing sources

Comfortable liquidity levels

- LtD ratio at 110.8%

Capital & Liquidity

Volumes

Volumes on upward trajectory

- Gross loans at PLN 72.7 B (+2.4% QoQ, +1.1% YoY)¹
- Customer deposits at PLN 63.3 B (+1.1% QoQ, +6.3% YoY)¹

Acceleration in lending across segments

- New retail production at PLN 2.0 B (+19% QoQ, +37% YoY)

Business development

Continued implementation of 'One Bank' approach

- The first integrated branch opened
- Strategic targets of 2012-2016 agenda practically met

Dynamic client acquisition

- 4,490 thou. retail clients (+62.8 thou. QoQ) and 17,006 corporate clients (+406 QoQ)

... +16.9% compared to Q2/13

¹ Volume dynamics presented excl. reverse repo / buy-sell-back transactions and repo transactions, respectively

Agenda

Summary of Q2/14 in mBank Group

Key Financials

Client acquisition and Market shares

Development of retail and corporate business

Analysis of Q2/14 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 Q2/14 Results in mBank Group

Key Financials: Profit and Loss Account

<i>in PLN M</i>	Q2/14	Q1/14	Change Q2/Q1		Q2/13
Net interest income	617.2	591.0		+4.4%	550.2
Net Fee & Commission income	243.7	241.4		+0.9%	209.3
Total income	1,023.8	956.6		+7.0%	932.9
Total costs	(455.3)	(430.6)		+5.7%	(417.9)
Loan Loss Provisions	(155.9)	(89.5)		+74.2%	(159.5)
Profit before tax	412.6	436.5		-5.5%	355.5
Net profit	324.8	337.8		-3.8%	277.9
Net Interest Margin (NIM)	2.30%	2.30%		0.00 p.p.	2.15%
NIM excl. CHF portfolio	2.68%	2.71%		-0.03 p.p.	2.54%
Cost/Income ratio	44.5%	45.0%		-0.5 p.p.	44.8%
Cost of Risk	0.88%	0.51%		+0.37 p.p.	0.92%
Return on Equity (ROE) ¹	13.6%	13.7%		-0.1 p.p.	12.2%
Return on Assets (ROA) ¹	1.16%	1.26%		-0.10 p.p.	1.03%

¹ Post-tax

Note: Q2-Q3 2013 results were restated due to the adjustments in booking of bancassurance related income in line with KNF guidance.

Summary of Q2/14 Results in mBank Group

Key Financials: Balance Sheet

<i>in PLN M</i>	Q2/14	Q1/14	Change Q2/Q1		Q2/13
Gross loans to customers	72,732	73,390		-0.9%	74,426
Retail client loans	39,664	38,973		+1.8%	39,042
Core corporate client loans ¹	27,912	26,957		+3.5%	27,442
Amounts due to customers	63,294	63,596		-0.5%	62,195
Retail client deposits	35,726	34,784		+2.7%	33,689
Core corporate client deposits ¹	23,200	23,717		-2.2%	21,489
Loans to Deposits ratio	110.8%	111.5%		-0.7 p.p.	115.4%
NPL ratio ²	6.4%	6.1%		+0.3 p.p.	4.9%
Coverage ratio ²	50.1%	48.8%		+1.3 p.p.	66.4%
Core Tier 1 / CET 1 ³	13.2%	13.6%		-0.4 p.p.	13.1%
CAR / Total Capital Ratio ³	15.8%	16.3%		-0.5 p.p.	18.2%

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

² Since Q4/13 a modified methodology of NPL recognition in retail area has been applied

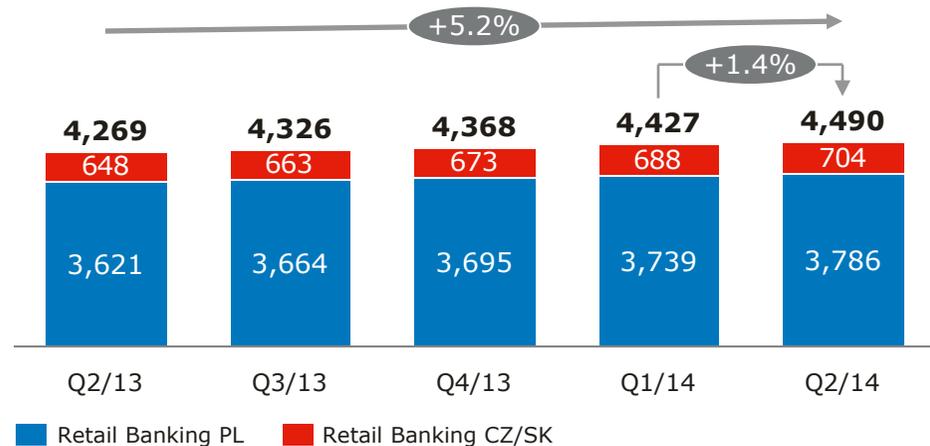
³ Since the end of March 2014 the capital ratios are calculated in accordance with Basel III rules

Note: Q2-Q3 2013 results were restated due to the adjustments in booking of bancassurance related income in line with KNF guidance.

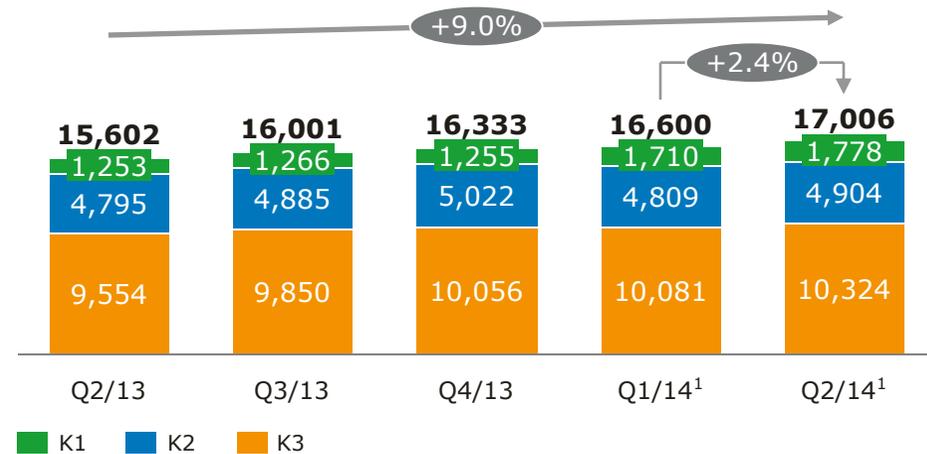
Summary of Q2/14 in mBank Group

Business Development: Client acquisition and Market shares

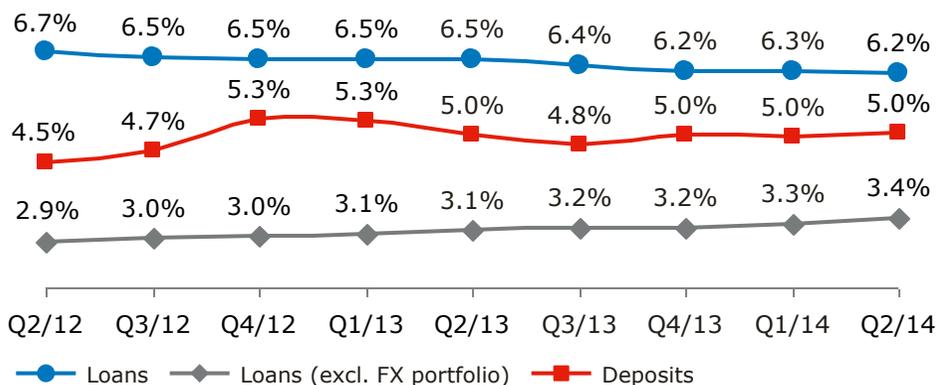
Number of Retail Clients (thou.)



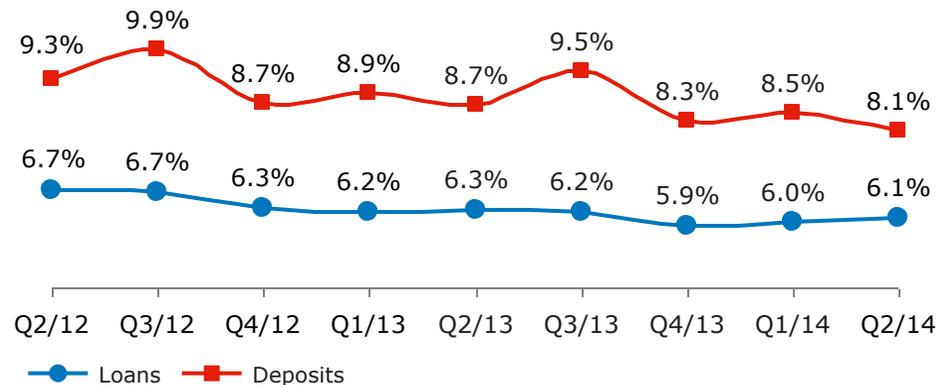
Number of Corporate Clients



Market shares in Retail Banking segment



Market shares in Corporate Banking segment



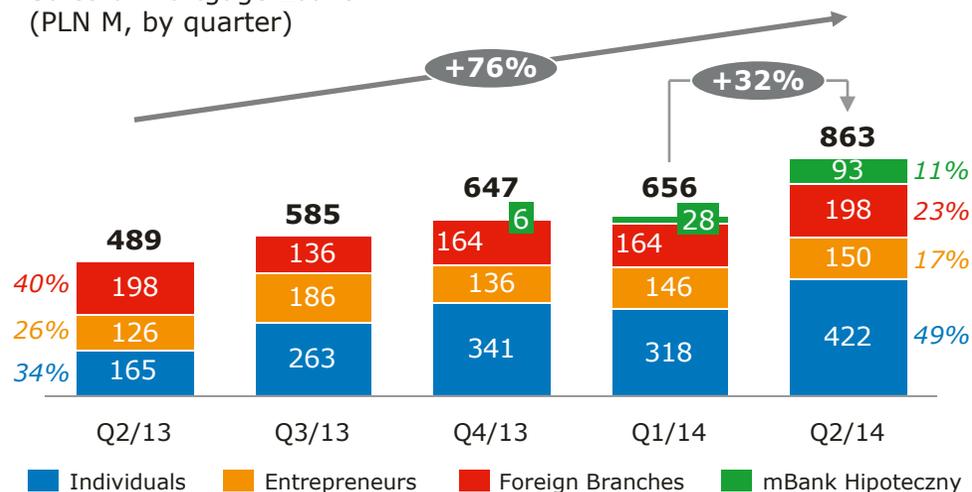
¹ Since 2014 all non-banking financial institutions were reclassified and moved to the K1 segment (the change concerned ca. 400 clients, mainly from K2 segment)

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.

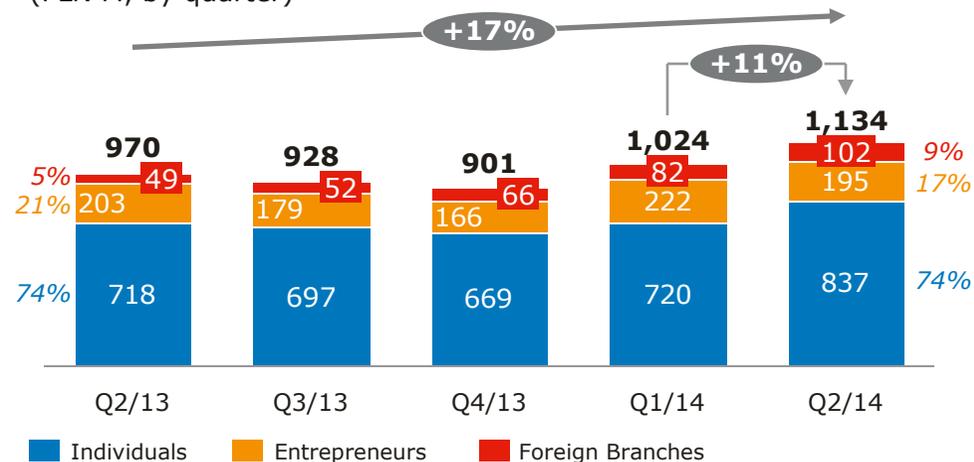
Summary of Q2/14 in mBank Group

Development of Retail and Corporate business

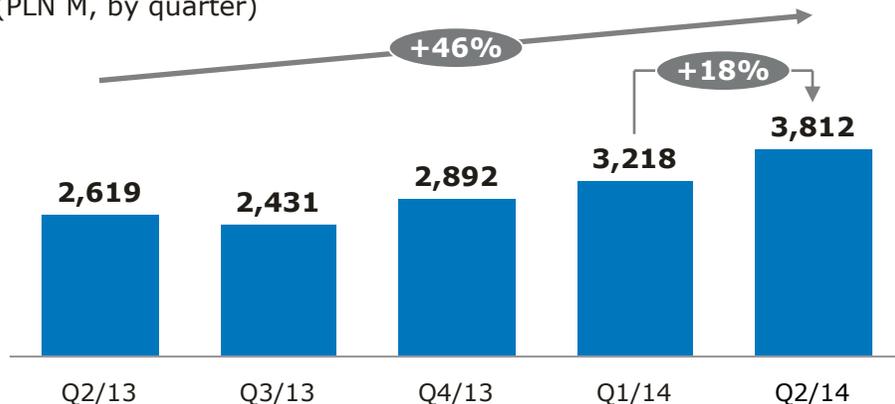
Sales of Mortgage Loans
(PLN M, by quarter)



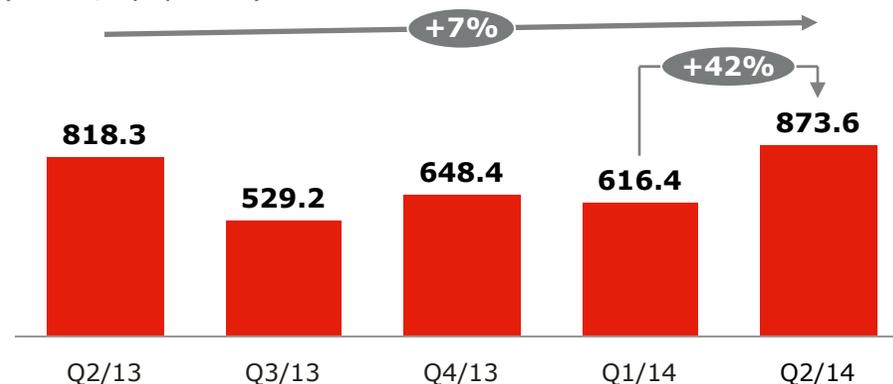
Sales of Non-Mortgage Loans
(PLN M, by quarter)



Sales of Corporate Loans
(PLN M, by quarter)



New leasing contracts
(PLN M, by quarter)



Agenda

Summary of Q2/14 in mBank Group

Key Financials

Client acquisition and Market shares

Development of retail and corporate business



Analysis of Q2/14 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

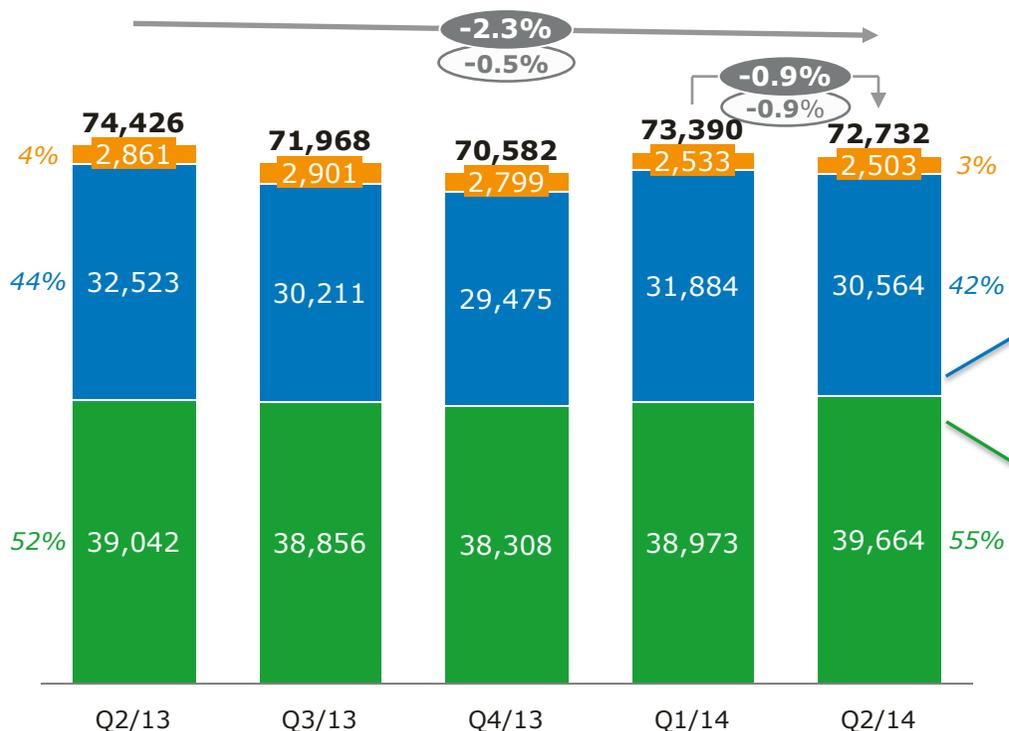
Detailed Results of Business Lines

Analysis of Q2/14 in mBank Group

Development of Loans to Customers

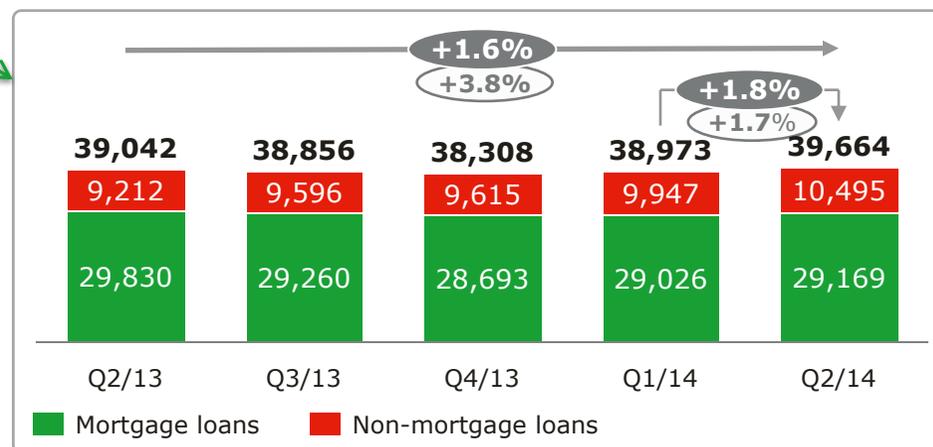
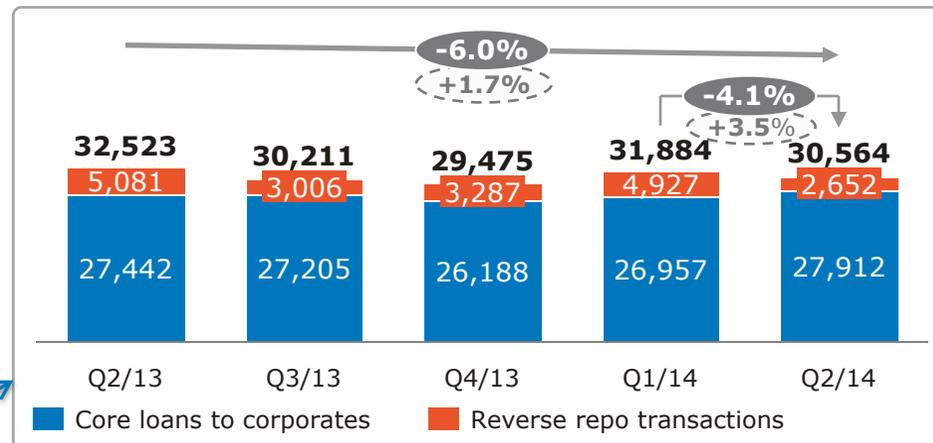
Growth in core lending continues

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

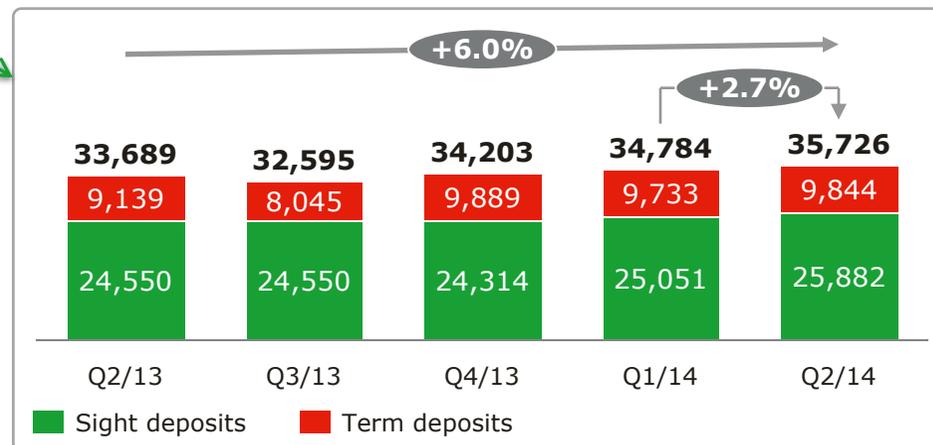
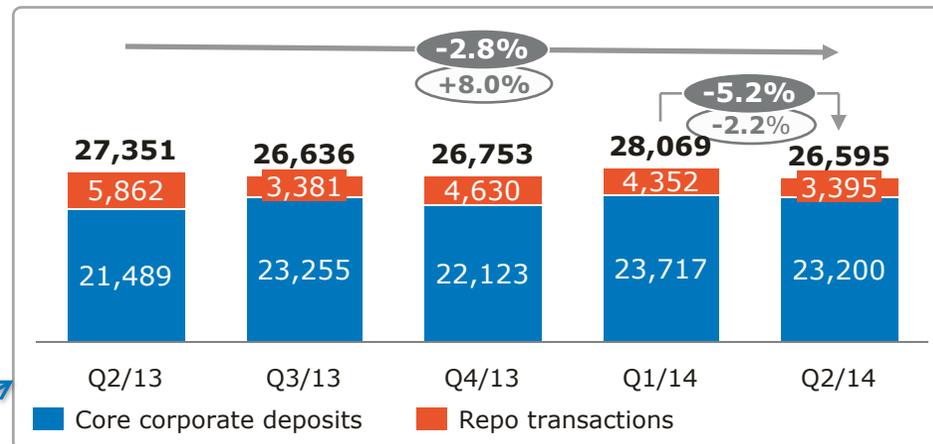
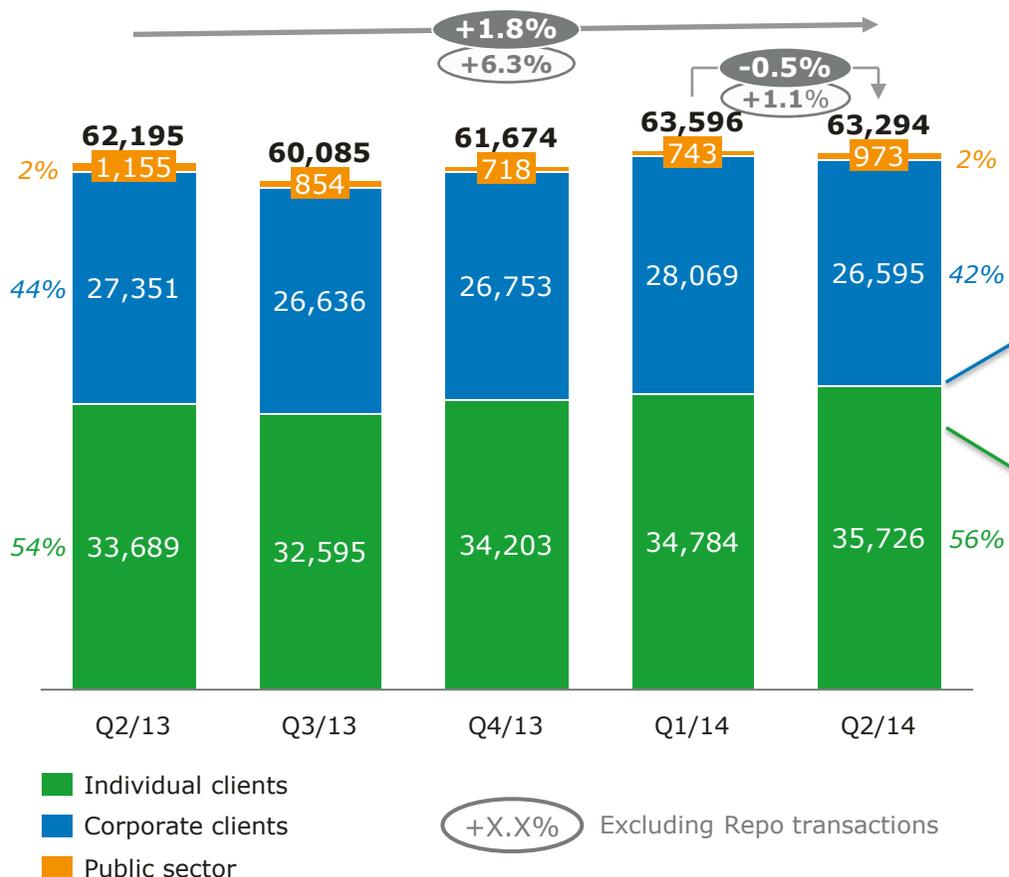


