

Results of mBank Group

Q3 2014

On road towards PLN 4 billion revenues

Management Board of mBank S.A.

Investor Presentation

October 30, 2014



Key highlights of Q3 2014

Core revenues of PLN 866.1 M at historical high

- NII up 5.3% QoQ and 14.0% YoY amid further acceleration in lending
- NFC down 11.3% QoQ, but up 2.6% YoY, despite interchange cut

Best-in-class efficiency

- Cost/Income ratio at 43.3%

Profit & Loss

Capital ratios surpassing Basel III requirements

- CET 1 Ratio at 13.1%
- Total Capital Ratio at 15.6%

Issues of covered bonds add to long-term financing sources

Improving liquidity levels

- LtD ratio at 103.4%

Capital & Liquidity

Business development

Volume growth continued

- Gross loans at PLN 74.7 B (+2.7% QoQ, +4.3% YoY)¹
- Customer deposits at PLN 69.6 B (+8.8% QoQ, +15.0% YoY)¹

New lending maintained strong annual dynamics

- Total new retail production at PLN 2.0 B (+31% YoY)

Activity on the strategic front

- Long-term partnership with AXA and sale of BRE Insurance
- Launch of a joint mobile banking service with Orange Polska

Dynamic client acquisition

- 4,565 thou. retail clients (+74.4 thou. QoQ) and 17,390 corporate clients (+384 QoQ)

Total revenues again exceeding PLN 1 B

**Net Profit of PLN 315.5 M,
+9.3% compared to Q3/13**

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

Agenda

Summary of Q3/14 in mBank Group

Key Financials

Client acquisition and Market shares

Development of retail and corporate business

Analysis of Q3/14 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 Q3/14 Results in mBank Group

Key Financials: Profit and Loss Account

<i>in PLN M</i>	Q3/14	Q2/14	<i>Change Q3/Q2</i>	Q3/13
Net interest income	649.9	617.2	+5.3%	570.0
Net Fee & Commission income	216.2	243.7	-11.3%	210.7
Total income	1,018.9	1,023.8	-0.5%	945.0
Total costs	(441.2)	(455.3)	-3.1%	(416.8)
Loan Loss Provisions	(157.9)	(155.9)	+1.3%	(173.6)
Profit before tax	419.8	412.6	+1.7%	354.6
Net profit	315.5	324.8	-2.9%	288.6
Net Interest Margin (NIM)	2.32%	2.30%	+0.02 p.p.	2.23%
NIM excl. CHF portfolio	2.72%	2.70%	+0.02 p.p.	2.66%
Cost/Income ratio	43.3%	44.5%	-1.2 p.p.	44.1%
Cost of Risk	0.89%	0.88%	+0.01 p.p.	0.98%
Return on Equity (ROE) ¹	12.8%	13.6%	-0.8 p.p.	12.7%
Return on Assets (ROA) ¹	1.07%	1.16%	-0.09 p.p.	1.08%

¹ Post-tax

Note: Q1-Q3 2013 results were restated due to the adjustments in booking of bancassurance related income in line with KNF guidance.

Summary of Q3/14 Results in mBank Group

Key Financials: Balance Sheet

<i>in PLN M</i>	Q3/14	Q2/14	Change Q3/Q2	Q3/13
Gross loans to customers	74,698	72,732	 +2.7%	71,968
Retail client loans	40,555	39,664	 +2.2%	38,855
Core corporate client loans ¹	28,796	27,912	 +3.2%	27,205
Amounts due to customers	69,564	63,294	 +9.9%	60,085
Retail client deposits	36,642	35,726	 +2.6%	32,595
Core corporate client deposits ¹	27,209	23,200	 +17.3%	23,255
Loan to Deposit ratio	103.4%	110.8%	 -7.4 p.p.	115.2%
NPL ratio ²	6.3%	6.4%	 -0.1 p.p.	5.3%
Coverage ratio ²	51.7%	50.1%	 +1.6 p.p.	66.5%
Core Tier 1 / CET 1 ³	13.1%	13.2%	 -0.1 p.p.	14.0%
CAR / Total Capital Ratio ³	15.6%	15.8%	 -0.2 p.p.	19.2%

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

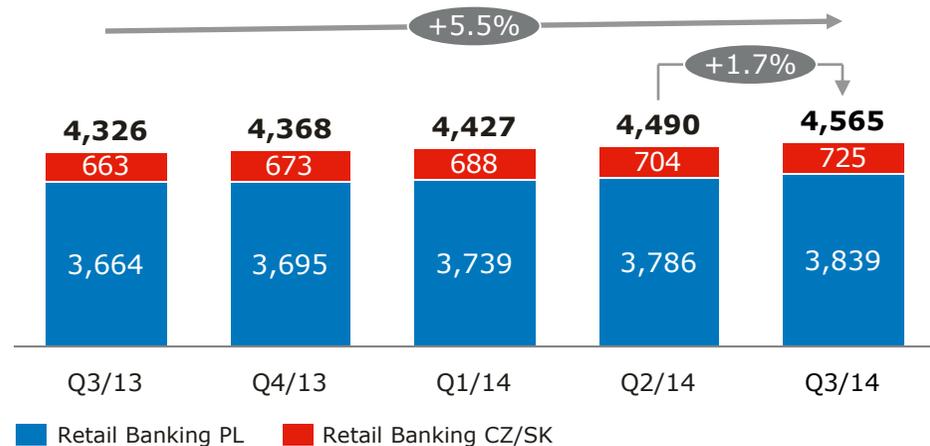
³ Since the end of March 2014 the capital ratios are calculated in accordance with Basel III rules

Note: Q1-Q3 2013 results were restated due to the adjustments in booking of bancassurance related income in line with KNF guidance.

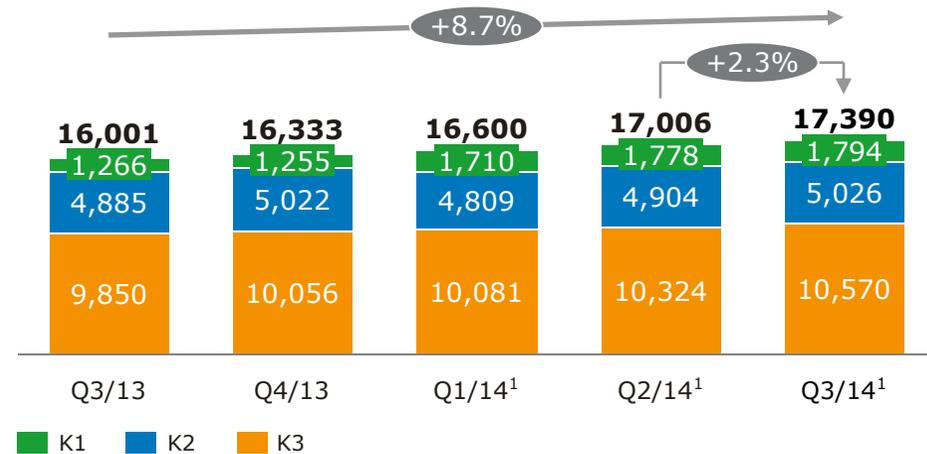
Summary of Q3/14 in mBank Group

Business Development: Client acquisition and Market shares

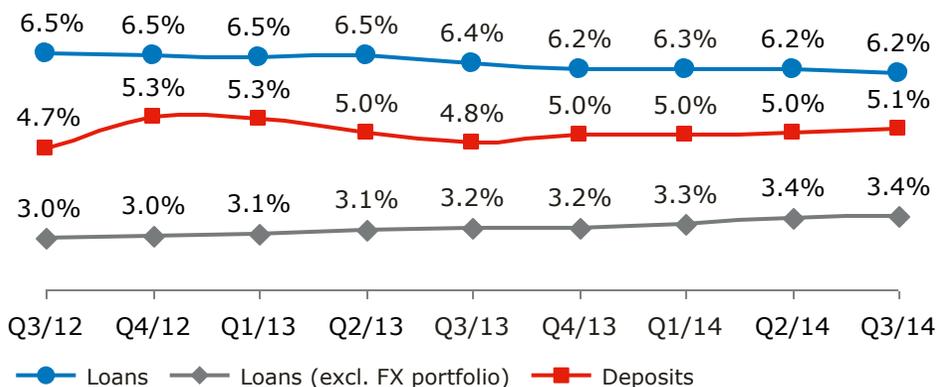
Number of Retail Clients (thou.)



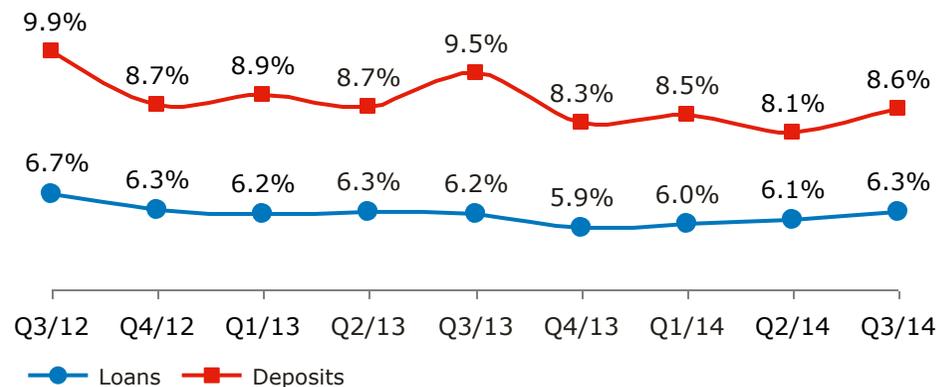
Number of Corporate Clients



Market shares in Retail Banking segment



Market shares in Corporate Banking segment

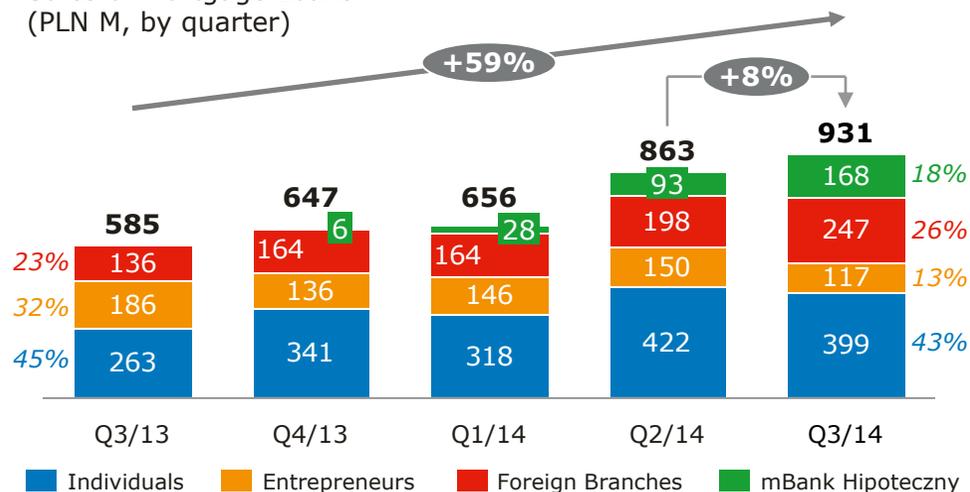


¹ Since 2014 all non-banking financial institutions were reclassified and moved to the K1 segment (the change concerned ca. 400 clients, mainly from K2 segment)
Corporate clients split: K1 – annual sales over PLN 500 M and non-banking financial institutions; K2 – annual sales PLN 30 M to PLN 500 M; K3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

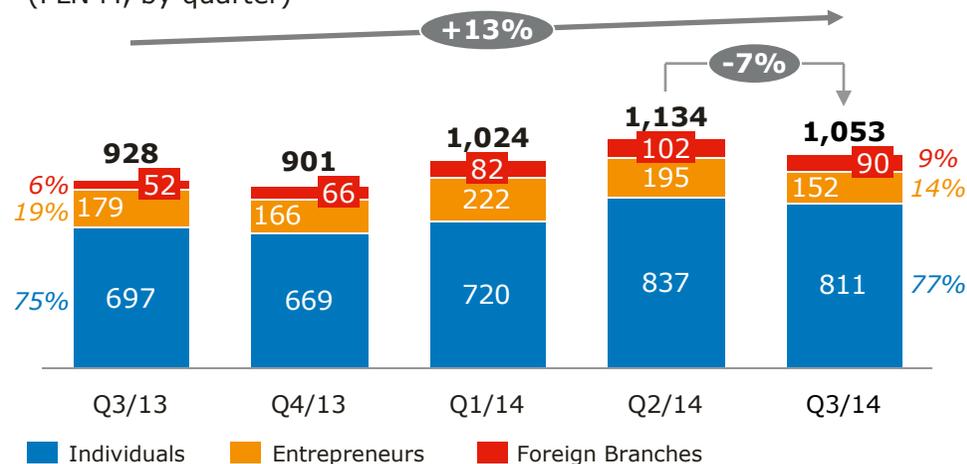
Summary of Q3/14 in mBank Group

Development of Retail and Corporate business

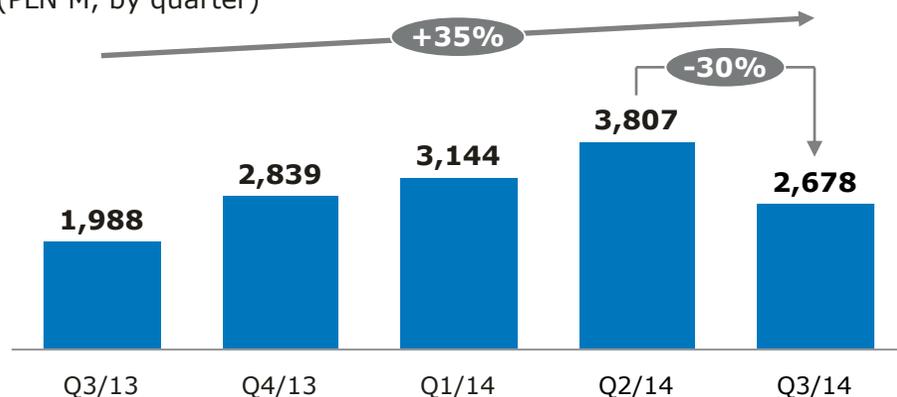
Sales of Mortgage Loans
(PLN M, by quarter)



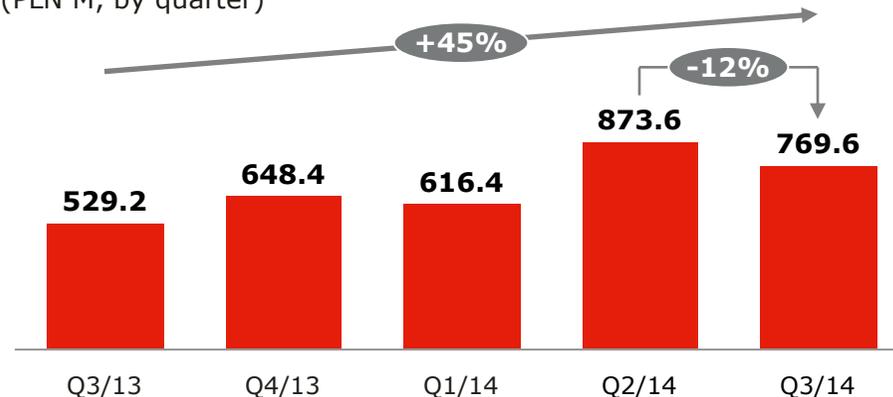
Sales of Non-Mortgage Loans
(PLN M, by quarter)



Sales of Corporate Loans
(PLN M, by quarter)



New leasing contracts
(PLN M, by quarter)



Summary of Q3/14 in mBank Group

Development of business: strategic update

Strategic partnership with AXA

mBank concluded an agreement with AXA on the sale of 100% shares of BRE Ubezpieczenia TUiR (BRE Insurance)

- The strategic partnership was signed and announced on September 11, 2014
- Agreements governing an exclusive cooperation in the distribution of insurance products will be signed
- mBank and AXA teams are working together to offer even wider product range and the best quality of service for mBank's clients

Total upfront consideration	PLN 570 M
Immediate P&L recognition upon completion	PLN 180 M
To be recognized over the time of agreement (10 years)	PLN 230 M

Scope of transaction and cooperation



Cooperation with Orange Polska

mBank launched a joint mobile banking service with Orange Polska

- Intuitive and easy to use platform promoting client transactionality
- Attractive packages comprising both financial and telecommunications services for retail customers
- Innovative products: one-click credit, mobile and Facebook transfers, discounts with geolocation
- NFC payments and SME services to be added



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Analysis of Q3/14 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

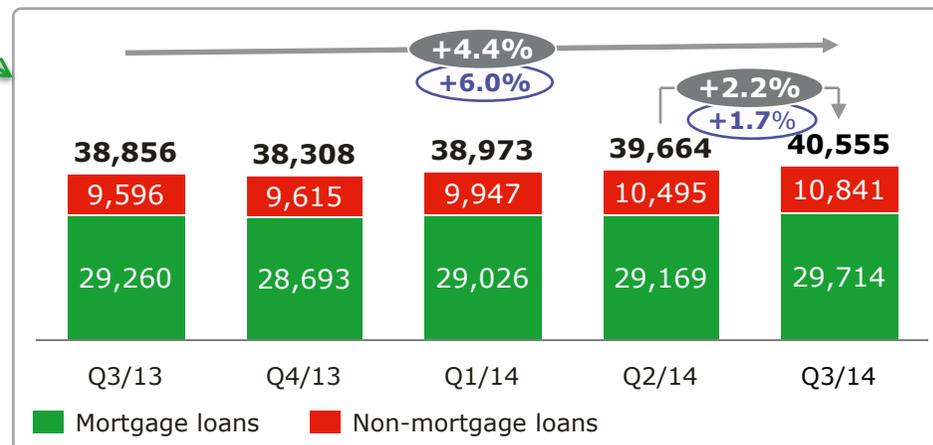
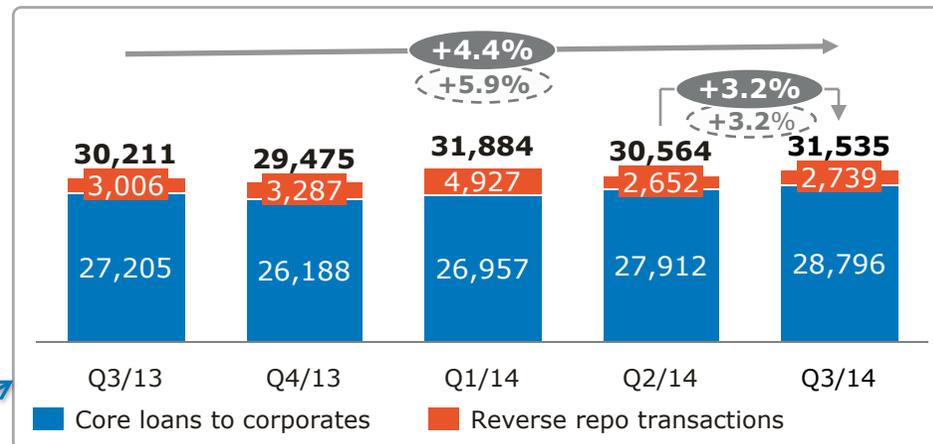
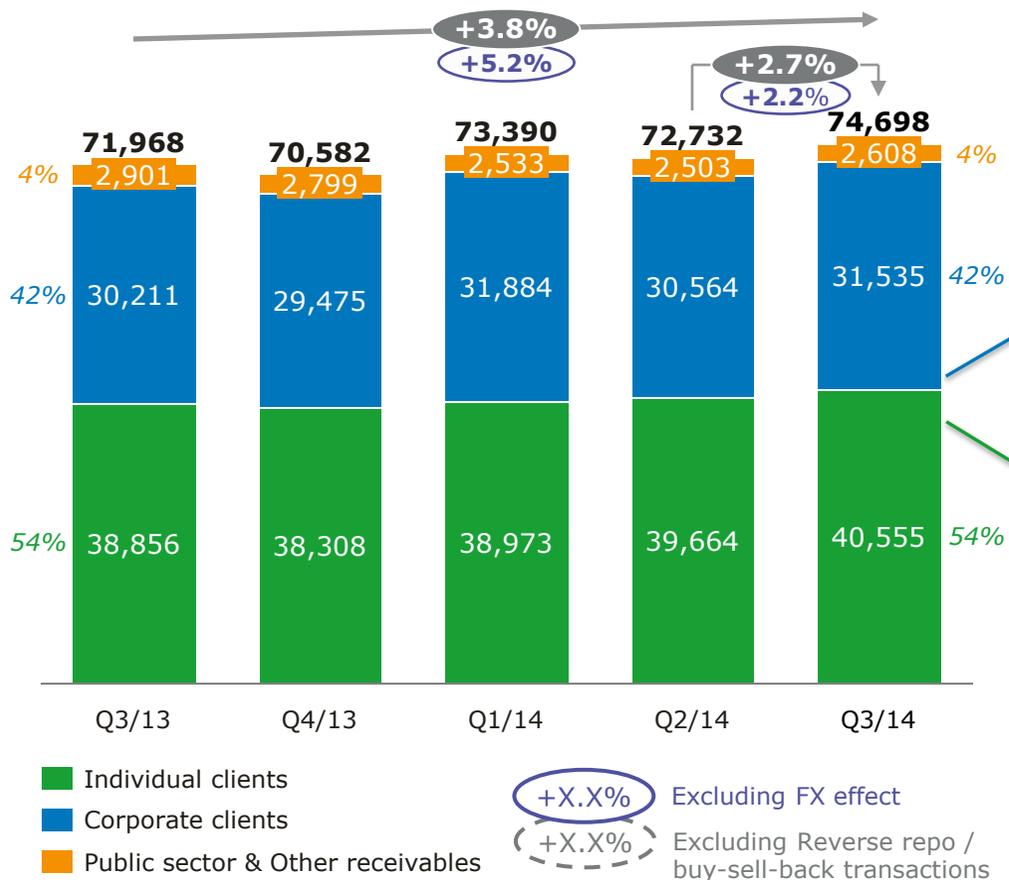
Detailed Results of Business Lines