Analysis of Q2/14 in mBank Group

Development of Deposits

Dynamic deposit growth in retail, core corporate deposits stable

Development of Amounts due to Customers (PLN M)

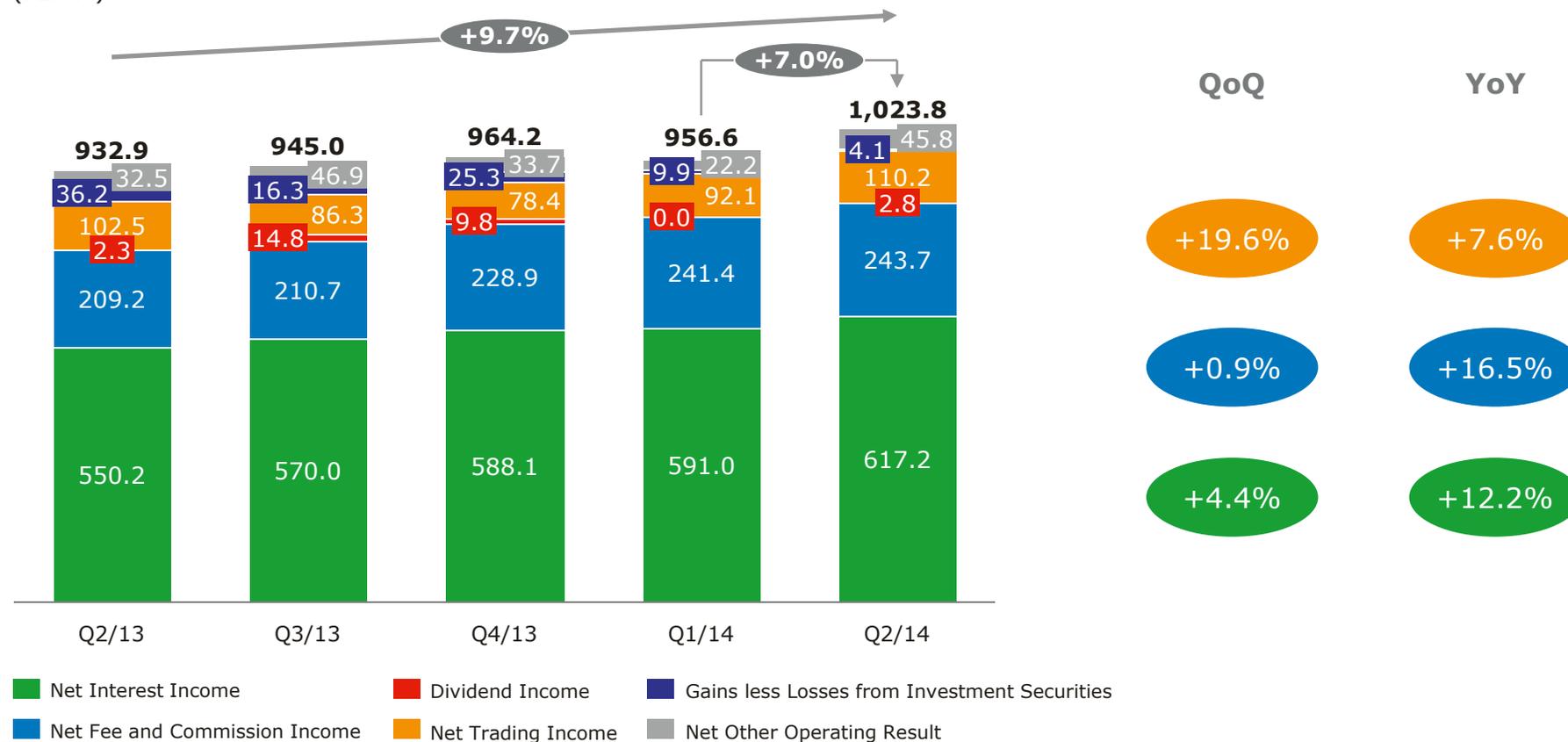


Analysis of Q2/14 in mBank Group

Income of mBank Group

Robust revenues at record high levels

Development of mBank Group's Income (PLN M)



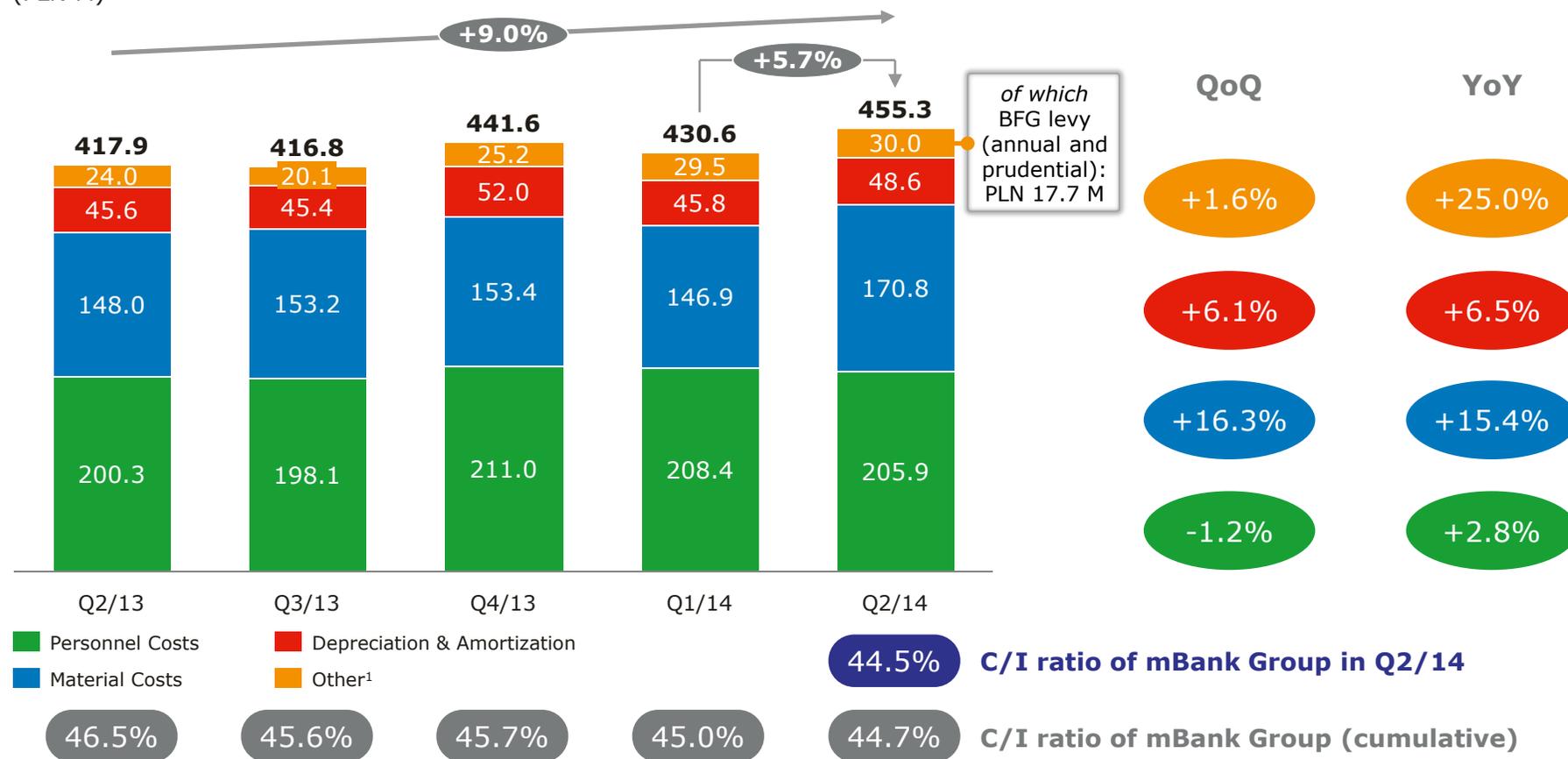
Note: Q2-Q3 2013 results were restated due to the adjustments in booking of bancassurance related income in line with KNF guidance.

Analysis of Q2/14 in mBank Group

Costs of mBank Group

Best-in-class efficiency with C/I ratio below 45%

Development of mBank Group's Costs (PLN M)



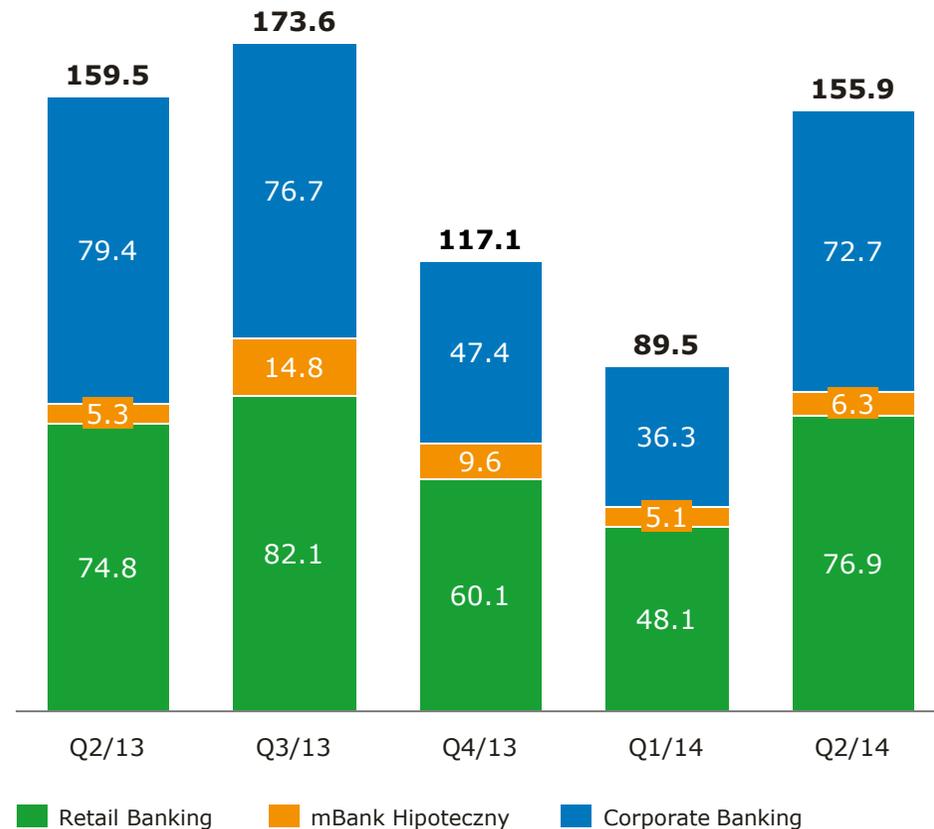
¹ incl. Taxes and fees, Contributions and transfers to the Bank Guarantee Fund, Contributions to the Social Benefits Fund

Analysis of Q2/14 in mBank Group

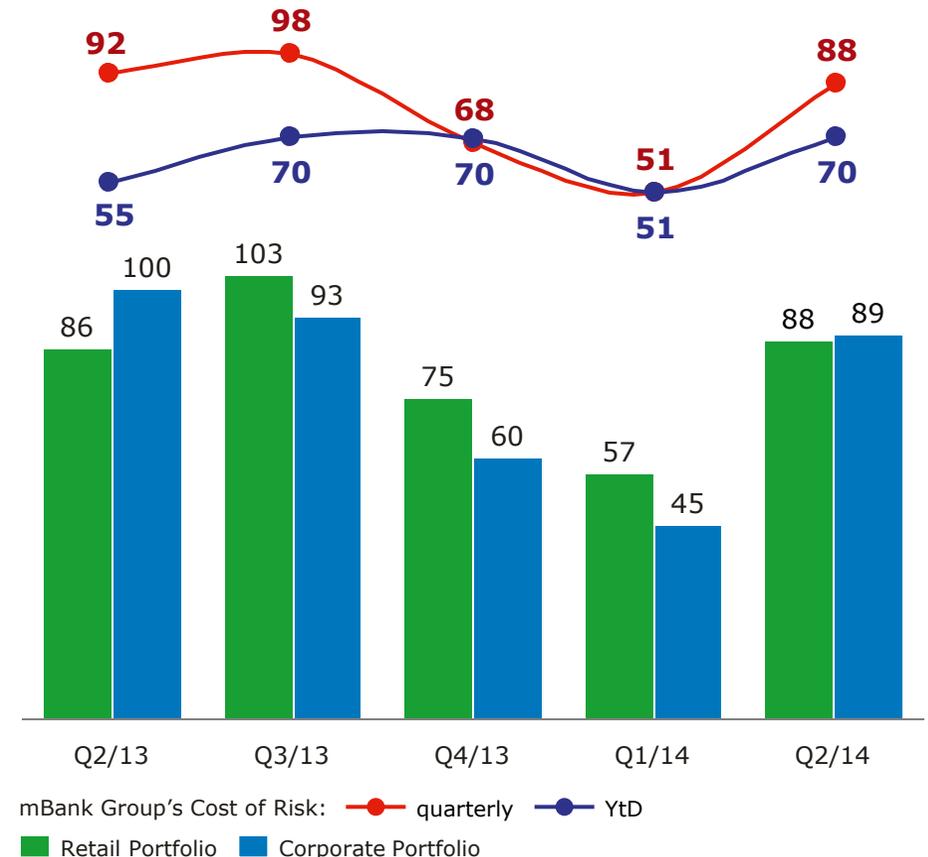
Loan Loss Provisions & Risk Costs

Cost of risk in line with full year guidance

Net Impairment Losses on Loans and Advances (PLN M)



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

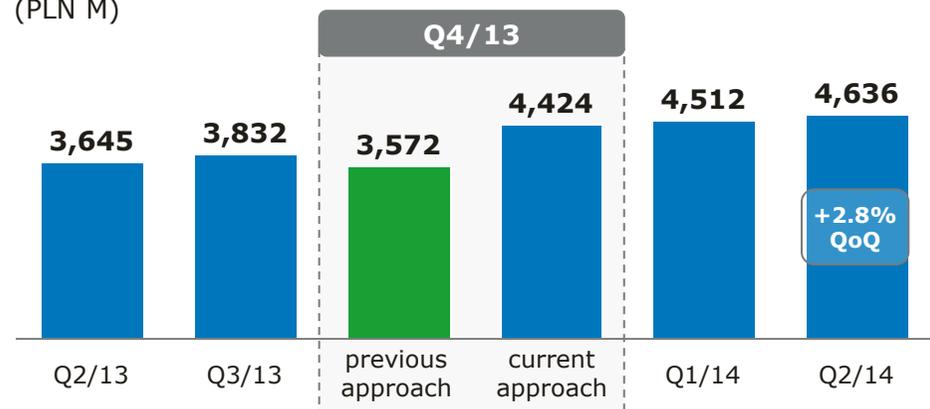


Analysis of Q2/14 in mBank Group

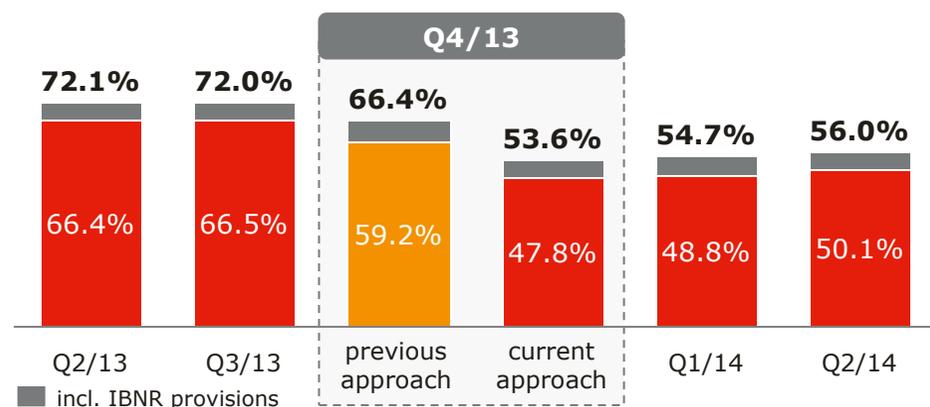
Loan Portfolio Quality

A conservative NPL recognition approach and sound asset quality

mBank Group's Impaired Loans Portfolio (PLN M)

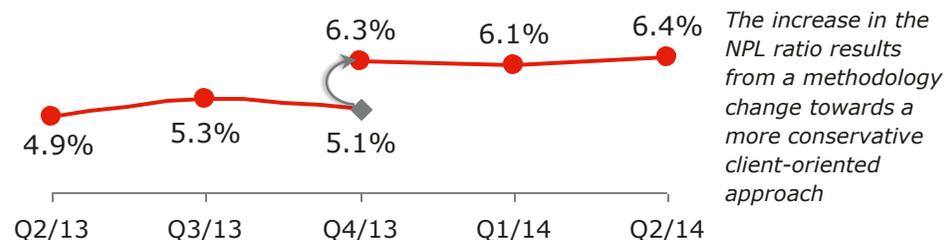


mBank Group's Coverage Ratio

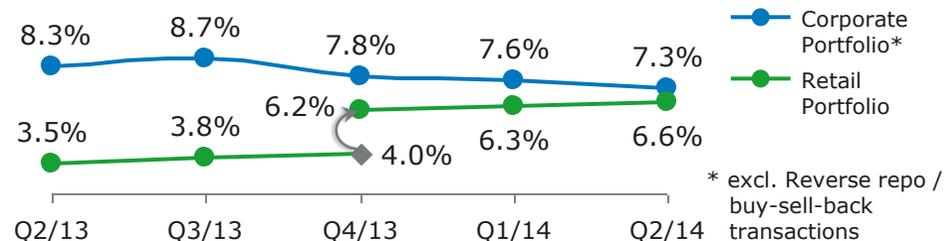


Note: Since Q4/13 a modified methodology of NPL recognition in retail area has been applied.