Analysis of Q3/14 in mBank Group

Development of Loans to Customers

Lending remains strong across segments

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

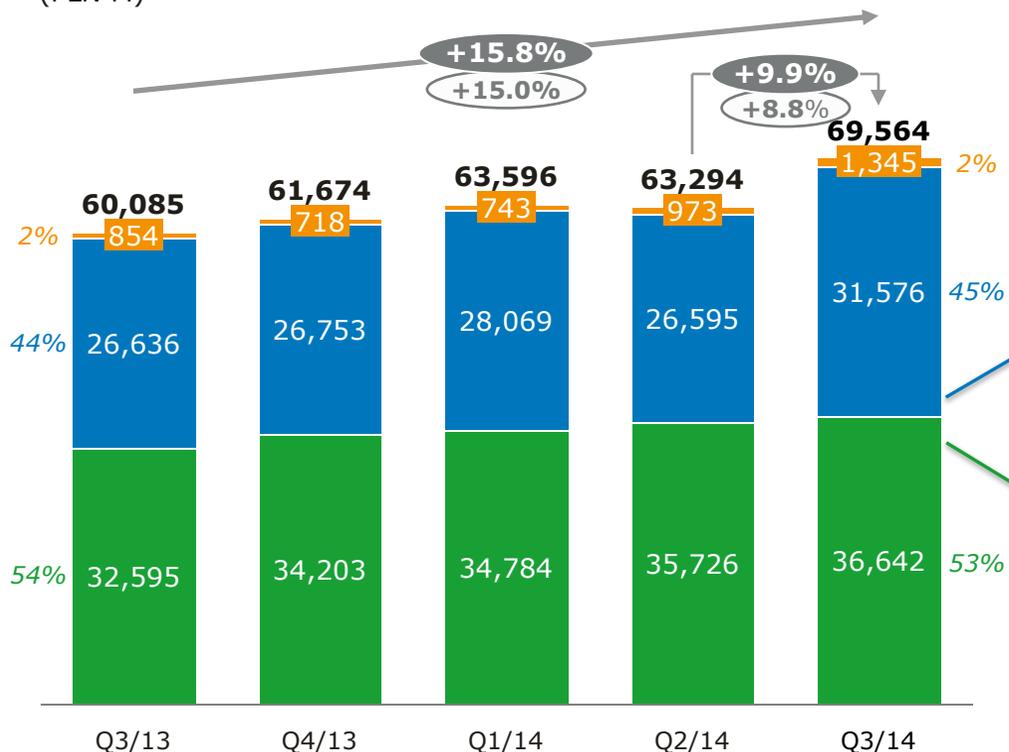


Analysis of Q3/14 in mBank Group

Development of Deposits

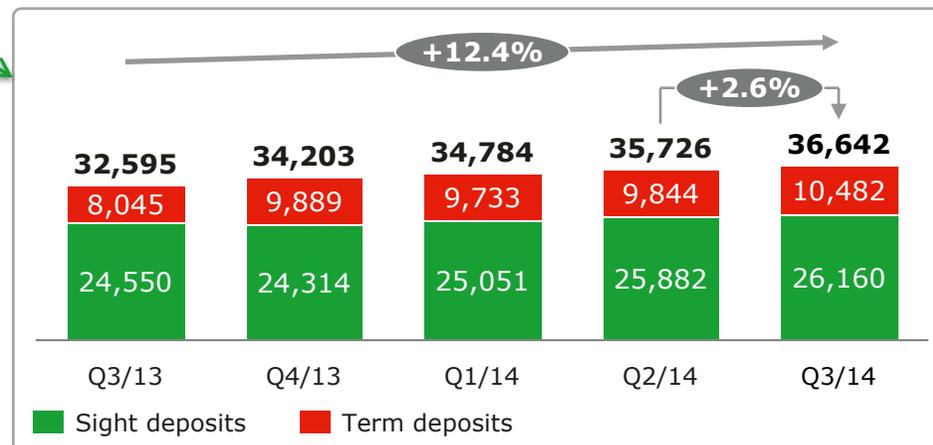
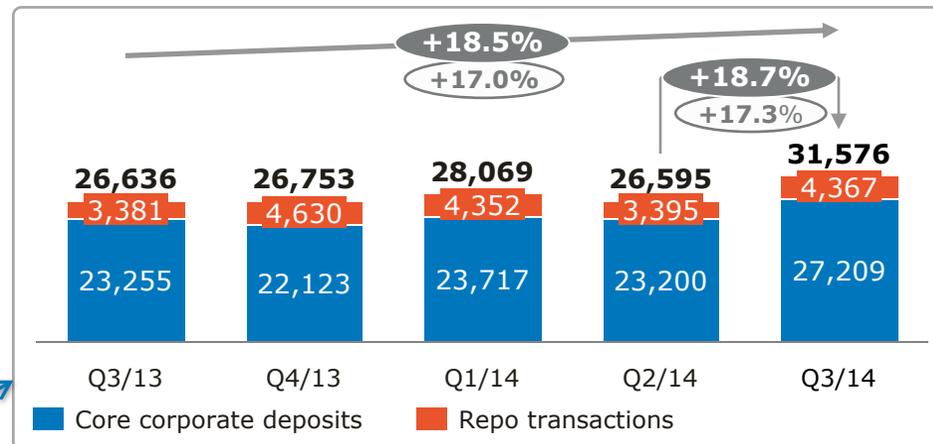
Deposit volumes particularly strong reflecting client growth

Development of Amounts due to Customers (PLN M)



- Individual clients
- Corporate clients
- Public sector

+X.X% Excluding Repo transactions

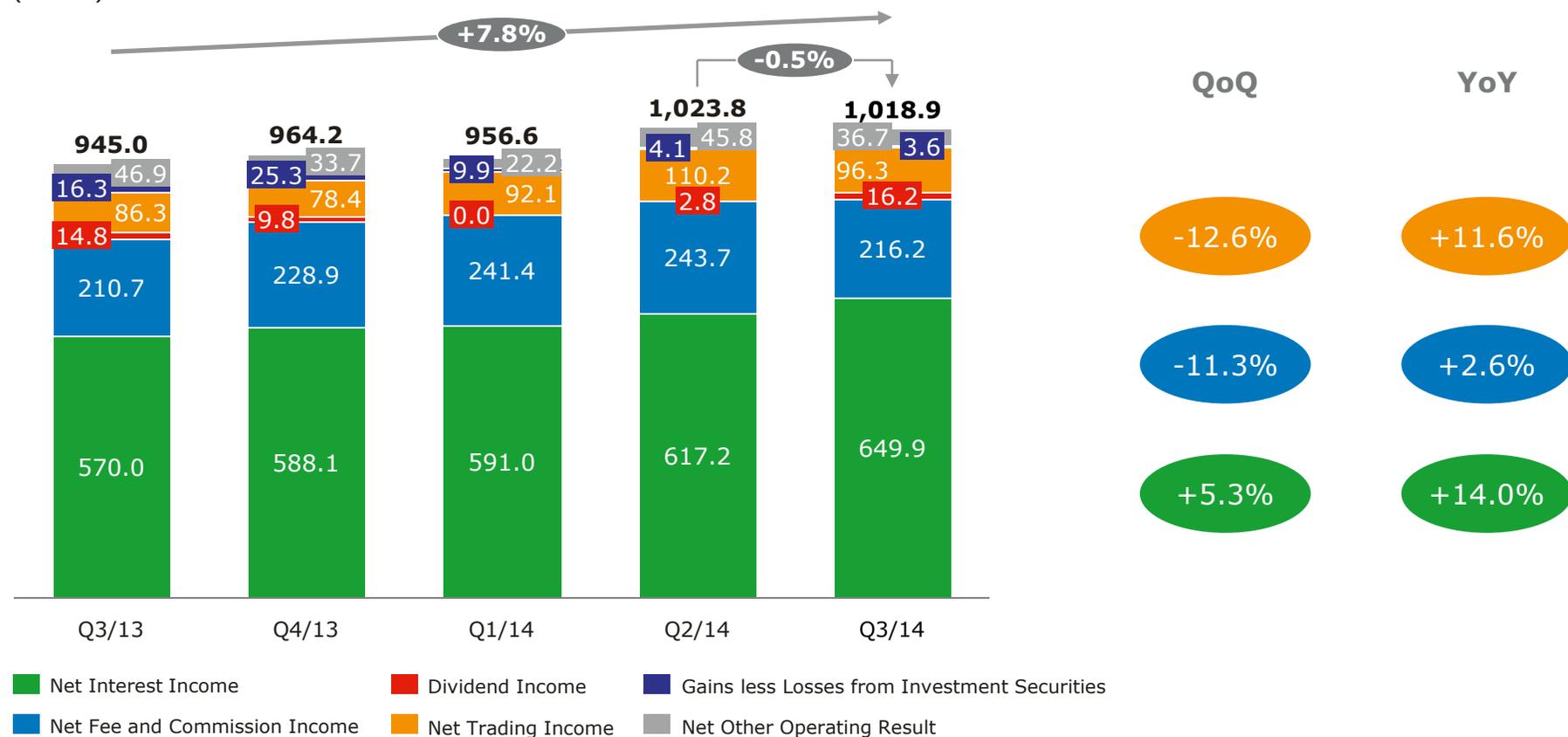


Analysis of Q3/14 in mBank Group

Income of mBank Group

Core revenues at historical high

Development of mBank Group's Income (PLN M)



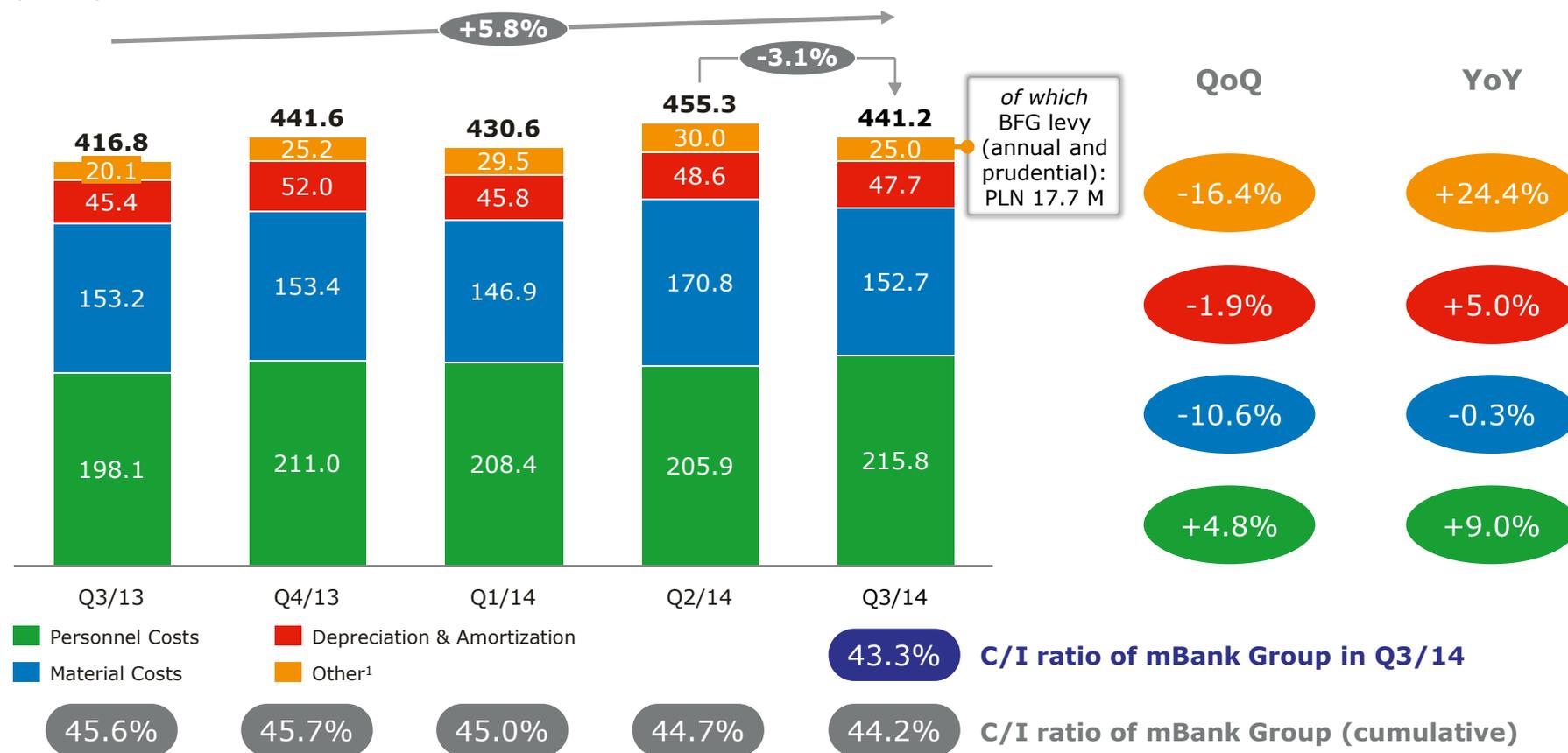
Note: Q1-Q3 2013 results were restated due to the adjustments in booking of bancassurance related income in line with KNF guidance.

Analysis of Q3/14 in mBank Group

Costs of mBank Group

Strong efficiency improved further

Development of mBank Group's Costs (PLN M)



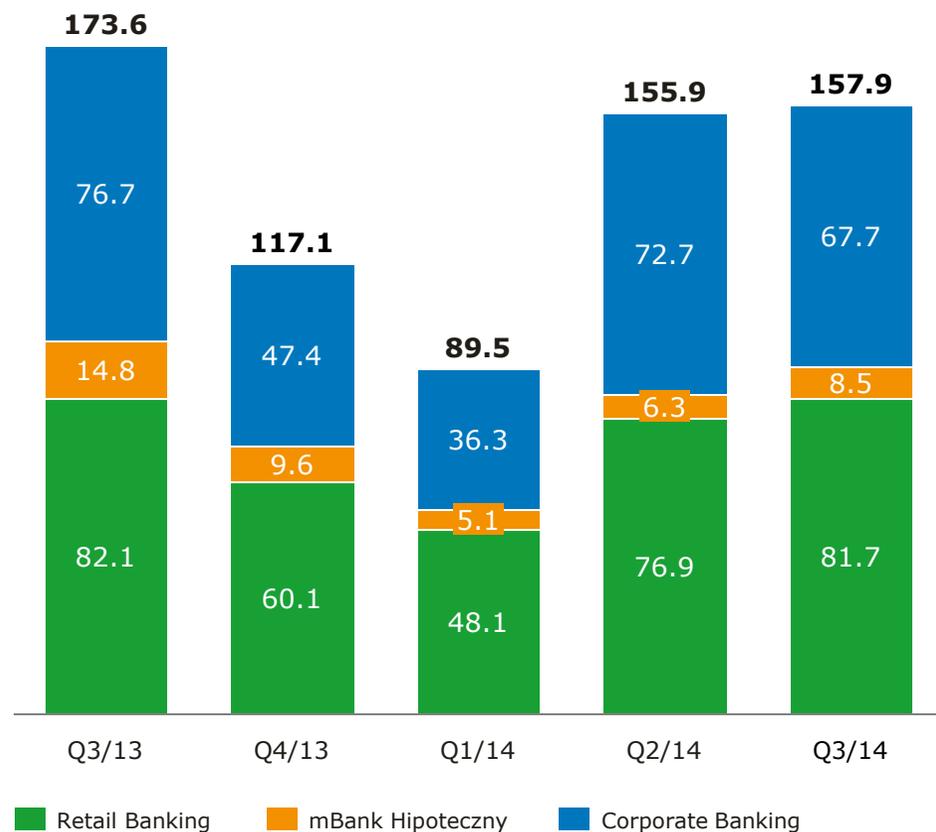
¹ incl. Taxes and fees, Contributions and transfers to the Bank Guarantee Fund, Contributions to the Social Benefits Fund

Analysis of Q3/14 in mBank Group

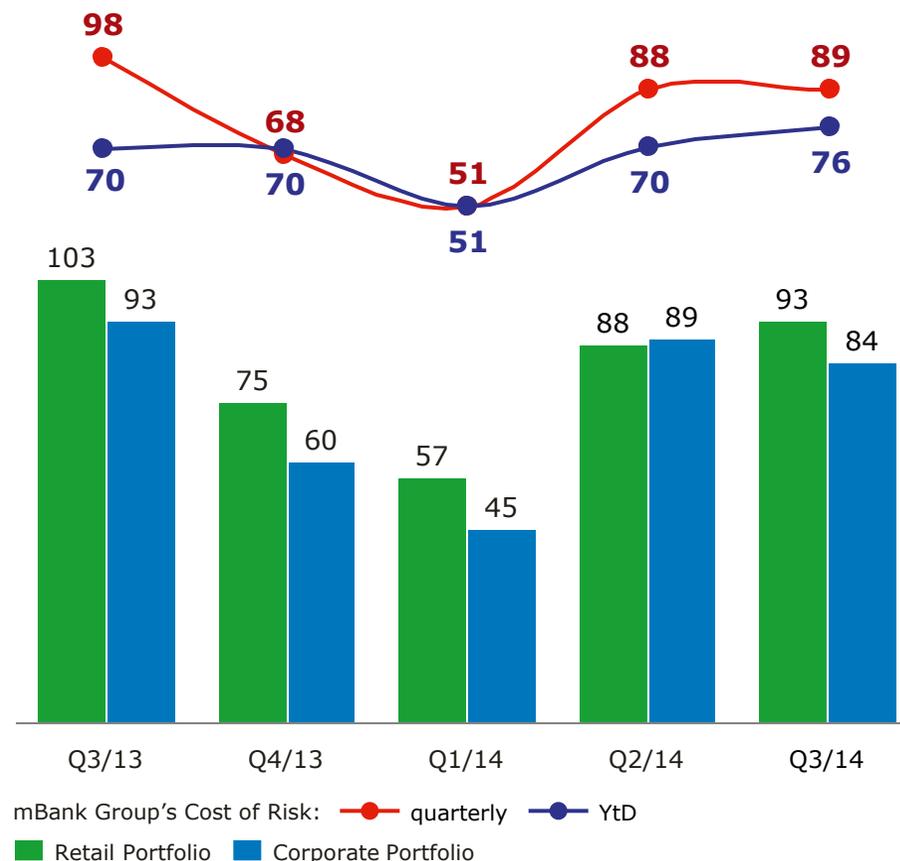
Loan Loss Provisions & Risk Costs

Conservative provisioning across all exposures

Net Impairment Losses on Loans and Advances (PLN M)



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

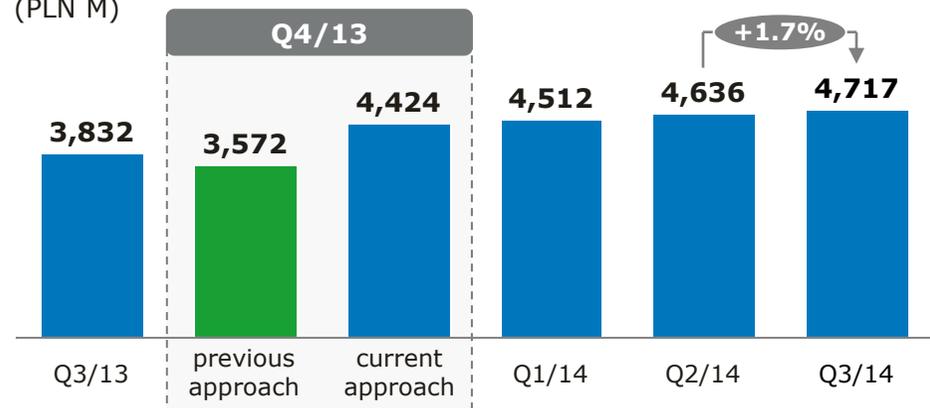


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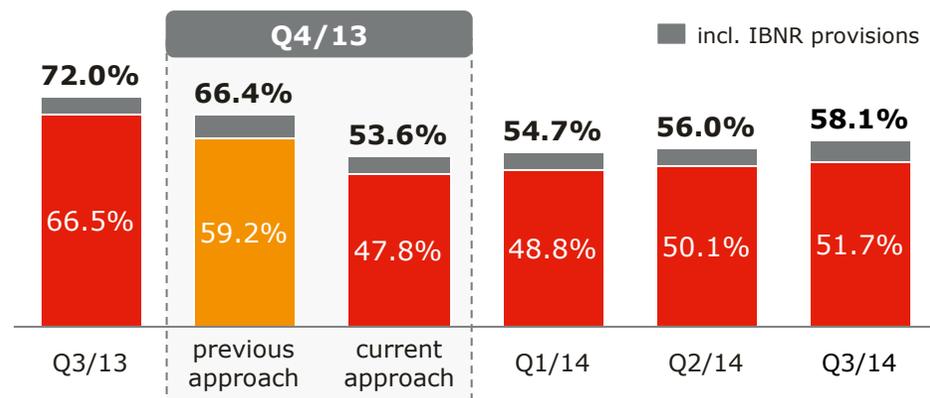
Loan Portfolio Quality

Improving coverage ratio, resilient risk indicators

mBank Group's Impaired Loans Portfolio (PLN M)

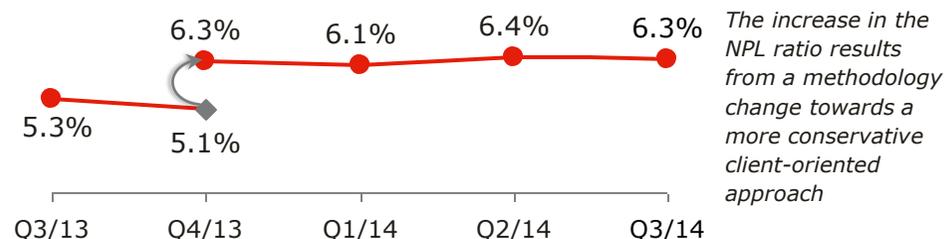


mBank Group's Coverage Ratio

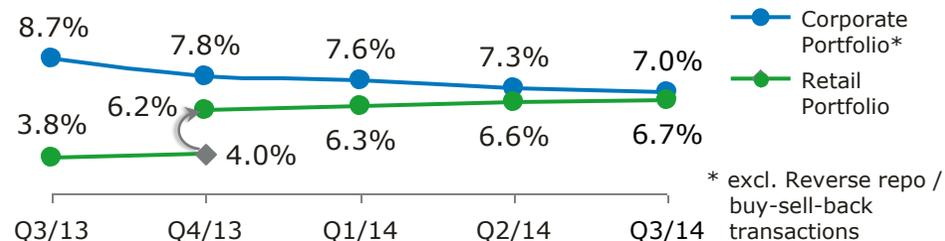


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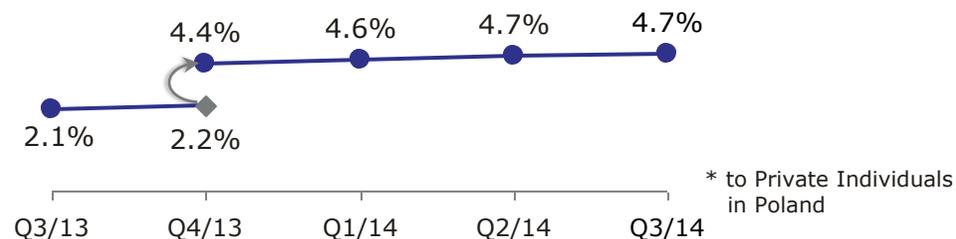
mBank Group's NPL Ratio



mBank Group's NPL Ratio by segment



NPL Ratio of Mortgage Loan Portfolio*

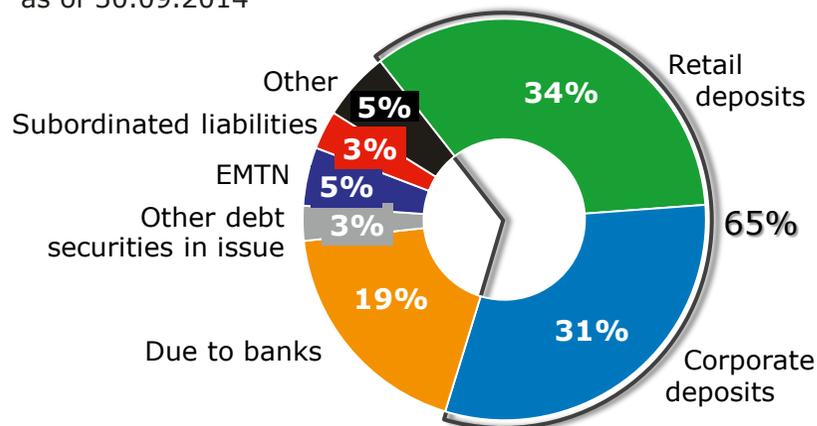


Analysis of Q3/14 in mBank Group

Funding Structure Details

A robust balance sheet and a diversified funding base

mBank Group's funding structure as of 30.09.2014



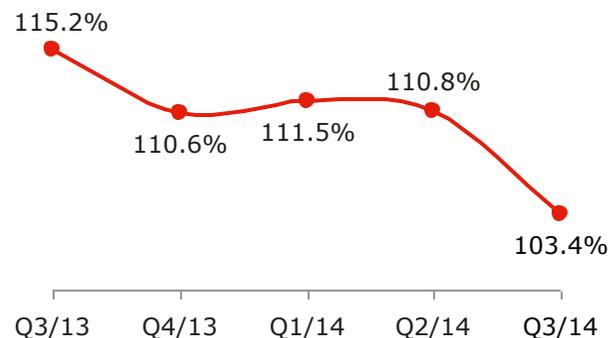
mBank's ratings

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

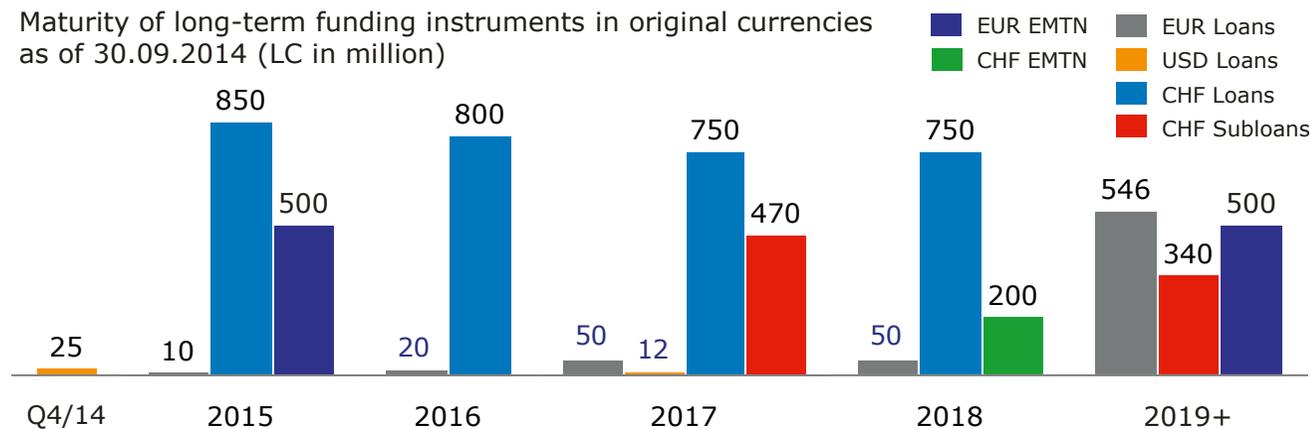
mBank Group's funding strategy

- 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

Loan to Deposit Ratio



Maturity of long-term funding instruments in original currencies as of 30.09.2014 (LC in million)