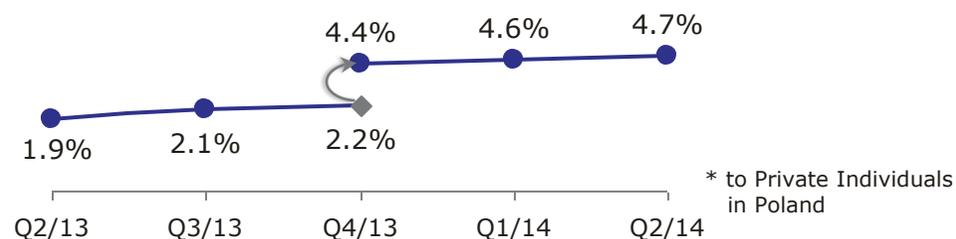
mBank Group's NPL Ratio



mBank Group's NPL Ratio by segment



NPL Ratio of Mortgage Loan Portfolio*

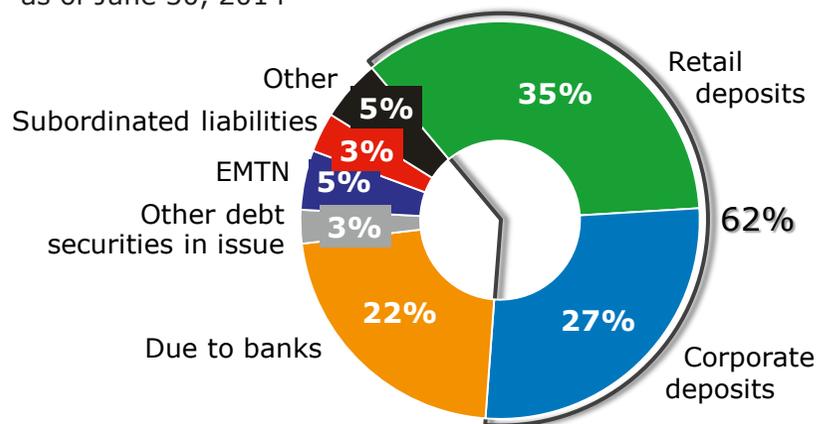


Analysis of Q2/14 in mBank Group

Funding Structure Details

A well diversified and safe funding profile

mBank Group's funding structure as of June 30, 2014



mBank's ratings

Fitch	
Long-term rating	A
Short-term rating	F1
Standard & Poor's	
Long-term credit rating	BBB+
Short-term credit rating	A-2

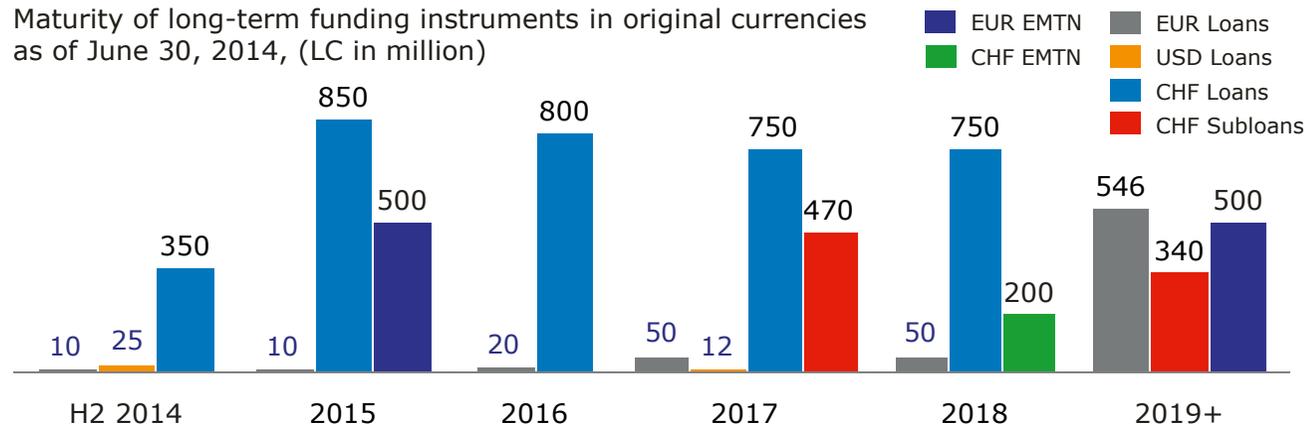
mBank Group's funding strategy

- Funding needs reduced by CHF loan book repayments (c. CHF 350-400 M per annum)
- EUR 3 B EMTN programme in place:
 - Four tranches issued: EUR 500 M in 2012, CHF 200 M and CZK 500 M in 2013, and again EUR 500 M in 2014
- Early redemption of CHF 90 M of subordinated bonds in March 2014
- Partial pre-payment of a subordinated loan in the amount of CHF 50 M in June 2014

Loans to Deposits Ratio



Maturity of long-term funding instruments in original currencies as of June 30, 2014, (LC in million)

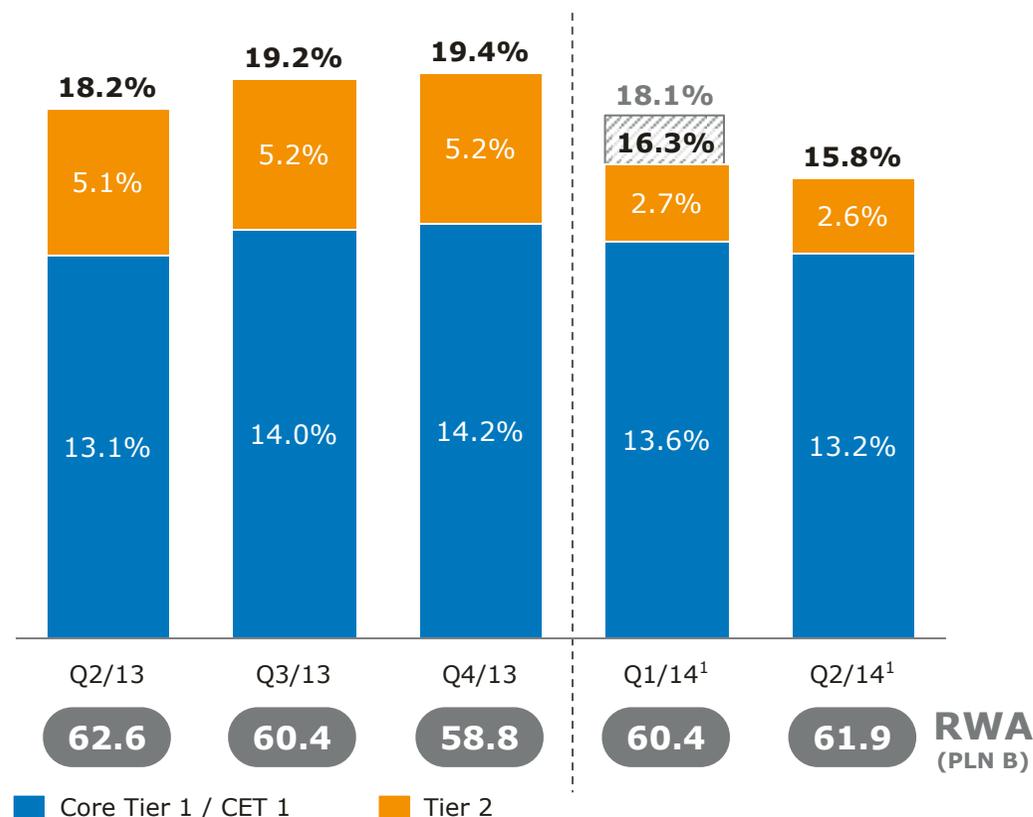


Analysis of Q2/14 in mBank Group

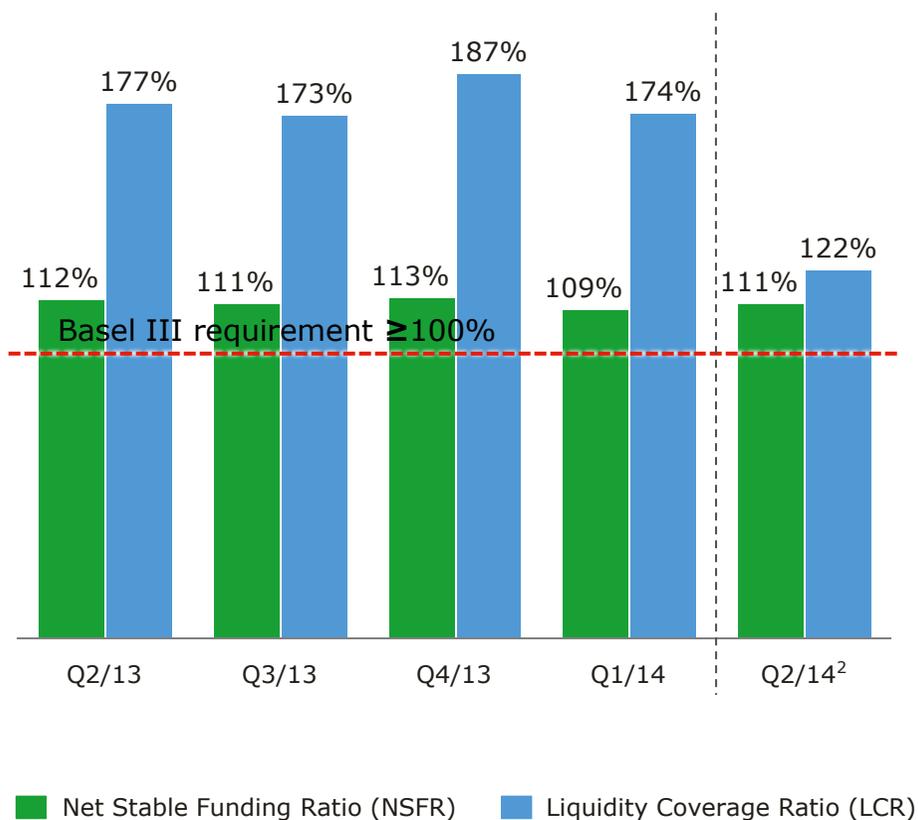
Key Regulatory Ratios

A Basel III ready and liquid balance sheet

mBank Group's Capital Adequacy Ratio / Total Capital Ratio



mBank's NSFR and LCR



¹ Since the end of March 2014 the capital ratios are calculated in accordance with Basel III rules

² Since Q2/14 the liquidity ratios are calculated in accordance with the new rules introduced by Capital Requirements Regulation (CRR)

Agenda

Summary of Q2/14 in mBank Group

Key Financials

Client acquisition and Market shares

Development of retail and corporate business

Analysis of Q2/14 Results

Development of Loans and Deposits

Development of Income and Costs

Loan Portfolio Quality

Funding Structure Details

Capital and Liquidity Ratios

Macroeconomic Update

Appendix

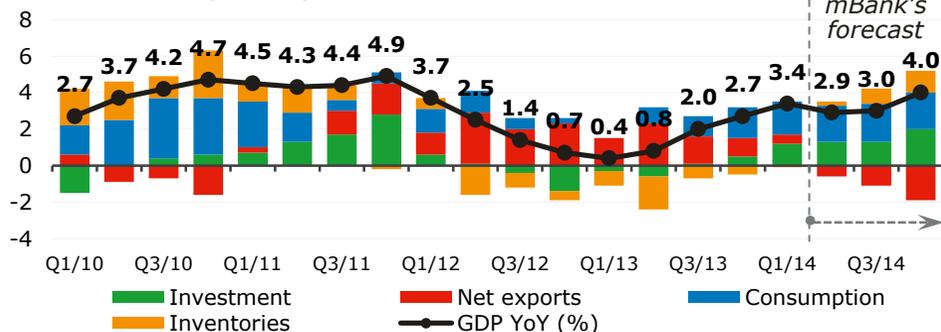
Additional Information: Selected Financial Data

Detailed Results of Business Lines

Macroeconomic Update (1/2)

A soft patch, just a soft patch. Inflation is nowhere to be seen.

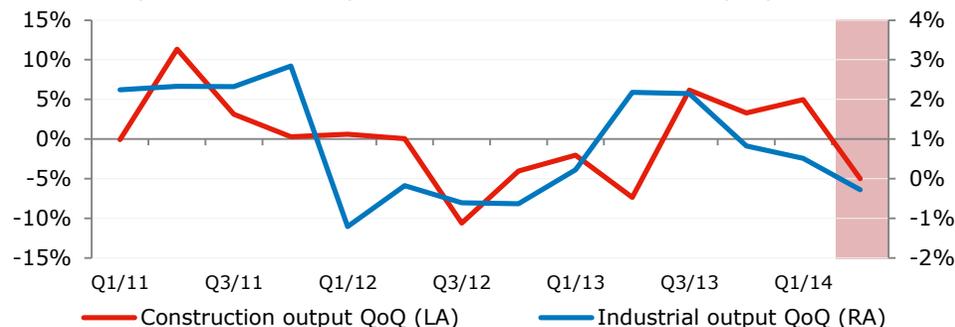
GDP forecast (% YoY)



- After a sharp acceleration to 3.4% in Q1, there is time for negative payback. The bank expects softer readings for Q2 and Q3 but the recovery itself seems hardly in danger.

Source: GUS, NBP

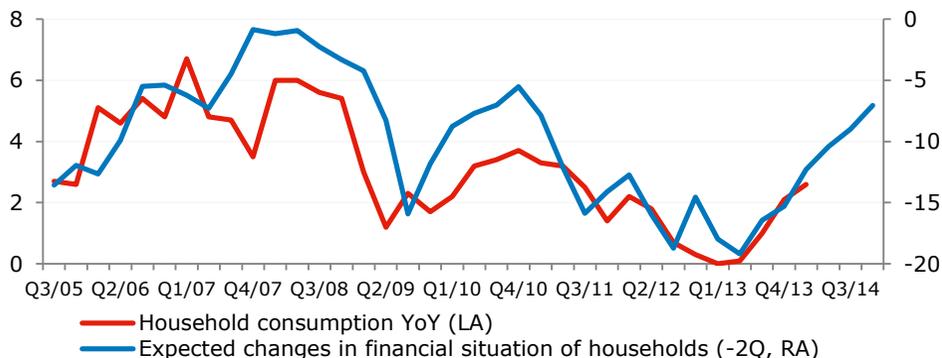
The soft patch is a reality; more than one reason at play



- The weakness in recent data is driven by the collapse in demand from Ukraine and Russia, weak construction (after a strong Q1) and, likely, weaker growth in the Eurozone.

Source: GUS, NBP

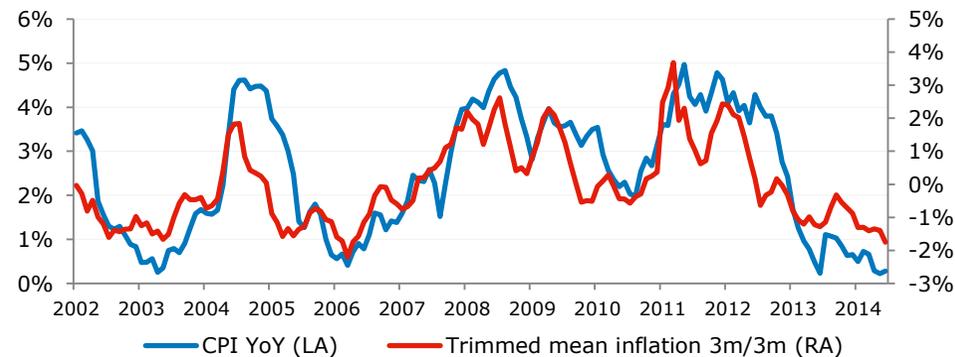
Consumption is set to remain a bright spot in the Polish economy



- Consumption supported by rising real income and strengthening labour market. Bright consumer sentiment continues to point out to accelerating consumer spending in H2.

Source: GUS, NBP

Still no signs of a turnaround in inflation



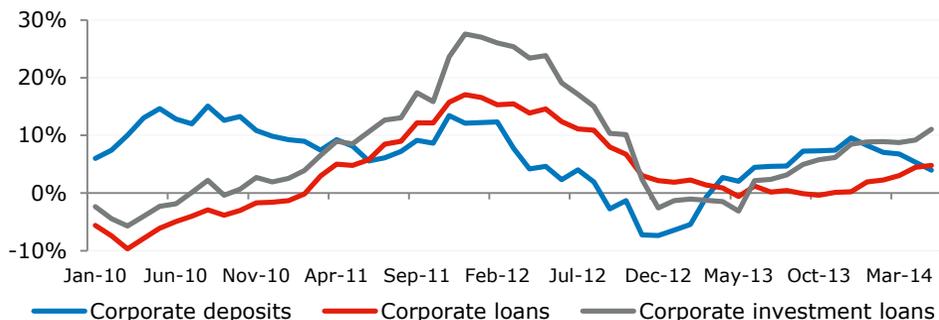
- No end to low-inflation environment in sight, disinflation is broad and persistent. With growth slowing, this will be sufficient for the MPC to cut rates in the autumn.

Source: GUS

Macroeconomic Update (2/2)

Green shoots in bank credit, household deposits still sluggish

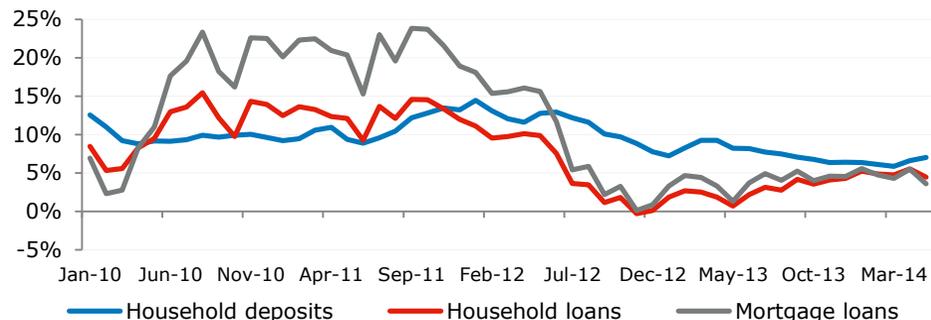
Corporate loans and deposits (% YoY)



- Corporate deposits slowed, possibly thanks to higher private investment. Growth of corporate loans more robust and broad-based (not only investment loans).

Source: NBP

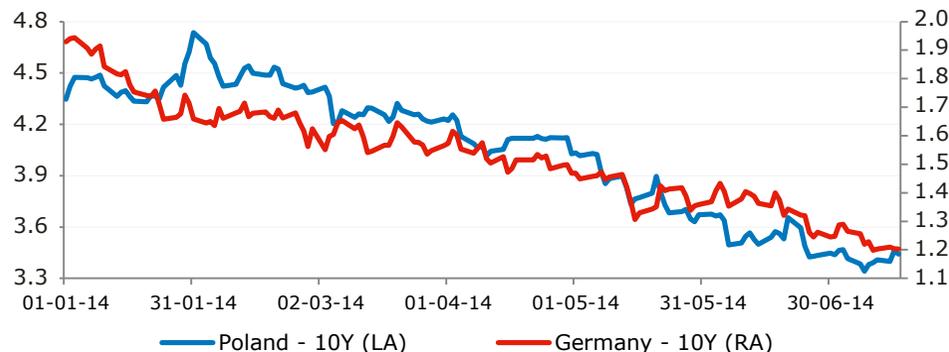
Household loans and deposits (% YoY)



- Household deposits grow at a slowest pace since 2006. Cautious borrowing on the households' side should ease in 2014 as mortgage lending accelerate (despite new LTV restrictions).

Source: NBP

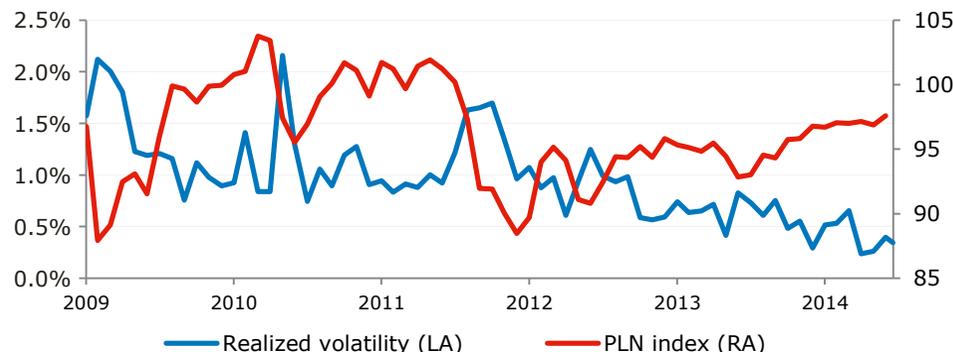
Polish and German 10Y bond yields (YTD, %)



- The rally in Polish bonds has been unstoppable, supported by core markets, dovish central banks, low inflation, rate cut expectations. For now, no significant upside in yields.

Source: Bloomberg

PLN index (higher = appreciation), low realized volatility



- PLN stable, with a bias towards strengthening. Volatility has fallen significantly, especially compared to other EMs. A regional star / safe haven?

Source: Bloomberg

Agenda

Summary of Q2/14 in mBank Group

Key Financials

Client acquisition and Market shares

Development of retail and corporate business

Analysis of Q2/14 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 under IFRS	22
Consolidated Statement of Financial Position	23
mBank Group's Ratios	24
mBank Group's Historical Performance	25-27
Net Interest Income & Margin	28
Fee and Commission Income	29
Trading and Other Income	30
Balance Sheet Analysis: Assets & Liabilities	31
Balance Sheet Analysis: Currency structure	32
Balance Sheet Analysis: Structure of loans and deposits	33
Balance Sheet Analysis: Loan portfolio structure	34
Balance Sheet analysis: Development of Core Tier 1 and CAR	35

Detailed Results of the Business Lines	Page No.
Retail Banking	36-40
Summary of Q2/14: Financial Results and Volumes	37-38
Mortgage Loans: Portfolio Structure & Key parameters	39
mBank in the Czech Republic and Slovakia	40
Corporates & Financial Markets	41-44
Summary of Q2/14: Financial Results and Volumes	42-43
Financial Markets Activity: Market Shares	44
mBank Group's Subsidiaries	45-50
Results of Consolidated Companies	46
mBank Hipoteczny (mBH)	47
Leasing and Factoring	48
Dom Maklerski mBanku (mDM)	49
BRE Ubezpieczenia (BRE Insurance)	50
mBank Analyzer	51
Contact Details	52

Appendix

Additional Information: Selected Financial Data Consolidated Profit and Loss Account under IFRS



Summary
Historical view
Profit & Loss
Balance Sheet
Business Lines
Subsidiaries

Quarterly results (PLN thou.)	Q2/13	Q3/13	Q4/13	Q1/14	Q2/14
Net interest income	550,232	570,000	588,096	591,014	617,232
Net fee and commission income	209,256	210,689	228,904	241,406	243,685
Dividend income	2,283	14,768	9,779	0	2,811
Net trading income	102,460	86,282	78,438	92,118	110,202
<i>incl. FX result</i>	<i>74,482</i>	<i>71,698</i>	<i>67,387</i>	<i>65,151</i>	<i>69,742</i>
Gains less losses from investment securities	36,160	16,368	25,276	9,845	4,041
Net other operating income	32,493	46,870	33,745	22,237	45,793
Total income	932,884	944,977	964,238	956,620	1,023,764
Total operating costs	(417,876)	(416,829)	(441,636)	(430,617)	(455,277)
<i>Overhead costs</i>	<i>(372,216)</i>	<i>(371,404)</i>	<i>(389,605)</i>	<i>(384,785)</i>	<i>(406,665)</i>
<i>Depreciation & Amortisation</i>	<i>(45,660)</i>	<i>(45,425)</i>	<i>(52,031)</i>	<i>(45,832)</i>	<i>(48,612)</i>
Loan loss provisions	(159,459)	(173,585)	(117,080)	(89,487)	(155,860)
Profit before tax	355,549	354,563	405,522	436,516	412,627
Net profit attributable to owners of mBank	277,853	288,586	314,200	337,770	324,827

Note: Q2-Q3 2013 results were restated due to the adjustments in booking of bancassurance related income in line with KNF guidance.