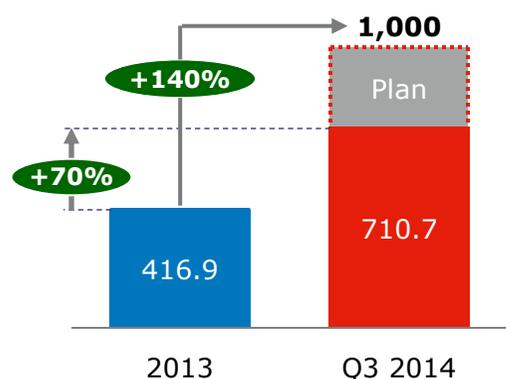
Analysis of Q3/14 in mBank Group

Activity on the covered bond markets

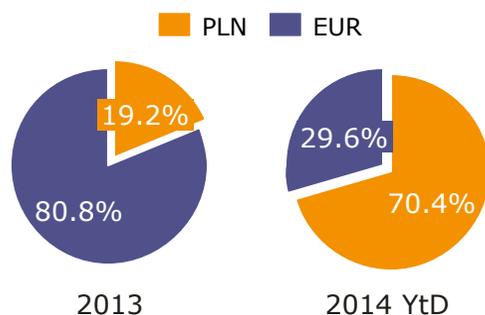
Issues of covered bonds add to long-term financing sources

Successful issuance activity of mBank Hipoteczny

mBank's mortgage unit issued covered bonds with a total amount of PLN 500 million in Q3/14



Breakdown of issuance by currency



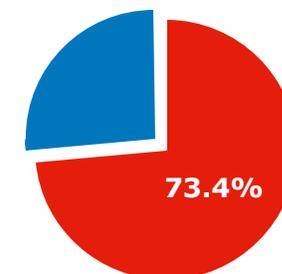
Summary of mortgage covered bonds issued in 2014

m Bank Hipoteczny

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

- mBank Hipoteczny has issued **PLN 710.7 million of covered bonds** since the beginning of 2014 and is on track to issue **planned PLN 1 billion by year end**
- Achieved longest maturity for any Polish issuer outside the sovereign space (15 years) at very tight spreads
- Covered bond issuance to become the dominant financing source for the Bank's mortgage lending and a competitive advantage in a tightening regulatory environment

Market share in total outstanding covered bonds, as of 30.09.2014



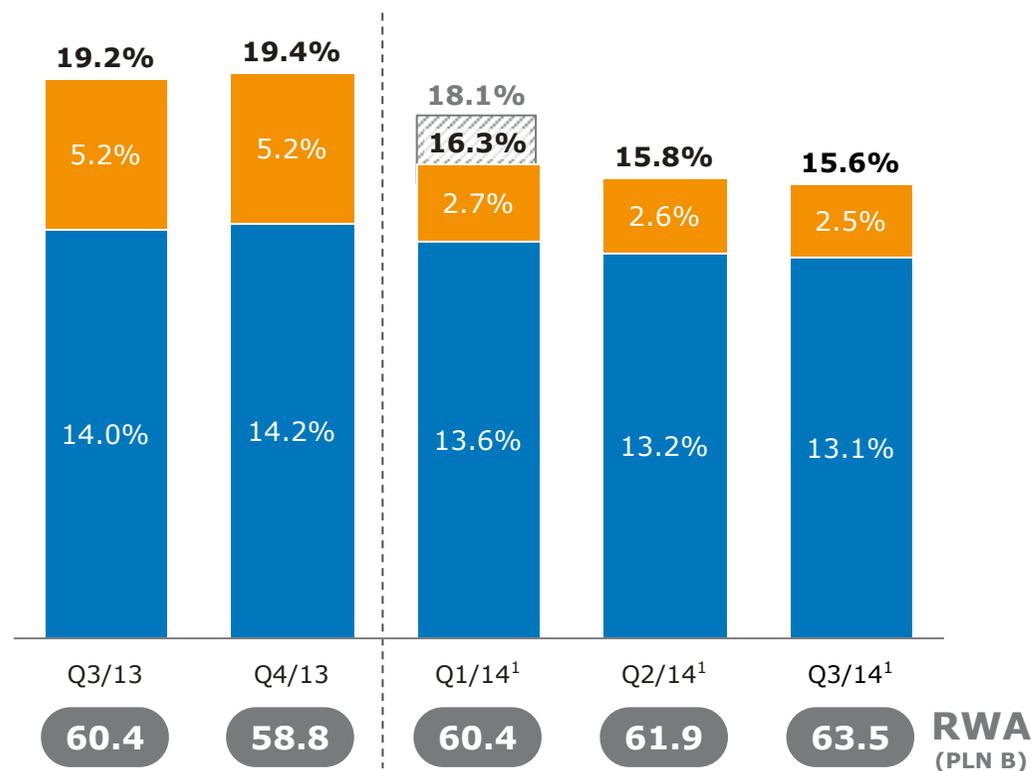
Total outstanding amount of Polish covered bonds: **PLN 3.8 B**

Analysis of Q3/14 in mBank Group

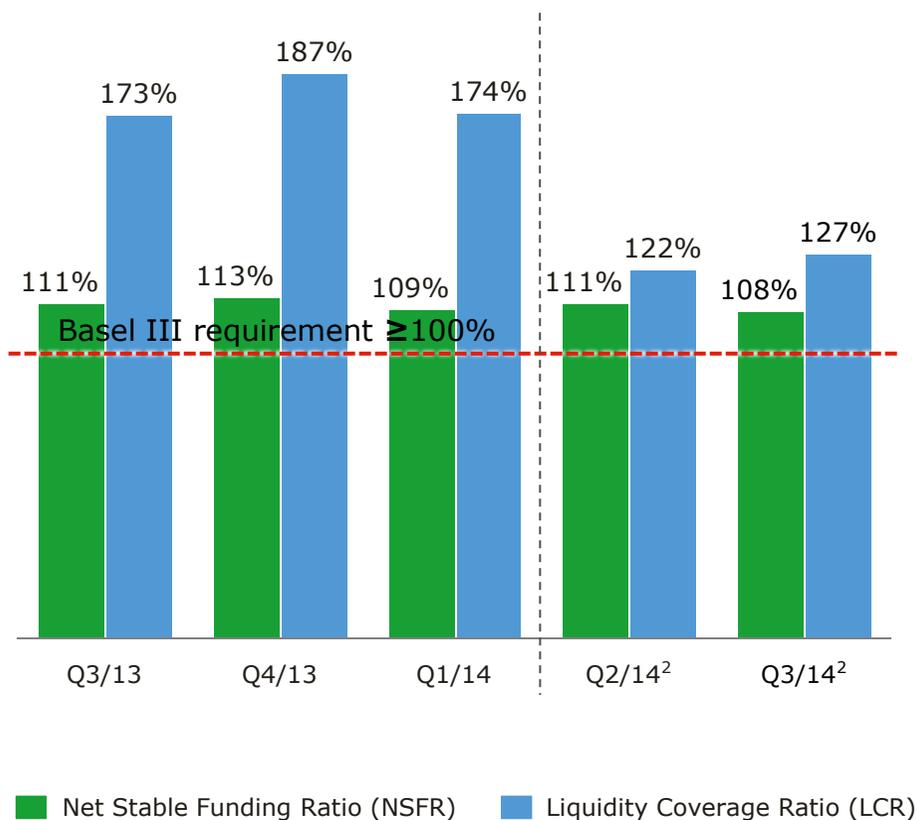
Key Regulatory Ratios

Stable capital and liquidity ratios ready for Basel III

mBank Group's Capital Adequacy Ratio / Total Capital Ratio



mBank's NSFR and LCR



■ Core Tier 1 / CET 1

■ Tier 2

▨ Change in CAR to reflect the Basel III regulatory framework

■ Net Stable Funding Ratio (NSFR)

■ Liquidity Coverage Ratio (LCR)

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

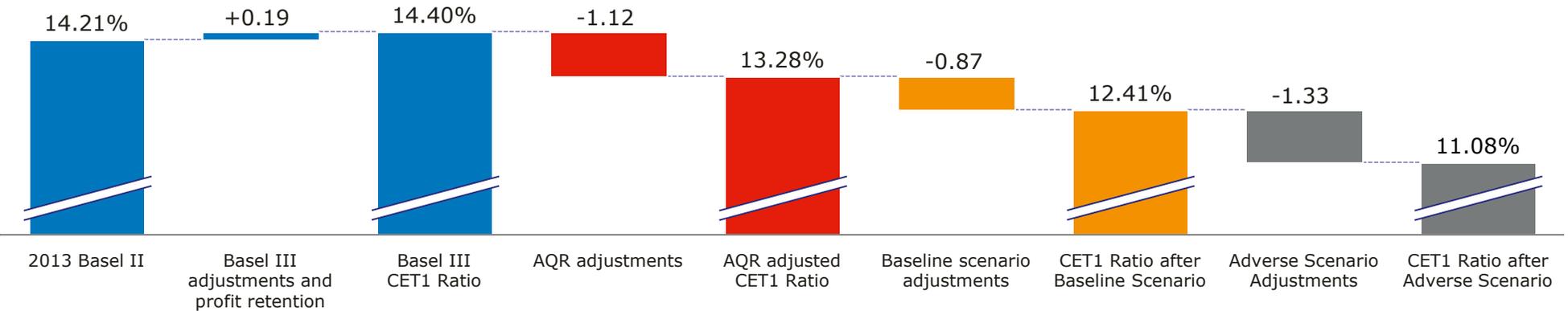
² Since Q2/14 the liquidity ratios are calculated in accordance with the new rules introduced by Capital Requirements Regulation (CRR)

Asset Quality Review (AQR) and Stress Test

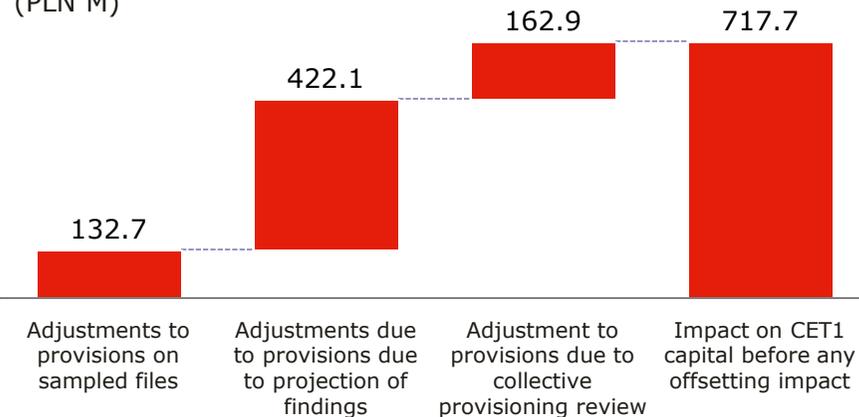
Results of mBank Group

Strength of mBank's balance sheet and business model confirmed

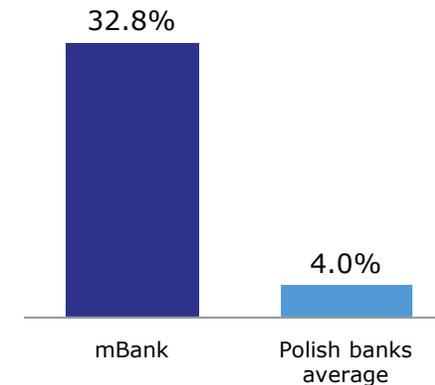
mBank Group's Common Equity Tier 1 Ratio – Asset Quality Review and Stress Test outcome



mBank Group's AQR adjustment breakdown (PLN M)



Stress test RWA build-up more visible in AIRB methodology



- mBank's capital well ahead of all required thresholds
- No impact of the review on the Group's 2014 results

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Development of Income and Costs

Loan Portfolio Quality

Funding Structure Details

Capital and Liquidity Ratios

Macroeconomic Update

Appendix

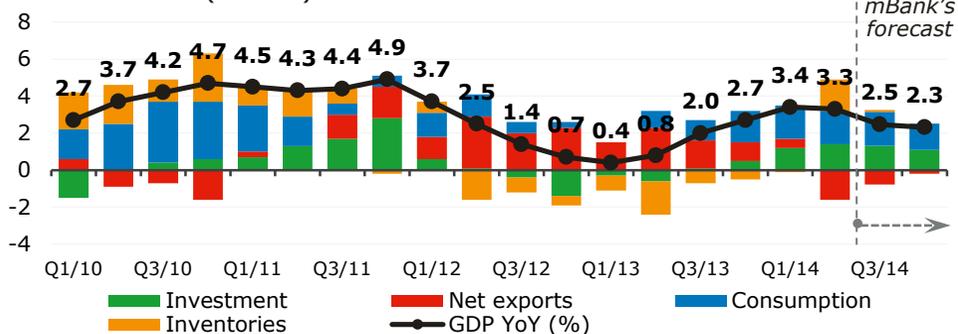
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Macroeconomic Update (1/2)

Record low inflation. European environment detrimental to economic growth.

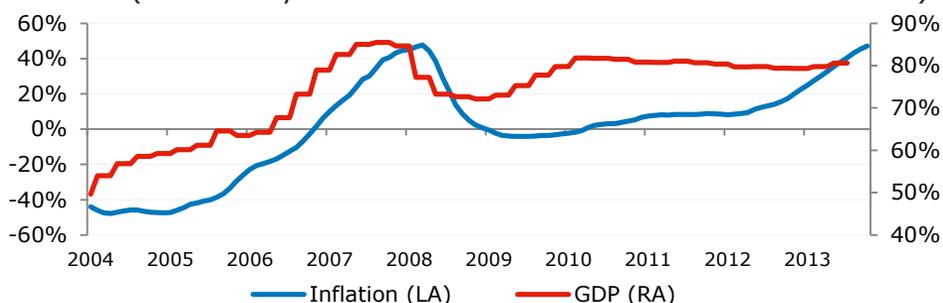
GDP forecast (% YoY)



- Second half of the year is going to bring a deceleration in economic growth. The bank expects it to settle slightly above 2% at the turn of 2014 and 2015. Economic growth to continue faster in 2015.

Source: GUS, NBP

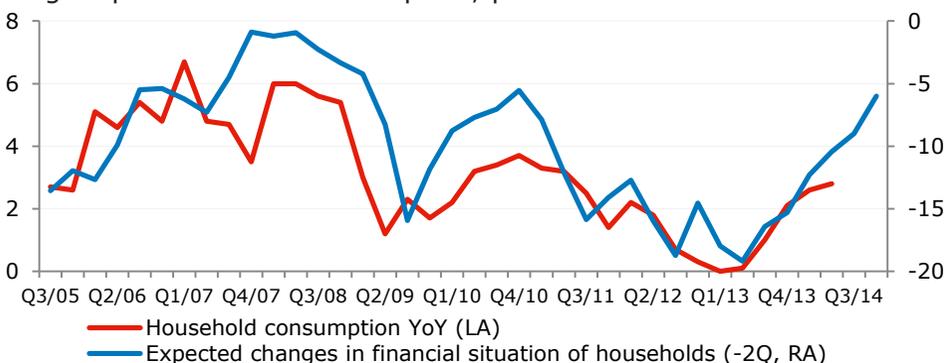
Euro area increasingly more important for Poland's growth and inflation (business cycle correlations between Poland and euro area)



- Ukraine and Russia are definitely a drag but euro area is key. Over the years, Poland has become much more correlated with the euro area, in terms of inflation and growth.

Source: GUS, NBP

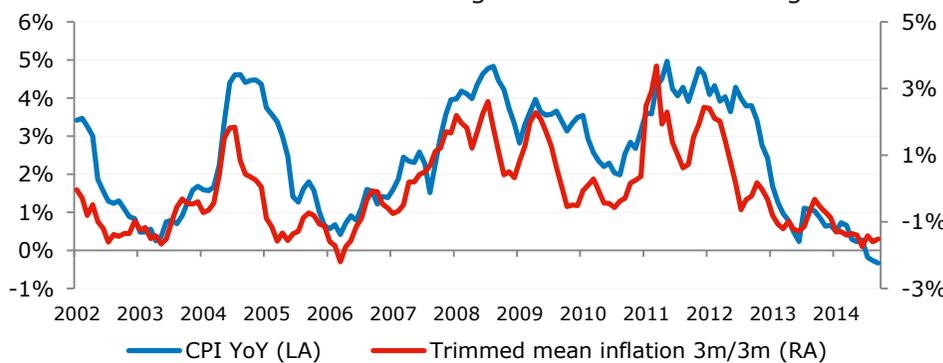
Bright spots in 2015: consumption, public investment



- Amid unfavourable external conditions growth will rest on the shoulders of consumers and construction companies (public infrastructure investments coming in great numbers in 2015).

Source: GUS, NBP

Inflation at all time lows and no sign of a turnaround in sight



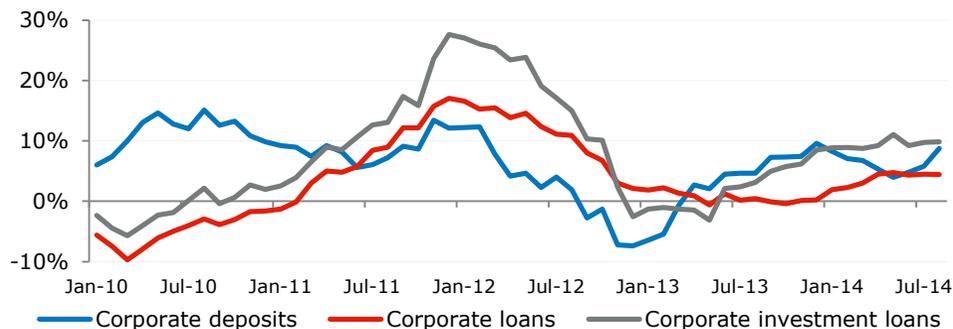
- No end to low-inflation environment in sight, disinflation is broad and persistent. With growth slowing, this will be sufficient for the MPC to continue cutting. 1.5% is the target on rates.

Source: GUS

Macroeconomic Update (2/2)

Strong growth in corporate loans, cautious borrowing by households

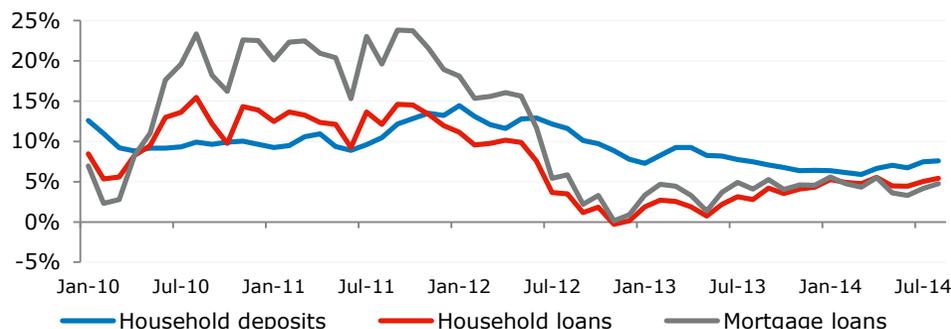
Corporate loans and deposits (% YoY)



- Corporate deposits accelerated, possibly thanks to cost-cutting measures. Growth of corporate loans more and more robust and broad-based (not only investment loans). 10% growth within reach.

Source: NBP

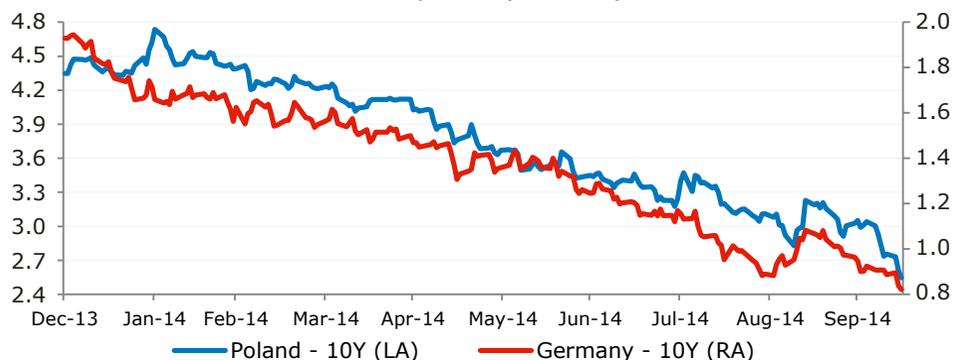
Household loans and deposits (% YoY)



- Household deposits grow at a slow pace, rate cuts will not help here. Cautious borrowing on the households' side continues – consumer credit recording highest increases.

Source: NBP

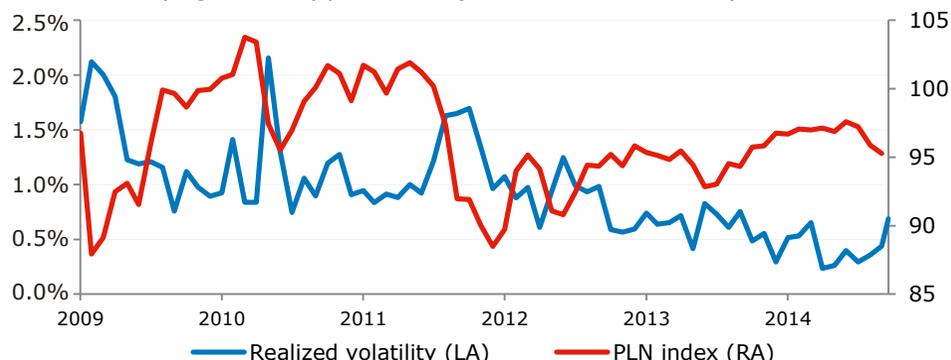
Polish and German 10Y bond yields (YTD, %)



- The rally in Polish bonds has been unstoppable, supported by core markets, dovish central banks, low inflation, rate cut. Lots of room for local corrections: Fed, Eurozone credit risk, EM-related volatility upticks.

Source: Bloomberg

PLN index (higher = appreciation) v. realized volatility



- PLN slowly weaker over the course of the third quarter. Upticks generated by global risk off phases. Volatility turned the corner.