Appendix

Additional Information: Selected Financial Data Consolidated Statement of Financial Position



Summary
Historical view
Profit & Loss
Balance Sheet
Business Lines
Subsidiaries

Assets (PLN thou.)	Q2/13	Q3/13	Q4/13	Q1/14	Q2/14
Cash and balances with Central Bank	2 039 840	794 706	1 650 467	2 089 199	1 418 016
Loans and advances to banks	4 828 511	2 935 740	3 471 241	1 500 011	4 933 231
Trading securities	1 741 743	1 402 650	763 064	1 180 071	2 812 471
Derivative financial instruments	2 544 434	2 309 053	2 349 585	2 216 630	3 017 875
Loans and advances to customers	71 796 954	69 206 663	68 210 385	70 923 030	70 137 177
Investment securities	22 681 955	24 894 354	25 341 763	26 605 235	27 128 055
Intangible assets	415 428	421 170	455 345	431 959	460 135
Tangible fixed assets	736 680	723 088	709 552	705 955	710 505
Other assets	1 358 313	1 312 696	1 331 359	1 491 167	1 329 980
Total assets	108 143 858	104 000 120	104 282 761	107 143 257	111 947 445
Liabilities (PLN thou.)	Q2/13	Q3/13	Q4/13	Q1/14	Q2/14
Amounts due to other banks	23 427 634	21 416 248	19 224 182	19 481 097	22 297 031
Derivative financial instruments	3 087 827	2 472 433	2 459 715	2 120 892	2 915 003
Amounts due to customers	62 195 198	60 085 074	61 673 527	63 596 439	63 293 721
Debt securities in issue	4 904 909	4 869 607	5 402 056	5 658 722	7 696 154
Subordinated liabilities	3 347 965	3 310 880	3 762 757	3 453 003	3 278 869
Other liabilities	1 576 210	1 955 860	1 504 086	2 966 900	2 147 252
Total liabilities	98 539 743	94 110 102	94 026 323	97 277 053	101 628 030
Total equity	9 604 115	9 890 018	10 256 438	9 866 204	10 319 415
Total equity and liabilities	108 143 858	104 000 120	104 282 761	107 143 257	111 947 445

Appendix

Additional Information: Selected Financial Data mBank Group's Ratios

Summary
Historical view
Profit & Loss
Balance Sheet
Business Lines
Subsidiaries

Financial Ratios	Q2/13	Q3/13	Q4/13	Q1/14	Q2/14
Net Interest Margin (<i>quarterly</i>)	2.15%	2.23%	2.31%	2.30%	2.30%
Net Interest Margin YtD	2.14%	2.17%	2.21%	2.30%	2.30%
Net Interest Margin YtD (excl. CHF portfolio)	2.54%	2.57%	2.61%	2.71%	2.69%
Cost to Income Ratio (<i>quarterly</i>)	44.8%	44.1%	45.8%	45.0%	44.5%
Cost to Income Ratio YtD	46.5%	45.6%	45.7%	45.0%	44.7%
Cost of Risk (<i>quarterly</i>)	0.92%	0.98%	0.68%	0.51%	0.88%
Cost of Risk YtD	0.55%	0.70%	0.70%	0.51%	0.70%
ROE net (<i>quarterly</i>)	12.16%	12.67%	13.75%	13.74%	13.55%
ROE net YtD	13.00%	12.89%	13.10%	13.74%	13.64%
ROA net YtD	1.15%	1.13%	1.14%	1.26%	1.21%
Loans to Deposits	115.4%	115.2%	110.6%	111.5%	110.8%
Capital Adequacy Ratio / Total Capital Ratio ¹	18.18%	19.17%	19.38%	16.26%	15.79%
Core Tier 1 / Common Equity Tier 1 ¹	13.10%	14.02%	14.21%	13.58%	13.20%
Equity / Assets	8.9%	9.5%	9.8%	9.2%	9.2%
RWA / Assets	57.9%	58.1%	56.4%	56.4%	55.3%
NPL ratio ²	4.9%	5.3%	6.3%	6.1%	6.4%
NPL coverage ratio ²	66.4%	66.5%	47.8%	48.8%	50.1%
NPL coverage ratio incl. general provisions ²	72.1%	72.0%	53.6%	54.7%	56.0%

¹ Since the end of March 2014 the capital ratios are calculated in accordance with Basel III rules

² Since Q4/13 a modified methodology of NPL recognition in retail area has been applied

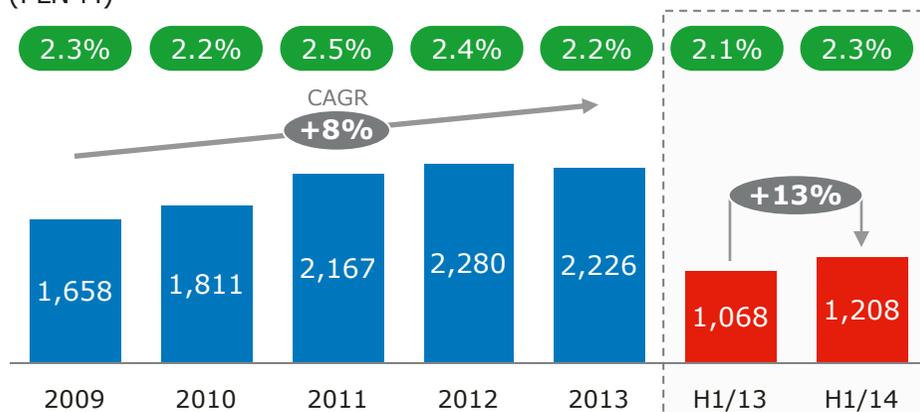
Appendix

mBank Group's historical performance (1/3)

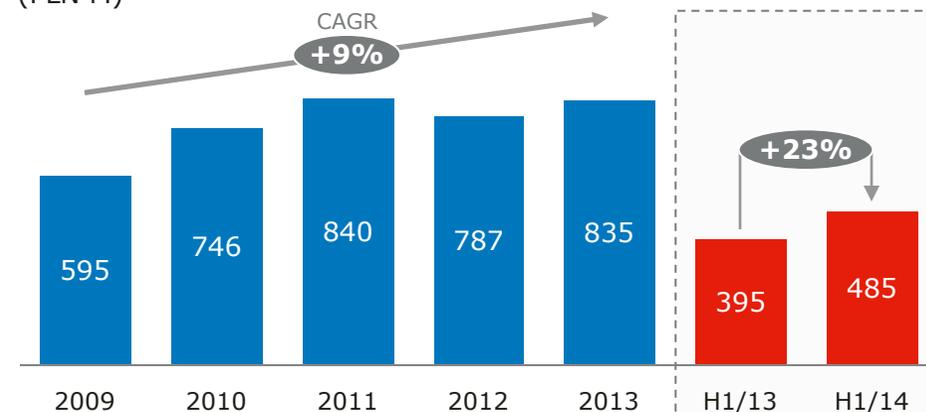


Summary
Historical view
Profit & Loss
Balance Sheet
Business Lines
Subsidiaries

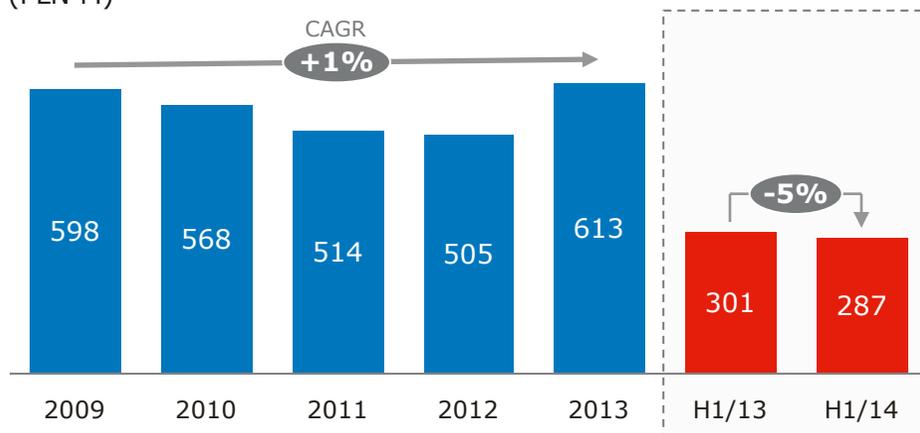
Net Interest Income & NIM
(PLN M)



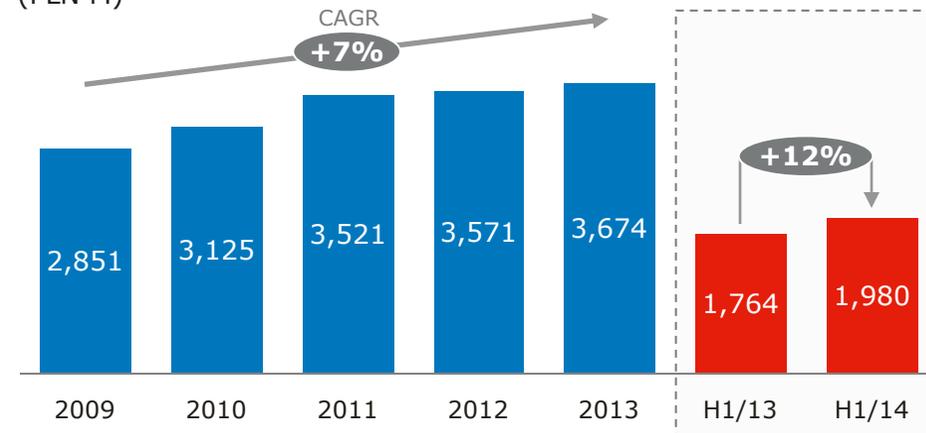
Net Fee and Commission Income
(PLN M)



Trading and Other Income
(PLN M)



Total Income
(PLN M)



Note: 2012 results were restated due to the adjustments in booking of bancassurance related income in line with KNF guidance.

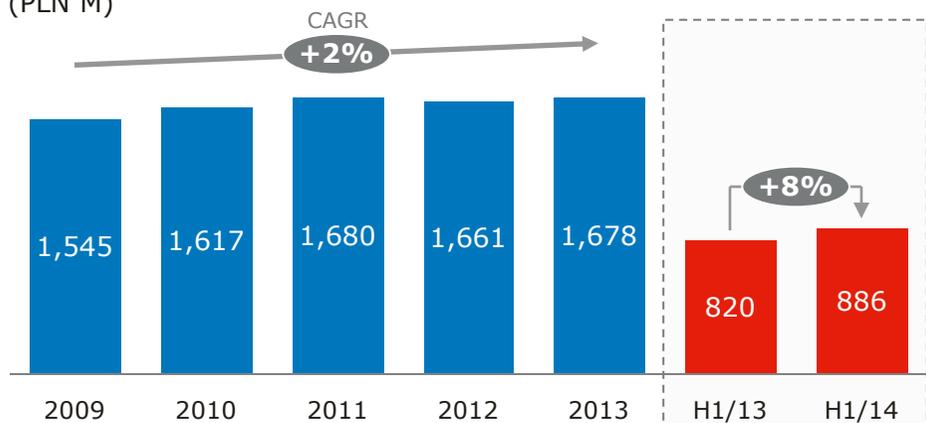
Appendix

mBank Group's historical performance (2/3)

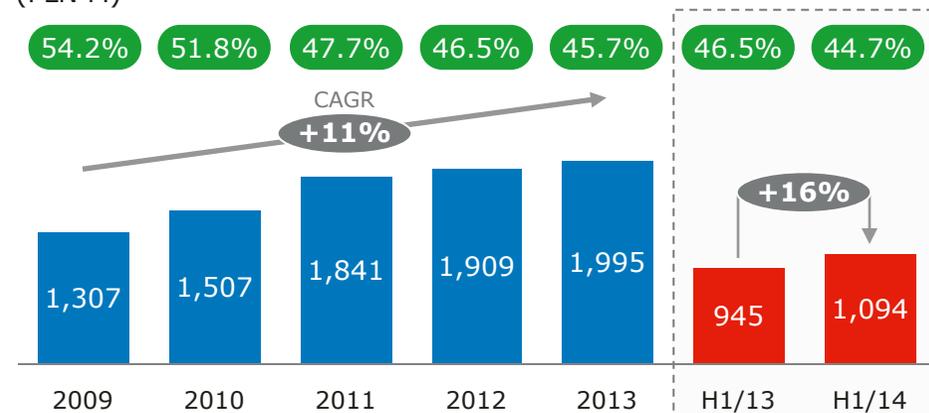


Summary
Historical view
Profit & Loss
Balance Sheet
Business Lines
Subsidiaries

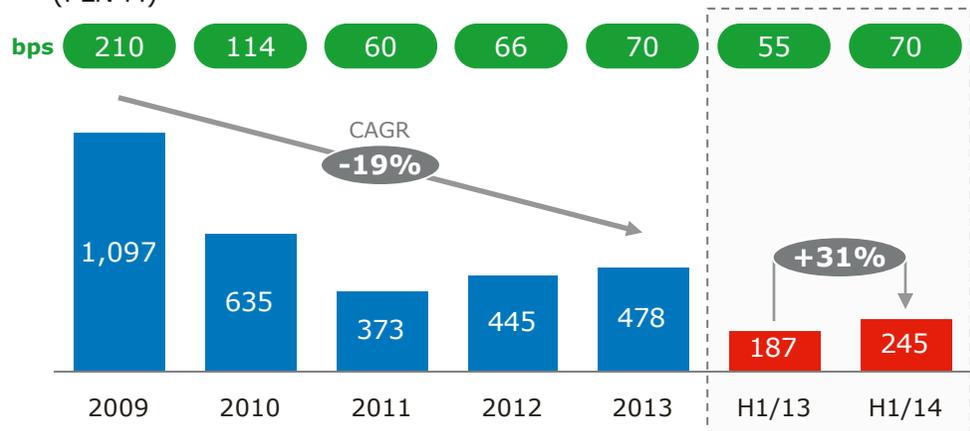
Operating Costs (PLN M)



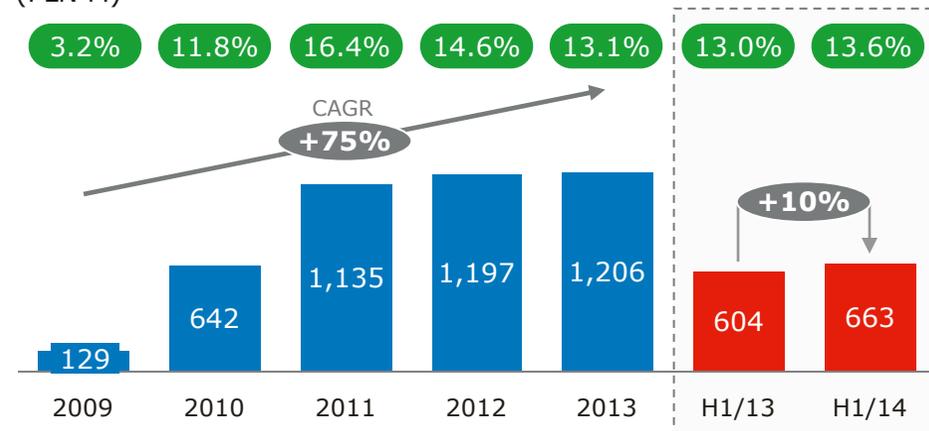
Pre-provision Income & C/I ratio (PLN M)



Loan Loss Provisions & Cost of Risk (PLN M)



Net Profit & Return on Equity (PLN M)



Note: 2012 results were restated due to the adjustments in booking of bancassurance related income in line with KNF guidance.

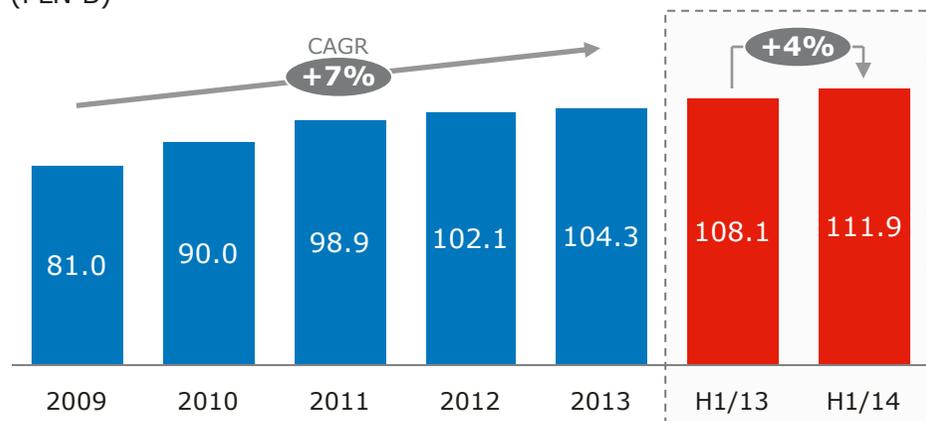
Appendix

mBank Group's historical performance (3/3)

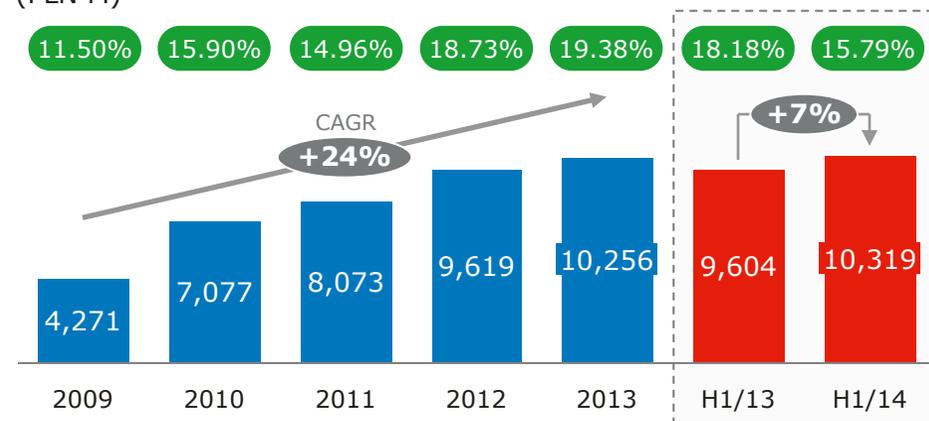


Summary
Historical view
Profit & Loss
Balance Sheet
Business Lines
Subsidiaries

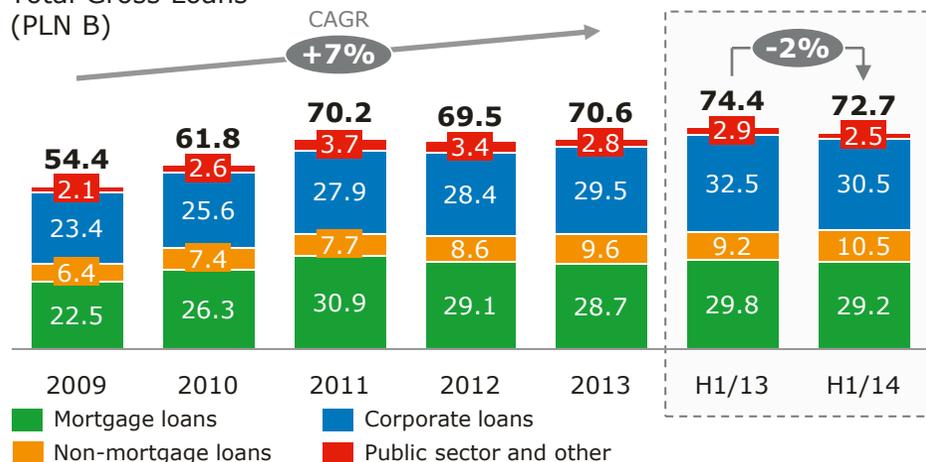
Total Assets
(PLN B)



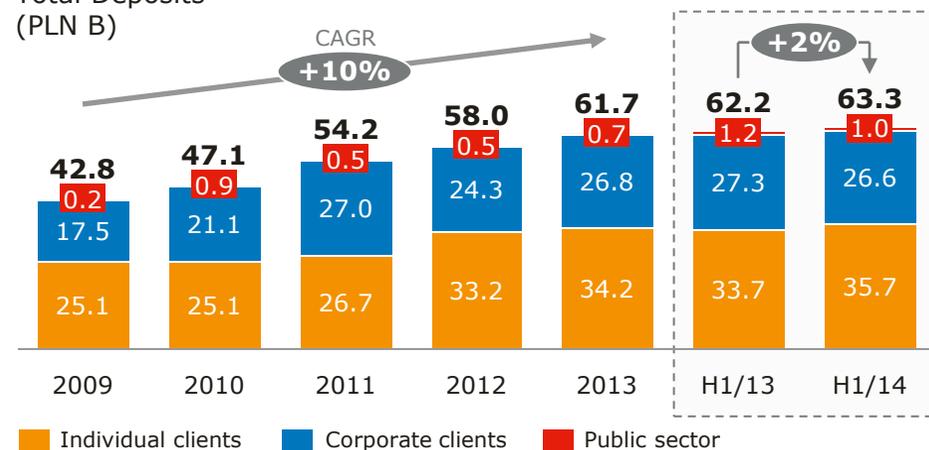
Equity & CAR
(PLN M)



Total Gross Loans
(PLN B)



Total Deposits
(PLN B)



Note: 2012 results were restated due to the adjustments in booking of bancassurance related income in line with KNF guidance.

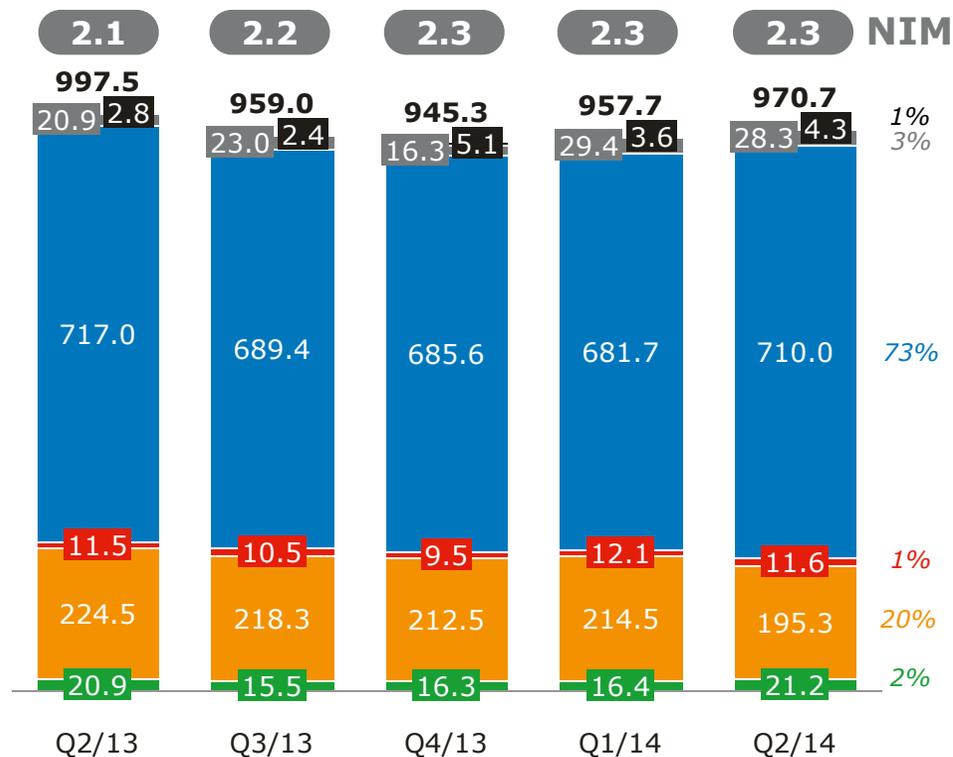
Appendix

Additional Information: Selected Financial Data Net Interest Income & Margin



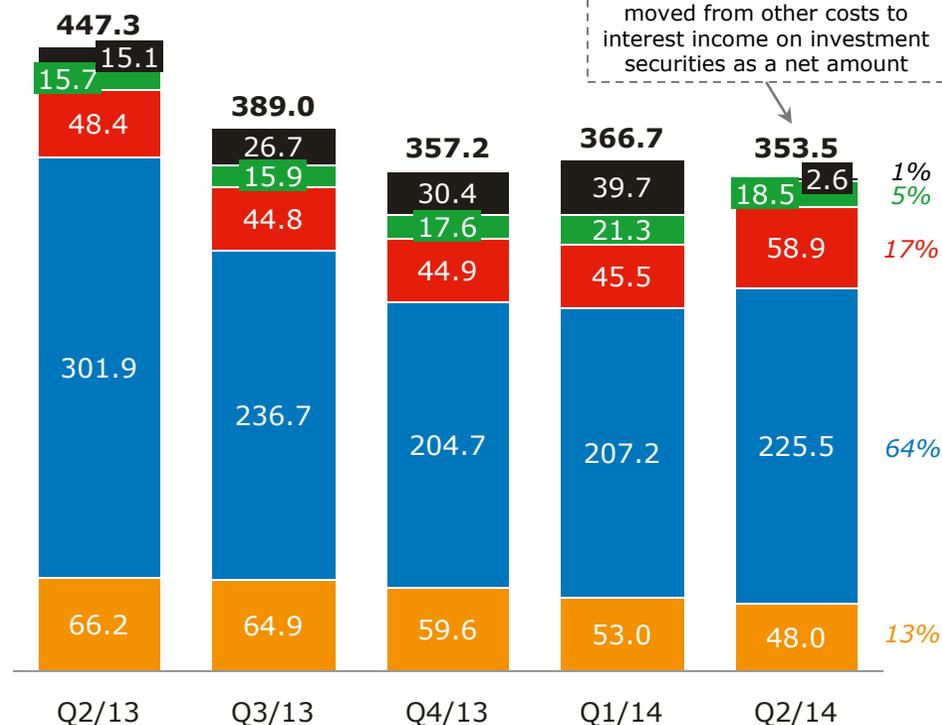
Summary
Historical view
Profit & Loss
Balance Sheet
Business Lines
Subsidiaries

Interest Income Structure
(PLN M)



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

Interest Expense Structure
(PLN M)



Change in the presentation of premiums on bonds: since Q2/14 this item is moved from other costs to interest income on investment securities as a net amount

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

Note: Q2-Q3 2013 results were restated due to the adjustments in booking of bancassurance related income in line with KNF guidance.

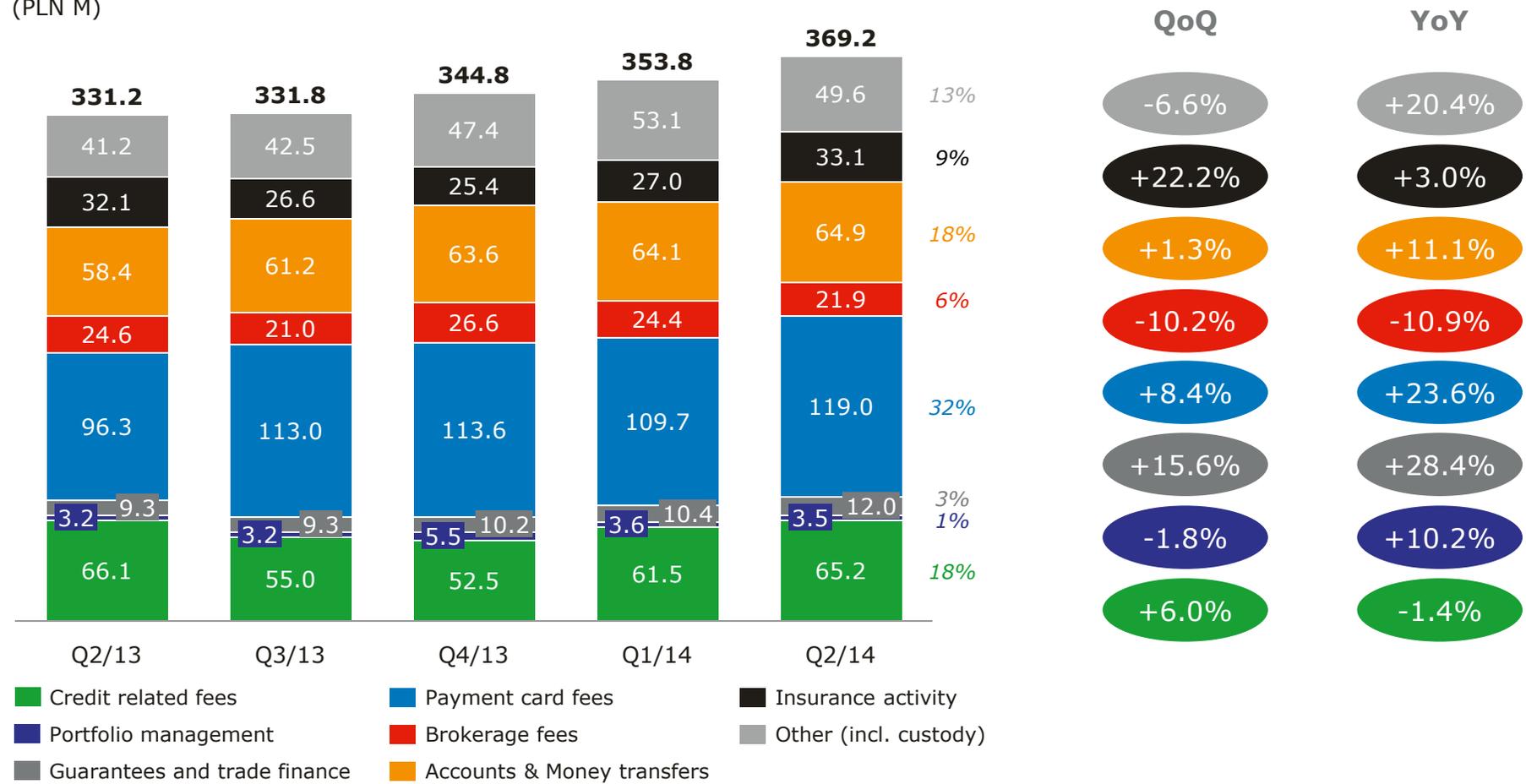
Appendix

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)



Note: Q2-Q3 2013 results were restated due to the adjustments in booking of bancassurance related income in line with KNF guidance.

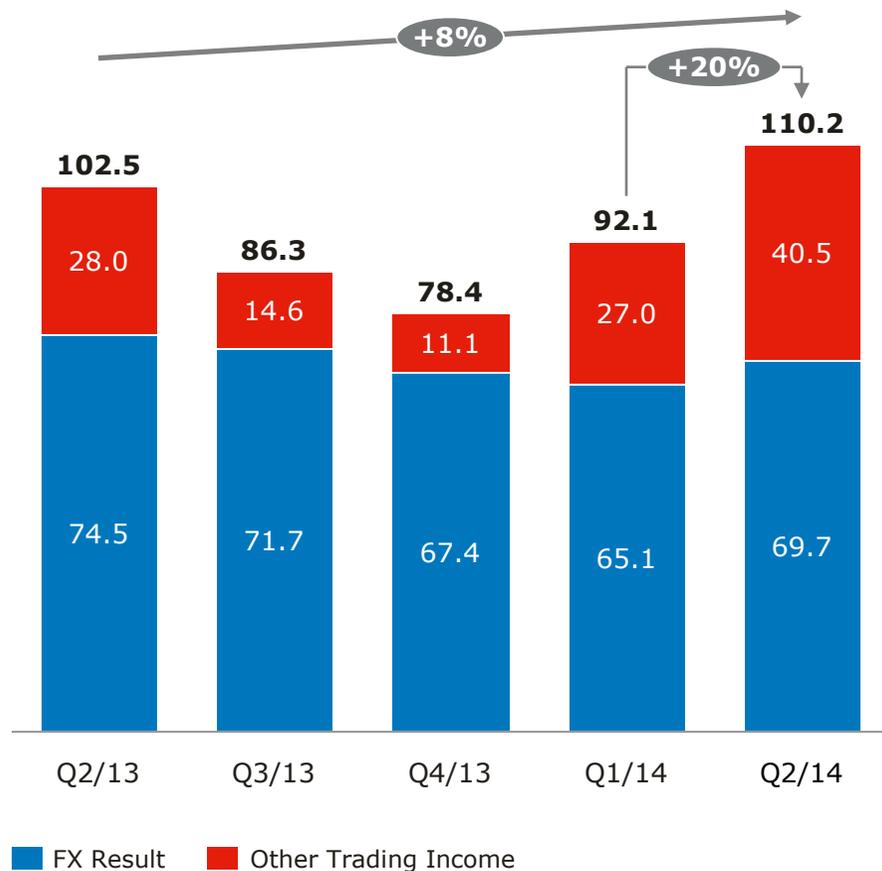
Appendix

Additional Information: Selected Financial Data Trading and Other Income

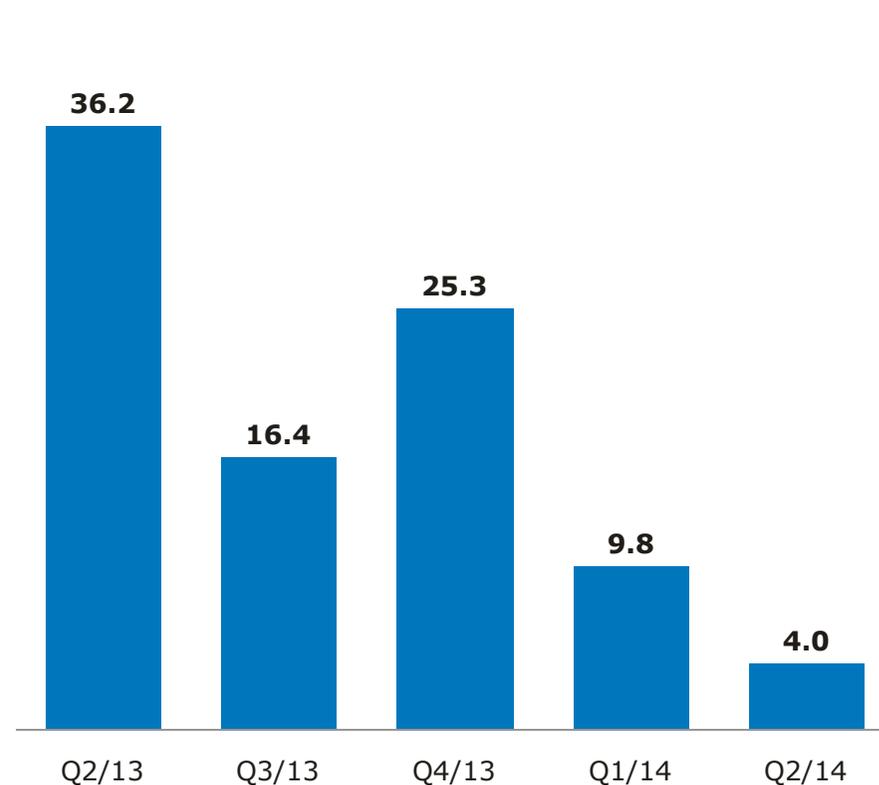


Summary
Historical view
Profit & Loss
Balance Sheet
Business Lines
Subsidiaries

Net Trading Income Structure
(PLN M)



Gains less Losses from Investment Securities
(PLN M)



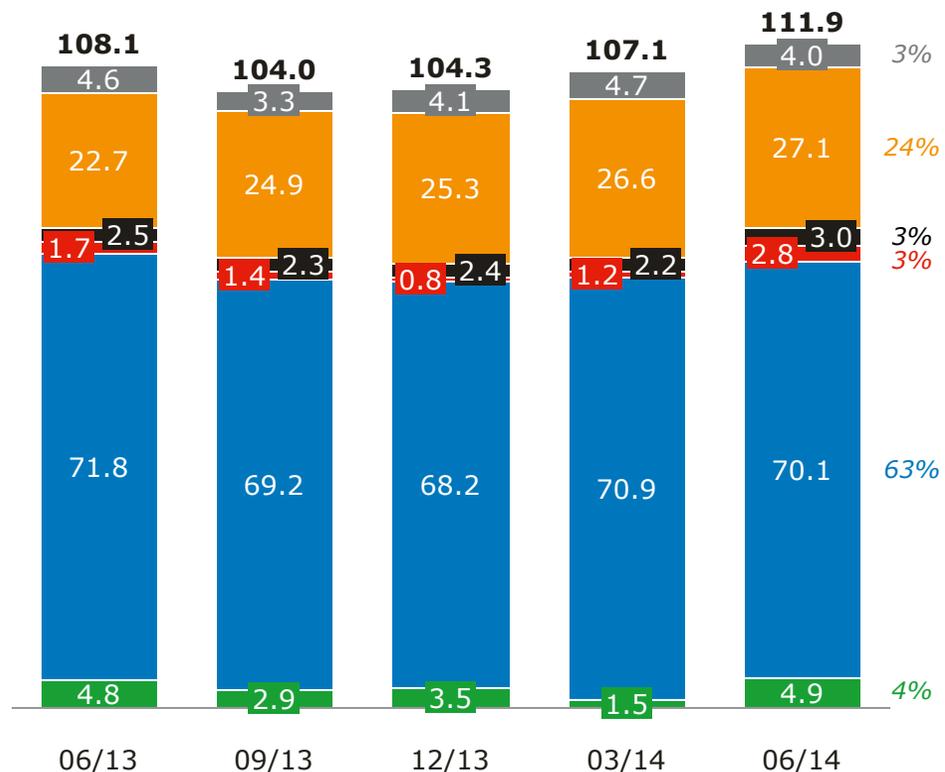
Appendix



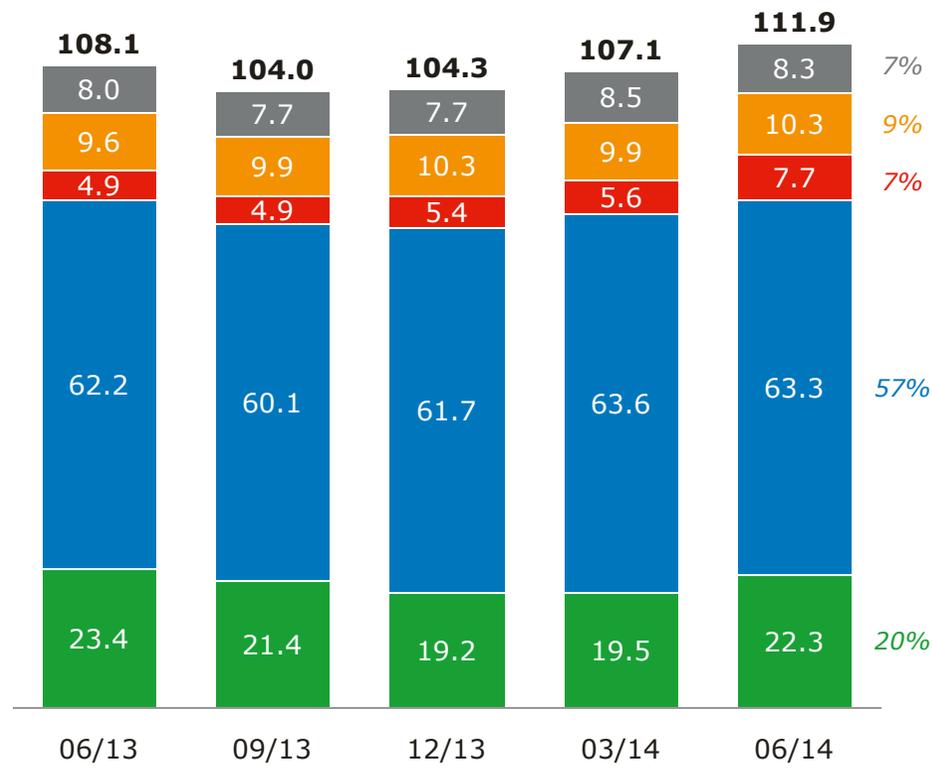
Summary
Historical view
Profit & Loss
Balance Sheet
Business Lines
Subsidiaries

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

Structure of Assets
(PLN B)



Structure of Liabilities
(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

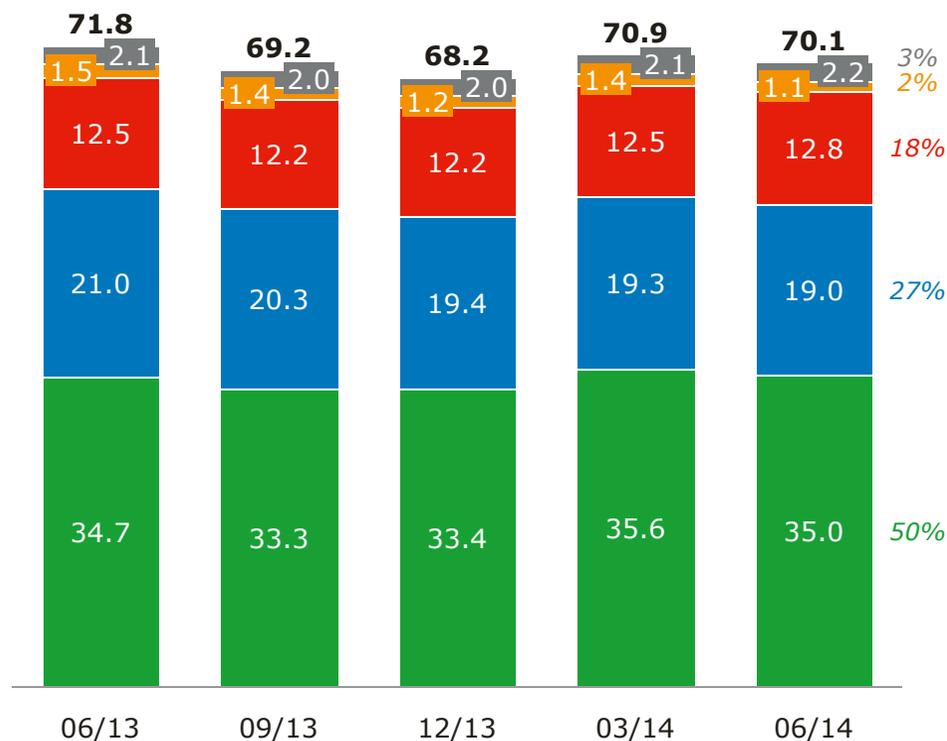
Appendix



Summary
Historical view
Profit & Loss
Balance Sheet
Business Lines
Subsidiaries

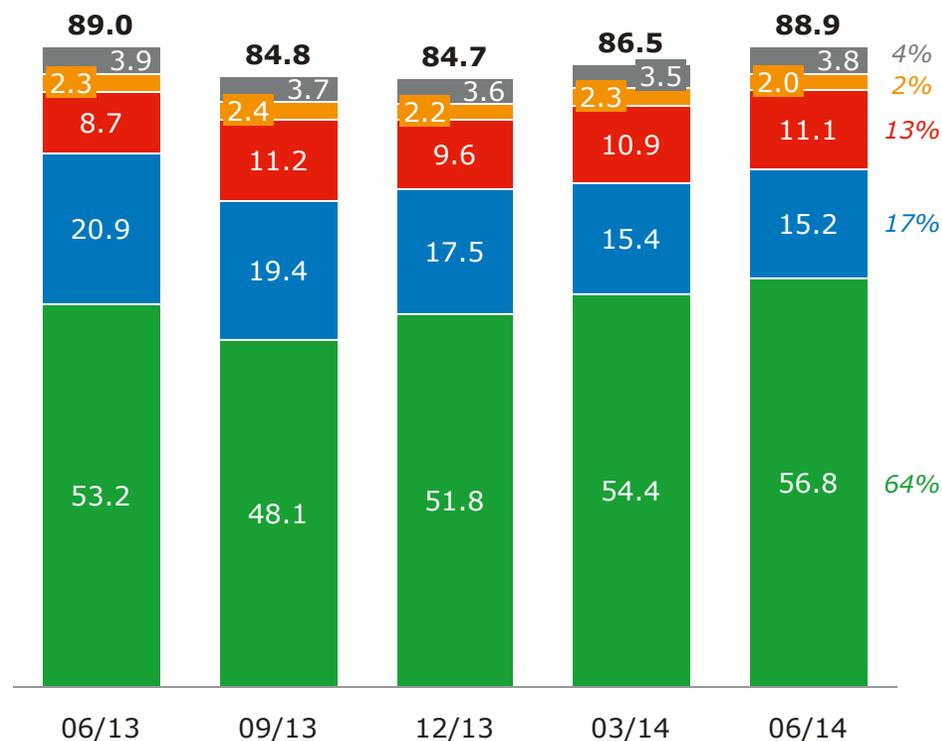
Additional Information: Selected Financial Data Balance Sheet Analysis: Currency Structure

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



■ PLN ■ CHF ■ EUR ■ USD ■ Other (mainly CZK)

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



■ PLN ■ CHF ■ EUR ■ USD ■ Other (mainly CZK)

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

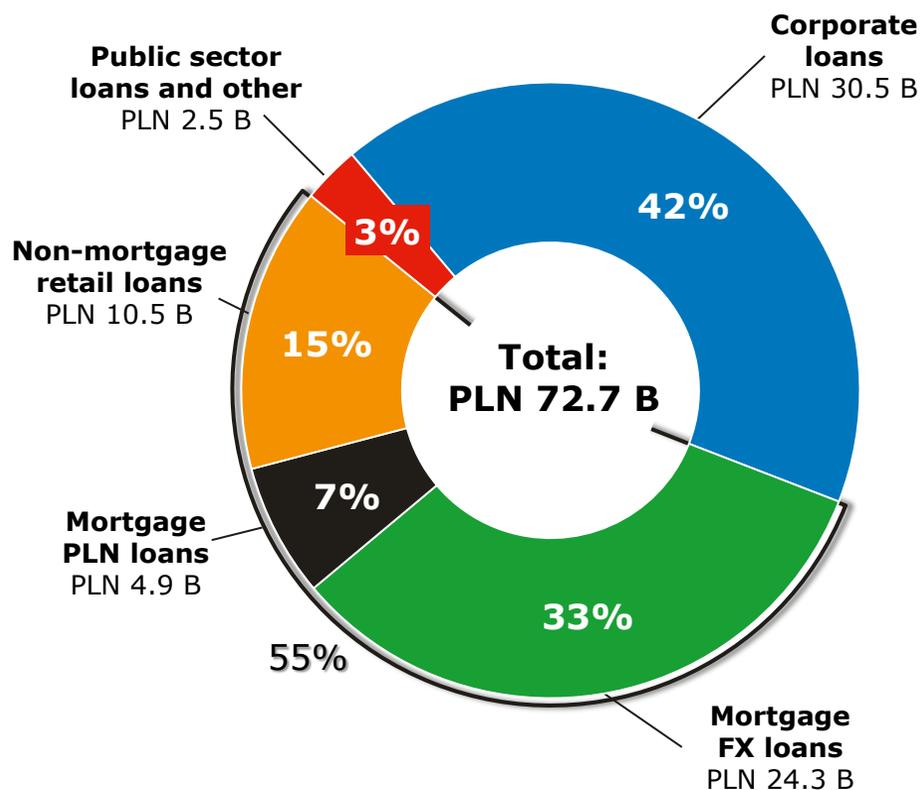
Appendix



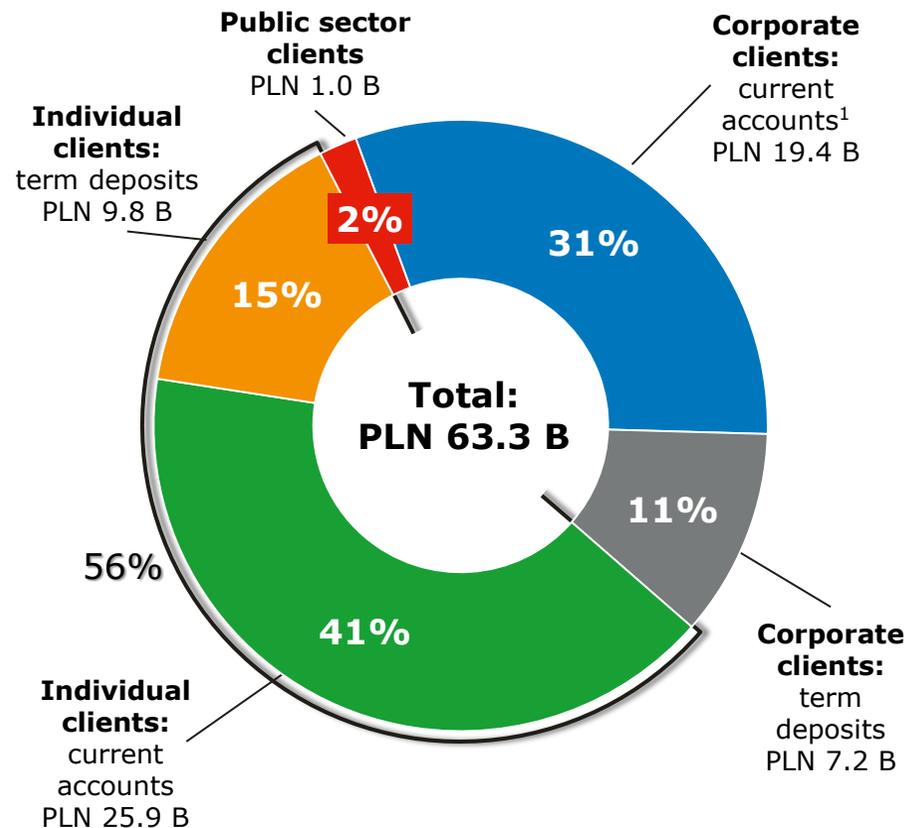
Summary
Historical view
Profit & Loss
Balance Sheet
Business Lines
Subsidiaries