Source: Bloomberg

Agenda

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Development of retail and corporate business

Analysis of Q3/14 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	25
Consolidated Statement of Financial Position	26
mBank Group's Ratios	27
mBank Group's Historical Performance	28-30
Net Interest Income & Margin	31
Fee and Commission Income	32
Trading and Other Income	33
Balance Sheet Analysis: Assets & Liabilities	34
Balance Sheet Analysis: Currency structure	35
Balance Sheet Analysis: Structure of loans and deposits	36
Balance Sheet Analysis: Loan portfolio structure	37
Balance Sheet analysis: Development of Core Tier 1 and CAR	38

Detailed Results of the Business Lines	Page No.
Retail Banking	39-43
Summary of Q3/14: Financial Results and Volumes	40-41
Mortgage Loans: Portfolio Structure & Key parameters	42
mBank in the Czech Republic and Slovakia	43
Corporates & Financial Markets	44-47
Summary of Q3/14: Financial Results and Volumes	45-46
Financial Markets Activity: Market Shares	47
mBank Group's Subsidiaries	48-53
Results of Consolidated Companies	49
mBank Hipoteczny (mBH)	50
Leasing and Factoring	51
Dom Maklerski mBanku (mDM)	52
BRE Ubezpieczenia (BRE Insurance)	53
mBank Analyzer	54
Contact Details	55

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.)	Q3/13	Q4/13	Q1/14	Q2/14	Q3/14
Net interest income	570,000	588,096	591,014	617,232	649,880
Net fee and commission income	210,689	228,904	241,406	243,685	216,234
Dividend income	14,768	9,779	0	2,811	16,195
Net trading income	86,282	78,438	92,118	110,202	96,324
<i>incl. FX result</i>	<i>71,698</i>	<i>67,387</i>	<i>65,151</i>	<i>69,742</i>	<i>53,539</i>
Gains less losses from investment securities	16,368	25,276	9,845	4,041	3,545
Net other operating income	46,870	33,745	22,237	45,793	36,699
Total income	944,977	964,238	956,620	1,023,764	1,018,877
Total operating costs	(416,829)	(441,636)	(430,617)	(455,277)	(441,203)
<i>Overhead costs</i>	<i>(371,404)</i>	<i>(389,605)</i>	<i>(384,785)</i>	<i>(406,665)</i>	<i>(393,523)</i>
<i>Depreciation & Amortisation</i>	<i>(45,425)</i>	<i>(52,031)</i>	<i>(45,832)</i>	<i>(48,612)</i>	<i>(47,680)</i>
Loan loss provisions	(173,585)	(117,080)	(89,487)	(155,860)	(157,917)
Profit before tax	354,563	405,522	436,516	412,627	419,757
Net profit attributable to owners of mBank	288,586	314,200	337,770	324,827	315,454

Note: Q1-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.)	Q3/13	Q4/13	Q1/14	Q2/14	Q3/14
Cash and balances with Central Bank	794 706	1 650 467	2 089 199	1 418 016	4 176 981
Loans and advances to banks	2 935 740	3 471 241	1 500 011	4 933 231	3 721 009
Trading securities	1 402 650	763 064	1 180 071	2 812 471	2 637 559
Derivative financial instruments	2 309 053	2 349 585	2 216 630	3 017 875	4 073 025
Loans and advances to customers	69 206 663	68 210 385	70 923 030	70 137 177	71 958 401
Investment securities	24 894 354	25 341 763	26 605 235	27 128 055	28 154 394
Intangible assets	421 170	455 345	431 959	460 135	448 246
Tangible fixed assets	723 088	709 552	705 955	710 505	700 870
Other assets	1 312 696	1 331 359	1 491 167	1 329 980	1 456 810
Total assets	104 000 120	104 282 761	107 143 257	111 947 445	117 327 295
Liabilities (PLN thou.)	Q3/13	Q4/13	Q1/14	Q2/14	Q2/14
Amounts due to other banks	21 416 248	19 224 182	19 481 097	22 297 031	19 777 664
Derivative financial instruments	2 472 433	2 459 715	2 120 892	2 915 003	3 969 956
Amounts due to customers	60 085 074	61 673 527	63 596 439	63 293 721	69 563 534
Debt securities in issue	4 869 607	5 402 056	5 658 722	7 696 154	8 009 714
Subordinated liabilities	3 310 880	3 762 757	3 453 003	3 278 869	3 312 935
Other liabilities	1 955 860	1 504 086	2 966 900	2 147 252	1 913 576
Total liabilities	94 110 102	94 026 323	97 277 053	101 628 030	106 547 379
Total equity	9 890 018	10 256 438	9 866 204	10 319 415	10 779 916
Total equity and liabilities	104 000 120	104 282 761	107 143 257	111 947 445	117 327 295

Appendix

Additional Information: Selected Financial Data mBank Group's Ratios

Summary
Historical view
Profit & Loss
Balance Sheet
Business Lines
Subsidiaries

Financial Ratios	Q3/13	Q4/13	Q1/14	Q2/14	Q3/14
Net Interest Margin (<i>quarterly</i>)	2.23%	2.31%	2.30%	2.30%	2.32%
Net Interest Margin YtD	2.17%	2.21%	2.30%	2.30%	2.31%
Net Interest Margin YtD (excl. CHF portfolio)	2.60%	2.64%	2.73%	2.72%	2.72%
Cost to Income Ratio (<i>quarterly</i>)	44.1%	45.8%	45.0%	44.5%	43.3%
Cost to Income Ratio YtD	45.6%	45.7%	45.0%	44.7%	44.2%
Cost of Risk (<i>quarterly</i>)	0.98%	0.68%	0.51%	0.88%	0.89%
Cost of Risk YtD	0.70%	0.70%	0.51%	0.70%	0.76%
ROE net (<i>quarterly</i>)	12.67%	13.75%	13.74%	13.55%	12.84%
ROE net YtD	12.89%	13.10%	13.74%	13.64%	13.37%
ROA net YtD	1.13%	1.14%	1.26%	1.21%	1.16%
Loans to Deposits	115.2%	110.6%	111.5%	110.8%	103.4%
Capital Adequacy Ratio / Total Capital Ratio ¹	19.17%	19.38%	16.26%	15.79%	15.57%
Core Tier 1 / Common Equity Tier 1 ¹	14.02%	14.21%	13.58%	13.20%	13.05%
Equity / Assets	9.5%	9.8%	9.2%	9.2%	9.2%
RWA / Assets	58.1%	56.4%	56.4%	55.3%	54.2%
NPL ratio ²	5.3%	6.3%	6.1%	6.4%	6.3%
NPL coverage ratio ²	66.5%	47.8%	48.8%	50.1%	51.7%
NPL coverage ratio incl. general provisions ²	72.0%	53.6%	54.7%	56.0%	58.1%

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

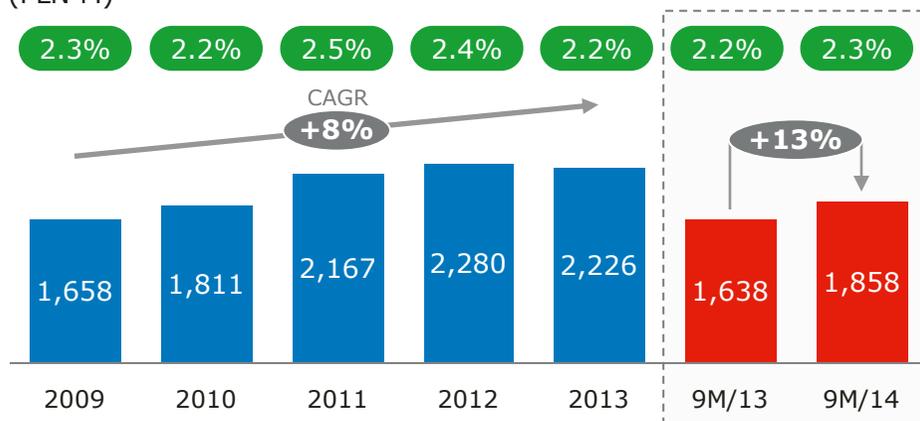
Appendix

mBank Group's historical performance (1/3)

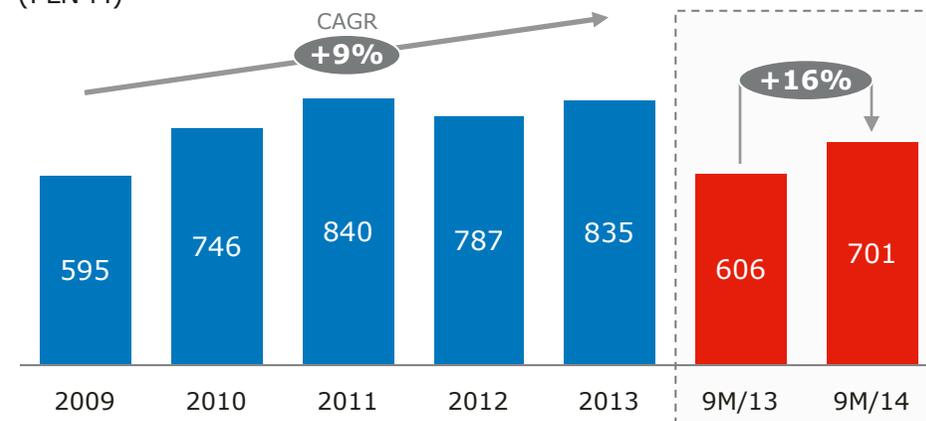


Summary
Historical view
Profit & Loss
Balance Sheet
Business Lines
Subsidiaries

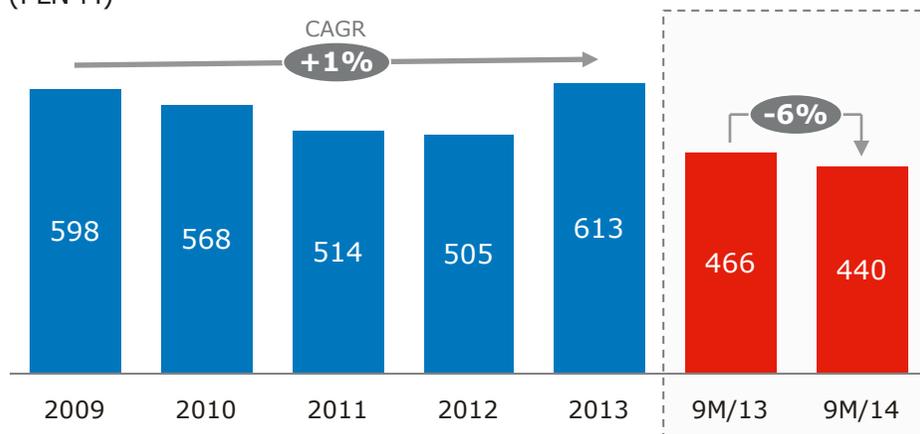
Net Interest Income & NIM
(PLN M)



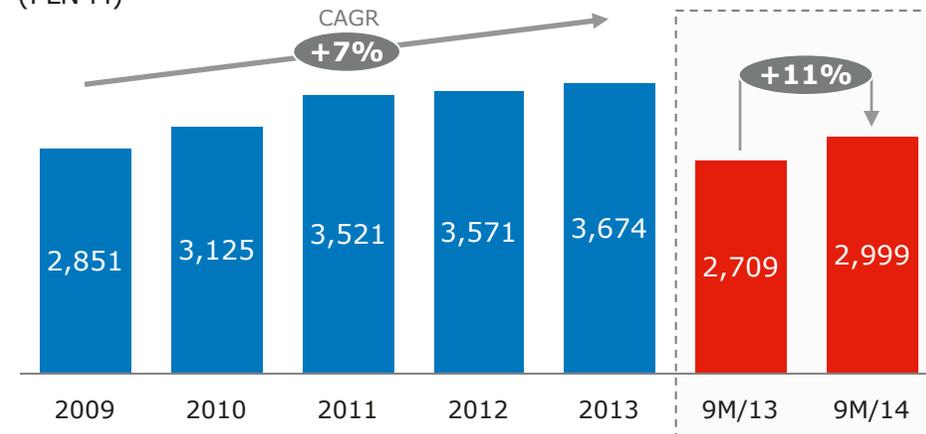
Net Fee and Commission Income
(PLN M)



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.

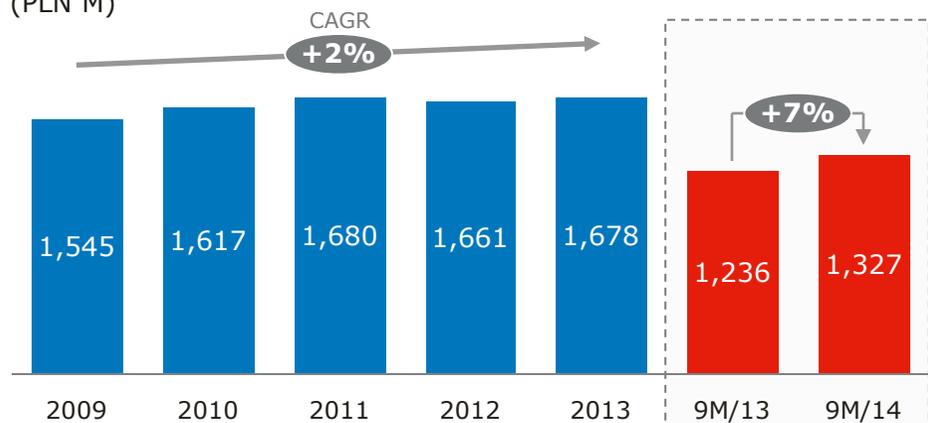
Appendix

mBank Group's historical performance (2/3)

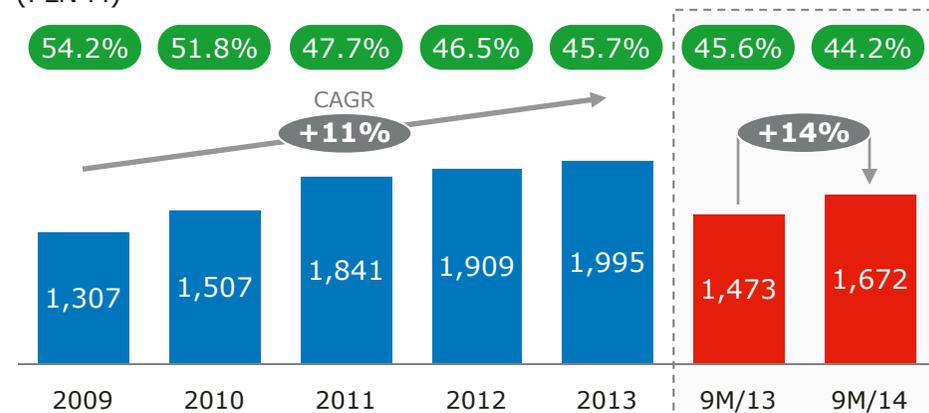


Summary
Historical view
Profit & Loss
Balance Sheet
Business Lines
Subsidiaries

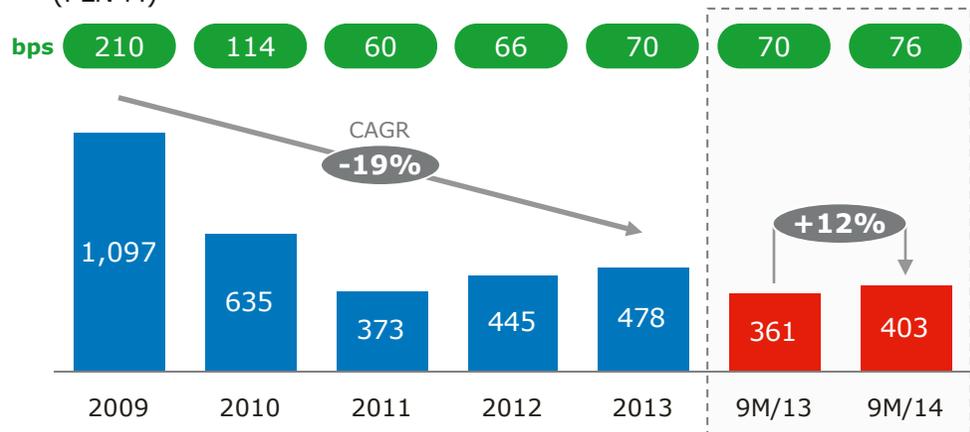
Operating Costs (PLN M)



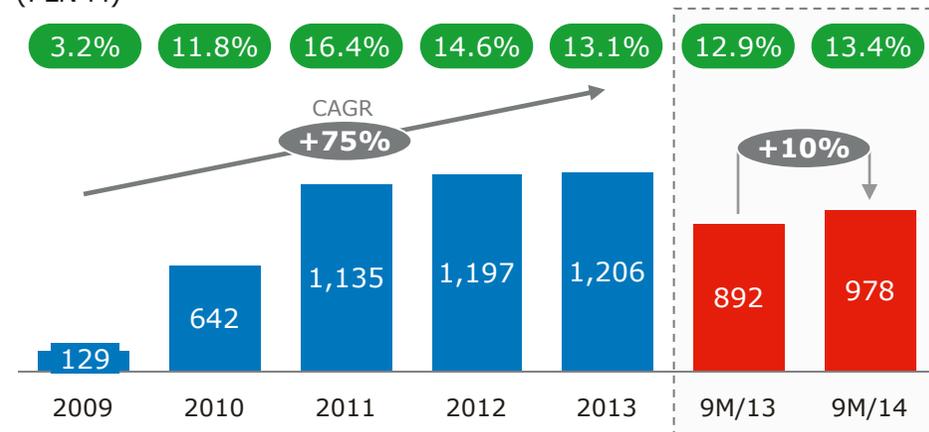
Pre-provision Income & C/I ratio (PLN M)



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.

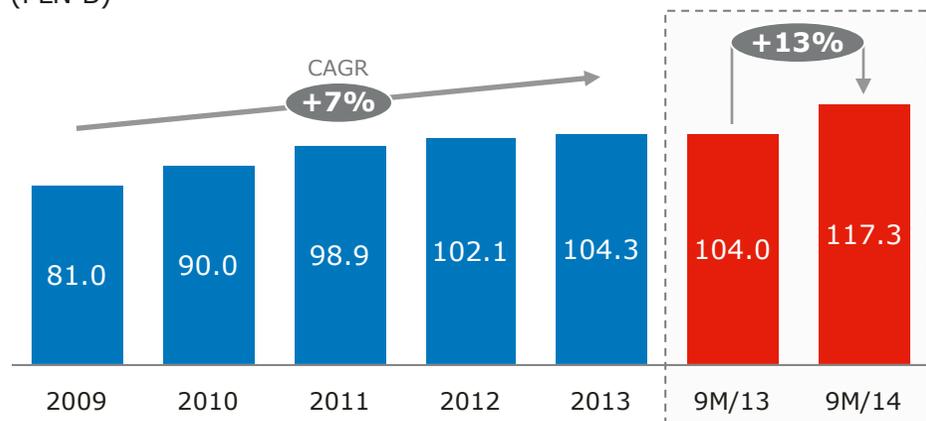
Appendix

mBank Group's historical performance (3/3)

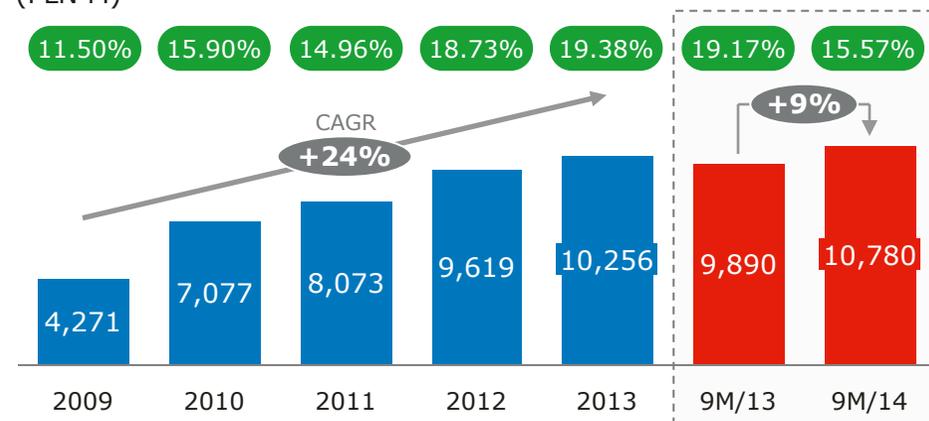


Summary
Historical view
Profit & Loss
Balance Sheet
Business Lines
Subsidiaries

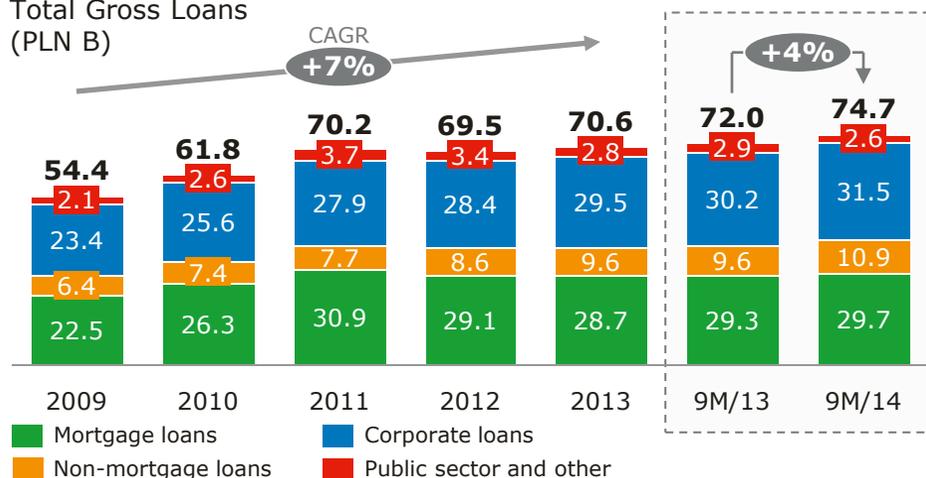
Total Assets
(PLN B)



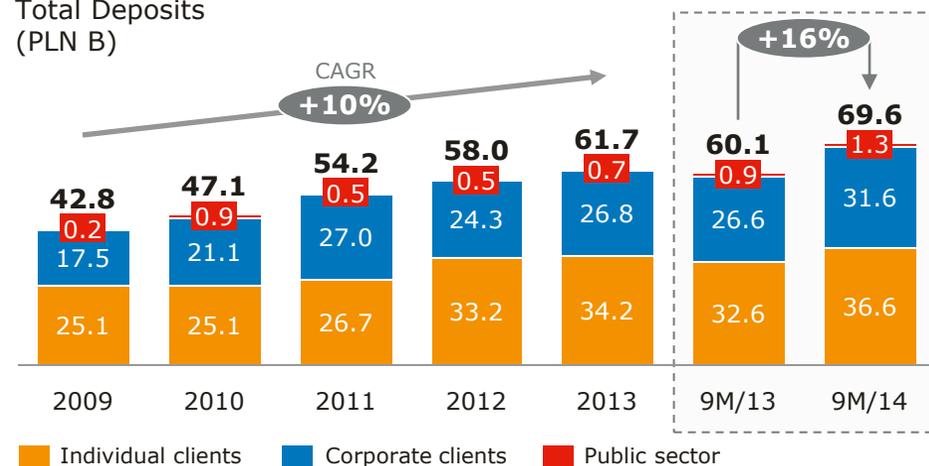
Equity & CAR
(PLN M)



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.