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

Structure of mBank Group's Gross Loans as of June 30, 2014



Structure of mBank Group's Deposits as of June 30, 2014

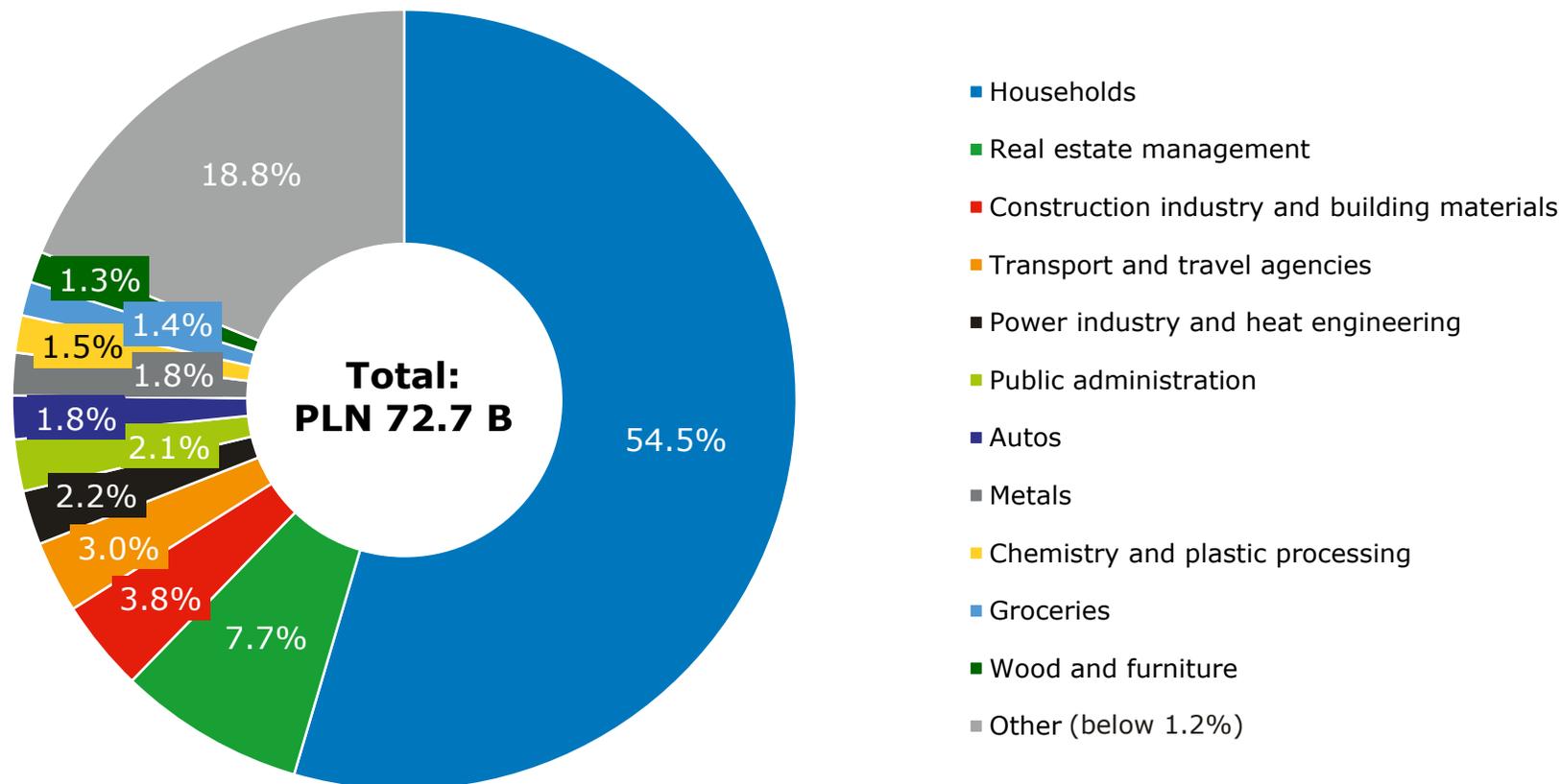


¹ incl. repo transactions, loans and advances received, other liabilities

Appendix

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

mBank Group's Sector Exposure by Industry
as of June 30, 2014



A well diversified loan portfolio with granular structure

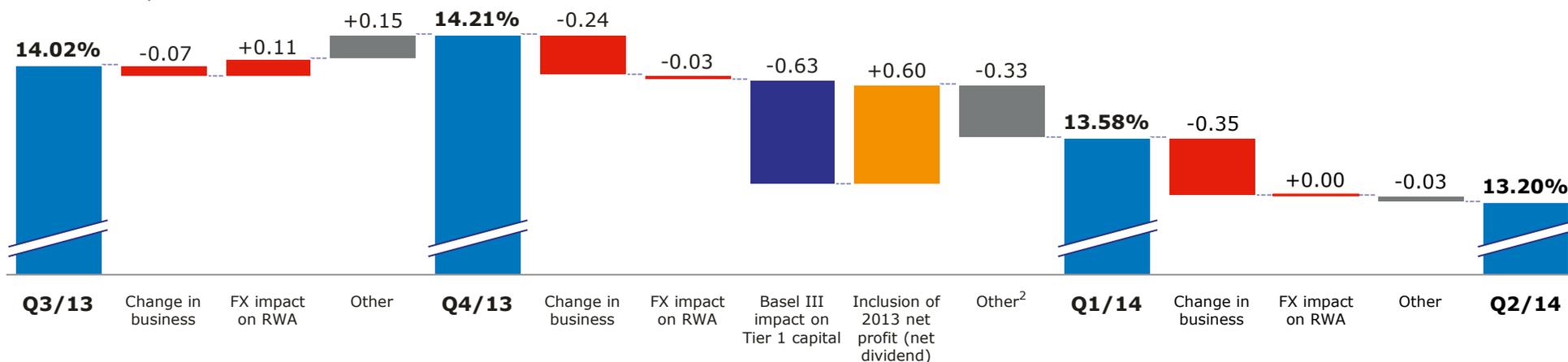
Appendix

Additional Information: Selected Financial Data

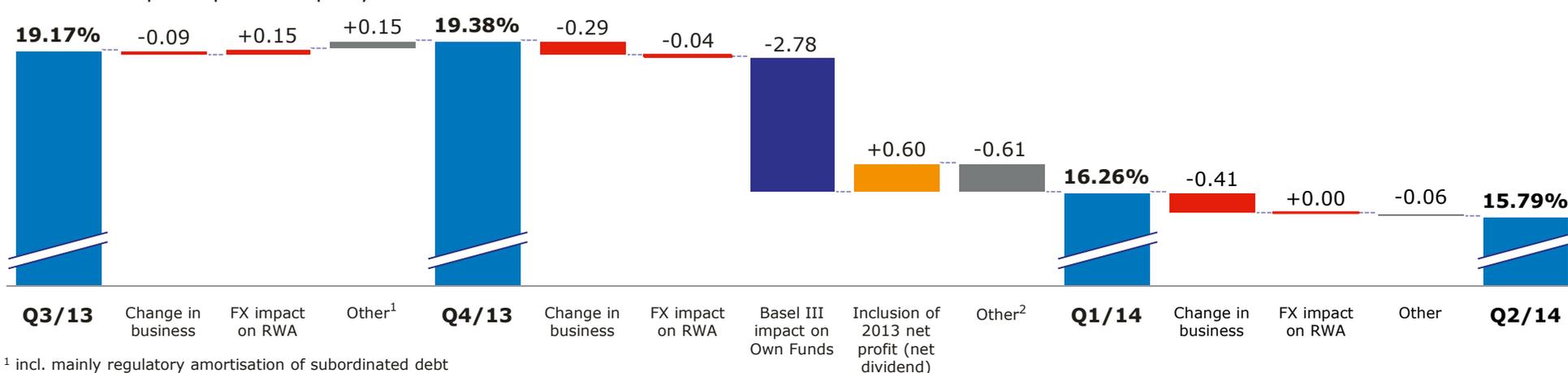
Balance Sheet Analysis: Detailed Development of Core Tier 1 and CAR

Summary
Historical view
Profit & Loss
Balance Sheet
Business Lines
Subsidiaries

mBank Group's Core Tier 1 Ratio



mBank Group's Capital Adequacy Ratio



¹ incl. mainly regulatory amortisation of subordinated debt

² mainly due to higher operational risk

Detailed Results of the Business Lines in Q2/14

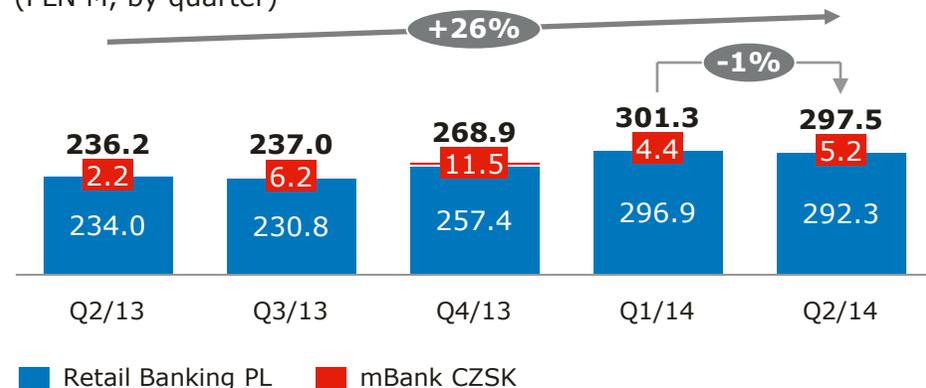
Retail Banking

Appendix

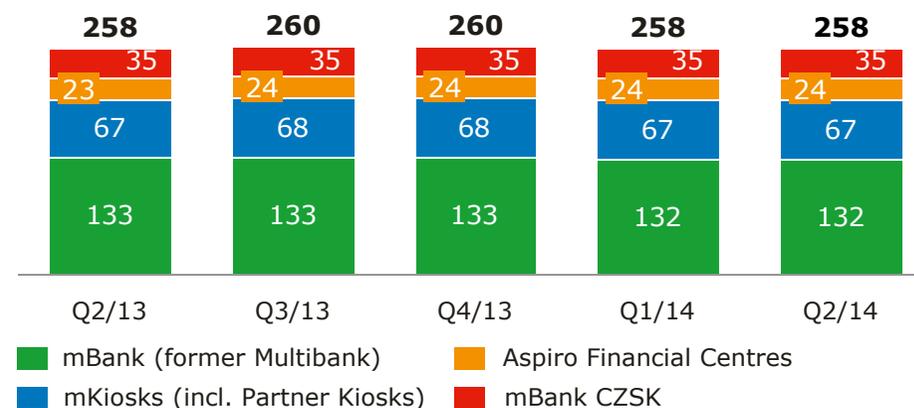
Retail Banking Summary of Q2/14: Financial Results

Summary
Historical view
Profit & Loss
Balance Sheet
Business Lines
Subsidiaries

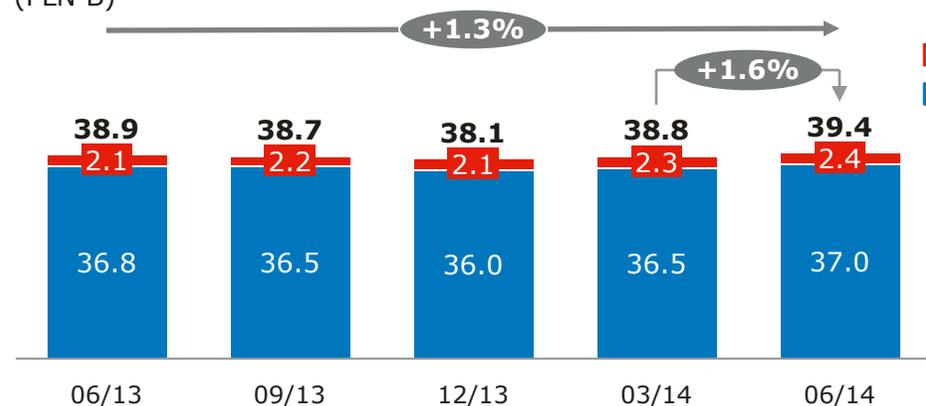
Profit before Tax of the Segment
(PLN M, by quarter)



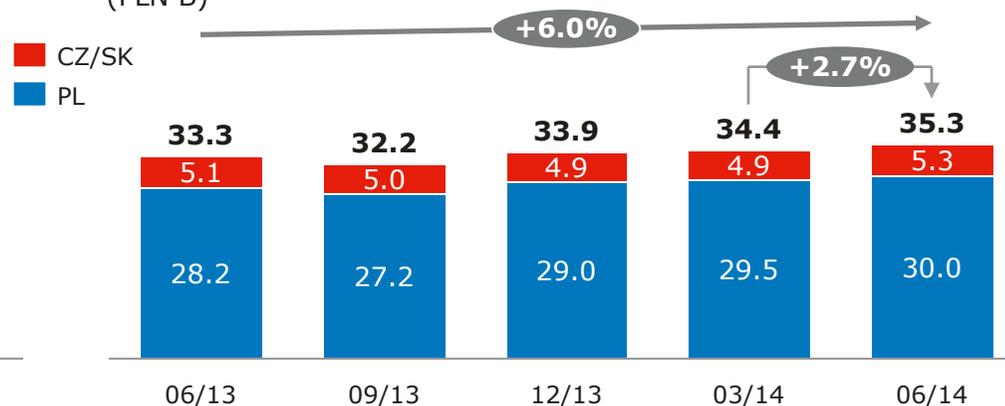
Number of Retail Outlets



Total Retail Gross Loans¹
(PLN B)



Total Retail Deposits¹
(PLN B)



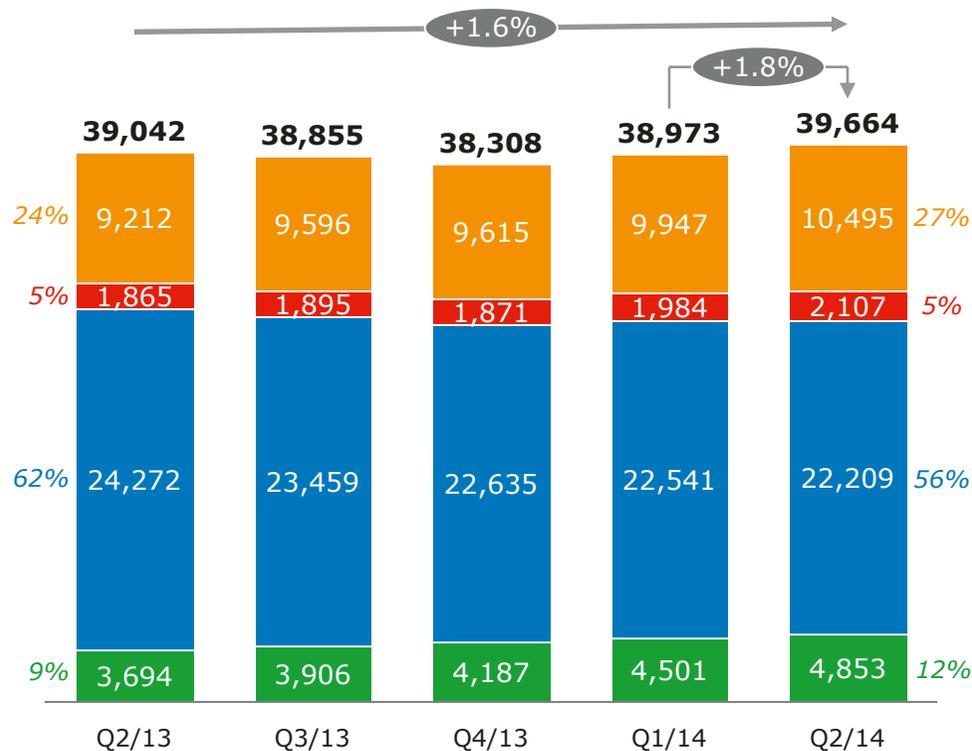
¹ Based on management information

Appendix

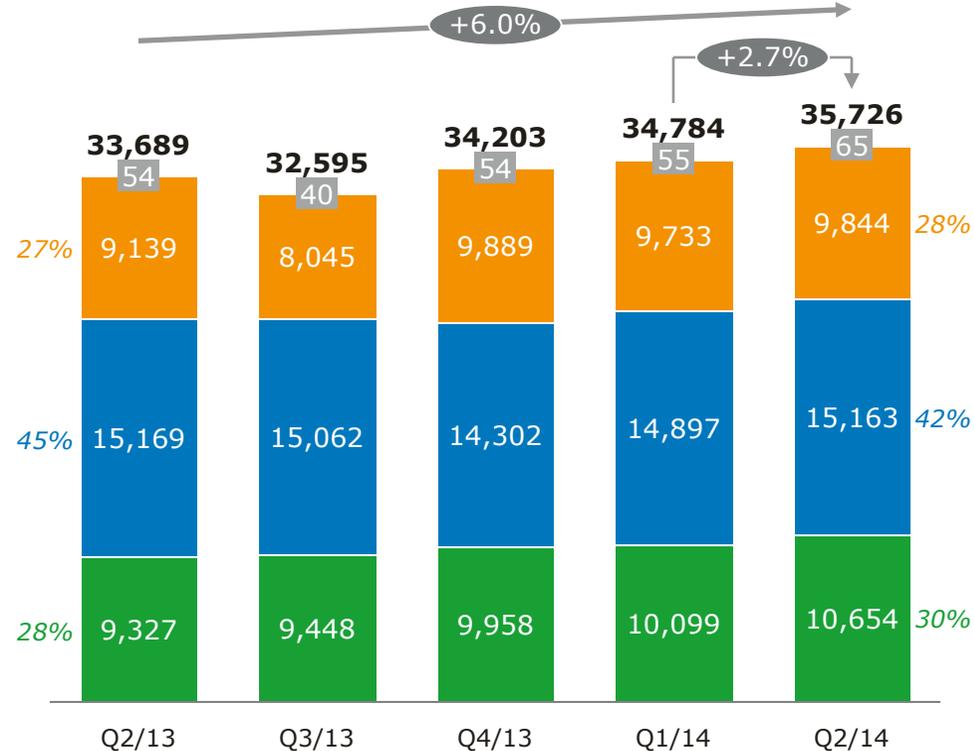
Retail Banking Summary of Q2/14: Loans and Deposits

Summary
Historical view
Profit & Loss
Balance Sheet
Business Lines
Subsidiaries

Gross Loans to Individuals¹
(PLN M)



Deposits from Individual Customers
(PLN M)



■ Mortgage loans in PLN ■ Mortgage loans granted in CZ/SK
■ FX mortgage loans granted in PL ■ Non-mortgage loans

■ Current accounts ■ Term deposits
■ Saving accounts ■ Other

¹ Currency and geographical breakdown based on management information

Appendix

Retail Banking

Mortgage and Non-mortgage Loans: Portfolio Structure and Key Parameters

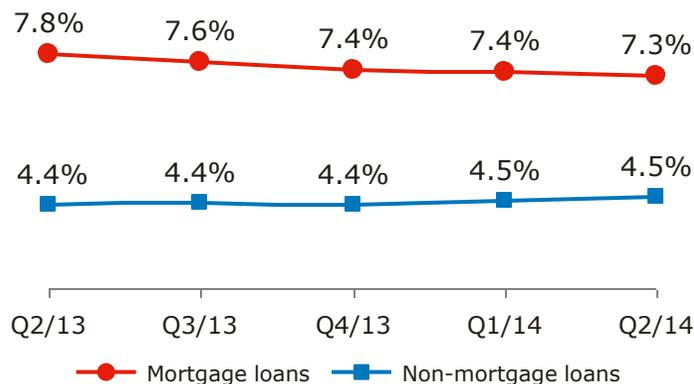
Summary
Historical view
Profit & Loss
Balance Sheet
Business Lines
Subsidiaries

mBank's Mortgage Loan Portfolio
(Loans to individuals of Retail Banking PL)

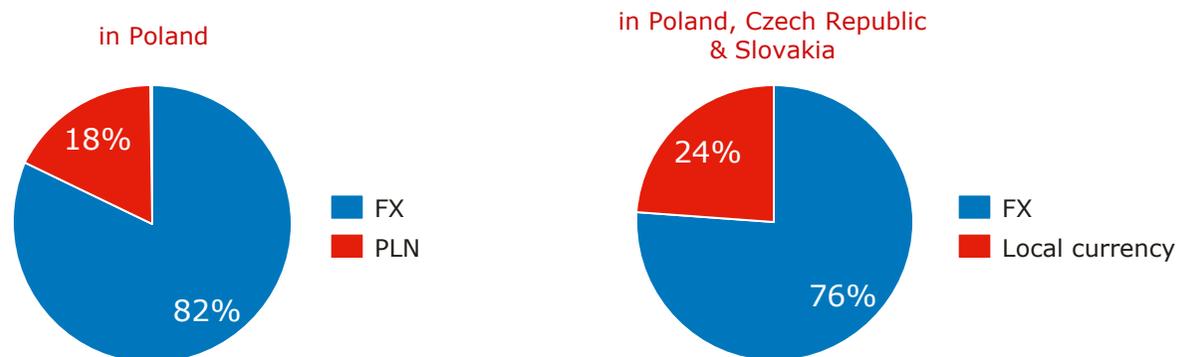
Balance-sheet value (PLN B)	26.7
Average contractual maturity (years)	20.5
Average value per loan (PLN thou.)	271.8
Average LTV (%)	80.1
NPL (%)	4.7