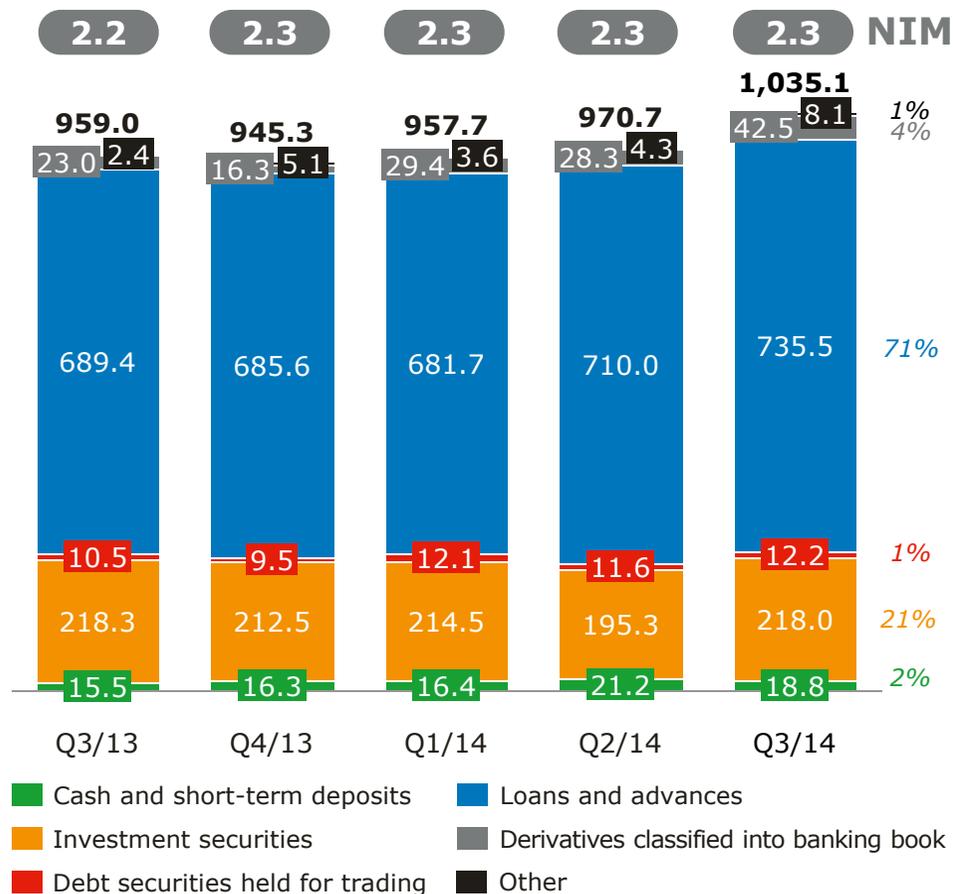
Appendix

Additional Information: Selected Financial Data Net Interest Income & Margin

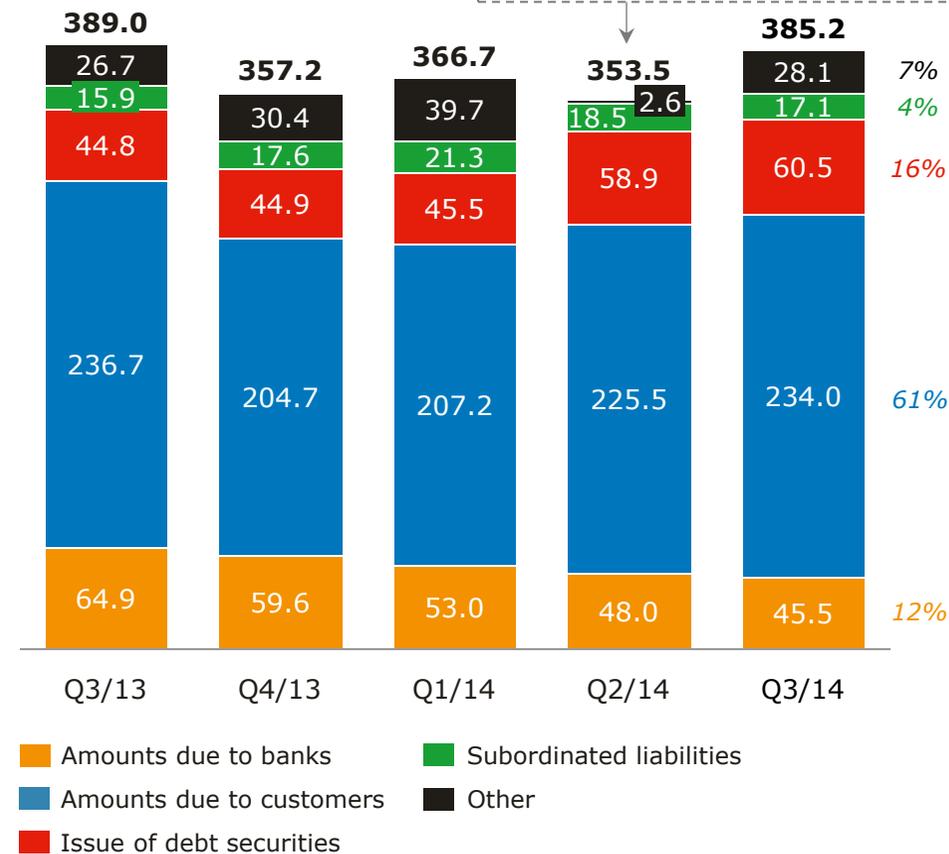


Summary
Historical view
Profit & Loss
Balance Sheet
Business Lines
Subsidiaries

Interest Income Structure
(PLN M)



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

Note: Q1-Q3 2013 results were restated due to the adjustments in booking of bancassurance related income in line with KNF guidance.

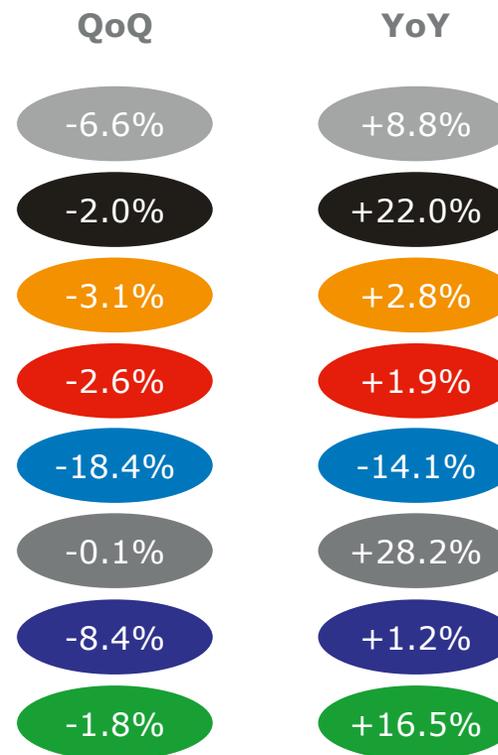
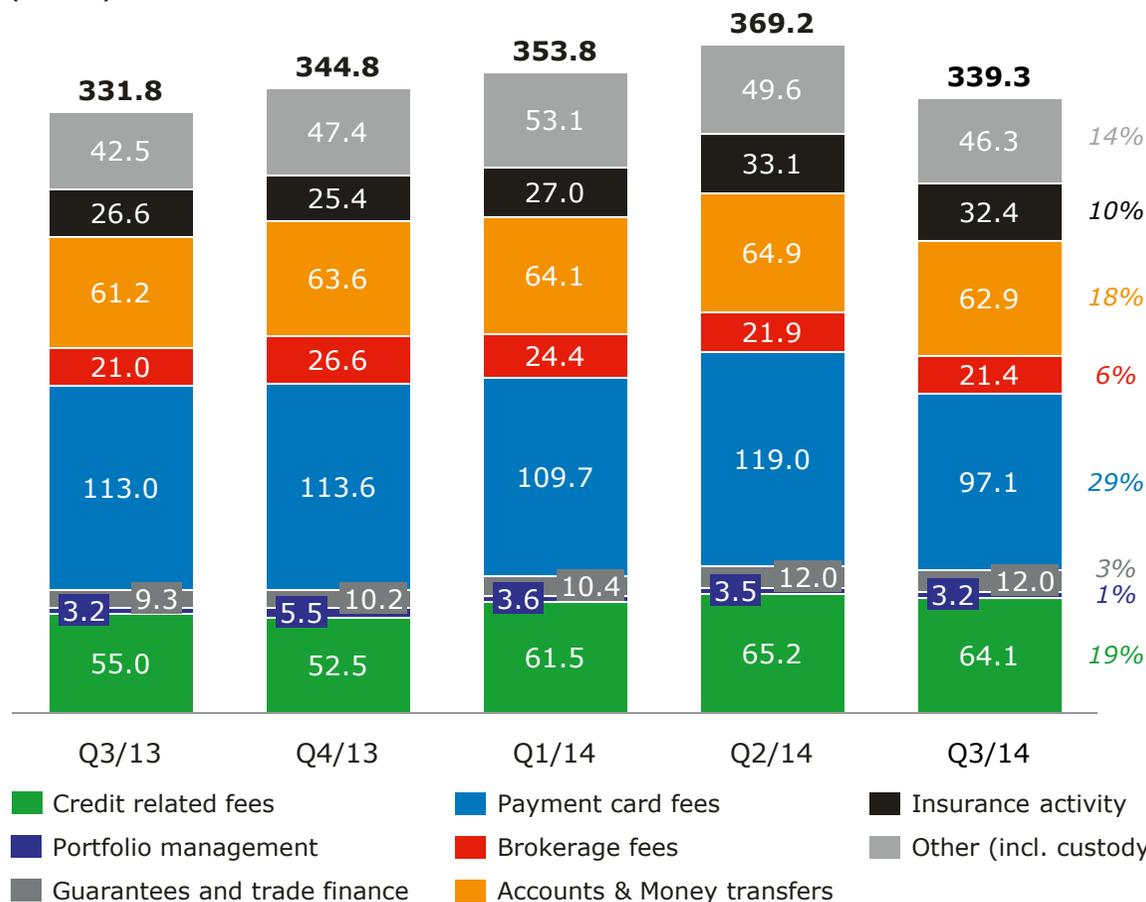
Appendix

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: Q1-Q3 2013 results were restated due to the adjustments in booking of bancassurance related income in line with KNF guidance.

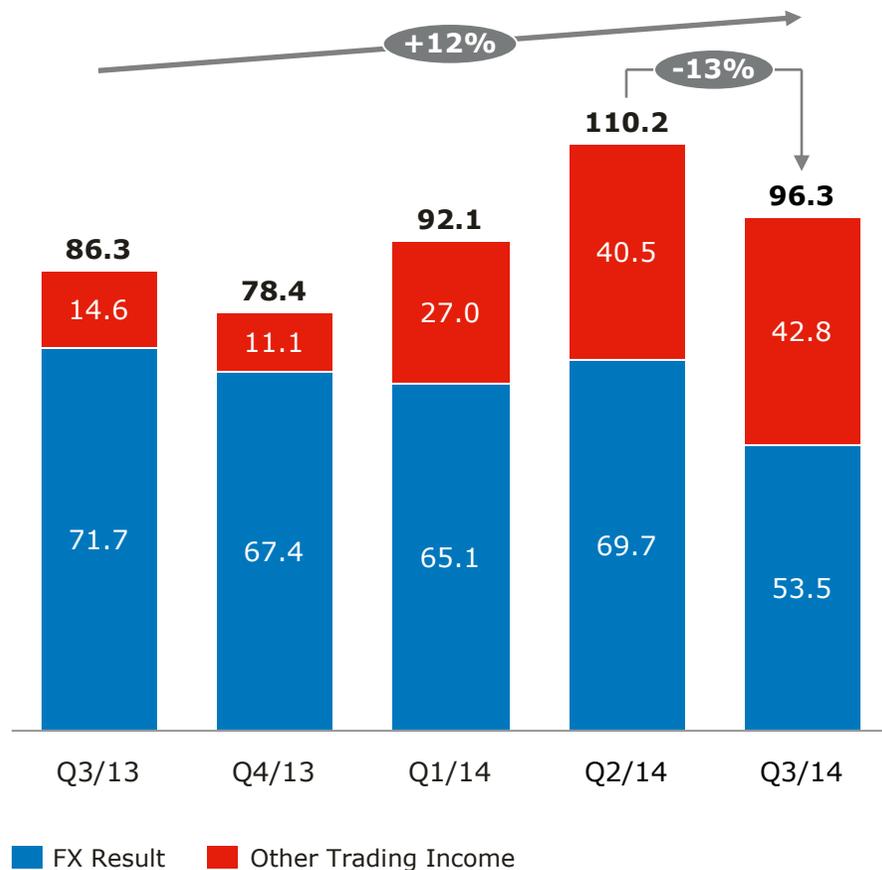
Appendix

Additional Information: Selected Financial Data Trading and Other Income

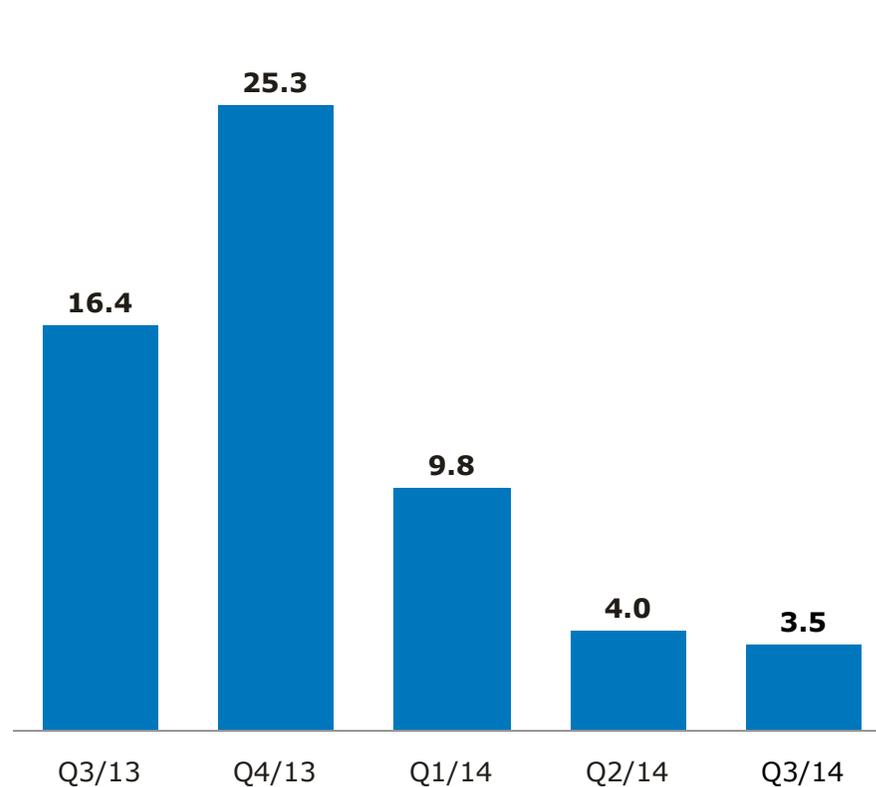


Summary
Historical view
Profit & Loss
Balance Sheet
Business Lines
Subsidiaries

Net Trading Income Structure
(PLN M)



Gains less Losses from Investment Securities
(PLN M)



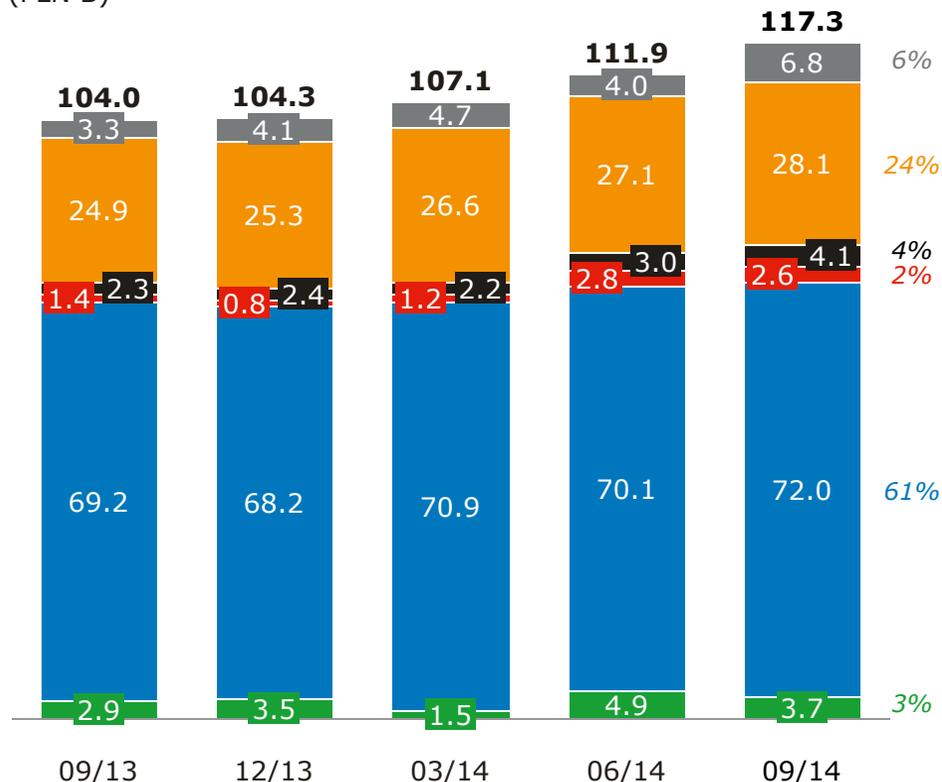
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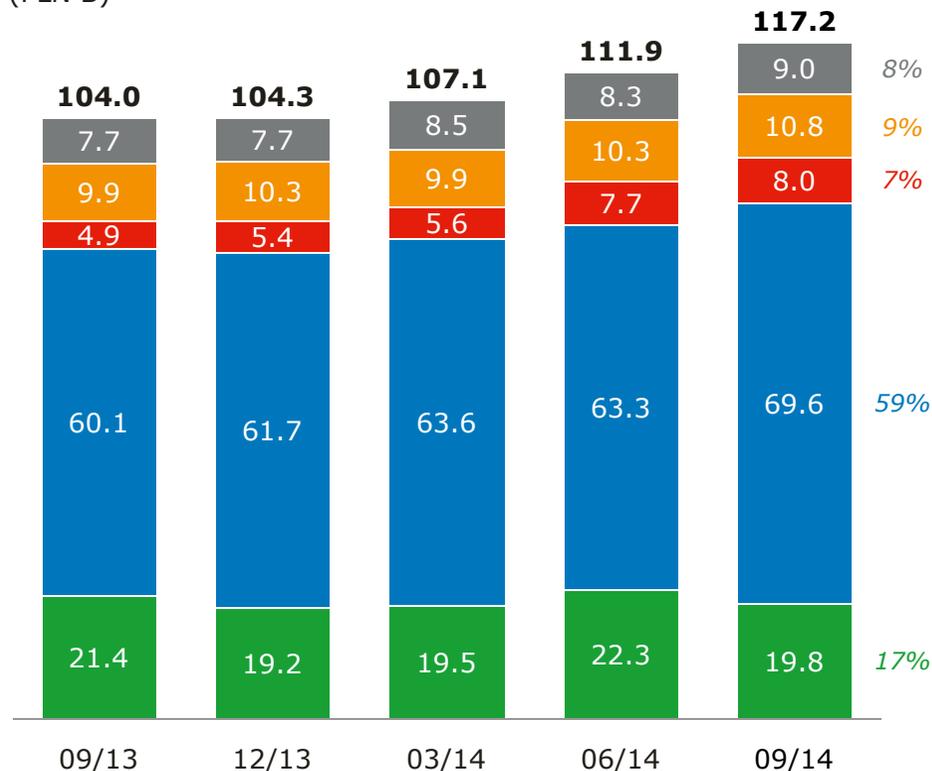
Summary
Historical view
Profit & Loss
Balance Sheet
Business Lines
Subsidiaries

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

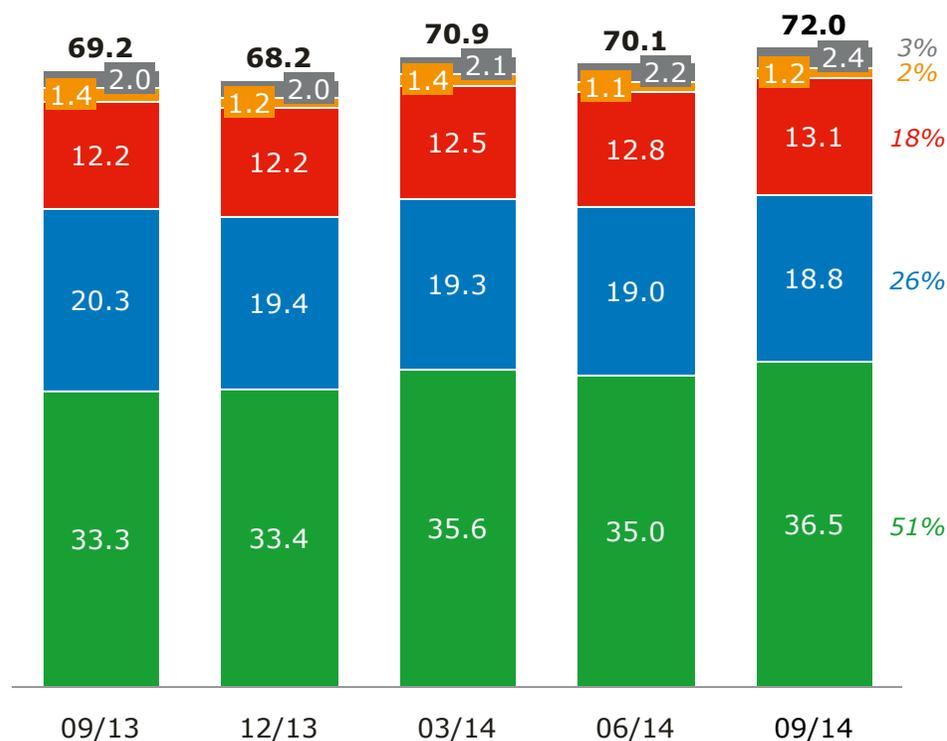
Appendix



Summary
Historical view
Profit & Loss
Balance Sheet
Business Lines
Subsidiaries

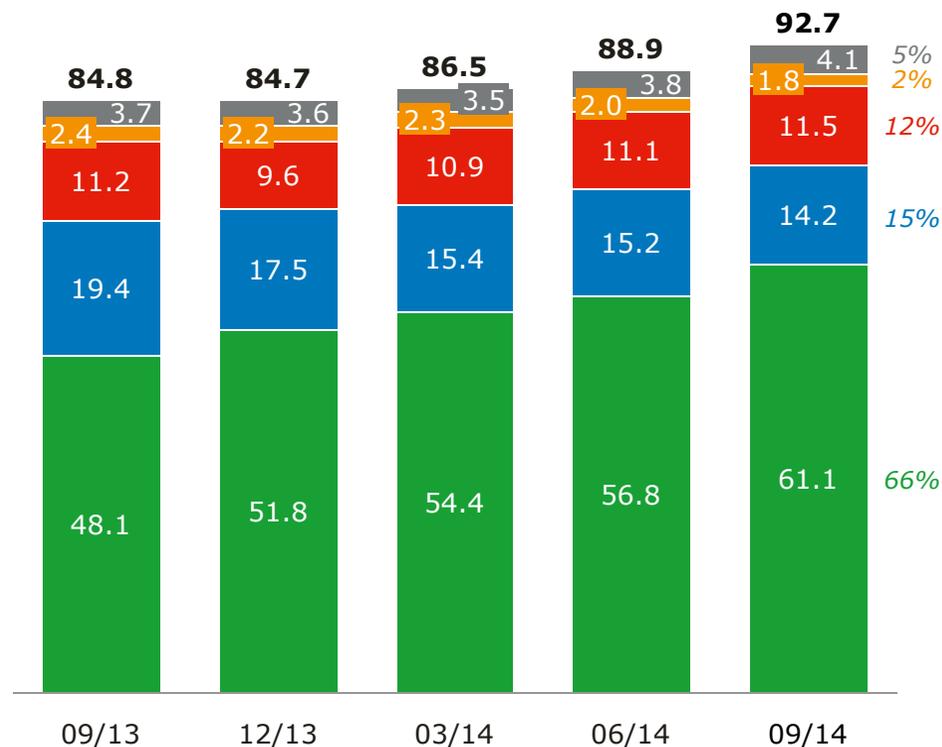
Additional Information: Selected Financial Data Balance Sheet Analysis: Currency Structure