As of 30.06.2014

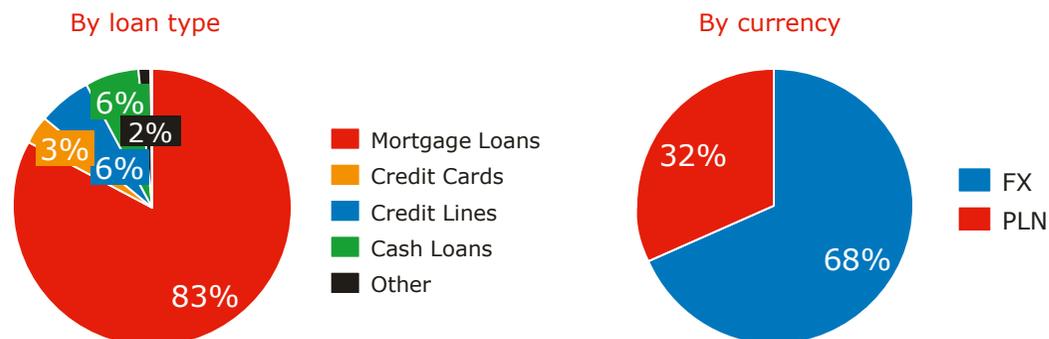
Market shares



Currency Structure of Retail Banking Mortgage Loan Portfolio
(Household Loans) at 30.06.2014



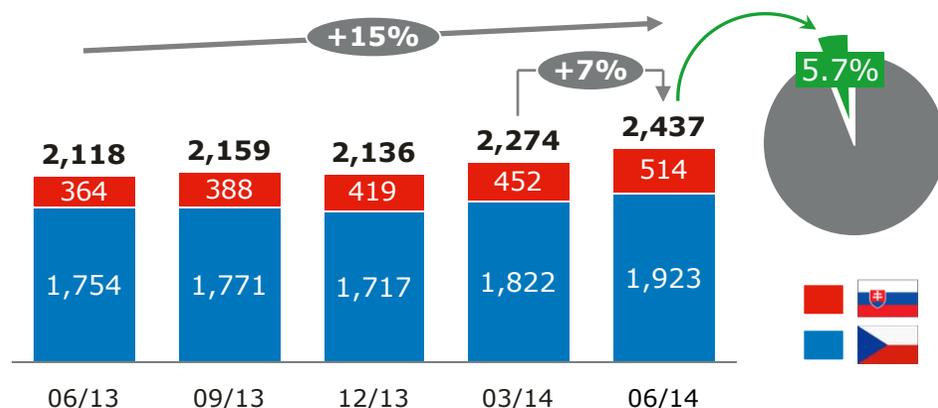
Structure of Retail Banking Loan Portfolio
(Household Loans, mBank PL only) at 30.06.2014



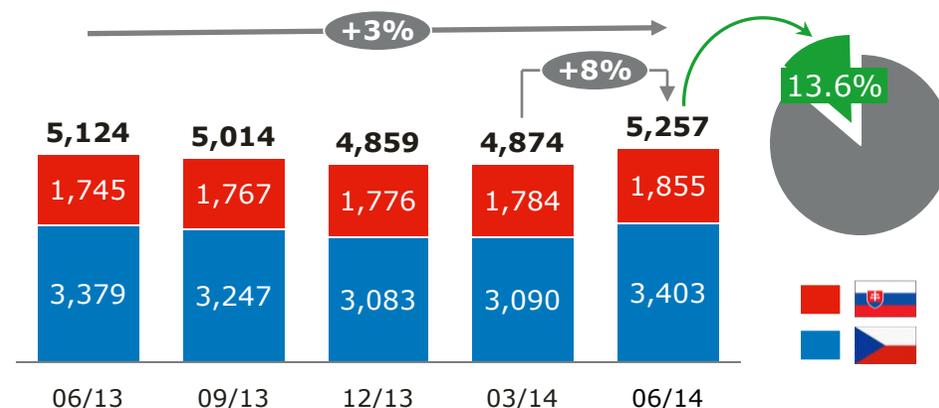
Appendix

Retail Banking mBank in the Czech Republic and Slovakia

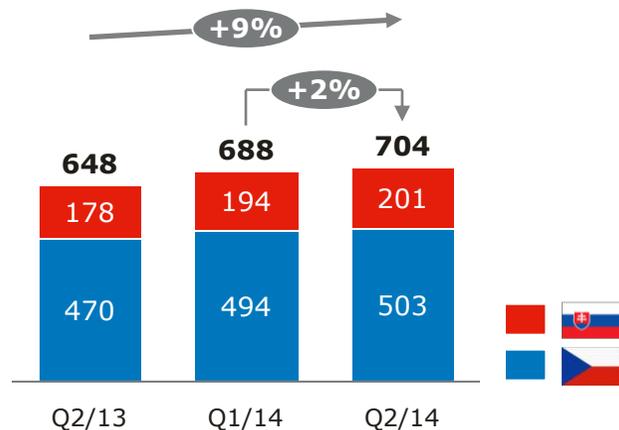
Gross Loans (PLN M) and Share in Total mBank's retail volume



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



Clients (thou.)



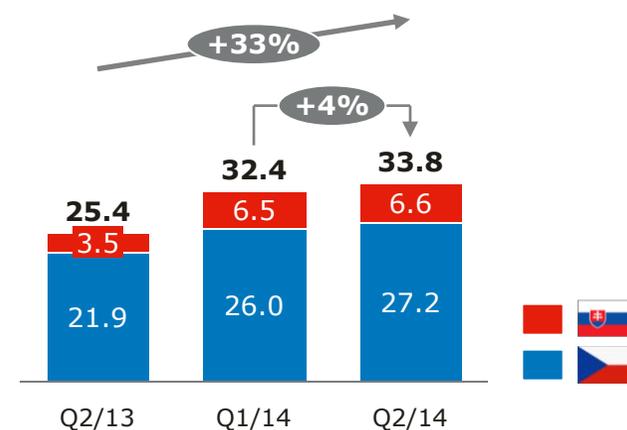
Champion in attracting new clients

In June 2014, mBank CZSK succeeded to expand its client base to **0.5 M in the Czech Republic and 0.2 M in Slovakia**



This strengthens the position of mBank CZ as **the fifth largest bank by number of customers** in the Czech market. The strategy is still the same: to bring innovative products at unbeatable prices.

Total revenues (PLN M)



Note: Volumes based on management information.

Detailed Results of the Business Lines in Q2/14

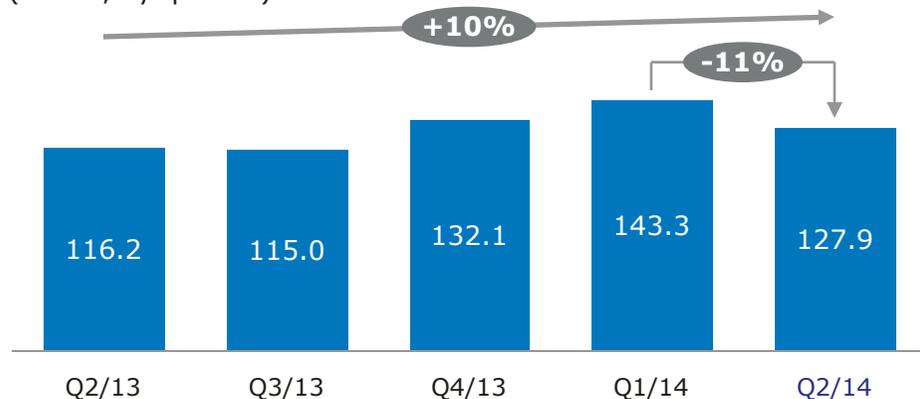
Corporates & Financial Markets

Appendix

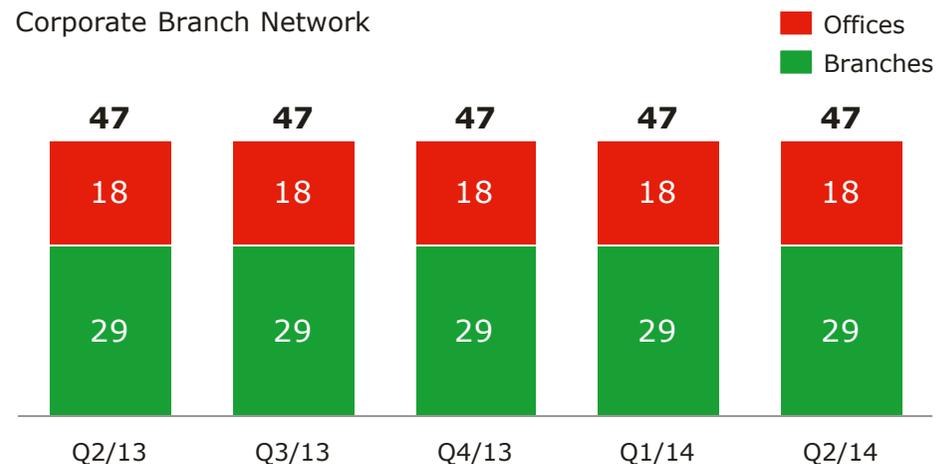
Corporates and Financial Markets Summary of Q2/14: Financial Results

Summary
Historical view
Profit & Loss
Balance Sheet
Business Lines
Subsidiaries

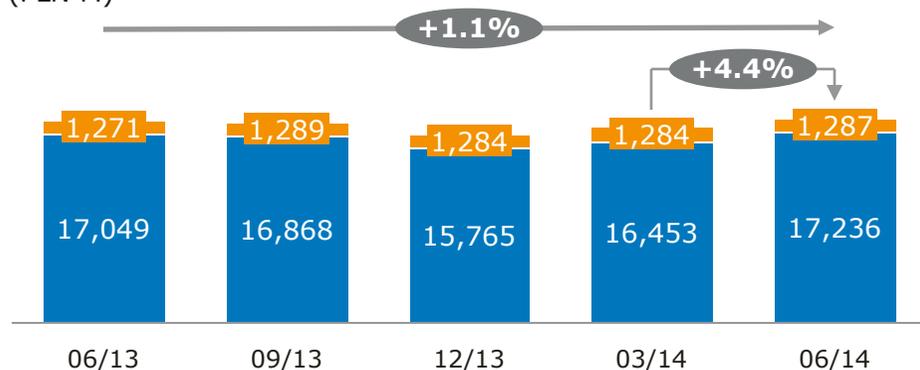
Profit before Tax of the Segment
(PLN M, by quarter)



Corporate Branch Network

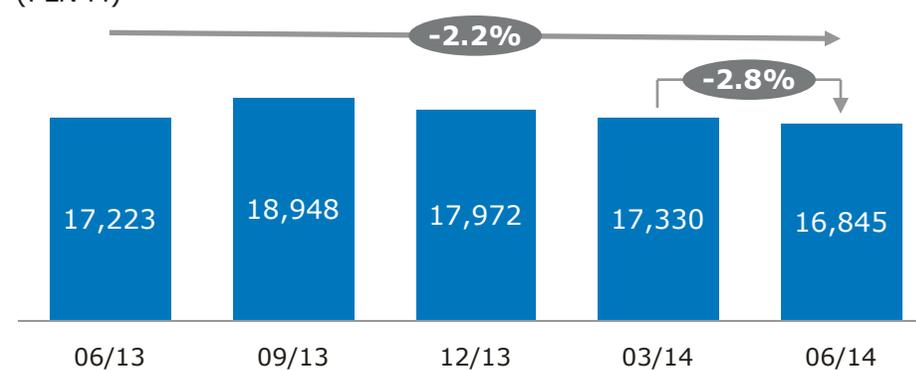


Loans to enterprises¹
(PLN M)



■ loans classified as 'securities'

Deposits of enterprises¹
(PLN M)



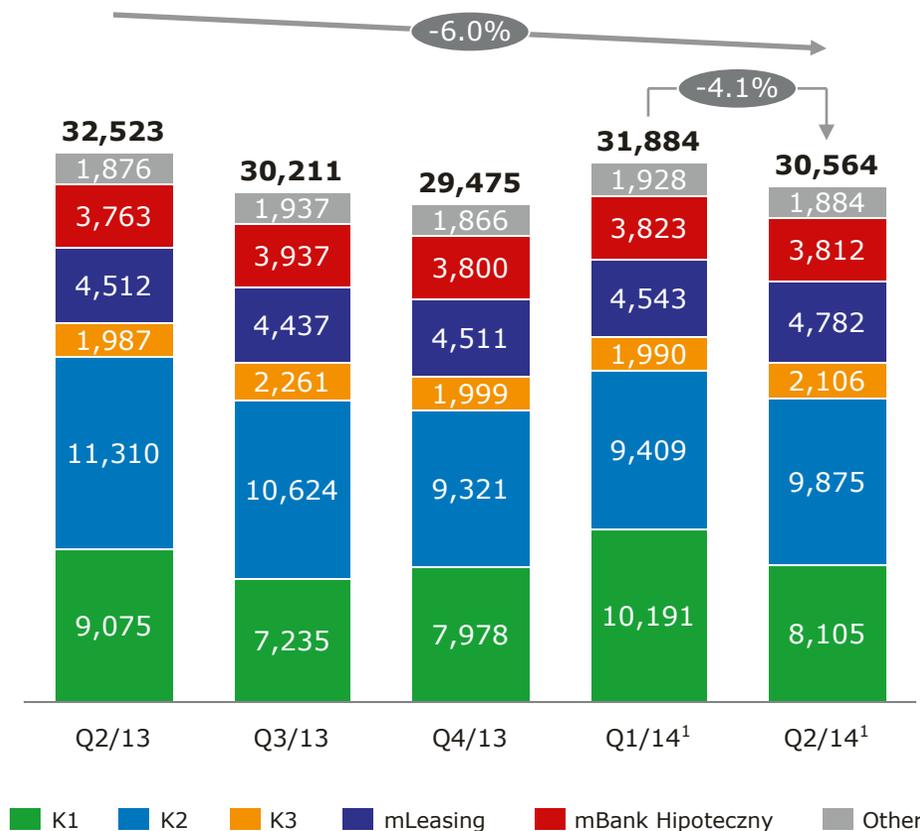
¹ Corporate loan and deposit volume according to current NBP rules

Appendix

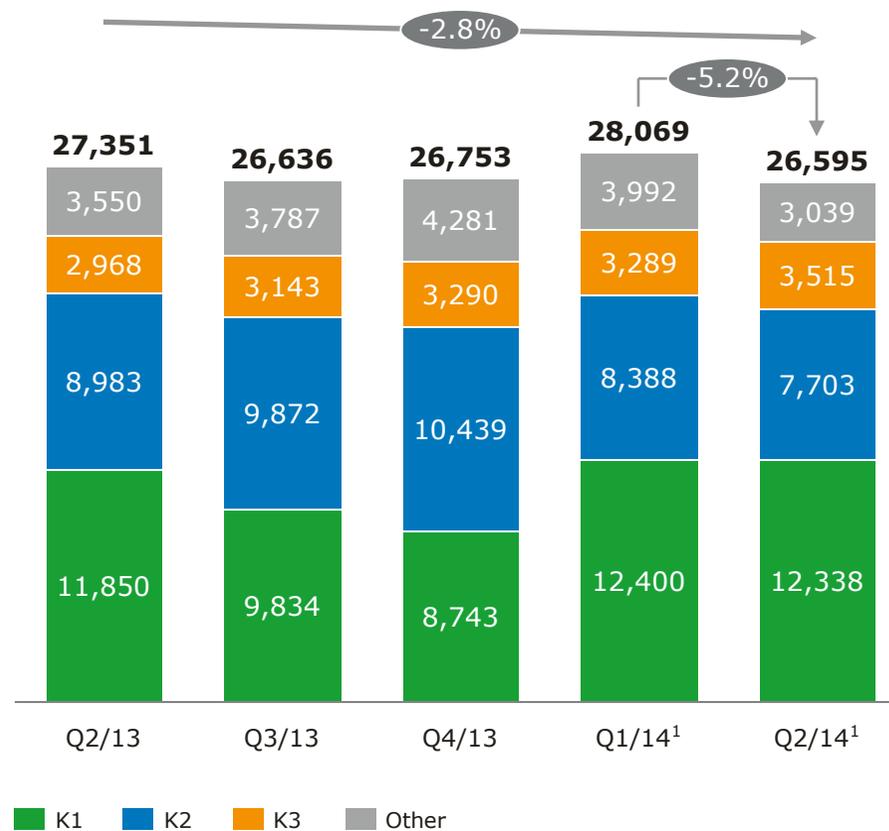
Corporates and Financial Markets Summary of Q2/14: Loans and Deposits

Summary
Historical view
Profit & Loss
Balance Sheet
Business Lines
Subsidiaries

Gross Loans to Corporate Entities
(PLN M)



Deposits from Corporate Customers
(PLN M)



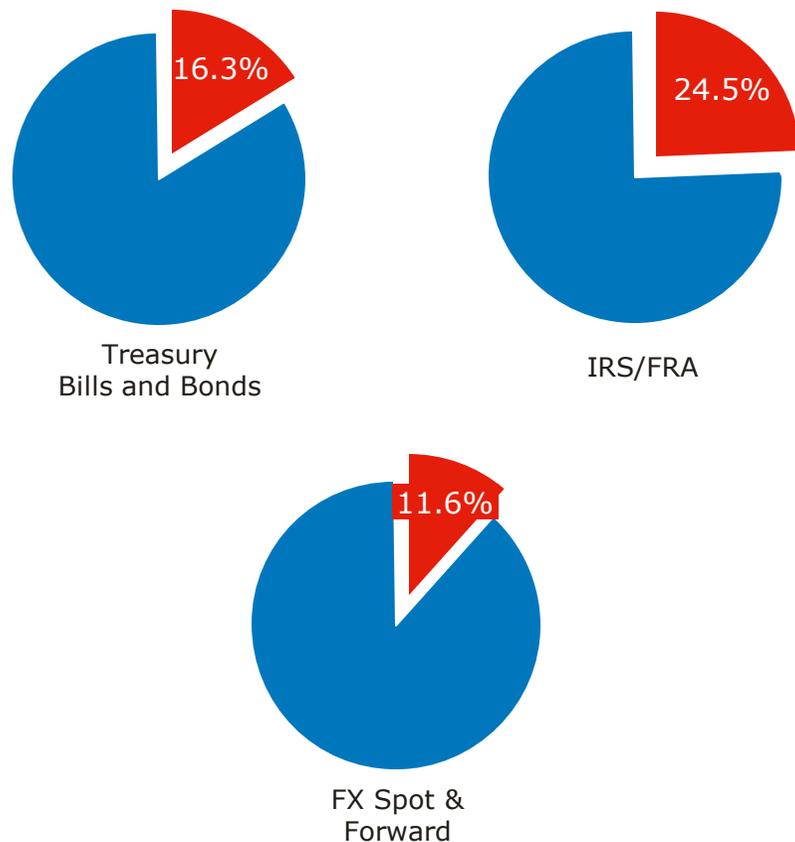
¹ Since 2014 all non-banking financial institutions were reclassified and moved to the K1 segment (the change concerned ca. 400 clients, mainly from K2 segment)
Corporate clients split: K1 – annual sales over PLN 500 M and non-banking financial institutions; K2 – annual sales PLN 30 M to PLN 500 M; K3 – annual sales below 30 M.

Appendix

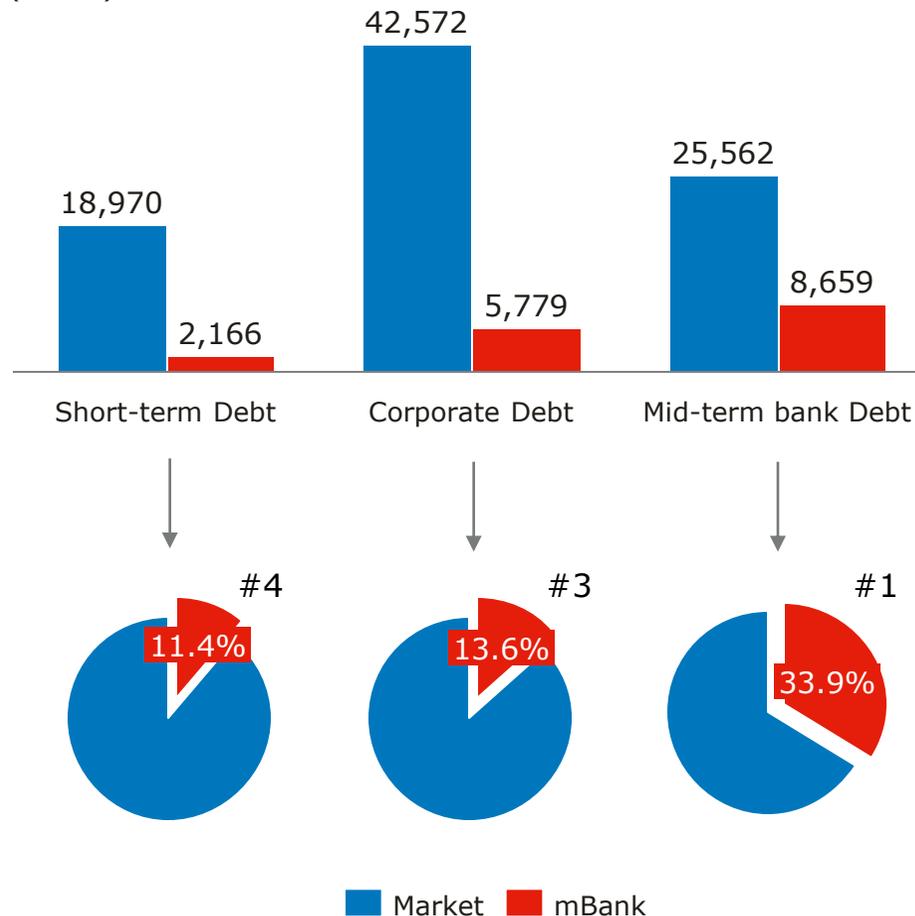
Corporates and Financial Markets Market Shares

Summary
Historical view
Profit & Loss
Balance Sheet
Business Lines
Subsidiaries

mBank's Market Shares in Investment Banking Services¹



mBank in the Market for Non-Treasury Debt for Q2/14²
(PLN M)



¹ As of 31.05.2014; calculations based on own and NBP data

² Based on Fitch Polska S.A., Rating & Rynek, 30.06.2014 and own calculations (excluding BGK road bonds)