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

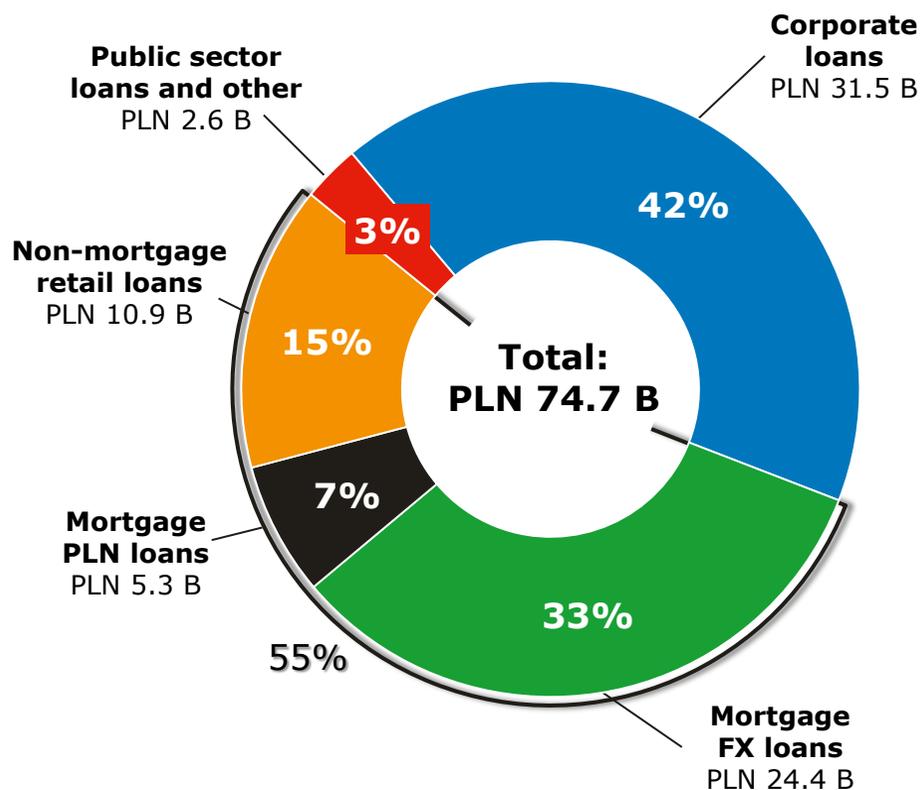
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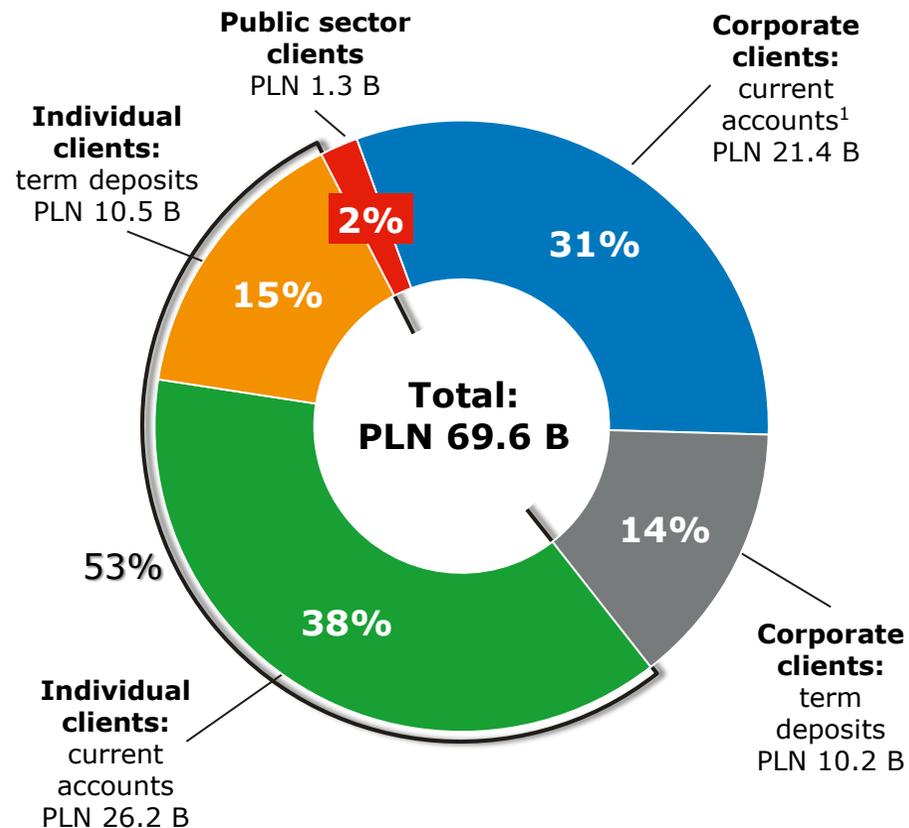
Summary
Historical view
Profit & Loss
Balance Sheet
Business Lines
Subsidiaries

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

Structure of mBank Group's Gross Loans as of 30.09.2014



Structure of mBank Group's Deposits as of 30.09.2014

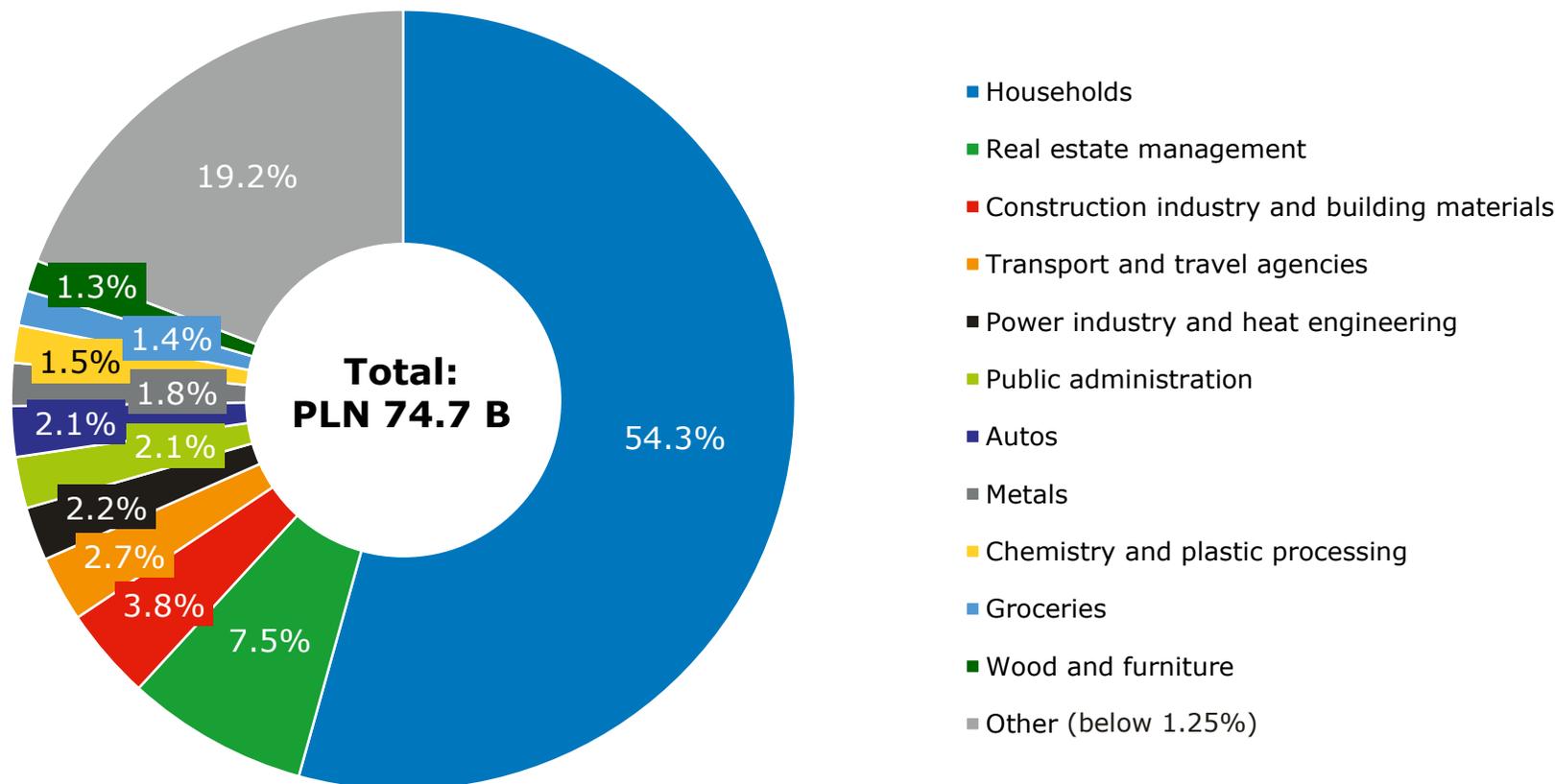


¹ incl. repo transactions, loans and advances received, other liabilities

Appendix

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

mBank Group's Sector Exposure by Industry
as of 30.09.2014



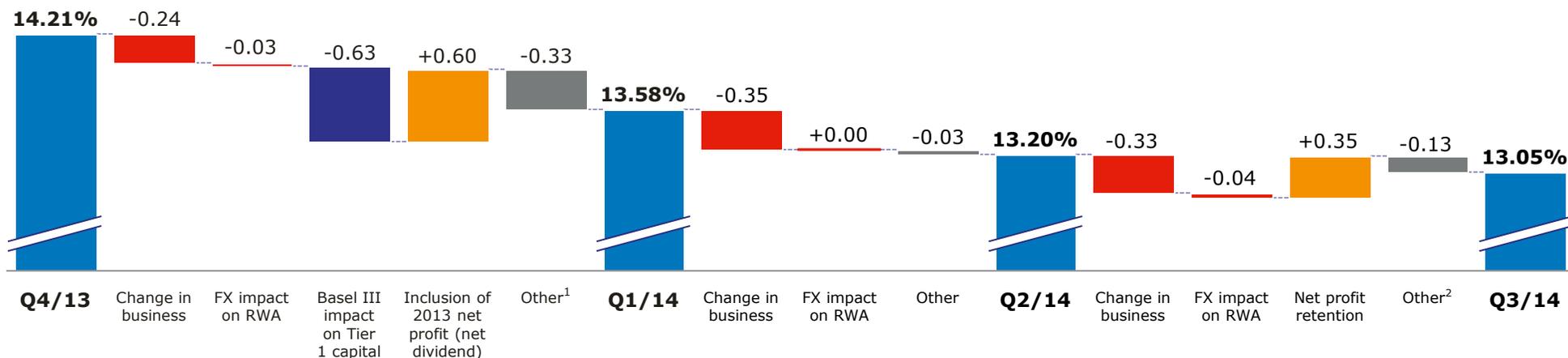
A well diversified loan portfolio with granular structure

Appendix

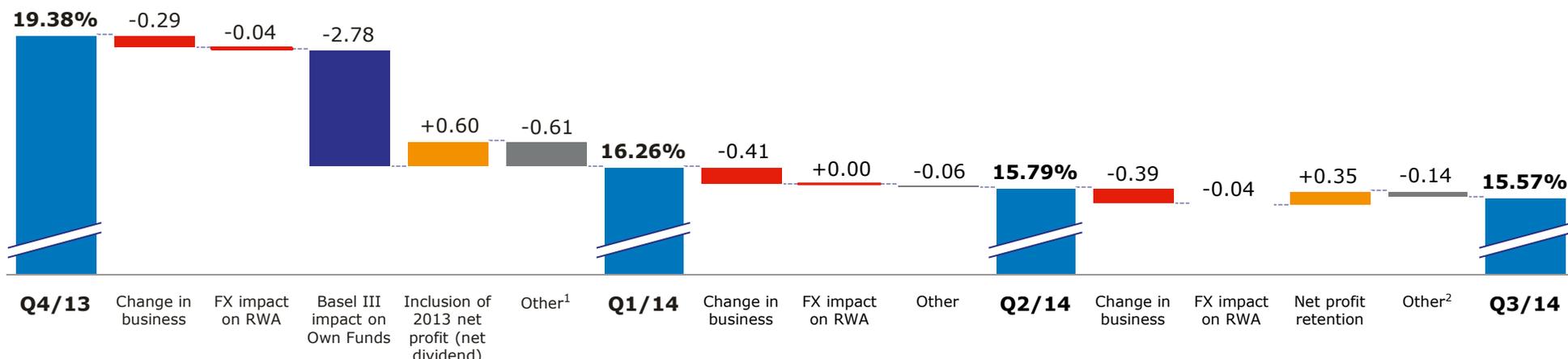
Summary
Historical view
Profit & Loss
Balance Sheet
Business Lines
Subsidiaries

Additional Information: Selected Financial Data Balance Sheet Analysis: Detailed Development of Core Tier 1 and CAR

mBank Group's Core Tier 1 Ratio



mBank Group's Capital Adequacy Ratio



¹ mainly due to higher operational risk; ² incl. loan loss provision deduction in Common Equity Tier 1 capital (PLN 158 M)

Detailed Results of the Business Lines in Q3/14

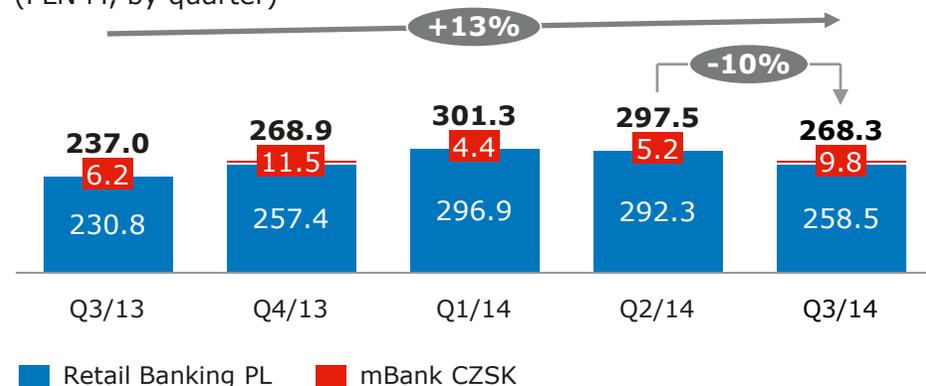
Retail Banking

Appendix

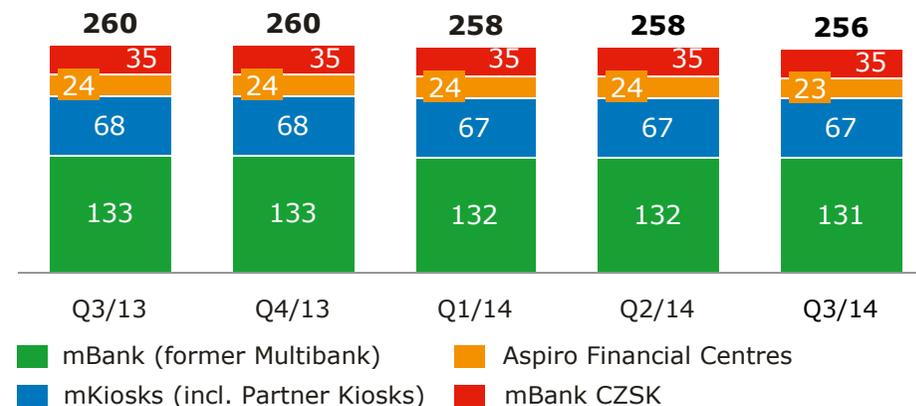
Retail Banking Summary of Q3/14: Financial Results

Summary
Historical view
Profit & Loss
Balance Sheet
Business Lines
Subsidiaries

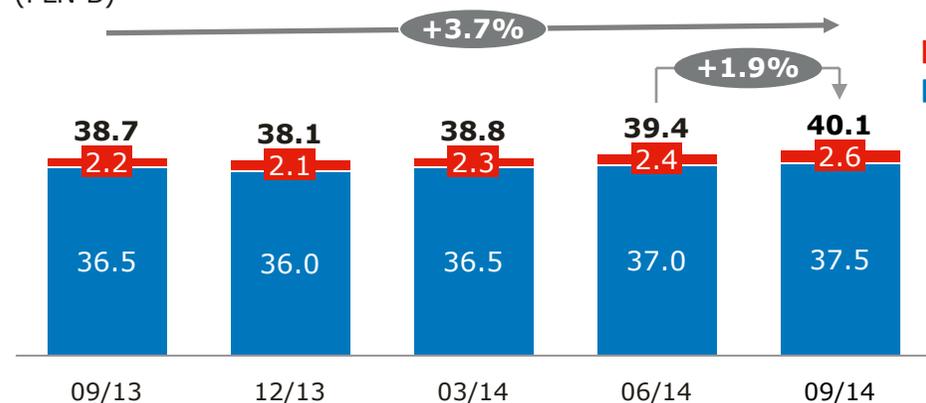
Profit before Tax of the Segment
(PLN M, by quarter)



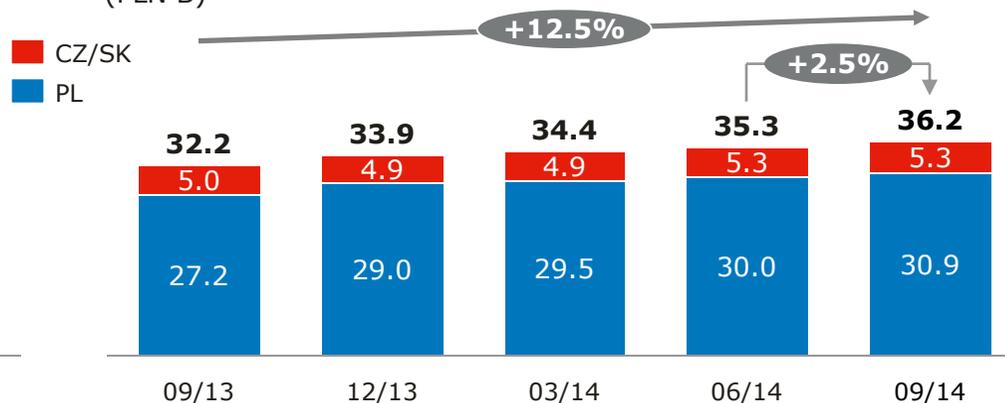
Number of Retail Outlets



Total Retail Gross Loans¹
(PLN B)



Total Retail Deposits¹
(PLN B)



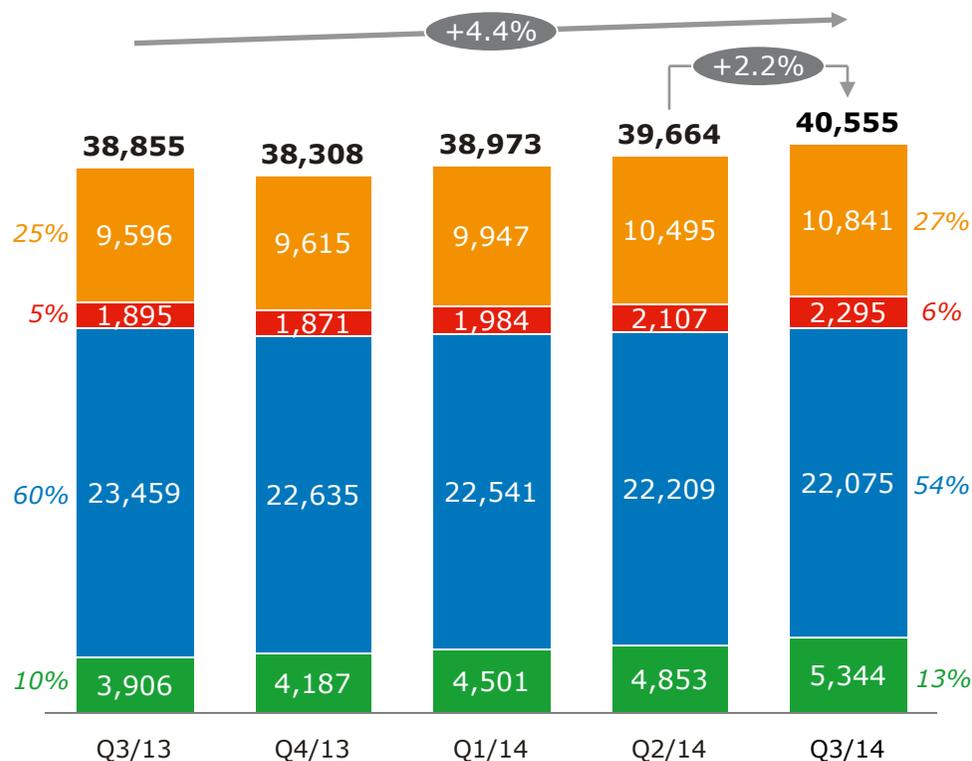
¹ Based on management information

Appendix

Retail Banking Summary of Q3/14: Loans and Deposits

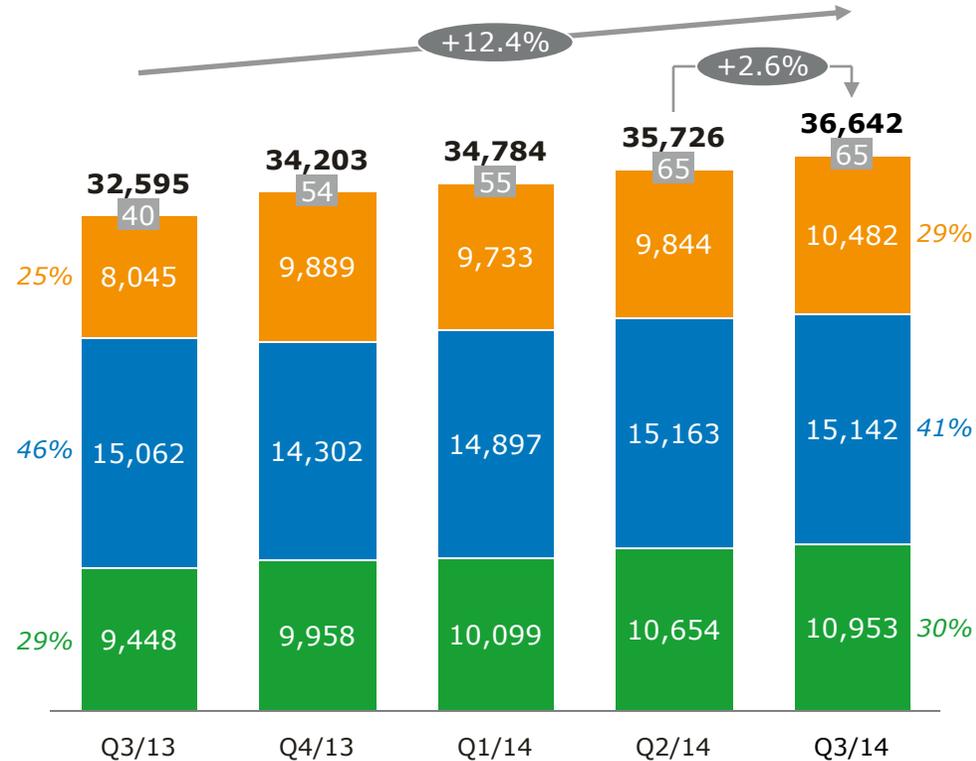
Summary
Historical view
Profit & Loss
Balance Sheet
Business Lines
Subsidiaries

Gross Loans to Individuals¹
(PLN M)



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

Deposits from Individual Customers
(PLN M)



■ Current accounts ■ Term deposits
■ Saving accounts ■ Other

¹ Currency and geographical breakdown based on management information

Appendix

Retail Banking

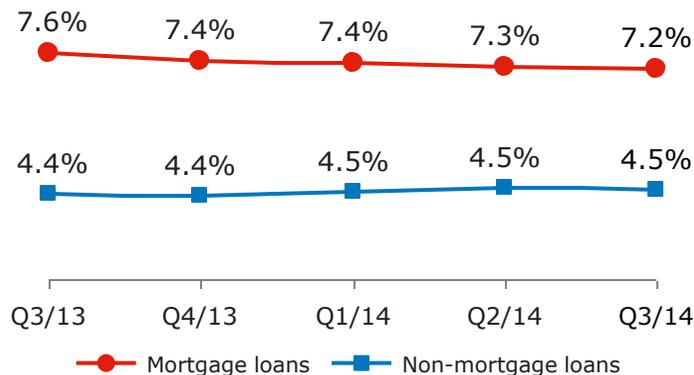
Mortgage and Non-mortgage Loans: Portfolio Structure and Key Parameters