Detailed Results of the mBank Group's companies in Q2/14

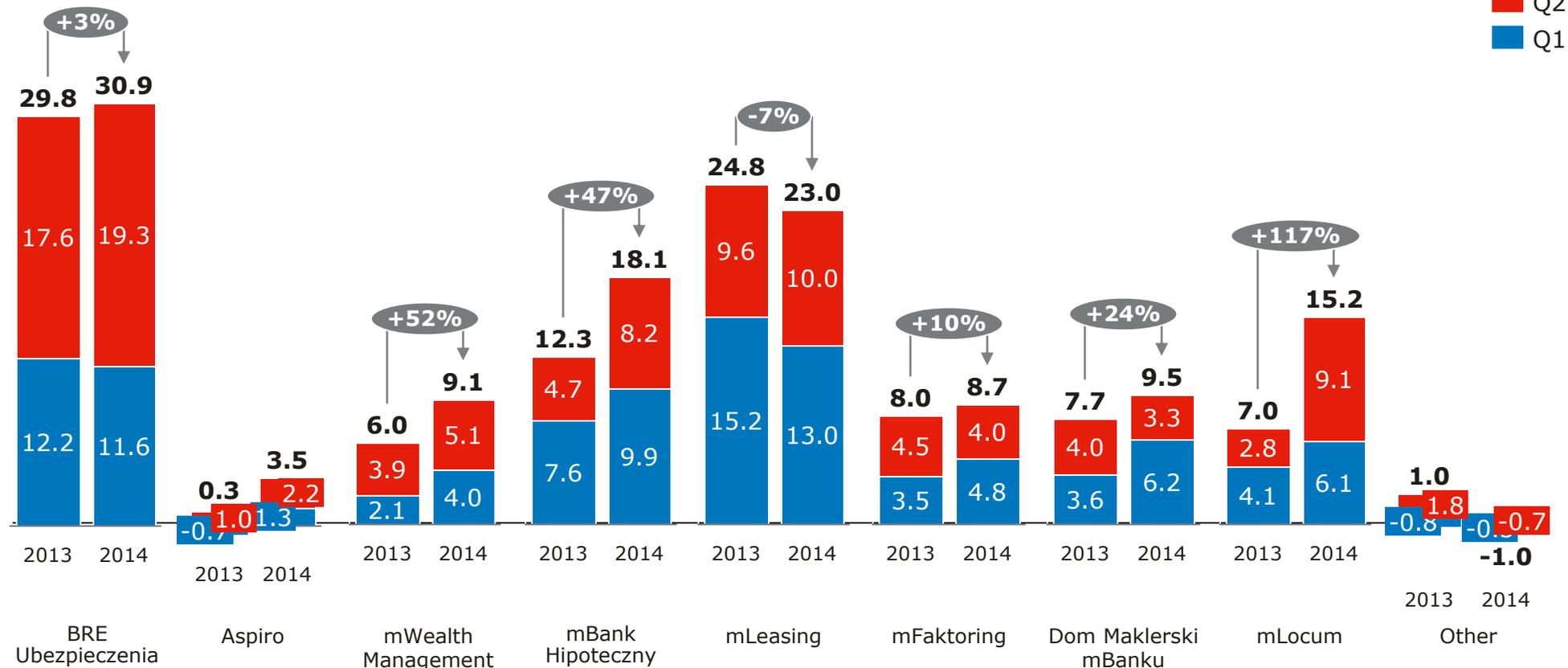
Subsidiaries

Appendix

mBank Group's Subsidiaries Summary of Q2/14: Financial Results of Major Companies

Summary
Historical view
Profit & Loss
Balance Sheet
Business Lines
Subsidiaries

Profit before Tax of Consolidated Subsidiaries
(PLN M)



Profit before tax of consolidated subsidiaries at PLN 60.4 M in Q2/14 v. PLN 50.0 M in Q2/13 (+20.8%)

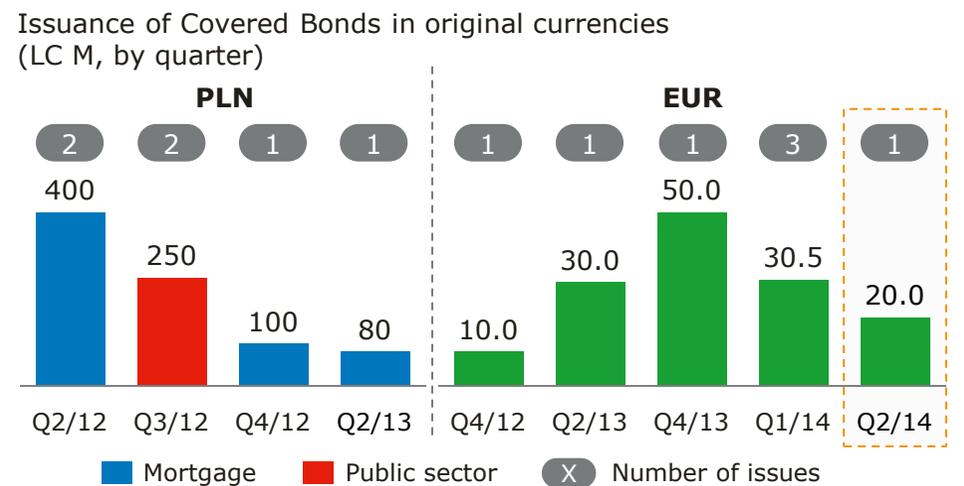
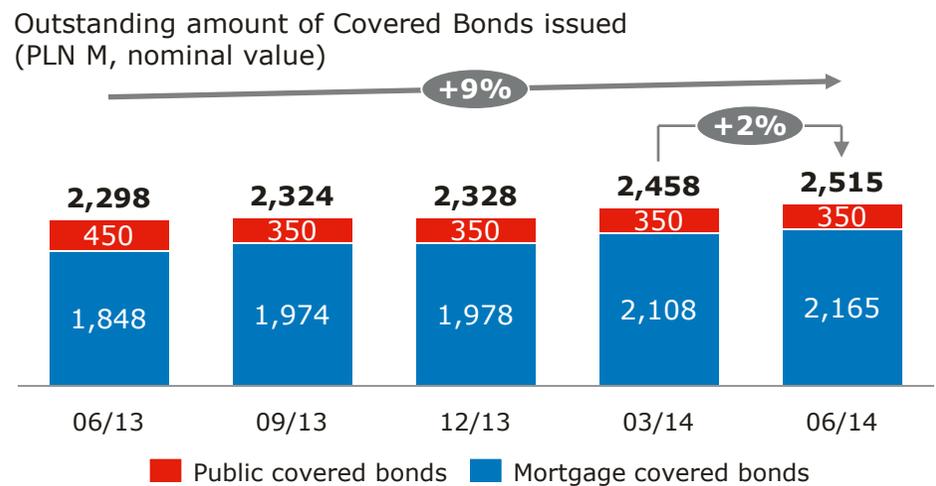
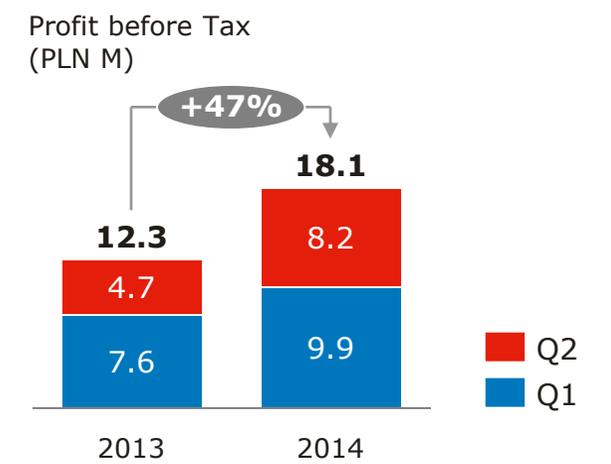
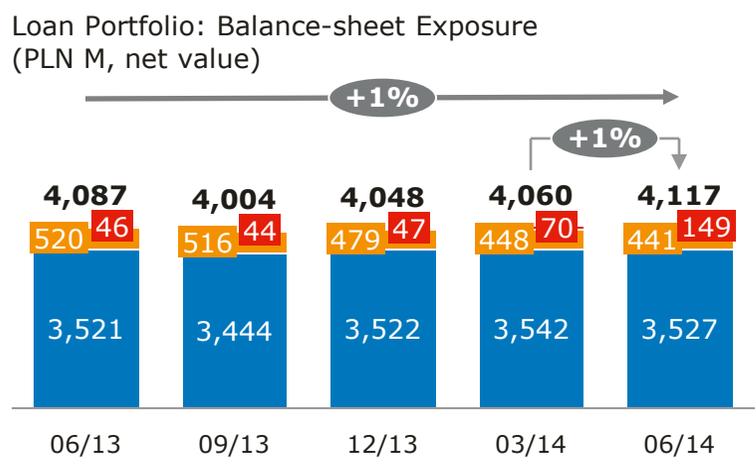
Appendix

mBank Group's Subsidiaries mBank Hipoteczny (mBH)

Summary
Historical view
Profit & Loss
Balance Sheet
Business Lines
Subsidiaries

m Bank Hipoteczny
 established in 1999
 specialised mortgage bank and
 the largest issuer of covered bonds
 in the Polish market

- Housing loans (incl. new sales)
- Local government loans
- Commercial loans



Appendix

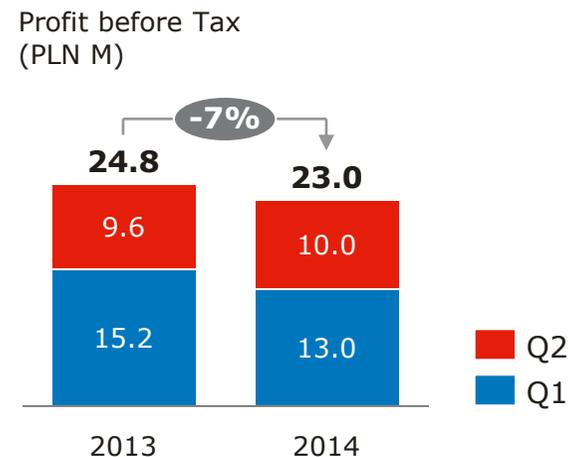
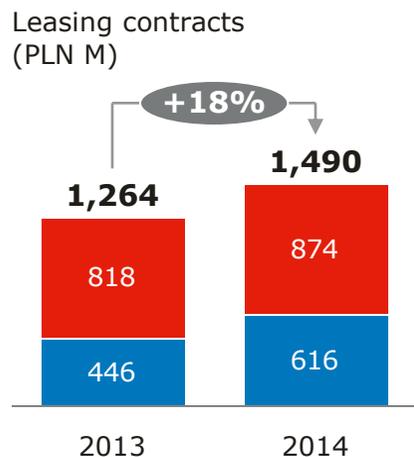
mBank Group's Subsidiaries Leasing and Factoring (Poland)

Summary
Historical view
Profit & Loss
Balance Sheet
Business Lines
Subsidiaries

m Leasing

established in 1991

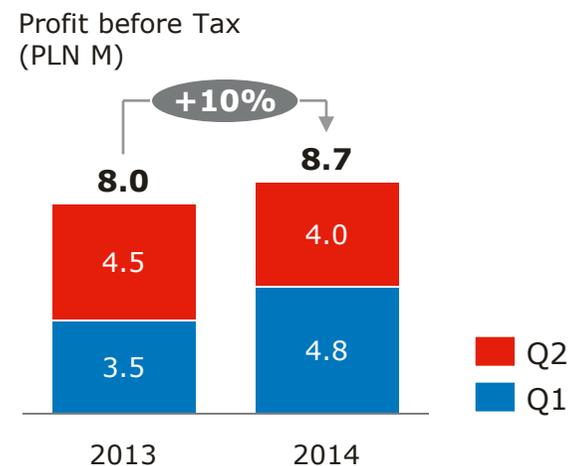
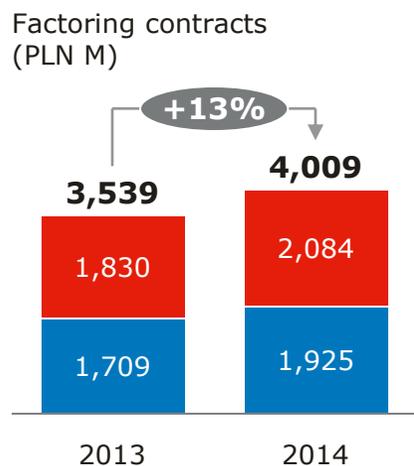
provides financial and operating leasing of cars, trucks, machinery and real estate



m Faktoring

established in 1995

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



Appendix

mBank Group's Subsidiaries Dom Maklerski mBanku (mDM)



Dom Maklerski
established in 1991
providing a full range of services and products to institutional and retail investors as well as issuers

Number of Accounts in Q2/14 (thou.)

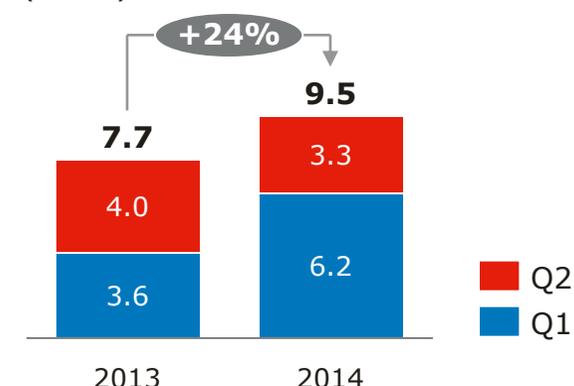
mDM accounts	47.7
Brokerage Service in mBank	244.4
TOTAL	292.1

Market Shares in Q2/14, by volume

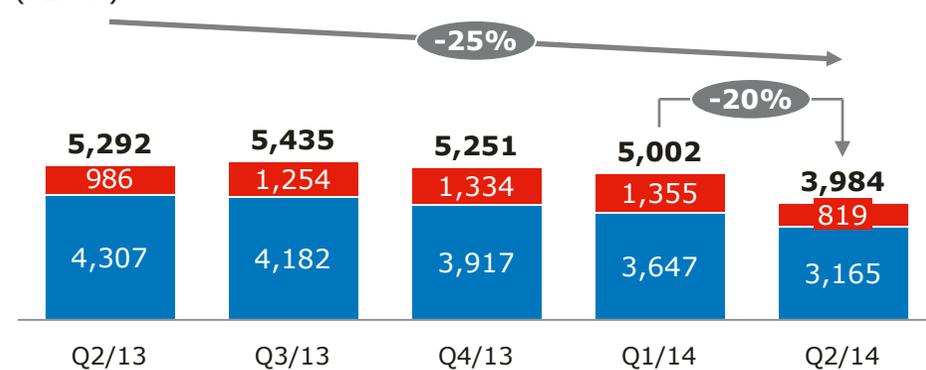
	incl. block transactions		Session transactions	
Equities	3.48%	#9	3.83%	#8
Bonds	3.00%	#5	2.74%	#6
Futures	21.33%	#1	18.45%	#2
Options	21.06%	#1	22.20%	#1

Source: own calculations based on WSE data

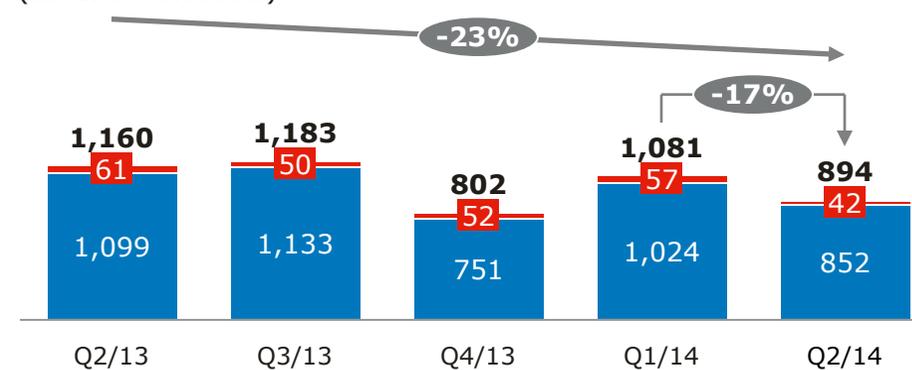
Profit before Tax (PLN M)



mDM Equities Trading WSE (PLN M)



mDM Futures Trading WSE (thou. of contracts)



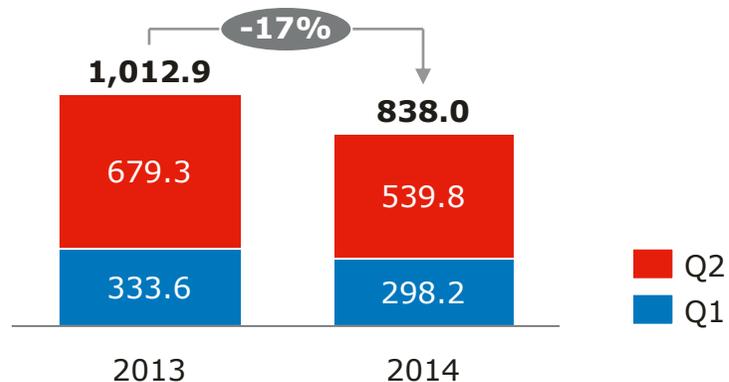
Trading via mBank's brokerage services (Red) | Direct trading via mDM (Blue)

Appendix

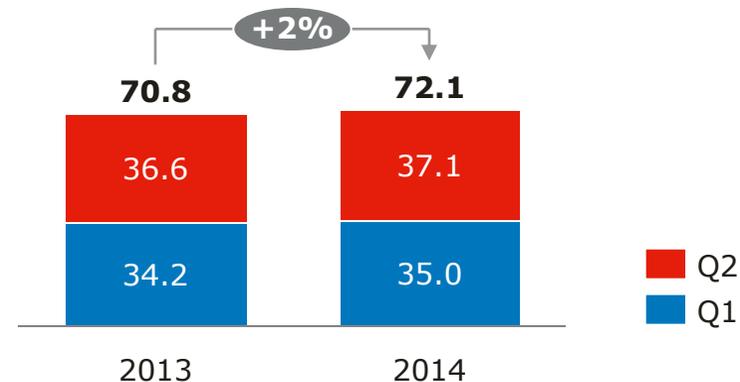
mBank Group's Subsidiaries BRE Ubezpieczenia (BRE Insurance)

Summary
Historical view
Profit & Loss
Balance Sheet
Business Lines
Subsidiaries

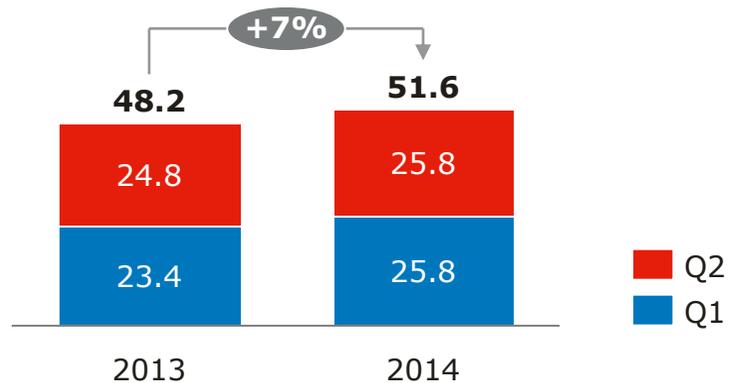
Bancassurance Retail
Gross Written Premiums (PLN M)



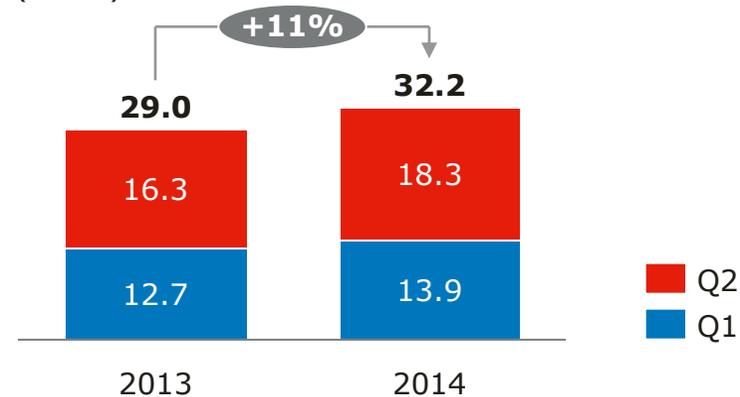
Direct Insurance (Internet platform)
Gross Written Premiums (PLN M)



Co-operation with mLeasing
Gross Written Premiums (PLN M)



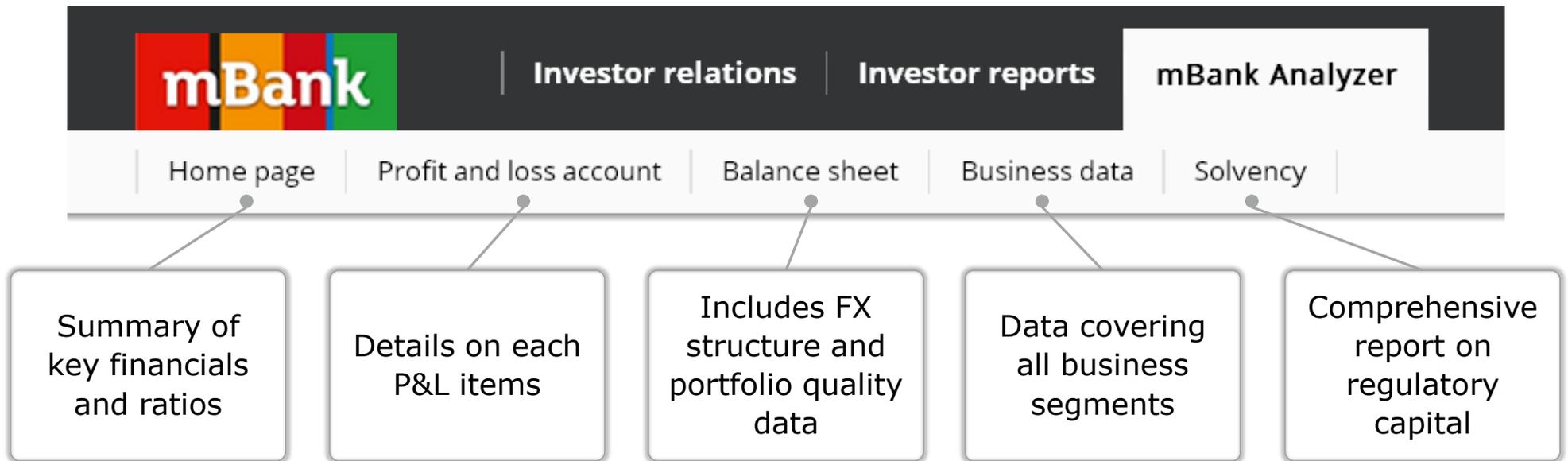
Profit before Tax¹
(PLN M)



¹ Gross profit of BRE Ubezpieczenia according to its statutory financial statements (including deferred acquisition costs)

Further enhancing our reporting standard

Analyse, customise, export and print selected data on mBank Group, covering all periods since Q1/06 in quarterly and annual series



▶ Clicking on  icon where available in the presentation provides direct access to specific data in **mBank Analyzer**

Contact details

mBank's Investor Relations at your service:

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

Wojciech Chmielewski

Head of Investor Relations

Direct dial: +48 22 829 14 34

E-mail: wojciech.chmielewski@mbank.pl

Paweł Lipiński

Debt Investors & Ratings

Direct dial: +48 22 829 15 33

E-mail: pawel.lipinski@mbank.pl

Joanna Filipkowska

Equity Investors & Analysts

Direct dial: +48 22 829 04 53

E-mail: joanna.filipkowska@mbank.pl

Marta Polańska

Equity Investors & Analysts

Direct dial: +48 22 483 31 09

E-mail: marta.polanska@mbank.pl

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

mBank Analyzer: analyzer.mbank.pl

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