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

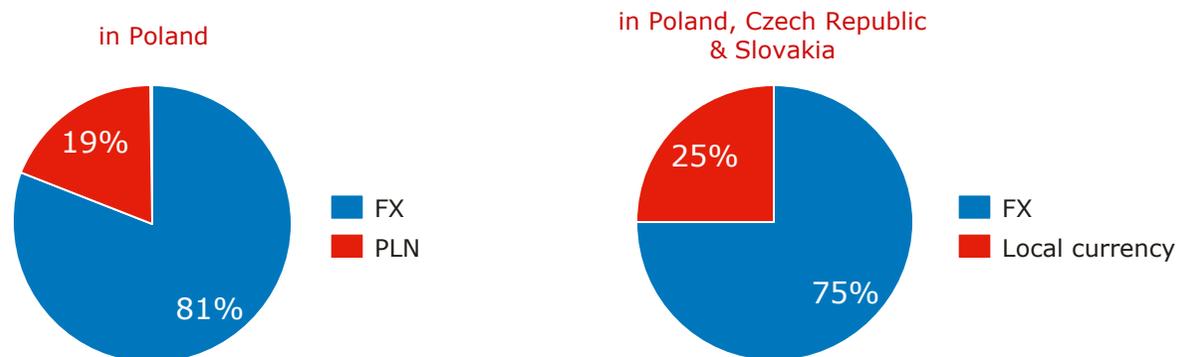
Balance-sheet value (PLN B)	27.1
Average contractual maturity (years)	20.4
Average value per loan (PLN thou.)	272.0
Average LTV (%)	80.0
NPL (%)	4.7

As of 30.09.2014

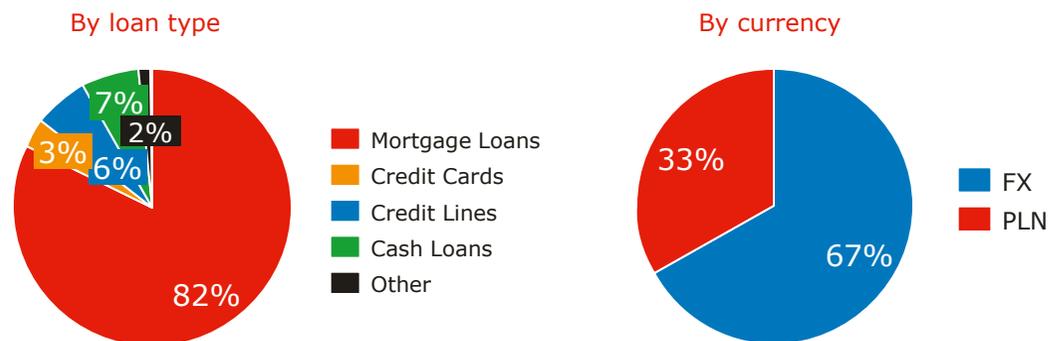
Market shares



Currency Structure of Retail Banking Mortgage Loan Portfolio
(Household Loans) at 30.09.2014



Structure of Retail Banking Loan Portfolio
(Household Loans, mBank PL only) at 30.09.2014

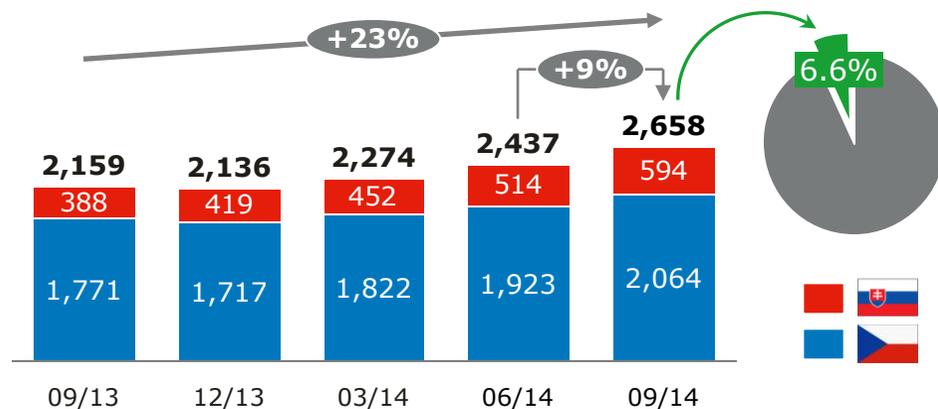


Appendix

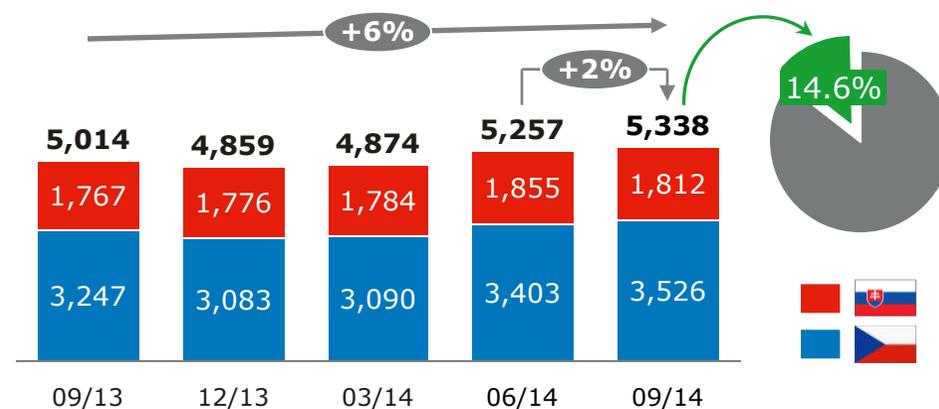
Retail Banking mBank in the Czech Republic and Slovakia

Summary
Historical view
Profit & Loss
Balance Sheet
Business Lines
Subsidiaries

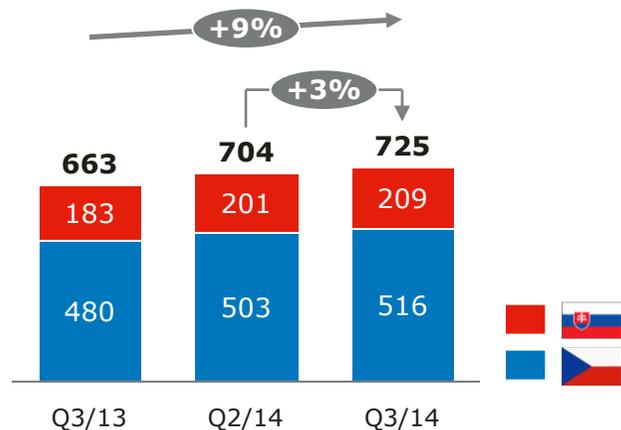
Gross Loans (PLN M) and Share in Total mBank's retail volume



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



Clients (thou.)



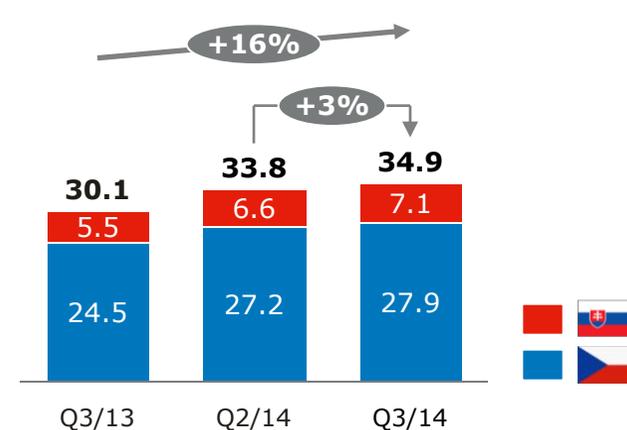
Focus on acceleration in lending

mBank has implemented initiatives to boost loan growth (incl. process streamlining, marketing campaign, new risk scenarios)

Keď hypotéku, tak tú najlepšiu!
Hypotéka roka 2014
mBank
Bez zbytočných poplatkov a s garantovaným úrokom
2,49% p.a.

No ty krásu!
Nejlevnější půjčka na trhu!
garantovaný úrok pro Vás **9,9% p.a.**

Total revenues (PLN M)



Note: Volumes based on management information.

Detailed Results of the Business Lines in Q3/14

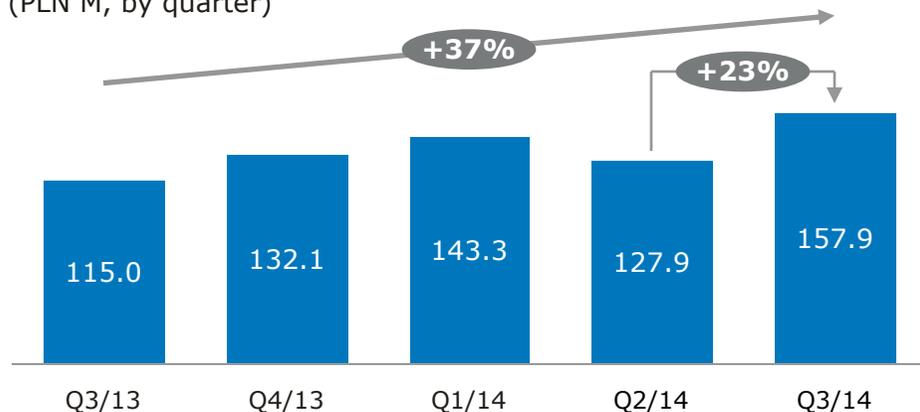
Corporates & Financial Markets

Appendix

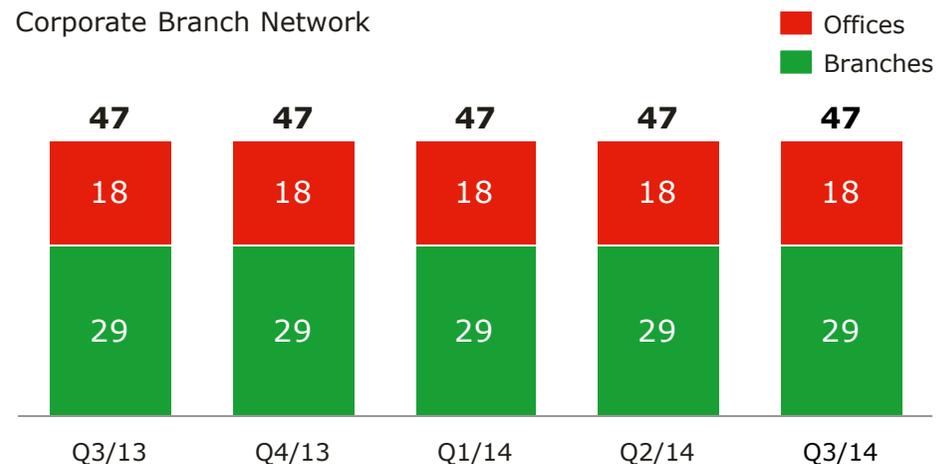
Corporates and Financial Markets Summary of Q3/14: Financial Results

Summary
Historical view
Profit & Loss
Balance Sheet
Business Lines
Subsidiaries

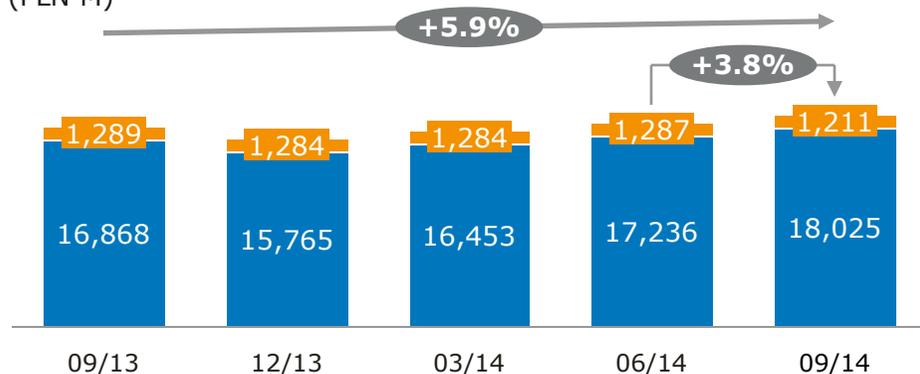
Profit before Tax of the Segment
(PLN M, by quarter)



Corporate Branch Network

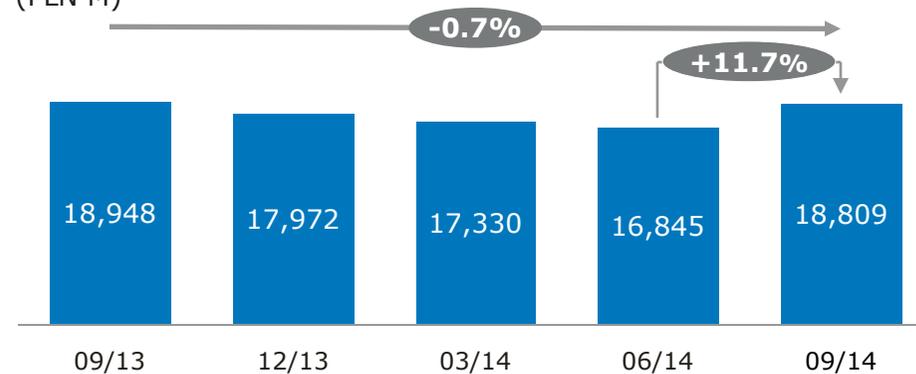


Loans to enterprises¹
(PLN M)



■ loans classified as 'securities'

Deposits of enterprises¹
(PLN M)



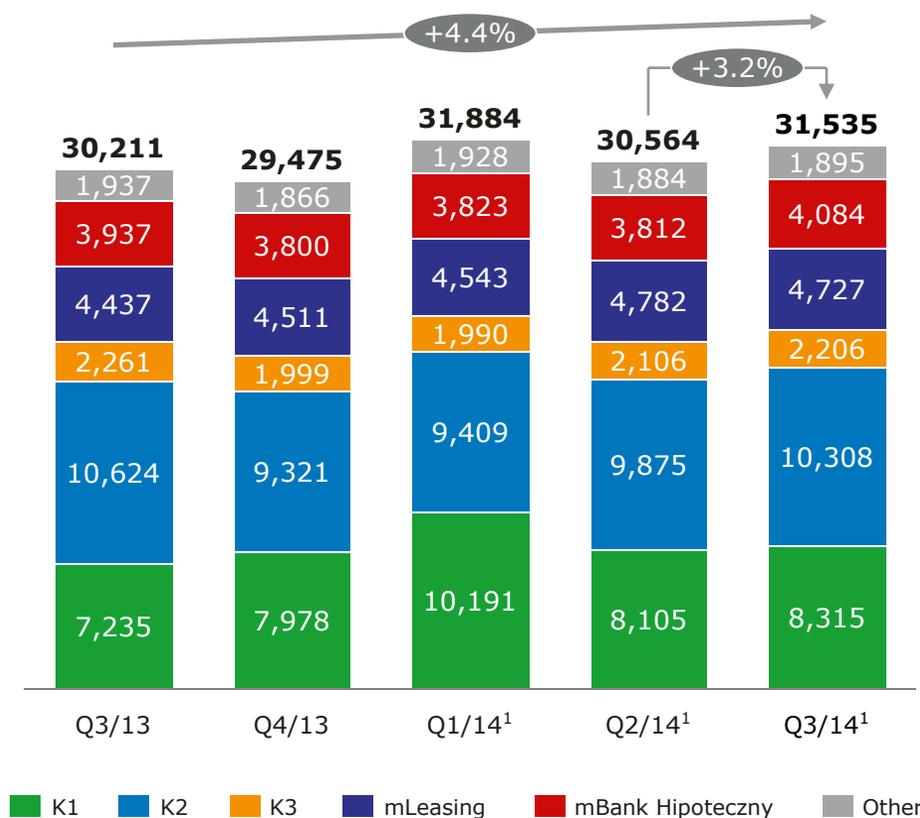
¹ Corporate loan and deposit volumes according to current NBP rules

Appendix

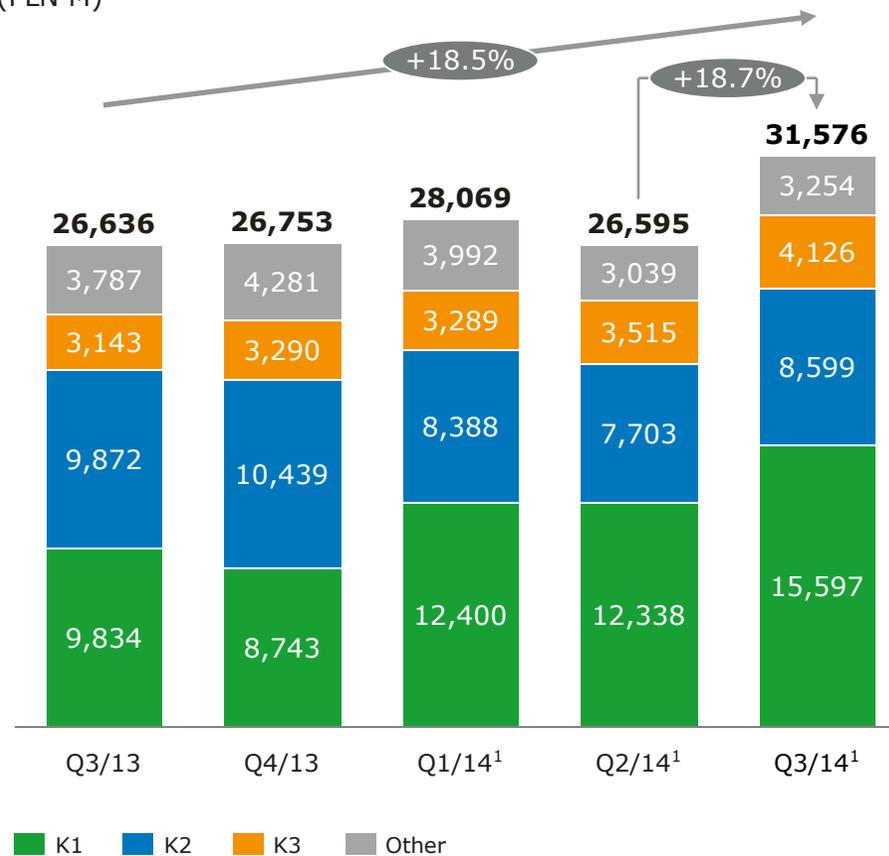
Corporates and Financial Markets Summary of Q3/14: Loans and Deposits

Summary
Historical view
Profit & Loss
Balance Sheet
Business Lines
Subsidiaries

Gross Loans to Corporate Entities
(PLN M)



Deposits from Corporate Customers
(PLN M)



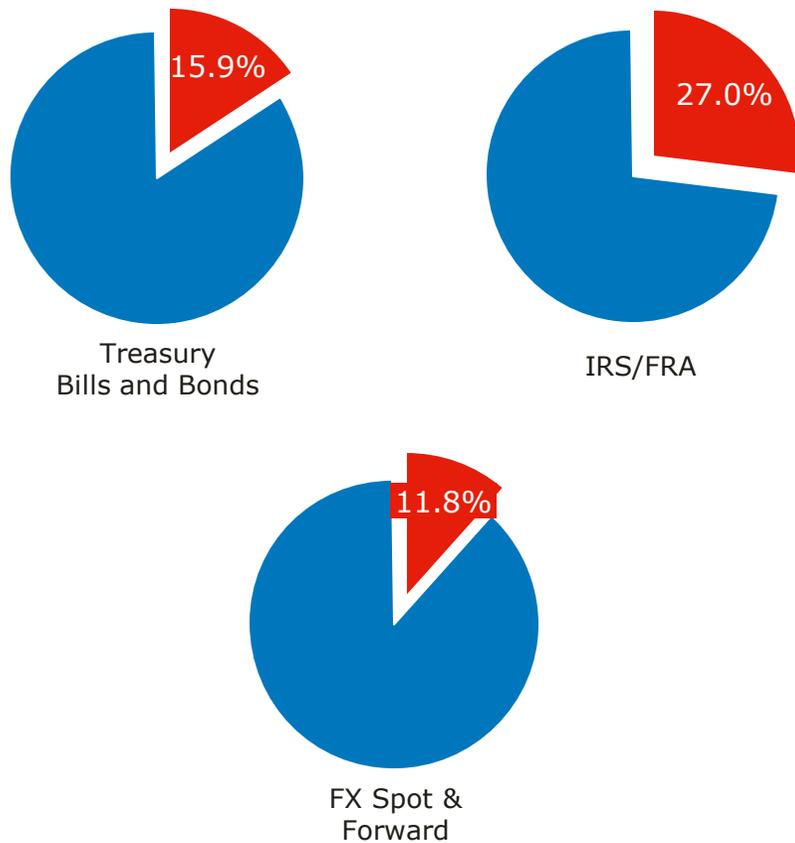
¹ Since 2014 all non-banking financial institutions were reclassified and moved to the K1 segment (the change concerned ca. 400 clients, mainly from K2 segment)
Corporate clients split: K1 – annual sales over PLN 500 M and non-banking financial institutions; K2 – annual sales PLN 30 M to PLN 500 M; K3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

Appendix

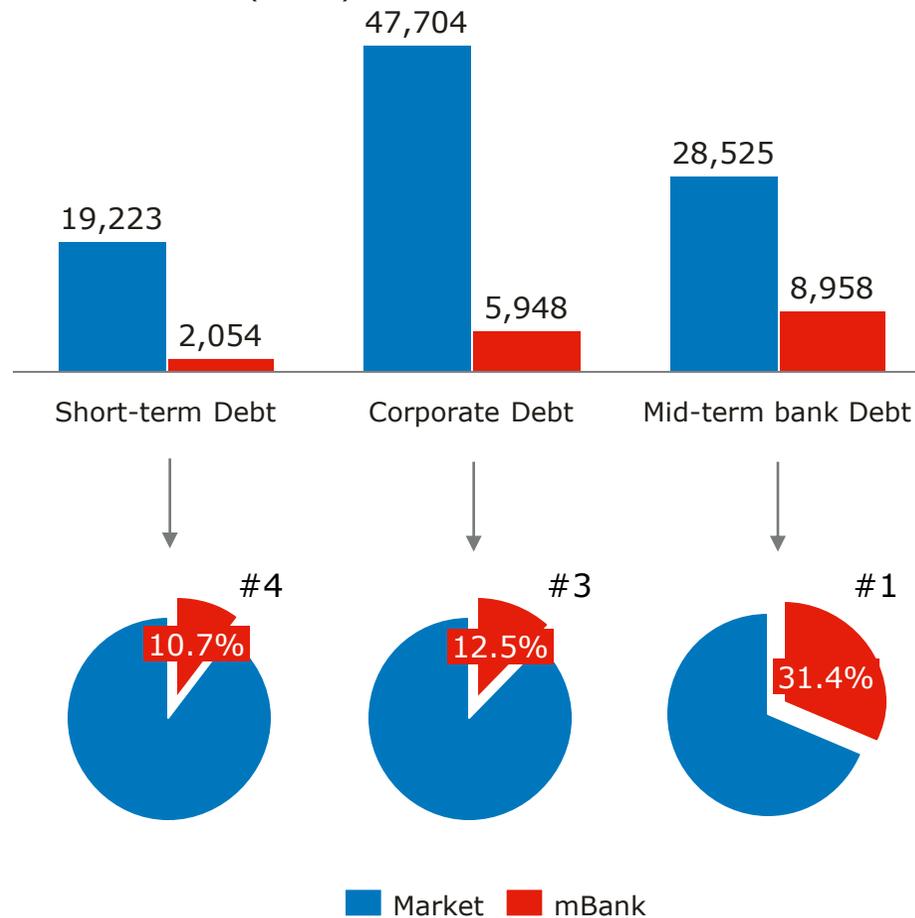
Corporates and Financial Markets Market Shares

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 Debt²
as of 30.09.2014 (PLN M)



¹ As of 31.08.2014; calculations based on own and NBP data

² Based on Fitch Polska S.A., Rating & Rynek, 30.09.2014 and own calculations (excluding BGK road bonds)

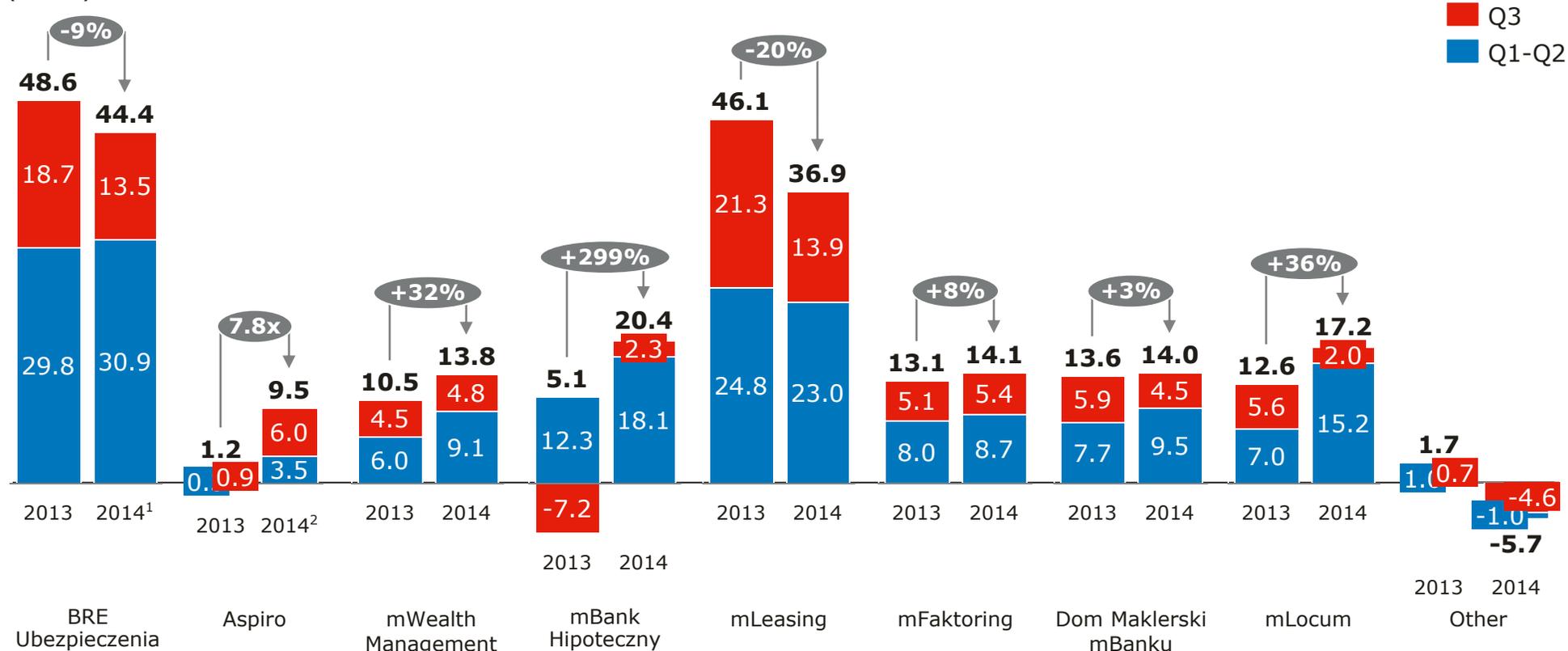
Detailed Results of the mBank Group's companies in Q3/14

Subsidiaries

Appendix

mBank Group's Subsidiaries Summary of Q3/14: Financial Results of Major Companies

Profit before Tax of Consolidated Subsidiaries
(PLN M)



Profit before tax of consolidated subsidiaries at PLN 47.7 M in Q3/14 v. PLN 55.7 M in Q3/13 (-14.3%)

¹ Excluding gains on the intra-group disposal of BRE Ubezpieczenia Sp.z o.o. and BRE Agent Ubezpieczeniowy Sp. z o.o. in July 2014

² Excluding intragroup dividend, including the results of BRE Ubezpieczenia Sp. z .o.o and BRE Agent Ubezpieczeniowy Sp. z o.o. starting from August 2014

Appendix

mBank Group's Subsidiaries mBank Hipoteczny (mBH)

Summary
Historical view
Profit & Loss
Balance Sheet
Business Lines
Subsidiaries

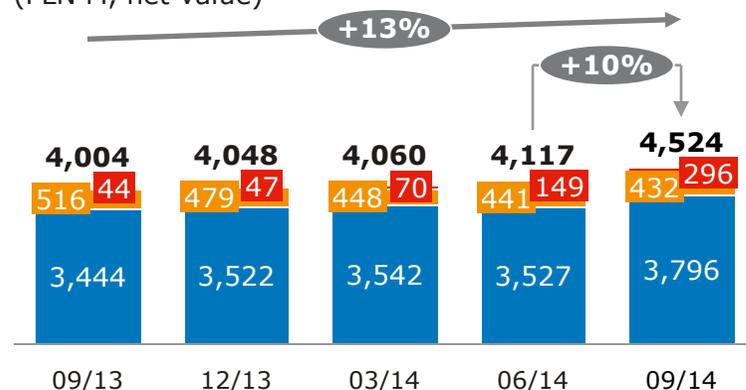
m Bank Hipoteczny

established in 1999

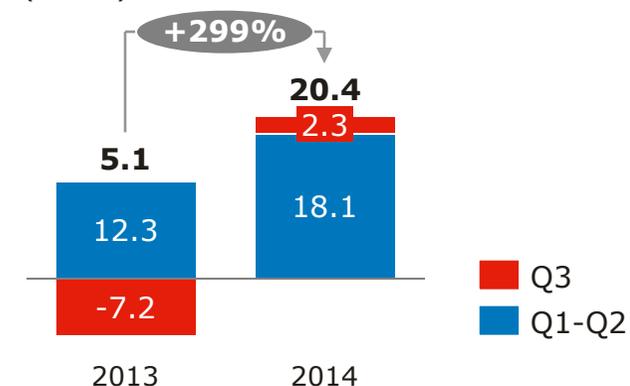
specialised mortgage bank and the largest issuer of covered bonds in the Polish market

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

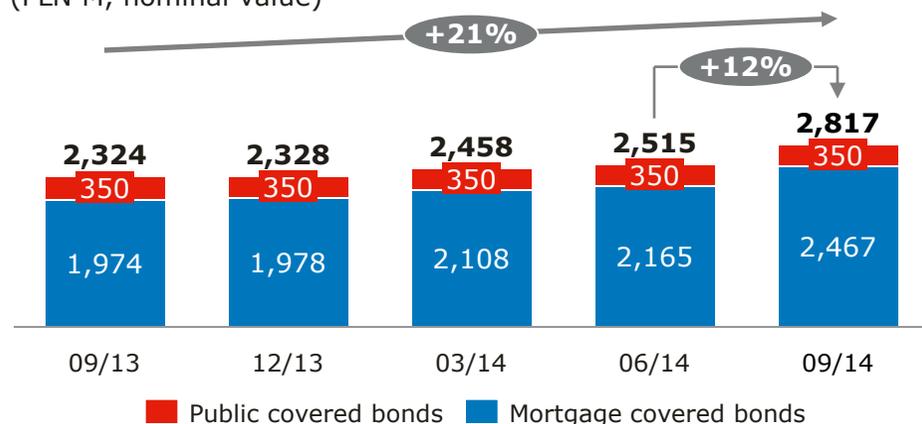
Loan Portfolio: Balance-sheet Exposure (PLN M, net value)



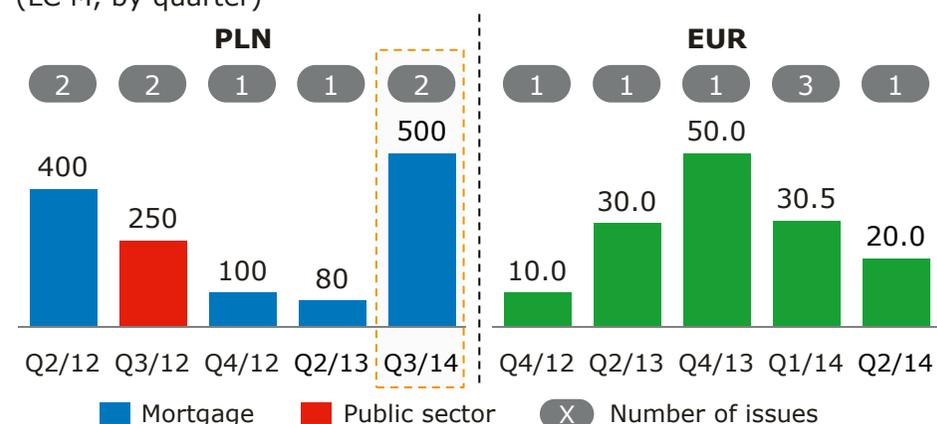
Profit before Tax (PLN M)



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



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



Appendix

mBank Group's Subsidiaries Leasing and Factoring (Poland)

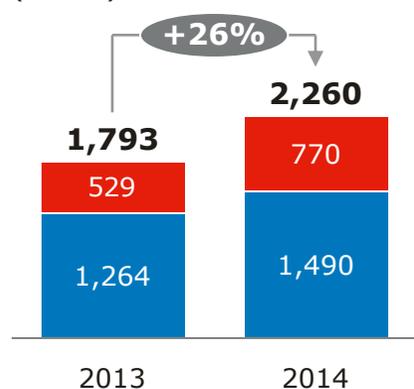
Summary
Historical view
Profit & Loss
Balance Sheet
Business Lines
Subsidiaries

m Leasing

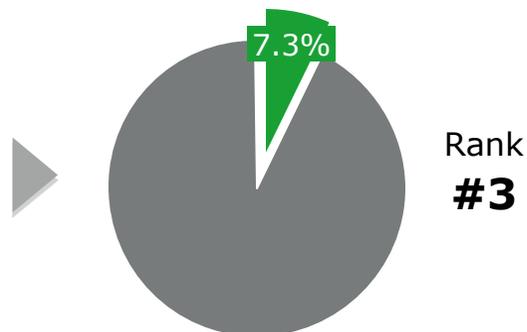
established in 1991

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

Leasing contracts (PLN M)

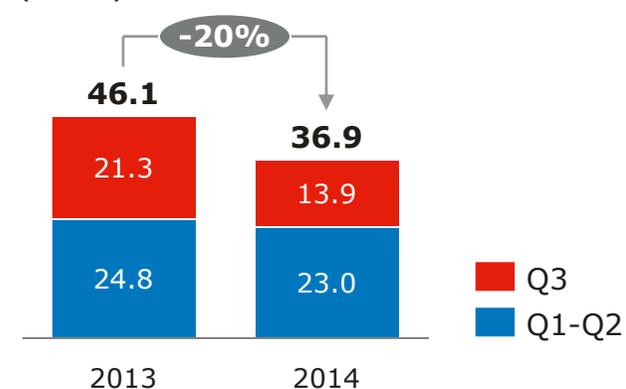


Market share & position – 9M 2014



Source: Polish Leasing Association (PLA)

Profit before Tax (PLN M)

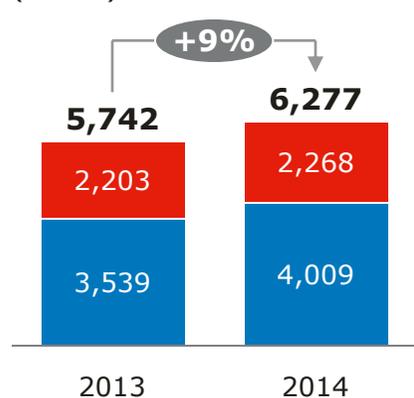


m Faktoring

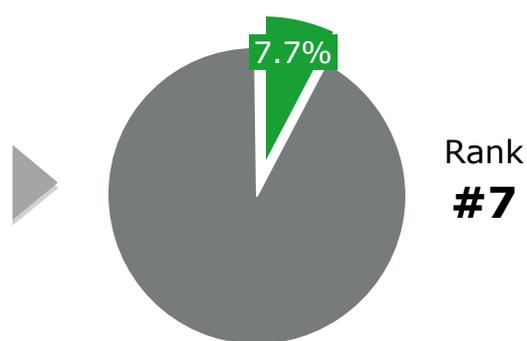
established in 1995

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

Factoring contracts (PLN M)

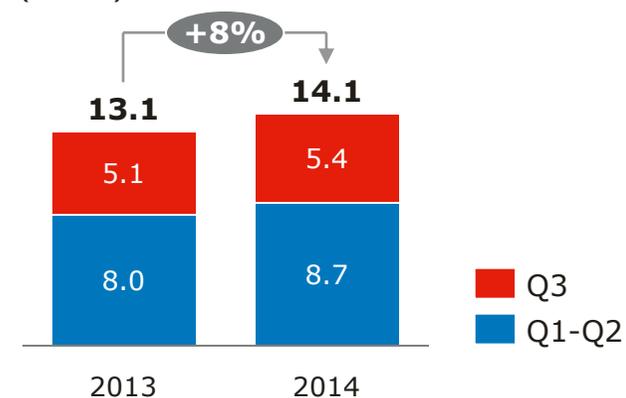


Market share & position – 9M 2014



Source: Polish Factors Association (PFA)

Profit before Tax (PLN M)



Appendix

mBank Group's Subsidiaries Dom Maklerski mBanku (mDM)

Summary
Historical view
Profit & Loss
Balance Sheet
Business Lines
Subsidiaries



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

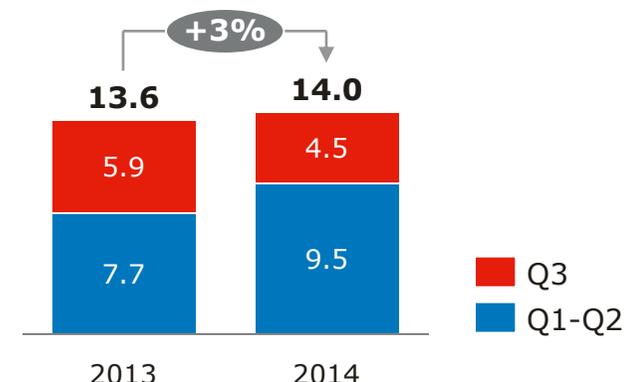
Number of Accounts in Q3/14 (thou.)	
mDM accounts	48.0
Brokerage Service in mBank	245.3
TOTAL	293.3

Market Shares in Q3/14, by volume

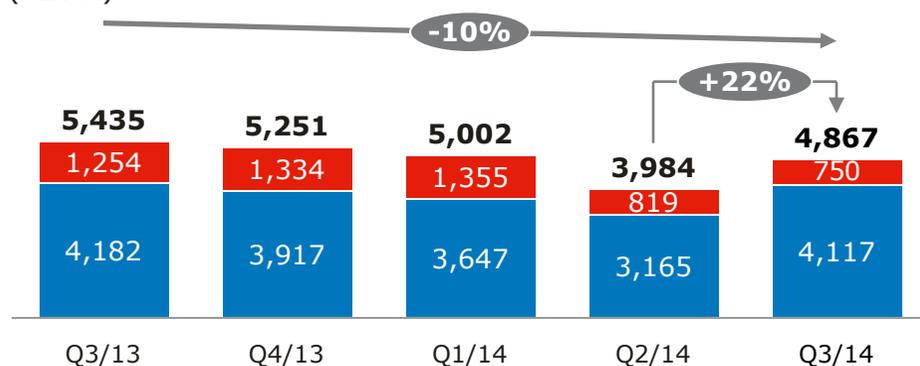
	incl. block transactions		Session transactions	
Equities	3.65%	#9	4.31%	#9
Bonds	4.09%	#5	4.06%	#5
Futures	16.32%	#2	16.16%	#2
Options	17.84%	#4	17.89%	#4

Source: own calculations based on WSE data

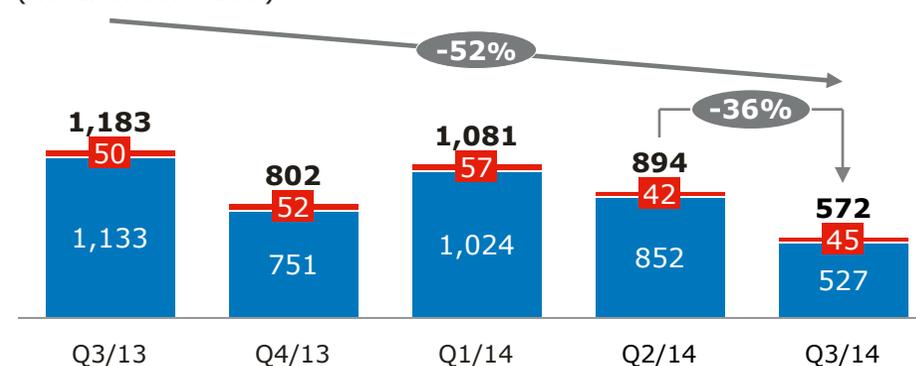
Profit before Tax (PLN M)



mDM Equities Trading WSE (PLN M)



mDM Futures Trading WSE (thou. of contracts)

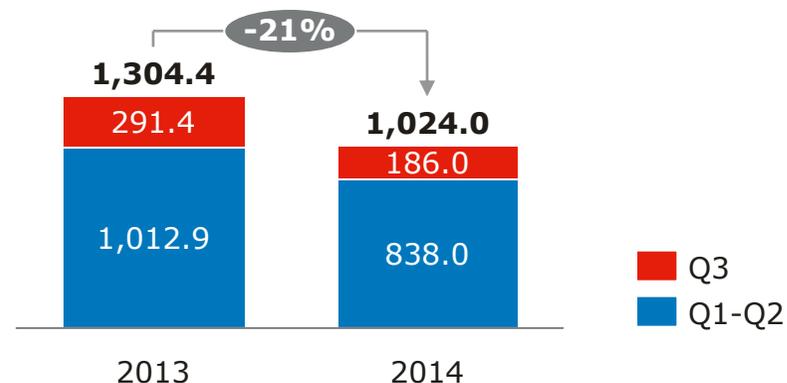


Trading via mBank's brokerage services (Red) | Direct trading via mDM (Blue)

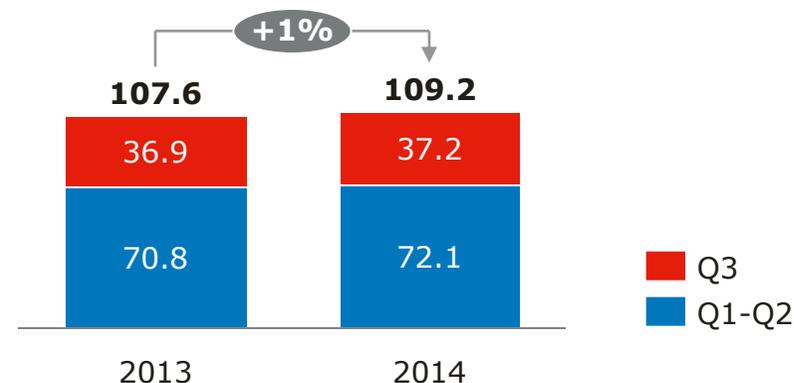
Appendix

mBank Group's Subsidiaries BRE Ubezpieczenia (BRE Insurance)

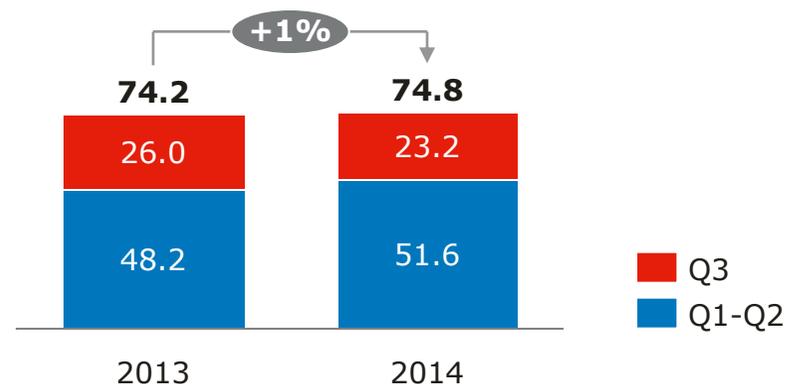
Bancassurance Retail
Gross Written Premiums (PLN M)



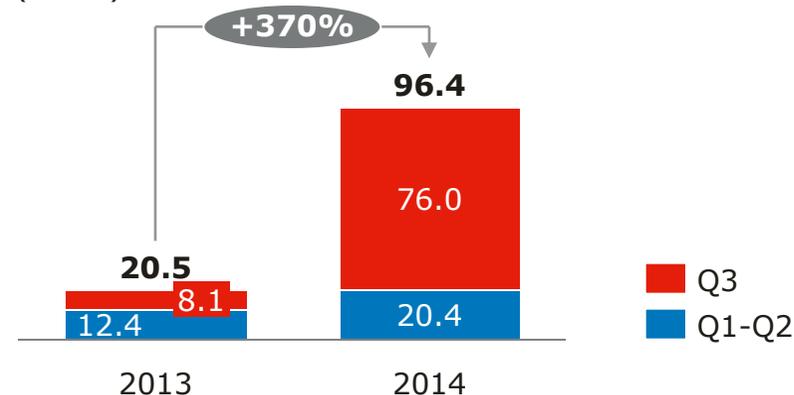
Direct Insurance (Internet platform)
Gross Written Premiums (PLN M)



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



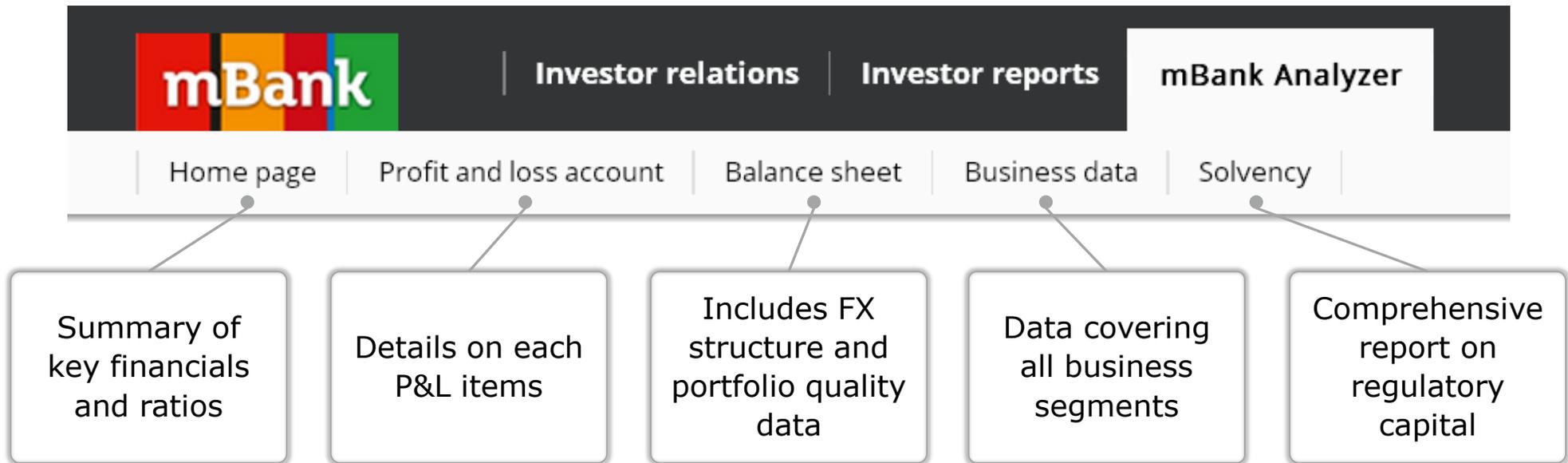
Profit before Tax of BRE Ubezpieczenia TUIR¹
(PLN M)



¹ Stand-alone gross profit of BRE Ubezpieczenia TUIR (according to its statutory financial statements, excluding BRE Ubezpieczenia Sp. z o.o. and BRE Agent Ubezpieczeniowy Sp. z o.o. deconsolidated in Q3/14)

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**

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